



**A REGULAR MEETING
OF THE WESLACO CITY COMMISSION
TUESDAY, APRIL 17, 2018**

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, April 17, 2018 at 5:30 PM for the purpose of discussing the following items:

NOTE: If during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the Weslaco City Commission will convene in such executive or closed session whether or not such item is posted as an executive session item at any time during the meeting when authorized by the provisions of the Texas Open Meetings Act.

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.

If you are discussing 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. PUBLIC HEARING

- A. To solicit input on behalf of Ice House Sports Bar & Grill LLC for a Conditional Use Permit to obtain a Mixed Beverage Permit, Mixed Beverage Late Hours Permit and Beverage Cartage Permit at 3700 E. Expressway 83 also being Lot 5 of the Replat of Red Bird Subdivision No. 2, Weslaco, Hidalgo County, Texas. (Staffed by Planning and Code Enforcement Department.)

- B. To solicit input on behalf of Reyna 5 Enterprises LLC for a Conditional Use Permit to obtain a Mixed Beverage Permit, Food and Beverage Certificate and Beverage Cartage Permit at 812 W. Interstate 2 also being Lot 2 Replat of Lot 1, Reyna Office Park, Unit 1 Subdivision, Weslaco, Hidalgo County, Texas. (Staffed by Planning and Code Enforcement Department.)

IV. CONSENT AGENDA

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discussed separately unless requested by one commission member, in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon.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

- A. Approval of the Minutes of the following:
 - 1) Regular Meeting on April 3, 2018;
 - 2) Record of Workshop meeting on April 3, 2018. (Staffed by City Secretary's Office.) Attachment.
- B. Approval of a Mid Valley Airport Ground Lease Agreement with Tenant Nelson Clopine for Hangar W-31 and authorize the Mayor to execute any related documents. (Staffed by Airport.) Attachment
- C. Approval of a Mid Valley Airport Ground Lease Agreement with Tenant Scott Fuller for Hangar W-21A and authorize the Mayor to execute any related documents. (Staffed by Airport.) Attachment
- D. Authorization to hold the July 4th celebration with Weslaco Economic Development Corporation on Wednesday, July 4, 2018 at the Mayor Pablo G. Peña City Park at 300 N. Airport Drive, to sell beer during the event from 12 noon to 11 p.m., to waive appropriate ordinances associated with the event, and to place a banner promoting it at the intersection of Texas and Pike Boulevards and/or Westgate Drive and Frontage and authorize the Mayor to execute any related documents as may be required by the Texas Department of Transportation. (Staffed by Parks and Recreation Department.)
- E. Acceptance as a permanent recipient of a CERT/MRC training trailer awarded June 20, 2017 from the State of Texas Citizen Corps program to the City of Weslaco Fire Department CERT/MRC community program. (Staffed by Fire Department.) Attachment
- F. Authorization to submit an application to the Bulletproof Vest Partnership (BVP) Grant and authorize the Mayor to execute any related documents. (Staffed by Police Department.) Attachment

- G. Approval of request by Elks Lodge #2057 to close Gibson Park early for their 21st Annual McCaleb Charity Shrimp Boil on May 18th, 2018 to accommodate parking beginning at 6 p.m. (Requested by Paul McDaniel, Chairman, Weslaco Elks Lodge #2057.) Attachment
- H. Authorization of an expenditure in an amount not to exceed \$1,100.00 from the Preservation Fund for the purchase of death record binders, birth record binders, secure life ledger paper, and other supplies for the permanent retention of vital records as prescribed by the Texas Health & Safety Code §191.0045 (h). (Staffed by City Secretary's Office.) Attachment
- I. Authorization to bid and purchase a 2018 F-350 Ambulance at a cost of \$150,000.00 with awarded funding from Emergency Services District #1 through HGAC contract #AM10-16 and authorize the Mayor to executed any related documents. (Staffed by the Fire Department.) Attachment

V. OLD BUSINESS

- A. Discussion and consideration to approve the City of Weslaco's Comprehensive Annual Financial Report for fiscal year ending September 30, 2017 as presented by Carr, Riggs & Ingram, LLC. Possible action. (There was no action on April 3, 2018; requested by Carr, Riggs & Ingram, LLC; Staffed by Finance Department.) Attachment
- B. Discussion and consideration to approve Change Order No. 001 with Noble Texas Builders on the University of Texas Rio Grande Valley Center for Innovation and Commercialization project to decrease the project sum by \$96,956.00 per value engineering items and authorize the Mayor to execute any related documents. Possible action. (There was no action on this item March 20 and April 3, 2018; Requested by Economic Development Corporation.) Attachment

VI. NEW BUSINESS

- A. Discussion and consideration after public hearing on behalf of Ice House Sports Bar & Grill to approve a Conditional Use Permit to obtain a Mixed Beverage Permit, Mixed Beverage Late Hours Permit and Beverage Cartage Permit at 3700 E. Expressway 83 also being Lot 5 of the Replat of Red Bird Subdivision No. 2, Weslaco, Hidalgo County, Texas. Possible action. (Staffed by the Planning and Code Enforcement Department.) Attachment

- B. Discussion and consideration after public hearing on behalf of Reyna 5 Enterprises LLC for a Conditional Use Permit to obtain a Mixed Beverage Permit, Food and Beverage Certificate and Beverage Cartage Permit at 812 W. Interstate 2 also being Lot 2 Replat of Lot 1, Reyna Office Park, Unit 1 Subdivision, Weslaco, Hidalgo County, Texas. Possible action. (Staffed by Planning and Code Enforcement Department.) Attachment
- C. Discussion and consideration to adopt Ordinance 2018-09 amending ordinance 2017-10 The City of Weslaco International Energy Conservation Code creating a sampling protocol for multiple dwelling units for Building Thermal Envelope Test and Duct Leakage Test and authorize the Mayor to execute any related documents. First Reading of Ordinance 2018-09. Possible action. (Staffed by Planning and Code Enforcement.) Attachment
- D. Discussion and consideration to adopt Ordinance 2018-12 amending Ordinance 2017-10 The City of Weslaco International Energy Conservation Code regarding Commissioning. First Reading of Ordinance 2018-12. Possible action. (Staffed by Planning & Code Enforcement.) Attachment
- E. Discussion and consideration to approve Change Order No. 1 for the Repairs of the Villa de Cortez Parking Garage Project in an amount not to exceed \$11,887.00 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning and Code Enforcement Department.) Attachment
- F. Discussion and consideration on Resolution 2017-84 to terminate the Multiple Use Agreement with the Texas Department of Transportation for inactive approved bus stop locations along their right-of-way on U.S. Business Highway 83 and Texas Boulevard. Possible action. (There was no action on December 19, 2017; Staffed by Planning and Code Enforcement.) Attachment
- G. Discussion for establishing the Board of Adjustments to the Building Code and Zoning Ordinance (merging Board of Adjustments to the Construction and Housing Code and Board of Adjustment to the Zoning). (Staffed by Planning and Code Enforcement Department.)
- H. Discussion and consideration to approve the North Fire Station layout and finalize plan. Possible action. (Staffed by City Manager's Office). Attachment
- I. Discussion and consideration to approve Resolution 2018-33 finding that AEP Texas Central Company's application for a distribution cost recovery factor to increase distribution rates within the city should be denied; finding that the city's reasonable rate case expenses shall be reimbursed by the company; and authorize the Mayor to execute any related documents. Possible action. (Staffed by City Manager's Office.) Attachment

- J. Discussion and consideration to approve Resolution 2018-34 opposing inclusion of a citizenship question in the 2020 Census and authorize the Mayor to execute any related documents. Possible action. (Staffed by City Manager's Office.) Attachment
- K. Discussion and consideration to purchase an administrative truck for the Weslaco Police Department Chief utilizing a Buyboard contract #521-16 Silsbee Ford in the amount not to exceed \$33,145.00 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Finance 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 §551.074 of the Texas Government Code.
- B. Pending Litigation - Consultation with City Attorney regarding Cause No. C-1301-18-F *Jimmie E. Steidinger, John Paul Blakely, and Roy Dale Kincaid, Plaintiffs, v. City of Weslaco and Andrew Munoz, Defendants* as authorized by §551.071 of the Texas Government Code.
- C. Legal Consultation - Seek City Attorney opinion relating to the mediation with CDM as authorized by §551.071 of the Texas Government Code.

- D. Legal Consultation - Seek City Attorney opinion relating to the demand letter from Noble Texas as authorized by §551.071 of the Texas Government Code.
- E. Economic Development – Consultation with City Attorney regarding Economic Development incentive programs related to Project Academy as authorized by §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 13th day of April, 2017 at 4:15 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/ Elizabeth M. Walker, City Secretary

NOTE: If any accommodation for a disability is required, please notify the City Secretary's Office at (956) 968-3181, Ext. 3100 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: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1637	
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):			
Elizabeth Walker		Created/Initiated	
Elizabeth Walker		Approved	
Mike Perez		Final Approval	
City Manager Comments: Approved.			
Staff Recommendation: A. Mayor will Call to Order and certify Public Notice. B. Pastor David McCann, First Presbyterian 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 updated 2017 election			
Responsibilities upon Approval:			

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Gerardo "Jerry" Tafolla, Mayor Pro-Tem, District 4
Leo Muñoz, Commissioner, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
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: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1652
From:		
Subject: To solicit input on behalf of Ice House Sports Bar & Grill LLC for a Conditional Use Permit to obtain a Mixed Beverage Permit, Mixed Beverage Late Hours Permit and Beverage Cartage Permit at 3700 E. Expressway 83 also being Lot 5 of the Replat of Red Bird Subdivision No. 2, Weslaco, Hidalgo County, Texas. (Staffed by Planning and Code Enforcement Department.)		
Background: The applicant is requesting to obtain a Conditional Use Permit to obtain a Mixed Beverage Permit, Mixed Beverage Late Hours Permit and Beverage Cartage Permit. Eight (8) property owners within 200 feet of the applicant's property were notified by letter on March 23, 2018.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature Public Hearing		
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: Notice of the application and the public hearing for the Planning and Zoning Commission and the City Commission appeared in The Monitor on March 19, 2018.		
Advisory Review, if any (name of board/committee, date of action, recommendation): Planning and Zoning recommended approval on April 4, 2018.		
Minda Hernandez Mardoqueo Hinojosa Mike Perez	Created/Initiated Approved Final Approval	
City Manager Comments: Approve solicitation of public comments.		
Staff Recommendation: Staff recommends approval of the Conditional Use Permit.		
Attachments, if any:		
Responsibilities upon Approval: Staff will notify applicant.		



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1653	
From: Mardoqueo Hinojosa			
Subject: To solicit input on behalf of Reyna 5 Enterprises LLC for a Conditional Use Permit to obtain a Mixed Beverage Permit, Food and Beverage Certificate and Beverage Cartage Permit at 812 W. Interstate 2 also being Lot 2 Replat of Lot 1, Reyna Office Park, Unit 1 Subdivision, Weslaco, Hidalgo County, Texas. (Staffed by Planning and Code Enforcement Department.)			
Background: The applicant is requesting to obtain a Conditional Use Permit to obtain a Mixed Beverage Permit, Food and Beverage Certificate and Beverage Cartage Permit. Four (4) property owners within 200 feet of the applicants property were notified by letter on March 23, 2018.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature Public Hearing			
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: Notice of the application and the public hearing for the Planning and Zoning Commission and the City Commission appeared in The Monitor on March 21, 2018			
Advisory Review, if any (name of board/committee, date of action, recommendation): Planning and Zoning recommended approval on April 4, 2018.			
Minda Hernandez		Created/Initiated	
Mardoqueo Hinojosa		Approved	
Mike Perez		Final Approval	
City Manager Comments: Approve solicitation of public comments.			
Staff Recommendation: Staff recommends approval of the Conditional Use Permit.			
Attachments, if any:			
Responsibilities upon Approval: Staff will notify applicant.			



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1642
From:		
Subject: Approval of the Minutes of the following: 1) Regular Meeting on April 3, 2018; 2) Record of Workshop meeting on April 3, 2018. (Staffed by City Secretary's Office.) Attachment.		
Background: Record of commission action of regular meeting and workshop meeting on April 3, 2018.		
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):		
Elizabeth Walker	Created/Initiated	
Elizabeth Walker	Approved	
Mike Perez	Final Approval	
City Manager Comments: Approved.		
Staff Recommendation: Approve.		
Attachments, if any: 18-04-03 minutes, 18-04-03 record of workshop		
Responsibilities upon Approval: Execute and retain.		



**A REGULAR MEETING
OF THE WESLACO CITY COMMISSION
TUESDAY, APRIL 3, 2018**

On Tuesday, April 3, 2018, at 5:32 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 members present:

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

Also present: Mary Barrera, Finance Director; Veronica Ramirez, Human Resources Director; Rogelio Martinez, Interim Information Technology Director; Tony Lopez, Fire Chief; Joel Rivera, Police Chief; Mardoqueo Hinojosa, Planning and Code Enforcement Director and City Engineer; David Arce, Parks and Recreation Director; Andrew Munoz, Airport Director; Martin Mata, Assistant Library Director; Rosa Huerta, Municipal Court Coordinator; and other staff members and citizens.

I. CALL TO ORDER

A. Certification of Public Notice.

The Mayor called the meeting to order and certified the public notice of the meeting as properly posted Friday, March 29, 2018.

B. Invocation.

Pastor Thomas Murray, Grace Episcopal Church, led the invocation.

C. Pledge of Allegiance.

The Mayor led the Pledge of Allegiance and Texas Flag.

D. Mayoral Recognition.

The Mayor recognized and proclaimed April 7, 2018 as Celebrate the Arts Day.

E. Roll Call.

Elizabeth Walker, City Secretary, called the roll; a quorum was present.

II. INSTALLATION OF CITY MARSHAL/CHIEF OF POLICE

District Attorney Ricardo Rodriguez administered the oath of office to newly appointed Chief of Police Joel Rivera. Chief Rivera wished to reaffirm/renew his contract to the community and thanked everyone. The Mayor announce a recess until 6:06 p.m. for a reception.

III. PUBLIC COMMENTS

Renee Dyer and Dr. Raul Cantu thanked the Mayor and Commission for paving improvements done at Weslaco East High School during the spring break period.

IV. PUBLIC HEARING

Mayor Pro Tem Tafolla, seconded by Commissioner Lopez, moved to open the public hearing at 6:08 p.m. The motion carried unanimously; Mayor Suarez was present and voting.

A. To solicit input on behalf of Reyna 5 Enterprises, LLC requesting a Conditional Use Permit to obtain a Wine and Beer Retailers On-Premise Permit at 812 W. Interstate 2 also being Lot 2 Replat of Lot 1, Reyna Office Park, Unit 1 Subdivision, Weslaco, Hidalgo County, Texas.

There were no comments received.

Commissioner Kerr, seconded by Mayor Pro Tem Tafolla, moved to close the public hearing at 6:09 p.m. The motion carried unanimously; Mayor Suarez was present and voting.

V. CONSENT AGENDA

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

A. Approval of the Minutes of the Regular Meeting on March 20, 2018. (Staffed by City Secretary's Office.)

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

1) Ordinance 2018-10 on second and final reading approving a negotiated resolution between the City and Texas Gas Service regarding the company's Cost of Service Adjustment tariff filing; adopting a savings clause; determining that this ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; declaring an effective date; repealing any prior ordinances inconsistent with this ordinance; and requiring delivery of this ordinance to the company and the City's legal counsel. (First Reading held March 20, 2018; Staffed by Finance Department.)

2) Ordinance 2018-11 amending the Master Fee Schedule to reflect fees associated with Library Hotspot loan and authorize the Mayor to execute any related documents. (First Reading held March 20, 2018; Staffed by the Library Department.)

C. Approval of the renewal of the Summer Seamless Food Program established through the Texas Department of Agriculture accepting meals at no charge from Weslaco Independent School District Food Services Department for distribution to school age children within the 2018 Summer Reading Program and authorize the Mayor to execute any related documents. (Staffed by Library.)

D. Acceptance of the Family Place Libraries Grant and authorize the Mayor to execute the contract with Texas State Library and Archives Commission and any related documents. (Staffed by Library Department.)

E. Authorization of solicitation of sealed bids for a 2010 or newer Landscaping Dump Truck, authorize a budget amendment as needed and authorize the Mayor to execute any related documents. (Staffed by Public Works Department.)

F. Authorization of solicitation of sealed bids for a 2011 or newer Bucket Truck, authorize a budget amendment as needed and authorize the Mayor to execute any related documents. (Staffed by Public Works Department.)

G. Authorization of solicitation of sealed bids for a 2008 or newer 9-11 Ton Pneumatic Tire Compactor, authorize a budget amendment as needed and authorize the Mayor to execute any related documents. (Staffed by Public Works Department.)

H. Approval of a request by the Experimental Aircraft Association (EAA), Chapter 595, to host "Fly on the Ford" event at the Mid Valley Airport from April 12 - 15, 2018, and authorize the Mayor to execute any related documents. (Staffed by Airport.)

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

For the record, the ordinances are as follows:

ORDINANCE NO. 2018-10

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WESLACO, TEXAS, ("CITY") APPROVING A NEGOTIATED RESOLUTION BETWEEN CITY AND TEXAS GAS SERVICE ("TGS" OR "THE COMPANY") REGARDING THE COMPANY'S COST OF SERVICE ADJUSTMENT ("COSA") TARIFF FILING; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; REPEALING ANY PRIOR ORDINANCES INCONSISTENT WITH THIS ORDINANCE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE CITY'S LEGAL COUNSEL.

WHEREAS, the City of Weslaco, Texas (“City”) is a gas utility customer of Texas Gas Service (“TGS” or “the Company”), and a regulatory authority with an interest in the rates and charges of TGS; and

WHEREAS, the City and other municipalities within the Rio Grande Valley Service Area (“RGVSA”) and TGS worked collaboratively to develop the Cost of Service Adjustment (“COSA”) Tariff which allows for an expedited comprehensive rate review process for three years; and

WHEREAS, the COSA Tariff contemplates reimbursement of the City’s reasonable expenses associated with COSA applications; and

WHEREAS, on or about March 12, 2018, TGS filed with the City a COSA Tariff which would permit the TGS to implement annual rate changes to the Company’s RGVSA expenses, revenues, and plant investment beginning in August 2018, without the need for filing a formal Statement of Intent to Increase Rates; and

WHEREAS, the City coordinated a review of the Company’s COSA Tariff and designated attorneys and consultants to resolve issues in the Company’s COSA Tariff; and

WHEREAS, the City’s attorneys and consultant recommend that the City approve the COSA Tariff which is attached; and

WHEREAS, the negotiated resolution of the Company’s COSA Tariff filing is in the public interest.

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

Section 1. That the City Council finds that the Cost of Service Adjustment Tariff is reasonable and the new tariff attached to this Ordinance is just and reasonable and is hereby adopted.

Section 2. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 3. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 4. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 5. That tariff attached to this Ordinance is effective as of April 16, 2018.

Section 6. That a copy of this Ordinance shall be sent to TGS, care of Stephanie Houle, Managing Director, at 1301 S. Mopac Expressway, Suite 400, Austin, Texas 78746, and to Thomas Brocato, General Counsel to the City, at Lloyd Gosselink Rochelle & Townsend, P.C., 801 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED on first reading this 20th day of March 2018.

PASSED AND APPROVED on second and final reading this 3rd day of April 2018.

ORDINANCE 2018-11

AN ORDINANCE AMENDING ORDINANCE 2013-07, THE MASTER FEE SCHEDULE, TO REVISE EXISTING FEES AND ESTABLISH NEW FEES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE, 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 1. APPROVAL. Ordinance 2013-07 passed and approved on July 2, 2013 as “The Master Fee Schedule Ordinance” and Codified as Section 2-190 of The Weslaco Code of Ordinances is hereby amended so that after final reading it shall read as follows:

ARTICLE VI. MASTER FEE SCHEDULE

Section 2-190. Scheduled established.

The fee schedule attached as an Exhibit to this Ordinance is hereby adopted as if fully forth herein. The City Commission may hereafter amend or replace this fee schedule at anytime.

SECTION 2. All other provisions of Ordinance 2013-07 shall remain in full force and effect.

SECTION 3. 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 20th day of March 2018.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 3rd day of April 2018.

CITY OF WESLACO
/s/David Suarez, MAYOR

ATTEST:
/s/Elizabeth M. Walker, CITY SECRETARY

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

VI. OLD BUSINESS

A. Discussion and consideration to amend Republic Services agreement to allow for additional charges for overfilling of commercial trash dumpsters in the amount of \$37.50 per yard and authorize the Mayor to execute any related documents. Possible action. (This item was tabled on March 6, 2018; Staffed by City Manager.)

Mayor Pro Tem Tafolla, seconded by Commissioner Muñoz, moved to remove the item from the table. The motion carried unanimously; Mayor Suarez was present and voting.

Mike Perez, City Manager, recommended no action on this and the subsequent item. Joe Pedraza stated, if acceptable to the Commission, Republic Services will give a first and second written notice to violators; the City will issue a third warning. Should violations continue, the City will issue a work order for a bigger container or more frequent pick-ups, whichever is more appropriate. An ordinance already in place allows the Health Official the authority to do this.

There was no action on this item and subsequent item B.

B. Discussion and consideration to approve Ordinance 2018-06 amending the Master Fee Schedule to reflect the overfill charges and authorize the Mayor to execute any related documents. First Reading of Ordinance 2018-06. Possible action. (This item was tabled on March 6, 2018; Staffed by Finance Department.)

There was no action on this item.

C. Discussion and consideration to approve Change Order No. 001 with Noble Texas Builders on the University of Texas Rio Grande Valley Center for Innovation and Commercialization project to decrease the project sum by \$96,956.00 per value engineering items and authorize the Mayor to execute any related documents. Possible action. (There was no action on this item March 20, 2018; Requested by Economic Development Corporation.)

Commissioner Kerr abstained from vote and discussion.

Commissioner Lopez, seconded by Commissioner Muñoz, moved to discuss.

In response to the City Manager who asked if the contractor can reduce overhead profit, Chris Sias, Architect with Megamorphosis, stated under contract Article 7.3.8 the amount of credit from contractor to owner is actual net contract decrease. The Mayor stated this arrangement is not fair to the City; Mr. Sias stated this is a standard term in an AIA contract.

Juan E. Gonzalez, City Attorney, stated the contract can be amended based on mutual consent as outlined in Article 9. Mayor Pro Tem Tafolla requested Mr. Sias to ask contractor if willing to agree. Commissioner Muñoz noted sales tax was not supposed to be accrued; Mr. Sias stated he asked the contractor to reduce sales tax line item because it is not an itemized cost.

Mayor stated there is no action.

VII. NEW BUSINESS

A. Discussion and consideration after public hearing on behalf of Reyna 5 Enterprises, LLC to approve a Conditional Use Permit to obtain a Wine and Beer Retailers On- Premise Permit at 812 W. Interstate 2 also being Lot 2 Replat of Lot 1, Reyna Office Park, Unit 1 Subdivision, Weslaco, Hidalgo County, Texas. Possible action. (Staffed by Planning and Code Enforcement.)

Mardoqueo Hinojosa, City Engineer/Director of Planning and Code Enforcement, stated four property owners were notified with no objection received. The Planning and Zoning Commission and staff recommend approval noting the conditional use permit will be on the next Commission meeting for a mixed beverage permit.

Commissioner Pedraza, seconded by Commissioner Kerr, moved to approve a Conditional Use Permit to obtain a Wine and Beer Retailers On-Premise Permit at 812 W. Interstate 2 as presented. The motion carried unanimously; Mayor Suarez was present and voting.

B. Discussion and consideration to approve the Final Plat for Thompson Subdivision, being a 2.233 acres out of Farm Tract 757, Block 140, West Tract Subdivision, Weslaco, Hidalgo County,

Texas located on Mile 5 N. Road East of Mile 4 ½ West Road. Possible action. (Staffed by Planning and Code Enforcement.)

Mardoqueo Hinojosa stated this is a one lot subdivision outside City limits, serviced with water by City and sewer service through off-site sanitary. Developer is requesting a variance for a septic tank. Staff and the Planning and Zoning Commission recommend approval.

Mayor Pro Tem Tafolla, seconded by Commissioner Kerr, moved to approve Final Plat for Thompson Subdivision, with variance, being 2.233 acres out of Farm Tract 757, Block 140, West Tract Subdivision, Weslaco, Hidalgo County, Texas located on Mile 5 N. Road East of Mile 4 ½ West Road as presented. The motion carried unanimously; Mayor Suarez was present and voting.

C. Discussion and consideration to approve the Final Plat for Saltillo Plaza Subdivision, being a 0.95 acre tract out of the West 10 acres of the South 20 acres of Farm Tract 31, West and Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located approximately 300 feet West of N. Bridge Avenue on the South side of Dolores Huerta Avenue. Possible action. (Staffed by Planning and Code Enforcement.)

Mardoqueo Hinojosa stated subdivision is less than one acre inside City limits, serviced with water and sewer by City. There was no objection received and will need to be rezoned prior to development. The Planning and Zoning Commission and staff recommend approval.

Mayor Pro Tem Tafolla, seconded by Commissioner Muñoz, moved to approve the Final Plat for Saltillo Plaza Subdivision, being a 0.95 acre tract out of the West 10 acres of the South 20 acres of Farm Tract 31, West and Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located approximately 300 feet West of N. Bridge Avenue on the South side of Dolores Huerta Avenue as presented. The motion carried unanimously; Mayor Suarez was present and voting.

D. Discussion and consideration to approve the Final Plat for Calvary Church Subdivision, being a 6.142 acre of land out of Farm Tract 1098 and 1025 Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located approximately 850 feet east of the intersection of FM 1015 and W. Business 83. Possible action. (Staffed by Planning and Code Enforcement.)

Mardoqueo Hinojosa stated this is a one lot subdivision, serviced by City water and sewer. The Planning and Zoning Commission and staff recommend approval.

Mayor Pro Tem Tafolla, seconded by Commissioner Lopez, moved to approve the Final Plat for Calvary Church Subdivision, being a 6.142 acre of land out of Farm Tract 1098 and 1025 Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located approximately 850 feet east of the intersection of FM 1015 and W. Business 83 as presented. The motion carried unanimously; Mayor Suarez was present and voting.

E. Discussion and consideration to approve the Final Plat for Valley Baptist Micro Hospital, being a 16.596 acre of Farm Tract 133, West and Adams Tracts Subdivision and out of Lots 85-90, Block 17; Lots 51-80, Block 16; Lots 37-38, Block 15; Lots 23-30, Block 14; Lots 16-24, Block 13 James M. Black Subdivision & Lots 83-87, Narcissus Black Subdivision, Weslaco, Hidalgo

County, Texas located 320' west of the intersection of IH-2 Frontage and N. Border Avenue. Possible action. (Staffed by Planning and Code Enforcement.)

Mardoqueo Hinojosa stated this is a proposed two lot subdivision, serviced by City water and sewer. The City is requesting right-of-way on the West side of the lot to create an access road named Dragonfly Lane, running North and South connecting frontage to Pike. The Planning and Zoning Commission and staff recommend approval.

Mayor Pro Tem Tafolla, seconded by Commissioner Rodriguez, moved to approve the Final Plat for Valley Baptist Micro Hospital, being a 16.596 acre of Farm Tract 133, West and Adams Tracts Subdivision and out of Lots 85-90, Block 17; Lots 51-80, Block 16; Lots 37-38, Block 15; Lots 23-30, Block 14; Lots 16-24, Block 13 James M. Black Subdivision & Lots 83-87, Narcissus Black Subdivision, Weslaco, Hidalgo County, Texas located 320' west of the intersection of IH-2 Frontage and N. Border Avenue. The motion carried unanimously; Mayor Suarez was present and voting.

G. Discussion and consideration to approve the City of Weslaco's Comprehensive Annual Financial Report for fiscal year ending September 30, 2017 as presented by Carr, Riggs & Ingram, LLC. Possible action. (Requested by Carr, Riggs & Ingram, LLC; Staffed by Finance Department.)

Mayor Pro Tem Tafolla, seconded by Commissioner Rodriguez, moved to approve.

Mary Barrera, Finance Director, requested no action until the April 17 regular meeting.

Mayor Pro Tem Tafolla rescinded his motion. There was no action on this item.

H. Discussion and consideration to declare water meters, parts and miscellaneous accessories as surplus and to negotiate sales of surplus items to appropriate entities for best value and authorize City Manager to execute any related documents. Possible action. (Staffed by Finance Department.)

Mary Barrera stated the water meter replacement program is in its third week. She requests authorization to negotiate the sale of the discontinued meters as surplus scrap or to other entities that can use them.

Commissioner Pedraza, seconded by Commissioner Rodriguez, moved to approve and declare water meters, parts and miscellaneous accessories as surplus and to negotiate sales of surplus items to appropriate entities for best value as presented. The motion carried unanimously; Mayor Suarez was present and voting.

I. Discussion and consideration to award the rehabilitation of various City manholes to Southern Trenchless Solutions, Buyboard vendor contract no. 555-18, in the amount not to exceed \$98,400.00, and to authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works.)

Pete Garcia, Public Works Director, stated thirty-three manholes are in hazardous condition. The City Manager recommended awarding Southern Trenchless Solutions through Buyboard.

In response to Commissioner Rodriguez, the City Manager stated Sulphuric acid causes corrosion as well as age are compounding deterioration. Fifty-seven manholes were identified and prioritized last year; some replacements have been done. There is \$100,000 budgeted this year and hope to do another thirty-three-next year. The life expectancy for a manhole is twenty years.

Mayor Pro Tem Tafolla, seconded by Commissioner Kerr, moved to approve and award Southern Trenchless Solutions Buyboard vendor contract no. 555-18 for the rehabilitation of various City manhole in the amount not to exceed \$98,400.00 as presented. The motion carried unanimously; Mayor Suarez was present and voting.

J. Discussion and consideration to approve the amended Interlocal Governmental Agreement - Ambulance Service for the period October 1, 2017 - September 30, 2022 with Hidalgo County Emergency Services District No. 1 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Fire Department.)

Antonio Lopez, Fire Chief, stated effective October 1, 2017 the City is receiving is \$125,000 from Hidalgo County Emergency Services District No. 1. The amended agreement proposes reimbursement of \$155,000 toward the purchase of new ambulance over a five-year period. This would have an additional \$30,000 revenue more per year through 2022. Staff recommends approval.

Commissioner Ker,r seconded by Commissioner Pedraza, moved to approve the amended Interlocal Governmental Agreement - Ambulance Service for the period October 1, 2017 - September 30, 2022 with Hidalgo County Emergency Services District No. 1 as presented. The motion carried unanimously; Mayor Suarez was present and voting.

K. Discussion and consideration to award the rehabilitation of Harlon Block Park Sports Complex Field #4 to Teni-Trak Inc, Buyboard vendor contract no. 476-15, in the amount not to exceed \$60,000.00, and to authorize the Mayor to execute all related documents. Possible action. (Staffed by Parks and Recreation Department.)

David Arce, Parks Director, reported this rehabilitation would include moving the playing field back 35 feet, adding truckloads of infield mix, covering fence to fence around the back stop, and removing the fall line. Additionally, laser grading will assist draining the field and hydro seeding will help the outfield. He stated next year Weslaco Independent School District may participate with the cost of one more field and the City should budget for the remaining field. Staff recommended approval.

Mayor Pro Tem Tafolla, seconded by Commissioner Pedraza, moved to approve and award the rehabilitation of Harlon Block Park Sports Complex Field #4 to Teni-Trak Inc, Buyboard vendor contract no. 476-15, in the amount not to exceed \$60,000.00 as presented. The motion carried unanimously; Mayor Suarez was present and voting.

L. Discussion and consideration to approve Change Order #1 authorizing a time extension on the Isaac Rodriguez Restroom Construction project. Possible action. (Staffed by Parks and Recreation Department.)

David Arce stated Wallstreet Construction is requesting a change order for a time extension of 2 ½ weeks as a result of delayed shipment of the metal framing; this affects the construction of the restroom not the splash pad. Staff recommends approval of a two-week time extension with no change in contract cost.

Commissioner Rodriguez, seconded by Commissioner Lopez, moved to approve Change Order #1 authorizing a time extension on the Isaac Rodriguez Restroom Construction project as presented. The motion carried unanimously; Mayor Suarez was present and voting.

At 6:44 p.m. Mayor Suarez recessed the regular meeting and reconvened the workshop of April 3, 2018. At 6:57 p.m., he reconvened the regular meeting.

F. Discussion and consideration to accept and approve the Weslaco Mid Valley Airport Business Plan Phase II and supporting documentation and authorize the Mayor to execute any related documents. Possible action. (Staffed by Airport.)

Andrew Muñoz, Aviation Director, recommended to accept and approve as presented in the workshop the Weslaco Mid Valley Airport Business Plan Phase II.

Commissioner Kerr, seconded by Commissioner Muñoz, moved to accept and approve the Weslaco Mid Valley Airport Business Plan Phase II as presented. The motion carried unanimously; Mayor Suarez was present and voting.

VIII. REPORTS

A. Report by Siemens Technologies on Performance Contracting Agreement.

Chad Noble, Siemens Technologies, reported lighting retrofits are expected to begin in April and completed by June, pursuing any rebates available to the City. He reported on HVAC upgrades are underway; traffic signals replacements are to begin late May work in school zones when not in session; and 10,500 water meters are to be replaced, which began March 12 with nine local hires averaging 60 meters a day being replaced. He hopes to get to 100 per day; to date 808 meters have been replaced, 80% material has been ordered, poles/collectors should be installed this month, and the project on schedule.

B. Report by Weslaco Area Chamber of Commerce.

Doug Croft, Chamber CEO, thanked the City for its support of OnionFest. There was a story generated by travel writers who visited that will appear in 130+ newspapers. Lastly, the ThinkWeslaco app may be discontinued this month.

C. Report by Economic Development Corporation of Weslaco.

Marie McDermott, EDC Executive Director, reviewed progress report number two for the Center of Innovation and Commercialization Project. Additionally, the committee for the 4th of July event has begun meeting; site consultants toured three buildings in Weslaco; staff applied for federal funds through the Opportunity Zone Program recently created in the federal tax bill; staff is

working 61 leads. Mayor Suarez noted the Economic Development Board approved a funding commitment of \$100,000 every year for the next five years to assist the Northside Park project.

D. Report by Inframark.

George Quilantan, Inframark, reported on the ongoing maintenance and improvements at the lift stations. There are no problems or other incidents to report.

E. Report by Planning and Code Enforcement.

Joe Pedraza, Building Official, stated 951 permits have been issued with a total valuation of \$57 million; he also identified completed and ongoing commercial construction projects. The City Manager noted staff will investigate the cause for complaints in the new Accela program for electronic permit issuance.

F. Report by Public Works.

Pete Garcia, Public Works Director, reported the recycling trailers have been received, a bigger trailer will be stationed at the Council of Governments, and another one placed each at Harlon Block Sports Complex, Issac Rodriguez Park, Gibson Park, and the northside water plant. Crews paved Weslaco East High School entrance and installed solar powered stop sign at Bridge and 18th.

IX. EXECUTIVE SESSION

At 7:30 p.m. Mayor Pro Tem Tafolla, seconded by Commissioner Muñoz, moved to convene the regular meeting in Executive Session. The motion carried unanimously; Mayor Suarez was present and voting.

At 8:16 p.m. Mayor Suarez announced the City Commission had completed its Executive Session and reconvened the regular meeting as open to the public

X. POSSIBLE ACTION ON WHAT IS DISCUSSED IN EXECUTIVE SESSION

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

There was no action.

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

There was no action.

C. Legal Consultation - Seek City Attorney opinion relating to the demand letter from Noble Texas as authorized by §551.071 of the Texas Government Code.

Commissioner Kerr abstained from discussion and vote and stated he was not present for discussion.

Mayor Pro Tem Tafolla, seconded by Commissioner Rodriguez, moved to authorize the City Manager and City Attorney to continue negotiations with Noble Texas as discussed in executive session. The motion carried unanimously; Mayor Suarez was present and voting.

D. Legal Consultation Consultation with City Attorney on Airport Property Development as authorized by §551.071 of the Texas Government Code.

There was no action.

E. Pending Litigation - Report by City Attorney regarding all pending litigation as provided to City Auditor as authorized by §551.071 of the Texas Government Code.

There was no action.

F. Real Property - Consultation with City Attorney on the sale, exchange, lease or value of real property located at 1411 W. 18th Street, Weslaco, Texas as authorized by §551.072 of the Texas Local Government Code.

Commissioner Kerr, seconded by Commissioner Rodriguez, moved to authorize staff to solicit bids for the sale of real property located at 1411 W. 18th Street, Weslaco, Texas. The motion carried unanimously; Mayor Suarez was present and voting.

XI. ADJOURNMENT

Commissioner Pedraza, seconded by Commissioner Lopez, moved to adjourn at 8:17 p.m. The motion carried unanimously; Mayor Suarez was present and voting.

CITY OF WESLACO

MAYOR, David Suarez

ATTEST:

CITY SECRETARY, Elizabeth Walker

MAYOR PRO-TEM, Gerardo “Jerry” Tafolla

COMMISSIONER, Leo Muñoz

COMMISSIONER, Greg Kerr

COMMISSIONER, Jose “J.P.” Rodriguez

COMMISSIONER, Letty Lopez

COMMISSIONER, Josh Pedraza



**RECORD OF WORKSHOP
OF THE WESLACO CITY COMMISSION
TUESDAY, APRIL 3, 2018**

On this 3rd day of April at 5:05 p.m., the City Commission of the City of Weslaco, Texas convened in a Workshop at the Legislative Chamber Room located at 255 S. Kansas Avenue with the following members present:

Mayor	David Suarez
Mayor Pro-Tem	Gerardo “Jerry” Tafolla
Commissioner	Leo Muñoz
Commissioner	Greg Kerr
Commissioner	Jose “J.P.” Rodriguez
Commissioner	Letty Lopez
Commissioner	Josh Pedraza
City Manager	Mike R. Perez
City Secretary	Elizabeth M. Walker
City Attorney	Juan E. Gonzalez

Also present: Mardoqueo Hinojosa, Planning and Code Enforcement Director; Mary Barrera, Finance Director; Rogelio Martinez, Interim IT Director, Andrew Muñoz, Aviation Director; and other staff members and citizens.

I. CALL TO ORDER

A. Certification of Public Notice.

The Mayor Suarez called the meeting to order and certified the public notice of the meeting as properly posted Friday March 30, 3018.

B. Roll Call.

The City Secretary called the roll, noting the absence of Commissioner Rodriguez at the time of roll but his arrival by discussion.

II. NEWBUSINESS

A. Presentation from KSA Engineers on the Weslaco Mid Valley Airport Business Plan Phase II. (Staffed by Airport Department)

Andrew Muñoz, Aviation Director, stated the representatives from KSA Engineers were delayed due to inclement weather requesting tabling until the arrival of their flight.

Mayor Pro Tem Tafolla, seconded by Commissioner Muñoz, moved to table the workshop until “Reports” as identified on the agenda of the regular meeting scheduled to immediately follow. The motion carried; Mayor Suarez was present and voting.

Mayor Pro Tem Tafolla, seconded by Commissioner Muñoz, moved to recess the workshop at 5:07 p.m. The motion carried; Mayor Suarez was present and voting.

At 6:44 p.m. Mayor Suarez reconvened the workshop.

Randy Summers, Chairperson Mid Valley Airport Advisory Committee, thanked the Commission for support to airport improvements that will expand economic development opportunities.

Michael Mallody, KSA Engineers, reviewed improvements recently completed and asserted the timeliness to assess and evaluate those project impacts in consideration of the following priorities: take care of the safety of the airport; provide the services required from users; and create sustainable operating revenues. He estimated seventy on-site aircraft and 73,000 operations annually; such growth is indicative of opportunities for the airport.

His recommendations for Phase II include hanger development, apron expansion, expand/relocate terminal building, improve lighting and instrument approach, and dedicated helipad. This plan is phased to minimize impact with the majority of funding through a 90/10 cost share grant program.

Mayor Suarez thanked KSA Engineers, Andrew Muñoz and Airport Advisory Board and stated the Commission will continue to support the 2025 goal for the airport.

There was no action as this workshop was a presentation.

III. ADJOURNMENT

With no other business before the Commission, Mayor Pro Tem Tafolla, seconded by Commissioner Muñoz, moved to adjourn the workshop at 6:57 p.m. The motion carried; Mayor Suarez was present and voting.

CITY OF WESLACO

MAYOR, David Suarez

ATTEST:

CITY SECRETARY, Elizabeth Walker



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2017-1185	
From:			
Subject: Approval of a Mid Valley Airport Ground Lease Agreement with Tenant Nelson Clopine for Hangar W-31 and authorize the Mayor to execute any related documents. (Staffed by Airport.)			
Background: Over the course of the past year, the Airport Advisory Board worked with Airport Staff, KSA, TXDOT and the City Attorney's office to draft the ground lease agreement template and negotiate the ground lease rate increases. The ground lease agreement being presented is for a hangar located on the west side of the airport with a base term of five (5) years with one renewal of five (5) years at a rate of \$0.25 per square foot. A three percent (3%) CPI review is included with a cap of three (3) percent.			
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 Airport Advisory Board approved the Airport Lease rates and Lease templates at previous scheduled meetings.			
Andrew Muñoz Andrew Muñoz Mike Perez		Created/Initiated Approved Final Approval	
City Manager Comments: Approved.			
Staff Recommendation: Airport staff recommends approval.			
Attachments, if any: NELSON CLOPINE W31			
Responsibilities upon Approval:			

Lease Agreement

STATE OF TEXAS)
CITY OF WESLACO) **KNOW ALL PERSONS BY THESE PRESENTS:**
HIDALGO COUNTY)

This lease is entered into this _____ day of _____, 2018, between the City of Weslaco, a home ruled municipal corporation with its principal place of business at 255 S. Kansas Avenue, Weslaco, Hidalgo County, Texas, hereinafter referred to as the "Lessor" and the owner of the Weslaco Mid Valley Airport, hereinafter referred to as "Airport" and Nelson Clopine, hereinafter referred to as "Lessee" who covenant and agree as follows:

WHEREAS, Lessor owns and operates the Airport and all grounds within the area designated as the Weslaco Mid Valley Airport for aeronautical and non-aeronautical purposes to include landings, takeoffs, storage of aircraft and sales of fuel; and

WHEREAS, Lessor and Lessee are committed to the proper operation, improvement, and continued development of the Airport; and

WHEREAS, Lessor deems it advantageous to itself and to the operation of the Airport to lease to Lessee certain land/hangar/building/office as stated herein;

NOW THEREFORE, in consideration of the terms, premises, and mutual covenants contained herein and other good and valuable considerations, the sufficiency of which is hereby acknowledged, Lessor and Lessee covenant and agree as follows:

Section 1. Lease Premises

- A) Lessor does hereby lease to Lessee approximately **2,250 sq. ft.** (W31) of land more particularly described as set forth in Exhibit "A" which is attached and incorporated by reference, hereinafter referred to as the lease premises.
- B) Premises shall be designated as W31, measuring 50 feet x 45 feet as described in Exhibit A.

Section 2. Term

- A) This lease shall be for the term of **5 years**. Thereafter, this lease may be renewed for a subsequent **5-year** extension upon giving of written notice by Lessee to Lessor not more than one hundred eighty (180) nor less than sixty (60) days prior to the expiration of the preceding year lease term and upon mutual and written agreement by Lessor as provided for in this lease. Lessee, upon giving written notice to Lessor, may request additional renewal options prior to the expiration of this lease.



Lessee Initials

B) Surrender and Holding Over. Upon the expiration or termination of this Lease, Lessee shall quit and surrender the Premises and the Lessor shall have the option to require Lessee to remove any Improvement (or a portion thereof) and restore the Premises and surrounding areas to the condition existing immediately prior to the construction of such Improvement. Thereafter, the Lessor shall have the right to enter and take possession of the Premises, with or without process of law and without liability for trespass. Holding over or failure to vacate the Premises at the end of the Term or extension shall not be construed to be the granting or exercise of any extension.

Section 3. Consideration

A) In consideration for the lease of the Land/Hangar/Building/Office referenced herein Lessee hereby agrees to pay yearly the sum of **\$ 562.50**. The first year's payment is to be made on the 1st day of October. Thereafter, all future payments shall be made on or before the first working day of the year due for the term of this contract plus any extensions thereto.

Lessee agrees that the lease payment listed herein shall be subject to review and adjustment by Lessor at three (3) year intervals throughout the term of the lease and prior to any extensions granted. Any adjustment to the lease payment shall be based on the U.S. Department of Commerce's Consumer Price Index (CPI). The adjusted lease fee shall be calculated on the third (3rd) year anniversary of this lease and recalculated at subsequent three (3) year intervals. Such increase in the lease payment shall begin immediately upon request from Lessor and continue at that rate until the next three-year anniversary. Upon review, if the CPI shall have decreased as compared to the previous review date, the lease fee for the subject Land/Hangar/Building/Office shall not be decreased, but shall remain at the same level as was charged during the preceding three (3) year period.

B) All lease payments shall be paid as the same becomes due, without demand, in lawful currency of the United States made payable to the City of Weslaco, Hidalgo County, Texas by mail or delivery as specified in Section 13. Notice Requirements of this agreement.

C) In the event Lessee fails to remit any payments when the same are due, interest at the rate of 10 % shall be charged by Lessor beginning on the tenth (10) day after the date the payment is due and such interest shall continue to accrue against such delinquent payment until the payment plus interest is received by Lessor. In the event Lessee shall become delinquent for more than thirty (30) days, this lease may be terminated by Lessor.

D) Lessee shall be liable for all taxes and fees owed on or by his personal business or himself. Under no circumstances shall Lessor be liable for or be required to pay any tax or fee owed by Lessee. Lessor shall provide insurance for all Lessor owned real property located at the Airport under Lessor's policy which shall be for the sole benefit and protection of Lessor. Lessee should provide his own insurance coverage for any

personal property located in or on the Land/Hangar/Building/Office and is required herein to provide business liability insurance in an amount of \$1,000,000.00 per occurrence. Certificates of such required insurance shall be furnished by Lessee to Lessor and certificates presently then in effect shall be on file at all times and Lessor shall be listed as an additional insured with the condition that said insurance shall provide Lessor notice of any cancellation of said insurance. Any changes in those certificates must have prior written approval of Lessor.

- E) Any sum that Lessee is obligated to pay to Lessor arising from or relating to this agreement or Lessee's use, occupancy or operations at the Airport constitutes additional rent, which may include, but is not limited to, fees, fuel flowage fees for self-fueling activities (at the rate and on the terms imposed by Lessor), fines, civil penalties, damages, claims, interest, charges and utility charges.
- F) Lessee shall pay all taxes, fees, assessments, and levies that relate to Lessee's use, occupancy, or operation at the lease premises or the Airport and all other obligations for which a lien may be created relating thereto. Within thirty (30) days Lessee shall remove any such lien that may be created or commence a protest of such lien by depositing with Lessor cash or other security acceptable to Lessor in an amount sufficient to cover the cost of removing such lien. When contracting for any work in connection with the lease premises, Lessee shall include in such contract a provision prohibiting the contractor or any subcontractor or supplier from filing a lien or asserting a claim against Lessor's real property or any interest therein.

Section 4. Use of Lease Premises

- A) Lessee and Lessee's associates shall comply at all times, at Lessee's sole cost, with any and all laws and regulation that are applicable to Lessee's use, occupancy, or operations at the lease premises or the Airport, which include, but are not limited to, all laws, statutes, ordinances, regulations, rules, orders, writs, judgments, decrees, injunctions, directives, rulings, guidelines, standards, codes, policies, common law and other pronouncements of any kind having the effect of law including, but not limited, to the Airport Rules and Regulations, City of Weslaco master plans and zoning codes, and all laws and regulations pertaining to the environment, any and all plans and programs developed in compliance with such requirements and all lawful, reasonable, and nondiscriminatory airport policies and other requirements.
- B) Lessee agrees that the leased Land/Hangar/Building/Office may be used for any noncommercial aeronautical activity which must be made known to and agreed upon by Lessor and for no other purposes.
- C) Lessee may park his and/or his passenger's privately owned automobile(s) inside the Hangar, but only while on a flight which originated at the Airport.
- D) Lessee may store containers of aviation oil, in accordance with the Airport Rules and Regulations, inside the Hangar for aircraft use so long, and only so long, as such oil is contained in marked, approved containers. Such storage will be at the discretion of and



Lessee Initials

with written approval from the local fire marshal if such storage is allowed under local fire codes.

- E) Lessee agrees that he will at all times keep the premises of the Land/Hangar/Building/Office, including the inside and the outside of the Hangar/Building/Office, clean and free of trash, litter, tall grass, weeds, junked automobiles, and scrap aircraft parts. Lessee shall abide by all applicable rules and regulations of the Environmental Protection Agency, the Texas Commission on Environmental Quality, the Texas Department of Agriculture, the Texas Department of Transportation, and any other public agency concerning the use, storage, and disposal of hazardous chemicals, fuel, and/or oil. Lessee further agrees to abide by the manufacturer's directions in regards to the use, storage, and disposal of all pesticides, herbicides, and other chemicals plus their containers used at the airport. Should Lessee fail to keep the leased Land/Hangar/Building/Office clean and free of hazards, Lessor may, after thirty (30) days written notice, arrange for the cleanup of the littered or hazardous area. Such cleanup shall be charged to Lessee and payable on demand. Failure to render proper payment for such cleanup and/or general disregard for the considerations and restrictions listed in this lease agreement are grounds for Lessor to terminate this lease.
- F) Lessee agrees that the usage of the Land/Hangar plus any associated apron shall be limited to the parking/hangaring of his personal/company owned aircraft. No automobile, bus, truck, or other transportation mode may be permanently or habitually parked or stored on/in the Land/Hangar except in approved automobile parking areas and as agreed upon by Lessor.
- G) Lessee agrees that he will not conduct any commercial activity such as pilot instruction, aerial spraying, charter flights, air taxi, sight-seeing, aerial photography, aircraft engine or airframe repair, avionics repair, or any other at the Airport without the written consent of Lessor. Any such approved commercial operation must be in accordance with a separate contract agreement with Lessor.
- H) Lessee agrees that he will not store or permit the storage of any fuel or hazardous, volatile, and/or dangerous chemicals on/inside the Land/Hangar/Building/Office except as authorized in this agreement without the written consent of Lessor.
- I) Lessee agrees not to fuel or defuel any aircraft parked inside the Hangar.
- J) Lessee agrees to have a sufficient number of fire extinguishers of acceptable size as determined by the local fire marshal inside the Hangar/Building/Office. Such fire extinguisher(s) shall be readily accessible in the event of a fire.
- K) Lessee agrees that he will not operate any non-aviation related business or activity on/in the Land/Hangar/Building/Office without the expressed written consent of Lessor. Any such non-aviation related business or activity must be so established by a separate contract.

- L) Lessee agrees that none of the leased premises shall be used for residential purposes or any other purpose prohibited by any federal, state or municipal law, statute, regulation or ordinance

Section 5. Sublease, Assignment, or Sale

- A) The Lessee shall not sublease, assign, sell, or transfer this lease agreement or any right hereunder to any person, corporation, or association. Any such sublease, assignment, sale, or transfer shall be grounds, at the option of the Lessor, to immediately terminate this lease agreement. Lessor shall have the right, in Lessor's sole discretion, to assign any of its rights under this agreement and upon any such assignment, Lessee agrees that Lessee shall perform its obligations under this agreement in favor of such assignee.

Section 6. Termination

- A) This contract agreement may be prematurely terminated by Lessor or Lessee if either fails to abide by the terms and conditions expressed herein and due the complainant and so decreed by a court of competent jurisdiction. Lessee shall have no more than fifteen (15) days upon notification to resolve said violation(s). Should Lessee be declared bankrupt or incompetent, this contract agreement shall immediately terminate. In the event Lessee fails to make timely payments of all taxes or fees, fails to provide proof of required insurance, uses the Airport property or permits the Airport property to be used for any illegal or unauthorized purpose, files bankruptcy, abandons or leaves the property vacant or unoccupied for thirty (30) consecutive days, or violates any of the terms and conditions of this contract agreement, Lessor has the right to terminate this contract agreement and retake possession of any Airport property leased to or under the control of Lessee.
- B) Lessee agrees and understands that Lessor reserves the right to further expand, develop, or improve the airport, including the termination of this lease agreement, in such instance that the continued leasing of the Land/Hangar/Building/Office would have a negative impact on any proposed development or improvements at the Airport. This contract agreement may be terminated regardless of the desires, wishes, or views of Lessee and without interference or hindrance from Lessee, but only so long as such expansion, development, or improvements are shown on a Texas Department of Transportation and/or FAA approved Airport Layout Plan or Master Plan.
- C) This contract may be prematurely terminated by mutual agreement and consent of both parties in writing. Such termination by mutual agreement shall cause both Lessor and Lessee to be free of any and all requirements of this contract hereunder, and neither Lessor nor Lessee shall have any derogatory remarks or entries made upon their resumés or upon any public or private records which would indicate failure to successfully fulfill the conditions of this contract.
- D) At the termination of this contract agreement, either by normal expiration, premature termination, or mutual agreement, Lessee shall peaceably vacate the premises. Should Lessee be in default of any monies owed to Lessor, Lessor may take possession of any

personal property owned by Lessee and located at the Airport and hold until the monetary default is settled. In such case that Lessee cannot or will not settle any claims against him owed to Lessor, Lessor may liquidate any personal property seized, subject to the disposition of a court of competent jurisdiction. Lessee shall be liable for any and all expenses incurred by Lessor in such action.

- E) Upon any expiration or termination of this Agreement, Lessee, at Lessee's sole cost, shall (i) promptly and peaceably surrender to Lessor the lease premises "broom clean", free of debris, and in good order and condition; (ii) repair in a good and workmanlike manner any damage to the lease premises or the Airport that arises from or relates to Lessee's use, occupancy, or operations under this Agreement (iii) deliver to Lessor all keys and access credentials relating to the Airport (iv) perform Lessee's environmental obligations as provided in this Agreement; and (v) remove all movable personal property and trade fixtures that are not owned by Lessor. All property that Lessee leaves on the lease premises shall conclusively be deemed to have been abandoned and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Lessor without notice to and without any obligation to account to Lessee or any other person. Lessee shall pay to Lessor all expenses incurred in connection with the disposition of such property in excess of any amount received by Lessor from such disposition. Lessee shall not be released from Lessee's obligations under this Agreement in connection with surrender of the lease premises until lessor has inspected the lease premises and delivered to Lessee a written acceptance of such surrender.

Section 7. Hold Harmless

- A) Lessee agrees to save and hold harmless Lessor and its agents, servants, and employees of and from any and all liabilities, expenses, causes of action, damages, and/or attorney's fees resulting from or as a result of any of Lessee's businesses, operation, occupancy, or use of the Airport or from any act or omission of Lessee's agents, servants, or employees.

Section 8. Maintenance of Landing Area

- A) Lessee understands and agrees that Lessor reserves the right, but not the obligation, to maintain the Airport to at least the minimum standards as recommended by the FAA and/or the Texas Department of Transportation. Such right includes the right to maintain and keep in repair all public use areas at the Airport and the right to direct and control all activities as necessary at the Airport.

Section 9. Non-Discrimination

- A) Lessee for itself, successors in interest, and assigns (to the extent successors and assigns are permitted by this Agreement), as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event

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facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a U.S. Department of Transportation program or activity is extended, or for another purpose involving the provision of similar services or benefits, Tenant/Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.

- B) Lessee for itself, successors in interest, and assigns (to the extent successors and assigns are permitted by this Agreement), as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, creed, color, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities or any activity conducted with or benefiting from Federal assistance, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended, and other applicable Laws and Regulations, and shall obtain such compliance from any sub-leases or other parties holding lower tier agreements (to the extent the same are permitted by this Agreement).

Section 10. Exclusions

- A) Nothing in this Agreement shall be construed to grant to Lessee any exclusive right or privilege for the conduct of any activity on the Airport (except to lease the Premises for Lessee's exclusive use as provided herein).
- B) This Agreement shall be interpreted to preserve Lessor's rights and powers to comply with Lessor's Federal and other governmental obligations.
- C) This Agreement is subordinate to the provisions of any agreement between Lessor and the United States or other governmental authority (regardless of when made) that affects the Airport, including, but not limited to, agreements governing the expenditure of Federal funds for Airport improvements. In the event that the Federal Aviation Administration or other governmental authority requires any modification to this Agreement as a condition of Lessor entering any agreement or participating in any program applicable to the Airport (including, but not limited to, those providing funding), Lessee agrees to consent to any such modification. If a governmental authority determines that any act or omission of Lessee or Lessee's Associates has caused or will cause Lessor to be noncompliant with any of Lessor's government commitments (including, but not limited to, any assurances or covenants required of Lessor or obligations imposed by law), Lessee shall immediately take all actions that may be necessary to preserve Lessor's compliance with the same. Without liability to

Lessor, Lessor shall have the right to terminate this Agreement and reenter and repossess any portion of the Premises if the U.S. Department of Transportation or other governmental authority having jurisdiction expressly requires any such action, subject to any review that may be afforded to Lessee by such authority.

Section 11. Force Majeure

- A) No act or event, whether foreseen or unforeseen, shall operate to excuse Lessee from the prompt payment of rent or any other amounts required to be paid under this Agreement. If Lessor (or Lessee in connection with obligations other than payment obligations) is delayed or hindered in any performance under this Agreement by a force majeure event, such performance shall be excused to the extent so delayed or hindered during the time when such force majeure event is in effect, and such performance shall promptly occur or resume thereafter at the expense of the party so delayed or hindered. A "force majeure event" is an act or event, whether foreseen or unforeseen, that prevents a party in whole or in part from performing as provided in this Agreement, that is beyond the reasonable control of and not the fault of such party, and that such party has been unable to avoid or overcome by exercising due diligence, and may include, but is not limited to, acts of nature, war, riots, strikes, accidents, fire, and changes in law.

Section 12. Rights and Remedies

- A) Except as expressly set forth in this Agreement, the rights and remedies set forth in this Agreement are not intended to be exhaustive and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently exist.

Section 13. Notice Requirements

- A) This Agreement has specific and strict notice requirements. All payments by Lessee are to be made to Lessor through the Aviation Director at Weslaco Mid-Valley Airport, 1909 Joe Stephens, Weslaco, TX 78596.**

All notices between the Lessor and Lessee shall be sent to the following addresses for Lessor in paragraph B and for Lessee in paragraph C. All notices shall be sent regular mail and certified mail return receipt requested. No other form of payment or notice will be accepted. Notice by email is not accepted.

B) Notice to Lessor is to be sent to:

Aviation Director
Weslaco Mid-Valley Airport
1909 Joe Stephens
Weslaco, TX 78596

with a required, simultaneous copy to:

City Attorney
255 South Kansas Street
Weslaco, TX 78596

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C) Notice to Lessee to be sent to:

Lessee Name: Nelson Clopine
Address: 1705 S. Oklahoma or PO Box 402
Weslaco, TX 78596

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D) Either Lessor or Lessee may change its notice address by giving written notice (as provided herein) of such change to the other party. Any notice, demand, or written consent or communication shall be deemed to have been given, and shall be effective, upon compliance with this Section and delivery to the notice address then in effect for the party to which the notice is directed; provided, however, that such delivery shall not be defeated or delayed by any refusal to accept delivery or an inability to effect delivery because of an address change that was not properly communicated.

Section 14. Miscellaneous

A) This Agreement and the respective rights and obligations of the parties shall be governed by, interpreted, and enforced in accordance with the laws of the State of Texas. Venue for any action arising out of or related to this Agreement or actions contemplated hereby may be brought in the District Court for the State of Texas sitting in Hidalgo County, Texas so long as one of such courts shall have subject matter jurisdiction over such action or proceeding, and each of the parties hereby irrevocably consents to the jurisdiction of the same and of the appropriate appellate courts there from. Process in any such action may be served on any party anywhere in the world. LESSOR AND LESSEE EACH KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY ACTION,

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PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER FOR ALL MATTERS ARISING OUT OF OR RELATING TO THIS LEASE OR ANY USE, OCCUPANCY, OR OPERATIONS AT THE PREMISES OR THE AIRPORT. The provisions of this agreement shall survive any expiration or termination of this Agreement.

- B) No amendment to this Agreement shall be binding on Lessor or Lessee unless reduced to writing and signed by both parties. No provision of this Agreement may be waived, except pursuant to a writing executed by the party against whom the waiver is sought to be enforced.
- C) If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect if both the economic and legal substance of the transactions that this Agreement contemplates is not affected in any manner materially adverse to any party. If any provision of this Agreement is held invalid, illegal, or unenforceable, the parties shall negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes of this Agreement.
- D) This Agreement constitutes the final, complete, and exclusive agreement between the parties on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. In entering into this Agreement, neither party has relied on any statement, representation, warranty, nor agreement of the other party except for those expressly contained in this Agreement.
- E) Lessee acknowledges that Lessor is subject to legal requirements regarding the public disclosure of records. Lessee shall comply with such laws in connection with making any request that Lessor maintain a record confidentially, and if Lessee complies with the same Lessee shall have the right to defend any such request for confidentiality at Lessee's expense except to the extent required by the Texas Public Information Act.
- F) This Agreement does not create any partnership, joint venture, employment, or agency relationship between the parties. Nothing in this Agreement shall confer upon any other person or entity any right, benefit, or remedy of any nature.
- G) Each party shall execute any document or take any action that may be necessary or desirable to consummate and make effective a performance that is required under this Agreement.
- H) The headings in this Agreement are provided for convenience only and do not affect this Agreement's construction or interpretation. All references to Sections are to Sections in this Agreement. Each provision to be performed by Lessee shall be construed as both a covenant and a condition. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation

against the drafting party. If Lessee consists of more than one individual or entity, the obligations of all such individuals and entities shall be joint and several. References in this Agreement to any period of days shall mean calendar days unless specifically stated otherwise.

- I) Lessee is not authorized to install or operate any signage outside of enclosed structures on the lease premises or at the Airport, except with the prior written approval of Lessor, which may be given or withheld in Lessor's sole discretion. Any approved signage shall be at Lessee's expense and shall comply with local, state or federal laws and regulation. Lessee shall not advertise or permit other to advertise at the Airport by any means, whether or not such advertising is for profit.
- J) Lessor and its associates, agents or employees reserve the right to enter the lease premises at any time and the same does not constitute a trespass on the lease premises or a violation of any of Lessee's rights.
- K) Lessee warrants and represents that it has the right, power, and legal capacity to enter into and perform its obligations under this agreement as a legal, valid, and binding obligation of Lessee.
- L) Time is of the essence of this Agreement.

EXECUTED this _____ day of _____, 2018.

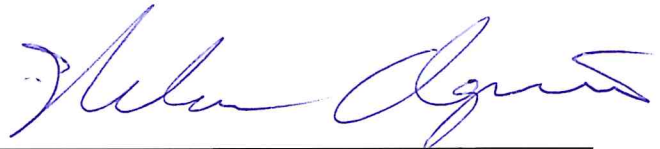
City of Weslaco, Hidalgo County, Texas

Mayor

Approved as to Form:

City Attorney

Attest: _____
City Secretary



Lessee


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“EXHIBIT A”

HANGAR W31
50' x 50'



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Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2017-1185	
From:			
Subject: Approval of a Mid Valley Airport Ground Lease Agreement with Tenant Scott Fuller for Hangar W-21A and authorize the Mayor to execute any related documents. (Staffed by Airport.)			
Background: Over the course of the past year, the Airport Advisory Board worked with Airport Staff, KSA, TXDOT and the City Attorney's office to draft the ground lease agreement template and negotiate the ground lease rate increases. The ground lease agreement being presented is for a hangar located on the west side of the airport with a base term of five (5) years with one renewal of five (5) years at a rate of \$0.25 per square foot. A three percent (3%) CPI review is included with a cap of three (3) percent.			
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 Airport Advisory Board approved the Airport Lease rates and Lease templates at previous scheduled meetings.			
Andrew Muñoz Andrew Muñoz Mike Perez		Created/Initiated Approved Final Approval	
City Manager Comments: Approved.			
Staff Recommendation: Airport staff recommends approval.			
Attachments, if any: SCOTT FULLER W21-A			
Responsibilities upon Approval:			

Lease Agreement

STATE OF TEXAS)
CITY OF WESLACO) **KNOW ALL PERSONS BY THESE PRESENTS:**
HIDALGO COUNTY)

This lease is entered into this ____ day of _____, 2018, between the City of Weslaco, a home ruled municipal corporation with its principal place of business at 255 S. Kansas Avenue, Weslaco, Hidalgo County, Texas, hereinafter referred to as the "Lessor" and the owner of the Weslaco Mid Valley Airport, hereinafter referred to as "Airport" and Scott Fuller, hereinafter referred to as "Lessee" who covenant and agree as follows:

WHEREAS, Lessor owns and operates the Airport and all grounds within the area designated as the Weslaco Mid Valley Airport for aeronautical and non-aeronautical purposes to include landings, takeoffs, storage of aircraft and sales of fuel; and

WHEREAS, Lessor and Lessee are committed to the proper operation, improvement, and continued development of the Airport; and

WHEREAS, Lessor deems it advantageous to itself and to the operation of the Airport to lease to Lessee certain land/hangar/building/office as stated herein;

NOW THEREFORE, in consideration of the terms, premises, and mutual covenants contained herein and other good and valuable considerations, the sufficiency of which is hereby acknowledged, Lessor and Lessee covenant and agree as follows:

Section 1. Lease Premises

- A) Lessor does hereby lease to Lessee approximately **1,400 sq. ft.** (W21-A) of land more particularly described as set forth in Exhibit "A" which is attached and incorporated by reference, hereinafter referred to as the lease premises.
- B) Premises shall be designated as W21-A, measuring 40 feet x 35 feet as described in Exhibit A.

Section 2. Term

- A) This lease shall be for the term of **5 years**. Thereafter, this lease may be renewed for a subsequent **5-year** extension upon giving of written notice by Lessee to Lessor not more than one hundred eighty (180) nor less than sixty (60) days prior to the expiration of the preceding year lease term and upon mutual and written agreement by Lessor as provided for in this lease. Lessee, upon giving written notice to Lessor, may request additional renewal options prior to the expiration of this lease.



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B) Surrender and Holding Over. Upon the expiration or termination of this Lease, Lessee shall quit and surrender the Premises and the Lessor shall have the option to require Lessee to remove any Improvement (or a portion thereof) and restore the Premises and surrounding areas to the condition existing immediately prior to the construction of such Improvement. Thereafter, the Lessor shall have the right to enter and take possession of the Premises, with or without process of law and without liability for trespass. Holding over or failure to vacate the Premises at the end of the Term or extension shall not be construed to be the granting or exercise of any extension.

Section 3. Consideration

A) In consideration for the lease of the Land/Hangar/Building/Office referenced herein Lessee hereby agrees to pay yearly the sum of **\$ 350.00**. The first year's payment is to be made on the 1st day of April. Thereafter, all future payments shall be made on or before the first working day of the year due for the term of this contract plus any extensions thereto.

Lessee agrees that the lease payment listed herein shall be subject to review and adjustment by Lessor at three (3) year intervals throughout the term of the lease and prior to any extensions granted. Any adjustment to the lease payment shall be based on the U.S. Department of Commerce's Consumer Price Index (CPI). The adjusted lease fee shall be calculated on the third (3rd) year anniversary of this lease and recalculated at subsequent three (3) year intervals. Such increase in the lease payment shall begin immediately upon request from Lessor and continue at that rate until the next three-year anniversary. Upon review, if the CPI shall have decreased as compared to the previous review date, the lease fee for the subject Land/Hangar/Building/Office shall not be decreased, but shall remain at the same level as was charged during the preceding three (3) year period.

B) All lease payments shall be paid as the same becomes due, without demand, in lawful currency of the United States made payable to the City of Weslaco, Hidalgo County, Texas by mail or delivery as specified in Section 13. Notice Requirements of this agreement.

C) In the event Lessee fails to remit any payments when the same are due, interest at the rate of 10 % shall be charged by Lessor beginning on the tenth (10) day after the date the payment is due and such interest shall continue to accrue against such delinquent payment until the payment plus interest is received by Lessor. In the event Lessee shall become delinquent for more than thirty (30) days, this lease may be terminated by Lessor.

D) Lessee shall be liable for all taxes and fees owed on or by his personal business or himself. Under no circumstances shall Lessor be liable for or be required to pay any tax or fee owed by Lessee. Lessor shall provide insurance for all Lessor owned real property located at the Airport under Lessor's policy which shall be for the sole benefit and protection of Lessor. Lessee should provide his own insurance coverage for any



personal property located in or on the Land/Hangar/Building/Office and is required herein to provide business liability insurance in an amount of \$1,000,000.00 per occurrence. Certificates of such required insurance shall be furnished by Lessee to Lessor and certificates presently then in effect shall be on file at all times and Lessor shall be listed as an additional insured with the condition that said insurance shall provide Lessor notice of any cancellation of said insurance. Any changes in those certificates must have prior written approval of Lessor.

- E) Any sum that Lessee is obligated to pay to Lessor arising from or relating to this agreement or Lessee's use, occupancy or operations at the Airport constitutes additional rent, which may include, but is not limited to, fees, fuel flowage fees for self-fueling activities (at the rate and on the terms imposed by Lessor), fines, civil penalties, damages, claims, interest, charges and utility charges.
- F) Lessee shall pay all taxes, fees, assessments, and levies that relate to Lessee's use, occupancy, or operation at the lease premises or the Airport and all other obligations for which a lien may be created relating thereto. Within thirty (30) days Lessee shall remove any such lien that may be created or commence a protest of such lien by depositing with Lessor cash or other security acceptable to Lessor in an amount sufficient to cover the cost of removing such lien. When contracting for any work in connection with the lease premises, Lessee shall include in such contract a provision prohibiting the contractor or any subcontractor or supplier from filing a lien or asserting a claim against Lessor's real property or any interest therein.

Section 4. Use of Lease Premises

- A) Lessee and Lessee's associates shall comply at all times, at Lessee's sole cost, with any and all laws and regulation that are applicable to Lessee's use, occupancy, or operations at the lease premises or the Airport, which include, but are not limited to, all laws, statutes, ordinances, regulations, rules, orders, writs, judgments, decrees, injunctions, directives, rulings, guidelines, standards, codes, policies, common law and other pronouncements of any kind having the effect of law including, but not limited, to the Airport Rules and Regulations, City of Weslaco master plans and zoning codes, and all laws and regulations pertaining to the environment, any and all plans and programs developed in compliance with such requirements and all lawful, reasonable, and nondiscriminatory airport policies and other requirements.
- B) Lessee agrees that the leased Land/Hangar/Building/Office may be used for any noncommercial aeronautical activity which must be made known to and agreed upon by Lessor and for no other purposes.
- C) Lessee may park his and/or his passenger's privately owned automobile(s) inside the Hangar, but only while on a flight which originated at the Airport.
- D) Lessee may store containers of aviation oil, in accordance with the Airport Rules and Regulations, inside the Hangar for aircraft use so long, and only so long, as such oil is contained in marked, approved containers. Such storage will be at the discretion of and

with written approval from the local fire marshal if such storage is allowed under local fire codes.

- E) Lessee agrees that he will at all times keep the premises of the Land/Hangar/Building/Office, including the inside and the outside of the Hangar/Building/Office, clean and free of trash, litter, tall grass, weeds, junked automobiles, and scrap aircraft parts. Lessee shall abide by all applicable rules and regulations of the Environmental Protection Agency, the Texas Commission on Environmental Quality, the Texas Department of Agriculture, the Texas Department of Transportation, and any other public agency concerning the use, storage, and disposal of hazardous chemicals, fuel, and/or oil. Lessee further agrees to abide by the manufacturer's directions in regards to the use, storage, and disposal of all pesticides, herbicides, and other chemicals plus their containers used at the airport. Should Lessee fail to keep the leased Land/Hangar/Building/Office clean and free of hazards, Lessor may, after thirty (30) days written notice, arrange for the cleanup of the littered or hazardous area. Such cleanup shall be charged to Lessee and payable on demand. Failure to render proper payment for such cleanup and/or general disregard for the considerations and restrictions listed in this lease agreement are grounds for Lessor to terminate this lease.
- F) Lessee agrees that the usage of the Land/Hangar plus any associated apron shall be limited to the parking/hangaring of his personal/company owned aircraft. No automobile, bus, truck, or other transportation mode may be permanently or habitually parked or stored on/in the Land/Hangar except in approved automobile parking areas and as agreed upon by Lessor.
- G) Lessee agrees that he will not conduct any commercial activity such as pilot instruction, aerial spraying, charter flights, air taxi, sight-seeing, aerial photography, aircraft engine or airframe repair, avionics repair, or any other at the Airport without the written consent of Lessor. Any such approved commercial operation must be in accordance with a separate contract agreement with Lessor.
- H) Lessee agrees that he will not store or permit the storage of any fuel or hazardous, volatile, and/or dangerous chemicals on/inside the Land/Hangar/Building/Office except as authorized in this agreement without the written consent of Lessor.
- I) Lessee agrees not to fuel or defuel any aircraft parked inside the Hangar.
- J) Lessee agrees to have a sufficient number of fire extinguishers of acceptable size as determined by the local fire marshal inside the Hangar/Building/Office. Such fire extinguisher(s) shall be readily accessible in the event of a fire.
- K) Lessee agrees that he will not operate any non-aviation related business or activity on/in the Land/Hangar/Building/Office without the expressed written consent of Lessor. Any such non-aviation related business or activity must be so established by a separate contract.

- L) Lessee agrees that none of the leased premises shall be used for residential purposes or any other purpose prohibited by any federal, state or municipal law, statute, regulation or ordinance

Section 5. Sublease, Assignment, or Sale

- A) The Lessee shall not sublease, assign, sell, or transfer this lease agreement or any right hereunder to any person, corporation, or association. Any such sublease, assignment, sale, or transfer shall be grounds, at the option of the Lessor, to immediately terminate this lease agreement. Lessor shall have the right, in Lessor's sole discretion, to assign any of its rights under this agreement and upon any such assignment, Lessee agrees that Lessee shall perform its obligations under this agreement in favor of such assignee.

Section 6. Termination

- A) This contract agreement may be prematurely terminated by Lessor or Lessee if either fails to abide by the terms and conditions expressed herein and due the complainant and so decreed by a court of competent jurisdiction. Lessee shall have no more than fifteen (15) days upon notification to resolve said violation(s). Should Lessee be declared bankrupt or incompetent, this contract agreement shall immediately terminate. In the event Lessee fails to make timely payments of all taxes or fees, fails to provide proof of required insurance, uses the Airport property or permits the Airport property to be used for any illegal or unauthorized purpose, files bankruptcy, abandons or leaves the property vacant or unoccupied for thirty (30) consecutive days, or violates any of the terms and conditions of this contract agreement, Lessor has the right to terminate this contract agreement and retake possession of any Airport property leased to or under the control of Lessee.
- B) Lessee agrees and understands that Lessor reserves the right to further expand, develop, or improve the airport, including the termination of this lease agreement, in such instance that the continued leasing of the Land/Hangar/Building/Office would have a negative impact on any proposed development or improvements at the Airport. This contract agreement may be terminated regardless of the desires, wishes, or views of Lessee and without interference or hindrance from Lessee, but only so long as such expansion, development, or improvements are shown on a Texas Department of Transportation and/or FAA approved Airport Layout Plan or Master Plan.
- C) This contract may be prematurely terminated by mutual agreement and consent of both parties in writing. Such termination by mutual agreement shall cause both Lessor and Lessee to be free of any and all requirements of this contract hereunder, and neither Lessor nor Lessee shall have any derogatory remarks or entries made upon their resumés or upon any public or private records which would indicate failure to successfully fulfill the conditions of this contract.
- D) At the termination of this contract agreement, either by normal expiration, premature termination, or mutual agreement, Lessee shall peaceably vacate the premises. Should Lessee be in default of any monies owed to Lessor, Lessor may take possession of any


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personal property owned by Lessee and located at the Airport and hold until the monetary default is settled. In such case that Lessee cannot or will not settle any claims against him owed to Lessor, Lessor may liquidate any personal property seized, subject to the disposition of a court of competent jurisdiction. Lessee shall be liable for any and all expenses incurred by Lessor in such action.

- E) Upon any expiration or termination of this Agreement, Lessee, at Lessee's sole cost, shall (i) promptly and peaceably surrender to Lessor the lease premises "broom clean", free of debris, and in good order and condition: (ii) repair in a good and workmanlike manner any damage to the lease premises or the Airport that arises from or relates to Lessee's use, occupancy, or operations under this Agreement (iii) deliver to Lessor all keys and access credentials relating to the Airport (iv) perform Lessee's environmental obligations as provided in this Agreement; and (v) remove all movable personal property and trade fixtures that are not owned by Lessor. All property that Lessee leaves on the lease premises shall conclusively be deemed to have been abandoned and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Lessor without notice to and without any obligation to account to Lessee or any other person. Lessee shall pay to Lessor all expenses incurred in connection with the disposition of such property in excess of any amount received by Lessor from such disposition. Lessee shall not be released from Lessee's obligations under this Agreement in connection with surrender of the lease premises until lessor has inspected the lease premises and delivered to Lessee a written acceptance of such surrender.

Section 7. Hold Harmless

- A) Lessee agrees to save and hold harmless Lessor and its agents, servants, and employees of and from any and all liabilities, expenses, causes of action, damages, and/or attorney's fees resulting from or as a result of any of Lessee's businesses, operation, occupancy, or use of the Airport or from any act or omission of Lessee's agents, servants, or employees.

Section 8. Maintenance of Landing Area

- A) Lessee understands and agrees that Lessor reserves the right, but not the obligation, to maintain the Airport to at least the minimum standards as recommended by the FAA and/or the Texas Department of Transportation. Such right includes the right to maintain and keep in repair all public use areas at the Airport and the right to direct and control all activities as necessary at the Airport.

Section 9. Non-Discrimination

- A) Lessee for itself, successors in interest, and assigns (to the extent successors and assigns are permitted by this Agreement), as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event

facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a U.S. Department of Transportation program or activity is extended, or for another purpose involving the provision of similar services or benefits, Tenant/Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.

- B) Lessee for itself, successors in interest, and assigns (to the extent successors and assigns are permitted by this Agreement), as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, creed, color, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities or any activity conducted with or benefiting from Federal assistance, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended, and other applicable Laws and Regulations, and shall obtain such compliance from any sub-leases or other parties holding lower tier agreements (to the extent the same are permitted by this Agreement).

Section 10. Exclusions

- A) Nothing in this Agreement shall be construed to grant to Lessee any exclusive right or privilege for the conduct of any activity on the Airport (except to lease the Premises for Lessee's exclusive use as provided herein).
- B) This Agreement shall be interpreted to preserve Lessor's rights and powers to comply with Lessor's Federal and other governmental obligations.
- C) This Agreement is subordinate to the provisions of any agreement between Lessor and the United States or other governmental authority (regardless of when made) that affects the Airport, including, but not limited to, agreements governing the expenditure of Federal funds for Airport improvements. In the event that the Federal Aviation Administration or other governmental authority requires any modification to this Agreement as a condition of Lessor entering any agreement or participating in any program applicable to the Airport (including, but not limited to, those providing funding), Lessee agrees to consent to any such modification. If a governmental authority determines that any act or omission of Lessee or Lessee's Associates has caused or will cause Lessor to be noncompliant with any of Lessor's government commitments (including, but not limited to, any assurances or covenants required of Lessor or obligations imposed by law), Lessee shall immediately take all actions that may be necessary to preserve Lessor's compliance with the same. Without liability to

Lessor, Lessor shall have the right to terminate this Agreement and reenter and repossess any portion of the Premises if the U.S. Department of Transportation or other governmental authority having jurisdiction expressly requires any such action, subject to any review that may be afforded to Lessee by such authority.

Section 11. Force Majeure

- A) No act or event, whether foreseen or unforeseen, shall operate to excuse Lessee from the prompt payment of rent or any other amounts required to be paid under this Agreement. If Lessor (or Lessee in connection with obligations other than payment obligations) is delayed or hindered in any performance under this Agreement by a force majeure event, such performance shall be excused to the extent so delayed or hindered during the time when such force majeure event is in effect, and such performance shall promptly occur or resume thereafter at the expense of the party so delayed or hindered. A "force majeure event" is an act or event, whether foreseen or unforeseen, that prevents a party in whole or in part from performing as provided in this Agreement, that is beyond the reasonable control of and not the fault of such party, and that such party has been unable to avoid or overcome by exercising due diligence, and may include, but is not limited to, acts of nature, war, riots, strikes, accidents, fire, and changes in law.

Section 12. Rights and Remedies

- A) Except as expressly set forth in this Agreement, the rights and remedies set forth in this Agreement are not intended to be exhaustive and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently exist.

Section 13. Notice Requirements

- A) This Agreement has specific and strict notice requirements. All payments by Lessee are to be made to Lessor through the Aviation Director at Weslaco Mid-Valley Airport, 1909 Joe Stephens, Weslaco, TX 78596.**

All notices between the Lessor and Lessee shall be sent to the following addresses for Lessor in paragraph B and for Lessee in paragraph C. All notices shall be sent regular mail and certified mail return receipt requested. No other form of payment or notice will be accepted. Notice by email is not accepted.


Lessee Initials

B) Notice to Lessor is to be sent to:

Aviation Director
Weslaco Mid-Valley Airport
1909 Joe Stephens
Weslaco, TX 78596

with a required, simultaneous copy to:

City Attorney
255 South Kansas Street
Weslaco, TX 78596



Lessee Initials

C) Notice to Lessee to be sent to:

Lessee Name: Scott Fuller
Address: 1316 Charlene St.
Edinburg, TX 78539



Lessee Initials

- D) Either Lessor or Lessee may change its notice address by giving written notice (as provided herein) of such change to the other party. Any notice, demand, or written consent or communication shall be deemed to have been given, and shall be effective, upon compliance with this Section and delivery to the notice address then in effect for the party to which the notice is directed; provided, however, that such delivery shall not be defeated or delayed by any refusal to accept delivery or an inability to effect delivery because of an address change that was not properly communicated.

Section 14. Miscellaneous

- A) This Agreement and the respective rights and obligations of the parties shall be governed by, interpreted, and enforced in accordance with the laws of the State of Texas. Venue for any action arising out of or related to this Agreement or actions contemplated hereby may be brought in the District Court for the State of Texas sitting in Hidalgo County, Texas so long as one of such courts shall have subject matter jurisdiction over such action or proceeding, and each of the parties hereby irrevocably consents to the jurisdiction of the same and of the appropriate appellate courts there from. Process in any such action may be served on any party anywhere in the world. LESSOR AND LESSEE EACH KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY ACTION,



Lessee Initials

PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER FOR ALL MATTERS ARISING OUT OF OR RELATING TO THIS LEASE OR ANY USE, OCCUPANCY, OR OPERATIONS AT THE PREMISES OR THE AIRPORT. The provisions of this agreement shall survive any expiration or termination of this Agreement.

- B) No amendment to this Agreement shall be binding on Lessor or Lessee unless reduced to writing and signed by both parties. No provision of this Agreement may be waived, except pursuant to a writing executed by the party against whom the waiver is sought to be enforced.
- C) If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect if both the economic and legal substance of the transactions that this Agreement contemplates is not affected in any manner materially adverse to any party. If any provision of this Agreement is held invalid, illegal, or unenforceable, the parties shall negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes of this Agreement.
- D) This Agreement constitutes the final, complete, and exclusive agreement between the parties on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. In entering into this Agreement, neither party has relied on any statement, representation, warranty, nor agreement of the other party except for those expressly contained in this Agreement.
- E) Lessee acknowledges that Lessor is subject to legal requirements regarding the public disclosure of records. Lessee shall comply with such laws in connection with making any request that Lessor maintain a record confidentially, and if Lessee complies with the same Lessee shall have the right to defend any such request for confidentiality at Lessee's expense except to the extent required by the Texas Public Information Act.
- F) This Agreement does not create any partnership, joint venture, employment, or agency relationship between the parties. Nothing in this Agreement shall confer upon any other person or entity any right, benefit, or remedy of any nature.
- G) Each party shall execute any document or take any action that may be necessary or desirable to consummate and make effective a performance that is required under this Agreement.
- H) The headings in this Agreement are provided for convenience only and do not affect this Agreement's construction or interpretation. All references to Sections are to Sections in this Agreement. Each provision to be performed by Lessee shall be construed as both a covenant and a condition. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation

against the drafting party. If Lessee consists of more than one individual or entity, the obligations of all such individuals and entities shall be joint and several. References in this Agreement to any period of days shall mean calendar days unless specifically stated otherwise.

- I) Lessee is not authorized to install or operate any signage outside of enclosed structures on the lease premises or at the Airport, except with the prior written approval of Lessor, which may be given or withheld in Lessor's sole discretion. Any approved signage shall be at Lessee's expense and shall comply with local, state or federal laws and regulation. Lessee shall not advertise or permit other to advertise at the Airport by any means, whether or not such advertising is for profit.
- J) Lessor and its associates, agents or employees reserve the right to enter the lease premises at any time and the same does not constitute a trespass on the lease premises or a violation of any of Lessee's rights.
- K) Lessee warrants and represents that it has the right, power, and legal capacity to enter into and perform its obligations under this agreement as a legal, valid, and binding obligation of Lessee.
- L) Time is of the essence of this Agreement.



Lessee Initials

EXECUTED this _____ day of _____, 2018.

City of Weslaco, Hidalgo County, Texas

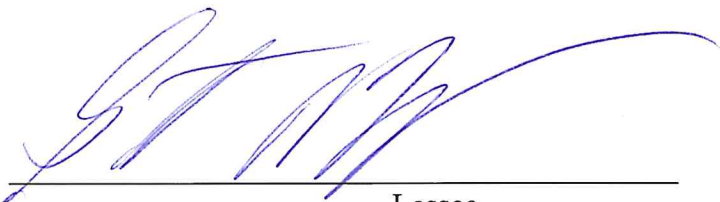
Mayor

City Manager

Approved as to Form:

City Attorney

Attest: _____
City Secretary



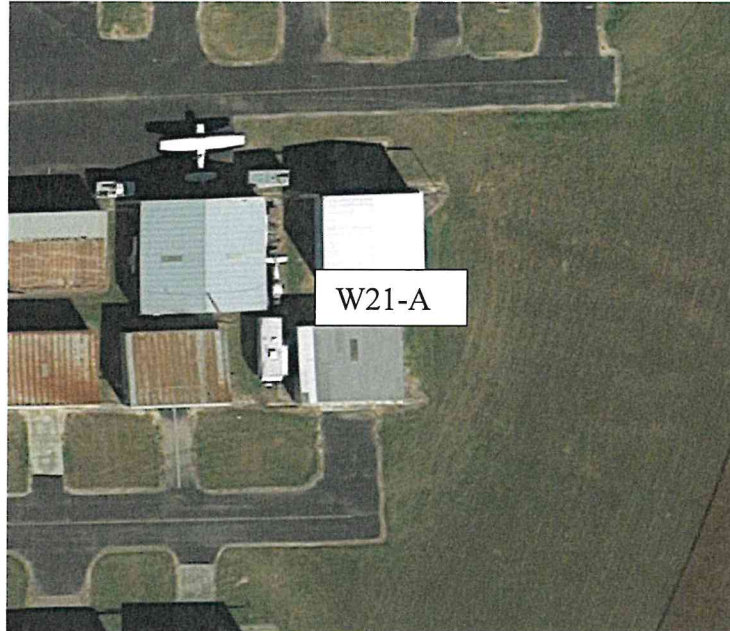
Lessee



Lessee Initials

“EXHIBIT A”

HANGAR W21-A
40' x 35'





Lessee Initials



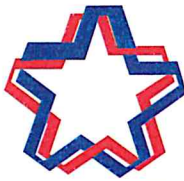
Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1648	
From:			
Subject: Authorization to hold the July 4th celebration with Weslaco Economic Development Corporation on Wednesday, July 4, 2018 at the Mayor Pablo G. Peña City Park at 300 N. Airport Drive, to sell beer during the event from 12 noon to 11 p.m., to waive appropriate ordinances associated with the event, and to place a banner promoting it at the intersection of Texas and Pike Boulevards and/or Westgate Drive and Frontage and authorize the Mayor to execute any related documents as may be required by the Texas Department of Transportation. (Staffed by Parks and Recreation Department.)			
Background: Annual celebration to be at Pablo Pena Park.			
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	
David Arce		Approved	
Mike Perez		Final Approval	
City Manager Comments: Approved.			
Staff Recommendation: Approval			
Attachments, if any:			
Responsibilities upon Approval:			



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1658	
From:			
Subject: Acceptance as a permanent recipient of a CERT/MRC training trailer awarded June 20, 2017 from the State of Texas Citizen Corps program to the City of Weslaco Fire Department CERT/MRC community program. (Staffed by Fire Department.)			
Background: The State of Texas Citizen Corps program awarded an enclosed 12 ft trailer with equipment to the City of Weslaco Fire Department CERT/MRC community program as support for continued programs. The State of Texas Citizen Corps program has now permanently granted ownership of the trailer to the City of Weslaco Fire Department as enclosed in the letter attached.			
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):			
Aida Vega		Created/Initiated	
Antonio Lopez		Approved	
Mike Perez		Final Approval	
City Manager Comments: Approved.			
Staff Recommendation:			
Attachments, if any: Award notification , CERT trailer, Cert trailer 2			
Responsibilities upon Approval:			



TEXAS ASSOCIATION OF REGIONAL COUNCILS

701 Brazos Street • Suite 780 • Austin, TX 78701 • 512-478-4715 • FAX 512-275-9910 • www.txregionalcouncil.org

March 26, 2018

The Honorable David Suarez
Mayor of Weslaco
255 S. Kansas Ave.
Weslaco, Texas 78596



Dear Mayor Suarez,

On behalf of the Texas Association of Regional Councils and the Texas Citizen Corps Council, I am pleased to inform you that the City of Weslaco has been selected as the permanent recipient of the previously awarded Texas Citizen Corps training trailer. The Texas Citizen Corps Council recognized the City of Weslaco's efforts to serve your community and enhance preparedness through your Citizen Corps programs.

As you know, the trailer that was previously awarded to the City of Weslaco was purchased in compliance with the guidance from state and federal agencies, utilizing 2006 Citizen Corps funds and must continue to be used in accordance with the applicable grant guidance. Guidance can be found using FEMA resources, including the website. By providing your signature below, the City of Weslaco is agreeing to accept complete ownership and responsibility of the trailer and acknowledges that it will continue to be used in compliance with the applicable grant guidance, including the provision of continuing liability coverage of the trailer. Once signed, please return the original signed copy to our office using the addressed, pre-stamped envelope provided.

Congratulations again on your selection. Please direct any questions to Uryan Nelson, Texas Citizen Corps Manager at unelson@txregionalcouncil.org or (512) 478-4715.

Sincerely,

Ginny Lewis
Executive Director

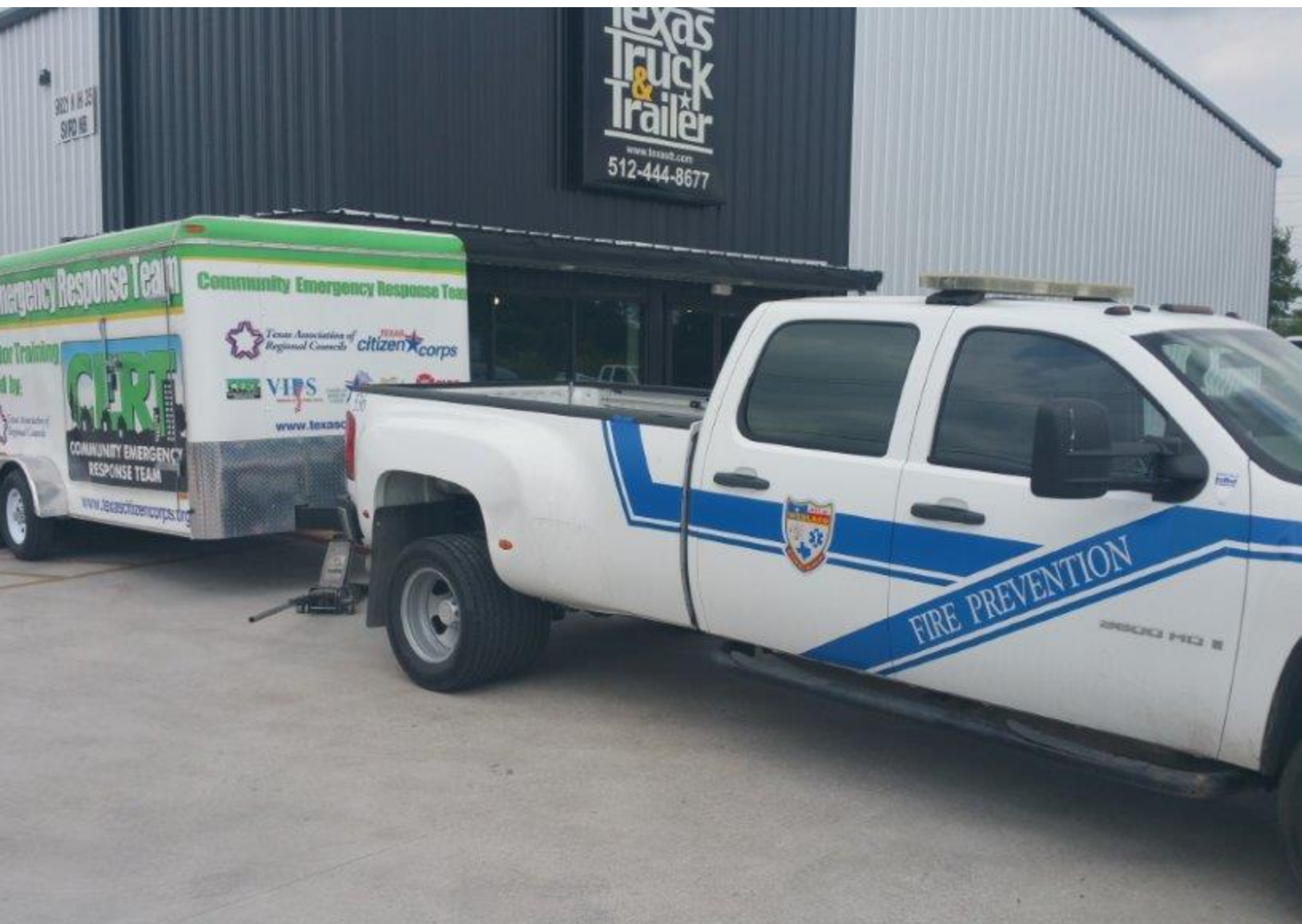
cc: Mr. Ron Garza, Executive Director, Lower Rio Grande Valley Development Council
Mr. Rich Stubbs, Fire Lieutenant, Weslaco Fire Department

Authorized Official:

X

Authorized Signatory
Name/ Title







Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1655
From: Robert Lopez		
Subject: Authorization to submit an application to the Bulletproof Vest Partnership (BVP) Grant and authorize the Mayor to execute any related documents. (Staffed by Police Department.)		
Background: The purpose of the Bulletproof Vest Partnership (BVP) Program is to reimburse states, counties, federally recognized tribes, cities, and local jurisdictions up to 50% of the cost of body armor vests purchased for law enforcement officers. Since 1999, over 13,000 jurisdictions have participated in the BVP Program, with a total of \$447 million in federal funds for the purchase of over one million vests (1,312,281 vests as of January 2018).		
Funding Source (budget code, if applicable): Department of Justice		
Amount: \$0.00	Term of Impact: 24 months	Identified in Current Budget: No
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 Ted Walensky Mike Perez	Created/Initiated Approved Final Approval	
City Manager Comments: Approved.		
Staff Recommendation:		
Attachments, if any: BVP_GuidanceOverview		
Responsibilities upon Approval: The Weslaco Police Department will be responsible for grant administration.		

Bulletproof Vest Partnership (BVP) Overview

(Updated March 2018)

The purpose of the Bulletproof Vest Partnership (BVP) Program is to reimburse states, counties, federally recognized tribes, cities, and local jurisdictions up to 50% of the cost of body armor vests purchased for law enforcement officers. Since 1999, over 13,000 jurisdictions have participated in the BVP Program, with a total of \$447 million in federal funds for the purchase of over one million vests (1,312,281 vests as of January 2018).

I. Eligible Applicants: Any recognized unit of general government (states, counties, federally recognized tribes, cities, and local jurisdictions) recognized by the U.S. Census Bureau that employs law enforcement officers. The jurisdiction's chief executive is required to complete the online registration and to provide general oversight and approval of key transactions between the BVP Program and the participating law enforcement agencies.

II. Law Enforcement Officer Definition: The term 'Law Enforcement Officer' means any officer, agent, or employee of a State, unit of local government, or federally recognized tribes authorized by law or by a government agency to engage in or supervise the prevention, detection, or investigation of any violation of criminal law, or authorized by law to supervise sentenced criminal offenders. This includes full, part-time and auxiliary personnel, whether paid or volunteer.

III. Application Period: The BVP application usually opens in April and closes six weeks from opening date. The BVP application only opens once per year.

IV. Award Process: When a BVP recipient is notified of an award amount, the funds are not disbursed until the recipient logs into the BVP site and provides the receipt information for the vests. Once the payment request is made, BJA reviews the request for accuracy and completes payments on a monthly schedule.

V. Funds Usage Period: BVP funds will be available for drawdown for two years from the time of the award announcement.

VI. Small Jurisdiction Priority Funding: Current legislation allocates funds first to jurisdictions with less than 100,000 residents.

VII. Vest Requirements: In order to qualify for this reimbursement, body armor must comply with the most current National Institute of Justice [JTIC - Ballistic Armor Compliant Product List](#) (NIJ) body armor standards, as of the date the body armor was ordered.

VIII. SWAT vests/tactical armor vest eligibility: BVP funds can be used for tactical-level armor, but for only one vest per officer in a replacement cycle. If the agency purchases a tactical level vest for an officer, it must be the officer's primary vest. The agency cannot then use BVP funds to purchase a regular duty vest for the same officer during the same replacement cycle.

IX. Mandatory Wear Policy: BJA will continue the existing policy that requires a written mandatory wear policy for uniformed patrol officers in place when the FY 2018 BVP applications are submitted.

X. Uniquely Fitted Vest Requirement: The BVP Reauthorization Act of 2015 included a provision that states that preference should be given to BVP recipients that provide armor vests to law enforcement officers that are uniquely fitted for such officers, including vests uniquely fitted to individual female law enforcement officers. This provision is applicable to FY 17 BVP awards moving forward. Please see the BVP Reauthorization Act of 2015 amendment for reference: <https://www.congress.gov/114/plaws/publ155/PLAW-114publ155.pdf>.

In the BVP Program, “uniquely fitted vests” means protective (ballistic or stab-resistant) armor vests that conform to the individual wearer to provide the best possible fit and coverage, through a combination of: 1) correctly-sized panels and carrier, determined through appropriate measurement, and 2) properly adjusted straps, harnesses, fasteners, flaps, or other adjustable features. The requirement that body armor be “uniquely fitted” does not necessarily require body armor that is individually manufactured based on the measurements of an individual wearer. In support of the Office of Justice Programs’ efforts to improve officer safety, the American Society for Testing and Materials (ASTM) International has made available the *Standard Practice for Body Armor Wearer Measurement and Fitting of Armor* ([Active Standard ASTM E3003](#)) available at no cost. The [Personal Armor Fit Assessment checklist](#), is excerpted from ASTM E3003.

In addition, a certification section has been added to the 2018 application (in the BVP system) stating the jurisdictions and law enforcement agency are aware of and will comply with this fitted vest requirement.



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1659	
From:			
Subject: Approval of request by Elks Lodge #2057 to close Gibson Park early for their 21st Annual McCaleb Charity Shrimp Boil on May 18th, 2018 to accommodate parking beginning at 6 p.m. (Requested by Paul McDaniel, Chairman, Weslaco Elks Lodge #2057.)			
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):			
Aida Vega		Created/Initiated	
David Arce		Approved	
Mike Perez		New	
City Manager Comments: Approved.			
Staff Recommendation: annual event recommend approval.			
Attachments, if any: Request from Weslaco Elks Lodge No. 2057			
Responsibilities upon Approval: Notify requester of action.			



Weslaco Elks Lodge No. 2057

BENEVOLENT AND PROTECTIVE ORDER OF ELKS

201 S. Border Avenue • Weslaco, TX 78596-5813

(956) 968-7115

March 8, 2018

Mayor Suarez, City Commissioners, City Manager

The Weslaco Elks Lodge # 2057 will be having our 21st Annual McCaleb Charity Shrimp Boil on May 17, 2018 starting at 6:00pm.

We are graciously asking if it is possible to close the Gibson Park early that day for extra parking for our guests.

Thank you for your consideration to this matter for us as this is an annual fund raiser for charity and our local lodge.

Fraternally,

Paul McDaniel, Chairman

Weslaco Elks Lodge #2057



Standardized Agenda Request Form

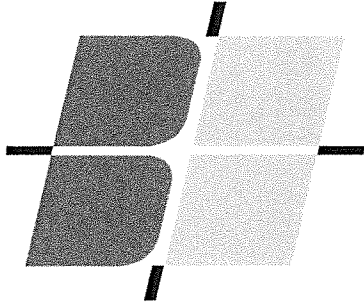
Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1663
From: Elizabeth Walker		
Subject: Authorization of an expenditure in an amount not to exceed \$1,100.00 from the Preservation Fund for the purchase of death record binders, birth record binders, secure life ledger paper, and other supplies for the permanent retention of vital records as prescribed by the Texas Health & Safety Code §191.0045 (h). (Staffed by City Secretary's Office.)		
Background: In accordance with state law the City Secretary's Office charges a fee of \$1.00 for every birth and death record sold. These fees are collected into a dedicated fund for the purchase of supplies to preserve those records. The City Secretary's Office is seeking concurrence for the expenditure of \$1,100.00 as budgeted from the Preservation Fund for the purchase of Binders and Acid Free Paper. The State and Health Safety Code Section 191.0045(h) states "a local registrar or county clerk may collect a fee not to exceed \$1.00 for the preservation of vital statistics records maintained by the registrar or county clerk to include birth, death, fetal death, marriage, divorce, and annulment records. A fee under this section shall be collected by the registrar or county clerk on the issuance of a vital statistics record, including a record issued through a Remote Birth Access site."		
Funding Source (budget code, if applicable): 09-400-3020		
Amount: \$1,100.00	Term of Impact: One year	Identified in Current Budget: N/A - dedicated fund
Additional Action Prompted:		
If item previously considered, provide date and action by Commission: November 2014 - approved		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners: N/A		
Advisory Review, if any (name of board/committee, date of action, recommendation): N/A		
Elizabeth Walker Mike Perez		Created/Initiated Final Approval
City Manager Comments: Approve.		
Staff Recommendation: Approve.		

Attachments, if any:

doc04804420180411160022

Responsibilities upon Approval:

Process two purchase orders



Business Ink Company
Austin Division
10214 N-IH35, Building 3
Austin, Texas 78753
Phone 866-364-1268
Fax (512) 650-2012
csanchez@businessink.com

QUOTATION AND ACCEPTANCE

DATE: 4-10-18

QUOTE NO 40418REV

TO: City of Weslaco
Attn: Edna Silva
esilva@weslcaotx.gov

MANUFACTURING TIME

FREIGHT CHARGES

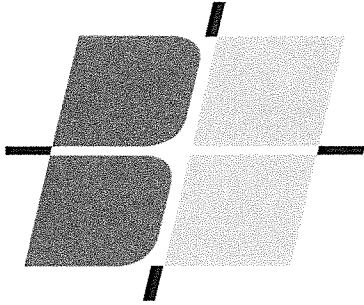
☒ PREPAY & ADD

☐ INCLUDED IN PRICE

FINAL MANUFACTURED QUANTITY: SUBJECT TO $\pm 10\%$

QTY.	DESCRIPTION	U/M	UNIT PRICE	EXTENDED PRICE
5 Reams	28# Secure Life Ledger	Ea.	40.00	\$200.00
	11" x 8.5", 3 Round Post, 3/8" Diam, 8-1/2" OCC			
	**Edna cannot really tell the punching on this since			
	It looks like you have repunched it but I show we did this			
	Paper before for your Birth Binders and the above are the specs			
	If this is not for Birth Biners let me know.**			
	FREIGHT NOT INCLUDED IN PRICE			

SPECIFICATIONS	SUBMITTED BY		
☐ AS FURNISHED BY CUSTOMER ☐ PER SAMPLE FURNISHED ☐ PER ABOVE SPECIFICATIONS	Chayo Sanchez – Account Manager		
ARTWORK/COMPOSITION	PAYMENT TERMS 30 DAYS		
☐ CUSTOMER FURNISHED ☐ WE FURNISH ☐ INCLUDED IN PRICE ☐ NOT INCLUDED IN PRICE	CLIENT ACCEPTANCE	DATE	PURCHASE ORDER NO.
PROOF			



Business Ink Company
Austin Division
10214 N-IH35, Building 3
Austin, Texas 78753
Phone 866-364-1268
Fax (512) 650-2012
csanchez@businessink.com

QUOTATION AND ACCEPTANCE

DATE: 4-4-18

QUOTE NO 40418B

TO: City of Weslaco
Attn: Edna Silva
esilva@weslcaotx.gov

MANUFACTURING TIME

FREIGHT CHARGES

☒ PREPAY & ADD

☐ INCLUDED IN PRICE

FINAL MANUFACTURED QUANTITY: SUBJECT TO $\pm 10\%$

QTY.	DESCRIPTION	U/M	UNIT PRICE	EXTENDED PRICE
3	Birth Record-Vol's 143-145	Ea.	216.70	\$650.10
	11" x 8.5", 3 Round Post, Tan Canvas, Repeat of our job 32040			
	FREIGHT NOT INCLUDED IN PRICE			

SPECIFICATIONS	SUBMITTED BY		
☐ AS FURNISHED BY CUSTOMER ☐ PER SAMPLE FURNISHED ☐ PER ABOVE SPECIFICATIONS	Chayo Sanchez – Account Manager		
ARTWORK/COMPOSITION	PAYMENT TERMS 30 DAYS		
☐ CUSTOMER FURNISHED ☐ WE FURNISH ☐ INCLUDED IN PRICE ☐ NOT INCLUDED IN PRICE	CLIENT ACCEPTANCE	DATE	PURCHASE ORDER NO.
PROOF			



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1664
From:		
Subject: Authorization to bid and purchase a 2018 F-350 Ambulance at a cost of \$150,000.00 with awarded funding from Emergency Services District #1 through HGAC contract #AM10-16 and authorize the Mayor to executed any related documents. (Staffed by the Fire Department.)		
Background: Authorization to purchase a 2018 F-350 Ambulance with awarded funding from Emergency Services District #1 at \$150,000. this will replace a out of service ambulance the ESD#1 purchased for the City in 2008. ESD#1 amended EMS contract with City of Weslaco in April 2018 from \$125,000 to \$155,000 to allow \$30,000 per year for 5 years equaling \$150,000 to cover the ambulance purchase.		
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):		
Elizabeth Walker	Created/Initiated	
Antonio Lopez	Approved	
Mary Barrera	Approved	
Mike Perez	Final Approval	
City Manager Comments: Approve.		
Staff Recommendation:		
Attachments, if any: 2018 F-350 , 153 job sheet, 2018 F-350 HGAC sheet, doc02788220180411124930		
Responsibilities upon Approval:		

DEALER: **SWAS**
 CUSTOMER: **City of Weslaco**
 Street or P.O. Box: **255 South Kansas**
 City, State, Zip: **Weslaco TX 78596**
 Customer Contact: **Chief Lopez**
 Sales Associate: **Buffington**
 VIN#: **To be assigned by MEDIX**

Chassis Model Yr		2018
MEDIX Model		Metro Express 153 Type I
CHASSIS		Ford F-350 XLT 4x2, 6.7L DIT Diesel, 169" WB, 14,000 GVWR
BODY		153"L x 94" W x 70" Interior Headroom
QTY	STD/OPT	Description
1	16-1000-FD	Chassis & Conversion
01-		Flooring & Interior Colors
1	100040	Cabinet Laminate: Gloss Gray
		Color:
1	STD	Upholstery: (Specify Color)
		Color: Gunmetal Brand: EVS
1	100020	Lonseal- LonPlate (Diamond Plate)
		Color: GUNMETAL 424
02-		Body & Chassis
1	STD	This chassis is equipped with a Diesel Exhaust Fluid (DEF) System to meet the EPA Diesel Emissions Standards.
1	STD	All Exterior compartments coated with a light gray rubberized urethan material.
1	STD	Pass-Thru - No sliding Lexan, just OEM P/T
1	200130	Fender Flares, Stainless Steel, ILOS
1	STD	Compartment Lights: Optronics ILL36CB LED Compartment lights- ALL Models
		Locate: (1) Ceiling of Compt #1; (2) in Compt #2- (1) URH, (1) LLH; (1) in ceiling of Compartment #3; (2) in Compt #4/5; (1) in Compt #6.
1	STD Modified	Compartment #1 SS Forward: <u>Smooth Aluminum</u> body, <u>ADP interior door panel</u> , SafetyYellow adjustable O2 cylinder storage for STEEL tank, Door w/gas strut hold-open. (see option below)
1	STD	Compartment #2 SS Center: <u>Smooth Aluminum</u> body, <u>ADP interior door panel</u> , Open Storage, Door w/gas strut hold-open and Seat Belt Strap.
1	STD	Compartment #3 SS Rear: <u>Smooth Aluminum</u> body, <u>ADP interior door panel</u> , Mid-height open storage. Door w/gas strut hold-open.
2	STD	Rear Entry Doors: Single piece laminated smooth aluminum door liner w/stainless steel center panel for black paddle handles; ADP kick panels.
1	STD	Compartment #4/5 CS Forward: NO body above floor, <u>ADP interior door panel</u> , ALS Cabinet w/ Inside/Outside access, Full-height, single Door w/gas strut hold-open. Bottom section smooth aluminum body, Open storage.
1	STD	Curbside Entry Door: Single piece, laminated smooth aluminum door liner w/stainless steel center panel for black paddle handles; ADP kick panels. Gas strut door hold-open. Smooth aluminum stepwell w/Dri-Dek insert.

1	STD	Compartment #6 CS Rear: <u>Smooth Aluminum</u> , Vertical backboard storage w/2 belts. Door w/ rubber socket/nylon ball hold-open.
1	99-0927	Handles: Trimark chrome plated entry and compartment door handles ILOS powder coated black, includes all exterior and interior door handles
1	STD	Power Door Locks: Key Pad, programmable for power door locks NOTE: Ford ONLY (Required for 2017 Type 1)
1	STD	Rear Bumper: ADP corner pods w/ rubber Dock bumper pads, Center grip-strut flip-up step, powder coated steel frame
2	STD	IV Hangers: (2) Cast black rubber fold-down over knee area of Cot and Squad Bench
3	STD	Mirrors, OEM: (1) each cab door, (1) on interior windshield
1	STD	Stainless steel wheel covers w/valve extenders
4	STD	Stone Guards, lower body corners, ADP
1	STD	Rub Rails, C-Channel, tapered ends, Lower Body off-set mount with neoprene spacers. NOTE: See option below for rub rail lights.
2	STD	Aluminum Running Boards: "Starburst" Grip Punched, Diamond Plate, Type 1
2	STD	Cast aluminum fuel fill bezel; Cast aluminum DEF bezel w/insert
1	STD	Insulation: Spray in place foam, FR 2-Part Spray Foam, CP-1000 Kit 200, applied to curbside entry step well and both rear wheel wells
1	STD	Undercoating: Per QVM Guidelines
03- Brake, Turn & Back-Up Lights		
1	STD	Lights: DOT, Brake/Tail, Turn, Back Up: Whelen 600 Series LED.
1	99-0600	DOT Marker Lights: Delete Standard Optronics LEDs w/rubber grommet bezels and replace with Whelen OS LEDs; (7) OSA00MCR Amber- (5) on front of body as Marker lights, (2) side facing on rear extrusions as Turn Signals; (7) OSR00MCR Red- (5) on rear of Body as Marker lights, (2) side facing as Markers. These are steady burn models.
		Special Instructions: Must drill 1/2" center hole instead of 3/4"; drill (2) holes for #6 screws for mounting; <u>BEFORE</u> paint, loop wires and pull back through holes and position for retrieval after paint for final install of lights. See Scott R or Art B <u>BEFORE</u> this process is attempted and <u>BEFORE</u> unit goes to paint.
04- Electrical, Power Distribution, Control Center & Interior Lighting		
1	STD	Battery Switch, Automatic: TST CDR-357. Located in Electrical Cabinet.
2	STD	Antenna, Radio Coax Cable terminated behind driver's seat w/Power & Ground for each
2	99-0076	Power/Ground, 12VDC, Additional - Install 12 Volt power and ground for future installation of flashlights.
		Locate: Behind Driver's Seat in cab
8	99-0522	Dome Light: Whelen LED, 18-diodes w/chrome flange MX80EHZA , switched separately with Hi/Lo functions- ILOS
1	STD	Action Area Light: Whelen PSC0ADCR, 12 VDC LED Strip light, 6 diodes and On/Off switch on rear control panel
1	STD	USB Port: Vanner VSS-USB dual port 2Amp mounted on A/A wall

1	99-0617	Shoreline: 125 VAC, 20-Amp, Kussmaul SUPER Auto Eject ILOS. Kussmaul P/N: 091-55-20-120 side wired w/hinged,yellow, weatherproof cover, Located above Compartment #2 on Streetside. Will have to be mounted on the Kussmaul Stainless Steel E-Z mounting plate w/indicator light for access. Kussmaul P/N: 091-185-009. Mating Connector to be shipped loose.
1	400160	Inverter, Vanner 20-1050CUL- 1000watt w/battery charger, remote control w/switch in rear panel
		Locate: Lower P/T cabinet "E"
1	400150	DELETE Standard Battery Charger (when adding Inverter with integral charger)
1	STD	Timer: 5-minute check-out, wired to CS Hight mode dome lights
2	STD	12 VDC Outlets: (1) in Action Area, (1) in ALS Cabinet
1	400020	12 VDC Charging Plug, cigar style- IATS (See option in cabinet section)
		Specify Location: 2nd A/A Lower LH corner
2	STD	125 VAC Outlets, Duplex: (1) in Action Area, (1) in ALS Cabinet
1	400100	Duplex Outlet, 125 VAC- IATS (See option in cabinet section)
		Specify Location: 2nd A/A Lower LH corner
1	STD	Breaker Box: 125 VAC w/20-Amp Breaker located on the rear wall of interior cabinet E. GFI receptacle located on the Action Area wall.
1	STD	Spotlight: 400,000 CP, hand-held, hardwired w/momentary On.Off switch, located in cab
1	STD	Rear Switch Panel: Engraved black plastic panel with (14) LED lighted switch positions for Dome Lights (2), Vacuum (1), Vent (1), A.A. Light (1), Inverter (1), AC/Heat (1), Fan Speed (1), <u>Spare switches</u> , Thermostat and digital clock w/Mode Buttons. MX01516.
1	STD	Front Console: Formed Aluminum, black powder coated, attached to floor. Switch panel with siren panel to rear
1	STD	Electrical Cabinet: Located over pass-thru w/latching, recessed, vented door
	05-	Warning Lights & Siren
0	99-1358	Lights: Warning, Whelen M-Series LED EMERGENCY Lighting Package ILOS Whelen LED warning Package- Ford, Chevy Type I and Type III - MSV - Models ONLY. NOTE: Does not include LED Scene or Load Lights. All LED lights shall have CLEAR Lenses. All emergency and scene lighting shall have chrome flanges in standard locations. Front of Body: Add (7) M9 Whelen LEDs- Specify pattern by LED Color (Red or White): Configured R/W/R/W/R/W/R OR R/R/R/W/R/R/R (Must provide configuration). (4) M9 Red LEDs & (3) M9 White, (2) outer corners and (1) center light flash on K-Spec flasher. Inner (4) flash independently on Light Bar switch on front console. Sides of Body: (4) M9 Red LEDs: (2) each side in upper corners Rear of Body: (4) Whelen M-Series Red LEDs: (2) in upper outboard corners, (2) Mid-Body wired as Warning/Brake at the window level, (1) Whelen M-Series Amber LED in the center position over the rear doors. Brake, Turn & Back-Up Lights: M6 LEDs Lights, Warning, Intersection Lights: (2) M7 Red LEDs on Front Fenders; (2) M7 Red LEDs above rear Wheel Wells-wired to Pri/Sec Modes

2	STD	Lights, Warning, Grille: LINZ6R Red LED w/clear lenses & chrome flanges on center grille bar
6	99-0700	Light, Scene/Load, Whelen M9LZC LED Linear-LED ® (includes flange)- ILOS (To be used with the M-series Warning light package)
		Specify Location: 2 on each side; 2 on rear
6	99-0405	Lights Warning, Whelen ION- <u>RED (WIONSMCR) and White (WIONSMCC)</u> in rubrails
		Locate: In Rub Rail, <u>R-W-R</u> on each side of Body- See Prints
1	STD	Flasher- For Warning Light System, Vanner 9860GCPE
2	STD	Siren Speakers: Dual 100-watt drivers mounted through front bumper
1	STD	Siren- Whelen 295 SL5A1, 200 Watt
1	500420	Wig-Wag Headlamps, Sound-Off - (includes one switch in front panel, P/N: MX09048)
	06-	Oxygen, Vacuum & Miscellaneous Items
3	STD	Oxygen Outlets: Quick-connect style, (2) in Action Area, (1) over Squad Bench
1	STD	Suction Aspirator System: Rico disposable container, mounted in Action Area w/gauge and quick-connect; GAST vacuum pump mounted in lower pass-thru cabinet
1	DEL	DELETE STANDARD Oxygen Cylinder Retention: For "M" cylinder, black steel w/3-spring buckle straps and top collar, located in Compartment #1
1	600035	Oxygen Cylinder Retention: For M or H cylinder; Adjustable Safety Yellow bracket w/3-spring buckle straps and top collar- ILOS, Use p/n: 66-A10761 (Standard on MSV II)
1	STD	O2 Regulator, Amvex, 50psi, pre-set
	07-	AC/Heat
1	STD	HVAC System: High capacity Free Blow combination Heat-AC system, multi-speed fan and thermostatic control in Action Area. HVAC unit mounted above ALS cabinet.
1	700001	Auxiliary Air Conditioning System, A.C.C- Hot Weather Pkg (Condenser, Pump, Valve)
	08-	Cabinets, Hardware & Miscellaneous Items
1	STD	Main Streetside Wall Cabinets: Specify desired configuration-
1	OPT	Cabinet Configuration- CPR Seat w/EVS V-4 seat belt system and 2nd Action Area; includes (1) 125VAC and (1) 12VDC outlet in 2nd Action Area
		Main Wall Cabinets will have (1) adjustable shelf in each and sliding Lexan doors with full height extruded handles. See Prints for Configuration.
1	STD	Action Area Overhead Cabinet: <u>Single cabinet full-height/full-depth of Action Area</u> with sliding Lexan doors and full height extruded handles.
1	STD	Action Area and <u>Switch Panel</u> : Laminated, sealed countertop and vertical panel with Suction system collection cannister, Vacuum gauge, (2) Oxygen outlets, (1) 12VDC Outlet, and (1) 125VAC Outlet. <u>Switch panel includes (14) switch positions, Thermostat and digital clock w/Mode Buttons. MX01516</u>
2	STD	Bulkhead Wall Cabinets: Electrical Cabinet above walk-thru w/hinged, latching, vented door.
2	STD	Pass-Thru Cabinets: Upper cabinet- open storage w/hinged, latching door; Lower cabinet- open storage w/hinged, latching, vented door and location for inverter and vacuum pump on floor
1	STD	ALS Cabinet: Lower section- Locking storage for 747 box; Middle Section- Open storage w/1-adjustable shelf

1	STD	Squad Bench:
	1	Full length hinged lid w/TriMark latch for access to interior storage
	2	Full length upholstered seat cushion except over Sharps/Waste Area; formed upholstered back rest cushions and head pad for each seated position.
	3	(2) EVS V-4 Belted seating positions w/progressive foam back and head pads and (3) short bottom straps for 2nd Patient restraint
	4	Backer plate included in squad bench assembly at head end
1	STD	Sharps/Waste: Drop-in style w/Red polycarbonate hinged lid with standard containers, located at head of squad bench.
1	STD	Technician's Seat: EVS Rear facing automotive style chair with V-4 belt system mounted on steel base w/side access to storage.
1	STD	Assist Rail, overhead off-center toward Streetside of unit.
3	STD	Grab handle- stainless steel, mounted on each rear entry and curbside entry door
8	STD	Reflective Striping, Door Open Protection: .50" Red reflective striping around interior door pan of all body doors.
1	99-0511	Cargo Net @ Head of Squad Bench- Type I / III 150 Models and Type III MN-86 ONLY. Sqd Bnch to accommodate A-Bar Plate and Cover. (150 PNs: 86-101702, 33-101868, 33-101869) Requires squad bench assembly print different than standard.
	09-	Cots & Miscellaneous Items
1	99-0879	Cot Mount: Stryker Performance Load (6392EMS002) with floor plate (153, 166 & 170 Only). Mounting Location:
	10-	Paint & lettering
1	STD	Paint: Body all OEM White
1	1000100	Roof Star ONLY, INSTALLED
1	OPT	Grayson Graphics to supply and install graphics package - see quote
		SHIP LOOSE
2	STD	5 lb. Fire Extinguisher- Ship Loose
		GPC Discount
		cot Stryker Performance Pro

TOTAL ORDER

I have reviewed this Order and find it to be acceptable and ready to build.

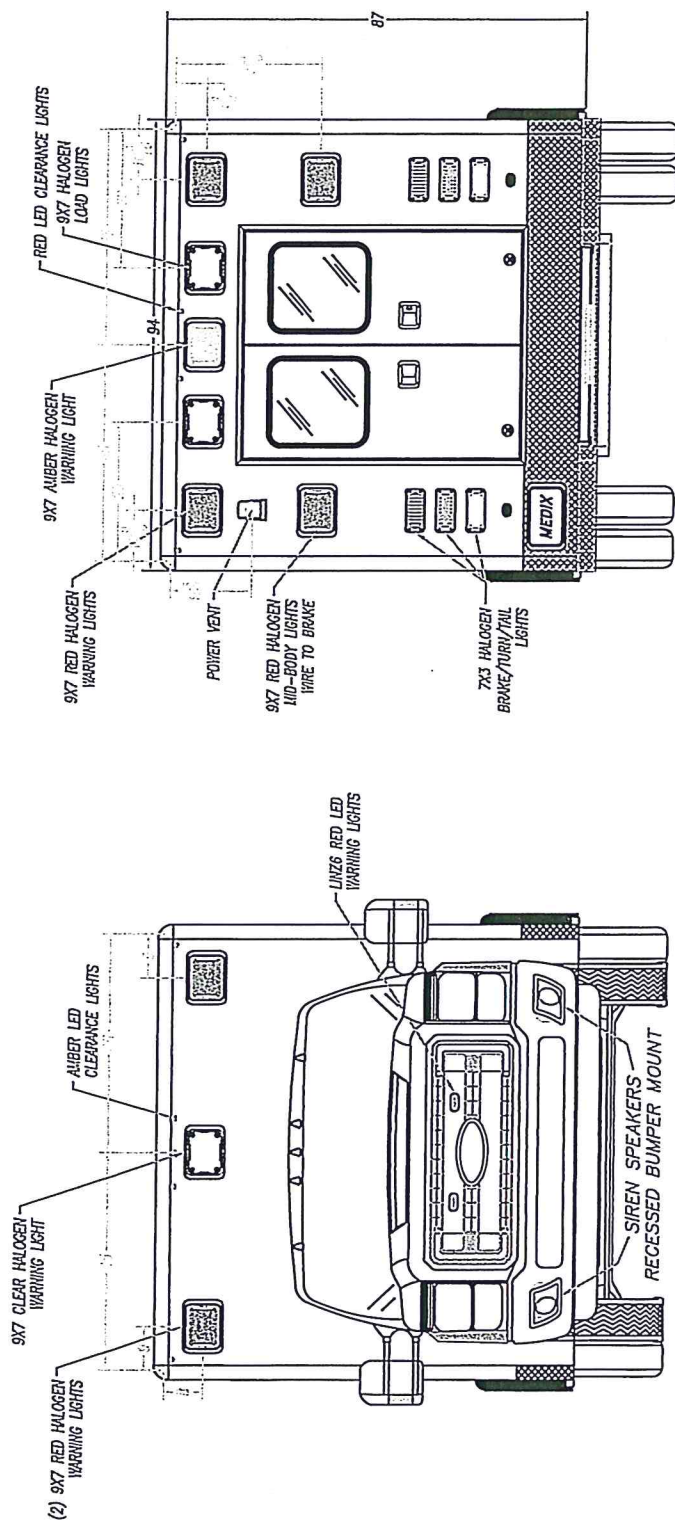
Date: _____
Dealer Signature

I have reviewed this Order and find it to be acceptable and ready to build with the addition of the attached, approved changes.

Date: _____
Dealer Signature

Due to on-going product improvements and the changing requirements of the ambulance industry, MEDIX Specialty Vehicles, Inc. reserves the right to change product specifications and related products without prior notice and without any obligation to change prior products or parts. ALL PATENTS RIGHTS RESERVED.

ALL CEMENT DISPOSITIONS ARE TAKEN FROM END OF WALL SURFACE PRIOR TO CURING OF CEMENT APPLIED



REAR ENTRY DOOR SIZES

NO.	WIDTH	HEIGHT	PART NUMBER
1	1.00	1.00	1.00
2	1.00	1.00	1.00
3	1.00	1.00	1.00
4	1.00	1.00	1.00
5	1.00	1.00	1.00
6	1.00	1.00	1.00
7	1.00	1.00	1.00
8	1.00	1.00	1.00
9	1.00	1.00	1.00
10	1.00	1.00	1.00
11	1.00	1.00	1.00
12	1.00	1.00	1.00
13	1.00	1.00	1.00
14	1.00	1.00	1.00
15	1.00	1.00	1.00
16	1.00	1.00	1.00
17	1.00	1.00	1.00
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19	1.00	1.00	1.00
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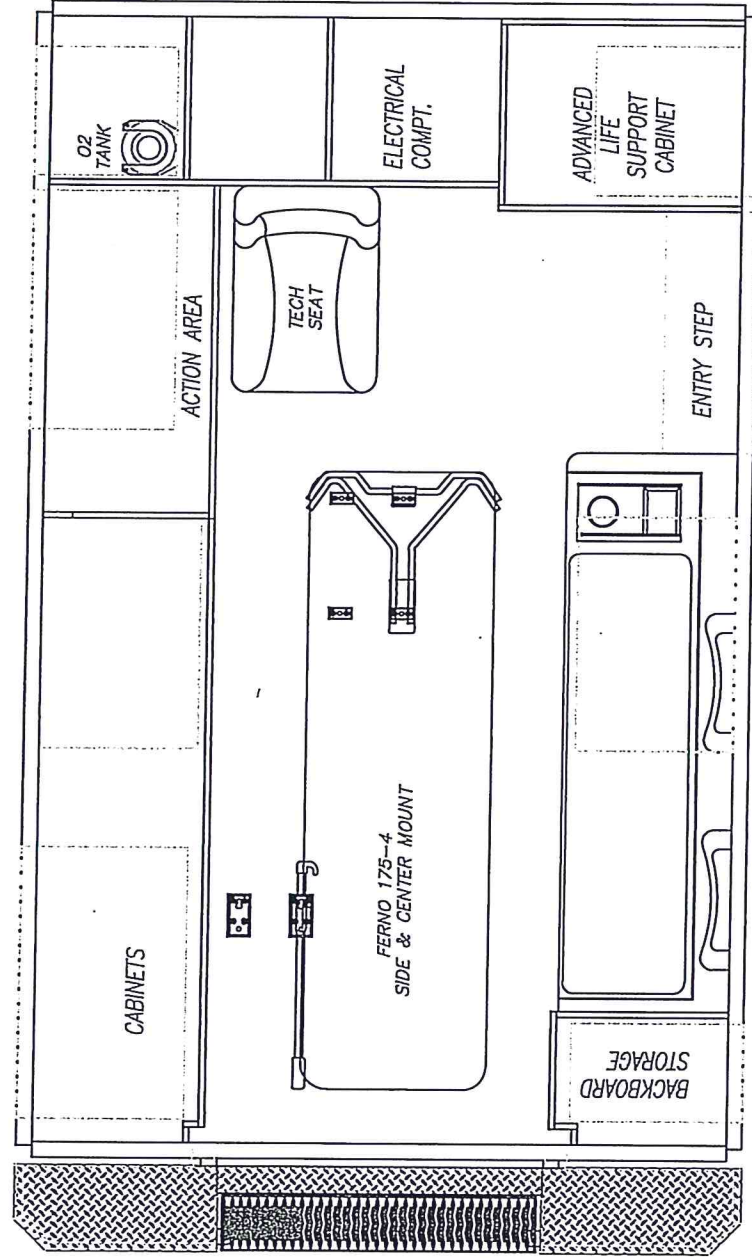
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DRAWN BY:	D.EDWARDS	DATE CREATED:	9/15/15
REVISD BY:		DATE REVISED:	
		SCALE:	5/16"=1'
		REVISION:	

Note: Drawings are for reference only, measurements may vary from actual product.



MEDIX
SPECIALTY VEHICLES, INC.

"LET US SHOW YOU THE MEDIX DIFFERENCE"
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FORD F-350 165" W.B.
150" TYPE I AMBULANCE

DESCRIPTION: PATIENT AREA PLAN		SCALE: 1/2"=1'
DRAWN BY: D. EDWARDS	DATE CREATED: 9/15/15	REVISION: 1
REVISED BY: -	DATE REVISED: -	REVISION: -

Note: Drawings are for reference only, measurements may vary from actual product.

MEDIX
3008 MOBILE DRIVE
ELKHART, IN 46514
PH: 574-266-0911
SPECIALTY VEHICLES, INC. FAX: 574-266-6669
"LET US SHOW YOU THE MEDIX DIFFERENCE"
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Dealer: MEDIX

Approved By:

Date:

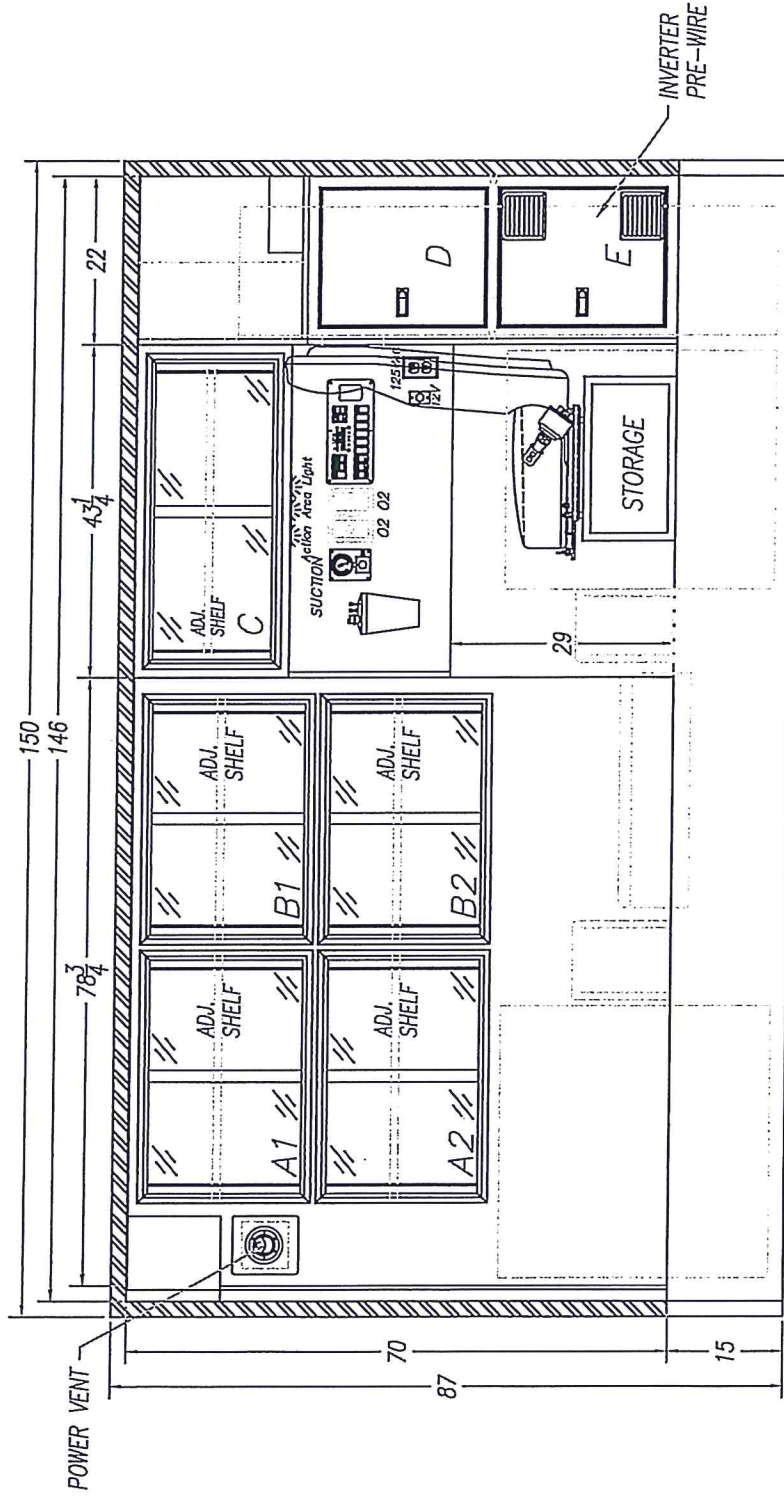
Customer:

STOCK

15-

Sheet

E



INTERIOR CABINET STORAGE

ITEM HEIGHT WIDTH DEPTH

SPECIAL NOTE

FORD F-350 165" W.B.

150" TYPE I AMBULANCE

DESCRIPTION:

STREET SIDE INTERIOR

DRAWN BY:

D. EDWARDS

DATE CREATED:

9/15/15

SCALE:

1/2"=1'

REVISOR BY:

DATE REVISED:

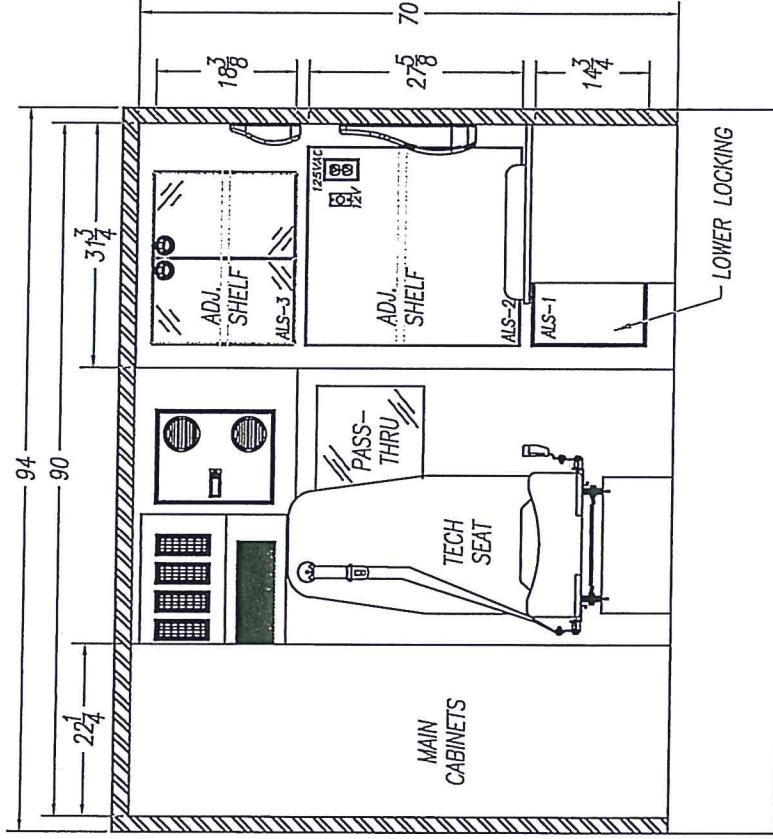
REVISION:

Note: Drawings are for reference only, measurements may vary from actual product.



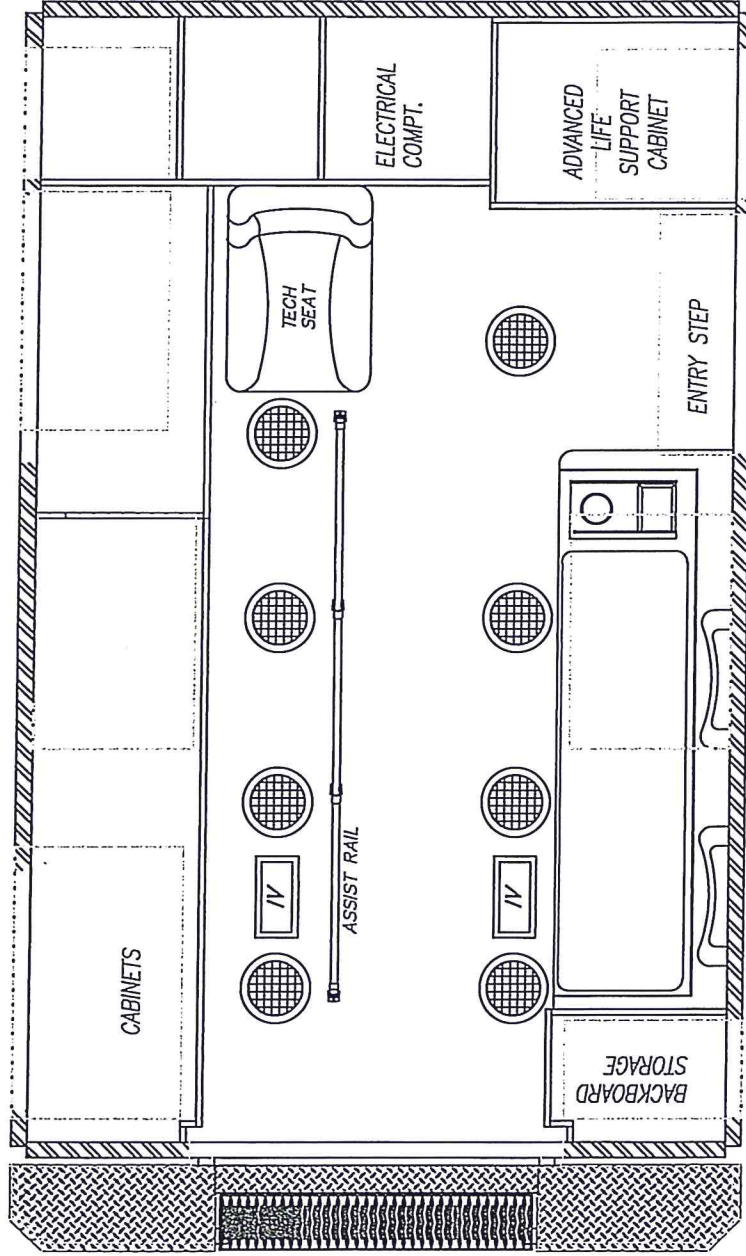
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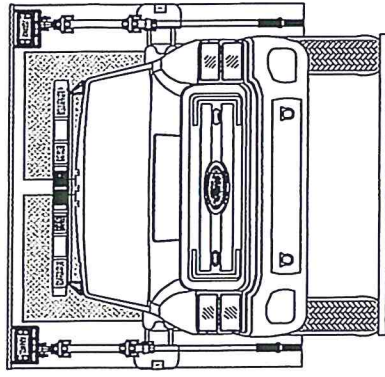
INTERIOR CABINET STORAGE				FORD F-350 165" W.B. 150" TYPE I AMBULANCE			
ITEM	HEIGHT	WIDTH	DEPTH	SPECIAL NOTE			
ALS-1	14 3/4"	30"	20 1/2"				
ALS-2	27 3/4"	30"	20 1/2"				
ALS-3	18 3/4"	28 1/2"	20 1/2"				
DESCRIPTION: FRONT ELEVATION				DATE CREATED: 9/15/15			
DRAWN BY: D. EDWARDS				SCALE: 1/2" = 1'			
REVISOR BY: —				REVISION: —			
Note: Drawings are for reference only, measurements may vary from actual product.							

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FORD F-350 165" W.B. 150" TYPE I AMBULANCE			
DESCRIPTION: CEILING LAYOUT			
DRAWN BY: D. EDWARDS	DATE CREATED: 9/15/15	SCALE: 1/2" = 1'	
REVISED BY:	DATE REVISED:	REVISION:	
Notes: Drawings are for reference only, measurements may vary from actual product.			

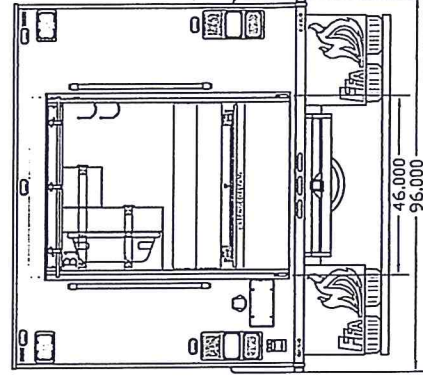
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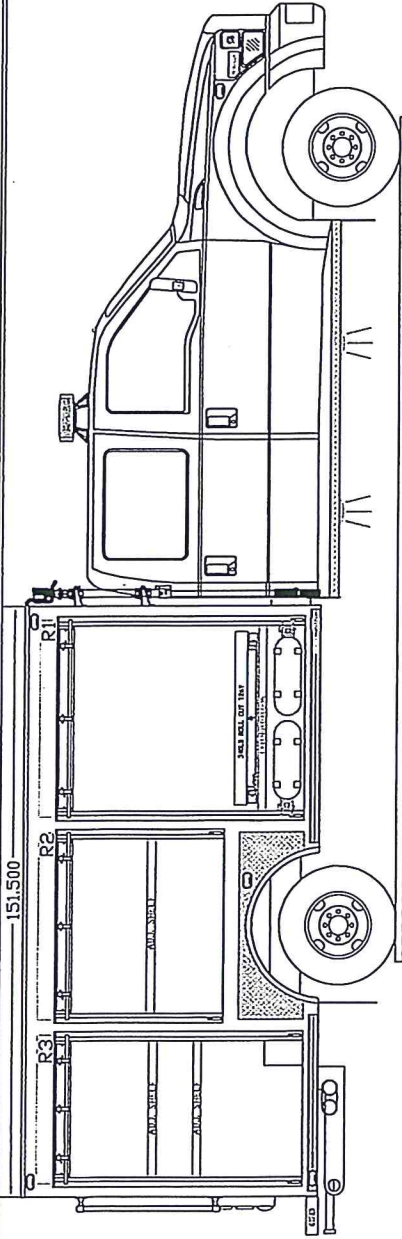
FERRARA FIRE APPARATUS INCORPORATED

CITGO CORPUS CHRISTI

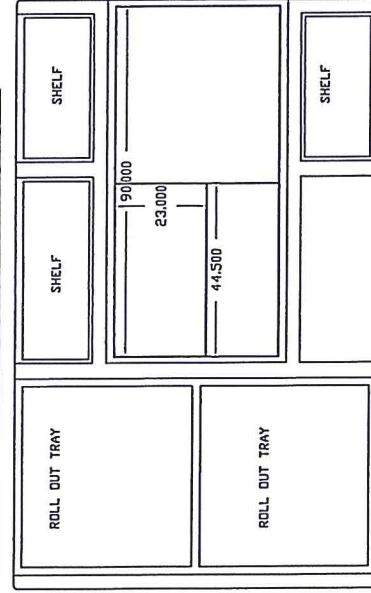
H-4868



05-16-11 (JD)



COMPARTMENT DIMENSIONS	
COMPT.	OPENING
L1/R1	47.5W X 57.5H
L2/R2	45W X 37.5H
L3/R3	35W X 57.5H
B1	43W X 57.5H
IT IS UNLAWFUL TO COPY OR REPRODUCE ANY OR ALL OF THIS DRAWING WITHOUT THE WRITTEN PERMISSION OF FERRARA FIRE APPARATUS, INC. UNAUTHORIZED REPRODUCTION WILL RESULT IN PROSECUTION TO THE FULLEST EXTENT OF THE LAW. DIMENSIONS AND ITEM LOCATIONS ARE APPROXIMATE AND ARE SUBJECT TO DEVIATIONS THAT MAY OCCUR OR BE NECESSARY DURING CONSTRUCTION. SOME DETAILS MAY NOT BE SHOWN.	



CUSTOMER APPROVAL

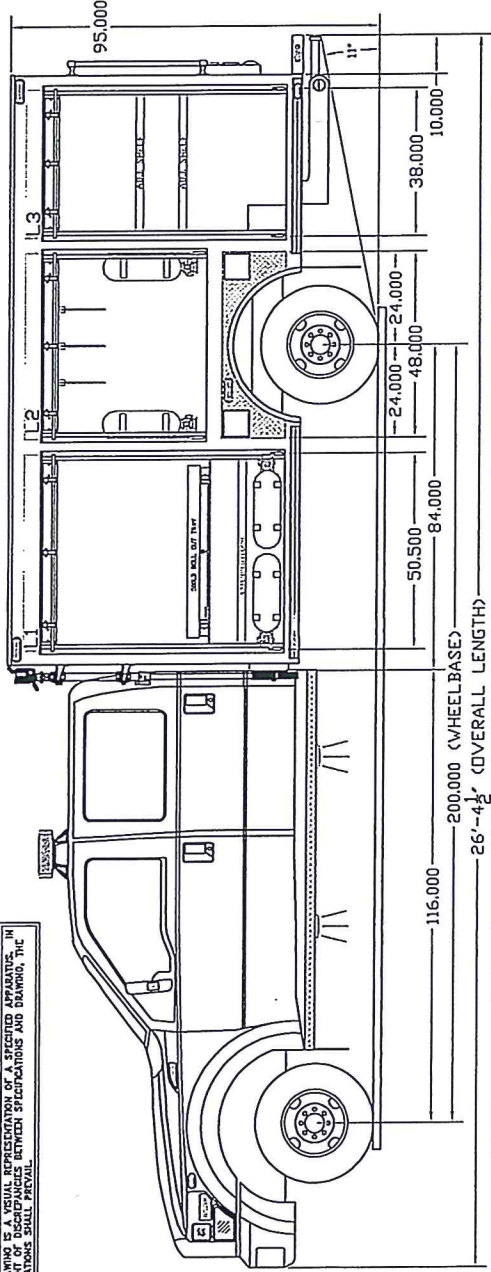
NAME: _____

BY: _____

TITLE: _____

DATE: _____

THIS DRAWING IS A VISUAL REPRESENTATION OF A SPECIFIED APPARATUS. IN
 THE EVENT OF A DISCREPANCY BETWEEN THE DRAWING AND THE
 SPECIFICATIONS SHALL PREVAIL.



200.000 (WHEELBASE)

26'-4 1/2" (OVERALL LENGTH)



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1635	
From:			
Subject: Discussion and consideration to approve the City of Weslaco's Comprehensive Annual Financial Report for fiscal year ending September 30, 2017 as presented by Carr, Riggs & Ingram, LLC. Possible action. (There was no action on April 3, 2018; requested by Carr, Riggs & Ingram, LLC; Staffed by Finance Department.)			
Background: Staff is pleased to present our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017. The City's independent auditors from Carr, Riggs, & Ingram, LLC, will be available to present their opinion on the financial statements and will be available to answer any questions. Hard copies of the CAFR will be passed out to each member of the City Commission and will also be made available on our website.			
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: April 3rd, item was on agenda but CAFR was not ready to be presented.			
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):			
Mary Barrera		Created/Initiated	
Mary Barrera		Approved	
Mike Perez		Final Approval	
City Manager Comments: Approved.			
Staff Recommendation: Recommend approval for filing.			
Attachments, if any: City of Weslaco- Draft			
Responsibilities upon Approval: File Comprehensive Annual Financial Report and make available to public.			



2017

City of Weslaco, Texas



Comprehensive Annual Financial Report
For the Year Ended September 30, 2017

CITY OF WESLACO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2017

Issued by:

Mike Perez, City Manager

Maria C. Barrera, CPA, Finance Director



CRI CARR
RIGGS &
INGRAM
CPAs and Advisors
CRIcpa.com

City of Weslaco, Texas
Table of Contents
September 30, 2017

Page No.

INTRODUCTORY SECTION

City Officials	1
Letter of Transmittal	3
GFOA Certificate of Achievement	7
Organizational Structure	8

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	9
-------------------------------------	---

MANAGEMENT'S DISCUSSION AND ANALYSIS	15
---	----

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements	
Statement of Net Position	25
Statement of Activities	26

Fund Financial Statements

Governmental Fund Financial Statements

Balance Sheet	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	29
Statement of Revenues, Expenditures and Changes in Fund Balances	30
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31

Proprietary Fund Financial Statements

Statement of Net Position	32
Statement of Revenues, Expenses and Changes in Net Position	34
Statement of Cash Flows	35

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position	36
Statement of Changes in Fiduciary Net Position	37

Notes to Financial Statements	39
-------------------------------	----

City of Weslaco, Texas
Table of Contents
September 30, 2017

Page No.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - General Fund	83
Schedule of Changes in Net Pension Liability and Related Ratios	84
Schedule of Contributions	85
Notes to Schedule of Contributions	86
Notes to Required Supplementary Information	87

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Combining Balance Sheet	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	91

Comparative Individual Fund Statements

General Fund

Comparative Balance Sheets	92
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	93

Special Revenue Funds

Hotel/Motel Tax

Comparative Balance Sheets	94
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	95
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual- Hotel/Motel Tax Fund	96

Library Fund

Comparative Balance Sheets	97
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	98

Capital Projects Funds

2013 Certificate of Obligation Construction Fund

Comparative Balance Sheets	99
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	100

Capital Improvement Program Fund

Comparative Balance Sheets	101
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	102
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual- Capital Improvement Program Fund	103

City of Weslaco, Texas
Table of Contents
September 30, 2017

Page No.

OTHER SUPPLEMENTARY INFORMATION - Continued

Comparative Individual Fund Statements - Continued

Fire Department Equipment Replacement Fund

Comparative Balance Sheets	104
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	105
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual- Fire Department Equipment Replacement Fund	106

Debt Service Funds

Comparative Balance Sheets	107
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	108
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual- Debt Service Fund	109

Enterprise Funds

Water and Wastewater Fund

Comparative Statements of Net Position	110
Comparative Statements of Revenues, Expenses, and Changes in Net Position	112
Comparative Statements of Cash Flows	113
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual- Water and Wastewater Fund	114

Solid Waste Fund

Comparative Statements of Net Position	115
Comparative Statements of Revenues, Expenses, and Changes in Net Position	116
Comparative Statements of Cash Flows	117
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual- Solid Waste Fund	118

Airport Fund

Comparative Statements of Net Position	119
Comparative Statements of Revenues, Expenses, and Changes in Net Position	120
Comparative Statements of Cash Flows	121
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual- Airport Fund	122

Internal Service Funds

Equipment Replacement Fund

Comparative Statements of Net Position	123
Comparative Statements of Revenues, Expenses, and Changes in Net Position	124
Comparative Statements of Cash Flows	125
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual- Equipment Replacement Fund	126

City of Weslaco, Texas
Table of Contents
September 30, 2017

Page No.

OTHER SUPPLEMENTARY INFORMATION - Continued
Comparative Individual Fund Statements - Continued

Fiduciary Funds

Firemen's Relief and Retirement Pension Trust fund

Comparative Statements of Fiduciary Net Position 127

Comparative Statements of Changes in Fiduciary Net Position 128

Marion Booth Endowment Fund Private Purpose Trust Fund

Comparative Statements of Fiduciary Net Position 129

Comparative Statements of Changes in Fiduciary Net Position 130

Component Unit

Economic Development Corporation

Comparative Balance Sheet 131

Comparative Statement of Revenues, Expenditures and Changes in
Fund Balances 132

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position 133

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Funds to the
Statement of Activities 134

Supplemental Statements and Schedules

Schedule of Taxes Receivable – By Fund 135

Analysis of Tax Collections, Adjustments and Allocation to Funds 136

Bonded Debt Requirements

General Obligations Refunding Bonds Series 2010 (Target Savings) 137

Limited Tax Refunding Bonds, Series 2012 138

Tax and Revenue, Certificates of Obligation, Series 2013 139

Limited Tax Refunding Bonds, Series 2016 140

General Obligation Refinancing Bonds Series 2010 (Target Savings) 141

Waterworks and Sewer System Revenue Refunding Bonds, Series 2010 142

Tax Notes, Series 2011 143

Tax and Revenue, Certificates of Obligation, Series 2012 144

Tax and Revenue, Certificates of Obligation, Series 2014 145

Limited Tax Refunding Bonds, Series 2016 146

Limited Tax Refunding Bonds, Series 2017 147

Economic Development Sales Tax Revenue Bonds, Series 2011B 148

Economic Development Sales Tax Revenue Bonds, Series 2012 149

Economic Development Sales Tax Revenue Refunding Bonds, Series 2012 150

City of Weslaco, Texas
Table of Contents
September 30, 2017

Page No.

STATISTICAL SECTION

Net Position by Components – Last Ten Fiscal Years	151
Change in Net Position – Last Ten Fiscal Years	152
Fund Balances of Governmental Funds – Last Ten Fiscal Years	154
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	155
Property Tax Levies and Collections – Last Ten Fiscal Years	156
Assessed Value of Taxable Property – Last Ten Fiscal Years	157
Principal Property Taxpayers	158
Property Tax Rates and Tax Levies – All Overlapping Governments Last Ten Fiscal Years	159
Computation of Direct and Overlapping Debt	160
Legal Debt Margin Information – Last Ten Fiscal Years	161
Pledged – Revenue Coverage – Last Ten Fiscal Years	162
Ratios of General Bonded Debt Outstanding by Type – Last Ten Fiscal Years	163
Taxable Sales by Industry – Last Ten Calendar Years	164
Sales Tax Revenue Payers by Industry – Calendar Years 2016 and 2007	165
Direct and Overlapping Sales Tax Rates – Last Ten Fiscal Years	166
Miscellaneous Statistical Facts	167
Demographic and Economic Statistics – Last Ten Calendar Years	168
Operating Indicators and Capital Asset Statistics by Function/Program	169
Principal Employers – 2016 and 2007	170
Full-Time Equivalent Employees by Function – Last Ten Fiscal Years	171

COMPLIANCE SECTION

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	173
Independent Auditors' Report on Compliance for the Major Program and on Internal Control over Compliance Required by The Uniform Guidance	177
Schedule of Findings and Questioned Costs	181
Corrective Action Plan	185
Summary Schedule of Prior Audit Findings	186
Schedule of Expenditures of Federal Awards	187
Notes on Accounting Policies for Federal Awards	188

INTRODUCTORY SECTION



City of Weslaco, Texas City Officials

Mayor	David Suarez
Mayor Pro-tem	Gerardo “Jerry” TaFolla
Commissioners	Leo Munoz Greg Kerr Jose JP Rodriguez Letty Lopez Josh Pedraza
City Manager	Mike Perez
Finance Director	Maria C. Barrera
City Secretary	Elizabeth M. Walker
City Attorney	Juan E. Gonzalez
Chief Appraiser	Rolando Garza Hidalgo County Appraisal District
Collector of Taxes	Paul Villarreal County of Hidalgo
Chief of Police	Joel Rivera
Fire Chief	Antonio Lopez
Municipal Court Administrator	Rosa Huerta
Planning and Code Enforcement Director	Mardoqueo Hinojosa
Human Resources Director	Veronica Ramirez
Information Technology	Vacant
Parks and Recreation Director	David Arce
Public Facilities Director	Pete Garcia, Jr.
Library Director	Arnold Becho
Aviation Director	Andrew Munoz

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City of Weslaco

"The City on the Grow"



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

Mike R. Perez, City Manager

April 18, 2018

The Honorable Mayor David Suarez,
City Commission and
Citizens of the City of Weslaco

The Comprehensive Annual Financial Report (the CAFR) of the City of Weslaco, Texas (The City) for the fiscal year ended September 30, 2017, is submitted in accordance with Section 28 of the City Charter.

Management assumes full responsibility for the completeness and reliability of the information contained in this report.

To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the city's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Carr, Riggs, & Ingram, LLC, have issued an unqualified ("clean") opinion of the City of Weslaco's financial statements for the year ended September 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City of Weslaco

The City of Weslaco, Texas, established in 1919, is located in the southern tip of Texas in the heart of the Rio Grande Valley, which is considered to be one of the top growth areas in the state, and in the country. The city currently occupies a land area of 15 square miles and serves an estimated population of 39,474. The city is authorized to levy a property tax on both real and personal properties located within its boundaries.

The City of Weslaco has operated under the Council-Manager form of government since incorporation in 1928. Policy-making and legislative authority are vested in a City Commission consisting of a Mayor and six Commissioners. The City Commission is responsible, among other things, for enacting ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for implementing the policies and ordinances of the City Commission, for managing the day-to-day operations of the City, and for appointing the directors of the various departments. The Commission is elected on non-partisan basis. The Mayor and Commissioners serve three year staggered terms, with two commissioners elected every year except for every third year when the Mayor is elected.

The City provides a full range of services, including police and fire protection; emergency medical services; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events. Water and wastewater services are also provided by the City. The City also is financially accountable for a legally separate economic development corporation, which is reported separately within the City of Weslaco's financial statements as a component unit. Additional information on this legally separate entity can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager during the budget process. The City Manager uses these requests to initiate a proposed budget. The City Manager then presents this proposed budget to the Commission for review. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30th, the end of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g. police). Department directors may, with City Manager's approval, make transfers of appropriations within their departments. Transfers of appropriations between departments, however, require the approval of the City Commission. Budget-to-Actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 83 as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented within the other supplementary section of this report beginning on page 96.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy. Located in the center of the Rio Grande Valley, the City of Weslaco continues to experience steady growth. Both property values and sales tax revenues reflect an increase in comparison to prior year and are expected to continue growing in the next few years.

According to the Texas Workforce Commission data link (TRACER), the unemployment rate has remained between 7 and 9 percent over the last few years. In 2017, and the first quarter of 2018, the rates have held steady at around 7.9 percent average. The largest employer is the Weslaco Independent School District with 2,825 employees.

Due to its strong and healthy economy, the City of Weslaco has maintained a credit rating of AA- from Standard and Poor's, and Moody's continues to maintain the City's rating at "A2".

Long-term Financial Planning. Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 30% of total General Fund Revenues. The goal is to maintain at least 25% at all times. The unrestricted fund balance at September 30, 2017, exceeded the goal, and excess funds were transferred to the Capital Improvement Project Fund, as planned. This fund, now going into its third year, allows the City to self-fund improvements such as sidewalks, traffic signals, park improvements, and street paving in order to decrease dependence on debt financing for such infrastructure.

The City Commission in the past four years had focused on evaluating the City's property tax rate. This focus was driven by the desire to give taxpayers the best value for their money as well as making Weslaco more attractive to business and residents looking to relocate. The City Commission reduced the tax rate by a penny in 2014, when it stood at \$0.6967 per \$100 value. This evaluation of the tax rate has continued each year since and now stands at our current \$0.6667 per \$100.00 valuation for the 2017 tax year. Further decreases are not planned at this time to allow for the goal of self-funding infrastructure improvements through the CIP Fund.

Cash Management Policies and Practices. Cash temporarily idle during the year was invested in TEXPOOL, during periods when their rates were higher than the depository banks' rates. All funds kept with the depository bank are collateralized at a minimum rate of 102% of the market value. The City continues to evaluate ways in which further earnings could be realized.

Pension and Other Post Employment Benefits. The City of Weslaco contributes to a single-employer defined benefit pension plan for its fire fighters. Every two years, an independent actuary engaged by the pension plan calculates the amount of benefits that can be paid to beneficiaries of the plan in light of the number of participants, contribution rates, and projected investment earnings, in order to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City of Weslaco fully funds each year's annual required contribution to the pension plan as determined by the actuary.

The City of Weslaco also provides pension benefits for its employees not covered by the firefighters' pension plan. These benefits are provided through a defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS). The City of Weslaco contributes based on a 2 to 1 ratio. The employees' current contribution rate is 7%.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance and Administration Departments. We would like to express our appreciation to all staff that assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and City Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Weslaco finances.

Respectfully submitted,



Mike R. Perez
City Manager



Maria C. Barrera, CPA, CGFO
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Weslaco
Texas**

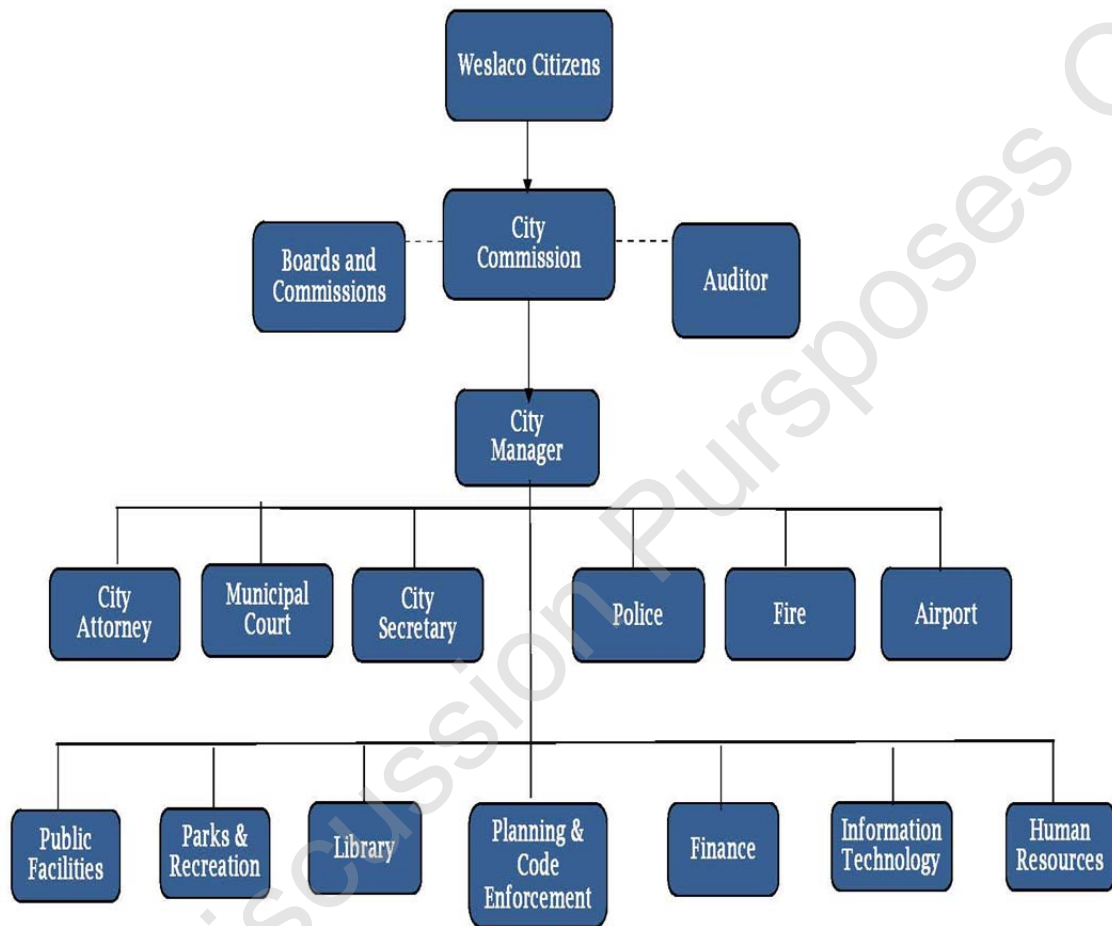
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrell

Executive Director/CEO

City of Weslaco Organizational Chart



REPORT

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 Weslaco, Texas, as of and for the year ended September 30, 2017, 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 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, 2017, 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 20, the City's financial statements were restated and the effect of the adjustment was an increase to beginning net position.

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 83 through 87 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, 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.

The other supplementary information 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 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.

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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 April 18, 2018 on our consideration of the City 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 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 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 Weslaco, Texas' internal control over financial reporting and compliance.

Harlingen, Texas
April 18, 2018

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City of Weslaco, Texas

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION & 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, 2017. 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 \$665,063 as a result of this year's operations. Net position from governmental activities decreased \$580,310, while net position from business-type activities increased \$1,245,373. This reflects a modest 0.9% increase to total net position.

- **Governmental Activities – Revenues and Expenses Compared to Last Year** – Total revenues increased about \$703,690 from last year, with sales tax showing a moderate increase of \$247,023 or 3%. Property tax revenues increased by \$351,249, while franchise taxes saw a slight decrease of \$2,202. Expenses increased about \$3.5M or 12.5% more than last year. This was the result of greater investments of \$2.0M in public safety, \$1.7M in public works, and \$83,812 in general government.
- **Business-Type Activities – Revenues and Expenses Compared to Last Year** – Total revenues saw an increase of \$2.4M from last year, mostly due to the effect of a \$2.3M grant contribution in the Airport, which boosted FYE 2017 totals. Charges for all services increased by \$1.8M. Expenses decreased about 3.6% or \$402,803 in water and wastewater services, while solid waste expenses saw a decrease of about 7.2% or \$297,430. Expenses from airport services rose slightly with an increase of about \$163,199, or about 23.7%.

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 comprise 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 seven 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 and Capital Improvement Program (CIP) Funds, which are considered to be major funds. Data from the other five 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 2017, the City adopted new statements 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 \$73,162,416 at the close of the most recent fiscal year.

On September 30, 2017, the City had an outstanding bonds balance of \$70,261,260, excluding \$3,680,000 in the component unit. The City has unspent bond proceeds to be used for completing the 2007 bond issues projects that were committed for different purposes such as street improvements, purchase of paving equipment, and the airport runway expansion.

City of Weslaco, Texas Management's Discussion and Analysis

At the end of the current fiscal year, the City of Weslaco is able to report positive balances of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Table 1, below illustrates a comparative summary of the City's statement of net position at September 30, 2017 and 2016.

	Governmental Activities		Business-type Activities		Total	
	2017	Restated 2016	2017	2016	2017	Restated 2016
Current assets	\$ 16,442,125	\$ 17,614,975	\$ 7,702,223	\$ 11,270,385	\$ 24,144,348	\$ 28,885,360
Capital assets, net	52,086,654	51,305,227	97,406,001	96,539,951	149,492,655	147,845,178
Total assets	68,528,779	68,920,202	105,108,224	107,810,336	173,637,003	176,730,538
Deferred outflows of resources- deferred charge	254,789	280,268	2,309,996	769,479	2,564,785	1,049,747
Deferred outflows of resources- pensions	3,066,052	4,333,092	265,113	331,007	3,331,165	4,664,099
Total deferred outflows of resources	3,320,841	4,613,360	2,575,109	1,100,486	5,895,950	5,713,846
Total assets and deferred outflows of resources	\$ 71,849,620	\$ 73,533,562	\$ 107,683,333	\$ 108,910,822	\$ 179,532,953	\$ 182,444,384
Current liabilities	\$ 2,523,398	\$ 2,615,934	\$ 1,546,052	\$ 2,309,268	\$ 4,069,450	\$ 4,925,202
Non-current liabilities						
Due within one year	3,222,741	2,596,259	3,208,956	2,863,475	6,431,697	5,459,734
Due in more than one year	25,609,993	27,784,398	56,798,137	58,881,241	82,408,130	86,665,639
Municipal net pension liability	6,530,080	6,916,687	859,739	894,319	7,389,819	7,811,006
Firemen's net pension liability	4,702,051	4,588,953	-	-	4,702,051	4,588,953
Total liabilities	42,588,263	44,502,231	62,412,884	64,948,303	105,001,147	109,450,534
Deferred inflows of resources- pensions	1,276,282	465,946	93,108	30,551	1,369,390	496,497
Net position						
Net investment in capital assets	26,444,251	23,122,052	40,509,740	39,969,259	66,953,991	63,091,311
Restricted	952,339	1,211,727	1,020,601	1,212,612	1,972,940	2,424,339
Unrestricted	588,485	4,231,606	3,647,000	2,750,097	4,235,485	6,981,703
Total net position	27,985,075	28,565,385	45,177,341	43,931,968	73,162,416	\$ 72,497,353
Total liabilities, deferred inflows of resources and net position	\$ 71,849,620	\$ 73,533,562	\$ 107,683,333	\$ 108,910,822	\$ 179,532,953	\$ 182,444,384

Governmental Activities

The property tax levy increased by \$483,677 (4.4%) from the prior year due mostly to increases in valuation or new improvements added to the rolls. The tax rate has been reduced from a level of \$0.6967 per \$100 value in 2014 to its current level of \$0.6667 per \$100. 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.

Sales tax rebates amounted to \$11,906,061 for the year with an increase of \$329,362 or 2.85% 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 36% 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 \$585,580 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.

Table 2 City of Weslaco, Texas- Changes in Net Position Primary Government							
	Governmental Activities		Business-type Activities		Total	Total	Percent
	Restated					Restated	
	2017	2016	2017	2016	2017	2016	2017
Program Revenues:							
Charges for services	\$ 3,630,645	\$ 3,003,349	\$ 17,495,059	\$ 15,714,796	\$ 21,125,704	\$ 18,718,145	44.42%
Operating grants and contributions	585,580	484,336	-	-	585,580	484,336	1.23%
Capital grants and contributions	137,739	571,469	2,325,711	1,658,319	2,463,450	2,229,788	5.18%
General Revenues:							
Property taxes	11,615,301	11,264,052	-	-	11,615,301	11,264,052	24.42%
Non-property taxes	11,264,580	10,927,519	-	-	11,264,580	10,927,519	23.69%
Unrestricted investment earnings	103,608	60,217	2,044	1,513	105,652	61,730	0.22%
Other income	398,841	721,662	-	-	398,841	721,662	0.84%
Total revenue	27,736,294	27,032,604	19,822,814	17,374,628	47,559,108	44,407,232	100.00%
Expenses							
General government	7,877,473	7,793,661	-	-	7,877,473	7,793,661	16.80%
Public safety	15,375,565	13,374,018	-	-	15,375,565	13,374,018	32.79%
Emergency medical services	144,283	137,335	-	-	144,283	137,335	0.31%
Public works	5,129,113	3,409,500	-	-	5,129,113	3,409,500	10.94%
Culture and recreation	2,197,967	2,195,306	-	-	2,197,967	2,195,306	4.69%
Interest on long term debt	828,514	1,134,675	-	-	828,514	1,134,675	1.77%
Water and sewer services	-	-	10,639,686	11,042,489	10,639,686	11,042,489	22.69%
Solid waste services	-	-	3,850,543	4,147,973	3,850,543	4,147,973	8.21%
Airport	-	-	850,901	687,702	850,901	687,702	1.81%
Total expenses	31,552,915	28,044,495	15,341,130	15,878,164	46,894,045	43,922,659	100.00%
Increase in net position before							
Transfers and special items	(3,816,621)	(1,011,891)	4,481,684	1,496,464	665,063	484,573	
Transfers	3,236,311	1,047,104	(3,236,311)	(1,047,104)	-	-	
Change in net position	(580,310)	35,213	1,245,373	449,360	665,063	484,573	
Net position- beginning	28,565,385	28,530,172	43,931,968	43,482,608	72,497,353	72,012,780	
Net position- ending	\$ 27,985,075	\$ 28,565,385	\$ 45,177,341	\$ 43,931,968	\$ 73,162,416	\$ 72,497,353	

City of Weslaco, Texas Management's Discussion and Analysis

Business-Type Activities

Business-type activities continue to account for about 61.7% 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 decreased by \$475,850 from current year operations. Operating revenues increased by \$1,359,349 and operating expenses decreased by \$284,471. Transfers to other funds, however, increased \$1,688,035, due partly to a transfer of residual funds from a water/sewer capital project to the Capital Improvements Program Fund.

The net position of the Solid Waste Fund increased by \$68,058 from current year operations. Operating revenues increased by \$318,901 and operating expenses decreased by \$297,430. Transfers to other funds (to the Capital Improvements Program Fund) increased by \$500,000.

The net position of the Airport Fund increased by \$1,653,165, due mostly to capital grants of \$2,008,923. The Airport Fund receives revenues from fuel sales, hangar rentals, and grants. Any shortfalls are subsidized by the General Fund. Short of that grant and subsidies from the General Fund, the Airport would have experienced an operating loss of \$605,758. The expansion project has had a detrimental effect on the operation of the Airport, in that construction has affected the traffic that the Airport would normally generate. A new business plan has been adopted that is expected to increase growth in based aircraft.

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, unreserved 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 \$13,148,054. Approximately 57% of this total amount, or \$7,511,496 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. This represents 22.2% of operating expenditures. The remainder of fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period, 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 \$7,511,496. 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 29.4% of the total general fund expenditures, while total fund balance represents 29.5% 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 decreased the tax rate by one penny to \$0.6667 for the 2016 tax year levy.
- The sales tax revenues increased by 2.85% from the prior year.

City of Weslaco, Texas Management's Discussion and Analysis

The debt service fund has a total fund balance of \$146,217, all of which is restricted for the repayment of debt service. The scheduled tax supported debt service payments for fiscal year 2017 was \$2,703,149, including interest paid of \$723,649.

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 \$1,744,178, which was an increase of \$864,303 from last year. Operating revenues increased by \$1,359,349 and operating expenses decreased by \$284,471. Thus operating income increased by \$1.6M compared to last year.

The unrestricted net position for the Solid Waste Fund amounted to \$2,344,738 at the end of the year, a small increase of \$75,163 from the prior year. Operating revenue saw an increase of \$318,901 from last year, while operating expenses decreased by \$297,430. It should be noted that the increase in net position of \$68,058 was affected by transfers of \$1,125,750 to other funds.

The unrestricted net position for the Airport Fund amounted to \$(441,916). Again, it is noted that the runway expansion project has caused an interruption to the normal operations of the Airport. It is anticipated that when the project is fully complete, operations will resume back to normal and fuel sales and other revenue streams should return to pre-project levels.

General Fund Budgetary Highlights

The City Commission utilized diligent thought and attention when preparing the 2016-2017 budget. The original budgeted revenue of \$23,791,835 represented a 6% increase over the previous year's budgeted amount. The 2017 budget was amended to recognize additional projected revenue, for a final revenue budget of \$23,961,039. Taxes represent about 82.3% of total General Fund budgeted revenue.

The original adopted General Fund expenditures were \$24,175,986. 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 General Fund's appropriations by \$879,095, to \$25,055,081 of expenditures and were mostly for public safety, which makes up about 53% of the total budget for General Fund expenditures.

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, 2017, amounts to \$149,492,655 (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 increase in the City of Weslaco's investment in capital assets for the current fiscal year was 1.1%.

City of Weslaco, Texas Management's Discussion and Analysis

Table 3
City of Weslaco- Capital Assets
Primary Government

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land, water and service rights	\$ 4,582,912	\$ 3,925,705	\$ 2,551,870	\$ 2,551,870	\$ 7,134,782	\$ 6,477,575
Infrastructure	7,629,307	7,629,307	-	-	7,629,307	7,629,307
Buildings and improvements	18,392,579	17,371,818	1,679,646	1,679,646	20,072,225	19,051,464
Equipment	12,585,454	12,092,972	8,637,618	8,738,182	21,223,072	20,831,154
Improvements	44,533,434	42,853,948	76,867,879	74,693,645	121,401,313	117,547,593
Capital leases	5,003,092	3,274,824	-	-	5,003,092	3,274,824
Construction in progress	77,502	1,724,505	49,393,623	48,178,598	49,471,125	49,903,103
Totals at historical cost	92,804,280	88,873,079	139,130,636	135,841,941	231,934,916	224,715,020
Accumulated depreciation	(40,717,626)	(37,565,852)	(41,724,635)	(39,301,990)	(82,442,261)	(76,867,842)
Total capital assets, net	\$ 52,086,654	\$ 51,307,227	\$ 97,406,001	\$ 96,539,951	\$ 149,492,655	\$ 147,847,178

Additional information on the City of Weslaco's capital assets can be found in Note 5 on page 55 of this report.

Long-Term Debt

At year end of the current fiscal year, the City of Weslaco had total bonded debt outstanding of \$70,261,260, excluding \$3,680,000 in the component unit. Of this amount \$69,821,260 comprises debt backed by the full faith and credit of the government. The remainder of the City of Weslaco's debt represents bonds secured solely by specified revenue sources (i.e., revenue bond).

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, from its review in March of 2015.

In August of 2017, the City issued a Limited Tax Refunding Bond in the amount of \$19,545,000, realizing a net present value savings of \$1,429,689 over the old debt.

Additional information of the City of Weslaco's long-term debt can be found in Note 6 on page 57 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The employment rate for the City of Weslaco is currently 92.7%, compared to 93.8% a year ago. This rate compares to the state's average employment rate of 96.0%.



City of Weslaco, Texas Management's Discussion and Analysis

The City Commission lowered the property tax rate by one penny to \$0.6667 per \$100 for the 2016 tax year, or fiscal year ending September 30, 2017. This tax rate represents the lowest tax rate in fourteen years, as well as 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 2017-2018 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 2017-2018 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.

Draft For Discussion Purposes Only

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FINANCIAL STATEMENTS

City of Weslaco, Texas

Statement of Net Position

September 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 11,615,814	\$ 1,484,524	\$ 13,100,338	\$ 4,275,962
Cash and cash equivalents- restricted	304,684	3,520,277	3,824,961	889,969
Investments, restricted	-	-	-	695,256
Receivables, net	4,055,266	2,805,156	6,860,422	267,555
Internal balances	365,759	(365,759)	-	-
Notes receivables	-	-	-	2,518,550
Prepaid bond insurance costs	82,294	63,812	146,106	-
Other prepaid items	7,273	-	7,273	-
Inventories	11,035	194,213	205,248	-
Assets held for resale	-	-	-	402,734
Capital assets not being depreciated	12,289,721	51,945,493	64,235,214	116,195
Capital assets, net of depreciation	39,796,933	45,460,508	85,257,441	1,882,385
Total assets	68,528,779	105,108,224	173,637,003	11,048,606
Deferred Outflows of Resources				
Deferred charge on refunding	254,789	2,309,996	2,564,785	-
Deferred outflows related to pensions	3,066,052	265,113	3,331,165	-
Total Deferred Outflows of Resources	3,320,841	2,575,109	5,895,950	-
Total Assets and Deferred Outflows of Resources	\$ 71,849,620	\$ 107,683,333	\$ 179,532,953	\$ 11,048,606
Liabilities				
Accounts payable	\$ 1,004,055	\$ 1,136,410	\$ 2,140,465	\$ 97,195
Accrued expenses	1,455,143	409,642	1,864,785	24,165
Unearned revenue	64,200	-	64,200	-
Non-current liabilities:				
Due within one year	3,222,741	3,208,956	6,431,697	699,392
Due in more than one year	25,609,993	56,798,137	82,408,130	3,223,099
Municipal net pension liability	6,530,080	859,739	7,389,819	-
Firemen's net pension liability	4,702,051	-	4,702,051	-
Total Liabilities	42,588,263	62,412,884	105,001,147	4,043,851
Deferred Inflows of Resources				
Deferred inflows related to pensions	1,276,282	93,108	1,369,390	-
Total Deferred Inflows of Resources	1,276,282	93,108	1,369,390	-
Net Position				
Net investment in capital assets	26,444,251	40,509,740	66,953,991	1,026,089
Restricted for:				
Debt service	363,775	986,377	1,350,152	695,256
Special revenue funds	588,564	-	588,564	-
Capital projects	-	34,224	34,224	889,969
Project development	-	-	-	60,000
Unrestricted	588,485	3,647,000	4,235,485	4,333,441
Total Net Position	27,985,075	45,177,341	73,162,416	7,004,755
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 71,849,620	\$ 107,683,333	\$ 179,532,953	\$ 11,048,606

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

City of Weslaco, Texas Statement of Activities

For the fiscal year ended September 30, 2017

		Program Revenues		
Functions/programs	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 7,877,473	\$ 896,763	\$ -	\$ -
Public safety	15,375,565	1,156,105	585,580	-
Emergency medical services	144,283	1,501,101	-	-
Public works	5,129,113	-	-	137,739
Culture and recreation	2,197,967	76,676	-	-
Interest on long-term debt	828,514	-	-	-
Total governmental activities	31,552,915	3,630,645	585,580	137,739
Business-type activities:				
Water and Wastewater services	10,639,686	12,205,565	-	316,788
Solid waste services	3,850,543	5,044,351	-	-
Airport	850,901	245,143	-	2,008,923
Total business-type activities	15,341,130	17,495,059	-	2,325,711
Total primary government	\$ 46,894,045	\$ 21,125,704	\$ 585,580	\$ 2,463,450
Component Unit:				
General government and administration	\$ 215,131	\$ -	\$ -	\$ -
Property management	477,976	42,540	44,457	-
Promotion and development	301,912	-	40,390	-
Development services	753,464	-	-	-
Interest on long-term debt	146,634	-	-	-
Total componen unit	\$ 1,895,117	\$ 42,540	\$ 84,847	\$ -

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
Prior period adjustment
Net position at beginning of year, as adjusted

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	
\$ (6,980,710)	\$ -	\$ (6,980,710)	\$ -
(13,633,880)	-	(13,633,880)	-
1,356,818	-	1,356,818	-
(4,991,374)	-	(4,991,374)	-
(2,121,291)	-	(2,121,291)	-
(828,514)	-	(828,514)	-
(27,198,951)	-	(27,198,951)	-
-	1,882,667	1,882,667	-
-	1,193,808	1,193,808	-
-	1,403,165	1,403,165	-
-	4,479,640	4,479,640	-
(27,198,951)	4,479,640	(22,719,311)	-
\$ -	\$ -	\$ -	\$ (215,131)
-	-	-	(390,979)
-	-	-	(261,522)
-	-	-	(753,464)
-	-	-	(146,634)
			(1,767,730)
11,615,301	-	11,615,301	-
8,929,546	-	8,929,546	2,976,515
444,151	-	444,151	-
1,890,883	-	1,890,883	-
103,608	2,044	105,652	174,894
44,939	-	44,939	18,263
353,902	-	353,902	3,985
3,236,311	(3,236,311)	-	-
26,618,641	(3,234,267)	23,384,374	3,173,657
(580,310)	1,245,373	665,063	1,405,927
27,973,344	43,931,968	71,905,312	5,598,828
592,041	-	592,041	-
28,565,385	43,931,968	72,497,353	5,598,828
\$ 27,985,075	\$ 45,177,341	\$ 73,162,416	\$ 7,004,755

City of Weslaco, Texas
Governmental Funds
Balance Sheet

September 30, 2017

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 6,132,490	\$ 1,768,774	\$ 3,714,550	\$ 11,615,814
Cash and cash equivalents- restricted	304,684	-	-	304,684
Receivables (net of allowance for uncollectibles):				
Ad valorem taxes	933,382		287,924	1,221,306
Sales taxes	892,390	-	-	892,390
Ambulance fees	1,135,716	-	-	1,135,716
Other	640,361	-	165,493	805,854
Due from other funds	514,110	-	24,846	538,956
Prepaid items	7,273	-	-	7,273
Inventories	11,035	-	-	11,035
Total Assets	\$ 10,571,441	\$ 1,768,774	\$ 4,192,813	\$ 16,533,028
Liabilities				
Accounts payable	\$ 878,276	\$ 103,400	\$ 22,379	\$ 1,004,055
Accrued salaries and payroll taxes	304,477	-	-	304,477
Other liabilities	758,193	-	-	758,193
Due to other funds	24,846	-	-	24,846
Payable from restricted assets	304,684	-	-	304,684
Unearned revenue	64,200	-	-	64,200
Total Liabilities	2,334,676	103,400	22,379	2,460,455
Deferred Inflows of Resources				
Unavailable revenue- ad valorem taxes	706,961	-	217,558	924,519
Total Deferred Inflows of Resources	706,961	-	217,558	924,519
Fund Balances				
Nonspendable	18,308	-		18,308
Restricted	-	-	3,617,027	3,617,027
Assigned	-	1,665,374	335,849	2,001,223
Unassigned	7,511,496	-	-	7,511,496
Total Fund Balances	7,529,804	1,665,374	3,952,876	13,148,054
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,571,441	\$ 1,768,774	\$ 4,192,813	\$ 16,533,028

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, 2017

	Governmental Activities
Total fund balance-governmental funds	\$ 13,148,054
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.	924,519
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 \$87,735,758 net of accumulated depreciation totaling \$(36,721,577). Not included in this amount are internal service fund assets of \$1,072,473.	51,014,181
Interest payables on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in governmental funds balance sheet.	(87,789)
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	82,294
Deferred outflows of resources related to amounts deferred on refundings of long-term debt are not reported in the governmental funds.	254,789
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.	408,852
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet. Other current and non-current liabilities totaling \$515,270 of the internal service fund are not included.	(28,317,464)
Included in the noncurrent assets/(liabilities) is the recognition of the City's net pension asset/(liability) required by GASB Statement No 68 in the amount of (\$6,530,080), a deferred resource outflows in the amount of \$2,679,409, and a deferred resource inflow in the amount of (\$840,359). This resulted in an increase/(decrease) in net position by (\$4,691,030)	(4,691,030)
Included in the noncurrent assets/(liabilities) is the recognition of the City Firemen's net pension asset/(liability) required by GASB 68 in the amount of (\$4,702,051), a deferred resource outflows in the amount of \$386,643, and a deferred resource inflow in the amount of (\$435,923). This resulted in an increase/(decrease) in net position by (\$4,751,331)	(4,751,331)
Net position of governmental activities	\$ 27,985,075

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, 2017

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 9,715,180	\$ -	\$ 1,930,656	\$ 11,645,836
Nonproperty taxes	10,820,429	-	444,151	11,264,580
Fees and charges	2,003,126	-	-	2,003,126
Fines and forfeitures	752,327	-	-	752,327
Licenses and permits	664,177	-	-	664,177
Intergovernmental	585,580	137,739	-	723,319
Investment income	75,012	-	28,596	103,608
Miscellaneous	314,862	-	54	314,916
Total Revenues	24,930,693	137,739	2,403,457	27,471,889
Expenditures				
General government	6,395,390	-	-	6,395,390
Public safety	13,600,308	1,647,456	2,550	15,250,314
Public works	2,454,826	1,806,927	115,575	4,377,328
Culture and recreation	1,454,613	405,782	276,439	2,136,834
Economic development	581,915	-	-	581,915
Capital outlay	-	-	949,108	949,108
Debt service:				
Principal	1,026,719	188,717	2,131,701	3,347,137
Interest and fees	10,972	23,415	748,443	782,830
Total Expenditures	25,524,743	4,072,297	4,223,816	33,820,856
Excess (deficiency) of revenues over expenditures	(594,050)	(3,934,558)	(1,820,359)	(6,348,967)
Other financing sources (uses):				
Proceeds from capital lease	-	779,159	949,108	1,728,267
Note proceeds	-	456,707	-	456,707
Proceeds from sale of capital assets	50,740	250,001	-	300,741
Transfers in	1,691,311	2,395,000	599,768	4,686,079
Transfers out	(1,699,768)	-	-	(1,699,768)
Total other financing sources (uses)	42,283	3,880,867	1,548,876	5,472,026
Net change in fund balances	(551,767)	(53,691)	(271,483)	(876,941)
Fund balances at beginning of year	8,081,571	1,719,065	4,224,359	14,024,995
Fund balances at end of year	\$ 7,529,804	\$ 1,665,374	\$ 3,952,876	\$ 13,148,054

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, 2017

	Governmental Activities
Net change in fund balances-total governmental funds	\$ (876,941)
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 (\$2,771,392) exceeded capital outlay \$3,941,035 in the current period.	1,169,643
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. Thus, the change in net position differs from the change in fund balance by the book value of the assets sold.	(5,801)
The change in compensated absences of \$186,116 payable during the year is reported as a increase to expenditures in the statement of activities but not in the governmental funds.	(186,116)
Capital lease proceeds and proceeds from 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.	(2,184,974)
The change in accrued interest on long-term debt provides decreases long-term liabilities in the statement of net position.	4,665
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. This amount is net effect of these differences in the treatment of long-term debt and related items.	136,503
Some property tax will not be collected for several months after the city's fiscal year end, they are not considered "available" revenues in the governmental funds.	(30,535)
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.	3,346,401
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.	(149,288)
GASB Statement No 68 requires that certain expenditures be de-expended and recorded as a deferred resource outflows. These contributions made after the measurement date of 12/31/16 caused the change in ending net position to increase in the amount of \$529,718. 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 (\$414,162). The City's reported TMRS net pension expense had to be recorded. The net pension expense increased/(decreased) the change in net position by \$(1,165,004). The result of these changes is to increase/(decrease) the change in net position by (\$1,049,448).	(1,049,448)
The City's reported Firemen's net pension expense had to be recorded. The net pension expense decreased the change in net position by (\$754,419)	(754,419)
Change in net position of governmental activities	\$ (580,310)

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, 2017

	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	\$ 960,941	\$ 523,483	\$ 100	\$ 1,484,524	\$ -
Cash and cash equivalents- restricted	3,486,053	-	34,224	3,520,277	-
Receivables, net of allowances for uncollectibles	2,099,797	675,754	29,605	2,805,156	-
Due from other funds	-	2,000,000	-	2,000,000	-
Inventories	162,859	-	31,354	194,213	-
Prepaid items	63,812	-	-	63,812	-
Total current assets	6,773,462	3,199,237	95,283	10,067,982	-
Non-current assets					
Land	665,175	421,247	1,465,448	2,551,870	-
Buildings	362,324	668,781	648,541	1,679,646	-
Equipment	6,424,219	1,636,402	576,997	8,637,618	4,997,658
Improvements	-	-	-	-	70,864
Infrastructure	67,785,014	64,461	9,018,404	76,867,879	-
Construction-in-progress	44,905,983	-	4,487,640	49,393,623	-
	120,142,715	2,790,891	16,197,030	139,130,636	5,068,522
Accumulated depreciation	(34,904,668)	(2,278,716)	(4,541,251)	(41,724,635)	(3,996,049)
Total non-current assets, net	85,238,047	512,175	11,655,779	97,406,001	1,072,473
Total assets	92,011,509	3,711,412	11,751,062	107,473,983	1,072,473
Deferred outflows of resources					
Deferred outflows related to pensions	209,688	7,653	47,772	265,113	-
Deferred charge on refunding	2,309,996	-	-	2,309,996	-
Total deferred outflows of resources	2,519,684	7,653	47,772	2,575,109	-
Total assets and deferred outflows of resources	\$ 94,531,193	\$ 3,719,065	\$ 11,798,834	\$ 110,049,092	\$ 1,072,473

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

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

September 30, 2017

	Business-Type Activities				Governmental Activities
	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	Totals	Internal Service Fund
Liabilities					
Current Liabilities:					
Accounts payable	\$ 761,260	\$ 369,659	\$ 5,491	\$ 1,136,410	\$ -
Accrued salaries and other liabilities	102,808	-	6,254	109,062	-
Due to other funds	2,008,240	641	356,878	2,365,759	148,351
Current portion of long term debt	3,203,363	446	5,147	3,208,956	411,028
Accrued interest on bonds	300,580	-	-	300,580	-
Total current liabilities	6,376,251	370,746	373,770	7,120,767	559,379
Noncurrent liabilities:					
Compensated absences	78,180	4,017	46,322	128,519	-
Customer deposits	1,063,304	-	-	1,063,304	-
Revenue bonds payable, net of unamortized premiums	55,137,957	-	-	55,137,957	-
Note payable	-	-	-	-	104,242
Landfill closure	-	468,357	-	468,357	-
Net pension liability	727,312	16,722	115,705	859,739	-
Total noncurrent liabilities	57,006,753	489,096	162,027	57,657,876	104,242
Total liabilities	63,383,004	859,842	535,797	64,778,643	663,621
Deferred inflows of resources					
Deferred inflows related to pensions	75,848	2,310	14,950	93,108	-
Total deferred inflows of resources	75,848	2,310	14,950	93,108	-
Net Position					
Net investment of capital assets	28,341,786	512,175	11,655,779	40,509,740	557,203
Restricted for:					
Revenue bond retirement	986,377	-	-	986,377	-
Construction	-	-	34,224	34,224	-
Unrestricted	1,744,178	2,344,738	(441,916)	3,647,000	(148,351)
Total net position	31,072,341	2,856,913	11,248,087	45,177,341	408,852
Total liabilities, deferred inflows of resources, and net position	\$ 94,531,193	\$ 3,719,065	\$ 11,798,834	\$ 110,049,092	\$ 1,072,473

City of Weslaco, Texas
Proprietary Funds
Statement of Revenues, Expenses and
Changes in Net Position

For the Fiscal Year Ended September 30, 2017

	Business Type Activities				Governmental Activities
	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	Total	Internal Service Fund
Operating Revenues:					
Water services	\$ 6,473,327	\$ -	\$ -	\$ 6,473,327	\$ -
Sewer services	4,733,786	-	-	4,733,786	-
Charges for services	-	4,970,426	231,744	5,202,170	-
Miscellaneous	308,609	73,925	13,399	395,933	-
Total operating revenues	11,515,722	5,044,351	245,143	16,805,216	-
Operating Expenses:					
Personal services	920,745	50,833	230,670	1,202,248	-
Other services and charges	2,205,858	42,251	140,881	2,388,990	-
Supplies	209,847	1,791	145,981	357,619	-
Contractual services	2,580,356	3,748,564	-	6,328,920	-
Depreciation	2,519,764	7,104	333,369	2,860,237	382,415
Total operating expenses	8,436,570	3,850,543	850,901	13,138,014	382,415
Operating income (loss)	3,079,152	1,193,808	(605,758)	3,667,202	(382,415)
Non-operating revenues (expenses)					
Investment income	2,044	-	-	2,044	-
Interest expense	(2,203,116)	-	-	(2,203,116)	(16,873)
Total non-operating revenues (expenses)	(2,201,072)	-	-	(2,201,072)	(16,873)
Income (loss) before transfers and capital contributions	878,080	1,193,808	(605,758)	1,466,130	(399,288)
Transfers in (out) and capital contributions					
Capital Improvement fees	689,843	-	-	689,843	-
Capital grants	316,788	-	2,008,923	2,325,711	-
Transfers in	-	-	250,000	250,000	250,000
Transfers out	(2,360,561)	(1,125,750)	-	(3,486,311)	-
Total transfers and capital contributions	(1,353,930)	(1,125,750)	2,258,923	(220,757)	250,000
Change in net position	(475,850)	68,058	1,653,165	1,245,373	(149,288)
Net position- beginning	31,548,191	2,788,855	9,594,922	43,931,968	558,140
Net position- ending	\$ 31,072,341	\$ 2,856,913	\$ 11,248,087	\$ 45,177,341	\$ 408,852

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, 2017

	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	\$ 11,505,183	\$ 5,035,177	\$ 263,751	\$ 16,804,111	\$ -
Payments to suppliers	(5,314,695)	(3,777,808)	(294,325)	(9,386,828)	-
Payments to employees	(2,439,327)	(46,773)	(199,252)	(2,685,352)	-
Net cash provided (used) by operating activities	3,751,161	1,210,596	(229,826)	4,731,931	-
Cash flows from noncapital financing activities					
Transfers from other funds	-	-	250,000	250,000	250,000
Transfers to other funds	(2,360,561)	(1,125,750)	-	(3,486,311)	-
Net cash provided (used) by noncapital financing activities	(2,360,561)	(1,125,750)	250,000	(3,236,311)	250,000
Cash flows from capital and related financing activities					
Purchase of capital assets	(1,184,629)	-	(215,948)	(1,400,577)	-
Refunding bonds issued	19,545,000	-	-	19,545,000	-
Premium on refunding bonds	3,667,740	-	-	3,667,740	-
Payment to refunded bond escrow agent	(20,615,000)	-	-	(20,615,000)	-
Interest paid on bonds	(4,032,324)	-	-	(4,032,324)	-
Interest paid on notes	-	-	-	-	(16,873)
Retirement of notes	-	-	-	-	(253,340)
Retirement of bonds	(2,497,637)	-	-	(2,497,637)	-
Landfill closure costs	-	(67,721)	-	(67,721)	-
Capital improvement fees	689,843	-	-	689,843	-
Net cash provided (used) by capital and related financing activities	(4,427,007)	(67,721)	(215,948)	(4,710,676)	(270,213)
Cash flow from investing activities:					
Interest on cash and investments	2,044	-	-	2,044	-
Net cash provided (used) by investing activities	2,044	-	-	2,044	-
Net increase (decrease) in cash and cash equivalents	(3,034,363)	17,125	(195,774)	(3,213,012)	(20,213)
Cash and cash equivalents, beginning of year	7,481,357	506,358	230,098	8,217,813	20,213
Cash and cash equivalents, end of year	\$ 4,446,994	\$ 523,483	\$ 34,324	\$ 5,004,801	\$ -
Reconciliation of operating income to net cash provided (used) by operating activities					
Operating income (loss)	\$ 3,079,152	\$ 1,193,808	\$ (605,758)	\$ 3,667,202	\$ (382,415)
Adjustments to reconcile income (loss) from operations to net cash from operating activities:					
Depreciation	2,519,764	7,105	333,369	2,860,238	382,415
(Increase) decrease in accounts receivables	(52,901)	(9,174)	18,608	(43,467)	-
(Increase) decrease in inventories	83,508	-	-	83,508	-
(Increase) decrease in prepaids	241,755	-	-	241,755	-
(Increase) decrease in deferred outflows related to pensions	(1,489,948)	2,167	13,158	(1,474,623)	-
Decrease (increase) in accounts payable	(644,628)	12,541	(79,996)	(712,083)	-
Decrease (increase) in accrued expenses	(62,108)	-	2,565	(59,543)	-
Decrease (increase) in due to other funds	731	89	72,533	73,353	-
Decrease (increase) in customer deposits	42,362	-	-	42,362	-
Decrease (increase) in compensated absences	12,005	3,139	10,108	25,252	-
Decrease (increase) in net pension liability	(26,538)	(1,137)	(6,905)	(34,580)	-
Decrease (increase) in deferred inflows related to pensions	48,007	2,058	12,492	62,557	-
Total adjustments	672,009	16,788	375,932	1,064,729	382,415
Net cash provided (used) by operations	\$ 3,751,161	\$ 1,210,596	\$ (229,826)	\$ 4,731,931	\$ -
Supplemental disclosure of noncash activities					
Contributed capital assets from Txdot	\$ 316,788	\$ -	\$2,008,923	\$ 2,325,711	\$ -

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

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

September 30, 2017

	Pension Trust fund	Private-purpose Trust fund
	Firemen's Relief and Retirement	Marion Booth Endowment Fund
Assets		
Cash	\$ 250,112	\$ 12,239
Investments, at fair value:		
Certificates of deposit	-	482,921
Equities	7,584,951	-
Corporate bonds	822,502	-
Money market mutual funds	215,897	-
Municipal bonds	1,555,919	-
Total Assets	\$ 10,429,381	\$ 495,160
Liabilities		
Accounts payable	\$ -	\$ 2,927
Total Liabilities	-	2,927
Net Position		
Net position restricted for pensions and other purposes	10,429,381	492,233
Total Net Position	10,429,381	492,233
Total Liabilities and Net Position	\$ 10,429,381	\$ 495,160

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

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

For the Fiscal Year Ended September 30, 2017

	Pension Trust fund	Private-purpose Trust fund
	Firemen's Relief and Retirement	Marion Booth Endowment Fund
Additions		
Contributions		
Employer contributions	\$ 492,093	\$ -
Plan member contributions	476,078	-
Total contributions	968,171	-
Investment income		
Net appreciation in fair value of investments	735,176	-
Interest and dividends	200,263	5,130
Total investment income	935,439	5,130
Less investment expense	(57,539)	-
Net investment income (loss)	877,900	5,130
Total additions	1,846,071	5,130
Deductions		
Benefits paid	540,997	-
Refunds of contributions	7,166	-
Administrative expenses	54,675	2,927
Total deductions	602,838	2,927
Net change in fiduciary net position	1,243,233	2,203
Net Position, beginning of year	9,186,148	490,030
Net position, end of year	<u>\$ 10,429,381</u>	<u>\$ 492,233</u>

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 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* and by the Financial Accounting Standards Board (when applicable).

Financial Reporting Entity

The accompanying financial statements present the reporting entity, which consists of the primary government. Financial reporting standards also require the City of Weslaco, Texas to include, if any, legally-separate entities or organizations for which the primary government is financially accountable and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion could cause the City's basic financial statements to be misleading or incomplete.

Financial accountability exists if a primary government appoints a voting majority of an organization's governing Board and either is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations with a separately elected governing Board, a governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the primary government.

Applying these tests to other entities and activities for possible inclusion in the reporting entity, the City has determined that the Weslaco Economic Development Corporation (EDC) meets the financial accountability tests and, therefore is included as a discretely presented component unit. Its Board is appointed by the City Commission and the City has the ability to impose its will.

The City's financial statements do not reflect the operations of the Weslaco Chamber of Commerce (WCC), Weslaco Independent School District (WISD) or Texas Municipal Retirement System (TMRS). The Weslaco Chamber of Commerce and Weslaco Independent School District are not included because they have their own elected governing boards and are independent of the City as to fiscal accountability and financial affairs. Responsibility for administration and operation of TMRS has been vested with its board of Trustees. The City has no oversight responsibility regarding TMRS. Also excluded from the reporting entity is the Housing Authority of Weslaco. The Housing Authority is governed by a board of five commissioners, administers 180 units of low-income housing and also operates 328 units of existing Section 8 Housing Voucher Choice Program.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Based on the following criteria, the City determined that the actual degree of oversight is remote, and the financial operations and status of the Housing Authority is not integral to that of the City, thus the relationship of the Housing Authority to the City is best described in a note to the financial statements as follows:

a. Ability to Exercise Oversight Responsibility

The City of Weslaco appoints members to the Authority and has a moral responsibility for its debts. The City of Weslaco has little influence in the hiring of management and clerical staff, reviewing and approving budgets, adjustments and amendments, signing contracts, exercising control over facilities and property, and determining the outcome or disposition of matters affecting the service tenants of the Housing Authority received.

b. Scope of Service

The Housing authority provides housing for the residents of the City of Weslaco. The Housing Authority operates within the city limits.

c. Special Financing Relationships

The City of Weslaco and the Housing Authority are two separate legal entities and the financial operations and status of each is not integral.

The five non-profit corporation's referred to in Note 14 are not part of the City's reporting entity because the City exercises no oversight responsibility and has no accountability for fiscal matters. The significant factors for exclusion are: the appointed board members have no continuing relationships with the City; the board designates management; the City cannot significantly influence the corporations' operations; the Board has sole budgetary authority; the corporations' control surpluses and deficits, the City is not legally or morally obligated for the corporations' debt and the corporations are responsible for fiscal management and fee determination. In this situation, the preceding factors are conclusive in contrast to the following factors indicating inclusion. The corporation's operate within the boundaries of the City and the City approves bonds for issuance.

Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City. The effect of inter-fund activity, within the governmental activities and business-type activities columns, has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on a significant extent on fees and charges for support.



City of Weslaco, Texas Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City reports the General, and Capital Improvement Program Fund as major governmental funds.

General Fund

General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Fund

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to finance specific activities.

Debt Service Fund

Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted to signify the amounts that are restricted exclusively for debt service expenditures.

Capital Projects Fund

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The Capital Improvement Program Fund is reported as a major capital projects fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds:

Water and Wastewater Fund

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.

Solid Waste Fund

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.

Airport Fund

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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.

Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds

Additionally, the City reports certain fiduciary funds. Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, or a private purpose trust is used. The City is trustee, or fiduciary, of the Firemen's Relief and Retirement Fund which is included as a pension trust fund in the accompanying financial statements. The city is also trustee, or fiduciary, of the Marion Booth Endowment Fund which is included as a private-purpose trust fund in the accompanying financial statements.

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

Measurement focus refers to what is being measured: basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position.

Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and wastewater services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurements focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available.

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

The City reports unearned revenue on its balance sheet/statement of net position. Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet/statement of net position and revenue is recognized.

New Accounting Standards Adopted

GASB Statement No. 77, Tax Abatement Disclosures, applies to financial reports of all state and local governmental entities, addresses the reduction of tax revenues resulting from an agreement between a government and an individual in which the government forgoes tax revenues and the individual promises to take specific action as a result of the agreement that contributes to the economic development to benefit the government or citizens of the government, and relates to agreements entered into by the reporting government or agreements entered into by other governments that reduce the reporting government's tax revenues. In fiscal year 2017, the City did not have tax abatement agreements that require disclosure in the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements

In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal years beginning after June 15, 2017. The objective of GASB Statement No. 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. GASB Statement No. 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures. GASB Statement No. 75 also identified the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition GASB Statement No. 75 addresses the recognition and disclosure requirements for employers with liabilities to a defined benefit other postemployment benefits plan and for employers whose employees are provided with defined contribution other postemployment benefits. Management is evaluating the effects that the full implementation of GASB Statement No. 75 will have on its financial statements for the year ended September 30, 2018.

In May 2017, the GASB issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, effective for fiscal years beginning after June 15, 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources- resources other than the proceeds of refunding debt- are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB Statement No. 87 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 GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended September 30, 2021.

Statement No. 84, *Fiduciary Activities* – This statement establishes criteria for identifying fiduciary activities of governments and for identifying fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement will become effective for the City in fiscal year 2020.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cash and Cash Equivalents

All fund types consider cash and cash equivalents to include all highly liquid investments with maturity of three months or less when purchased.

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 and Cash investments 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.

Prepaid Items

Expenditures made to third party vendors for goods and services that will benefit periods beyond September 30, 2017 are recorded as prepaid items, in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Inventories

Inventories are valued at cost, which approximates market value, using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Short-Term Inter-fund Receivables and Payables/Internal Balances

Short-term lending/borrowing between funds that result in amounts outstanding at the end of the fiscal year are referred to as "due to/from other funds". Due to/from other funds" represent the current portion of interfund loans. With respect to the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances."

Interfund Transfers

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

The City allocates to the Proprietary Funds an indirect cost percentage of information technology services and salaries and wages and related costs of personnel who perform administrative services for those funds but are paid through the General Fund along with other indirect costs deemed necessary for their operations.

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 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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the government activities column. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense in the period incurred. Bond insurance costs are considered as prepaid items.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received on debt issuances are reported as other financing sources and discounts are reported as other financing uses. Issuance costs, whether or not withheld from debt proceeds, are reported as debt service expenditures.

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, 2009 are entitled to be paid a maximum of \$1,000 for both sick and vacation upon termination.

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 in the employ of the City.

City of Weslaco, Texas

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Deferred Outflows and Inflows of Resources

In addition to assets, the combined balance sheet 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 reports deferred outflow of resources related to pensions and other deferred charges as further described in Note 13.

In the addition to liabilities, the combined balance sheet 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 reports *unavailable revenue*, as a deferred inflow of resources 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. The City also reports deferred inflows of resources related to pension as further described in Note 13.

Fund Balance Policies

In accordance with GASB statement No. 54, the City's policy provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are 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. Examples of this classification are prepaid items and inventories.

In addition to the nonspendable fund balance, the City's policy has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the City from its highest level of decision making authority. The responsibility to commit funds rests with the Commissioners. Committed amounts cannot be used for any other purpose unless the Commission authorizes it.
- Assigned: fund balances that contain self-imposed constraints of the City to be used for a particular purpose. The responsibility to assign funds rests with the City Manager.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

City of Weslaco, Texas

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Policies (Continued)

Fund balance, reported in governmental funds, which has some level of constraint placed on it, is classified as non-spendable, restricted, committed, or assigned. The amount remaining, which can be spent for any lawful purpose is classified as unassigned. Amounts classified as restricted have constraints placed on the use by law, regulations of other governments, creditors, grantors or be enabling legislation.

Those classified as committed are constrained by the City Commission through an ordinance for specific purposes, but are neither restricted nor committed. Reversing a commitment would require City Commission approval through an ordinance. Non-spendable 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.

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.

Fair Value Measurements

Investments are carried at fair value as defined in GASB Statement 72 "Fair Value Measurement and Application". Consistent with GASB Statement 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.

Net Position

Net position represents the difference between assets, deferred outflow of resources, and liabilities, deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Use of Estimates

The preparation of financial statements in conformity with U. S. generally accepted principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

The financial statements for the fiscal year ended September 30, 2016 have been reclassified to conform with the presentation of the financial statements for the fiscal year ended September 30, 2017.

City of Weslaco, Texas Notes to Financial Statements

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City Charter established the fiscal year as the twelve-month period beginning October 1. 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. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.

Upon receipt of the budget estimates, the Commission holds a public hearing on the proposed budget. Information about the Budget is then published in the official newspaper of the City.

Prior to October 1, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts between line items and within a department; however, any revisions that alter the total expenditures of any fund must be approved by the City Commission, even though the City Charter does not impose any restrictions or limit expenditures to amounts appropriated.

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).

Formal budgetary integration is not employed for certain other Capital Project Funds because effective budgetary control is alternatively achieved through the life of the respective project and not on an annual basis.

Current year appropriations lapse at year-end. Budgeted amounts are as originally adopted or as amended by the City Commission through September 30, 2017. All budget appropriations lapse at year-end except for the Community Development Block Grants (CDBG). Although they are appropriated annually, unspent appropriations in the Community Development Block Grants (CDBG) are appropriated under the same objects of expenditures in subsequent grant periods.

Expenditures may not legally exceed budgeted appropriations at the department level. During the year, several supplementary appropriations were necessary.

Expenditures over Appropriations

At September 30, 2017, expenditures in the following departments exceeded appropriations:

Public safety	(\$308,910)
Economic Development	(156,915)
Debt Service: Principal	(298,589)

Public Safety – overtime expenditures and vehicle repair costs were higher than projected.

Economic Development – Sales were better than expected this year, so the rebate on sales tax was higher than projected.

Debt Service: Principal – a 380 agreement that was not billed last year, was billed together with current payment due. This caused current year expenditures to be higher than projected.

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, 2017. At year-end, the respective bank balance totaled \$17,753,868. Of the total bank balance, \$500,000 was covered by Federal Depository Insurance Corporation (FDIC). The remainder was covered by collateral with a value of \$22,550,000. 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.

Deposits and investment with investment maturities, including accrued interest, as of September 30, 2017 are as follows:

Component Unit	Investment Maturities (in years)		Greater than 1 year
	Value	1 or less	
Certificates of Deposit	\$ 695,256	\$ 695,256	\$ -

The component unit reports certain assets held for resale. At the time of acquisition, these assets were purchased to further economic objectives. These assets held for resale must be reported at net realizable value. As of September 30, 2017, the component unit reported assets held for resale at \$402,734.

A reconciliation of cash and investments follows:

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Cash	\$ 7,753,990	\$ 979,857	8,733,847	\$ 4,275,962
Restricted cash	304,684	3,520,277	3,824,961	889,969
Cash equivalents- TexPool	3,861,824	504,667	4,366,491	-
Total cash and cash equivalents	\$ 11,920,498	\$ 5,004,801	\$ 16,925,299	\$ 5,165,931
Investments:				
Certificates of deposit	\$ -	\$ -	\$ -	\$ 695,256
Total cash and investments	\$ 11,920,498	\$ 5,004,801	\$ 16,925,299	\$ 5,861,187

See Note 6 for components of cash restrictions.

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, 2017 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 restricts 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, 2017. The composition of these investments is as follows:

	Fair Value
Equities	\$ 7,584,951
Fixed income	
Money market mutual funds	215,897
Municipal bonds	1,555,919
Corporate bonds	822,502
Total fixed income	2,594,318
Total investments	\$ 10,179,269

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	\$ 8,414,691
Level 2 inputs are significant other observable inputs	1,764,578
Total investments	\$ 10,179,269

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.

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 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 Plan where such broker is also affiliated with the manager who is making the transaction are prohibited, unless specifically approved by the Plan.

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, 2017, consist of the following:

	Primary Government								
	Governmental				Business-type				Component Unit
	General Fund	Other	Total	Water and Wastewater	Solid Waste	Airport Fund	Total	Total Primary Government	
		Governmental							
Funds									
Ad valorem taxes	\$1,309,250	\$ 435,792	\$ 1,745,042	\$ -	\$ -	\$ -	\$ -	\$ 1,745,042	\$ -
Sales taxes	892,390	-	892,390	-	-	-	-	892,390	-
Customer charges	28,870	-	28,870	3,258,315	1,257,955	29,605	4,545,875	4,574,745	-
Hotel/Motel taxes	-	140,895	140,895	-	-	-	-	140,895	-
Ambulance fees	4,543,516	-	4,543,516	-	-	-	-	4,543,516	-
Other	662,794	24,597	687,391	-	-	-	-	687,391	267,555
Gross receivables	7,436,820	601,284	8,038,104	3,258,315	1,257,955	29,605	4,545,875	12,583,979	267,555
Less allowance for uncollectibles	(3,834,971)	(147,867)	(3,982,838)	(1,158,518)	(582,201)	-	(1,740,719)	(5,723,557)	-
Net total receivables	\$3,601,849	\$ 453,417	\$ 4,055,266	\$ 2,099,797	\$ 675,754	\$29,605	\$ 2,805,156	\$ 6,860,422	\$ 267,555

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 (EDC), accepted notes from various businesses. These notes are for cash loans, and sale of industrial park lots. The loans carry various credits 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, 2017:

Loan to CIL Properties	\$ 130,877
Loan to SESA	20,000
Loan to Downtown Properties	78,137
Promissory note from LRGVDC (Building Sale)	1,391,330
Promissory note from SDI Weslaco Holdings, Inc.	898,206
<u>Total notes receivable</u>	<u>\$ 2,518,550</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, (EDC) 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 \$236,035 under the 380 Agreement.

Notes with Economic Incentives

The economic incentive portion of the note 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, 2017.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 is as follows:

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Governmental Activities					
Capital assets not been depreciated					
Land	\$ 3,925,705	\$ 657,207	\$ -	\$ -	\$ 4,582,912
380 Agreements Infrastructure	7,629,307	-	-	-	7,629,307
Construction-in-progress	1,724,505	77,503	(1,724,506)	-	77,502
Total capital assets, not being depreciated	13,279,517	734,710	(1,724,506)	-	12,289,721
Capital assets been depreciated					
Buildings	17,371,818	5,801	1,014,960	-	18,392,579
Equipment	12,092,972	502,317	-	(9,835)	12,585,454
Improvements	42,853,948	969,940	709,546	-	44,533,434
Capital Leases	3,274,825	1,728,267	-	-	5,003,092
	75,593,563	3,206,325	1,724,506	(9,835)	80,514,559
Less accumulated depreciation for:					
Buildings	6,946,641	434,296	-	-	7,380,937
Equipment	7,211,233	767,067	-	(4,034)	7,974,266
Improvements	22,478,557	1,402,165	-	-	23,880,722
Capital Leases	931,421	550,280	-	-	1,481,701
Total accumulated depreciation	37,567,852	3,153,808	-	(4,034)	40,717,626
Total capital assets being depreciated, net	38,025,711	52,517	1,724,506	(5,801)	39,796,933
Governmental Activities, capital assets, net	\$ 51,305,228	\$ 787,227	\$ -	\$ (5,801)	\$ 52,086,654

Depreciation expense was charged as direct expense to governmental functions of the primary government as follows:

Governmental activities	
General government	\$ 806,293
Public Safety	369,060
Emergency Medical Services	144,283
Public Works	1,400,977
Culture and Recreation	433,195
	\$ 3,153,808

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	\$ -	\$ -	\$ -	\$ 2,551,870
Construction in Progress	48,178,598	3,088,920	(1,873,895)	-	49,393,623
Total capital assets not being depreciated	50,730,468	3,088,920	(1,873,895)	-	51,945,493
Capital assets being depreciated					
Buildings	1,679,646	-	-	-	1,679,646
Equipment	8,738,182	337,237	-	(437,801)	8,637,618
Improvements	74,693,645	300,339	1,873,895	-	76,867,879
Total capital assets being depreciated	85,111,473	637,576	1,873,895	(437,801)	87,185,143
Less accumulated depreciation for:					
Building	1,307,123	22,448	-	-	1,329,571
Equipment	7,594,730	272,106	-	(437,592)	7,429,244
Improvements	30,400,137	2,565,683	-	-	32,965,820
Total accumulated depreciation	39,301,990	2,860,237	-	(437,592)	41,724,635
Total capital assets being depreciated, net	45,809,483	(2,222,661)	1,873,895	(209)	45,460,508
Business-type activities capital assets, net	\$ 96,539,951	\$ 866,259	\$ -	\$ (209)	\$ 97,406,001

Depreciation expense was charged as direct expense to business-type functions of the primary government as follows:

Business-type activities:	
Water and Wastewater	\$ 2,519,764
Solid Waste	7,104
Airport	333,369
Total depreciation expense- Business-type activities:	\$ 2,860,237

	Beginning Balance	Additions	Transfers/ Reclassification	Retirements	Ending Balance
Component Unit:					
Capital assets not being depreciated					
Land	\$ 19,709	\$ -	\$ -	\$ -	\$ 19,709
Construction in Progress	20,749	75,737	-	-	96,486
Total capital assets not being depreciated	40,458	75,737	-	-	116,195
Capital assets being depreciated					
Buildings	2,181,286	-	-	-	2,181,286
Machinery and equipment	167,655	7,090	-	-	174,745
Total capital assets being depreciated	2,348,941	7,090	-	-	2,356,031
Less accumulated depreciation for	404,354	69,292	-	-	473,646
Total capital assets being depreciated, net	1,944,587	(62,202)	-	-	1,882,385
Business-type activities capital assets, net	\$ 1,985,045	\$ 13,535	\$ -	\$ -	\$ 1,998,580

Depreciation of \$69,292 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, 2017 is as follows:

\$1,075,082 General Obligation Refinancing Bonds, Series 2010, (Target Savings) due in annual installments varying From \$97,092 to \$138,852 through February 19, 2019 bearing interest at 3.1%	\$ 273,529
\$2,845,000 Waterworks and Sewer Systems Revenue Refunding Bond, Series 2010, due in annual installments Varying from \$375,000 to \$440,000 through December 1, 2018, bearing interest at 3.19%.	440,000
\$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% to 5.00%.	3,720,000
\$8,500,000 Tax Notes, Series 2011, dated December 28, 2011, due in annual installments from \$460,000 to \$2,000,000 through February 15, 2018, bearing interest rate of 2.75%.	2,620,000
\$9,075,000 Tax and Revenue Certificate of Obligation, Series 2014, dated March 1, 2014, due in annual installments varying from \$75,000 through \$1,355,000 through February 15, 2034.	9,075,000
\$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%.	15,750,000
\$19,545,000 Limited Tax Refunding Bonds, Series 2017, dated August 16, 2017, due in annual installments varying from \$500,000 to \$2,285 through February 15, 2027, bearing interest rates of 4.00%-5.00%.	19,545,000
Total Business-Type Activities Bonded Debt	\$51,423,529

Governmental Activities Bonded Debt

Governmental activities bonded debt as of September 30, 2017 is as follows:

\$4,064,918 General Obligation Refinancing Bond, Series 2010, (Target Savings), due in annual installments of \$367,908 to \$526,148 through February 19, 2019, bearing interest rates at 3.1%	\$ 1,037,731
\$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% to 3.00%.	7,720,000

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT (Continued)

\$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% to 5.00%. \$ 6,345,000

\$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%. 3,735,000

Total Governmental Activities Bonded Debt **\$18,837,731**

Capital Leases

\$1,901,245 Municipal lease agreement, dated December 12, 2013. The terms of the note include monthly payments of \$34,880 beginning January 14, 2014, continuing until December 14, 2019. The note was used to purchase machinery and equipment. \$515,270

\$326,727 Frost Municipal lease agreement dated May 5, 2015. The terms of the capital lease include monthly payments of \$5,761 beginning June 2015. The lease was used to purchase equipment. 178,694

\$331,572 Kansas State Bank lease agreement dated September 15, 2015. The terms of the capital lease include annual payments of \$69,968 beginning January 2016. The lease was used to purchase equipment. 200,449

\$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. 472,397

\$190,281 Frost Municipal lease agreement dated January 28, 2016. The terms of the capital lease include annual payments of \$39,837 beginning February 2016. The lease was used to purchase an ambulance and other vehicle. 114,128

\$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. 616,566

\$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. 606,705

\$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. 218,543

\$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. 60,564

Total Governmental Activities Capital Lease Debt **\$2,983,316**

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT (Continued)

Notes Payable

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 a vendor's lien and superior title.

\$ 431,333

Total Governmental Activities Note Payable Debt

\$ 431,333

Component Unit Bonded Debt

Component Unit bonded debt as of September 30, 2017 is as follows:

\$1,155,000 Economic Development Sales Tax Revenue Bonds, Series 2012, due in annual installments not exceeding \$130,000 beginning February 15, 2013 through August 15, 2023, interest rate of 2.60%.

\$ 730,000

\$1,290,000 Economic Development Sales Tax Revenue Bonds, Series 2011B, due in annual installments varying from \$150,000 to \$335,000 beginning February 15, 2017 through 2021, interest rate of 3.84%.

1,275,000

\$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%.

1,675,000

Total Revenue Bonds

\$3,680,000

Notes Payable

A note dated December 22, 2015 and payable to Texas National for \$283,000. The terms of the note include principal and interest payments of \$3,012 beginning January 22, 2016, continuing monthly thereafter until November 22, 2022, when the entire balance, including principal and interest will be due and payable. The interest rate is a fixed 5.00%. The note is secured by 17.12 acres in the industrial park.

242,491

Total Component Unit Revenue Bonds and Notes Payable

\$3,922,491

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT (Continued)

Transactions for the year ended September 30, 2017 are summarized as follows:

	Balance October 1	Additions	Deletions	Balance September 30	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 1,532,231	\$ -	\$ 494,500	\$ 1,037,731	\$ 510,324
Certificates of Obligation	19,285,000	-	1,485,000	17,800,000	1,375,000
Capital Leases	2,099,678	1,728,267	844,629	2,983,316	1,025,641
Bond Premium	1,171,661	-	170,921	1,000,740	-
380 Agreement Infrastructure	3,719,205	-	898,589	2,820,616	-
Notes Payable	-	456,707	25,374	431,333	35,876
Compensated Absences	2,572,882	1,168,150	982,034	2,758,998	275,900
Municipal net pension liability	6,916,687	-	386,607	6,530,080	-
Firemen's net pension liability	4,588,953	113,098	-	4,702,051	-
Total Governmental Activities	41,886,297	3,466,222	5,287,654	40,064,865	3,222,741
Business-Type Activities:					
General Obligation Bonds	\$ 404,029	\$ -	\$ 130,500	\$ 273,529	\$ 134,676
Revenue Bonds Payable	870,000	-	430,000	440,000	440,000
Certificate of Obligation	49,260,000	19,545,000	20,715,000	48,090,000	-
Bond Premium	4,734,806	3,667,740	1,493,442	6,909,104	-
Tax Notes	4,810,000	-	2,190,000	2,620,000	2,620,000
Compensated Absences	108,860	73,165	39,226	142,799	14,280
Customer deposits	1,020,942	42,362	-	1,063,304	-
Landfil Closure	536,079	-	67,722	468,357	-
Municipal net pension liability	894,319	-	34,580	859,739	-
Total Business-Type Activities	62,639,035	23,328,267	25,100,470	60,866,832	3,208,956
Total Primary Government	\$ 104,525,332	\$ 26,794,489	\$ 30,388,124	\$ 100,931,697	\$ 6,431,697
Component Unit:					
Revenue Bonds	\$ 4,335,000	\$ -	\$ 655,000	\$ 3,680,000	\$ 675,000
Notes Payable	266,056	-	23,565	242,491	24,392
Total Component Unit	\$ 4,601,056	\$ -	\$ 678,565	\$ 3,922,491	\$ 699,392

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 or Certificates of Obligation were issued for the fiscal year ended September 30, 2017.

NOTE 6: LONG-TERM DEBT (Continued)

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, 2017.

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, 2017.

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, 2017 amounted to \$43,345,000.

Limited Tax Refunding Bonds, Series 2017

The City issued \$19,545,000 Limited Tax Refunding Bonds, Series 2017 to advance refund a portion of the City's outstanding debt in order to lower the overall debt service requirements of the City. The advance refunding was authorized to refund \$20,615,000 of the *Series 2012 Tax and Revenue Certifications of Obligation* in business type activities.

The bonds are collateralized by property taxes levied against all taxable property within the limits prescribed by law and are further secured by net revenues from the operation of the City's combined waterworks and sewer system. The bonds will be repaid over a 15 year period, which began February 15, 2018 and carry interest rates at 3.00%-5.00% with interest payment dates of February 15 and August 15. The refunding was undertaken to take advantage of favorable interest rates. The cash flow requirement of the refunded bonds, prior to the refunding, was \$24,377,425 from September 30, 2017 through February 15, 2027. The cash flow requirements of the 2017 refunding bonds are \$22,947,736 for the same period. The advance refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,429,689.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT (Continued)

Bond Authorized and Unissued

At September 30, 2017, the City had no General Obligations Bonds and Revenue Bonds which were authorized and unissued.

The following table summarizes the restricted cash and investments as of September 30, 2017:

	Governmental Activities	Business-Type Activities	Primary Government	Component Unit
Cash and cash equivalents:				
Cash restricted for construction	\$ -	\$ 1,436,372	\$ 1,436,372	\$ 889,969
Cash restricted from PEG fee collection	304,684	-	304,684	-
Cash restricted for bond retirement	-	986,377	986,377	-
Cash restricted from customer utility deposits	-	1,063,304	1,063,304	-
Cash in Escrow	-	34,224	34,224	-
Total	\$ 304,684	\$ 3,520,277	\$ 3,824,961	\$ 889,969
Investments:				
Restricted for bond reserve	\$ -	\$ -	\$ -	\$ 695,256

Debt service requirements to maturity for governmental activities and business-type activities are as follows:

General Obligation Bonds

Governmental Activities				Business-Type Activities			
Year Ending September 30,	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements	
2018	\$ 510,324	\$ 24,220	\$ 534,544	\$ 134,676	\$ 6,392	\$ 141,068	
2019	527,407	8,155	535,562	138,853	2,152	141,005	
Total	\$ 1,037,731	\$ 32,375	\$ 1,070,106	\$ 273,529	\$ 8,544	\$ 282,073	

Certificates of Obligations

Governmental Activities				Business-Type Activities			
Year Ending September 30,	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements	
2018	\$ 1,375,000	\$ 638,675	\$ 2,013,675	\$ -	\$ 2,140,030	\$ 2,140,030	
2019	1,415,000	595,450	2,010,450	2,210,000	2,202,350	4,412,350	
2020	2,000,000	542,425	2,542,425	2,865,000	2,098,000	4,963,000	
2021	2,055,000	482,947	2,537,947	2,975,000	1,978,400	4,953,400	
2022	2,115,000	426,812	2,541,812	3,085,000	1,853,526	4,938,526	
2023-2027	5,790,000	1,434,850	7,224,850	18,240,000	6,917,930	25,157,930	
2028-2032	2,480,000	519,550	2,999,550	16,065,000	3,029,178	19,094,178	
2033-2036	570,000	28,500	598,500	2,650,000	193,776	2,843,776	
Total	\$ 17,800,000	\$ 4,669,209	\$ 22,469,209	\$ 48,090,000	\$ 20,413,190	\$ 68,503,190	

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT (Continued)

Revenue Bonds

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Requirements
2018	\$ 440,000	\$ 7,018	\$ 447,018
Total	\$ 440,000	\$ 7,018	\$ 447,018

Tax Notes

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Requirements
2018	\$ 2,620,000	\$ 72,050	\$ 2,692,050
Total	\$ 2,620,000	\$ 72,050	\$ 2,692,050

Notes Payable

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 35,876	\$ 29,176	\$ 65,052
2019	38,367	26,685	65,052
2020	41,038	24,014	65,052
2021	43,902	21,150	65,052
2022	272,150	3,232	275,382
Total	\$ 431,333	\$ 104,257	\$ 535,590

Debt service requirements to maturity for the component unit are as follows:

Year Ending September 30,	Revenue Bonds		Notes Payable		Total
	Principal	Interest	Principal	Interest	
2018	\$ 675,000	\$ 113,204	\$ 24,392	\$ 11,748	\$ 824,344
2019	690,000	89,566	25,657	10,483	815,706
2020	720,000	65,139	26,963	9,177	821,279
2021	740,000	39,847	28,388	7,752	815,987
2022	420,000	20,390	29,891	6,249	476,530
2023-2027	435,000	6,875	107,200	1,358	550,433
Total	\$ 3,680,000	\$ 335,021	\$ 242,491	\$ 46,767	\$ 4,304,279

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT (Continued)

The following is a schedule of the future minimum lease payments under capital leases as of September 30, 2017:

Capital Leases

Year Ending September 30	Governmental Activities				
	Frost Municipal Lease	Frost Municipal Lease	Kansas State Bank Lease	Frost Municipal Lease	Frost Municipal Lease
2018	\$ 418,564	\$ 69,134	\$ 69,968	\$ 60,288	\$ 39,837
2019	104,641	69,134	69,969	60,288	39,837
2020	-	46,089	69,968	60,288	39,837
2021	-	-	-	60,288	-
2022	-	-	-	60,288	-
2023-2027	-	-	-	241,152	-
Total minimum lease payments	523,205	184,357	209,905	542,592	119,511
Less the amount representing Interest	(7,936)	(5,560)	(9,453)	(70,193)	(5,257)
Present value of net minimum lease payments	\$ 515,269	\$ 178,797	\$ 200,452	\$ 472,399	\$ 114,254

Year Ending September 30	Governmental Activities				
	Frost Municipal Lease	Frost Municipal Lease	Frost Municipal Lease	Frost Municipal Lease	Total
2018	\$ 162,593	\$ 13,153	\$ 47,041	\$ 76,883	\$ 957,461
2019	162,593	13,153	47,041	76,883	643,539
2020	162,593	13,153	47,041	76,883	515,852
2021	162,593	13,153	47,041	76,883	359,958
2022	-	13,153	47,041	76,883	197,365
2023-2027	-	-	-	307,532	548,684
Total minimum lease payments	650,372	65,765	235,205	691,947	3,222,859
Less the amount representing Interest	(33,163)	(5,200)	(16,661)	(86,120)	\$ (239,543)
Present value of net minimum lease payments	\$ 617,209	\$ 60,565	\$ 218,544	\$ 605,827	\$ 2,983,316

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, 2017 was levied using a rate of \$.6667 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.

NOTE 7: PROPERTY TAX (Continued)

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. On October 1 taxes are levied and payable by January 31. Property taxes attach as an enforceable lien on property as of January 1. Uncollected taxes are placed in the hands of the attorney for legal action on February 1, following year of assessment.

Property tax is levied each October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the City. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the City Council. Appraised values are established by the Appraisal Board of Review at 100% for estimated fair market value.

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, 2017, were 96.28% of the tax levy.

Property taxes at the fund level are recorded as receivables and deferred revenues 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.

The City charter of the City of Weslaco, Texas, does not provide for a debt limit, therefore, no computation can be made. However, at September 30, 2017, the City had a tax margin of \$1.8133 for every \$100 valuation based upon a maximum ad valorem tax of \$2.50 for every \$100 valuation imposed by Texas Constitutional law.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 8: INTERFUND RECEIVABLES AND PAYABLES

Inter-fund balances at September 30, 2017 consisted of the following individual fund receivables and payables:

Receivable Fund	Payable Fund					
	Water and Wastewater		Solid Waste	Airport	Internal	Total
	General Fund	Fund	Fund	Fund	Service Fund	
General Fund	\$ -	\$ 8,240	\$ 641	\$ 356,878	\$ 148,351	\$ 514,110
Solid Waste Fund	-	2,000,000	-	-	-	2,000,000
Other Governmental Funds	24,846	-	-	-	-	24,846
	\$ 24,846	\$ 2,008,240	\$ 641	\$ 356,878	\$ 148,351	\$ 2,538,956

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 2015 to be repaid within a five year period.

NOTE 9: OPERATING TRANSFERS

Operating transfers at September 30, 2017 consisted of the following:

Transfer Out Funds	Transfer in Funds					Total
	General Fund	Capital Improvement Fund	Other Governmental Funds	Airport Fund	Internal Service Fund	
General Fund	\$ -	\$ 600,000	\$ 599,768	\$ 250,000	\$ 250,000	\$ 1,699,768
Water and Wastewater Fund	1,565,561	795,000	-	-	-	2,360,561
Solid Waste Fund	125,750	1,000,000	-	-	-	1,125,750
	\$ 1,691,311	\$ 2,395,000	\$ 599,768	\$ 250,000	\$ 250,000	\$ 5,186,079

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 and the debt service fund for expenditures in excess of revenues. There was a transfer from the general fund to the internal service fund for capital lease payments on different capital lease assets used in the City. There were transfers from enterprise funds to the general fund for administrative expenses.

City of Weslaco, Texas

Notes to Financial Statements

NOTE 10: DEFINED BENEFIT - PENSION PLAN - TMRS

Plan Description

The City of Weslaco participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the 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 benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments 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, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	154
Inactive employees entitled to but not yet receiving benefits	176
Active employees	<u>219</u>
	<u>549</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.

NOTE 10: DEFINED BENEFIT - PENSION PLAN – TMRS (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 6.22% and 7.5% in calendar 2016 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2017 were \$714,301 and were equal to the required contributions.

Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2016, 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, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% 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, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2015 valuation.

After the Asset Allocation Study analysis and experience investigation study the Board amended the long-term expended rate of return on pension plan investments from 7% to 6.75%. 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 PLAN – TMRS (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). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. 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>
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	<u>5.0%</u>	8.00%
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: PENSION PLAN – TMRS (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, 2017 is as follows:

	Increase (Decrease)		
	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a)-(b) Net Pension Liability (Asset)
Balance at December 31, 2015	\$ 40,982,175	\$ 33,171,169	\$ 7,811,006
Changes for the year			
Service cost	1,414,112	-	1,414,112
Interest	2,738,324	-	2,738,324
Difference Between expected/actual experience	(1,124,865)	-	(1,124,865)
Contributions- employer	-	572,328	(572,328)
Contributions- employee	-	662,199	(662,199)
Net investment income	-	2,240,914	(2,240,914)
Benefit payments, including refunds of employee contributions	(2,242,933)	(2,242,933)	-
Administrative expenses	-	(25,318)	25,318
Other charges	-	(1,365)	1,365
Net changes	784,638	1,205,825	(421,187)
Balance at December 31, 2016	\$ 41,766,813	\$ 34,376,994	\$ 7,389,819

Net pension liability amounts are allocated between the governmental activities and business-type activities in the statement of net position by \$6,530,080 and \$859,739, 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	\$ 13,306,339	\$ 7,389,819	\$ 2,526,444

City of Weslaco, Texas
Notes to Financial Statements

NOTE 10: PENSION PLAN - TMRS (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2017 the City recognized pension expense in the amount of \$1,841,536. At September 30, 2017 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)	\$ 377,834	\$ 931,978
Changes in actuarial assumptions	426,124	-
Differences between expected and actual investment earnings (net of current year amortization)	1,563,465	1,489
Contributions subsequent to measurement date	577,099	-
Total	\$ 2,944,522	\$ 933,467

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 allocation of deferred outflows/inflows of resources related to pensions.

\$577,099 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, 2018. 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,	City
2018	\$ 563,671
2019	590,295
2020	280,366
2021	(376)

NOTE 11: 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.	30
Current employees	<u>62</u>
Total	<u>92</u>

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.

NOTE 11: FIREMEN'S PENSION PLAN (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 Use 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, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of September 30, 2016.

Actuarial Assumptions

Valuation date	September 30, 2016
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 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.

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, 2017 are summarized in the following table:

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: FIREMEN'S PENSION PLAN (Continued)

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return (Arithmetic)</u>
Equity	6.0%
Fixed Income	3.5%
Cash	0.0%

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 period 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, 2017 is as follows:

	<u>Increase (Decrease)</u>		
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance at September 30, 2016	\$ 13,775,101	\$ 9,186,148	\$ 4,588,953
Changes for the year			
Service cost	463,644	-	463,644
Interest	995,631	-	995,631
Difference Between expected/actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions- employer	-	483,771	(483,771)
Contributions- employee	-	476,078	(476,078)
Net investment income	-	882,963	(882,963)
Benefit payments, including refunds of			-
employee contributions	(548,162)	(548,162)	-
Administrative expenses	-	(51,417)	51,417
Changes in benefit terms	445,218	-	445,218
Net changes	1,356,331	1,243,233	113,098
Balance at September 30, 2017	\$ 15,131,432	\$ 10,429,381	\$ 4,702,051

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: FIREMEN'S PENSION PLAN (Continued)

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	\$ 7,054,339	\$ 4,702,051	\$ 2,788,747

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2017 the city recognized pension expense in the amount of \$754,419. At September 30, 2017, 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)	\$ 386,643	\$ -
Changes in actuarial assumptions	-	182,158
Differences between expected and actual investment earnings (net of current year amortization)	-	253,765
Total	\$ 386,643	\$ 435,923

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,	City
2018	\$ (46,357)
2019	(46,357)
2020	(46,357)
2021	(16,146)
2022	24,637
Thereafter	81,300

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS

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.

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.

Other Postemployment Benefits

The City does not pay any postemployment benefits and no unfunded actuarial accrued liabilities are required under GASB Statement No. 45, *Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions*.

NOTE 13: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The statement of net position reports deferred outflows of resources in connection to 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:			
Deferred outflows related to pensions	\$ 3,066,052	\$ 265,113	\$ 3,331,165
Deferred outflows related to deferred charge on refunding	254,789	2,309,996	2,564,785
Total deferred outflows of resources	\$ 3,320,841	\$ 2,575,109	\$ 5,895,950

In addition to deferred outflows of resources the governmental activities reported \$64,200 in unearned revenue related to deposits received on park dedication fees.

The statement of net position reports deferred inflows of resources in connection to an acquisition of net position that applies to a future period. The components of deferred inflows of resources are as follows:

Deferred inflows related to pensions in governmental activities and business-type activities were \$1,276,282 and \$93,108, respectively.

City of Weslaco, Texas Notes to Financial Statements

NOTE 13: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES- (Continued)

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, 2017 as follows:

	General Fund	Debt Service Fund	Total Governmental Funds	Component Unit
Deferred inflows of resources:				
Unavailable revenues- property taxes	\$ 706,961	\$ 217,558	\$ 924,519	\$ -
Unavailable revenues- notes receivable	-	-	-	2,518,550
	<u>\$ 706,961</u>	<u>\$ 217,558</u>	<u>\$ 924,519</u>	<u>\$ 2,518,550</u>

NOTE 14: 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.

NOTE 15: 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 states 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, \$468,357 was estimated as a closure and post-closure cost. The transfer station, underground petroleum storage tanks, closure and post-closure costs were estimated at \$151,917. The landfill has been closed and post-closure costs liability is estimated at \$468,357. 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, 2017. The post-closure costs include lab tests, gas monitoring, leachate disposal and general monitoring maintenance during its inactive status.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 16: COMMITMENTS

At September 30, 2017, the City had ongoing commitments related to the following:

Project	Original Amount	Expensed	Remaining Commitment
Governmental Activities:			
Issace Rodriguez Park Improvement	\$ 400,000	\$ 77,503	\$ 322,497
Business-Type Activities:			
Urban County/CDBG Water Projects	\$ 1,119,639	\$ 538,427	\$ 581,212
Water Treatment Plant Expansion	48,040,534	43,923,161	4,117,373
Water line Improvements	404,744	243,396	161,348
Pleasantview Sewer line project	323,149	201,000	122,149
Airport Runway Extension (WESLA 1121)	1,081,375	669,454	411,921
Airport Runway Improvements(WESLA 1321)	723,952	252,645	471,307
Airport Drainage Study (WESLA 1421)	175,450	170,408	5,042
Airport Runway Extension (WESLA 1621)	2,806,900	2,508,569	298,331
Total	\$ 54,675,743	\$ 48,507,060	\$ 6,168,683

Construction in progress amounts for which project contracts have not been finalized are not reflected in the schedule.

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
Mayan- (Kahn's Grill)	\$ 150,000	\$ 100,000	\$ 25,000	\$ 25,000
Motion Industries	53,500	51,000	2,500	-
Mission Foods	60,000	47,500	12,500	-
Wal-Mart Neighborhood	900,000	275,000	125,000	500,000
Payne Auto Group (GMC)	275,000	220,000	55,000	-
Payne Auto Group (Chevy)	275,000	220,000	55,000	-
Payne Auto Group (Ford)	275,000	137,500	52,500	85,000
Texas A&M- Kingsville	30,000	-	30,000	-
BPMP (Chick-Fil-A/Blue Wave)	500,000	100,000	100,000	300,000
Total Monetary Incentives	\$ 2,518,500	\$ 1,151,000	\$ 457,500	\$ 910,000

Subsequent year balances of \$910,000 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 17: 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 18: 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, 2017 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.

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 19: 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.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 19: 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT- (Continued)

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	\$ 1,546,889	\$ 340,018	\$ 1,413,093
HEB Grocery Company, LP	3,530,000	1,615,698	521,330	1,392,972
Lowe's Home Center, Inc.	222,870	171,078	37,241	14,551
	<u>\$ 7,052,870</u>	<u>\$ 3,333,665</u>	<u>\$ 898,589</u>	<u>\$ 2,820,616</u>

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 amount reimbursed sales tax proceeds to date is \$4,074,308, of which \$581,915 is current proceeds reimbursed. Total rebates balance owed is \$6,425,692.

NOTE 20: RESTATEMENT OF NET POSITION / PRIOR PERIOD ADJUSTMENT

Prior year amounts of deferred outflows of resources and deferred inflows of resources related to the City's Firemen's pension liability were not recorded in the government wide statement of net position. The prior year has been restated to account for the prior period adjustment for these unrecorded amounts. The effect of the adjustment was an increase to beginning net position in the amount of \$592,041.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 21: 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.

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total	Component Unit
Nonspendable:					
Inventories	\$ 11,035	\$ -	\$ -	\$ 11,035	\$ -
Prepaid items	7,273	-	-	7,273	-
Nonspendable total	18,308	-	-	18,308	-
Restricted for:					
Street improvements and other capital projects	-	-	2,882,246	2,882,246	889,969
Tourism	-	-	574,200	574,200	-
Library activities	-	-	14,364	14,364	-
Project development	-	-	-	-	60,000
Debt Service	-	-	146,217	146,217	695,256
Restricted total	-	-	3,617,027	3,617,027	1,645,225
Assigned:					
Assigned for capital projects	-	1,665,374	335,849	2,001,223	-
Assigned for development projects	-	-	-	-	-
Total assigned	-	1,665,374	335,849	2,001,223	-
Unassigned	7,511,496	-	-	7,511,496	4,780,502
	\$ 7,529,804	\$ 1,665,374	\$ 3,952,876	\$ 13,148,054	\$ 6,425,727

City of Weslaco, Texas
Notes to Financial Statements

NOTE 22: 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	\$ 52,086,654	\$ 97,406,001	\$ 1,998,580
Less related liabilities	(25,642,403)	(58,332,633)	(972,491)
Plus unexpended bond proceeds	-	1,436,372	-
Net investment in capital assets	26,444,251	40,509,740	1,026,089
Restricted net position consists of the following:			
Debt service	363,775	986,377	695,256
Tourism	574,200	-	-
Library activities	14,364	-	-
Capital projects	-	34,224	889,969
Project development	-	-	60,000
Restricted net position	952,339	1,020,601	1,645,225
Unrestricted net position	588,485	3,647,000	4,333,441
Total net position	\$ 27,985,075	\$ 45,177,341	\$ 7,004,755

REQUIRED SUPPLEMENTARY INFORMATION

City of Weslaco, Texas
Schedule of Revenues, Expenditures and
Changes in Fund Balance- Budget and Actual
General Fund

For the Fiscal year Ended September 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes:				
Property taxes	\$ 9,146,294	\$ 9,146,294	\$ 9,715,180	\$ 568,886
Nonproperty taxes	10,569,366	10,569,366	10,820,429	251,063
Fees and charges	2,213,500	2,218,500	2,003,126	(215,374)
Fines and forfeitures	663,240	663,240	752,327	89,087
Licenses and permits	567,475	567,475	664,177	96,702
Intergovernmental	317,202	459,736	585,580	125,844
Investment income	30,700	30,700	75,012	44,312
Miscellaneous	284,058	305,728	314,862	9,134
Total Revenues	23,791,835	23,961,039	24,930,693	969,654
Expenditures				
Current:				
General government	6,215,115	6,461,415	6,395,390	66,025
Public safety	12,678,203	13,291,398	13,600,308	(308,910)
Public works	2,581,034	2,580,634	2,454,826	125,808
Culture and recreation	1,537,532	1,557,532	1,454,613	102,919
Economic development	425,000	425,000	581,915	(156,915)
Debt service:				
Principal	728,130	728,130	1,026,719	(298,589)
Interest and fees	10,972	10,972	10,972	-
Total Expenditures	24,175,986	25,055,081	25,524,743	(469,662)
Deficiency of revenues over expenditures	(384,151)	(1,094,042)	(594,050)	499,992
Other financing sources (uses):				
Proceeds from sale of assets	-	-	50,740	50,740
Transfers in	2,716,310	2,716,310	1,691,311	(1,024,999)
Transfers out	(2,585,000)	(2,585,000)	(1,699,768)	885,232
Total other financing sources (uses)	131,310	131,310	42,283	(89,027)
Net change in fund balances	\$ (252,841)	\$ (962,732)	(551,767)	\$ 410,965
Fund balances at beginning of year, as adjusted			8,081,571	
Fund balances at end of year			\$ 7,529,804	

City of Weslaco, Texas

Schedule of Changes in Net Pension Liability and Related Ratios

For the Years Ended September 30,	Municipal City			Fire		
	2017	2016	2015	2017	2016	2015
Total Pension Liability						
Service cost	\$ 1,414,112	\$ 1,184,809	\$ 1,162,103	\$ 463,644	\$ 421,208	\$ 398,097
Interest (on the total pension liability)	2,738,324	2,603,802	2,504,972	995,631	848,579	845,051
Changes of benefit terms	-	-	-	445,218	427,638	-
Difference between expected and actual experience	(1,124,865)	734,282	(303,648)	-	479,811	-
Changes of assumptions	-	828,135	-	-	(226,052)	-
Benefit payments, including refunds of employee contributions	(2,242,933)	(1,947,228)	(1,978,636)	(548,162)	(645,296)	(833,923)
Net change in total pension liability	784,638	3,403,800	1,384,791	1,356,331	1,305,888	409,225
Total pension liability – beginning	40,982,175	37,578,375	36,193,584	13,775,101	12,469,213	12,059,988
Total pension liability – ending (a)	\$ 41,766,813	\$ 40,982,175	\$ 37,578,375	\$ 15,131,432	\$ 13,775,101	\$ 12,469,213
Plan Fiduciary Net Position						
Contributions – employer	\$ 572,328	\$ 561,365	\$ 542,202	\$ 483,771	\$ 440,112	\$ 394,360
Contributions – employee	662,199	611,176	591,732	476,078	425,463	388,865
Net investment income	2,240,914	50,055	1,882,469	882,963	755,912	(127,198)
Benefit payments, including refunds of employee contributions	(2,242,933)	(1,947,228)	(1,978,636)	(548,162)	(645,296)	(833,923)
Administrative expense	(25,318)	(30,493)	(19,657)	(51,417)	(45,252)	(85,190)
Other	(1,365)	(1,506)	(1,616)	-	-	-
Net change in plan fiduciary net position	1,205,825	(756,631)	1,016,494	1,243,233	930,939	(263,086)
Plan fiduciary net position – beginning	33,171,169	33,927,800	32,911,306	9,186,148	8,255,209	8,518,295
Plan fiduciary net position – ending (b)	\$ 34,376,994	\$ 33,171,169	\$ 33,927,800	\$ 10,429,381	\$ 9,186,148	\$ 8,255,209
Net Pension Liability – Ending (a) – (b)	\$ 7,389,819	\$ 7,811,006	\$ 3,650,575	\$ 4,702,051	\$ 4,588,953	\$ 4,214,004
Plan fiduciary net position as a percentage of total pension liability	82.31%	80.94%	90.29%	68.93%	66.69%	66.20%
Covered employee payroll	\$ 9,452,621	\$ 8,731,090	\$ 8,453,317	\$ 3,967,317	\$ 3,545,525	\$ 3,119,208
Net pension liability as a percentage of covered employee payroll	78.18%	89.46%	43.19%	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

	Municipal City			Fire		
<i>For the years ended September 30</i>	2017	2016	2015	2017	2016	2015
Actuarial determined contribution	\$ 714,301	\$ 613,090	\$ 562,443	\$ 476,078	\$ 425,463	\$ 379,251
Contributions in relation to actuarially determined contribution	(714,301)	(613,090)	(562,443)	(483,771)	(440,112)	(394,360)
Contribution deficiency (excess)	-	-	-	(7,693)	(14,649)	(15,109)
Covered employee payroll	\$ 9,900,449	\$ 9,710,623	\$ 8,538,660	\$ 3,967,317	\$ 3,545,525	\$ 3,119,208
Contributions as a percentage of covered employee payroll	7.21%	6.31%	6.59%	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

Notes to Schedule of Contributions

TMRS

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	29 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

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).

Formal budgetary integration is not employed for certain other Capital Project Funds because effective budgetary control is alternatively achieved through the life of the respective project and not on an annual basis. Therefore, this data is not presented in the accompanying combined financial statements.

Unused appropriations for all of the above annually budgeted funds lapse at the end of each year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Revisions that alter individual expenditure category or department totals within a fund must be approved by the City Council. Therefore, the legal level of budgetary responsibility is the department level.

City Management establishes the amount of estimated revenues and other resources available for appropriation for the succeeding budget year. City Management submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating fund includes proposed expenditures and the means of financing them. Public hearings are conducted at City Hall to obtain taxpayer comments. Prior to October 1, the budget is adopted by the City Council.

Expenditures may not legally exceed budgeted appropriations at the department level. During the year, several budgetary revisions were necessary.

Expenditures over Appropriations

At September 30, 2017, expenditures in the following departments exceeded appropriations:

Public safety	(\$308,910)
Economic Development	(156,915)
Debt Service: Principal	(298,589)

Public Safety – overtime expenditures and vehicle repair costs were higher than projected.

Economic Development – Sales were better than expected this year, so the rebate on sales tax was higher than projected.

Debt Service: Principal – a 380 agreement that was not billed last year, was billed together with current payment due. This caused current year expenditures to be higher than projected.

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**OTHER SUPPLEMENTARY
INFORMATION**

City of Weslaco, Texas

Non-Major Governmental Fund Statements and Component Unit

Special revenue fund: **Hotel/Motel Tax Fund** was established to account for monies collected from local hotel occupancy taxes. The funds are used for expenditures that enhance and promote tourism and benefit the convention and hotel industry.

Special revenue fund: **Library Fund** was established to account for monies that have been collected from the sole use of the city's Library through fund raising donations from various charitable organizations.

Capital project fund: **Fire Department Equipment Replacement fund** is used to fund an apparatus replacement program for all fire and emergency medical services.

Capital project fund: **2013 Certificate of Obligation Construction Fund** was established to account for improvements to streets, parks, downtown, and the City's cemetery.

Debt Service Fund: **Debt Service Fund** is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted to signify the amounts that are restricted exclusively for debt service expenditures.

Weslaco Economic Development Corporation (EDC): The five-member board of directors is appointed by the City Commission. The EDC is authorized to administer the distribution of the proceeds of any development bonds issued and the proceeds of certain development sales taxes received on behalf of the City. The EDC's operational and capital budget must be approved by the City Commission.

City of Weslaco, Texas

Non-Major Governmental Fund Combining Balance Sheet

September 30, 2017

	Special Revenue Funds			Capital Projects Fund				
	Hotel/ Motel Tax	Library Fund	Fire Department Equipment Replacement Fund	2013 Certificate of Obligation Construction Fund	Total	Debt Service Fund	Total Non Major Governmental Funds	
Assets								
Cash and Cash Investments	\$ 434,539	\$ 14,364	\$ 335,849	\$ 2,878,793	\$ 3,663,545	\$ 51,005	\$ 3,714,550	
Receivables (net of allowance for uncollectibles):								
Ad valorem taxes	-	-	-	-	-	287,924	287,924	
Other	140,895	-	-	24,598	165,493	-	165,493	
Due from other funds	-	-	-	-	-	24,846	24,846	
Total Assets	\$ 575,434	\$ 14,364	\$ 335,849	\$ 2,903,391	\$ 3,829,038	\$ 363,775	\$ 4,192,813	
Liabilities								
Accounts Payable	\$ 1,234	\$ -	\$ -	\$ 21,145	\$ 22,379	\$ -	\$ 22,379	
Total Liabilities	1,234	-	-	21,145	22,379	-	22,379	
Deferred Inflows of Resources								
Unavailable revenue- ad valorem taxes	-	-	-	-	-	217,558	217,558	
Total Deferred Inflows of Resources	-	-	-	-	-	217,558	217,558	
Fund Balances								
Restricted	574,200	14,364	-	2,882,246	3,470,810	146,217	3,617,027	
Assigned	-	-	335,849	-	335,849	-	335,849	
Total Fund Balance	574,200	14,364	335,849	2,882,246	3,806,659	146,217	3,952,876	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 575,434	\$ 14,364	\$ 335,849	\$ 2,903,391	\$ 3,829,038	\$ 363,775	\$ 4,192,813	

City of Weslaco, Texas
Non-Major Governmental Fund Combining
Statement of Revenues, Expenditures, and
Changes in Fund Balances

For the Fiscal Year Ended September 30, 2017

	Special Revenue Funds		Capital Projects Funds		Total	Debt Service Fund	Total Non Major Governmental Funds
	Hotel/Motel Tax	Library Fund	Fire Department Equipment Replacement Fund	2013 Certificate of Obligation Construction Fund			
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,930,656	\$ 1,930,656
Nonproperty taxes	444,151	-	-	-	444,151	-	444,151
Investment income	-	-	-	-	-	28,596	28,596
Miscellaneous	54	-	-	-	54	-	54
Total Revenue	444,205	-	-	-	444,205	1,959,252	2,403,457
Expenditures							
Public safety	-	-	2,550	-	2,550	-	2,550
Public works	-	-	-	115,575	115,575	-	115,575
Culture and recreation	276,439	-	-	-	276,439	-	276,439
Capital outlay	-	-	949,108	-	949,108	-	949,108
Debt service:							
Principal	-	-	152,201	-	152,201	1,979,500	2,131,701
Interest and fees	-	-	24,794	-	24,794	723,649	748,443
Total Expenditures	276,439	-	1,128,653	115,575	1,520,667	2,703,149	4,223,816
Excess (deficiency) of revenues over expenditures	167,766	-	(1,128,653)	(115,575)	(1,076,462)	(743,897)	(1,820,359)
Other financing sources (uses)							
Capital lease proceeds	-	-	949,108	-	949,108	-	949,108
Transfers in	-	-	249,768	-	249,768	350,000	599,768
Total other financing sources (uses)	-	-	1,198,876	-	1,198,876	350,000	1,548,876
Net change in fund balances	167,766	-	70,223	(115,575)	122,414	(393,897)	(271,483)
Fund balances- beginning of year	406,434	14,364	265,626	2,997,821	3,684,245	540,114	4,224,359
Fund balances at end of year	\$ 574,200	\$ 14,364	\$ 335,849	\$ 2,882,246	\$ 3,806,659	\$ 146,217	3,952,876

City of Weslaco, Texas
General Fund
Comparative Balance Sheets

<i>September 30,</i>	2017	2016
Assets		
Cash and cash equivalents	\$ 6,132,490	\$ 7,467,193
Cash and cash equivalents- restricted	304,684	347,095
Receivables (net of allowance for uncollectibles)		
Ad valorem taxes	933,382	902,474
Sales taxes	892,390	862,805
Ambulance fees	1,135,716	758,685
Other	640,361	460,927
Due from other funds	514,110	292,406
Prepaid items	7,273	31,358
Inventories	11,035	6,034
Total Assets	\$ 10,571,441	\$ 11,128,977
Liabilities		
Accounts payable	\$ 878,276	\$ 1,013,290
Accrued salaries and payroll taxes	304,477	262,708
Other liabilities	758,193	687,037
Due to to other funds	24,846	10,478
Payable from restricted assets	304,684	242,209
Unearned revenue	64,200	127,445
Total Liabilities	2,334,676	2,343,167
Deferred Inflows of Resources		
Unavailable revenue- ad valorem taxes	706,961	704,239
Total Deferred Inflows of Resources	706,961	704,239
Fund Balances		
Nonspendable	18,308	37,392
Restricted	-	104,886
Unassigned	7,511,496	7,939,293
Total Fund Balances	7,529,804	8,081,571
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,571,441	\$ 11,128,977

City of Weslaco, Texas
General Fund
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Revenues		
Property taxes	\$ 9,715,180	\$ 9,214,051
Nonproperty taxes	10,820,429	10,575,608
Fees and charges	2,003,126	1,644,414
Fines and forfeitures	752,327	698,250
Licenses and permits	664,177	493,175
Intergovernmental	585,580	484,336
Investment income	75,012	37,225
Miscellaneous	314,862	874,273
Total Revenues	24,930,693	24,021,332
Expenditures		
General government	6,395,390	6,346,063
Public safety	13,600,308	12,338,374
Public works	2,454,826	2,393,351
Culture and recreation	1,454,613	2,323,660
Economic development	581,915	589,640
Debt service:		
Principal	1,026,719	505,761
Interest and fees	10,972	8,739
Total Expenditures	25,524,743	24,505,588
Excess (deficiency) of revenues over expenditures	(594,050)	(484,256)
Other financing sources (uses):		
Proceeds from sale of assets	50,740	-
Transfers in	1,691,311	798,276
Transfers out	(1,699,768)	(1,257,435)
Total other financing sources (uses)	42,283	(459,159)
Net change in fund balances	(551,767)	(943,415)
Fund balances at beginning of year	8,081,571	9,024,986
Fund balances at end of year	\$ 7,529,804	\$ 8,081,571

City of Weslaco, Texas
Special Revenue Fund
Hotel Motel Tax
Comparative Balance Sheets

<i>September 30,</i>	2017	2016
Assets		
Cash and cash equivalents	\$ 434,539	\$ 328,311
Receivables (net of allowance for uncollectibles):		
Other	140,895	79,313
Total assets	\$ 575,434	\$ 407,624
Liabilities		
Accounts payable	\$ 1,234	\$ 1,190
Total liabilities	1,234	1,190
Fund balance		
Restricted	574,200	406,434
Total fund balance	574,200	406,434
Total liabilities and fund balance	\$ 575,434	\$ 407,624

City of Weslaco, Texas
Special Revenue Fund
Hotel Motel Tax

**Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances**

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Revenues		
Nonproperty taxes	\$ 444,151	\$ 351,911
Miscellaneous	54	14,899
Total revenues	444,205	366,810
Expenditures		
Culture and recreation	276,439	329,808
Total expenditures	276,439	329,808
Net change in fund balances	167,766	37,002
Fund balances at beginning of year	406,434	369,432
Fund balances at end of year	\$ 574,200	\$ 406,434

City of Weslaco, Texas
Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance- Budget and Actual-
Hotel Motel Tax

For the Fiscal Year Ended September 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Nonproperty taxes	\$ 405,000	\$ 405,000	\$ 444,151	\$ 39,151
Miscellaneous	-	-	54	54
	405,000	405,000	444,205	39,205
Expenditures				
Culture and recreation	333,500	333,500	276,439	57,061
Net change in fund balances	\$ 71,500	\$ 71,500	\$ 167,766	\$ 96,266
Fund balances at beginning of year			406,434	
Fund balances at end of year			\$ 574,200	

City of Weslaco, Texas
Special Revenue Fund
Library Fund
Comparative Balance Sheets

<i>September 30,</i>	2017	2016
Assets		
Cash and cash equivalents	\$ 14,364	\$ 14,364
Total assets	\$ 14,364	\$ 14,364
Liabilities	\$ -	\$ -
Total liabilities	-	-
Fund balance		
Restricted	14,364	14,364
Total fund balances	14,364	14,364
Total liabilities and fund balance	\$ 14,364	\$ 14,364

City of Weslaco, Texas
Special Revenue Fund
Library Fund

**Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances**

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Revenues	\$ -	\$ -
Expenditures	-	-
Net change in fund balances	-	-
Fund balances at beginning of year	14,364	14,364
Fund balances at end of year	\$ 14,364	\$ 14,364

City of Weslaco, Texas
Capital Projects Fund
2013 Certificates of Obligation Construction Fund
Comparative Balance Sheets

<i>September 30,</i>	2017	2016
Assets		
Cash and cash equivalents	\$ 2,878,793	\$ 2,310,614
Receivables (net of allowance for uncollectibles):		
Other	24,598	690,063
Total assets	\$ 2,903,391	\$ 3,000,677
Liabilities		
Accounts payable	\$ 21,145	\$ 2,856
Total liabilities	21,145	2,856
Fund balance		
Restricted	2,882,246	2,997,821
Total fund balances	2,882,246	2,997,821
Total liabilities and fund balance	\$ 2,903,391	\$ 3,000,677

City of Weslaco, Texas
Capital Projects Fund
2013 Certificates of Obligation Construction Fund
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Revenues		
Intergovernmental	\$ -	\$ 571,469
Total revenues	-	571,469
Expenditures		
Public works	115,575	2,295
Capital outlay	-	1,558,983
Total expenditures	115,575	1,561,278
Net change in fund balances	(115,575)	(989,809)
Fund balances at beginning of year	2,997,821	3,987,630
Fund balances at end of year	\$ 2,882,246	\$ 2,997,821

City of Weslaco, Texas
Capital Projects Fund
Capital Improvement Program Fund
Comparative Balance Sheets

<i>September 30,</i>	2017	2016
Assets		
Cash and cash equivalents	\$ 1,768,774	\$ 1,871,500
Prepaid items	-	34,311
Total assets	\$ 1,768,774	\$ 1,905,811
Liabilities		
Accounts payable	\$ 103,400	\$ 186,746
Total liabilities	103,400	186,746
Fund balance		
Nonspendable	-	34,311
Assigned	1,665,374	1,684,754
Total fund balances	1,665,374	1,719,065
Total liabilities and fund balance	\$ 1,768,774	\$ 1,905,811

City of Weslaco, Texas
Capital Projects Fund
Capital Improvement Program Fund
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Revenues		
Intergovernmental revenue	\$ 137,739	\$ -
Total Revenues	137,739	-
Expenditures		
Public safety	1,647,456	500
Public works	1,806,927	32,633
Culture and recreation	405,782	41,675
Capital outlay	-	560,013
Debt service:		
Principal	188,717	-
Interest and fees	23,415	-
Total expenditures	4,072,297	634,821
Excess (deficiency) of revenues over expenditures	(3,934,558)	(634,821)
Other financing sources (uses):		
Proceeds from sale of assets	250,001	-
Capital lease proceeds	779,159	-
Note proceeds	456,707	-
Transfers in	2,395,000	1,103,886
Total other financing sources (uses)	3,880,867	1,103,886
Net change in fund balances	(53,691)	469,065
Fund balances at beginning of year	1,719,065	1,250,000
Fund balances at end of year	\$ 1,665,374	\$ 1,719,065

City of Weslaco, Texas
Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance- Budget and Actual-
Capital Improvement Program Fund

For the Fiscal Year Ended September 30, 2017

	Budget			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ 137,739	\$ 137,739
Total Revenues	-	-	137,739	137,739
Expenditures				
Current:				
Public safety	1,300,000	2,079,159	1,647,456	431,703
Public works	-	943,000	1,806,927	(863,927)
Culture and recreation	470,000	470,000	405,782	64,218
Capital outlay	1,713,000	920,000	-	920,000
Debt service:				
Principal	127,440	127,440	188,717	(61,277)
Interest and fees	-	-	23,415	(23,415)
Total Expenditures	3,610,440	4,539,599	4,072,297	467,302
Deficiency of revenues over expenditures	(3,610,440)	(4,539,599)	(3,934,558)	605,041
Other financing sources (uses):				
Proceed from sale of assets	2,800,000	2,800,000	250,001	(2,549,999)
Capital lease proceeds	-	779,159	779,159	-
Note proceeds	-	-	456,707	456,707
Transfers in	2,600,000	2,600,000	2,395,000	(205,000)
Total other financing sources (uses)	5,400,000	6,179,159	3,880,867	(2,298,292)
Net change in fund balances	\$ 1,789,560	\$ 1,639,560	(53,691)	<u>\$ (1,693,251)</u>
Fund balances at beginning of year, as adjusted			1,719,065	
Fund balances at end of year			<u>\$ 1,665,374</u>	

City of Weslaco, Texas
Capital Projects Fund
Fire Department Equipment Replacement Fund
Comparative Balance Sheets

<i>September 30,</i>	2017	2016
Assets		
Cash and cash equivalents	\$ 335,849	\$ 265,626
Total Assets	\$ 335,849	\$ 265,626
Liabilities	\$ -	\$ -
Fund Balance		
Assigned	335,849	265,626
Total Liabilities and Fund Balance	\$ 335,849	\$ 265,626

City of Weslaco, Texas
 Capital Projects Fund
 Fire Department Equipment Replacement Fund
 Comparative Statements of Revenues, Expenditures,
 and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Revenues	\$ -	\$ -
Expenditures		
Public safety	2,550	-
Capital outlay	949,108	715,281
Debt service:		
Principal	152,201	39,837
Interest and fees	24,794	800
Total Expenditures	1,128,653	755,918
Excess (deficiency) of revenues over expenditures	(1,128,653)	(755,918)
Other financing sources (uses):		
Transfers in	249,768	306,263
Capital lease proceeds	949,108	715,281
Total other financing sources (uses)	1,198,876	1,021,544
Net change in fund balances	70,223	265,626
Fund balances at beginning of year	265,626	-
Fund balances at end of year	\$ 335,849	\$ 265,626

City of Weslaco, Texas
Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance- Budget and Actual-
Fire Department Equipment Replacement Fund

For the Fiscal Year Ended September 30, 2017

	Budget		Actual	Variance
	Original	Final		With Final Budget
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current:				
Public safety	-	-	2,550	(2,550)
Capital outlay	918,000	918,000	949,108	(31,108)
Debt service:				
Principal	236,933	236,933	152,201	84,732
Interest and fees	-	-	24,794	(24,794)
Total Expenditures	1,154,933	1,154,933	1,128,653	26,280
Deficiency of revenues over expenditures	(1,154,933)	(1,154,933)	(1,128,653)	26,280
Other financing sources (uses):				
Capital lease proceeds	899,000	899,000	949,108	50,108
Transfers in	362,500	362,500	249,768	(112,732)
Total other financing sources (uses)	1,261,500	1,261,500	1,198,876	(62,624)
Net change in fund balance	\$ 106,567	\$ 106,567	70,223	\$ (36,344)
Fund balance at beginning of year, as adjusted			265,626	
Fund balance at end of year			\$ 335,849	

City of Weslaco, Texas
Debt Service Fund
Comparative Balance Sheets

<i>September 30,</i>	2017	2016
Assets		
Cash and cash equivalents	\$ 51,005	\$ 462,585
Receivables (net of allowance for uncollectibles)		
Ad valorem taxes	287,924	317,427
Other	-	439
Due from other funds	24,846	10,478
Total assets	\$ 363,775	\$ 790,929
Liabilities	\$ -	\$ -
Total liabilities	-	-
Deferred inflows of resources		
Unavailable revenue- ad valorem taxes	217,558	250,815
Total deferred inflows of resources	217,558	250,815
Fund balance		
Restricted	146,217	540,114
Total liabilities, deferred inflows of resources and fund balances	\$ 363,775	\$ 790,929

City of Weslaco, Texas
Debt Service Fund
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Revenues		
Property taxes	\$ 1,930,656	\$ 2,059,228
Investment income	28,596	22,992
Total revenues	1,959,252	2,082,220
Expenditures		
Debt service:		
Principal	1,979,500	1,844,019
Interest and fees	723,649	777,055
Advance refunding escrow	-	77,555
Total expenditures	2,703,149	2,698,629
Excess (deficiency) of revenues over expenditures	(743,897)	(616,409)
Other financing sources (uses):		
Transfers in	350,000	-
Proceeds from bond refunding	-	3,735,000
Premium on bond	-	701,808
Payment to escrow agent	-	(4,392,713)
Total other financing sources (uses)	350,000	44,095
Net change in fund balance	(393,897)	(572,314)
Fund balances at beginning of year	540,114	1,112,428
Fund balances at end of year	\$ 146,217	\$ 540,114

City of Weslaco, Texas
Schedule of Revenues, Expenditures, and
Changes in Fund Balance- Budget and Actual-
Debt Service Fund

For the Fiscal Year Ended September 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	\$ 2,250,851	\$ 2,250,851	\$ 1,930,656	\$ (320,195)
Investment income	21,750	21,750	28,596	6,846
Total revenues	2,272,601	2,272,601	1,959,252	(313,349)
Expenditures				
Debt service:				
Principal	1,581,000	1,581,000	1,979,500	(398,500)
Interest and fees	714,045	714,045	723,649	(9,604)
Total expenditures	2,295,045	2,295,045	2,703,149	408,104
Excess (deficiency) of revenues over expenditures	(22,444)	(22,444)	(743,897)	(721,453)
Other financing sources (uses):				
Transfers in	-	-	350,000	350,000
Total other financing sources (uses)		-	350,000	350,000
Net change in fund balance	\$ (22,444)	(22,444)	\$ (393,897)	\$ (371,453)
Fund balance at beginning of year			540,114	
Fund balance at end of year			\$ 146,217	

City of Weslaco, Texas
Water and Wastewater Fund
Comparative Statements of Net Position

<i>September 30,</i>	2017	2016
Assets		
Current assets		
Cash and cash equivalents	\$ 960,941	\$ 1,970,359
Cash and cash equivalents- restricted	3,486,053	5,510,998
Receivables, net of allowances for uncollectibles	2,099,797	2,046,896
Inventories	162,859	246,367
Prepaid items	63,812	305,567
Total current assets	6,773,462	10,080,187
Non-current assets		
Land	665,175	665,175
Buildings	362,324	362,324
Equipment	6,424,219	6,296,998
Infrastructure	67,785,014	65,610,780
Construction-in-progress	44,905,983	45,854,088
	120,142,715	118,789,365
Accumulated depreciation	(34,904,668)	(32,532,971)
Total non-current assets, net	85,238,047	86,256,394
Total assets	92,011,509	96,336,581
Deferred outflows of resources		
Deferred outflows related to pensions	209,688	260,257
Deferred charge on refunding	2,309,996	769,479
Total deferred outflows of resources	2,519,684	1,029,736
Total assets and deferred outflows of resources	\$ 94,531,193	\$ 97,366,317

City of Weslaco, Texas
Water and Wastewater Fund
Comparative Statements of Net Position- Continued

<i>September 30,</i>	2017	2016
Liabilities		
Current liabilities:		
Accounts payable	\$ 761,260	\$ 1,405,888
Accrued salaries and other liabilities	102,808	164,916
Due to other funds	2,008,240	2,007,509
Current portion of long term debt	3,203,363	2,850,500
Accrued interest on bonds	300,580	292,169
Total current liabilities	6,376,251	6,720,982
Noncurrent liabilities:		
Compensated absences	78,180	66,175
Customer deposits	1,063,304	1,020,942
Revenue bonds payable, net of unamortized premiums & discounts	55,137,957	57,228,336
Net pension liability	727,312	753,850
Total noncurrent liabilities	57,006,753	59,069,303
Total liabilities	63,383,004	65,790,285
Deferred inflows of resources		
Deferred inflows related to pensions	75,848	27,841
Total deferred inflows of resources	75,848	27,841
Net Position		
Net investment of capital assets	28,341,786	29,685,702
Restricted for:		
Revenue bond retirement	986,377	982,614
Unrestricted	1,744,178	879,875
Total net position	31,072,341	31,548,191
Total liabilities, deferred inflows of resources, and net position	\$ 94,531,193	\$ 97,366,317

City of Weslaco, Texas
Water and Wastewater Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

For the Fiscal Years Ended September 30,

	2017	2016
Operating revenues:		
Water services	\$ 6,473,327	\$ 5,530,588
Sewer services	4,733,786	4,365,116
Miscellaneous	308,609	260,669
Total operating revenues	11,515,722	10,156,373
Operating expenses:		
Personal services	920,745	869,544
Other services and charges	2,205,858	2,498,476
Supplies	209,847	208,160
Contractual services	2,580,356	2,669,732
Depreciation	2,519,764	2,475,129
Total operating expenses	8,436,570	8,721,041
Operating income (loss)	3,079,152	1,435,332
Non-operating revenues (expenses)		
Investment income	2,044	1,513
Interest expense	(2,203,116)	(2,321,448)
Total non-operating revenues (expenses)	(2,201,072)	(2,319,935)
Income (loss) before transfers and capital contributions	878,080	(884,603)
Transfers in (out) and capital contributions		
Transfers (out)	(2,360,561)	(672,526)
Capital improvement fees	689,843	649,682
Capital grants	316,788	409,766
Total transfers and capital contributions	(1,353,930)	386,922
Change in net position	(475,850)	(497,681)
Net position- beginning	31,548,191	32,045,872
Net position- ending	\$ 31,072,341	\$ 31,548,191

City of Weslaco, Texas
Water and Wastewater Fund
Comparative Statements Cash Flows

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Cash flows from operating activities		
Cash received from customers	\$ 11,505,183	\$ 11,655,181
Payments to suppliers	(5,314,695)	(6,579,169)
Payments to employees	(2,439,327)	(1,580,618)
Net cash provided (used) by operating activities	3,751,161	3,495,394
Cash flows from noncapital financing activities		
Transfers to other funds	(2,360,561)	(672,526)
Net cash provided (used) by noncapital financing activities	(2,360,561)	(672,526)
Cash flows from capital and related financing activities		
Purchase of capital assets	(1,184,629)	(2,214,064)
Refunding bonds issued	19,545,000	15,750,000
Premium on refunding bonds	3,667,740	3,209,943
Payment to refunded bond escrow agent	(20,615,000)	(18,335,000)
Interest paid on bonds	(4,032,324)	(2,530,890)
Retirement of bonds	(2,497,637)	(3,075,280)
Capital grants	-	409,766
Capital improvement fees	689,843	649,682
Net cash provided (used) by capital and related financing activities	(4,427,007)	(6,135,843)
Cash flow from investing activities:		
Interest on cash and investments	2,044	1,513
Net cash provided (used) by investing activities	2,044	1,513
Net increase (decrease) in cash and cash equivalents	(3,034,363)	(3,311,462)
Cash and cash equivalents, beginning of year	7,481,357	10,792,819
Cash and cash equivalents, end of year	\$ 4,446,994	\$ 7,481,357
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	\$ 3,079,152	\$ 1,435,332
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Depreciation	2,519,764	2,475,129
(Increase) decrease in accounts receivables	(52,901)	1,004,788
(Increase) decrease in inventories	83,508	(56,619)
(Increase) decrease in prepaids	241,755	84,716
(Increase) decrease in due from other funds	-	485,027
(Increase) decrease in deferred outflows related to pensions	(1,489,948)	(928,641)
Decrease (increase) in accounts payable	(644,628)	(1,027,038)
Decrease (increase) in accrued expenses	(62,108)	(64,341)
Decrease (increase) in due to other funds	731	(203,860)
Decrease (increase) in customer deposits	42,362	8,993
Decrease (increase) in compensated absences	12,005	23,932
Decrease (increase) in net pension liability	(26,538)	262,138
Decrease (increase) in deferred inflows related to pensions	48,007	(4,162)
Total adjustments	672,009	2,060,062
Net cash provided (used) by operations	\$ 3,751,161	\$ 3,495,394
Supplemental disclosure of noncash activities		
Contributed capital assets from Urban County	\$ 316,788	\$ 409,766

City of Weslaco, Texas
Schedule of Revenues, Expenses, and
Changes in Net Position- Budget and Actual-
Water and Wastewater Fund

For the Fiscal Year Ended September 30, 2017

	Budget		Actual	Variance With
	Original	Final		Final Budget
Operating revenues:				
Water services	\$ 6,455,000	\$ 6,455,000	\$ 6,473,327	\$ 18,327
Sewer services	4,627,000	4,629,000	4,733,786	104,786
Miscellaneous	236,500	236,500	308,609	72,109
Total operating revenues	11,318,500	11,320,500	11,515,722	195,222
Operating expenses:				
Personal services	742,874	762,874	920,745	(157,871)
Other services and charges	3,815,344	4,196,230	2,205,858	1,990,372
Supplies	412,009	411,319	209,847	201,472
Contractual services	2,450,160	2,580,356	2,580,356	-
Depreciation	1,069,800	1,069,800	2,519,764	(1,449,964)
Total operating expenses	8,490,187	9,020,579	8,436,570	584,009
Operating income (loss)	2,828,313	2,299,921	3,079,152	(779,231)
Non-operating revenues (expenses)				
Investment income	-	-	2,044	(2,044)
Interest expense	(5,138,357)	(5,138,357)	(2,203,116)	2,935,241
Total non-operating revenues (expenses)	(5,138,357)	(5,138,357)	(2,201,072)	2,937,285
Income (loss) before transfers and capital contributions	(2,310,044)	(2,838,436)	878,080	3,716,516
Transfers in (out) and capital contributions				
Transfers (out)	(1,565,561)	(1,565,561)	(2,360,561)	(795,000)
Capital improvement fees	737,000	737,000	689,843	47,157
Capital grants	-	-	316,788	(316,788)
Total transfers and capital contributions	(828,561)	(828,561)	(1,353,930)	(525,369)
Change in net position	\$ (3,138,605)	\$ (3,666,997)	(475,850)	\$ 3,191,147
Net position- beginning			31,548,191	
Net position- ending			\$ 31,072,341	

City of Weslaco, Texas
Solid Waste Fund
Comparative Statements of Net Position

<i>September 30,</i>	2017	2016
Assets		
Current assets		
Cash and cash equivalents	\$ 523,483	\$ 506,358
Receivables, net of allowances for uncollectibles	675,754	666,580
Due from other funds	2,000,000	2,000,000
Total current assets	3,199,237	3,172,938
Non-current assets		
Land	421,247	421,247
Buildings	668,781	668,781
Equipment	1,636,402	1,908,927
Infrastructure	64,461	64,461
	2,790,891	3,063,416
Accumulated depreciation	(2,278,716)	(2,544,136)
Total non-current assets, net	512,175	519,280
Total assets	3,711,412	3,692,218
Deferred outflows of resources		
Deferred outflows related to pensions	7,653	9,820
Total deferred outflows of resources	7,653	9,820
Total assets and deferred outflows of resources	\$ 3,719,065	\$ 3,702,038
Liabilities		
Current liabilities:		
Accounts payable	\$ 369,659	\$ 357,118
Due to other funds	641	552
Current portion of long term debt	446	132
Total current liabilities	370,746	357,802
Noncurrent liabilities:		
Compensated absences	4,017	1,192
Landfill closure	468,357	536,078
Net pension liability	16,722	17,859
Total noncurrent liabilities	489,096	555,129
Total liabilities	859,842	912,931
Deferred inflows of resources		
Deferred inflows related to pensions	2,310	252
Total deferred inflows of resources	2,310	252
Net position		
Net investment in capital assets	512,175	519,280
Unrestricted	2,344,738	2,269,575
Total net position	2,856,913	2,788,855
Total liabilities, deferred inflows of resources, and net position	\$ 3,719,065	\$ 3,702,038

City of Weslaco, Texas
Solid Waste Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Operating Revenues:		
Charges for services	\$ 4,970,426	\$ 4,665,969
Miscellaneous	73,925	59,481
Total operating revenues	5,044,351	4,725,450
Operating Expenses:		
Personal services	50,833	46,361
Other services and charges	42,251	44,874
Supplies	1,791	1,774
Contractual services	3,748,564	4,033,364
Depreciation	7,104	21,600
Total operating expenses	3,850,543	4,147,973
Operating income (loss)	1,193,808	577,477
Transfers in (out) and capital contributions		
Capital grants	-	28,117
Transfers (out)	(1,125,750)	(625,750)
Total transfers and capital contributions	(1,125,750)	(597,633)
Change in net position	68,058	(20,156)
Net position- beginning	2,788,855	2,809,011
Net position- ending	\$ 2,856,913	\$ 2,788,855

City of Weslaco, Texas
Solid Waste Fund
Comparative Statements of Cash Flows

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Cash flows from operating activities		
Cash received from customers	\$ 5,035,177	\$ 5,059,836
Payments to suppliers	(3,777,808)	(3,881,652)
Payments to employees	(46,773)	(35,779)
Net cash provided (used) by operating activities	1,210,596	1,142,405
Cash flows from noncapital financing activities		
Transfers to other funds	(1,125,750)	(625,750)
Net cash provided (used) by noncapital financing activities	(1,125,750)	(625,750)
Cash flows from capital and related financing activities		
Landfill closure costs	(67,721)	(38,414)
Capital grants	-	28,117
Net cash provided (used) by capital and related financing activities	(67,721)	(10,297)
Net increase (decrease) in cash and cash equivalents	17,125	506,358
Cash and cash equivalents, beginning of year	506,358	-
Cash and cash equivalents, end of year	\$ 523,483	\$ 506,358
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	\$ 1,193,808	\$ 577,477
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Depreciation	7,105	21,600
(Increase) decrease in accounts receivables	(9,174)	334,386
(Increase) decrease in deferred outflows related to pensions	2,167	(8,458)
Increase (decrease) in accounts payable	12,541	293,301
Increase (decrease) in due to other funds	89	(86,483)
Increase (decrease) in compensated absences	3,139	(474)
Increase (decrease) in net pension liability	(1,137)	11,235
Increase (decrease) in deferred inflows related to pensions	2,058	(179)
Total adjustments	16,788	564,928
Net cash provided (used) by operations	\$ 1,210,596	\$ 1,142,405

City of Weslaco, Texas
Schedule of Revenues, Expenses, and
Changes in Net Position- Budget and Actual-
Solid Waste Fund

For the Fiscal Year Ended September 30, 2017

	Budget			Variance
	Original	Final	Actual	With Final Budget
Operating revenues:				
Charges for services	\$ 4,982,000	\$ 4,982,000	\$ 4,970,426	\$ (11,574)
Miscellaneous	85,500	85,500	73,925	(11,575)
Total operating revenues	5,067,500	5,067,500	5,044,351	(23,149)
Operating expenses:				
Personal services	45,332	45,332	50,833	(5,501)
Other services and charges	114,814	141,714	42,251	99,463
Supplies	3,000	3,500	1,791	1,709
Contractual services	3,620,000	3,620,000	3,748,564	(128,564)
Depreciation	-	30,000	7,104	22,896
Total operating expenses	3,783,146	3,840,546	3,850,543	(9,997)
Operating income (loss)	1,284,354	1,226,954	1,193,808	33,146
Transfers in (out)				
Transfers (out)	(1,125,750)	(1,125,750)	(1,125,750)	-
Total transfers	(1,125,750)	(1,125,750)	(1,125,750)	-
Change in net position	\$ 158,604	\$ 101,204	68,058	\$ (33,146)
Net position- beginning			2,788,855	
Net position- ending			\$ 2,856,913	

City of Weslaco, Texas
Airport Fund
Comparative Statements of Net Position

<i>September 30,</i>	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 100	\$ 100
Cash and cash equivalents- restricted	34,224	229,998
Receivables, net of allowances for uncollectibles	29,605	48,213
Inventories	31,354	31,354
Total current assets	95,283	309,665
Non-current assets		
Land	1,465,448	1,465,448
Buildings	648,541	648,541
Equipment	576,997	532,257
Infrastructure	9,018,404	9,018,404
Construction-in-progress	4,487,640	2,324,510
	16,197,030	13,989,160
Accumulated depreciation	(4,541,251)	(4,224,883)
Total non-current assets, net	11,655,779	9,764,277
Total assets	11,751,062	10,073,942
Deferred outflows of resources		
Deferred outflows related to pensions	47,772	60,930
Total deferred outflows of resources	47,772	60,930
Total assets and deferred outflows of resources	\$ 11,798,834	\$ 10,134,872
Liabilities		
Current liabilities:		
Accounts payable	\$ 5,491	\$ 85,487
Accrued salaries and other liabilities	6,254	3,689
Due to other funds	356,878	284,345
Current portion of long term debt	5,147	4,136
Total current liabilities	373,770	377,657
Noncurrent liabilities:		
Compensated absences	46,322	37,225
Net pension liability	115,705	122,610
Total noncurrent liabilities	162,027	159,835
Total liabilities	535,797	537,492
Deferred inflows of resources		
Deferred inflows related to pensions	14,950	2,458
Total deferred inflows of resources	14,950	2,458
Net Position		
Net investment of capital assets	11,655,779	9,764,277
Restricted for:		
Construction	34,224	229,998
Unrestricted	(441,916)	(399,353)
Total net position	11,248,087	9,594,922
Total liabilities, deferred inflows of resources, and net position	\$ 11,798,834	\$ 10,134,872

City of Weslaco, Texas
Airport Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Operating revenues:		
Charges for services	\$ 231,744	\$ 182,461
Miscellaneous	13,399	830
Total operating revenues	245,143	183,291
Operating expenses:		
Personal services	230,670	138,078
Other services and charges	140,881	164,832
Supplies	145,981	188,089
Depreciation	333,369	196,703
Total operating expenses	850,901	687,702
Operating income (loss)	(605,758)	(504,411)
Transfers in (out) and capital contributions		
Capital contributions	2,008,923	1,220,436
Transfers in	250,000	251,172
Total transfers and capital contributions	2,258,923	1,471,608
Change in net position	1,653,165	967,197
Net position- beginning	9,594,922	8,627,725
Net position- ending	\$ 11,248,087	\$ 9,594,922

City of Weslaco, Texas
Airport Fund
Comparative Statements of Cash Flows

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Cash flows from operating activities		
Cash received from customers	\$ 263,751	\$ 151,311
Payments to suppliers	(294,325)	(182,502)
Payments to employees	(199,252)	(199,753)
Net cash provided (used) by operating activities	(229,826)	(230,944)
Cash flows from noncapital financing activities		
Transfers from other funds	250,000	251,172
Net cash provided (used) by noncapital financing activities	250,000	251,172
Cash flows from capital and related financing activities		
Purchase of capital assets	(215,948)	(107,453)
Net cash provided (used) by capital and related financing activities	(215,948)	(107,453)
Net increase (decrease) in cash and cash equivalents	(195,774)	(87,225)
Cash and cash equivalents, beginning of year	230,098	317,323
Cash and cash equivalents, end of year	\$ 34,324	\$ 230,098
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	\$ (605,758)	\$ (504,411)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Depreciation	333,369	196,703
(Increase) decrease in accounts receivables	18,608	(31,980)
(Increase) decrease in inventories	-	18,543
(Increase) decrease in deferred outflows related to pensions	13,158	(49,745)
Increase (decrease) in accounts payable	(79,996)	74,977
Increase (decrease) in accrued expenses	2,565	(3,908)
Increase (decrease) in due to other funds	72,533	76,899
Increase (decrease) in compensated absences	10,108	(63,497)
Increase (decrease) in net pension liability	(6,905)	56,558
Increase (decrease) in deferred inflows related to pensions	12,492	(1,083)
Total adjustments	375,932	273,467
Net cash provided (used) by operations	\$ (229,826)	\$ (230,944)
<i>Supplemental disclosure of noncash activities</i>		
Contributed capital assets from TxDOT	\$ 2,008,923	\$ 1,220,436

City of Weslaco, Texas
Schedule of Revenues, Expenses, and
Changes in Net Position- Budget and Actual-
Airport Fund

For the Fiscal Year Ended September 30, 2017

	Budget			Variance
	Original	Final	Actual	With Final Budget
Operating revenues:				
Charges for services	\$ 202,826	\$ 202,826	\$ 231,744	\$ 28,918
Miscellaneous	-	-	13,399	13,399
Total operating revenues	202,826	202,826	245,143	42,317
Operating expenses:				
Personal services	199,504	199,504	230,670	(31,166)
Other services and charges	105,650	118,028	140,881	(22,853)
Supplies	126,050	120,674	145,981	(25,307)
Depreciation	128,401	121,399	333,369	(211,970)
Total operating expenses	559,605	559,605	850,901	(291,296)
Operating income (loss)	(356,779)	(356,779)	(605,758)	248,979
Transfers in (out) and capital contributions				
Transfers in	255,000	255,000	250,000	5,000
Capital contributions	70,000	70,000	2,008,923	(1,938,923)
Total transfers and capital contributions	325,000	325,000	2,258,923	1,933,923
Change in net position	\$ (31,779)	\$ (31,779)	1,653,165	\$ 1,684,944
Net position- beginning			9,594,922	
Net position- ending			\$ 11,248,087	

City of Weslaco, Texas
Internal Service Fund
Equipment Replacement Fund
Comparative Statements of Net Position

September 30,	2017	2016
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ 20,213
Total current assets	-	20,213
Non-current assets		
Equipment	4,997,658	4,997,658
Improvements	70,864	70,864
	5,068,522	5,068,522
Accumulated depreciation	(3,996,049)	(3,613,634)
Total non-current assets, net	1,072,473	1,454,888
Total assets	\$ 1,072,473	\$ 1,475,101
Liabilities		
Current liabilities:		
Due to other funds	\$ 148,351	\$ -
Current portion of long term debt	411,028	392,567
Total current liabilities	559,379	392,567
Noncurrent liabilities:		
Note payable	104,242	524,394
Total noncurrent liabilities	104,242	524,394
Total liabilities	663,621	916,961
Net Position		
Net investment of capital assets	557,203	537,927
Unrestricted	(148,351)	20,213
Total net position	408,852	558,140
Total liabilities and net position	\$ 1,072,473	\$ 1,475,101

City of Weslaco, Texas
Internal Service Fund-
Equipment Replacement Fund
Comparative Statements of Revenues, Expenses
and Changes in Net Position

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Operating Revenues	\$ -	\$ -
Operating Expenses:		
Depreciation	382,415	439,923
Total operating expenses	382,415	439,923
Operating income (loss)	(382,415)	(439,923)
Non-operating revenues (expenses)		
Interest expense	(16,873)	(25,998)
Income (loss) before transfers	(399,288)	(465,921)
Transfers in (out)		
Transfers in	250,000	125,000
Change in net position	(149,288)	(340,921)
Net position- beginning	558,140	899,061
Net position- ending	\$ 408,852	\$ 558,140

City of Weslaco, Texas
Internal Service Fund-
Equipment Replacement Fund
Comparative Statements of Cash Flows

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Cash flows from operating activities		
Payments to suppliers	\$ -	\$ -
Net cash provided (used) by operating activities	-	-
Cash flows from noncapital financing activities		
Transfers from other funds	250,000	125,000
Net cash provided (used) by noncapital financing activities	250,000	125,000
Cash flows from capital and related financing activities		
Retirement of notes	(253,340)	(318,628)
Interest paid on notes	(16,873)	(25,998)
Net cash provided (used) by capital and related financing activities	(270,213)	(344,626)
Net increase (decrease) in cash and cash equivalents	(20,213)	(219,626)
Cash and cash equivalents, beginning of year	20,213	239,839
Cash and cash equivalents, end of year	\$ -	\$ 20,213
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	\$ (382,415)	\$ (439,923)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Depreciation	382,415	439,923
Total adjustments	382,415	439,923
Net cash provided (used) by operations	\$ -	\$ -

City of Weslaco, Texas
Schedule of Revenues, Expenses, and
Changes in Net Position- Budget and Actual-
Internal Service Fund- Equipment Replacement Fund

For the Fiscal Year Ended September 30, 2017

	Budget			Variance
	Original	Final	Actual	With Final Budget
Operating revenues:	\$ -	\$ -	\$ -	\$ -
Operating expenses:				
Depreciation	-	-	382,415	(382,415)
Total operating expenses	-	-	382,415	(382,415)
Operating income (loss)	-	-	(382,415)	382,415
Non-operating revenues (expenses)				
Interest expense	(418,564)	(418,564)	(16,873)	401,691
Total non-operating revenues (expenses)	(418,564)	(418,564)	(16,873)	401,691
Income (loss) before transfers	(418,564)	(418,564)	(399,288)	19,276
Transfers in (out)				
Transfers in	250,000	250,000	250,000	-
Total transfers	250,000	250,000	250,000	-
Change in net position	\$ (168,564)	\$ (168,564)	(149,288)	\$ 19,276
Net position- beginning			558,140	
Net position- ending			\$ 408,852	

City of Weslaco, Texas
Firemen's Relief and Retirement
Pension Trust Fund
Comparative Statements of Fiduciary Net Position

<i>September 30,</i>	2017	2016
Assets		
Cash	\$ 250,112	\$ 83,726
Investments, at fair value:		
Equities	7,584,951	6,329,384
Corporate bonds	822,502	661,529
Money market mutual funds	215,897	626,450
Municipal bonds	1,555,919	1,485,059
Total assets	\$ 10,429,381	\$ 9,186,148
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
Net position		
Net position restricted for pensions	10,429,381	9,186,148
Total net position	10,429,381	9,186,148
Total liabilities and net position	\$ 10,429,381	\$ 9,186,148

City of Weslaco, Texas
Firemen's Relief and Retirement
Pension Trust Fund
Comparative Statements of Changes in Fiduciary Net Position

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Additions		
Contributions		
Employer contributions	\$ 492,093	\$ 440,112
Plan member contributions	476,078	425,463
Total contributions	968,171	865,575
Investment income		
Net appreciation/(depreciation) in fair value of investments	735,176	621,209
Interest and dividends	200,263	184,497
Total investment income	935,439	805,706
Less investment expense	(57,539)	(52,747)
Net investment income (loss)	877,900	752,959
Total additions	1,846,071	1,618,534
Deductions		
Benefits paid	540,997	520,186
Refunds of contributions	7,166	125,110
Administrative expenses	54,675	42,299
Total deductions	602,838	687,595
Net change in fiduciary net position	1,243,233	930,939
Net Position, beginning of year	9,186,148	8,255,209
Net position, end of year	\$ 10,429,381	\$ 9,186,148

City of Weslaco, Texas
Marion Booth Endowment Fund
Private Purpose Trust Fund
Comparative Statements of Fiduciary Net Position

<i>September 30,</i>	2017	2016
Assets		
Cash and cash equivalents	\$ 12,239	\$ 10,922
Investments, at fair value:		
Certificates of deposit	482,921	480,537
Total assets	\$ 495,160	\$ 491,459
Liabilities		
Accounts payable	\$ 2,927	\$ 1,429
Total liabilities	2,927	1,429
Net position		
Net position restricted for other purposes	492,233	490,030
Total net position	492,233	490,030
Total liabilities and net position	\$ 495,160	\$ 491,459

City of Weslaco, Texas
Marion Booth Endowment Fund
Private Purpose Trust Fund

Comparative Statements of Changes in Fiduciary Net Position

<i>For the Fiscal Years Ended September 30,</i>	2017	2016
Additions		
Interest and dividends	\$ 5,130	\$ 2,973
Total additions	5,130	\$ 2,973
Deductions		
Administrative expenses	2,927	2,729
Total deductions	2,927	2,729
Net change in fiduciary net position	2,203	244
Net Position, beginning of year	490,030	489,786
Net position, end of year	\$ 492,233	\$ 490,030

City of Weslaco, Texas
Economic Development Corporation of Weslaco
Component Unit
Comparative Balance Sheets

<i>September 30,</i>	2017	2016
Assets		
Cash and cash equivalents	\$ 4,275,962	\$ 3,151,439
Restricted assets:		
Cash and cash equivalents	889,969	925,042
Certificate of deposit	695,256	695,256
Accounts receivable	267,555	225,478
Assets held for resale	402,734	402,734
Long-term note receivables	2,518,550	2,900,177
Total Assets	\$ 9,050,026	\$ 8,300,126
Liabilities		
Accounts payable	\$ 97,195	\$ 60,693
Accrued salaries and payroll taxes	8,554	5,926
Total Liabilities	105,749	66,619
Deferred Inflows of Resources		
Unavailable revenue- non-current receivables	2,518,550	2,900,177
Total deferred inflows of resources	2,518,550	2,900,177
Fund Balances		
Restricted for:		
Debt service	695,256	695,256
Project development	60,000	60,000
Capital projects	889,969	925,042
Unassigned	4,780,502	3,653,032
Total Fund Balances	6,425,727	5,333,330
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,050,026	\$ 8,300,126

City of Weslaco, Texas
Economic Development Corporation of Weslaco
Component Unit
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances

<i>For the Fiscal Year Ended September 30,</i>	2017	2016
Revenues		
Nonproperty taxes	\$ 2,976,515	\$ 2,894,175
Capital grants	44,457	-
Program income	338,059	421,640
Investment income	174,894	95,923
Miscellaneous	3,985	5,843
Total Revenues	3,537,910	3,417,581
Expenditures		
Development Services	1,534,430	1,303,456
Capital outlay	82,827	11,700
Debt service:		
Principal	678,565	974,066
Interest and fees	149,691	180,347
Total Expenditures	2,445,513	2,469,569
Excess (deficiency) of revenues over expenditures	1,092,397	948,012
Other financing sources (uses):		
Note proceeds	-	283,000
Net change in fund balances	1,092,397	1,231,012
Fund balances at beginning of year	5,333,330	4,102,318
Fund balances at end of year	\$ 6,425,727	\$ 5,333,330

City of Weslaco, Texas
Economic Development Corporation of Weslaco
Component Unit
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position

September 30, 2017

Fund balances of governmental funds	\$ 6,425,727
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,998,580
Long term note receivables are not available to pay for current period expenditures therefore are not reported as available resources and deferred in the funds	2,518,550
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.	(15,611)
Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	(3,922,491)
Net position of governmental activities	<u>\$ 7,004,755</u>

City of Weslaco, Texas
Economic Development Corporation of Weslaco
Component Unit

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

For the Fiscal Year Ended September 30, 2017

Net change in fund balances	\$ 1,092,397
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$69,279) exceeded capital outlay \$11,700 in the current period.	13,535
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	(381,627)
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The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in treatment of long-term debt and related items. Long term principal payments (\$678,565) exceeded note proceeds (\$-0-).	678,565
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Interest expense in the statement of activities differs from the amount reported in governmental funds due to the change in accrued interest (\$3,057) being calculated for bonds and notes payable.	3,057
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Change in net position of governmental activities:	\$ 1,405,927
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**SUPPLEMENTAL STATEMENTS
AND SCHEDULES**

City of Weslaco, Texas
Schedule of Taxes Receivable – By Funds
At September 30, 2017

Tax Year	Total	General Fund		I & S Fund	
		%	Amount	%	Amount
2007 & Prior	\$ 407,167	Various	\$ 265,793	Various	\$ 141,374
2008	67,617	74.78%	50,565	25.22%	17,052
2009	69,344	73.95%	51,279	26.05%	18,065
2010	76,963	72.47%	55,775	27.53%	21,188
2011	80,625	72.33%	58,313	27.67%	22,312
2012	89,192	72.00%	64,215	28.00%	24,977
2013	117,639	72.90%	85,758	27.10%	31,881
2014	142,153	71.91%	102,219	28.09%	39,934
2015	225,907	82.16%	185,613	17.84%	40,294
2016	424,733	83.79%	355,866	16.21%	68,867
	1,701,340		1,275,396		425,944
Less					
Allowances for uncollectible	(523,735)		(375,868)		(147,867)
Net Amount	\$ 1,177,605		\$ 899,528		\$ 278,077

City of Weslaco, Texas
Analysis of Tax Collections, Adjustments,
and Allocation to Funds
October 1, 2016 to September 30, 2017

TAX COLLECTIONS AND ADJUSTMENTS

Tax Year	Uncollected 10/1/16	Current Assessments & Correction	Collections	Adjustments	Uncollected 9/30/17
2007 & Prior	\$ 471,102	\$ -	\$ 27,162	\$ (36,773)	\$ 407,167
2008	73,464	-	4,292	(1,555)	67,617
2009	77,928	-	7,234	(1,350)	69,344
2010	88,749	-	10,453	(1,333)	76,963
2011	95,435	-	12,221	(2,589)	80,625
2012	117,095	-	21,168	(6,735)	89,192
2013	155,412	-	30,988	(6,785)	117,639
2014	207,583	-	63,088	(2,342)	142,153
2015	432,385	-	171,558	(34,920)	225,907
2016	-	11,478,848	10,983,948	(70,168)	424,733
Total	\$ 1,719,153	\$ 11,478,848	\$ 11,332,112	\$ (164,550)	\$ 1,701,340

ALLOCATION TO FUNDS

Tax Year	General Fund			I & S Fund	
	Collections	%	\$	%	\$
2007 & Prior	\$ 27,162	Various	\$ 17,928	Various	\$ 9,234
2008	4,292	73.96%	3,210	26.04%	1,082
2009	7,234	74.78%	5,350	25.22%	1,884
2010	10,453	73.95%	7,576	26.05%	2,877
2011	12,221	72.47%	8,839	27.53%	3,382
2012	21,138	72.33%	15,240	27.67%	5,898
2013	30,988	72.00%	22,590	28.00%	8,398
2014	63,088	72.90%	45,365	27.10%	17,723
2015	171,558	71.90%	140,958	28.10%	30,600
2016	10,983,948	82.16%	9,202,991	17.84%	1,780,957
Total	\$ 11,332,082		\$ 9,470,047		\$ 1,862,035

BONDED DEBT REQUIREMENTS

City of Weslaco, Texas
General Obligation Refunding Bonds Series 2010
(Target Savings)

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payments		Principal Due 1-Feb	Outstanding 30-Sep
		1-Feb	1-Aug		
2017					\$ 1,037,731
2018	3.100%	\$ 16,065	\$ 8,155	\$ 510,324	527,407
2019	3.100%	8,155	-	527,407	-
Total		\$ 24,220	\$ 8,155	\$ 1,037,731	

City of Weslaco, Texas
Limited Tax Refunding Bonds, Series 2012

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payments		Principal Due 15-Feb	Outstanding 30-Sep
		15-Feb	15-Aug		
2017					\$ 7,720,000
2018	3.000%	\$ 105,937	\$ 90,788	\$ 1,010,000	6,710,000
2019	3.000%	90,788	75,112	1,045,000	5,665,000
2020	3.000%	75,112	54,638	1,365,000	4,300,000
2021	2.000%	54,635	40,637	1,400,000	2,900,000
2022	2.250%	40,637	24,550	1,430,000	1,470,000
2023	2.250%	24,550	-	1,470,000	-
Total		\$ 391,659	\$ 285,725	\$ 7,720,000	

City of Weslaco, Texas
Tax and Revenue Certificates of Obligation, Series 2013

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payments		Principal Due 15-Feb	Outstanding 30-Sep
		15-Feb	15-Aug		
2017					\$ 6,345,000
2018	3.000%	\$ 135,550	\$ 135,550	\$ 100,000	6,245,000
2019	3.000%	134,050	134,050	100,000	6,145,000
2020	3.000%	132,550	132,550	350,000	5,795,000
2021	3.000%	127,300	127,300	360,000	5,435,000
2022	3.500%	121,900	121,900	370,000	5,065,000
2023	3.500%	115,425	115,425	390,000	4,675,000
2024	4.000%	108,600	108,600	380,000	4,295,000
2025	4.000%	101,000	101,000	400,000	3,895,000
2026	4.000%	93,000	93,000	415,000	3,480,000
2027	5.000%	84,700	84,700	430,000	3,050,000
2028	4.500%	73,950	73,950	450,000	2,600,000
2029	4.500%	63,825	63,825	470,000	2,130,000
2030	5.000%	53,250	53,250	495,000	1,635,000
2031	5.000%	40,875	40,875	520,000	1,115,000
2032	5.000%	27,875	27,875	545,000	570,000
2033	5.000%	14,250	14,250	570,000	-
Total		\$ 1,428,100	\$ 1,428,100	\$ 6,345,000	

City of Weslaco, Texas
Limited Tax Refunding Bonds, Series 2016

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payment		Principal Due 15-Feb	Principal Outstanding 30-Sep
		15-Feb	15-Aug		
2017					\$ 3,735,000
2018	2.00%	\$ 86,750	\$ 84,100	\$ 265,000	3,470,000
2019	5.00%	84,100	77,350	270,000	3,200,000
2020	5.00%	77,350	70,225	285,000	2,915,000
2021	5.00%	70,225	62,850	295,000	2,620,000
2022	5.00%	62,850	54,975	315,000	2,305,000
2023	5.00%	54,975	46,725	330,000	1,975,000
2024	5.00%	46,725	35,350	455,000	1,520,000
2025	5.00%	35,350	23,350	480,000	1,040,000
2026	5.00%	23,350	10,600	510,000	530,000
2027	4.00%	10,600	-	530,000	-
Total		\$ 552,275	\$ 465,525	\$ 3,735,000	

City of Weslaco, Texas
General Obligation Refinancing Bonds, Series 2010
(Target Savings)

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payments		Principal Due 1-Feb	Outstanding 30-Sep
		1-Feb	1-Aug		
2017					\$ 273,529
2018	3.100%	\$ 4,240	\$ 2,152	\$ 134,676	138,853
2019	3.100%	2,152	-	138,853	-
Total		\$ 6,392	\$ 2,152	\$ 273,529	

City of Weslaco, Texas

Waterworks and Sewer System Revenue Refunding Bonds, Series 2010

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payment		Principal Due 1-Dec	Outstanding 30-Sep
		1-Dec	1-Jun		
2017					\$ 440,000
2018	3.190%	\$ 7,018	\$ -	\$ 440,000	-
Total		\$ 7,018	\$ -	\$ 440,000	

City of Weslaco, Texas
Tax Notes, Series 2011

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payments		Principal Due 15-Feb	Outstanding 30-Sep
		15-Feb	15-Aug		
2017					\$ 2,620,000
2019	2.750%	\$ 36,025	\$ 36,025	\$ 2,620,000	-
Total		\$ 36,025	\$ 36,025	\$ 2,620,000	

City of Weslaco, Texas
Tax and Revenue Certificates of Obligation, Series 2012

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payments		Principal Due 15-Feb	Outstanding 30-Sep
		15-Feb	15-Aug		
2017					\$ 3,720,000
2018	3.000%	\$ 55,800	\$ 55,800	\$ -	3,720,000
2019	3.000%	55,800	55,800	1,345,000	2,375,000
2020	3.000%	35,625	35,625	1,175,000	1,200,000
2021	3.000%	18,000	18,000	1,200,000	-
Total		\$ 165,225	\$ 165,225	\$ 3,720,000	

City of Weslaco, Texas
Tax and Revenue Certificates of Obligation, Series 2014

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payments		Principal Due 15-Feb	Outstanding 30-Sep
		15-Feb	15-Aug		
2017					\$ 9,075,000
2018	4.500%	\$ 202,850	\$ 202,850	\$ -	9,075,000
2019	4.500%	202,850	202,850	75,000	9,000,000
2020	4.500%	202,100	202,100	80,000	8,920,000
2021	4.500%	201,300	201,300	75,000	8,845,000
2022	4.500%	200,363	200,363	75,000	8,770,000
2023	4.500%	199,238	199,238	80,000	8,690,000
2024	4.500%	198,038	198,038	80,000	8,610,000
2025	4.500%	196,438	196,438	80,000	8,530,000
2026	4.500%	194,838	194,838	90,000	8,440,000
2027	4.500%	193,038	193,038	100,000	8,340,000
2028	4.500%	191,038	191,038	1,035,000	7,305,000
2029	4.500%	167,750	167,750	1,085,000	6,220,000
2030	4.500%	143,338	143,338	1,140,000	5,080,000
2031	4.500%	117,688	117,688	1,185,000	3,895,000
2032	4.500%	91,025	91,025	1,245,000	2,650,000
2033	4.500%	63,013	63,013	1,295,000	1,355,000
2034	4.500%	33,875	33,875	1,355,000	-
Total		\$ 2,798,780	\$ 2,798,780	\$ 9,075,000	

City of Weslaco, Texas
Limited Tax Refunding Bonds, Series 2016

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payment		Principal Due	Principal Outstanding
		15-Feb	15-Aug	15-Feb	30-Sep
2017					\$ 15,750,000
2018	5.000%	\$ 382,350	\$ 382,350	\$ -	15,750,000
2019	5.000%	382,350	375,100	290,000	15,460,000
2020	5.000%	375,100	334,850	1,610,000	13,850,000
2021	5.000%	334,850	292,350	1,700,000	12,150,000
2022	5.000%	292,350	247,850	1,780,000	10,370,000
2023	5.000%	247,850	201,100	1,870,000	8,500,000
2024	5.000%	201,100	151,975	1,965,000	6,535,000
2025	5.000%	151,975	100,100	2,075,000	4,460,000
2026	5.000%	100,100	45,600	2,180,000	2,280,000
2027	4.000%	45,600	-	2,280,000	-
Total		\$ 2,513,625	\$ 2,131,275	\$ 15,750,000	

City of Weslaco, Texas
Limited Tax Refunding Bonds, Series 2017

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payment		Principal Due 15-Feb	Principal Outstanding 30-Sep
		15-Feb	15-Aug		
2017					\$ 19,545,000
2018	3.000%	\$ 394,230	\$ 463,800	\$ -	19,545,000
2019	3.000%	463,800	463,800	500,000	19,045,000
2020	3.000%	456,300	456,300	-	19,045,000
2021	3.000%	456,300	456,300	-	19,045,000
2022	4.000%	456,300	456,300	1,230,000	17,815,000
2023	4.000%	431,700	431,700	1,280,000	16,535,000
2024	4.000%	406,100	406,100	1,455,000	15,080,000
2025	5.000%	377,000	377,000	1,500,000	13,580,000
2026	5.000%	339,500	339,500	1,565,000	12,015,000
2027	5.000%	300,375	300,375	1,640,000	10,375,000
2028	5.000%	259,375	259,375	1,875,000	8,500,000
2029	5.000%	212,500	212,500	1,970,000	6,530,000
2030	5.000%	163,250	163,250	2,070,000	4,460,000
2031	5.000%	111,500	111,500	2,175,000	2,285,000
2032	5.000%	57,125	57,125	2,285,000	-
Total		\$ 4,885,355	\$ 4,954,925	\$ 19,545,000	

City of Weslaco, Texas
Economic Development Sales Tax Revenue Bonds, Series 2011B

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payment		Principal Due 15-Feb	Principal Outstanding 30-Sep
		15-Feb	15-Aug		
2017					\$ 1,275,000
2018	3.840%	\$ 24,480	\$ 18,624	\$ 305,000	970,000
2019	3.840%	18,624	12,672	310,000	660,000
2020	3.840%	12,672	6,432	325,000	335,000
2021	3.840%	6,432	-	335,000	-
		\$ 62,208	\$ 37,728	\$ 1,275,000	

City of Weslaco, Texas
Economic Development Sales Tax Revenue Bonds, Series 2012

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payment		Principal Due 15-Feb	Principal Outstanding 30-Sep
		15-Feb	15-Aug		
2017					\$ 730,000
2018	2.60%	\$ 9,490	\$ 7,995	\$ 115,000	615,000
2019	2.60%	7,995	6,500	115,000	500,000
2020	2.60%	6,500	4,940	120,000	380,000
2021	2.60%	4,940	3,315	125,000	255,000
2022	2.60%	3,315	1,690	125,000	130,000
2023	2.60%	1,690	-	130,000	-
		\$ 33,930	\$ 24,440	\$ 730,000	

City of Weslaco, Texas

Economic Development Sales Tax Revenue Refunding Bonds, Series 2012

As of September 30, 2017

Fiscal Year	Interest Rate	Interest Payment		Principal Due 15-Feb	Principal Outstanding 30-Sep
		15-Feb	15-Aug		
2017					\$ 1,675,000
2018	4.38%	\$ 28,475	\$ 24,140	\$ 255,000	1,420,000
2019	3.40%	24,140	19,635	265,000	1,155,000
2020	3.40%	19,635	14,960	275,000	880,000
2021	3.40%	14,960	10,200	280,000	600,000
2022	3.40%	10,200	5,185	295,000	305,000
2023	3.40%	5,185	-	305,000	-
		\$ 102,595	\$ 74,120	\$ 1,675,000	

STATISTICAL SECTION

CITY OF WESLACO, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
TABLE I

Fiscal Year Ending September 30,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	\$ 26,444,251	\$ 23,122,052	\$ 20,001,901	\$ 11,915,869	\$ 6,236,897	\$ 13,564,135	\$ 14,042,568	\$ 12,006,633	\$ 9,749,470	\$ 438,179
Restricted	952,339	1,211,727	1,787,280	11,967,344	13,059,262	5,760,438	6,259,134	6,455,866	8,335,324	6,474,762
Unrestricted	588,485	3,639,565	6,148,950	729,653	9,294,414	4,806,131	1,330,224	1,591,672	1,568,080	535,440
Total governmental activities net position	\$ 27,985,075	\$ 27,973,344	\$ 27,938,131	\$ 24,612,866	\$ 28,590,573	\$ 24,130,704	\$ 21,631,926	\$ 20,054,171	\$ 19,652,874	\$ 7,448,381
Business-type activities										
Net investment in capital assets	\$ 40,509,740	\$ 39,969,259	\$ 38,975,364	\$ 34,020,461	\$ 12,912,376	\$ (1,310,318)	\$ 25,204,572	\$ 21,631,773	\$ 11,808,483	\$ 6,190,908
Restricted	1,020,601	1,212,612	1,623,104	2,019,837	19,656,819	27,959,653	1,054,121	4,875,514	14,231,044	20,642,296
Unrestricted	3,647,000	2,750,097	2,884,140	2,798,504	3,095,455	5,769,530	2,533,841	1,479,750	1,076,733	(971,432)
Total business-type activities net position	\$ 45,177,341	\$ 43,931,968	\$ 43,482,608	\$ 38,838,802	\$ 35,664,650	\$ 32,418,865	\$ 28,792,534	\$ 27,987,037	\$ 27,116,260	\$ 25,861,772
Primary Government										
Net investment in capital assets	\$ 66,953,991	\$ 63,091,311	\$ 58,977,265	\$ 45,936,330	\$ 19,149,273	\$ 12,253,817	\$ 39,247,140	\$ 33,638,406	\$ 21,557,953	\$ 6,629,087
Restricted	1,972,940	2,424,339	3,410,384	13,987,181	32,716,081	33,720,091	7,313,255	11,331,380	22,566,368	27,117,058
Unrestricted	4,235,485	6,389,662	9,033,090	3,528,157	12,391,770	10,575,661	3,864,065	3,071,422	2,644,813	(435,992)
Total primary government net position	\$ 73,162,416	\$ 71,905,312	\$ 71,420,739	\$ 63,451,668	\$ 64,257,124	\$ 56,549,569	\$ 50,424,460	\$ 48,041,208	\$ 46,769,134	\$ 33,310,153

Source: Government-wide Statement of Activities

Fiscal 2014 net position has been restated to reflect the implementation of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date"

Fiscal year 2015 Governmental Activities net position has been restated to reflect prior period adjustments related to GASB 68 implementation

Fiscal years prior to 2015 present the Economic Development Corporation as a blended component unit

CITY OF WESLACO, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
TABLE II

For the Fiscal Year ended September 30,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
General government	\$ 7,877,473	\$ 7,793,661	\$ 7,475,817	\$ 4,699,927	\$ 4,077,130	\$ 4,079,035	\$ 4,426,526	\$ 4,307,902	\$ 3,710,070	\$ 2,618,476
Public safety	15,375,565	13,374,018	11,530,338	10,217,398	10,714,272	10,195,023	11,562,667	12,676,095	12,486,600	13,173,159
Emergency medical service	144,283	137,335	101,226	269,969	332,102	462,305	398,347	343,818	-	-
Health	-	-	-	-	90,067	88,459	104,426	132,612	127,044	135,502
Public works	5,129,113	3,409,500	2,927,110	3,056,584	3,039,309	2,626,866	2,669,907	1,870,276	1,843,346	1,567,815
Culture and recreation	2,197,967	2,195,306	1,793,425	1,660,311	1,692,154	1,693,692	1,144,997	2,486,171	2,484,004	1,815,439
Development services	-	-	-	2,724,236	3,364,499	3,256,023	3,101,439	3,358,829	4,994,533	1,847,396
Interest on long-term debt	828,514	1,134,675	1,009,379	1,182,183	1,187,398	2,326,416	1,452,443	1,478,830	1,488,868	5,735,318
Total governmental activities expenses	31,552,915	28,044,495	24,837,295	23,810,608	24,496,931	24,727,819	24,860,752	26,654,533	27,134,465	26,893,105
Business-type activities:										
Water and Wastewater	10,639,686	11,042,489	9,955,440	8,687,380	9,435,022	9,054,734	7,768,721	7,433,263	7,662,631	10,726,658
Solid Waste	3,850,543	4,147,973	4,348,050	4,117,588	4,044,683	4,047,757	3,863,097	3,517,000	3,468,755	3,480,521
Airport	850,901	687,702	668,097	536,560	507,619	505,452	532,689	532,828	564,958	1,092,428
Total business-type activities expenses	15,341,130	15,878,164	14,971,587	13,341,528	13,987,324	13,607,943	12,164,507	11,483,091	11,696,344	15,299,607
Total primary government expenses	\$ 46,894,045	\$ 43,922,659	\$ 39,808,882	\$ 37,152,136	\$ 38,484,255	\$ 38,335,762	\$ 37,025,259	\$ 38,137,624	\$ 38,830,809	\$ 42,192,712
Program Revenues										
Governmental activities:										
Fees, fines, and charges for services:										
General government	\$ 896,763	\$ 714,548	\$ 725,949	\$ 588,302	\$ 405,601	\$ 381,323	\$ 363,068	\$ 370,890	\$ 406,099	\$ 3,471,856
Public Safety	1,156,105	853,586	653,606	748,737	842,122	919,126	695,632	933,006	1,912,015	1,217,389
Emergency medical services	1,501,101	1,350,052	1,693,132	1,250,542	1,223,157	976,167	948,437	976,166	-	-
Other activities	-	-	-	155,378	394,360	399,142	260,053	372,935	404,985	187,056
Culture and recreation	76,676	85,163	73,359	-	-	-	-	-	-	-
Operating grants and contributions	585,580	484,336	273,122	233,899	99,359	16,179	-	-	81,000	1,186,137
Capital grants and contributions	137,739	571,469	1,065,726	463,568	454,010	724,994	500,163	702,133	917,556	-
Total governmental activities program revenues	4,353,964	4,059,154	4,484,894	3,440,426	3,418,609	3,416,931	2,767,353	3,355,130	3,721,655	6,062,438
Business-type activities:										
Charges for services:										
Water and Wastewater	12,205,565	10,806,055	12,121,383	11,744,692	12,160,485	11,034,905	9,411,060	8,719,988	8,993,459	8,630,895
Solid Waste	5,044,351	4,725,450	5,225,429	4,860,177	4,752,518	4,646,565	4,127,015	4,215,582	3,992,622	3,579,091
Airport	245,143	183,291	159,919	207,034	156,302	110,894	111,261	186,184	112,917	518,288
Operating grants and contributions	-	-	-	-	-	-	-	8,098	20,267	121,040
Capital grants and contributions	2,325,711	1,658,319	4,148,622	481,853	664,218	2,424,601	154,017	80,875	224,315	-
Total business-type activities program revenues	19,820,770	17,373,115	21,655,353	17,293,756	17,733,523	18,216,965	13,803,353	13,210,727	13,343,580	12,849,314
Total primary government program revenues	\$ 24,174,734	\$ 21,432,269	\$ 26,140,247	\$ 20,734,182	\$ 21,152,132	\$ 21,633,896	\$ 16,570,706	\$ 16,565,857	\$ 17,065,235	\$ 18,911,752
Net (Expense)/Revenue										
Governmental activities	\$ (27,198,951)	\$ (23,985,341)	\$ (20,352,401)	\$ (20,370,182)	\$ (21,078,322)	\$ (21,310,888)	\$ (22,093,399)	\$ (23,299,403)	\$ (23,412,810)	\$ (20,830,667)
Business-type activities	4,479,640	1,494,951	6,683,766	3,952,228	3,746,199	4,609,022	1,638,846	1,727,636	1,647,236	(2,450,293)
Total primary government net expense	\$ (22,719,311)	\$ (22,490,390)	\$ (13,668,635)	\$ (16,417,954)	\$ (17,332,123)	\$ (16,701,866)	\$ (20,454,553)	\$ (21,571,767)	\$ (21,765,574)	\$ (23,280,960)

Fiscal years prior to 2015 present the Economic Development Corporation as a blended component unit

Fiscal year 2015 Governmental Activities net position has been restated to reflect prior period adjustments related to implementation of GASB 68.

CITY OF WESLACO, TEXAS
CHANGES IN NET POSITION- CONTINTUED
LAST TEN FISCAL YEARS
(accrual basis of accounting)
TABLE II- CONTINUED

For the Fiscal Years Ended September 30,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
Taxes:										
Ad valorem	\$ 11,615,301	\$ 11,264,052	\$ 10,352,897	\$ 9,767,217	\$ 9,823,287	\$ 9,710,670	\$ 9,632,751	\$ 9,729,729	\$ 9,752,261	\$ 16,449,025
Sales	8,929,546	8,682,523	8,779,266	11,441,937	11,182,267	10,578,320	9,864,624	9,218,352	9,175,453	2,656,019
Occupancy	444,151	351,911	384,439	419,960	382,934	336,419	358,390	359,421	403,467	-
Franchise and other	1,890,883	1,893,085	1,855,156	1,664,769	1,640,932	1,631,134	1,724,786	1,486,165	1,475,452	-
Intergovernmental	-	-	-	-	16,149	4,421	77,375	144,499	143,800	-
Investment earnings	103,608	60,217	31,839	130,602	89,278	66,619	64,147	139,903	226,519	447,930
Gain (loss) on sale/retirement of capital assets	44,939	-	-	56,720	(348,529)	116,255	100,339	(115,940)	482,859	(398,361)
Miscellaneous	353,902	721,662	232,759	377,674	226,739	249,246	301,972	348,954	433,260	415,452
Rescindment of contingency	-	-	-	-	-	-	550,000	-	-	-
Absences	-	-	-	-	-	191,261	-	-	-	-
Transfers	3,236,311	1,047,104	2,041,310	1,021,140	1,021,140	1,021,140	996,770	1,475,209	2,403,930	(218,000)
Total governmental activities	26,618,641	24,020,554	23,677,666	24,880,019	24,034,197	23,905,485	23,671,154	22,786,292	24,497,001	19,352,065
Business-type activities										
Investment earnings	2,044	1,513	1,350	4,013	19,609	13,629	109	618,350	849,733	916,833
Transfers	(3,236,311)	(1,047,104)	(2,041,310)	(1,021,140)	(1,021,140)	(1,021,140)	(996,770)	(1,475,209)	(2,403,930)	218,000
Total business-type activities	(3,234,267)	(1,045,591)	(2,039,960)	(1,017,127)	(1,001,531)	(1,007,511)	(996,661)	(856,859)	(1,554,197)	1,134,833
Total primary government	23,384,374	\$ 22,974,963	\$ 21,637,706	\$ 23,862,892	\$ 23,032,666	\$ 22,897,974	\$ 22,674,493	\$ 21,929,433	\$ 22,942,804	\$ 20,486,898
Change in Net Position										
Governmental activities	\$ (580,310)	\$ 35,213	\$ 3,325,265	\$ 4,509,837	\$ 2,955,875	\$ 2,594,597	\$ 1,577,755	\$ (513,111)	\$ 1,084,191	\$ (1,478,602)
Business-type activities	1,245,373	449,360	4,643,806	2,935,101	2,744,668	3,601,511	642,185	870,777	93,039	(1,315,460)
Total primary government	\$ 665,063	\$ 484,573	\$ 7,969,071	\$ 7,444,938	\$ 5,700,543	\$ 6,196,108	\$ 2,219,940	\$ 357,666	\$ 1,177,230	\$ (2,794,062)

CITY OF WESLACO, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)
(modified accrual basis of accounting)
TABLE III

For the Fiscal Years Ended September 30,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Pre GASB 54										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,467	\$ 61,244	\$ -
Unreserved	-	-	-	-	-	-	-	(104,146)	900,326	(213,081)
Post GASB 54										
Nonspendable	\$ 18,308	\$ 37,392	\$ 34,790	\$ 180,110	\$ 33,249	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	104,886	466,288	466,288	696,765	65,791	57,391	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	7,511,496	7,939,293	8,523,908	6,478,642	4,738,640	1,627,107	779,427	-	-	-
Total General Fund	\$ 7,529,804	\$ 8,081,571	\$ 9,024,986	\$ 7,125,040	\$ 5,468,654	\$ 1,692,898	\$ 836,818	\$ (34,679)	\$ 961,570	\$ (213,081)
All Other Governmental Funds										
Pre GASB 54										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,505,458	\$ 1,286,791	\$ 5,642,293
Unreserved	-	-	-	-	-	-	-	4,985,087	6,086,963	2,792,788
Post GASB 54										
Nonspendable	\$ -	\$ 34,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,617,027	3,958,733	5,512,740	1,793,631	1,691,574	1,772,642	1,618,055	-	-	-
Assigned	2,001,223	1,950,380	1,250,000	-	-	-	-	-	-	-
Unassigned, reported in:										
Special revenue funds	-	-	-	3,127,878	2,936,214	2,308,622	4,718,358	-	-	-
Capital projects funds	-	-	-	6,399,437	7,701,460	1,166,502	1,206,560	-	-	-
Total all other governmental funds	\$ 5,618,250	\$ 5,943,424	\$ 6,762,740	\$ 11,320,946	\$ 12,329,248	\$ 5,247,766	\$ 7,542,973	\$ 6,490,545	\$ 7,373,754	\$ 8,435,081

Source: Information obtained from the City's Annual Financial Report

(1) The City implemented GASB Statement No. 54 in fiscal year 2011

CITY OF WESLACO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
TABLE IV

For the Fiscal Years Ended September 30,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Taxes:										
Property taxes	\$ 11,645,836	\$ 11,273,279	\$ 10,550,931	\$ 9,932,967	\$ 10,011,483	\$ 9,710,637	\$ 9,847,584	\$ 9,717,429	\$ 9,704,351	\$ 16,449,025
Sales	8,929,546	8,682,523	8,779,266	11,441,937	11,182,267	10,578,320	9,864,624	9,218,352	9,175,453	2,656,019
Occupancy	444,151	351,911	384,439	419,960	382,934	336,419	358,390	359,421	403,467	-
Franchise and other	1,890,883	1,893,085	1,855,156	1,664,769	1,640,932	1,631,134	1,724,786	1,486,165	1,475,452	-
Charges for services	2,003,126	1,644,414	3,471,864	2,783,840	2,832,851	2,540,973	2,565,294	2,905,104	3,752,129	3,471,856
Program income	-	-	-	360,576	389,134	341,845	150,054	109,445	62,604	-
Intergovernmental	723,319	1,055,805	1,338,849	697,467	569,518	745,594	577,538	846,632	1,142,356	1,373,193
Licenses and permits	664,177	493,175	479,501	446,828	405,601	381,323	363,068	370,890	406,099	489,883
Investment income	103,608	60,217	31,839	130,602	89,278	66,619	64,147	139,903	226,507	447,930
Fines and forfeitures	752,327	698,250	523,767	636,486	668,891	772,752	463,778	583,066	690,602	727,506
Contributions	-	-	-	2,736	50	500	142	8,500	1,954	-
Miscellaneous	314,916	889,172	394,982	374,938	527,110	248,746	301,830	340,454	431,306	415,452
Total revenues	27,471,889	27,041,831	27,810,594	28,893,106	28,700,049	27,354,862	26,281,235	26,085,361	27,472,280	26,030,864
Expenditures										
General government	6,395,390	6,133,070	5,991,720	4,617,587	3,697,885	3,797,404	4,310,348	3,637,628	3,484,006	5,131,719
Public Safety	15,250,314	12,165,292	10,476,065	10,483,329	10,699,897	10,327,350	11,664,128	12,725,966	12,486,212	13,173,159
Public Works	4,377,328	2,104,864	1,790,960	1,558,496	1,556,054	1,299,033	1,342,074	1,390,192	1,468,756	1,567,815
Health	-	-	-	-	85,956	84,348	100,315	128,875	123,307	135,502
Culture and recreation	2,136,834	1,709,199	1,376,551	1,311,421	1,428,512	1,447,298	1,073,525	2,410,330	2,291,653	1,815,439
Economic development	581,915	589,640	593,849	1,568,220	2,144,101	1,923,521	2,171,025	3,633,445	4,376,933	7,218,808
Nondepartmental	-	-	-	565,216	477,223	395,172	684,020	779,286	541,759	-
Capital outlay	949,108	4,530,211	4,692,755	2,390,421	823,384	2,416,513	633,058	9,608,984	1,879,830	307,097
Debt service										
Principal	3,347,137	2,389,617	2,418,462	2,711,314	2,526,603	2,004,577	9,628,025	1,682,179	1,590,747	4,177,910
Interest and fiscal charges	782,830	786,594	890,033	1,152,048	1,197,893	1,352,412	1,420,192	1,490,122	1,500,160	1,568,706
Advance refunding escrow	-	77,555	-	-	-	-	-	-	-	-
Total expenditures	33,820,856	30,486,042	28,230,395	26,358,052	24,637,508	25,047,628	33,026,710	37,487,007	29,743,363	35,096,155
Excess of revenues over (under) expenditures	(6,348,967)	(3,444,211)	(419,801)	2,535,054	4,062,541	2,307,234	(6,745,475)	(11,401,646)	(2,271,083)	(9,065,291)
Other Financing Sources (Uses)										
Proceeds from sale of capital assets	\$ 300,741	\$ -	\$ -	\$ 56,720	\$ 56,950	\$ 124,435	\$ 367,174	\$ 131,825	\$ 905,434	\$ -
Debt Proceeds	2,184,974	4,450,281	658,299	-	22,157,515	1,155,000	9,044,918	-	1,300,000	1,220,131
Proceeds from 380 Agreements	-	-	-	-	-	-	-	7,629,307	-	-
Bond interest	-	-	-	-	-	-	-	-	-	3,715,918
Premium on bond	-	701,808	-	-	-	-	-	-	-	-
Bond redemption	-	(4,392,713)	-	-	(14,630,000)	-	-	-	-	-
Debt issuance costs	-	-	-	-	(366,731)	(30,323)	(101,814)	-	(120,076)	-
Volunteer separation expense	-	-	-	-	-	-	-	(611,900)	-	-
380 Agreement expenditures	-	-	-	(738,139)	(581,949)	(780,562)	(912,644)	-	-	-
Accrued 380 Agreement Interest	-	-	-	-	-	(949,937)	-	-	-	-
Sales Tax rebates	-	-	-	(580,488)	(645,082)	(843,934)	-	-	-	-
Transfers in	4,686,079	2,208,425	2,419,014	-	-	-	-	164,040	525,775	-
Transfers out	(1,699,768)	(1,286,321)	(2,460,758)	(700,000)	(700,000)	(480,000)	(200,000)	(4,339)	(310,180)	(218,000)
Total other financing sources (uses)	5,472,026	1,681,480	616,555	(1,961,907)	5,290,703	(1,805,321)	8,197,634	7,308,933	2,300,953	4,718,049
Net change in fund balances	(876,941)	(1,762,731)	196,754	573,147	9,353,244	501,913	1,452,159	(4,092,713)	29,870	(4,347,242)

**CITY OF WESALCO, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
TABLE V**

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 7,667,715	\$ 7,171,489	93.53%	\$ 434,089	\$ 7,605,578	99.19%
2009	8,920,936	8,518,972	95.49%	334,347	8,853,319	99.24%
2010	9,249,698	8,628,830	93.29%	551,524	9,180,354	99.25%
2011	9,310,540	8,704,523	93.49%	529,055	9,233,578	99.17%
2012	9,346,948	8,859,282	94.78%	407,041	9,266,323	99.14%
2013	9,559,563	9,095,317	95.14%	375,054	9,470,371	99.07%
2014	9,667,300	9,119,003	94.33%	430,659	9,549,662	98.78%
2015	9,952,186	9,682,147	97.29%	127,860	9,810,007	98.57%
2016	10,995,171	10,562,367	96.06%	206,897	10,769,264	97.95%
2017	11,478,848	10,983,948	95.69%	-	10,983,948	95.69%

Source: Hidalgo County Tax Assessor-Collector
www.hidalgocountytax.org

**CITY OF WESLACO, TEXAS
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
TABLE VI**

FISCAL YEAR	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	TAX-EXEMPT	TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT OVERLAPPING TAX RATE
2008	641,361,248	512,587,048	313,753,593	1,153,948,296	2.6438
2009	756,407,311	588,374,568	345,797,678	1,344,781,879	2.6954
2010	777,550,051	623,626,057	351,568,233	1,401,176,108	2.6978
2011	773,012,581	638,233,550	352,481,585	1,411,246,131	2.6978
2012	769,592,896	652,146,592	335,597,711	1,421,739,488	2.6978
2013	792,847,612	670,099,750	336,299,548	1,462,947,362	2.6996
2014	851,914,723	646,031,643	336,831,403	1,497,946,366	2.7113
2015	804,694,927	675,552,726	388,852,013	1,480,247,653	2.7363
2016	905,060,888	755,965,371	413,829,808	1,661,026,259	2.7357
2017	934,058,109	799,468,448	410,195,911	1,733,526,557	2.7357

Source: Hidalgo County Appraisal District
www.hidalgoad.org

CITY OF WESLACO, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT CALENDAR YEAR AND NINE YEARS AGO
TABLE VII

2016				2007		
TAXPAYER	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL CITY TAXABLE ASSESSED VALUE
H E Butt Grocery Company	\$ 39,383,636	1	2.27%	\$ 19,105,431	1	1.66%
Pioneer Hi-Bred Int'l Inc	26,749,029	2	1.54%			
Clearview Weslaco LLP	18,356,112	3	1.06%	6,250,450	6	0.54%
H E B Weslaco Transportation	17,904,739	4	1.03%			
Capcor Weslaco LTD	16,417,944	5	0.95%			
Wal-Mart Real Estate Business	11,736,880	6	0.68%			
AEP Texas Central Co	10,157,680	7	0.59%	7,238,530	4	0.63%
Weslaco MHC Limited Prtnrshp	8,661,934	8	0.50%			
Weslaco Palm Plaza	7,895,830	9	0.46%	6,505,263	5	0.56%
Weslaco Motors LLP	7,794,626	10	0.45%			
JC Penney #1101	7,327,620	11	0.42%			
John Knox Village	7,139,230	12	0.41%	10,217,566	3	0.89%
Ranchero Village	6,580,329	13	0.38%			
RGV Express LTD	6,193,035	14	0.36%	4,401,290	15	0.38%
Wal Mart Property Tax Department	6,192,251	15	0.36%	18,401,794	2	1.59%
HD Development Properties LP	6,109,820	16	0.35%	4,711,016	13	0.41%
535 US Hwy 83 Investors	6,097,950	17	0.35%			
Lowes Home Centers Inc	5,923,913	18	0.34%			
Weslaco Ford/Mercury Inc	5,875,248	19	0.34%			
MHC Snow to Sun (TX) LLC	5,500,000	20	0.32%			
Foremost Paving Inc				6,189,577	7	0.54%
Verizon Southwest				5,792,950	8	0.50%
Home Depot, The #6577				5,553,926	9	0.48%
Caldwell VSR Inc				5,141,543	10	0.45%
Reyna, Ezequiel Jr & Livia				4,818,617	11	0.42%
Economic Development Corp				4,728,808	12	0.41%
Reyna Family Land Dev LTD				4,517,094	14	0.39%
Sweetwater Gama Limited Prtnrshp				4,257,757	16	0.37%
HIC Texas I LLC				4,122,000	17	0.36%
Knapp Medical Center				4,015,481	18	0.35%
Ed Payne Motors LLP				3,888,875	19	0.34%
Sangria Sunset LLC				3,728,970	20	0.32%
TOTAL	\$ 227,997,806		13.15%	\$ 133,586,938		11.58%

Source:

www.hidalgoad.org

CITY OF WESLACO, TEXAS
PROPERTY TAX RATES AND TAX LEVIES - ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
TABLE VIII

City Direct Rates				OVERLAPPING RATES						
FISCAL YEAR	TAX YEAR	MAINTENANCE & OPERATION	INTEREST & SINKING	(PER \$100) CITY	(Per \$100) WISD	STC	(Per \$100) Hidalgo Co	(Per \$100) DD #1	(Per \$100) STISD	(Per \$100) Total
PROPERTY TAX RATES										
2008	2007	0.5153	0.1814	0.6967	1.1047	0.1540	0.5900	0.0492	0.0492	2.6438
2009	2008	0.5210	0.1757	0.6967	1.1397	0.1498	0.5900	0.0700	0.0492	2.6954
2010	2009	0.5152	0.1815	0.6967	1.1397	0.1497	0.5900	0.0725	0.0492	2.6978
2011	2010	0.5049	0.1918	0.6967	1.1397	0.1497	0.5900	0.0725	0.0492	2.6978
2012	2011	0.5039	0.1928	0.6967	1.1397	0.1497	0.5900	0.0725	0.0492	2.6978
2013	2012	0.5016	0.1951	0.6967	1.1397	0.1507	0.5900	0.0733	0.0492	2.6996
2014	2013	0.5006	0.1861	0.6867	1.1397	0.1500	0.5900	0.0957	0.0492	2.7113
2015	2014	0.4866	0.1901	0.6767	1.1397	0.1850	0.5900	0.0957	0.0492	2.7363
2016	2015	0.5560	0.1207	0.6767	1.1397	0.1850	0.5900	0.0951	0.0492	2.7357
2017	2016	0.5586	0.1081	0.6667	1.1597	0.1850	0.5800	0.0951	0.0492	2.7357
TAX LEVIES										
2008	2007			\$ 7,667,715	\$ 19,199,929	\$ 41,255,266	\$ 155,425,414	\$ 11,935,971	\$ 13,321,253	\$ 248,805,549
2009	2008			8,920,936	20,312,260	41,861,054	162,197,402	18,101,564	13,910,184	265,303,400
2010	2009			9,249,698	20,544,560	41,736,459	161,779,404	18,803,344	13,870,003	265,983,468
2011	2010			9,310,540	19,795,607	37,953,268	148,860,984	18,910,655	13,752,694	248,583,748
2012	2011			9,346,948	20,111,115	38,191,930	150,274,322	19,197,219	13,901,594	251,023,128
2013	2012			9,559,563	21,597,467	43,100,124	165,736,613	19,880,682	14,279,092	274,153,542
2014	2013			9,667,300	21,552,277	42,899,924	165,736,613	25,956,088	14,279,092	280,091,295
2015	2014			9,952,186	23,002,324	54,881,207	171,956,770	27,107,682	14,792,577	301,692,745
2016	2015			10,995,171	23,464,321	56,775,623	179,965,377	28,837,880	15,689,081	315,727,453
2017	2016			11,478,848	24,406,360	59,677,412	189,058,158	30,258,335	16,467,923	331,347,036

CITY OF WESLACO, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF SEPTEMBER 30, 2017
TABLE IX

	GROSS DEBT Less SINKING FUND	ESTIMATED % DEBT APPLICABLE TO CITY OF WESLACO	CITY OF WESLACO SHARE OF DEBT
City of Weslaco, Texas	\$ 18,837,731	100.00%	\$ 18,837,731
Total Direct Debt	18,837,731		18,837,731
Weslaco Ind School Dist	73,810,000	72.28%	53,349,868
Hidalgo County	211,290,000	5.55%	11,726,595
Hidalgo Co Drainage Dist #1	129,300,000	5.82%	7,525,260
South Texas College	152,495,000	5.08%	7,746,746
Total overlapping debt	566,895,000		80,348,469

Total direct and overlapping debt: \$ 99,186,200

Percent of Assessed Valuation: 5.72%

Direct Overlapping Debt per Capita: \$ 2,513

POPULATION: 39,474

ASSESSED VALUATION \$ 1,733,526,557

CITY OF WESLACO, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
TABLE X

Legal Debt Margin Calculation to Fiscal Year 2017

Assessed Value	\$	1,733,526,557
Debt Limit (10% of assessed value)		173,352,656
Debt applicable to limit:		
General obligation bonds		18,836,255
Less: Amount set aside		
for repayment of general		
obligation debt		(540,114)
Total net debt applicable to limit		18,296,141
Legal debt margin		155,056,515

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 110,057,628	\$ 127,480,023	\$ 133,153,378	\$ 141,124,613	\$ 142,173,949	\$ 139,051,427	\$ 159,911,825	\$ 151,195,149	\$ 166,102,626	\$ 173,352,656
Total net debt applicable to limit	27,092,739	25,851,763	24,605,645	24,605,645	21,684,025	26,487,380	24,605,645	23,040,965	19,704,803	18,296,141
Legal debt margin	\$ 82,964,889	\$ 101,628,260	\$ 108,547,733	\$ 116,518,968	\$ 120,489,924	\$ 112,564,047	\$ 135,306,180	\$ 128,154,184	\$ 146,397,823	\$ 155,056,515
Total net debt applicable to the limit										
as a percentage of debt limit	24.62%	20.28%	18.48%	17.44%	15.25%	19.05%	15.39%	15.24%	11.86%	10.55%

Note: In 1955, the State Legislature enacted the 10% debt limit rate for school districts in Texas and has subsequently been used by municipalities as a general rule in computing debt margin.

**CITY OF WESLACO, TEXAS
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
TABLE XI**

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Plus: CIP Fee (1) Non-Operating	Net Available	Debt Service		Coverage
					Principal	Interest	
2008	7,726,172	6,696,352	631,599	1,661,419	300,000	169,785	3.54
2009	8,073,294	6,824,120	645,067	1,894,241	315,000	157,635	4.01
2010	7,846,367	5,990,804	621,306	2,476,869	340,000	130,870	5.26
2011	8,789,754	6,094,985	621,415	3,316,184	542,298	64,930	5.46
2012	10,354,040	5,846,464	680,865	5,188,441	472,092	112,753	8.87
2013	11,475,677	6,655,622	684,808	5,504,863	480,224	97,652	9.53
2014	10,649,451	7,330,737	727,055	4,045,768	492,312	82,233	7.04
2015	11,372,511	6,702,152	703,986	5,374,345	532,148	65,993	8.99
2016	10,504,921	7,162,537	649,682	3,992,065	545,981	48,918	6.71
2017	11,207,113	8,364,535	689,843	3,532,421	560,500	31,398	5.97

(1) The Waterworks and Sewer System Revenue Bonds, Series 1998 were issued on September 23, 1998 in the amount of \$5,930,000. These bonds will be paid from CIP fee that has been charged to customers since June 1, 1996. This fee is to remain in place until the debt related to the new sewer plant on the south side of town has been paid for. The CIP fee is recognized as non-operating revenue. This table has been modified to reflect this source of funds.

* The Revenue Coverage computation does not include the 2007 Certificate of Obligation issue of \$21,720,000. This issue is a surplus Revenue Certificate of Obligation and does not meet the requirements to be included in the computation for pledged revenue coverage. If considered in the computation, the coverage would be 0.70.

CITY OF WESLACO, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING BY TYPE
LAST TEN FISCAL YEARS
TABLE XII

Governmental Activities

Fiscal Year	General Obligation Bonds	Certificate of Obligation	Capital Leases	Bond Premiums	Notes Payable	Debt Service Restricted Net Assets	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2008	\$ 2,531,200	\$ 24,566,872	\$ -	\$ -	\$ -	\$ 292,944	\$ 26,805,128	2.32%	\$ 835.26
2009	1,913,600	24,229,568	-	-	-	109,200	26,033,968	1.94%	780.54
2010	1,276,800	23,755,396	-	-	-	384,590	24,647,606	1.76%	710.29
2011	620,800	23,223,916	-	-	-	603,258	23,241,458	1.65%	651.57
2012	419,200	21,776,008	-	413,195	-	921,187	21,687,216	1.53%	588.59
2013	208,000	26,443,550	-	610,724	-	949,798	26,312,476	1.80%	709.37
2014	-	24,894,102	1,693,177	563,767	-	996,317	26,154,729	1.75%	695.59
2015	2,006,250	21,110,000	1,947,164	516,809	-	798,285	24,781,938	1.67%	627.80
2016	1,532,231	19,285,000	2,099,678	1,171,661	-	540,114	23,548,456	1.42%	588.23
2017	1,037,731	17,800,000	2,983,316	1,000,740	431,333	146,217	23,106,903	1.33%	577.20

Business-Type Activities

Fiscal Year	General Obligation Bonds	Certificate of Obligation	Revenue Bonds	Tax Notes	Bond Premiums	Debt Service Restricted Net Assets	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2008	\$ 1,423,800	\$ 3,775,000	23238128	\$ -	\$ -	\$ 292,944	\$ 4,905,856	0.43%	\$ 152.87
2009	1,076,400	3,460,000	23065432	-	-	109,200	4,427,200	0.33%	132.73
2010	718,200	3,135,000	22724604	-	-	384,590	3,468,610	0.25%	99.96
2011	1,300,284	2,845,000	21290000	-	-	603,258	3,542,026	0.25%	99.30
2012	1,089,792	2,470,000	45215000	8,500,000	1,366,793	921,187	2,638,605	0.19%	71.61
2013	870,768	2,090,000	44790000	8,040,000	1,366,793	949,798	2,010,970	0.14%	54.21
2014	768,456	1,700,000	44325000	7,735,000	1,800,466	996,317	1,472,139	0.10%	39.15
2015	529,308	19,230,000	34700000	6,545,000	1,699,141	798,285	18,961,023	1.28%	480.34
2016	404,029	49,260,000	870000	4,810,000	4,734,806	540,114	49,123,915	2.96%	1,227.09
2017	273,745	48,090,000	440000	2,620,000	6,909,104	146,217	48,217,528	2.78%	1,204.44

Fiscal years prior to 2015 present the Economic Development Corporation as a blended component unit

CITY OF WESLACO, TEXAS
TAXABLE SALES BY INDUSTRY
LAST TEN CALENDAR YEARS
TABLE XIII

CALENDAR YEAR

Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Agriculture, Forestry, Fishing, Hunting	\$ 1,060	\$ -	\$ 10	\$ -	\$ 1,547,374	\$ -	\$ -	\$ 3,207	\$ 481	\$ -
Construction	1,282,144	1,085,666	835,222	998,716	1,547,374	2,839,442	4,144,701	3,219,615	4,096,068	4,826,488
Manufacturing	5,211,076	5,366,141	2,568,436	2,301,576	1,043,977	944,415	1,374,389	2,222,116	2,378,251	2,445,955
Wholesale Trade	10,173,988	15,516,848	9,022,657	8,358,327	10,052,972	12,488,875	12,138,082	11,505,002	10,535,297	19,201,140
Retail trade	221,207,383	239,908,678	251,829,708	275,128,934	296,818,500	317,956,827	321,405,175	331,306,451	321,305,069	309,212,380
Transportation and warehousing	1,357,532	1,557,971	205,606	1,417,200	1,311,262	1,637,871	303,218	276,655	-	281,022
Information	6,747,785	6,441,066	7,063,176	6,916,201	7,440,719	9,086,834	13,229,751	13,421,501	12,686,024	12,326,179
Finance and insurance	1,770,635	1,928,421	1,966,880	2,172,227	2,096,979	1,999,036	2,177,332	2,641,731	1,607,030	2,651,045
Real estate, rental and leasing	30,452,578	24,776,580	11,531,735	3,062,869	2,730,662	2,783,960	2,881,418	2,356,502	2,654,053	5,278,955
Professional, scientific and technical	892,992	997,224	799,762	891,767	1,136,202	1,072,369	838,393	989,140	1,137,739	1,018,210
Administration, support, waste management, and remediation	7,496,343	6,010,391	3,434,638	1,730,296	3,592,463	6,176,976	5,830,822	5,368,529	2,194,032	1,768,350
Educational Services	14,756	14,608	27,003	17,608	38,083	57,033	60,791	166,539	94,791	350,578
Health care and social assistance	357,884	365,439	305,582	696,535	512,033	560,036	560,511	691,519	1,256,497	941,118
Arts, entertainment, and recreation	771,049	649,832	610,900	780,044	1,774,225	1,692,620	1,952,878	2,581,663	3,673,234	3,377,805
Accommodation and food service	59,744,975	63,712,076	66,500,272	70,735,449	76,342,659	82,835,766	86,549,881	96,841,186	109,219,280	111,418,585
Other Services	8,322,955	7,015,451	8,371,356	8,923,286	9,623,843	10,287,220	10,073,577	10,221,189	10,775,234	11,543,232
Other	14,532	19,758	24,022	16,125	19,346	15,201	17,086	19,870	22,000	6,560
Total	355,819,667	\$ 375,366,150	\$ 365,096,965	\$ 384,147,160	\$ 416,081,299	\$ 452,434,481	\$ 463,538,005	\$ 483,832,415	\$ 483,635,080	\$ 486,647,602

City Direct Sales Tax

2.00%

2.00%

2.00%

2.00%

2.00%

2.00%

Source: Texas State Comptroller
<https://mycpa.cpa.state.tx.us/allocation/QtSalesReportByResults>

CITY OF WESLACO, TEXAS
SALES TAX REVENUE PAYERS BY INDUSTRY
CALENDAR YEARS 2016 AND 2007
TABLE XIV

	2016				2007			
	Number of Filers	% of Total	Tax Liability	% of Total	Number of Filers	% of Total	Tax Liability	% of Total
Agriculture, Forestry, Fishing, Hunting	1	0.08%	0	0.00%	5	0.52%	21	0.00%
Construction	74	5.96%	96,530	0.99%	40	4.19%	25,642	0.36%
Manufacturing	51	4.11%	48,919	0.50%	29	3.04%	104,222	1.46%
Wholesale Trade	74	5.96%	384,023	3.95%	38	3.98%	203,480	2.86%
Retail trade	535	43.08%	6,184,248	63.54%	430	45.07%	4,424,148	62.17%
Transportation and warehousing	4	0.32%	5,620	0.06%	6	0.63%	27,151	0.38%
Information	22	1.77%	246,524	2.53%	18	1.89%	134,956	1.90%
Finance and insurance	18	1.45%	53,021	0.54%	19	1.99%	35,413	0.50%
Real estate, rental and leasing	17	1.37%	105,579	1.08%	13	1.36%	609,052	8.56%
Professional, scientific and technical	45	3.62%	20,364	0.21%	36	3.77%	17,860	0.25%
Administration, support, waste management, and remediation	54	4.35%	35,367	0.36%	51	5.35%	149,927	2.11%
Educational Services	7	0.56%	7,012	0.07%	6	0.63%	295	0.00%
Health care and social assistance	12	0.97%	18,822	0.19%	11	1.15%	7,158	0.10%
Arts, entertainment, and recreation	15	1.21%	67,556	0.69%	9	0.94%	15,421	0.22%
Accommodation and food service	189	15.22%	2,228,372	22.90%	124	13.00%	1,194,899	16.79%
Other Services	117	9.42%	230,865	2.37%	111	11.64%	166,459	2.34%
Other	7	0.56%	131	0.00%	8	0.84%	291	0.00%
Total	1,242	100.00%	9,732,953	100.00%	954	100.00%	7,116,395	100.00%

Note: The tax liability was calculated from amounts reported by the Comptroller's Office as sales subject to sales tax. Because of amounts retained by the state for administration and timing differences due to accounts under audit, the totals will not necessarily compare with actual sales tax rebates received by the City.

**CITY OF WESLACO, TEXAS
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS
TABLE XV**

FISCAL YEAR	CITY DIRECT RATE	STATE RATE	TOTAL TAX RATE
2008	2.00%	6.25%	8.25%
2009	2.00%	6.25%	8.25%
2010	2.00%	6.25%	8.25%
2011	2.00%	6.25%	8.25%
2012	2.00%	6.25%	8.25%
2013	2.00%	6.25%	8.25%
2014	2.00%	6.25%	8.25%
2015	2.00%	6.25%	8.25%
2016	2.00%	6.25%	8.25%
2017	2.00%	6.25%	8.25%

CITY OF WESLACO, TEXAS
MISCELLANEOUS STATISTICAL FACTS
SEPTEMBER 30, 2017
TABLE XVI

Date of Incorporation: 1919
Date of Adoption of City Charter: December 14, 1927
Form of Government: Single Member District
Area: 14.72 Square Miles

Miles of Street:

Graded	1.65
Paved	223

Miles of Sewers:

Storm	96
Sanitary	213

Building Permits:

Permits Issued	2039
Estimated Cost	\$ 58,919,796

Fire Protection:

Number of Stations	3
Number of Employees	71
Number of Volunteers	0

Police Protection

Number of Sub-station	1
Number of Stations	1
Number of Employees	95

Recreation

Parks-Number of Acres	171.97
Skateboard Parks	1
Tennis Courts	6
Golf Courses	2
Swimming Pools	2
Parks	7

Education:

Mid Valley Christian School,
San Martin De Porres Catholic School
Valley Grande Adventist Academy
First Christian Academy
Horizon Montessori II
Technology Education Charter High school
South Texas College
South Texas Vo-Tech
Valley Grande Institute for Academic Studies

Weslaco ISD (Student Population 17,917)
High School 3
Alternative Schools 2
Middle Schools 4
Elementary Schools 11

Other Independent School Districts:
IDEA Public Schools, Grades PreK-12
South Texas ISD, Grades 9-12

City:

Number of City Employees	317
Number of Street Lights	1600

Municipal Water Plant:

Number of Connections:	10,675
Miles of Water Mains	129.6

Average Daily:

Consumption	5,232,000
Daily Plant Capacity	8,000,000

Gallons

Water Sold for Year	1,430,876,700
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Population:

1940 Census	6,883
1950 Census	7,487
1960 Census	15,649
1970 Census	15,313
1980 Census	19,331
1990 Census	25,608
2000 Census	26,935
2010 Census	35,670

Number of Hospitals

233 Beds	1
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Airports

	1
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Source:

City of Weslaco
Finance Department
www.weslacoedc.com
Weslaco ISD

CITY OF WESLACO, TEXAS
DEMOGRAPHIC AND ECONOMICS STATISTICS
LAST TEN CALENDAR YEARS
TABLE XVII

CALENDAR YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2007	32,092	571,365,968	17,804	7.3%
2008	32,092	571,365,968	17,804	7.3%
2009	33,354	507,814,650	15,225	8.3%
2010	34,701	514,199,418	14,818	9.9%
2011	35,670	530,698,260	14,878	11.3%
2012	36,846	570,744,540	15,490	11.4%
2013	37,093	579,466,846	15,622	10.2%
2014	37,601	589,433,276	15,676	8.2%
2015	39,474	612,754,902	15,523	10.0%
2016	40,033	687,726,907	17,179	9.7%

Source: www.census.gov

CITY OF WESLACO, TEXAS
OPERATING INDICATORS AND CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(dollars in thousands)
TABLE XVIII

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Building permits issued	2,361	2,499	2,088	1,964	1,946	1,935	1,998	2,001	2,039	2,099
Building inspections conducted	5,055	5,264	4,054	3,625	3,488	3,260	3,985	4,670	4,991	5,066
Police										
Physical Arrests-Adults	2,266	2,646	1,733	2,624	2,619	2,747	2,308	2,572	2,531	2,693
Physical Arrests-Juveniles	366	464	674	620	639	385	474	306	274	352
Fire										
Emergency responses	7,235	7,387	6,994	7,044	7,190	6,947	7,203	8,115	8,057	7,985
Library										
Volumes in collection	51,968	63,006	58,246	58,814	67,800	66,368	69,903	72,514	76,787	80,723
Total volumes borrowed	76,057	57,412	57,252	60,876	64,790	46,606	53,185	53,416	52,469	49,769
Water										
New connections	267	221	140	133	133	126	74	121	168	281
Average daily consumption (thousands of gallons)	5,666	5,667	5,765	6,010	6,010	5,289	4,804	5,262	5,809	5,232
Peak daily consumption (thousands of gallons)	8,086	8,307	7,685	8,860	-	6,806	7,953	6,174	6,740	5,145
Wastewater										
Average daily wastewater treatment (thousands of gallons)	2,080	3,835	4,669	4,133	-	4,917	3,793	3,680	3,680	4,100
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	3	2	1	1	1	1	1	1	1	1
Patrol Units	77	79	75	26	70	56	59	59	59	60
Fire Stations	3	3	3	3	3	3	3	3	3	3
Other public works										
Street (miles)	97.54	97.54	97.54	97.54	97.54	223.00	223.00	223.00	223.00	223.00
Streetlights	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Parks & Recreation										
Acreage	153.53	153.53	153.53	153.53	153.53	171.97	171.97	171.97	171.97	171.97
Playgrounds	11	11	11	11	11	16	16	16	16	16
Golf courses	1	1	1	1	1	2	2	2	2	2
Water										
Water main (miles)	126.00	126.00	126.00	126.0	126.0	128.0	129.6	129.6	129.6	129.6
Fire hydrants	-	-	-	-	-	-	1,670	1,670	1,670	1,670
Storage capacity (thousands of gallons)	7,900	7,900	2,385	7,900	7,900	2,385	6,385	6,385	6,385	6,385
Wastewater										
Sanitary sewer (miles)	118.01	118.01	118.01	118.01	118.01	213.00	213.31	213.31	213.31	213.31
Storm Sewer (miles)	50.94	50.94	50.94	50.94	50.94	96.00	96.39	96.39	96.39	96.39
Treatment capacity (thousands of gallons)	5,500	5,500	7,250	7,250	7,250	7,250	8,250	8,250	8,250	8,250

CITY OF WESLACO, TEXAS
TOP TEN PRINCIPAL EMPLOYERS
CALENDAR YEAR 2016 AND 2007
TABLE XIX

EMPLOYER	2016			2007		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Weslaco ISD	2,400	1	37.07%	2,817	1	43.99%
Knapp Medical Center	888	2	13.71%	1,000	2	15.62%
South Texas College	500	3	7.72%	214	8	3.34%
IDEA Academy	500	4	7.72%	-	-	-
Border Patrol	450	5	6.95%	-	-	-
Wal-Mart	394	6	6.08%	260	7	4.06%
Woodcrafters	365	7	5.64%	592	3	9.24%
HEB (3 Locations)	350	8	5.41%	407	4	6.36%
Payne Auto Group	325	9	5.02%	389	5	6.07%
City of Weslaco	303	10	4.68%	351	6	5.48%
International Wood	-	-	-	206	9	3.22%
Foremost Paving	-	-	-	168	10	2.62%
Total	6,475		100.00%	6,404		100.00%

Source: Municipal Advisory County of Texas

<https://mactexas.com/IssuerAccess/Report/TopTenEmployers/101824>

CITY OF WESLACO, TEXAS
FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
TABLE XX

Full - time Equivalent Employees as of September 30

FUNCTION	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	54	54	54	38	31	36	40	53	49	51
Legislative	7	7	7	7	7	7	7	7	7	7
Other	47	47	47	31	24	29	33	46	42	44
Public Safety	197	181	181	141	132	140	136	152	162	167
Public Works	29	29	29	25	37	22	42	45	45	44
Health & Welfare	3	3	3	2	1	2	2	3	3	3
Culture & Recreation	39	39	39	3	3	2	7	12	12	12
Refuse Collection	17	17	17	4	3	3	1	1	1	2
Library	19	19.5	20	12	11	17	16	16	16	15
Water	24	19	19	23	22	31	22	23	17	15
Wastewater	8	10	10	0	0	14	11	12	3	4
Airport	4	4	4	4	4	3	3	3	3	4
Museum	2	2	2	0	0	0	0	0	0	0
Total	396	378	378	252	244	270	280	320	311	317

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COMPLIANCE SECTION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Weslaco, Texas, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise City of Weslaco, Texas' basic financial statements, and have issued our report thereon dated April 18, 2018. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component unit, as described in our report on the City of Weslaco, Texas' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Weslaco, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Weslaco, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Weslaco, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Weslaco, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2017-001.

City of Weslaco, Texas' Response to Findings

City of Weslaco, Texas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Weslaco, Texas' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harlingen, Texas
April 18, 2018

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for The Major Federal Program

We have audited City of Weslaco, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Weslaco, Texas' major federal programs for the year ended September 30, 2017. City of Weslaco, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City of Weslaco, Texas' basic financial statements include the operations of the Weslaco Economic Development Corporation, which received \$44,457 in federal awards which is not included in the City of Weslaco, Texas' schedule of expenditures of federal awards during the year ended September 30, 2017. Our audit, described below, did not include the operations of the Weslaco Economic Development Corporation because the organization engaged other auditors to perform an audit of compliance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Weslaco, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Weslaco, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Weslaco, Texas' compliance.

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Opinion on Each Major Federal Program

In our opinion, City of Weslaco, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2017.

Report on Internal Control over Compliance

Management of City of Weslaco, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Weslaco, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Weslaco, Texas' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Harlingen, Texas
April 18, 2018

Draft For Discussion Purposes Only

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City of Weslaco, Texas
Schedule of Findings and Questioned Costs

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
* Material weakness(es) identified?	_____ yes	<u> X </u> no
* Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
* Material weakness(es) identified?	_____ yes	<u> X </u> no
* Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes	<u> X </u> none reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ yes	<u> X </u> no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
20.106	Airport Improvement Grant

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<u> X </u> yes _____ no

**Section II – Findings Relating to the Financial Statement Audit as Required to be
Reported in Accordance with Generally Accepted Government Auditing Standards**

A. Significant Deficiencies in Internal Control

None reported

Section II – Findings Relating to the Financial Statement Audit as Required to be
Reported in Accordance with Generally Accepted Government Auditing Standards- Continued

B. Compliance Findings

Schedule Reference Number: (2017-001)

Expenditures in excess of budget appropriations

Condition Found:	As indicated in the notes to the City's financial statements, we noted instances in which the City's budget had been exceed on multiple functional levels.
Criteria:	City ordinance requires budget amendments to be made prior to exceeding a major functional category.
Context:	We noted a negative variance of \$308,910 in public safety, \$156,915 in Economic Development and \$298,589 in Debt Service: Principal functional expenditure categories.
Cause:	Lack of proper budgeting techniques or timely action by administration to amend the budget appropriately.
Effect:	The City incurs expenditures that are not budgeted in advance by the City Commission.
Recommendation:	Budget versus actual comparison should continue to be made on a monthly basis, and control over expenditures should include a review of available budget amounts prior to approval of purchase orders for the expenditure of funds.
Views:	Management agrees with the findings. See corrective action plan on page 185.

Section III – Federal Award Findings and Questioned Costs

None reported.

City of Weslaco, Texas
Schedule of Findings and Questioned Costs
Corrective Action Plan

PROGRAM DESCRIPTION

Reference Number: (2017-001)

Corrective Action Plan:

CORRECTIVE ACTION PLAN

Expenditures in excess of budget appropriations

During the fiscal year there were two rounds of budget amendments designed to incorporate unbudgeted projects into the budget to prevent overages.

In the new fiscal year a mid-year evaluation will be performed of all accounts and unbudgeted items and amendments will be prepared accordingly.

City of Weslaco, Texas
Schedule of Findings and Questioned Costs
Summary Schedule of Prior Audit Findings

PROGRAM

Reference Number: (2016-001)

Corrective Action Plan:

STATUS OF PRIOR YEAR'S FINDINGS/COMPLIANCE

Expenditures in excess of budget appropriations

The City formally amended the budget several times during the year due to several supplements needed for expenditures that were not budgeted. However, the final budget amendments were insufficient to provide for the functional variances. See current year finding (2017-001).

City of Weslaco, Texas

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2017

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-through Entity Identifying Number	(4) Provided to Subrecipients	(5) Federal Expenditures
U.S. Department of Justice				
Law Enforcement Assistance FBI Advanced Police Training	16.300		-	14,424
Public Safety Partnership and Community Policing Grants	16.710		-	93,260
Recovery Act- Assistance to Rural Law Enforcement to Combat Crime and Competitive Grant Program	16.810		-	15,209
NICS Act Record Improvement Program	16.813			10,180
Equitable Sharing Program	16.922		-	49,882
Total U.S. Department of Justice				182,955
U.S. Department of Transportation				
Passed through Texas Department of Transportation				
Airport Improvement Program	20.106	CSJ 1121WESLA	-	287,825
Airport Improvement Program	20.106	CSJ 1421WESLA	-	109,153
Airport Improvement Program	20.106	CSJ 1621WESLA	-	1,524,003
Total passed through Texas Department of Transportation				1,920,981
Passed through Lower Rio Grande Valley Development Council				
* Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Tx-16-X028-00	-	137,239
Total passed through Lower Rio Grande Valley Development Council				137,239
Total U.S. Department of Transportation				2,058,220
U.S. General Services Administration				
Passed through the Texas Facilities Commission/Federal Surplus Program				
Donation of Federal Surplus Personal Property	39.003	15550	-	5,771
Total passed through Texas Facilities Commission/Federal Surplus Program				5,771
Total U.S. General Services Administration				5,771
U.S. Department of Homeland Security				
Passed through Texas Department of Emergency Management				
Disaster Grants- Public Assistance (Presidentially Declared Disasters)	97.036	PA ID 215-77272-00	-	105,726
Disaster Grants- Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4245-PW-094	-	54,175
Disaster Grants- Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4245-PW-060	-	6,600
Total passed through Texas Department of Emergency Management				166,501
Passed through Office of the Governor				
Homeland Security Grant Program	97.067	3173401	-	98,725
Homeland Security Grant Program	97.067	3173402		3,375
Homeland Security Grant Program	97.067	2968201	-	67,133
Total passed through Office of the Governor				169,233
Total U.S. Department of Homeland Security				335,734
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 2,582,680

* Clustered Programs

The accompanying notes are an integral part of this schedule

City of Weslaco, Texas
Notes on Accounting Policies for Federal Awards

NOTE 1- GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of City of Weslaco, Texas, for the year ended September 30, 2017. The information in this schedule is presented in accordance with the Uniform Guidance, Audits of State, Local Governments, and Non-Profit Organizations. The reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Financial accountability exists if a primary government appoints a voting majority of an organization's governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations with a separately elected governing Board, a governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the primary government.

In accordance with Governmental Accounting Standards Board requirements, the City has reviewed other entities and activities for possible inclusion in the reporting entity and determined that there are none; however, federal financial assistance passed through other governmental agencies is included on the schedule.

The City does not utilize the de minimus 10% indirect cost rate. Indirect costs, where applicable, are negotiated with the agency providing the grant award to the City.

NOTE 2- MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The federal grant funds were accounted for in the Special Revenue Funds and within the General Fund. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. With the Governmental Fund type measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

NOTE 3- SUB- RECIPIENTS

During the year ended September 30, 2017, the City had no sub-recipients.

NOTE 4- FEDERAL LOANS AND LOAN GUARANTEES

During the year ended September 30, 2017, the City had no outstanding federal loans payable or loan guarantees.

NOTE 5- FEDERALLY FUNDED INSURANCE

During the year ended September 30, 2017, the City had no federally funded insurance.

NOTE 6- NONCASH AWARDS

During the year ended September 30, 2017, the City received \$49,882 in non-cash federal awards for the Equitable Sharing Program and \$5,771 in non-cash federal awards for the Donation of Federal Surplus Personal Property program.



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1615	
From:			
Subject: Discussion and consideration to approve Change Order No. 001 with Noble Texas Builders on the University of Texas Rio Grande Valley Center for Innovation and Commercialization project to decrease the project sum by \$96,956.00 per value engineering items and authorize the Mayor to execute any related documents. Possible action. (There was no action on this item March 20 and April 3, 2018; Requested by Economic Development Corporation.)			
Background: The EDC presents a change order reflecting a negotiated decrease to the UTRGV CIC project.			
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):			
Elizabeth Walker		Created/Initiated	
Mike Perez		Final Approval	
City Manager Comments: Recommendation to be made at meeting.			
Staff Recommendation:			
Attachments, if any: Change Order No. 001 UTRGV-CIC project			
Responsibilities upon Approval:			

ECONOMIC DEVELOPMENT ADMINISTRATION

CHANGE ORDER FORM

EDA Award Number: 08-01-05123 Date: 03/09/18Recipient: Weslaco Economic Development Council

Co-Recipient(s): _____

Recipient's Authorized Representative: Marie McDermott 956-9690838
Name & Phone Number

Construction Contract No.	Contractor Name	Change Order No.
	Noble Texas Builders	001

The Change Order will provide for the following:

Value Engineering

Change Order Justification (Include cost analysis, if not unit cost in bid proposal or schedule of values):

See change proposal request #001

	TOTAL	EDA Eligible Amount	Non-EDA Eligible Amount
Original Contract Amount	\$ 3,150,000.00	\$	\$
Current Contract Amount adjusted by previous Change Orders	\$ 0	\$	\$
☐ This Change Order will ☐ (increase) ☒ (decrease) the Contract Amount by:	\$ 96,956.00	\$	\$
The original, scheduled date of completion is/was:	08/15/18		
The new Contract Amount including this Change Order will be:	\$ 3,053,044.00	\$	\$
☐ The Contract Time will ☐ (increase) ☐ (decrease) the schedule by:	Zero calendar days	calendar days	calendar days
The estimated date for completion of all work is:	08/15/18 (Date)	(Date)	(Date)



Prepared By (Signature)

3/12/18
Date

MARIE Mc Dermott / Executive Director, EDC of Weslaco

Prepared By (Typed or Written Name & Title)



Document G701™ – 2017

Change Order

PROJECT: (Name and address)
EDC of Weslaco - UTRGV CIC

Weslaco Texas

OWNER: (Name and address)
Economic Development Corporation of
Weslaco
275 South Kansas Street
Weslaco, TX 78596

CONTRACT INFORMATION:
Contract For: EDC of Weslaco - UTRGV
CIC - EDA Grant # 08-01-05123
Date: 01/22/2018

ARCHITECT: (Name and address)
megamorphosis
324 West Van Buren Ave
Harlingen, Texas 78550

CHANGE ORDER INFORMATION:
Change Order Number: 001
Date: 03/08/2018

CONTRACTOR: (Name and address)
Noble Texas Builders
435 South Texas Blvd.
Weslaco, TX 78596

THE CONTRACT IS CHANGED AS FOLLOWS:

(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Construction Change Directives.)

Decrease Contract Sum amount by \$96,956.00 per value engineering items on Change Proposal Request 001 dated 02/23/2018.

The original Contract Sum was	\$	3,150,000.00
The net change by previously authorized Change Orders	\$	0.00
The Contract Sum prior to this Change Order was	\$	3,150,000.00
The Contract Sum will be decreased by this Change Order in the amount of	\$	96,956.00
The new Contract Sum including this Change Order will be	\$	3,053,044.00

The Contract Time will be unchanged by Zero (0) days.
The new date of Substantial Completion will be August 9, 2018

NOTE: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

megamorphosis

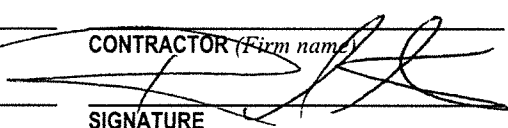
ARCHITECT (Firm name)

SIGNATURE

Chris Sias, Architect
PRINTED NAME AND TITLE

3/12/18
DATE

Noble Texas Builders

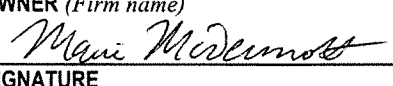

CONTRACTOR (Firm name)

SIGNATURE

Rene Capistran, President
PRINTED NAME AND TITLE

3-10-18
DATE

Economic Development Corporation of
Weslaco


OWNER (Firm name)

SIGNATURE

Marie McDermott, Executive Director
PRINTED NAME AND TITLE

3-12-18
DATE

AIA® Document G709™ – 2001

Work Changes Proposal Request

PROJECT *(Name and address):*
EDC of Weslaco - UTRGV CIC
Weslaco Texas

PROPOSAL REQUEST NUMBER: 001

OWNER: ☐

DATE OF ISSUANCE: 02/23/2018

ARCHITECT: ☐

CONSULTANT: ☐

CONTRACTOR: ☒

FIELD: ☐

OTHER: ☐

OWNER *(Name and address):*
Economic Development Corporation
of Weslaco
275 South Kansas Street
Weslaco, TX 78596

CONTRACT FOR: General Construction

CONTRACT DATE: 01/22/2018

FROM ARCHITECT *(Name and address):*

megamorphosis
324 West Van Buren Ave
Harlingen, Texas 78550

ARCHITECT'S PROJECT NUMBER: 1511

TO CONTRACTOR *(Name and address):*

Noble Texas Builders
435 South Texas Blvd.
Weslaco, TX. 78596

Please submit an itemized proposal for changes in the Contract Sum and Contract Time for proposed modifications to the Contract Documents described herein. Within Ten (10) days, the Contractor must submit this proposal or notify the Architect, in writing, of the date on which proposal submission is anticipated.

THIS IS NOT A CHANGE ORDER, A CONSTRUCTION CHANGE DIRECTIVE OR A DIRECTION TO PROCEED WITH THE WORK DESCRIBED IN THE PROPOSED MODIFICATIONS.

DESCRIPTION *(Insert a written description of the Work):*

Contractor to provide an itemized proposal for the following modifications:

- Provide savings amount for changing Solid Surface Countertops to Plastic Laminate countertops.
- Provide savings amount for the removal of construction cores required, and changing the specified Door Hardware locksets from Grade 1 to Grade 2 per the attached Specifications Section 08 71 00.
- Provide savings amount for replacing Jeld-Wen window system with a storefront system per the attached Specifications Section 08 41 13.
- Provide savings amount for changing the specified LVT Flooring to Patcraft Vinings 30mil/3mm; 6"x48" plank size per the attached Specifications Section 09 65 19.
- Provide savings amount for changing the specified wall tile in restrooms to Interceramic Aquarelle collection per the attached Specifications Section 09 30 00.

Provide the following per MEP documents attached:

- Provide savings amount for replacing terrazo mop sinks with fiberglass.
- Provide savings amount for the removal of the factory mounted airflow measuring station.
- Provide savings amount for changing the specified stainless steel to galvanized coil casing.
- Provide savings amount for removing the 5 year preventative maintenance agreement on HVAC.
- Provide savings amount for removing 2nd 5th year parts warranty on HVAC.
- Provide savings amount for removing 5 year labor and refrigerant warranty for the mini split system on the MDF Room.

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User Notes:

(3B9ADA2D)

- Provide savings amount for changes in luminaire schedule.
- Provide savings amount for changing cooper feeders to aluminum feeders.
- Provide savings amount for removing all testing, NETA, factory representative.

ATTACHMENTS *(List attached documents that support description):*

Architectural Items:

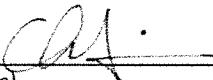
- Project's Manual Division 08 Section 081416 - Flush Wood Doors
- Project's Manual Division 08 Section 084113 - Aluminum Framed Entrances and Storefronts
- Project's Manual Division 08 Section 087100 - Door Hardware
- Project's Manual Division 09 Section 093000 - Tiling
- Project's Manual Division 09 Section 096519 - Resilient Tile Flooring

****Note:** Remove Section 085113 - Aluminum Windows and Section 123661.16 - Solid Surfacing Countertops from the Project Manual.

MEP Items:

- Ethos Engineering Change Proposal Request #01
- Alternate Light Fixtures Package

REQUESTED BY THE ARCHITECT:



(Signature)

Chris Sias, Architect

(Printed name and title)

PROPOSAL REQUEST (PR)

PR NO. 001



PROJECT NAME: Weslaco EDC - UTRGV CIC
 PROJECT ADDRESS: 307 E. Railroad St. Weslaco, Texas 78596
 PROJECT NO. 18-0101-00
 ARCHITECT: Megamorphosis, Inc.
 OWNER: Weslaco EDC
 EDA GRANT #: 08-01-05123
 DATE: 3/6/2018

We propose the following:

<u>PR Item No.</u>	<u>Description of Work</u>	<u>Amount (\$)</u>
1	P-Lam Countertops in lieu of Solid Surface - no cost impact for surface mounted sinks in lieu of under mounted	\$ (2,280.00)
2	Removal of Construction Cores	\$ (1,200.00)
3	Grade 2 Locksets in lieu of Grade 1	\$ (4,135.00)
4	P-Lam Doors in lieu of Stained Wood Doors	\$ (1,555.00)
5	Storefront Window System in lieu of Jeld-Wen	\$ (1,000.00)
6	Patcraft Vinings 30mil/3mm 6"x48" Planks in lieu of LVT	\$ (4,773.00)
7	Mapei Ultraflex LFT white thin set in lieu of Mapei Ultraflex 3 thin set	\$ (713.00)
8	Use of Interceramic Wall Tile in Restroom	\$ (2,587.00)
MEP ITEMS		
9	Fiberglass Mop Sink in lieu of Terrazzo	\$ (400.00)
10	Removal of Factory Mounted Airflow Measuring Station	\$ (12,000.00)
11	Galvanized Coil Casing in lieu of Stainless Steel	\$ (4,000.00)
12	Removal of 5-year Preventative Maintenance Agreement	\$ (20,000.00)
13	Removal of 2nd-5th year Parts Warranty	\$ (5,000.00)
14	Removal of 5-year Labor & Refrigerant Warranty for Mini Split System in the MDF Room	\$ (8,000.00)
15	Changes in Luminaire Schedule - includes Aircraft cable mounting for Ty C/CE fixtures	\$ (10,561.00)
16	Aluminum Feeders in lieu of Copper Feeders	\$ (13,540.00)
17	Removal of Testing, NETA, & Factory Rep	\$ (5,212.00)
GRAND TOTAL		\$ (96,956.00)

<u>Contract Breakdown</u>	<u>Amount</u>
CONTRACT AMOUNT PRIOR TO PR 001	\$ 3,150,000.00
TOTAL AMOUNT OF PR 001	\$ (96,956.00)
CONTRACT AMOUNT AFTER PR 001	\$ 3,053,044.00

Prepared By

A handwritten signature in black ink, appearing to read "Andrea Solis".

Andrea Solis, Project Manager



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1654	
From: Mardoqueo Hinojosa			
Subject: Discussion and consideration after public hearing on behalf of Ice House Sports Bar & Grill to approve a Conditional Use Permit to obtain a Mixed Beverage Permit, Mixed Beverage Late Hours Permit and Beverage Cartage Permit at 3700 E. Expressway 83 also being Lot 5 of the Replat of Red Bird Subdivision No. 2, Weslaco, Hidalgo County, Texas. Possible action. (Staffed by the Planning and Code Enforcement Department.)			
Background: The applicant is requesting to obtain a Conditional Use Permit to obtain a Mixed Beverage Permit, Mixed Beverage Late Hours Permit and Beverage Cartage Permit. Eight (8) property owners within 200 feet of the applicant's property were notified by letter on March 23, 2018.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature Public Hearing			
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: Notice of the application and the public hearing for the Planning and Zoning Commission and the City Commission appeared in The Monitor on March 19, 2018.			
Advisory Review, if any (name of board/committee, date of action, recommendation): Planning and Zoning recommended approval on April 4, 2018.			
Minda Hernandez		Created/Initiated	
Mardoqueo Hinojosa		Approved	
Mike Perez		Final Approval	
City Manager Comments: Approved.			
Staff Recommendation: Staff recommends approval.			
Attachments, if any: 3700 E Expressway 83, 3700 E. Exp. 83 - attachments			
Responsibilities upon Approval: Staff will notify applicant.			

Conditional Use Permit

Mixed Beverage, Late Hours & Beverage Cartage

Legend

 3700 E Expressway 83

Proposed Location

Plaza Los Encinos

W Frontage Rd

E Frontage Rd

Google Earth

© 2018 Google

© 2018 INEGI

600 ft





APPLICATION FOR CONDITIONAL USE PERMIT

RECEIVED

MAR 15 2018

Per MA

The Planning & Zoning Commission meets every 1st Wednesday of each month at 5:30 pm. Deadline to submit request is 30 days prior to the meeting.

The City Commission meets every 1st and 3rd Tuesday of each month at 5:30 pm

FILE NO. Cup18-00005

PROPOSED PROJECT

Legal Description of Property for which Conditional Use Permit is requested:

Lot 5 Block _____

Subdivision Name Red Bird #2

Street Address 3700 E. Expway 83

Existing Zoning Commerical Existing Land Use Commerical

Purpose for the Conditional Use Permit Request Opening new business

What, if anything, is planned to minimize the impact on the surrounding land uses: _____

- ☒ \$300.00 non-refundable filing fee.
- ☒ Detailed dimensioned site plan/map must be submitted with this request.
- ☒ Survey and metes and bounds if the legal description is a portion of a lot.
- ☒ City and school tax receipts attached.
- ☒ I have received a copy of "CUP Application Instructions"

APPLICANT

Name Ice House Sports Bar & Grill LLC Phone (956) 357-8460

Address 3700 Hwy 83 East Fax: _____

City Weslaco State TX Zip Code 78596 E-Mail: martinhgn31@gmail.com

OWNER

Name Bosha Enterprises LLC c/o Robert Perales Phone (956) 968-9323

Address 2612 E. Business 83 Ste A Fax: (956) 968-6321

City Weslaco State TX Zip Code 78596 E-Mail: robert.m.9959@yahoo.com

To the best of your knowledge are there any deed restrictions, restrictive covenants, etc., which would prevent the utilization of the property in the manner indicated?

Yes _____ No ✓

I certify that I am the actual owner of the property described above and this application is being submitted with my consent or I am authorized by the actual owner to submit this application and have attached written evidence of such authorization.

Signature Robert Perak Date 3-7-18
Owner

Signature Martin Hernandez Date 3-7-18
Applicant

Signature _____ Date _____
Authorized Agent

STAFF USE ONLY

Accepted By _____ Payment Received By _____ Date Paid _____

Notice of Public Hearing Sent to Property Owners Within 200' of Proposed Site Date _____

P & Z Notice of Public Hearing Published in Newspaper Date _____

City Commission Notice of Public Hearing Published in Newspaper Date _____

Presented to P & Z Commission Date _____
Approved _____ Disapproved _____ Tabled _____

Presented to City Commission Date _____
Approved _____ Disapproved _____ Tabled _____

Ice House Sports Bar & Grill LLC

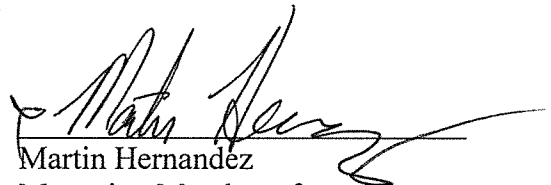
DBA Ice House Sports Bar & Grill
3700 Hwy 83 East, Weslaco, TX 78596

City of Weslaco
Planning & Zoning Department
255 S. Kansas Ave.
Weslaco, TX 78596-6285

Re: Ice House Sports Bar & Grill LLC DBA Ice House Sports Bar & Grill

To Whom It May Concern:

On behalf of Ice House Sports Bar & Grill LLC, is submitting an Application for Conditional Use Permit to sell alcoholic beverages at a new location on 3700 Hwy 83 East, Weslaco, TX 78596. The location will be a bar and grill.



Martin Hernandez
Managing Member of
Ice House Sports Bar & Grill LLC

TAX RECEIPT



PABLO (PAUL) VILLARREAL JR., PCC
HIDALGO COUNTY TAX ASSESSOR - COLLECTOR
PO BOX 178
EDINBURG, TEXAS 78540

pan

Certified Owner:

BOSHA ENTERPRISES LLC
C/O ROBERT PERALES
2612 E BUSINESS 83 STE A
WESLACO, TX 78596-8674

Legal Description:

RED BIRD #2 LOT 5 (REPLAT)

Parcel Address: 3700 E EXPWY 83

Legal Acres: 1.1052

Deposit No: WS18026121A

Validation No: 900000051171469

Account No: R1343-02-000-0005-00

Operator Code: JENNIFER121

Remit Seq No: 37273963

Receipt Date: 01/26/2018

Deposit Date: 01/26/2018

Print Date: 01/26/2018 08:52 AM

Printed By: JENNIFER121

Appr. Dist. No.: 696439

Year	Tax Unit Name	Rec Type	Tax Value	Tax Rate	Levy Paid	P&I	Coll Fee Paid	Total
2017	Hidalgo County	TL	554,648	0.580000	3,216.96	0.00	0.00	3,216.96
2017	Drainage Dist #1	TL	554,648	0.095100	527.47	0.00	0.00	527.47
2017	City Of Weslaco	TL	554,648	0.666700	3,697.84	0.00	0.00	3,697.84
2017	Weslaco Isd	TL	554,648	1.159700	6,432.25	0.00	0.00	6,432.25
2017	South Texas Isd	TL	554,648	0.049200	272.89	0.00	0.00	272.89
2017	South Texas College	TL	554,648	0.185000	1,026.10	0.00	0.00	1,026.10
					\$15,173.51	\$0.00	\$0.00	\$15,173.51

Check Number(s):
3513

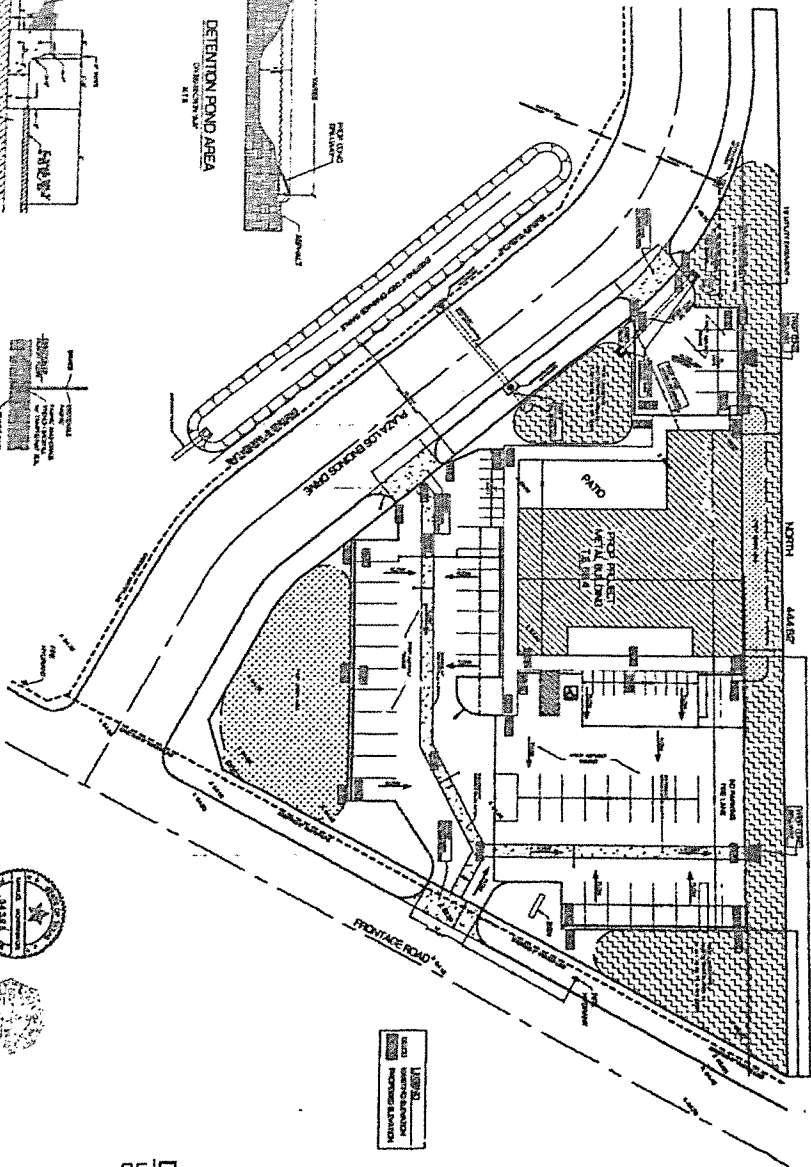
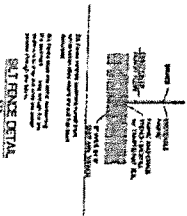
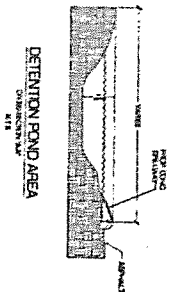
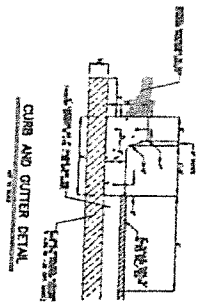
PAYMENT TYPE:

Checks: \$15,173.51

Exemptions on this property:

Total Applied:	\$15,173.51
Total Tendered:	\$15,173.51
(for accounts paid on 01/26/2018)	
Change Paid:	\$0.00

PAYER: 22009512
ROBERT PERALES
SYLVIA PERALES
2612 E BUSINESS 83 STE A
WESLACO, TX 78596



LEGEND
 1. LOT 2
 2. LOT 3
 3. LOT 4
 4. LOT 5
 5. LOT 6
 6. LOT 7
 7. LOT 8
 8. LOT 9
 9. LOT 10
 10. LOT 11
 11. LOT 12
 12. LOT 13
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 95. LOT 96
 96. LOT 97
 97. LOT 98
 98. LOT 99
 99. LOT 100

ENGINEER NOTE
 1. CUB & GUTTER 510.00 SQ. FT.
 2. PROPOSED PAVEMENT 2100.00 SQ. FT.

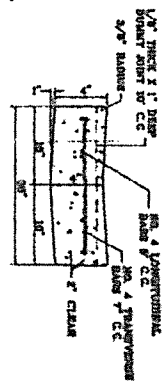


DETENTION POND CALCULATIONS
 LOT 5, RED BIRD SUBDIVISION # 2
 CITY OF WESLACO, CAMERON COUNTY, TEXAS

PREPARED FOR: BOBBY PERALES

Montemayor, Hansen, Garcia
 Vallarando & Associates
 6411 Montemayor, El Paso, Texas 79907
 Tel. 595-1234, 595-1235
 Fax 595-1236

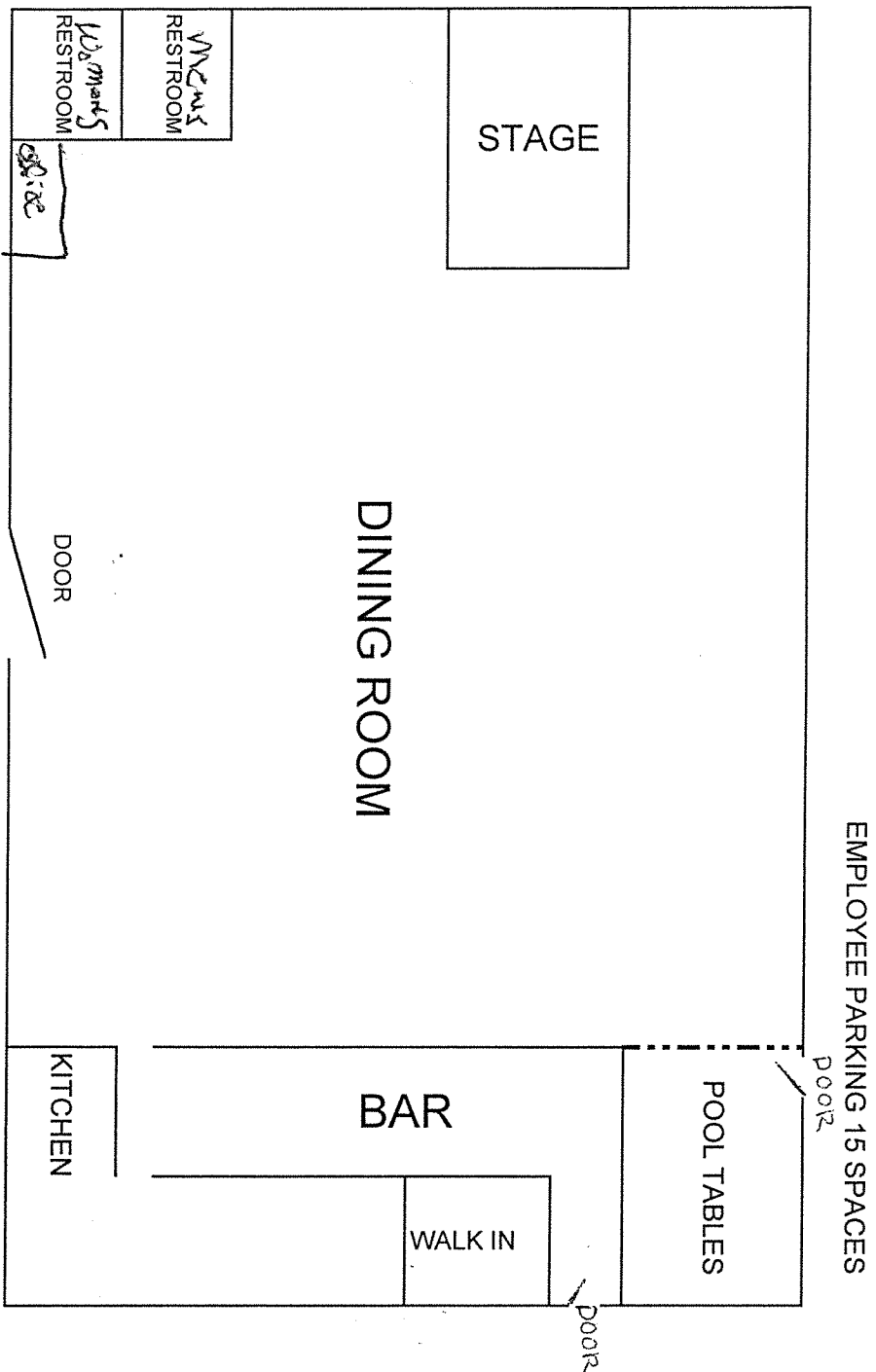
ME-19706 1-OF-1



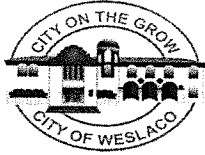
FRONT

2

20 SPACE PARKING LOT



Ice House Sports Bar & Grill
3700 Hwy 83 East, Weslaco, TX 78596

**City of Weslaco TX**

255 S KANSAS AVE
WESLACO, TX 78596
PLANNING AND ZONING DEPARTMENT

CITY OF WESLACO
956-968-3181

REC#: 02361770 3/15/2018 1:52 PM
OPER: VEM TERM: 003
REF#: 6063
PAID BY:

INVOICE

RECORD INFORMATION

Record ID: CUP18-00005
Record Type: Conditional Use
Property Address: 3700 E EXPWY 83, WESLACO, TX
Description of Work: CONDITIONAL USE PERMIT
Applicant: ICE HOUSE SPORTS BAR & GRILL LLC
3700 HWY 83 EAST
WESLACO, TX 78596

TRAN: 235.1000 PROCESSING FEE
ICE HOUSE SPORTS & GRILL LLC
01 -400-3200
PROCESSING FEE-ONLI 5.00CR

TRAN: 202.0000 CONDITIONAL USE PERM
3700 HWY 83 EAST
01 -400-1026
CONDITIONAL USE PER 300.00CR

TENDERED: 300.00 CHECK
5.00 CASH

APPLIED: 305.00-

CHANGE: 0.00

FEE DETAIL

Fee Description	Quantity	Fee Amount
Processing Fee - 235.10	1	\$5.00
Application Fee - 202.00	1	\$300.00
		\$305.00



ON-PREMISE PREQUALIFICATION PACKET

L-ON
(12/2017)

Submit this packet to the proper governmental entities to obtain certification for the type of license/permit for which you are applying as required by Sections 11.37, 11.39, 11.46(b), 61.37, 61.38, 61.42 and Rule §33.13

Contact your local TABC office to verify requirements of Sections 11.391 and 61.381 as you may be required to post a sign at your proposed location 60-days prior to the issuance of your license/permit.

All statutory and rule references mentioned in this application refer to and can be found in the Texas Alcoholic Beverage Code or Rules located on our website. www.tabc.texas.gov/laws/code_and_rules.asp

LOCATION INFORMATION

1. Application for: ☒ Original ☐ Add Late Hours Only License/Permit Number

☐ Reinstatement License/Permit Number

☐ Change of Licensed Location License/Permit Number

2. Type of On-Premise License/Permit

- | | |
|--|---|
| ☐ BG Wine and Beer Retailer's Permit | ☒ LB Mixed Beverage Late Hours Permit |
| ☐ BE Beer Retail Dealer's On-Premise License | ☐ MI Minibar Permit |
| ☐ BL Retail Dealer's On-Premise Late Hours License | ☐ CB Caterer's Permit |
| ☐ BP Brewpub License | ☐ FB Food and Beverage Certificate |
| ☐ V Wine & Beer Retailer's Permit for Excursion Boats | ☒ PE Beverage Cartage Permit |
| ☐ Y Wine & Beer Retailer's Permit for Railway Dining Car | ☐ RM Mixed Beverage Restaurant Permit with FB |
| ☒ MB Mixed Beverage Permit | |
| ☐ O Private Carrier's Permit - For Brewpubs (BP) with a BG only | |

3. Indicate Primary Business at this Location

- | | | |
|---|--|--|
| ☐ Restaurant | ☐ Sporting Arena, Civic Center, Hotel | ☒ Bar |
| ☐ Grocery/Market | ☐ Sexually Oriented | ☐ Miscellaneous _____ |

4. Trade Name of Location

Ice House Sports Bar & Grill

5. Location Address

3700 HWY 83 East

City	County	State	Zip Code
Weslaco	Hidalgo	TX	78596

6. Mailing Address

304 Sunset Drive

City	State	Zip Code
Harlingen	TX	78552

7. Business Phone No.

(956) 280-5438

Alternate Phone No.

(956) 357-8460

E-mail Address

martinhgn31@gmail.com

OWNER INFORMATION

8. Type of Owner

- | | | |
|--|---|---|
| ☐ Individual | ☐ Corporation | ☐ City/County/University |
| ☐ Partnership | ☒ Limited Liability Company | ☐ Other _____ |
| ☐ Limited Partnership | ☐ Joint Venture | |
| ☐ Limited Liability Partnership | ☐ Trust | |

9. Business Owner/Applicant

Ice House Sports Bar & Grill LLC

10. Are you, the applicant a veteran-owned business? ☐ Yes ☒ No11. Are you, the applicant a Historically Underutilized Business (HUB)? ☐ Yes ☒ No

12. As indicated on the chart, enter the individuals that pertain to your business type: (For additional space, use Form L-OIC)			
Individual/Individual Owner		Limited Liability Company/All Officers or Managers	
Partnership/All Partners		Joint Venture/Venturers	
Limited Partnership/All General Partners		Trust/Trustee(s)	
Corporation/All Officers		City, County, University/Official	
Last Name Hernandez	First Name Martin	MI	Title Manager /Member
Last Name	First Name	MI	Title
Last Name	First Name	MI	Title

MEASUREMENT INFORMATION

Section 109.31 et seq.

13. Will your business be located within 300 feet of a church or public hospital? ☐ Yes ☒ No

NOTE: For churches or public hospitals measure from front door to front door, along the property lines of the street fronts and in a direct line across intersections.

14. Will your business be located within 300 feet of any private/public school, day care center or child care facility? ☐ Yes ☒ No

If "YES," are the facilities located on different floors or stories of the building? ☐ Yes ☐ No

NOTE: For private/public schools, day care centers and child care facilities measure in a direct line from the nearest property line of the school, day care center or child care facility to the nearest property line of the place of business, and in a direct line across intersections.

NOTE: For multistory building: businesses may be within 300 feet of a day care center or child care facility as long as the facilities are located on different floors of the building.

NOTE: If located on or above the fifth story of a multistory building: measure in a direct line from the property line of the private/public school to property line of your place of business in a direct line across intersections vertically up the building at the property line to the base of the floor on which your business is located.

15. Will your business be located within 1,000 feet of a private school? ☐ Yes ☒ No

16. Will your business be located within 1,000 feet of a public school? ☐ Yes ☒ No

60-DAY SIGN

17. As required under Section 11.391 and 61.381, enter the exact date the 60-Day sign was posted at your location.

Exact Date (MM/DD/YYYY)

ALL APPLICANTS

18. IF YOUR LOCATION IS NOT WITHIN THE CITY LIMITS, CHECK HERE ☐

I, the applicant, have confirmed I am not located in the city limits of any city and therefore all city certificates are not required.

WARNING AND SIGNATURE

IF APPLICANT IS SHOWN AS:

Proprietorship
Partnership
Corporation
Limited Partnership
Limited Liability Partnership
Limited Liability Company

WHO MUST SIGN:

Individual Owner
Partner
Officer
General Partner
General Partner
Officer/Manager

WARNING: Section 101.69 of the Texas Alcoholic Beverage Code states: "...a person who makes a false statement or false representation in an application for a permit or license or in a statement, report, or other instrument to be filed with the Commission and required to be sworn commits an offense punishable by imprisonment in the Texas Department of Criminal Justice for not less than 2 nor more than 10 years."

I, UNDER PENALTY OF LAW, HEREBY SWEAR THAT I HAVE READ ALL THE INFORMATION PROVIDED IN THE APPLICATION AND ANY ATTACHMENTS AND THE INFORMATION IS TRUE AND CORRECT. I ALSO UNDERSTAND ANY FALSE STATEMENT OR REPRESENTATION IN THIS APPLICATION CAN RESULT IN MY APPLICATION BEING DENIED AND/OR CRIMINAL CHARGES FILED AGAINST ME. I ALSO AUTHORIZE THE TEXAS ALCOHOLIC BEVERAGE COMMISSION TO USE ALL LEGAL MEANS TO VERIFY THE INFORMATION PROVIDED.

PRINT NAME Martin Hernandez

SIGN HERE

TITLE

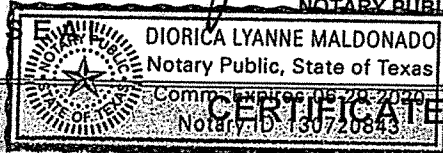
Manager/ Member

Before me, the undersigned authority, on this 7th day of March, 2018, the person whose name is signed to the foregoing application personally appeared and, duly sworn by me, states under oath that he or she has read the said application and that all the facts therein set forth are true and correct.

SIGN HERE

Duruf Maldonado

NOTARY PUBLIC



CERTIFICATE OF CITY SECRETARY (FOR MB, RM, V & Y)

Section 11.37

I hereby certify on this _____ day of _____, 20____, that the location for which the license/permit is sought is inside the boundaries of this city or town, in a "wet" area for such license/permit, and not prohibited by charter or ordinance in reference to the sale of such alcoholic beverages.

SIGN HERE

City Secretary/Clerk

City

TEXAS

SEAL

CERTIFICATE OF CITY SECRETARY (FOR BG & BE)

Section 11.37 & 61.37

I hereby certify on this _____ day of _____, 20____, that the location for which the license/permit is sought is inside the boundaries of this city or town, in a "wet" area for such license/permit, and not prohibited by charter or ordinance in reference to the sale of such alcoholic beverages.

Election for given location was held for:

- ☐ legal sale of all alcoholic beverages
- ☐ legal sale of all alcoholic beverages except mixed beverages
- ☐ legal sale of all alcoholic beverages including mixed beverages
- ☐ legal sale of beer/wine (17%) on-premise **AFTER** Sept. 1, 1999
- ☐ legal sale of beer/wine (14%) on-premise **BEFORE** Sept. 1, 1999

OR IF ABOVE DOES NOT APPLY:

Be advised the location must have had two election passages per Section 25.14 or Section 69.17 of the TABC Code. One for beer and wine off-premise and one for mixed beverage.

- ☐ legal sale of beer and wine for off-premise consumption only

AND EITHER:

- ☐ legal sale of mixed beverages

OR

- ☐ legal sale of mixed beverages in restaurants by food and beverage certificate holders (applicant must apply for FB with BG or BE)

SIGN HERE

City Secretary/Clerk

City

TEXAS

SEAL

CERTIFICATE OF CITY SECRETARY FOR LATE HOURS LICENSE/PERMIT (LB & BL)

Chapters 29 & 70 et seq.

I hereby certify on this _____ day of _____, 20____, that one of the below is correct:

- ☐ The governing body of this city has by ordinance authorized the sale of *mixed beverages* between midnight and 2:00 A.M.; or
- ☐ The governing body of this city has by ordinance authorized the sale of *beer* between midnight and _____ A.M.; or
- ☐ The population of the city or county where premises are located was 500,000 or more according to the 22nd Decennial Census of the United States as released by the Bureau of the Census on March 12, 2001; or
- ☐ The population of the city or county where premises are located was 800,000 or more according to the last Federal Census (2010).

SIGN
HERE _____, TEXAS
City Secretary/Clerk City

SEAL

CERTIFICATE OF COUNTY CLERK (FOR MB, RM, V & Y)

Section 11.37

I hereby certify on this _____ day of _____, 20____, that the location for which the license/permit is sought is in a "wet" area for such license/permit, and is not prohibited by any valid order of the Commissioner's Court.

SIGN
HERE _____ COUNTY
County Clerk

SEAL

CERTIFICATE OF COUNTY CLERK (FOR BG & BE)

Section 11.37 & 61.37

I hereby certify on this _____ day of _____, 20____, that the location for which the license/permit is sought is in a "wet" area and is not prohibited by any valid order of the Commissioner's Court.

Election for given location was held for:

- ☐ legal sale of all alcoholic beverages
- ☐ legal sale of all alcoholic beverages except mixed beverages
- ☐ legal sale of all alcoholic beverages including mixed beverages
- ☐ legal sale of beer/wine (17%) on-premise **AFTER** Sept. 1, 1999
- ☐ legal sale of beer/wine (14%) on-premise **BEFORE** Sept. 1, 1999

OR IF ABOVE DOES NOT APPLY:

Be advised the location must have had two election passages per 25.14 or 69.17 of the TAB Code. One for beer and wine off-premise and one for mixed beverage.

- ☐ legal sale of beer and wine for off-premise consumption only

AND EITHER:

- ☐ legal sale of mixed beverages

OR

- ☐ legal sale of mixed beverages in restaurants by food and beverage certificate holders
(applicant must apply for FB with BG or BE)

SIGN
HERE _____ COUNTY
County Clerk

SEAL

CERTIFICATE OF COUNTY CLERK FOR LATE HOURS LICENSE/PERMIT (LB & BL)

Chapters 29 & 70 et seq

- I hereby certify on this _____ day of _____, 20_____, that one of the below are correct:
- ☐ The Commissioner's Court of the county has by order authorized the sale of *mixed beverages* between midnight and 2:00 A.M.; or
- ☐ The Commissioner's Court of the county has by order authorized the sale of *beer* between midnight and _____ A.M.; or
- ☐ The population of the city or county where premises are located was 500,000 or more according to the 22nd Decennial Census of the United States as released by the Bureau of the Census on March 12, 2001; or
- ☐ The population of the city or county where premises are located was 800,000 or more according to the last Federal Census (2010).

SIGN

HERE _____ COUNTY

County Clerk

SEAL

COMPTROLLER OF PUBLIC ACCOUNTS CERTIFICATE

Section 11.46 (b) & 61.42 (b)

This is to certify on this _____ day of _____, 20_____, the applicant holds or has applied for and satisfies all legal requirements for the issuance of a Sales Tax Permit under the Limited Sales, Excise and Use Tax Act or the applicant as of this date is not required to hold a Sales Tax Permit.

Sales Tax Permit Number _____ Outlet Number _____

Print Name of Comptroller Employee _____

Print Title of Comptroller Employee _____

SIGN

HERE _____ FIELD OFFICE _____

SEAL

PUBLISHER'S AFFIDAVIT (FOR MB, LB, RM, BP, BG, BE, BL, V & Y)

Section 11.39 and 61.38

Name of newspaper

City, County

Dates notice published in daily/weekly newspaper (MM/DD/YYYY)

Publisher or designee certifies attached notice was published in newspaper stated on dates shown.

Signature of publisher or designee

Sworn to and subscribed before me on this date (MM/DD/YYYY)

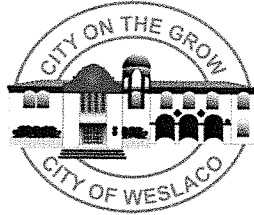
Signature of Notary Public

SEAL

ATTACH PRINTED
COPY OF THE
NOTICE HERE

City of Weslaco

"The City on the Grow"



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

Mike R. Perez, City Manager

PLANNING DEPARTMENT

March 23, 2018

Legal Notice

Dear Occupant:

The Weslaco Planning and Zoning Commission will hold a public hearing on Wednesday, April 4, 2018 at 5:30 p.m. and the City Commission will also hold a public hearing on Tuesday, April 17, 2018 at 5:30 p.m. at the City Hall Legislative Chambers located at 255 South Kansas Avenue to consider the following request:

CONDITIONAL USE PERMIT REQUEST:

Ice House Sports Bar & Grill LLC is requesting a Conditional Use Permit to obtain a Mixed Beverage Permit, Mixed Beverage Late Hours Permit and Beverage Cartage Permit at 3700 E. Expressway 83 also being Lot 5 of the Replat of Red Bird Subdivision No. 2, Weslaco, Hidalgo County, Texas.

The public is hereby invited to attend and express their support or opposition to the request. You may also file a written notice supporting or protesting this action. For more information please call the Planning Department at (956) 447-3403.

Si desea información en español, por favor llame al departamento de Planeación de la ciudad de Weslaco, (956) 447-3403.

Sincerely,

Mardoqueo Hinojosa, P.E., CFM
Planning Director/City Engineer

MH/mh

F.T. 1032

FT 1034

A0800-00-000-1034-02

N

SCALE: 1" = 400'

A0800-00-000-1034-30

A0800-00-000-1034-31

A0800-00-000-1034-04

1034-26

1034-14

1034-16

A0800-00-000-1034-18

1034-20

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1034-04

1034-12

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1034-08

1034-06

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16

PALM AIR

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TEX-BEST
T187000

R018000
LOT 1

R G V EXPRESS

R G V EXPRESS #2

F.T. 1033

R018002

AHEC

LOT 1

A1320

W.E. #1

W011504

W17100

WADOSO PH 1

200' RADIUS

DELLINGER

INTERSTATE 2

SITE LOCATION

RED BIRD
NO. 3

ROYAL

A0800-00-000-1033-26

ARBYS
A552900

-01

1033-04

TRINITY MER
1

-27

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MILE 7 NORTH

INTERNATIONAL
PLAZA

1604700

DAVIS BUSINESS

TIERRA PROMETIDA

PALESTINA

SAMARIA

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-137 321

MAR 20, 2018

RODEE LLC C/O ROBERT PERALES 2612 E BUSINESS 83 STE A WESLACO TX 78596	R1343-02-000-0003-00 RED BIRD #2 LOT 3 (REPLAT) 0 PLAZA LOS ENCINOS DR	L: 127020 B: 389795
RODEE LLC C/O ROBERT PERALES 2612 E BUSINESS 83 STE A WESLACO TX 78596	R1343-02-000-0004-00 RED BIRD #2 LOT 4 (REPLAT) 0 PLAZA LOS ENCINOS DR	L: 149565 B: 565916
BOSHA ENTERPRISES LLC C/O ROBERT PERALES 2612 E BUSINESS 83 STE A WESLACO TX 78596	R1343-02-000-0005-00 RED BIRD #2 LOT 5 (REPLAT) 3700	L: 245524 B: 309124
CYGAR LP C/O ROBERT PERALES 2612 E BUSINESS 83 STE A WESLACO TX 78596	R1343-02-000-0006-00 RED BIRD #2 LOT 6 (REPLAT) 0 PLAZA LOS ENCINOS DR	L: 226190 B: 74603
PETERSON JOHN & JAN 303 JOHNSON CIR WESLACO TX 78596	W1710-01-000-0001-00 W.E. #1 LOT 1 0	L: 392404 B: 503880
EBERLE INVESTMENTS LTD PO BOX 518 DONNA TX 78537	W0115-01-000-0002-00 WADOSO PH 1 LOT 2 514 PLAZA LOS ENCINOS DR	L: 413838 B: 757193
PETERSON JOHN H & JANICE M 303 JOHNSON CIR WESLACO TX 78596	W0115-01-000-0001-00 WADOSO PH 1 LOT 1 0 EXP FRONTAGE RD	L: 263701 B: 7795
EBERLE INVESTMENTS LTD PO BOX 518 DONNA TX 78537	A0800-00-000-1033-26 ADAMS TRACT AN IRR TR N330.45'-S 490.90' FT 1033 7.54 AC GR 7.28 501 S INTERNATIONAL BLVD	L: 0 B: 0



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1653	
From: Mardoqueo Hinojosa			
Subject: Discussion and consideration after public hearing on behalf of Reyna 5 Enterprises LLC for a Conditional Use Permit to obtain a Mixed Beverage Permit, Food and Beverage Certificate and Beverage Cartage Permit at 812 W. Interstate 2 also being Lot 2 Replat of Lot 1, Reyna Office Park, Unit 1 Subdivision, Weslaco, Hidalgo County, Texas. Possible action. (Staffed by Planning and Code Enforcement Department.)			
Background: The applicant is requesting to obtain a Conditional Use Permit to obtain a Mixed Beverage Permit, Food and Beverage Certificate and Beverage Cartage Permit. Four (4) property owners within 200 feet of the applicants property were notified by letter on March 23, 2018.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature Public Hearing			
If item previously considered, provide date and action by Commission: Property received approval for Wine and Beer on meeting held on April 3, 2018.			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners: Notice of the application and the public hearing for the Planning and Zoning Commission and the City Commission appeared in The Monitor on March 21, 2018			
Advisory Review, if any (name of board/committee, date of action, recommendation): Planning and Zoning recommended approval on April 4, 2018.			
Rebekah De La Fuente Mardoqueo Hinojosa Mike Perez		Created/Initiated Approved Final Approval	
City Manager Comments: Approved.			
Staff Recommendation: Staff recommends approval of the Conditional Use Permit.			
Attachments, if any: 812 W Interstate 2, 812 W. Interstate 2 - attachements			
Responsibilities upon Approval: Staff will notify applicant.			

Conditional Use Permit

Mixed Beverage, Food & Beverage Certificates, Beverage Cartage

Legend

 812 W Interstate 2

Proposed Location

Google Earth

© 2018 Google

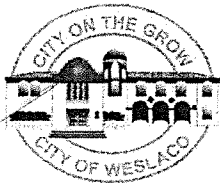
© 2018 INEGI



San Carlos St

800 ft

RECEIVED
MAR 07 2018
Per MC



APPLICATION FOR CONDITIONAL USE PERMIT

The Planning & Zoning Commission meets every 1st Wednesday of each month at 5:30 pm. Deadline to submit request is 30 days prior to the meeting.

The City Commission meets every 1st and 3rd Tuesday of each month at 5:30 pm

FILE NO. CUP18-00004

PROPOSED PROJECT

Legal Description of Property for which Conditional Use Permit is requested:

Lot _____ Block _____

Subdivision Name _____

Street Address 812 W. Interstate 2

Existing Zoning Commerical Existing Land Use Commerical

Purpose for the Conditional Use Permit Request Opening new business.

What, if anything, is planned to minimize the impact on the surrounding land uses: _____

- ☒ \$300.00 non-refundable filing fee.
- ☒ Detailed dimensioned site plan/map must be submitted with this request.
- ☒ Survey and metes and bounds if the legal description is a portion of a lot.
- ☒ City and school tax receipts attached.
- ☒ I have received a copy of "CUP Application Instructions"

APPLICANT

Name Reyna 5 Enterprises LLC Phone (956) 975-6383

Address 812 W. Interstate 2 Fax: _____

City Weslaco State TX Zip Code 78596 E-Mail: zekereyna@gmail.com

OWNER

Name R-5 Eateries LLC dba Bar-B-Cuties Smokehouse Phone (956) 975-6383

Address 702 W. Expy 83 # 100 Fax: _____

City Weslaco State TX Zip Code 78596 E-Mail: _____

To the best of your knowledge are there any deed restrictions, restrictive covenants, etc., which would prevent the utilization of the property in the manner indicated?

Yes _____ No ✓

I certify that I am the actual owner of the property described above and this application is being submitted with my consent or I am authorized by the actual owner to submit this application and have attached written evidence of such authorization.

Signature [Signature] Date 3/7/18
Owner

Signature [Signature] Date 3/7/18
Applicant

Signature [Signature] Date 3/7/18
Authorized Agent

STAFF USE ONLY

Accepted By _____ Payment Received By _____ Date Paid _____

Notice of Public Hearing Sent to P
200' of Proposed Site

P & Z Notice of Public Hearing Put

CITY OF WESLACO
956-968-3181

City Commission Notice of Public
in Newspaper

REC#: 02358979 3/07/2018 3:18 PM
OPER: Karev TERM: 036
REF#: 1424
PAID BY:

Presented to P & Z Commission
Approved _____ Disapproved _____

TRAN: 235.1000 PROCESSING FEE
6737
01 -400-3200
PROCESSING FEE-ONLI 5.00CR

Presented to City Commission
Approved _____ Disapproved _____

TRAN: 202.0000 CONDITIONAL USE PERM
6737
01 -400-1026
CONDITIONAL USE PER 300.00CR

255 S. KANSAS AVE ■ WESLACO, TEXA

TENDERED: 305.00 CHECK
APPLIED: 305.00-

20TX.GOV

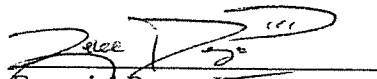
Reyna 5 Enterprises LLC
DBA Bar-B-Cutie Smokehouse
812 W. Interstate 2, Weslaco, TX 78596
(956) 968-2278

City of Weslaco
Planning & Zoning Department
255 S. Kansas Ave.
Weslaco, TX 78596-6285

Re: Reyna 5 Enterprises LLC DBA Bar-B-Cutie Smokehouse

To Whom It May Concern:

On behalf of Reyna 5 Enterprises LLC, is submitting an Application for Conditional Use Permit to sell alcoholic beverages at a new location on 812 W. Interstate 2, Weslaco, TX 78596. The location will be a full service restaurant with a bar.


Ezequiel Reyna III
Manager/Member of
Reyna 5 Enterprises LLC



ON-PREMISE PREQUALIFICATION PACKET

L-ON
(12/2017)

Submit this packet to the proper governmental entities to obtain certification for the type of license/permit for which you are applying as required by Sections 11.37, 11.39, 11.46(b), 61.37, 61.38, 61.42 and Rule §33.13

Contact your local TABC office to verify requirements of Sections 11.391 and 61.381 as you may be required to post a sign at your proposed location 60-days prior to the issuance of your license/permit.

All statutory and rule references mentioned in this application refer to and can be found in the Texas Alcoholic Beverage Code or Rules located on our website. www.tabc.texas.gov/laws/code_and_rules.asp

LOCATION INFORMATION

1. Application for: ☒ Original ☐ Add Late Hours Only License/Permit Number

☐ Reinstatement License/Permit Number

☐ Change of Licensed Location License/Permit Number

2. Type of On-Premise License/Permit

- | | |
|--|--|
| ☐ BG Wine and Beer Retailer's Permit | ☐ LB Mixed Beverage Late Hours Permit |
| ☐ BE Beer Retail Dealer's On-Premise License | ☐ MI Minibar Permit |
| ☐ BL Retail Dealer's On-Premise Late Hours License | ☐ CB Caterer's Permit |
| ☐ BP Brewpub License | ☒ FB Food and Beverage Certificate |
| ☐ V Wine & Beer Retailer's Permit for Excursion Boats | ☒ PE Beverage Cartage Permit |
| ☐ Y Wine & Beer Retailer's Permit for Railway Dining Car | ☐ RM Mixed Beverage Restaurant Permit with FB |
| ☒ MB Mixed Beverage Permit | |
| ☐ O Private Carrier's Permit – For Brewpubs (BP) with a BG only | |

3. Indicate Primary Business at this Location

- | | | |
|--|--|--|
| ☒ Restaurant | ☐ Sporting Arena, Civic Center, Hotel | ☐ Bar |
| ☐ Grocery/Market | ☐ Sexually Oriented | ☐ Miscellaneous _____ |

4. Trade Name of Location

Bar-B-Cutie Smokehouse

5. Location Address

812 W. Interstate 2

City

Weslaco

County

Hidalgo

State

TX

Zip Code

78596

6. Mailing Address

812 W. Interstate 2

City

Weslaco

State

TX

Zip Code

78596

7. Business Phone No.

(956) 968-2278

Alternate Phone No.

(956) 968-2829

E-mail Address

zekereyna@gmail.com

OWNER INFORMATION

8. Type of Owner

- | | | |
|--|---|---|
| ☐ Individual | ☐ Corporation | ☐ City/County/University |
| ☐ Partnership | ☒ Limited Liability Company | ☐ Other _____ |
| ☐ Limited Partnership | ☐ Joint Venture | |
| ☐ Limited Liability Partnership | ☐ Trust | |

9. Business Owner/Applicant

Reyna 5 Enterprises LLC

10. Are you, the applicant a veteran-owned business? ☐ Yes ☒ No

11. Are you, the applicant a Historically Underutilized Business (HUB)? ☐ Yes ☒ No

12. As indicated on the chart, enter the individuals that pertain to your business type: (For additional space, use Form L-OIC)			
Individual/Individual Owner		Limited Liability Company/All Officers or Managers	
Partnership/All Partners		Joint Venture/Venturers	
Limited Partnership/All General Partners		Trust/Trustee(s)	
Corporation/All Officers		City, County, University/Official	
Last Name Reyna III	First Name Ezequiel	MI	Title Manager / Member
Last Name Reyna	First Name Dominic	MI	Title Member
Last Name	First Name	MI	Title

MEASUREMENT INFORMATION

Section 109.31 et seq.

13. Will your business be located within 300 feet of a church or public hospital? ☐ Yes ☒ No

NOTE: For churches or public hospitals measure from front door to front door, along the property lines of the street fronts and in a direct line across intersections.

14. Will your business be located within 300 feet of any private/public school, day care center or child care facility? ☐ Yes ☒ No

If "YES," are the facilities located on different floors or stories of the building? ☐ Yes ☐ No

NOTE: For private/public schools, day care centers and child care facilities measure in a direct line from the nearest property line of the school, day care center or child care facility to the nearest property line of the place of business, and in a direct line across intersections.

NOTE: For multistory building: businesses may be within 300 feet of a day care center or child care facility as long as the facilities are located on different floors of the building.

NOTE: If located on or above the fifth story of a multistory building: measure in a direct line from the property line of the private/public school to property line of your place of business in a direct line across intersections vertically up the building at the property line to the base of the floor on which your business is located.

15. Will your business be located within 1,000 feet of a private school? ☐ Yes ☒ No

16. Will your business be located within 1,000 feet of a public school? ☐ Yes ☒ No

60-DAY SIGN

17. As required under Section 11.391 and 61.381, enter the exact date the 60-Day sign was posted at your location.

Exact Date (MM/DD/YYYY)

12 / 21 / 2017

ALL APPLICANTS

18. IF YOUR LOCATION IS NOT WITHIN THE CITY LIMITS, CHECK HERE ☐

I, the applicant, have confirmed I am not located in the city limits of any city and therefore all city certificates are not required.

WARNING AND SIGNATURE

IF APPLICANT IS SHOWN AS:

Proprietorship
Partnership
Corporation
Limited Partnership
Limited Liability Partnership
Limited Liability Company

WHO MUST SIGN:

Individual Owner
Partner
Officer
General Partner
General Partner
Officer/Manager

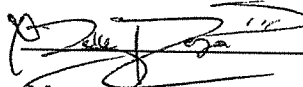
WARNING: Section 101.69 of the Texas Alcoholic Beverage Code states: "...a person who makes a false statement or false representation in an application for a permit or license or in a statement, report, or other instrument to be filed with the Commission and required to be sworn commits an offense punishable by imprisonment in the Texas Department of Criminal Justice for not less than 2 nor more than 10 years."

I, UNDER PENALTY OF LAW, HEREBY SWEAR THAT I HAVE READ ALL THE INFORMATION PROVIDED IN THE APPLICATION AND ANY ATTACHMENTS AND THE INFORMATION IS TRUE AND CORRECT. I ALSO UNDERSTAND ANY FALSE STATEMENT OR REPRESENTATION IN THIS APPLICATION CAN RESULT IN MY APPLICATION BEING DENIED AND/OR CRIMINAL CHARGES FILED AGAINST ME. I ALSO AUTHORIZE THE TEXAS ALCOHOLIC BEVERAGE COMMISSION TO USE ALL LEGAL MEANS TO VERIFY THE INFORMATION PROVIDED.

PRINT
NAME

Ezequiel Reyna III

SIGN
HERE

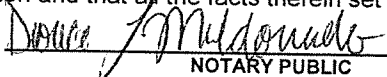


TITLE

Manager / Member

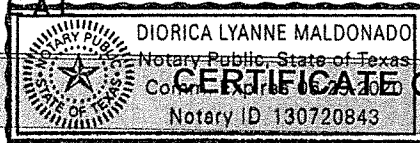
Before me, the undersigned authority, on this 6th day of March, 2018, the person whose name is signed to the foregoing application personally appeared and, duly sworn by me, states under oath that he or she has read the said application and that all the facts therein set forth are true and correct.

SIGN
HERE



NOTARY PUBLIC

SEAL



CERTIFICATE OF CITY SECRETARY (FOR MB, RM, V & Y)

Section 11.37

I hereby certify on this _____ day of _____, 20____, that the location for which the license/permit is sought is inside the boundaries of this city or town, in a "wet" area for such license/permit, and not prohibited by charter or ordinance in reference to the sale of such alcoholic beverages.

SIGN
HERE

City Secretary/Clerk

City

TEXAS

SEAL

CERTIFICATE OF CITY SECRETARY (FOR BG & BE)

Section 11.37 & 61.37

I hereby certify on this _____ day of _____, 20____, that the location for which the license/permit is sought is inside the boundaries of this city or town, in a "wet" area for such license/permit, and not prohibited by charter or ordinance in reference to the sale of such alcoholic beverages.

Election for given location was held for:

- ☐ legal sale of all alcoholic beverages
- ☐ legal sale of all alcoholic beverages except mixed beverages
- ☐ legal sale of all alcoholic beverages including mixed beverages
- ☐ legal sale of beer/wine (17%) on-premise **AFTER** Sept. 1, 1999
- ☐ legal sale of beer/wine (14%) on-premise **BEFORE** Sept. 1, 1999

OR IF ABOVE DOES NOT APPLY:

Be advised the location must have had two election passages per Section 25.14 or Section 69.17 of the TABC Code. One for beer and wine off-premise and one for mixed beverage.

- ☐ legal sale of beer and wine for off-premise consumption only

AND EITHER:

- ☐ legal sale of mixed beverages

OR

- ☐ legal sale of mixed beverages in restaurants by food and beverage certificate holders
(applicant must apply for FB with BG or BE)

SIGN
HERE

City Secretary/Clerk

City

TEXAS

SEAL

**CERTIFICATE OF CITY SECRETARY FOR LATE HOURS LICENSE/PERMIT
(LB & BL)**

Chapters 29 & 70 et seq.

I hereby certify on this _____ day of _____, 20____, that one of the below is correct:

- ☐ The governing body of this city has by ordinance authorized the sale of **mixed beverages** between midnight and 2:00 A.M.; or
- ☐ The governing body of this city has by ordinance authorized the sale of **beer** between midnight and _____ A.M.; or
- ☐ The population of the city or county where premises are located was 500,000 or more according to the 22nd Decennial Census of the United States as released by the Bureau of the Census on March 12, 2001; or
- ☐ The population of the city or county where premises are located was 800,000 or more according to the last Federal Census (2010).

SIGN

HERE _____

City Secretary/Clerk

City

TEXAS

S E A L

CERTIFICATE OF COUNTY CLERK (FOR MB, RM, V & Y)

Section 11.37

I hereby certify on this _____ day of _____, 20____, that the location for which the license/permit is sought is in a "wet" area for such license/permit, and is not prohibited by any valid order of the Commissioner's Court.

SIGN

HERE _____

County Clerk

_____ COUNTY

S E A L

CERTIFICATE OF COUNTY CLERK (FOR BG & BE)

Section 11.37 & 61.37

I hereby certify on this _____ day of _____, 20____, that the location for which the license/permit is sought is in a "wet" area and is not prohibited by any valid order of the Commissioner's Court.

Election for given location was held for:

- ☐ legal sale of all alcoholic beverages
- ☐ legal sale of all alcoholic beverages except mixed beverages
- ☐ legal sale of all alcoholic beverages including mixed beverages
- ☐ legal sale of beer/wine (17%) on-premise **AFTER** Sept. 1, 1999
- ☐ legal sale of beer/wine (14%) on-premise **BEFORE** Sept. 1, 1999

OR IF ABOVE DOES NOT APPLY:

Be advised the location must have had two election passages per 25.14 or 69.17 of the TAB Code. One for beer and wine off-premise and one for mixed beverage.

- ☐ legal sale of beer and wine for off-premise consumption only

AND EITHER:

- ☐ legal sale of mixed beverages

OR

- ☐ legal sale of mixed beverages in restaurants by food and beverage certificate holders
(applicant must apply for FB with BG or BE)

SIGN

HERE _____

County Clerk

_____ COUNTY

S E A L

CERTIFICATE OF COUNTY CLERK FOR LATE HOURS LICENSE/PERMIT (LB & BL)

Chapters 29 & 70 et seq

I hereby certify on this _____ day of _____, 20_____, that one of the below are correct:

- ☐ The Commissioner's Court of the county has by order authorized the sale of **mixed beverages** between midnight and 2:00 A.M.; or
- ☐ The Commissioner's Court of the county has by order authorized the sale of **beer** between midnight and _____ A.M.; or
- ☐ The population of the city or county where premises are located was 500,000 or more according to the 22nd Decennial Census of the United States as released by the Bureau of the Census on March 12, 2001; or
- ☐ The population of the city or county where premises are located was 800,000 or more according to the last Federal Census (2010).

SIGN

HERE _____

County Clerk

COUNTY

S E A L

COMPTROLLER OF PUBLIC ACCOUNTS CERTIFICATE

Section 11.46 (b) & 61.42 (b)

This is to certify on this _____ day of _____, 20_____, the applicant holds or has applied for and satisfies all legal requirements for the issuance of a Sales Tax Permit under the Limited Sales, Excise and Use Tax Act or the applicant as of this date is not required to hold a Sales Tax Permit.

Sales Tax Permit Number _____ Outlet Number _____

Print Name of Comptroller Employee _____

Print Title of Comptroller Employee _____

SIGN

HERE _____

FIELD OFFICE _____

S E A L

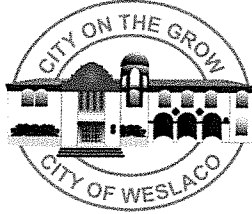
PUBLISHER'S AFFIDAVIT (FOR MB, LB, RM, BP, BG, BE, BL, V & Y)

Section 11.39 and 61.38

Name of newspaper		ATTACH PRINTED COPY OF THE NOTICE HERE
City, County		
Dates notice published in daily/weekly newspaper (MM/DD/YYYY)		
Publisher or designee certifies attached notice was published in newspaper stated on dates shown.		
Signature of publisher or designee		
Sworn to and subscribed before me on this date (MM/DD/YYYY)		
Signature of Notary Public		
S E A L		

City of Weslaco

"The City on the Grow"



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

Mike R. Perez, City Manager

PLANNING DEPARTMENT

March 23, 2018

Legal Notice

Dear Occupant:

The Weslaco Planning and Zoning Commission will hold a public hearing on Wednesday, April 4, 2018 at 5:30 p.m. and the City Commission will also hold a public hearing on Tuesday, April 17, 2018 at 5:30 p.m. at the City Hall Legislative Chambers located at 255 South Kansas Avenue to consider the following request:

CONDITIONAL USE PERMIT REQUEST:

Reyna 5 Enterprises LLC is requesting a Conditional Use Permit to obtain a Mixed Beverage Permit, Food and Beverage Certificate and Beverage Cartage Permit at 812 W. Interstate 2 also being Lot 2 Replat of Lot 1, Reyna Office Park, Unit 1 Subdivision, Weslaco, Hidalgo County, Texas.

The public is hereby invited to attend and express their support or opposition to the request. You may also file a written notice supporting or protesting this action. For more information please call the Planning Department at (956) 447-3403.

Si desea información en español, por favor llame al departamento de Planeación de la ciudad de Weslaco, (956) 447-3403.

Sincerely,

Mardoqueo Hinojosa, P.E., CFM
Planning Director/City Engineer

MH/mh

MAR 15, 2018

BANCO MERCANTIL DEL NORTE SA 100 E SAVANNAH AVE STE 540 MCALLEN TX 78503	P9275-00-000-0023-01 PUEBLO AMISTAD LOTS 23-25 709	L: 522240 B: 600322
MCCOY INVESTMENTS LTD 1235 NORTH LOOP W STE 205 HOUSTON TX 77008	R1343-00-000-0002-00 RED BIRD LOT 2 910 W EXPRWY 83	L: 1879753 B: 776401
REYNA FAMILY LAND DEV LTD 702 W EXPRESSWAY 83 STE 100 WESLACO TX 78599-4379	R2432-01-000-0001-00 REYNA OFFICE PARK UT 1 BLK 1 702 W EXPRWY 83	L: 2045862 B: 90872
R & A REAL ESTATE CO 1609 DAVENPORT WESLACO TX 78596	W3800-00-124-0000-00 WEST TRACT W278'-N320' OF FT 124 2.04AC GR 1.66AC NET 1502 N BORDER AVE	L: 578477 B: 0

CITY OF WESLACO LEGAL NOTICE

The Weslaco Planning and Zoning Commission will hold a Public Hearing on Wednesday, April 4, 2018 at 5:30 p.m. and the City Commission will also hold a Public Hearing on Tuesday, April 17, 2018 at 5:30 p.m. at the City Hall Legislative Chambers located at 255 South Kansas Avenue to consider the following requests:

Si desea informacion en español, llame al departamento de Planeación de la Ciudad de Weslaco, (956) 447-3403.

Reyna 5 Enterprises LLC is requesting a Conditional Use Permit to obtain a Mixed Beverage Permit, Food and Beverage Certificate and Beverage Cartage Permit at 812 W. Interstate 2 also being Lot 2 Replat of Lot 1, Reyna Office Park, Unit 1 Subdivision, Weslaco, Hidalgo County, Texas.

The public is invited to attend and express support for or opposition to these applications. You may also file written support or opposition on or before April 4, 2018, for the Planning and Zoning Commission and on or before April 17, 2018, for the City Commission. For additional information, contact the Planning Department at (956) 447-3403

/S/ MARDOQUEO HINOJOSA, P.E., CFM
Planning Director/City Engineer



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1624
From: Rolando Gonzalez		
Subject: Discussion and consideration to adopt Ordinance 2018-09 amending ordinance 2017-10 The City of Weslaco International Energy Conservation Code creating a sampling protocol for multiple dwelling units for Building Thermal Envelope Test and Duct Leakage Test and authorize the Mayor to execute any related documents. First Reading of Ordinance 2018-09. Possible action. (Staffed by Planning and Code Enforcement.)		
Background: Current ordinance requires 100% testing for Building Thermal Envelope Test and Duct Leakage Test. Modified ordinance allow for a 30% sample test which would be selected at random by City staff. Failure to Meet Code Requirement(s) will result in the following: a. If any dwelling units within the identified "sample group" fail to meet a code requirement as determined by testing, the builder will be directed to fix the cause(s) of failure, and 30% of the remaining dwelling units in the "sample group" will be randomly selected for testing by the building official, or third-party testing contractor, regarding the specific cause(s) of failure. b. If any failures occur in the additional dwelling units, all remaining dwelling units in the sample group must be individually tested for code compliance. c. A multifamily property with 3 failures within a 90-day period is no longer eligible to use the sampling protocol in that community or project until successfully repeating "Initial Testing." Sampling can be reinstated after at least 3 consecutive dwelling units are individually verified to meet all code requirements. d. No building may be issued a Certificate of Occupancy until testing has been performed and deemed to satisfy the minimum code requirements on the dwelling unit(s) identified for testing.		
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: Original ordinance was passed on May 2, 2017.		
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):	
Rebekah De La Fuente Mardoqueo Hinojosa Mike Perez	Created/Initiated Approved Final Approval
City Manager Comments: Approve.	
Staff Recommendation: Staff recommends approval.	
Attachments, if any: 2017-09 amend Energy+Ordinance 2017-10	
Responsibilities upon Approval: Staff will enforce ordinance.	

ORDINANCE 2018-09

AN ORDINANCE AMENDING ORDINANCE NUMBER 2017-10, THE CITY OF WESLACO INTERNATIONAL ENERGY CONSERVATION CODE ORDINANCE; CODIFIED AS ARTICLE I, SECTION 26-3 OF THE WESLACO CODE OF ORDINANCES, ADOPTING NEW REGULATIONS; 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 2017-10 passed and approved on May 2, 2017 as “International Energy Conservation Code Ordinance” and Codified as Article I Section 26-3 of the Weslaco Code of Ordinances is hereby amended.

SECTION II.

After second and final reading of this Ordinance the amended International Energy Conservation ordinance sections will be adopted and codified as Article I Section 26-3 International Energy Conservation Code of the Weslaco Code of Ordinances and said Article shall read as follows:

Chapter 26-3

International Energy Conservation Code

(c) SAMPLING PROTOCOL FOR GROUP R2, R3 AND R4 OCCUPANCIES

- 1. Sampling for Testing.** For buildings having three or more dwelling units, a minimum of 30% of the dwelling units in each building must be tested as required by Sections R402.4.1.2 and R403.3.3 of the 2015 *International Energy Conservation Code* (Code). Prior to beginning sampling for testing, “Initial Testing” is required for each multifamily property. “Initial Testing” shall consist of the 3rd party testing contractor performing the required tests on at least three consecutive dwelling units. Test results from the “Initial Testing” must satisfy minimum code requirements before sampling is permitted. Dwelling units selected for the “Initial Testing” must be within the same building. Dwelling units selected for “Initial Testing” shall not be included in a “sample group” or counted toward the minimum 30% of dwelling units tested. The building official shall randomly select the three dwelling units for “Initial Testing.” The building official may delegate the random selection to the designated 3rd party testing contractor.
- 2. Sample group Identification and Sampling** The builder shall identify a "sample group" which may be a building, floor, fire area or portion thereof. All of the

dwelling units within the “sample group” must be at the same stage of construction and must be ready for testing. The building official shall randomly select at least 30% of dwelling units from each “sample group” for testing. The building official may delegate the random selection to the designated 3rd party testing contractor.

If each tested dwelling unit within a “sample group” meets the minimum code requirements, then all dwelling units in the “sample group” are considered to meet the minimum code requirements. Before a building may be deemed compliant with the testing as required, each “sample group” must be deemed to be compliant with the minimum code requirements. The sum total of all of the tested dwelling units across all “sample groups” shall not be less than a minimum of 30% of the dwelling units in a building.

3. Failure to Meet Code Requirement(s)

- a. If any dwelling units within the identified “sample group” fail to meet a code requirement as determined by testing, the builder will be directed to fix the cause(s) of failure, and 30% of the remaining dwelling units in the “sample group” will be randomly selected for testing by the building official, or third-party testing contractor, regarding the specific cause(s) of failure.
- b. If any failures occur in the additional dwelling units, all remaining dwelling units in the sample group must be individually tested for code compliance.
- c. A multifamily property with 3 failures within a 90-day period is no longer eligible to use the sampling protocol in that community or project until successfully repeating "Initial Testing." Sampling can be reinstated after at least 3 consecutive dwelling units are individually verified to meet all code requirements.
- d. No building may be issued a Certificate of Occupancy until testing has been performed and deemed to satisfy the minimum code requirements on the dwelling unit(s) identified for testing.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 17th day of April 2018.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this ____ day of _____, 2018.

CITY OF WESLACO

David Suarez, **MAYOR**

ATTEST:

Elizabeth Walker, **CITY SECRETARY**

APPROVED AS TO FORM:

Juan E. Gonzalez, **CITY ATTORNEY**



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1651	
From: Mardoqueo Hinojosa			
Subject: Discussion and consideration to adopt Ordinance 2018-12 amending Ordinance 2017-10 The City of Weslaco International Energy Conservation Code regarding Commissioning. First Reading of Ordinance 2018-12. Possible action. (Staffed by Planning & Code Enforcement.)			
Background: Commissioning is a 3rd party review of mechanical, lighting and electrical systems to ensure energy efficiency by licensed professionals. Current ordinance requires for buildings more than 480,000 BTU/hr for cooling systems and a combined 600,000 BTU/hr combined heating and cooling. Revised ordinance raises threshold to 580,000 BTU/hr cooling system and 700,000 BTU/hr combined.			
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: Original ordinance approved May 2, 2017.			
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):			
Rebekah De La Fuente Mardoqueo Hinojosa Mike Perez		Created/Initiated Approved Final Approval	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval.			
Attachments, if any: 2018-12 +Energy+Ordinance+Commissioning			
Responsibilities upon Approval: Staff will enforce ordinance.			

ORDINANCE 2018-12

AN ORDINANCE AMENDING ORDINANCE NUMBER 2017-10, THE CITY OF WESLACO INTERNATIONAL ENERGY CONSERVATION CODE ORDINANCE; CODIFIED AS ARTICLE I, SECTION 26-3 OF THE WESLACO CODE OF ORDINANCES, ADOPTING NEW REGULATIONS; 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 2017-10 passed and approved on May 2, 2017 as “International Energy Conservation Code Ordinance” and Codified as Article I Section 26-3 of the Weslaco Code of Ordinances is hereby amended.

SECTION II.

After second and final reading of this Ordinance the amended International Energy Conservation ordinance sections will be adopted and codified as Article I Section 26-3 International Energy Conservation Code of the Weslaco Code of Ordinances and said Article shall read as follows:

Chapter 26-3

International Energy Conservation Code

C408.2 MECHANICAL SYSTEMS AND SERVICE WATER-HEATING SYSTEMS COMMISSIONING AND COMPLETION REQUIREMENTS.

Exceptions: The following systems are exempt:

1. Mechanical systems and service water heater systems in buildings where the total equipment capacity is less than 580,000 BTU/h cooling capacity and 700,000 BTU/h combined service water-heating and space-heating capacity.
2. Systems included in Section C403.3 that serve individual dwelling units and sleeping units.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 17th day of April 2018.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this ____ day of _____, 2018.

CITY OF WESLACO

David Suarez, **MAYOR**

ATTEST:

Elizabeth Walker, **CITY SECRETARY**

APPROVED AS TO FORM:

Juan E. Gonzalez, **CITY ATTORNEY**



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1672	
From: Mardoqueo Hinojosa			
Subject: Discussion and consideration to approve Change Order No. 1 for the Repairs of the Villa de Cortez Parking Garage Project in an amount not to exceed \$11,887.00 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning and Code Enforcement Department.)			
Background: Repairs for the Villa de Cortez Project were made as a result of the accident occurring on October 2017. These repairs consisted of items related to the vehicle accident only. During the inspection/review from the structural engineer, additional maintenance items were brought to City staff's attention. Concrete connection plates show 51 areas where corrosion is present. The recommendation has been attached, as well as its associated cost. In addition, while sandblasting the rail for the second deck, deterioration was found a replacement will be needed in a near future. Furthermore, a deck coating is also recommended to prevent water leakage.			
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):			
Elizabeth Walker		Created/Initiated	
Mardoqueo Hinojosa		Approved	
Mike Perez		Final Approval	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends Change Order No. 1.			
Attachments, if any: SCS Change Proposal - City of Weslaco (002)			
Responsibilities upon Approval: Staff will notify contractor.			



Structural Concrete Systems, LLC

April 11, 2018

PROPOSAL AND GENERAL CONDITIONS

VIA E-MAIL: mhinojosa@weslacotx.gov

Mardoqueo Hinojosa, PE, CFM
Planning Director/City Engineer
255 South Kansas Avenue
Weslaco, Texas 78596

Re: Repairs for Villa de Cortez Parking Garage

Dear Mr. Hinojosa:

Thank you for the opportunity for Structural Concrete Systems, LLC to provide you with a quote. SCS will provide labor and materials to remove the concrete where the connection plate is located in fifty-one (51) locations. SCS will wire wheel the connection plate and treat it with Sika 110 corrosion inhibitor in fifty-one (51) locations. SCS will place Sika VOH repair material in fifty-one (51) locations.

Price.....\$11,887.00

Accepted by the City of Weslaco

Signature:_____

Title:_____

Name:_____

Date:_____

Should you have any questions, please contact me. Thank you.

Kind regards,

Structural Concrete Systems, LLC

Damon DiBassie
President

DD:al

MEMBER:



INTERNATIONAL
CONCRETE REPAIR
INSTITUTE



American Concrete Institute®
Advancing concrete knowledge



POST-TENSIONING
INSTITUTE

21200 Country Pines Road
Magnolia, Texas 77355

Tel: (281) 583-7776
Cell: (281) 773-9355
info@scs.net

www.SCS.net

Sika® Armatec® 110 EpoCem

Bonding Agent and Reinforcement Protection

Description	Sika® Armatec® 110 EpoCem is a 3-component, solvent-free, moisture-tolerant, epoxy-modified, cementitious product specifically formulated as a bonding agent and anti-corrosion coating.
Where to Use	■ As an anti-corrosion coating for reinforcing steel in concrete restoration. ■ As added protection to reinforcing steel in areas of thin concrete cover. ■ As a bonding agent for repairs to concrete and steel. ■ As a bonding agent for placing fresh, plastic concrete to existing hardened concrete.
Advantages	■ Excellent adhesion to concrete and steel. ■ Acts as an effective barrier against penetration of water and chlorides. ■ Long open time - up to 16 hours. ■ Not a vapor barrier. ■ Can be used exterior on-grade. ■ Contains corrosion inhibitors. ■ Excellent bonding bridge for cement or epoxy based repair mortars. ■ High strength, unaffected by moisture when cured. ■ Spray, brush or roller application. ■ Non-flammable, solvent free.
Coverage	Bonding agent: minimum (theoretical) on smooth, even substrate 80 ft.²/gal. (=20 mils thickness). Coverage will vary depending on substrate profile and porosity. Reinforcement Protection: 40 ft.²/gal. (=20 mils thickness) (2 coat application).
Packaging	3.5 gal. unit. (47.6 fl. oz. Comp. A + 122.1 fl. oz. Comp. B + 46.82 lb. Comp. C) Comp. A + B in carton, Comp. C in multi-wall bag. 1.65 gal. unit. (22.7 fl. oz. A + 57.6 fl. oz. B + 4 bags @ 5.5 lb.) Factory-proportioned units in a pail.

Typical Data (Material and curing conditions @ 73°F and 50% R.H.)

RESULTS MAY DIFFER BASED UPON STATISTICAL VARIATIONS DEPENDING UPON MIXING METHODS AND EQUIPMENT, TEMPERATURE, APPLICATION METHODS, TEST METHODS, ACTUAL SITE CONDITIONS AND CURING CONDITIONS.

Shelf Life	1 year in original, unopened packaging.		
Storage	Store dry at 40°-95°F (4°-35°C). Condition material to 65°-75°F (18°-24°C) before using. If components A and B are frozen, discard. Protect Component C from humidity.		
Color	Concrete gray		
Density (Mixed)	125 lb./ft. ³ (2.0 kg.)		
Pot Life	Approximately 90 minutes		
Compressive Strength (ASTM C-109)	3 days	4500 psi	(31.0 MPa)
	7 days	6500 psi	(44.8 MPa)
	28 days	8500 psi	(58.6 MPa)
Flexural Strength (ASTM C-348)	28 days	1250 psi	(8.6 MPa)
Splitting Tensile Strength (ASTM C-496)	28 days	600 psi	(4.1 MPa)
Important Data for Sika Armatec 110 as a Corrosion Protective Coating			
Water	Water Permeability at 10 bar (145 psi)	8.92 x 10 ⁻¹⁵	ft./sec.
	Control	7.32 x 10 ⁻¹⁰	ft./sec.
	Water vapor diffusion coefficient μ H ₂ O	110	
Carbon Dioxide	Carbon dioxide diffusion coefficient μ CO ₂	14000	

TEST DATA: Time-to-Corrosion Study

- Sika® Armatec® 110 more than tripled the time to corrosion
- Reduced corrosion rate by over 40%



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Important Data for Sika® Armatec® 110 as a Bonding Agent

Bond Strength (ASTM C882)		14 days moist cure, plastic concrete to hardened concrete:	
Wet on Wet	2800 psi	(19.3 MPa)	
24 hr. Open Time	2600 psi	(17.9 MPa)	
Bond of Steel Reinforcement to Concrete (Pullout Test):			
Sika® Armatec® 110 Coated	625 psi	(4.3 MPa)	
Epoxy Coated	508 psi	(3.5 MPa)	
Plain Reinforcement	573 psi	(3.95 MPa)	

How to Use

Surface Preparation	Cementitious substrates: Should be cleaned and prepared to achieve a laitance and contaminant-free surface prepared in accordance with the requirements specified by the overlay or repair material by blast cleaning or equivalent mechanical means. Substrate must be saturated surface dry (SSD) with no standing water. Steel: Should be fully exposed and have all corrosion removed by blast cleaning or other means of mechanical abrasion								
Mixing	Shake contents of both Component 'A' and Component 'B'. Empty entire contents of both Component 'A' and Component 'B' into a clean, dry mixing pail. Mix thoroughly for 30 seconds with a Sika paddle on a low speed (400-600 rpm) drill. Slowly add the entire contents of Component 'C' while continuing to mix for 3 minutes until blend is uniform and free of lumps. Mix only that quantity that can be applied within its pot life.								
Application	As a bonding agent - Apply by stiff-bristle brush or broom. Spray apply with Goldblatt Pattern Pistol or equal equipment. For best results, work the bonding slurry well into the substrate to ensure complete coverage of all surface irregularities. Apply the freshly mixed patching mortar or concrete wet on wet, or up to the maximum recommended open time, onto the bonding slurry. Maximum recommended open time between application of Armatec® 110 and patching mortar or concrete: <table> <tr> <td>80°-95°F (26°-35°C)</td><td>6 hours</td></tr> <tr> <td>65°-79°F (18°-26°C)</td><td>12 hours</td></tr> <tr> <td>50°-64°F (10°-17°C)</td><td>16 hours</td></tr> <tr> <td>40°-49°F (4°-9°C)</td><td>wet-on-wet</td></tr> </table> For corrosion protection only - Apply by stiff-bristle brush or spray at 80 ft.²/gal. (20 mils). Take special care to properly coat the underside of the totally exposed steel. Allow coating to dry 2-3 hours at 73°F, then apply a second coat at the same coverage. Allow to dry again before the repair mortar or concrete is applied. Pour or place repair within 7 days.	80°-95°F (26°-35°C)	6 hours	65°-79°F (18°-26°C)	12 hours	50°-64°F (10°-17°C)	16 hours	40°-49°F (4°-9°C)	wet-on-wet
80°-95°F (26°-35°C)	6 hours								
65°-79°F (18°-26°C)	12 hours								
50°-64°F (10°-17°C)	16 hours								
40°-49°F (4°-9°C)	wet-on-wet								
Limitations	- Substrate and ambient temperature: Minimum 40°F (5°C). - Maximum 95°F (35°C). - Minimum thickness: As a bonding agent 20 mils. - For reinforcement protection 40 mils. (2 coats, 20 mils each). - Not recommended for use with expansive grouts. - Use of semi-dry mortars onto Sika® Armatec® 110 EpoCem must be applied "wet on wet". - When used in overhead applications with hand placed patching mortars, use "wet on wet" for maximum mortar built thickness. - Substrate profile as specified by the overlay or repair material is still required. - As with all cement based materials, avoid contact with aluminum to prevent adverse chemical reaction and possible product failure. Insulate potential areas of contact by coating aluminum bars, rails, posts etc. with an appropriate epoxy such as Sikadur® Hi-Mod 32.								

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KEEP CONTAINER TIGHTLY CLOSED. KEEP OUT OF REACH OF CHILDREN. NOT FOR INTERNAL CONSUMPTION. FOR INDUSTRIAL USE ONLY. FOR PROFESSIONAL USE ONLY.

For further information and advice regarding transportation, handling, storage and disposal of chemical products, users should refer to the actual Safety Data Sheets containing physical, ecological, toxicological and other safety related data. Read the current actual Safety Data Sheet before using the product. In case of emergency, call CHEMTREC at 1-800-424-9300, International 703-527-3887.

Prior to each use of any Sika product, the user must always read and follow the warnings and instructions on the product's most current Product Data Sheet, product label and Safety Data Sheet which are available online at <http://usa.sika.com/> or by calling Sika's Technical Service Department at 800-933-7452. Nothing contained in any Sika materials relieves the user of the obligation to read and follow the warnings and instruction for each Sika product as set forth in the current Product Data Sheet, product label and Safety Data Sheet prior to product use.

SIKA warrants this product for one year from date of installation to be free from manufacturing defects and to meet the technical properties on the current Product Data Sheet if used as directed within shelf life. User determines suitability of product for intended use and assumes all risks. Buyer's sole remedy shall be limited to the purchase price or replacement of product exclusive of labor or cost of labor. NO OTHER WARRANTIES EXPRESS OR IMPLIED SHALL APPLY INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SIKA SHALL NOT BE LIABLE UNDER ANY LEGAL THEORY FOR SPECIAL OR CONSEQUENTIAL DAMAGES. SIKA SHALL NOT BE RESPONSIBLE FOR THE USE OF THIS PRODUCT IN A MANNER TO INFRINGE ON ANY PATENT OR ANY OTHER INTELLECTUAL PROPERTY RIGHTS HELD BY OTHERS. SALE OF SIKA PRODUCTS ARE SUBJECT SIKA'S TERMS AND CONDITIONS OF SALE AVAILABLE AT [HTTP://USA.SIKA.COM/](http://usa.sika.com/) OR BY CALLING 201-933-8800.

Visit our website at usa.sika.com

1-800-933-SIKA NATIONWIDE

Regional Information and Sales Centers. For the location of your nearest Sika sales office, contact your regional center.

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Carretera Libre Celaya Km. 8.5
Fracc. Industrial Balvanera
Corregidora, Queretaro
C.P. 76920
Phone: 52 442 2385800
Fax: 52 442 2250537



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SikaQuick® VOH

Fast Setting, one component, cementitious vertical and overhead repair mortar with superior high build properties

Description	SikaQuick® VOH is a fast setting, one component, ready-to-use repair mortar for vertical and overhead applications using specialty cement blends.
Where to Use	■ Fast repairs to overhead and vertical concrete and mortar surfaces on grade, above and below grade. ■ As a repair material for building facades, parking structures, industrial plants, bridges, etc. ■ As a fast setting repair material for new construction defects.
Advantages	■ Minimal time required between lifts. ■ Fast finishing time ■ Time/labor-saving material; application up to 3 inches on vertical surfaces in one layer ■ Easy to use; just add water ■ High bond strength ensures excellent adhesion ■ High early and ultimate strength ■ Increased freeze/thaw durability and resistance to deicing salts ■ Suitable for exterior and interior applications. ■ Not a vapor barrier ■ Overhead thickness up to 2" ■ Fiber reinforced and polymer modified ■ Contains corrosion inhibitor
Coverage	~.44 cu. ft.
Packaging	44 lb bag

Typical Data (Material and curing conditions @ 73°F (23°C) and 50% R.H.)

RESULTS MAY DIFFER BASED UPON STATISTICAL VARIATIONS DEPENDING UPON MIXING METHODS AND EQUIPMENT, TEMPERATURE, APPLICATION METHODS, TEST METHODS, ACTUAL SITE CONDITIONS AND CURING CONDITIONS. THIS DATA REFLECTS MATERIAL TESTED AT A MIXING RATIO OF 6.25 PINTS/UNIT.

Shelf Life:	One year in original, unopened bags.			
Storage Conditions:	Store dry at 40°-95°F (4°-35°C).			
Product Conditioning:	Condition material to 65°-75°F before using.			
Color:	Concrete gray.			
Mixing Ratio:	6 - 6.5 pints/unit			
Density (Wet mix):	~ 125 lbs. / cu. ft.			
Application Time:	Approximately 20 minutes.			
Finishing Time:	20-30 minutes			
Lift Height:	Max: 3" Min: 1/8"			
Time Between Lifts:	After final set			
Splitting Tensile Strength, psi (ASTM C-496)		1 day 200	7 days 250	28 days 500
Compressive Strength, psi (ASTM C-109):	3 hrs >2000	1 day >3000	7 days >4500	28 days 5500
Flexural Strength, psi (ASTM C-293):		1 day 400	7 days 600	28 days 1000
Bond Strength*, psi (ASTM C-882 modified):		1 day 1000	7 days 1600	28 days 2000
Modulus of Elasticity, psi (ASTM C-469)			7 days >2.2 x 10 ⁶	
Rapid Chloride Permeability (ASTM C1202)		Low Range		
Bond Strength, psi - Direct Tensile (IRC No. 210.3):		Substrate failure >250		
Shrinkage (50% R.H.) (ASTM C-157; ICRI protocol):		<.05%		
Initial Set, min. (ASTM C-266)		20-25		
Final Set, min. (ASTM C-266)		30-40		

*Mortar scrubbed into substrate

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How to Use**Surface Preparation**

Concrete/Mortar: Remove all deteriorated concrete, dirt, oil, grease, and all bond-inhibiting materials from surface. Preparation work should be done by high pressure water blast, scab-bler or other appropriate mechanical means to obtain an exposed aggregate surface profile of $\pm 1/16$ in. (CSP-5). After preparation, substrate strength should be verified prior to patch placement. Substrate should be saturated surface dry (SSD) with no standing water during application.

Reinforcing Steel: Steel reinforcement should be thoroughly prepared by mechanical cleaning to remove all traces of rust. Where corrosion has occurred due to the presence of chlorides, the steel should be high pressure washed with clean water after mechanical cleaning.

Priming:

Reinforcement Steel: For priming of reinforcement steel use Sika® Armatec® 110 EpoCem (Consult Technical Data Sheet).

Concrete Substrate: A scrub coat of SikaQuick® VOH should be applied prior to placement of mortar. The repair mortar has to be applied into the wet scrub coat before it dries. The use of Sika® Armatec® 110 EpoCem as a bonding agent for concrete is not recommended.

Mixing

Wet down all tools and mixer to be used. Mix mechanically with a low-speed drill (400 - 600 rpm) and mixing paddle or mortar mixer. Mix to a uniform consistency, maximum 3 minutes. Manual mixing can be tolerated only for less than a full unit. Thorough mixing and proper proportioning of the powder and liquid is necessary. Inaccurate proportioning of the powder to liquid will result in a finished product that may not conform with stated properties.

With water: Start mixing with 6 pints of water per 44 lb. bag. Adjust the water dosage by a maximum amount of $\pm 1/2$ pint, if necessary, to achieve the desired consistency. Do not over-water. Over-watering may result in difficulty handling and/or not meeting stated property values.

With Latex R: Start mixing with 6 pints of SikaLatex® R per 44 lb. bag. Adjust the SikaLatex® R dosage by a maximum amount of $\pm 1/2$ pint, if necessary, to achieve the desired consistency.

Application

The mixed SikaQuick® VOH must be worked well into the prepared substrate, filling all pores and voids. Compact well. Force material against edge of repair working towards the center. Thoroughly compact the mortar around exposed reinforcement. After filling repair, consolidate, then screed. Finish with steel, magnesium, wood, plastic floats, or damp sponges, depending on the desired surface texture. Where multiple lifts are required, score top surface on each lift to produce a roughened substrate for next lift. Allow preceding lift to harden before applying fresh material. Saturate surface of the lift with clean water. If previous layers are over 6 hours old, mechanically prepare the substrate and dampen.

Tooling and Finishing

As per ACI recommendations for portland cement concrete, curing is required. Moist cure with wet burlap and polyethylene, a fine mist of water or a water based* compatible curing compound. Curing compounds adversely affect the adhesion of following lifts of mortar, leveling mortar or protective coatings. Moist curing should commence immediately after finishing. Protect freshly applied mortar from direct sunlight, wind, rain and frost.

* Pretesting of curing compound is recommended.

Removal

Cured product must be removed mechanically.

Over Painting

Acrylic waterbased systems - 4 hrs
Epoxy/PU based systems - 6 hrs
Compatibility and adhesion testing is always recommended.

Limitations

- Application thickness: Minimum: With water: 1/8 inch (3 mm). Maximum in one lift: 3 inches (75 mm) vertical, 2 inches (51 mm) overhead.
- Minimum ambient and surface temperatures 45°F (7°C) and rising at time of application.
- To control setting times, cold water should be used in hot weather and hot water used in cold weather.
- Do not use solvent based curing compounds. As with all cement based materials, avoid contact with aluminum to prevent adverse chemical reaction and possible product failure. Insulate potential areas of contact by coating aluminum bars, rails, posts etc. with an appropriate epoxy such as Sikadur® Hi-Mod 32.
- Remixing product after it begins to set is prohibited.
- Do not use Sika® Armatec® 110 EpoCem as a bonding agent with SikaQuick® VOH.



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Construction



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KEEP CONTAINER TIGHTLY CLOSED. KEEP OUT OF REACH OF CHILDREN. NOT FOR INTERNAL CONSUMPTION. FOR INDUSTRIAL USE ONLY. FOR PROFESSIONAL USE ONLY.

For further information and advice regarding transportation, handling, storage and disposal of chemical products, users should refer to the actual Safety Data Sheets containing physical, ecological, toxicological and other safety related data. Read the current actual Safety Data Sheet before using the product. In case of emergency, call CHEMTREC at 1-800-424-9300, International 703-527-3887.

Prior to each use of any Sika product, the user must always read and follow the warnings and instructions on the product's most current Product Data Sheet, product label and Safety Data Sheet which are available online at <http://usa.sika.com/> or by calling Sika's Technical Service Department at 800-933-7452. Nothing contained in any Sika materials relieves the user of the obligation to read and follow the warnings and instruction for each Sika product as set forth in the current Product Data Sheet, product label and Safety Data Sheet prior to product use.

SIKA warrants this product for one year from date of installation to be free from manufacturing defects and to meet the technical properties on the current Product Data Sheet if used as directed within shelf life. User determines suitability of product for intended use and assumes all risks. Buyer's sole remedy shall be limited to the purchase price or replacement of product exclusive of labor or cost of labor. NO OTHER WARRANTIES EXPRESS OR IMPLIED SHALL APPLY INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SIKA SHALL NOT BE LIABLE UNDER ANY LEGAL THEORY FOR SPECIAL OR CONSEQUENTIAL DAMAGES. SIKA SHALL NOT BE RESPONSIBLE FOR THE USE OF THIS PRODUCT IN A MANNER TO INFRINGE ON ANY PATENT OR ANY OTHER INTELLECTUAL PROPERTY RIGHTS HELD BY OTHERS. SALE OF SIKA PRODUCTS ARE SUBJECT SIKA'S TERMS AND CONDITIONS OF SALE AVAILABLE AT [HTTP://USA.SIKA.COM/](http://usa.sika.com/) OR BY CALLING 201-933-8800.

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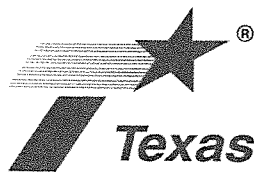


Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2017-1385	
From: Mardoqueo Hinojosa			
Subject: Discussion and consideration on Resolution 2017-84 to terminate the Multiple Use Agreement with the Texas Department of Transportation for inactive approved bus stop locations along their right-of-way on U.S. Business Highway 83 and Texas Boulevard. Possible action. (There was no action on December 19, 2017; Staffed by Planning and Code Enforcement.)			
Background: Texas Department of Transportation submitted a letter about approved and inactive bus shelter locations adjacent to the intersections of: Business 83 and Westgate Drive, Business 83 and Border Avenue, Texas Boulevard and 4th Street, Texas Boulevard and 1st Street, Texas Boulevard and Pike Boulevard and N. Texas Boulevard at Family Dollar. City has to respond on plan of action to restore or amend agreement. A resolution has been included to terminate/modify agreement. A meeting was held on January 10, 2018 with Valley Metro. Valley Metro will research item to modify agreement.			
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):			
Aida Vega Mardoqueo Hinojosa Mike Perez		Created/Initiated Approved Final Approval	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends no action.			
Attachments, if any: TxDOT letter, Exhibit, Mutual Use Agreement TXDOT, R2017-84+Bus+Shelter-state+ROW			

Responsibilities upon Approval:

Staff will submit resolution to Texas Department of Transportation.



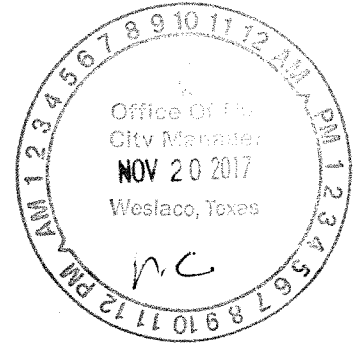
600 W. INTERSTATE 2 | PHARR, TEXAS 78577 | (956) 702-6100 | WWW.TXDOT.GOV

November 15, 2017

Leonardo Olivares
City Manager
City of Weslaco
255 S Kansas Avenue
Weslaco, Texas 78596

Re: MUA 21-12-VAR-020

*Queo,
Please prepare
an agenda item to
remove these "loss stops"
would be a first agenda item
in Dec
The H.R.
to eliminate water*



Dear Sir,

Past inspections have indicated that the above mentioned Multiple Use Agreement (MUA), whole or in part, between the City and TxDOT is inactive. Inactivity of an MUA site may impair safety, be considered a nuisance and ties up TxDOT resources unnecessarily.

The inactive locations for the above MUA are as follows:

Bus 83 at Westgate
Bus 83 at Jenks
S Texas Blvd at 4th Street
N Texas Blvd at 1st Street
N Texas Blvd at Pike
N Texas Blvd at Family Dollar.

As per Item 8—Modification/Termination of Agreement, TxDOT reserves the right to either modify or terminate the agreement.

TxDOT respectfully requests the city's comment/recommendation on the above locations. Please respond in writing with a plan of action for the locations listed above.

If it is in the city's interest to modify the agreement, please refer to Item 10—Restoration of Area and Item 19—Amendments of the agreement.

If it is in the city's interest to terminate, a termination agreement will be drawn and the city will be referred to Item 10—Restoration of Area.

Either action shall require a resolution by the city commission

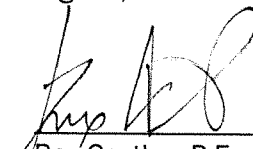
OUR GOALS

MAINTAIN A SAFE SYSTEM ▪ ADDRESS CONGESTION ▪ CONNECT TEXAS COMMUNITIES ▪ BEST IN CLASS STATE AGENCY
An Equal Opportunity Employer

Please call with Gregory Rakay (956) 262-1254 or Rex Costley (956) 702-6137 with any questions you may have.

Copies of the MUA are available upon request.

Signed,

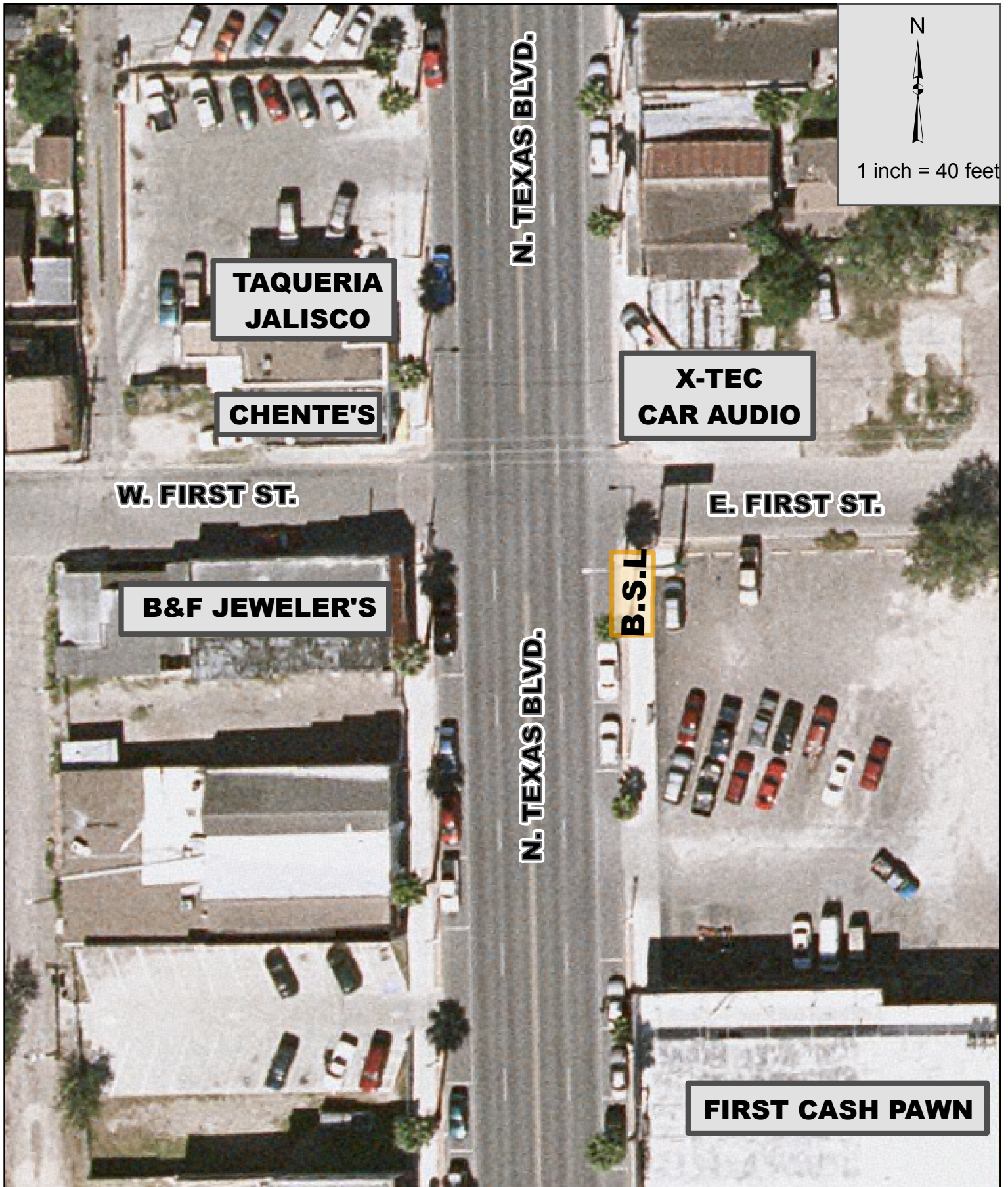
A handwritten signature in black ink, appearing to read 'Rex Costley', is written over a horizontal line.

Rex Costley, P.E.
Director of Maintenance
Pharr District

RC:eg

cc: Hector P. Gonzalez, P.E.
District File

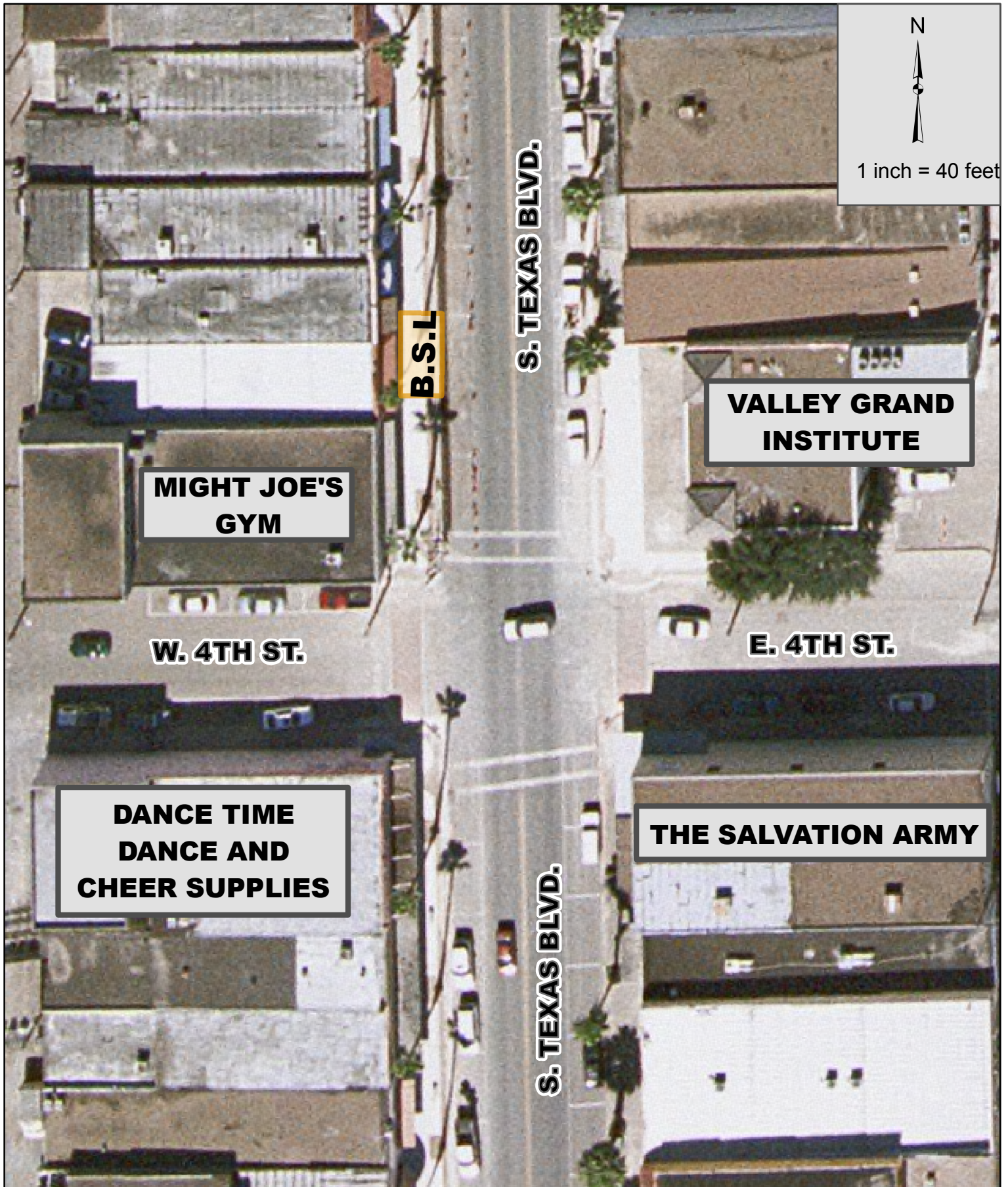
FIRST ST. & N. TEXAS BLVD.



NORTHBOUND

(TxDOT)

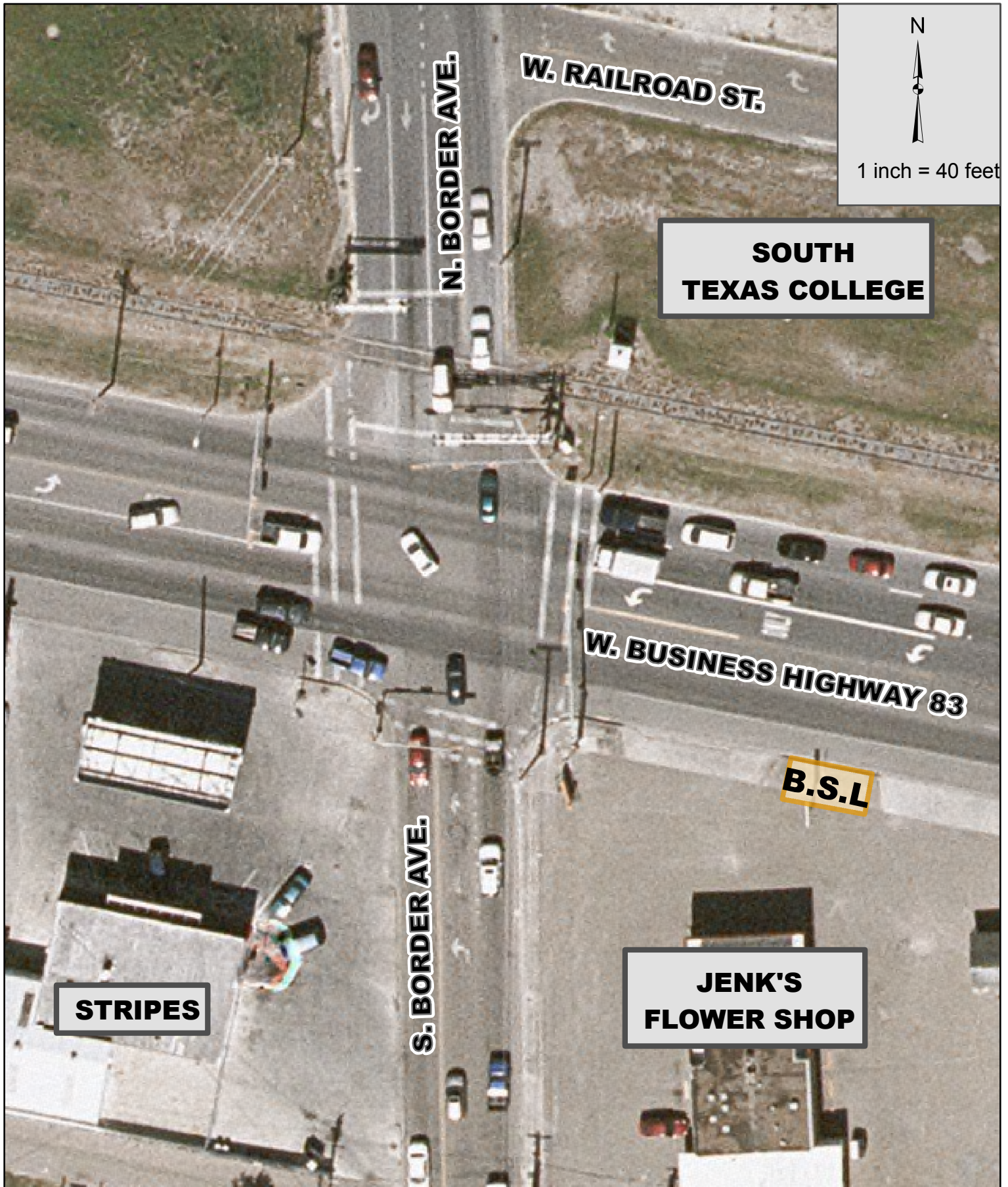
FOURTH ST. & S. TEXAS BLVD.



SOUTHBOUND

(TxDOT)

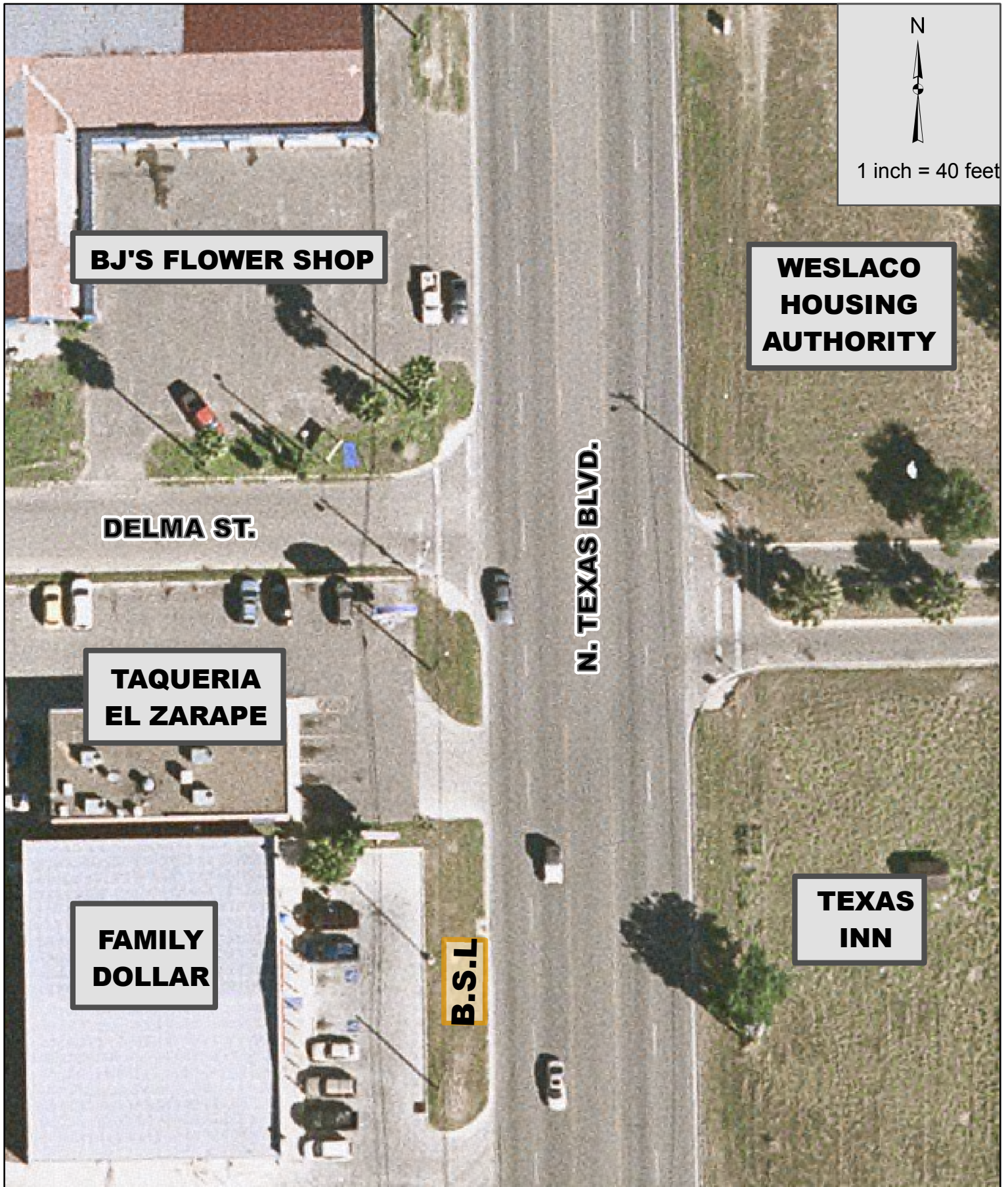
BORDER AVE. & W. BUSINESS HIGHWAY 83



EASTBOUND

(TxDOT)

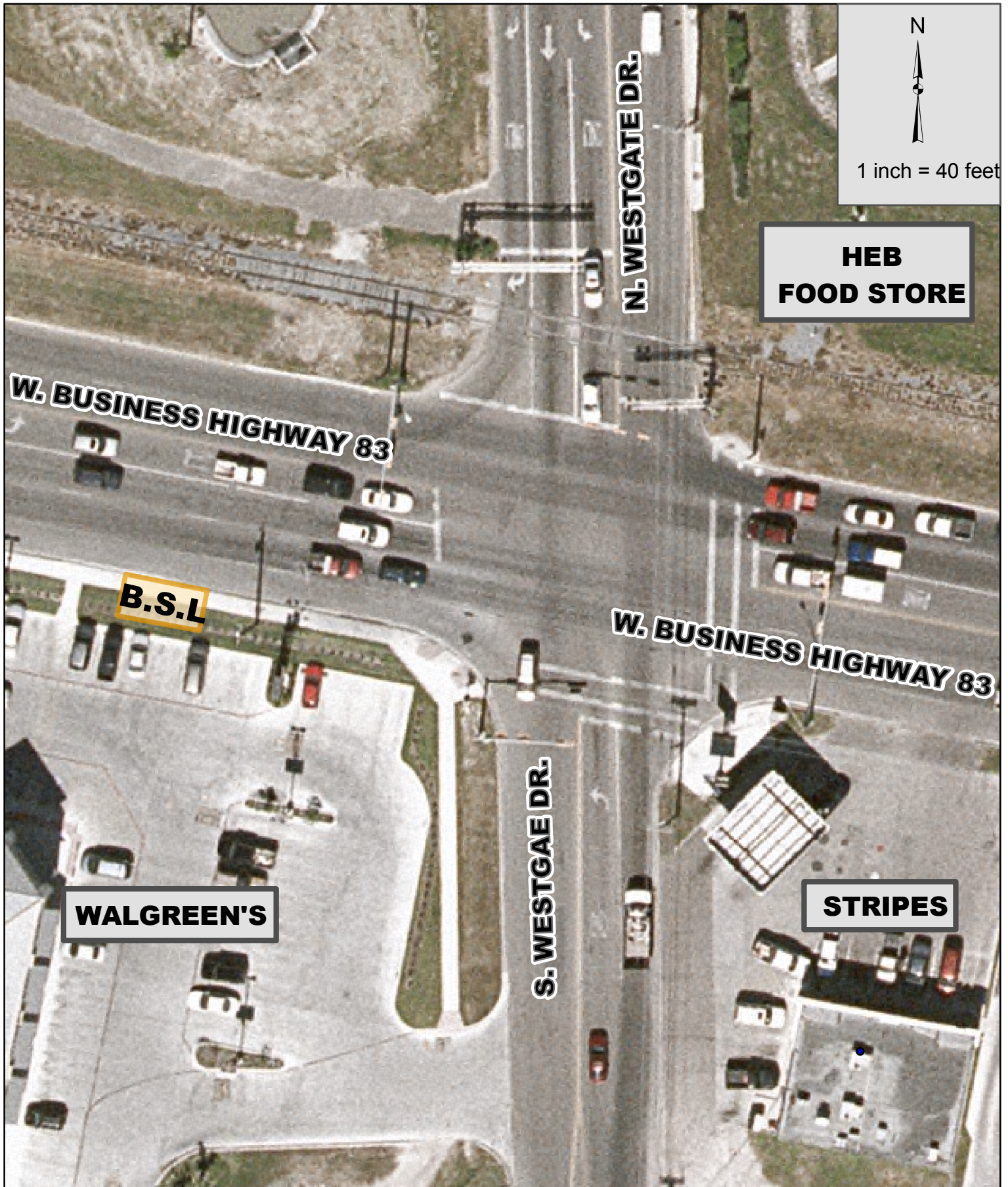
DELMA ST. & N. TEXAS BLVD.



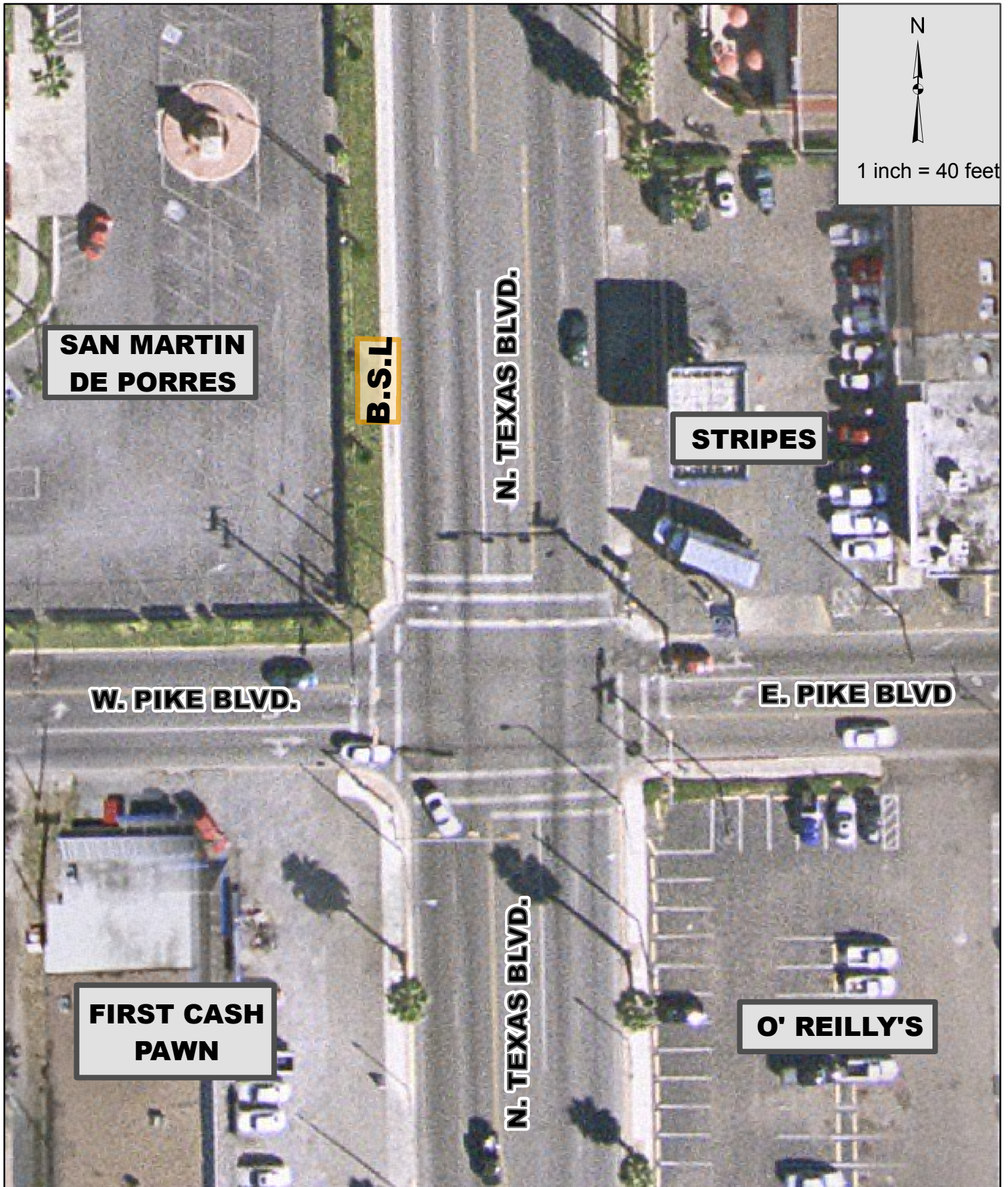
SOUTHBOUND

(TxDOT)

WESTGATE DR. & W. BUSINESS HIGHWAY 83



PIKE BLVD & N. TEXAS BLVD.



SOUTHBOUND

(TxDOT)

MULTIPLE USE AGREEMENT

STATE OF TEXAS §

COUNTY OF TRAVIS §

THIS AGREEMENT made by the State of Texas by and between the Texas Department of Transportation, hereinafter referred to as "State", party of the first part, and
THE CITY OF WESLACO _____, hereinafter called
_____, party of the second part, is to become effective when fully
executed by both parties.

WITNESSETH

WHEREAS, on the 5TH day of JULY , 20 11 , the governing
body for the CITY OF WESLACO , entered
into Resolution/Ordinance No. _____ hereinafter identified by
reference, authorizing the CITY 's participation in
this agreement with the State; and

WHEREAS, the CITY OF WESLACO has requested the State to permit the
construction, maintenance and operation of a public
BUS SHELTER _____ on the highway
right of way, (General description of area)

shown graphically by the preliminary conceptual site plan in Exhibit "A" and being more specifically
described by metes and bounds of Exhibit "B", which are attached and made a part hereof; and

WHEREAS, the State has indicated its willingness to approve the establishment of such facilities
and other uses conditioned that the CITY OF WESLACO will enter into
agreements with the State for the purpose of determining the respective responsibilities of the
_____ CITY OF WESLACO and the State with reference thereto, and conditioned that such
uses are in the public interest and will not damage the highway facilities, impair safety, impede maintenance
or in any way restrict the operation of the highway facility, all as determined from engineering and traffic
investigations conducted by the State.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties hereto to be by them respectively kept and performed as hereinafter set forth, it is agreed as follows:

1. DESIGN AND CONSTRUCTION

CITY OF WESLACO will prepare or provide for the construction plans for the facility, and will provide for the construction work as required by said plans at no cost to the State. Said plans shall include the design of the access control, necessary horizontal and vertical clearances for highway structures, adequate landscape treatment, adequate detail to ensure compliance with applicable structural design standards, sufficient traffic control provisions, and general layout. They shall also delineate and define the construction responsibilities of both parties hereto. Completed plans will be submitted to State for review and approval and when approved shall be attached to the agreement and made a part thereof in all respects. Construction shall not commence until plans have been approved by the State. Any future revisions or additions shall be made after prior written approval of the State.

2. INSPECTION

Ingress and egress shall be allowed at all times to such facility for Federal Highway Administration personnel and State Forces and equipment when highway maintenance operations are necessary, and for inspection purposes; and upon request, all parking or other activities for periods required for such operations will be prohibited.

3. PARKING REGULATIONS

Parking regulations shall be established limiting parking to single unit motor vehicles of size and capacity no greater than prescribed for 11½ ton trucks, such vehicles to conform in size and use to governing laws. Parking shall be permitted only in marked spaces.

Parking shall be prohibited when a security threat, as determined by TxDOT, exists.

4. PROHIBITION/SIGNS

Regulations shall be established prohibiting the parking of vehicles transporting flammable or explosive loads and prohibiting use of the area in any manner for peddling, advertising or other purposes not in keeping with the objective of a public facility. The erection of signs other than those required for proper use of the area will be prohibited. All signs shall be approved by the State prior to the actual erection.

5. RESPONSIBILITIES

Maintenance and operation of the facility shall be entirely the responsibility of the CITY OF WESLACO. Such responsibility shall not be transferred, assigned or conveyed to a third party without the advanced written approval of the State. Further, such responsibility shall include picking up trash, mowing and otherwise keeping the facility in a clean and sanitary condition, and surveillance by police patrol to eliminate the possible creation of a nuisance or hazard to the public. Hazardous or unreasonably objectionable smoke, fumes, vapor or odors shall not be permitted to rise above the grade line of the highway, nor shall the facility subject the highway to hazardous or unreasonably objectionable dripping, droppings or discharge of any kind, including rain or snow.

6. FEES

Any fees levied for use of the facilities in the area shall be nominal and no more than are sufficient to defray the cost of construction, maintenance and operations thereof, and shall be subject to State approval.

A. Retention Period. The CITY OF WESLACO shall maintain all books, documents, papers, accounting records and other evidence pertaining to fees collected and costs (hereinafter called the Records). The City shall make the records available during the term of the Agreement and for four years from the date the Agreement is terminated, until completion of all audits, or until pending litigation has been completely and fully resolved, whichever occurs last.

B. Availability. The State or any of its duly authorized representatives, the Federal Highway Administration, the United States Department of Transportation, Office of Inspector General, and the Comptroller General shall have access to the CITY's records that are directly pertinent to this Agreement for the purpose of making audits and examinations.

7. TERMINATION UPON NOTICE

This provision is expressly made subject to the rights herein granted to both parties to terminate this agreement upon notice, and upon the exercise of any such right by either party, all obligations herein to make improvements to said facility shall immediately cease and terminate.

8. MODIFICATION/TERMINATION OF AGREEMENT

If in the sole judgment of the State it is found at any future time that traffic conditions have so changed that the existence or use of the facility is impeding maintenance, damaging the highway facility, impairing safety or that the facility is not being properly operated, that it constitutes a nuisance, is abandoned, or if for any other reason it is the State's judgment that such facility is not in the public interest, this agreement under which the facility was constructed may be: (1) modified if corrective measures acceptable to both parties can be applied to eliminate the objectionable features of the facility; or (2) terminated and the use of the area as proposed herein discontinued.

9. PROHIBITION OF STORAGE OF FLAMMABLE MATERIALS

All structures located or constructed within the area covered by the agreement shall be fire resistant. The storage of flammable, explosive or hazardous materials is prohibited. Operations deemed to be a potential fire hazard shall be subject to regulation by the State.

10. RESTORATION OF AREA

The CITY OF WESLACO shall provide written notification to the State that such facility will be discontinued for the purpose defined herein. The CITY OF WESLACO shall, within thirty (30) days from the date of said notification, clear the area of all facilities that were its construction responsibility under this agreement and restore the area to a condition satisfactory to the State.

11. PREVIOUS AGREEMENTS

It is understood that this agreement in no way modifies or supersedes the terms and provisions of any existing agreements between the parties hereto.

12. INDEMNIFICATION

Each party acknowledges that it is not an agent, servant, or employee of the other party. Each party is responsible for its own acts and deeds and for those of its agents, servants, or employees.

Neither party hereto intends to waive, relinquish, limit or condition its right to avoid any such liability by claiming its governmental immunity.

When notified by the State to do so, the other party hereto shall within thirty (30) days from receipt of the State's written notification pay the State for the full cost of repairing any damages to the highway facility which may result from its construction, maintenance or operation of the facility, and shall promptly reimburse the State for costs of construction and/or repair work made necessary by reason of such damages.

Nothing in this agreement shall be construed as creating any liability in favor of any third party against the State and the CITY OF WESLACO. Additionally, this agreement shall not ever be construed as relieving any third party from any liability against the State and the CITY OF WESLACO shall become fully subrogated to the State and shall be entitled to maintain any action over and against the third party which may be liable for having caused the CITY OF WESLACO to pay or disburse any sum of money hereunder.

13. HOLD HARMLESS

The CITY OF WESLACO shall indemnify and save harmless the State and its officers and employees from all claims and liability due to its materials or activities of itself, its agents, or employees, performed under this agreement and that are caused by or result from error, omission, or negligent act of the party or of any person employed by the party. The CITY OF WESLACO shall also indemnify and save harmless the State from any and all expense, including but not limited to attorney fees that may be incurred by the State in litigation or otherwise resisting the claim or liabilities that may be imposed on the State as a result of such activities by the CITY OF WESLACO, its agents, or employees authorized under this agreement. The CITY OF WESLACO further agrees to indemnify and save harmless the State from and against all claims, demands, and causes of action of every kind and character brought by any employee of the party against the State due to personal injuries and/or death to such employee resulting from any alleged negligent act by either commission or omission on the part of the CITY OF WESLACO. The indemnification of the State shall extend for a period of three (3) years beyond the date of termination of this agreement.

14. INSURANCE

The CITY OF WESLACO, shall provide necessary safeguards to protect the public on State maintained highways including adequate insurance for payment of any damages which might result during the construction, maintenance and operation of the facility occupying such airspace or thereafter, and to save the State harmless from damages, to the extent of said insurance coverage and insofar as it can legally do so. Prior to beginning work on the State's right of way, the CITY's construction contractor shall submit to the State a completed insurance form (TxDOT Form No. 1560) and shall maintain the required coverage during the construction of the facility.

15. USE OF RIGHT OF WAY

It is understood that the State by execution of this agreement does not impair or relinquish the State's right to use such land for highway purposes when it is required for the construction or re-construction of the traffic facility for which it was acquired, nor shall use of the land under such agreement ever be construed as abandonment by the State of such land acquired for highway purposes, and the State does not purport to grant any interest in the land described herein but merely consents to such use to the extent its authority and title permits.

16. ADDITIONAL CONSENT REQUIRED

The State asserts only that it has sufficient title for highway purposes. The CITY OF WESLACO shall be responsible for obtaining such additional consent, permits or agreement as may be necessary due to this agreement. This includes, but is not limited to, appropriate permits and clearances for environmental, ADA and public utilities.

17. FHWA ADDITIONAL REQUIREMENTS

If the Facility is located on the Federal-Aid Highway System, "ATTACHMENT A", which states additional requirements as set forth in the Federal Highway Administration's Title 23, Code of Federal Regulations, § 710, shall be attached to and become a part of this agreement.

18. CIVIL RIGHTS ASSURANCES

The CITY OF WESLACO, for itself, its personal representatives, successors and interests and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no persons, on the grounds of race, color, sex, age, national origin, religion or disabling condition, shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the use of said facility; (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the ground of race, color, sex, age, national origin, religion or disabling condition, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that the CITY OF WESLACO shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

That if in the event of any breach of the above non-discrimination covenants, the State shall have the right to terminate the agreement and reenter and repossess said land and the facilities thereon, and hold the same as if said agreement had never been made or issued.

19. AMENDMENTS

Any changes in the time frame, character or responsibilities of the parties hereto shall be enacted by a written amendment executed by both parties hereto.

20. LEGAL CONSTRUCTION

In case one or more of the provisions contained in this agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any provision hereof and this agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this agreement.

21. AUDIT

The State may conduct an audit or investigation of any aspect of this agreement. The CITY OF WESLACO must provide the State with access to any information the State considers relevant to the investigation or audit. The audit can include, but is not limited to, any contract for construction or maintenance of any facility or structure authorized by this agreement or any contract to provide a service to the CITY OF WESLACO if that service is authorized by this agreement.

22. AUTHORITY OF STATE AUDITOR

The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the contract or indirectly through a subcontract under the contract. Acceptance of funds directly under the contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

23. NOTICES

All notices required under this agreement shall be mailed or hand delivered to the following respective addresses:

STATE (Mailing Address)	(Name of other party) (Mailing Address)
Texas Department of Transportation	Leonardo Olivares, City Manager
Maintenance Division	City of Weslaco
125 East 11th Street	255 S. Kansas Avenue
Austin, Texas 78701-2483	Weslaco, TX 78596

24. WARRANTS

The signatories to this agreement warrant that each has the authority to enter into this agreement on behalf of the party represented.

List of Attached Exhibits:

Exhibit A - General Layout
Exhibit B - Metes and Bounds Description
Exhibit C - Approved Construction Plans
Exhibit D - Certificate of Insurance (TxDOT Form 1560)
Exhibit E - Attachment A (FHWA Additional Requirements)

IN WITNESS WHEREOF, the parties have hereunto affixed their signature, the

_____ on the _____ day of _____,
2011, and the State on the _____ day of _____, 2011.

STATE OF TEXAS

CITY OF WESLACO
(Name of other party)

By: _____
Title

LEONARDO OLIVARES
Printed Name

Date

Executed and approved for the Texas
Transportation Commission for the purpose and
effect of activating and/or carrying out the orders,
and established policies or work programs
heretofore approved and authorized by the Texas
Transportation Commission.

By: _____
Director, Maintenance Division

Printed Name

Date

APPROVAL RECOMMENDED:

District Engineer

Printed Name

Date

ATTACHMENT A

Inasmuch as this project is on the Federal-Aid highway system, the following additional requirements as applicable with the Federal Highway Administration's Title 23, Code of Federal Regulations, § 710.

1. Any significant revision in the design or construction of the facility shall receive prior approval by the Texas Department of Transportation subject to concurrency by the FHWA.
2. Any change in the authorized use of airspace shall receive prior approval by the Texas Department of Transportation subject to concurrence by the FHWA.
3. The airspace shall not be transferred, assigned or conveyed to another party without prior Texas Department of Transportation approval subject to concurrence by the FHWA.
4. This agreement will be revocable in the event that the airspace facility ceases to be used or is abandoned.

EXHIBIT E

RESOLUTION 2017-84

A RESOLUTION OF THE CITY OF WESLACO, TEXAS AUTHORIZING THE CITY MANAGER TO MODIFY A MULTIPLE USE AGREEMENT BETWEEN THE STATE OF TEXAS, TEXAS DEPARTMENT OF TRANSPORTATION AND THE CITY OF WESLACO FOR THE INSTALLATION OF BUS SHELTERS AND OTHER RELATED IMPROVEMENTS ON STATE HIGHWAY RIGHT-OF-WAYS

WHEREAS, the City Council of Weslaco, Texas currently provides local funding match for a regional public transportation system managed by the Lower Rio Grande Valley Development Council (LRGVDC) under the Valley Metro name; and

WHEREAS, the City Council of Weslaco, Texas does not desire to proceed with installing bus shelters in locations under previous Mutual Use Agreement and other related improvements at locations along the designated but route within its corporate city limits; and

WHEREAS, six proposed bus shelters are removed from list which includes locations at: 1701 W. Business 83 (Walgreens @ Westgate), 625 W. Business 83 (Jenks), 340 S. Texas Blvd. (@ 4th St.), 1700 N. Texas Blvd. (@ 1st St.), 811 N. Texas Blvd., (@ Pike), 1811 N. Texas Blvd., (Family Dollar); and

WHEREAS, the use of the state highway right-of-way under the control and operation of the State of Texas, Acting by and Through the Texas Department of Transportation, requires the City of Weslaco to modify a Multiple Use Agreement, which said agreement specifies the responsibilities of the City and of the State for the use of state highway right-of-way. and;

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

The City of Weslaco shall modify a Multiple Use Agreement with the State of Texas, Acting by and Through the Texas Department of Transportation, to remove the installation of bus shelters and other related improvements in designated locations on state highway right-of-way within its corporate city limits for the operation of the Valley Metro.

BE IT FURTHER RESOLVED THAT this resolution shall take effect immediately after its passage.

READ, CONSIDERED, PASSED, AND APPROVED at a regular meeting of the City Council of the City of Weslaco, Texas, at which a quorum was present and which was held in accordance with V.T.C.A., Government Code, Section 551.041, on the 17th day of April 2018.

CITY OF WESLACO

David Suarez, Mayor

ATTEST:

Elizabeth Walker, City Secretary

APPROVED AS TO FORM:

Juan E. Gonzalez, City Attorney



Standardized Agenda Request Form

Date of Meeting: April 17, 2018	Agenda Item No. (to be assigned by CSO): 2018-1661	
From: Mardoqueo Hinojosa		
Subject: Discussion for establishing the Board of Adjustments to the Building Code and Zoning Ordinance (merging Board of Adjustments to the Construction and Housing Code and Board of Adjustment to the Zoning). (Staffed by Planning and Code Enforcement Department.)		
Background: City has a total of 15 boards. Board of Adjustments and Appeals for Zoning and for Construction and Housing Codes are two boards that are the final decision on specific topics. Only appeal to these boards is District Court. Board of Adjustments to the Zoning is a board that is comprised of 5 citizens at-large that address items related to zoning, setbacks and sign conflicts. This board meets the 2nd Wednesday of every month throughout the year. Board of Adjustments for Construction and Housing Codes is a board that is comprised of 7 citizens. This board meets on an as-needed basis. It has been the practice that, due to the nature of items that go upon this board, these members have specific professional backgrounds. Currently, this board includes a Master Electrician, Master Plumber, Material Supplier, Vocational Instructor, Contractor and 2 at-large citizens. City staff is proposing to merge the two Board of Adjustment and Appeals Boards. The intent of this proposal is to reduce the amount of boards and being more efficient with the meeting times, as one of the boards does not meet regularly. If merged, staff proposes that specific professional backgrounds are a requirement. The intent is to have a board of 7 that includes: Master Electrician, Master Plumber, Engineer/Architect, Vocational Instructor or Mechanical, Contractor and 2 at-large Citizens.		
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):		
Aida Vega Mardoqueo Hinojosa Mike Perez		Created/Initiated Approved Final Approval

City Manager Comments:

Approve.

Staff Recommendation:

Discussion item to seek direction from City Commission.

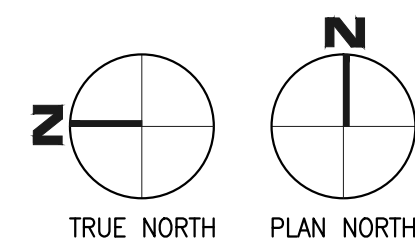
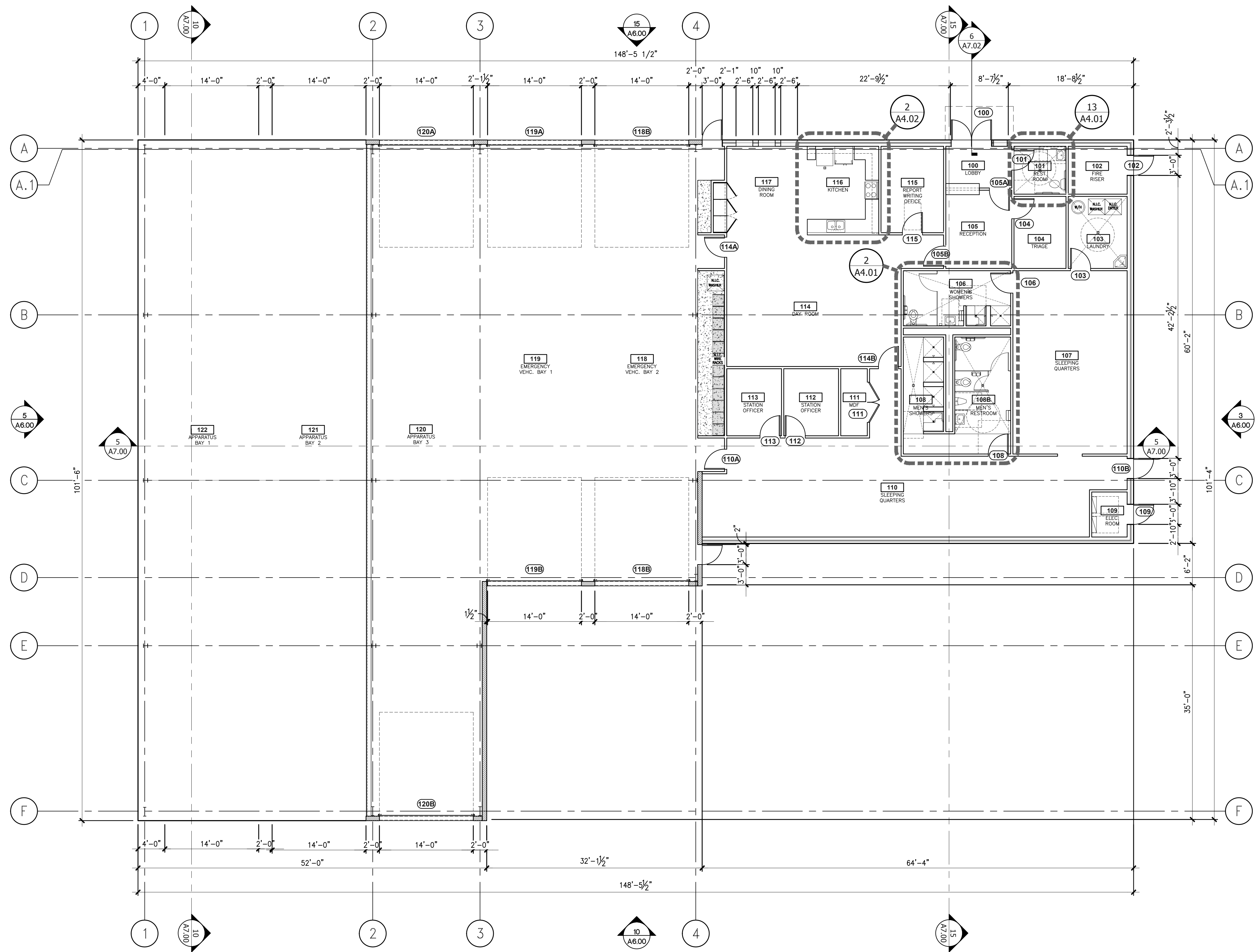
Attachments, if any:**Responsibilities upon Approval:**

Direction from City Commission is requested.



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1662	
From:			
Subject: Discussion and consideration to approve the North Fire Station layout and finalize plan. Possible action. (Staffed by City Manager's Office).			
Background: Attached for reference are the proposed floor plan, exterior elevations and site plan. Staff was worked with Alvarado Architects, City Manager's Office, Fire Chief, IT, Building Inspections, Fire Marshal's Office and the City Engineer to design and develop a project that would accommodate the needs of the fire department as well as the project budget. The proposed project budget is \$650,000 with \$500,000 set aside for construction. The proposed design is approximately \$900,000 based on staff's review and recommendations to reduce the size of the proposed facility. Staff evaluated facility position, bay layout, dormitory, office needs and staff areas for living accommodations. The bid solicitation will include a bid alternate to finish out the last two bays without the garage doors.			
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):			
Elizabeth Walker		Created/Initiated	
Andrew Muñoz		Approved	
Mike Perez		Final Approval	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval.			
Attachments, if any: A2.01_Floor Plan-A2.01, A6.00_Exterior Elevations-A6.00, AS1.00_Site Plan-A1.00			
Responsibilities upon Approval:			



REVISIONS	

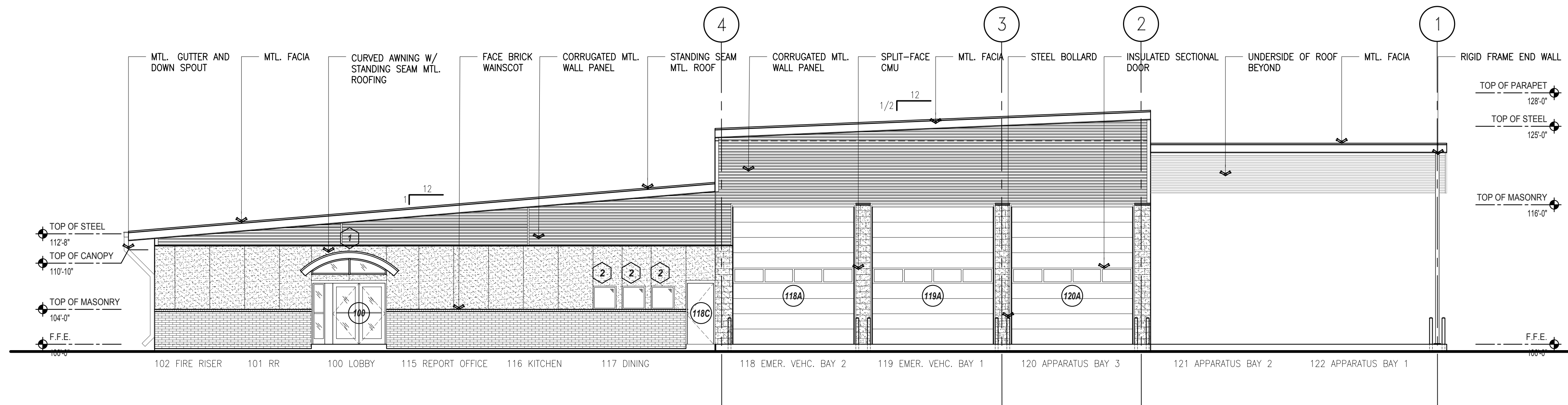
ALVARADO ARCHITECTS & ASSOCIATES, INC.
ARCHITECTS, PLANNERS, CONSTRUCTION MANAGEMENT, INTERIORS
307 SOUTH MAIN ST. DONNA, TEXAS 78537
TEL. (956) 464-8258 FAX. (956) 464-8259

255 S. KANSAS AVE.
WESLACO, TEXAS 78596
TEL. (956) 968-3181

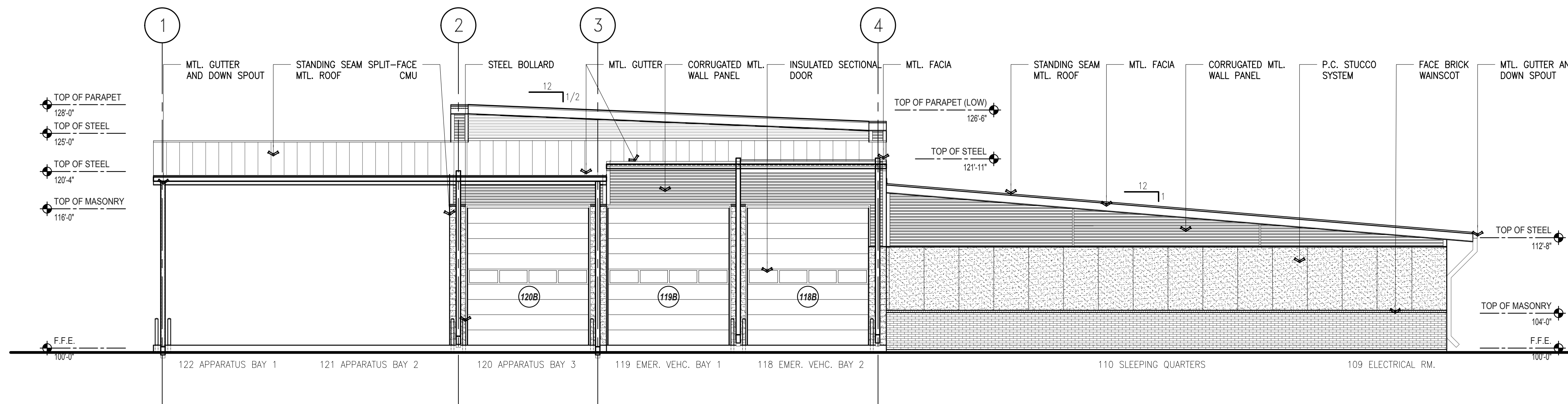
CITY OF WESLACO
NEW FIRE STATION
WESLACO, TEXAS
HIDALGO COUNTY

DATE: 00/00/18

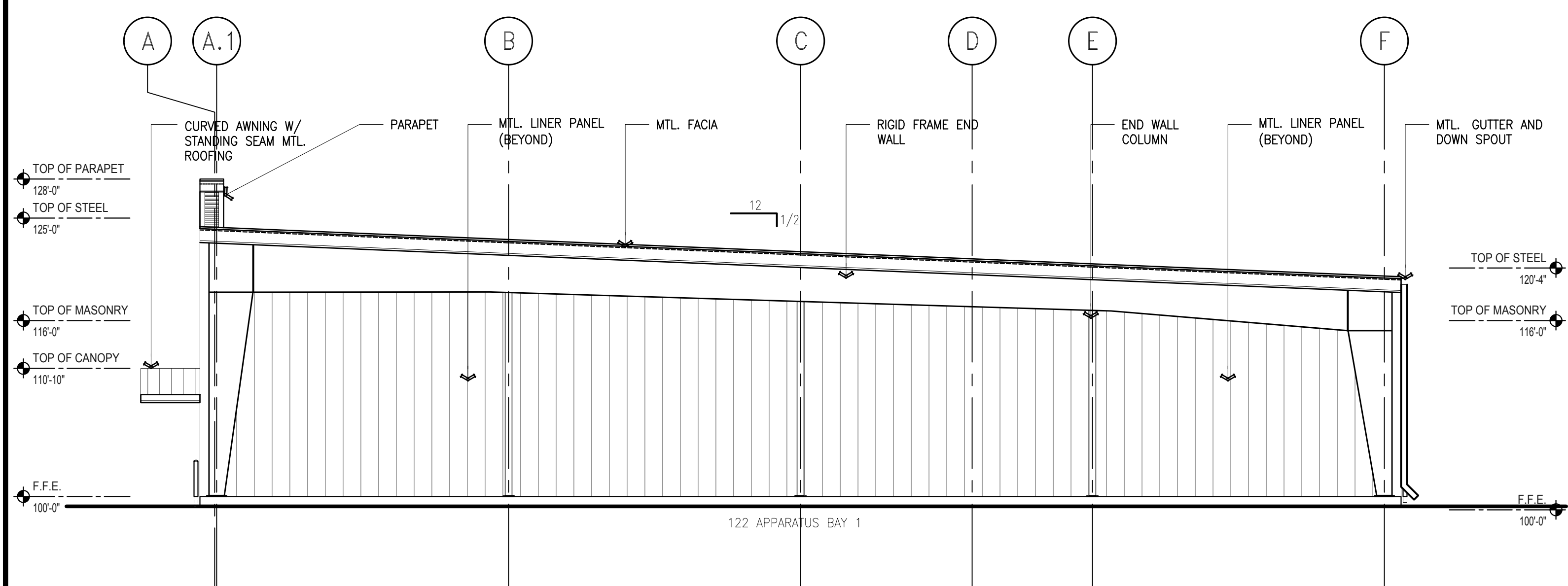
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FLOOR PLAN
FILE NAME:
JOB NO.: 1709
DATE: APR., 2018
DRAWN BY: M.G.
CHECKED BY: E.A. II/ E.A. III
SHEET:



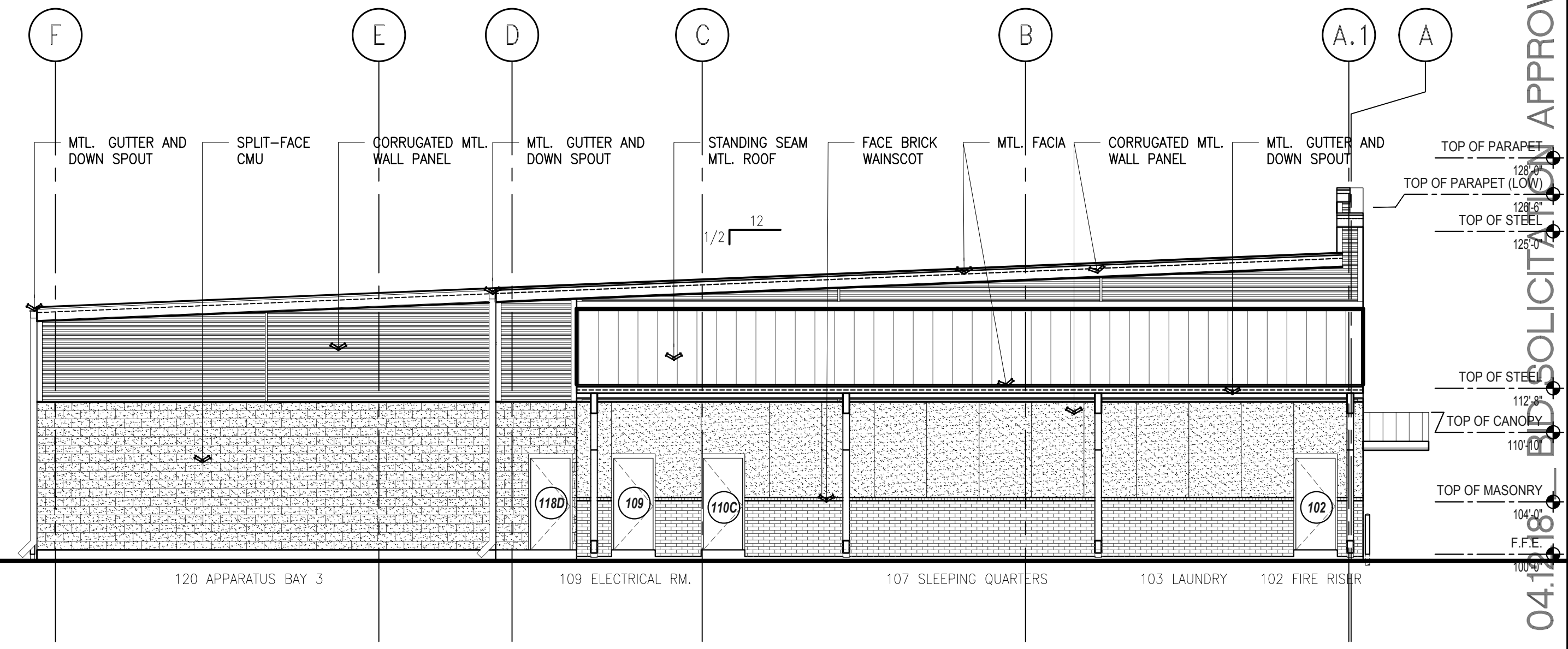
15 NORTH ELEVATION
Scale: 1/8" = 1'-0"



10 SOUTH ELEVATION
Scale: 1/8" = 1'-0"



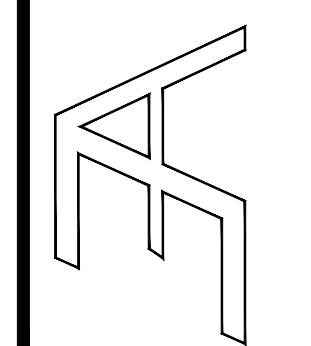
5 WEST ELEVATION
Scale: 1/8" = 1'-0"



3 EAST ELEVATION
Scale: 1/8" = 1'-0"

REVISIONS

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WESLACO, TEXAS 78096
TEL. (956) 968-3181

CITY OF WESLACO
NEW FIRE STATION
WESLACO, TEXAS
HIDALGO COUNTY

DATE: 00/00/18

DRAWING TITLE:

ELEVATIONS

FILE NAME:

JOB NO.: 1709

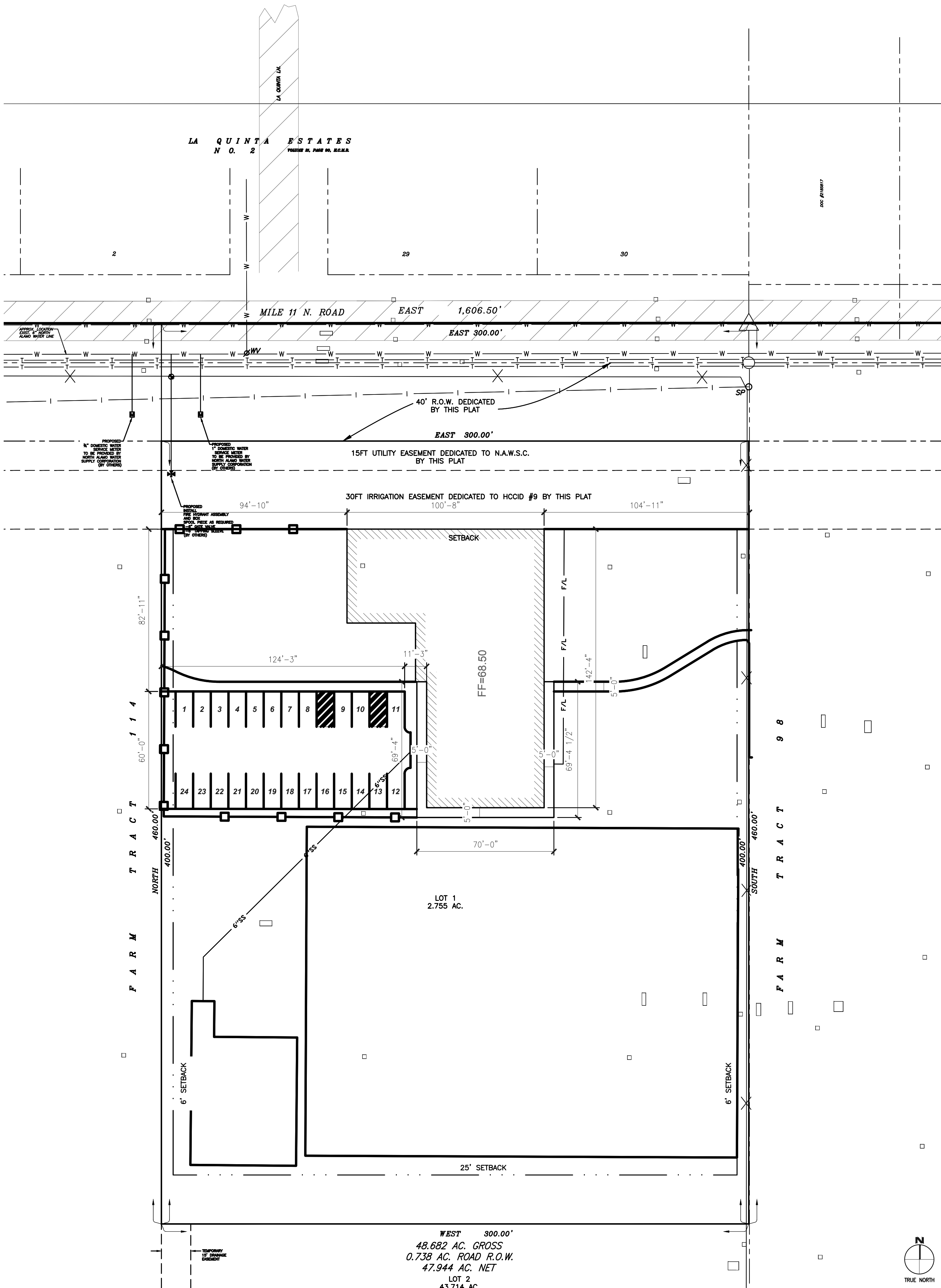
DATE: APR., 2018

DRAWN BY: M.G.

CHECKED BY: E.A. II/ E.A. III

SHEET:

A6.00



GENERAL SITE PLAN NOTES

1. COORDINATE ALL SPOT ELEVATIONS AND DIMENSIONS WITH CIVIL/LANDSCAPE/STRUCTURAL DRAWINGS.
2. PROVIDE POSITIVE DRAINAGE OF 1% MINIMUM / 2% MAXIMUM AT ALL EXTERIOR PAVED PEDESTRIAN AREAS SUCH AS SIDEWALKS, PATIOS, STAIRS, ETC. UNLESS NOTED OTHERWISE.
3. PROVIDE POSITIVE DRAINAGE AWAY FROM THE BUILDING OF 5% FOR A DISTANCE OF 10 FEET UNLESS NOTED OTHERWISE.
4. FINISH GRADE SLOPES SHALL BE NO STEEPER THAN 1 FOOT VERTICAL IN 3 FEET HORIZONTAL.

GENERAL ARCHITECTURAL DRAWING NOTES

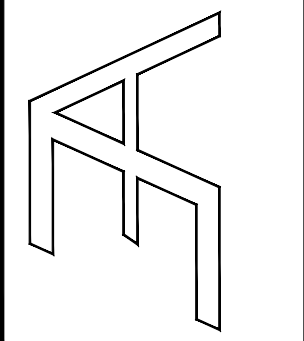
1. VERIFY DIMENSIONS AND EXISTING CONDITIONS BEFORE COMMENCING WORK. REPORT DISCREPANCIES TO THE ARCHITECT PRIOR TO PROCEEDING WITH AFFECTED WORK.
2. BUILDING FLOOR PLAN DIMENSIONS ARE REFERENCED FROM STRUCTURAL GRID, FACE OF CONCRETE, FACE OF MASONRY, OR FACE OF FINISHED SURFACE, UNLESS NOTED OTHERWISE.
3. REFLECTED CEILING PLAN DIMENSIONS ARE REFERENCED FROM FINISHED SURFACES UNLESS NOTED OTHERWISE. CEILING HEIGHTS ARE DIMENSIONED FROM FLOOR TO FINISHED CEILING HEIGHT.
4. CASEWORK, PLUMBING FIXTURES, TOILET PARTITIONS, AND OTHER FIXTURES AND EQUIPMENT ARE DIMENSIONED FROM FINISHED SURFACES UNLESS NOTED OTHERWISE.
5. DIMENSIONS NOTED AS "FIELD VERIFY" SHALL BE CHECKED AT THE SITE BY THE CONTRACTOR AND REVIEWED WITH THE ARCHITECT BEFORE INCORPORATING INTO THE WORK.
6. DIMENSIONS NOTED AS "CLEAR" REQUIRE SPECIFIC COORDINATION BETWEEN DISCIPLINES AND/OR MANUFACTURERS.
7. DRAWINGS NOTED AT "N.T.S." ARE NOT TO SCALE.
8. DO NOT SCALE DRAWING. WRITTEN DIMENSIONS TAKE PRECEDENCE. IF CLARIFICATION IS REQUIRED IN ORDER TO DETERMINE THE INTENT OF THE CONTRACT DOCUMENTS, CONTACT THE ARCHITECT.
9. NOTES OR DIMENSIONS LABELED "TYPICAL" SHALL APPLY TO SITUATIONS THAT ARE THE SAME OR SIMILAR.

GENERAL DEMOLITION NOTES

1. ALL EQUIPMENT WILL BE REMOVED OR RELOCATED BY THE CONTRACTOR AS NECESSARY PRIOR TO THE DEMOLITION WORK OF THIS PROJECT. CONTRACTOR SHALL COORDINATE WITH OWNER AS REQUIRED.
2. OWNER SHALL HAVE FIRST RIGHT OF REFUSAL ON ALL EQUIPMENT AND SALVAGE MATERIAL TO BE REMOVED. CONTRACTOR TO TRANSPORT ANY SALVAGE MATERIAL TO THE OWNER'S FACILITIES AT NO ADDITIONAL EXPENSE TO THE OWNER.
3. CONTRACTOR IS TO VERIFY THE EXACT LOCATION OF ALL EXISTING UTILITIES PRIOR TO DEMOLITION ACTIVITIES.
4. CONTRACTOR SHALL PROTECT ALL EXISTING CONSTRUCTION NOTED TO REMAIN FROM DAMAGE AND SOILING DURING DEMOLITION. REMOVE DEBRIS REGULARLY AS NECESSARY TO ELIMINATED INTERFERENCE WITH ROADS, STREET, WALKS, AND ALL OTHER ADJACENT FACILITIES.
5. CONTRACTOR IS RESPONSIBLE FOR CONSTRUCTION OF TEMPORARY DUST AND NOISE PROOF PARTITION BETWEEN CONSTRUCTION AREA AND ADJACENT PROPERTIES AS NECESSARY.
6. NOTIFY THE BUILDING OWNER OF ANY MATERIALS, FIXTURES, ETC. THAT ARE TO BE REMOVED THAT ARE DEEMED SALVAGEABLE. TURN OVER ANY REQUESTED ITEMS TO THE BUILDING OWNER IN GOOD CONDITION.
7. THE CONTRACTOR SHALL REMOVE ALL TRASH AND DEBRIS FROM THE SITE ON A DAILY BASIS.
8. CONTRACTOR SHALL PROVIDE TRAFFIC HANDLING MEASURES AS NECESSARY TO PROTECT THE GENERAL PUBLIC AT ALL TIMES, AND AS REQUIRED BY THE CITY.
9. DO NOT INTERRUPT EXISTING UTILITIES, EXCEPT WHEN AUTHORIZED IN WRITING BY AUTHORITIES HAVING JURISDICTION. PROVIDE TEMPORARY SERVICES DURING INTERRUPTIONS TO EXISTING UTILITIES, AS ACCEPTABLE TO GOVERNING AUTHORITIES.
10. WHEN UTILITY SERVICES ARE REQUIRED TO BE REMOVED, RELOCATED, OR ABANDONED, PROVIDE BYPASS CONNECTIONS TO MAINTAIN CONTINUITY OF SERVICE BEFORE PROCEEDING WITH DEMOLITION.
11. CONTRACTOR SHALL BE RESPONSIBLE TO CONTACT ALL UTILITY COMPANIES INCLUDING BUT NOT LIMITED TO THE FOLLOWING: ELECTRIC, GAS, WATER, TELEPHONE, STORM SEWER, AND SANITARY SEWER FOR FIELD LOCATION OF ALL UNDERGROUND AND OVERHEAD UTILITY LINES. PRIOR TO COMMENCEMENT WITH ANY DEMOLITION WORK, CONTRACTOR SHALL IDENTIFY ALL ELECTRICAL CIRCUITS SERVICING THE AREA INVOLVED WITH THIS DEMOLITION. THOSE CIRCUITS SHALL THEN BE LOCKED OUT AND TAGGED OUT IF THEY DO NOT SERVICE ANY OF THE SURROUNDING FACILITIES. THOSE CIRCUITS WHICH ARE IDENTIFIED TO SERVICE BOTH THE AREA TO BE DEMOLISHED AND ADJACENT BUILDINGS SHALL BE SPLIT SO AS TO KILL ALL ELECTRICAL POWER TO THE AREA TO BE DEMOLISHED WHILE MAINTAINING POWER TO THE REMAINDER OF THE SITE.
12. REFER TO MEP DRAWINGS FOR DEMOLITION OF MEP SYSTEMS TO IDENTIFY WORK REQUIRED BY THIS CONTRACTOR WHICH MAY AFFECT DEMOLITION AND/OR REPAIRS OF ARCHITECTURAL ELEMENTS. COORDINATE WITH RELATED SUBS THE EXTENT OF ALL DEMOLITION WORK.
13. REMOVE ANY EXISTING VINYL MATERIALS IN ACCORDANCE WITH EPA STANDARDS, NOTIFY ARCHITECT & OWNER OF ANY ADDITIONAL ASBESTOS CONTAINING MATERIALS DISCOVERED BEFORE PROCEEDING WITH WORK, PROTECT INTERIOR CONSTRUCTION TO REMAIN DURING DEMOLITION AND CONSTRUCTION.

REVISIONS			

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ARCHITECTS PLANNERS CONSTRUCTION MANAGEMENT INTERIORS
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TEL. (956) 464-8258 FAX. (956) 464-8259



CITY OF WESLACO
NEW FIRE STATION
WESLACO, TEXAS
HIDALGO COUNTY

DATE: 00/00/18

DRAWING TITLE:
SITE PLAN & DETAILS
FILE NAME:
JOB NO.: 1709
DATE: APR., 2018
DRAWN BY: M.G.
CHECKED BY: E.A. II/ E.A. III
SHEET:

AS1.00

04.12.18 — BID SOLICITATION APPROVAL



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1656	
From:			
Subject: Discussion and consideration to approve Resolution 2018-33 finding that AEP Texas Central Company's application for a distribution cost recovery factor to increase distribution rates within the city should be denied; finding that the city's reasonable rate case expenses shall be reimbursed by the company; and authorize the Mayor to execute any related documents. Possible action. (Staffed by City Manager's Office.)			
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):			
Aida Vega		Created/Initiated	
Mike Perez		Final Approval	
City Manager Comments: Approve.			
Staff Recommendation:			
Attachments, if any: AEP - Application of AEP Texas Inc. TO AMEND ITS DISTRIBUTION COST DISCOVERY FACTORS, Model Staff Report Re Denial Resolution - 2018 AEP DCRF (Docket No.48222), R2018-33 Denial Resolution - AEP rate increase			
Responsibilities upon Approval:			



An AEP Company

BOUNDLESS ENERGY™

AEP Texas
400 West 15th Street, Suite 1520
Austin, TX 78701
aeptexas.com

April 3, 2018

The Honorable David Suarez
Mayor, City of Weslaco
255 S. Kansas Ave
Weslaco, TX 78596



Dear Mayor Suarez:

On April 3, AEP Texas on behalf of its Central Division (formerly AEP Texas Central Company) is filing a request with the Public Utility Commission of Texas (PUC) and your city to amend its Distribution Cost Recovery Factor (DCRF). This filing has not yet been assigned a docket number. Attached to this letter is a copy of the Application. Included on the enclosed flash drive is the entire filing package for your information.

Your city is not required to take action on this filing. Pursuant to the DCRF Rule adopted by the PUC (16 Tex. Admin. Code § 25.243), if your city does not make a final decision within 60 days after this filing, the application is deemed denied. Whether your city approves or denies the application, it will be deemed appealed to the PUC and consolidated with the proceeding at the PUC 60 days from the date of this filing. Consequently, your city is not required to take any action.

Approval of the DCRF filing will allow AEP Texas to recover distribution capital investments made since July 2006 and allow the company to continue to invest in similar distribution infrastructure. The DCRF is a mechanism that allows utilities to recover investment in distribution infrastructure in a timely manner.

AEP Texas - Central Division has invested approximately \$1.2 billion in distribution infrastructure over the past eleven years. These investments are indicative of the growth experienced within our service territory, as well as the increased capital investment in electric distribution to meet the needs created by this growth.

In this filing, AEP Texas – Central Division is also proposing to reduce the federal income tax rate from 35% to 21% due to the recently passed 2017 Tax Cuts and Jobs Act. As a result of the tax rate reduction, the Company has determined a net decrease to income taxes of \$16.2 million.

If the request is approved by the PUC, the monthly wires charges billed to the Retail Electric Providers (REPs) for residential customers in the Central Division service territory using 1,000 kilowatt-hours (kWh) of electricity will decrease by approximately \$0.21.

If you need additional information or have any questions, please call me at 956-361-2088.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Lucio", followed by a stylized flourish.

Daniel Lucio
AEP Texas External Affairs Manager

Attachments

PUC DOCKET NO. _____

APPLICATION OF AEP TEXAS INC. TO	§	PUBLIC UTILITY COMMISSION
AMEND ITS DISTRIBUTION COST	§	
RECOVERY FACTORS	§	OF TEXAS
	§	

**APPLICATION OF AEP TEXAS INC.
TO AMEND ITS DISTRIBUTION COST RECOVERY FACTORS**

TO THE HONORABLE PUBLIC UTILITY COMMISSION:

NOW COMES AEP Texas Inc. (AEP Texas or Company), and files its Application To Amend Its Distribution Cost Recovery Factors (DCRF) pursuant to Section 36.210 of the Public Utility Regulatory Act (PURA) and 16 Tex. Admin. Code (TAC) § 25.243 and implement a new tax rate pursuant to the Tax Cuts and Jobs Act of 2017 and the Public Utility Commission's (Commission) Amended Order in Project No. 47945, and requests that its regulatory authorities, including the Commission and applicable municipalities, approve AEP Texas' proposed DCRF Schedules.

I. INTRODUCTION

Effective December 31, 2016, AEP Texas Central Company (TCC) and AEP Texas North Company (TNC) were merged into their parent company, now called AEP Texas. The merger was approved by the (Commission) in Docket No. 46050 – *Application of AEP Texas Central Company, AEP Texas North Company, and AEP Utilities, Inc. for Approval of Merger*. The Commission ordered AEP Texas to “maintain separate TCC and TNC divisions, which will continue to charge separate rates and riders, and maintain separate tariffs, unless and until such time as the Commission may consider and approve consolidated rates and tariffs.”¹ Consistent with the Commission's order, AEP Texas is maintaining two divisions within AEP Texas: AEP Texas – Central Division (formerly TCC) and AEP Texas – North Division (formerly TNC). Therefore, this DCRF filing for AEP Texas proposes to maintain separate DCRFs for the two divisions of AEP Texas.

This is the third DCRF filing for AEP Texas. As shown in this Application, the revenue requirement associated with the allowed return, depreciation, income and other taxes on this investment for AEP Texas is \$113,556,119 (\$88,321,892 for the Central Division and \$25,234,227

¹ Docket No. 46050, *Application of AEP Texas Central Company, AEP Texas North Company, and AEP Utilities, Inc. for Approval of Merger*, Final Order at Ordering Paragraph No. 2 (Dec. 12, 2016).

for the North Division). Adjusted for load growth, the DCRF revenue requirement is \$82,628,942 for AEP Texas (\$61,723,358 for the Central Division and \$20,905,584 for the North Division). Compared to the revenue requirement agreed to in Docket No. 47015, this filing seeks to increase the DCRF by approximately \$3.1 million for AEP Texas (an approximately \$800,000 decrease for the Central Division and \$3.9 million increase for the North Division).

II. JURISDICTION AND MUNICIPAL FINDINGS

AEP Texas is an “electric utility” as that term is defined in PURA §§ 11.004(1) and 31.002(6) and a transmission and distribution utility as defined in PURA § 31.002(19).

The Commission has exclusive original jurisdiction over this Application for areas outside municipalities pursuant to PURA §§ 32.001(a) and 36.210(a) and for areas inside municipalities that have surrendered jurisdiction to the Commission pursuant to PURA § 33.002(b). Additionally, the Commission has exclusive appellate jurisdiction under PURA § 32.001(b) to review *de novo* an order or ordinance of a municipality exercising original jurisdiction under PURA.

Pursuant to PURA §§ 36.210(a), 36.210(f)(4), and 33.001(a), municipalities within AEP Texas’ service area that have not ceded their jurisdiction to the Commission have exclusive original jurisdiction over this Application with regard to customers in areas within their municipal boundaries.

Therefore, AEP Texas is simultaneously filing this Application with the Commission and all municipal authorities that have retained jurisdiction over AEP Texas’ rates. Pursuant to 16 TAC 25.243(c)(1)(B), AEP Texas will be deemed to have appealed the filings with the municipalities to the Commission 60 days from the date of the municipal filing and any interim or final orders issued by a municipality’s governing body will be deemed suspended at the time such order took effect.

III. SCOPE OF PROCEEDING

With regard to the scope of this proceeding, 16 TAC § 25.243(e)(5) states that “[t]he issues of whether distribution invested capital included in an application for a DCRF or DCRF adjustment complies with PURA, including § 36.053 and § 36.058, and is prudent, reasonable, and necessary shall not be addressed in a DCRF proceeding unless the presiding officer finds that good cause exists to address these issues.” Therefore, AEP Texas is not addressing those issues in this Application. If

the presiding officer determines that those issues should be addressed in this proceeding, AEP Texas reserves its right to make supplemental filings to fully address those issues.

IV. AUTHORIZED REPRESENTATIVES AND SERVICE LOCATION

AEP Texas' authorized business representative is:

Steven Beaty
AEP Texas
400 West 15th Street, Suite 1520
Austin, Texas 78701
512-481-4550
512-481-4591 (fax)
sjbeaty@aep.com

AEP Texas' authorized legal representative is:

Melissa Gage
American Electric Power Service Corporation
400 West 15th Street, Suite 1520
Austin, Texas 78701
512-481-3320
512-481-4591 (fax)
magage@aep.com

AEP Texas requests that all pleadings and other documents filed in this proceeding be served on Melissa Gage using the contact information listed above.

V. AFFECTED PERSONS AND TERRITORIES

AEP Texas' Application affects all retail electric providers (REPs) serving end-use retail electric customers in AEP Texas' certificated service territory and will affect the retail electric customers of those REPs to the extent that the REPs choose to pass along those charges under AEP Texas' DCRF Schedule to their customers. If the DCRF requested in this Application is approved, AEP Texas' distribution revenues will increase by approximately \$3.1 million on an annual basis (a \$0.8 million decrease for the Central Division and \$3.9 million increase for the North Division) as compared to the distribution revenues approved in its most recent DCRF cases.

VI. PROPOSED RIDER AND EFFECTIVE DATE

AEP Texas' proposed DCRF Schedules are attached to this Application as Attachment A. The filing date of this Application complies with 16 TAC § 25.243(c)(2). Pursuant to PURA § 36.210(a)(1)(C) and 16 TAC § 25.243(e)(6)(C), AEP Texas' proposed effective date for rates under the DCRF Schedules is September 1, 2018.

VII. OVERVIEW OF THE APPLICATION AND SUPPORTING DOCUMENTATION

AEP Texas' proposed DCRF Schedules are based on changes in AEP Texas' invested capital, as described by PURA § 36.053 that are categorized as "distribution plant, distribution-related intangible plant, and distribution-related communication equipment and networks" consistent with PURA § 36.210 and 16 TAC § 25.243 since June 30, 2006, the end of the test year in the last base rate cases for TCC and TNC, Docket Nos. 33309² and 33310.³ Approximately \$2.1 billion in distribution-related capital additions were added to plant in service between July 1, 2006 and December 31, 2017. As shown in this Application, the revenue requirement associated with the allowed return, depreciation, income and other taxes on this investment is \$113,556,119 (\$88,321,892 for the Central Division and \$25,234,227 for the North Division). Adjusted for load growth, the requested DCRF revenue requirement is \$82,628,941 for AEP Texas (\$61,723,358 for the Central Division and \$20,905,584 for the North Division).

This Application contains the testimony of three witnesses. First, Company witness Thomas Coad sponsors and supports the distribution-related capital additions reflected in the proposed DCRF. Second, Company witness Peter Kimani presents the unadjusted proposed DCRF revenue requirements and the DCRF rate filing package. Finally, Company witness John Hackerott presents the calculation of the DCRF rates, based on the total requested increase adjusted for growth in billing determinants, and sponsors the DCRF Schedules. Collectively, these witnesses demonstrate AEP Texas' compliance with the standards for DCRF recovery set forth in PURA, 16 TAC § 25.243, and the Commission's DCRF application form. Additionally, AEP Texas has included the sworn

² *Application of AEP Texas Central Company for Authority to Change Rates*, Docket No. 33309, Order on Rehearing (March 4, 2008).

³ *Application of AEP Texas North Company for Authority to Change Rates*, Docket No. 33310, Order (May 29, 2007).

statements of Company witnesses Coad, Kimani, and Hackerott in compliance with PURA § 36.210(a)(6) and 16 TAC § 25.243(e)(1) as Attachment B.

Included with this Application as Schedule K is AEP Texas' earnings monitoring report (EMR) for the immediately preceding calendar year, pursuant to 16 TAC § 25.243(e)(1). As shown in AEP Texas' EMR, AEP Texas is earning less than its authorized rate of return on a total company basis.

VIII. GOOD CAUSE EXCEPTION

The DCRF rule (§ 25.243(e)(4)) requires the Commission to deny a DCRF application "if the earnings monitoring report included in the electric utility's application shows that the electric utility is earning more than its authorized rate of return using weather-normalized data." As addressed above, AEP Texas is earning less than its authorized rate of return on a total company basis. However, when the utility's divisions are looked at individually, the North Division appears to be earning more than its authorized rate of return on a weather-normalized basis. The weather adjustment increased the North Divisions actual return of 9.41% that was below its authorized 9.96%, by over one full percent (1.07%) because both cooling and heating degree days were below normal. Although AEP Texas does not believe that a good cause exception is needed, to the extent necessary, AEP Texas requests that the Commission grant a good cause exception to § 25.243(e)(4) to allow for AEP Texas to make this filing to update its distribution rates pursuant to 16 TAC § 25.3(b).

In this filing, AEP Texas is proposing to reduce the federal income tax rate from 35% to 21% due to the recently passed 2017 Tax Cuts and Jobs Act (TCJA). As a result of the tax rate reduction, the Company has determined a net decrease to income taxes of \$20.6 million (\$16.2 million for the Central Division and \$4.4 million for the North Division). Because this application seeks to implement the Commission's amended accounting order in Project No. 47945 to reflect changes in AEP Texas' distribution rates for the TCJA, good cause exists for the Commission to make an exception to its rule and adjust the DCRF for the North Division. By allowing AEP Texas to update its distribution rates through this DCRF, the Commission will update distribution rates for the ongoing tax rate change from 35% to 21%, as well as an update to rate base for the excess deferred federal income taxes resulting from the TCJA.

IX. NOTICE AND INTERVENTION DEADLINE

AEP Texas will provide notice as required by 16 TAC § 25.243(e)(2) to all parties in AEP Texas' last comprehensive base-rate proceedings and its last DCRF cases no later than the day after AEP Texas files this Application. Notice will be accomplished by serving those parties with a copy of this Application. Proof of notice will be filed with the Commission upon completion of notice.

Pursuant to 16 TAC § 25.243(e)(2), the intervention deadline is 30 days from the date service of notice is completed.

X. PROPOSED SCHEDULE

Due to the expedited nature of the DCRF proceedings, AEP Texas is proposing a procedural schedule similar to the schedule adopted in last year's DCRF, Docket No. 47015. AEP Texas welcomes comments from interested parties in order to have a procedural schedule established as soon as practicable in this case to set a hearing date that will allow for the September 1, 2018 effective date.

Date	Event
April 3, 2018	Application filed
April 4, 2018	Notice Provided
May 4, 2018	Deadline to file material deficiency motions
May 4, 2018	Deadline to file motion to intervene (<i>30 days after notice is complete</i>)
May 4, 2018	Technical Conference (if requested)
May 4, 2018	Discovery deadline on Applicant direct; Deadline for objections to Applicant direct
May 7, 2018	Settlement Conference
May 8, 2018	Intervenors file request for hearing and direct testimony
May 15, 2018	Staff files request for hearing and direct testimony; or recommendation on final disposition if no hearing requested

May 23, 2018	Company files rebuttal testimony; or if no disputed issues exist, parties file proposed findings of fact, conclusions of law and ordering paragraphs
May 24, 2018	Discovery deadline
May 31, 2018	Hearing on the merits, if requested
June 2, 2018	City applications deemed denied, appealed and consolidated with this docket
June 6, 2018	Deadline for parties to file briefs (one round of briefs only) with proposed findings of fact and conclusions of law
July 18, 2018	Provide notice to REPs
September 1, 2018	Effective Date

XI. CONFIDENTIALITY

AEP Texas anticipates that it may become necessary for the Company to furnish confidential or highly sensitive information during this case. Therefore, AEP Texas has included as Attachment C of the Application a proposed protective order. The proposed protective order is the same protective order approved in AEP Texas' prior DCRF case.

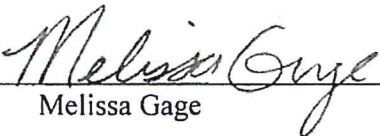
XII. REQUEST FOR RELIEF

AEP Texas requests that the Commission approve the protective order. AEP Texas further requests that the Commission and local regulatory authorities approve the DCRF requested in this Application. Finally, AEP Texas requests that it be granted any other relief to which it has shown itself entitled.

Dated: April 3, 2018

RESPECTFULLY SUBMITTED,

American Electric Power
400 West 15th Street, Suite 1520
Austin, Texas 78701
Melissa Gage
State Bar No. 24063949
Email: magage@aep.com
Telephone: (512) 481-3320
Facsimile: (512) 481-4591

By:  _____
Melissa Gage

ATTORNEY FOR AEP TEXAS INC.

PUC DOCKET NO. _____

APPLICATION OF AEP TEXAS INC. TO	§	PUBLIC UTILITY COMMISSION
AMEND ITS DISTRIBUTION COST	§	
RECOVERY FACTORS	§	OF TEXAS
	§	

**APPLICATION OF AEP TEXAS INC.
TO AMEND ITS DISTRIBUTION COST RECOVERY FACTORS**

APRIL 3, 2018

CONTENTS OF FLASH DRIVE

Exhibits TMC-2 and 3 AEP_Texas_D_PIS_Adds_2017_20180313.xlsx

Exhibits_TMC-4_20180213.xls

Exhibits_TMC-5_20180213.xls

EXHIBIT VJH-5 Alt Compliance WP-06-33309 TCC Dist Model Com.xls

EXHIBIT VJH-5 Alt Compliance WP-07-33309 TCC Metering Model Com.xls

EXHIBIT VJH-5 Alt Compliance WP-08-33309 TCC TDCS Model Com.xls

EXHIBIT VJH-6 Sch II-I-1 TNC COS STUDY w staff adjustments 032707.xls

Central Division DCRF Schedules H & J 2018.xls

Central WP Schedule J-1.1.xls

Central WP Schedule J-1.xls

North Division DCRF Schedules H & J 2018.xls

North WP Schedule J-1.1.xls

North WP Schedule J-1.xls

Central DCRF_2018 Filing Schedules_FINAL.xlsx

Central Division WP Schedule H-3.xlsx

North Division WP Schedule H-3.xlsx

North_DCRF_Filing_Schedules-2018_FINAL.xlsx

TCC 2017 EMR FINAL.xlsx

TCC-TNC Combined- 2017 EMR_FINAL-3.29.18.xlsx

TNC 2017 EMR FINAL.xls

MODEL STAFF REPORT REGARDING AEP'S DISTRIBUTION COST RECOVERY FACTOR FILING

On April 3, 2018, AEP Texas Inc. ("AEP" or "Company") filed an Application to Amend its Distribution Cost Recover Factors ("DCRF") to Increase Distribution Rates with each of the cities in their service area. In the filing, the Company asserts that it is seeking an increase in distribution revenues of approximately \$3.1 million (an approximately \$800,000 decrease for the Central Division and \$3.9 million increase for the North Division).

The resolution authorizes the City to join with the Cities Served by AEP ("Cities") to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue.

Purpose of the Resolution:

The purpose of the Resolution is to deny the DCRF application proposed by AEP.

Explanation of "Be It Resolved" Paragraphs:

1. This section authorizes the City to participate with Cities as a party in the Company's DCRF filing, PUC Docket No. 48222.
2. This section authorizes the hiring of Lloyd Gosselink and consultants to review the filing, negotiate with the Company, and make recommendations to the City regarding reasonable rates. Additionally, it authorizes Cities to direct any necessary administrative proceedings or court litigation associated with an appeal of this application filed with the PUC.
3. This paragraph finds that the Company's application is unreasonable and should be denied.
4. This section states that the Company's current rates shall not be changed.
5. The Company will reimburse Cities for their reasonable rate case expenses. Legal counsel and consultants approved by Cities will submit monthly invoices that will be forwarded to AEP for reimbursement.
6. This section recites that the Resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.
7. This section provides that AEP and counsel for Cities will be notified of the City's action by sending a copy of the approved and signed Resolution to counsel.

RESOLUTION NO. 2018-33

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; 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 3, 2018 AEP filed with the City an Application to Amend its Distribution Cost Recovery Factor ("DCRF"), PUC Docket No. 48222, seeking to increase electric distribution rates by approximately \$3.1 million (an approximately \$800,000 decrease for the Central Division and \$3.9 million increase for the North Division); 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. 48222..

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 Melissa Gage, 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, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED this 17th day of April 2018.

David Suarez, Mayor

ATTEST:

Elizabeth Walker, City Secretary

APPROVED AS TO FORM:

Juan E. Gonzalez, City Attorney



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1660	
From:			
Subject: Discussion and consideration to approve Resolution 2018-34 opposing inclusion of a citizenship question in the 2020 Census and authorize the Mayor to execute any related documents. Possible action. (Staffed by City Manager's Office.)			
Background: These documents were conveyed for consideration by Judge Ramon Garcia.			
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:			
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):			
Aida Vega Mike Perez		Created/Initiated New	
City Manager Comments: Approve.			
Staff Recommendation:			
Attachments, if any: Sample Letter to US House 4.3.18, Sample Letter to US Senate 4.3.18, R2018-34 oppose citizenship question 2020 census			
Responsibilities upon Approval:			

April 3, 2018

The Honorable Trey Gowdy
Chairman
House Committee on Oversight and
Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Elijah Cummings
Ranking Member
House Committee on Oversight and
Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

Re: Opposition to Census Citizenship Question

Dear Chairman Gowdy and Ranking Member Cummings:

I send this letter to express my concern and objection to the inclusion of the citizenship question to the Census Form. Like many communities around the nation, I urge you to hold oversight hearings promptly and take action to ensure this question does not appear on the Census Questionnaire.

Hidalgo County, the seventh most populous of 254 counties in Texas, has historically faced many challenges during the Census process and every decennial we have made great strides to overcome those challenges. The Census Bureau has consistently had to handle the Census in our region differently because we are a very unique community. A rapidly growing community with a large territory to cover, high poverty rates, and messaging and language barriers are all challenges we arduously work to address.

New concerns for the 2020 Census such as funding levels, internet focus in a high poverty region, and the President's rhetoric towards immigrants have all exacerbated existing challenges. Nonetheless, many local stakeholders have come together to devise a plan that will help us counter these issues. This new question now poses the biggest challenge of all as I am sure it will dissuade residents from responding in general and will counter our efforts. Furthermore, I am sure inclusion of this question would result in the most ineffective and costly Census in the history of the United States.

The Constitutional mandate is that all those residing in the United States be counted. I urge you to take action to ensure this requirement is met and partisan politics and anti-immigrant sentiments do not obstruct and impair the Census process.

Sincerely,

Cc: Members of the U.S. House of Representatives Committee on Oversight and Government Reform

The Honorable Congressman Henry Cuellar, District 28

The Honorable Congressman Vicente Gonzalez, District 15

The Honorable Congressman Filemon Vela, District 34

DRAFT

April 3, 2018

The Honorable Ron Johnson
Chairman
Senate Committee on Homeland Security
and Government Affairs
U.S. Senate
340 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Claire McCaskill
Ranking Member
Senate Committee on Homeland Security
and Government Affairs
U.S. Senate
340 Dirksen Senate Office Building
Washington, D.C. 20510

Re: Opposition to Census Citizenship Question

Dear Chairman Johnson and Ranking Member McCaskill:

I send this letter to express my concern and objection to the inclusion of the citizenship question to the Census Form. Like many communities around the nation, I urge you to hold oversight hearings promptly and take action to ensure this question does not appear on the Census Questionnaire.

Hidalgo County, the seventh most populous of 254 counties in Texas, has historically faced many challenges during the Census process and every decennial we have made great strides to overcome those challenges. The Census Bureau has consistently had to handle the Census in our region differently because we are a very unique community. A rapidly growing community with a large territory to cover, high poverty rates, and messaging and language barriers are all challenges we arduously work to address.

New concerns for the 2020 Census such as funding levels, internet focus in a high poverty region, and the President's rhetoric towards immigrants have all exacerbated existing challenges. Nonetheless, many local stakeholders have come together to devise a plan that will help us counter these issues. This new question now poses the biggest challenge of all as I am sure it will dissuade residents from responding in general and will counter our efforts. Furthermore, I am sure inclusion of this question would result in the most ineffective and costly Census in the history of the United States.

The Constitutional mandate is that all those residing in the United States be counted. I urge you to take action to ensure this requirement is met and partisan politics and anti-immigrant sentiments do not obstruct and impair the Census process.

Sincerely,

DRAFT

RESOLUTION NO. 2018-34

RESOLUTION OPPOSING CITIZENSHIP QUESTION IN THE 2020 CENSUS

WHEREAS, Hidalgo County, one of the most populous counties in the State of Texas, is currently ranked by Census Bureau as the 7th most populous of 254 counties; and

WHEREAS, Hidalgo County has historically faced undercounts and other challenges during the Census process and made great strides to overcome those challenges with the 2020 Census Committee; and

WHEREAS, even with alternative enumeration processes and messaging, properly recording Hidalgo County's population has proven challenging; and

WHEREAS, an internet based Census, Census Bureau funding shortage, and anti-immigrant rhetoric pose new challenges for our region; and

WHEREAS, a greater challenge has now been imposed by adding a citizenship question to the Census Questionnaire; and

WHEREAS, the Constitutional mandate is that all people residing in the United States be counted; and

WHEREAS, a citizenship question is not necessary nor beneficial for the Census process and will be costly and ineffective; and

WHEREAS, a citizenship question will deter residents from responding and negatively affect our regions congressional, state, and local representation as well as funding for programs and infrastructure vital for our community's continued development;

NOW, THEREFORE, BE IT RESOLVED that the Weslaco City Commission hereby opposes inclusion of a citizenship question in the 2020 Census and urges Congress members and the administration to remove the citizenship question from the 2020 Census Form.

PASSED AND APPROVED on this 17th day of April, 2018.

CITY OF WESLACO

David Suarez, **MAYOR**

ATTEST:

Elizabeth Walker, **CITY SECRETARY**

APPROVED AS TO FORM:

Juan E. Gonzalez **CITY ATTORNEY**



Standardized Agenda Request Form

Date of Meeting: April 17, 2018		Agenda Item No. (to be assigned by CSO): 2018-1649	
From:			
Subject: Discussion and consideration to purchase an administrative truck for the Weslaco Police Department Chief utilizing a Buyboard contract #521-16 Silsbee Ford in the amount not to exceed \$33,145.00 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Finance Department.)			
Background: New truck for Police Chief			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Budget Amendment			
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):			
Homer Rhodes		Created/Initiated	
Mary Barrera		Approved	
Mike Perez		Final Approval	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval contingent on budget amendment as needed.			
Attachments, if any: SILSBEE FORD - BUYBOARD QUOTE 4.17.18			
Responsibilities upon Approval: Purchasing Office will prepare purchase order to Silsbee Ford.			

PRODUCT PRICING SUMMARY BUYBOARD CONTRACT #521-16

Vehicles and Heavy Duty Trucks

VENDOR--Silsbee Ford, 1211 Hwy 96 N., Silsbee TX 77656

End User: CITY OF WESLACO

Prepared by: RICHARD HYDER

Contact: HOMER RHODES 956.447.2240

Phone: (409) 300-1385

Email: HRHODES@WESLACOTX.GOVEmail: rhyder.cowboyfleet@gmail.com

Product Description: 2018 F-SERIES

Date: April 4, 2018

A. Bid Series: 113

A. Base Price: \$ 16,360.00

B. Published Options [Itemize each below]

Code	Options	Bid Price	Code	Options	Bid Price
W1E	F150 CREW CAB XLT 4X4 5.5' BED	\$ 14,845.00			
99B	3.3L V6 GAS	\$ -			
N1	EXTERIOR BLUE JEANS METALLIC	\$ -			
UG	INTERIOR GREY CLOTH 40/C/40	\$ 278.00			
53B	TRAILER HITCH	\$ 90.00			
18B	BLACK PLATFORM RUNNING BOARDS	\$ 238.00			
76R	REVERSE SENSING	\$ 259.00			

Total of B. Published Options: \$ 15,710.00

C. Unpublished Options [Itemize each below, not to exceed 25%]

\$= 0.0 %

Options	Bid Price	Options	Bid Price
ORDER TO DELIVERY ~90-120 DAYS			

Total of C. Unpublished Options: \$ -

D. Pre-delivery Inspection:

\$ -

E. Texas State Inspection:

\$ -

F. Manufacturer Destination/Delivery:

\$ -

G. Floor Plan Interest (for in-stock and/or equipped vehicles):

\$ -

H. Lot Insurance (for in-stock and/or equipped vehicles):

\$ -

I. Contract Price Adjustment:

J. Additional Delivery Charge: 450 miles

\$ 675.00

K. Subtotal:

\$ 32,745.00

L. Quantity Ordered 1 x K =

\$ 32,745.00

M. Trade in:

N. BUYBOARD Administrative Fee (\$400 per purchase order)

\$ 400.00

O. TOTAL PURCHASE PRICE INCLUDING BUYBOARD FEE

\$ 33,145.00

[Administration](#)[RFQ](#)[Purchase Order](#)[Reports](#)[Shopping Cart](#)Welcome **Homer** [[Log Off](#)]

Vendor Contract Information

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Searches:

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Search:

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Silsbee Ford[X]

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None Selected

[Contract](#)

Vehicles, Heavy Duty Trucks, Police
Motorcycles, Parts, and Service
Labor[X]

Vendor Name: Silsbee Ford

Address: 1211 US Hwy 96 N.
Silsbee, TX 77656

Phone Number: (409) 895-3800

Email: rhyder.cowboyfleet@gmail.com

Website: <http://www.silsbeeford.com>

Federal ID: 76-0533144

Contact: Richard Hyder**Accepts RFQs:** Yes**Minority Owned:** No**Women Owned:** No**Service-Disabled Veteran Owned:** No**EDGAR:** Yes**Contract Name:** Vehicles, Heavy Duty Trucks, Police Motorcycles, Parts, and Service Labor

Contract Description: Compact, mid-size and full size sedans; crossovers; sport utility SUVs; midsize, full-size & heavy duty pickups; passenger & cargo vans; law enforcement vehicles & motorcycle; cab chassis trucks; heavy duty trucks & tractors; program vehicles; repair parts/service

Contract#: 521-16**Effective Date:** 12/01/2016**Expiration Date:** 11/30/2019**Service Fee:** Vehicles purchase orders are subject to a \$400 service fee**Payment Terms:** Net 30 days**Delivery Days:** 90**Shipping Terms:** Pre-paid and added to invoice**Freight Terms:** FOB Destination**Ship Via:** Common Carrier**Region Served:** All Texas Regions**States Served:** All States

Contract Exceptions: The term "program vehicle" refers to a factory owned vehicle that has been used for demonstration and test drive purposes throughout the year the vehicle was released and is considered a used vehicle. Program vehicles do not maintain the Manufacturers Certificate Origin (MCO) as that only applies new vehicles. Program vehicles also include vehicles purchased from car rental agencies, again considered used vehicles, and are usually one or more old lease returns with a years' worth of mileage (maximum of 25,000 miles).

Additional Info: NOTE: As per the specifications for BuyBoard Proposal 521-16, and except for delivery fee explained below, all vehicle fees (i.e. pre-deliver inspection, make ready, State of Texas inspection, manufacturer destination fees, etc.) charged for any purchase from this contract are included in the awarded vehicle base price(s). Vehicle fees not included in the base price(s) are not allowed and should not appear on the awarded dealer's quote for a vehicle offered for purchase under the contract. The Cooperative service fee is not a vehicle fee and is not included in the base pricing. Only those vendors whose awarded pricing is stated on the BuyBoard on a per mile basis may charge a vehicle delivery fee. The above information has been communicated to Cooperative members. EDGAR Vendor Certification Form (relating CFR Part 200 & Appendix II) is included in the Vendor response document, and can be found in the Vendor Proposal File link near the bottom of the page.

Quote Reference Number: 521-16**Return Policy:** 25% restocking fee during first 30 days after delivery

[Additional Resources](#)



Selected Options

Code	Description	MSRP
Base Vehicle		
W1E	Base Vehicle Price (W1E)	\$42,055.00
Packages		
300A	Equipment Group 300A Base <i>Includes:</i> - Engine: 3.3L V6 PDFI Includes auto start-stop technology and flex-fuel capability. - Transmission: Electronic 6-Speed Automatic Includes selectable drive modes: normal/tow-haul/sport. - 3.73 Axle Ratio - GVWR: 6,500 lbs Payload Package - Tires: P265/70R17 OWL A/T - Wheels: 17" Silver Painted Aluminum - Radio: AM/FM Stereo/Single-CD Player Includes 6 speakers. - SYNC Includes enhanced voice recognition communications and entertainment system, 911 assist, 4.2" LCD display in center stack, Applink and 1 smart charging USB port.	N/C
Powertrain		
99B	Engine: 3.3L V6 PDFI <i>Includes auto start-stop technology and flex-fuel capability.</i>	Included
446	Transmission: Electronic 6-Speed Automatic <i>Includes selectable drive modes: normal/tow-haul/sport.</i>	Included
X26	3.73 Axle Ratio	Included
STDGV	GVWR: 6,500 lbs Payload Package	Included
Wheels & Tires		
STDTR	Tires: P265/70R17 OWL A/T	Included
64F	Wheels: 17" Silver Painted Aluminum	Included
Seats & Seat Trim		
U	Cloth 40/Console/40 Front Seats <i>Includes 4-way adjustable driver/passenger headrests, manual driver/passenger lumbar, flow-through console with column shift and 2nd outlet in console when ordered with 110V/400W outlet (91V).</i>	\$295.00
Other Options		
145WB	145" Wheelbase	STD
58B	Radio: AM/FM Stereo/Single-CD Player	Included

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.



Silsbee Ford, Inc.
1211 US Hwy 96 North, Silsbee, Texas, 776567190

2018 F-150, SuperCrew Cab Styleside
4x4 SuperCrew Cab Styleside 5.5' box 145" WB
XL7(W1E)
Price Level: 835

Selected Options (cont'd)

Code	Description	MSRP
53B	<i>Includes 6 speakers.</i> <i>Includes:</i> <i>- SYNC</i> <i>Includes enhanced voice recognition communications and entertainment system, 911 assist, 4.2" LCD display in center stack, Applink and 1 smart charging USB port.</i> Class IV Trailer Hitch Receiver	\$95.00
18B	Ordering the Trailer Tow Package does not include Integrated Brake Controller (67T). Integrated Brake Controller (67T) is a standalone option and must be ordered separately. <i>Includes towing capability up to 5,000 lbs. on 3.3L V6 PFDI engine (99B) and 2.7L EcoBoost engine (99P) or up to 7,000 lbs. on 3.5L EcoBoost engine (99G) and 5.0L V8 engine (995), smart trailer tow connector and 4-pin/7-pin wiring harness.</i> Black Platform Running Boards	\$250.00
PAINT	Monotone Paint Application	STD
76R	Reverse Sensing System	\$275.00
Interior Colors		
UG_01	Medium Earth Gray	N/C
Primary Colors		
N1_01	Blue Jeans Metallic	N/C
SUBTOTAL		\$42,970.00
Destination Charge		\$1,395.00
TOTAL		\$44,365.00

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Selected Equipment & Specs

Dimensions

- * Exterior length: 231.9"
- * Exterior height: 77.2"
- * Turning radius: 23.9'
- * Max ground clearance: 10.2"
- * Rear legroom: 43.6"
- * Rear headroom: 40.4"
- * Rear hiproom: 64.7"
- * Rear shoulder room: 65.9"
- * Approach angle: 25.5 deg
- * Maximum cargo volume: 51.9cu.ft.
- * Exterior width: 79.9"
- * Wheelbase: 145.0"
- * Min ground clearance: 9.3"
- * Front legroom: 43.9"
- * Front headroom: 40.8"
- * Front hiproom: 62.5"
- * Front shoulder room: 66.7"
- * Passenger volume: 131.8cu.ft.
- * Departure angle: 26 deg
- * Box length: 66.0"

Powertrain

- * 290hp 3.3L DOHC 24 valve V-6 engine with Ti-VCT variable valve control, port/direct injection
- * Recommended fuel : regular unleaded
- * 6 speed automatic transmission with overdrive
- * Fuel Economy City: 18 mpg
- * Capless fuel filler
- * Auto stop-start feature
- * LEV3-ULEV125
- * Part-time
- * Fuel Economy Highway: 23 mpg

Suspension/Handling

- * Front independent double wishbone suspension with anti-roll bar, gas-pressurized shocks
- * Speed-sensing electric power-assist rack-pinion Steering
- * P265/70SR17 OWL AT front and rear tires
- * Rear rigid axle leaf spring suspension with gas-pressurized shocks
- * Front and rear 17 x 7.5 silver aluminum wheels

Body Exterior

- * 4 doors
- * Conventional right rear passenger
- * Black door mirrors
- * Running boards
- * Bed-rail protectors
- * Easy lower tailgate
- * Box style: regular
- * Front and rear 17 x 7.5 wheels
- * Conventional left rear passenger
- * Driver and passenger power remote, manual folding door mirrors
- * Chrome bumpers
- * Class IV trailer hitch with trailer sway control
- * Easy lift tailgate
- * Trailer harness
- * Clearcoat paint
- * 2 front tow hook(s)

Convenience

- * Manual air conditioning
- * Power windows
- * Driver and passenger 1-touch down
- * Manual tilt steering wheel
- * Day-night rearview mirror
- * AppLink smart device integration
- * Front and rear cupholders
- * Full floor console
- * Rear door bins
- * Cruise control with steering wheel controls
- * Driver and passenger 1-touch up
- * Remote power door locks with 2 stage unlock and illuminated entry
- * Manual telescopic steering wheel
- * Wireless phone connectivity
- * 2 1st row LCD monitors
- * Dual visor mirrors
- * Driver and passenger door bins

Seats and Trim

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.



Selected Equipment & Specs (cont'd)

- * Seating capacity of 5
- * 4-way driver seat adjustment
- * 4-way passenger seat adjustment
- * Centre front armrest
- * Cloth seat upholstery
- * Front bucket seats
- * Manual driver lumbar support
- * Manual passenger lumbar support
- * 60-40 folding rear split-bench seat
- * Metal-look instrument panel insert

Entertainment Features

- * AM/FM stereo radio with radio data system
- * CD-MP3 decoder
- * Steering wheel mounted radio controls
- * Streaming audio
- * Single CD player
- * SYNC external memory control
- * 6 speakers
- * Fixed antenna

Lighting, Visibility and Instrumentation

- * Halogen aero-composite headlights
- * Fully automatic headlights
- * Variable intermittent front windshield wipers
- * Front and rear reading lights
- * Voltmeter
- * Compass
- * Camera(s) - rear
- * Parking sensors
- * Delay-off headlights
- * Front fog lights
- * Deep tinted windows
- * Tachometer
- * Oil pressure gauge
- * Outside temperature display
- * Low tire pressure warning
- * Trip odometer

Safety and Security

- * 4-wheel ABS brakes
- * Electric parking brake
- * Electronic stability control
- * Dual front impact airbag supplemental restraint system
- * Safety Canopy System curtain 1st and 2nd row overhead airbag supplemental restraint system
- * Remote activated perimeter/approach lighting
- * Security system with SecuriLock immobilizer
- * Manually adjustable front head restraints with tilt
- * Brake assist with hill hold control
- * 4-wheel disc brakes
- * ABS and driveline traction control
- * Dual seat mounted side impact airbag supplemental restraint system
- * Airbag supplemental restraint system occupancy sensor
- * Power remote door locks with 2 stage unlock and panic alarm
- * MyKey restricted driving mode
- * 3 manually adjustable rear head restraints

Dimensions

General Weights

Curb	4818 lbs.	GVWR	6500 lbs.
Front GAWR	3450 lbs.	Rear GAWR	3350 lbs.
Payload	1680 lbs.	Front curb weight	2851 lbs.
Rear curb weight	1967 lbs.	Front axle capacity	3750 lbs.
Rear axle capacity	4800 lbs.	Front spring rating	3450 lbs.
Rear spring rating	3350 lbs.	Front tire/wheel capacity	3650 lbs.
Rear tire/wheel capacity	4056 lbs.		

Trailer Type

Type	Regular	Harness	Yes
Class	IV	Hitch	Yes
Trailer sway control	Yes		

General Trailing

Towing capacity	5000 lbs.	GCWR	10200 lbs.
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Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.



Selected Equipment & Specs (cont'd)

Fuel Tank type

Capacity	25.99 gal.	Capless fuel filler	Yes
----------	------------	---------------------	-----

Off Road

Approach angle	26 deg	Departure angle	26 deg
Ramp breakover angle	21 deg	Min ground clearance	9"
Max ground clearance	10"	Load floor height	35"

Exterior cargo

Length	66.0"	Minimum width	50.6"
Volume	52.8 cu.ft.	Pickup box depth	21.4"
Maximum width	65.2"	Tailgate width	60.3"

Interior cargo

Maximum cargo volume	51.9 cu.ft.
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Powertrain

Engine Type

Block material	Aluminum	Cylinders	V-6
Head material	Aluminum	Ignition	Spark
Injection	Port/direct injection	Liters	3.3L
Orientation	Longitudinal	Recommended fuel	Regular unleaded
Valves per cylinder	4	Valvetrain	DOHC
Variable valve control	Ti-VCT		

Engine Spec

Bore	3.56"	Compression ratio	12.0:1
Stroke	3.41"		

Engine Power

Output	290 HP @ 6,500 RPM	Torque	265 ft.-lb @ 4,000 RPM
--------	--------------------	--------	------------------------

Alternator

Amps	200
------	-----

Battery

Amp hours	70	Cold cranking amps	610
Run down protection	Yes		

Engine Extras

Auto stop-start feature	Yes
-------------------------	-----

Transmission

Electronic control	Yes	Lock-up	Yes
Overdrive	Yes	Speed	6
Type	Automatic		

Transmission Gear Ratios

1st	4.17	2nd	2.34
3rd	1.52	4th	1.14
5th	0.86	6th	0.69
Reverse Gear ratios	3.4		

Transmission Torque Converter

Stall ratio	2.30
-------------	------

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.



Selected Equipment & Specs (cont'd)

Transmission Extras

Driver selectable mode	Yes	Sequential shift control	SelectShift
------------------------	-----	--------------------------	-------------

Drive Type

4wd type	Part-time	Type	Four-wheel
----------	-----------	------	------------

Drive Feature

Traction control	ABS and driveline	Locking hub control	Auto
Transfer case shift	Electronic		

Drive Axle

Ratio	3.73
-------	------

Exhaust

Material	Stainless steel	System type	Single
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Emissions

CARB	LEV3-ULEV125	EPA	Tier 2 Bin 4
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Fuel Economy

City	18 mpg	Highway	23 mpg
Fuel type	Gasoline	Combined	20 mpg

Fuel Economy (Alternate 1)

City	13 mpg	Highway	17 mpg
Fuel type	E85	Equivalent measure	Yes
Combined	15 mpg		

Green Values

Energy Impact Score (Barrels per year)	16.5	Carbon FP / Tailpipe and upstream total GHG (CO ₂ , tons per year)	8.8
Energy Impact Score (Barrels per year)	5.0		

Driveability

Brakes

ABS	4-wheel	ABS channels	4
Type	4-wheel disc	Vented discs	Front and rear
Electric parking brake	Yes		

Brake Assistance

Brake assist	Yes	Hill hold control	Yes
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Suspension Control

Ride	Regular	Electronic stability control anti-roll	Stability control with
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Front Suspension

Independence	Independent	Type	Double wishbone
Anti-roll bar	Regular		

Front Spring

Type	Coil	Grade	Regular
------	------	-------	---------

Front Shocks

Type	Gas-pressurized
------	-----------------

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Selected Equipment & Specs (cont'd)

Rear Suspension

Independence	Rigid axle	Type	Leaf
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Rear Spring

Type	Leaf	Grade	Regular
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Rear Shocks

Type	Gas-pressurized
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Steering

Speed-sensing	Yes	Activation	Electric power-assist
Type	Rack-pinion		

Steering Specs

# of wheels	2
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Exterior

Front Wheels

Diameter	17"	Width	7.50"
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Rear Wheels

Diameter	17"	Width	7.50"
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Spare Wheels

Wheel material	Steel
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Front and Rear Wheels

Appearance	Silver	Material	Aluminum
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Front Tires

Aspect	70	Diameter	17"
Sidewalls	OWL	Speed	S
Tread	AT	Type	P
Width	265mm		

Rear Tires

Aspect	70	Diameter	17"
Sidewalls	OWL	Speed	S
Tread	AT	Type	P
Width	265mm		

Spare Tire

Mount	Underbody w/crankdown	Type	Full-size
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Wheels

Turning radius	23.9'	Wheelbase	145.0"
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Body Features

Running boards	Yes	Body material	Aluminum
Side impact beams	Yes	Active grille shutters	Yes
Front tow hook(s)	2		

Body Doors

Door count	4	Left rear passenger	Conventional
Right rear passenger	Conventional	Rear cargo	Tailgate

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Selected Equipment & Specs (cont'd)

Pickup

Box style	Regular	Bed-rail protectors	Yes
Easy lift tailgate	Yes	Easy lower tailgate	Yes

Exterior Dimensions

Length	231.9"	Body width	79.9"
Body height	77.2"	Frame section modulus	5.0cu.in.
Frame yield strength (psi)	49300.0	Front bumper to Front axle	37.8"

Safety

Airbags

Driver front-impact	Yes	Driver side-impact	Seat mounted
Occupancy sensor	Yes	Overhead Safety Canopy System curtain 1st and 2nd row	
Passenger front-impact	Yes	Passenger side-impact	Seat mounted

Seatbelt

Rear centre 3 point	Yes	Height adjustable	Front
Pre-tensioners	Front	Pre-tensioners (#)	2

Security

Immobilizer	SecuriLock	Panic alarm	Yes
Restricted driving mode	MyKey		

Seating

Passenger Capacity

Capacity	5
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Front Seats

Split	Buckets	Type	Bucket
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Driver Seat

Fore/aft	Manual	Reclining	Manual
Way direction control	4	Lumbar support	Manual

Passenger seat

Fore/aft	Manual	Reclining	Manual
Way direction control	4	Lumbar support	Manual

Front Head Restraint

Control	Manual	Type	W/tilt
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Front Armrest

Centre	Yes
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Rear Seats

Descriptor	Split-bench	Facing	Front
Folding	60-40	Folding position	Fold-up cushion
Type	Fixed		

Rear Head Restraints

Control	Manual	Type	Adjustable
Number	3		

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Selected Equipment & Specs (cont'd)

Front Seat Trim

Material	Cloth	Back material	Cloth
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Rear Seat Trim Group

Material	Cloth	Back material	Carpet
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Convenience

AC And Heat Type

Air conditioning	Manual	Underseat ducts	Yes
Console ducts	Yes		

Audio System

CD	Single	CD location	In-dash
CD-MP3 decoder	CD-MP3 decoder	Radio	AM/FM stereo
Radio data system	Yes	Radio grade	Regular
Seek-scan	Yes	External memory control	SYNC

Audio Speakers

Speaker type	Regular	Speakers	6
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Audio Controls

Speed sensitive volume	Yes	Steering wheel controls	Yes
Voice activation	Yes	Streaming audio	Bluetooth yes

Audio Antenna

Type	Fixed
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LCD Monitors

1st row	2	Primary monitor size (inches)	4.2
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Cruise Control

Cruise control	With steering wheel controls
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Convenience Features

Retained accessory power	Yes	12V DC power outlet	3
Wireless phone connectivity	Bluetooth	AC power outlet	1
Smart device integration	App link		

Door Lock Activation

Type	Power with 2 stage unlock	Remote	Keyfob (all doors)
Keypad	Yes	Integrated key/remote	Yes
Auto locking	Yes		

Door Lock Type

Rear child safety	Manual	Tailgate/rear door lock	Included with power door locks
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Instrumentation Type

Display	Analog
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Instrumentation Gauges

Tachometer	Yes	Oil pressure	Yes
Engine temperature	Yes	Voltmeter	Yes
Transmission fluid temp	Yes		

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Selected Equipment & Specs (cont'd)

Instrumentation Warnings

Oil pressure	Yes	Engine temperature	Yes
Battery	Yes	Lights on	Yes
Key	Yes	Low fuel	Yes
Low washer fluid	Yes	Door ajar	Yes
Service interval	Yes	Brake fluid	Yes
Low tire pressure	Tire specific		

Instrumentation Displays

Clock	In-radio display	Compass	Yes
Exterior temp	Yes	Camera(s) - rear	Yes

Instrumentation Feature

Trip odometer	Yes	Parking sensors	Rear
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Steering Wheel Type

Material	Urethane	Tilting	Manual
Telescoping	Manual		

Front Side Windows

Window 1st row activation	Power
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Windows Rear Side

2nd row activation	Power
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Window Features

1-touch down	Driver and passenger	1-touch up	Driver and passenger
Tinted	Deep		

Front Windshield

Wiper	Variable intermittent
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Rear Windshield

Window	Fixed
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Interior

Driver Visor

Mirror	Yes
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Passenger Visor

Mirror	Yes
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Rear View Mirror

Day-night	Yes
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Headliner

Coverage	Full	Material	Cloth
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Floor Trim

Coverage	Full	Covering	Carpet
Mats	Carpet front and rear		

Trim Feature

Instrument panel insert	Metal-look	Gear shift knob	Urethane
Cabback insulator	Yes	Interior accents	Chrome

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Selected Equipment & Specs (cont'd)

Lighting

Dome light type	Fade	Front reading	Yes
Illuminated entry	Yes	Rear reading	Yes
Variable IP lighting	Yes		

Floor Console Storage

Storage	Locking	Type	Full
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Storage

Driver door bin	Yes	Front Beverage holder(s)	Yes
Glove box	Yes	Passenger door bin	Yes
Seatback storage pockets	2	Rear yes	Yes
Instrument panel	Bin	Dashboard	Yes
Rear door bins	Yes		

Legroom

Front	43.9"	Rear	43.6"
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Headroom

Front	40.8"	Rear	40.4"
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Hip Room

Front	62.5"	Rear	64.7"
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Shoulder Room

Front	66.7"	Rear	65.9"
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Interior Volume

Passenger volume	131.8 cu.ft.		
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Silsbee Ford, Inc.
1211 US Hwy 96 North, Silsbee, Texas, 776567190

2018 F-150, SuperCrew Cab Styleside
4x4 SuperCrew Cab Styleside 5.5' box 145" WB XLT(W/E)
Price Level: 835

Major Equipment

(Based on selected options, shown at right)
3.3L V-6 DOHC w/port/direct injection 290hp
6 speed automatic w/OD

- * Auto stop-start feature
- * Brake assistance
- * Traction control
- * Battery with run down protection
- * Air conditioning
- * AM/FM stereo with seek-scan, single in-dash CD player, MP3 decoder, external memory control
- * Daytime running
- * Dual power remote mirrors
- * 17 x 7.5 aluminum wheels
- * Driver and front passenger seat mounted side airbags
- * SecuriLock immobilizer
- * Underseat ducts
- * 60-40 folding rear split-bench
- * Audio control on steering wheel
- * Front axle capacity: 3750 lbs.
- * Front spring rating: 3450 lbs.
- * Frame section modulus: 5 cu.in.

- Exterior:Blue Jeans Metallic
- Interior:Medium Earth Gray
- * 4-wheel ABS
- * Electric parking brake
- * P 265/70R17 OWL AT S-rated tires
- * Advance Trac w/Roll Stability Control
- * Tinted glass
- * Bluetooth streaming audio
- * Rear child safety locks
- * Variable intermittent wipers
- * Dual front airbags
- * Airbag occupancy sensor
- * Tachometer
- * Reclining front bucket seats
- * Running boards
- * Class IV hitch
- * Rear axle capacity: 4800 lbs.
- * Rear spring rating: 3350 lbs.
- * Frame Yield Strength 49300 psi

Fuel Economy

City
18 mpg



Hwy
23 mpg

<i>Selected Options</i>		MSRP
STANDARD VEHICLE PRICE		\$42,055.00
Equipment Group 300A Base		N/C
Engine: 3.3L V6 PDFI		Included
Transmission: Electronic 6-Speed Automatic		Included
3.73 Axle Ratio		Included
GVWR: 6,500 lbs Payload Package		Included
Tires: P265/70R17 OWL A/T		Included
Wheels: 17" Silver Painted Aluminum		Included
145" Wheelbase		STD
Radio: AM/FM Stereo/Single-CD Player		Included
Monotone Paint Application		STD
Paint Table : Primary w/XLT (SuperCrew)		\$0.00
SYNC		Included
Cloth 40/Console/40 Front Seats		\$295.00
Class IV Trailer Hitch Receiver		\$95.00
Black Platform Running Boards		\$250.00
Reverse Sensing System		\$275.00
Blue Jeans Metallic		N/C
Medium Earth Gray		N/C
SUBTOTAL		\$42,970.00

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Prepared by: Richard Hyder Date: 04/04/2018



Silsbee Ford, Inc.
1211 US Hwy 96 North, Silsbee, Texas, 776567190

2018 F-150, SuperCrew Cab Styleside
4x4 SuperCrew Cab Styleside 5.5' box 145" WB XLT(W1E)
Price Level: 835

Destination Charge	\$1,395.00
TOTAL	\$44,365.00

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Prepared by: Richard Hyder Date: 04/04/2018