



EDINBURG CITY COUNCIL
CITY OF EDINBURG, HIDALGO COUNTY, TEXAS

Location: City of Edinburg
City Hall-Council Chambers
415 West University Dr.
Edinburg, Texas 78539

REGULAR MEETING AGENDA
MAY 7, 2024
6:00 PM

1. CALL TO ORDER, ESTABLISH QUORUM

- A. Prayer.
- B. Pledge of Allegiance.

2. CERTIFICATION OF PUBLIC NOTICE

3. DISCLOSURE OF CONFLICT OF INTEREST

4. CITY MANAGER'S REPORT

- A. Update Regarding Water Conservation and Drought Plan

5. PROCLAMATIONS/RECOGNITIONS

- A. Presentation of Proclamation Recognizing Leonel Aron Peña as Requested by Aron Peña III. [Clarice Y. Balderas, City Secretary]
- B. Presentation of Proclamation Recognizing the Age Friendly Rio Grande Valley Initiative as Requested by Dr. Sudershan Pasupuleti, Professor, UTRGV School of Social Work. [Clarice Y. Balderas, City Secretary]
- C. Presentation of Proclamation Recognizing May 5–11, 2024 as Hurricane Preparedness Week. [Omar Garza, Fire Chief]
- D. Presentation of Proclamation Recognizing May 6-10, 2024 as Economic Development Week. [Raudel Garza, Executive Director, Edinburg Economic Development Corporation]
- E. Presentation of Proclamation Recognizing May 6-12, 2024 as National Nurses Week. [Clarice Y. Balderas, City Secretary]
- F. Present the Recipient for the Employee of the Month Award for the Month of April 2024. [Belinda Torres, Director of Human Resources/Civil Service]

6. PUBLIC COMMENTS

The Mayor and City Council allow for a specific portion of the City Council Meeting to be dedicated to public comments. Public Comments are limited to three (3) minutes. Please note that this public comment period is not interactive. The City Council may not respond to public comments.

If a resident desires to make a public comment in person, please complete the Public Comments Form which will be located outside of the City Council Chambers and submit the completed form to the City Secretary prior to the commencement of the City Council Meeting. We ask for everyone's cooperation in following this procedure.

7. PRESENTATIONS AND REPORTS

- A. Presentation of the Annual Comprehensive Financial Report for the City of Edinburg for Fiscal Year Ending September 30, 2023. [Ascencion Alonzo, Director of Finance]
- B. Presentation of the Annual Comprehensive Financial Report for the Edinburg Economic Development Corporation for Fiscal Year Ending September 30, 2023. [Raudel Garza, Edinburg EDC Executive Director]

8. PUBLIC HEARINGS

- A. Hold Public Hearing and Consider the Ordinance Providing for the Rezoning Request from Residential, Primary (RP) District to Commercial, General (CG) District, Being Lot Twelve (12) of Santa Cruz Orange Gardens Subdivision, Being a Subdivision of Lot 39 Santa Cruz Gardens Unit No. 1, Located at 105 West Palm Drive, as Requested by Maria B. Leticia Grantham. **(A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.)** [Jaime Acevedo, Director of Planning & Zoning]
- B. Hold Public Hearing and Consider the Ordinance Providing for the Rezoning Request from Commercial, Neighborhood (CN) District to Commercial, General (CG) District, All of Lots 2 and 3, The Links Commercial Subdivision, Located at 901 and 1001 South Raul Longoria Road, as Requested by Monarca Investment Group, LTD. **(A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.)** [Jaime Acevedo, Director of Planning & Zoning]

9. ORDINANCES

- A. Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title III Administration, Chapter 32, Boards, Councils, Commissions and Committees, Section 32.02 Appointment of Members. [Omar Ochoa, City Attorney]
- B. Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title III Administration, Chapter 32, Boards, Councils, Commissions and Committees, Section 32.20 All America City David Chavana 10K Advisory Board. [Omar Ochoa, City Attorney]
- C. Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title XI. Business Regulations, Chapter 114, Oil and Gas Regulations, Section 114.030-.043 Regulating Liquefied Petroleum Gas. [Omar Ochoa, City Attorney]
- D. Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title XI. Business Regulations, by Adding Chapter 121 Funeral Escorts. [Omar Ochoa, City Attorney]

10. RESOLUTION

- A. Consider Resolution Approving the American Rescue Plan Act (ARPA)-Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Program Budget Amendment. [Claudia L. Farias, Director of Grants Administration]

11. AWARDING OF BID

- A. Consider Awarding Bid No. 2024-10, Purchase of One (1) Ford F150 4x4 Electric Truck to The Sewell Family of Companies from Odessa, Texas Per the Unit Price of \$51,090.00 as Listed. [Jaime Acevedo, Director of Planning & Zoning]

12. CONSENT AGENDA

All Matters Listed Under Consent Agenda Are Considered To Be Routine By The Governing Body And Will Be Enacted By One Motion. There Will Be No Separate Discussion Of These Items. If Discussion Is Desired, That Item Will Be Removed From The Consent Agenda And Will Be Considered Separately. With Regard To Any Item, The City Council May Take Various Actions; Including But Not Limited To Rescheduling An Item In Its Entirety For A Future Date Or Time. The City Council May Elect To Go Into Executive Session On Any Item 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 Open Meetings Act.

- A. Consider Authorizing the City Manager to Enter Into Job Task Order No. 8 with B2Z Engineering, for Material Testing Services for the New Service Center for an Amount Not to Exceed \$79,180.79 and Authorize the City Manager to Enter Into an Agreement Relating Thereto. [Gerardo Carmona Jr., P.E., Director of Utilities]
- B. Consider Authorizing the City Manager to Renew a Memorandum of Understanding (MOU) Between the City of Edinburg and the Lower Rio Grande Development Council (LRGVDC) for the Purposes of Providing Basic Police Officer Training at the Derek Hernandez Police Training Academy in the City of Edinburg. [Jaime Ayala, Chief of Police]
- C. Consider Authorizing the City Manager to Enter Into a Counter-Part Agreement with North Alamo Water Supply Corporation (NAWSC) and a Two-Party Contract with Latitude Investment Group LLC, A Texas Limited Liability Company to Provide Water Services to Villages on Clossner Subdivision and Execute any Other Documents Relating Thereto. [Gerardo Carmona Jr., P.E., Director of Utilities]
- D. Consider Approving the City Council Minutes for the following: 2024 Regular Meetings: January 02, 2024 and January 16, 2024. [Clarice Y. Balderas, City Secretary]

13. OTHER BUSINESS

- A. Consider Rescheduling the Thursday, May 23, 2024 Regular City Council Meeting to Wednesday, May 29, 2024. [Clarice Y. Balderas, City Secretary]
- B. Future Items Requested by City Council. [Myra L. Ayala, City Manager]

14. EXECUTIVE SESSION

The City Council will convene in Executive Session, in accordance with the Texas Open Meetings Act, Vernon's Texas Statutes and Codes Annotated, Government Code, Chapter 551, Subchapter D, Exceptions to Requirement that Meetings be Open. The City Council May Elect To Go Into Executive Session On Any Item 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 Open Meetings Act.

- A. Discussion of Duties, Responsibilities, Remuneration, and Possible Action Regarding Appointment of

a City Attorney. (§552.074 Personnel Matters and §551.071 Consultation with Attorney; Closed Meeting).

- B.** Consultation with City Attorney Regarding City Ordinances and City Charter. (§551.071. Consultation with Attorney; Closed Meeting; §551.087)
- C.** Discussion and Possible Action Regarding Personnel Matters. (§552.074 Personnel Matters; §551.071 Consultation with Attorney; Closed Meeting.)
- D.** Consultation with City Attorney Regarding Construction Agreements. (§551.071. Consultation with Attorney; Closed Meeting; §551.087).

OPEN SESSION

The City Council will convene in Open Session to take necessary action, if any, in accordance with Chapter 551, Open meetings, Subchapter E, Procedures Relating to Closed Meeting, §551.102, Requirement to Vote or Take Final Action in Open Meeting.

15. ADJOURNMENT

I hereby certify this Notice of a City Council Meeting was posted in accordance with the Open Meetings Act, at the City Offices of the City of Edinburg, located at the 415 West University entrance outside bulletin board, visible and accessible to the general public during and after regular working hours. This notice was posted on May 03, 2024 at 5:20 p.m.

By: /s/ Clarice Y. Balderas
Clarice Y. Balderas, City Secretary
City of Edinburg, Texas

Disability Access Statement

Persons with disabilities who plan to attend this meeting and who may need auxiliary aid or services are requested to contact the City Secretary Department at (956) 388-8204 at least two business days prior to the meeting so that appropriate arrangements can be made. The accessible entrance and accessible parking spaces are located at Edinburg City Hall, 415 West University.



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

PROCLAMATIONS/RECOGNITIONS

Agenda Item No: 5.A.

Proclamation-Leonel Aron Peña

1. **Agenda Item:**

Presentation of Proclamation Recognizing Leonel Aron Peña as Requested by Aron Peña III.
[Clarice Y. Balderas, City Secretary]

2. **Description:**

Lionel Aron Peña was recognized as one of the first Hispanic's to serve on the Edinburg City Commission from 1963-1968. He served as Edinburg's Mayor Pro Tem from 1966-1968. Loyal to his civic duties, Mr. Peña is in part credited for disrupting segregation and ensuring that municipal spaces like the swimming pool and other public spaces be integrated. His civic affiliations run deep in the community, some of these include: President of the Edinburg Jaycee's (1961); President of the Edinburg Lion's Club, where he has been an active member for over 55 years; and President of the Edinburg Chamber of Commerce from 1976-1977. Mr. Peña went on to serve the Rio Grande Valley Chamber of Commerce as a member of the Board of Directors from 1980-1985.

The Edinburg City Council would like to recognize Lionel Aron Peña for his extraordinary work as an attorney along with his commitment to his community and remarkable reputation.

3. **Staff's Recommendation:**

Present Proclamation Recognizing Leonel Aron Peña as Requested by Aron Peña III.

Reviewed by:

Clarice Balderas, City Secretary

Prepared by:

Elizabet Rodriguez, Deputy
Registrar

Attachments:

A. Lionel Aron Peña

PROCLAMATION



LIONEL ARON PEÑA

WHEREAS, Lionel Aron Peña, son to Baltazar Peña and Guadalupe Perez Peña, was born in the agricultural work camps of Engleman Gardens, near Elsa, Texas. Mr. Peña, along with his immigrant parents and siblings, worked the fields. With his relentless work ethic, he learned the English language and excelled in school. While in high school, he focused his attention on “International Relations” and was a member of the Honor Society and Student Council and was Student Council President from 1953-1954. He graduated Valedictorian from Edcouch-Elsa High School in 1954 and was cited as the one “Most Likely to Succeed”; and,

WHEREAS, Lionel Aron Peña graduated from Pan American College on August 25, 1957 before heading off to Austin to attend the University of Texas School of Law, where he received his Juris Doctorate on June 4, 1960. Lionel Aron Peña married Sylvia Alamia on August 22, 1958 at Sacred Heart Catholic Church in Edinburg, Texas. They moved to Austin so Mr. Peña could complete his law studies. After graduating from law school, Mr. Peña and his wife returned home to the Rio Grande Valley to raise their six children. He began employment as an associate attorney with the Law Firm of Rankin, Kilgore and Cherry in Edinburg, Texas; and,

WHEREAS, Mr. Peña was the founding partner in the Edinburg Law Firms of Peña and Leopold and also Peña, McDonald, Prestia and Ornelas. Peña served as Edinburg’s City Attorney from 1972-1985 and the Edinburg Hospital Attorney from 1970-1990. Peña was the Attorney for the Edinburg Consolidated School District from 1975-1985. Peña received his Texas Board Certification in Criminal Law in December 1981 and later served on the Board of Directors of Hidalgo County Criminal Defense Lawyers Association 1992-1994. On October 1, 2000, Peña was recognized as a “Notable Valley Hispanic” by the University of Texas-Pan American Library; and,

WHEREAS, Mr. Peña’s ability to see the positive correlation between education and economic growth, that vision continued in his work when selected by Texas Senator Lloyd Bentsen to sit on the initial Board of Directors for the Council for South Texas Economic Progress (known as CO-STEP). He has continued to serve for over the past 50 years. Peña has been admitted and qualified to serve as an Attorney in multiple jurisdictions around the country including: US Tax Court (1981), Southern District Court of Texas (1962), Attorney and Counselor of the US Court of Appeals (1977), Attorney and Counselor of the Supreme Court of the United States (1976), Attorney in the Central District of Illinois (1988), Attorney in the Eastern and Western Districts of Arkansas (2007), Attorney, counselor, solicitor, advocate and proctor of the Western District of Texas (1977); and,

WHEREAS, Mr. Peña was recognized as one of the first Hispanics to serve on the Edinburg City Commission from 1963-1968. He served as Edinburg’s Mayor Pro Tem from 1966-1968. Loyal to his civic duties, Peña is in part credited for disrupting segregation and ensuring that municipal spaces like the swimming pool and other public spaces be integrated. His civic affiliations run deep in the community, some of these include: President of the Edinburg Jaycees (1961); President of the Edinburg Lion’s Club, where he has been an active member for over 55 years; President of the Edinburg Chamber of Commerce from 1976-1977. Mr. Peña went on to serve the Rio Grande Valley Chamber of Commerce as a member of the Board of Directors from 1980-1985; and,

WHEREAS, Mr. Peña is actively involved with his church, St. Joseph Catholic Church, where he serves as a lector and an extraordinary minister. Mr. Peña was the critical legal negotiator in the acquisition of land for the Basilica of Our Lady of San Juan del Valle National Shrine. He worked with Brownsville Bishop John J. Fitzpatrick and the parties involved to transfer the land. The groundbreaking for the new shrine was held on November 27, 1976.

NOW, THEREFORE, I, RAMIRO GARZA, JR., MAYOR OF THE CITY OF EDINBURG, TX: By the power vested in me by law, do hereby recognize:

LIONEL ARON PEÑA

and his extraordinary work as an attorney, along with his commitment to his community and remarkable reputation stands unparalleled. Peña has been practicing law for more than half a century in his community. Today, at 88 years of age, he can still be heard arguing cases in both State and Federal Courts throughout Texas.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Edinburg, Texas, a Municipal Corporation, to be affixed on this the 7th day of May, 2024.

CITY OF EDINBURG, TEXAS

By: _____
Ramiro Garza, Jr., Mayor

ATTEST:

By: _____
Clarice Y. Balderas, City Secretary





CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

PROCLAMATIONS/RECOGNITIONS

Agenda Item No: 5.B.

Proclamation-Age Friendly Initiative

1. Agenda Item:

Presentation of Proclamation Recognizing the Age Friendly Rio Grande Valley Initiative as Requested by Dr. Sudershan Pasupuleti, Professor, UTRGV School of Social Work. [Clarice Y. Balderas, City Secretary]

2. Description:

The Age Friendly Rio Grande Valley (AF-RGV) Initiative fosters and facilitates age-friendly communities throughout the Rio Grande Valley to provide a community environment that respects, values, cares, engages, and includes every sphere of social life through inclusive infrastructure, policies, workplaces, health, and social services.

The global population of people aged 60 and older is expected to grow to almost 2 billion by 2050. Research shows that older Americans overwhelmingly want to remain in their homes and communities as they age. Access to quality health care, affordable housing, transportation, and other community services are essential for individuals to live in their homes.

The Edinburg City Council would like to recognize the Age Friendly Rio Grande Valley Initiative and promote creating and sustaining the health, safety, comfort and quality of life for the citizens of the community of all ages.

3. Staff's Recommendation:

Present Proclamation Recognizing the Age Friendly Rio Grande Valley Initiative.

Reviewed by:

Clarice Balderas, City Secretary

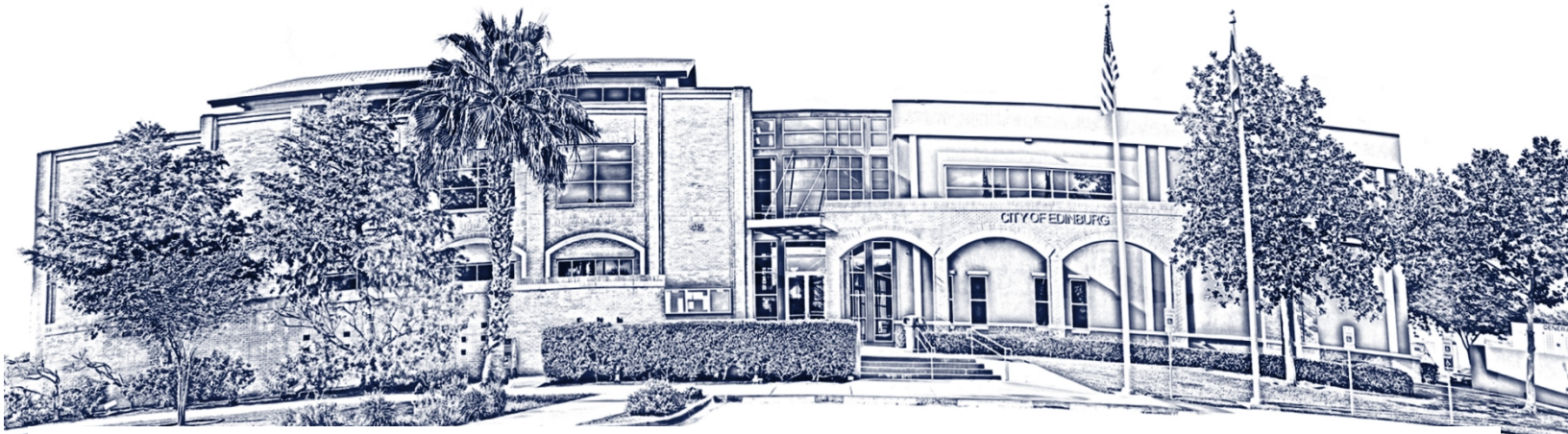
Prepared by:

Maria Ortiz, Administrative Assistant

Attachments:

A. Age-Friendly Initiative

PROCLAMATION



AGE FRIENDLY RIO GRANDE VALLEY INITIATIVE

WHEREAS, the Age Friendly City (AFC) Initiative is an all-inclusive and engaging movement of cities and communities focused on building and shaping a physical and social environment that fosters friendliness and livability while creating opportunities for active aging and enriching lives; and,

WHEREAS, Rio Grande Valley communities are still young, but the older adult population increases during the winter months and aligns with global projections, which anticipate the population aged 60 and above, will reach nearly 2 billion by 2050; and,

WHEREAS, the Age Friendly Rio Grande Valley (AF-RGV) Initiative, led by Dr. Sudershan Pasupuleti, Professor of UTRGV School of Social Work, and his team with a Seed Grant and in collaboration with LRGV Area Agency on Aging, consistent with World Health Organization's and AARP's AGE FRIENDLY CITY Framework, encourages cities and counties to promote age-friendly communities throughout the Rio Grande Valley; and,

WHEREAS, active aging is a life-long process, whereby an age-friendly community is not just "elder friendly" but also intended to be friendly for all ages while fostering environments that honor, support, and integrate older adults into all aspects of social life through all-inclusive infrastructure, policies, workplaces, healthcare, and social services; and,

WHEREAS, the Age Friendly City/Community framework endeavors to recognize and address the needs of individuals across all age groups, irrespective of their capabilities and capacities. These communities promote active aging by maximizing opportunities for health, activity, and security within their living environments; and,

WHEREAS, the City Council of Edinburg is dedicated to ensuring the needs and interests of all residents are served, and as an age-friendly community, they will take the lead in optimizing opportunities for all ages.

NOW, THEREFORE, I, RAMIRO GARZA, JR., MAYOR OF THE CITY OF EDINBURG, TX: By the power vested in me by law, do hereby proclaim that the City of Edinburg is an

AGE FRIENDLY CITY

committed to promoting, creating, and sustaining communities for all ages and support the Age-Friendly Rio Grande Valley Initiative.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Edinburg, Texas, a Municipal Corporation, to be affixed on this the 7th day of May, 2024.

CITY OF EDINBURG, TEXAS

By: _____
Ramiro Garza, Jr., Mayor

ATTEST:

By: _____
Clarice Y. Balderas, City Secretary





CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

PROCLAMATIONS/RECOGNITIONS

Agenda Item No: 5.C.

Proclamation-Hurricane Preparedness Week

1. Agenda Item:

Presentation of Proclamation Recognizing May 5–11, 2024 as Hurricane Preparedness Week.

[Omar Garza, Fire Chief]

2. Description:

In the past few years, catastrophic hurricanes have had a devastating effect on Texas and our neighboring states. Hurricanes pose a serious threat and produce heavy winds, torrential rains, inland flooding and tornadoes. It is important that all Texans be aware of the dangers they present and remain vigilant and plan and prepare ahead to lessen the loss of life and minimize property damage.

The Edinburg City Council would like to recognize Hurricane Preparedness Week and encourage the public to participate in hurricane awareness activities.

3. Staff's Recommendation:

Present Proclamation Recognizing May 5–11, 2024 as Hurricane Preparedness Week.

Reviewed by:

Omar Garza, Fire Chief

Jesus Saenz, Assistant City Manager

Approved - 5/3/2024

Final Approval - 5/3/2024

Prepared by:

Maricruz Tovar, Emergency

Management Planner

Attachments:

A. Hurricane Awareness Week

PROCLAMATION



HURRICANE AWARENESS WEEK MAY 5 – 11, 2024

WHEREAS, Hurricane Awareness Week is May 5 – 11, 2024; and

WHEREAS, in the past few years, catastrophic hurricanes have had a devastating effect on Texas and our neighboring states; and

WHEREAS, hurricanes pose a serious threat to Texans; and

WHEREAS, hurricane produce heavy winds, torrential rains, inland flooding and tornadoes; and

WHEREAS, hurricanes are most likely to occur between June 1 and November 30; and

WHEREAS, it is important that all Texans be aware of the dangers they present, particularly to coastal regions; and

WHEREAS, we must remain vigilant and plan and prepare to lessen the loss of life and minimize property damage; and

WHEREAS, the Governor's Division of Emergency Management, the National Weather Service and the Federal Emergency Management Agency (FEMA) have joined together urging all citizens to prepare for hurricanes and to educate themselves on hurricane preparedness and safety strategies; and

WHEREAS, Governor Greg Abbott has declared the week of May 5 – 11, 2024, as Hurricane Awareness Week in Texas; and

NOW, THEREFORE, I, RAMIRO GARZA, JR., MAYOR OF THE CITY OF EDINBURG, TX: By the power vested in me by law, do hereby proclaim the week of May 5 – 11, 2024.

HURRICANE AWARENESS WEEK

in the City of Edinburg and encourage the public to participate in Hurricane Awareness activities to be better prepared in the event of a hurricane event.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Edinburg, Texas, a Municipal Corporation, to be affixed on this the 7th day of May, 2024.

ATTEST:

CITY OF EDINBURG, TEXAS

By: _____
Clarice Y. Balderas, City Secretary

By: _____
Ramiro Garza, Jr., Mayor





CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

PROCLAMATIONS/RECOGNITIONS

Agenda Item No: 5.D.

Economic Development Week

1. **Agenda Item:**

Presentation of Proclamation Recognizing May 6-10, 2024 as Economic Development Week.
[Raudel Garza, Executive Director, Edinburg Economic Development Corporation]

2. **Description:**

The Economic Development profession cultivates thriving neighborhoods, champions sustainability and resiliency, boosts economic prosperity, enhances the quality of life, and builds robust tax bases.

Since 1926, the International Economic Development Council has been a leader and driving force in advancing economic development initiatives, with a steadfast commitment to fostering growth and prosperity in communities of all sizes worldwide through equity, inclusion, sustainability, resilience, and innovation.

The Edinburg City Council would like to recognize May 6-10, 2024, as Economic Development Week and remind the public of the importance of this celebration which supports expanding opportunities, better lives, and moving society forward.

3. **Staff's Recommendation:**

Present Proclamation Recognizing May 6-10, 2024 as Economic Development Week.

Reviewed by:

Raudel Garza, Director of Economic Development

Prepared by:

Maria Ortiz, Administrative Assistant

Attachments:

A. Economic Development Week

PROCLAMATION



ECONOMIC DEVELOPMENT WEEK MAY 6-10, 2024



WHEREAS, more than 100,000 economic development or related professionals worldwide are committed to creating, retaining, and expanding top-tier opportunities that facilitate long-term, equitable community growth; and,

WHEREAS, the economic development profession cultivates thriving neighborhoods, champions sustainability and resiliency, boosts economic prosperity, enhances the quality of life, and builds robust tax bases; and,

WHEREAS, economic development professionals operate throughout diverse economic environments, including rural, suburban, and urban settings; local, state, provincial, and national governments; public-private partnerships; chambers of commerce; institutions of higher education; among many similar organizations and associations; and,

WHEREAS, economic development professionals serve as stewards, bridging connections between community stakeholders such as residents, business leaders, elected officials, industry executives, and educational administrations, to collaborate in promoting job creation, community investment, infrastructure advancements, and an optimistic future; and,

WHEREAS, economic developers contribute to the betterment and progress of Edinburg within the state of Texas of Hidalgo County; and,

WHEREAS, since 1926, the International Economic Development Council has been a leader and driving force in advancing economic development initiatives, with a steadfast commitment to fostering growth and prosperity in communities of all sizes worldwide through equity, inclusion, sustainability, resilience, and innovation.

NOW, THEREFORE, I, RAMIRO GARZA, JR., MAYOR OF THE CITY OF EDINBURG, TX: By the power vested in me by law, do hereby recognizes May 6-10, 2024 as:

ECONOMIC DEVELOPMENT WEEK

and remind the public of the importance of this community celebration which supports expanding opportunities, bettering lives, and moving society forward.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Edinburg, Texas, a Municipal Corporation, to be affixed on this the 7th day of May, 2024.

CITY OF EDINBURG, TEXAS

By: _____
Ramiro Garza, Jr., Mayor

ATTEST:

By: _____
Clarice Y. Balderas, City Secretary





CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

PROCLAMATIONS/RECOGNITIONS

Agenda Item No: 5.E.

National Nurses Week

1. **Agenda Item:**

Presentation of Proclamation Recognizing May 6-12, 2024 as National Nurses Week. [Clarice Y. Balderas, City Secretary]

2. **Description:**

National Nurses Week honors the contributions and sacrifices of nurses and serves as a reminder to thank the medical professionals who keep individuals and communities healthy.

Nurses are extraordinary individuals who can go from assisting with life-threatening ER crises to delivering babies and caring for the elderly in their last moments. Nurses perform some of the most difficult and heartbreaking tasks in the medical world. They perform the most essential healthcare tasks and serve as the first point of contact for most patients.

The Edinburg City Council would like to recognize May 6-12, 2024, as National Nurses Week and encourage everyone to express gratitude to a nurse for their invaluable contributions and dedication.

3. **Staff's Recommendation:**

Present Proclamation Recognizing May 6-12, 2024 as National Nurses Week.

Reviewed by:

Clarice Balderas, City Secretary

Prepared by:

Maria Ortiz, Administrative Assistant

Attachments:

A. National Nurses Week

PROCLAMATION



NATIONAL NURSES WEEK MAY 6-12, 2024 "Nurses Make a Difference"

WHEREAS, National Nurses Week is celebrated each year between May 6, National Nurses Day, and May 12, the birthday of celebrated nurse Florence Nightingale; and,

WHEREAS, National Nurses Week honors the contributions and sacrifices of nurses and serves as a reminder to thank the medical professionals who keep individuals and communities healthy; and,

WHEREAS, nurses are extraordinary individuals who can go from assisting with life-threatening ER crises to delivering babies and caring for the elderly in their last moments. Nurses perform some of the most difficult and heartbreaking tasks in the medical world, they perform the most essential healthcare tasks and serve as the first point of contact for most patients; and,

WHEREAS, nursing is a discipline involved in the delivery of health care to society. The word NURSE originated from a Latin word NUTRIX, to nourish. Nursing is a helping profession, it is service-oriented to maintain health and well-being of people, and it is an art and a science; and,

WHEREAS, the roles of a professional nurse are: Caregiver/Care Provider: where the nurse provides direct care and promotes comfort of client; Teacher: provides information and helps the client to learn or acquire new knowledge and technical skills; Counselor: helps client to recognize and cope with stressful psychological or social problems; Change Agent: initiate changes or assist clients to make modifications in themselves or in the system of care; Client Advocate: promotes what is best for the client ensuring that the client's needs are met and protecting the client's right; Manager: makes decisions; coordinates activities of others; allocate resources; evaluate care and personnel; plans; gives direction; develops staff; monitors operations; Researcher: participates in identifying significant researchable problems; and,

WHEREAS, nursing professionals include Clinical Specialists, Nurse Practitioners, Nurse Educators, Nurse Entrepreneurs and Nurse Administrators; and,

WHEREAS, a renewed emphasis on primary and preventive health care will require the better utilization of our entire nursing resources. Professional nursing has been demonstrated to be an indispensable component in the safety and quality of care of hospitalized patients. More qualified nurses will be needed in the future to meet the increasingly complex needs of healthcare consumers; and,

WHEREAS, during these unprecedented times, it is important now more than ever to celebrate nurses across all fields for their unwavering care and dedication for their patients and communities.

NOW, THEREFORE, I RAMIRO GARZA, JR., MAYOR OF THE CITY OF EDINBURG, TEXAS: By the power vested in me by law, do hereby recognize May 6-12, 2024 as:

NATIONAL NURSES WEEK

and encourage everyone to express gratitude to a nurse for their invaluable contributions and dedication.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Edinburg, Texas a Municipal Corporation, to be affixed on this 7th day of May 2024.

CITY OF EDINBURG, TEXAS

By: _____
Ramiro Garza, Jr., Mayor

ATTEST:

By: _____
Clarice Y. Balderas, City Secretary





CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

PROCLAMATIONS/RECOGNITIONS

Agenda Item No: 5.F.

Present Employee of the Month

1. **Agenda Item:**

Present the Recipient for the Employee of the Month Award for the Month of April 2024. [Belinda Torres, Director of Human Resources/Civil Service]

2. **Description:**

The City of Edinburg Employee Engagement Committee assists to promote employee appreciation and recognition. The City would like to recognize the recipient of the Employee of the Month for the month of April 2024.

The recipient for the month of April is Joel Govea, Municipal Court Clerk with the Department of Municipal Court.

The recipient of the employee of the month award has actively participated in programs and objectives above and beyond the employee's regular job duties and responsibilities.

The Edinburg City Council would like to recognize Joel Govea for being a loyal, dedicated employee of the City of Edinburg.

3. **Staff's Recommendation:**

Present the Recipient for the Employee of the Month Award for the Month of April 2024.

Reviewed by:

Jesus Saenz, Assistant City Manager

Final Approval - 5/3/2024

Prepared by:

Belinda Torres, Director of
Human Resources/Civil
Service

Attachments:

None



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

PRESENTATIONS AND REPORTS

Agenda Item No: 7.A.

Annual Comprehensive Financial Report

1. Agenda Item:

Presentation of the Annual Comprehensive Financial Report for the City of Edinburg for Fiscal Year Ending September 30, 2023. [Ascencion Alonzo, Director of Finance]

2. Description:

The independent firm of Cascos & Associates, PC, has completed the City of Edinburg's 2022-2023 Annual Comprehensive Financial Report. Mr. Roel Cantu will present an overview of the audit focusing on major City Operating Funds and highlights thereof.

3. Staff's Recommendation:

Staff recommends acknowledging receipt of the Annual Comprehensive Financial Report for the City of Edinburg for Fiscal Year Ending September 30, 2023.

Reviewed by:

Ascencion Alonzo, Finance Director
Nelda Ramirez, Assistant City Manager

Prepared by:

Ascencion Alonzo, Finance
Director

Attachments:

A. COE Annual Comprehensive Financial Report - 2023



CITY OF EDINBURG

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL
YEAR **22 | 23**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Annual Comprehensive Financial Report



City of Edinburg, Texas

*For the Fiscal Year Ended
September 30, 2023*

Myra L. Ayala
City Manager

Ascencion Alonzo
Director of Finance

*Prepared by:
Finance Department*



Elected Officials



Mayor, Ramiro Garza Jr.



Mayor Pro Tem
Daniel "Dan" Diaz



Councilmember, Place 4
David White



Councilmember , Place 2
Jason De Leon



Councilmember, Place 3
David Salazar

CITY OF EDINBURG, TX
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2023

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May 7, 2024

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Edinburg, Texas:

As mandated by both state and local law, we hereby submit the Annual Comprehensive Financial Report (ACFR) of the City of Edinburg for the fiscal year ended September 30, 2023. This report has been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and by the American Institute of Certified Public Accountants in its industry audit guide “Audits of State and Local Governmental Units.”

The report contains management’s representations concerning the finances of the City of Edinburg. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Edinburg 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 of Edinburg’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Edinburg’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.

The Charter of the City of Edinburg requires that the City Council appoint certified public accountants, who will be responsible to the Council, to perform an independent audit of all funds of the City on an annual basis. The City of Edinburg’s financial statements have been audited by Cascos & Associates, PC. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified (“clean”) opinion that the City of Edinburg’s financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The City of Edinburg is required to undergo an annual single audit in conformity with the provisions of 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). Information related to this Uniform Guidance, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and auditors’ report on the internal control structure and compliance with applicable laws and regulations are included in the single audit section of this report.

GASB requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter



of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Edinburg's MD&A can be found immediately following the report of the independent auditors.

This report includes all funds of the City. In addition, the report includes the Edinburg Economic Development Corporation (EEDC) and the Boys and Girls Club which comply with Governmental Accounting Standards Board (GASB) No. 14, "The Financial Reporting Entity." GASB Statement No. 14 requires that outside agencies be included if they are financially dependent upon the City or the governing body of the City can impose its will upon these agencies.

The EEDC was organized on behalf of the City of Edinburg for the specific public purpose of the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and public welfare. The EEDC is governed by a five-member board of directors, each of which is appointed by the City Council. Any director may be removed from office by the City Council for cause or at will. The EEDC's primary source of revenue is sales tax revenues generated by the City of Edinburg. Exercise of all powers to affect the purposes of the corporation is subject at all times to the control of the Edinburg City Council. In addition, the City must approve amendments to EEDC's bylaws and articles of incorporation. The EEDC is a discretely presented component unit and is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City.

PROFILE OF THE GOVERNMENT

The City was incorporated on September 19, 1919 under the laws of the State of Texas and adopted the Commission - Manager Form of government with the adoption of its Charter on April 1, 1949. A city charter election held on January 20, 1996 changed the City Commission to City Council and City Clerk to City Secretary.

The City Council is composed of the Mayor and four members, and is responsible for enacting ordinances, resolutions, and regulations governing the City, appointing members of various statutory and advisory boards and the City Manager, City Attorney, City Secretary, and Court Administrator. As chief administrative officer, the City Manager is responsible for the enforcement of laws and ordinances, and appoints and supervises the heads of departments of the City organization.

The City of Edinburg is the County Seat of Hidalgo County and is the third largest city in the Lower Rio Grande Valley. It is one of the major cities in the McAllen-Edinburg-Mission Metropolitan Statistical Area (MSA). The City is located about 226 miles south of San Antonio, 144 miles southwest of Corpus Christi and 20 miles north of the Mexican Border, on the north bank of the Rio Grande River directly across from Reynosa, Tamaulipas, Mexico. The City serves as the trade center for much of the Lower Rio Grande Valley. In addition, Edinburg is home to the University of Texas Rio Grande Valley with a student population of approximately 32,174. The City has a semitropical climate, with 22 inches of average annual rainfall and 327 annual agricultural growing days. The lower Rio Grande Valley has rich, fertile delta soil, much of which is irrigated. Crops consist of vegetables, cotton, grain, sugarcane and citrus.

The City provides a full range of services including police and fire protection, health services, planning and engineering, code enforcement, street maintenance, traffic control, parks operation and maintenance, recreation, library services, and utility services which include water, sanitary sewer and solid waste collection.

The financial administration of the City is vested by charter in the Department of Finance, the head of which is the City Manager. The Department of Finance operates under the direction of the Director of Finance, who is appointed by the City Manager. Charter required activities of the Department of Finance are, control of, custody and disbursement of City funds. Other activities of the department include water, sanitary sewer and solid waste billing and collection, payroll processing, data processing, purchasing and the preparation of the annual budget and interim and annual financial reports.

In accordance with the City Charter, on or before August 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year.

The City Charter requires that the budget be submitted in summary form. In addition, more detailed itemized line item budgets are included for administrative control. The level of control for the detailed budget is at the line item basis. The budget is legally enacted through the passage of an ordinance on or before September 15. Please refer to Note 2 in Notes to Financial Statements for more detail on budgets and budgetary accountings.

FACTORS AFFECTING FINANCIAL CONDITION

A growing population, diversified economy, decreasing unemployment rate, and increased income levels have all continued to benefit the City of Edinburg. Edinburg continues to benefit from growth at the University of Texas Rio Grande Valley (UTRGV) and increased employment from the many county and state agencies located within the city. Generally, the economic outlook for the City of Edinburg is stable and should remain so. According to the latest figures available from the U.S. Census Bureau, the city's population topped 100,243 in 2020, up by about 30% since 2010, making Edinburg the fastest growing community in the Rio Grande Valley. The City approved approximately \$226 million in residential investment in Fiscal Year 2022-2023, totaling nearly 1,604 new housing units. The local economy also benefited from more than \$145 million in new commercial investment, which is \$35 million more than 2022. Total permitted development approached \$371 million in 2023.

Recent economic highlights include:

- In the month of December 2023, the City of Edinburg collaborated with the Edinburg Economic Development Corporation (EEDC) to engage in cooperative initiatives with the University of Texas Rio Grande Valley (UTRGV) to facilitate UTRGV Vaquero football games at the H.E.B. Park.
- Edinburg's sales tax revenue in Fiscal Year 2023 was \$1,749,737 above Fiscal Year 2022. This represents a 6.78% increase, demonstrating the resilience of local businesses.

Local Economy. The City of Edinburg enjoys a favorable economic environment and local indicators point to continued stability. The region is continuously undergoing growth from a variety of industries which include healthcare, entertainment and others. Recent and undergoing major activities include:

Healthcare. The University of Texas System Regents invested \$50 million in a Regional Academic Health Center (RAHC) in the Rio Grande Valley. The University split the health center into four components in the Rio Grande Valley. Edinburg received a \$20 million biomedical research facility that will help improve the quality of life throughout the region. The research facility will provide state-of-the-art laboratory space and equipment for scholars and scientists to conduct research on critical health problems facing the Texas-Mexico border. Construction of the planned 45,500 square foot Edinburg complex will feature a laboratory animal resource facility, a Level 3 biological safety laboratory, offices, and other high-tech equipment. The University of Texas System leadership moved forward with a bold, transformational plan and created a new university in South Texas. The plan resulted in a single institution that spans the entire Rio Grande Valley, with a presence in each of the major metropolitan area of Brownsville, Edinburg, Harlingen, and McAllen.

Edinburg is home to the University of Texas Rio Grande Valley (UTRGV) Medical School. Construction was completed in 2016 for the 88,000 GSF facility equipped with modern classroom space, auditorium, clinical skills center, pre-clinical M.D. labs, administrative space and a gross anatomy teaching facility to support an interprofessional, collaborative educational experience. Funding of \$54,000,000 was appropriated from Permanent University Fund (PUF) Bond Proceeds.

The impact the medical school will have on the economy of the Rio Grande Valley after 10 years is as follows: more than 2,300 jobs primarily in biotechnology, pharmaceuticals, research and medical devices, created in the Rio Grande Valley that pay an average of \$80,000 per year; as many as 600 students attending medical school; more than 200 residents completing their training in local hospitals; and more than \$480 million each year in new economic activity across the Rio Grande Valley.

Entertainment. The City of Edinburg is the home of the RGV FC Toros, which is the 25th franchise of the United Soccer League (USL). The team began play in a 9,700 seat, soccer-specific stadium that located at the intersection of Freddy Gonzalez and Raul Longoria roads in March 2017.

A multipurpose event center was constructed off of I-69C in 2018. The anchor tenant at the arena is the NBA Development League Rio Grande Valley Vipers. The Vipers begun playing in the new facility in 2018. The 115,799 square foot arena was built on 40 acres of land located on the east side of I-69C on Alberta Road. It features 8,500 seats, 10 luxury suites, 1,200 club seats, a restaurant/club area, locker rooms, and offices for sports team personnel, offices for facility management, and a marquee, and is designed to host a variety of entertainment events, including sporting events such as basketball and ice hockey, concerts, family shows and trade shows. The entire property includes nine additional pad sites for the development of a future hotel, restaurants, and more parking spaces.

Other. On September 20, 2022, the City approved the sale of 38 acres in the area that will house companies that are expanding, such as Nicho Produce, RGV CDL Services and more.

The City completed constructing a new \$2.7 million multi-use transit center in 2020. The 35,000 square foot mixed used building houses the new Valley Metro bus station, restaurants, and office spaces.

Due to the increase in companies locating their business at the City's industrial park located in the southwest quadrant of the city, the need to develop and build a second industrial park arose. The development of a 108-acre industrial park north of Edinburg moved forward with the approval of an engineering/construction contract funded by the Edinburg Economic Development Corporation. This North Industrial Park will help the City of Edinburg recruit new companies and provide local companies looking to relocate or expand within the City to relocate to the new industrial park along U.S. Highway 281 near Farm-to-Market Road 2812.

Holt Cat – Caterpillar Equipment, an engine dealer for South, Central, North and North East Texas, opened a 47,000-square foot full-service facility in Edinburg. The addition of a full-service store will help HOLT continue its strong commitment to serving the communities and businesses of South Texas and the Rio Grande Valley, where HOLT has been a dealer for more than 80 years.

In addition, the Edinburg Economic Development Corporation (EDC) continues to attract new businesses to the City. On September 2022, the EDC announced two new companies at the North Industrial Park, Nicho Produce and RGV CDL Services.

Long-term Financial Planning. Careful long-term financial planning is an important goal for the City. In 2021, 79% of all U.S. - Mexico trade goods are transported by land flow through South Texas. Edinburg is strategically located on one of the major conduits for these goods. The City of Edinburg's transportation network, including U.S. Expressway 281, is scheduled to be expanded into Interstate Highway 69. The state will be spending \$120 million more to upgrade roads leading to U.S. 281, which runs through the heart of the City directly to San Antonio.

Additional bonds will be considered in the future for additional public facilities, streets, and drainage improvements. The City's current bond ratings are as of last issue in each of the following categories:

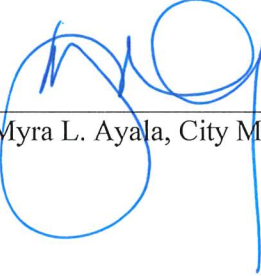
	<u>General Obligation</u>	<u>Revenue</u>
Standard and Poor's	AA	AA-
Fitch Ratings	AA-	AA

Cash Management. All City operating funds are held in interest-bearing demand accounts in the depository bank. This money is protected by insurance from the Federal Deposit Insurance Corporation and by collateral interests in the depository's investment securities that are pledged against the City's deposits. Cash not required for operations is invested according to the City's written investment policy. The policy emphasizes safety and liquidity in investing public funds. The City's funds were invested through TexPool, the largest local government investment pool in the state of Texas.

Acknowledgements. We wish to express our sincere appreciation to all members of the Finance Department who assisted and contributed to the preparation and completion of this report and to services of the independent auditor Cascos & Associates, PC.

We would also like to thank the Mayor and the Members of the City Council for their continued interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

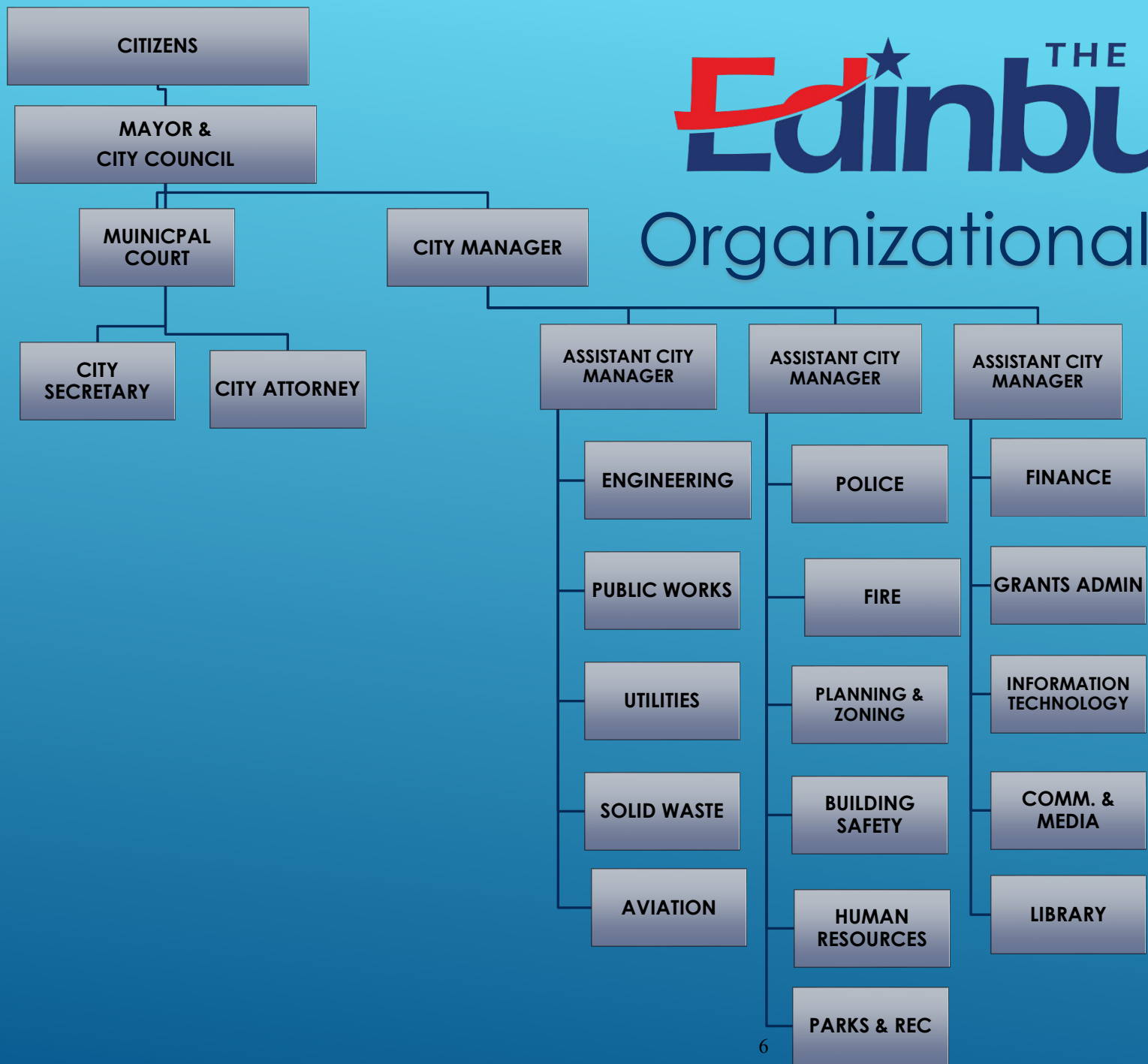


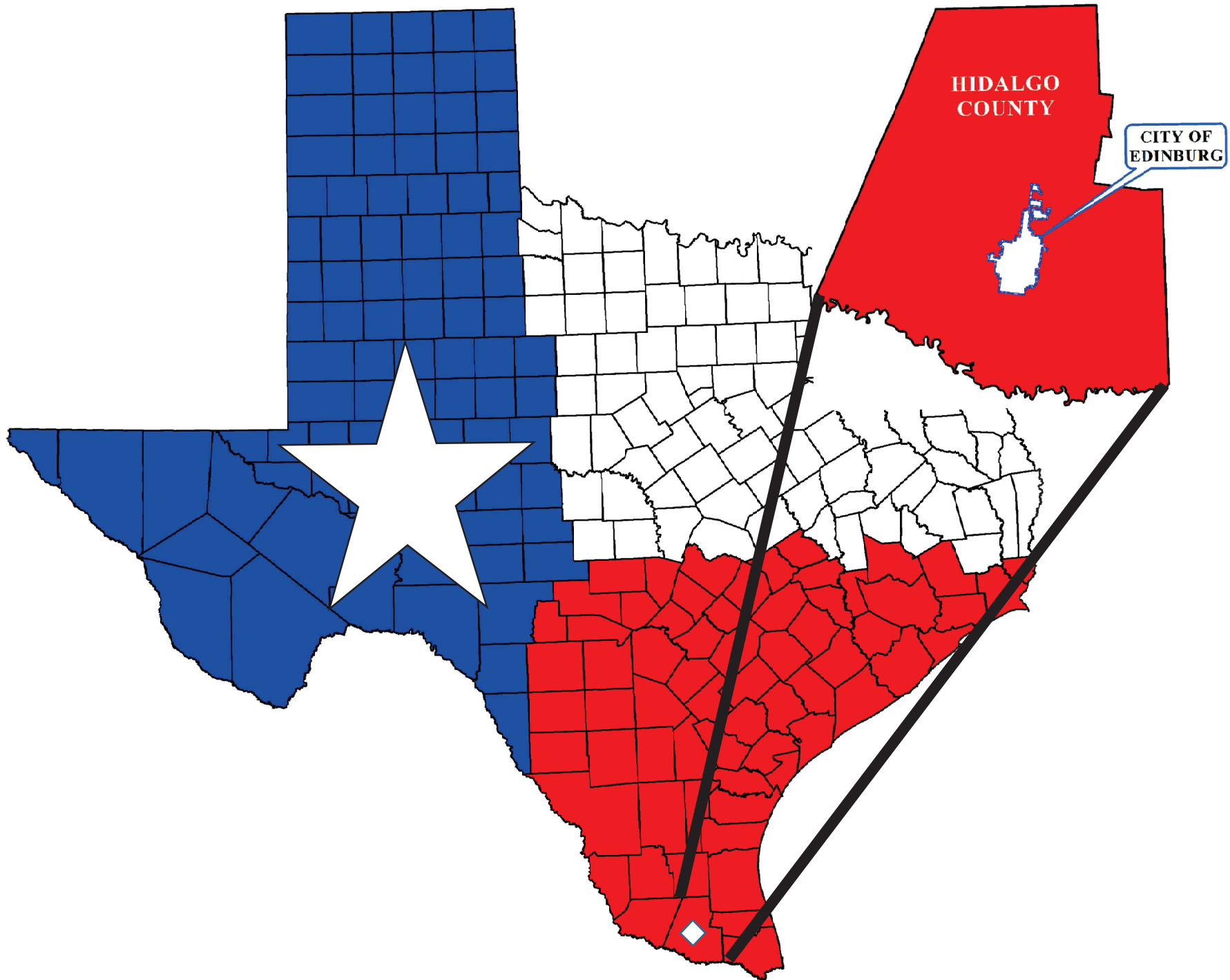
Myra L. Ayala, City Manager



Ascencion Alonzo, Director of Finance

THE CITY OF **Edinburg** Organizational Chart







Cascos & Associates, PC

Certified Public Accountants

Audit/Accounting/Tax/Consulting

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the City Commission
City of Edinburg, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Edinburg, Texas (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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 units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in the notes to the financial statements in 2023, The County adopted a new accounting guidance, GASB No. 96, Subscription-Based Information Technology Arrangements (SBITAs). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and pension and other post-employment benefits be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual nonmajor fund financial statements 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 City's internal control over financial reporting and compliance.

Cascos & Associates, PC

Cascos & Associates, PC
Brownsville, Texas
May 7, 2024

Management's Discussion and Analysis

As management of the City of Edinburg, we offer readers of the City of Edinburg financial statements this narrative overview and analysis of the financial activities of the City of Edinburg for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal listed in the table of contents.

Financial Highlights

- The assets and deferred outflows of the City exceeded liabilities and deferred inflows at the close of the current fiscal year by \$186,069,569 (net position).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$73,515,888, a decrease of \$26,079,347 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$24,141,246, or 30.6 percent of total General Fund expenditures.
- The City of Edinburg's total long-term debt increased by \$26,978,650 or 10.7 percent during the current fiscal year.

Overview of the Financial Statements

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Edinburg's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Edinburg's assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Edinburg is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position is 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).

Both of the government-wide financial statements distinguish functions of the City of Edinburg that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Edinburg include general government, public safety, highways and streets, health and welfare, culture and recreation, urban redevelopment and housing, and economic development. The business-type activities of the City of Edinburg include a utility system (water and sanitary sewer services), golf course services, solid waste services, and airport services.

The government-wide financial statements include not only the City of Edinburg itself (known as the primary government), but also legally separate component units for which the City of Edinburg is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. With the exception of the Edinburg Economic Development Corporation, none of the other component units issue separate financial statements. Complete financial statements for this component unit may be obtained at its administrative office at:

Edinburg Economic Development Corporation
311 W. Freddy Gonzalez Dr.
Edinburg, Texas 78539

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 of Edinburg, 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 of Edinburg 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 of Edinburg maintains twenty-six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, grant, and capital projects fund, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements*.

Proprietary funds. The City of Edinburg maintains two 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 of Edinburg uses enterprise funds to account for operations of its water and sanitary sewer system, golf courses, landfill and garbage collection, and airport. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Edinburg's various functions. The City of Edinburg uses an internal service fund to account for its self-insured worker's compensation program. Because this service predominantly benefits 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 government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer system and solid waste operation, which are considered to be major funds of the City of Edinburg. Data from the other proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of *combining statements*. The internal service fund is presented separately in the proprietary fund financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Edinburg's progress in funding its obligation to provide other postemployment benefits (OPEB) to its employees. In addition, the City is required to present schedules concerning its net pension and OPEB liabilities and contributions related to its retirement and other postemployment benefits programs.

The City of Edinburg adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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 of Edinburg, assets exceeded liabilities by \$186,069,569 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 104,589,479	\$138,663,838	\$ 98,196,755	\$ 59,174,974	\$202,786,234	\$197,838,812
Capital Assets	197,351,468	177,705,122	156,007,329	163,112,927	353,358,797	340,818,049
Total Assets	301,940,947	316,368,960	254,204,084	222,287,901	556,145,031	538,656,861
Deferred Outflows of Resources	19,644,064	10,712,047	10,300,909	7,480,159	29,944,973	18,192,206
Long-Term Liabilities	211,354,182	200,934,847	125,260,602	82,238,731	336,614,784	283,173,578
Other Liabilities	37,672,041	45,033,947	11,973,213	16,206,622	49,645,254	61,240,569
Total Liabilities	249,026,223	245,968,794	137,233,815	98,445,353	386,260,038	344,414,147
Deferred Inflows of Resources	5,835,455	13,825,372	7,924,942	10,092,977	13,760,397	23,918,349
Net Position						
Invested in Capital Assets, Net of Related Debt	38,570,514	89,470,643	48,346,710	130,703,235	86,917,224	220,173,878
Restricted	49,170,963	76,612,604	5,634,979	4,607,337	54,805,942	81,219,941
Unrestricted	(21,018,144)	(98,796,406)	65,364,547	(14,080,842)	44,346,403	(112,877,248)
Total Net Position	\$ 66,723,333	\$ 67,286,841	119,346,236	\$121,229,730	186,069,569	\$188,516,571

By far, the largest portion of the City's net position reflects its investments in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Edinburg uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Edinburg's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Edinburg's net position (25.6 percent) represents resources that are subject to external restrictions regarding how they may be used.

The City reported a deficit balance of unrestricted net position for governmental and business-type activities. During the 2017-2018 year, the city implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Implementation of these standards resulted in the recording of a net OPEB liability and other postemployment benefits totaling \$26,381,199 for the current year, along with a current net pension liability of \$47,650,147. This accounts for the deficit unrestricted net position reported at September 30, 2023.

For business-type activities, the City of Edinburg is able to report positive balances in two of the three categories of net position.

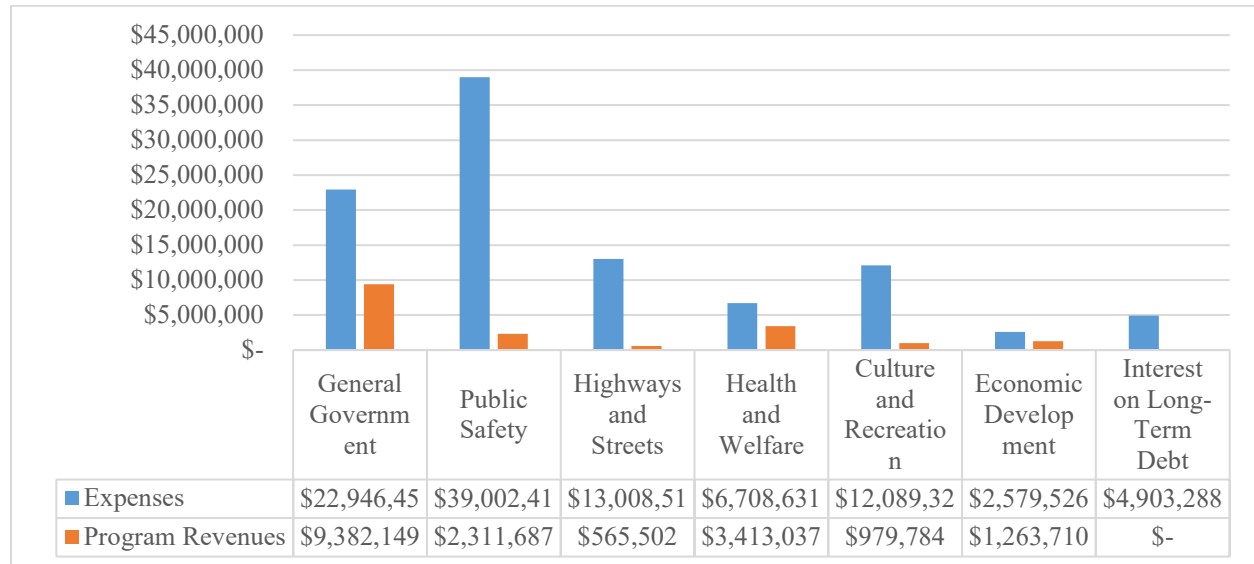
The following table presents details on revenues and expenses for both governmental activities and business-type activities.

Total revenues generated from both governmental and business-type activities for this year amounted to \$147,345,463. Expenses were \$149,508,012 thus decreasing net position by \$2,162,549.

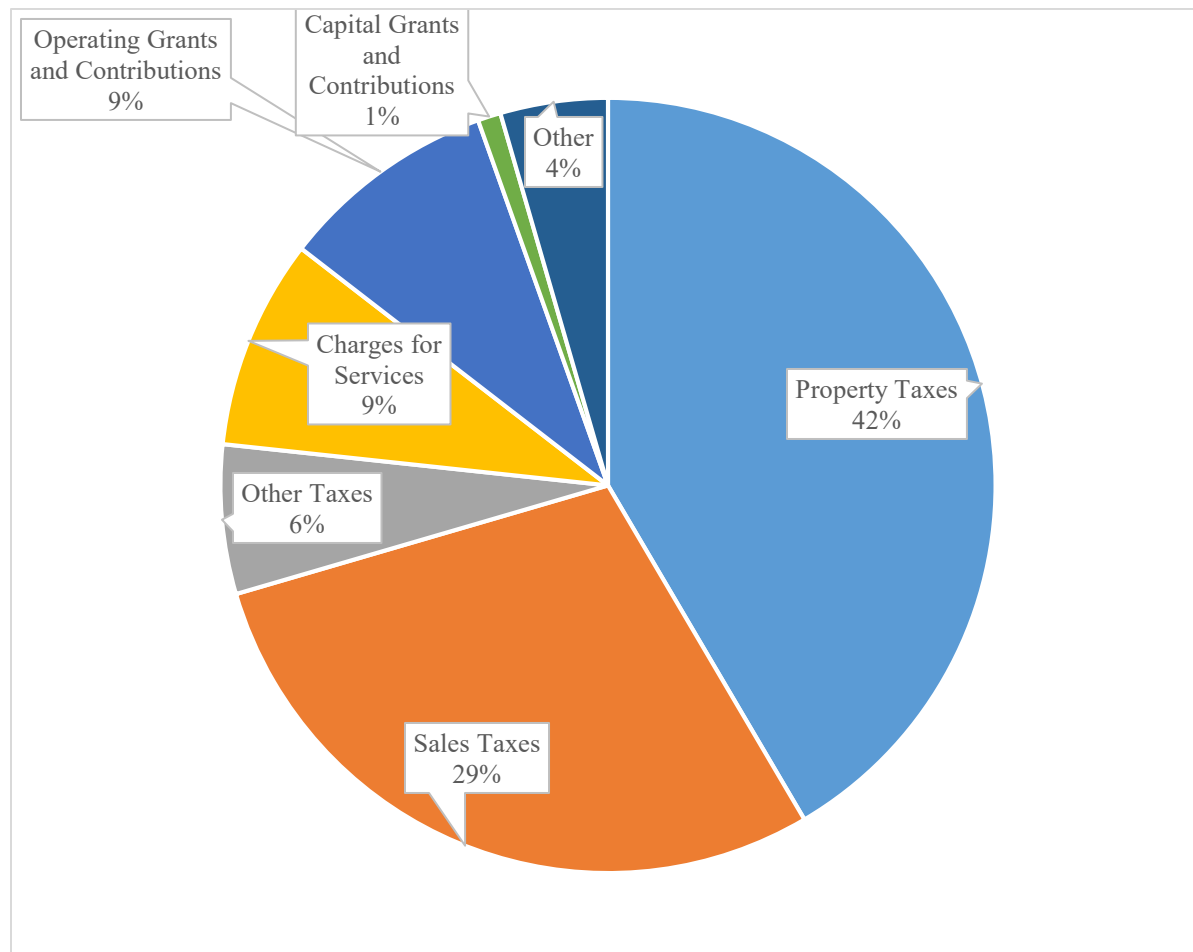
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 8,345,365	\$ 8,302,619	\$ 49,345,610	\$ 46,054,096	\$ 57,690,975	\$ 54,356,715
Operating Grants and Contributions	8,657,137	10,116,925	-	81,221	8,657,137	10,198,146
Capital Grants and Contributions	913,367	885,840	-	-	913,367	885,840
General Revenue:						
Property Taxes	39,549,563	38,119,120	-	-	39,549,563	38,119,120
Other Taxes	33,477,509	31,506,784	-	-	33,477,509	31,506,784
Other	4,266,160	1,201,259	2,790,752	2,846,927	7,056,912.00	4,048,186
Total Revenues	95,209,101	90,132,547	52,136,362	48,982,244	147,345,463	139,114,790
Expenses:						
General Government	22,946,455	20,926,720	-	-	22,946,455	20,926,720
Public Safety	39,002,410	37,430,277	-	-	39,002,410	37,430,277
Highways and Streets	13,008,517	11,174,354	-	-	13,008,517	11,174,354
Health and Welfare	6,708,631	5,660,161	-	-	6,708,631	5,660,161
Culture and Recreation	12,089,329	10,998,228	-	-	12,089,329	10,998,228
Urban Redevelopment and Housing	-	643,676	-	-	-	643,676
Economic Development	2,579,526	3,084,239	-	-	2,579,526	3,084,239
Interest on Long-Term Debt	4,903,288	5,390,433	-	-	4,903,288	5,390,433
Water and Sewer Options	-	-	24,086,632	21,824,936	24,086,632	21,824,936
Solid Waste Operations	-	-	18,579,086	19,677,970	18,579,086	19,677,970
Golf Course Services	-	-	2,709,970	2,419,592	2,709,970	2,419,592
Airport Services	-	-	2,894,168	3,213,471	2,894,168	3,213,471
Total Expenses	101,238,156	95,308,088	48,269,856	47,135,969	149,508,012	142,444,057
Increases (Decreases) in						
Net Position before Transfers	(6,029,055)	(5,175,542)	3,866,506	1,846,275	(2,162,549)	(3,329,267)
Transfers	5,350,000	4,600,000	(5,750,000)	(5,000,000)	(400,000)	(400,000)
Changes in Net Position	(679,055)	(575,542)	(1,883,494)	(3,153,725)	(2,562,549)	(3,729,267)
Net Position October 1, 2022	67,286,841	67,700,898	121,229,730	124,378,337	188,516,571	192,079,235
Prior Period Adjustments	115,547	161,485	-	5,118	115,547	166,603
Net Position September 30, 2023	\$ 66,723,333	\$ 67,286,841	\$ 119,346,236	\$ 121,229,730	\$ 186,069,569	\$ 188,516,571

Governmental activities. Governmental activities decreased the City of Edinburg’s net position by \$679,055. For the fiscal year 2022-2023 the City projected increases related to debt payments, equipment needs and personnel. For this reason, the General Fund adopted budget was approved with a deficit by City Council, which caused the net position to decrease at the end of the year.

Expenses and Program Revenues - Governmental Activities

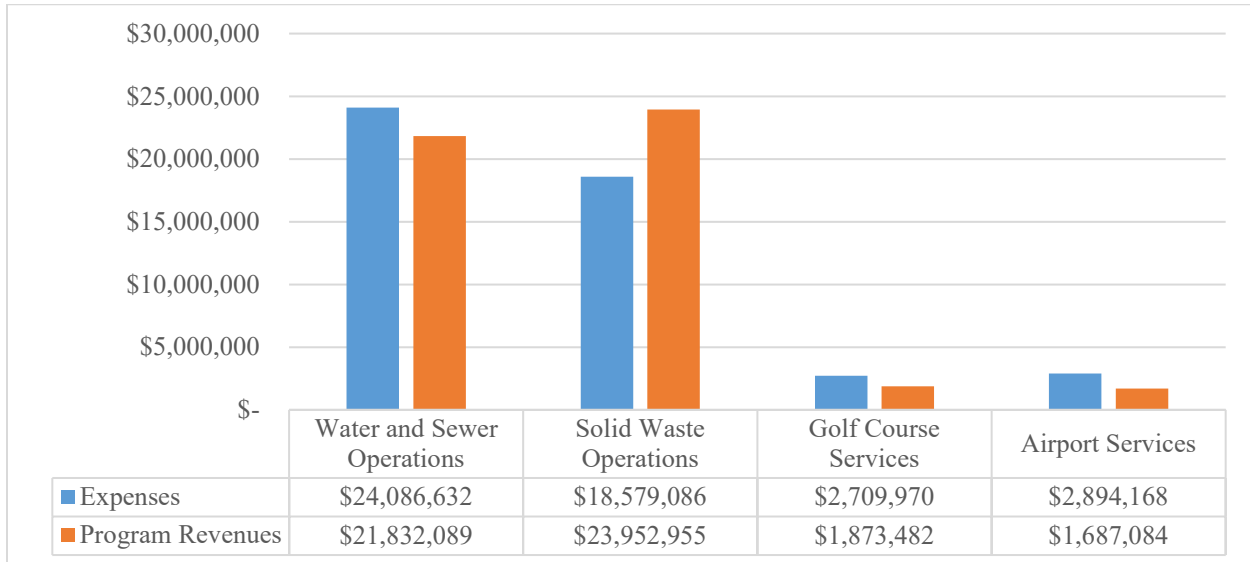


Revenues by Source - Governmental Activities

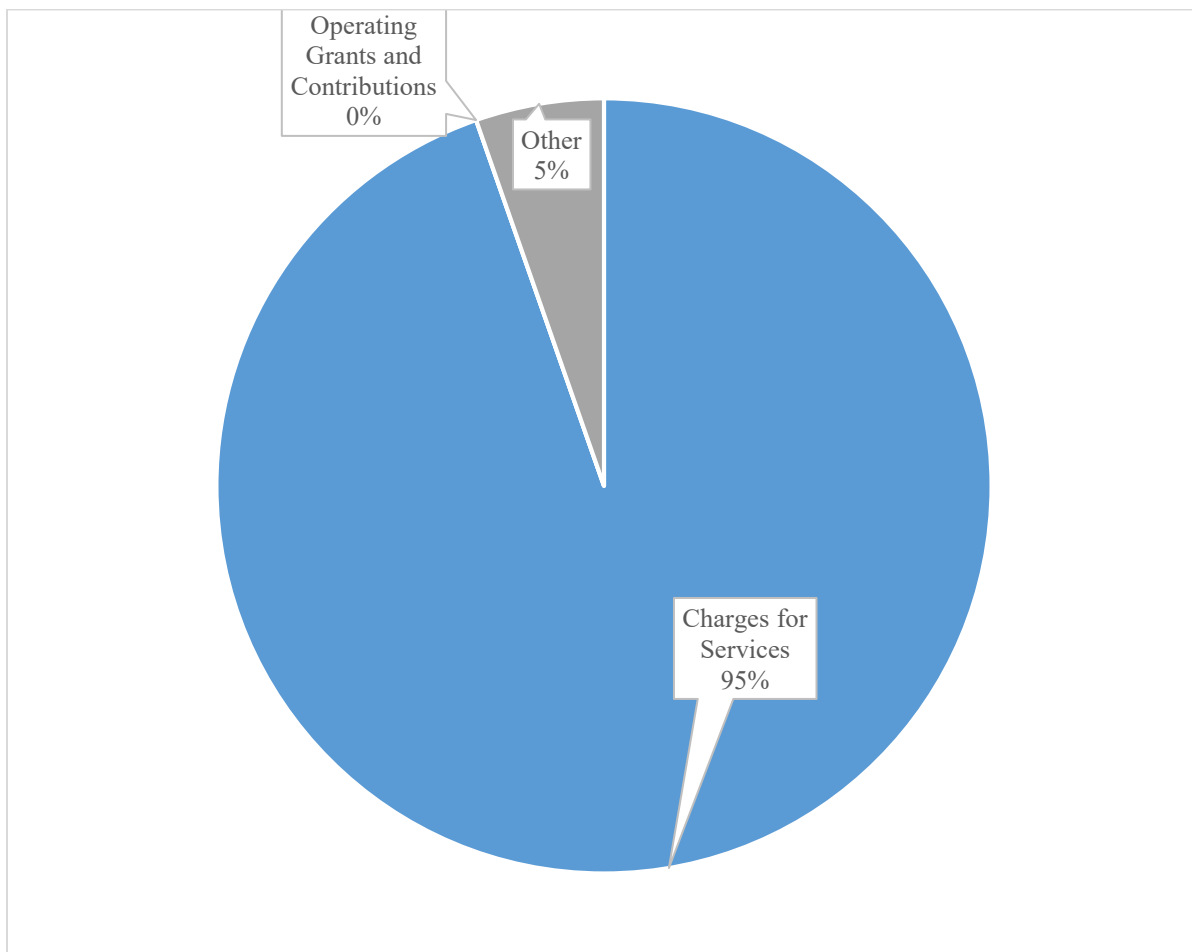


Business-type activities. Business-type activities decreased the City of Edinburg’s net position by \$1,883,494. The decrease is attributed to transfers out to Non-Enterprise Funds, bad debts written off, unexpected increase in fuel cost, and landfill closure expenses that were not budgeted.

Expenses and Program Revenues - Business Type Activities



Revenues by Source - Business Type Activities



Financial Analysis of Government's Funds

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

Governmental funds. The focus of the City of Edinburg'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 of Edinburg's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Edinburg's governmental funds reported combined ending fund balances of \$73,515,888, a decrease of \$26,079,347 in comparison with the prior year. \$24,141,246 constitutes unassigned fund balance for all governmental funds, which is available for spending at the City's discretion. The remainder of the fund balance \$49,374,642 falls under a restricted, committed, assigned and non-spendable category.

The General Fund is the main operating fund of the City of Edinburg. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$24,141,246 while total fund balance increased to \$31,267,673. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30.6 percent of total General Fund expenditures. Total fund balance represents 39.6 percent of total General Fund expenditures.

During the current fiscal year, the net change in fund balance of the City of Edinburg's General Fund was decreased of \$1,153,324. The key components and factors in this decrease are as follows:

- Increase in lease principal and interest payments.
- Increase in the City's General Insurances.
- Increase in Subscriptions Financing and Subscriptions as required by GASB 96.

The Debt Service Fund has a total fund balance of \$704,819, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the Debt Service Fund was \$341,887. This increase is due to higher collection of property taxes resulting in additional revenue.

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

As of September 30, 2023, total unrestricted net position amounted to \$65,364,547. The Water, Sewer, and Solid Waste Management Funds had unrestricted net position of \$53,263,339 and \$12,517,454 respectively. The other non-major funds ended the year with unrestricted net position totaling (\$416,246).

General Fund Budgetary Highlights

The final amended expenditure budget was \$7,182,837 more than the original budget. This represented the carrying encumbrances from the prior year of \$3,533,975 that were restricted and reserved in the 2021-2022 fiscal year and \$1,080,834 for additional expenditures required to complete the 2022-2023 fiscal year.

The major final projected revenues compared to actual revenues are as follows:

Taxes

- Ad valorem tax revenues were \$2,640,601 below the budgeted amount. This was due to over projected budget for ad valorem taxes.
- Sales tax revenues were \$252,576 above the budgeted amount. This has been an ongoing trend of the positive economic impact the City of Edinburg has been experiencing the last few years.
- Franchise and other taxes were \$140,738 above the budgeted amount due to ongoing trend of positive economic impact.
- Interest revenue was \$1,171,890 above the budgeted amount due to the increases by the Federal Reserve.

Capital Asset and Debt Administration

Capital assets. The City of Edinburg's investment in capital assets for its governmental and business type activities as of September 30, 2023 amounts to \$353,358,798 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, streets, storm drainage, sanitary sewer system, a water system and right-to-use lease assets. The total increase in the City of Edinburg's investment in capital assets for the current fiscal year was 3.7 percent, (11.1 percent increase for governmental activities and a 4.4 percent decrease for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Governmental activities had an increase of non-depreciable assets consisting of mainly the purchase of land for the construction of a holding pond (\$150,672).
- Governmental activities increased due to the amounts paid for Lull Subdivision Street Improvements (\$3,379,908), Municipal Waterpark Improvements for Capable Kids Cove (\$3,802,277), Park Improvements that includes playscapes and turf fields (\$414,717), Hike & Bike Lighting Improvements (\$483,750), Solar Street Lights (\$175,393), and the reconstruction of East Schunior Street (\$1,414,652).
- Business-type activities had an increase due to the rehabilitation and upgrades to Lift Station No. 34 & 35 (\$980,679).
- The addition of \$461,731 in subscription assets, as per the adoption of new GASB 96 pronouncement.

Additional information on the City of Edinburg's capital assets can be found in note 7, in the notes to the financial statements.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land/Other	\$ 24,844,261	\$ 24,693,589	\$ 26,783,298	\$ 26,783,298	\$ 51,627,559	\$ 51,476,887
Building and System	79,585,420	81,390,030	96,021,950	97,776,712	175,607,370	179,166,742
Improvements other than Buildings	54,109,023	35,836,521	13,299,940	14,612,358	67,408,963	50,448,879
Furniture and Equipment	16,517,389	18,590,999	16,349,466	19,809,117	32,866,855	38,400,116
Right-to-Use Lease Assets	2,906	8,627	31,924	112,020	34,830	120,647
Software subscription assets	459,589	-	2,142	-	461,731	-
Construction in Progress	21,832,880	17,185,356	3,518,609	4,019,422	25,351,489	21,204,778
Total	\$ 197,351,468	\$ 177,705,122	\$ 156,007,329	\$ 163,112,927	\$ 353,358,797	\$ 340,818,049

Long-term debt. At the end of the current fiscal year, the City of Edinburg had total long-term debt outstanding of \$280,249,510.

The City's total debt decreased by \$26,978,650 or 10.7 percent, during the current fiscal year. The City maintains a "AA" rating from Standard and Poor's for its general obligation bonds and a "AA-" rating from Standard and Poor's for its utility system revenue bonds.

Additional information on the City of Edinburg's long-term debt can be found in note 8, in the notes to the financial statements.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 102,199,338	\$107,178,258	9,962,934	\$ 10,742,603	\$112,162,272	\$117,920,861
Tax Increment Bonds	37,380,597	38,351,761	-	-	37,380,597	38,351,761
Notes Payable	-	-	-	1,000,000	-	1,000,000
Financing Lease Obligations	11,629,909	14,539,210	18,628,461	22,637,867	30,258,370	37,177,077
Compensated Absences	5,968,707	5,485,864	747,500	724,486	6,716,207	6,210,350
Revenue Bonds	-	-	79,851,021	38,611,708	79,851,021	38,611,708
Reimbursement Obligation-Developer	7,675,436	8,402,575	-	-	7,675,436	8,402,575
Landfill Closure and Post-Closure	-	-	6,205,607	5,596,531	6,205,607	5,596,531
Total	\$ 164,853,987	\$173,957,668	\$115,395,523	\$ 79,313,195	\$280,249,510	\$253,270,863

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Edinburg is currently 4.70 percent. The state and national average unemployment rates are currently 4.1 percent and 3.9 percent, respectively.
- Appraisal values used in preparing the 2023-2024 budget increased \$853,595,654 over the prior year, or 13 percent higher than the prior year. The City approved a tax rate of (\$0.6300 per \$100 assessed valuation).

Requests for Information

This financial report is designed to provide a general overview of the City of Edinburg'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 Director of Finance, 415 West University Drive, Edinburg, Texas, 78541.

CITY OF EDINBURG, TEXAS
STATEMENT OF NET POSITION
EXHIBIT 1-A

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	The Boys' and Girls' Club of Edinburg, Inc.	Edinburg Economic Development Corporation
SEPTEMBER 30, 2023					
Assets					
Cash and Cash Equivalents	\$ 71,402,165	\$ 14,988,858	\$ 86,391,023	\$ 2,071,037	\$ 13,501,268
Taxes Receivable, Net	9,224,109	-	9,224,109	-	-
Accounts Receivable, Net	932,752	7,657,342	8,590,094	50,218	-
Accrued Interest Receivable	77	-	77	-	-
Leases Receivable, Net	20,917	-	20,917	-	-
Due from Other Governments	2,711,058	34,605	2,745,663	-	-
Notes Receivable	971,462	-	971,462	-	13,367,203
Internal Balances	13,250	(13,250)	-	-	-
Due from Primary Government	-	-	-	-	1,695,444
Due from Component Unit	10,878	-	10,878	-	-
Inventories	77,350	1,201,278	1,278,628	-	-
Prepaid Items	126,329	8,106,216	8,232,545	-	4,903
Restricted Assets:					
Cash and Cash Equivalents	10,031,715	31,156,351	41,188,066	10,000	19,742,338
Cash with Fiscal Agent	9,067,417	35,065,355	44,132,772	-	-
Investments	-	-	-	1,544,585	-
Capital Assets:					
Land and Construction in Progress	46,677,141	30,301,907	76,979,048	539,125	6,780,643
Other Capital Assets, Net of Depreciation	150,211,832	125,671,356	275,883,188	3,890,818	660,734
Right of Use Lease Assets, Net of Amortization	2,906	31,924	34,830	-	19,767
Subscription-Based Information Technology Arrangements, Net of Amortization	459,589	2,142	461,731	-	1,336
Total Assets	<u>301,940,947</u>	<u>254,204,084</u>	<u>556,145,031</u>	<u>8,105,783</u>	<u>55,773,636</u>
Deferred Outflows of Resources					
Deferred Outflows Related to Debt Refunding	415,601	810,400	1,226,001	-	1,441,087
Deferred Outflows Related to TMRS Pension	16,591,337	5,038,299	21,629,636	365,696	131,582
Deferred Outflows Related to TESRS Pension	714	-	714	-	-
Deferred Outflows Related to TMRS OPEB Obligation	400,696	121,679	522,375	8,832	3,178
Deferred Outflows Related to MED OPEB Obligation	2,235,716	784,830	3,020,546	36,703	7,295
Deferred Outflows Related to Landfill Closure Costs	-	3,545,701	3,545,701	-	-
Total Deferred Outflows of Resources	<u>19,644,064</u>	<u>10,300,909</u>	<u>29,944,973</u>	<u>411,231</u>	<u>1,583,142</u>
Liabilities					
Accounts Payable	4,197,670	1,367,698	5,565,368	1,041,998	44,224
Accrued Liabilities	1,539,174	480,623	2,019,797	-	14,206
Accrued Interest Payable	547,527	115,572	663,099	-	132,811
Due to Primary Government	-	-	-	-	10,878
Due to Component Unit	1,695,444	-	1,695,444	-	-
Deposits	298,997	2,004,991	2,303,988	-	-
Retainage Payable	176,359	12,800	189,159	-	-
Unearned Revenue	19,200,226	-	19,200,226	-	-
Non-Current Liabilities:					
Due within One Year	10,016,644	7,991,529	18,008,173	-	1,644,809
Due in More Than One Year	154,837,343	107,403,994	262,241,337	37,858	31,530,000
Right-to-Use Lease Liabilities	2,746	28,603	31,349	-	-
Subscription-Based Information Technology Arrangement Liabilities	308,529	2,223	310,752	-	-
TMRS Net Pension Liabilities	36,266,867	11,013,175	47,280,042	799,373	287,625
TESRS Net Pension Liabilities	370,105	-	370,105	-	-
TMRS OPEB Obligations	1,198,751	364,025	1,562,776	26,422	9,507
MED Plan OPEB Obligations	18,369,841	6,448,582	24,818,423	301,575	59,940
Total Liabilities	<u>249,026,223</u>	<u>137,233,815</u>	<u>386,260,038</u>	<u>2,207,226</u>	<u>33,734,000</u>
Deferred Inflows of Resources					
Deferred Inflows Related to Leases Receivable	18,591	-	18,591	-	-
Deferred Inflows Related to TMRS Pension	135,931	41,279	177,210	2,996	1,078
Deferred Inflows Related to TESRS Pension	116,135	-	116,135	-	-
Deferred Inflows Related to TMRS OPEB Obligation	665,163	201,988	867,151	14,661	5,275
Deferred Inflows Related to MED Plan OPEB Obligation	4,899,635	1,719,976	6,619,611	80,437	15,987
Deferred Inflows Related to Landfill Closure Costs Other	-	5,848,770	5,848,770	-	-
Deferred Inflows	-	112,929	112,929	-	-
Total Deferred Inflows of Resources	<u>5,835,455</u>	<u>7,924,942</u>	<u>13,760,397</u>	<u>98,094</u>	<u>22,340</u>
Net Position (Deficit)					
Net Investment in Capital Assets	38,570,514	48,346,710	86,917,224	4,429,943	7,442,671
Restricted For:					
Debt Service	3,731,765	5,634,979	9,366,744	-	3,763,297
Capital Acquisition	31,672,991	-	31,672,991	-	13,495,296
Other	13,766,207	-	13,766,207	-	780,000
Unrestricted	(21,018,144)	65,364,547	44,346,403	1,781,751	(1,880,826)
Total Net Position (Deficit)	<u>\$ 66,723,333</u>	<u>\$ 119,346,236</u>	<u>\$ 186,069,569</u>	<u>\$ 6,211,694</u>	<u>\$ 23,600,438</u>

See Accompanying Notes to the Financial Statements.

CITY OF EDINBURG, TEXAS
STATEMENT OF ACTIVITIES
EXHIBIT 1-B

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	The Boys' and Girls' Club of Edinburg, Inc.	Edinburg Economic Development Corporation
PRIMARY GOVERNMENT:									
Governmental Activities:									
General Government	\$ 22,946,455	\$ 5,532,993	\$ 3,849,156	\$ -	\$ (13,564,306)	\$ -	\$ (13,564,306)		
Public Safety	39,002,410	628,497	1,683,190	-	(36,690,723)	-	(36,690,723)		
Highways and Streets	13,008,517	-	565,502	-	(12,443,015)	-	(12,443,015)		
Health and Welfare	6,708,631	1,414,353	1,998,684	-	(3,295,594)	-	(3,295,594)		
Culture and Recreation	12,089,329	769,522	60,605	149,657	(11,109,545)	-	(11,109,545)		
Economic Development	2,579,526	-	500,000	763,710	(1,315,816)	-	(1,315,816)		
Interest on Long-Term Debt	4,903,288	-	-	-	(4,903,288)	-	(4,903,288)		
Total Governmental Activities	<u>101,238,156</u>	<u>8,345,365</u>	<u>8,657,137</u>	<u>913,367</u>	<u>(83,322,287)</u>	<u>-</u>	<u>(83,322,287)</u>		
Business-Type Activities:									
Water and Sewer Operations	24,086,632	21,832,089	-	-	-	(2,254,543)	(2,254,543)		
Solid Waste Operations	18,579,086	23,952,955	-	-	-	5,373,869	5,373,869		
Golf Course Services	2,709,970	1,873,482	-	-	-	(836,488)	(836,488)		
Airport Services	2,894,168	1,687,084	-	-	-	(1,207,084)	(1,207,084)		
Total Business-Type Activities	<u>48,269,856</u>	<u>49,345,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,075,754</u>	<u>1,075,754</u>		
Total Primary Government	<u>\$ 149,508,012</u>	<u>\$ 57,690,975</u>	<u>\$ 8,657,137</u>	<u>\$ 913,367</u>	<u>(83,322,287)</u>	<u>1,075,754</u>	<u>(82,246,533)</u>		
Component Units:									
Community and Youth Services	\$ 2,065,099	\$ 5,148	\$ 1,113,006	\$ -				\$ (946,945)	\$ -
Economic Development and Assistance	3,022,682	17,138	-	-				-	(3,005,544)
Interest on Long-Term Debt	1,217,403	-	-	-				-	(1,217,403)
Total Component Units	<u>\$ 6,305,184</u>	<u>\$ 22,286</u>	<u>\$ 1,113,006</u>	<u>\$ -</u>				<u>(946,945)</u>	<u>(4,222,947)</u>
General Revenues:									
Taxes									
Property Taxes					39,549,563	-	39,549,563	-	-
Sales Taxes					27,552,576	-	27,552,576	-	9,184,192
Hotel Occupancy Tax					947,017	-	947,017	-	-
Franchise Taxes					4,750,536	-	4,750,536	-	-
Other Taxes					227,380	-	227,380	-	-
Investment Earnings					3,849,396	1,885,526	5,734,922	7,527	745,262
Other					416,764	905,226	1,321,990	234	791,184
Transfers In (Out)					5,350,000	(5,750,000)	(400,000)	400,000	-
Total General Revenues and Transfers					<u>82,643,232</u>	<u>(2,959,248)</u>	<u>79,683,984</u>	<u>407,761</u>	<u>10,720,638</u>
Change in Net Position					(679,055)	(1,883,494)	(2,562,549)	(539,184)	6,497,691
Net Position - Beginning of Year					67,286,841	121,229,730	188,516,571	6,750,878	17,340,104
Prior Period Adjustment					115,547	-	115,547	-	(237,357)
Net Position - End of Year					<u>\$ 66,723,333</u>	<u>\$ 119,346,236</u>	<u>\$ 186,069,569</u>	<u>\$ 6,211,694</u>	<u>\$ 23,600,438</u>

See Accompanying Notes to the Financial Statements.

CITY OF EDINBURG, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
EXHIBIT 2-A

SEPTEMBER 30, 2023	General Fund	Grants Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 22,145,703	\$ 6,471,022	\$ 35,627,806	\$ 6,484,112	\$ 70,728,643
Taxes Receivables	9,203,257	-	-	557,867	9,761,124
Allowance for Uncollectible Taxes	(427,715)	-	-	(109,300)	(537,015)
Accounts Receivables, Net	798,755	-	-	120,325	919,080
Leases Receivables, Net	2,985	-	-	17,932	20,917
Note Receivable	-	-	-	971,462	971,462
Due from Other Governments	-	1,970,932	170,198	569,928	2,711,058
Due from Other Funds	173,119	-	-	9,730	182,849
Due from Component Unit	10,878	-	-	-	10,878
Inventories	77,350	-	-	-	77,350
Prepaid Items	124,069	-	-	2,260	126,329
Restricted Assets:					
Cash & Cash Equivalents	-	10,031,715	-	-	10,031,715
Cash with Fiscal Agent	5,551,785	-	-	3,515,632	9,067,417
Total Assets	<u>37,660,186</u>	<u>18,473,669</u>	<u>35,798,004</u>	<u>12,139,948</u>	<u>104,071,807</u>
Liabilities					
Accounts Payable	1,129,724	129,875	2,756,612	181,459	4,197,670
Accrued Liabilities	1,405,922	-	-	-	1,405,922
Deposits	298,997	-	-	-	298,997
Retainage Payable	-	-	176,359	-	176,359
Due to Other Funds	250	169,349	-	-	169,599
Due to Component Unit	1,695,444	-	-	-	1,695,444
Unearned Revenue	14,588	17,179,090	1,436,620	569,928	19,200,226
Total Liabilities	<u>4,544,925</u>	<u>17,478,314</u>	<u>4,369,591</u>	<u>751,387</u>	<u>27,144,217</u>
Deferred Inflows of Resources					
Deferred Inflows from Loans Receivable	-	-	-	971,462	971,462
Deferred Inflows from Taxes	1,844,616	-	-	414,286	2,258,902
Deferred Inflows from Leases	2,972	-	-	15,619	18,591
Deferred Inflows from Other	-	162,747	-	-	162,747
Total Deferred Inflows of Resources	<u>1,847,588</u>	<u>162,747</u>	<u>-</u>	<u>1,401,367</u>	<u>3,411,702</u>
Fund Balances					
Nonspendable					
Inventory	77,350	-	-	-	77,350
Prepays	124,069	-	-	2,260	126,329
Restricted For:					
Debt Service	-	-	-	3,731,765	3,731,765
Capital Projects	-	-	31,428,413	244,578	31,672,991
Other Purposes	6,925,008	832,608	-	6,008,591	13,766,207
Unassigned	24,141,246	-	-	-	24,141,246
Total Fund Balances	<u>31,267,673</u>	<u>832,608</u>	<u>31,428,413</u>	<u>9,987,194</u>	<u>73,515,888</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 37,660,186</u>	<u>\$ 18,473,669</u>	<u>\$ 35,798,004</u>	<u>\$ 12,139,948</u>	<u>\$ 104,071,807</u>

See Accompanying Notes to the Financial Statements.

CITY OF EDINBURG, TEXAS
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION
EXHIBIT 2-B

SEPTEMBER 30, 2023

Total Fund Balances - Governmental Funds Balance Sheet	\$ 73,515,888
Amounts Reported for Governmental Activities in The Statement of Net Position ("SNP") Are Different Because:	
1.) Capital assets used in governmental activities are not reported in the funds.	196,888,973
2.) Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	2,258,902
3.) Loans receivable are not available to pay for current period expenditures and are deferred in the funds.	971,462
4.) Other receivables unavailable to pay for current period expenditures are deferred in the funds.	162,747
5.) Deferred outflows for losses on bond refunding are not reported in the funds.	415,601
6.) Payables for bond principal, which are not due in the current period, are not reported in the funds.	(144,060,546)
7.) Payables for bond interest, which are not due in the current period, are not reported in the funds.	(547,527)
8.) Payables for compensated absences, which are not due in the current period, are not reported in the funds.	(4,166,764)
9.) Other long-term payables, which are not due in the current period are not reported in the funds.	(16,626,677)
10.) Payables for the City's pension liability and OPEB obligations, which are not due in the current period, are not reported in the funds.	(56,205,564)
11.) Deferred outflows of resources related to pensions and OPEB obligations are not reported in the funds.	19,228,463
12.) Deferred inflows of resources related to pensions and OPEB obligations are not reported in the funds.	(5,816,864)
13.) Right of use lease assets used in governmental activities are not reported in the funds.	2,906
14.) Right of use lease liabilities used in governmental activities are not reported in the funds.	(2,746)
15.) Subscription-based information technology arrangement assets used in governmental activities are not reported in the funds.	459,589
16.) Subscription-based information technology arrangement liabilities used in governmental activities are not reported in the funds.	(308,529)
17.) Lease accrued interest revenue receivable are not reported in the funds.	77
18.) The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	553,942
Net Position of Governmental Activities - Statement of Net Position	<u><u>\$ 66,723,333</u></u>

See Accompanying Notes to the Financial Statements.

CITY OF EDINBURG, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-GOVERNMENTAL FUNDS
EXHIBIT 2-C

FOR THE YEAR ENDED SEPTEMBER 30, 2023	General Fund	Grants Fund	Capital Project Funds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Property Taxes	\$ 30,314,657	\$ -	\$ -	\$ 9,043,026	\$ 39,357,683
General Sales and Use Taxes	27,552,576	-	-	-	27,552,576
Franchise Tax	4,628,889	-	-	121,647	4,750,536
Other Tax	227,380	-	-	947,017	1,174,397
Licenses and Permits	1,409,954	-	-	-	1,409,954
Intergovernmental Revenue and Grants	526,870	5,710,514	-	2,419,753	8,657,137
Charges for Services	5,582,612	-	-	384,026	5,966,638
Fines and Forfeits	848,211	-	-	120,562	968,773
Investment Earnings	1,271,890	569,869	1,806,353	201,284	3,849,396
Contributions	-	-	149,656	763,711	913,367
Other	391,488	-	-	107,281	498,769
Total Revenues	<u>72,754,527</u>	<u>6,280,383</u>	<u>1,956,009</u>	<u>14,108,307</u>	<u>95,099,226</u>
Expenditures					
Current:					
General Government	16,091,513	3,588,633	393,124	366,774	20,440,044
Public Safety	36,199,473	1,235,252	6,170	401,442	37,842,337
Highways and Streets	7,316,935	450,382	11,394,693	163,580	19,325,590
Health and Welfare	5,915,809	-	-	701,238	6,617,047
Culture and Recreation	10,009,372	60,605	17,012,375	1,246,247	28,328,599
Economic Development	-	199,983	-	738,925	938,908
Debt Service:					
Principal Retirements	3,189,971	-	-	5,587,823	8,777,794
Interest and Other Charges	227,199	-	-	5,175,345	5,402,544
Total Expenditures	<u>78,950,272</u>	<u>5,534,855</u>	<u>28,806,362</u>	<u>14,381,374</u>	<u>127,672,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,195,745)</u>	<u>745,528</u>	<u>(26,850,353)</u>	<u>(273,067)</u>	<u>(32,573,637)</u>
Other Financing Sources (Uses)					
Proceeds from Right-to-Use Leases	1,486	-	-	10,023	11,509
Proceeds from Subscription-Based Information Technology Arrangements	569,457	-	-	21,658	591,115
Sale of Real and Personal Property	426,119	-	-	-	426,119
Transfers In	5,750,000	-	865,120	2,791,310	9,406,430
Transfers Out	(1,704,841)	(115,120)	-	(2,236,469)	(4,056,430)
Total Other Financing Sources (Uses)	<u>5,042,221</u>	<u>(115,120)</u>	<u>865,120</u>	<u>586,522</u>	<u>6,378,743</u>
Net Change in Fund Balances	(1,153,524)	630,408	(25,985,233)	313,455	(26,194,894)
Fund Balances - Beginning of Year	32,421,197	86,653	57,413,646	9,673,739	99,595,235
Prior Period Adjustments	-	115,547	-	-	115,547
Fund Balances - End of Year	<u>\$ 31,267,673</u>	<u>\$ 832,608</u>	<u>\$ 31,428,413</u>	<u>\$ 9,987,194</u>	<u>\$ 73,515,888</u>

See Accompanying Notes to the Financial Statements.

CITY OF EDINBURG, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES
EXHIBIT 2-D

SEPTEMBER 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ (26,194,894)
Amounts Reported for Governmental Activities in The Statement of Activities ("SOA") are Different Because:	
1.) Capital outlays are not reported as expenses in the SOA.	32,922,857
2.) The depreciation of capital assets used in governmental activities is not reported in the funds.	(13,276,510)
3.) Certain property tax revenues are deferred in the funds. This is the change in these amounts for the year.	191,880
4.) Certain revenues are deferred in the funds. This is the change in these amounts for the year.	(566,668)
5.) Bond, capital lease, and subscription-based information technology arrangement proceeds are reported as other financing sources in the funds, but are not in the SOA.	(591,116)
6.) Payment of reduction of long term debt are expenditures in the funds, but is not an expense in the SOA.	10,521,820
7.) Changes in the net pension liability for retirement are not recognized in the funds, but are in the SOA.	(1,541,264)
8.) Changes in the net OPEB obligation are not recognized in the funds, but are in the SOA.	(935,824)
9.) Amortization of bond premiums and discounts is not reported in the funds.	(647,003)
10.) Amortization of deferred outflows and inflows related to bond refunding is not reported in the funds.	(169,211)
11.) (Increase) decrease in accrued interest from beginning of period to end of period.	21,541
12.) Internal service funds are used by management to charge to costs of certain activities to individual funds.	68,182
13.) Compensated absences are reported as the amount is incurred in the SOA, but as the amount is paid in the funds.	(482,845)
Change in Net Position of Governmental Activities - Statement of Activities	<u>\$ (679,055)</u>

See Accompanying Notes to the Financial Statements.

CITY OF EDINBURG, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
EXHIBIT 3-A

	Business-type Activities-Enterprise Funds				Activities - Internal Service Worker's Compensation Fund
SEPTEMBER 30, 2023	Water and Sewer Fund	Solid Waste Management Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 3,092,712	\$ 10,915,865	\$ 980,281	\$ 14,988,858	\$ 673,522
Accounts Receivable, Net	3,929,634	3,625,007	102,701	7,657,342	13,672
Due from Other Governments	14,855	19,750	-	34,605	-
Due from Other Funds	-	15,098	-	15,098	-
Inventories	1,094,460	18,263	88,555	1,201,278	-
Prepaid Items	8,052,991	-	53,225	8,106,216	-
Restricted Assets:					
Cash and Cash Equivalents	20,618,822	10,537,529	-	31,156,351	-
Cash with Fiscal Agent	31,968,465	2,702,619	394,271	35,065,355	-
Total Current Assets	68,771,939	27,834,131	1,619,033	98,225,103	687,194
Noncurrent Assets:					
Capital Assets:					
Land	10,470,420	11,312,723	5,000,155	26,783,298	-
Buildings	174,746,843	5,462,158	6,311,847	186,520,848	-
Improvements Other Than Buildings	6,060,684	19,475,026	13,389,647	38,925,357	-
Furniture and Equipment	14,235,913	30,918,080	2,430,168	47,584,161	-
Accumulated Depreciation	(98,420,637)	(34,288,349)	(14,650,024)	(147,359,010)	-
Right-to-Use Lease Assets	51,164	-	140,952	192,116	-
Accumulated Amortization- Right-to-Use-Leases	(21,928)	-	(138,264)	(160,192)	-
Subscription-Based Information Technology Arrangements	-	-	4,075	4,075	-
Accumulated Amortization- Subscription-Based Information Technology Arrangements	-	-	(1,933)	(1,933)	-
Construction in Progress	3,177,314	261,795	79,500	3,518,609	-
Total Capital Assets	110,299,773	33,141,433	12,566,123	156,007,329	-
Total Noncurrent Assets	110,299,773	33,141,433	12,566,123	156,007,329	-
Total Assets	179,071,712	60,975,564	14,185,156	254,232,432	687,194
Deferred Outflows of Resources					
Deferred Outflows Related to Debt Refundings	596,257	-	214,143	810,400	-
Deferred Outflows Related to Pension	2,275,553	2,124,976	637,770	5,038,299	-
Deferred Outflows Related to OPEB Obligation	54,957	51,320	15,402	121,679	-
Deferred Outflows Related to MED OPEB Obligation	365,888	318,798	100,144	784,830	-
Deferred Outflow Related to Landfill Closure Costs	-	3,545,701	-	3,545,701	-
Total Deferred Outflows of Resources	3,292,655	6,040,795	967,459	10,300,909	-
Liabilities					
Current Liabilities:					
Accounts Payable	733,036	540,741	93,921	1,367,698	-
Accrued Liabilities	337,795	137,829	4,999	480,623	133,252
Deposits	1,904,432	95,259	5,300	2,004,991	-
Retainage Payable	12,800	-	-	12,800	-
Due to Other Funds	4,600	8,900	14,848	28,348	-
Accrued Interest	89,985	23,865	1,722	115,572	-
Current Portion of Compensated Absences	164,415	129,785	49,494	343,694	-
Current Portion of Revenue Bonds	3,540,000	-	-	3,540,000	-
Current Portion of General Obligation Bonds	-	350,000	383,967	733,967	-
Current Portion of Financing Leases	1,211,741	1,959,671	202,456	3,373,868	-
Total Current Liabilities	7,998,804	3,246,050	756,707	12,001,561	133,252

CITY OF EDINBURG, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
EXHIBIT 3-A
(Continued)

	Business-type Activities-Enterprise Funds				Activities - Internal Service Worker's Compensation Fund
SEPTEMBER 30, 2023	Water and Sewer Fund	Solid Waste Management Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
Noncurrent Liabilities					
Compensated Absences	188,877	147,544	67,385	403,806	-
Revenue Bonds, Net of Unamortized Discounts and Premiums	76,311,021	-	-	76,311,021	-
General Obligation Bonds, Net of Unamortized Discounts and Premiums	-	9,043,462	185,505	9,228,967	-
Financing Leases Payable	5,323,342	9,309,620	621,631	15,254,593	-
Landfill Closure and Post Closure Costs Payable	-	6,205,607	-	6,205,607	-
Right-to-Use Lease Liabilities	28,603	-	-	28,603	-
Subscription-Based Information Technology Arrangements	-	-	2,223	2,223	-
Net Pension Liability	4,974,112	4,644,968	1,394,095	11,013,175	-
Net OPEB Obligation	164,412	153,533	46,080	364,025	-
Net MED OPEB Obligation	3,006,329	2,619,414	822,839	6,448,582	-
Total Noncurrent Liabilities	<u>89,996,696</u>	<u>32,124,148</u>	<u>3,139,758</u>	<u>125,260,602</u>	<u>-</u>
Total Liabilities	<u>97,995,500</u>	<u>35,370,198</u>	<u>3,896,465</u>	<u>137,262,163</u>	<u>133,252</u>
Deferred Inflows of Resources					
Deferred Inflow Related to Landfill Closure Costs	-	5,848,770	-	5,848,770	-
Deferred Inflows Related to Pension	18,644	17,410	5,225	41,279	-
Deferred Inflows Related to OPEB Obligation	91,229	85,192	25,567	201,988	-
Deferred Inflows Related to MED OPEB Obligation	801,853	698,655	219,468	1,719,976	-
Other Deferred Inflows	77,500	-	35,429	112,929	-
Total Deferred Inflows of Resources	<u>989,226</u>	<u>6,650,027</u>	<u>285,689</u>	<u>7,924,942</u>	<u>-</u>
Net Position					
Net Investment in Capital Assets and Lease Assets	24,481,323	12,478,680	11,386,707	48,346,710	-
Restricted for Debt Service	5,634,979	-	-	5,634,979	-
Unrestricted	53,263,339	12,517,454	(416,246)	65,364,547	553,942
Total Net Position	<u>\$ 83,379,641</u>	<u>\$ 24,996,134</u>	<u>\$ 10,970,461</u>	<u>\$ 119,346,236</u>	<u>\$ 553,942</u>

See Accompanying Notes to the Financial Statements.

CITY OF EDINBURG, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION-PROPRIETARY FUNDS
EXHIBIT 3-B

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Worker's Compensation Fund
FOR THE YEAR ENDED SEPTEMBER 30, 2023	Water and Sewer Fund	Solid Waste Management Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
Operating Revenues:					
Water and Sewer Sales	\$ 21,062,294	\$ -	\$ -	\$ 21,062,294	\$ -
Garbage Collection and Disposal Charges	-	23,755,906	-	23,755,906	-
Fuel Flow Fees	-	-	1,685,984	1,685,984	-
Golf Course Fees and Memberships	-	-	1,524,881	1,524,881	-
Other Revenue	769,795	197,049	349,701	1,316,545	68,182
Total Operating Revenues	21,832,089	23,952,955	3,560,566	49,345,610	68,182
Operating Expenses:					
Salaries, Wages, and Employee Benefits	7,453,104	6,544,799	2,336,749	16,334,652	-
Supplies and Materials	2,705,024	2,777,801	271,973	5,754,798	-
Contractual and Other Services	4,875,344	2,177,882	710,080	7,763,306	-
Repairs and Maintenance	31,300	743,331	153,679	928,310	-
Other Operating Costs	2,255,957	1,660,655	1,284,562	5,201,174	-
Deprecation and Amortization	5,396,059	4,243,100	801,972	10,441,131	-
Total Operating Expenses	22,716,788	18,147,568	5,559,015	46,423,371	-
Operating Income (Loss)	(884,699)	5,805,387	(1,998,449)	2,922,239	68,182
Non-Operating Revenues (Expenses)					
Investment Earnings	1,005,877	879,584	65	1,885,526	-
Interest Expense	(1,369,844)	(431,518)	(45,123)	(1,846,485)	-
Intergovernmental Revenues	-	-	-	-	-
Other	(884,916)	1,791,618	(1,476)	905,226	-
Total Non-Operating Revenues (Expenses)	(1,248,883)	2,239,684	(46,534)	944,267	-
Income (Loss) Before Transfers	(2,133,582)	8,045,071	(2,044,983)	3,866,506	68,182
Transfers In (Out)					
Transfers In	-	1,740,000	2,616,063	4,356,063	-
Transfers Out	-	(10,106,063)	-	(10,106,063)	-
Total Transfers In (Out)	-	(8,366,063)	2,616,063	(5,750,000)	-
Change in Net Position	(2,133,582)	(320,992)	571,080	(1,883,494)	68,182
Net Position - Beginning of Year	85,513,223	25,317,126	10,399,381	121,229,730	485,760
Prior Period Adjustments	-	-	-	-	-
Net Position - End of Year	<u>\$ 83,379,641</u>	<u>\$ 24,996,134</u>	<u>\$ 10,970,461</u>	<u>\$ 119,346,236</u>	<u>\$ 553,942</u>

See Accompanying Notes to the Financial Statements.

CITY OF EDINBURG, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
EXHIBIT 3-C

	Business-type Enterprise Funds				Governmental Activities- Internal Service Worker's Compensation Fund
	Water and Sewer Fund	Solid Waste Management Fund	Nonmajor Enterprise Funds	Total	
FOR THE YEAR ENDED SEPTEMBER 30, 2023					
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 20,862,764	\$ 23,535,879	\$ 3,581,221	\$ 47,979,864	\$ 69,156
Cash Payments to Employees for Services	(6,953,346)	(6,355,410)	(2,077,741)	(15,386,497)	(18,303)
Cash Payments for Other Operating Activities	(2,255,957)	-	(2,585,155)	(4,841,112)	(2,808)
Cash Payments to Other Suppliers for Goods and Services	(17,477,088)	(8,748,031)	-	(26,225,119)	-
Net Cash Provided (Used) by Operating Activities	(5,823,627)	8,432,438	(1,081,675)	1,527,136	48,045
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund Loan Or Loan Repayments Received	4,600	8,900	(288,334)	(274,834)	-
Transfers From Other Funds	-	1,740,000	2,616,063	4,356,063	-
Transfers To Other Funds	-	(10,106,063)	-	(10,106,063)	-
Net Cash Provided (Used) by Noncapital Financing Activities	4,600	(8,357,163)	2,327,729	(6,024,834)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal Paid on Long-Term Debt	(4,161,383)	(4,285,773)	(677,078)	(9,124,234)	-
Proceeds from Capital Debt	44,160,000	1,016,677	2,223	45,178,900	-
Interest Paid on Long-Term Debt	(2,255,499)	(435,172)	(48,280)	(2,738,951)	-
Other Capital Payments	-	(674,652)	-	(674,652)	-
Other Capital Receipts	-	2,339,474	-	2,339,474	-
Acquisition or Construction of Capital Assets	(2,912,529)	(182,554)	(240,450)	(3,335,533)	-
Net Cash Provided/(Used) by Capital and Related Financing Activities	34,830,589	(2,222,000)	(963,585)	31,645,004	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest from Investments	1,005,877	879,584	65	1,885,526	-
Rents Received	35,532	-	-	35,532	-
Net Cash Provided/(Used) by Investing Activities	1,041,409	879,584	65	1,921,058	-
Net Increase/(Decrease) in Cash	30,052,971	(1,267,141)	282,534	29,068,364	48,045
Cash and Cash Equivalents at Beginning of Year	25,702,028	25,311,206	1,092,018	52,105,252	625,477
Cash and Cash Equivalents at End of Year	\$ 55,754,999	\$ 24,044,065	\$ 1,374,552	\$ 81,173,616	\$ 673,522
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:					
Operating Income (Loss)	\$ (884,699)	\$ 5,805,387	\$ (1,998,449)	\$ 2,922,239	\$ 68,182
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	5,396,059	4,243,100	801,972	10,441,131	-
Changes in Assets and Liabilities					
Decrease (Increase) in Accounts Receivable	(951,099)	(420,048)	20,655	(1,350,492)	974
Decrease (Increase) in Prepaid Items	(8,052,991)	-	(2,930)	(8,055,921)	-
Decrease (Increase) in Inventories	(229,934)	844	8,716	(220,374)	-
Decrease (Increase) in Deferred Outflows	(1,236,160)	(1,210,583)	(374,007)	(2,820,750)	-
Increase (Decrease) in Accounts Payable	(1,595,295)	(1,389,206)	(170,647)	(3,155,148)	(2,808)
Increase (Decrease) in Compensated Balances	24,755	323	(2,064)	23,014	-
Increase (Decrease) in Accrued Liabilities	(222,294)	(214,705)	(64,696)	(501,695)	(18,303)
Increase (Decrease) in Retainage Payable	12,800	-	-	12,800	-
Increase (Decrease) in Deposits	(18,226)	2,972	-	(15,254)	-
Increase (Decrease) in Deferred Inflows	(916,938)	(993,627)	(257,470)	(2,168,035)	-
Increase (Decrease) in Pensions	2,850,395	2,607,981	957,245	6,415,621	-
Total Adjustments	(4,938,928)	2,627,051	916,774	(1,395,103)	(20,137)
Net Cash Provided (Used) by Operating Activities	\$ (5,823,627)	\$ 8,432,438	\$ (1,081,675)	\$ 1,527,136	\$ 48,045

CITY OF EDINBURG, TEXAS
STATEMENT OF FIDUCIARY NET
POSITION FIDUCIARY FUNDS
EXHIBIT 4-A

<u>SEPTEMBER 30, 2023</u>	<u>Developer's Escrow Fund</u>	<u>Custodial Funds</u>
Assets		
Cash and Cash Equivalents	\$ 6,747,242	\$ 6,747,242
Total Assets	<u>6,747,242</u>	<u>6,747,242</u>
Liabilities		
Accounts Payable	156,573	156,573
Total Liabilities	<u>156,573</u>	<u>156,573</u>
Fund Balances		
Restricted For:		
Developers Escrow Deposits	6,590,669	6,590,669
Total Fund Balances	<u>6,590,669</u>	<u>6,590,669</u>
Total Liabilities and Fund Balances	<u><u>\$ 6,747,242</u></u>	<u><u>\$ 6,747,242</u></u>

See Accompanying Notes to the Financial Statements.

CITY OF EDINBURG, TEXAS
STATEMENT OF NET CHANGES
FIDUCIARY FUNDS
EXHIBIT 4-B

<i>FOR THE YEAR ENDED SEPTEMBER 30, 2023</i>	Developer's Escrow Fund	Custodial Funds
Additions		
Developer Deposits	\$ 3,246,117	\$ 3,246,117
Other	63,300	63,300
Total Additions	<u>3,309,417</u>	<u>3,309,417</u>
Deductions		
Material Testing Fees	523,233	523,233
Release of Developer Escrow Deposits	3,913,465	3,913,465
Other	49,957	49,957
Total Deductions	<u>4,486,655</u>	<u>4,486,655</u>
Net Change	(1,177,238)	(1,177,238)
Fund Balance - Beginning of Year	<u>7,767,907</u>	<u>7,767,907</u>
Fund Balance - End of Year	<u><u>\$ 6,590,669</u></u>	<u><u>\$ 6,590,669</u></u>

See Accompanying Notes to the Financial Statements.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Edinburg, Texas (the "City"), have been prepared in conformity with generally accepted accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles.

As a local government, the City is not subject to federal income taxes under Internal Revenue Code Section 115. Furthermore, it is not subject to state sales tax.

Reporting Entity

The City was incorporated on September 19, 1919 under the Constitution of the State of Texas. The City operates under the council-manager form of government and provides a full range of municipal services as authorized by its charter. The services include public safety (police and fire), highways and streets, health and welfare, culture and recreation, conservation and development, general government services, solid waste, utilities (water and sewer), an international airport, and improvements.

Component Units

Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize their legal separateness from the City. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Therefore, blended component units are appropriately presented as funds of the primary government.

Discretely Presented Component Units

The Edinburg Economic Development Corporation (EEDC) was organized on behalf of the City of Edinburg for the specific public purpose of the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare. It was incorporated on April 23, 1990 and is considered a 501 (c) (4) corporation by the Internal Revenue Service.

A five-member board of directors, each of which is appointed by the City Council, governs the EEDC. Any director may be removed from office by the City Council for cause or at will. Exercise of all powers to affect the purposes of the corporation is subject at all times to the control of the Edinburg City Council. In addition, the City must approve amendments to EEDC's Bylaws and Articles of Incorporation. The City has financial accountability because the voting majority of the board members are nominated by the City Council and a financial benefit/burden exists, allowing the City to impose its will. EEDC is presented as a governmental fund type and has a September 30 year-end.

Complete financial statements for this component unit may be obtained at its administrative office at:

Edinburg Economic Development Corporation
3111 W. Freddy Gonzalez Dr.
Edinburg, Texas 78539

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The Boys' and Girls' Club of Edinburg, Inc. (a non-profit corporation), also referred as the Boys and Girls Club, is a member of the national Boys' and Girls' Clubs of America and was organized by the City for the specific public purpose of improved services to the community, which are to inspire and enable all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible and caring citizens. It is a 501 (c) (3) nonprofit corporation. The Boys' and Girls' Club of Edinburg, Inc. is governed by an eight-member board of directors, one of which is appointed by the City Council. The Boys' and Girls' Club of Edinburg, Inc.'s primary source of funds are contributions from the general public, grants, and assistance from the City of Edinburg. The City also performs certain administrative functions such as payroll and accounts payable processing. There is a fiscal dependency on the City, and there is the potential that exclusion would result in misleading financial reporting. The Boys' and Girls' Club of Edinburg, Inc. is presented as discretely presented component unit type and has a September 30 year-end.

The Boys' and Girls' Club of Edinburg, Inc. does not issue separate financial statements.

Blended Component Unit

City of Edinburg, Texas Local Government Finance Corporation (LGFC) was created on January 16, 2007 by the City to assist with financing and constructing economic development projects within the City and manage tax increment reinvestment zones. The LGFC is a nonprofit local government corporation established in accordance with the provisions of Subchapter D of Chapter 431, Texas Transportation Code, as amended. Its primary source of revenues are tax increments paid to it from reinvestment zones within the City to discharge debt obligations incurred in connection with economic development projects.

The LGFC is governed by a five-member board of directors all of whom are members of the Edinburg City Council. Terms of office run concurrently with the respective terms of office on the City Council. The City can impose its will on the LGFC and a financial benefit/burden exists. Because the LGFC's governing body is substantially the same as the governing body of the City, it is presented as a blended component unit in the financial statements. The LGFC does not issue separate financial statements.

Tax Increment Reinvestment Zones

Reinvestment Zone Number One, City of Edinburg, Texas (TIRZ # 1) established in 2007, is a reinvestment zone created by the City pursuant to the Tax Increment Financing Act, Chapter 311, Texas Tax Code. Creation of the tax increment zone along with an economic development agreement between the City, Hidalgo County, The Edinburg Economic Development Corporation, the City of Edinburg Local Government Finance Corporation, and the developer, allowed for property tax increment funding to support development activities relating to development of a retail shopping center containing approximately 800,000 square feet in multiple buildings.

TIRZ#1 has been combined with TIRZ # 4 (described below) and all revenues are now being used to pay obligations issued to fund the construction of a municipal facility. At the expiration of the term of the tax increment zone, any remaining tax increment revenues will be distributed into the general fund of the City in proportion to its contributions to the zone for the tax year most recently ended.

TIRZ#1 has a board of directors composed of six members, with one of the members appointed by Hidalgo County and the remaining five members appointed by the City Council of the City. Each board member serves a two-year term. The zone is managed by the LGFC, which is presented as a blended component unit of the City.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Reinvestment Zone Number Three, City of Edinburg, Texas (TIRZ #3) is a reinvestment zone created by the City pursuant to the Tax Increment Financing Act, Chapter 311, Texas Tax Code. The zone was created on November 18, 2008. Creation of the tax increment zone along with an economic development agreement between the City of Edinburg, Hidalgo County, LGFC, and the developer, allows for property tax increment funding to TIRZ # 3 to support qualifying development activities related to 704 acres of land located in the northeast quadrant of the city. The developer will be responsible for the development and construction of the project at their cost and expense. In exchange, taxes generated in TIRZ # 3 will reimburse the developer for all, or a portion of reimbursable public infrastructure costs as defined in the agreement. Tax increment revenues are transferred to LGFC for the purpose of discharging obligations under the development agreement. Other than the City of Edinburg and Hidalgo County, no other taxing jurisdictions are participating in TIRZ # 3. The zone will terminate upon the earlier of (i) the date on which the reimbursement commitments or tax increment bonds have been fully paid or defeased in accordance with the terms of the development agreement or (ii) 30 years (December 31, 2037) from the effective date of the ordinance creating the zone. At the expiration of the term of the tax increment zone, any remaining tax increment revenues will be distributed into the general fund of the City in proportion to its contributions to the zone for the tax year most recently ended.

TIRZ#3 has a board of directors composed of five members, with one of the members appointed by Hidalgo County and the remaining four members appointed by the City Council of the City. Each board member serves a two-year term. The zone is managed by LGFC, which is presented as a blended component unit of the City.

Reinvestment Zone Number Four, City of Edinburg, Texas (TIRZ #4) is a reinvestment zone created by the City pursuant to the Tax Increment Financing Act, Chapter 311, Texas Tax Code. The zone was created on November 19, 2013. Creation of the tax increment zone allows for property tax increment funding to TIRZ #4 to support financing of costs associated with the construction of public improvements related to several development and redevelopment projects, including the construction of a municipal facility. On March 1, 2015 an agreement was entered into between the City, the LGFC, TIRZ # 1, TIRZ #4, and the EEDC. Under the terms of the agreement, the LGFC will aid in the financing, constructing, furnishing, and owning of an indoor multipurpose event center. The LGFC will be the landlord and lease the municipal facility as further described in the lease and development agreement. In connection with this agreement, the LGFC issued bonds to finance the construction. Under the terms of the agreement, the developer was responsible for half of the construction costs of the municipal facility and any cost overruns. Other than the City and Hidalgo County, no other taxing jurisdictions are participating in TIRZ # 4.

The zone will terminate on December 31, 2045, unless otherwise terminated earlier as a result of payment in full of all project costs or tax increment bonds, if issued.

TIRZ#4 has a board of directors composed of six members, with one of the members appointed by Hidalgo County and the remaining four members appointed by the City Council of the City. Each board member serves a two-year term. The zone is managed by LGFC, which is presented as a blended component unit of the City.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Recently Issued Accounting Pronouncements

The Governmental Accounting Standards Board issued the following pronouncements, which are relevant to the City and became effective this fiscal year and have been implemented:

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. GASB 96 was implemented by the City during the 2023 fiscal year.

The Governmental Accounting Standards Board has issued the following pronouncements, which are relevant to the City and will become effective in future years:

GASB Statement No. 100, Accounting Changes and Error Corrections

GASB Statement No. 100, Accounting Changes and Error Corrections, establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, Compensated Absences

GASB Statement No. 101, Compensated Absences' objective is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The more significant accounting policies of the City are described below and on the following pages.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Government-wide and fund financial statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement focus, basis of accounting, and financial statement presentation

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

Governmental funds and component units are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, similar to accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

Proprietary funds are accounted for on a cost of services or “economic resources” measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included in their statements of net position. The City reports fiduciary fund types, in which the City accounts for assets received and held by the City in the capacity of trustee or custodian. Expenditures are made only in accordance with the purpose for which the assets are received and cannot be used to support the City’s programs.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The City issued revenue bonds to finance water and sewer system improvements. Both the water and sewer departments are accounted for in a single fund. Investors in the revenue bonds rely solely on the revenue generated by these activities for repayment. Financial information for the Water and Sewer Fund is included in Exhibits 3-A through 3-C.

Noncurrent portions of certain long-term receivables, such as property taxes, are reported on the balance sheets of governmental funds in spite of their measurement focus. Special reporting treatments are used to indicate that they should not be considered available spendable resources, since they do not represent net current assets. Recognition of governmental fund revenues represented by noncurrent receivables is deferred until they become current receivables and reported as a deferred inflow.

Those revenues susceptible to accrual are property taxes, franchise taxes, interest revenue of the current fiscal period and certain charges for services. Sales taxes collected and held by the intermediary collecting governments at year-end on behalf of the City are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Capital Projects Fund* is used to account for the acquisition and construction of the City's major capital facilities and infrastructure improvements, other than those financed by proprietary funds.
- The *Grant Fund* is used to account for federal, state and local awarded funds towards operations and infrastructure improvements in the City not accounted for in the General Fund.

The government reports the following major enterprise funds:

- The *Water and Sewer Fund* is used to account for water and sewer service revenue and expenses.
- The *Solid Waste Management Fund* is used to account for solid waste collections and landfill service revenues and expenses.

Additionally, the government reports the following fund types:

- *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than debt service or major capital projects) that are legally restricted to expenditures for specified purposes.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

- *Internal Service Fund.* The City was formerly self-insured with respect to worker's compensation and uses an internal service fund to account for the contributions from funds and payments of expenses related to claims made under the worker's compensation program. Internal service funds are used to account for the financing of goods and services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The fund currently accounts for remaining run-out claims from previous periods. Because the principal users of the internal services were the City's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the government-wide financial statements.
- *Fiduciary Fund.* A *custodial fund*, the Developer's Escrow Fund, is used to report developer's deposits held in a custodial capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer and solid waste management functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Both the government-wide and proprietary fund financial statements apply all applicable GASB pronouncements.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

Cash and Cash Equivalents

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

Money market investments which are short-term, highly liquid debt instruments including commercial paper, banker's acceptances and U.S. Treasury and agency obligations that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Investments in entities (such as investment pools) that calculate net asset value per share and follow the requirements of GASB Statement No. 79 are also reported at amortized cost. All other investments are reported at fair value. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value.

The City can legally invest in adequately secured investments in accordance with the Public Funds Investment Act. The City may also participate in any public funds investment pool created under the Interlocal Corporation Act. In general, this policy allows the City to invest in certificates of deposit, repurchase agreements, obligations of the U.S. Government and its agencies or instrumentalities, and state obligations.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The Edinburg Economic Development Corporation is authorized to invest in certificates of deposit, obligations of the U.S. Government and its agencies or instrumentalities, and state obligations.

The Boys' and Girls' Club of Edinburg, Inc.'s bank accounts are managed by the City and the City's investment policies are followed, with the exception of the endowment fund, which is managed separately by the Boys' and Girls' Club of Edinburg, Inc. The endowment fund of the Boys' and Girls' Club of Edinburg, Inc. is not subject to and does not invest its funds in accordance with the Public Funds Investment Act. The City has no control over the endowment fund or the investment decisions made.

The Boys' and Girls' Club of Edinburg, Inc.'s endowment investments are carried at fair value as defined in GASB Statement No. 72. The City categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on 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.

Short-Term Interfund 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."

Advances between funds, reported in the fund financial statements, are classified as non-spendable fund balance in governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Receivables and Payables

All trade receivables are shown net of an allowance for uncollectible accounts, as applicable. Included in accounts receivable of the City's Water and Sewer enterprise fund is an estimated amount for services rendered, but not billed as of the close of the year. The receivables are estimated by prorating subsequent cycle billings.

Property taxes are levied, by October 1, on the assessed value listed as of the prior January 1 for all real and business personal property in the City. Assessed values are an approximation of market values.

Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. No discounts are offered. Tax liens attach 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. Generally, suits are filed on property after July 1. Collection costs of 15% may be added to all delinquent accounts. Current tax collections for the year ended September 30, 2023, were 97.43% of the tax levy.

Property taxes at the fund level are recorded as receivables and deferred inflows at the time the taxes are levied. Revenues are recognized as the property taxes are collected including those collected 60 days after the end of the year.

Taxes are prorated between general and debt service funds based on rates adopted for the year of the levy. For the year ended 3, property tax rates were \$.5042 and \$.1358 for the general fund and the debt service fund, respectively, per \$100 of assessed value.

Accrued liabilities include amounts accrued for salaries and other payroll-related items.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Inventories

Inventories of governmental funds, consisting of fuel and office supplies, are valued at cost on the first-in, first-out basis. Inventories of proprietary funds, consisting of fuel and parts and supplies, are valued at cost on the first-in, first-out basis. Merchandise inventories are valued at lower of cost or market on the first-in, first-out basis. Inventories are recorded under the consumption method. Under this method, the expenditure is initially recorded as an asset and subsequently expensed upon usage.

Prepaid Items

Prepaid items consist of payments to vendors for costs applicable to future accounting periods. Prepaid items are recorded under the consumption method. Under this method, the expenditure is initially recorded as an asset and subsequently expensed over the periods service is provided.

Restricted Assets

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

The water and sewer revenue bond indentures require that during the period the bonds are outstanding, the City must maintain certain separate accounts and funds to account for the proceeds from the issuance of the revenue bonds and debt service deposits made from revenues. These restricted assets can be used only in accordance with the revenue bond indenture to pay the debt service payments on such bonds and costs associated with projects associated with the bonds.

In connection with an economic development agreement, the blended component unit, City of Edinburg Local Government Finance Corporation, is required to keep cash with a fiscal agent under a trust agreement. The cash is disbursed by the trustee in relation to construction costs and debt service requirements.

Developer's deposit accounts that are to be refunded upon satisfaction of all obligations due.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks and similar items), right-to-use-leases, and subscription-based-information technology arrangements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are reported at acquisition value. During the year ending September 30, 2023, there were no donated capital assets.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The term of the lease must be the non-cancelable period during which the City has the right to use the tangible assets of another entity plus any periods in which either the lessee or the lessor has the sole option to extend the lease if it is reasonably certain the option will be exercised plus any periods in which either the lessee or the lessor has the sole option to terminate the lease if it is reasonably certain the option will not be exercised by that party and must not meet the definition of a short-term lease under GASB 87.

The City implemented GASB 96 for reporting Subscription-Based-Information Technology Arrangements (SBITAs). GASB 96 requires recognition of certain right-to-use subscription assets and liabilities for SBITAs in the financial statements. There were no SBITAs in the prior year that would require a restatement of the City's prior year financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized.

Gains or losses on dispositions of capital assets are included in income within the proprietary fund financial statements and in the governmental activities and business-type activities columns of the government-wide financial statements. In the governmental fund financial statements only the proceeds from the disposition are reported.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest expense on debt issuances is not capitalized on capital assets of during construction.

Depreciation of capital assets used by proprietary funds, including those acquired by contributed capital, is charged as an expense against their operations in the fund financial statements as well as the government-wide financial statements. Depreciation of general capital assets used by funds categorized as governmental activities is not provided in the fund financial statements; however, it is included in the gross expense by function in the government-wide Statement of Activities. Capital assets, net of accumulated depreciation, are reported on proprietary fund balance sheets and in both the governmental activities and business-type activities columns of the government-wide Statement of Net Position.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Assets	Useful Lives
Buildings and Improvements	10-50 years
Water and Sewer Systems	20-50 years
Infrastructure	15-40 years
Machinery and Equipment	3-10 years

Compensated Absences

It is the City's policy to permit employees to accumulate earned, but unused vacation and sick pay benefits. The City accrues a liability for sick leave using the vesting method. Vacation leave is accrued as a liability as the benefits are earned by employees when both the employees' rights are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

To the extent that the City's obligation is attributable to employees' services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means, vacation benefits are accrued as liabilities (on a government-wide basis) as employees earn the benefits. On a fund financial statement basis for the governmental funds, only matured liabilities and liabilities expected to be liquidated with current assets are accrued. Sick leave benefits are accrued as a liability as employees earn the benefits, but only to the extent that it is probable the City will compensate the employees through cash payments conditioned on the employees' termination or retirement.

Compensated absences directly related to and expected to be paid from proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees. A compensated absence is liquidated in the fund where the employee's salary was paid. All compensated absences liquidated in the general fund are associated with employees' salaries paid from governmental funds.

Long-Term Obligations

In government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental/business – type activities or the specific proprietary fund to which each relates, as applicable. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses in the period incurred, with the exception of portions related to bond insurance, which are classified as prepaid expenses and amortized to expense over the term of the policy. Losses or gains resulting from advance refunding of debt are deferred and amortized over the shorter of the life of the new debt or the original life of the defeased debt and are reported as a deferred outflow or inflow of resources. Amortized amounts are reported as a component of interest expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as an "other financing source." Premiums received and discounts on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the period incurred.

Other Postemployment Benefits (OPEB)

The City provides certain health care benefits for its retired employees and their families. Please see Note 12 for additional details. At September 30, 2023, the City's total OPEB liability for these retiree benefits was approximately \$26.4 million. The City funds the costs of these benefits on a pay-as-you-go basis.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's two pension plans and additions to/deductions from each plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability, pension expenses, and long-term deferrals are allocated to funds based on actual contributions by fund during the corresponding measurement period with the exception of the internal service funds, which are presented in governmental activities in the government-wide statements (see Note 12).

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of financial position and/or 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 that time. The City has the following items that qualify for reporting in this category.

- *Deferred charges on debt refundings* – A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- *Pension and OPEB contributions after measurement date* – These contributions are deferred and recognized in the following fiscal year.
- *Difference in projected and actual earnings on pension and OPEB assets* – This difference is deferred and amortized over a closed five-year period.
- *Deferred landfill closure and post closure care costs* – These deferred expenses are due to a change in estimate and expansion of cubic yards permitted for the landfill. This difference is deferred and amortized over the remainder of the expected life of the landfill.

In addition to liabilities, the statement of financial position and/or 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.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The City has the following items that qualify for reporting in this category:

- *Changes in actuarial assumptions or other inputs and differences between expected or actual experience* – These are amortized over the weighted average remaining service lives of all participants determined as of the measurement date.
- *Receivables for property taxes and other long-term receivables* – These are recognized as revenue at the fund level when considered to be measurable and available.
- *Deferred landfill closure and post closure care costs gain* – This deferred gain is due to a change in estimate and expansion of cubic yards permitted for the landfill. This difference is deferred and amortized over the remainder of the expected life of the landfill.

Fund Balance Flow Assumptions

The City will periodically fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expenditure toward restricted resources and then toward unrestricted resources. In governmental funds, the City's policy is to first apply the expenditure toward restricted fund and then to other, less restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The following is a summary of the different fund balance categories:

- *Restricted:* Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- *Committed:* Includes amounts that can be used only for the specific purpose determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by an adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken such as the adoption of another ordinance to remove or revise the limitation.
- *Assigned:* Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be committed. The City Council has not passed any resolution or measure designating a specific individual to assign fund balance. Unlike commitments, assignments generally only exist temporarily. An additional action does not normally have to be taken for the removal of an assignment.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

- *Unassigned:* Fund balance of the general fund that is not constrained for any particular purpose. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a *positive* unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, a negative unassigned fund balance is reported in that fund.
- *Non-spendable:* Fund 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, inventories, and principal (corpus) of an endowment fund.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Rounding Adjustments

Throughout this annual comprehensive financial report, dollar amounts are rounded, thereby creating differences between the details and the totals.

Leases

Leases are defined by the general government as the right to use an underlying asset. The City is a lessor for several leases of property.

As lessor, the City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The City follows these procedures in establishing budgetary data:

- Prior to August 15 of each year, the City Manager is required to submit to the City Council a proposed budget for the fiscal year beginning on October 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance.
- The City Manager is authorized to transfer budgeted amounts between accounts within any budgetary category of a department; however, any revisions that alter the total expenditures of any department must be approved by the City Council. Budgeted amounts include transfers and revisions to the original appropriations ordinance.
- Annual appropriated budgets are adopted for the general fund, the debt service fund, and the Boys' and Girls' Club of Edinburg, Inc., a component unit. These budgets are adopted on a basis consistent with generally accepted accounting principles. The budgetary comparison schedule reflected in Exhibit 5-A is for the general fund and includes the original and final amended budget. Budgets for the special revenue funds are adopted based on the grant term or other periods and the budget for the capital projects fund is adopted over the multiple-year term of projects. Budgets for enterprise funds are maintained for internal use only.
- Annual budgeted expenditures are adopted at the fund level and itemized in three formats: departmental, type and function/program. Accordingly, the level at which expenditures cannot legally exceed appropriations is the fund level. Supplementary appropriations were made one time during the year.
- Appropriations for annually budgeted funds lapse at year-end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds.

NOTE 3 – DEPOSITS AND INVESTMENTS

Primary Government

Deposits – State statutes require that all deposits in financial institutions be fully collateralized by direct obligations of the U.S. Government or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The City's deposits were fully insured and collateralized as required by the state statutes at September 30, 2023.

At year-end, the City's deposits with financial institutions balance was \$171,711,862 and the carrying balance was \$171,694,307. The Federal Depositary Insurance Corporation (FDIC) covers \$250,000 for demand deposits bank balances. Balances at the bank in excess of federal insurance limits were covered with collateral. The bank collateral is held by Texas National Bank in the City's name under a joint safekeeping arrangement with the City's depository bank. The City had cash on hand of \$12,849.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 3 – DEPOSITS AND INVESTMENTS - (CONTINUED)

Investments – State statutes, City bond ordinances and City resolutions authorize the City’s investments. The City is authorized to invest in the following: obligations of the United States or its agencies and instrumentalities (except for mortgage pass-through securities); fully insured or collateralized certificates of deposit issued by a state or national bank, a savings bank, or a state or federal credit union domiciled in this state which is guaranteed or insured by the Federal Deposit Insurance Corporation; fully collateralized repurchase agreements having a defined termination date; investment pools with a weighted average of 90 days or less; no load money market mutual funds registered with and regulated by the Securities and Exchange Commission, which have a dollar weighted average portfolio maturity of 90 days or less; and other such securities or obligations as approved by the City Council upon the recommendation of the investment committee.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"). Chapter 2256 of the Texas Government Code, in addition to other provisions of the Act designed to promote liquidity and safety of principal, requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAAm or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The City’s investments, which are in an external investment pool, as of September 30, 2023, are:

Investments	Amortized Cost	Weighted Average Maturity (Days)	Standard & Poor's Rating
Public Fund Investment Pools			
TexPool	\$ 135,035,260	28	AAAm

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool, the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both persons who do not have a business relationship with TexPool and participants in TexPool.

As of September 30, 2023, all of the City’s external investment pools meet the criteria described in GASB Statement No. 79 and measure all of their investments at amortized cost; therefore, the City has also measured their investments in these external investment pools at amortized cost for financial reporting purposes. In addition, the pools do not have any limitations or restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity or redemption gates.

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the amortized value of an investment. Per the City’s investment policy, investments, with the exception of those in the debt service fund, cannot have maturities that exceed two years. For operating funds, such as the general fund and enterprise funds, maturities shall not exceed one year.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 3 – DEPOSITS AND INVESTMENTS - (CONTINUED)

Credit Risk

In compliance with the City's investment policy, as of September 30, 2023, the City minimized credit risk losses due to default of a security issuer or backer by:

- Limiting investments to the safest type of securities.
- All of the City's investments were in a public funds investment pool with a rating of AAAm by Standard & Poor's.
- Reviewing the credit-worthiness and other information of financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business.
- Diversifying the investment portfolio and maintaining an active as opposed to passive portfolio management philosophy.

Concentration of Credit Risk

The City's investment policy calls for the investment committee to establish strategies and guidelines for the percentage of the total portfolio that may be invested in securities other than repurchase agreements, U.S. Government or Agency obligations, or insured and collateralized certificates of deposit. As of September 30, 2023, the City has investments only in a public funds investment pool.

Custodial Credit Risk

Custodial credit risk for investments is the risk that in the event of a failure of the counterparty, the City of Edinburg will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the City, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name. As of September 30, 2023, none of the City's investments were subject to custodial credit risk.

Foreign Currency Risk for Investments

The City limits the risk that changes in exchanges rates will adversely affect the fair value of an investment. As of September 30, 2023, none of the City's investments were subject to foreign credit risk.

Edinburg Economic Development Corporation, Component Unit

Deposits and investments for the Edinburg Economic Development Corporation (EEDC) are held separately from City funds.

Deposits - At September 30, 2023, the carrying amount for the EEDC was \$33,243,606 and the bank balance was \$33,548,346. At September 30, 2023, EEDC's deposits were entirely covered by federal deposit insurance or were secured by collateral held by the pledging financial institution's agent in the EEDC's name pursuant to the depository agreement.

Please refer to the descriptions of credit risk, interest rate risk, concentration of credit risk, and custodial credit risk above relating to the primary government. The EEDC follows the same policies relating to investments.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS - (CONTINUED)

Boys' and Girls' Club of Edinburg, Inc., Component Unit

Deposits - At September 30, 2023, the carrying amount for the Boys' and Girls' Club of Edinburg, Inc., was \$2,080,787 and the bank balance was \$2,080,787. The depository contract of the City covers these deposits. The Boys' and Girls' Club of Edinburg, Inc. had cash on hand of \$250.

Investments - Effective May 3, 2014, the Boys' and Girls' Club elected to no longer be under the City's investment policy with respect to their endowment fund in favor of a more aggressive investment approach. At September 30, 2023, \$798,583 of total investments were invested in a Money Market account which was uncollateralized.

At September 30, 2023, the Boys' and Girls' Club endowment fund had investments in the following:

Investment Type	Fair Value (Level 1)
Mutual funds	\$ 232,593
Corporate debt	141,795
Money market	1,170,197
Total	\$ 1,544,585

In addition to the amounts invested above, the Boys' and Girls' Club has \$10,000 of cash and cash equivalents restricted for the endowment. These are classified as part of the endowment balance at September 30, 2023, which totals \$1,554,585.

Credit Risk

The investment policy of the Boys' and Girls' Club provides that fixed income investments will be selected based on credit ratings, as well as other factors. Only corporate debt (including preferred stock) that is investment grade or better may be purchased for the endowment fund. Credit ratings of debt securities held at September 30, 2023 are as follows:

Debt Security	Rating	Maturity
Xilink Inc. 2.95%	A- (S&P)	6/1/2024
Goldman Sachs 3.40%	BBB+ (S&P)	8/15/2024
Emerson Elec. 3.15%	A (S&P)	6/1/2025
International Business Machines 4.50%	A- (S&P)	2/6/2026
Thermo Fisher Scientific 4.8%	A- (S&P)	11/21/2027
Centerpoint E 5.25%	BBB+ (S&P)	3/1/2028

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS - (CONTINUED)

Concentration of Credit Risk

Policies of the Boys' and Girls' Club investment policy provide for diversification of assets in an effort to maximize the investment return and manage the risk of the investment portfolio consistent with market conditions. The Board of Directors of the Club has established asset allocation minimum and maximum ranges for asset categories. At September 30, 2023, the Boys' and Girls' Club had holdings of 5% or more in the following issuers:

Issuer	Type	Percentage of Portfolio
Xilink Inc. 2.95%	Corporate Debt	5.23%
Goldman Sachs 3.40%	Corporate Debt	6.54%
Emerson Elec. 3.15%	Corporate Debt	6.43%
International Business Machines 4.50%	Corporate Debt	6.49%
Thermo Fisher Scientific 4.8%	Corporate Debt	6.60%
Centerpoint E 5.25%	Corporate Debt	6.59%

Interest Rate Risk

Short-term investments are to be properly laddered to match the present income needs of the Boys' and Girls' Club. No other policies address interest rate risk of the Club. Maturities of the Boys' and Girls' Club's debt securities are listed in the table above.

Custodial Credit Risk

The custodial credit risk for investments is the risk that in the event of a failure of the counterparty, the Boys' and Girls' Club of Edinburg will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial risk if the securities are not registered in the name of the Boys' and Girls' Club, and are held by either the counterparty or the counterparty's trust department or agent but not in the Boys' and Girls' Club's name. As of September 30, 2023 none of the Club's investments were subject to custodial credit risk.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS - (CONTINUED)

Reconciliation

A reconciliation of cash and cash equivalents as shown on the Statement of Net Position is as follows:

		Component Units	
	Primary	Boys' and Girls'	
	Government	Club of	E.E.D.C.
		Edinburg, Inc.	
Cash on hand	\$ 13,074	\$ 250	\$ -
Carrying amounts of deposits	36,663,527	2,080,787	16,592,092
TexPool	135,035,260	-	-
TexStar	-	-	16,651,514
Cash and Cash Equivalents	\$ 171,711,861	\$ 2,081,037	\$ 33,243,606
Cash and cash equivalents	\$ 86,391,023	\$ 2,071,037	\$ 13,501,268
Cash and cash equivalents - restricted	85,320,838	10,000	19,742,338
Cash and Cash Equivalents Statement of Net Position	\$ 171,711,861	\$ 2,081,037	\$ 33,243,606

NOTE 4 – RECEIVABLES

Primary Government

Receivables at fiscal year-end for the government's individual major funds, and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Grant	Capital	Water and	Solid Waste	Nonmajor	Nonmajor	Internal	
	Fund	Fund	Projects	Sewer	Management	Governmental	Enterprise	Service	Total
			Fund	Fund	Fund	Funds	Funds	Fund	
Receivables									
Property Taxes	\$ 2,405,355	\$ -	\$ -	\$ -	\$ -	\$ 557,867	\$ -	\$ -	\$ 2,963,222
Sales Taxes	6,781,775	-	-	-	-	-	-	-	6,781,775
Other Taxes	16,127	-	-	-	-	-	-	-	16,127
Accounts	1,256,726	-	-	4,057,905	4,605,216	120,325	102,701	13,672	10,156,545
Notes	-	-	-	-	-	971,462	-	-	971,462
Leases	2,985	-	-	-	-	17,932	-	-	20,917
Intergovernmental	-	1,970,932	170,198	14,855	19,750	569,928	-	-	2,745,663
Gross receivables	10,462,968	1,970,932	170,198	4,072,760	4,624,966	2,237,514	102,701	13,672	23,655,711
Less: Allowance									
for uncollectible-taxes	(427,715)	-	-	-	-	(109,300)	-	-	(537,015)
Less: Allowance									
for uncollectible-accounts	(457,971)	-	-	(128,271)	(980,209)	-	-	-	(1,566,451)
Net Total Receivables	\$ 9,577,282	\$1,970,932	\$ 170,198	\$ 3,944,489	\$ 3,644,757	\$ 2,128,214	\$ 102,701	\$ 13,672	\$ 21,552,245

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 4 – RECEIVABLES - (CONTINUED)

Water and Sewer Fund and Solid Waste Management Fund receivables are reported net of uncollectible amounts. Total uncollectible amounts related to receivables of the current period are as follows:

Uncollectible related to water sales and sewer charges	\$ 1,611
Uncollectible related to landfill and garbage charges	39,198
Total Uncollectible Amounts Related to Receivables	\$ 40,809

Loans receivable of \$971,462 in the nonmajor special revenue funds are loans made to low-income families for the purpose of construction or rehabilitation of homes. Management believes that these loans are fully collectible. However, a portion of these loans are not expected to be collected within a year.

Component Units

At September 30, 2023, the Edinburg Economic Development Corporation made certain loans to various entities to promote economic development in the City. At September 30, 2023, the Corporation had outstanding industrial development loans other net receivables totaling \$13,367,203.

The notes receivable (Santana Textiles) account is comprised of two (2) notes from Santana Textiles, LLC. The first note originated on April 16, 2010, in the amount of \$5,000,000. The second note originated on August 30, 2011, in the amount of \$10,000,000. The current agreement with Santana Textiles expired on October 21, 2022. The EEDC renegotiated an extension which was approved by the Board of Directors on November 15, 2023 and by City Council on December 5, 2023. However, to this date, Santana Textiles has failed to execute the agreements and also to pay the amount due to bring the notes current. Other options to collect are being explored and pursued.

The \$5,000,000 note receivable from Santana Textiles, LLC requires payments of \$26,778 monthly, including principal and interest (4.25%) beginning November 21, 2017, and ending upon maturity on October 21, 2022.

The \$10,000,000 note receivable from Santana Textiles, LLC requires payments of \$59,971 monthly, including principal and interest (4.25%) beginning November 21, 2017, and ending upon maturity on October 21, 2022.

Santana Textile has ceased operations and is in default of loan payments and interest and is currently under an agreement to cover delinquent property taxes with Hidalgo County. EEDC is secondary lien holder on Loan until a compliance date of April 24, 2022. Management of EEDC feels that a satisfactory agreement will be placed on the extended agreement to satisfy the pending receivable either by contracting with other companies to take over the project or through asset liquidation.

The combined balance of the notes receivable is \$13,640,003. An allowance for uncollectible has been setup at 2% of the note receivable balance. An additional allowance for uncollectible has been set up for the accrued interest and late fees. The total notes allowance for uncollectible balance is \$272,800 which brings the notes receivable, net balance to \$13,367,203. A Cross-Collateralization and Cross-Default and Security Agreement was executed on August 30, 2011 and recorded in the Office of the County Clerk of Hidalgo County, Texas as Document No. 2237059 for both Notes.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 4 – RECEIVABLES - (CONTINUED)

Leases Receivable

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On October 1, 2021, the City entered into a 48 month lease as Lessor for the use of Fire Department Station No. 3. An initial lease receivable was recorded in the amount of \$5,944. As of September 30, 2023, the value of the lease receivable is \$2,985. The lessee is required to make monthly fixed payments of \$125. The lease has an interest rate of 0.4753%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of September 30, 2023 was \$2,972, and the City recognized lease revenue of \$1,486 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.

On October 1, 2021, the City entered into a 42 month lease as Lessor for the use of Youth Sports Facility - Pad Site. An initial lease receivable was recorded in the amount of \$20,825. As of September 30, 2023, the value of the lease receivable is \$9,035. The lessee is required to make monthly fixed payments of \$500. The lease has an interest rate of 0.4753%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of September 30, 2023 was \$9,120, and the City recognized lease revenue of \$5,852 during the fiscal year.

On October 1, 2021, the City entered into a 42 month lease as Lessor for the use of Youth Sports Facility - Concession Area. An initial lease receivable was recorded in the amount of \$14,840. As of September 30, 2023, the value of the lease receivable is \$8,897. The lessee is required to make monthly fixed payments of \$500. The lease has an interest rate of 0.4753%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of September 30, 2023 was \$6,499, and the City recognized lease revenue of \$4,170 during the fiscal year.

On October 1, 2021, the City entered into a 19 month lease as Lessor for the use of 400 E Freddy Gonzalez Dr. An initial lease receivable was recorded in the amount of \$55,477. As of September 30, 2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$2,925. The lease has an interest rate of 0.2477%. The infrastructure estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of September 30, 2023 was \$0, and the City recognized lease revenue of \$20,439 during the fiscal year.

On October 1, 2021, the City entered into a 22 month lease as Lessor for the use of Hangar - Public Safety. An initial lease receivable was recorded in the amount of \$126,226. As of September 30, 2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$5,750. The lease has an interest rate of 0.2477%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of September 30, 2023 was \$0, and the City recognized lease revenue of \$57,376 during the fiscal year.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 4 – RECEIVABLES - (CONTINUED)

Governmental Activities	Balance as of October 1, 2022	Additions	Reductions	Balance as of September 30, 2023
Lease Receivable				
Buildings				
Fire Department Station No. 3	\$ 4,467	\$ -	\$ 1,482	\$ 2,985
Youth Sports Facility - Pad Site	14,908	-	5,873	9,035
Youth Sports Facility - Concession Area	14,840	-	5,943	8,897
Total Building Lease Receivable	34,215	-	13,298	20,917
Total Lease Receivable	\$ 34,215	\$ -	\$ 13,298	\$ 20,917

Business-type Activities	Balance as of October 1, 2022	Additions	Reductions	Balance as of September 30, 2023
Lease Receivable				
Infrastructure				
400 E Freddy Gonzalez Dr.	\$ 20,460	\$ -	\$ 20,460	\$ -
Total Infrastructure Lease Receivable	20,460	-	20,460	-
Buildings				
Hangar - Public Safety	57,435	-	57,435	-
Total Building Lease Receivable	57,435	-	57,435	-
Total Lease Receivable	\$ 77,895	\$ -	\$ 77,895	\$ -

Principal and Interest Expected to Maturity

Governmental Activities	Principal Payments	Interest Payments	Total Payments
Fiscal Year			
2024	\$ 13,430	\$ 70	\$ 13,500
2025	7,487	12	7,500
Total	\$ 20,917	\$ 82	\$ 21,000

Governmental Activities	Balance as of October 1, 2022	Reductions	Balance as of September 30, 2023
Deferred Inflow of Resources			
Buildings			
Fire Department Station No. 3	\$ 4,458	\$ 1,486	\$ 2,972
Youth Sports Facility - Pad Site	14,972	5,852	9,120
Youth Sports Facility - Concession Area	10,669	4,170	6,499
Total Building Deferred Inflow of Resources	30,099	11,508	18,591
Total Deferred Inflow of Resources	\$ 30,099	\$ 11,508	\$ 18,591

Business-type Activities	Balance as of October 1, 2022	Reductions	Balance as of September 30, 2023
Deferred Inflow of Resources			
Infrastructure			
400 E Freddy Gonzalez Dr.	\$ 20,439	\$ 20,439	\$ -
Total Infrastructure Deferred Inflow of Resources	20,439	20,439	-
Buildings			
Hangar - Public Safety	57,376	57,376	-
Total Building Deferred Inflow of Resources	57,376	57,376	-
Total Deferred Inflow of Resources	\$ 77,815	\$ 77,815	\$ -

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES/UNEARNED REVENUE

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the fiscal year, the various components of deferred inflows, deferred outflows and unearned revenue reported in the funds were as follows:

	Governmental Funds		Enterprise Funds	
	Inflows	Unearned	Outflows	Inflows
Delinquent property taxes (General Fund)	\$ 1,844,616	\$ -	\$ -	\$ -
Delinquent cleaning/mowing (General Fund)	-	14,588	-	-
Grants (Grant Fund)	162,747	17,179,090	-	-
Grants (Nonmajor Funds)		569,928		
Delinquent property taxes (Nonmajor Funds)	414,286	-	-	-
Loans receivable (Nonmajor Funds)	971,462	-	-	-
Parkland dedication (Capital Projects Fund)	-	1,436,620	-	-
Landfill closure costs (Solid Waste Fund)	-	-	3,545,701	5,848,770
Debt refunding (Water and Sewer Fund)	-	-	596,257	-
Debt refunding (Nonmajor Enterprise Funds)	-	-	214,143	-
Lease revenue receivable (Governmental Funds)	18,591	-	-	-
Deferred revenue (Water and Sewer Fund)	-	-	-	77,500
Deferred revenue (Nonmajor Funds)	-	-	-	35,429
Total	\$ 3,411,702	\$ 19,200,226	\$ 4,356,101	\$ 5,961,699

Information regarding deferred inflows and outflows for pensions and other OPEB obligations are contained in Note 12.

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Primary Government

Interfund receivable and payable balances at September 30, 2023 were as follows:

Governmental Funds

Receivable Fund	Payable Fund	Amount
General Fund	Grant Fund	\$ 159,619
General Fund	Water and Sewer Fund	4,600
General Fund	Solid Waste Management Fund	8,900
Nonmajor Governmental Funds	Grant Fund	9,730
Total		\$ 182,849

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS - (CONTINUED)

Proprietary Funds

Receivable Fund	Payable Fund	Amount
Solid Waste Management Fund	General Fund	\$ 250
Solid Waste Management Fund	Nonmajor Enterprise Funds	14,848
Total		\$ 15,098

Interfund balances result from a routine lag between the dates that transactions are recorded in the accounting system and payments between the funds are made. All amounts are scheduled to be repaid within one year.

Component Units

Due to/from the primary government and component unit at September 30, 2023 were as follows:

Edinburg Economic Development Corporation

Receivable Entity	Payable Entity	Amount
Component Unit - E.E.D.C	Primary Government- General Fund	\$ 1,695,444
Primary Government- General Fund	Component Unit - E.E.D.C	10,878
Total		\$ 1,706,322

Interfund transfers during the year were as follows:

Transfers Out:	Transfers In:						Total
	General Fund	Capital Projects Fund	Solid Waste Management	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Boys' & Girls' Club	
General Fund	\$ -	\$ 750,000	\$ -	\$ 554,841	\$ -	\$ 400,000	\$ 1,704,841
Grants Fund	-	115,120	-	-	-	-	115,120
Nonmajor Governmental Funds	-	-	-	2,236,469	-	-	2,236,469
Solid Waste Management Fund	5,750,000	-	1,740,000	-	2,616,063	-	10,106,063
Total	\$ 5,750,000	\$ 865,120	\$ 1,740,000	\$ 2,791,310	\$ 2,616,063	\$ 400,000	\$ 14,162,493

Transfers out of the Solid Waste Management Fund (\$5,750,000) to the General Fund are for operations.

Transfers out of the General Fund (\$750,000) to the Capital Projects Fund consists of funding for the Northside Stadium and Dawson drainage project related construction expenses.

Transfers out of the Grant Fund (\$115,120) to the Capital Projects Fund consists of funding for the Northside Stadium and Dawson drainage project related construction expenses.

Transfers out of the Solid Waste Management Fund (\$1,740,000) to the Solid Waste Management Fund are for debt service and operations.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS - (CONTINUED)

Transfers out of the General Fund (\$554,841) to the Nonmajor Governmental Funds (TIRZ # 1 and TIRZ #4). were dedicated sales tax revenues collected within the zones.

Transfers out of the Nonmajor Governmental Funds (\$2,236,469) to the Nonmajor Governmental Funds (TIRZ # 1 and TIRZ #4). Transfer out to TIRZ#1 and TIRZ#4 was for the payments of bonds issued by the Local Government Finance Corporation for the construction of a multi-purpose entertainment center in the City of Edinburg. Transfer out to TIRZ#3 for reimbursement to developer for the construction of public roads, utilities, and amenities related to La Sienna Project.

Transfers out of the Solid Waste Management Fund (\$2,616,063) to the Nonmajor Enterprise Funds are for debt service and operations.

Transfers out of the General Fund (\$400,000) to the Boys & Girls Club to supplement their annual budget, as approved by the City Council.

NOTE 7 – CAPITAL ASSETS

Primary Government

Capital asset activity for the year ended September 30, 2023 was as follows:

Governmental Activities	Balance at October 1, 2022	Additions	Deletions	Reclassifications /Adjustments	Balance at September 30, 2023
Capital assets, not being depreciated:					
Land	\$ 24,693,589	\$ 150,672	\$ -	\$ -	\$ 24,844,261
Construction in progress	17,185,356	26,548,508	-	(21,900,984)	21,832,880
Total capital assets, not being depreciated	41,878,945	26,699,180	-	(21,900,984)	46,677,141
Capital assets, being depreciated:					
Buildings	96,209,345	206,154	-	-	96,415,499
Improvements other than buildings	161,207,801	2,367,362	-	21,900,984	185,476,147
Furniture and equipment	47,680,439	2,827,953	(571,814)	-	49,936,578
Right-to-use lease assets	27,109	-	(5,639)	(12,164)	9,306
Software subscription assets	-	843,431	-	-	843,431
Total capital assets, being depreciated	305,124,694	6,244,900	(577,453)	21,888,820	332,680,961
Less accumulated depreciation for:					
Buildings	(14,819,315)	(2,010,764)	-	-	(16,830,079)
Improvements other than buildings	(125,371,280)	(5,995,844)	-	-	(131,367,124)
Furniture and equipment	(29,089,441)	(4,880,339)	550,591	-	(33,419,189)
Right-to-use lease assets	(18,482)	(5,721)	5,639	12,164	(6,400)
Software subscription assets	-	(383,842)	-	-	(383,842)
Total accumulated depreciation	(169,298,518)	(13,276,510)	556,230	12,164	(182,006,634)
Total capital assets, being depreciated, net	135,826,176	(7,031,610)	(21,223)	21,900,984	150,674,327
Governmental activities capital assets, net	\$ 177,705,121	\$ 19,667,570	\$ (21,223)	\$ -	\$ 197,351,468

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – CAPITAL ASSETS - (CONTINUED)

Business-type Activities	Balance at October 1, 2022	Additions	Reclassification s/Adjustments	Balance at September 30, 2023
Capital assets, not being depreciated:				
Land/Other	\$ 26,783,298	\$ -	\$ -	\$ 26,783,298
Construction in progress	4,019,422	2,030,621	(2,531,434)	3,518,609
Total capital assets, not being depreciated	30,802,720	2,030,621	(2,531,434)	30,301,907
Capital assets, being depreciated:				
Buildings	183,902,873	86,541	2,531,434	186,520,848
Improvements other than buildings	38,925,357	-	-	38,925,357
Furniture and equipment	46,369,865	1,214,296	-	47,584,161
Right-to-use lease assets	192,116	-	-	192,116
Software subscription assets	-	4,075	-	4,075
Total capital assets, being depreciated	269,390,211	1,304,912	2,531,434	273,226,557
Less accumulated depreciation for:				
Buildings	(86,126,161)	(4,372,737)	-	(90,498,898)
Improvements other than buildings	(24,312,999)	(1,312,418)	-	(25,625,417)
Furniture and equipment	(26,560,748)	(4,673,947)	-	(31,234,695)
Right-to-use lease assets	(80,096)	(80,096)	-	(160,192)
Software subscription assets	-	(1,933)	-	(1,933)
Total accumulated depreciation	(137,080,004)	(10,441,131)	-	(147,521,135)
Total capital assets, being depreciated, net	132,310,207	(9,136,219)	2,531,434	125,705,422
Business-type activities capital assets, net	\$ 163,112,927	\$ (7,105,598)	\$ -	\$ 156,007,329

As further discussed in Note 13, at September 30, 2023, the City had remaining construction and improvement commitments amounting to \$17,946,663.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General Government	\$ 1,006,192
Public Safety	2,893,856
Highway and Streets	6,293,081
Health and Welfare	116,546
Culture and Recreation	1,326,217
Economic Development	1,640,618
Total Depreciation Expense - Governmental Activities	\$ 13,276,510
Business-Type Activities	
Water and Sewer	\$ 5,396,059
Solid Waste Management	4,243,100
Golf Courses	216,208
Airport	585,764
Total Depreciation Expense - Business-Type Activities	\$ 10,441,131

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – CAPITAL ASSETS - (CONTINUED)

Component Units

Edinburg Economic Development Corporation

	Balance at October 1, 2022	Additions	Deletions	Balance at September 30, 2023
Capital assets, not being depreciated:				
Land	\$ 7,322,205	\$ -	\$ (541,562)	\$ 6,780,643
Total capital assets, not being depreciated	7,322,205	-	(541,562)	6,780,643
Capital assets, being depreciated:				
Buildings	1,912,074	-	(1,123,054)	789,020
Furniture and equipment	724	-	-	724
Right-to-use assets	-	29,651	-	29,651
Software subscription assets	-	6,500	-	6,500
Total capital assets, being depreciated	1,912,798	36,151	(1,123,054)	825,895
Less accumulated depreciation for:				
Buildings	(623,341)	(22,848)	517,903	(128,286)
Furniture and equipment	(724)	-	-	(724)
Right-to-use assets	-	(9,884)	-	(9,884)
Software subscription assets	-	(5,164)	-	(5,164)
Total accumulated depreciation	(624,065)	(37,896)	517,903	(144,058)
Total capital assets, being depreciated, net	1,288,733	(1,745)	(605,151)	681,837
Governmental activities capital assets, net	\$ 8,610,938	\$ (1,745)	\$ (1,146,713)	\$ 7,462,480

Depreciation expense totaling \$37,896 was charged to economic development and assistance on the Statement of Activities under component units for the year ended September 30, 2023. No capital assets were impaired.

Boys' and Girls' Club of Edinburg, Inc.

A summary of changes in capital assets for the Boys' and Girls' Club of Edinburg, Inc. is as follows:

	Balance at October 1, 2022	Additions	Balance at September 30, 2023
Capital assets, not being depreciated:			
Land	\$ 539,125	\$ -	\$ 539,125
Total capital assets, not being depreciated	539,125	-	539,125
Capital assets, being depreciated:			
Buildings	4,905,987	-	4,905,987
Furniture and equipment	231,372	39,392	270,764
Total capital assets, being depreciated	5,137,359	39,392	5,176,751
Less accumulated depreciation for:			
Buildings	(982,897)	(98,120)	(1,081,017)
Furniture and equipment	(199,182)	(5,734)	(204,916)
Total accumulated depreciation	(1,182,079)	(103,854)	(1,285,933)
Total capital assets, being depreciated, net	3,955,280	(64,462)	3,890,818
Governmental activities capital assets, net	\$ 4,494,405	\$ (64,462)	\$ 4,429,943

Depreciation expense totaling \$103,854 was charged to community and youth services on the Statement of Activities under component units for the year ended September 30, 2023. No capital assets were impaired.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 8 – LONG TERM DEBT

Long-term debt

Primary Government

General Obligation and Combination Bonds and Tax Notes

The City issues general obligation bonds, certificates of obligation, and combination tax and revenue bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds, certificates of obligation, and combination tax and revenue bonds have been issued for governmental activities. The total amount of outstanding general obligation bonds, certificates of obligation, and combination tax and revenue bonds issued to date was \$94,921,037.

These are direct obligations issued with a pledge of the City's general taxing power for the payment of its debt obligations. General obligation bonds and certificates of obligation require the City to compute, at the time other taxes are levied, the rate of tax required to provide (in each year the bonds are outstanding) a fund to pay interest and principal at maturity. The City is in compliance with this requirement. These bonds generally are issued as 20-year serial bonds with varying amounts of principal maturing each year.

Certain general obligation bonds are being repaid by revenues of the enterprise funds and are therefore presented in Business-Type Activities.

General obligation bonds, certificates of obligation, and combination tax and revenue bonds currently outstanding at September 30, 2023 are as follows:

Governmental Activities:

\$6,313,941, 2012 General Obligation Refunding Bonds, due in annual installments of \$130,000 to \$1,185,000 through March 1, 2025; interest at 2.00% to 2.50%.	\$ 530,000
\$7,465,000, 2015A Certificates of Obligation, due in annual installments of \$25,000 to \$615,000 through March 1, 2035; interest at 2.00% to 4.00%.	6,165,000
\$5,270,000, 2015 General Obligation Refunding Bonds, due in annual installments of \$190,000 to \$1,255,000 through March 1, 2026; interest at 3.00% to 4.00%.	3,580,000
\$13,513,328, 2016 General Obligation Refunding Bonds, due in annual installments of \$460,000 to \$2,165,000 through March 1, 2030; interest at 3.00% to 5.00%.	6,011,037
\$4,145,000, 2016 Certificates of Obligation, due in annual installments of \$135,000 to \$285,000 through September 30, 2036; interest at 2.00% to 4.00%.	3,025,000
\$9,705,000, 2018 Certificates of Obligation, due in annual installments of \$195,000 to \$830,000 through March 1, 2038; interest at 1.90% to 3.50%.	8,925,000

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – LONG TERM DEBT - (CONTINUED)

\$27,875,000, 2019 General Obligation Bonds, due in annual installments of \$440,000 to \$1,990,000 through March 1, 2039; interest at 3.25% to 5.00%.	24,535,000
\$17,690,000, 2021 Certificates of Obligation, due in annual installments of \$666,524 to \$1,467,850 through March 1, 2040; interest at 2.00% to 5.00%.	17,690,000
\$3,355,000, 2021 General Obligation Refunding Bonds, due in annual installments of \$233,475 to \$320,912 through March 1, 2035; interest at 1.50% to 4.50%.	3,115,000
\$21,460,000, 2021A Certificates of Obligation, due in annual installments of \$607,262 to \$1,750,162 through March 1, 2041; interest at 2.00% to 5.00%.	<u>21,345,000</u>
Total General Obligation Bonds and Certificates of Obligation	<u>94,921,037</u>
Less: Current Portion of Bonds Payable	(4,591,033)
Add: Unamortized Premiums on Bond Issuance	<u>7,278,301</u>
General Obligation Bonds and Certificates of Obligation Payable, Net of Current Portion, Discounts and Premiums	<u>\$ 97,608,305</u>

Debt service requirements to maturity are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2024	\$ 4,591,033	\$ 3,187,951
2025	4,795,000	2,982,388
2026	5,005,000	2,771,375
2027	5,230,000	2,548,100
2028	5,475,000	2,304,472
2029-2033	29,735,000	7,759,584
2034-2038	30,145,000	3,015,338
2039-2041	9,945,004	249,394
Total	\$ 94,921,037	\$ 24,818,602

Revenue and General Obligation Bonds

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The total amount of outstanding bonds issued is \$86,808,967. Included within business-type activities are 2012 and 2016 general obligation refunding bonds that were issued to refund bonds across several funds, a 2021 certificate of obligations for landfill cell constructions. The outstanding issued amount of these bonds allocated to business-type activities is \$8,853,967. Additionally, two bonds were issued during the year ending September 30, 2023. On March 16, 2023, a Texas Water Development Board Texas Utility System Revenue Improvement Bonds for \$29,585,000 and a \$75,000 principal forgiveness were issued for the construction of various public improvements. On July 6, 2023 the Texas Transportation Commission issued a \$14,500,000, Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2023 bond, for street improvements, improvements to the City's municipal water and wastewater utility system, and related purchases of land.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 8 – LONG TERM DEBT - (CONTINUED)

Revenue and General Obligation bonds outstanding at September 30, 2023 are as follows:

Business – Type Activities:

\$10,425,000, 2014 Utility System Junior Lien Revenue Bonds, due in annual installments of \$480,000 to \$615,000 through March 1, 2034; interest at 0.00% to 2.52%.	\$ 6,075,000
\$7,700,000, 2015 Utility System Revenue Refunding Bonds, due in annual installments of \$20,000 to \$795,000 through March 15, 2028; interest at 2.00% to 4.00%.	4,115,000
\$2,876,672, 2016 General Obligation Refunding Bonds, due in annual installments of \$460,000 to \$2,165,000 through March 1, 2030; interest at 3.00% to 5.00%.	383,967
\$5,405,000, 2016 Utility System Junior Lien Revenue Bonds, due in annual installments of \$260,000 to \$295,000 through March 1, 2036; interest at .09% to 1.41%.	3,575,000
\$8,855,000, 2017 Utility System Revenue Refunding Bonds, due in annual installments of \$765,000 to \$1,285,000 through March 15, 2031; interest at 4.00% to 4.25%.	8,090,000
\$12,570,000, 2021 Utility System Revenue and Refunding Bonds, due in annual installments of \$627,907 to \$1,202,950 through March 15, 2040; interest at 2.00% to 4.00%.	12,015,000
\$9,050,000, 2021 Certificates of Obligation, due in annual installments of \$617,100 to \$621,150 through March 01, 2040; interest at 2.00% to 5.00%.	8,470,000
\$14,500,000, 2023 Combination Tax and Limited Pledge Revenue Certificates of Obligations, due in annual installments of \$258,390 to \$853,296 through March 01, 2053; interest at 2.64%	14,500,000
\$29,585,000, 2023 Utility System Revenue Improvement Bonds, due in annual installments of \$1,396,059 to \$1,410,200 through March 15, 2052; interest at 1.28% to 2.56%.	<u>29,585,000</u>
Revenue/General Obligation/Certificate of Obligations Bonds	<u>86,808,967</u>

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – LONG TERM DEBT - (CONTINUED)

Less: Current Portion of Bonds Payable	(4,273,967)
Add: Unamortized Premiums on Bond Issuance	<u>3,004,989</u>
Revenue Bonds Payable, Net of Current Portion and Premiums	<u>\$ 85,539,989</u>
Water and Sewer Fund	\$ 76,311,022
Solid Waste Management Fund	9,043,462
Los Lagos Golf Club Fund	<u>185,505</u>
	<u>\$ 85,539,989</u>

Debt service requirements to maturity for Revenue/General Obligation/Certificate of Obligations Bonds in business-type activities are as follows:

Year Ending September 30,	Business-Type Activities	
	Principal	Interest
2024	\$ 4,273,967	\$ 2,203,494
2025	4,005,000	2,078,885
2026	4,125,000	1,963,125
2027	4,245,000	1,841,264
2028	4,375,000	1,712,162
2029-2033	20,085,000	6,632,084
2034-2038	15,845,000	4,488,632
2039-2043	11,270,000	2,955,452
2044-2048	9,355,000	1,801,473
2049-2053	9,230,000	540,195
Total	\$ 86,808,967	\$ 26,216,766

Tax Increment Contract Revenue Bonds

The City of Edinburg, Local Government Finance Corporation issues tax increment contract revenue bonds. Payment of the bonds is secured by a pledge of tax increment revenues paid to the respective tax increment funds for TIRZ # 1 and TIRZ # 4. The bonds are limited obligations of the City of Edinburg, Local Government Finance Corporation and are not obligations of the City of Edinburg. The City is not obligated to make payments on these bonds. In addition, if the tax increments are timely contributed to the City of Edinburg, Local Government Finance Corporation, and such tax increments are not sufficient for the payment of principal or interest on the bonds on the date such principal or interest becomes due, an event of default will not be deemed to have occurred.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 8 – LONG TERM DEBT - (CONTINUED)

Tax increment contract revenue bonds outstanding at September 30, 2023 are as follows:

\$37,250,000, 2015A Contract Revenue Bonds, due in annual installments of \$645,000 to \$2,448,350 through March 1, 2045; interest at 5.00%.	\$ 32,850,000
\$3,475,000, 2015B Taxable Series Contract Revenue Bonds, due in annual installments of \$60,000 to \$232,625 through March 1, 2045; interest at 5.00%.	<u>3,075,000</u>
Total Contract Revenue Bonds	<u>35,925,000</u>
Less: Current Portion of Bonds Payable	(945,000)
Less: Unamortized Discounts on Bond Issuance	(103,270)
Add: Unamortized Premiums on Bond Issuance	<u>1,558,867</u>
Tax Increment Contract Revenue Bonds Payable, Net of Current Portion, Discounts and Premiums	<u>\$ 36,435,597</u>

The City of Edinburg, Local Government Finance Corporation is presented as a blended component unit of the City. Therefore, the liability is presented as part of long-term obligations of governmental activities in the Government-Wide Financial Statements.

Debt service requirements to maturity are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2024	\$ 945,000	\$ 1,727,725
2025	995,000	1,679,225
2026	1,045,000	1,628,225
2027	1,100,000	1,574,600
2028	1,150,000	1,523,625
2029-2033	6,545,000	6,830,950
2034-2038	8,350,000	5,034,000
2039-2043	10,700,000	2,665,000
2044-2045	5,095,000	257,875
Total	\$ 35,925,000	\$ 22,921,225

Reimbursement Obligation- Developer TIRZ # 3

In accordance with an economic development agreement relating to TIRZ # 3, the Developer is eligible to be reimbursed for up to \$33,900,000 for costs actually incurred to construct commercial/regional-related and residential-related public infrastructure. Under the agreement, the Developer can also charge interest on this obligation at the lesser of 6.00% per annum or the actual rate incurred by the Developer in connection with the public infrastructure improvements. This reimbursement obligation is payable solely with tax increment revenues generated by TIRZ # 3 and is currently payable on a “pay as you” go basis until such time as public infrastructure bonds are issued by the City of Edinburg, Local Government Finance Corporation. As of September 30, 2023, the developer has incurred costs and interest in the amount of \$11,634,132. The balance on the obligation as of September 30, 2023 is \$7,675,436.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – LONG TERM DEBT - (CONTINUED)

The reimbursement obligation is accounted for in the City of Edinburg, Local Government Finance Corporation, which is presented as a blended component unit of the City. Because the obligation is payable on a “pay as you go” basis, the City does not have a set payment schedule. In addition, other factors such as future development, increases/decreases to the tax base, future issuance of bonds, and other economic factors make it difficult for the City to predict estimated minimum obligations in the future. No other sources of revenue are obligated to be used in order to repay this obligation other than tax increment revenues generated and collected within TIRZ # 3.

Bond Compliance Requirements

The revenue bond ordinances require that during the period in which the bonds are outstanding the City must create and maintain certain accounts or funds to receive the proceeds from the sale of the revenue bonds and to account for the revenues (as defined), which are pledged for payment of the bonds. The assets can be used only in accordance with the terms of the bond ordinance and for the specific purpose(s) designated therein. The City is generally required to make a monthly transfer to debt service funds equal to one-twelfth of the annual debt service.

Utility Revenues Pledged

The City has pledged future water customer revenues, net of specified operating expenses, to repay the original amount of \$89,040,000 in Utility System Revenue Bonds issued in 2014, 2015, 2016, 2017, 2021 and 2023, plus a Combined Tax and Limited Pledge Revenue Certificate of Obligation Bond also in 2023. Proceeds from the bonds provided financing for the purchase of land, improvement, construction and enlargement of the water system, refunding of other revenue bonds, and the construction of a water plant. The bonds are payable solely from water customer net revenues and are payable through 2053. Average annual principal and interest payments on the bonds are expected to require a 125% coverage ratio from operating income (excluding depreciation expense). The total principal and interest remaining to be paid on the bonds is \$77,955,000. Principal and interest paid for the current year were \$4,061,103.

Prior Year Defeasance of Debt

In 2013, the City advance refunded \$1,850,000 of Utility System Revenue Bonds Series 2000, \$2,810,000 of Utility System Revenue and Refunding Bonds Series 2002, \$1,675,000 of Combination Tax and Revenue Bonds Series 2002, \$1,635,000 of Certificates of Obligation Series 2004, and \$1,585,000 of Certificates of Obligation Series 2004A. At September 30, 2023, \$805,000 of defeased bonds remains outstanding.

In 2015, the City refunded debt including \$385,000 of Certificates of Obligation, Series 2004, \$650,000 of Certificates of Obligation, Series 2004A, and \$4,315,000 of Certificates of Obligation. At September 30, 2023, \$1,635,000 of defeased bonds remains outstanding. In addition, in 2015, the City refunded debt of \$7,645,000 of Utility System Revenue Bonds Series 2006. At September 30, 2023, \$4,180,000 of defeased bonds remains outstanding.

In 2016, the City refunded \$385,000 of Certificates of Obligation Series 2006, \$7,375,000 of General Obligation Refunding Bonds, Series 2006, \$2,225,000 of Certificates of Obligation, Series 2007, \$4,035,000 of Certificates of Obligation Series 2007A, and \$4,010,000 of Certificates of Obligation, Series 2008. At September 30, 2023, \$6,395,000 of defeased bonds remains outstanding.

In 2018, the City refunded debt including \$100,000 of 2006 Utility Revenue Bond and \$9,520,000 of 2010A Utility System Revenue Bond. At September 30, 2023, \$8,750,000 of defeased bonds remains outstanding.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – LONG TERM DEBT - (CONTINUED)

In 2021, the City refunded \$1,950,000 of the 2008 Utility Revenue Bond. At September 30, 2023, \$1,520,000 of defeased bonds remains outstanding.

Financing Leases

Financing Leases outstanding at September 30, 2023 are as follows:

\$19,758,511, Combined Bank of America Funding purchase agreement for the purchase of major equipment and vehicles.	\$ 6,990,206
\$30,001,432, Signature Public Funding purchase agreement for the purchase of major equipment and vehicles	<u>23,268,164</u>
Total financing leases	<u>30,258,370</u>
Less: Current Portion of Financing Leases	<u>(6,052,536)</u>
Financing Leases, Net of Current Portion	<u>\$ 24,205,834</u>

Year Ending September 30,	Financing Lease Payments	
	Principal	Interest
2024	\$ 6,052,536	\$ 449,284
2025	5,382,539	352,141
2026	5,045,131	263,883
2027	3,701,872	189,472
2028	3,228,665	134,897
2029-2033	6,847,627	159,997
Total	\$ 30,258,370	\$ 1,549,674

Year Ending September 30, 2023	Financing Lease Payments	
	Principal	Interest
Governmental Activities	\$ 11,629,909	\$ 595,623
Business-Type Activities	18,628,461	954,051
Total	\$ 30,258,370	\$ 1,549,674

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – LONG TERM DEBT - (CONTINUED)

Business-Type Activities

Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require that the City of Edinburg place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs in the Solid Waste Management Fund, an enterprise fund, are as follows: Permit 956-C, has a balance of \$5,481,036 as of September 30, 2023, which is based on 19.91% usage (filled). Permit 2302 has a balance of \$734,571 as of September 30, 2023, which is based on 35% usage (filled). It is estimated that an additional \$23,377,455 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and postclosure care (\$29,583,062) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2023. The actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The City has complied with financial assurance requirements pursuant to 30 Texas Administrative Code, Chapter 37 by submitting a local government financial test submitted to the Texas Commission on Environmental Quality.

Long-term liability activity for the year ended September 30, 2023 was follows:

	Balance at September 30, 2022	Additional Obligations and Net Increases	Retirement and Net Decreases	Balances at September 30, 2023	Amounts Due within One Year
Governmental Activities					
General obligation bonds	\$ 99,319,121	\$ -	\$ 4,398,084	\$ 94,921,037	\$ 4,591,033
Add: issuance premium	7,859,140	-	580,839	7,278,301	-
General obligation bonds payable	107,178,261	-	4,978,923	102,199,338	4,591,033
Tax increment contract revenue bonds	36,830,000	-	905,000	35,925,000	945,000
Add: issuance premium	1,629,725	-	70,858	1,558,867	-
Less: issuance discount	(107,964)	-	(4,694)	(103,270)	-
Tax increment contract revenue bonds payable	38,351,761	-	971,164	37,380,597	945,000
Financing Lease Obligations	14,539,210	-	2,909,301	11,629,909	2,678,668
Reimbursement obligation - developer	8,402,573	-	727,137	7,675,436	-
Compensated absences	5,485,862	804,242	321,397	5,968,707	1,801,943
Governmental activities long-term liabilities	\$ 173,957,667	\$ 804,242	\$ 9,907,922	\$ 164,853,987	\$ 10,016,644

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – LONG TERM DEBT - (CONTINUED)

Business-type Activities	Balance at September 30, 2022	Additional Obligations and Net Increases	Retirement and Net Decreases	Balances at September 30, 2023	Amounts Due within One Year
Revenue bonds	\$ 36,530,000	\$ 44,085,000	\$ 2,660,000	\$ 77,955,000	\$ 3,540,000
Add: issuance premium	2,081,708	-	185,687	1,896,021	-
Revenue bonds payable	38,611,708	44,085,000	2,845,687	79,851,021	3,540,000
General obligation bonds	9,550,883	-	696,916	8,853,967	733,967
Add: issuance premium	1,191,720	-	82,753	1,108,967	-
General obligation bonds payable	10,742,603	-	779,669	9,962,934	733,967
Notes payable	1,000,000	-	1,000,000	-	-
Financing Lease Obligations	22,637,867	-	4,009,406	18,628,461	3,373,868
Landfill closure and postclosure	5,596,531	609,076	-	6,205,607	-
Compensated absences	724,486	31,101	8,087	747,500	343,694
Business-type activities long-term liabilities	\$ 79,313,195	\$ 44,725,177	\$ 8,642,849	\$ 115,395,523	\$ 7,991,529

	Governmental Activities	Business-Type Activities
<i>Balance as September 30, 2023</i>		
Long-term liabilities	\$ 164,853,987	\$ 115,395,523
Less: amounts due within one year	(10,016,644)	(7,991,529)
Total liabilities due in more than one year (Exhibit 1-A)	\$ 154,837,343	\$ 107,403,994

Generally, the general and special revenue funds liquidate the portion of compensated absences that pertain to the respective funds. The liquidation of the reimbursement obligation and tax increment contract revenue bonds will be through tax increment collections remitted to the City of Edinburg, Local Government Finance Corporation (a blended component unit).

Component Units

Edinburg Economic Development Corporation

Bonds payable at September 30, 2023 consist of the following:

\$2,300,000 Bond Issue Series 2013A, due February 15, 2024; fixed interest at 3.12%; collateralized by sales and use tax receipts.	\$ 265,000
\$4,575,000 Bond Issue Series 2013B; payable in semi-annual installments of \$37,500 plus interest of 3.04% maturing August 15, 2024; collateralized by economic development sales and use tax receipts.	525,000
\$10,840,000 Bond Issue Series 2019; payable in semi-annual installments plus interest maturing August 15, 2044.	9,885,000

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – LONG TERM DEBT - (CONTINUED)

\$7,730,000 2021A Sales Tax Revenue Bonds; payable in semi-annual installments plus interest of 2.00%-3.375% maturing in August 15, 2046, collateralized by sales and use tax receipts. 7,275,000

\$2,250,000 2021B Sales Tax Revenue Bonds; payable in semi-annual installments plus interest of 4.750%-5.250% maturing in August 15, 2046, collateralized by sales and use tax receipts. 2,145,000

\$13,610,000 2021 Sales Tax Revenue Refunding Bonds; payable in semi-annual installments plus interest of .335%-2.340% maturing in February 15, 2035, collateralized by sales and use tax receipts. 13,060,000

Total Bonds Payable 33,155,000

Less: Current Portion of Bonds Payable (1,625,000)

Total Bonds Payable, Net of Current Portion \$ 31,530,000

Annual debt service requirements to maturity for EEDC's long-term debt are as follows:

Year Ending September 30,	EEDC	
	Principal	Interest
2024	\$ 1,625,000	\$ 1,049,036
2025	1,665,000	1,010,977
2026	1,695,000	977,766
2027	1,735,000	941,187
2028	1,775,000	900,010
2029-2033	9,590,000	3,778,671
2034-2038	7,060,000	2,415,669
2039-2043	5,580,000	1,274,163
2044-2046	2,430,000	169,275
Total	\$ 33,155,000	\$ 12,516,754

The following is a summary of changes in long-term debt obligations for the EEDC for the year ended September 30, 2023:

	Balance at September 30, 2022	Additions	Reductions	Balance at September 30, 2023	Amounts Due Within One Year
Bonds payable	\$ 34,735,000	\$ -	\$ (1,580,000)	\$ 33,155,000	\$ 1,625,000
Total Bonds Payable	\$ 34,735,000	\$ -	\$ (1,580,000)	\$ 33,155,000	\$ 1,625,000

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 8 – LONG TERM DEBT - (CONTINUED)

Boys' and Girls' Club of Edinburg, Inc.

Liabilities for the Boys' and Girls' Club consisted of compensated absences of \$37,858.

Right-to-Use Leases Payable

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On October 1, 2021, the City entered into a 34-month lease as Lessee for the use of HP Copier - E87640z. An initial lease liability was recorded in the amount of \$9,306. As of September 30, 2023, the value of the lease liability is \$2,746. The City is required to make monthly fixed payments of \$275. The lease has an interest rate of 0.3277%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of September 30, 2023 of \$9,306 with accumulated amortization of \$6,400 is included with Equipment on the Lease Class activities table found below.

On October 1, 2021, the City entered into a 21-month lease as Lessee for the use of Konica Minolta Copier - C33500i. An initial lease liability was recorded in the amount of \$5,639. As of September 30, 2023, the value of the lease liability is \$0. The City is required to make monthly fixed payments of \$269. The lease has an interest rate of 0.2477%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of September 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below.

On October 1, 2021, the City entered into a 56-month lease as Lessee for the use of Pitney Bowes equipment. An initial lease liability was recorded in the amount of \$51,164. As of September 30, 2023, the value of the lease liability is \$28,603. The City is required to make quarterly fixed payments of \$2,885. The lease has an interest rate of 0.6320%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of September 30, 2023 of \$51,164 with accumulated amortization of \$21,927 is included with Equipment on the Lease Class activities table found below.

On October 1, 2021, the City entered into a 24-month lease as Lessee for the use of New 2019 Golf Cars. An initial lease liability was recorded in the amount of \$140,952. As of September 30, 2023, the value of the lease liability is \$0. The City is required to make monthly fixed payments of \$5,888. The lease has an interest rate of 0.2477%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of September 30, 2023 of \$140,952 with accumulated amortization of \$138,263 is included with Vehicles on the Lease Class activities table found below.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – LONG TERM DEBT - (CONTINUED)

Governmental Activities	Balance as of October 1, 2022	Reductions	Balance as of September 30, 2023
Lease Liability			
Equipment			
HP Copier - E87640z	\$ 6,031	\$ 3,285	\$ 2,746
Konica Minolta Copier - C33500i	2,420	2,420	-
Total Equipment Lease Liability	8,451	5,705	2,746
Total Lease Liability	\$ 8,451	\$ 5,705	\$ 2,746

Business-Type Activities	Balance as of October 1, 2022	Reductions	Balance as of September 30, 2023
Lease Liability			
Equipment			
Pitney bowes - Finance department	\$ 39,919	\$ 11,316	\$ 28,603
Total Equipment Lease Liability	39,919	11,316	28,603
Vehicles			
New 2019 Golf Cars	70,555	70,555	-
Total Vehicle Lease Liability	70,555	70,555	-
Total Lease Liability	\$ 110,474	\$ 81,871	\$ 28,603

Principal and Interest Requirements to Maturity

Governmental Activities	Right-to-Use Leases	
Year Ending September 30,	Principal	Interest
2024	\$ 2,746	\$ 4
Total	\$ 2,746	\$ 4

Business-Type Activities	Right-to-Use Leases	
Year Ending September 30,	Principal	Interest
2024	\$ 11,387	\$ 154
2025	11,459	82
2026	5,757	14
Total	\$ 28,603	\$ 250

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – LONG TERM DEBT - (CONTINUED)

Governmental Activities	Balance as of October 1, 2022	Additions	Reductions	Balance as of September 30, 2023
Lease Assets				
Equipment				
HP Copier - E87640z	\$ 9,306	\$ -	\$ -	\$ 9,306
Konica Minolta Copier - C33500i	5,639	-	5,639	-
Total Equipment Lease Assets	14,945	-	5,639	9,306
Total Lease Assets	14,945	-	5,639	9,306
Lease Accumulated Amortization				
Equipment				
HP Copier - E87640z	3,200	3,200	-	6,400
Konica Minolta Copier - C33500i	3,118	2,521	5,639	-
Total Equipment Lease Accumulated Amortization	6,318	5,721	5,639	6,400
Total Lease Accumulated Amortization	6,318	5,721	5,639	6,400
Total Governmental Lease Assets, Net	\$ 8,627	\$ (5,721)	\$ -	\$ 2,906

Business-Type Activities	Balance as of October 1, 2022	Additions	Balance as of September 30, 2023
Lease Assets			
Equipment			
Pitney bowes - Finance department	\$ 51,164	\$ -	\$ 51,164
Total Equipment Lease Assets	51,164	-	51,164
Vehicles			
New 2019 Golf Cars	140,952	-	140,952
Total Vehicle Lease Assets	140,952	-	140,952
Total Lease Assets	192,116	-	192,116
Lease Accumulated Amortization			
Equipment			
Pitney bowes - Finance department	10,964	10,964	21,927
Total Equipment Lease Accumulated Amortization	10,964	10,964	21,927
Vehicles			
New 2019 Golf Cars	69,132	69,132	138,263
Total Vehicle Lease Accumulated Amortization	69,132	69,132	138,263
Total Lease Accumulated Amortization	80,096	80,096	160,190
Total Business-Type Lease Assets, Net	\$ 112,020	\$ (80,096)	\$ 31,926

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 8 – LONG TERM DEBT - (CONTINUED)

Subscription-Based Information Technology Arrangements

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA's). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On October 1, 2022, the City entered into a 25 month subscription for the use of Toro NSN. An initial subscription liability was recorded in the amount of \$4,075. As of September 30, 2023, the value of the subscription liability is \$2,223. The City is required to make monthly fixed payments of \$285. The subscription has an interest rate of 3.2067%. The value of the right to use asset as of September 30, 2023 of \$4,075 with accumulated amortization of \$1,933 is included with Software on the Subscription Class activities table found below.

On February 13, 2023, the City entered into a 36 month subscription for the use of ESRI Software. An initial subscription liability was recorded in the amount of \$160,768. As of September 30, 2023, the value of the subscription liability is \$105,768. The City is required to make annual fixed payments of \$55,000. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of September 30, 2023 of \$160,768 with accumulated amortization of \$33,940 is included with Software on the Subscription Class activities table found below. The City had a termination period of 1 month as of the subscription commencement.

On October 1, 2022, the City entered into a 28 month subscription for the use of Vmware Software. An initial subscription liability was recorded in the amount of \$75,011. As of September 30, 2023, the value of the subscription liability is \$37,387. The City is required to make annual fixed payments of \$38,586. The subscription has an interest rate of 3.2067%. The value of the right to use asset as of September 30, 2023 of \$75,012 with accumulated amortization of \$31,256 is included with Software on the Subscription Class activities table found below.

On October 1, 2022, the City entered into a 17 month subscription for the use of Coban Dvms. An initial subscription liability was recorded in the amount of \$4,930. As of September 30, 2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$4,995. The subscription has an interest rate of 3.1440%. The value of the right to use asset as of September 30, 2023 of \$4,930 with accumulated amortization of \$3,480 is included with Software on the Subscription Class activities table found below.

On May 16, 2023, the City entered into a 24 month subscription for the use of DVMS Solution. An initial subscription liability was recorded in the amount of \$1,442. As of September 30, 2023, the value of the subscription liability is \$712. The City is required to make annual fixed payments of \$1,100. The subscription has an interest rate of 2.4700%. The value of the right to use asset as of September 30, 2023 of \$1,442 with accumulated amortization of \$270 is included with Software on the Subscription Class activities table found below.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 8 – LONG TERM DEBT - (CONTINUED)

On October 1, 2022, the City entered into a 20 month subscription for the use of Broadband Infrastructure. An initial subscription liability was recorded in the amount of \$21,658. As of September 30, 2023, the value of the subscription liability is \$10,894. The City is required to make annual fixed payments of \$11,243. The subscription has an interest rate of 3.2067%. The value of the right to use asset as of September 30, 2023 of \$273,974 with accumulated amortization of \$160,898 is included with Software on the Subscription Class activities table found below. The City had a termination period of 1 month as of the subscription commencement.

On October 1, 2022, the City entered into a 17 month subscription for the use of Clear Proflex. An initial subscription liability was recorded in the amount of \$23,846. As of September 30, 2023, the value of the subscription liability is \$8,185. The City is required to make monthly fixed payments of \$1,311. The subscription has an interest rate of 3.1440%. The value of the right to use asset as of September 30, 2023 of \$23,846 with accumulated amortization of \$16,800 is included with Software on the Subscription Class activities table found below.

On October 1, 2022, the City entered into a 24 month subscription for the use of Tyler Tech -New World Public Safety Software. An initial subscription liability was recorded in the amount of \$197,149. As of September 30, 2023, the value of the subscription liability is \$97,019. The City is required to make annual fixed payments of \$100,130. The subscription has an interest rate of 3.2067%. The value of the right to use asset as of September 30, 2023 of \$197,149 with accumulated amortization of \$98,574 is included with Software on the Subscription Class activities table found below.

On October 1, 2022, the City entered into a 21 month subscription for the use of EnerGov Software. An initial subscription liability was recorded in the amount of \$26,336. As of September 30, 2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$27,040. The subscription has an interest rate of 3.2067%. The value of the right to use asset as of September 30, 2023 of \$26,336 with accumulated amortization of \$15,049 is included with Software on the Subscription Class activities table found below.

On June 28, 2023, the City entered into a 24 month subscription for the use of CivicClerk City's Agenda Software C-377-23. An initial subscription liability was recorded in the amount of \$15,197. As of September 30, 2023, the value of the subscription liability is \$5,846. The City is required to make annual fixed payments of \$9,354. The subscription has an interest rate of 2.4700%. The value of the right to use asset as of September 30, 2023 of \$15,197 with accumulated amortization of \$1,963 is included with Software on the Subscription Class activities table found below.

On October 1, 2022, the City entered into a 36 month subscription for the use of OpenGov. An initial subscription liability was recorded in the amount of \$64,777. As of September 30, 2023, the value of the subscription liability is \$42,718. The City is required to make annual fixed payments of \$22,059. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of September 30, 2023 of \$64,777 with accumulated amortization of \$21,612 is included with Software on the Subscription Class activities table found below.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – LONG TERM DEBT - (CONTINUED)

Governmental Activities	Balance as of		Balance as of	
	October 1, 2022	Additions	Reductions	September 30, 2023
Subscription Liability				
Software				
Broadband Infrastructure	\$ -	\$ 21,658	\$ 10,764	\$ 10,894
CivicClerk City's Agenda Software C-377-23	-	15,197	9,351	5,846
Clear Proflex	-	23,846	15,661	8,185
Coban Dvms	-	4,930	4,930	-
DVMS Solution	-	1,442	730	712
ESRI Software	-	160,768	55,000	105,768
EnerGov Software	-	26,336	26,336	-
OpenGov	-	64,777	22,059	42,718
Tyler Tech -New World Public Safety Software	-	197,149	100,130	97,019
Vmware Software	-	75,011	37,624	37,387
Total Software Subscription Liability	-	591,114	282,585	308,529
Total Subscription Liability	\$ -	\$591,114	\$ 282,585	\$ 308,529

BUSINESS-TYPE ACTIVITIES:

	Balance as of		Balance as of	
	October 1, 2022	Additions	Reductions	September 30, 2023
Subscription Liability				
Software				
Toro NSN	\$ -	\$ 4,075	\$ 1,852	\$ 2,223
Total Software Subscription Liability	-	4,075	1,852	2,223
Total Subscription Liability	\$ -	\$ 4,075	\$ 1,852	\$ 2,223

Principal and Interest Requirements to Maturity

Governmental Activities

Year Ending September 30,	SBITA's	
	Principal	Interest
2024	\$ 233,363	\$ 8,639
2025	75,166	1,895
Total	\$ 308,529	\$ 10,534

Business-Type Activities

Year Ending September 30,	SBITA's	
	Principal	Interest
2024	\$ 1,900	\$ 44
2025	323	1
Total	\$ 2,223	\$ 45

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – LONG TERM DEBT - (CONTINUED)

Governmental Activities	Balance as of October 1, 2022	Additions	Balance as of September 30, 2023
Subscription Assets			
Software			
Broadband Infrastructure	\$ -	\$ 273,974	\$ 273,974
CivicClerk City's Agenda Software C-377-23	-	15,197	15,197
Clear Proflex	-	23,846	23,846
Coban Dvms	-	4,930	4,930
DVMS Solution	-	1,442	1,442
ESRI Software	-	160,768	160,768
EnerGov Software	-	26,336	26,336
OpenGov	-	64,777	64,777
Tyler Tech -New World Public Safety Software	-	197,149	197,149
Vmware Software	-	75,012	75,012
Total Software Subscription Assets	-	843,431	843,431
Total Subscription Assets	-	843,431	843,431
Subscription Accumulated Amortization			
Software			
Broadband Infrastructure	-	160,898	160,898
CivicClerk City's Agenda Software C-377-23	-	1,963	1,963
Clear Proflex	-	16,800	16,800
Coban Dvms	-	3,480	3,480
DVMS Solution	-	270	270
ESRI Software	-	33,940	33,940
EnerGov Software	-	15,049	15,049
OpenGov	-	21,612	21,612
Tyler Tech -New World Public Safety Software	-	98,574	98,574
Vmware Software	-	31,256	31,256
Total Software Subscription Accumulated Amortization	-	383,842	383,842
Total Subscription Accumulated Amortization	-	383,842	383,842
Total Governmental Subscription Assets, Net	\$ -	\$ 459,589	\$ 459,589

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – LONG TERM DEBT - (CONTINUED)

Business-Type Activities	Balance as of October 1, 2022	Additions	Balance as of September 30, 2023
Subscription Assets			
Software			
Toro NSN	\$ -	\$ 4,075	\$ 4,075
Total Software Subscription Assets	-	4,075	4,075
Total Subscription Assets	-	4,075	4,075
Subscription Accumulated Amortization			
Software			
Toro NSN	-	1,933	1,933
Total Software Subscription Accumulated Amortization	-	1,933	1,933
Total Subscription Accumulated Amortization	-	1,933	1,933
Total Business-Type Subscription Assets, Net	\$ -	\$ 2,142	\$ 2,142

NOTE 9 – RESTRICTED ASSETS AND PAYABLES

Restricted Assets and payables

Restricted assets included in the governmental activities as of September 30, 2023 consist of \$9,067,417 of cash with fiscal agent reported in the General Fund (\$5,551,785) and the LGFC Fund (\$3,515,632), a nonmajor governmental fund.

Revenue bond indentures require that during the periods over which the bonds are outstanding, the City maintain certain separate accounts and funds to account for the proceeds from the issuance of the revenue bonds and the debt service deposits made from revenues. These restricted assets can be used only in accordance with the revenue bond indenture.

Restricted assets included in business-type activities as of September 30, 2023 consists of:

Type	Description	Fund	Amount
Cash with Fiscal Agent	Unspent Capital Lease Proceeds	Water and Sewer Fund	\$ 2,935,338
Cash with Fiscal Agent	Unspent Capital Lease Proceeds	Solid Waste Management Fund	2,702,619
Cash with Fiscal Agent	Unspent Capital Lease Proceeds	Nonmajor Enterprise Funds	394,271
Cash with Fiscal Agent	Unspent Bond Proceeds	Water and Sewer Fund	35,455,220
TexPool Restricted	Unspent Bond Proceeds	Water and Sewer Fund	8,561,750
TexPool Restricted	Unspent Bond Proceeds	Solid Waste Management Fund	10,537,529
TexPool Restricted	Related to Debt Service	Water and Sewer Fund	5,634,979
Total			\$ 66,221,706

Liabilities payable from restricted assets included in business-type activities as of September 30, 2023 consist of accrued interest payable in the amount of \$115,572 in the Water and Sewer Fund.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 10 – NET POSITION RESTRICTED BY ENABLING LEGISLATION

The Government-Wide Statement of Net Position includes \$2,456,765 restricted by enabling legislation. This net position represents revenues received by the City with various state laws restricting their use. These revenues may only be used for statutorily authorized purposes. This includes, \$559,725 for municipal court purposes, \$1,455,538 from hotel occupancy tax for tourism and \$441,502 is restricted under Chapter 66 of the Texas Utilities Code to support capital costs related to public, educational, and governmental (PEG) programming to citizens.

NOTE 11 – DEFICIT NET POSITION/FUND BALANCE

Net position deficits of \$112,098 and \$6,900 exists in the Ebony Golf Course and Los Lagos Golf Course Funds, respectively, resulting from several years of losses from operations. Currently, the Solid Waste Management Fund subsidizes these deficits to support the quality of life aspect the golf fund promotes. Net position is expected to increase in the future as operations and fee charges are monitored and reviewed annually.

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS

Texas Municipal Retirement System

Plan Description

The City participates as one of 892 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with 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 Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.org.

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 payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	325
Inactive employees entitled to but not yet receiving benefits	609
Active employees	<u>986</u>
Total	<u><u>1,920</u></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.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.63% and 14.78% in the calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were \$7,551,647 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, for TMRS 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, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 3-year set-forward for males and a 3-year set-forward for females.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

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. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class (Arithmetic)	Target Allocation	Long-Term Expected Net Real Rate of Return
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Real estate	12.0%	5.80%
Other Public and Private Markets	12.0%	8.10%
Hedge Funds	5.0%	6.90%
Private equity	10.0%	11.80%
Total	100.0%	

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 EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

Schedule of Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Net Pension Liability - Beginning	\$ 188,772,526	\$ 166,486,369	\$ 22,286,157
Changes for the year:			
Service Cost	7,924,132	-	7,924,132
Interest (on the Total Pension Liability)	12,787,769	-	12,787,769
Change in benefit terms	-	-	-
Difference between expected and actual experience	3,988,085	-	3,988,085
Changes of assumptions	-	-	-
Contributions - employer	-	7,256,687	(7,256,687)
Contributions - employee	-	3,512,914	(3,512,914)
Net investment income	-	(12,170,826)	12,170,826
Benefit payments, including refunds of employee contributions	(6,572,314)	(6,572,314)	-
Administrative expense	-	(105,164)	105,164
Other changes	-	125,492	(125,492)
Net Changes	18,127,672	(7,953,211)	26,080,883
Net Pension Liability - Ending	\$ 206,900,198	\$ 158,533,158	\$ 48,367,040

The amount presented above includes pension liabilities for the City's discretely presented component units. At September 30, 2023, the City's Governmental Activities portion of the net pension obligation was \$36,266,867, the Business type activities portion was \$11,013,175, the Boys' & Girls' Club of Edinburg's portion was \$799,373 and the EEDC's portion was \$287,625. The total net pension liability for the Primary Government was \$47,280,042.

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 be 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 5.75%	Current Single Rate Assumption 6.75%	1 % Increase 7.75%
Governmental Activities	\$ 61,893,942	\$ 36,266,867	\$ 15,671,540
Business Type Activities	18,796,013	11,013,175	4,759,149
Boys & Girls Club	1,362,030	799,373	344,866
EEDC	495,284	287,625	125,406
Total net pension liability	\$ 82,547,269	\$ 48,367,040	\$ 20,900,960

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmr.com.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

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

For the year ended September 30, 2023, the City recognized pension expense of \$10,495,822. At September 30, 2023, 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
Difference between expected and actual experience	\$ 5,501,784	\$ 181,284
Changes in actuarial assumptions	146,521	-
Difference between projected and actual investment earnings	10,896,549	-
Contributions subsequent to measurement period	5,582,060	
Total	\$ 22,126,914	\$ 181,284

Of the total deferred outflows relating to the pension plan, \$16,591,337 is reported in Governmental Activities and \$5,038,298 is reported in Business-Type Activities. The Boys and Girls Club of Edinburg's portion is \$365,696 and the EEDC's portion is \$131,582.

Of the total deferred inflows relating to the pension plan, \$135,931 is reported in Governmental Activities, and \$41,279 is reported in Business-Type Activities. The Boys and Girls Club of Edinburg's portion is \$2,996 and the EEDC's portion is \$1,078.

The city includes contributions made subsequent to the measurement date December 31, 2022 through the City's fiscal year end September 30, 2023 as deferred outflows resources.

\$5,582,060 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, 2024. Other amounts reported as deferred outflows and the inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 2,444,328
2025	4,347,565
2026	4,253,192
2027	5,318,485
2028	-
Thereafter	-
Total	\$ 16,363,570

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

Texas Emergency Services Retirement System

Plan Description

The Texas Emergency Services Retirement System (TESRS) administers a cost-sharing multiple employer pension system (the System) established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. Direct financial activity for the System is classified in the financial statements as pension trust funds. The System issues a stand-alone financial report that is available to the public at www.tesrs.org.

Of the nine-member state board of trustees, at least five trustees must be active members of the pension system, one of whom must represent emergency medical services personnel. One trustee may be a retiree of the pension system, and three trustees must be persons who have experience in the fields of finance, securities investment, or pension administration. At August 31, 2023, there were 241 fire and/or emergency services member departments participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

Benefits Provided

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount or continuing monthly payments to a member's surviving spouse and dependent children.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

Contributions Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities.

The state is required to contribute an amount necessary to make the System “actuarially sound” each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The board rule defining contributions was amended effective July 27, 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation. Based on the August 31, 2022 actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to 15 years of credit for prior service per member. Prior service must have occurred before the department began participation in the System.

A small subset of participating departments have a different contribution arrangement which is being phased out over time. In this arrangement, contributions made in addition to the monthly contributions for active members, are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into the System. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to benefit payments paid by the System.

Contributions Required and Contributions Made

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions are set by board rule, and there is no maximum contribution rate. For the fiscal year ending August 31, 2023, total contributions of \$40,745 were paid into TESRS by the City.

The purpose of the biennial actuarial valuation is to determine if the contribution arrangement is adequate to pay the benefits that are promised. Actuarial assumptions are disclosed in Section I(B)(1).

The most recently completed biennial actuarial valuation as of August 31, 2022 stated that TESRS has an adequate contribution arrangement for the benefit provisions recognized in the valuation based on the expected total contributions, including the expected contributions both from the governing body of each participating department and from the state. The expected contributions from the state are state appropriations equal to (1) the maximum annual contribution (one-third of all contributions to TESRS by governing bodies of participating departments in a year) as needed in accordance with state law governing TESRS and (2) approximately \$675,000 each year to pay for part of the System’s administrative expenses.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

Net Pension Liability

Total Pension Liability	\$	1,459,239
Plan Fiduciary Net Position		1,089,134
City's Net Pension Liability	\$	370,105

Plan fiduciary net position as a percentage
of the total pension liability 74.6%

Actuarial Assumptions

The total pension liability in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	N/A
Investment of rate of return	7.50% net of pension plan investment expense, including inflation

Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP-2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components 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 (currently 4.61%) and by adding expected inflation (3.0%). In addition, the final 7.5% assumption was selected by rounding down. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Net Real Rate of Return
Equities		
Large cap domestic	20.0%	5.83%
Small cap domestic	10.0%	5.94%
Developed international	15.0%	6.17%
Emerging markets	5.0%	7.36%
Multi asset income	5.0%	3.86%
Real estate	10.0%	4.48%
Fixed income	30.0%	1.95%
Global infrastructure	5.0%	6.61%
Total	100.0%	
Weighted average		4.61%

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

Discount rate

The discount rate used to measure the total pension liability was 7.5%. No projection of cash flows was used to determine the discount rate because the August 31, 2022 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability for the Firemen's Relief pension, calculated using the discount rate of 7.5%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
\$ 573,078	\$ 370,105	\$ 205,472

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

For the year ended September 30, 2023, the City recognized pension expense of \$23,210.

At September 30, 2023 the City reported its proportionate share of the TESRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between projected and actual investment earnings	\$ 110,730	\$ -
Change of assumptions	-	714
Difference	5,405	-
Total	\$ 116,135	\$ 714

All deferred inflows and outflows of resources related to TESRS are reported in governmental activities.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 29,032
2025	30,146
2026	52,459
2027	3,783
2028	-
Thereafter	-
Total	\$ 115,420

Postretirement Medical Plan

Plan Description

The City of Edinburg, Texas Medical Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the City of Edinburg, Texas. The plan provides group health insurance coverage to all full-time regular employees retiring after 20 years of service with the City. Retirees are covered until reaching the age of 65 or death, whichever occurs first. The City pays 100% of the medical premium cost for retiree-only coverage. A retiree is entitled to purchase continued health and dental benefits coverage for his/her dependents, which is purchased at his/her own expense. The City does not issue separate audited financial statements for the postemployment benefit plan.

Funding Policy/Contributions

The required contribution is based on projected pay-as-you-go financing requirements. Total premiums for fiscal year 2023 were \$935,717 for retirees (net of retiree contributions).

Employees Covered by Benefit Terms

Inactive employees or beneficiaries currently receiving benefits	78
Inactive employees entitled to but not yet receiving benefits	0
Active employees	953
	<u>1,031</u>

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.70% per year
Salary Increases	Varies from 11.50% to 3.50%
Discount Rate: (1)	
Prior Measurement Date	4.77% per year
Measurement Date	4.87% per year
Mortality Table	Pub-2010 General and Public Safety Employees / Retirees Headcount-Weighted Mortality Tables projected fully generationally using scale MP-2021
Health Care Cost Trends	Actual 7.60% from 2022 to 2023, 6.50% from 2023 to 2024, decreasing gradually to an ultimate rate of 4.14% by 2076.

(1) The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

For purposes of calculating the Total OPEB Liability, the plan is considered to be unfunded and therefore no assets are accumulated for OPEB.

Demographic and payroll growth assumptions are based on the same assumptions used in the Texas Municipal Retirement System (TMRS) actuarial valuation as of December 31, 2022, which were adopted by TMRS in 2015 and based on the results of the experience study completed in 2014.

The cost method has been updated from Projected Unit Credit to Entry Age Normal Level % of Salary. In conjunction with this change, the payroll growth assumption is now based on the TMRS actuarial valuation assumption as of December 31, 2022. The payroll growth assumption was not needed in prior valuations.

The discount rate used in the accounting valuation has been changed to be based on the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate used in the prior valuations under GASB 45 accounting standard was 4.77%.

Total OPEB Liability

The City's total OPEB liability was measured as of September 30, 2023, and was determined by an actuarial valuation as of that date.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

The following presents a summary of the changes in Total OPEB liability:

Schedule of Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability Liability (a) - (b)
Net Pension Liability - Beginning	\$ 23,726,239	\$ -	\$ 23,726,239
Changes for the year:			
Service Cost	1,368,317	-	1,368,317
Interest (on the Total Pension Liability)	1,174,953	-	1,174,953
Change in benefit terms	-	-	-
Difference between expected and actual experience	93,316	-	93,316
Changes of assumptions	(247,170)	-	(247,170)
Contributions - employer	-	935,717	(935,717)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(935,717)	(935,717)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net Changes	1,453,699	-	1,453,699
Net Pension Liability - Ending	\$ 25,179,938	\$ -	\$ 25,179,938

The amount presented above includes OPEB liabilities for the City's discretely presented component units. At September 30, 2023, the Boys' and Girls' Club of Edinburg's and EEDC's portion of the OPEB liability was \$301,575 and \$59,940, respectively. The total OPEB liability for the primary government is \$24,818,423 which is allocated between governmental activities and business-type activities in the amounts of \$18,369,841 and \$6,448,582, respectively.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.87%, as well as what the City's total OPEB liability would have been if it were calculated using a discount rate that is 1 percentage point lower (3.87%) or 1 percentage point higher (5.87%) than the current rate. In addition, the OPEB liability of the City is calculated using the current healthcare cost trend, as well as what the City's total OPEB Liability would have been if it were calculated using a healthcare cost trend as 1 percentage point lower and 1 percentage point higher.

Health Insurance Program – Current Discount

Healthcare Cost Trend	Discount Rate		
	1% Increase (5.87%)	Current (4.87%)	1% Decrease (3.87%)
1% Decrease		\$ 21,952,395	
Current	\$ 22,846,298	\$ 25,179,938	\$ 27,767,825
1% Increase		\$ 29,065,049	

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2023 the City recognized combined OPEB expense in the amount of \$2,181,550.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 642,352	\$ 1,754,608
Changes in assumptions and other inputs	2,422,192	4,961,427
Total	\$ 3,064,544	\$ 6,716,035

Of the total deferred inflows relating to the OPEB plan, \$4,899,635 is reported in governmental activities and \$1,719,976 is reported in business-type activities. The remaining \$96,424 is reported with discretely presented component units.

Of the total deferred outflows relating to the OPEB plan, \$2,235,716 is reported in governmental activities and \$784,830 is reported in business-type activities. The remaining \$43,998 is reported with discretely presented component units.

There were no contributions subsequent to the measurement date. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2024	\$ (361,720)
2025	(361,717)
2026	(231,575)
2027	(635,953)
2028	(1,051,238)
Thereafter	(1,009,289)
Total	\$ (3,651,492)

Other Postemployment Benefits – Texas Municipal Retirement System-Supplemental Death Benefits

Plan Description

The City voluntarily participates in the defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The SDBF is considered to be a single-employer plan. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	251
Inactive employees entitled to but not yet receiving benefits	43
Active employees	986
Total	1,280

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees for the City of Edinburg were required to contribute 0.09% of their annual gross earnings during the fiscal years ending in 2022 and 2023. The contribution rates for the City of Edinburg were 0.17% and 0.25% in calendar year 2022 and 2023, respectively. The City's contributions to the SDBF for the year ended September 30, 2023 were \$119,199 and were equal to the required contributions.

Accounting Policy

GASB 75 requires employers to recognize the total OPEB liability and the OPEB expense on their financial statements. The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability. An irrevocable trust has not been established that meets the criteria in paragraph 4 of GASB Statements No.75. Therefore, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Funding Policy

The benefits levels and contribution rate are approved annually by the City management and the Commission as part of the budget process. By the City not contributing anything toward this plan in advance, the City employs a pay-as-you-go method through ensuring the annual retiree contribution are equal to the benefits that are paid on behalf of the retirees. OPEB expenses as actuarially determined for the City was \$132,925.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

Actuarial assumptions:

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.50% to 11.50%, including inflation
Discount rate*	4.05%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates- service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates- disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

*The discount rate was based on the Fidelity Index's "20-year Municipal GO AA Index" rate as of December 31, 2022.

Note: The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period of December 31, 2014 to December 31, 2018.

These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation. The actuarial valuation report determines, as of the actuarial valuations date, the service cost, total OPEB liability, and related actuarial present value of projected benefits.

Total OPEB Liability

The City's Total OPEB Liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

The following presents a summary of the changes in Total OPEB liability:

Total OPEB Liability - beginning of the year	\$ 2,352,323
Changes for the Year	
Service Cost	125,465
Interest on Total OPEB Liability	44,021
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	33,577
Changes in Assumptions of Other Inputs	(911,515)
Benefit Payments **	<u>(45,166)</u>
Net Changes	<u>(753,618)</u>
Total OPEB Liability – End of Year	<u>\$ 1,598,705</u>

The amount presented above includes OPEB liabilities for the City's discretely presented component units. At September 30, 2023, the Boys' and Girls' Club of Edinburg's portion of the OPEB liability was \$26,422 and the Edinburg Economic Development Corporation's portion was \$9,507. The total OPEB liability for the primary government is \$1,562,776 which is allocated between governmental activities and business-type activities in the amounts of \$1,198,751 and \$364,025.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability would have been if it were calculated using a discount rate that is 1 percentage point lower (3.05%) or 1 percentage point higher (5.05%) than the current rate.

SDBF Program – Current Discount

1% Decrease 3.05%	Current Discount Rate 4.05%	1% Increase 5.05%
\$1,940,973	\$1,598,705	\$1,336,940

Schedule of Contributions (retiree-only portion of the rate, for OPEB)

Plan/Calendar Year	Total SDB Contribution (Rate)	Retiree Portion of SDB Contribution (Rate)
2019	0.15%	0.03%
2020	0.15%	0.03%
2021	0.17%	0.09%
2022	0.17%	0.09%
2023	0.25%	0.09%

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2023 the City recognized combined OPEB expense in the amount of \$132,925.

OPEB Expense:

Service cost	\$ 125,461
Interest on total OPEB liability	44,021
Recognition of deferred outflows/inflows of resources:	
Differences between expected and actual experience	(10,395)
Changes in assumptions or other inputs ¹	(26,162)
Total OPEB expense	\$ 132,925

1. General, this will only be the annual change in the municipal bond index rate.

At September 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 37,698	\$ 73,469
Changes in actuarial assumptions	400,643	813,618
Contributions subsequent to measurement period	96,044	-
Total	\$ 534,385	\$ 887,087

Of the total deferred outflows relating to the OPEB plan, \$400,696 is reported in governmental activities and \$121,679 is reported in business-type activities. The remaining \$12,010 is reported with discretely presented component units.

Of the total deferred inflows relating to the OPEB plan, \$665,163 is reported in governmental activities and \$201,988 is reported in business-type activities. The remaining \$19,936 is reported with discretely presented component units.

CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 12 – EMPLOYEE RETIREMENT BENEFIT PLANS - (CONTINUED)

\$96,044 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,		
2024		(36,557)
2025		(49,870)
2026		(45,015)
2027		(82,157)
2028		(122,855)
Thereafter		(112,296)
Total	\$	(448,750)

NOTE 13 – CONSTRUCTION AND IMPROVEMENT COMMITMENTS

Construction and Improvement Commitments

At September 30, 2023, the City had the following significant remaining contractual commitments for construction and improvement projects:

Project	Financing Sources	Remaining
A.C.E. Center	Certificate of Obligation, Series 2021A	\$ 4,991,417
Alberta Road Reconstruction	2019 General Obligation Bonds	4,848,986
TWDB-WWTP Engineering	Utility System Revenue Improvements Bonds, Series 2023	2,991,348
Right of Way Acquisition	Certificate of Obligation, Series 2021A	1,660,437
Landfill Expansion Project 956-C	Certificate of Obligation, Series 2021	807,622
DeZavala City-School Park	Certificate of Obligation, Series 2021	799,804
Police Station Roof	Capital Projects Fund	650,000
Schunior Drainage Detention Pond	2019 General Obligation Bonds	367,021
Ebony Hill Golf Course Improvements	Certificate of Obligation, Series 2018	323,044
Veterans Drainage Detention Pond	2019 General Obligation Bonds	259,343
Shalom Sewer Project	Utility System Improvement & Refunding Bonds, Series 2021	247,641
Total		\$ 17,946,663

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 14 – ENCUMBRANCES

The City utilizes encumbrances to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year is as follows:

	Encumbrances
General Fund	\$ 1,373,223
Government Grant Fund	78,735
Capital Projects Fund	14,550,222
Nonmajor Governmental Fund	
Special Revenue Fund	499,688
Water and Sewer Fund	3,983,353
Solid Waste Management Fund	366,770
Nonmajor Enterprise Fund	
Airport Fund	128,090
Ebony Golf Course Fund	1,500
Los Lagos Golf Club	1,500
State of Emergency Fund	1,204,023
Total	\$ 22,187,104

NOTE 15 – RISK MANAGEMENT

General

The City maintains insurance for all business and government functions for which it may be liable for claims. The more significant of these include \$2,000,000 of general liability insurance; property insurance covering the City's buildings and properties in an aggregate amount of \$227,739,418 as well as insurance covering mobile equipment and boiler and machinery in an aggregate amount of \$29,377,758; airport general liability insurance of \$5,000,000; and law enforcement liability insurance of \$2,000,000. Employees were covered by a fully insured health insurance plan.

Worker's Compensation

The City was formerly self-insured for its worker's compensation program which is accounted for in the Internal Service Fund. For the year ended September 30, 2023, the City participated in a premium only program. The Internal Service Fund accounts for the remaining run-out claims still outstanding. Management believes that adequate funding has been made for all incurred claims at September 30, 2023. No new claims will be incurred since the city no longer is self-insured.

NOTE 16 – CONTINGENCIES

Litigation

Various lawsuits are pending against the City involving general liability, automotive liability, civil rights actions and various contractual matters. The City maintains general liability and airport and automotive liability insurance in addition to contractor, law enforcement and public officials' policies designed to minimize the City's exposure to these claims. The extent to which insurance coverage may satisfy claims, if any, is not known. The City, in consultation with its attorney, is presently unable to estimate the City's liability, if any, in any of these matters, although management believes the outcome of the pending litigation will not have a material effect on the City's financial position or operations.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 16 – CONTINGENCIES – (CONTINUED)

Federal and State Assisted Grant Programs

The City participates in a number of federal and state assisted grant programs. Although the City's grant programs have been audited in accordance with the provisions of the Single Audit Act through September 30, 2023, these programs are still subject to financial and compliance audits. Accordingly, the City believes it has complied with all applicable compliance requirements. The amount 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.

NOTE 17 – PRIOR PERIOD ADJUSTMENTS

Prior period adjustments (PPA) were needed to properly state the correct financial position of the City. The PPA amounts and the reasons are as follows:

Prior Period Adjustments - Governmental Funds	General Fund
Adjustments to deferred revenue that were earned in prior year.	\$ 115,547
Governmental Activities Prior Period Adjustment	\$ 115,547

Prior period Adjustments - Government Wide	General Fund
Fund Level Prior Period Adjustment	\$ 115,547
Government Wide Prior Period Adjustment	\$ 115,547

In addition to this, a prior period adjustment of \$237,357 to record GASB 68 & GASB 75 pension plan balances not previously recorded was made due to the restructure of the EEDC. The balances will now be part of the EEDC.

The net effect of these adjustments increased prior period's governmental activities net position by \$115,547 and decreased prior period's component unit net position by \$237,357.

NOTE 18 – RELATED PARTY TRANSACTIONS

For the year ended September 30, 2023, the City engaged in the following related party transactions with its component units:

Sales Taxes – The City collects and remits taxes to the EEDC. At the end of the year, the City has a payable due to the EEDC of \$1,695,444 and a receivable balance of \$10,878, net payable of \$1,684,566.

Other – The City of Edinburg provides administrative services to EEDC. Administrative fees for the year ended September 30, 2023 totaled \$500,000. Additionally, the EEDC committed proceeds from its 2019, 2021A and 2021B bonds for projects that will be contributed to the City as incentives. During the year ended September 30, 2023, EEDC had paid \$4,222,272 related to the projects.

**CITY OF EDINBURG, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 19 – SUBSEQUENT EVENTS

Primary Government

Management has evaluated subsequent events through May 7, 2024, the date the financials were available to be issued.

On October 3, 2023, the City awarded a contract in the amount of \$5,037,000 to construct a 1M gallon water tower to help provide adequate water supply and pressure to North Industrial Park and other parts of the City for continued economic growth. The Economic Development Corporation will be participating in this project by providing a contribution of \$2,000,000.

On January 2024, the City entered into agreements with the Edinburg Economic Development Corporation to participate in the purchase of a real estate asset totaling \$7,500,000.

On March 5, 2024, the City awarded a contract in the amount not to exceed \$2,085,500 to install artificial turf in several baseball/softball fields to encourage sports tourism. The Economic Development Corporation will be participating in this project by providing a contribution of \$2,000,000.

On March 19, 2024, the City entered into an agreement to construct a new Service Center totaling \$4,958,000.

On April 2, 2024, the City entered into a contract for the installation of a new 750KW Standby Generator for the Downtown Plant High Services Pumps for a total of \$1,009,469.

On April 16, 2024, the City awarded a \$23,664,569 bid for the upgrades of the existing Wastewater Treatment Plant.

End of Notes.

CITY OF EDINBURG, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
EXHIBIT 5-A

FOR THE YEAR ENDED SEPTEMBER 30, 2023	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 29,550,000	\$ 32,955,258	\$ 30,314,657	\$ (2,640,601)
Sales	23,000,000	27,300,000	27,552,576	252,576
Franchise and Other	4,545,000	4,715,531	4,856,269	140,738
Total Taxes	57,095,000	64,970,789	62,723,502	(2,247,287)
Licenses and Permits				
Non-Business Licenses and Permits	105,000	108,000	110,516	2,516
Business Licenses and Permits	1,202,000	1,242,000	1,299,438	57,438
Total Licenses and Permits	1,307,000	1,350,000	1,409,954	59,954
Charges for Services				
General Government	238,000	245,700	214,898	(30,802)
Culture and Recreation	615,000	829,000	758,984	(70,016)
Health and Welfare	3,040,000	3,927,300	4,041,944	114,644
Public Safety	505,000	521,400	566,786	45,386
Total Charges for Services	4,398,000	5,523,400	5,582,612	59,212
Fines and Forfeitures				
Municipal Court	779,590	807,099	837,673	30,574
Other Fines	5,000	5,000	10,538	5,538
Total Fines and Forfeitures	784,590	812,099	848,211	36,112
Intergovernmental Revenues	2,500,000	6,636,890	526,870	(6,110,020)
Interest	50,000	100,000	1,271,890	1,171,890
Other	268,500	266,700	391,488	124,788
Total Revenues	66,403,090	79,659,878	72,754,527	(6,905,351)
Expenditures				
General Government				
City Council				
Personnel Services	51,400	53,070	36,375	16,695
Supplies	21,000	30,000	9,938	20,062
Miscellaneous Services	45,000	178,000	120,985	57,015
Total City Council	117,400	261,070	167,298	93,772
City Manager				
Personnel Services	1,235,851	1,423,492	1,168,213	255,279
Supplies	30,500	18,500	15,691	2,809
Miscellaneous Services	388,500	373,000	267,504	105,496
Capital Outlay	12,000	10,000	-	10,000
Total City Manager	1,666,851	1,824,992	1,451,408	373,584

CITY OF EDINBURG, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
EXHIBIT 5-A (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2023	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
City Secretary				
Personnel Services	516,352	511,607	472,783	38,824
Supplies	20,450	15,750	12,317	3,433
Miscellaneous Services	65,200	67,500	32,333	35,167
Total City Secretary	602,002	594,857	517,433	77,424
Municipal Court				
Personnel Services	1,053,632	1,050,739	939,826	110,913
Supplies	40,200	28,700	20,523	8,177
Miscellaneous Services	119,100	22,860	21,203	1,657
Capital Outlay	-	50,000	6,771	43,229
Total Municipal Court	1,212,932	1,152,299	988,323	163,976
Legal				
Personnel Services	239,648	169,601	93,382	76,219
Supplies	3,000	3,000	2,887	113
Miscellaneous Services	412,480	463,992	457,151	6,841
Total Legal	655,128	636,593	553,420	83,173
Finance				
Personnel Services	1,410,905	1,643,628	1,154,474	489,154
Supplies	27,292	20,800	13,585	7,215
Miscellaneous Services	221,072	227,120	145,877	81,243
Total Finance	1,659,269	1,891,548	1,313,936	577,612
Human Resources				
Personnel Services	847,774	960,977	926,026	34,951
Supplies	44,500	66,700	56,941	9,759
Miscellaneous Services	238,178	263,190	279,134	(15,944)
Total Human Resources	1,130,452	1,290,867	1,262,101	28,766
Engineering				
Personnel Services	988,241	1,122,864	1,046,136	76,728
Supplies	28,200	80,730	73,014	7,716
Miscellaneous Services	204,180	253,728	118,042	135,686
Capital Outlay	56,320	-	-	-
Total Engineering	1,276,941	1,457,322	1,237,192	220,130
Planning and Zoning				
Personnel Services	726,580	764,463	744,218	20,245
Supplies	44,800	37,925	16,787	21,138
Miscellaneous Services	71,721	68,278	37,308	30,970
Capital Outlay	7,500	-	-	-
Total Planning	850,601	870,666	798,313	72,353
Information Technology				
Personnel Services	963,508	1,286,917	1,167,756	119,161
Supplies	163,850	186,660	185,544	1,116
Miscellaneous Services	513,010	724,430	555,602	168,828
Capital Outlay	456,000	411,000	125,534	285,466
Total Information Technology	2,096,368	2,609,007	2,034,436	574,571

CITY OF EDINBURG, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
EXHIBIT 5-A (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2023	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Communications and Media				
Personnel Services	676,495	840,216	763,611	76,605
Supplies	47,546	51,000	26,427	24,573
Miscellaneous Services	97,300	93,000	65,577	27,423
Total Communications and Media	821,341	984,216	855,615	128,601
City Hall				
Supplies	11,000	7,000	4,178	2,822
Miscellaneous Services	161,470	170,070	123,962	46,108
Total City Hall	172,470	177,070	128,140	48,930
Non-Department				
Audit	50,000	20,000	22,840	(2,840)
Flat Rate Assessment	6,000	6,000	5,911	89
General Insurance	780,000	800,000	940,269	(140,269)
County Appraisal Service	350,000	350,000	371,505	(21,505)
Property Tax Collection Fee	62,000	80,000	83,829	(3,829)
Capital Lease Debt Service	2,823,924	3,919,875	3,417,170	502,705
Capital Outlay	-	-	569,457	(569,457)
Other	3,300,000	5,652,182	2,790,087	2,862,095
Total Non-Department	7,371,924	10,828,057	8,201,068	2,626,989
Total General Government	19,633,679	24,578,564	19,508,683	5,069,881
Public Safety				
Police				
Personnel Services	21,869,179	24,208,701	22,879,968	1,328,733
Supplies	997,130	1,237,484	1,169,755	67,729
Miscellaneous Services	871,400	1,678,769	1,325,594	353,175
Capital Outlay	1,221,055	1,532,754	1,250,827	281,927
Total Police	24,958,764	28,657,708	26,626,144	2,031,564
Fire				
Personnel Services	6,763,948	8,213,328	8,148,142	65,186
Supplies	678,690	942,750	685,305	257,445
Miscellaneous Services	509,492	772,020	528,661	243,359
Capital Outlay	6,390,000	1,116,001	211,221	904,780
Total Fire	14,342,130	11,044,099	9,573,329	1,470,770
Total Public Safety	39,300,894	39,701,807	36,199,473	3,502,334

CITY OF EDINBURG, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
EXHIBIT 5-A (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2023	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Highways and Streets				
Public Works				
Personnel Services	4,322,455	4,797,263	4,227,230	570,033
Supplies	858,850	777,800	698,282	79,518
Miscellaneous Services	1,626,900	1,977,400	2,107,583	(130,183)
Capital Outlay	3,207,898	2,861,500	283,840	2,577,660
Total Public Works	10,016,103	10,413,963	7,316,935	3,097,028
Total Highways and Streets	10,016,103	10,413,963	7,316,935	3,097,028
Health and Welfare				
Building Maintenance				
Personnel Services	1,492,581	1,718,278	1,642,043	76,235
Supplies	191,800	213,800	213,271	529
Miscellaneous Services	946,600	1,027,400	1,114,320	(86,920)
Capital Outlay	295,000	600,000	134,058	465,942
Total Building Maintenance	2,925,981	3,559,478	3,103,692	455,786
Code Enforcement				
Personnel Services	1,707,576	2,258,137	2,003,268	254,869
Supplies	76,500	80,409	75,407	5,002
Miscellaneous Services	266,900	283,640	245,573	38,067
Capital Outlay	50,000	245,000	24,962	220,038
Total Code Enforcement	2,100,976	2,867,186	2,349,210	517,976
Community Development and Grants Management				
Personnel Services	478,588	475,277	449,088	26,189
Supplies	6,800	6,100	4,100	2,000
Miscellaneous Services	34,348	36,208	9,719	26,489
Total Housing Assistance	519,736	517,585	462,907	54,678
Total Health and Welfare	5,546,693	6,944,249	5,915,809	1,028,440

CITY OF EDINBURG, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
EXHIBIT 5-A (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2023	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture and Recreation				
Library and Cultural Arts				
Personnel Services	1,551,707	1,982,551	1,812,482	170,069
Supplies	267,503	203,803	214,932	(11,129)
Miscellaneous Services	523,430	436,430	392,027	44,403
Capital Outlay	175,000	-	101,990	(101,990)
Total Library and Cultural Arts	2,517,640	2,622,784	2,521,431	101,353
Parks and Recreation				
Personnel Services	5,160,593	5,890,902	5,357,670	533,232
Supplies	897,300	934,260	979,420	(45,160)
Miscellaneous Services	466,840	545,950	586,061	(40,111)
Capital Outlay	1,750,000	840,100	564,790	275,310
Total Parks and Recreation	8,274,733	8,211,212	7,487,941	723,271
Total Culture and Recreation	10,792,373	10,833,996	10,009,372	824,624
Total Expenditures	85,289,742	92,472,579	78,950,272	13,522,307
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,886,652)	(12,812,701)	(6,195,745)	6,616,956
Other Financing Sources (Uses):				
Debt Proceeds	12,931,562	8,301,754	570,943	(7,730,811)
Sale of Real and Personal Property	50,000	100,000	426,119	326,119
Insurance Proceeds	150,000	-	-	-
Transfers In	5,000,000	5,000,000	5,750,000	750,000
Transfers Out	(1,666,345)	(2,360,770)	(1,704,841)	655,929
Total Other Financing Sources (Uses)	16,415,217	10,940,984	5,042,221	(5,998,763)
Net Change in Fund Balances	(2,471,435)	(1,871,717)	(1,153,524)	618,193
Fund Balances - Beginning of Year	32,421,197	32,421,197	32,421,197	-
Fund Balances - End of Year	\$ 29,949,762	\$ 30,549,480	\$ 31,267,673	\$ 618,193

CITY OF EDINBURG, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
LAST TEN YEARS
EXHIBIT 5-B

SEPTEMBER 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability									
Service Cost	\$ 3,905,080	\$ 4,465,697	\$ 4,897,533	\$ 5,271,339	\$ 5,451,177	\$ 6,001,648	\$ 6,569,509	\$ 7,055,662	\$ 7,924,131
Interest (on the Total Pension Liability)	7,415,662	7,952,761	8,221,195	8,778,659	9,496,321	10,025,754	10,828,811	11,698,505	12,787,769
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(554,280)	(237,828)	(1,032,455)	1,028,193	(1,994,144)	588,622	960,974	3,130,005	3,988,085
Change of assumptions	-	(377,240)	-	-	-	674,533	-	-	-
Benefit payments, including refunds of employee contributions	(3,096,759)	(3,651,078)	(4,018,322)	(4,010,576)	(5,061,598)	(5,708,662)	(5,646,042)	(5,789,996)	(6,572,314)
Net Change in Total Pension Liability	7,669,703	8,152,312	8,067,951	11,067,615	7,891,756	11,581,895	12,713,252	16,094,176	18,127,671
Total Pension Liability - Beginning	105,533,866	113,203,569	121,355,881	129,423,832	140,491,447	148,383,203	159,965,098	172,678,350	188,772,526
Total Pension Liability - Ending (a)	\$ 113,203,569	\$ 121,355,881	\$ 129,423,832	\$ 140,491,447	\$ 148,383,203	\$ 159,965,098	\$ 172,678,350	\$ 188,772,526	\$ 206,900,197
Plan Fiduciary Net Position									
Contributions - employer	\$ 3,999,261	\$ 4,444,421	\$ 4,621,389	\$ 5,094,161	\$ 5,075,953	\$ 5,499,792	\$ 6,003,536	\$ 6,466,214	\$ 7,256,687
Contributions - employee	1,968,692	2,127,970	2,222,723	2,401,271	2,477,808	2,681,017	2,934,688	3,125,926	3,512,914
Net investment income	4,388,353	123,828	5,874,570	13,244,540	(3,362,715)	17,217,376	9,938,942	18,793,124	(12,170,826)
Benefit payments, including refunds of employee contributions	(3,096,759)	(3,651,078)	(4,018,322)	(4,010,576)	(5,061,598)	(5,708,662)	(5,646,042)	(5,789,996)	(6,572,314)
Administrative expense	(45,809)	(75,414)	(66,307)	(68,598)	(64,934)	(97,159)	(64,251)	(86,846)	(105,164)
Other	(3,766)	(3,725)	(3,572)	(3,476)	(3,393)	(2,919)	(2,507)	595	125,492
Net Change in Plan Fiduciary Net Position	7,209,972	2,966,002	8,630,481	16,657,322	(938,879)	19,589,445	13,164,366	22,509,017	(7,953,211)
Plan Fiduciary Net Position - Beginning	76,698,643	83,908,615	86,874,617	95,505,098	112,162,420	111,223,541	130,812,986	143,977,352	166,486,369
Plan Fiduciary Net Position - Ending (b)	\$ 83,908,615	\$ 86,874,617	\$ 95,505,098	\$ 112,162,420	\$ 111,223,541	\$ 130,812,986	\$ 143,977,352	\$ 166,486,369	\$ 158,533,158
Net Pension Liability - Ending (a)-(b)	\$ 29,294,954	\$ 34,481,264	\$ 33,918,734	\$ 28,329,027	\$ 37,159,662	\$ 29,152,112	\$ 28,700,998	\$ 22,286,157	\$ 48,367,039
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.12%	71.59%	73.79%	79.84%	74.96%	81.78%	83.38%	88.19%	76.62%
Covered Payroll	\$ 28,124,170	\$ 30,399,572	\$ 31,740,329	\$ 34,296,282	\$ 35,397,255	\$ 38,300,244	\$ 41,924,117	\$ 44,656,087	\$ 50,184,488
City's Net Pension Liability as a Percentage of Covered Payroll	104.16%	113.43%	106.86%	82.60%	104.98%	76.11%	68.46%	49.91%	96.38%

Note: GASB 68 Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year. As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

CITY OF EDINBURG, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM (TESRS)
LAST TEN YEARS
EXHIBIT 5-C

<u>SEPTEMBER 30,</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability	1.54%	1.29%	1.34%	2.43%	0.97%	1.14%	0.50%	0.94%	0.86%
City's proportionate share of the net pension liability	\$ 279,298	\$ 346,906	\$ 389,151	\$ 526,106	\$ 274,669	\$ 253,117	\$ 111,320	\$ 386,503	\$ 370,105
City's number of active members	54	58	58	39	21	26	24	25	29
City's net pension liability per active member	\$ 5,172.2	\$ 5,981	\$ 6,710	\$ 13,490	\$ 13,079	\$ 9,735	\$ 4,638	\$ 15,460	\$ 12,949
Plan fiduciary net position as a percentage of the total pension liability	83.50%	76.70%	76.30%	84.30%	80.20%	83.20%	93.10%	75.20%	74.60%

Note: GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10 year trend is compiled, the city will present information for those years for which information is available.

CITY OF EDINBURG, TEXAS
SCHEDULE OF CITY'S CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
LAST TEN YEARS
EXHIBIT 5-D

SEPTEMBER 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 4,351,814	\$ 4,586,475	\$ 4,621,389	\$ 5,094,161	\$ 5,075,953	\$ 5,499,792	\$ 6,003,536	\$ 6,466,214	\$ 7,551,647
Contributions in relation to the actuarially determined contribution	4,351,814	4,586,475	4,621,389	5,094,161	5,075,953	5,499,792	6,003,536	6,466,214	7,551,647
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 28,124,170	\$ 30,399,572	\$ 31,740,329	\$ 34,296,282	\$ 35,397,255	\$ 40,178,654	\$ 41,924,117	\$ 44,656,087	\$ 52,038,413
Contributions as a percentage of covered payroll	15.47%	15.09%	14.56%	14.85%	14.34%	13.69%	14.32%	14.48%	14.51%

Notes to Schedule of Contributions

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of 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	23 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

Note: GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, the city will present information for those years for which information is available.

CITY OF EDINBURG, TEXAS
SCHEDULE OF CITY'S CONTRIBUTIONS
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM (TESRS)
LAST TEN YEARS
EXHIBIT 5-E

<u>SEPTEMBER 30,</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023
Texas Emergency Services Retirement System (TESRS)									
Contractually required contributions	\$ 31,320	\$ 46,400	\$ 40,310	\$ 36,169	\$ 43,428	\$ 46,835	\$ 49,880	\$ 45,820	\$ 40,745
Contributions in relation to the contractually required contribution	31,320	46,400	40,310	36,169	43,428	46,835	49,880	45,820	40,745
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Number of active members	54	58	58	39	21	26	24	25	29
Contributions per active member	\$ 580	\$ 800	\$ 695	\$ 927	\$ 2,068	\$ 1,801	\$ 2,078	\$ 1,833	\$ 1,405

Note: GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, the city will present information for those years for which information is available.

CITY OF EDINBURG, TEXAS
Schedule of Changes in Total OPEB Obligation and Related Ratios
Post-Retirement Medical Plan
Last Ten Years
Exhibit 5-F

SEPTEMBER 30,	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service cost	\$ 1,149,843	\$ 1,069,819	\$ 1,500,352	\$ 2,023,214	\$ 2,086,690	\$ 1,368,317
Interest	715,606	826,562	654,448	659,614	672,095	1,174,953
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	56,192	1,079,257	(663,288)	(1,786,737)	93,316
Changes of assumptions	(1,041,173)	3,178,838	2,243,038	173,777	(5,979,817)	(247,170)
Benefit payments, including refunds of employee contributions	(607,647)	(762,157)	(700,345)	(812,433)	(874,443)	(935,717)
Net Change in Total OPEB Liability	216,629	4,369,254	4,776,750	1,380,884	(5,882,212)	1,453,699
Total OPEB Liability - Beginning	18,864,934	19,081,563	23,450,817	28,227,567	29,608,451	23,726,239
Total OPEB Liability - Ending (a)	\$ 19,081,563	\$ 23,450,817	\$ 28,227,567	\$ 29,608,451	\$ 23,726,239	\$ 25,179,938
Plan Fiduciary Net Position						
Contributions - employer	\$ 607,647	\$ 762,157	\$ 700,345	\$ 812,433	\$ 874,443	\$ 935,717
Contributions - employee	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(607,647)	(762,157)	(700,345)	(812,433)	(874,443)	(935,717)
Administrative expense	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability - Ending (a) - (b)	\$ 19,081,563	\$ 23,450,817	\$ 28,227,567	\$ 29,608,451	\$ 23,726,239	\$ 25,179,938
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered - Employee Payroll	\$ 29,675,741	\$ 29,675,741	\$ 35,377,683	\$ 38,052,277	\$ 43,107,343	\$ 46,069,139
City's Net OPEB Liability as a Percentage of Covered - Employee Payroll	64.3%	79.0%	79.8%	77.8%	55.0%	54.7%

Note: GASB 75 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, the city will present information for those years for which information is available.

Notes to Schedule: N/A

CITY OF EDINBURG, TEXAS
Schedule of Changes in Total OPEB Obligation and Related Ratios
Post Retirement Supplemental Death Benefits
Last Ten Years
Exhibit 5-G

SEPTEMBER 30,	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service cost	\$ 51,444	\$ 63,715	\$ 57,450	\$ 96,425	\$ 107,175	\$ 125,461
Interest	45,625	47,160	53,368	49,704	44,760	44,021
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	29,186	(64,335)	(26,207)	(43,731)	33,577
Changes of assumptions	125,031	(112,151)	314,963	331,664	79,821	(911,515)
Benefit payments, including refunds of employee contributions*	(10,289)	(10,619)	(11,490)	(12,577)	(40,190)	(45,166)
Net Change in Total OPEB Liability	211,811	17,291	349,956	439,009	147,835	(753,622)
Total OPEB Liability - Beginning	1,186,421	1,398,232	1,415,523	1,765,479	2,204,488	2,352,323
Total OPEB Liability - Ending (a)	\$ 1,398,232	\$ 1,415,523	\$ 1,765,479	\$ 2,204,488	\$ 2,352,323	\$ 1,598,701
 Covered - Employee Payroll	 \$ 34,296,282	 \$ 35,397,255	 \$ 38,300,244	 \$ 41,924,117	 \$ 44,656,087	 \$ 50,184,488
City's Net OPEB Liability as a Percentage of Covered - Employee Payroll	4.08%	4.00%	4.61%	5.26%	5.27%	3.19%

*The Supplemental Death Benefit Fund is considered to be an unfunded OPEB plan under GASB 75. Because of this benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Note: GASB Codification, Vol. 2, P52.139 states that the information on this schedule should be determined as of the measurement date of the plan.

As required by GASB 75, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

CITY OF EDINBURG, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2023
EXHIBIT 5-H

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

Budgets are adopted on a basis consistent with generally accepted accounting principals.

NOTE 2 BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

During the year ended September 30, 2023, total expenditures did not exceeded total appropriations in the General Fund. Annual budgeted expenditures are adopted at the department level within funds. Accordingly, the level at which expenditures cannot legally exceed appropriations is the department level.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue resources that are restricted or committed to expenditure for specified purposes. A special revenue fund continues in existence as long as governmental resources are allocated to its specific purposes. The City has the following special revenue funds:

Community Development Fund is used to account for grant revenues and expenditures for improved community facilities and services. This fund accounts for revenues and expenditures of the Community Development Block Grant (CDBG) Program.

Home Programs Fund was established to account for all transactions administered through the City for the purpose of providing low interest and interest-free loans to low income families for the purpose of constructing and acquiring safe, decent, and affordable housing through the Home Investment Partnership Programs. This fund accounts for program income revenue received from housing loan payments made under these programs and expenditures incurred from loan servicing fees.

Texas Controlled Substance Fund is used to account for revenues and expenditures of Police Department activities in conjunction with other drug task force agencies.

Hotel Occupancy Tax Fund is used to account for a tax levied on hotels within the City. The tax revenues can be expended for tourism and related programs promoting the City.

Municipal Court Restricted Fund is used to account for revenues and expenditures of security and technology fees received under Texas Criminal Code Sections 102.017 and 102.1072, respectively, to be used in order to provide security and technology improvements to the municipal court. In addition, the fund accounts for revenues and expenditure of funds received under Texas Local Government Code 133.03 for efficiency improvements to the municipal court.

City Secretary Restricted Fund is used to account for revenues and expenditures of funds received under Health and Safety Code Section 191.0045, to be used to fund preservation of vital statistics and other records.

Public Education and Governmental (PEG) Access Fund is used to account for revenues and expenditures of funds received under Chapter 66.006 of the Utilities Code concerning the 1% fee charged as part of franchise fees collected from cable companies. These fees are used to support capital costs for the City's public access channel.

Tax Increment Reinvestment Zone 1 (TIRZ#1) Fund was established to account respective rights and obligations in connection with the development and construction by the Developer of a retail shopping center project known as "The Shoppes at Rio Grande Valley."

Tax Increment Reinvestment Zone 4 (TIRZ#4) Fund is used to account for revenue that provide development incentives and funding for infrastructure improvements lacking in the selected area. TIRZ#4 is an approximately 49.57 acres of land area primarily between the corner of Alberta Road and State Highway 281 in the City of Edinburg, which is known as "Bert Ogden Arena" .

Tax Increment Reinvestment Zone 3 (TIRZ#3) Fund was established to account for respective rights and obligations in connection with the development and construction by the Developer of a mixed-use commercial and residential development commonly known as "La Sienna" or the "La Sienna Project."

Local Government Finance Corp. (LGFC) Fund was established to retire Contract Revenue Bonds, Series 2015A and Contract Revenue Bonds, Taxable Series 2015B.

DEBT SERVICE FUNDS

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The **Debt Service Fund**, also known as the Interest and Sinking Fund, was established by ordinance authorizing the issuance of General Obligation Bonds. The fund provides for payment of bond principal, interest, paying agent fees, and a debt service reserve as a sinking fund each year. An ad valorem tax rate and tax levy is required to be computed and levied, which will be sufficient to produce the money required to pay the principal and interest as it comes due and provide the interest and sinking fund reserve.

CITY OF EDINBURG, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
EXHIBIT 6-A

SEPTEMBER 30, 2023	Debt Service Fund	Special Revenue Funds	Total Nonmajor Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 670,538	\$ 5,813,574	\$ 6,484,112
Taxes Receivables	557,867	-	557,867
Allowance for Uncollectible Taxes	(109,300)	-	(109,300)
Accounts Receivables, Net	-	120,325	120,325
Lease Receivable, Net	-	17,932	17,932
Note Receivable	-	971,462	971,462
Due from Other Governments	-	569,928	569,928
Due from Other Funds	-	9,730	9,730
Prepaid Items	-	2,260	2,260
Restricted Assets:			
Cash with Fiscal Agent	-	3,515,632	3,515,632
Total Assets	<u>\$ 1,119,105</u>	<u>\$ 11,020,843</u>	<u>\$ 12,139,948</u>
Liabilities			
Accounts Payable	\$ -	\$ 181,459	\$ 181,459
Unearned Revenue	-	569,928	569,928
Total Liabilities	<u>-</u>	<u>751,387</u>	<u>751,387</u>
Deferred Inflows of Resources			
Deferred Inflows from Loans Receivable	-	971,462	971,462
Deferred Inflows from Taxes	414,286	-	414,286
Deferred Inflows from Leases	-	15,619	15,619
Total Deferred Inflows of Resources	<u>414,286</u>	<u>987,081</u>	<u>1,401,367</u>
Fund Balances			
Nonspendable:			
Prepays	-	2,260	2,260
Restricted for:			
Debt Service	704,819	3,026,946	3,731,765
Capital Projects	-	244,578	244,578
Other Purposes	-	6,008,591	6,008,591
Total Fund Balances	<u>704,819</u>	<u>9,282,375</u>	<u>9,987,194</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,119,105</u>	 <u>\$ 11,020,843</u>	 <u>\$ 12,139,948</u>

CITY OF EDINBURG, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
EXHIBIT 6-B

FOR THE YEAR ENDED SEPTEMBER 30, 2023	Debt Service Fund	Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes:			
Property Taxes	\$ 8,125,109	\$ 917,917	\$ 9,043,026
Franchise Tax	-	121,647	121,647
Other Tax	-	947,017	947,017
Intergovernmental Revenue and Grants	-	2,419,753	2,419,753
Charges for Services	-	384,026	384,026
Fines and Forfeits	-	120,562	120,562
Investment Earnings	3,754	197,530	201,284
Contributions	-	763,711	763,711
Other	-	107,281	107,281
Total Revenues	8,128,863	5,979,444	14,108,307
Expenditures			
Current:			
General Government	-	366,774	366,774
Public Safety	-	401,442	401,442
Highways and Streets	-	163,580	163,580
Health and Welfare	-	701,238	701,238
Culture and Recreation	-	1,246,247	1,246,247
Economic Redevelopment	-	738,925	738,925
Debt Service:			
Principal Retirements	4,398,084	1,189,739	5,587,823
Interest and Other Charges	3,388,892	1,786,453	5,175,345
Total Expenditures	7,786,976	6,594,398	14,381,374
Excess (Deficiency) of Revenues Over (Under) Expenditures	341,887	(614,954)	(273,067)
Other Financing Sources (Uses)			
Proceeds from Right-to-Use Leases	-	10,023	10,023
Proceeds from Subscription-Based Information Technology Arrangements	-	21,658	21,658
Transfers In	-	2,791,310	2,791,310
Transfers Out	-	(2,236,469)	(2,236,469)
Total Other Financing Sources (Uses)	-	586,522	586,522
Net Change In Fund Balances	341,887	(28,432)	313,455
Fund Balances - Beginning of Year	362,932	9,310,807	9,673,739
Fund Balances - End of Year	\$ 704,819	\$ 9,282,375	\$ 9,987,194

CITY OF EDINBURG, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
EXHIBIT 6-C

SEPTEMBER 30, 2023	Community Development	Home Program	Texas Controlled Substance	Hotel Occupancy Tax	Municipal Court Restricted	City Secretary Restricted	PEG Fund	Tax Increment Reinvestment Zone 1	Tax Increment Reinvestment Zone 4	Tax Increment Reinvestment Zone 3	Local Government Finance Corp.	Total Nonmajor Special Revenue Funds
Assets												
Cash and Cash Equivalents	\$ 5,447	\$ 47,822	\$ 1,261,099	\$ 1,458,187	\$ 559,620	\$ 219,508	\$ 414,347	\$ -	\$ -	\$ -	\$ 1,847,544	\$ 5,813,574
Accounts Receivables, Net	92,290	-	-	-	369	-	27,666	-	-	-	-	120,325
Lease Receivable, Net	-	-	-	-	-	-	-	-	-	-	17,932	17,932
Note Receivable	966,951	4,511	-	-	-	-	-	-	-	-	-	971,462
Due from Other Governments	569,928	-	-	-	-	-	-	-	-	-	-	569,928
Due from Other Funds	-	-	9,730	-	-	-	-	-	-	-	-	9,730
Prepaid Items	-	-	1,100	1,160	-	-	-	-	-	-	-	2,260
Cash with Fiscal Agent	-	-	-	-	-	-	-	-	-	-	3,515,632	3,515,632
Total Assets	<u>1,634,616</u>	<u>52,333</u>	<u>1,271,929</u>	<u>1,459,347</u>	<u>559,989</u>	<u>219,508</u>	<u>442,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,381,108</u>	<u>11,020,843</u>
Liabilities												
Accounts Payable	34,955	-	83,713	3,809	264	-	511	-	-	-	58,207	181,459
Unearned Revenue	569,928	-	-	-	-	-	-	-	-	-	-	569,928
Total Liabilities	<u>604,883</u>	<u>-</u>	<u>83,713</u>	<u>3,809</u>	<u>264</u>	<u>-</u>	<u>511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,207</u>	<u>751,387</u>
Deferred Inflows of Resources												
Deferred Inflows from Loans Receivable	966,951	4,511	-	-	-	-	-	-	-	-	-	971,462
Deferred Inflows from Leases	-	-	-	-	-	-	-	-	-	-	15,619	15,619
Total Deferred Inflows of Resources	<u>966,951</u>	<u>4,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,619</u>	<u>987,081</u>
Fund Balances												
Nonspendable:												
Prepays	-	-	1,100	1,160	-	-	-	-	-	-	-	2,260
Restricted for:												
Debt Service	-	-	-	-	-	-	-	-	-	-	3,026,946	3,026,946
Capital Projects	-	-	-	-	-	-	-	-	-	-	244,578	244,578
Other Purposes	62,782	47,822	1,187,116	1,454,378	559,725	219,508	441,502	-	-	-	2,035,758	6,008,591
Total Fund Balances	<u>62,782</u>	<u>47,822</u>	<u>1,188,216</u>	<u>1,455,538</u>	<u>559,725</u>	<u>219,508</u>	<u>441,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,307,282</u>	<u>9,282,375</u>
Total Liabilities and Fund Balances	<u>\$ 1,634,616</u>	<u>\$ 52,333</u>	<u>\$ 1,271,929</u>	<u>\$ 1,459,347</u>	<u>\$ 559,989</u>	<u>\$ 219,508</u>	<u>\$ 442,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,381,108</u>	<u>\$ 11,020,843</u>

CITY OF EDINBURG, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
EXHIBIT 6-D

FOR THE YEAR ENDED SEPTEMBER 30, 2023	Community Development	Home Program	Texas Controlled Substance	Hotel Occupancy Tax	Municipal Court Restricted	City Secretary Restricted	PEG Fund	Tax Increment Reinvestment Zone 1	Tax Increment Reinvestment Zone 4	Tax Increment Reinvestment Zone 3	Local Government Finance Corp.	Total Nonmajor Special Revenue Funds
Revenues												
Taxes:												
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 389,409	\$ 153,876	\$ 374,632	\$ -	\$ 917,917
Franchise Tax	-	-	-	-	-	-	121,647	-	-	-	-	121,647
Other Tax	-	-	-	947,017	-	-	-	-	-	-	-	947,017
Intergovernmental Revenue and Grants	1,971,990	-	447,763	-	-	-	-	-	-	-	-	2,419,753
Charges for Services	-	-	-	-	-	46,026	-	-	-	-	338,000	384,026
Fines and Forfeits	-	-	-	-	120,562	-	-	-	-	-	-	120,562
Investment Earnings	-	-	4,420	6,983	2,761	326	1,791	-	-	-	181,249	197,530
Contributions	-	-	-	-	-	-	-	305,288	105,917	352,506	-	763,711
Other	107,281	-	-	-	-	-	-	-	-	-	-	107,281
Total Revenues	2,079,271	-	452,183	954,000	123,323	46,352	123,438	694,697	259,793	727,138	519,249	5,979,444
Expenditures												
Current:												
General Government	-	-	-	-	184,514	28,765	153,495	-	-	-	-	366,774
Public Safety	200,000	-	201,442	-	-	-	-	-	-	-	-	401,442
Highways and Streets	163,580	-	-	-	-	-	-	-	-	-	-	163,580
Health and Welfare	701,238	-	-	-	-	-	-	-	-	-	-	701,238
Culture and Recreation	738,600	-	-	507,647	-	-	-	-	-	-	-	1,246,247
Economic Development	-	-	-	-	-	-	-	-	-	-	738,925	738,925
Debt Service:												
Principal Retirements	284,739	-	-	-	-	-	-	-	-	-	905,000	1,189,739
Interest and Other Charges	478	-	-	-	-	-	-	-	-	-	1,785,975	1,786,453
Total Expenditures	2,088,635	-	201,442	507,647	184,514	28,765	153,495	-	-	-	3,429,900	6,594,398
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,364)	-	250,741	446,353	(61,191)	17,587	(30,057)	694,697	259,793	727,138	(2,910,651)	(614,954)
Other Financing Sources (Uses)												
Proceeds from Right-to-Use Leases	-	-	-	-	-	-	-	-	-	-	10,023	10,023
Proceeds from Subscription-Based Information Technology Arrangements	21,658	-	-	-	-	-	-	-	-	-	-	21,658
Transfers In	-	-	-	-	-	-	-	398,243	156,598	-	2,236,469	2,791,310
Transfers Out	-	-	-	-	-	-	-	(1,092,940)	(416,391)	(727,138)	-	(2,236,469)
Total Other Financing Sources (Uses)	21,658	-	-	-	-	-	-	(694,697)	(259,793)	(727,138)	2,246,492	586,522
Net Change in Fund Balances	12,294	-	250,741	446,353	(61,191)	17,587	(30,057)	-	-	-	(664,159)	(28,432)
Fund Balances - Beginning of Year	50,488	47,822	937,475	1,009,185	620,916	201,921	471,559	-	-	-	5,971,441	9,310,807
Fund Balances - End of Year	\$ 62,782	\$ 47,822	\$ 1,188,216	\$ 1,455,538	\$ 559,725	\$ 219,508	\$ 441,502	\$ -	\$ -	\$ -	\$ 5,307,282	\$ 9,282,375

CITY OF EDINBURG, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
EXHIBIT 7-A

FOR THE YEAR ENDED SEPTEMBER 30, 2023	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 7,830,000	\$ 7,830,000	\$ 8,125,109	\$ 295,109
Investment Earnings	3,500	3,500	3,754	254
Total Revenues	<u>7,833,500</u>	<u>7,833,500</u>	<u>8,128,863</u>	<u>295,363</u>
Expenditures				
Debt Service				
Principal Retirements	4,398,084	4,398,084	4,398,084	-
Interest and Other Charges	<u>3,387,841</u>	<u>3,387,841</u>	<u>3,388,892</u>	<u>(1,051)</u>
Total Expenditures	<u>7,785,925</u>	<u>7,785,925</u>	<u>7,786,976</u>	<u>(1,051)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>47,575</u>	<u>47,575</u>	<u>341,887</u>	<u>294,312</u>
Net Change In Fund Balance	47,575	47,575	341,887	294,312
Fund Balance - Beginning of Year	<u>362,932</u>	<u>362,932</u>	<u>362,932</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 410,507</u>	<u>\$ 410,507</u>	<u>\$ 704,819</u>	<u>\$ 294,312</u>

NON-MAJOR ENTERPRISE FUNDS

Non-Major Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes. The City has the following non-major enterprise funds:

Edinburg International Airport is used to account for revenues and expenses of the City's airport operations.

City Ebony Golf Course is used to account for golf course revenues and expenses associated with the Ebony Hills Golf Course.

Los Lagos Golf Course is used to account for golf course revenues and expenses associated with the Los Lagos Golf Course.

CITY OF EDINBURG, TEXAS
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
EXHIBIT 8-A

SEPTEMBER 30, 2023	Edinburg International Airport	City Ebony Golf Course	Los Lagos Golf Course	Total Nonmajor Enterprise Funds
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 913,581	\$ 66,000	\$ 700	\$ 980,281
Accounts Receivable, Net	75,392	-	27,309	102,701
Inventories	41,257	5,814	41,484	88,555
Prepaid Items	53,225	-	-	53,225
Restricted Assets:				
Cash with Fiscal Agent	214,759	127,978	51,534	394,271
Total Current Assets	1,298,214	199,792	121,027	1,619,033
Noncurrent Assets:				
Capital Assets:				
Land	4,246,155	25,000	729,000	5,000,155
Buildings	5,059,426	214,988	1,037,433	6,311,847
Improvements Other Than Buildings	7,594,207	-	5,795,440	13,389,647
Furniture and Equipment	707,533	198,772	1,523,863	2,430,168
Accumulated Depreciation	(6,882,709)	(346,419)	(7,420,896)	(14,650,024)
Right-to-Use Lease Assets	-	-	140,952	140,952
Accumulated Amortization- Right-to-Use-Leases	-	-	(138,264)	(138,264)
Subscription-Based Information Technology Arrangements	-	-	4,075	4,075
Accumulated Amortization- Subscription-Based Information Technology Arrangements	-	-	(1,933)	(1,933)
Construction in Progress	79,500	-	-	79,500
Total Capital Assets	10,804,112	92,341	1,669,670	12,566,123
Total Noncurrent Assets	10,804,112	92,341	1,669,670	12,566,123
Total Assets	12,102,326	292,133	1,790,697	14,185,156
Deferred Outflows of Resources				
Deferred Outflow Related to Debt Refundings	-	-	214,143	214,143
Deferred Outflow Related to Pension	187,830	97,187	352,753	637,770
Deferred Outflow Related to OPEB Obligation	4,536	2,347	8,519	15,402
Deferred Outflow Related to MED OPEB Obligation	27,077	19,071	53,996	100,144
Total Deferred Outflows of Resources	219,443	118,605	629,411	967,459
Liabilities				
Current Liabilities:				
Accounts Payable	53,380	5,298	35,243	93,921
Accrued Liabilities	-	-	4,999	4,999
Accrued Interest	113	4	1,605	1,722
Due to Other Funds	-	-	14,848	14,848
Deposits	3,075	225	2,000	5,300
Current Portion of Compensated Absences	9,874	10,288	29,332	49,494
Current Portion of General Obligation Bonds	-	-	383,967	383,967
Current Portion of Financing Leases Payable	86,802	29,761	85,893	202,456
Total Current Liabilities	153,244	45,576	557,887	756,707

CITY OF EDINBURG, TEXAS
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
EXHIBIT 8-A
(Continued)

SEPTEMBER 30, 2023	Edinburg International Airport	City Ebony Golf Course	Los Lagos Golf Course	Total Nonmajor Enterprise Funds
Noncurrent Liabilities				
Compensated Absences	-	-	67,385	67,385
General Obligation Bonds, Net of Unamortized Discounts and Premiums	-	-	185,505	185,505
Financing Leases Payable	333,785	49,431	238,415	621,631
Subscription-Based Information				
Technology Arrangement Liabilities	-	-	2,223	2,223
Net Pension Liability	410,576	212,440	771,079	1,394,095
Net OPEB Obligation	13,571	7,022	25,487	46,080
MED Plan OPEB Obligation	222,476	156,701	443,662	822,839
Total Noncurrent Liabilities	980,408	425,594	1,733,756	3,139,758
Total Liabilities	1,133,652	471,170	2,291,643	3,896,465
Deferred Inflows of Resources				
Deferred Inflows Related to Pension	1,539	796	2,890	5,225
Deferred Inflows Related to OPEB Obligation	7,530	3,896	14,141	25,567
Deferred Inflows Related to MED OPEB Obligation	59,339	41,795	118,334	219,468
Deferred Inflows Related to Other	30,250	5,179	-	35,429
Total Deferred Inflows of Resources	98,658	51,666	135,365	285,689
Net Position				
Net Investment in Capital Assets and Lease Assets	10,383,525	13,149	990,033	11,386,707
Unrestricted	705,934	(125,247)	(996,933)	(416,246)
Total Net Position	\$ 11,089,459	\$ (112,098)	\$ (6,900)	\$ 10,970,461

CITY OF EDINBURG, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION-NON-MAJOR ENTERPRISE FUNDS
EXHIBIT 8-B

FOR THE YEAR ENDED SEPTEMBER 30, 2023	Edinburg International Airport	City Ebony Golf Course	Los Lagos Golf Course	Total Nonmajor Enterprise Funds
Operating Revenues				
Fuel Flow Fees	\$ 1,685,984	\$ -	\$ -	\$ 1,685,984
Golf Course Fees and Memberships	-	238,468	1,286,413	1,524,881
Other Revenue	1,100	68,892	279,709	349,701
Total Operating Revenues	<u>1,687,084</u>	<u>307,360</u>	<u>1,566,122</u>	<u>3,560,566</u>
Operating Expenses				
Salaries, Wages, and Employee Benefits	749,643	258,080	1,329,026	2,336,749
Supplies and Materials	33,594	44,352	194,027	271,973
Contractual and Other Services	428,859	57,448	223,773	710,080
Repairs and Maintenance	149,191	390	4,098	153,679
Other Operating Costs	940,156	44,233	300,173	1,284,562
Deprecation and Amortization	585,764	14,812	201,396	801,972
Total Operating Expenses	<u>2,887,207</u>	<u>419,315</u>	<u>2,252,493</u>	<u>5,559,015</u>
Operating Income (Loss)	<u>(1,200,123)</u>	<u>(111,955)</u>	<u>(686,371)</u>	<u>(1,998,449)</u>
Non-Operating Revenues (Expenses)				
Investment Earnings	65	-	-	65
Interest Expense	(6,961)	(1,311)	(36,851)	(45,123)
Other	-	-	(1,476)	(1,476)
Total Non-Operating Revenues (Expenses)	<u>(6,896)</u>	<u>(1,311)</u>	<u>(38,327)</u>	<u>(46,534)</u>
Income (Loss) Before Transfers	<u>(1,207,019)</u>	<u>(113,266)</u>	<u>(724,698)</u>	<u>(2,044,983)</u>
Transfers In (Out)				
Transfers In	<u>1,227,838</u>	<u>254,495</u>	<u>1,133,730</u>	<u>2,616,063</u>
Total Transfers In (Out)	<u>1,227,838</u>	<u>254,495</u>	<u>1,133,730</u>	<u>2,616,063</u>
Change In Net Position	20,819	141,229	409,032	571,080
Net Position - Beginning of Year	<u>11,068,640</u>	<u>(253,327)</u>	<u>(415,932)</u>	<u>10,399,381</u>
Net Position - End of Year	<u>\$ 11,089,459</u>	<u>\$ (112,098)</u>	<u>\$ (6,900)</u>	<u>\$ 10,970,461</u>

CITY OF EDINBURG, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
EXHIBIT 8-C

<i>FOR THE YEAR ENDED SEPTEMBER 30, 2023</i>	Edinburg International Airport	Ebony Golf Course	Los Lagos Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,708,544	\$ 307,378	\$ 1,565,299	\$ 3,581,221
Cash Payments to Employees for Services	(555,175)	(335,994)	(1,186,572)	(2,077,741)
Cash Payments to Other Suppliers for Goods and Services	(1,534,563)	(150,976)	(899,616)	(2,585,155)
Net Cash Provided (Used) by Operating Activities	(381,194)	(179,592)	(520,889)	(1,081,675)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash paid to other funds	-	-	(288,334)	(288,334)
Transfers from Other Funds	1,227,838	254,495	1,133,730	2,616,063
Net Cash Provided (Used) by Noncapital Financing Activities	1,227,838	254,495	845,396	2,327,729
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Paid on Long-Term Debt	(95,569)	(30,573)	(550,936)	(677,078)
Proceeds from Capital Debt	-	-	2,223	2,223
Interest Paid on Long-Term Debt	(7,138)	(1,314)	(39,828)	(48,280)
Acquisition or Construction of Capital Assets	(109,108)	(45,864)	(85,478)	(240,450)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(211,815)	(77,751)	(674,019)	(963,585)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest from Investments	65	-	-	65
Net Cash Provided/(Used) By Investing Activities	65	-	-	65
Net Increase/(Decrease) in Cash	634,894	(2,848)	(349,512)	282,534
Cash and Cash Equivalents at Beginning of Year	493,446	196,826	401,746	1,092,018
Cash and Cash Equivalents at End of Year	<u>\$ 1,128,340</u>	<u>\$ 193,978</u>	<u>\$ 52,234</u>	<u>\$ 1,374,552</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (1,200,123)	\$ (111,955)	\$ (686,371)	\$ (1,998,449)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	585,764	14,812	201,396	801,972
Changes in Assets and Liabilities				
Decrease (Increase) in Accounts Receivable	21,460	18	(823)	20,655
Decrease (Increase) in Prepaid Items	(2,930)	-	-	(2,930)
Decrease (Increase) in Inventories	19,028	(969)	(9,343)	8,716
Decrease (Increase) in Deferred Outflows	(145,146)	(58,808)	(170,053)	(374,007)
Increase (Decrease) in Accounts Payable	1,139	(3,584)	(168,202)	(170,647)
Increase (Decrease) in Compensated Balances	(4,675)	(271)	2,882	(2,064)
Increase (Decrease) in Accrued Liabilities	(16,097)	(7,127)	(41,472)	(64,696)
Increase (Decrease) in Deferred Inflow	(60,413)	(32,000)	(165,057)	(257,470)
Increase (Decrease) in Pension Liabilities	420,799	20,292	516,154	957,245
Total Adjustments	818,929	(67,637)	165,482	916,774
Net Cash Provided (Used) by Operating Activities	<u>\$ (381,194)</u>	<u>\$ (179,592)</u>	<u>\$ (520,889)</u>	<u>\$ (1,081,675)</u>

DISCRETELY PRESENTED COMPONENT UNITS

Discretely Presented Component Units are legally separate organizations that the City of Edinburg must include as part of its financial reporting entity for fair presentation.

The Boys' and Girls' Club of Edinburg, Inc. provides for imported services to the community which are to inspire and enable all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible, and caring citizens.

CITY OF EDINBURG, TEXAS
BALANCE SHEET
BOYS' AND GIRLS' CLUB OF EDINBURG, INC.
COMPONET UNIT
EXHIBIT 9-A

SEPTEMBER 30, 2023

ASSETS

Cash and Cash Equivalents	\$ 2,071,037
Investments	1,544,585
Receivables, Net	50,218
Restricted Assets:	
Cash and Cash Equivalents	10,000
Total Assets	<u>3,675,840</u>

Liabilities

Accounts Payable	<u>1,041,998</u>
Total Liabilities	<u>1,041,998</u>

Fund Balances

Nonspendable	1,554,585
Unassigned	<u>1,079,257</u>
Total Fund Balances	<u>2,633,842</u>
Total Liabilities and Fund Balance	<u>\$ 3,675,840</u>

CITY OF EDINBURG, TEXAS
RECONCILIATION OF THE COMPONENT UNIT BALANCE SHEET TO THE
DISCRETELY PRESENTED COMPONENT UNIT - STATEMENT OF NET POSITION
BOYS' AND GIRLS' CLUB OF EDINBURG, INC.
COMPONENT UNIT
EXHIBIT 9-B

SEPTEMBER 30, 2023

Total Fund Balances - Component Unit Balance Sheet	\$	2,633,842
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Amounts Reported for Component Units in The Statement of Net Position ("SNP")
are Different Because:

- | | | |
|--|--|-----------|
| 1.) Capital assets used in governmental activities are not financial resources and therefore, are not reported in governmental funds. The net effect of including the beginning balances for capital assets (net of depreciation) of \$4,494,405 and the current year's depreciation expense of (\$103,854) is to increase net position. | | 4,429,943 |
| 2.) The implementation of GASB 68 for the TMRS Pension plan required that the Boys & Girls Club report their net pension liability in the Government Wide Statement of Net Position. The items reported as a result of this implementation included a net pension liability of \$799,373, a Deferred Resource Outflow of \$365,696 and a Deferred Resource Inflow of \$2,996. The net effect of these was to decrease the ending net position by \$436,673. | | (436,673) |
| 3.) The implementation of GASB 75 for the TMRS Other Post Employment Pension plan required that the Boys & Girls Club report their net pension liability in the Government Wide Statement of Net Position. The items reported as a result of this implementation included a net pension liability of \$26,422, a Deferred Resource Outflow of \$8,832 and a Deferred Resource Inflow of \$14,661. The net effect of these was to decrease the ending net position by \$32,251. | | (32,251) |
| 4.) The implementation of GASB 75 for the MedicalPlan required that the Boys & Girls Club report their net pension liability in the Government Wide Statement of Net Position. The items reported as a result of this implementation included a net pension liability of \$301,575, a Deferred Resource Outflow of \$36,703 and a Deferred Resource Inflow of \$80,437. The net effect of these was to decrease the ending net position by \$345,309. | | (345,309) |
| 5.) Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing compensated absences. Compensated absences are not due in the current period and are not recorded in the funds. The net effect of the compensated absences is to decrease net position. | | (37,858) |

Net Position of Component Unit - Statement of Net Position	\$	6,211,694
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CITY OF EDINBURG, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BOYS' AND GIRLS' CLUB OF EDINBURG, INC.
COMPONENT UNIT
EXHIBIT 9-C

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Revenue

Contributions	\$ 428,310
Intergovernmental	684,696
Concession Sales and Other	5,382
Investment Income	7,527
Total Revenues	<u>1,125,915</u>

Expenditures

Current:	
Culture and Recreation	<u>1,902,786</u>
Total Expenditures	<u>1,902,786</u>

Other Financing Sources (Uses)

Transfers In	<u>400,000</u>
Total Other Financing Sources (Uses)	<u>400,000</u>

Net Change In Fund Balance (376,871)

Fund Balance - Beginning of Year	<u>3,010,713</u>
Fund Balance - End of Year	<u><u>\$ 2,633,842</u></u>

CITY OF EDINBURG, TEXAS
RECONCILIATION OF THE COMPONENT UNIT STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE
DISCRETELY PRESENTED COMPONENT UNIT - STATEMENT OF ACTIVITIES
BOYS' AND GIRLS' CLUB OF EDINBURG, INC.
COMPONENT UNIT
EXHIBIT 9-D

SEPTEMBER 30, 2023

Net Change in Fund Balance - Component Unit	\$ (376,871)
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Amounts Reported for Component Units in The Statement of Activities ("SOA")
are Different Because:

- | | |
|--|-----------|
| 1.) GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. Finally, the pension expense on the plan as a whole had to be recorded. The net result is an decrease in the change of net position by \$157,057. | (157,057) |
| 2.) GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. Finally, the pension expense on the plan as a whole had to be recorded. The net result is an increase in the change of net position by \$67,968. | 67,968 |
| 3.) Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position. | (64,462) |
| 4.) Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing compensated absences. Compensated absences are reported as the amount earned in the statement of activities but as the amount paid in the funds. The net effect of the compensated absences is to decrease the change in net position. | (8,762) |

Change in Net Position of Component Unit-Statement of Activities	\$ (539,184)
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CITY OF EDINBURG, TEXAS
BUDGETARY COMPARISON SCHEDULE
BOYS' AND GIRLS' CLUB OF EDINBURG, INC.
COMPONENT UNIT
EXHIBIT 9-E

FOR THE YEAR ENDED SEPTEMBER 30, 2023	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Contributions	\$ 1,150,009	\$ 563,166	\$ 428,310	\$ (134,856)
Intergovernmental	162,000	783,843	684,696	(99,147)
Concession Sales and Other	15,000	15,000	5,382	(9,618)
Investment Income	1,710	1,710	7,527	5,817
Total Revenues	1,328,719	1,363,719	1,125,915	(237,804)
Expenditures				
Current:				
Culture and Recreation	1,612,860	1,742,737	1,902,786	(160,049)
Total Expenditures	1,612,860	1,742,737	1,902,786	(160,049)
Other Financing Sources (Uses)				
Transfers In	400,000	400,000	400,000	-
Total Other Financing Sources (Uses)	400,000	400,000	400,000	-
Net Change In Fund Balance	115,859	20,982	(376,871)	(397,853)
Fund Balance - Beginning of Year	3,010,713	3,010,713	3,010,713	-
Fund Balance - End of Year	<u>\$ 3,126,572</u>	<u>\$ 3,031,695</u>	<u>\$ 2,633,842</u>	<u>\$ (397,853)</u>

STATISTICAL SECTION (UNAUDITED)

This part of the City of Edinburg, Texas (the "City"), statistical's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF EDINBURG, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 55,293,741	\$ 57,184,087	\$ 65,369,344	\$ 61,875,757	\$ 81,384,257	\$ 79,362,475	\$ 78,042,830	\$ 80,905,001	\$ 89,470,643	\$ 38,570,514
Restricted	7,404,974	7,350,584	4,478,473	6,066,707	7,543,470	26,556,986	11,096,592	7,956,587	76,612,604	49,170,963
Unrestricted	7,352,722	(10,026,957)	(8,323,840)	(8,853,893)	(17,975,790)	(38,582,298)	(21,720,725)	(21,160,691)	(98,796,406)	(21,018,144)
Total governmental activities net position	<u>\$ 70,051,437</u>	<u>\$ 54,507,714</u>	<u>\$ 61,523,977</u>	<u>\$ 59,088,571</u>	<u>\$ 70,951,937</u>	<u>\$ 67,337,163</u>	<u>\$ 67,418,697</u>	<u>\$ 67,700,898</u>	<u>\$ 67,286,841</u>	<u>\$ 66,723,333</u>
Business-Type Activities										
Net investment in capital assets	\$ 96,173,029	\$ 100,877,706	\$ 106,077,748	\$ 110,505,512	\$ 114,719,222	\$ 108,982,474	\$ 107,596,067	\$ 110,310,189	\$ 130,703,235	\$ 48,346,710
Restricted	3,970,534	3,438,540	3,415,118	3,516,475	3,153,907	3,142,522	6,938,270	5,244,568	4,607,337	5,634,979
Unrestricted	14,449,795	7,055,965	8,038,827	10,939,784	7,512,316	11,652,025	10,203,791	8,823,580	(14,080,842)	65,364,547
Total business-type activities net position	<u>\$ 114,593,359</u>	<u>\$ 111,372,211</u>	<u>\$ 117,531,693</u>	<u>\$ 124,961,771</u>	<u>\$ 125,385,445</u>	<u>\$ 123,777,021</u>	<u>\$ 124,738,128</u>	<u>\$ 124,378,336</u>	<u>\$ 121,229,730</u>	<u>\$ 119,346,236</u>
Primary Government										
Net investment in capital assets	\$ 151,466,770	\$ 158,061,793	\$ 171,447,092	\$ 172,381,269	\$ 196,103,479	\$ 188,344,949	\$ 185,638,897	\$ 191,215,190	\$ 220,173,878	\$ 86,917,224
Restricted	11,375,507	10,789,124	7,893,591	9,583,182	10,697,377	29,699,508	18,034,862	13,201,155	81,219,941	54,805,942
Unrestricted	21,802,518	(2,970,992)	(285,013)	2,085,891	(10,463,474)	(26,930,273)	(11,516,935)	(12,337,111)	(112,877,248)	44,346,403
Total primary government net position	<u>\$ 184,644,796</u>	<u>\$ 165,879,925</u>	<u>\$ 179,055,670</u>	<u>\$ 184,050,342</u>	<u>\$ 196,337,382</u>	<u>\$ 191,114,184</u>	<u>\$ 192,156,825</u>	<u>\$ 192,079,234</u>	<u>\$ 188,516,571</u>	<u>\$ 186,069,569</u>

CITY OF EDINBURG, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
General government	\$ 11,858,395	\$ 10,939,958	\$ 9,614,288	\$ 16,043,093	\$ 12,976,468	\$ 13,511,053	\$ 13,516,587	\$ 13,462,924	\$ 20,926,720	\$ 22,946,455
Public safety	20,738,773	22,197,308	23,393,747	25,111,830	28,190,073	29,594,744	38,734,704	33,877,955	37,430,277	39,002,410
Highways and streets	9,110,732	10,003,508	9,598,627	11,334,330	11,803,668	16,038,229	9,006,283	14,922,951	11,174,354	13,008,517
Health and welfare	2,704,698	4,023,104	3,679,385	3,572,179	3,582,346	4,036,587	6,401,576	5,785,543	5,660,161	6,708,631
Culture and recreation	7,606,695	7,920,837	8,872,920	8,398,294	9,516,000	11,913,650	7,696,153	9,814,577	10,998,228	12,089,329
Urban redevelopment and housing	547,831	604,780	699,828	658,896	569,586	506,127	2,018,407	2,219,410	643,676	-
Economic development	169,687	3,547,915	-	-	1,493,526	706,143	2,473,706	3,098,008	3,084,239	2,579,526
Interest on long-term debt	1,589,906	4,140,985	3,748,860	3,424,033	3,550,141	4,933,580	5,691,962	4,971,648	5,390,433	4,903,288
Total governmental activities expenses	54,326,716	63,378,395	59,607,654	68,542,655	71,681,808	81,240,112	85,539,377	88,153,017	95,308,088	101,238,156
Business-type Activities										
Water and sewer operations	16,314,832	16,223,402	16,432,173	17,074,304	16,326,190	17,202,578	19,648,894	20,866,627	21,824,936	24,086,632
Solid waste operations	10,666,074	12,096,360	12,942,541	10,816,921	13,478,459	12,727,623	16,098,186	16,506,457	19,677,970	18,579,086
Golf course operations	2,378,731	2,167,865	1,905,629	1,739,829	1,771,420	1,655,436	1,677,375	2,151,567	2,419,592	2,709,970
Airport services	759,619	974,332	997,790	1,423,122	1,430,654	1,362,844	1,471,894	1,979,681	3,213,471	2,894,168
Total business-type activities expenses	30,119,256	31,461,960	32,278,133	31,054,176	33,006,723	32,948,481	38,896,349	41,504,332	47,135,969	48,269,856
Total primary government expenses	\$ 84,445,972	\$ 94,840,355	\$ 91,885,787	\$ 99,596,831	\$ 104,688,531	\$ 114,188,593	\$ 124,435,727	\$ 129,657,349	\$ 142,444,057	\$ 149,508,012
Program Revenues										
Governmental Activities										
Charges for services										
General government	\$ 2,091,388	\$ 2,050,951	\$ 2,098,774	\$ 4,170,721	\$ 1,873,910	\$ 2,232,051	\$ 3,439,894	\$ 5,277,797	\$ 5,551,144	\$ 8,345,365
Public Safety	2,025,333	1,823,648	2,042,400	1,515,084	311,440	391,765	521,622	602,879	697,619	-
Highways and streets	-	-	-	-	-	-	-	-	-	-
Health and welfare	712,702	753,902	954,379	897,848	623,970	796,231	682,278	851,693	1,073,460	-
Culture and recreation	992,239	984,369	870,188	1,038,483	771,247	1,005,904	600,053	663,442	980,396	-
Operating grants and contributions	1,620,135	5,296,630	2,615,048	2,704,397	3,090,280	5,757,781	14,706,673	11,334,859	10,116,925	8,657,137
Capital grants and contributions	13,173,655	8,655,218	7,316,885	6,397,795	27,840,216	2,016,245	1,678,475	1,407,273	885,840	913,367
Total governmental activities program revenues	20,615,452	19,564,718	15,897,674	16,724,328	34,511,063	12,199,977	21,628,995	20,137,944	19,305,384	17,915,869
Business-type Activities										
Charges for services										
Water and sewer operations	16,958,996	16,044,132	18,228,648	19,071,019	18,819,247	18,696,770	19,520,480	20,889,041	20,729,234	21,832,089
Solid waste operations	16,525,779	16,970,674	18,069,876	18,688,554	21,001,992	19,642,355	21,042,726	22,471,795	22,067,707	23,952,955
Golf course operations	1,297,279	1,140,450	1,103,771	1,086,456	802,436	940,542	997,520	1,477,592	1,679,586	1,873,482
Airport services	396,253	533,875	479,976	374,932	359,545	492,772	396,451	377,478	1,577,569	1,687,084
Operating grants and contributions	48,140	48,302	223,106	-	41,209	28,175	916,661	104,391	81,221	-
Capital grants and contributions	1,048,029	359,306	3,362,834	2,756,589	1,370,828	-	-	-	-	-
Total business-type activities program revenues	36,274,476	35,096,739	41,468,211	41,977,550	42,395,257	39,800,614	42,873,838	45,320,297	46,135,317	49,345,610
Total primary government program revenues	\$ 56,889,928	\$ 54,661,457	\$ 57,365,885	\$ 58,701,878	\$ 76,906,320	\$ 52,000,591	\$ 64,502,833	\$ 65,458,240	\$ 65,440,701	\$ 67,261,479
Net (expense)/revenue										
Governmental activities	\$ (33,711,263)	\$ (43,813,678)	\$ (43,709,981)	\$ (51,818,327)	\$ (37,170,745)	\$ (69,040,136)	\$ (63,910,383)	\$ (68,015,073)	\$ (76,002,705)	\$ (83,322,287)
Business-type activities	6,155,220	3,634,778	9,190,079	10,923,374	9,388,534	6,852,134	3,977,489	3,815,964	(1,000,652)	1,075,754
Total primary government net expense	\$ (27,556,043)	\$ (40,178,900)	\$ (34,519,902)	\$ (40,894,953)	\$ (27,782,211)	\$ (62,188,002)	\$ (59,932,894)	\$ (64,199,108)	\$ (77,003,357)	\$ (82,246,533)

(Continued)

CITY OF EDINBURG, TEXAS
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenue and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes and tax increments	\$ 22,207,018	\$ 23,996,486	\$ 25,926,854	\$ 28,240,717	\$ 29,501,678	\$ 30,067,499	\$ 32,283,712	\$ 35,077,865	\$ 38,119,120	\$ 39,549,563
Sales taxes	14,173,149	15,212,241	15,935,921	15,839,175	16,899,713	19,066,916	19,770,923	22,868,646	25,802,830	27,552,576
Franchise/other taxes	3,580,213	3,673,549	3,702,263	4,023,704	4,190,296	4,184,935	4,166,222	4,433,311	4,744,026	4,750,536
Hotel/motel taxes	326,630	393,152	477,359	404,508	539,329	623,426	493,690	759,873	959,928	947,017
Investment earnings	6,705	16,946	198,180	393,703	809,414	1,365,041	737,089	70,595	829,944	3,849,396
Insurance Proceeds	-	-	1,155,768	-	1,157,171	1,022,297	169,563	308,492	-	-
Miscellaneous	197,794	348,299	142,955	561,631	872,492	308,027	887,477	283,730	371,315	644,144
Grants and contributions not restricted	-	-	-	-	-	-	-	-	-	-
Special Items	(4,875,602)	-	-	-	-	-	-	-	-	-
Transfers	5,639,117	2,184,186	4,342,710	3,737,342	6,564,960	9,713,295	6,222,215	5,000,000	4,600,000	5,350,000
Total governmental activities	41,255,024	45,824,859	51,882,010	53,200,780	60,535,053	66,351,436	64,730,891	68,802,512	75,427,163	82,643,232
Business-type Activities										
Investment earnings	9,020	11,507	64,629	181,134	427,724	751,527	246,510	13,711	276,793	1,885,526
Miscellaneous	95,264	81,930	91,716	62,912	44,123	501,212	637,719	979,763	2,570,134	905,226
Insurance Proceeds	-	-	1,155,768	-	-	-	-	-	-	-
Transfers	(5,639,117)	(2,184,186)	(4,342,710)	(3,737,342)	(6,564,960)	(9,713,295)	(6,222,215)	(5,000,000)	(5,000,000)	(5,750,000)
Total business-type activities	(5,534,833)	(2,090,748)	(3,030,597)	(3,493,296)	(6,093,113)	(8,460,557)	(5,337,986)	(4,006,526)	(2,153,073)	(2,959,248)
Total primary government	\$ 35,720,191	\$ 43,734,110	\$ 48,851,413	\$ 49,707,484	\$ 54,441,940	\$ 57,890,879	\$ 59,392,905	\$ 64,795,986	\$ 73,274,090	\$ 79,683,984
Change in Net Position										
Governmental activities	\$ 7,543,762	\$ 2,011,181	\$ 7,016,263	\$ 1,382,453	\$ 23,364,308	\$ (2,688,700)	\$ 820,508	\$ 787,439	\$ (575,542)	\$ (679,055)
Business-type activities	620,387	1,544,030	6,159,482	7,430,078	3,295,421	(1,608,423)	(1,360,497)	(190,562)	(3,153,725)	(1,883,494)
Total primary government	\$ 8,164,149	\$ 3,555,211	\$ 13,175,745	\$ 8,812,531	\$ 26,659,729	\$ (4,297,123)	\$ (539,989)	\$ 596,877	\$ (3,729,267)	\$ (2,562,549)

CITY OF EDINBURG, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 83,160	\$ 73,037	\$ 112,481	\$ 73,044	\$ 101,001	\$ 114,384	\$ 82,543	\$ 100,272	\$ 108,092	\$ 201,419
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	1,713,740	629,257	15,931,686	15,046,900	18,173,265	22,005,551	24,755,976	6,925,008
Unassigned	15,093,739	15,989,172	16,479,550	18,492,971	3,812,237	5,693,739	6,918,157	5,169,852	7,557,129	24,141,246
Total general fund	<u>\$ 15,176,899</u>	<u>\$ 16,062,209</u>	<u>\$ 18,305,771</u>	<u>\$ 19,195,272</u>	<u>\$ 19,844,924</u>	<u>\$ 20,855,023</u>	<u>\$ 25,173,965</u>	<u>\$ 27,275,676</u>	<u>\$ 32,421,197</u>	<u>\$ 31,267,673</u>
All other governmental funds										
Restricted, reported in special revenue funds, capital projects funds and debt service funds	\$ 2,921,469	\$ 39,894,330	\$ 30,183,727	\$ 20,214,022	\$ 20,214,022	\$ 45,572,153	\$ 41,778,404	\$ 80,074,200	\$ 67,174,038	\$ 42,248,215
Committed, reported in capital projects and special revenue funds	3,204,112	857,591	103,725	1,400,258	1,400,258	3,122,712	2,575,262	-	-	-
Unassigned	-	(937,179)	-	(33,171)	(33,171)	(15,506)	-	-	-	-
Total all other governmental funds	<u>\$ 6,125,581</u>	<u>\$ 39,814,742</u>	<u>\$ 30,287,452</u>	<u>\$ 21,581,109</u>	<u>\$ 21,581,109</u>	<u>\$ 48,679,360</u>	<u>\$ 44,353,666</u>	<u>\$ 80,074,200</u>	<u>\$ 67,174,038</u>	<u>\$ 42,248,215</u>

Note: The City implemented GASB Statement No. 54 for the fiscal year ended September 30, 2011. The new classifications have not been restated for 2010 and prior.

CITY OF EDINBURG, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 40,645,846	\$ 43,469,036	\$ 45,953,279	\$ 48,402,426	\$ 50,085,433	\$ 53,941,473	\$ 57,483,240	\$ 63,432,374	\$ 60,246,384	\$ 62,723,502
Licenses and permits	553,652	611,125	835,640	836,604	699,863	1,033,451	953,364	1,302,788	1,245,283	1,409,954
Intergovernmental	6,555,081	4,390,980	5,019,509	7,347,173	5,469,932	5,249,150	14,237,396	10,293,397	1,094,576	526,870
Charges for services	1,583,178	1,585,529	1,750,223	1,852,117	1,762,527	2,292,457	3,703,673	5,538,088	4,591,214	5,582,612
Fines	1,764,136	1,525,429	1,587,626	1,344,734	1,118,178	1,100,043	586,810	554,936	841,734	848,211
Increment revenue	-	-	-	-	1,908,242	-	-	-	-	-
Interest	6,330	16,351	111,246	389,473	801,170	1,352,678	732,344	70,595	263,858	1,271,890
Contributions	-	4,530,915	-	100,000	100,000	2,192,646	2,147,752	2,448,736	-	-
Other	1,172,343	935,573	670,271	1,161,122	899,014	697,619	455,390	255,016	343,046	391,488
Total revenues	52,280,565	57,064,938	55,927,795	61,433,649	62,844,358	67,859,517	80,299,968	83,895,929	68,626,095	72,754,527
Expenditures										
General government	11,241,189	10,929,308	12,139,296	14,382,681	14,040,233	13,053,297	14,291,633	13,069,694	14,899,545	16,091,513
Public safety	20,317,710	21,322,733	21,964,688	25,060,989	27,984,921	29,080,688	40,011,073	37,835,135	36,351,593	36,199,473
Highways and streets	4,385,544	4,478,985	3,409,577	5,108,287	5,513,820	14,074,292	9,323,113	11,506,878	8,271,391	7,316,935
Health and welfare	2,630,735	3,899,887	3,370,645	3,571,225	3,564,581	3,903,856	6,178,674	5,925,073	5,667,544	5,915,809
Culture and recreation	7,803,462	7,493,462	8,319,542	7,385,292	8,603,141	8,992,754	9,733,828	10,624,454	9,297,972	10,009,372
Urban redevelopment and housing	619,777	953,387	879,376	860,625	595,416	506,127	374,539	575,542	-	-
Economic development	121,671	3,547,915	-	-	1,868,336	1,088,601	2,471,975	3,728,139	1,440,371	-
Other	-	-	-	-	15,369,424	-	-	-	-	-
Capital outlay	5,031,733	15,059,458	11,306,731	11,465,855	-	-	-	-	-	-
Debt service										
Principal	2,671,729	7,103,964	3,025,172	2,167,270	2,947,780	3,201,913	5,196,121	6,294,587	2,793,675	3,189,971
Interest	1,502,239	2,516,315	3,793,199	3,794,595	3,420,284	4,087,302	5,213,395	5,207,765	226,344	227,199
Bond issuance costs	-	1,600,862	320,678	-	-	-	-	-	-	-
Total expenditures	56,325,789	78,906,277	68,528,904	73,796,819	83,907,936	77,988,830	92,794,351	94,767,268	78,948,435	78,950,272
Excess of revenues over (under) expenditures	(4,045,224)	(21,841,339)	(12,601,109)	(12,363,170)	(21,063,578)	(10,129,313)	(12,494,383)	(10,871,340)	(10,322,340)	(6,195,745)
Other financing sources (uses)										
Transfers in	7,696,899	14,755,759	5,235,785	5,431,967	7,178,630	17,189,766	10,734,734	9,974,391	5,000,000	5,750,000
Transfers out	(1,057,782)	(12,571,572)	(893,075)	(1,860,259)	(613,670)	(7,476,471)	(4,512,519)	(4,974,391)	(1,905,432)	(1,704,841)
Insurance recoveries / sale of property	-	-	-	-	1,157,171	1,066,897	278,380	427,637	76,069	426,119
Tax increment bonds issued	-	40,725,000	-	-	-	-	-	-	-	-
Bonds issued	-	11,390,000	4,145,000	-	9,705,000	27,875,000	-	39,150,000	-	-
Refunding bonds issued	-	5,270,000	13,513,328	-	-	-	-	-	-	-
Premium on bonds issued	-	2,165,808	360,973	-	158,994	2,505,779	-	4,031,899	-	-
Premium on refunding bonds issued	-	337,047	2,005,777	-	-	-	-	-	-	-
Discount on bonds issued	-	(190,860)	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	(5,465,370)	(15,315,014)	-	-	-	-	-	-	-
Proceeds from Capital Leases	-	-	-	-	-	2,146,000	5,987,036	-	-	-
Proceeds from Right-to-Use Leases	-	-	-	-	-	-	-	-	11,705,961	1,486
Proceeds from Subscription-Based Information Tech Arrangements	-	-	-	-	-	-	-	-	-	569,457
Total other financing sources (uses)	6,639,117	56,415,811	9,052,774	3,571,708	17,586,125	43,306,971	12,487,631	48,609,537	14,876,598	5,042,221
Net change in fund balances	\$ 2,593,893	\$ 34,574,472	\$ (3,548,335)	\$ (8,791,462)	\$ (3,477,453)	\$ 33,177,658	\$ (6,752)	\$ 37,738,197	\$ 4,554,258	\$ (1,153,524)
Debt service as a percentage of noncapital expenditures (1)	8.69%	15.53%	12.91%	9.81%	9.46%	10.37%	13.53%	13.79%	5.39%	7.42%

(1) Capital outlay removed from expenditures in calculation comes from Exhibit 2-D.

CITY OF EDINBURG, TEXAS
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

Tax Year	Real Property	Personal Property	Minerals	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Market Value (1)	Assessed Value as a Percentage of Actual Value
2014	\$ 3,918,878,554	\$ 577,451,585	\$ 2,818,541	\$ 746,511,590	\$ 3,752,637,090	\$ 0.63500	\$ 4,499,148,680	83%
2015	4,356,173,395	571,352,461	2,229,076	883,157,509	4,046,597,423	0.63500	4,929,754,932	82%
2016	4,606,527,883	602,960,808	1,423,404	929,584,179	4,281,327,916	0.63500	5,210,912,095	82%
2017	4,798,556,308	608,674,932	2,258,088	902,072,086	4,507,417,242	0.63500	5,409,489,328	83%
2018	5,386,814,750	610,994,169	2,294,751	1,123,680,604	4,876,423,066	0.63500	6,000,103,670	81%
2019	5,582,974,563	618,479,899	1,376,640	1,105,856,845	5,096,974,257	0.68000	6,202,831,102	82%
2020	5,972,969,607	595,804,576	582,031	1,289,702,892	5,279,653,322	0.68000	6,569,356,214	80%
2021	6,557,537,512	568,596,316	1,459,742	1,373,067,492	5,754,526,078	0.68000	7,127,593,570	81%
2022	7,191,577,660	628,105,800	2,643,325	1,510,827,054	6,311,499,731	0.64000	7,822,326,785	81%
2023	8,181,973,399	679,210,009	572,865	1,784,088,624	7,077,667,649	0.63000	8,861,756,273	80%

(1) The estimated property value is derived directly from the Levy Roll Tax Totals provided by the Hidalgo County Appraisal District.

(2) Tax rate per every \$100 valuation of property.

CITY OF EDINBURG, TEXAS
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Unaudited)

Tax Year	City of Edinburg			Overlapping Rates			Total Direct and Overlapping Rates
	Operating Tax Rate	Debt Service Tax Rate	Total City Tax Rate	Hidalgo County Tax Rate	Edinburg CISD Tax Rate	South Texas College Tax Rate	
2014	\$ 0.52140	\$ 0.11360	\$ 0.63500	\$ 0.59000	\$ 1.23980	\$ 0.15000	\$ 2.61480
2015	0.52370	0.11130	0.63500	0.59000	1.23980	0.18500	2.64980
2016	0.53400	0.10100	0.63500	0.59000	1.23980	0.18500	2.64980
2017	0.55840	0.07660	0.63500	0.59000	1.23980	0.18500	2.64980
2018	0.54470	0.09030	0.63500	0.58000	1.23980	0.17800	2.63280
2019	0.55700	0.12300	0.68000	0.57500	1.13820	0.17330	2.56650
2020	0.58260	0.09740	0.68000	0.57500	1.13820	0.17180	2.56500
2021	0.54470	0.13530	0.68000	0.57500	1.10570	0.17150	2.53220
2022	0.50420	0.13580	0.64000	0.57500	1.06040	0.16150	2.43690
2023	0.50890	0.12110	0.63000	0.57500	0.87500	0.15620	2.23620

Source: Hidalgo County Tax Office and City of Edinburg Tax Office.

Note: Overlapping rates are those of the City, County, and school district that apply to property owners within the City of Edinburg. Not all overlapping rates apply to all City of Edinburg property owners (for example, the rates for the Edinburg Independent School District only apply to the proportion of the City's property owners whose property is located within the geographic boundaries of the Edinburg Independent School District).

**CITY OF EDINBURG, TEXAS
PRINCIPAL TAXPAYERS
(Unaudited)**

Taxpayer	2023			2014		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Day Surgery at Renaissance, LLC	\$ 111,138,160	1	1.57%	\$ 49,484,156	2	1.32%
Trenton Street Corporation	73,206,556	2	1.03%	35,440,657	4	0.94%
AEP Texas Inc.	43,398,000	3	0.61%	16,991,060	7	0.45%
Shoppes at Rio Grande Valley, LP	42,131,993	4	0.60%	32,822,173	5	0.87%
Magic Valley Energy Center	24,690,630	5	0.35%			
Edinburg Regional Medical Center	23,602,758	6	0.33%			0.00%
La Sienna-Edinburg LLC	22,433,626	7	0.32%			0.00%
Doctors Hospital at Renaissance LTD	22,117,782	8	0.31%	14,297,810	10	
25 29 Stults LLC	17,400,000	9	0.25%			
Regal Park LLC	16,600,000	10	0.23%			
Calpine Central, LP (Magic Valley Power)				65,093,830	1	1.73%
Day Surgery at Renaissance				47,160,765	3	1.26%
Calpine Central, LP (Hidalgo Energy)				23,338,750	6	0.62%
Wal-Mart Stores Texas, LLC				16,401,056	8	
Edinburg Containers				14,419,319	9	0.38%
Totals	<u>\$ 396,719,505</u>		<u>5.61%</u>	<u>\$ 315,449,576</u>		8.41%

Source: Hidalgo County Tax Assessor

CITY OF EDINBURG, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 21,566,294	\$ 20,845,695	96.66%	\$ 376,743	\$ 21,222,438	98.41%
2015	22,543,924	21,923,142	97.25%	715,398	22,638,540	100.42%
2016	24,167,562	23,547,286	97.43%	647,137	24,194,423	100.11%
2017	25,928,498	24,945,947	96.21%	530,143	25,476,090	98.26%
2018	27,315,178	26,597,685	97.37%	704,283	27,301,968	99.95%
2019	29,581,424	28,776,708	97.28%	672,992	29,449,700	99.55%
2020	33,007,592	32,044,729	97.08%	629,082	32,673,811	98.99%
2021	34,412,990	33,703,685	97.94%	995,048	34,698,733	100.83%
2022	37,390,042	36,595,507	97.88%	862,633	37,458,140	100.18%
2023	38,913,342	37,913,534	97.43%	840,445	38,753,979	99.59%

CITY OF EDINBURG, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Tax Increment Bonds	Notes Payable	Other (2)	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases	General Obligation Bonds				
2014	\$ 33,136,567	\$ 3,675,000	\$ 2,000,000	\$ 11,404,118	-	\$ 40,073,913	\$ 2,845,750	-	\$ 6,388,150	\$ 99,523,499	6.51%	1,139	
2015	41,877,467	42,709,906	1,500,000	11,118,790	-	38,230,412	1,982,548	-	5,233,310	142,652,433	9.35%	1,592	
2016	43,946,550	42,643,742	1,000,000	10,831,241	-	36,054,406	1,101,218	-	4,891,267	140,468,424	8.32%	1,529	
2017	41,565,179	42,575,231	500,000	10,480,824	-	38,945,103	601,661	-	4,177,094	138,845,092	7.73%	1,473	
2018	48,975,612	41,804,068	-	9,958,780	-	36,824,023	338,771	-	3,484,472	141,385,726	7.45%	1,463	
2019	76,754,296	41,000,251	-	9,611,526	2,007,795	34,444,637	229,439	6,952,917	2,773,778	173,774,639	9.99%	1,753	
2020	68,545,774	38,505,000	-	9,611,526	7,071,214	30,845,000	1,616,554	9,431,552	1,769,228	167,395,848	8.12%	1,646	
2021	103,410,540	37,685,000	-	8,983,683	5,636,861	39,015,000	1,000,000	7,672,311	10,154,460	213,557,855	10.51%	2,130	
2022	99,319,117	36,830,000	-	8,402,574	14,539,210	36,530,000	1,000,000	22,637,867	9,550,883	228,809,651	10.38%	2,194	
2023	94,921,037	35,925,000	-	7,675,436	11,629,909	77,955,000	-	18,628,461	8,853,967	255,588,810	7.22%	2,422	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Source: Edinburg Economic Development Corporation.

(2) Included is a reimbursement obligation payable to a developer as part of development agreements in the City's tax increment reinvestments zones. The obligation is payable solely from tax increments collected from the applicable tax increment reinvestment zone.

CITY OF EDINBURG, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2014	\$ 33,136,567	\$ 1,287,428	\$ 31,849,139	0.85%	365
2015	41,877,467	1,266,202	40,611,265	1.00%	453
2016	43,946,550	980,835	42,965,715	1.00%	468
2017	41,565,179	1,433,185	40,131,994	0.89%	426
2018	48,975,612	1,457,766	47,517,846	0.97%	492
2019	76,754,296	2,446,951	74,307,345	1.46%	749
2020	68,545,774	1,533,935	67,011,839	1.27%	659
2021	103,410,540	295,517	103,115,023	1.79%	1029
2022	99,319,117	362,932	98,956,185	1.57%	949
2023	94,921,037	704,819	94,216,218	1.33%	893

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. In addition, amounts listed under general obligation bonds do not include the portion of these bonds that are being serviced in proprietary funds.

(1) Please see the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF EDINBURG, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
(Unaudited)

Assessed valuation 2022 tax roll for fiscal year 2023	\$ 7,822,326,785
Debt limit - Texas statutes do not prescribe a debt limit; however, by custom a practical economic debt limit of 5% of the assessed valuation is used.	<u>5%</u>
	<u>391,116,339</u>
Total bonded debt	94,921,037
Deduct amount available in debt service fund	<u>704,819</u>
Applicable debt	<u>94,216,218</u>
Economic debt margin	<u><u>\$ 296,900,121</u></u>

CITY OF EDINBURG, TEXAS
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Revenue Bonds					
	Charges and Other (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 17,012,496	\$ 10,237,471	\$ 6,775,025	\$ 1,588,000	\$ 1,418,842	2.25
2015	16,101,150	10,264,246	5,836,904	2,080,000	1,159,740	1.80
2016	19,575,465	10,434,304	9,141,161	2,451,090	1,369,999	2.39
2017	19,201,875	11,344,996	7,856,879	2,167,270	1,493,117	2.15
2018	19,068,805	11,214,940	7,853,865	2,579,521	1,013,052	2.19
2019	19,073,410	11,012,350	8,061,060	2,627,874	1,061,968	2.18
2020	19,676,606	13,993,352	5,683,254	2,375,000	951,837	1.71
2021	20,897,131	14,920,678	5,976,453	2,450,000	879,284	1.80
2022	20,868,810	17,473,109	3,395,701	2,485,000	1,189,840	0.92
2023	22,837,966	17,320,729	5,517,237	2,660,000	1,030,140	1.50

- (1) Total operating revenues including interest earned on funds created by the bond ordinance.
(2) Total operating expenses excluding depreciation.
(3) Revenue bonds only. Amounts do not include the general obligation bonds reported in the Utility Fund or debt defeasance transactions.
(4) Per first lien revenue bond covenants, the required coverage is 1.45.

CITY OF EDINBURG, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	MSA(2) Per Capita Personal Income	Median Age (1)	Unemployment Rate (2)
2014	87,356	\$ 17,514	28.50	6.15%
2015	89,596	17,029	27.70	5.10%
2016	91,893	18,370	28.80	5.90%
2017	94,249	19,046	29.10	5.60%
2018	96,666	19,641	29.40	4.70%
2019	99,144	17,542	29.60	4.50%
2020	101,687	20,271	28.80	9.80%
2021	100,243	20,271	29.10	7.61%
2022	104,294	21,137	29.80	4.60%
2023	105,543	33,525	29.90	4.70%

(1) Estimated (information was received from the 2020 US Census)

(2) Source: Texas LMI Tracer-Labor Market

CITY OF EDINBURG, TEXAS
PRINCIPAL EMPLOYERS
(Unaudited)

	<u>2023(1)</u>		<u>2014(1)</u>	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Doctor's Hospital at Renaissance	6,423	1	3,400	3
University of Texas Rio Grande Valley-UTRGV	5,257	2	4,000	2
Edinburg CISD	4,993	3	4,682	1
U.S. Customs & Border Patrol	3,700	4	1,609	6
Hidalgo County	3,579	5	3,030	4
South Texas Health System	3,356	6		
City of Edinburg	1,590	7	800	9
Maximus	1,400	8		
Region One	1,310	9		
Tropical Texas MHMR	1,049	10	305	10
Edinburg Regional Medical Center			2,000	5
Wal-Mart (University Dr/Sugar/Canton)			880	7
Teleperformance			860	8
Total	<u>32,657</u>		<u>21,566</u>	

(1) Source: Edinburg Economic Development Corporation

CITY OF EDINBURG, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION
Last Three Fiscal Years
(Unaudited)

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
General Government			
Mayor and City Council	5	5	5
City Manager	9	10	9
Municipal Court	17.5	17.5	17.5
Legal	2	2	1
City Secretary	9	9	9
Communications and Media	9	12	12
Information Technology	18	20	20
Public Works	6	6	6
Finance	28	29	29
Human Resources	12	13	13
Grants Administration	6	6	6
Planning and Zoning	9	10	12
Public Safety			
Police	256	260	269
Fire	78	78	78
Fire Prevention	9	9	9
Highway and Streets			
Engineering	14.5	14.5	18
Streets	47	47	47
Health and Welfare			
Building Maintenance	34.5	37.5	38
Building Safety	34	38	21
Culture and Recreation			
R.O.W.	37	41	41
Library	33	36	36
Recreation	170	179	179
World Birding Center	13.5	13.5	13.5
Parks	57	59	59
GENERAL FUND TOTAL	914	952	948
Utilities/Admin.	9	9	5
Water Plant	21	22	22
Wastewater Plant	35	39	38
Systems	49	49	51
UTILITY FUND TOTAL	114	119	116
C.D.B.G.	1	1	1
C.D.B.G. TOTAL	1	1	1
Aviation	10	10	10
Ebony Golf Course	7	7	7.5
Solid Waste Management	124	124	124
Los Lagos Golf Course	26.5	29	29
Boys and Girls Club Fund	29.5	29.5	29
OTHER FUNDS TOTAL	197	199.5	199.5
GRAND TOTAL	1226	1271.5	1264.5

Source: City of Edinburg Finance Department

CITY OF EDINBURG, TEXAS
OPERATING INDICATORS BY FUNCTION
(Unaudited)

Function	2022	2023
Public Safety- Police		
Physical Arrests	2,792	2,890
Parking Violations	217	281
Traffic Violations	26,601	28,098
Public Safety- Fire		
Number of Calls Answered	3,131	3,050
Inspections	4,310	4,282
Highways and Streets		
Streets Resurfacing (miles)	17.6	18.5
Traffic Signs Repaired	1,425	1,558
Solid Waste Services		
Refuse Collected-Residential Accts/Weekly	23,182	26,749
Refuse Collected-Commercial Accts/Weekly	3,801	4,633
Material Recycled - Tons	854	851
Golf Course Services		
Golf Course		
Rounds-9 Hole	12,462	11,664
Rounds-18-Hole	34,029	34,415
Culture and Recreation		
Programs	140	140
Parks Maintained	25	26
Water		
New Connections	817	697
Water Mains Breaks	284	211
Average Daily Consumption (millions of gallons)	12.812	13.148
Wastewater		
Average Daily Sewage Treatment (millions of gallons)	9.200	9.400

Sources: Various City Departments

Note: Indicators are not available for the general government function and airport services.

CITY OF EDINBURG, TEXAS
CAPITAL ASSETS STATISTICS BY FUNCTION
(Unaudited)

Miles of Streets:

Paved	450
Graded	0.7
State Highways	48.53

Miles of Sewers:

Storm	22.45
Storm Drainage Ditches	23.72

Building Permits:

Permits Issued	2,056
Estimated Value	\$ 371,798,059

Fire Protection:

Number of Stations	5
Number of Firemen (Volunteers)	38
Fire Training Filed	1

Police Protection:

Number of Stations	1
Number of Policemen	190

Recreation:

	<u>Number</u>	<u>Acres</u>
Parks	23	333.3
Number of Picnic Areas	161	0
Number of Municipal Swimming Pools	2	2,294 sq. yds.
Number of Playgrounds	34	0
9 Hole Golf Course	1	65
18 Hole Championship Golf Course	1	162
Community Centers	2	0
Tennis Courts	3	0
Baseball Fields	17	0
Soccer Fields	8	0

Source: Various City Departments



Cascos & Associates, PC

Certified Public Accountants

Audit/Accounting/Tax/Consulting

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*

To the Honorable Mayor and Members
Of the City Commission
City of Edinburg, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Edinburg, Texas (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 7, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 – 2023-007 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's 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 financial statements. 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 instances 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 2023-001 – 2023-007.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

A handwritten signature in blue ink that reads "Cascos & Associates, PC". The signature is written in a cursive, flowing style.

Cascos & Associates, PC
Brownsville, Texas
May 7, 2024



Cascos & Associates, PC

Certified Public Accountants
Audit/Accounting/Tax/Consulting

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members
of the City Commission
City of Edinburg, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Edinburg, Texas (the "City")'s, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-008. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-008 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in blue ink that reads "Cascos & Associates, PC". The signature is stylized with a large, flowing 'C' and a distinct 'P'.

Cascos & Associates, PC
Brownsville, Texas
May 7, 2024

City of Edinburg, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

(1) Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	(2) Federal Assistance Listing Number	(3) Pass-Through Entity Identifying Number	(4) Provided to Subrecipients	(5) Federal Expenditures
U.S. Department of Housing and Urban Development				
<u>Direct Programs</u>				
CDBG-Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-48-0503	\$ -	\$ 146,051
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-48-0503	-	569,858
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-480503	87,647	825,204
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	19-CDBG CV3	6,846	400,795
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	20-CDBG-CV	9,569	17,787
Program Revenue	14.218	N/A	-	107,281
Total			104,062	2,066,976
Total U.S. Department of Housing and Urban Development			104,062	2,066,976
U.S. Department of Justice				
<u>Direct Programs</u>				
Bulletproof Vest Partnership Program	16.607	2021-BVP	-	7,103
Project Safe Neighborhoods	16.609	15PBJA-21-GG-03068-GUNP	-	34,743
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-21-GG-03411-UHPX	-	269,226
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-22-GG-03453-UHPX	-	117,130
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02639-JAGX	-	23,217
Equitable Sharing Program	16.922	N/A	-	193,070
Total			-	644,489
Total U.S. Department of Justice			-	644,489
U.S. Department of Transportation				
<u>Direct Programs</u>				
Highway Planning and Construction	20.205	0921-02-392	-	367,650
Total			-	367,650
<u>Passed Through Lower Rio Grande Valley Development Council</u>				
Federal Transit Cluster				
Federal Transit Formula Grants (Transit Terminal)	20.507	TX-90-Y057-00	-	82,732
Total Passed Through Lower Rio Grande Valley Development Council			-	82,732
<u>Passed Through Texas Department of Transportation</u>				
State and Community Highway Safety Grant Program	20.600	2023-EdinbuPD-S-1YG-00081	-	35,999
National Priority Safety Programs	20.616	2023-EdinbuPD-IDM-00050	-	62,722
Total Passed Through Texas Department of Transportation			-	98,721
Total U.S. Department of Transportation			-	549,103
United States Department of the Treasury				
<u>Direct Programs</u>				
COVID 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	3,720,058
Total			-	3,720,058
<u>Passed Through Texas Office of the Governor - Criminal Justice Division (CJD)</u>				
COVID 19 VC-Coronavirus State Fiscal Recovery Fund (Victims of Crime - SB 8)	21.027	4429501	-	29,085
COVID 19 VC-Coronavirus State Fiscal Recovery Fund (Victims of Crime - SB 8)	21.027	4457801	-	16,675
Total Passed Through Texas Office of the Governor - Criminal Justice Division (CJD)			-	45,760
Total United States Department of the Treasury			-	3,765,818
U.S. Department of Homeland Security				
<u>Passed Through the Texas Division of Emergency Management (TDEM)</u>				
Hazard Mitigation Grant Program	97.039	DR-4223-058	-	115,120
Total Passed Through the Texas Division of Emergency Management (TDEM)			-	115,120
<u>Passed Through the Texas Office of the Governor</u>				
Homeland Security Grant Program	97.067	4031002	-	40,000
Homeland Security Grant Program	97.067	3172507	-	135,000
Homeland Security Grant Program	97.067	3172508	-	46,501
Total Passed Through the Texas Office of the Governor			-	221,501
Total U.S. Department of Homeland Security			-	336,621
Total Expenditures of Federal Awards			\$ 104,062	\$ 7,363,007

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF EDINBURG, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

1. BASIS OF ACCOUNTING AND PRESENTATION

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal award programs of the City of Edinburg, Texas (the "City") for the year ended September 30, 2023. The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

2. INDIRECT COST RATE

The City has elected to use the 10% de minimis indirect cost rate. No grants received by the City for the year ended September 30, 2023 were provided for reimbursement of indirect costs.

3. PROGRAM COSTS/MATCHING CONTRIBUTIONS

The amounts shown as current year expenses represent only the federal grant portion of the program costs.
Entire program costs, including the City's portion, may be more than shown.

4. FEDERAL LOANS AND LOAN GUARENTEES

During the year ended September 30, 2023, the City had no outstanding federal loans payable or loan guarantees.

5. NONCASH AWARDS

During the year ended September 30, 2023, the City did not receive any noncash assistance.

6. FEDERALLY FUNDED INSURANCE

During the year ended September 30, 2023, the City did not have insurance that was federally funded.

7. PROGRAM INCOME

Community Development Block Grants, ALN 14.218, reported program income in the amount of \$107,281 for the year ended September 30, 2023.

CITY OF EDINBURG, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

I. Summary of the Auditors' Results

Financial Statements

Type of auditors' report issued in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	2023-001 – 2023-007
Noncompliance material to the financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
Material weakness(es) identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	2023-008
Type of auditors' report on compliance with major programs:	Unmodified
Any audit findings which are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Major programs are as follows:	
<u>Assistance Listing Number:</u>	<u>Name of Federal Program or Cluster:</u>
14.218	COVID-19 - Community Development Block Grants/Entitlement Grants
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee:	No

CITY OF EDINBURG, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

II. Financial Statement Findings

Finding 2023-001

Fiscal Year-End Closing Process

Criteria and Condition: The fiscal year-end closing process should be completed within a reasonable time after the end of the fiscal year, ideally no later than 2 months after the end of the entity's fiscal year. An auditable trial balance was not provided to us to begin our audit until March 7, 2024, or approximately 5 months after the entity's fiscal year end. Additionally, the trial balance required a significant number of adjustments. A total of 160 adjustments were posted by management to the initial trial balance provided for audit. With the latest adjustment being provided on April 29, 2024. Finally, the City does not have a formal policy for financial closing.

Cause and Effect: The City of Edinburg finance department experienced turnover which caused delays in the year-end closing process. Additionally, the City does not have a financial closing policy in place. Significant delays in the year-end closing process may be indicative of weaknesses in internal control and results in untimely financial reporting, including the completion of the audit.

Questioned Costs: \$0

Repeat Finding From Prior Year(s): Yes.

Recommendation: We recommend management evaluate the year-end closing process to ensure adequate controls are in place for timely completion.

Management's views: Management agrees with the finding. See corrective action plan on page 165.

CITY OF EDINBURG, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Finding 2023-002

Disaster Recovery Plan

Criteria and Condition:

A disaster recovery plan is critical as it provides a framework for establishing efficient and effective restoration of systems and mitigates the risk of data loss in the event of system disruption or disaster. Our evaluation of the City of Edinburg's internal control system revealed the absence of a well-defined and documented disaster recovery plan. The lack of a disaster recovery plan violates widely recognized business practices.

Cause and Effect:

The City has been working on a disaster recovery plan, but the plan has not yet been finalized, implemented, or tested. The absence of a disaster recovery plan exposes the City to various risks and vulnerabilities that could significantly impact its operations, finances, and reputation. Some effects of not having a disaster recovery plan include extended downtime, data loss and recovery challenges, inadequate communication, and regulatory and compliance violations.

Questioned Costs:

\$0

**Repeat Finding From
Prior Year(s):**

Yes.

Recommendation:

We recommend the City finalize and implement a disaster recovery plan that includes key elements such as risk assessment, backup, and recovery strategies, communication protocols, and testing procedures. Once a disaster recovery plan is in place, we recommend the City establish mechanisms to monitor and review the effectiveness of the plan on an ongoing basis.

Management's views:

Management agrees with the finding. See corrective action plan on page 165.

CITY OF EDINBURG, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Finding 2023-003

Public Funds Investment Act - Compliance

Criteria and Condition:

Cities must comply with Government Code 2256, also known as the Public Funds Investment Act (PFIA). Among other requirements, the PFIA requires the following:

Sec 2256.023 requires that not less than quarterly the investment officer prepare and submit to the governing body of the entity a written report of investment transactions for all funds covered by the PFIA. The PFIA outlines the information required to be included in the quarterly reports.

Sec 2256.008 requires the attendance of at least one training session from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing at least 10 hours of instruction relating to the treasurer's or officer's responsibilities under this subchapter within 12 months after taking office or assuming duties.

Our evaluation of the City's investment policy for compliance with the Public Funds Investment Act (PFIA) revealed non-compliance with the requirements noted above. The absence of one Quarterly Investment report (Quarter 1) being presented to the City Council for review and approval. Additionally, reports are not presented to the Board timely. Second, the investment officer training was not completed by one investment officer within 12 months of assuming responsibilities.

Cause and Effect:

Controls were not suitably designed to ensure compliance with all the provisions of the PFIA. The absence of presenting all quarterly reports and untimely investment officer training exposed the City to non-compliance with PFIA requirements.

Questioned Costs:

\$0

**Repeat Finding From
Prior Year(s):**

Yes.

Recommendation:

We recommend the City review Government Code 2256, Public Funds Investment Act and implement controls to ensure compliance with its requirements. The City should ensure all quarterly reports are sent to the City Council timely for review and approval. We recommend the City establish procedures to monitor and review compliance on an ongoing basis to investment officer training.

Management's views:

Management agrees with the finding. See corrective action plan on page 166.

CITY OF EDINBURG, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Finding 2023-004

Authorized Signers – Fiscal Agent Cash and Long Term Debt

Criteria and Condition: The City should maintain records on who the authorized signers are for the City's accounts. Only authorized personnel should have access to sensitive financial information and accounts. We noted the City was unable to identify current signers for fiscal agent cash and bond accounts.

Cause and Effect: Policies and procedures were not in place to suitably review and update the authorized signers listing. The absence of readily available knowledge of who is an authorized signer on a respective account exposes the City to an increased fraud risk and may cause delays or difficulties in executing financial transactions.

Questioned Costs: \$0

Repeat Finding From
Prior Year(s): Yes.

Recommendation: We recommend the City establish procedures to monitor, review, and document who the authorized signers are on all applicable accounts.

Management's views: Management agrees with the finding. See corrective action plan on page 166.

CITY OF EDINBURG, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Finding 2023-005

Cash – Outstanding Checks in Bank Accounts

Criteria and Condition:

As part of the monthly preparation and review of bank reconciliations, the City should review and investigate old outstanding checks that remain uncleared for long periods of time and dispose of such balances by either contacting the recipients and re-issuing their checks or escheat the funds to the State as unclaimed property. We noted 1,976 checks in the Pooled Cash Operating Account totaling \$123,474 that have remained outstanding for more than one year.

Cause and Effect:

Checks outstanding greater than one year were not reviewed for follow-up. Not taking steps periodically to dispose of long outstanding checks will result in the amount of outstanding checks continuing to increase.

Questioned Costs:

\$0

**Repeat Finding From
Prior Year(s):**

Yes.

Recommendation:

We recommend that controls be strengthened by including a step in the bank reconciliation review process for reviewing old outstanding checks and taking steps to dispose of those items whether by re-issuing checks to recipients or escheating the funds to the State as unclaimed property. We recommend this process be conducted annually.

Management's views:

Management agrees with the finding. See corrective action plan on page 167.

CITY OF EDINBURG, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Finding 2023-006

Capital Assets – Depreciation Schedules

Criteria and Condition: Capital asset depreciation schedules should include all relevant details about each asset to ensure a complete and accurate schedule. Details should include but not be limited to the asset number, the in-service date, depreciation method, depreciation expense, etc. This ensures each asset is identifiable and balances on the schedule are verifiable. We noted the City's capital asset depreciation schedules did not include an in-service date.

Cause and Effect: The capital asset depreciation schedules do not have all the relevant information necessary. As such, accumulated depreciation and depreciation expense may not be calculated timely and accurately. Additionally, errors may not be found and corrected in a timely manner.

Questioned Costs: \$0

Repeat Finding From Prior Year(s): Yes.

Recommendation: We recommend the City include all relevant information in their capital asset depreciation schedules along with the in-service date for all assets and should not only be applied to new additions. This will ensure a complete and accurate schedule. Additionally, we recommend the City review the useful lives of all assets.

Management's views: Management agrees with the finding. See corrective action plan on page 167.

CITY OF EDINBURG, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Finding 2023-007

Cash – Depository Agreement

Criteria and Condition: Per the City's investment policy, all demand deposits and all time deposits should be collateralized. During our review of pledged securities, we noted the City has no depository agreement in place with Plains Capital Bank or Greater Texas Federal Credit Union.

Cause and Effect: There was no depository agreement with Greater Texas Federal Credit Union. The City has approximately \$798,583 in Greater Texas Federal Credit Union not secured after the FDIC insured amount. Not having an agreement in place may put the City at risk of not having all funds collateralized per the City's policy.

Questioned Costs: \$0

Repeat Finding From
Prior Year(s): Yes.

Recommendation: We recommend the City have all cash accounts collateralized by having a depository agreement in place with all financial institutions to remain in compliance with the investment policy. This will ensure all deposits are properly covered and in compliance with the City's investment policy.

Management's views: Management agrees with the finding. See corrective action plan on page 168.

**CITY OF EDINBURG, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

III. Federal Award Findings and Questioned Costs

Finding 2023-008

Performance Reporting

Federal Program: American Relief Plan Act (ARPA) ALN 21.027

Federal Agency: U.S. Department of Treasury

Federal Award Year: 2021

Type of Finding: Significant Deficiency in Internal Control over Compliance and Noncompliance

Criteria:

The American Rescue Plan Act (ARPA) was signed into law and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. Per review of the Compliance and Reporting Guidance for the SLFRF program, metropolitan cities with a population below 250,000 residents that are allocated less than \$10 million in SLFRF funding are required to submit a quarterly Project and Expenditure Report.

Condition:

During our review of the federal program, we noted that the City did not submit the required report for Quarter 4 (2022) and submitted the Quarter 1 (2023) report late.

Cause:

The City lacks internal controls over the reporting deadlines for the program.

Effect:

Without proper internal controls, the City cannot prevent or detect reporting deadlines. Failure to submit the Project and Expenditure Report timely may lead to noncompliance with federal requirements.

Questioned Costs:

\$0

Recommendation:

We recommend the City adhere to the Compliance and Reporting Guidance for the SLFRF program and establish internal controls to ensure the City submits required reports when they are due.

Management's views:

Management agrees with the finding. See corrective action plan on page 169.



**CITY OF EDINBURG, TEXAS
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Section II – Financial Statement Findings

Reference Number 2023-001	Fiscal Year-End Closing Process
Recommendation:	We recommend management evaluate the year-end closing process to ensure adequate controls are in place for timely completion.
Views of Responsible Officials:	Management will evaluate the year-end closing process to ensure adequate controls are in place for timely completion. Management will continue to provide resources for year-end training.
Proposed Completion Date:	Immediately
Contact Person:	Ascencion Alonzo, Director of Finance, City of Edinburg

Reference Number 2023-002	Disaster Recovery Plan
Recommendation:	We recommend the City finalize and implement a disaster recovery plan that includes key elements such as risk assessment, backup and recovery strategies, communication protocols, and testing procedures. Once a disaster recovery plan is in place, we recommend the City establish mechanisms to monitor and review the effectiveness of the plan on an ongoing basis.
Views of Responsible Officials:	City Management will work diligently to finalize and implement the formal disaster recovery plan as budget is allocated. Part of the plan will address the disaster recovery plan testing terms to ensure its effectiveness. Once it is implemented, a monitoring plan will be developed on an ongoing basis to test its effectiveness.
Proposed Completion Date:	Fiscal Year Ending September 30, 2024
Contact Person:	Daniel Vera, Director of Information Technology, City of Edinburg

**CITY OF EDINBURG, TEXAS
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Reference Number 2023-003	Public Funds Investment Act – Compliance
Recommendation:	We recommend the City review Government Code 2256, Public Funds Investment Act, and implement controls to ensure compliance with its requirements. The City should ensure all quarterly reports are sent to the City Council timely for review and approval. We recommend the City establish procedures to monitor and review compliance on an ongoing basis related to investment officer training.
Views of Responsible Officials:	Investment officers will undergo the required training. Quarterly investment reports will be presented to the City Council for approval to comply with the provisions of the Public Funds Investment Act on a timely basis.
Proposed Completion Date:	January 2024
Contact Person:	Ascencion Alonzo, Director of Finance, City of Edinburg

Reference Number 2023-004	Authorized Signers - Fiscal Agent Cash and Long-Term Debt
Recommendation:	We recommend that the City establish procedures to monitor, review, and document who the authorized signers are on all applicable accounts.
Views of Responsible Officials:	The City will establish procedures to monitor, review, and document all the authorized signers on financial accounts. The City will review all financial documents to make sure that the authorized signers are updated.
Proposed Completion Date:	Immediately
Contact Person:	Ascencion Alonzo, Director of Finance, City of Edinburg

**CITY OF EDINBURG, TEXAS
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Reference Number 2023-005	Cash – Outstanding Checks in Bank Accounts
Recommendation:	We recommend controls be strengthened by including a step in the bank reconciliation review process for reviewing old outstanding checks and taking steps to dispose of those items whether by re-issuing checks to recipients or escheating the funds to the State as unclaimed property. We recommend this process be conducted annually.
Views of Responsible Officials:	Staff will review the bank reconciliation process for all outstanding checks. Necessary steps to dispose of those items, either by re-issuing checks to recipients or by escheating the funds to the State as unclaimed property, will be performed at least annually.
Proposed Completion Date:	Immediately
Contact Person:	Ascencion Alonzo, Director of Finance, City of Edinburg

Reference Number 2023-006	Capital Assets – Depreciation Schedules
Recommendation:	We recommend the City include all relevant information in their capital asset depreciation schedules along with the in-service date for all assets and should not only be applied to new additions. This will ensure a complete and accurate schedule. Additionally, we recommend the City review the useful lives of all assets.
Views of Responsible Officials:	Due to Finance Department employee turnover and vacancies, the City had to delay the implementation of a Fixed Asset Software. Fixed Asset Software will be implemented as soon as funds are appropriated and vacancies are filled. The City will review and update the useful life of all assets.
Proposed Completion Date:	Fiscal Year Ending 2023-2024
Contact Person:	Ascencion Alonzo, Director of Finance, City of Edinburg

**CITY OF EDINBURG, TEXAS
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Reference Number 2023-007	Cash – Depository Agreement
Recommendation:	We recommend the City have all cash accounts collateralized by having a depository agreement in place with all financial institutions to remain in compliance with the investment policy. This will ensure all deposits are properly covered and in compliance with the City's investment policy.
Views of Responsible Officials:	All bank accounts not included in the City's depository agreement will be closed. The City will review that all cash accounts are collateralized as required by the Public Funds Investment Act.
Proposed Completion Date:	Immediately
Contact Person:	Ascencion Alonzo, Director of Finance, City of Edinburg

**CITY OF EDINBURG, TEXAS
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Section III – Federal Awards Findings

Reference Number 2023-008	Coronavirus State and Local Fiscal Recovery Fund – Compliance
Recommendation:	We recommend that the City adhere to the Compliance and Reporting Guidance for the SLFRF program and establish internal controls to ensure the City submits required reports when they are due.
Views of Responsible Officials:	The City has changed the process to submit their Quarterly reports. Reports are reviewed by the Grants Administration Department and Finance Department before they are submitted. Reports have been submitted to the U.S Treasury on a timely basis.
Proposed Completion Date:	Fiscal Year 2023-2024
Contact Person:	Ascencion Alonzo, Director of Finance, City of Edinburg

CITY OF EDINBURG, TEXAS
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

I. Reference Number Financial Statement Findings

Finding 2022-001 ***Fiscal Year-End Closing Process***

Criteria and Condition: The fiscal year-end closing process should be completed within a reasonable time after the end of the fiscal year, ideally no later than 2 months after the end of the entity's fiscal year. An auditable trial balance was not provided to us to begin our audit until June 21, 2023, or approximately 9 months after the entity's fiscal year end. Additionally, the trial balance required a significant number of adjustments. A total of 54 adjustments were posted by management to the initial trial balance provided for audit. With the latest adjustment being provided on January 17, 2024. Moreover, the Schedule of Expenditures of Federal and State Awards was not provided to us until September 8, 2023. Finally, the City does not have a formal policy for financial closing.

Current Year Status: Item was not corrected. See finding 2023-001.

Finding 2022-002 ***Disaster Recovery Plan***

Criteria and Condition: A disaster recovery plan is critical as it provides a framework for establishing efficient and effective restoration of systems and mitigates the risk of data loss in the event of system disruption or disaster. Our evaluation of the City of Edinburg's internal control system revealed the absence of a well-defined and documented disaster recovery plan. The lack of a disaster recovery plan violates widely recognized business practices.

Current Year Status: Item was not corrected. See finding 2023-002.

Finding 2022-003 ***Public Funds Investment Act - Compliance***

Criteria and Condition: Cities must comply with Government Code 2256, also known as the Public Funds Investment Act (PFIA). Among other requirements, the PFIA requires the following:

Sec 2256.023 requires that not less than quarterly the investment officer prepare and submit to the governing body of the entity a written report of investment transactions for all funds covered by the PFIA. The PFIA outlines the information required to be included in the quarterly reports.

Sec 2256.008 requires the attendance of at least one training session from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing at least 10 hours of instruction relating to the treasurer's or officer's responsibilities under this subchapter within 12 months after taking office or assuming duties.

CITY OF EDINBURG, TEXAS
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Finding 2022-003

Public Funds Investment Act - Compliance (Continued)

Our evaluation of the City of Edinburg investment policy for compliance with the Public Funds Investment Act (PFIA) revealed non-compliance with the requirements noted above. The absence of one Quarterly Investment report (Quarter 1) being presented to the City Council for review and approval. Additionally, reports are not presented to the Board timely. Second, the investment officer training was not completed by one investment officer within 12 months of assuming responsibilities.

Current Year Status: Item was not corrected. See finding 2023-003.

Finding 2022-004

Authorized Signers – Fiscal Agent Cash and Long Term Debt

Criteria and Condition: The City should maintain records of who the authorized signers are for the City's accounts. Only authorized personnel should have access to sensitive financial information and accounts. We noted the City was unable to identify current signers for fiscal agent cash and bond accounts.

Current Year Status: Item was not corrected. See finding 2023-004.

Finding 2022-005

Cash – Outstanding Checks in Bank Accounts

Criteria and Condition: As part of the monthly preparation and review of bank reconciliations, the City should review and investigate old outstanding checks that remain uncleared for long periods of time and dispose of such balances by either contacting the recipients and re-issuing their checks or escheat the funds to the State as unclaimed property. We noted 1,425 checks in the Pooled Cash Operating Account totaling \$90,015 that have remained outstanding for more than one year.

Current Year Status: Item was not corrected. See finding 2023-005.

Finding 2022-006:

Property Taxes

Criteria and Condition: Property taxes at the fund level should be recorded as receivables and deferred inflows at the time taxes are levied. Revenues are recognized as property taxes are collected including those collected 60 days after the end of the year. During our review of Property Taxes Receivables as of September 30, 2022, we noted the City did not correctly record the collections 60 days after the year end.

Current Year Status: Item was corrected.

CITY OF EDINBURG, TEXAS
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Finding 2022-007

Capital Assets – Depreciation Schedules

Criteria and Condition: Capital asset depreciation schedules should include all relevant details about each asset to ensure a complete and accurate schedule. Details should include but not be limited to the asset number, the in-service date, depreciation method, depreciation expense, etc. This ensures each asset is identifiable and balances on the schedule are verifiable. We noted the City's capital asset depreciation schedules did not include an in-service date. Additionally, five assets in the Governmental funds, two assets in the Component Unit Boys & Girls Club funds, and one asset in the Enterprise funds were noted to be depreciated using a useful life not aligned with the City's policy as outlined in the ACFR note disclosures.

Current Year Status: Item was not corrected. See finding 2023-006.

Finding 2022-008

Utility Billing – Landfill Customer Deposits

Criteria and Condition: Landfill customer deposits and fees are collected by the Landfill office. Landfill deposits should be posted to customer accounts to be returned or used as a credit on future landfill use. During our review of customer deposits, we noted customer deposits (liabilities) have been increasing yearly and payments and/or deposits are not being posted properly to customer accounts.

Current Year Status: Item was corrected.

Finding 2022-009

Cash – Depository Agreement

Criteria and Condition: Per the City's investment policy, all demand deposits and all time deposits should be collateralized. During our review of pledged securities, we noted the City has no depository agreement in place with Plains Capital Bank or Greater Texas Federal Credit Union.

Current Year Status: Item was not corrected. See finding 2023-007.

Finding 2022-010

Expenditure Test of Internal Controls

Criteria and Condition: The City's purchasing policies require all purchases to have on file quotes or bids, documented approvals by Director of Finance, Assistant City Manager, Purchase Manager, and Department Director. During our test of 40 purchases, we found 8 exceptions: 1 lacked Director of Finance and Assistant City Manager approvals, 1 lacked approval from the Department Director, 4 instances lacking Purchase Manager approval for the purchase, 1 instance where PO approval was not done and 1 instance where no bids/quotes were obtained. No quotes were obtained for the purchase of propane tanks for training purposes in the amount of \$2,327.50.

Current Year Status: Item was corrected.

CITY OF EDINBURG, TEXAS
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

II. Reference Number	Federal Award Findings
<u>Finding 2022-0011</u>	<i>Performance Reporting</i> Federal Program: American Relief Plan Act (ARPA) ALN 21.027 Federal Agency: U.S. Department of Treasury Federal Award Year: 2021 Type of Finding: Significant Deficiency in Internal Control over Compliance and Noncompliance
<u>Criteria and Condition:</u>	The Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) performance reporting compliance requirement states that recipients must submit quarterly performance reports. The Quarterly Project and Expenditure report (Quarter 4) was not submitted by the required deadline.
<u>Current Years Status:</u>	Item was not corrected. See finding 2023-008.



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

PRESENTATIONS AND REPORTS

Agenda Item No: 7.B.

Annual Comprehensive Financial Report

1. Agenda Item:

Presentation of the Annual Comprehensive Financial Report for the Edinburg Economic Development Corporation for Fiscal Year Ending September 30, 2023. [Raudel Garza, Edinburg EDC Executive Director]

2. Description:

Cascos & Associates, PC conducted the audit and reviewed the EEDC's Annual Financial Report for the year ended September 30, 2023. Cascos & Associates, PC staff will be available for any questions.

3. Staff's Recommendation:

Staff recommends acceptance of the Audit Financial Report for Fiscal Year 2022-2023. The Edinburg EDC Board of Directors accepted the audit report at the April 23, 2024 Regular Board Meeting.

Reviewed by:

Raudel Garza, Director of Economic Development
Nelda Ramirez, Assistant City Manager

Prepared by:

Leticia Pantoja, Project
Manager

Attachments:

A. Edinburg EDC Audit Report - September 30, 2023

ANNUAL FINANCIAL REPORT

FISCAL YEAR 22-23

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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Cascos & Associates, PC

Certified Public Accountants

Audit/Accounting/Tax/Consulting

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Edinburg Economic Development Corporation
Edinburg, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Edinburg Economic Development Corporation (EEDC), a component unit of the City of Edinburg, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the EEDC's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, of the EEDC, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the EEDC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

As discussed in Note III to the financial statements, the EEDC has notes receivable totaling \$13,640,003 due from Santana Textiles, LLC. Santana Textiles, LLC has ceased operations and has not complied with the loan repayment terms as outlined in the note agreements. Accordingly, Santana Textiles, LLC is in default with the terms of the note agreements. Management has evaluated the facts and circumstances associated with these notes, including the EEDC's status as second lien holder and the market values of property and equipment. Management expects to substantially recover the balances due from Santana Textiles, LLC. Any changes in management's estimates associated with these notes may have a material effect on the EEDC's financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the EEDC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 EEDC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the EEDC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and pension and other post-employment benefits be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2024, on our consideration of the EEDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the EEDC's 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 EEDC's internal control over financial reporting and compliance.



Cascos & Associates, PC
Brownsville, Texas
April 15, 2024

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

In this section of the Annual Financial Report, we, the managers of Edinburg Economic Development Corporation (EEDC), discuss and analyze the EEDC's financial performance for the year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the independent auditors' report on page 1, and the EEDC's Basic Financial Statements and related disclosures, which begin on page 10.

FINANCIAL HIGHLIGHTS

General Fund

- At year-end, total fund balance for the General Fund was \$48,241,848.
- General Fund revenues were \$9,946,842 and General Fund expenses were \$5,714,290.

Government-Wide

- EEDC's governmental activities reported program expenses of \$4,240,085. General revenues totaled to \$10,720,638 and charges for services \$17,138, resulting in an increase in net position of \$6,497,691.
- At year end, EEDC's governmental activities reported combined total net position of \$23,600,438.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities on pages 10 and 11. These statements provide information about the activities of the EEDC as a whole and present a longer-term view of EEDC's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner like the financial reports of a business enterprise.

Fund financial statements, starting on page 12, report the EEDC's operations in more detail than the government-wide statements by providing information about the EEDC's most significant funds. For governmental funds, these statements tell how services were financed in the short-term, as well as, what resources remain for future spending. They reflect the flow of current financial resources and the appropriations budget.

The notes to the financial statements starting on page 16 provide narrative explanations or additional data needed for full disclosure in the government-wide statements and fund financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Government-Wide Financial Statements

The analysis of the EEDC's overall financial condition and operations begins on page 10. Its primary purpose is to show whether the EEDC is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the EEDC's assets, liabilities and outflow of resources at the end of the year while the Statement of Activities includes all the revenues and expenses generated by EEDC's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All the current year's revenues and expenses are recognized regardless of when cash is received or paid. The EEDC's revenues are divided into those provided by outside parties who share the costs of some programs. All the EEDC's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the EEDC's net position and changes in them. The EEDC's net position (the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources) provide one measure of the EEDC's financial health or financial position. Over time, increases or decreases in the EEDC's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the EEDC, however, you should consider non-financial factors as well, such as changes in the EEDC's sales taxes due to the economy and the condition of the EEDC's facilities.

In the Statement of Net Position and the Statement of Activities, we reflect the EEDC in only one kind of activity:

- Governmental activities: All of the EEDC's basic services are reported here. Sales taxes designated for economic development finance most of EEDC's activities.

Fund Financial Statements

The fund financial statements begin on page 12 and provide detailed information about the EEDC as a whole. The EEDC has one fund type - Governmental Funds.

- Governmental funds: All of the EEDC's basic services are reported in governmental funds. These funds use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the EEDC's general operations and the basic services it provides.

We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. At year end, EEDC's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$23,600,438. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements was \$(1,880,826). In prior years, EEDC acquired debt that was committed for projects and assets contributed to other entities, please refer to Note XVII - Commitments for additional information. The release of funds related to the contributed projects and assets, decreases the restricted net position. In the year ending September 30, 2023, unrestricted net assets increased by \$7,788,055 and restricted net assets decreased by \$359,454. Additionally, EEDC sold land and buildings, leased office space, and took on additional research and customer relation and management tools that decreased capital assets by \$1,148,458.

The following table summarizes the EEDC's net Position as of September 30, 2023.

Table I

	Governmental Activities 2023	Governmental Activities 2022
Assets		
Current and other assets	\$ 48,311,156	\$ 43,116,198
Capital assets	7,462,480	8,610,938
Total assets	<u>55,773,636</u>	<u>51,727,136</u>
Deferred outflow of resources	1,583,142	1,566,855
Total Assets and Deferred Outflow of Resources	<u>\$ 57,356,778</u>	<u>\$ 53,293,991</u>
Liabilities		
Current liabilities	\$ 202,119	\$ 1,218,887
Long-term liabilities	33,531,881	34,735,000
Total liabilities	<u>33,734,000</u>	<u>35,953,887</u>
Deferred inflow of resources	22,340	-
Total Liabilities and Deferred Inflow of Resources	<u>33,756,340</u>	<u>35,953,887</u>
Net Position		
Net in invested in capital assets	7,442,671	8,610,938
Restricted	18,038,593	18,398,047
Unrestricted	<u>(1,880,826)</u>	<u>(9,668,881)</u>
Total Net Position	<u>23,600,438</u>	<u>17,340,104</u>
Total Liabilities and Net Position	<u>\$ 57,356,778</u>	<u>\$ 53,293,991</u>

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Statement of Activities

The EEDC's total revenues were \$10,737,776. Sales tax contributed \$9,184,192 or 85.5% of total revenues, which contributed for most of the revenues increase. Economic Development and Assistance expenses decreased by \$2,576,381 or 46.0% as the EEDC was restructured. As part of the restructure, EEDC incorporated new personnel after the beginning of the year, reducing personnel cost and also delaying the completion of projects and other expenses. Additionally, Developers' and other grantees' experienced delays on the completion on their projects, for delaying the related reimbursements to them. Series 2015 Sales Tax Revenue Bond was refinanced in fiscal year 2021, bond interest decreased as expected.

The following table summarizes the change in the EEDC's net position from its activities for the year ended September 30, 2023.

Table 2

	Governmental Activities 2023	Governmental Activities 2022
Revenues		
Program Revenues:		
Charges for Services	\$ 17,138	\$ 104,995
General Revenues:		
General Sales Taxes	9,184,192	8,600,943
Miscellaneous Revenue	250	336,242
Investment Earnings	745,262	107,322
Gain on Sale of Property	790,934	236,617
Total Revenue	<u>\$ 10,737,776</u>	<u>\$ 9,386,119</u>
Expenses		
Economic Development and Assistance	\$ 3,022,682	\$ 5,599,063
Interest on Debt and Other Debt Charges	1,217,403	1,355,227
Total Expenses	<u>4,240,085</u>	<u>6,954,290</u>
Change in Net Position	6,497,691	2,431,829
Net Position Beginning	17,340,104	14,908,275
Prior Period Adjustment	(237,357)	-
Net Position Ending	<u>\$ 23,600,438</u>	<u>\$ 17,340,104</u>

As reflected in the Statement of Activities, total expenses for governmental activities were \$4,240,085. General revenues of \$10,737,776 exceeded the total net expenses for governmental activities of \$4,240,085 by \$6,497,691. As projects are undertaken, expenses are increasing, and a large decrease in net position in the upcoming year due to the magnitude of the projects is expected.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

GENERAL FUND FINANCIAL ANALYSIS

The General Fund is the chief operating fund of the EEDC. At the end of the current year, the total fund balance of the General Fund was \$48,241,848.

General Fund Budgetary Highlights

The EEDC amended the General Fund budget during the year. Those budget amendments fall into two categories. The first involved amendments moving funds from categories that did not need all the resources to categories with resource needs. The second involved adjusting the budget to better reflect the needs and resources available as changes in personnel affected the use of the budget.

- The major revenue variance of \$680,262, or 91%, was in Investment Earnings as it was budgeted conservatively.
- Overall expenditures were below budget. The Executive Director hired new personnel after the beginning of the year which reduced personnel costs and the completion of projects. Marketing activities were also below projected. There were delays in land acquisitions and programs took longer than projected to implement, which reduced the related expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the current year, the EEDC had \$7,462,480 invested in a broad range of capital assets, including land, buildings, furniture and equipment. No capital assets are impaired.

More detailed information about the EEDC's Capital Assets is presented in the notes to the financial statements.

Debt

At year-end, the EEDC had \$33,155,000 in bonds outstanding versus \$34,735,000 last year. The decrease is attributed to principal payments made during the year. No new debt was issued.

More detailed information about the EEDC's long-term liabilities is presented in the notes to the financial statements.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Fiscal year 2024 is projected to be a year of continued growth. Both public and private development in building and infrastructure activity will serve to broaden the City's tax base and provide continuing employment opportunities for the residents. In 2023, the EEDC experienced a 6.8% increase in sales tax revenue from 2022. Cash reserves are in place in accordance with the investment policy in secured investments. Additionally, according to the Texas Labor Market Review, the unemployment rate for the McAllen-Edinburg-Mission MSA as of November 30, 2023 was 5.3%, which represents a decrease compared to a 6.4% from prior year. The state average rate is reported at 3.5% and the national average rate is at 3.5%.

The EEDC Board of Directors has approved the General Fund Budget for fiscal year 2024 that includes funding for continued growth and development opportunities. Revenues in the General Fund are estimated at \$12,015,676, with an additional transfer in from the City of Edinburg of \$1,800,000. Budgeted expenditures are estimated at \$13,815,676. Cash is expected to decrease by the close of fiscal year 2024 as construction progresses. Priority has been placed on the development of the airport, infrastructure projects, workforce programs, and the revitalization of the Downtown District, including the construction of the Parking Garage and the completion of the Edinburg Arts, Culture, and Events Center (A.C.E.).

CONTACTING THE EEDC'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the EEDC's finances and to show the EEDC's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the EEDC's administration office at:

Edinburg Economic Development Corporation
3111 W. Freddy Gonzalez Dr.
Edinburg, Texas 78539

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 13,501,268
Cash and Cash Equivalents - Restricted	19,742,338
Due from Primary Government	1,695,444
Notes Receivable, Net	13,367,203
Prepayments	4,903
Capital Assets:	
Land	6,780,643
Buildings, Net	660,734
Right-to-Use Lease & SBITA, Net	21,103
Total Assets	<u>55,773,636</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge for Refunding	1,441,087
Deferred Outflow Related to Pensions	131,582
Deferred Outflow Related to OPEB	3,178
Deferred Outflow Related to OPEB - MED	7,295
Total Deferred Outflows of Resources	<u>1,583,142</u>
LIABILITIES	
Accounts Payable	44,224
Accrued Interest Payable	132,811
Due to Primary Government	10,878
Accrued Expenditures	14,206
Noncurrent Liabilities:	
Due Within One Year	1,644,809
Due in More Than One Year:	
Bonds, Notes, Loans, Leases, etc.	31,530,000
Net Pension Liability	287,625
Net OPEB Liability	9,507
Net OPEB - MED Liability	59,940
Total Liabilities	<u>33,734,000</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pensions	1,078
Deferred Inflow Related to OPEB	5,275
Deferred Inflow Related to OPEB - MED	15,987
Total Deferred Inflows of Resources	<u>22,340</u>
NET POSITION	
Net Investment in Capital Assets	7,442,671
Restricted for:	
Restricted for Capital Acquisition	13,495,296
Restricted for Debt Service	3,763,297
Restricted for Other Purposes	780,000
Unrestricted	(1,880,826)
Total Net Position	<u>\$ 23,600,438</u>

The accompanying notes are an integral part of these financial statements.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary government:				
GOVERNMENTAL ACTIVITIES:				
Economic Development and Assistance	\$ 3,022,682	\$ 17,138	\$ -	\$ (3,005,544)
Interest on Debt	1,213,653	-	-	(1,213,653)
Other Debt Charges	3,750	-	-	(3,750)
Total Governmental Activities	<u>4,240,085</u>	<u>17,138</u>	<u>-</u>	<u>(4,222,947)</u>
Total Primary Government	<u>\$ 4,240,085</u>	<u>\$ 17,138</u>	<u>\$ -</u>	<u>(4,222,947)</u>
General Revenues:				
				9,184,192
				250
				745,262
				790,934
				<u>10,720,638</u>
				6,497,691
				17,340,104
				(237,357)
				<u>\$ 23,600,438</u>

The accompanying notes are an integral part of these financial statements.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund
ASSETS	
Cash and Cash Equivalents	\$ 13,501,268
Cash and Cash Equivalents - Restricted	19,742,338
Due from Primary Government	1,695,444
Notes Receivable, Net	13,367,203
Prepayments	4,903
Total Assets	<u>\$ 48,311,156</u>
LIABILITIES	
Accounts Payable	\$ 44,224
Due to Primary Government	10,878
Accrued Expenditures	14,206
Total Liabilities	<u>69,308</u>
FUND BALANCES	
Nonspendable	13,367,203
Restricted for:	
Restricted for Capital Acquisition	13,495,296
Restricted for Debt Service	3,763,297
Restricted for Other Purposes	780,000
Unassigned	16,836,052
Total Fund Balances	<u>48,241,848</u>
Total Liabilities and Fund Balances	<u>\$ 48,311,156</u>

The accompanying notes are an integral part of these financial statements.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total Fund Balances - Governmental Funds	\$ 48,241,848
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$9,235,003 and accumulated depreciation was \$624,065. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position.	(24,557,207)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2023 capital outlays and debt principal payments is to increase net position.	449,629
Current year GASB 68 changes for the TMRS Pension plan this fiscal year required that the EDC report their net pension liability in the Government-Wide Statement of Net Position. The items reported as a result of this implementation included a net pension liability of \$287,625, a Deferred Resource Inflow of \$1,078, and a Deferred Resource Outflow of \$131,582. The net effect of these was to decrease the ending net position by \$157,121.	(157,121)
Current year GASB 75 changes for the OPEB Pension plan this fiscal year required that the EDC report their net OPEB liability in the Government-Wide Statement of Net Position. The items reported as a result of this implementation included a net pension liability of \$69,447, a Deferred Resource Inflow of \$21,262, and a Deferred Resource Outflow of \$10,473. The net effect of these was to decrease the ending net position by \$80,236.	(80,236)
The 2023 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(37,896)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	(258,579)
Net Position of Governmental Activities	<u>\$ 23,600,438</u>

The accompanying notes are an integral part of these financial statements.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund
REVENUES	
General Sales Taxes	\$ 9,184,192
Lease and Rental	17,138
Investment Earnings	745,262
Other Revenue	250
Total Revenues	9,946,842
EXPENDITURES	
Conservation and Development	
Economic Development and Assistance	2,984,786
Debt Service:	
Principal on Debt	1,596,342
Interest on Debt	1,093,261
Other Debt Charges	3,750
Capital Outlay:	
Capital Outlay	36,151
Total Expenditures	5,714,290
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,232,552
OTHER FINANCING SOURCES (USES)	
Sale of Real and Personal Property	1,937,647
Right-to-Use Lease and SBITA Proceeds	36,151
Total Other Financing Sources (Uses)	1,973,798
Net Change in Fund Balance	6,206,350
Fund Balance - October 1 (Beginning)	42,035,498
Fund Balance - September 30 (Ending)	\$ 48,241,848

The accompanying notes are an integral part of these financial statements.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

Total Net Change in Fund Balances - Governmental Funds	\$ 6,206,350
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2023 capital outlays, the disposal of capital assets with net value of (\$1,146,713) and debt principal payments of \$1,596,342 is to increase net position.	449,629
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position	(37,896)
Amortization of deferred bond charges and accrued interest payable are not recognized as expenses in governmental funds since they do not require the use of current financial resources. The net effect of the current year's amortization expense of \$125,768 and accrued interest of \$5,376 is to decrease the change in net position.	(120,392)
Change in Net Position of Governmental Activities	<u><u>\$ 6,497,691</u></u>

The accompanying notes are an integral part of these financial statements.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Edinburg Economic Development Corporation (EEDC), a component unit of the City of Edinburg, Texas, (the City) was incorporated on April 23, 1990, under the Constitution of the State of Texas. The EEDC was organized on behalf of the City for the purpose of promoting the development of commercial, industrial, and manufacturing enterprises as well as improving the quality of life within its city limits and encouraging new employment opportunities.

The EEDC is a 501(c)(4) not for profit corporation by the Internal Revenue Service, and thus, its income is generally exempt from federal income taxation.

The EEDC prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles.

The accounting policies of the EEDC as reflected in the accompanying financial statements conform to GAAP for local governmental units as prescribed by the GASB.

A. REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity," provides guidance for determining which governmental organizations should be included within a reporting entity. GASB statement No. 61 sets forth financial accountability as the basic criterion for inclusion of a government unit in a governmental reporting entity. Financial accountability is defined as appointment of a voting majority of the component units board and either the ability to impose its will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Due to the primary government's ability to impose its will on the EEDC, the EEDC is a component unit of the City.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the EEDC's non-fiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes and other intergovernmental revenues.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (*Continued*)

The Statement of Activities demonstrates how other people or entities that participate in programs the EEDC operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use or directly benefit from goods or services provided by a given function or segment of the EEDC. The "grants and contributions" column includes amounts paid by organizations outside the EEDC to help meet the operational or capital requirements of given function. If a revenue is not a program revenue, it is a general revenue used to support all of the EEDC's functions. Taxes are always general revenues.

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single "transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "internal balances" line of the government-wide statement of net position.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, and fund balances are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present net increases and decreases in current assets (i.e. revenues and other financing sources and the expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The EEDC considers all revenues available if they are collected within 60 days after year-end.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (*Continued*)

Revenues from local sources consist primarily of sales taxes. Sales tax revenues are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The EEDC considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until received. Investment earnings are recorded as earned, since they are both measurable and available.

D. FUND ACCOUNTING

The EEDC reports the following major governmental funds:

General Fund - The primary operating fund is the only major fund in the current fiscal year. It accounts for all of the financial resources of the general government, except those required to be accounted for in another fund.

E. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. The capital projects are appropriated on a project-length basis. The appropriated budget is prepared by fund, function, and department. Transfers of appropriations require the approval of the Board of Directors.

F. OTHER ACCOUNTING POLICIES

1. In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period incurred.

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

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

F. OTHER ACCOUNTING POLICIES (*Continued*)

2. Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.
3. Receivables consist of uncollected notes receivable at year end. Additional details can be found on Note III.
4. Capital assets, which include land, buildings, furniture and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the EEDC as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture, and equipment of the EEDC are depreciated using the straight-line method over the following estimated useful lives. The estimated lives range from 5 to 20 years for equipment, 10 to 40 years for improvements, and 40 years for buildings.

5. Deferred Outflows/Inflows of Resources are sometimes an addition to assets and liabilities. They are reported in a separate section for deferred outflows and inflows of resources in the statement of net position. Deferred outflow of resources represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent 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 EEDC records deferred outflows of resources related to deferred charges on refunding.
6. *Restricted Assets:* Proceeds of revenue bonds issued, as well as, certain resources set aside for their repayment, are classified as restricted assets on the Balance Sheet because their use is limited by applicable bond covenants.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

F. OTHER ACCOUNTING POLICIES (*Continued*)

7. When the EEDC incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.
8. In the fund financial statements, governmental funds report fund balance based on the following classifications: non-spendable, restricted, committed, assigned *or* unassigned. Restricted fund balances are amounts legally restricted by outside parties for use by a specific purpose. Commitments of fund balance require approval of the Board of Directors through formal action. The Board of Directors delegates the responsibility to assign fund balance to the Director or his/her designee, when appropriate. Unassigned fund balance is the residual classification for the general fund after the amounts for the restricted, committed, and assigned classifications have been identified. Funds will be utilized in the following order: restricted, committed, assigned, and unassigned.

G. CURRENT ACCOUNTING STANDARDS

In June 2017, GASB issued Statement No. 87, Leases, which improves the accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provision of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

The EEDC implemented GASB 96 for reporting Subscription-Based-Information Technology Arrangements (SBITAs). GASB 96 requires recognition of certain right-to-use subscription assets and liabilities for SBITAs in the financial statements. There are no SBITAs that require a prior period adjustment.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

II. DEPOSITS AND INVESTMENTS

The EEDC Depository Agreement requires its designated financial institution to secure by collateral valued at fair value, less the amount of the Federal Deposit Insurance Corporation insurance. At September 30, 2023, the EEDC's deposits were entirely covered by federal deposit insurance or were secured by collateral held by the pledging financial institution's agent in the EEDC's name, pursuant to the Depository Agreement. The bank balance consisted of the following at September 30, 2023:

Bank	Bank Balance
Texas National Bank-Operating	\$ 13,806,008
Texas National Bank-Debt Service	2,310,824
Texas National Bank-Arena	780,000
TexStar 2019 DS	803,164
TexStar 2021AB	9,493,550
TexStar 2021B DS	171,639
TexStar 2021A DS	477,671
TexStar 2019	5,705,490
Total Bank Deposits	\$ 33,548,346

The Public Funds Investment Act (Government Code, Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the EEDC to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity (2) portfolio diversification (3) allowable investments (4) acceptable risk levels (5) expected rates of return (6) maximum allowable stated maturity of portfolio investments (7) maximum average dollar- weighted maturity allowed based on the stated maturity date for the portfolio (8) investment staff quality and capabilities (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas (2) certificates of deposit (3) certain municipal securities (4) money market savings accounts (5) repurchase agreements (6) bankers acceptance (7) Mutual Funds (8) Investment Pools guaranteed investment contract (10) and common trust funds.

At September 30, 2023 the EEDC had 100% of its investments in interest paying accounts and TexSTAR, a conservatively managed fund operated in full compliance with the PFIA, rated AAAM by Standard & Poors. TexSTAR is an investment pool created by Local Governments for Local Governments.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

II. DEPOSITS AND INVESTMENTS (*Continued*)

As of September 30, 2023, all of the EEDC's external investment pools meet the criteria described in GASB Statement No. 79 and measure all of their investments at amortized cost; therefore, the EEDC has also measured their investments in these external investment pools at amortized cost for financial reporting purposes. In addition, the pools do not have any limitations or restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity or redemption gates.

Credit Risk: To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the EEDC limits investments to Certificates of Deposits, Public Funds Investment Pools and Guaranteed Investment Contracts, collateralized by the U.S. Government Securities. As of September 30, 2023, the EEDC's investments were secured by the U.S. Government Securities, pursuant to the Depository Agreement.

Custodial Credit Risk for Investments: State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the EEDC complies with this law, it has no custodial credit risk for deposits.

Concentration of Credit Risk: To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the investment portfolio shall be diversified in terms of investment instruments maturity scheduling, and financial institutions. As of September 30, 2023, the EEDC had investments only in a public funds investment pool.

Interest Rate Risk: Interest rate risk is defined as the risk that changes in interest rates will adversely affect the amortized value of an investment. For operating funds, such as the general fund, maturities shall not exceed one year. As of September 30, 2023, the EEDC had investments only in a public funds investment pool.

Foreign Currency Risk for Investments: Foreign currency risk is the risk that changes in exchanges rates will adversely affect the fair value of an investment. At year-end, the EEDC was not exposed to foreign currency risk.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

III. AGGREGATE RECEIVABLES

The aggregate receivables at September 30, 2023, were:

Notes Receivable - Santana Textiles	\$ 13,640,003
Allowance for Uncollectible Notes	(272,800)
Total Notes Receivable, net	\$ 13,367,203
Accounts Receivable - Accrued Interest and Late Fees (Santana Textiles)	\$ 3,577,449
Accounts Receivable - Nu-Co Tool	127,633
Allowance for Uncollectible	(3,705,082)
Total Receivable, net	\$ -

The notes receivable (Santana Textiles) account is comprised of two (2) notes from Santana Textiles, LLC. The first note originated on April 16, 2010, in the amount of \$5,000,000. The second note originated on August 30, 2011, in the amount of \$10,000,000. The current agreement with Santana Textiles expired on October 21, 2022. The EEDC renegotiated an extension which was approved by the Board of Directors on November 15, 2023 and by City Council on December 5, 2023. However, to this date, Santana Textiles has failed to execute the agreements and also to pay the amount due to bring the notes current. Other options to collect are being explored and pursued.

The \$5,000,000 note receivable from Santana Textiles, LLC requires payments of \$26,778 monthly, including principal and interest (4.25%) beginning November 21, 2017, and ending upon maturity on October 21, 2022.

The \$10,000,000 note receivable from Santana Textiles, LLC requires payments of \$59,971 monthly, including principal and interest (4.25%) beginning November 21, 2017, and ending upon maturity on October 21, 2022.

Santana Textiles has ceased operations and is in default of loan payments and interest and is currently under an agreement to cover delinquent property taxes with Hidalgo County. EEDC is secondary lien holder on the notes. Management of EEDC feels that a satisfactory agreement will be placed and is negotiating an extension to agree on a date to satisfy the pending receivable either by contracting with other companies to take over the project or through asset liquidation.

The combined balance of the Santana Textiles notes receivable is \$13,640,003. An allowance for uncollectible has been setup for \$272,800 or 2% of the note receivable balance. An additional allowance for uncollectible has been set up for 100% of the related accrued interest and late fees. The total notes allowance for uncollectible balance is \$3,577,449 which brings the notes receivable, net balance to \$13,367,203. A Cross-Collateralization and Cross-Default and Security Agreement was executed on August 30, 2011 and recorded in the Office of the County Clerk of Hidalgo County, Texas as Document No. 2237059 for both Notes.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

IV. ACCOUNTS PAYABLE

The accounts payable at September 30, 2023, were:

Communications & Other	\$ 3,008
Projects	3,400
Travel, Training and Meetings	16,217
Audit	16,000
TML Insurance	5,599
Total Accounts Payable	\$ 44,224

V. SINKING FUNDS

As of September 30, 2023, the sinking funds consisted of the following:

Account	Reserve Required	Balance at 09/30/23	Overfunded/ (Underfunded)
TexStar Series 19 Bond Reserve	\$ 761,150	\$ 803,164	\$ 42,014
TexStar Series 2021A Bond Reserve	456,194	477,671	21,477
TexStar Series 2021B Bond Reserve	162,988	171,639	8,651
	\$ 1,380,332	\$ 1,452,474	\$ 72,142

VI. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund
General Sales Taxes	\$ 9,184,192
Lease and Rental	17,138
Investment Earnings	745,262
Other Revenue	250
Total	\$ 9,946,842

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

VII. CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>Primary Government</u>			
<i>For the Years Ended September 30,</i>	2022	Additions	Retirements	2023
Capital assets not being depreciated:				
Land	\$ 7,322,205	\$ -	\$ (541,562)	\$ 6,780,643
Total capital assets not being depreciated	7,322,205	-	(541,562)	6,780,643
Capital assets being depreciated:				
Buildings	1,912,074	-	(1,123,054)	789,020
Furniture and equipment	724	-	-	724
Right-to-use lease	-	29,651	-	29,651
SBITA	-	6,500	-	6,500
Total capital assets being depreciated	1,912,798	36,151	(1,123,054)	825,895
Less: accumulated depreciation for:				
Buildings	(623,341)	(22,848)	517,903	(128,286)
Furniture and equipment	(724)	-	-	(724)
Right-to-use lease	-	(9,884)	-	(9,884)
SBITA	-	(5,164)	-	(5,164)
Total accumulated depreciation	(624,065)	(37,896)	517,903	(144,058)
Total capital assets, being depreciated, net	1,288,733	(1,745)	(605,151)	681,837
Governmental activities capital assets, net	\$ 8,610,938	(1,745)	\$ (1,146,713)	\$ 7,462,480

Costs associated with the ongoing construction projects were not capitalized as the assets will be owned and operated by the City or other entities. See note XIV for additional information. For the fiscal year ended September 30, 2023 depreciation expense was \$37,896.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

VIII. LONG-TERM DEBT

Long-term debt for bonds consists of the following at September 30, 2023:

\$2,300,000 Bond Issue Series 2013A; payable in semi-annual installments of \$18,750 plus interest of 3.120%, maturing February 15, 2024; collateralized by economic development sales tax receipts.	\$ 265,000
\$4,575,000 Bond Issue Series 2013B; payable in semi-annual installments of \$37,500 plus interest of 3.040%, maturing August 15, 2024; collateralized by economic development sales and use tax receipts.	525,000
\$10,840,000 Bond Issue Series 2019; payable in semi-annual installments plus interest maturing August 15, 2044.	9,885,000
\$7,730,000 2021A Sales Tax Revenue Bonds; payable in semi-annual installments plus interest of 2.500%-3.375%, maturing in August 15, 2046; collateralized by sales and use tax receipts.	7,275,000
\$2,250,000 2021B Sales Tax Revenue Bonds; payable in semi-annual installments plus interest of 4.750%-5.250%, maturing in August 15, 2046; collateralized by sales and use tax receipts.	2,145,000
\$13,610,000 2021 Sales Tax Revenue Refunding Bonds; payable in semi-annual installments plus interest of .355%-2.340%, maturing in February 15, 2035; collateralized by sales and use tax receipts.	<u>13,060,000</u>
	<u>\$ 33,155,000</u>

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

VIII. LONG-TERM DEBT (Continued)

EEDC has issued sales tax revenue bonds to finance various construction projects to enhance economic development in the area of the City. These bonds are to be repaid with sales tax revenue.

Annual debt service requirements to maturity for the EEDC's general long-term debt are as follows:

Fiscal Year	Principal	Interest
2024	\$ 1,625,000	\$ 1,049,036
2025	1,665,000	1,010,977
2026	1,695,000	977,766
2027	1,735,000	941,187
2028	1,775,000	900,010
2029-2033	9,590,000	3,778,671
2034-2038	7,060,000	2,415,669
2039-2043	5,580,000	1,280,163
2044-2046	2,430,000	169,275
	\$ 33,155,000	\$ 12,522,754

On June 1, 2023, EEDC entered into a 12 month lease as Lessee for the use of JH/JC, LLC & EEDC 3111 W. Freddy Gonzalez. An initial lease liability was recorded in the amount of \$29,651. As of September 30, 2023, the value of the lease liability is \$19,809. EEDC is required to make monthly fixed payments of \$2,500. The lease has an interest rate of 2.56%. The Buildings estimated useful life was 12 months as of the contract commencement. The value of the right to use asset as of September 30, 2023 of \$19,767 with accumulated amortization of \$9,884 is included on Note VII. EEDC has 1 extension option for 12 months.

A summary of right-to-use lease arrangements for the year ended September 30, 2023 is as follows:

	Interest Rate	Original Lease Liability	September 30, 2022	Additions	Reductions	September 30, 2023	Current Portion
Right-to-Use Lease - Office Space	2.56%	\$ 29,651	\$ -	\$ 29,651	\$ (9,842)	\$ 19,809	\$ 19,809
Total Right-to-Use Lease		\$ 29,651	\$ -	\$ 29,651	\$ (9,842)	\$ 19,809	\$ 19,809

Debt service requirements for right-to-use lease is as follows:

Fiscal Year	Principal	Interest
2024	\$ 19,809	\$ 191
	\$ 19,809	\$ 191

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

VIII. LONG-TERM DEBT (Continued)

On December 15, 2022, the EEDC entered into a 12 month subscription for the use of REsimplifi Application. An initial subscription liability was recorded in the amount of \$6,500. As of September 30, 2023, the value of the subscription liability is \$0.00. EEDC is required to make annual fixed payments of \$6,500. The subscription has an interest rate of 3.14%. The value of the right to use asset as of September 30, 2023 of \$6,500 with accumulated amortization of \$5,164 is included on Note VII. EEDC has 1 extension option, for 12 months.

A summary of the SBITA for the year ended September 30, 2023 is as follows:

	Interest Rate	Original Lease Liability	September 30, 2022	Additions	Reductions	September 30, 2023	Current Portion
SBITA	3.14%	\$ 6,500	\$ -	\$ 6,500	\$ (6,500)	\$ -	\$ -
Total SBITA		\$ 6,500	\$ -	\$ 6,500	\$ (6,500)	\$ -	\$ -

Summary of changes in Long-Term Debt for the year ended September 30, 2023:

	September 30, 2022	Additions	Reductions	Adjustments	September 30, 2023	Current Portion
Bonds payable						
Series 2013A	\$ 520,000	\$ -	\$ (255,000)	\$ -	\$ 265,000	\$ 265,000
Series 2013B	1,030,000	-	(505,000)	-	525,000	525,000
Series 2019	10,170,000	-	(285,000)	-	9,885,000	295,000
Series 2021A	7,495,000	-	(220,000)	-	7,275,000	225,000
Series 2021B	2,195,000	-	(50,000)	-	2,145,000	55,000
Series 2021 Refunding	13,325,000	-	(265,000)	-	13,060,000	260,000
Total Bonds Payable	34,735,000	-	(1,580,000)	-	33,155,000	1,625,000
Right-to-Use Lease	-	29,651	(9,842)	-	19,809	19,809
SBITA	-	6,500	(6,500)	-	-	-
Net Pension Liability	-	-	-	287,625	287,625	-
Net OPEB Liability	-	-	-	69,447	69,447	-
Total Long-Term Debt	\$ 34,735,000	\$ 36,151	\$ (1,596,342)	\$ 357,072	\$ 33,531,881	\$ 1,644,809

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

IX. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At the government-wide financial statements, deferred outflows include deferred charges on refunding of the bonds.

As of September 30, 2023, the various components of deferred outflows and inflows of resources are as follows:

Deferred Outflow Related to TMRS Pension	\$ 131,582
Deferred Outflow Related to OPEB	<u>10,473</u>
Total Deferred Outflows	<u>\$ 142,055</u>
Deferred Inflow Related to TMRS Pension	\$ 1,078
Deferred Inflow Related to OPEB	<u>21,262</u>
Total Deferred Inflows	<u>\$ 22,340</u>

X. EMPLOYEE RETIREMENT BENEFIT PLAN

Texas Municipal Retirement System

Plan Description

The EEDC participates as one of the 892 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS), thru the City of Edinburg (City).

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 Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmr.org.

All eligible employees of the EEDC are required to participate in TMRS, as are employees of the City.

All terms, conditions and benefits of EEDC employees are identical to the City's employees and covered under the City's plan with TMRS.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

X. EMPLOYEE RETIREMENT BENEFIT PLAN (*Continued*)

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 and apply to EEDC employees.

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 payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24 or 36 monthly payments which cannot exceed 75% of the member's deposits and interest.

Employees Covered by Benefit Terms

At the December 31, 2022, valuation and measurement date, the following city employees which include EEDC employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit	325
Inactive employees entitled to but not yet receiving benefits	609
Active employees	<u>986</u>
Total	<u><u>1,920</u></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.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.63% and 14.78% in the calendar years 2022 and 2023, respectively. The City's contribution to TMRS for the year ended September 30, 2023 were \$7,551,647 and were equal to the required contributions.

Net Pension Liability

The EEDC's Net Pension Liability (NPL) is included in the City's Net Pension Liability (NPL) and was measured as of December 31, 2022 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. There is no specific information as it relates to the EEDC's portion.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

X. EMPLOYEE RETIREMENT BENEFIT PLAN (*Continued*)

Actuarial Assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 3-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. 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. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class (Arithmetic)	Target Allocation	Long-Term Expected Net Real Rate of Return
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Real estate	12.0%	5.80%
Other Public and Private Markets	12.0%	8.10%
Hedge Funds	5.0%	6.90%
Private equity	10.0%	11.80%
Total	100.0%	

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

X. EMPLOYEE RETIREMENT BENEFIT PLAN (*Continued*)

The discount rate used to measure Total Pension Liability was 6.75%. The projections cash flow 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.

Schedule of Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Net Pension Liability - December 31, 2021	\$ 188,772,526	\$ 166,486,369	\$ 22,286,157
Changes for the year:			
Service Cost	7,924,131	-	7,924,131
Interest (on the Total Pension Liability)	12,787,769	-	12,787,769
Change in benefit terms	-	-	-
Difference between expected and actual experience	3,988,085	-	3,988,085
Changes of assumptions	-	-	-
Contributions - employer	-	7,256,687	(7,256,687)
Contributions - employee	-	3,512,914	(3,512,914)
Net investment income	-	(12,170,826)	12,170,826
Benefit payments, including refunds of employee contributions	(6,572,314)	(6,572,314)	-
Administrative expense	-	(105,164)	105,164
Other changes	-	125,492	(125,492)
Net Changes	18,127,671	(7,953,211)	26,080,882
Net Pension Liability - December 31, 2022	\$ 206,900,197	\$ 158,533,158	\$ 48,367,039

The amount presented above includes pension liabilities for the City's discretely presented component units. At September 30, 2023, the City's Governmental Activities portion of the net pension obligation was \$36,266,866, and the Business type activities was \$11,013,175, the Boys & Girls Club of Edinburg's portion was \$799,373, and the EEDC's portion was \$287,625. The total net pension liability for the Primary Government was \$47,280,041.

Sensitivity of the Net Pension Liability to Changes in the Discounted 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 be 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:

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

X. EMPLOYEE RETIREMENT BENEFIT PLAN (*Continued*)

	Current Single Discount		
	1 % Decrease	Rate Assumption	1 % Increase
	5.75%	6.75%	7.75%
Governmental Activities	\$ 61,896,093	\$ 36,266,866	\$ 15,672,084
Business Type Activities	18,796,014	11,013,175	4,759,149
Boys & Girls Club	1,364,277	799,373	345,435
Edinburg EDC	490,885	287,625	124,292
Total net pension liability	<u>\$ 82,547,269</u>	<u>\$ 48,367,039</u>	<u>\$ 20,900,960</u>

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

For the year ended September 30, 2023, the City and component units recognized a combined pension expense of \$10,495,822. At September 30, 2023, 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
Difference between expected and actual experience	\$ 5,501,784	\$ 181,284
Changes in actuarial assumptions	146,521	-
Difference between projected and actual investment earnings	10,896,549	-
Contributions subsequent to measurement period	5,582,060	-
Total	<u>\$ 22,126,914</u>	<u>\$ 181,284</u>

Of the total deferred outflows relating to the pension plan, \$16,591,338 is reported in Governmental Activities and \$5,038,298 is reported in Business-Type Activities. The Boys and Girls Club of Edinburg's portion is \$365,696, and the remaining \$131,582 pertains to the EEDC.

Of the total deferred inflows relating to the pension plan, \$135,931 is reported in Governmental Activities, and \$41,279 is reported in Business-Type Activities. The Boys and Girls Club of Edinburg's portion is \$2,996, and the remaining \$1,078 pertains to the EEDC.

\$5,582,060 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, 2024. Other amounts reported as deferred outflows and the inflows of resources related to pensions will be recognized in pension expense as follows:

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

X. EMPLOYEE RETIREMENT BENEFIT PLAN (*Continued*)

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 2,444,328
2025	4,347,565
2026	4,253,192
2027	5,318,485
2028	-
Thereafter	-
Total	<u>\$ 16,363,570</u>

XI. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The EEDC, thru the City also participates in the defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The SDBF is considered to be a single-employer plan. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

Contributions

The EEDC, thru the City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Inactive employees or beneficiaries currently receiving benefit	251
Inactive employees entitled to but not yet receiving benefits	43
Active employees	<u>986</u>
Total	<u><u>1,280</u></u>

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XI. OTHER POST EMPLOYMENT BENEFITS (*Continued*)

Accounting Policy

GASB 75 requires employers to recognize the total OPEB liability and the OPEB expense on their financial statements. The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability. An irrevocable trust has not been established that meets the criteria in paragraph 4 of GASB Statements No. 75. Therefore, the Plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Funding Policy

The benefits levels and contribution rate are approved annually by the city management and the City Council as part of the budget process. By the City not contributing anything toward this plan in advance, the City employs a pay-as-you-go method through ensuring the annual retiree contribution are equal to the benefits that are paid on behalf of the retirees. OPEB expenses for the SDBF program as actuarially determined for the City was \$132,925 and \$2,181,550 for Health Insurance program.

Actuarial Methods and Assumptions

Significant methods and assumptions used in the December 31, 2022, actuarial valuation for the SDBF program are as follows:

SDBF Program

Inflation	2.50%
Salary increases	3.50% to 11.50%, including inflation
Discount rate*	4.05%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates- service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates- disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XI. OTHER POST EMPLOYMENT BENEFITS (*Continued*)

*The discount rate was based on the Fidelity Index's "20-year Municipal GO AA Index" rate as of December 31, 2022.

Health Insurance Program

Inflation	2.70% per year
Salary Increases	Varies from 11.50% to 3.50%
Discount Rate: (1)	
Prior Measurement Date	4.77% per year
Measurement Date	4.87% per year
Mortality Table	Pub-2010 General and Public Safety Employees / Retirees Headcount-Weighted Mortality Tables projected fully generationally using scale MP-2021
Health Care Cost Trends	Actual 7.60% from 2022 to 2023, 6.50% from 2023 to 2024, decreasing gradually to an ultimate rate of 4.14% by 2076.

(1) The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation. The actuarial valuation report determines, as of the actuarial valuations date, the service cost, total OPEB liability, and related actuarial present value of projected benefits.

Total OPEB Liability

The total OPEB Liability for the SDBF and Health Insurance Program respectively of \$1,598,701 and \$25,179,938 was determined by an actuarial valuation as of December 31, 2022.

The total OPEB liability and related information are as follows for the city at December 31, 2022:

SDBF Program

Total OPEB Liability - beginning of the year	\$ 2,352,323
Changes for the Year	
Service Cost	125,461
Interest on Total OPEB Liability	44,021
Differences Between Expected and Actual Experience	33,577
Changes in Assumptions of Other Inputs	(911,515)
Benefit Payments	(45,166)
Net Changes	(753,622)
Total OPEB Liability - End of Year	\$ 1,598,701

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XI. OTHER POST EMPLOYMENT BENEFITS (*Continued*)

	Health Insurance Program		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability Liability (a) - (b)
Net Pension Liability - December 31, 2021	\$ 23,726,239	\$ -	\$ 23,726,239
Changes for the year:			
Service Cost	1,368,317	-	1,368,317
Interest (on the Total Pension Liability)	1,174,953	-	1,174,953
Change in benefit terms	-	-	-
Difference between expected and actual experience	93,316	-	93,316
Changes of assumptions	(247,170)	-	(247,170)
Contributions - employer	-	935,717	(935,717)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(935,717)	(935,717)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net Changes	1,453,699	-	1,453,699
Net Pension Liability - December 31, 2022	\$ 25,179,938	\$ -	\$ 25,179,938

OPEB Expense and Deferred Outflows of Resources Related to OPEBs

For the year ended September 30, 2023, the City recognized OPEB expenses of \$132,925 for the SDBF Program and \$2,181,550 for the Health Insurance program.

SDBF Program

OPEB Expense:	
Service cost	\$ 125,461
Interest on total OPEB liability	44,021
Recognition of deferred outflows/inflows of resources:	
Differences between expected and actual experience	(10,395)
Changes in assumptions or other inputs ¹	(26,162)
Total OPEB expense	<u>\$ 132,925</u>

1. Generally, this will only be the annual change in the municipal bond index rate.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XI. OTHER POST EMPLOYMENT BENEFITS (*Continued*)

The City shall include contributions made subsequent to the measurement date through the City's fiscal year end as deferred outflows of resources.

Other amounts reported as deferred outflow related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience - OPEB Health	\$ 642,352	\$ 1,754,608
Difference between expected and actual experience - OPEB Death	37,698	73,472
Changes in assumptions and other inputs - OPEB Health	2,422,192	4,961,428
Changes in assumptions and other inputs - OPEB Death	400,643	813,618
Contributions subsequent to measurement period - OPEB Death	96,044	-
Total	<u>\$ 3,598,929</u>	<u>\$ 7,603,126</u>

Sensitivity of the Total OPEB Liability to changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability would have been if it were calculated using a discount rate that is 1 percentage point lower (3.05%) or 1 percentage point higher (5.05%) than the current rate.

SDBF Program

1% Decrease 3.05%	Current Discount Rate 4.05%	1% Increase 5.05%
\$1,940,973	\$1,598,701	\$1,336,940

Health Insurance Program

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.87%, as well as what the City's total OPEB liability would have been if it were calculated using a discount rate that is 1 percentage point lower (3.87%) or 1 percentage point higher (5.87%) than the current rate. In addition, the OPEB liability of the City is calculated using the current healthcare cost trend, as well as what the City's total OPEB Liability would have been if it were calculated using a healthcare cost trend as 1 percentage point lower and 1 percentage point higher.

Healthcare Cost Trend	Discount Rate		
	1% Increase (5.87%)	Current (4.87%)	1% Decrease (3.87%)
1% Decrease		\$ 21,952,395	
Current	\$ 22,846,298	\$ 25,179,938	\$ 27,767,825
1% Increase		\$ 29,065,049	

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XI. OTHER POST EMPLOYMENT BENEFITS (*Continued*)

The City's contributions to the TMRS SDBF for the year ended 2023 was \$119,199 which equaled the required contributions.

Schedule of Contributions (retiree-only portion of the rate, for OPEB)

Plan/Calendar Year	Total SDB Contribution (Rate)	Retiree Portion of SDB Contribution (Rate)
2019	0.15%	0.03%
2020	0.15%	0.03%
2021	0.17%	0.09%
2022	0.17%	0.09%
2023	0.25%	0.09%

XII. RISK MANAGEMENT

The EEDC maintains insurance for all business and government functions of which it may be liable for claims, through the City of Edinburg, Texas. The more significant of these include general liability insurance, property insurance covering the EEDC's industrial park buildings and structures, and the Director and Board of Directors. City personnel who served as administrators for the EEDC were covered by a fully insured health insurance plan provided by the City of Edinburg. There have been no significant reductions in insurance coverage.

XIII. TAX INCREMENT REINVESTMENT ZONE

In 1997, the City Council approved Ordinance No. 1915 which created a tax increment reinvestment zone pursuant to Chapter 311 of the Texas Code. This was originally designated as Reinvestment Zone Number One, City of Edinburg, Texas (1997 Zone). However, no public or private improvements were made to the 1997 Zone and expected development never materialized. Therefore, on November 18, 2008, an ordinance was passed terminating the 1997 zone. However, the new zone established in 2007 (TIRZ #1 described below) was inadvertently named Reinvestment Zone Number One, City of Edinburg, Texas. Since the 1997 Zone was terminated, there was no need to change the name of the 2007 tax increment zone. There is no Tax Increment Zone Number Two. Reinvestment Zone Number One, City of Edinburg, Texas (TIRZ #1) is a reinvestment zone created by the City of Edinburg, pursuant to the Tax Increment Financing Act, Chapter 311, Texas Tax Code. Creation of the tax increment zone along with an economic development agreement between the City of Edinburg, Hidalgo County, the Edinburg Economic Development Corporation, the City of Edinburg Local Government Finance Corporation, and the developer, allowed for property tax increment funding to support development activities relating to the development of a retail shopping center containing approximately 800,000 square feet in multiple buildings. On March 16, 2015, the development agreement with First Harford Realty Corporation dated February 20, 2007 and subsequently amended on August 16 and November 15, 2011 was cancelled. All work under the agreement had been performed by the developer and the City desired to use TIRZ #1 to help finance the repayment of debt issued for the construction Reinvestment Zone Number Four, City of Edinburg, Texas of a new municipal facility in (TIRZ #4).

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XIII. TAX INCREMENT REINVESTMENT ZONE (*Continued*)

TIRZ #4 is a reinvestment zone created by the City, pursuant to the Tax Increment Financing Act, Chapter 311, Texas Tax Code. The zone was created on November 19, 2013. Creation of the tax increment zone allows for property tax increment funding to TIRZ #4 to support financing of costs associated with the construction of public improvements related to several possible development and redevelopment projects, including the construction of a municipal facility.

On March 1, 2015, an agreement was entered into between the City, the Local Government Finance Corporation (LGFC), TIRZ # 1, TIRZ #4, and the EEDC. Under the terms of the agreement, the LGFC will aid in the financing, constructing, furnishing, and owning of an indoor multipurpose event center. The LGFC will be the landlord and lease the municipal facility to Vipers Arena, LLC as further described in the Lease and Development Agreement. In connection with this agreement, the LGFC issued bonds to finance the construction.

Under the terms of the agreement, the developer was responsible for half of the construction costs of the municipal facility and any cost overruns. The zone will terminate on December 31, 2045, unless otherwise terminated earlier as a result of payment in full of all project costs or tax increment bonds, if issued. The zone is managed by the City Local Government Finance Corporation, which is presented as a blended component unit of the City.

Under the developer agreement, the City was required to provide a Chapter 380 Grant Reimbursement equal to the difference between \$8,000,000 and the public infrastructure reimbursement. This was being paid from the City's dedicated 1% sales tax revenues within TIRZ #1 and TIRZ #4. The remaining amount due to the developer under the agreement was \$1,575,266. In addition, the EEDC owed a remaining balance of \$1,975,684, for a total amount of \$3,547,950. Under the agreement to terminate the economic development agreement, both the City and the EEDC agreed to pay off these balances. In return, the developer would release both the City and the EEDC from future obligations under the agreement. The amount needed to pay off this balance was provided by a contribution from the Vipers Arena, LLC. Tax increment revenues received by the City of Edinburg are deposited into a separate bank account designated for the tax increment reinvestment zone and transferred to the City Local Government Finance Corporation for the purpose of discharging obligations arising out of Public Infrastructure Bonds issued for which tax increment revenues have been pledged. Other than the City and Hidalgo County, no other taxing jurisdictions are participating. At the expiration of the term of the tax increment zone, any remaining tax increment revenues will be distributed into the general fund of the City in proportion to its contributions to the zone for the tax year most recently ended. TIRZ #1 and TIRZ#4 are managed by the City Local Government Finance Corporation, which is presented as a blended component unit of the City.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XIV. RELATED PARTY TRANSACTIONS

The City provides administrative services to EEDC. Administrative fees for the year ended September 30, 2023 totaled \$500,000. Additionally, the EEDC committed proceeds from its 2019, 2021A and 2021B bonds for projects that will be contributed to the City as incentives. As of the year ended September 30, 2023, EEDC had paid \$4,222,222 related to the projects.

The EEDC has a receivable for sales tax revenue sharing from the City. The receivable balance as of September 30, 2023 was \$1,695,444 and a payable to the City of \$10,878.

EEDC entered into a contract for technical assistance with the University of Texas – Rio Grande Valley Office of Center Operations and Community Services. An officer of the University is a member of the Board of Directors of EEDC. Consulting fees for the year ended September 30, 2023 totaled \$15,000. Additionally, EEDC contributed \$12,500 to the University in sponsorships for the year ended September 30, 2023.

XV. EXPENDITURES EXCEEDING APPROPRIATIONS

For fiscal year ended September 30, 2023 expenditures exceeded budget in the General Fund in the following:

Function	Amount
Economic Development Assistance	\$ 234,557
Debt Service	20,258
Total	\$ 254,815

XVI. LITIGATION

Although EEDC is a party in two pending lawsuits, EEDC's administration believes the outcome of these proceedings, if not favorable to the EEDC, will not materially affect the EEDC's financial position and therefore no allowance has been made.

XVII. COMMITMENTS

Commitments as of September 30, 2023 consisted of:

	Beneficiary	Committed	Expended to Date	Remaining Commitment
Incentives				
Workforce Resource Center	EEDC	\$ 1,854,828	\$ -	\$ 1,854,828
El Tule Recreation Center	City of Edinburg	4,974,310	4,222,222	752,088
Municipal Water Park	City of Edinburg	1,000,000	-	1,000,000
ACE Center	City of Edinburg	7,000,000	-	7,000,000
Parking Garage	City of Edinburg	2,000,000	-	2,000,000
Total Commitments		\$ 16,829,138	\$ 4,222,222	\$ 12,606,916

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XVIII. SUBSEQUENT EVENTS

The EEDC considered all events through April 15, 2024, the financial statement issuance date.

Subsequently to April 15, 2024, the EEDC entered into agreements with the City which are considered to have a significant impact as follows:

- The construction of a 1,000,000-gallon water tower to provide adequate water supply and pressure to the North Industrial Park and other parts of the City for continued economic growth, contribution of \$2,000,000.
- The extension of the sanitary sewer infrastructure in an area with a variety of industrial entities and the potential for commercial development, contribution of \$1,750,000.
- The installation of artificial turf in several baseball/softball fields to encourage sports tourism, contribution of \$2,000,000.
- Issuance of a loan in the amount of \$7,500,000 to the City for the purchase of real estate. The City committed to repay the EEDC over the next fifteen years or sooner.

The EEDC is negotiating the sale of land at North Industrial Park that would generate approximately \$3,600,000 in revenues and considering the purchase of land to develop an additional industrial park.

Completion of the construction of other projects will require that EEDC pay approximately \$575,000 in grant funds to developers in the year ending September 30, 2024.

XIX. PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$237,357 to record GASB 68 & GASB 75 pension plan balances not previously recorded was made due to the restructure of the EEDC. The balances will now be part of the EEDC.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES				
General Sales Taxes	\$ 9,000,000	\$ 8,700,000	\$ 9,184,192	\$ 484,192
Lease and Rental	69,480	17,138	17,138	-
Investment Earnings	50,000	65,000	745,262	680,262
Other Revenue	-	-	250	250
Total Revenues	<u>9,119,480</u>	<u>8,782,138</u>	<u>9,946,842</u>	<u>1,164,704</u>
EXPENDITURES				
Conservation and Development:				
Economic Development and Assistance	3,676,627	2,750,229	2,984,786	(234,557)
Debt Service:				
Principal on Debt	1,585,000	1,585,000	1,596,342	(11,342)
Interest on Debt	1,088,095	1,088,095	1,093,261	(5,166)
Other Debt Charges	-	-	3,750	(3,750)
Capital Outlay:				
Capital Outlay	<u>2,769,758</u>	<u>2,769,758</u>	<u>36,151</u>	<u>2,733,607</u>
Total Expenditures	<u>9,119,480</u>	<u>8,193,082</u>	<u>5,714,290</u>	<u>2,478,792</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>589,056</u>	<u>4,232,552</u>	<u>3,643,496</u>
OTHER FINANCING SOURCES (USES)				
Sale of Real and Personal Property	-	-	1,937,647	1,937,647
Right-to-Use Lease and SBITA Proceeds	-	-	36,151	36,151
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,973,798</u>	<u>1,937,647</u>
Net Change in Fund Balance	-	589,056	6,206,350	5,617,294
Fund Balance - October 1 (Beginning)	<u>42,035,498</u>	<u>42,035,498</u>	<u>42,035,498</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 42,035,498</u>	<u>\$ 42,624,554</u>	<u>\$ 48,241,848</u>	<u>\$ 5,617,294</u>

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS REPORTED BY THE CITY OF EDINBURG, WHICH INCLUDES THE EEDC
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
A. Total Pension Liability			
Service Cost	\$ 7,924,131	\$ 7,055,662	\$ 6,569,509
Interest (on the Total Pension Liability)	12,787,769	11,698,505	10,828,811
Difference Between Expected and Actual Experience	3,988,085	3,130,005	960,974
Change of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(6,572,314)	(5,789,996)	(5,646,042)
Net Change in Total Pension Liability	18,127,671	16,094,176	12,713,252
Total Pension Liability - Beginning	188,772,526	172,678,350	159,965,098
Total Pension Liability - Ending	<u>\$ 206,900,197</u>	<u>\$ 188,772,526</u>	<u>\$ 172,678,350</u>
B. Plan Fiduciary Net Position			
Contributions - Employer	\$ 7,256,687	\$ 6,466,214	\$ 6,003,536
Contributions - Employee	3,512,914	3,125,926	2,934,688
Net Investment Income	(12,170,826)	18,793,124	9,938,942
Benefit Payments, Including Refunds of Employee Contributions	(6,572,314)	(5,789,996)	(5,646,042)
Administrative Expense	(105,164)	(86,846)	(64,251)
Other	125,492	595	(2,507)
Net Change in Plan Fiduciary Net Position	(7,953,211)	22,509,017	13,164,366
Plan Fiduciary Net Position-Beginning	166,486,369	143,977,352	130,812,986
Plan Fiduciary Net Position-Ending	<u>\$ 158,533,158</u>	<u>\$ 166,486,369</u>	<u>\$ 143,977,352</u>
C. Net Pension Liability	<u>\$ 48,367,039</u>	<u>\$ 22,286,157</u>	<u>\$ 28,700,998</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.62%	88.19%	83.38%
E. Covered Payroll	\$ 50,184,488	\$ 44,656,087	\$ 41,924,117
F. Net Pension Liability as a Percentage of Covered Payroll	96.38%	49.91%	68.46%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's currently fiscal year.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$ 6,001,648	\$ 5,451,177	\$ 5,271,339	\$ 4,897,533	\$ 4,465,697	\$ 3,905,080
10,025,754	9,496,321	8,778,659	8,221,195	7,952,761	7,415,662
588,622	(1,994,144)	1,028,193	(1,032,455)	(237,828)	(554,280)
674,533	-	-	-	(377,240)	-
(5,708,662)	(5,061,598)	(4,010,576)	(4,018,322)	(3,651,078)	(3,096,759)
11,581,895	7,891,756	11,067,615	8,067,951	8,152,312	7,669,703
148,383,203	140,491,447	129,423,832	121,355,881	113,203,569	105,533,866
<u>\$ 159,965,098</u>	<u>\$ 148,383,203</u>	<u>\$ 140,491,447</u>	<u>\$ 129,423,832</u>	<u>\$ 121,355,881</u>	<u>\$ 113,203,569</u>
\$ 5,499,792	\$ 5,075,953	\$ 5,094,161	\$ 4,621,389	\$ 4,444,421	\$ 3,999,261
2,681,017	2,477,808	2,401,271	2,222,723	2,127,970	1,968,692
17,217,376	(3,362,715)	13,244,540	5,874,570	123,828	4,388,353
(5,708,662)	(5,061,598)	(4,010,576)	(4,018,322)	(3,651,078)	(3,096,759)
(97,159)	(64,934)	(68,598)	(66,307)	(75,414)	(45,809)
(2,919)	(3,393)	(3,476)	(3,572)	(3,725)	(3,766)
19,589,445	(938,879)	16,657,322	8,630,481	2,966,002	7,209,972
111,223,541	112,162,420	95,505,098	86,874,617	83,908,615	76,698,643
<u>\$ 130,812,986</u>	<u>\$ 111,223,541</u>	<u>\$ 112,162,420</u>	<u>\$ 95,505,098</u>	<u>\$ 86,874,617</u>	<u>\$ 83,908,615</u>
<u>\$ 29,152,112</u>	<u>\$ 37,159,662</u>	<u>\$ 28,329,027</u>	<u>\$ 33,918,734</u>	<u>\$ 34,481,264</u>	<u>\$ 29,294,954</u>
81.78%	74.96%	79.84%	73.79%	71.59%	74.12%
\$ 38,300,244	\$ 35,397,255	\$ 34,296,282	\$ 31,740,329	\$ 30,399,572	\$ 28,124,170
76.11%	104.98%	82.60%	106.86%	113.43%	104.16%

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF CONTRIBUTIONS
AS REPORTED BY THE CITY OF EDINBURG, WHICH INCLUDES THE EEDC
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR FISCAL YEAR 2023

	2023	2022	2021
Actuarially Determined Contribution	\$ 7,551,647	\$ 6,466,214	\$ 6,003,536
Contributions in Relation to the Actuarially Determined contribution	7,551,647	6,466,214	6,003,536
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 52,038,413	\$ 44,656,087	\$ 41,924,117
Contributions as a Percentage of Covered Payroll	14.51%	14.48%	14.32%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented as of the governmental entity's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 for the respective fiscal years.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

Notes to Schedule of Contributions

Valuation Date:	Actuarially determined contribution rates are calculated as of December 31, and become effective in January 13 months later.
<u>Methods and Assumptions Used to Determine Contribution Rates:</u>	
Actuarial Cost Method	N/A
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	N/A
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	2.00%
Retirement Age	N/A
Mortality	Service retirees: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Disabled retirees: 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor
Other Information:	There were no benefit changes during the year.

2020	2019	2018	2017	2016	2015
\$ 5,499,792	\$ 5,075,953	\$ 5,094,161	\$ 4,621,389	\$ 4,586,475	\$ 4,351,814
5,499,792	5,075,953	5,094,161	4,621,389	4,586,475	4,351,814
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 40,178,654	\$ 35,397,255	\$ 34,296,282	\$ 31,740,329	\$ 30,399,572	\$ 28,124,170
13.69%	14.34%	14.85%	14.56%	15.09%	15.47%

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
AS REPORTED BY THE CITY OF EDINBURG, WHICH INCLUDES THE EEDC
POST RETIREMENT SUPPLEMENTAL DEATH BENEFITS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
Total OPEB Liability			
Service Cost	\$ 125,461	\$ 107,175	\$ 96,425
Interest on the Total OPEB Liability	44,021	44,760	49,704
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	33,577	(43,731)	(26,207)
Change of Assumptions	(911,515)	79,821	331,664
Benefit Payments, Including Refunds of Employee Contributions [†]	(45,166)	(40,190)	(12,577)
Net Change in Total OPEB Liability	(753,622)	147,835	439,009
Total OPEB Liability - Beginning	2,352,323	2,204,488	1,765,479
Total OPEB Liability - Ending	<u>\$ 1,598,701</u>	<u>\$ 2,352,323</u>	<u>\$ 2,204,488</u>
Covered Payroll	\$ 50,184,488	\$ 44,656,087	\$ 41,924,117
Total OPEB Liability as a Percentage of Covered Payroll	3.19%	5.27%	5.26%

*The Supplemental Death Benefit Fund is considered to be an unfunded OPEB plan under GASB 75. Because of this benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Note: GASB Codification, Vol. 2, P52.139 states that the information on this schedule should be determined as of the measurement date of the plan.

As required by GASB 75, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
\$ 57,450	\$ 63,715	\$ 51,444
53,368	47,160	45,625
-	-	-
(64,335)	29,186	-
314,963	(112,151)	125,031
(11,490)	(10,619)	(10,289)
349,956	17,291	211,811
1,415,523	1,398,232	1,186,421
<u>\$ 1,765,479</u>	<u>\$ 1,415,523</u>	<u>\$ 1,398,232</u>
\$ 38,300,244	\$ 35,397,255	\$ 34,296,282
4.61%	4.00%	4.08%

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
AS REPORTED BY THE CITY OF EDINBURG, WHICH INCLUDES THE EEDC
POST-RETIREMENT MEDICAL PLAN
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
Total OPEB Liability			
Service Cost	\$ 1,368,317	\$ 2,086,690	\$ 2,023,214
Interest on the Total OPEB Liability	1,174,953	672,095	659,614
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	93,316	(1,786,737)	(663,288)
Change of Assumptions	(247,170)	(5,979,817)	173,777
Benefit Payments	(935,717)	(874,443)	(812,433)
Net Change in Total OPEB Liability	1,453,699	(5,882,212)	1,380,884
Total OPEB Liability - Beginning	23,726,239	29,608,451	28,227,567
Total OPEB Liability - Ending	<u>\$ 25,179,938</u>	<u>\$ 23,726,239</u>	<u>\$ 29,608,451</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 935,717	\$ 874,443	\$ 812,433
Contributions - Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(935,717)	(874,443)	(812,433)
Administrative Expense	-	-	-
Other	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability - Ending	\$ 25,179,938	\$ 23,726,239	\$ 29,608,451
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%
Covered Payroll	\$ 46,069,139	\$ 43,107,343	\$ 38,052,277
Total OPEB Liability as a Percentage of Covered Payroll	54.66%	55.04%	77.81%

Note: GASB Codification, Vol. 2, P52.139 states that the information on this schedule should be determined as of the measurement date of the plan.

As required by GASB 75, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
\$ 1,500,352	\$ 1,069,819	\$ 1,149,843
654,448	826,562	715,606
-	-	-
1,079,257	56,192	-
2,243,038	3,178,838	(1,041,173)
(700,345)	(762,157)	(607,647)
4,776,750	4,369,254	216,629
23,450,817	19,081,563	18,864,934
<u>\$ 28,227,567</u>	<u>\$ 23,450,817</u>	<u>\$ 19,081,563</u>
\$ 700,345	\$ 762,157	\$ 607,647
-	-	-
-	-	-
(700,345)	(762,157)	(607,647)
-	-	-
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 28,227,567	\$ 23,450,817	\$ 19,081,563
0.00%	0.00%	0.00%
\$ 35,377,683	\$ 29,675,741	\$ 29,675,741
79.79%	79.02%	64.30%



Cascos & Associates, PC

Certified Public Accountants

Audit/Accounting/Tax/Consulting

**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***

To the Board of Directors of the
Edinburg Economic Development Corporation
Edinburg, 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 and each major fund of Edinburg Economic Development Corporation (EEDC), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise EEDC's basic financial statements, and have issued our report thereon dated April 15, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered EEDC's internal control over financial reporting (internal control) as a basis for designing 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 EEDC's internal control. Accordingly, we do not express an opinion on the effectiveness of EEDC's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001, 2023-002, 2023-003 that we considered to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether EEDC's 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 financial statements. 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 instances 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 responses as items 2023-001, 2023-002, 2023-003.



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Phone (956) 544-7778 Fax (956) 544-8465
Email: ccascos@cascoscpa.com



EEDC's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the EEDC's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. EEDC's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

A handwritten signature in blue ink that reads "Cascos & Associates, PC". The signature is written in a cursive, flowing style.

Cascos & Associates, PC
Brownsville, Texas
April 15, 2024

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Finding 2023-001

Public Funds Investment Act (Significant Deficiency)

Criteria and Condition:

Under Public Funds Investment Act (Government Code Chapter 2256) provides public entities in Texas with specific parameters related to the administration of investments. These parameters include a requirement for the entity's governing body to review and approve the entity's investment policy and investment strategies not less than annually, sets forth training requirements for the entity's investment officers, and requires the investment officers to prepare and submit to the governing body an investment report not less than quarterly. We noted EEDC did not have an investment policy in place for the fiscal year ended September 30, 2023. No evidence could be provided to support that investment officers had undergone the required training nor that the required investment reports were provided to the governing body on a quarterly basis.

Cause and Effect:

The EEDC did not comply with the provisions of the Public Funds Investment Act (Government Code Chapter 2256).

Recommendation:

We recommend the investment policy be presented to the EEDC board of directors not less than annually, that investment officers undergo the required training and that quarterly investment reports be presented to the board of directors for approval to comply with the provisions of the Public Funds Investment Act.

Management's views:

The investment policy was presented and approved by the EEDC board of directors on September 26, 2023. EEDC Executive Director, who is one of the investment officers, completed his training on January 11-12, 2024. The City of Edinburg's (the City) Director of Finance, who is the other investment officer, completed his training on July 21, 2022. Investment reports will be provided on a quarterly basis to the board of directors for approval to comply with provisions of the Public Funds Investment Act.

Finding 2023-002

Disaster Recovery Plan (Significant Deficiency)

Criteria and Condition:

A disaster recovery plan is critical as it provides a framework for establishing efficient and effective restoration of systems and mitigates the risk of data loss in the event of system disruption or disaster. The EEDC's IT systems are overseen by the City. The City and EEDC do not have a formal disaster recovery plan in place.

Cause and Effect:

The City has been working on a disaster recovery plan, but the plan has not yet been finalized and implemented. The lack of a formal disaster recovery plan may increase the risk of extended downtime, data loss and/or recovery challenges, and inadequate communication.

Recommendation:

We recommend the City finalize and implement the formal disaster recovery plan. Additionally, we recommend the disaster recovery plan be tested periodically to ensure its effectiveness.

Management's views:

The City's IT Department is actively working on a comprehensive Disaster Recovery Plan (DRP) to strengthen our resilience against various crises, including natural and cyber-related disasters. However, significant challenges remain. To fully implement our DRP, substantial IT investment is necessary. While progress has been made, including the purchase of a firewall and integration of replication sites, more enhancements are needed to address vulnerabilities comprehensively. Continued investment and strategic planning are crucial to ensure the City's resilience and preparedness for future challenges.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Finding 2023-003

Fiscal Year-End Closing Process (Significant Deficiency)

Criteria and Condition:

The fiscal year-end closing process should be completed within a reasonable time after the end of the fiscal year, ideally no later than 2 months after the end of the entity's fiscal year-end. An auditable trial balance was not provided to us to begin our audit until February 9, 2024, or approximately 4 months after the EEDC's fiscal year end.

Cause and Effect:

The City's finance department, who maintains the books and records for EEDC, experienced turnover which caused delays in the year end closing process. Significant delays in the year end closing process may be indicative of weaknesses in internal controls and results in untimely financial reporting, including the completion of the audit.

Recommendation:

We recommend management evaluate the year-end closing process to ensure adequate controls are in place for timely completion.

Management's views:

Management will evaluate the year-end closing process to implement adequate controls ensuring timely completion in the future. We are committed to improving internal controls and ensuring timely financial reporting. We will adhere to US GAAP standards to ensure the accuracy of financial statements and prevent material misstatements. We recognize the impact of personnel changes on the closing process and are committed to providing additional support and resources to ensure smooth operations and timely reporting in the future.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

<u>Reference Number</u>	<u>Status of Prior Year Findings</u>
<u>2022-001:</u>	<i>Prior Period Adjustments (Material Weakness)</i> Finding resolved in the current year.
<u>2022-002:</u>	<i>Prior Public Funds Investment Act (Significant Deficiency)</i> The EEDC did not comply with the provisions of the Public Funds Investment Act (Government Code Chapter 2256). See current year finding 2023-001.
<u>2022-003:</u>	<i>Disaster Recovery Plan (Significant Deficiency)</i> The City has been working on a disaster recovery plan, but the plan has not yet been finalized and implemented. The lack of a formal disaster recovery plan may increase the risk of extended downtime, data loss and/or recovery challenges, and inadequate communication. See current year finding 2023-002.
<u>2022-004:</u>	<i>Fiscal Year-End Closing Process (Significant Deficiency)</i> The City's finance department, who maintains the books and records for EEDC, experienced turnover which caused delays in the year-end closing process. Additionally, in preparing for the audit management identified accounting matters which required additional analysis and correction as outlined in finding 2022-001. Significant delays in the year-end closing process may be indicative of weaknesses in internal controls and results in untimely financial reporting, including the completion of the audit. See current year finding 2023-003.
<u>2022-005:</u>	<i>Required Reserves 2021A Series Bonds (Significant Deficiency)</i> Finding resolved in the current year.



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

PUBLIC HEARINGS

Agenda Item No: 8.A.

Rezoning Request - Maria B. Leticia Grantham

1. **Agenda Item:**

Hold Public Hearing and Consider the Ordinance Providing for the Rezoning Request from Residential, Primary (RP) District to Commercial, General (CG) District, Being Lot Twelve (12) of Santa Cruz Orange Gardens Subdivision, Being a Subdivision of Lot 39 Santa Cruz Gardens Unit No. 1, Located at 105 West Palm Drive, as Requested by Maria B. Leticia Grantham. **(A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.)**
[Jaime Acevedo, Director of Planning & Zoning]

2. **Description:**

This property is located on the north side of West Palm Drive, approximately 250 feet west of North Interstate 69C. The lot has 100 feet of frontage along West Palm Drive and a total lot area of approximately 14,900 square feet. The requested zoning designation is the Commercial, General (CG) District, which is the primary commercial district meant to accommodate a wide range of commercial uses, including highway service uses and community or regional commercial, office, and service uses. It is intended to provide for a full range of community and regional scale commercial enterprises, including but not limited to retail, office, restaurant, entertainment, and service. The applicant indicated that the proposed use of the property is to operate commercial operations in conjunction with the abutting lot twenty-six (26). The property is currently occupied with a manufactured home.

The property is currently zoned Residential, Primary (RP) District, which permits a wide range of single-family residential uses. A rezoning request from R-A1, Single Family Residence District to C-2, General Business District was approved by the City Council on Tuesday, October 1, 2002. On October 16, 2007, the City Council adopted the Official Zoning Map for the Unified Development Code. As a result of this adoption, lot twelve (12) was designated as part of the Neighborhood Conservation 7.1 District. Adjacent zoning is Commercial, General (CG) District to the east and south, and Residential, Primary (RP) District to the north and west. Surrounding land consists of a mix of residential uses, commercial uses, and vacant land. The future land use designation is for Industrial uses.

Staff received a Zone Change Application for the subject property on March 18, 2024. Staff mailed a notice of the public hearing to 9 neighboring property owners on Thursday, March 28, 2024 and had received no comments in favor or against this request at the time this report was prepared. Notice of this public hearing was published in the newspaper on April 17, 2024.

The Planning & Zoning Commission recommended with a unanimous vote of 7-0 to approve the Rezoning Request. A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.

3. **Staff's Recommendation:**

Staff recommends approval of the Rezoning Request from Residential, Primary (RP) District to

Commercial, General (CG) District based on adjacent zoning districts and densities in the area. The proposed zoning is not consistent with the Future Land Use Plan. If approved, the applicant will need to comply with all requirements during the permitting process including compliance with subdivision regulations, building/ fire codes, fire protection, parking, landscape buffer-yards, solid waste services, utility, and other City requirements, as applicable.

Reviewed by:

Jesus Saenz, Assistant City Manager

Final Approval - 5/3/2024

Prepared by:

Jaime Acevedo, Director of
Planning and Zoning

Attachments:

- A. City Council Agenda Packet Attachments
- B. Ordinance

MEETING DATES:
PLANNING & ZONING COMMISSION – 4/9/24
CITY COUNCIL – 5/7/24
DATE PREPARED – 4/3/24

STAFF REPORT
GENERAL INFORMATION

APPLICATION: Rezoning Request from Residential, Primary (RP) District to Commercial, General (CG) District,

APPLICANT: Maria B. Leticia Grantham

AGENT: N/A

LEGAL: Being Lot Twelve (12) of Santa Cruz Orange Gardens Subdivision,
Being a Subdivision of Lot 39 Santa Cruz Gardens Unit No. 1

LOCATION: 105 West Palm Drive

LOT/TRACT SIZE: approximately 14,900 square feet

CURRENT USE: Single-family residential

PROPOSED USE: Commercial operations

EXISTING ZONING: Residential, Primary (RP) District

ADJACENT ZONING: North – Residential, Primary (RP) District
South – Commercial, General (CG) District
East – Commercial, General (CG) District
West – Residential, Primary (RP) District

LAND USE PLAN: Industrial

PUBLIC SERVICES: City of Edinburg Water and Sewer

RECOMMENDATION: Staff recommends approval of the Rezoning Request from Residential, Primary (RP) District to Commercial, General (CG) District.

REZONING REQUEST
MARIA B. LETICIA GRANTHAM

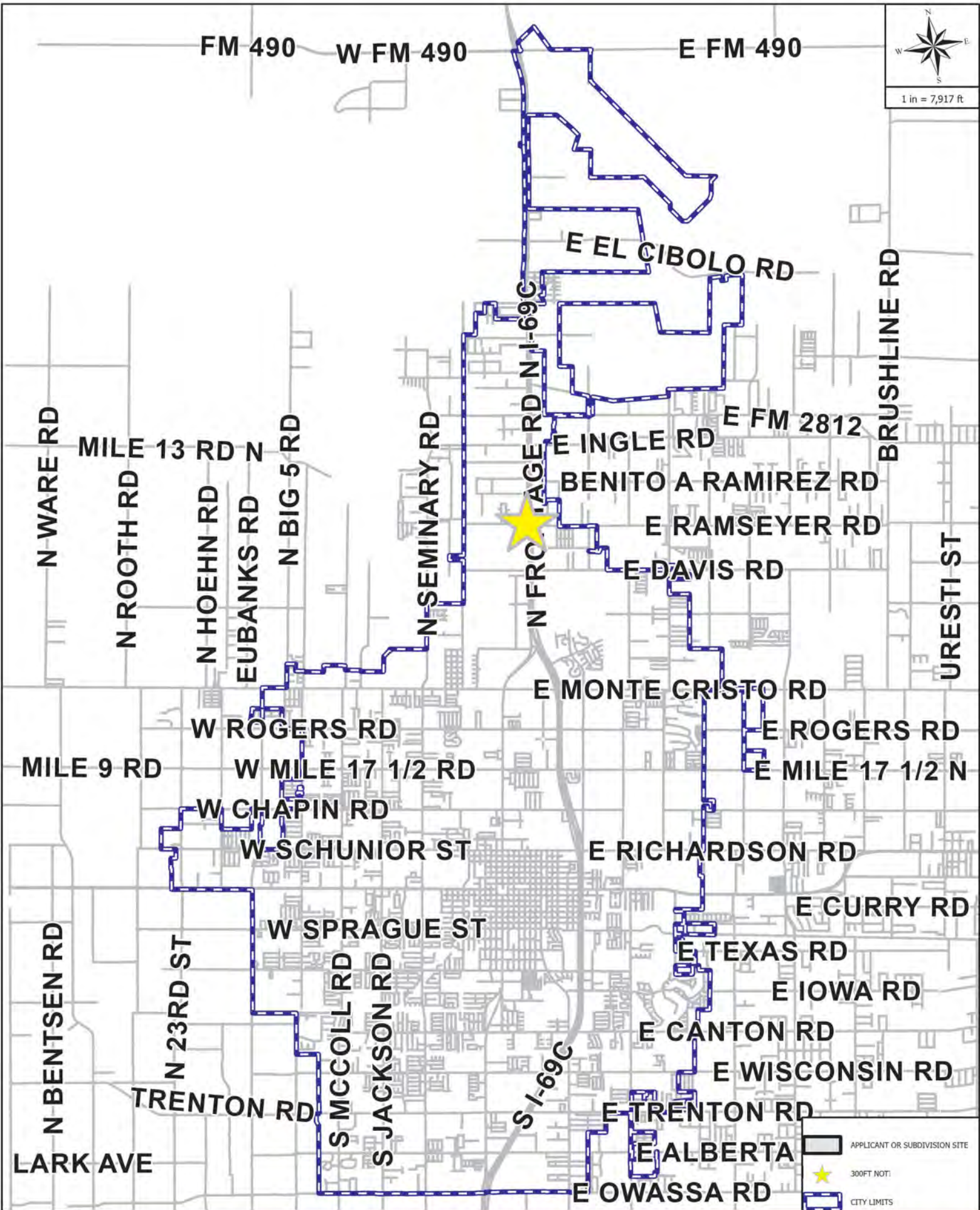
EVALUATION

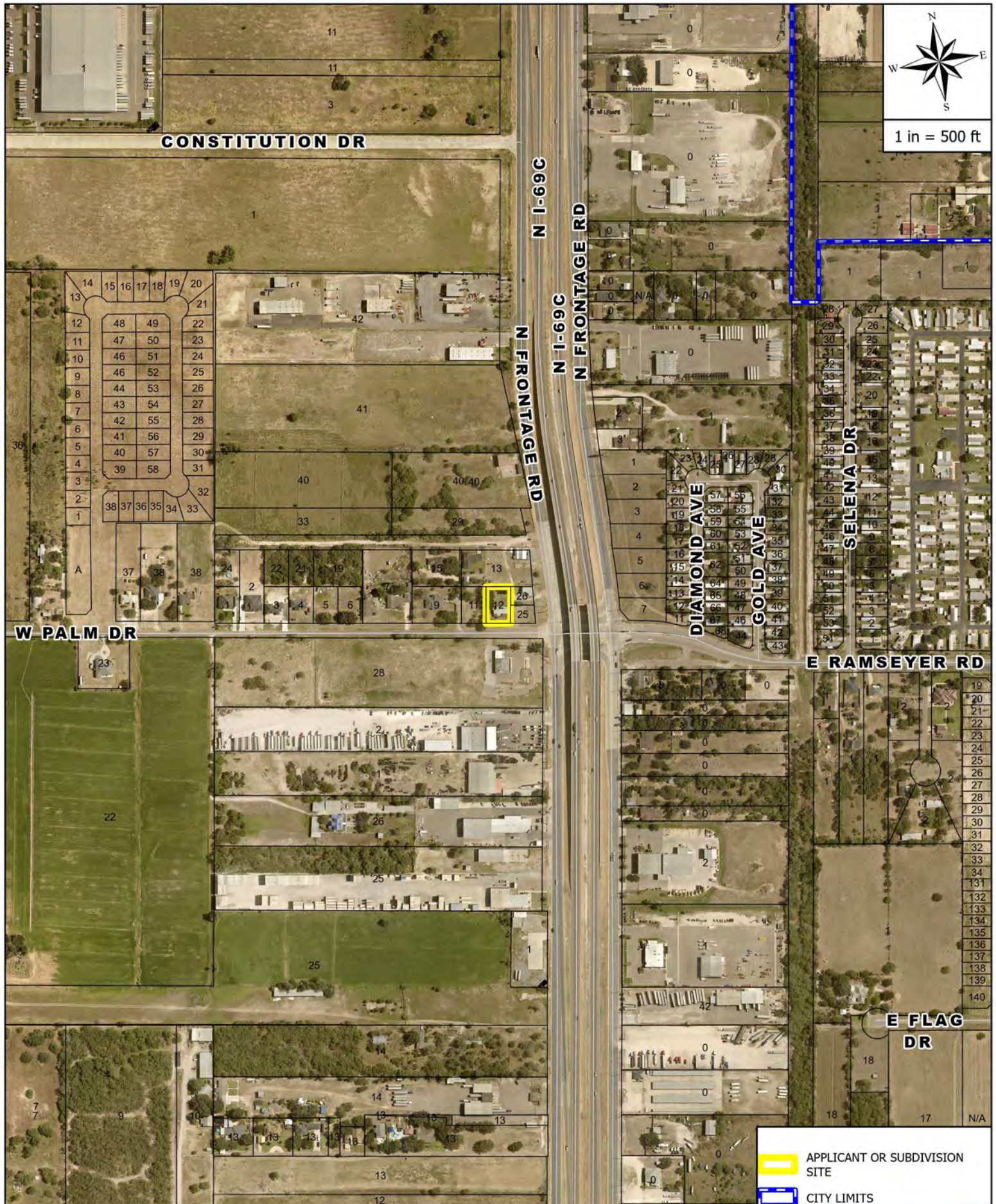
The following is staff's evaluation of the request.

1. The land use pattern for this area of the community is a mix of single-family and commercial uses.
2. The proposed use was previously approved on October 1, 2002.
3. The proposed zoning is not in keeping with the Future Land Use Plan.

Staff recommends approval of the Rezoning Request from Residential, Primary (RP) District to Commercial, General (CG) District based on adjacent zoning districts and densities in the area. The proposed zoning is not consistent with the Future Land Use Plan. If approved, the applicant will need to comply with all requirements during the permitting process including compliance with subdivision regulations, building/ fire codes, fire protection, parking, landscape buffer-yards, solid waste services, utility, and other City requirements, as applicable.

Staff mailed a notice of the public hearing to 9 neighboring property owners on Thursday, March 28, 2024 and had received no comments in favor or against this request at the time this report was prepared. Notice of this public hearing was published in the newspaper on April 17, 2024.

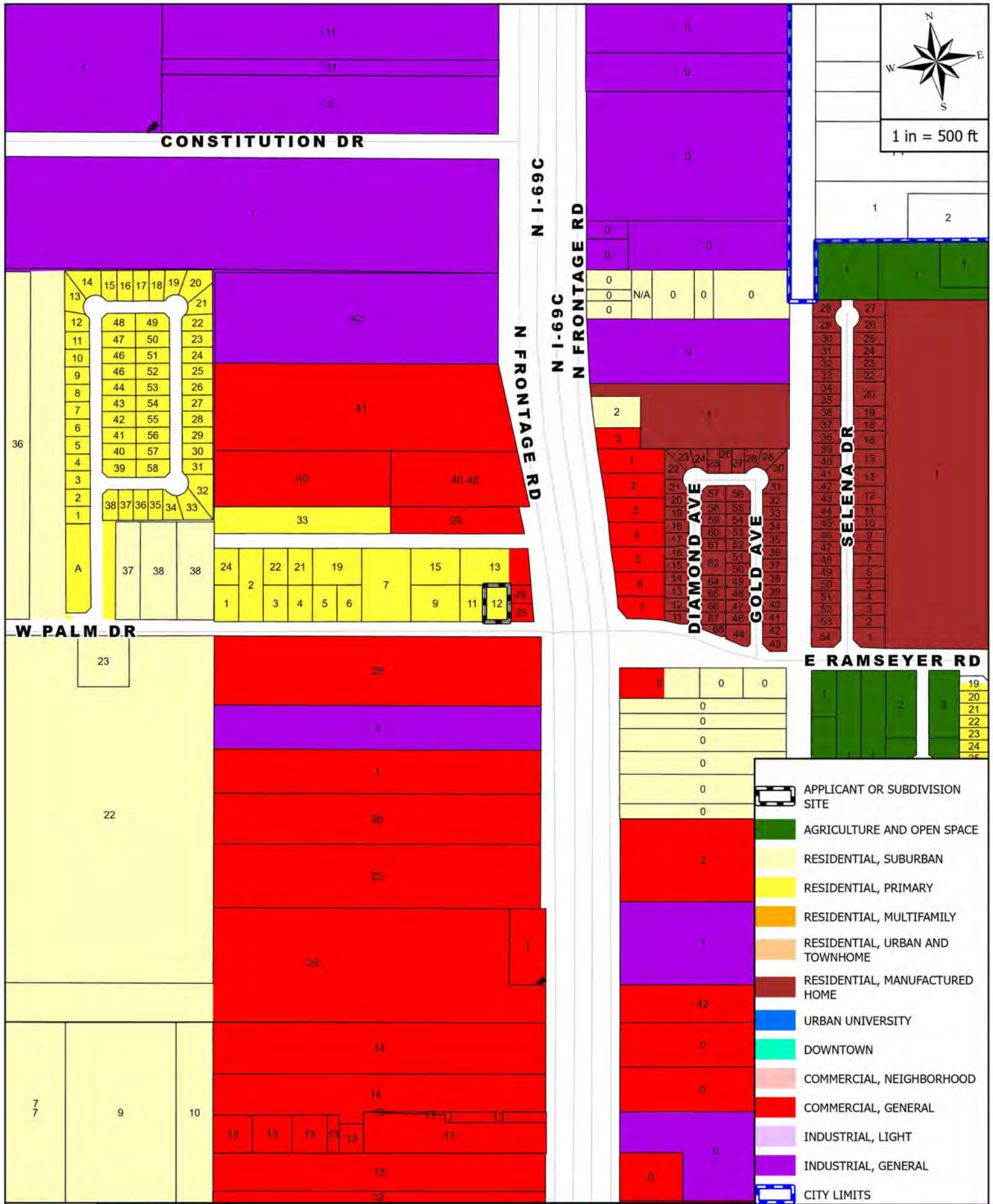




AERIAL MAP

APPLICANT AND/OR SUBDIVISION:

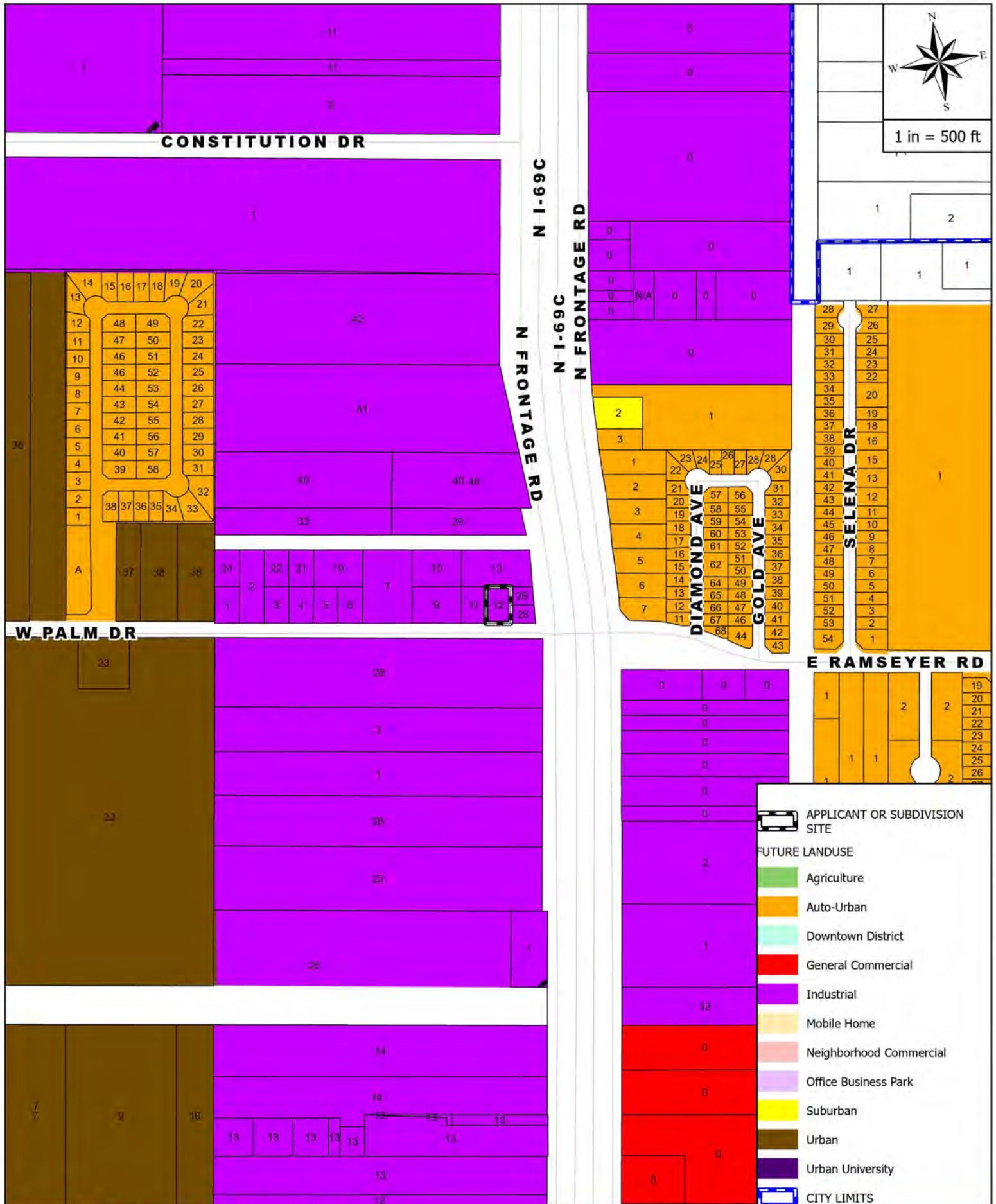
RZNE-2024-0193 MARIA B. LETICIA GRANTHAM



ZONING MAP

APPLICANT AND/OR SUBDIVISION:

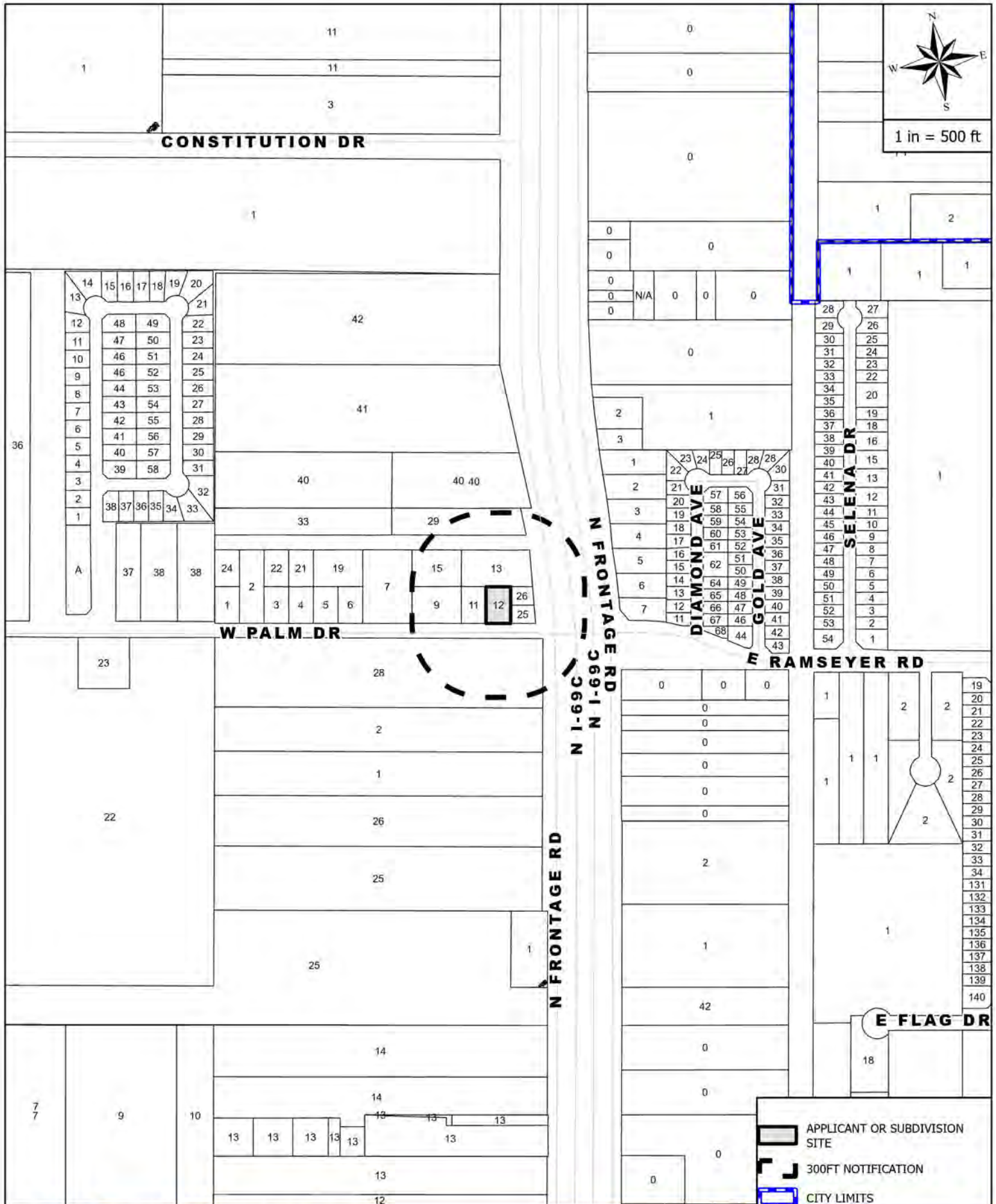
RZNE-2024-0193 MARIA B. LETICIA GRANTHAM



FUTURE LANDUSE MAP

APPLICANT AND/OR SUBDIVISION:

RZNE-2024-0193 MARIA B. LETICIA GRANTHAM



MAILOUT AND SITE MAP

APPLICANT AND/OR SUBDIVISION:

RZNE-2024-0193 MARIA B. LETICIA GRANTHAM

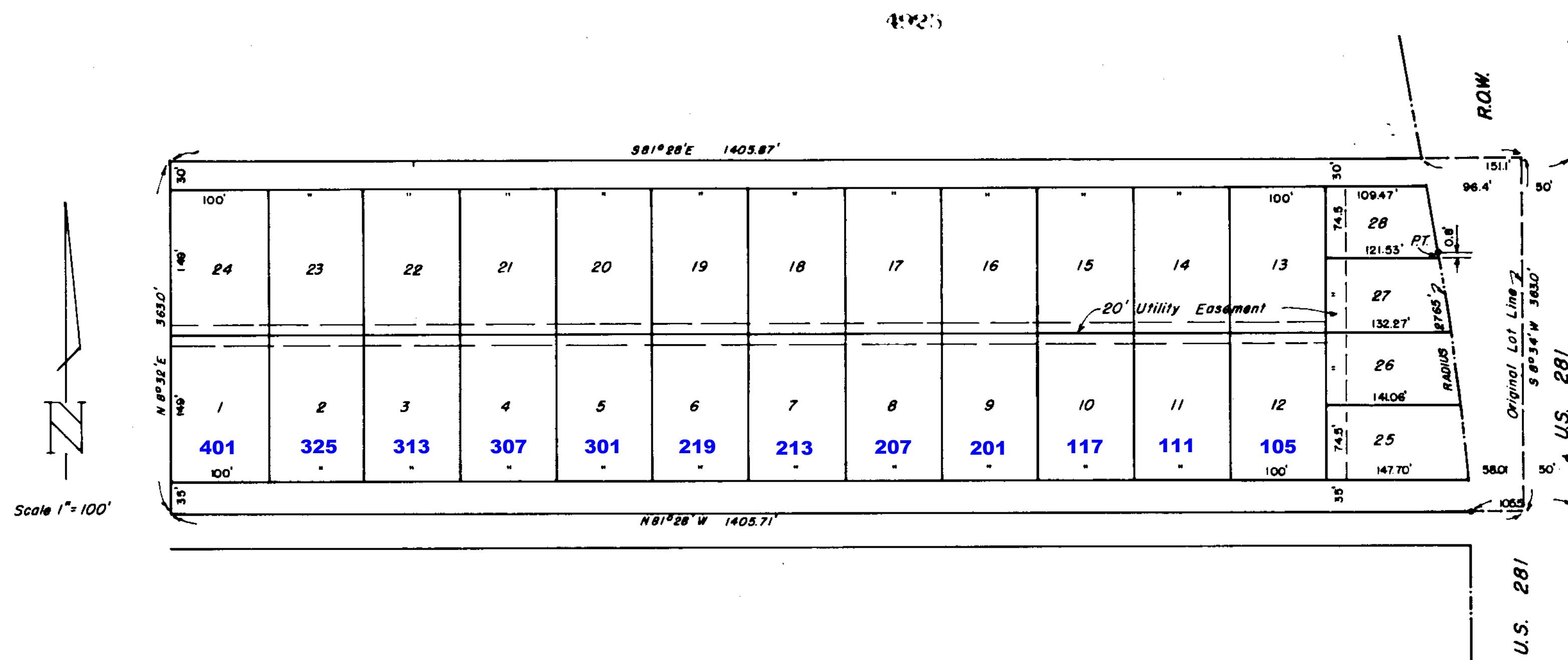


Rezoning Request Site Photo

MARIA B. LETICIA GRANTHAM

105 W Palm Dr





APPROVED FOR RECORDING
COMMISSIONERS' COURT
This 12th day of March, 1962
GEO. L. ANDERSON, County Clerk
By *Louis DeBusch* Deputy

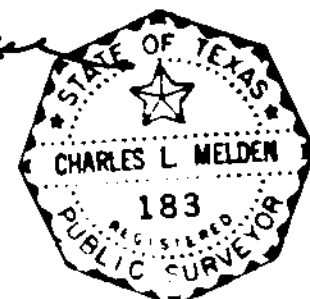
MAP
OF
SANTA CRUZ ORANGE GARDENS
SUBDIVISION

BEING A SUBDIVISION OF LOT 39
SANTA CRUZ GARDENS UNIT NO. 1
HIDALGO COUNTY, TEXAS

APPROVED
FOR RECORDING
Hidalgo Co. Right of Way Dept.
By *Rita Dora*
Date 3-6-62

I, CHARLES L. MELDEN, A REGISTERED PUBLIC SURVEYOR, DO HEREBY CERTIFY THAT THE ABOVE PLAT IS A TRUE AND CORRECT REPRESENTATION OF THE SUBDIVISION OF THE LANDS HEREON DESCRIBED AS SURVEYED AND SUBDIVIDED UNDER MY DIRECTION.

Charles L. Melden
CHARLES L. MELDEN
REGISTERED PUBLIC SURVEYOR
EDINBURG, TEXAS
JANUARY 30, 1962



STATE OF ~~TEXAS~~ KANSAS
COUNTY OF ~~HIDALGO~~ SEDGWICK

KNOW ALL MEN BY THESE PRESENTS:

I, THE UNDERSIGNED OWNER OF THE PROPERTY HEREON DESCRIBED, DO HEREBY ADOPT, DEDICATE, AND CONFIRM THE FOREGOING MAP OR PLAT AND DO DEDICATE TO THE PUBLIC THE SURFACE USE OF THE STREETS AND ALLEYS DESIGNATED THEREON.

STATE OF ~~TEXAS~~ KANSAS
COUNTY OF ~~HIDALGO~~ SEDGWICK

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DATE PERSONALLY APPEARED, J.A. GREEN JR., KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED. GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE 4TH DAY OF FEBRUARY, A. D. 1962.

My Commission Expires November 14, 1962

John A. Green Jr.
NOTARY PUBLIC IN AND FOR
SEDGWICK COUNTY, KANSAS

THIS PLAT APPROVED BY THE ZONING AND PLANNING BOARD ON THIS THE 8 DAY OF MARCH, A. D., 1962.

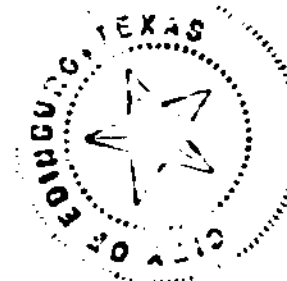
W. A. Ware
CHAIRMAN

THIS PLAT APPROVED BY THE CITY COMMISSION OF THE CITY OF EDINBURG, TEXAS, ON THIS THE 20 DAY OF February, A. D. 1962.

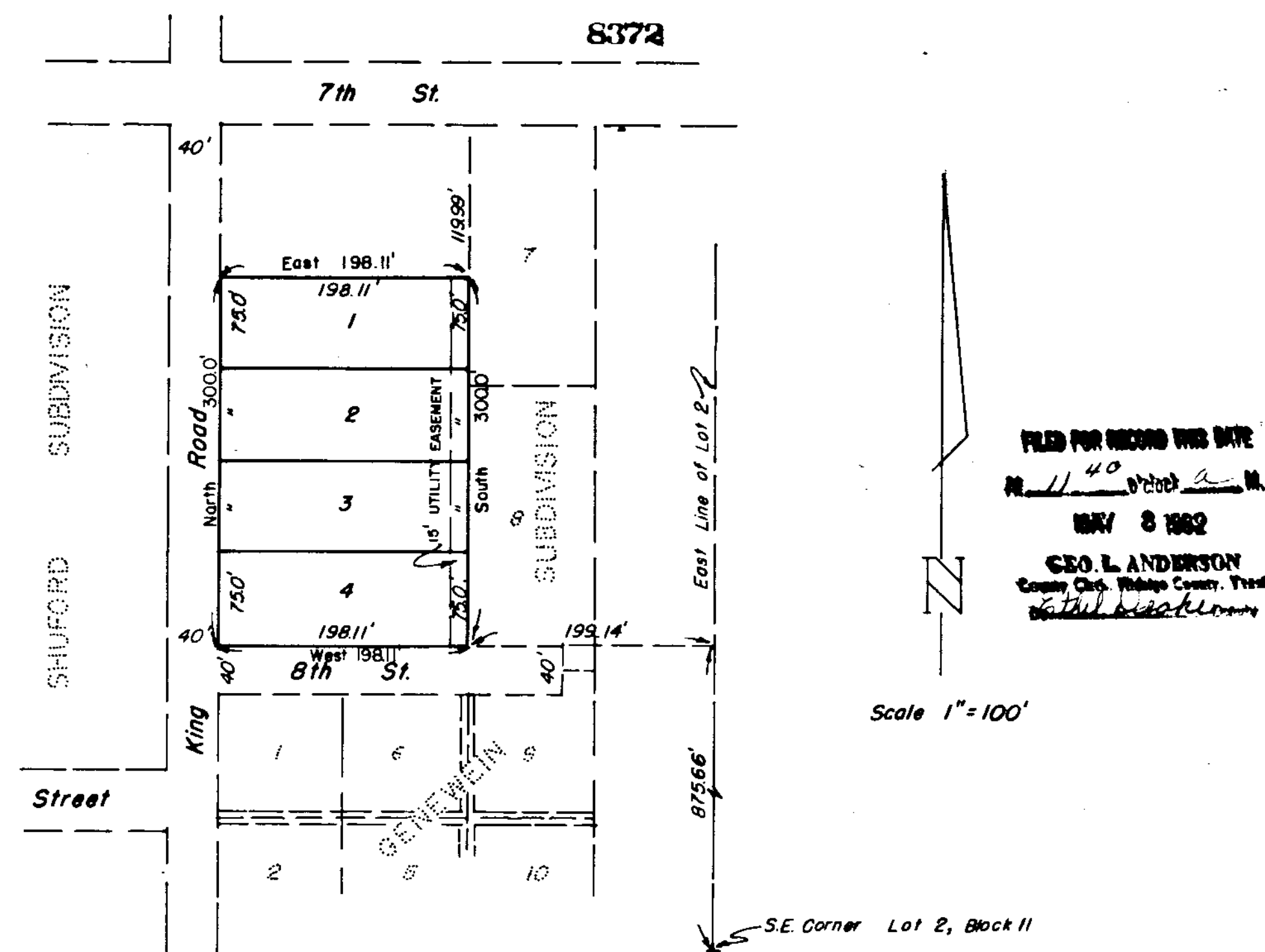
E. G. Henrichson
E. G. HENRICHSON, MAYOR

ATTEST:

Fay H. Brackney
CITY SECRETARY



FILED FOR RECORD THIS DATE
MAR 12 1962
GEO. L. ANDERSON
County Clerk, Hidalgo County, Texas
By *A. S. Kelly*



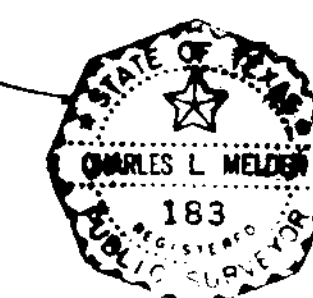
APPROVED
FOR RECORDING
Hidalgo Co. Right of Way Dept.
By *John Dora*
Date 5-2-62

MAP
OF
LONG SUBDIVISION

BEING A RESUBDIVISION OF THE SOUTH 300 FT. OF THE NORTH 6.02 ACRES OF THE EAST 10.0 ACRES OF THE WEST 31.46 ACRES OF LOTS 1 and 2, BLOCK 11, JOHN CLOSER, ET AL SUBDIVISION OF PORCIONES 71 and 72, HIDALGO COUNTY, TEXAS.

I, CHARLES L. MELDEN, A REGISTERED PUBLIC SURVEYOR, DO HEREBY CERTIFY THE FOREGOING MAP TO BE A TRUE AND CORRECT REPRESENTATION OF THE SUBDIVISION OF THE LANDS HEREON DESCRIBED AS SURVEYED AND SUBDIVIDED UNDER MY DIRECTION.

Charles L. Melden
CHARLES L. MELDEN
REGISTERED PUBLIC SURVEYOR
EDINBURG, TEXAS
APRIL 18, 1962



STATE OF TEXAS
COUNTY OF HIDALGO:
KNOW ALL MEN BY THESE PRESENTS

THAT WE, DEWEY B. LONG AND MABEL LONG, OWNERS OF THE PROPERTY HEREON DESCRIBED, DO HEREBY ADOPT, DEDICATE AND CONFIRM THE FOREGOING MAP AND DO HEREBY DEDICATE TO THE PUBLIC THE SURFACE USE OF THE STREETS AND ALLEYS AND EASEMENTS HEREON SHOWN.

Dewey B. Long
DEWEY B. LONG
Mabel Long
MABEL LONG

STATE OF TEXAS
COUNTY OF HIDALGO:
BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED DEWEY B. LONG AND MABEL LONG, OWNERS, KNOWN TO ME TO BE THE PERSONS WHOSE NAMES ARE SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT THEY EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED. GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 26 DAY OF April, A. D. 1962.

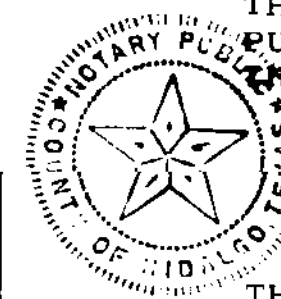
Joe W. George
JOE W. GEORGE
NOTARY PUBLIC IN AND FOR
HIDALGO COUNTY, TEXAS

THIS PLAT APPROVED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, ON THIS THE DAY OF May 1st, A. D. 1962.

Joe W. George
MAYOR

ATTEST:

Joe W. George
CITY SECRETARY



Planning & Zoning

415 West University Drive
Edinburg, Texas 78539
(956) 388-8202



THE CITY OF
Edinburg

Zone Change Application

ENERGOV CASE #

RZNE-2024-0193

Date: 3/18/24

1. Property Owner (required): Maria B. Leticia Grantham 2. Phone: 512-799-3124

3. Mailing Address: 6817 Daugherty St.

4. City: Austin State: TX Zip: 78757

5. Owner's Email: letty.grantham@grail.com 6. Cell No. 512-799-3124

7. Agent (not owner): _____ 8. Agent's Phone: _____

9. Agent's Mailing Address: _____

10. City: _____ State: _____ Zip: _____

11. Agent's Email: _____

12. Address/Location being Rezoned: 106 W. Palm Dr., Edinburg, TX 78541

13. Legal Description of Property: _____ 14. Property ID(s): _____

Lot twelve (12) of Santa Cruz Orange Gardens Subdivision, being a subdivision of Lot 39 Santa Cruz Gardens Unit NO. 1, Hidalgo County, Texas.

15. Zone Change: From: Residential To: Commercial

16. Existing Land Use: Homestead

← 17. Reason for Zone Change: Previously approved for commercial zone, see attached letter of approval dated 10/4/2002.

Maria B. Leticia Grantham
(Please Print Name)

[Signature]
Signature

OFFICE USE ONLY

REVIEWED BY RtW

DATE RECEIVED 3/18/24



*INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED OR SCHEDULED EVEN IF PAYMENT IS MADE.



Isabella Ann Zapata <iazapata@cityofedinburg.com>

Ref no: RZNE2024-0193

2 messages

Letty Grantham <lettygrantham@gmail.com>
To: planning@cityofedinburg.com
Cc: Letty Grantham <lettygrantham@gmail.com>

Tue, Mar 19, 2024 at 10:20 AM

Good morning,

Please accept and attach this email notice for the correction of a minor typo that I hand wrote on my application submitted in person on 3/18/24, see below for details and photo copy, attached.

- See bottom side left where I circled the typo. It should be Lot 26 and not 29.

Thank you for your attention. Please confirm this request was received and acknowledged to attach to my application for zoning and planning.

Have a nice day,

Maria B Leticia Grantham
512-799-3124

Begin forwarded message:

From: noreply@cityofedinburg.com
Date: March 18, 2024 at 3:18:05 PM CDT
To: lettygrantham@gmail.com, dramos@cityofedinburg.com
Cc: ddelacruz@cityofedinburg.com, soranday@cityofedinburg.com
Subject: City of Edinburg receipt attached

Your payment receipt is attached.

Thank you,

City of Edinburg
415 W University Dr.
Edinburg, TX 78539
P: (956) 388-8202
E: permits@cityofedinburg.com

2 attachments

**ZONING CASE
OWNER NOTIFICATION LIST**

PID: 279156
ULLOA EPIFANIO & TRALISA M
6021 N EXPRESSWAY 281
EDINBURG, TX 78542-1237

PID: 279145
**BROWN ROGER D &
APRIL MARLENE ROOKS**
111 W PALM DR
EDINBURG, TX 78541-7583

PID: 279148
NOYOLA ARNALDO & CLAUDIA G
1104 W PALM DRIVE
EDINBURG, TX 78541-8010

PID: 279160
CLEM CANTU LTD
305 OAKRIDGE DR
SAN MARCOS, TX 78666-3020

PID: 279146
ADRIANA FELIPE & MARIVEL T
2822 JANET DR
EDINBURG, TX 78541-2120

PID: 279157
GRANTHAM MARIA B LETICIA
106 W PALM DR
EDINBURG, TX 78541-7568

PID: 279147
GRANTHAM MARIA B LETICIA
106 W PALM DR
EDINBURG, TX 78541

PID: 277732
OLD PYLON TRUCKING LLC
4820 W MONTE CRISTO RD
EDINBURG, TX 78541-5676

PID: 279149
GARZA SIMON & ELIZABETH O
PO BOX 1087
MCALLEN, TX 78505-1087

ORDINANCE NO. _____

AN ORDINANCE AMENDING, SUPPLEMENTING, AND CHANGING THE BOUNDARIES OF THE RESIDENTIAL, PRIMARY (RP) DISTRICT TO COMMERCIAL, GENERAL (CG) DISTRICT, BEING LOT TWELVE (12) OF SANTA CRUZ ORANGE GARDENS SUBDIVISION, BEING A SUBDIVISION OF LOT 39 SANTA CRUZ GARDENS UNIT NO. 1, LOCATED AT 105 WEST PALM DRIVE, EDINBURG, HIDALGO COUNTY, TEXAS, FROM ONE DISTRICT TO ANOTHER; PROVIDING A REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE; PROVIDING FOR CODIFICATION; PROVIDING A WAIVER OF THE THREE (3) SEPARATE READINGS; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

WHEREAS, the owner of the herein described real estate has submitted to the Planning and Zoning Commission of the City of Edinburg, Texas, a proposed amendment, and the proposed supplement and change to the boundaries of the Residential, Primary (RP) District and the Commercial, General (CG) District, as set out in the Unified Development Code of the City of Edinburg, Texas, heretofore finally passed, approved, and adopted by said City Council on the 9th day of August, 2022. Such proposed amendment is to change the zoning of Lot Twelve (12) of Santa Cruz Orange Gardens Subdivision, Being a Subdivision of Lot 39 Santa Cruz Gardens Unit No. 1, Located at 105 West Palm Drive, Edinburg, Hidalgo County, Texas, from Residential, Primary (RP) District to Commercial, General (CG) District, for a recommendation and report by said Planning and Zoning Commission; and

WHEREAS, the said Planning and Zoning Commission of the City of Edinburg, Texas, gave due notice as provided by said Unified Development Code of a public hearing to be held before said Planning and Zoning Commission, on April 9, 2024, at 5:30 P.M., in the Edinburg City Hall, City Council Chambers, located at 415 West University Drive, Edinburg, Texas, and said public hearing was held at such time and place, and all of which procedure in the giving of notice and the holding of said public hearing is hereby ratified and confirmed as meeting all the requirements of said Unified Development Code of the City of Edinburg, Texas and applicable statutes, providing said notice by U. S. Mail to all property owners and persons rendering property for taxation within 300 feet of the property affected not less than ten (10) days before said public hearing; and

WHEREAS, after such public hearing, the Planning and Zoning Commission of the City of Edinburg, Texas, presented its report to the City Council of the City of Edinburg that they approved the change in zoning of said property, from one district to the other; and

WHEREAS, after receipt of the final report from the Planning and Zoning Commission, the City Council of said City provided due notice, as provided by said Unified Development Code

to be held before said City Council, and notice was published one time in a newspaper published in the City of Edinburg, Texas, and of general circulation in said City, stating that a public hearing to consider said proposed revision would be held on May 7, 2024 at 6:00 P.M., in the Edinburg City Hall, City Council Chambers, located at 415 West University Drive, Edinburg, Texas, which time was not less than 15 days nor more than 20 days from the date of publication, and that said public hearing was held at such time and place, and all of which procedure in the giving of notice and the holding of said public hearing is hereby ratified and confirmed as meeting all the requirements of said Unified Development Code of the City of Edinburg, Texas and applicable statutes; and

WHEREAS, having held said public hearing, it is the opinion of the City Council of the City of Edinburg, Texas that such change and revision should be made.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EDINBURG, TEXAS, THAT:

SECTION I. AUTHORITY OF LAW: All requirements of the law have been met in the passing of this Ordinance.

SECTION II. The zoning of the first above-described property is hereby changed from Residential, Primary (RP) District to Commercial, General (CG) District and the boundaries of said Districts are hereby amended, supplemented and changed so as to delete the said area from the said Residential, Primary (RP) District and added to Commercial, General (CG) District.

SECTION III. REPEALER CLAUSE: This Ordinance shall be cumulative of all other ordinances dealing with the same subject and any provision of any ordinance in direct conflict with any provision of this ordinance is hereby repealed and the provisions of this Ordinance shall supersede any provisions in conflict herewith; all provisions of any other ordinance not in conflict herewith shall remain in full force and effect.

SECTION IV. SAVINGS CLAUSE: If any section, part, or provision of this Ordinance is declared unconstitutional or invalid, by a court of competent jurisdiction, then, in that event, it is expressly provided, and it is the intention of the City Council in passing this Ordinance that its parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

SECTION V. PUBLICATION AND EFFECTIVE DATE: This Ordinance shall take effect immediately upon its passage and publication according to law.

SECTION VI. CODIFICATION: That this Ordinance shall not be published in the Code of Ordinances of the City of Edinburg, Texas, as it is not amendatory thereof.

SECTION VII. WAIVER CLAUSE: This requirement of three separate readings of this Ordinance is hereby dispensed with by a vote of not less than a majority of all the members of the City Council.

READ, CONSIDERED, PASSED AND APPROVED at a regular meeting of the City Council of the City of Edinburg, 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 7nd day of May 2024.

CITY OF EDINBURG

By: _____
Ramiro Garza, Jr., Mayor

ATTEST:

By: _____
Clarice Y. Balderas, City Secretary

APPROVED AS TO FORM:
OMAR OCHOA LAW FIRM, P.C.

By: _____
Omar Ochoa, City Attorney



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

PUBLIC HEARINGS

Agenda Item No: 8.B.

Rezoning Request - Monarca Investment Group, LTD

1. **Agenda Item:**

Hold Public Hearing and Consider the Ordinance Providing for the Rezoning Request from Commercial, Neighborhood (CN) District to Commercial, General (CG) District, All of Lots 2 and 3, The Links Commercial Subdivision, Located at 901 and 1001 South Raul Longoria Road, as Requested by Monarca Investment Group, LTD. **(A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.)** [Jaime Acevedo, Director of Planning & Zoning]

2. **Description:**

The properties are located on the west side of South Raul Longoria Road, approximately 300 feet south of East Sprague Street. These lots have 381.34 feet of frontage along South Raul Longoria Road. Specifically, Lot 2 has a total lot area of 65,397 square feet, while Lot 3 has 66,235 square feet. Currently, both lots are vacant. The requested zoning designation is the Commercial, General (CG) District, which is the primary commercial district meant to accommodate a wide range of commercial uses, including highway service uses and community or regional commercial, office, and service uses. It is intended to provide for a full range of community and regional scale commercial enterprises, including but not limited to retail, office, restaurant, entertainment, and service. The proposed use for these properties is to establish commercial plazas at these locations.

The properties are currently zoned Commercial, Neighborhood (CN) District. This zoning restricts the use of these lots to smaller commercial and service businesses that cater to the local neighborhood. Adjacent zoning is Commercial, Neighborhood (CN) District to the north and south, Residential, Primary (RP) District to the west, and a mix of Residential, Suburban (RS) District and Commercial, Neighborhood (CN) District to the east. The future land use designation is for General Commercial uses.

Staff received a Zone Change Application for the subject property on March 15, 2024. The applicant indicated that the reason for the zone change is the type of commercial activity requires appropriate zoning.

Staff mailed a notice of the public hearing to 61 neighboring property owners on Thursday, March 28, 2024 and received no comments in favor or against this request at the time this report was prepared. Notice of this public hearing was published in the newspaper on April 17, 2024.

The Planning & Zoning Commission recommended with a unanimous vote of 7-0 to approve the Rezoning Request. A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.

3. **Staff's Recommendation:**

Staff recommends approval of the Rezoning Request from Commercial, Neighborhood (CN) District to Commercial, General (CG) District. Based on the land use pattern and densities in the area, the proposed zoning district would not conflict with the character of the area. The proposed

zoning is consistent with the Future Land Use Plan. If approved, the applicant will need to comply with all requirements during the permitting process including compliance with subdivision regulations, building/ fire codes, fire protection, parking, landscape buffer-yards, solid waste services, utility, and other City requirements, as applicable.

Reviewed by:

Jesus Saenz, Assistant City Manager

Final Approval - 5/3/2024

Prepared by:

Jaime Acevedo, Director of
Planning and Zoning

Attachments:

- A. City Council Agenda Packet Attachments
- B. Ordinance

MEETING DATES:
PLANNING & ZONING COMMISSION – 4/9/24
CITY COUNCIL – 5/7/24
DATE PREPARED – 4/3/24

STAFF REPORT
GENERAL INFORMATION

APPLICATION: Rezoning Request from Commercial, Neighborhood (CN) District to Commercial, General (CG) District

APPLICANT: Monarca Investment Group, LTD

AGENT: N/A

LEGAL: All of Lots 2 and 3, The Links Commercial Subdivision

LOCATION: 901 and 1001 Raul Longoria Road

LOT/TRACT SIZE: Lot 2 has 65,397 square feet and Lot 3 has 66,235 square feet

CURRENT USE: Vacant land

PROPOSED USE: Commercial plaza

EXISTING ZONING: Commercial, Neighborhood (CN) District

ADJACENT ZONING: North – Commercial, Neighborhood (CN) District
South – Commercial, Neighborhood (CN) District
East – Residential, Suburban (RS) District and Commercial, Neighborhood (CN) District
West – Residential, Primary (RP) District

LAND USE PLAN: General Commercial

PUBLIC SERVICES: City of Edinburg Sewer and North Alamo Water Supply Corporation Water

RECOMMENDATION: Staff recommends approval of the Rezoning Request from Commercial, Neighborhood (CN) District to Commercial, General (CG) District.

**REZONING REQUEST
MONARCA INVESTMENT GROUP, LTD**

EVALUATION

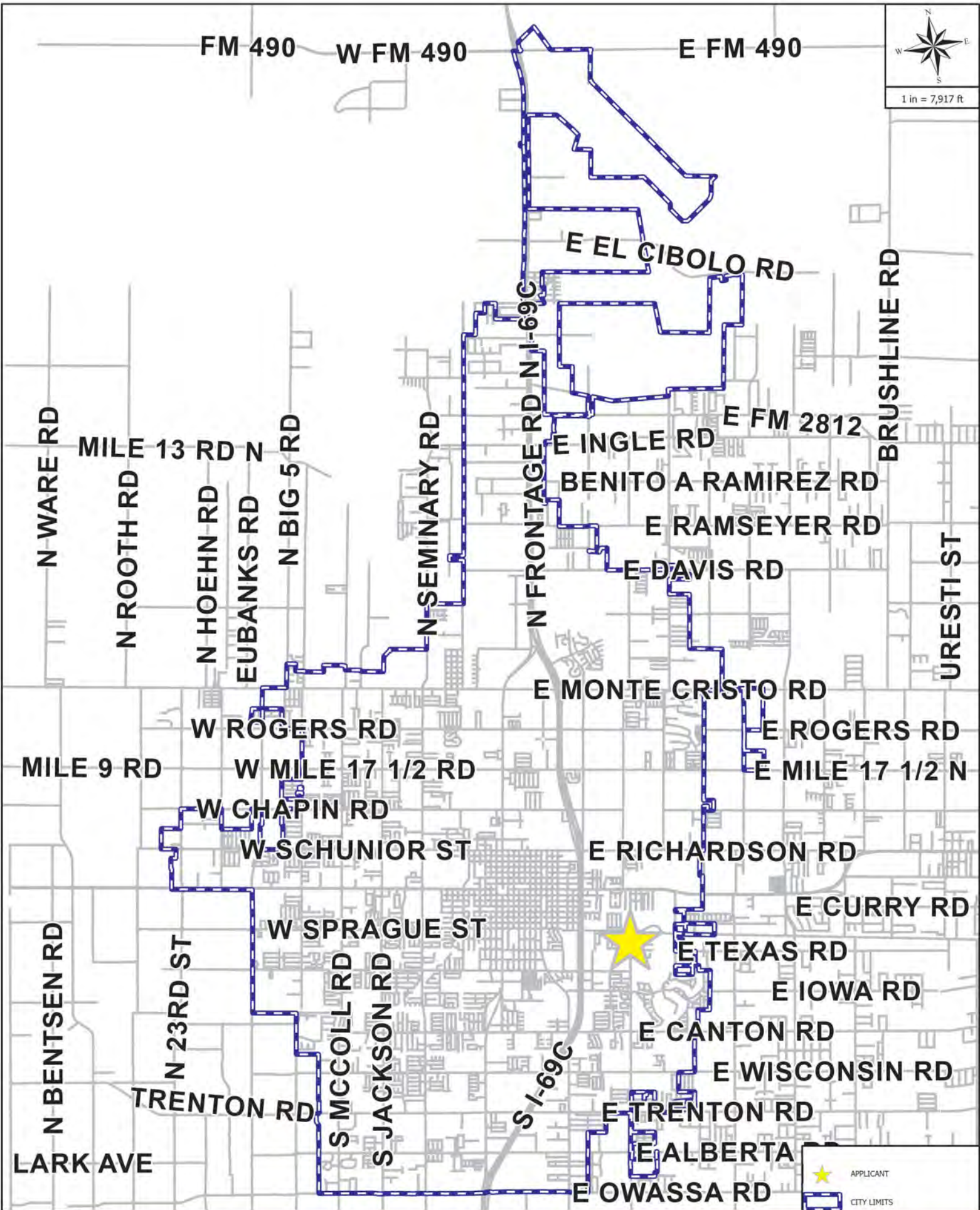
The following is staff's evaluation of the request.

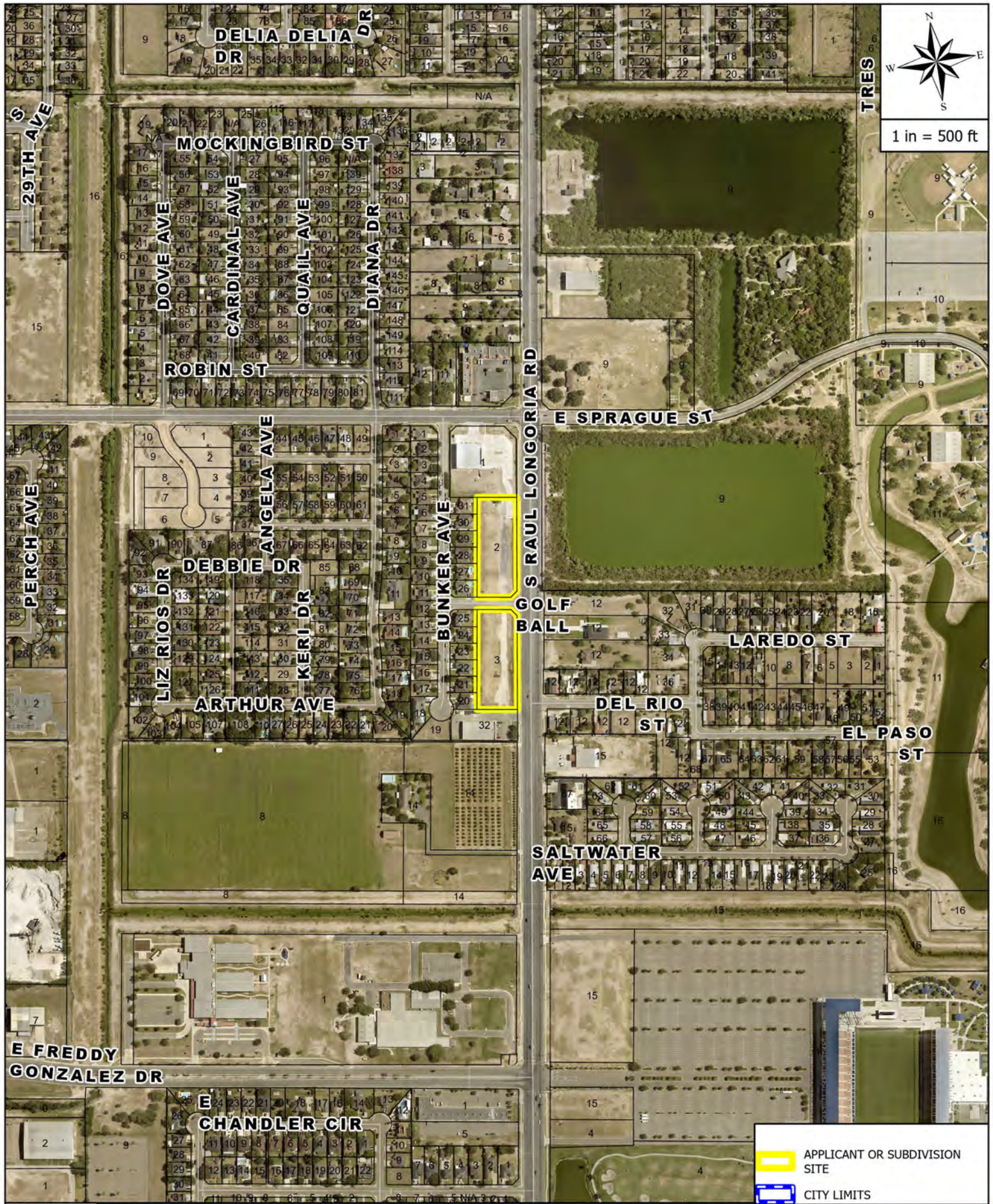
1. The land use pattern for this area of the community is a mix of single-family and commercial uses.
2. The proposed zoning exists along this corridor.
3. The proposed zoning is in keeping with the Future Land Use Plan.

Staff recommends approval of the Rezoning Request from Commercial, Neighborhood (CN) District to Commercial, General (CG) District based on the land use pattern for this area. The proposed zoning is consistent with the Future Land Use Plan.

If approved, the applicant will need to comply with all requirements during the permitting process including compliance with subdivision regulations, building/ fire codes, fire protection, parking, landscape buffer-yards, solid waste services, utility, and other City requirements, as applicable.

Staff mailed a notice of the public hearing to 61 neighboring property owners on Thursday, March 28, 2024 and had received no comments in favor or against this request at the time this report was prepared. Notice of this public hearing was published in the newspaper on April 17, 2024.



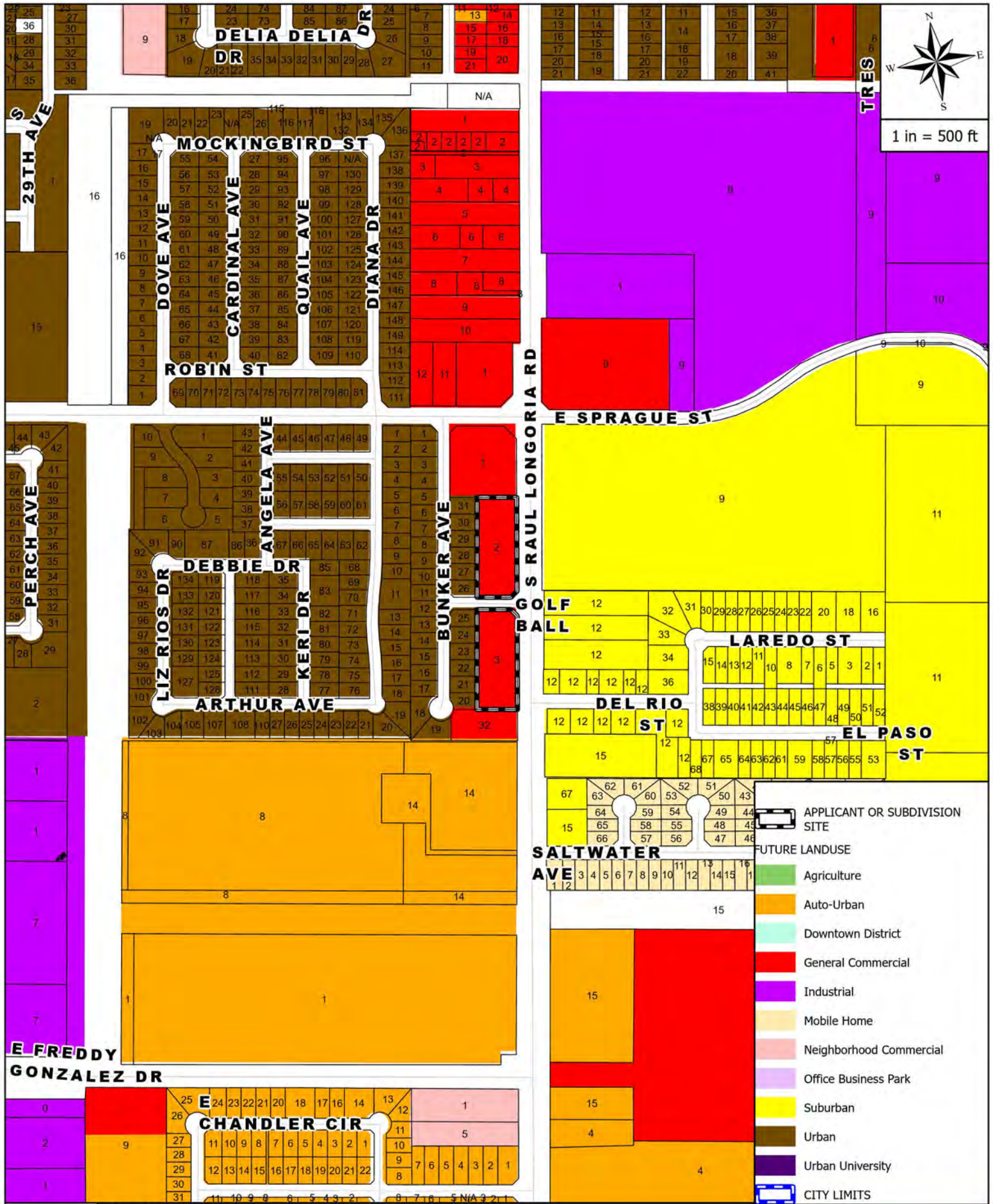


AERIAL MAP

APPLICANT AND/OR SUBDIVISION:

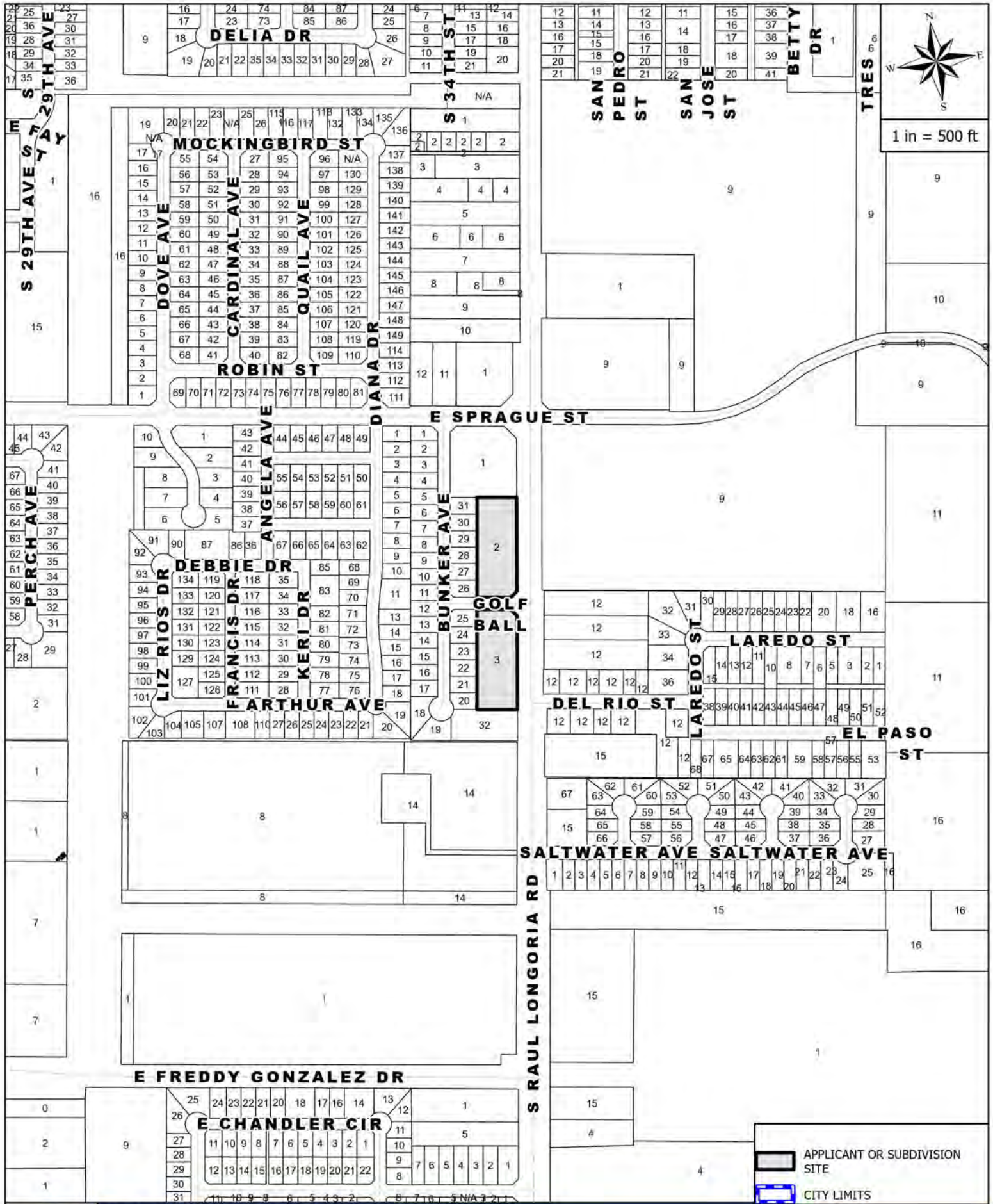
RZNE-2024-0192 LUIS VALENCIA





FUTURE LANDUSE MAP
APPLICANT AND/OR SUBDIVISION:

RZNE-2024-0192 LUIS VALENCIA



MAILOUT AND SITE MAP
APPLICANT AND/OR SUBDIVISION:
RZNE-2024-0192 LUIS VALENCIA



Rezoning Request Site Photo

MONARCA INVESTMENT GROUP, LTD.

1001 S Raul Longoria Rd





Planning & Zoning

415 West University Drive
Edinburg, Texas 78539
(956) 388-8202



THE CITY OF
Edinburg

Zone Change Application

ENERGOV CASE # RZNE-2024-0192

Date: 3-15-24

1. Property Owner (required): Monarca Inv. Group
LUIS VALENCIA 2. Phone: 956-821-8414

3. Mailing Address: 4101 PALMETTO PALM DRIVE

4. City: PALMIST State: TX Zip: 78573

5. Owner's Email: _____ 6. Cell No. 956-821-8414

7. Agent (not owner): N/A 8. Agent's Phone: _____

9. Agent's Mailing Address: _____

10. City: _____ State: _____ Zip: _____

11. Agent's Email: _____

12. Address/Location being Rezoned: 901 & 1001 RAUL LONGORIA

13. Legal Description of Property: _____ 14. Property ID(s): 1464374 & 1464375
LOT 2 & 3 LINKS COMMERCIAL

15. Zone Change: From: CN To: CG

16. Existing Land Use: COMMERCIAL PLAZA

17. Reason for Zone Change: TYPE OF COMMERCIAL
ACTIVITY REQUIRES APPROPRIATE ZONING.

LUIS VALENCIA _____
(Please Print Name) Signature



OFFICE USE ONLY

REVIEWED BY JAIME ACEVEDO DATE RECEIVED 3-15-24

***INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED OR SCHEDULED EVEN IF PAYMENT IS MADE.**

CASE#

Zone Change Application Requirements

All items are required to be submitted with the application.



<u>ITEM</u>	<u>DESCRIPTION</u>	<u>DATE</u>	<u>INITIALS</u>
1.	Zoning Application	_____	_____
2.	Application Fee \$400 (FEE IS NON-REFUNDABLE)	_____	_____
3.	Survey*	_____	_____
4.	Metes & Bounds Description*	_____	_____
5.	Warranty Deed	_____	_____
6.	Preliminary Site Plan/Sketch	_____	_____
7.	Authorization Letter from Owner (If not owner)	_____	_____
8.	Special Use Permit (if applicable)	_____	_____

*NOTE:

IF ACREAGE PROPERTY IS INVOLVED, AND/OR REZONING DOES NOT FOLLOW LOT LINES, THEN A SURVEY AND A METES AND BOUNDS DESCRIPTION ARE REQUIRED.

A SITE INSPECTION WILL BE CONDUCTED AS PART OF THE REZONING PROCESS.

PUBLIC HEARING DATE (PLANNING & ZONING COMMISSION) – 5:30 PM:

April 9th 2024

PUBLIC HEARING DATE (CITY COUNCIL) – 6:00 PM:

May 7th 2024

(NOTE: BOTH MEETINGS ARE HELD AT THE EDINBURG CITY COUNCIL CHAMBERS)

**ZONING CASE
OWNER NOTIFICATION LIST**

PID: 267762
DE LEON RAMIRO JOSUE
& CITLALI MARTINEZ
818 DIANA DR
EDINBURG, TX 78542-5119

PID: 267765
SOSA JOEL C & NORMA L
902 DIANA DR
EDINBURG, TX 78542-5141

PID: 267772
RIVERA NORA E
1002 DIANA DR
EDINBURG, TX 78542-5135

PID: 267774
BARBA REBECCA
& FRANCES A RIOS
PO BOX 993
EDINBURG, TX 78540-0993

PID: 267766
PALACIOS JULIAN ANDRES
3004 SAN PATRICIO
MISSION, TX 78572-8634

PID: 267771
RAMIREZ SOFIA
1000 DIANA DR
EDINBURG, TX 78542-5135

PID: 267763
HEIR FUND LLC
1007 SYCAMORE AVE
MCALLEN, TX 78501-4145

PID: 267773
SOLIS JUAN M & AMELIA M
1006 DIANA DR
EDINBURG, TX 78542-5135

PID: 267775
LANCASTER LISA LEIGH
1014 DIANA DR
EDINBURG, TX 78542-5135

PID: 296931
RODRIGUEZ NOEL
2508 DEL RIO ST
EDINBURG, TX 78542-6410

PID: 267767
TRISTAN JOSE M & ANA T
910 DIANA DR
EDINBURG, TX 78542-5141

PID: 267768
AGUILERA MINERVA MOLINA
918 DIANA DR
EDINBURG, TX 78542-5141

PID: 267770
SBF-1 PROPERTIES LLC
160 E OLENTANGY ST
POWELL, OH 43065-9065

PID: 267776
HERNANDEZ IVAN F &
MAGNOLIA BARAJAS
1018 DIANA DR
EDINBURG, TX 78542-5135

PID: 267764
GONZABA ALEXIS & MARIA A
900 DIANA DR
EDINBURG, TX 78542-5141

PID: 267760
RODRIGUEZ ALBERTO R
& TERESITA
810 DIANA DR
EDINBURG, TX 78542-5119

PID: 700941
RAMOS MARIBEL CABALLERO
& ESTANISLADO RAMOS JR
1017 BUNKER AVE
EDINBURG, TX 78542-4715

PID: 700934
OBREGON ABEL & CLAUDIA
907 BUNKER AVE
EDINBURG, TX 78542-4708

**ZONING CASE
OWNER NOTIFICATION LIST**

PID: 296926

MARTINEZ JULIO CESAR
1410 MADERO DR
EDINBURG, TX 78542-7111

PID: 267761

**YBARRA RUBEN C
& LILLIAN L**
814 DIANA DR
EDINBURG, TX 78542-5119

PID: 700947

MENDOZA ROBERT B & DAITHRA NEHER
1110 BUNKER AVE
EDINBURG, TX 78542-9812

PID: 700945

GARCIA MANUEL III & ERIKA R RODRIGUEZ
1109 BUNKER AVE
EDINBURG, TX 78542-4727

PID: 700931

MARTINEZ JUDIT R
821 BUNKER AVE
EDINBURG, TX 78542-4723

PID: 700958

ALANIS CORNELIO J & ADELINA
902 BUNKER AVE
EDINBURG, TX 78542-4722

PID: 700956

ESPINOSA MARCELINO & FELIPA
914 BUNKER AVE
EDINBURG, TX 78542-4722

PID: 700951

SANCHEZ AMANDA CHRISTINE
1012 BUNKER AVE
EDINBURG, TX 78542-4726

PID: 700943

VELA FERNANDO & ADRIANA
89 E FRONTAGE RD
ALAMO, TX 78516-9669

PID: 700948

MEZA FILEMON JIMENEZ
1104 BUNKER AVE
EDINBURG, TX 78542-9812

PID: 700959

YUTAKA DG LLC
16742 SW FWY
SUGAR LAND, TX 77479-2331

PID: 700946

LOPEZ STEPHEN E
1008 E DOVE AVE APT 410
MCALLEN, TX 78504-3987

PID: 700930

USRY BRENDA D
815 BUNKER AVE
EDINBURG, TX 78542-4723

PID: 700929

MENDOZA VICTOR M & RAQUEL
809 BUNKER AVE
EDINBURG, TX 78542-4723

PID: 700927

BAZALDUA EVETTE
803 BUNKER AVE
EDINBURG, TX 78542-4723

PID: 700939

AGUILLON GERARDO & ELSA E
1005 BUNKER AVE
EDINBURG, TX 78542-4715

PID: 700938

GALVAN REGINALDO JR
931 BUNKER AVE
EDINBURG, TX 78542-4708

PID: 700937

DE LA TORRE JUAN JOSE
925 BUNKER AVE
EDINBURG, TX 78542-4708

PID: 700936

BELL CAROLYN K
919 BUNKER AVE
EDINBURG, TX 78542-4708

PID: 700953

FERNANDEZ AARON
932 BUNKER AVE
EDINBURG, TX 78542-4722

**ZONING CASE
OWNER NOTIFICATION LIST**

PID: 700944
MENDOZA JESSICA
1103 BUNKER AVE
EDINBURG, TX 78542-4727

PID: 700935
HINOJOSA DAVID & NIRIA V
913 BUNKER AVE
EDINBURG, TX 78542-4708

PID: 700955
**MARTINEZ ANDRES EULALIO
& MELINDA MICHELLE MORIN**
920 BUNKER AVE
EDINBURG, TX 78542-4722

PID: 700954
GONZALEZ MARTIN
926 BUNKER AVE
EDINBURG, TX 78542-4722

PID: 700932
PENA JAIME
827 BUNKER AVE
EDINBURG, TX 78542-4723

PID: 700942
**OLIVERO FLORES JR
& ANA A BAZAN**
1023 BUNKER AVE
EDINBURG, TX 78542-4715

PID: 700933
RODRIGUEZ SIMON JR
901 BUNKER AVE
EDINBURG, TX 78542-4708

PID: 700957
PENA EDGAR E
908 BUNKER AVE
EDINBURG, TX 78542-4722

PID: 700950
FLORES SANDRA
1018 BUNKER AVE
EDINBURG, TX 78542-4726

PID: 700952
**SALINAS JESSICA &
JOSE L GARZA**
1006 BUNKER AVE
EDINBURG, TX 78542-4726

PID: 700940
REYES GUADALUPE A & LAURA E
1011 BUNKER AVE
EDINBURG, TX 78542-4715

PID: 296928
LOPEZ CLAUDETTE
1010 S RAUL LONGORIA RD
EDINBURG, TX 78542-7802

PID: 296927
TIJERINA EFREN & ALEJANDRA
1006 S RAUL LONGORIA
EDINBURG, TX 78542

PID: 296935
MORELOS JUAN A & ALEJANDRINA
2507 DEL RIO ST
EDINBURG, TX 78542-6410

PID: 296951
SPIKE PROPERTIES LLC
2112 W UNIVERSITY DR BOX 917
EDINBURG, TX 78539-2862

PID: 346594
FLORES ANGELINA ETAL
1120 S RAUL LONGORIA RD
EDINBURG, TX 78542-7842

PID: 296947
LATTIMORE COLBERTA M REV TRST
PO BOX 2047
EDINBURG, TX 78540-2047

PID: 296920
CITY OF EDINBURG
PO BOX 1079
EDINBURG, TX 78540-1079

PID: 1464375
MONARCA INVESTMENT GROUP LTD
4101 PALMETTO PALM DR
MISSION, TX 78573-8548

**ZONING CASE
OWNER NOTIFICATION LIST**

PID: 296940

GOMEZ LEOPOLDO & BABARA

2517 DEL RIO ST

EDINBURG, TX 78542-6410

PID: 1464374

MONARCA INVESTMENT GROUP LTD

4101 PALMETTO PALM DR

MISSION, TX 78573-8548

PID: 1470517

RODRIGUEZ JULIAN

2512 DEL RIO ST

EDINBURG, TX 78542

PID: 1464373

GULF AMR LLC

7251 E US HIGHWAY 83

RIO GRANDE CITY, TX 78582-6347

ORDINANCE NO. _____

AN ORDINANCE AMENDING, SUPPLEMENTING, AND CHANGING THE BOUNDARIES OF THE COMMERCIAL, NEIGHBORHOOD (CN) DISTRICT TO COMMERCIAL, GENERAL (CG) DISTRICT, ALL OF LOTS 2 AND 3, THE LINKS COMMERCIAL SUBDIVISION, LOCATED AT 901 AND 1001 SOUTH RAUL LONGORIA ROAD, EDINBURG, HIDALGO COUNTY, TEXAS, FROM ONE DISTRICT TO ANOTHER; PROVIDING A REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE; PROVIDING FOR CODIFICATION; PROVIDING A WAIVER OF THE THREE (3) SEPARATE READINGS; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

WHEREAS, the owner of the herein described real estate has submitted to the Planning and Zoning Commission of the City of Edinburg, Texas, a proposed amendment, and the proposed supplement and change to the boundaries of the Commercial, Neighborhood (CN) District and the Commercial, General (CG) District, as set out in the Unified Development Code of the City of Edinburg, Texas, heretofore finally passed, approved, and adopted by said City Council on the 9th day of August, 2022. Such proposed amendment is to change the zoning of All of Lots 2 and 3, The Links Commercial Subdivision, Located at 901 and 1001 South Raul Longoria Road, Edinburg, Hidalgo County, Texas, from Commercial, Neighborhood (CN) District to Commercial, General (CG) District, for a recommendation and report by said Planning and Zoning Commission; and

WHEREAS, the said Planning and Zoning Commission of the City of Edinburg, Texas, gave due notice as provided by said Unified Development Code of a public hearing to be held before said Planning and Zoning Commission, on April 9, 2024, at 5:30 P.M., in the Edinburg City Hall, City Council Chambers, located at 415 West University Drive, Edinburg, Texas, and said public hearing was held at such time and place, and all of which procedure in the giving of notice and the holding of said public hearing is hereby ratified and confirmed as meeting all the requirements of said Unified Development Code of the City of Edinburg, Texas and applicable statutes, providing said notice by U. S. Mail to all property owners and persons rendering property for taxation within 300 feet of the property affected not less than ten (10) days before said public hearing; and

WHEREAS, after such public hearing, the Planning and Zoning Commission of the City of Edinburg, Texas, presented its report to the City Council of the City of Edinburg that they approved the change in zoning of said property, from one district to the other; and

WHEREAS, after receipt of the final report from the Planning and Zoning Commission, the City Council of said City provided due notice, as provided by said Unified Development Code to be held before said City Council, and notice was published one time in a newspaper published

in the City of Edinburg, Texas, and of general circulation in said City, stating that a public hearing to consider said proposed revision would be held on May 7, 2024 at 6:00 P.M., in the Edinburg City Hall, City Council Chambers, located at 415 West University Drive, Edinburg, Texas, which time was not less than 15 days nor more than 20 days from the date of publication, and that said public hearing was held at such time and place, and all of which procedure in the giving of notice and the holding of said public hearing is hereby ratified and confirmed as meeting all the requirements of said Unified Development Code of the City of Edinburg, Texas and applicable statutes; and

WHEREAS, having held said public hearing, it is the opinion of the City Council of the City of Edinburg, Texas that such change and revision should be made.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EDINBURG, TEXAS, THAT:

SECTION I. AUTHORITY OF LAW: All requirements of the law have been met in the passing of this Ordinance.

SECTION II. The zoning of the first above-described property is hereby changed from Commercial, Neighborhood (CN) District to Commercial, General (CG) District and the boundaries of said Districts are hereby amended, supplemented and changed so as to delete the said area from the said Commercial, Neighborhood (CN) District and added to Commercial, General (CG) District.

SECTION III. REPEALER CLAUSE: This Ordinance shall be cumulative of all other ordinances dealing with the same subject and any provision of any ordinance in direct conflict with any provision of this ordinance is hereby repealed and the provisions of this Ordinance shall supersede any provisions in conflict herewith; all provisions of any other ordinance not in conflict herewith shall remain in full force and effect.

SECTION IV. SAVINGS CLAUSE: If any section, part, or provision of this Ordinance is declared unconstitutional or invalid, by a court of competent jurisdiction, then, in that event, it is expressly provided, and it is the intention of the City Council in passing this Ordinance that its parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

SECTION V. PUBLICATION AND EFFECTIVE DATE: This Ordinance shall take effect immediately upon its passage and publication according to law.

SECTION VI. CODIFICATION: That this Ordinance shall not be published in the Code of Ordinances of the City of Edinburg, Texas, as it is not amendatory thereof.

SECTION VII. WAIVER CLAUSE: This requirement of three separate readings of this Ordinance is hereby dispensed with by a vote of not less than a majority of all the members of the City Council.

READ, CONSIDERED, PASSED AND APPROVED at a regular meeting of the City Council of the City of Edinburg, 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 7nd day of May 2024.

CITY OF EDINBURG

By: _____
Ramiro Garza, Jr., Mayor

ATTEST:

By: _____
Clarice Y. Balderas, City Secretary

APPROVED AS TO FORM:
OMAR OCHOA LAW FIRM, P.C.

By: _____
Omar Ochoa, City Attorney



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

ORDINANCES

Agenda Item No: 9.A.

Ordinance-Appointments

1. Agenda Item:

Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title III Administration, Chapter 32, Boards, Councils, Commissions and Committees, Section 32.02 Appointment of Members. [Omar Ochoa, City Attorney]

2. Description:

The Code of Ordinances of the City of Edinburg, Texas at Title III Administration, Chapter 32, Boards, Councils, Commissions and Committees, Section 32.02 Section (B) currently provides term limits for appointees to City Boards and Committees and states that such an appointee may not serve more than three consecutive terms. The draft ordinance removes these terms limits on appointees, but keeps in place that appointees serve two-year terms.

3. Staff's Recommendation:

Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title III Administration, Chapter 32, Boards, Councils, Commissions and Committees, Section 32.02 Appointment of Members.

Reviewed by:

Prepared by:

Omar Ochoa, City Attorney

Attachments:

A. Ordinance - Remove Appointee Term Limits

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF EDINBURG TITLE III. ADMINISTRATION, CHAPTER 32, BOARDS, COUNCILS, COMMISSIONS AND COMMITTEES, SECTION 32.02 APPOINTMENT OF MEMBERS; REMOVING TERM LIMITS OF APPOINTED PERSONS; PROVIDING A REPEALER CLAUSE; PROVIDING A SAV-INGS CLAUSE; AND PROVIDING FOR PUBLICATION AND EFFEC-TIVE DATE; PROVIDING FOR CODIFICATION; PROVIDING A WAIV-ER OF THE THREE (3) SEPARATE READINGS; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

WHEREAS, Section 32.02 Appointment of Members authorizes the City Council to make all appointments to boards, councils, commissions, and committees unless otherwise provided by law; and

WHEREAS, Section 32.02(b) limits residents' ability to serve as appointees to a maximum of three continuous terms; and

WHEREAS, the City Council seeks remove the term limits of appointees.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EDINBURG, HIDALGO COUNTY, TEXAS THAT:

SECTION I. AUTHORITY OF LAW. The City Council specifically finds that all requirements of law have been met in the passing of this Ordinance.

SECTION II: TITLE III, ADMINISTRATION, CHAPTER 32, BOARDS, COUNCILS, COMMISSIONS AND COMMITTEES, SECTION 32.02 APPOINTMENT OF MEMBERS; FILING VACANCY is hereby amended by amending subsection (B) to be read as follows:

§32.02 Appointments of Members; Filling Vacancy

(B) Unless otherwise provided by federal law, state law, the city charter, or city ordinance, and except for the Edinburg Economic Development Corporation and Civil Service Commission, all appointments to boards, councils, commissions, and committees shall serve two-year terms with no limits on the number of terms they may serve. Board members whose two-year term has ended may continue to serve until a replacement has been appointed.

SECTION III. WAIVER CLAUSE. The requirement of three separate readings of this Ordinance is hereby dispensed with by a vote of not less than a majority of all the members of the City Council.

SECTION IV. REPEALER CLAUSE. This Ordinance shall be cumulative of all other ordinances dealing with the same subject and any provision of any Ordinance in direct conflict with any provision of this Ordinance is hereby repealed and the provisions of this Ordinance shall supersede any provisions in conflict herewith; all provisions of any other Ordinance not in conflict herewith shall remain in full force and effect.

SECTION V. SAVINGS CLAUSE. If any section, part, or provision of this Ordinance is declared unconstitutional or invalid, by a court of competent jurisdiction, then, in that event, it is expressly provided, and it is the intention of the City Council in passing this Ordinance that its parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

SECTION VI. CODIFICATION CLAUSE. The provisions of Section II of this Ordinance are to be published in the location indicated in the Code of Ordinances of the City of Edinburg, Texas, as soon as possible.

SECTION VII. PUBLICATION AND EFFECTIVE DATE. This Ordinance shall take effect immediately upon its passage and publication according to law.

READ, CONSIDERED, PASSED AND APPROVED at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present, which was held in accordance with VTCA, Government Code, Section 551.041 on the 7th day of May, 2024.

CITY OF EDINBURG

BY: _____

Ramiro Garza, Jr., Mayor

ATTEST:

Clarice Y. Balderas, City Secretary

**APPROVED AS TO FORM:
OMAR OCHOA LAW FIRM, P.C.**

BY: _____
Omar Ochoa, City Attorney



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

ORDINANCES

Agenda Item No: 9.B.

Ordinance-10K Advisory Board

1. Agenda Item:

Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title III Administration, Chapter 32, Boards, Councils, Commissions and Committees, Section 32.20 All America City David Chavana 10K Advisory Board. [Omar Ochoa, City Attorney]

2. Description:

The Code of Ordinances of the City of Edinburg, Texas at Title III Administration, Chapter 32, Boards, Councils, Commissions and Committees, Section 32.20 provides that the All America City David Chavana 10K Advisory Board shall consist of seven members, but historically and in practice the Board has nine active members. The draft ordinance revises the number of Board members to conform to current practice.

Title III Administration, Chapter 32, Boards, Councils, Commissions and Committees, Section 32.20 All America City David Chavana 10K Advisory Board is hereby amended by amending subsection (A) to be read as follows:

Sec. 32.20 - All America City David Chavana 10K Advisory Board.

(A) Creation and composition. There is hereby created the All America City David Chavana 10K Advisory Board. The Board shall consist of nine members. However, the race's namesake, David Chavana, shall serve as a permanent member of the Board for so long as he's able or chooses to serve.

3. Staff's Recommendation:

Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title III Administration, Chapter 32, Boards, Councils, Commissions and Committees, Section 32.20 All America City Davida Chavana 10K Advisory Board.

Reviewed by:

Prepared by:

Omar Ochoa, City Attorney

Attachments:

A. Ordinance - 10k Board

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF EDINBURG TITLE III. ADMINISTRATION, CHAPTER 32, BOARDS, COUNCILS, COMMISSIONS AND COMMITTEES, SECTION 32.20 ALL AMERICA CITY DAVID CHAVANA 10K ADVISORY BOARD; INCREASING BOARD TO NINE MEMBERS; PROVIDING A REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; AND PROVIDING FOR PUBLICATION AND EFFECTIVE DATE; PROVIDING FOR CODIFICATION; PROVIDING A WAIVER OF THE THREE (3) SEPARATE READINGS; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

WHEREAS, Section 32.02 Appointment of Members authorizes the City Council to make all appointments to boards, councils, commissions, and committees unless otherwise provided by law; and

WHEREAS, Section 32.20 provides that the All America City David Chavana 10K Advisory Board shall consist of seven members, but historically and in practice the Board has nine active members; and

WHEREAS, the City Council seeks revise Section 32.20 to reflect that the Board has nine active members.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EDINBURG, HIDALGO COUNTY, TEXAS THAT:

SECTION I. AUTHORITY OF LAW. The City Council specifically finds that all requirements of law have been met in the passing of this Ordinance.

SECTION II: TITLE III, ADMINISTRATION, CHAPTER 32, BOARDS, COUNCILS, COMMISSIONS AND COMMITTEES, SECTION 32.20 ALL AMERICA CITY DAVID CHAVANA 10K ADVISORY BOARD is hereby amended by amending subsection (A) to be read as follows:

§32.20 All America City David Chavana 10K Advisory Board

(A) *Creation and composition.* There is hereby created the All America City David Chavana 10K Advisory Board. The Board shall consist of nine members. However, the race's namesake, David Chavana, shall serve as a permanent member of the Board for so long as he's able or chooses to serve.

SECTION III. WAIVER CLAUSE. The requirement of three separate readings of this Ordinance is hereby dispensed with by a vote of not less than a majority of all the members of the City Council.

SECTION IV. REPEALER CLAUSE. This Ordinance shall be cumulative of all other ordinances dealing with the same subject and any provision of any Ordinance in direct conflict with any provision of this Ordinance is hereby repealed and the provisions of this Ordinance shall supersede any provisions in conflict herewith; all provisions of any other Ordinance not in conflict herewith shall remain in full force and effect.

SECTION V. SAVINGS CLAUSE. If any section, part, or provision of this Ordinance is declared unconstitutional or invalid, by a court of competent jurisdiction, then, in that event, it is expressly provided, and it is the intention of the City Council in passing this Ordinance that its parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

SECTION VI. CODIFICATION CLAUSE. The provisions of Section II of this Ordinance are to be published in the location indicated in the Code of Ordinances of the City of Edinburg, Texas, as soon as possible.

SECTION VII. PUBLICATION AND EFFECTIVE DATE. This Ordinance shall take effect immediately upon its passage and publication according to law.

READ, CONSIDERED, PASSED AND APPROVED at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present, which was held in accordance with VTCA, Government Code, Section 551.041 on the 7th day of May, 2024.

CITY OF EDINBURG

BY: _____

Ramiro Garza, Jr., Mayor

ATTEST:

Clarice Y. Balderas, City Secretary

**APPROVED AS TO FORM:
OMAR OCHOA LAW FIRM, P.C.**

BY: _____
Omar Ochoa, City Attorney



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

ORDINANCES

Agenda Item No: 9.C.

Ordinance-Oil and Gas

1. Agenda Item:

Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title XI. Business Regulations, Chapter 114, Oil and Gas Regulations, Section 114.030-.043 Regulating Liquefied Petroleum Gas. [Omar Ochoa, City Attorney]

2. Description:

The City of Edinburg's Code of Ordinance contains regulations of Liquefied Petroleum Gas, but the City is subject to the Texas Natural Resources Code Chapter 113. The draft ordinance revises the City's regulations of liquefied petroleum gas to conform with the requirements of state law.

3. Staff's Recommendation:

Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title XI. Business Regulations, Chapter 114, Oil and Gas Regulations, Section 114.030-.043 Regulating Liquefied Petroleum Gas.

Reviewed by:

Prepared by:

Omar Ochoa, City Attorney

Attachments:

A. Ordinance - Liquefied Gas Ordinance

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF EDINBURG TITLE XI. BUSINESS REGULATIONS, CHAPTER 114, OIL AND GAS REGULATIONS, SECTIONS 114.030-043 REGULATING LIQUIFIED PETROLEUM GAS; PROVIDING A REPEALER CLAUSE; PROVIDING A SAV-INGS CLAUSE; AND PROVIDING FOR PUBLICATION AND EFFEC-TIVE DATE; PROVIDING FOR CODIFICATION; PROVIDING A WAIV-ER OF THE THREE (3) SEPARATE READINGS; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

WHEREAS, the City of Edinburg’s Code of Ordinance contains regulations of Liquified Petroleum Gas, but is subject to the Texas Natural Resources Code Chapter 113; and

WHEREAS, the City Council finds that it is in the public interest to amend the Edinburg Code of Ordinances to adopt safety rules and standards regarding liquified petroleum gas; and

WHEREAS, the City of Edinburg seeks to preserve the health, peace, and safety of the City for the welfare of its citizens and visitors.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EDINBURG, HIDALGO COUNTY, TEXAS THAT:

SECTION I. AUTHORITY OF LAW. The City Council specifically finds that all requirements of law have been met in the passing of this Ordinance.

SECTION II: TITLE XI. BUSINESS REGULATIONS, CHAPTER 114, OIL AND GAS REGULATIONS, SECTIONS 114.030-043 are repealed in their entirety and shall be replaced with the following:

§114.030 Liquified Petroleum Gas

- a) The City of Edinburg hereby adopts the liquefied petroleum gas safety rules and standards previously adopted by the Texas Railroad Commission, including any and all future amendments thereto.
- b) Notwithstanding any other provision of the city's Code of Ordinances, the liquefied petroleum gas safety rules adopted under section 114.030(a) and the rules and standards, if any, promulgated with the permission of the Texas Railroad Commission's executive director shall be the city's exclusive regulations for liquefied petroleum gas.

- c) All ordinances, orders, rules, or codes adopted by the city shall be construed in a manner consistent with section 114.030(a) on all matters relating to liquefied petroleum gas.
- d) In the event of conflict between any ordinance, order, rule, or code adopted by the city and section 114.030(a), section 114.030(a) shall control.
- e) City staff shall not adopt or enforce any rule, regulation, practice, policy, procedure, or standard that conflicts with section 114.030(a).
- f) Section 114.030(a) shall not be construed so as to conflict with the Texas Railroad Commission's interpretation of the liquefied petroleum gas safety rules, including any and all future amendments thereto.

SECTION III. WAIVER CLAUSE. The requirement of three separate readings of this Ordinance is hereby dispensed with by a vote of not less than a majority of all the members of the City Council.

SECTION IV. REPEALER CLAUSE. This Ordinance shall be cumulative of all other ordinances dealing with the same subject and any provision of any Ordinance in direct conflict with any provision of this Ordinance is hereby repealed and the provisions of this Ordinance shall supersede any provisions in conflict herewith; all provisions of any other Ordinance not in conflict herewith shall remain in full force and effect.

SECTION V. SAVINGS CLAUSE. If any section, part, or provision of this Ordinance is declared unconstitutional or invalid, by a court of competent jurisdiction, then, in that event, it is expressly provided, and it is the intention of the City Council in passing this Ordinance that its parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

SECTION VI. CODIFICATION CLAUSE. The provisions of Section II of this Ordinance are to be published in the location indicated in the Code of Ordinances of the City of Edinburg, Texas, as soon as possible.

SECTION VII. PUBLICATION AND EFFECTIVE DATE. This Ordinance shall take effect immediately upon its passage and publication according to law.

READ, CONSIDERED, PASSED AND APPROVED at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present, which was held in accordance with VTCA, Government Code, Section 551.041 on the 7th day of May, 2024.

CITY OF EDINBURG

BY: _____

Ramiro Garza, Jr., Mayor

ATTEST:

Clarice Y. Balderas, City Secretary

APPROVED AS TO FORM:
OMAR OCHOA LAW FIRM, P.C.

BY:

Omar Ochoa, City Attorney



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

ORDINANCES

Agenda Item No: 9.D.

Ordinance-Funeral Escorts

1. Agenda Item:

Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title XI. Business Regulations, by Adding Chapter 121 Funeral Escorts. [Omar Ochoa, City Attorney]

2. Description:

Currently, the City does not authorize private entities to perform funeral escort services. The draft ordinance proposes a permitting process and regulations allowing for private funeral escorts to operate within the City.

3. Staff's Recommendation:

Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas at Title XI. Business Regulations, by Adding Chapter 121 Funeral Escorts.

Reviewed by:

Prepared by:

Omar Ochoa, City Attorney

Attachments:

A. Funeral Escort Ordinance DRAFT

ORDINANCE NO. _____

ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF EDINBURG, TITLE XI: BUSINESS REGULATIONS, BY ADDING CHAPTER 121 FUNERAL ESCORTS; PROVIDING FOR A REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE; PROVIDING FOR CODIFICATION; PROVIDING A WAIVER OF THE THREE (3) SEPARATE READINGS; AND ORDAINING OTHER PROVISIONS RELATING TO THE SUBJECT MATTER HEREOF.

WHEREAS, City Code of Ordinances Title XI contains regulations for specific types of businesses; and

WHEREAS, the City Council believes it is in the best interests of the residents to allow for and regulate the operation of funeral escort businesses within City limits.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EDINBURG, TEXAS, THAT:

SECTION I. INCORPORATION OF RECITALS. The City Council finds that the statements set forth in the Recitals are true and correct and the City Council hereby incorporates such Recitals as findings of fact.

SECTION II. AUTHORITY OF LAW. All requirements of the law have been met in the passing of this Ordinance.

SECTION III. The Code of Ordinances of the City, Title XI, Business Regulations, is amended to add Chapter 121 Funeral Escorts, to be read in its entirety as shown in Exhibit A to this Ordinance.

SECTION VI. REPEALER CLAUSE: This Ordinance shall be cumulative of all other ordinances dealing with the same subject, and any provision of any ordinance in direct conflict with any provision of this Ordinance is hereby repealed and the provisions of this Ordinance shall supersede any provisions in conflict herewith; all provisions of any other ordinance not in conflict herewith shall remain in full force and effect.

SECTION VII. SAVINGS CLAUSE: If any section, part, or provision of this Ordinance is declared unconstitutional or invalid, by a court of competent jurisdiction, then, in that event, it is expressly provided, and it is the intention of the City Council in passing this Ordinance that its

parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

SECTION VIII. PUBLICATION AND EFFECTIVE DATE: This Ordinance shall take effect immediately upon its passage.

SECTION IX. CODIFICATION: That this Ordinance shall be published in the Code of Ordinances of the City of Edinburg, Texas.

SECTION X. WAIVER CLAUSE. The requirement of three separate readings of this Ordinance is hereby dispensed with by a vote of not less than a majority of all the members of the City Council.

READ, CONSIDERED, PASSED AND APPROVED at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present and which was held in accordance with V.T.C.A., Government Code, Section 551.041, on March 7, 2024.

CITY OF EDINBURG

By: _____
Ramiro Garza, Jr., Mayor

ATTEST:

By: _____
Clarice Y. Balderas, City Secretary

APPROVED AS TO FORM:
OMAR OCHOA LAW FIRM, P.C.

BY: _____
Omar Ochoa, City Attorney

EXHIBIT A

CHAPTER 121 FUNERAL ESCORTS

Sec. 1 DEFINITIONS.

- (a) **MOTOR VEHICLE ESCORT GUIDE** means a person engaged in the business of furnishing a private motor vehicle escort for hire who personally escorts or guides a funeral cortege or overwidth, overlength, or overheight motor vehicle or an employee of a person engaged in the business of furnishing private motor vehicle escort service for hire.
- (b) **OFFICIAL POLICE OFFICER'S BADGE** means a badge of the size, type and design approved for the use of regular police officers.
- (c) **PRIVATE MOTOR VEHICLE ESCORT AGENCY** means a person, firm or corporation engaged in the business of furnishing private motor vehicle escorts for hire, which employs one or more persons as employees, assistants, clerks or motor vehicle escort guides.

Sec. 2. ESCORT LICENSE REQUIRED.

A person commits an offense if he engages in the business of furnishing a private motor vehicle escort for hire within the city, without first obtaining an escort license; provided, that persons engaged in the business who are employed by a duly licensed private motor vehicle escort agency shall not be required to be individually licensed. (Ord. 14584)

Sec. 3 MINIMUM AGE OF PERSON OBTAINING.

A person must be 18 years of age to be eligible for an escort license to engage in the business of furnishing private motor vehicle escorts. A person licensed to engage in the business of furnishing motor vehicle escort service for hire shall not employ as an escort guide, a person under 18 years of age.

Sec. 4 APPLICATION; INFORMATION REQUIRED.

A person desiring to conduct a private motor vehicle escort agency or business in the city shall file with the chief of police a written application on a form provided for the purpose, duly signed and verified, which shall state the full name, age, and residence of the licensee, shall specify the trade name and address or location from which the business or agency will operate and for which the escort license is desired, and other relevant facts as may be required by the chief of police.

Sec. 5 INVESTIGATION; ISSUANCE.

The chief of police shall make or cause to be made an investigation to determine the qualifications of each applicant for an escort license, and based upon those findings, the chief of police shall approve or disapprove issuance of an escort license to engage in the business of conducting private motor vehicle escorts. Upon the approval of issuance of an escort license, the applicant shall pay the proper license fee and the chief of police shall issue the proper license certificate.

Sec. 6 REFUSAL TO ISSUE OR RENEW.

The chief of police shall refuse to approve issuance or renewal of an escort license for any one or more of the following reasons:

- (a) conviction of applicant or licensee for a violation of this article or for a felony within the preceding five years;
- (b) the making of a false statement as to a material matter in an application for an escort license or renewal;
- (c) revocation of a license, pursuant to this article, of the applicant or any proprietor, partner or corporate officer therein, within one year preceding application;
- (d) failure of applicant to comply with the insurance requirements of this article.

Sec. 7 REVOCATION.

- (a) An escort license shall be revoked by the chief of police for any one or more of the following reasons:
 - 1. the making of a false statement as to a material matter in an application for a license, renewal, or a hearing concerning the license;
 - 2. conviction of the licensee of a violation of this article or for a felony;
 - 3. failure of licensee to comply with the insurance requirements of this article.
- (b) Written notice of revocation shall be sent by the chief of police to the licensee, by certified mail, return receipt requested, setting forth the reasons for the revocation.

Sec. 8 INSURANCE.

- (a) Before an escort license is issued to the owner or operator of a private motor vehicle escort agency, or before the renewal of an escort license is granted, the applicant shall file with the city secretary a standard policy of public liability and property damage insurance, to be executed by an insurance company authorized to do business in the state and performable in the county, which is approved by the city manager, insuring the general public against loss or damage that may result to any person or property from the operation of the motor vehicle escort service.
- (b) The insurance policy shall insure each vehicle operated by the motor vehicle escort agency and shall have limits of not less than \$100,000 for injury to one person, \$300,000 for injuries to two or more persons resulting from one accident, and \$50,000 for damage to property resulting from one accident. The insurance shall be for the protection of passengers riding in a funeral cortege being escorted and for protection of the public, but not for personal injuries sustained by the servants, agents or employees of the motor vehicle escort agency. The policy of insurance shall be for a period of one year and the date of the policy shall coincide with the date of the license issued under this article and shall contain a provision for a continuing liability up to the full amount, notwithstanding any recovery thereon.

- (c) If a policy is cancelled upon the request of the insurer and no new policy is filed by the licensee before the cancellation of the original insurance, then the license to operate a motor vehicle escort service issued to the licensee shall be revoked.

Sec. 9 ONE YEAR TERM.

An escort license is valid for a term of one year unless revoked.

Sec. 10 ESCORT LICENSE - FEE; TRANSFERABILITY.

The annual fee for an escort license is \$160, to be paid before the license is issued. An escort license is not transferable or assignable. No refund of fees will be made.

Sec. 11 POSTING.

Immediately upon the receipt of an escort license issued by the city, the licensee named shall post the license and at all times display the license in a conspicuous place in the office or location given as the business address in the application. A licensee shall not post the license or permit the license to be posted upon premises other than those described in the application. A person commits an offense if he alters, defaces or destroys a valid escort license.

Sec. 12 FUNCTIONS, POWERS AND DUTIES OF POLICE DEPARTMENT.

The police department shall have the following functions, powers and duties:

- (a) To investigate qualifications of all applicants
- (b) To investigate and aid in the prosecution of all violations of this article
- (c) To inspect and approve or disapprove motor vehicle equipment used as escort vehicles
- (d) To inspect and approve or disapprove the equipment and uniform worn by escort officers

Sec. 13 CHAUFFEUR'S LICENSE - REQUIRED; APPLICATION.

A person commits an offense if he operates a motor vehicle as an escort for hire upon the streets of the city without obtaining an escort chauffeur's license issued by the chief of police.

Application for an escort chauffeur's license shall be made to the chief of police upon blanks to be furnished by the chief of police, giving the name, age, present address, place and address of employment during the past two years, with the reasons for leaving employment, if any. The applicant shall submit a recent photograph of himself with the application and shall possess and show a valid Texas motor vehicle operator's license with motorcycle endorsement.

Sec. 14 ISSUANCE; DENIAL.

- (a) When an application for an escort chauffeur's license or renewal has been filed with the chief of police in proper form, the chief of police shall, within a period of 30 days from the date of filing, approve or deny the application. If the application is denied, the chief of police shall send to the applicant by certified mail, return receipt requested, a written statement setting forth the reasons for denial.

- (b) The chief of police shall refuse to approve issuance or renewal of an escort chauffeur's license for any one or more of the following reasons:
- (1) the making of a false statement as to a material matter in an application for a license, license renewal, or in a hearing concerning the license;
 - (2) conviction of applicant or licensee for a violation of a provision of this article or for a felony or an offense involving theft, fraud, or unlawfully carrying a weapon within the preceding five years;
 - (3) revocation of an escort chauffeur's license of the applicant within five years preceding application;
 - (4) conviction of the licensee or applicant of four moving traffic violations within a 12 month period or of driving while intoxicated within the preceding five years;
 - (5) failure of applicant to present a valid Texas motor vehicle operator's license with motorcycle endorsement.

Sec. 15 REVOCATION.

- (a) The chief of police shall revoke an escort chauffeur's license for one or more of the following reasons:
- (1) the making of a false statement as to a material matter in an application for a license, license renewal, or in a hearing concerning the license;
 - (2) conviction of the licensee for a violation of a provision of this article or for a felony or an offense involving violence, theft, fraud, deception, dishonesty, or unlawfully carrying a weapon;
 - (3) conviction, during the term, of the licensee of four moving traffic violations, or of driving while intoxicated;
 - (4) failure of licensee to maintain a valid Texas motor vehicle operator's license with motorcycle endorsement.
- (b) Written notice of revocation shall be sent by the chief of police to the licensee by certified mail, return receipt requested, setting forth the reasons for the revocation.

Sec. 16 APPEAL FROM REFUSAL TO ISSUE OR RENEW; FROM DECISION TO REVOKE.

If the chief of police refuses to issue a license to an applicant or revokes the license of a licensee, this action shall be final unless the licensee files an appeal with a permit and license appeal board in accordance with Section 2-96 of this code. (Ord. Nos. 14584; 18200)

Sec. 17 FEE, FINGERPRINTS AND PHOTOGRAPH; NONTRANSFERABLE.

After the application for an escort chauffeur's license has been approved, and the applicant has submitted to fingerprinting by the police department, the director of finance of the city shall issue an escort chauffeur's license to the applicant upon payment of a fee of \$50. An escort

chauffeur's license shall expire one year from the date of issuance and shall not be transferable; however, the holder may use the same license if he changes employment from one motor vehicle escort agency to another.

Sec. 18 TO BE CARRIED ON PERSON.

A person engaged in furnishing private motor vehicle escort service for hire shall carry his escort chauffeur's license on his person and shall show it to any city police officer upon demand.

Sec. 19 EMPLOYMENT OF QUALIFIED OPERATORS RESPONSIBILITY OF OWNER

The owner of a private motor vehicle escort agency shall employ as escort guides only those persons who are physically and mentally capable to operate a motorcycle for hire and who are 18 years of age or over. It shall be the responsibility of the private motor vehicle escort agency to select competent operators for escort vehicles. An owner of an escort agency shall not employ any person as a motor vehicle escort guide who does not hold a valid Texas operator's license with motorcycle endorsement and an escort chauffeur's license.

Sec. 20 POLICE OFFICERS MAY FURNISH ESCORTS.

Nothing contained in this article shall be construed to prohibit regularly employed officers or deputies of the department of public safety, county sheriff, or police department from escorting funeral corteges or oversized, overlength, or overwidth vehicles upon the streets and roadways of the city, when assigned as an official duty by their respective departments.

Sec. 21 ESCORTS FOR FUNERAL CORTEGE NOT REQUIRED.

Nothing contained in this article shall be construed as requiring funeral directors or any other person conducting funerals to contract, hire, or employ a private motor vehicle escort service to guide or escort a funeral cortege in the city.

Sec. 22 REQUIREMENTS FOR MOTOR VEHICLES USED IN ESCORT SERVICE.

A funeral escort guide, engaged in furnishing an escort, must use either a two-wheel or three-wheel motorcycle which is in good mechanical condition and equipped with two lamps that display an amber or a blue light visible from directly in front of the center of the motorcycle. These lamps shall be in addition to those required by state law. An escort vehicle shall not be equipped with a siren. Decals, placards, signs, and insignias which resemble official police officer's badges or which bear the words "Police", "Official", or "Officer" shall not be used on the motorcycles nor shall the motorcycles be painted a color resembling the color of motorcycles used by the city police department. No additional equipment may be added after inspection by the police department unless the motorcycle is reinspected and approved before use. A motor vehicle used in performing escort services shall be subject to inspection at any time by the chief of police or his authorized representative.

Sec. 23 FUNERAL ESCORT GUIDES; UNIFORM AND EQUIPMENT REQUIREMENT

A funeral escort guide shall wear a uniform approved by the chief of police. The uniform shall not resemble in pattern, design, or color that worn by the regular police officers of the city. Funeral escort guides may wear a badge and cap wreath if they desire; provided, that the badge

or wreath does not resemble the official police officer's badge or bear the words "Police" or "Officer". Noncommissioned officers' stripes or commissioned officers' bars or insignia denoting a rank shall not be worn on the uniform. Funeral escort guides shall not wear a holster, handcuff case or cartridge case. A whistle or flash light baton may be used at the discretion of the escort guide. An escort guide shall not have on his person or on or about his escort vehicle any weapon declared to be unlawful by the statutes of the state; provided, however, that peace officers of the city, county, and the state, who may be licensed as escort guides may carry authorized weapons concealed on or about their person or escort vehicle while engaged as a motor vehicle escort guide.

Sec. 24 OPERATING PROCEDURES.

- (a) A motor vehicle escort guide shall not engage in a funeral escort service other than that of escorting a funeral procession, consisting of the hearse and cortege from the funeral home, the home of the deceased, or the home of the deceased's family to the place of service and from the place of service to the place of interment. If a funeral procession enters a roadway, expressway, or freeway which has a minimum posted speed limit, the motor vehicle escort guide shall cease the escort before the procession enters the roadway, expressway or freeway and resume the escort after the procession exits the roadway, expressway, or freeway.
- (b) A motor vehicle escort guide may escort overheight, overlength, or overwidth vehicles or loads as defined in the State Traffic Code, but only after the chief of police has been notified of each individual escort. The chief of police shall have the authority to designate the route and time of the escort.
- (c) A licensed motor vehicle escort guide is authorized to lead funeral processions within the city when the procession has been properly identified by the display of a pennant upon the outside of the lead vehicle and the hearse, and all other vehicles have their headlights turned on.
- (d) All motor vehicles in an escorted funeral procession which have been properly designated shall have the right of way over all other vehicles, except fire apparatus, ambulances, and police vehicles at any roadway intersection within the city, and the procession may be escorted through stop signs or signalized intersections without stopping, but the drivers of the motor vehicles shall exercise due regard for the safety of all approaching vehicles, and funeral processions being escorted shall be subject at all times to the control of police officers of the city. This subsection shall not apply to overheight, overlength, or overwidth vehicles or loads as defined in the State Traffic Code, which shall obey all traffic laws and traffic control devices.
- (e) Funeral processions shall travel as closely to the right edge of the roadway as practical and at a safe and prudent speed.
- (f) A funeral procession shall not enter or travel upon any roadway, expressway, or freeway which has a minimum posted speed limit between the hours of 7:00 a.m. and 9:00 a.m. or between the hours of 4:00 p.m. and 6:30 p.m., Monday through Friday. This subsection does not apply on a legal holiday. The funeral procession shall obey all traffic laws while on a roadway, expressway, or freeway which has a minimum posted speed limit.

- (g) Funeral escort guides shall not stop traffic approaching from the opposite direction or force or direct traffic to move off the roadway; however, oncoming traffic may be stopped at intersections and other places to assist the cortege in making left turns.

Sec. 25 ADVERTISEMENTS; LIMITATIONS.

A person engaged in the business of furnishing private motor vehicle escorts for hire or an employee of a private motor vehicle escort agency shall not distribute, present, or give away cards, handbills, or printed matter of any kind which bear the words "Police", "Official," or "Officer" in conjunction with advertising an escort service. Nor shall any advertisement state, imply, or misrepresent that a private motor vehicle escort service is required by the police department, the city or by any of its ordinances.



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

RESOLUTION

Agenda Item No: 10.A.

Resolution ARPA Program Budget Amendment

1. Agenda Item:

Consider Resolution Approving the American Rescue Plan Act (ARPA)-Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Program Budget Amendment. [Claudia L. Farias, Director of Grants Administration]

2. Description:

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses. The City of Edinburg has received a total of \$27,132,536 in two separate allocations in September 2021 and August 2022 both in the amount of \$13,566,268.

Please find the proposed budget amendment below two project renames:

PROJECT NAME	CATEGORY	CURRENT BUDGET	PROPOSED AMENDMENT	PROPOSED BUDGET
Improving Community Health & Resilience through the Arts	1.12	\$600,000.00	\$ -	\$600,000.00
New Service Center	1.14	\$5,388,599.56	\$80,000.00	\$5,468,599.56
Renovations to Emergency Operations Center	1.14	\$73,475.00	\$-	\$73,475.00
Renovations to Fountain Center	1.14	\$650.00	\$-	\$650.00
Wisconsin Trail	2.22	\$300,000.00	\$-	\$300,000.00
Small Business Economic Assistance	2.29	\$2,717,757.39	\$-	\$2,717,757.39
One-Time Premium Pay Adjustment	4.1	\$1,955,736.38	\$-	\$1,955,736.38
Clean Water: Wastewater Treatment Plant	5.1	\$694,469.00	\$-	\$694,469.00
Belt Press Generator				
Airport-Cibolo Road Sanitary	5.2	\$1,844,717.23	\$-80,000.00	\$1,764,717.23

Sewer Project				
Drinking Water	5.14			
Storage Elevated		\$3,250,000.00	\$-	\$3,250,000.00
Water Tower				
Drinking Water:				
Downtown Water				
Treatment Plant	5.15	\$1,180,094.00	\$-	\$1,180,094.00
High Service Pump				
Generator				
3% Cost of Living	6.1	\$1,700,000.00	\$-	\$1,700,000.00
Adjustment				
Employee	6.1			
Compensation		\$-	\$-	\$-
Study				
South Texas Health	6.1	\$404,640.00	\$-	\$404,640.00
Systems				
UTRGV-School of	6.1	\$2,000,000.00	\$-	\$2,000,000.00
Medicine				
Improvements to	6.1	\$513,117.44	\$-	\$513,117.44
City Hall				
FY 2022 HUD CPF	6.1			
Fire Training		\$-	\$-	\$-
Facility				
Emergency	6.1	\$1,350,000.00	\$-	\$1,350,000.00
Ambulance Service				
Utility Rate Study	6.1	\$38,920.00	\$-	\$38,920.00
Comprehensive	6.1	\$250,000.00	\$-	\$250,000.00
Plan				
IT Firewall – PD	6.1	\$100,000.00	\$-	\$100,000.00
Emergency Portable	6.1			
Trailer/Cameras -		\$170,360.00	\$-	\$170,360.00
PD				
Street	6.1	\$2,600,000.00	\$-	\$2,600,000.00
Improvements				
TOTAL		\$27,132,536.00		\$27,132,536.00

3. **Staff's Recommendation:**

Approve Resolution of the American Rescue Plan Act (ARPA)-Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Program Budget Amendment.

Reviewed by:

Claudia Farias, Interim Director of Grants Administration
Nelda Ramirez, Assistant City Manager

Prepared by:

Tomas Reyna, Assistant City
Manager

Attachments:

- A. ARPA Resoulution 5.7.24
- B. ARPA-SLRF. TABLE. 5.7.24
- C. FINAL Budget. ARPA-SLRF 5.7.24

RESOLUTION NO.

**THE STATE OF TEXAS § AUTHORIZE THE AMENDMENT OF
COUNTY OF HIDALGO § THE AMERICAN RESCUE PLAN ACT
CITY OF EDINBURG § (ARPA)- CORONAVIRUS STATE AND
 LOCAL FISCAL RECOVERY FUNDS
 (SLFRF) PROGRAM BUDGET**

WHEREAS, The U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds Program, under the American Rescue Plan Act of 2021, to provide \$350 billion in emergency funding for eligible state, local, territorial, and tribal governments; and,

WHEREAS, ARPA-SLFRF Funds are intended to provide support to state, local, territorial and Tribal governments in responding to the economic and public health of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses; and,

WHEREAS, City revenues, residents, businesses and nonprofits in the city have faced economic impacts due to the COVID Pandemic; and,

WHEREAS, \$27,132,536 has been allocated to the City in two separate allocations pursuant to the ARPA-SLFRF Program; and,

WHEREAS, the United States Department of Treasury has released guidance regarding the use of ARPA-SLFRF Program; and,

WHEREAS, the City of Edinburg agrees to comply with applicable grant requirements as required by the funding source; and,

WHEREAS, the City Council has previously approved the ARPA-SLFRF Program Budget to include Allocations 1 and 2; and,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EDINBURG, TEXAS:

SECTION 1: INCORPORATION OF RECITALS. The City Council finds that the statements set forth in the Recitals of this Resolution are true and correct and the City Council hereby incorporates such Recitals as part of this Resolution.

SECTION 2: The City of Edinburg hereby amends the ARPA-SLFRF Program budget for Allocations 1 and 2, and amend as follows:

PROJECT NAME	CATEGORY	ORIGINAL BUDGET	PROPOSED AMENDMENT	PROPOSED BUDGET
Improving Community Health & Resilience through the Arts.	1.12	\$600,000.00	\$ -	\$600,000.00
New Service Center	1.14	\$5,000,000.00	\$80,000.00	\$5,468,599.56

PROJECT NAME	CATEGORY	ORIGINAL BUDGET	PROPOSED AMENDMENT	PROPOSED BUDGET
Renovations to Emergency Operations Center	1.14	\$63,675.00	\$-	\$73,475.00
Renovations to Fountain Center	1.14	\$650.00	\$-	\$650.00
Wisconsin Trail	2.22	\$300,000.00	\$-	\$300,000.00
Small Business Economic Assistance	2.29	\$2,717,757.39	\$-	\$2,717,757.39
One-Time Premium Pay Adjustment	4.1	\$1,955,736.38	\$-	\$1,955,736.38
Clean Water: Wastewater Treatment Plant Belt Press Generator	5.1	\$694,469.00	\$-	\$694,469.00
Airport-Cibolo Road Sanitary Sewer Project	5.2	\$1,844,717.23	\$-80,000.00	\$1,764,717.23
Drinking Water Storage: Elevated Water Tower	5.14	\$3,250,000.00	\$-	\$3,250,000.00
Drinking Water: Downtown Water Treatment Plant High Service Pump Generator	5.15	\$1,180,094.00	\$-	\$1,180,094.00
3% Cost of Living Adjustment	6.1	\$1,700,000.00	\$-	\$1,700,000.00
South Texas Health Systems	6.1	\$404,640.00	\$-	\$404,640.00
UTRGV-School of Medicine	6.1	\$2,000,000.00	\$-	\$2,000,000.00
Improvements to City Hall	6.1	\$513,117.44	\$-	\$513,117.44
FY 2022 HUD CPF Fire Training Facility	6.1	\$-	\$-	\$-
Emergency Ambulance Service	6.1	\$1,350,000.00	\$-	\$1,350,000.00
Utility Rate Study	6.1	\$75,000.00	\$-	\$38,920.00
Comprehensive Plan	6.1	\$250,000.00	\$-	\$250,000.00
IT Firewall – PD	6.1	\$100,000.00	\$-	\$100,000.00
Emergency Portable Trailer/Cameras - PD	6.1	\$170,360.00	\$-	\$170,360.00
Street Improvements	6.1	\$2,600,000.00	\$-	\$2,600,000.00
TOTAL		\$27,132,536.00		\$27,132,536.00

SECTION 3: SEVERABILITY. If any section, part or provision of this Resolution is declared unconstitutional or invalid, by a court of competent jurisdiction, then in that event, it is expressly provided and it is the intention of the City Council, in passing this Resolution, that its parts shall be severable, and all other parts of this Resolution shall not be affected thereby, and they shall remain in full force and effect.

SECTION 4: EFFECTIVE DATE. This Resolution shall be and remain in full force and effect from and after the date of its passage.

READ, CONSIDERED, PASSED and APPROVED at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present and which was held in accordance with V.T.C.A., Government Code, Section 551.04, on the 7th day of May 2024.

CITY OF EDINBURG

By: _____
Ramiro Garza, Jr., Mayor

ATTEST:

By: _____
Clarice Y. Balderas, City Secretary

APPROVE AS TO FORM:
Omar Ochoa Law Firm P.C.

By: _____
Omar Ochoa
City Attorney

PROPOSED ARPA-SLFRF BUDGET AMENDMENT

05/07/02024

CURRENT PROJECTS					
PROJECT NAME	ELIGIBILITY	CATEGORY	ORIGINAL BUDGET	PROPOSED AMENDMENT	PROPOSED BUDGET
Improving Community, Health & Resilience Through the Arts	Y	1.12	\$ 600,000.00	\$ -	\$ 600,000.00
New Service Center	Y	1.14	\$ 5,388,599.56	\$ 80,000.00	\$ 5,468,599.56
Renovations to Emergency Operations Center	Y	1.14	\$ 73,475.00	\$ -	\$ 73,475.00
Renovations to Fountain Center	Y	1.14	\$ 650.00	\$ -	\$ 650.00
Wisconsin Trail	Y	2.22	\$ 300,000.00	\$ -	\$ 300,000.00
Small Business Economic Assistance	Y	2.29	\$ 2,717,757.39	\$ -	\$ 2,717,757.39
Supplemental Pay One-Time Premium Pay Adjustment	Y	4.1	\$ 1,955,736.38	\$ -	\$ 1,955,736.38
Clean Water: Wastewater Treatment Plant Belt Press Generator	Y	5.1	\$ 694,469.00	\$ -	\$ 694,469.00
Airport-Cibolo Road Sanitary Sewer Project	Y	5.2	\$ 1,844,717.23	\$ (80,000.00)	\$ 1,764,717.23
Drinking Water; Storage: Elevated Water Tower	Y	5.14	\$ 3,250,000.00	\$ -	\$ 3,250,000.00
Drinking Water: Downtown Water Treatment Plant High Service Pump Generator	Y	5.15	\$ 1,180,094.00	\$ -	\$ 1,180,094.00
3% Cost of Living Adjustment	Y	6.1	\$ 1,700,000.00	\$ -	\$ 1,700,000.00
Employee Compensation Study	Y	6.1	\$ -	\$ -	\$ -
South Texas Health Systems	Y	6.1	\$ 404,640.00	\$ -	\$ 404,640.00
UTRGV-School of Medicine	Y	6.1	\$ 2,000,000.00	\$ -	\$ 2,000,000.00
Improvements to City Hall	Y	6.1	\$ 513,117.44	\$ -	\$ 513,117.44
FY 2022 HUD CPF Fire Training Facility	Y	6.1	-	\$ -	\$ -
Emergency Ambulance Service	Y	6.1	\$ 1,350,000.00	\$ -	\$ 1,350,000.00
Utility Rate Study	Y	6.1	\$ 38,920.00	\$ -	\$ 38,920.00
Comprehensive Plan	Y	6.1	\$ 250,000.00	\$ -	\$ 250,000.00
IT Firewall - PD	Y	6.1	\$ 100,000.00	\$ -	\$ 100,000.00
Emergency Portable Trailer/Cameras - PD	Y	6.1	\$ 170,360.00	\$ -	\$ 170,360.00
Street Improvements	Y	6.1	\$ 2,600,000.00	\$ -	\$ 2,600,000.00
TOTAL			\$27,132,536.00	\$ -	\$ 27,132,536.00

GRANTS ADMINISTRATION DEPARTMENT
AMERICAN RESCUE PLAN ACT (ARPA) - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS (SLFRF) PROGRAM BUDGET
May 7, 2024

PROJECT NAME	EXPENDITURE CATEGORY	PROJECT STATUS	ARPA 1 ALLOCATION	ARPA 2 ALLOCATION	AMENDMENT BUDGET 05.07.24	EXPENDITURES	BUDGET BALANCE
PUBLIC HEALTH							
Renovations to Emergency Operations Center	1.14 Other Public Health Services	Ongoing	\$ 63,675.00	\$ -	\$ 73,475.00	\$ 73,475.00	\$ -
Renovations to Fountain Center	1.14 Other Public Health Services	Complete	\$ -	\$ 650.00	\$ 650.00	\$ 650.00	\$ -
New Service Center	1.14 Other Public Health Services	Ongoing	\$ -	\$ 5,000,000.00	\$ 5,468,599.56	\$ 341,249.56	\$ 5,127,350.00
Improving Community, Health & Resilience Through the Arts	1.12 Mental Health Services	Ongoing	\$ -	\$ 600,000.00	\$ 600,000.00	\$ 33,006.81	\$ 566,993.19
Category Sub-Total			\$ 63,675.00	\$ 5,600,650.00	\$ 6,142,724.56	\$ 448,381.37	\$ 5,694,343.19
NEGATIVE ECONOMIC IMPACTS							
SPARC Assistance to Families Gift Card Program	2.1 Household Assistance	Complete	\$ 1,017,009.37		\$ 1,017,009.37	\$ 1,017,009.37	\$ -
SPARC Small Business Grant Program	2.29 Small Business Economic Assistance	Complete	\$ 930,000.00		\$ 930,000.00	\$ 930,000.00	\$ -
SPARC Home-Based Business Program	2.29 Small Business Economic Assistance	Complete	\$ 176,000.00		\$ 176,000.00	\$ 176,000.00	\$ -
SPARC LiftFund Interest Buy Down Program	2.29 Small Business Economic Assistance	Ongoing	\$ 50,000.00		\$ 50,000.00		\$ 50,000.00
SPARC Façade Improvement Program	2.31 Rehab/Improvements to Commercial Properties	Complete	\$ 544,748.02		\$ 544,748.02	\$ 544,748.02	\$ -
Wisconsin Trail	2.22 Strong Healthy Communities	Ongoing		\$ 300,000.00	\$ 300,000.00		\$ 300,000.00
Category Sub-Total			\$ 2,717,757.39	\$ 300,000.00	\$ 3,017,757.39	\$ 2,667,757.39	\$ 350,000.00
PREMIUM PAY							
One-Time Premium Pay Adjustment (Full-Time Employees, Part-Time Regular, and Part-Time	4.1 Public Sector Employees	Complete	\$ -	\$ 1,955,736.38	\$ 1,955,736.38	\$ 1,955,736.38	\$ -
Category Sub-Total			\$ -	\$ 1,955,736.38	\$ 1,955,736.38	\$ 1,955,736.38	\$ -
INFRASTRUCTURE							
Wastewater Treatment Plant Belt Press Generator	5.1 Clear Water: Centralized Wastewater Treatment	Ongoing	\$ 700,000.00	\$ -	\$ 1,180,094.00		\$ 1,180,094.00
Airport-Cibolo Road Sanitary Sewer Project (Phase I)	5.2 Clean Water: Centralized Wastewater Collection &	Ongoing	\$ 1,844,717.23	\$ -	\$ 1,764,717.23	\$ 1,561,830.68	\$ 202,886.55
Elevated Water Tower (Monte Cristo/Bus. 281)	5.14 Drinking Water: Storage	Ongoing	\$ 3,250,000.00	\$ -	\$ 3,250,000.00	\$ 929,524.24	\$ 2,320,475.76
Downtown Water Treatment Plant High Service Pump Generator	5.15 Drinking Water: Other	Ongoing	\$ 800,000.00	\$ -	\$ 694,469.00	\$ 694,469.00	\$ -
Category Sub-Total			\$ 6,594,717.23	\$ -	\$ 6,889,280.23	\$ 3,185,823.92	\$ 3,703,456.31
REVENUE REPLACEMENT							
3% Cost of Living Adjustment	6.1 Provisions of Government Services	Complete	\$ -	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ -
Improvements to City Hall	6.1 Provisions of Government Services	Ongoing	\$ -	\$ 250,000.00	\$ 513,117.44	\$ 233,700.51	\$ 279,416.93
UTRGV - School of Medicine	6.1 Provisions of Government Services	Ongoing	\$ -	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
South Texas Health Systems - New Medical Tower	6.1 Provisions of Government Services	Ongoing	\$ -	\$ 404,640.00	\$ 404,640.00	\$ 79,758.54	\$ 324,881.46
FY 2022 HUD-Economic Development Initiative Community Project Fund-Fire Training	6.1 Provisions of Government Services	Deleted	\$ -	\$ 1,000,000.00	\$ -	\$ -	\$ -
Emergency Ambulance Service	6.1 Provisions of Government Services	Ongoing	\$ -	\$ 1,350,000.00	\$ 1,350,000.00	\$ 1,242,316.63	\$ 107,683.37
Utility Rate and Connection Fee Study	6.1 Provisions of Government Services	Complete	\$ -	\$ 75,000.00	\$ 38,920.00	\$ 38,920.00	\$ -
Comprehensive Plan	6.1 Provisions of Government Services	Ongoing	\$ -	\$ 250,000.00	\$ 250,000.00	\$ -	\$ 250,000.00
IT Firewall	6.1 Provisions of Government Services	Ongoing	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00
Emergency Portable Trailer/Cameras - PD	6.1 Provisions of Government Services	Complete	\$ -	\$ 170,360.00	\$ 170,360.00	\$ 170,360.00	\$ -
Street Improvements	6.1 Provisions of Government Services	Ongoing	\$ -	\$ 2,600,000.00	\$ 2,600,000.00	\$ 1,946,100.00	\$ 653,900.00
Category Sub-Total			\$ -	\$ 9,900,000.00	\$ 9,127,037.44	\$ 6,411,155.68	\$ 2,715,881.76
			\$ 9,376,149.62	\$ 17,756,386.38	\$ 27,132,536.00	\$ 14,668,854.74	\$ 12,463,681.26
ARPA TOTAL BUDGET	\$27,132,536.00	* All ARPA Funds are fully committed to all ongoing projects.					



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

AWARDING OF BID

Agenda Item No: 11.A.

Awarding Bid No. 2024-10

1. **Agenda Item:**

Consider Awarding Bid No. 2024-10, Purchase of One (1) Ford F150 4x4 Electric Truck to The Sewell Family of Companies from Odessa, Texas Per the Unit Price of \$51,090.00 as Listed.
[Jaime Acevedo, Director of Planning & Zoning]

2. **Description:**

This pickup truck will be used by the Planning & Zoning Department City Forester and staff to perform daily tasks. The bid consists of the purchase of one (1) Ford F150 Electric Truck that will be utilized in the Planning & Zoning Department. The Planning & Zoning Department solicited and advertised for a 2023 or newer 4x4 Electric Truck, Single Speed transmission, Oxford White, Dual E Motor, and Standard Battery.

On, Wednesday, March, 29, 2024, bids were opened for Bid No. 2024-10, Purchase of one (1) Ford F150 4X4 Electric Truck. Five (5) bids were received and opened. After review and tabulation staff recommends awarding Bid No. 2024-10, Purchase of one (1) Ford F150 4X4 Electric Truck to The Sewell Family of Companies the lowest bidder meeting specifications in the amount of \$51,090.00. The City of Edinburg has not previously done business with The Sewell Family of Companies. The city has verified no monies are owed to the city by The Sewell Family of Companies.

Below is the list of contractors who responded to the bid:

<u>Vendor</u>	<u>Amount</u>
1. Legacy Brothers	\$92,782.00
2. Sames McAllen Ford	\$54,990.00
3. The Sewell Family of Companies	\$51,090.00
4. Triple Crown Ford Lincoln LLC	\$54,170.75
5. Wellness Center	\$88,601.41

The projected delivery date is within 30 days of the Purchase Order issuance. Funding for the Truck in the amount of \$51,090.00 is available through the 2023-2024 Capital Lease Program.

3. **Staff's Recommendation:**

Approve Awarding Bid No. 2024-10, Purchase of One (1) Ford F150 4x4 Electric Truck to The Sewell Family of Companies from Odessa, Texas Per the Unit Price of \$51,090.00 as Listed.

Reviewed by:

Jesus Saenz, Assistant City Manager

Final Approval - 5/3/2024

Prepared by:

Jaime Acevedo, Director of
Planning and Zoning

Attachments:

- A. Notice to Bidder -2024-10 Purchase of Electric Truck
- B. Bidders List-Dept
- C. Informal Bid Tabulation-Purchase of One 4x4 Electric Truck
- D. Sames McAllen Ford] Response Document Report
- E. Legacy Brothers Response Document Report (1)
- F. Triple Crown Ford Lincoln LLC Response Document Report
- G. The Sewell Family of Companies Response Document Report
- H. Wellness Center Response Document Report
- I. Ford F150 4x4 Electric Truck Pictures

REQUEST FOR BIDS
2024-10
PURCHASE OF ONE (1) 4X4 ELECTRIC TRUCK

City of Edinburg
415 W. University Drive
Edinburg, TX 78541



RELEASE DATE: March 6, 2024

DEADLINE FOR QUESTIONS: March 15, 2024

RESPONSE DEADLINE: March 26, 2024, 3:00 pm

RESPONSES MUST BE SUBMITTED ELECTRONICALLY TO:

<https://secure.procurenow.com/portal/cityofedinburg>

City of Edinburg
REQUEST FOR BIDS
Purchase of One (1) 4x4 Electric Truck

I.	Introduction.....
II.	Legal Notice
III.	Instructions, Terms and Conditions
IV.	Specifications.....
V.	Vendor Questionnaire.....
VI.	Pricing Proposal

1. Introduction

1.1. Summary

The City of Edinburg Planning and Zoning department is soliciting sealed bids for the Purchase of One (1) 4x4 Electric Truck.

1.2. Contact Information

Claudia Mariscal

Administrative Assistant

415 W University

Edinburg, TX 78541

Email: cmariscal@cityofedinburg.com

Phone: [\(956\) 388-8202](tel:9563888202)

Department:

Planning & Zoning

Department Head:

Jaime Acevedo

Planning & Zoning Director

1.3. Timeline

Release Project Date	March 6, 2024
Question Submission Deadline	March 15, 2024, 5:00pm
Proposal Submission Deadline	March 26, 2024, 3:00pm

2. Legal Notice

2.1. Notice to Respondents

The City of Edinburg is soliciting competitive sealed bids from qualified vendors for Purchase of One (1) 4x4 Electric Truck

Sealed Bids should be submitted electronically or received by the City Secretary's Office no later than:

3:00 pm, Tuesday, March 26, 2024.

All sealed bids should be received either electronically or at the designated location or by the deadline shown above/ Bids received after the deadline will not be considered for the award of the contract and shall be considered void and unacceptable.

All bids will be opened and bidder's names publicly read aloud promptly in the City Hall Community Room, 1st Floor, at 415 W. University Dr. Edinburg, TX 78539 at 3:00 pm, Tuesday, March 26, 2024.

To obtain a copy of the Invitation to Bid or submit an electronic proposal please visit:

<https://procurement.opengov.com/portal/cityofedinburg>

If a Bidder chooses to submit a Hard Copy Bid, it must be delivered in a sealed envelope, with a return address and clearly marked "City of Edinburg Bid. 2024-10" to the City Secretary's Office prior to the bid opening date and time. The receiving time in the City Secretary's Office will be the governing time for acceptability of the bids. The Bidder's firm name shall appear on the outside of the envelope.

Submit Bids To:

If submitting Electronic: <https://procurement.opengov.com/portal/cityofedinburg>

If Hand-Delivering Bids: 415 W. University Drive

c/o City Secretary Department (1st Floor)

Bids will not be accepted by telephone or facsimile machine. All bids must bear original signatures and figures.

If you have any questions or require additional information regarding this bid, you may contact Veronica Gutierrez, Purchasing Specialist II, please submit your questions via OpenGov at the website listed above no later than 5:00 pm, Friday, March 15, 2024

The City of Edinburg reserves the right to refuse and reject any or all Bids and to waive any or all formalities or technicalities and to accept the Bid deemed most advantageous to the City, and hold the Bids for a period of **60** days without taking action.

3. Instructions, Terms and Conditions

3.1. Instructions to Bidders

PURPOSE

The purpose of these solicitation documents is to provide a Bids for: Purchase of One (1) 4x4 Electric Truck

The ITEMS to be furnished under this bid shall be as specified in these bid documents. All specifications/requirements shown are minimum. There is no intention to disqualify any bidder who can meet these specifications/requirements.

SUBMITTAL OF "HARD COPY" BID

If submitting a Hard Copy Bid, it must be submitted in a sealed envelope by the vendor. **Submit two (2) complete sets of the bid, one (1) original marked "ORIGINAL" and one (1) digital copy in a flash drive.** Each bid must be completely filled out and SUBMITTED IN ORIGINAL FORM complete with all the supporting documentation

If Hand-Delivering Bids: 415 W. University Drive

c/o City Secretary Department (1st Floor)

If submitting Electronic: <https://procurement.opengov.com/portal/cityofedinburg>

PREPARATION OF BID

Bids MUST give full firm name and address of bidder, and be manually signed. Failure to do so will disqualify your bid. Person signing bid must show title or AUTHORITY TO BIND HIS/HER FIRM IN A CONTRACT. Firm name and authorized signature must appear on each page that calls for this information. The legal status of the Respondent/Bidder whether corporation, partnership, or individual, shall also be stated in the bid. A corporation shall execute the bid by its duly authorized officers in accordance with its corporate by-laws and shall also list the state in which it is incorporated. A partnership Respondent/Bidder shall give full names and addresses of all partners. All partners shall execute the bid. Partnership and Individual Respondent/Bidder shall state in the bid the names and addresses of all persons with a vested interest therein. The place of residence of each Respondent/Bidder, or the office address in the case of a firm or company, with county and state and telephone number, shall be given after the signature.

DEVIATION FROM SPECIFICATION

Please read your specifications/requirements thoroughly and be sure that the ITEMS offered comply with all specifications/requirements. Any variation from the specifications/requirements must be clearly indicated by letter attached to your bid referencing variations on a point-by-point basis. If no exceptions are noted, and you are the successful bidder, it will be required that the ITEMS be provided as specified.

ALTERATIONS/AMENDMENTS TO BID

Bids CANNOT be altered or amended after opening time. Alterations made before opening time must be initialed by bidder guaranteeing authenticity. No bid may be withdrawn after opening time without acceptable reason in writing and only after approval by the City of Edinburg.

SALES TAX

State sales tax must not be included in the bid.

SUBSTITUTIONS

No substitutions or cancellations will be permitted without written approval of City of Edinburg.

NO BID RESPONSE

If unable to submit a bid, bidder should return inquiry giving reasons.

EXCEPTIONS

Any additions, deletions, or variations from the following specifications/requirements must be noted. The bidder shall attach to his/her bid sheet a list of any exceptions to the specifications/requirements if unable to do so, on specification sheet.

BRAND OR MANUFACTURER REFERENCE

Unless otherwise specified, any catalog or manufacturer's reference or brand name used in describing an item is merely descriptive, and not restrictive, and is used only to indicate type and style of product desired. Bids on alternate brands will be considered if they meet specification requirements. If a bidder quotes on equipment other than the one(s) specified in the bid, sufficient specifications and descriptive (pictured literature) data must accompany same to permit thorough evaluation. In the absence of these qualifications, he/she will be expected to furnish the product called for.

DELIVERY

Number of days required to deliver ITEMS after receiving order must be stated in the bid. Failure to so state will obligate bidder to complete service delivery within ONE day.

DELAY IN SERVICE DELIVERY

When delay can be foreseen, Bidder shall give prior notice to City of Edinburg. Bidder must keep City of Edinburg advised at all times of status of order. Default in promised service delivery (without acceptable reasons) or failure to meet specifications/requirements, authorizes the City of Edinburg to purchase such ITEMS elsewhere and charge increase in cost to defaulting vendor. Acceptable reasons for delayed delivery are as follows: Acts of God (floods, tornadoes, hurricanes, etc.), acts of government, fire, strikes, war; Actions beyond the control of the successful bidder.

SERVICE DELIVERED PRICING

Bids in units of quantity specified - extend and show total. In the event of discrepancies in extension, unit prices will govern. Bids subject to unlimited price increase will not be considered.

RIGHT TO REJECT/AWARD

The City of Edinburg reserves the right to refuse and reject any or all Bids, and to waive any or all formalities or technicalities, and to make such awards of contract as may be deemed to be the best and most advantageous to the City of Edinburg.

MULTIPLE VENDOR CONTRACTS

Bidders are advised that the City of Edinburg may award Service Contracts to multiple vendors based on low bid per item basis. All items specified on the "Bid Form" must reflect the individual unit prices. The City of Edinburg reserves the right to award all items individually or in any combination thereof.

INDEMNIFICATION CLAUSE

The Bidder agrees to indemnify and save harmless the City, from all suits and actions of every nature and description brought against them or any of them, for or on account of the use of patented appliances, products or processes, and he shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request of the Purchasing Agent, as a necessary requirement in connection with the final estimate for payment in which such patented appliance, products or processes are used.

ADDENDA

Bidder shall carefully examine the bid forms, specifications/requirements, and instructions to Bidders. Should the bidder find discrepancies in, or omissions from bid forms, specifications/requirements, or other documents, or should he/she be in doubt as to their meaning, he/she should request an interpretation via the OpenGov portal: <https://procurement.opengov.com/portal/cityofedinburg> and obtain clarification by addendum prior to submitting any bid. Explanations, interpretations, and supplemental instructions shall be in the form of written Addenda which shall become a part of the Contract documents. Said Addenda shall available through the e-procurement portal and e-mailed to all prospective Bidders. All Addenda issued in respect to this project shall be considered official changes to the original bid documents. Verbal statements in response to inquiries and/or requests for explanations shall not be authoritative nor binding. It shall be the Bidder(s) responsibility to ensure that they have received all Addenda in respect to this project. **Furthermore, Bidders are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their Bid Submittal if submitting a Hard Copy Solicitation. Electronic submittals should be acknowledged through OpenGov.** Bidder(s) signature on Addenda shall be interpreted as the bidder's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original solicitation documents. Failure of any bidder to receive any such addendum or interpretation shall not relieve such Bidder from its terms and requirements. The City may issue a written addendum no later than five calendar days prior to the date bids must be received. Addendums are available online at <https://procurement.opengov.com/portal/cityofedinburg>

PAYMENT

The City of Edinburg will execute payment by mail in accordance with the State of Texas Pay Law after ITEMS have been provided and invoiced. No other method of payment will be considered.

SYNONYM

Where in this bid package ITEMS is used, its meaning shall refer to the Purchase of One (1) 4x4 Electric Truck as specified.

ASSIGNMENT

Neither the Bidder's contract nor payment due to an awarded vendor may be assigned to a third party without the written approval of the Purchasing Department for the City of Edinburg.

BIDDER'S EMPLOYEES

Neither the Bidder nor his/her employees engaged in fulfilling the terms and conditions of this Purchase Contract shall be considered employees of the City. The method and manner of performance of such undertakings shall be under the exclusive control of the vendor on contract. The City shall have the right of inspection of said undertakings at any time.

INTERPRETATIONS

Any questions concerning the conditions and/or specifications/requirements with regards to this solicitation for Bids shall be directed to the e-procurement portal as outlined in the Request for Bids. Such interpretations, which may affect the eventual outcome of this request for Bids, shall be furnished in writing to all prospective Bidders via Addendum. No interpretation shall be considered binding unless provided in writing by the City of Edinburg in accordance with paragraph entitled "Addenda".

STATUTORY REQUIREMENTS

It shall be the responsibility of the successful Bidder to comply with all applicable State & Federal laws, Executive Orders and Municipal Ordinances, and the Rules and Regulations of all authorities having jurisdiction over the work to be performed hereunder and such shall apply to the contract throughout, and that they will be deemed to be included in the contract as though written out in full in the contract documents. (To include issues related to health, environmental, and safety to name a few.)

RIGHT TO WAIVE

City of Edinburg reserves the right to waive or take exception to any part of these specifications/requirements when in the best interest of the City of Edinburg.

COOPERATIVE PRICING

Bidders are advised that in addition to responding to our "local" solicitation for bids/Bids with Dealer pricing, vendors/contractors are encouraged to provide pricing on the below referenced items/products/services based on BuyBoard, TX-MAS, H-GAC and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas. If bidding other than or in addition to "dealer" pricing, kindly duplicate the bid forms for each bid being provided from a cooperative contract. Any and all applicable fees must be included. All cooperative pricing must be submitted on or before bid opening date and hour.

VALID BID TIME FRAME

The City of Edinburg may hold bids 60 days after the opening of Bids without taking action. Bidders are required to hold their Bids firm for same period of time.

PREPARATION OF BID

The City of Edinburg shall not be held liable for any costs incurred by any bidder for work performed in the preparation of and production of a bid or for any work performed prior to execution of contract.

CONFIDENTIAL INFORMATION

Any information deemed to be confidential by the bidder should be clearly noted on the pages where confidential information is contained; however, the City cannot guarantee that it will not be compelled to disclose all or part of any public record under Texas Public Information Act, since information deemed to be confidential by the bidder may not be considered confidential under Texas Law, or pursuant to a Court order.

VERBAL THREATS

Any threats made to any employee of the City, be it verbal or written, to discontinue the providing of item/material/services for whatever reason and/or reasons shall be considered a breach of contract and the City will immediately sever the contract with the Vendor on contract.

MATHEMATICAL ERRORS

In the event that mathematical errors exist in any bid unit prices/rates will govern.

AUDIT

The City of Edinburg reserves the right to audit the vendor's books and records relating to the performance of this contract. The City of Edinburg, at its own expense, shall have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours' advance notice, to audit, to examine, and to make copies of or extracts from the books of account and records maintained by the vendor(s) with respect to the Supply/Service and/or Purchase Contract. If such audit shall disclose overpayment by City to vendor, written notice of such overpayment shall be provided to the vendor and the amount of overpayment shall be promptly reimbursed by vendor to the City. In the event any such overpayment is not paid within ten (10) business days after receipt of such notice, the unpaid amount of such overpayment shall bear interest at the rate of one percent (1%) per month from the date of such notice until paid.

PAST PERFORMANCE

Vendor's past performance shall be taken into consideration in the evaluation and award of Service Contract for the Purchase of ITEMS.

JURISDICTION

Contract(s) executed as part of this solicitation shall be subject to and governed under the laws of the State of Texas. Any and all obligations and payments are due and performable and payable in Hidalgo County, Texas.

VENUE

The parties agree that venue for purposes of any and all lawsuits, cause of action, arbitration, and/or any other dispute(s) shall be in Hidalgo County, Texas.

CONSIDERATION OF LOCATION OF BIDDER'S PRINCIPAL PLACE OF BUSINESS

The City may give local vendors, whose principal place of business is located within the City of Edinburg, and whose bid is within five percent (5%) of the lowest bid price preference as allowed by Section 271.9051 of the Local Government Code.

AWARD

For purposes of this project, award will be contingent on approval of budget.

CONSIDERATION OF LOCATION OF BIDDER'S PRINCIPAL PLACE OF BUSINESS

The City may give local vendors, whose principal place of business is located within the City of Edinburg, and whose bid is within five percent (5%) of the lowest bid price preference as allowed by Section 271.9051 of the Local Government Code.

SPECIAL CIRCUMSTANCES

In the event that the City of Edinburg has an immediate need for a particular service(s) that is/are on contract and the successful vendor on contract is not able to meet the special service delivery needs of the City of Edinburg, the City of Edinburg reserves the right to purchase such services elsewhere to fulfill its' immediate need.

TERMINATION OF CONTRACT

The City of Edinburg reserves the right to terminate the contract if, in the opinion of the City of Edinburg, the successful vendor's performance is not acceptable, if the City is being repeatedly over charged, improperly charged, no funds are available, or if the City wishes, without cause, to discontinue this contract. Termination will be in written form allowing a 30-day notice. The bidder shall be afforded the same right to terminate this contract in the same manner.

ETHICAL STANDARD

No City official or employee shall have interest in any contract resulting from this bid.

IF YOU HAVE ANY QUESTIONS ABOUT COMPLIANCE, PLEASE CONSULT YOUR OWN LEGAL COUNSEL. COMPLIANCE IS THE INDIVIDUAL RESPONSIBILITY OF EACH PERSON OR AGENT OF A PERSON WHO IS SUBJECT TO THE FILING REQUIREMENT. AN OFFENSE UNDER CHAPTER 176 IS A CLASS "C" MISDEMEANOR.

3.2. INSURANCE REQUIREMENTS

Staff may waive insurance requirements for contracts \$0 - \$4,999.99, including but not limited to contracts for food, materials, supplies, and construction. Workers' Compensation in amounts which satisfy statutory coverage shall be required for construction projects.

The following insurance requirements will be included in all City contracts of \$5,000 - \$14,999.99. In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of \$100,000 per claim.

Minimum Insurance Requirements

Type of Coverage Limits of Liability

Worker's Compensation Statutory Coverage

Comprehensive General Liability

(City named as additional insured)

Bodily Injury \$250,000 each person/\$500,000 each occurrence

Property Damage \$100,000 each occurrence/\$100,000 aggregate

or \$500,000 combined single limits

The following insurance requirements will be included in all City contracts of \$15,000 or more.

(1) The successful bidder will be required to carry the following insurance coverage and limits of coverage, as well as list the City as an additional insured to liability coverage as requested by the City. In addition, the successful bidder shall provide the City with evidence of coverage and furnish acceptable proof of payment of insurance premiums.

(2) The successful bidder will be required to secure and/or have insurance coverage in force with an admitted property and casualty insurance company licensed by the State of Texas to conduct business in the State of Texas.

(3) In contracts not involving building and construction projects, as that activity is defined in TEX. LABOR CODE §406.096, contractors may obtain alternative form of worker accident insurance with minimum limits of liability of \$100,000 per claim

Minimum Insurance Requirements

Type of Coverage Limits of Liability

Worker's Compensation Statutory Coverage

Employer's Liability Bodily Injury by Accident:

\$100,000 each accident

Bodily Injury by Disease:

\$100,000 each employee/\$500,000 policy limit

Comprehensive General Liability

Bodily Injury \$250,000 each person/\$500,000 each occurrence

Property Damage \$100,000 each occurrence/\$100,000 aggregate

or \$500,000 combined single limits

Comprehensive Auto Liability

Bodily Injury \$100,000 each person/\$500,000 each occurrence

Property Damage \$100,000 each occurrence/\$100,000 aggregate

or \$500,000 combined single limits

City's Protective Liability

Bodily Injury \$250,000 each person/\$500,000 each occurrence

Property Damage \$100,000 each occurrence/\$100,000 aggregate

or \$500,000 combined single limits

Policies must name the City of Edinburg as an Additional Insured.

Certificates of insurance naming the CITY as an additional insured shall be submitted to the CITY for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the CITY prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence that adequate replacement coverage is provided to the CITY. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, the Contract shall automatically terminate.

4. Specifications

4.1. 4x4 Electric Truck Specifications

- Year: 2023 or newer
- Exterior Color: White
- Interior Color: Dark Slate Cloth
- Four-Wheel Drive
- Three (3) complete sets of Original Equipment Manufacturer (OEM), programmed, master keys (including key Fobs, if equipped)
- Mirror: Power, right and left side
- Engine: Dual E-motor - Extended Range Battery
- Transmission: Single Speed
- Locking Removable Tailgate with Tailgate Assist
- Trailer Sway Control
- Cruise Control
- Heated Cloth front Seats
- 60-40 Fold-Up Rear Bench
- A/C Dual Climate Control
- Manual Tilt/Telescoping Steering Column
- Forward Sensing System
- Post-Collision Breaking
- Lane-Keeping System
- Reverse Sensing
- Auto Dim Rearview Mirror
- Radio: AM/FM Stereo, clock, w/Seek-Scan, volume control and radio data system
- Rear Window Defroster
- Power Windows
- Cruise Control

- Power Door Locks
- Pedals: Power Adjustable
- Tilt and Telescopic Steering Column
- Driver and Passenger Side Air bags
- Rearview camera and display
- Bluetooth phone connectivity
- Electric Vehicle Charger that is compatible with the vehicles being purchased.
- Full-size matching spare tire and rim. For example, a delivered vehicle must have a total of five (5) tires and five (5) rims that match. If the fifth full-size tire and rim are not able to be mounted in the spare tire compartment, then it is acceptable to be placed in the cargo compartment of the vehicle upon delivery.

4.2. [Warranty](#)

- Bumper to Bumper including tires – 3 years or 36,000 miles
- Drivetrain – 60 months/60,000 miles
- Corrosion: 60 months/unlimited miles
- Hybrid/Electric Components: 8 years/100,000 miles
- Roadside Assistance: 60 months/60,000 miles

4.3. [Delivery](#)

Delivery time is defined as the time from when the purchase order is issued and received by an awarded vendor to when the vehicle is received by the City of Edinburg.

One (1) week prior to delivery, awarded vendors must provide the vehicle identification number(s) of all vehicles being delivered to City of Edinburg.

Awarded vendors must deliver vehicles under the following requirements:

- No decals or other markings of any type pertaining to advertisement other than trademarks or model designation normally installed by manufacturer or equipment delivered.
- “Buyer’s tag” affixed to vehicle when required by law.
- Awarded vendors must deliver vehicles with the following documentation:

i. Sales invoice.

ii. Manufacturer's Certificate of Origin (MCO) and title application. The MCO must be assigned as follows:

City of Edinburg
415 W. University
Edinburg, TX 78539

iii. Title application must be completed to match the MCO assignment and signed by an authorized representative of the dealership.

iv. State of Texas vehicle inspection report.

v. Odometer statement.

vi. Factory window sticker with the Manufacturer's Suggested Retail Price (MSRP).

vii. Temporary vehicle registration printout and tag.

Awarded vendors are solely responsible for the cost of toll roads used in delivery of all vehicles, including tolls incurred by sub-contracted drivers.

5. Vendor Questionnaire

5.1. Required Forms

5.1.1. *Attach a copy of your company's insurance certificate.**

Please attach the insurance certificate

*Response required

5.1.2. *Please fill out General Questionnaire and upload here **

Please download the below documents, complete, and upload.

- [GENERAL QUESTIONNAIRE.pdf](#)

*Response required

5.1.3. *Please fill out the Litigation Disclosure form and upload here**

Please download the below documents, complete, and upload.

- [LITIGATION DISCLOSURE FORM.pdf](#)

*Response required

5.1.4. *Please fill out and sign the Conflict of Interest Disclosure form and upload here**

Please download the below documents, complete, and upload.

- [CONFLICT OF INTEREST.pdf](#)

*Response required

5.1.5. *Please fill out and sign House Bill 89 and upload here**

HB 89

The 85th Texas Legislature approved new legislation, effective Sept. 1, 2017, which amends Texas Local Government Code Section 1. Subtitle F, Title 10, Government Code by adding Chapter 2270 which states that a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

- 1) does not boycott Israel; and
- 2) will not boycott Israel during the term of the contract

- [HOUSE BILL 89 VERIFICATION.pdf](#)

*Response required

5.1.6. *Please fill out and sign Senate Bill 13 and upload here**

SB 13 ENERGY COMPANY BOYCOTTS

The 87th Texas Legislature approved new legislation, effective Sept. 1, 2021, which amends Texas Local Government Code 2274.002 Section 1. Subtitle A, Title 8 by adding Chapter 809 which states that a

governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

- 1) does not boycott energy companies and will not boycott energy companies during the term of the Contract. If Respondent does not make that verification, Respondent must so indicate in its Response and state why the certification is not required , or
- 2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Respondent shall promptly notify Agency.

- [SENATE BILL 13 VERIFICATION...](#)

*Response required

5.1.7. *Please fill out and sign Senate Bill 19 and upload here**

The 87th Texas Legislature approved new legislation, effective Sept. 1, 2021, which amends Texas Local Government Code Section 1. Subtitle F, Title 10 of the Texas Government Code 2274.002, Respondent verifies that it:

- 1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and
- 2) will not discriminate during the term of the contract against a firearm entity or firearm trade association.

If Respondent does not make that verification, Respondent must so indicate in its Response and state why the verification is not required. If circumstances relevant to this provision change during the course of the contract, Respondent shall promptly notify Agency.

- [SENATE BILL 19 VERIFICATION...](#)

*Response required

5.1.8. *Please fill out and sign the Non-Collusion Affidavit and upload here**

Submitters, by submitting a signed submission, certify that the accompanying submission is not the result of, or affected by, any unlawful act of collusion with any other person or company engaged in the same line of business or commerce, or any other fraudulent act punishable under Texas or United States law.

- [CITY OF EDINBURG NONCOLLUSI...](#)

*Response required

5.1.9. *Please fill out and sign the Conflict of Interest form and upload here**

CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ,

the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Edinburg not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

For more information or to obtain Questionnaire CIQ go to the Texas Ethics Commission web page at <https://www.ethics.state.tx.us/forms/conflict/>.

*Response required

5.1.10. If awarded the 1295 form will need to be provided.*

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

For more information go to the Texas Ethics Commission web page at <https://www.ethics.state.tx.us/filinginfo/1295/>.

☐ Please confirm

*Response required

6. Pricing Proposal

Line Item	Description	Quantity	Unit of Measure	Unit Cost	Total
1	2023 or newer 4x4 Electric Truck, single speed transmission, oxford white, dual E motor Standard battery.	1	EA		
TOTAL					

Email Addresses:	
ashleybutler92@gmail.com	texashubexpress@gmail.com
kevin.kirkpatrick@advantagesupply.us	diana@ttacsa.com
customeracare@aetdirectexpress.com	thepathfindersolutionsgroup@gmail.com
floydalley@yahoo.com	rollingmotorshou@yahoo.com
KYLEE@ALLOUTCUSTOMTRUCKANDBODY.COM	timb@bakerautorepair.com
GILRAMIREZ54@GMAIL.COM	jorge@topgunperformancetuning.com
sbaker@americanliftaids.com	vernonsctt@yahoo.com
Dr.H@ancientwaterrestoration.com	olu.olusanya@tripleotechnologies.com
twilkens@ancira.com	pam@hallbuickgmc.com
robert@andys-air.com	UNITYAUTOTIRE@GMAIL.COM
biyanif@anifenergy.com	shannon@uvcountry.com
edmundp@assembly-techs.com	arn@usamexenergy.com
jgray@machaikflm.com	Appwashingservices@gmail.com
uche@sgkglobal.com	rtannery@volcon.com
bill.riley@ayro.com	chris@msvmobile.com
sholland@billfickford.com	jeff.taylor@wichitafallsford.net
fred.jr@bobstruckcare.com	widowmakers92@gmail.com
averyt@caldwellcountry.com	Slicka_gt@yahoo.com
aknapp@caldwellcountry.com	info@ziilex.com
ben@caldwellcountry.com	Alex@BestBusSales.com
quotes@carwrapcity.com	rlucio@sames.net
lupes@clarkchevrolet.com	mattc@paynegroup.com
JJacovino@charterlinkz.com	tj@spikesford.net
chreal@chefunits.com	carlos.salazar@bertogden.com
aarcher@cleburneford.com	aguerra@onehacienda.com
ecain@dmautoleasing.com	sales@mavich.com
troy.watson@strhouston.com	maxielogistics@gmail.com
Cowboys1998.cl@gmail.com	alind@redmac.net
info@crimepoint.net	anitarus70@gmail.com
Crockettagauto@gmail.com	service@mekkigroup.com
kenny@cyclecenterofdenton.com	laura@metroglfcars.com
ljodixietireco@yahoo.com	morrismechanics01@gmail.com
derrick@dswoods6corp.com	uche@sgkglobal.com
adytmae@aol.com	northstarauto156@gmail.com
ebryant@e-lanefreightservices.com	rwallace@nittygrittypowerwashing.com
edbodyshop@gmail.com	marci@onestoptruckservice.com
WCollins@elementcorp.com	bmurrey@murreyford.com
daniel.j.culver@ehi.com	vscott@gilchristautomotive.com
ezgopope@aol.com	sandra.gonzalez@governmentautosales.com
Ellisk@evolveaf.com	rojean.brewer@gmail.com
cwandelise@gmail.com	rboudreaux@r2mechanicalservices.com
fodekunle@fandfwholesalers.com	Jstapp@planetford59.com
lori.reyes@dmautoleasing.com	sales@richmondequipment.com
TOMMY@GASSAUTO.COM	Rudy@rosetrucksales.com
info@gtsrides.com	ron.crockett@rsigcg.com

bids@sonaturalcatering.com	dlowry@sames.net
ddavenport@goodbizgroup.net	govsales@teamsewell.com
sara@goodbullgolfcarts.com	sheenservicesllc@gmail.com
lori@GoodsonGolfCars.com	supply@smartpurchasing.us
SCS.South@grainger.com	vscott@gilchristautomotive.com
parts@helfmanford.com	mramirez@spikesford.net
mary@houstonchemsafe.com	stpdiesel.gov@gmail.com
LAUREN@HOUSTONLIFT.COM	ceo@tcclogistics.org
aran@matheusconsulting.com	kay.leonard@tcarss.com
FederalContractingBidder@jreillc.biz	rwoerndell@kyrishtrucks.com
ron_hardy@wiesnerauto.com	MEGAN@MANDRFLEETSERVICES.COM
htaliberty@gmail.com	mblanton@machaikford.com
tfore@jordanford.com	mary@marinelandwacoyamaha.com
kreig@lonestarmower.com	bids@masterstransportation.com
jh79@larochegm.com	



Bid 2024-10 - Purchase of One (1) 4x4 Electric Truck

Opening Date: Tuesday, March 26, 2024 at 3:00p.m.

Bidders:				Legacy Brothers	Sames McAllen Ford	The Sewell Family of Companies	Triple Crown Ford Lincoln LLC	Wellness Center
Line Item	Description	Quantity	Unit of Measure	Unit Cost	Unit Cost	Unit Cost	Unit Cost	Unit Cost
1	2023 or newer 4x4 Electric Truck, single speed transmission, oxford white, dual E motor Standard battery.	1	EA	\$92,782.00	\$54,990.00	\$51,090.00	\$54,170.75	\$88,601.41



[SAMES MCALLEN FORD] RESPONSE DOCUMENT REPORT

NTB-ITEMS No. 2024-10

Purchase of One (1) 4x4 Electric Truck

RESPONSE DEADLINE: March 26, 2024 at 3:00 pm

Report Generated: Tuesday, April 9, 2024

Sames McAllen Ford Response

CONTACT INFORMATION

Company:

Sames McAllen Ford

Email:

quotes@sames.net

Contact:

David Lowry

Address:

PO Box 2798

McAllen, TX 78502

Phone:

(956) 482-7507

Website:

N/A

Submission Date:

Mar 26, 2024 8:45 AM

ADDENDA CONFIRMATION

Addendum #1

Confirmed Mar 12, 2024 11:12 PM by David Lowry

QUESTIONNAIRE

1. Required Forms

ATTACH A COPY OF YOUR COMPANY'S INSURANCE CERTIFICATE.*

Please attach the insurance certificate

City-of-Edinburg_Sames-Motor-Co-_24-25-Liability_3-20-2024_1280590771.pdf

PLEASE FILL OUT GENERAL QUESTIONNAIRE AND UPLOAD HERE *

Please download the below documents, complete, and upload.

- [GENERAL QUESTIONNAIRE.pdf](#)

GENERAL_QUESTIONNAIRE.pdf

PLEASE FILL OUT THE LITIGATION DISCLOSURE FORM AND UPLOAD HERE*

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- [LITIGATION DISCLOSURE FORM.pdf](#)

LITIGATION_DISCLOSURE_FORM.pdf

PLEASE FILL OUT AND SIGN THE CONFLICT OF INTEREST DISCLOSURE FORM AND UPLOAD HERE*

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- [CONFLICT OF INTEREST.pdf](#)

CONFLICT_OF_INTEREST.pdf

PLEASE FILL OUT AND SIGN HOUSE BILL 89 AND UPLOAD HERE*
HB 89

The 85th Texas Legislature approved new legislation, effective Sept. 1, 2017, which amends Texas Local Government Code Section 1. Subtitle F, Title 10, Government Code by adding Chapter 2270 which states that a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

- 1) does not boycott Israel; and
- 2) will not boycott Israel during the term of the contract

- [HOUSE BILL 89 VERIFICATION.pdf](#)

HOUSE_BILL_89_VERIFICATION.pdf

PLEASE FILL OUT AND SIGN SENATE BILL 13 AND UPLOAD HERE*
SB 13 ENERGY COMPANY BOYCOTTS

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- [SENATE BILL 13 VERIFICATION...](#)

SENATE_BILL_13_VERIFICATION.pdf

PLEASE FILL OUT AND SIGN SENATE BILL 19 AND UPLOAD HERE*

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- 1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and
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- [SENATE BILL 19 VERIFICATION...](#)

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PLEASE FILL OUT AND SIGN THE NON-COLLUSION AFFIDAVIT AND UPLOAD HERE*

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- [CITY OF EDINBURG NONCOLLUSI...](#)

CITY_OF_EDINBURG.pdf

PLEASE FILL OUT AND SIGN THE CONFLICT OF INTEREST FORM AND UPLOAD HERE*

CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Edinburg not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

For more information or to obtain Questionnaire CIQ go to the Texas Ethics Commission web page at <https://www.ethics.state.tx.us/forms/conflict/>.

CIQ.pdf

IF AWARDED THE 1295 FORM WILL NEED TO BE PROVIDED.*

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

For more information go to the Texas Ethics Commission web page at <https://www.ethics.state.tx.us/filinginfo/1295/>.

Confirmed

PRICE TABLES

Line Item	Description	Quantity	Unit of Measure	Unit Cost	Total
1	2023 or newer 4x4 Electric Truck, single speed transmission, oxford white, dual E motor Standard battery.	1	EA	\$54,990.00	\$54,990.00
TOTAL					\$54,990.00



City of Edinburg

Purchasing

Criselda Lozano, Purchasing Manager

415 W. University Drive, Edinburg, TX 78541

[LEGACY BROTHERS] RESPONSE DOCUMENT REPORT

NTB-ITEMS No. 2024-10

Purchase of One (1) 4x4 Electric Truck

RESPONSE DEADLINE: March 26, 2024 at 3:00 pm

Report Generated: Tuesday, April 9, 2024

Legacy Brothers Response

CONTACT INFORMATION

Company:

Legacy Brothers

Email:

micah.legacybrothers@gmail.com

Contact:

Micah Trexler

Address:

407 N. Peterson Ave.

Douglas, GA 31634

Phone:

(772) 577-1816

Website:

www.legacybrother.com

Submission Date:

Mar 25, 2024 7:38 PM

ADDENDA CONFIRMATION

Addendum #1

Confirmed Mar 20, 2024 12:45 PM by Micah Trexler

QUESTIONNAIRE

1. Required Forms

ATTACH A COPY OF YOUR COMPANY'S INSURANCE CERTIFICATE.*

Please attach the insurance certificate

N_A,_the_company_does_not_need_insurance.docx

PLEASE FILL OUT GENERAL QUESTIONNAIRE AND UPLOAD HERE *

Please download the below documents, complete, and upload.

- [GENERAL QUESTIONNAIRE.pdf](#)

GENERAL_QUESTIONNAIRE_(1).pdf

PLEASE FILL OUT THE LITIGATION DISCLOSURE FORM AND UPLOAD HERE*

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LITIGATION_DISCLOSURE_FORM_(1).pdf

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CONFLICT_OF_INTEREST_(1).pdf

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- 1) does not boycott Israel; and
- 2) will not boycott Israel during the term of the contract

- [HOUSE BILL 89 VERIFICATION.pdf](#)

HOUSE_BILL_89_VERIFICATION_(1).pdf

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- 2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Respondent shall promptly notify Agency.

- [SENATE BILL 13 VERIFICATION...](#)

SENATE_BILL_13_VERIFICATION_(1).pdf

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The 87th Texas Legislature approved new legislation, effective Sept. 1, 2021, which amends Texas Local Government Code Section 1. Subtitle F, Title 10 of the Texas Government Code 2274.002, Respondent verifies that it:

- 1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and
- 2) will not discriminate during the term of the contract against a firearm entity or firearm trade association.

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- [SENATE BILL 19 VERIFICATION...](#)

SENATE_BILL_19_VERIFICATION_(1).pdf

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- [CITY OF EDINBURG NONCOLLUSI...](#)

non_colusion_of_prime_bidder.pdf

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For more information or to obtain Questionnaire CIQ go to the Texas Ethics Commission web page at <https://www.ethics.state.tx.us/forms/conflict/>.

img20240325_20374547.pdf

IF AWARDED THE 1295 FORM WILL NEED TO BE PROVIDED.*

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

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Confirmed

PRICE TABLES

Line Item	Description	Quantity	Unit of Measure	Unit Cost	Total
1	2023 or newer 4x4 Electric Truck, single speed transmission, oxford white, dual E motor Standard battery.	1	EA	\$92,782.00	\$92,782.00
TOTAL					\$92,782.00



[TRIPLE CROWN FORD LINCOLN LLC] RESPONSE DOCUMENT REPORT

NTB-ITEMS No. 2024-10

Purchase of One (1) 4x4 Electric Truck

RESPONSE DEADLINE: March 26, 2024 at 3:00 pm

Report Generated: Tuesday, April 9, 2024

Triple Crown Ford Lincoln LLC Response

CONTACT INFORMATION

Company:

Triple Crown Ford Lincoln LLC

Email:

jbouher@gilchristautomotive.com

Contact:

Jeremy Bouher

Address:

2975 W Washington Street
Stephenville, TX 76401

Phone:

N/A

Website:

www.gilchristautomotive.com

Submission Date:

Mar 25, 2024 2:07 PM

ADDENDA CONFIRMATION

Addendum #1

Confirmed Mar 21, 2024 1:20 PM by Jeremy Bouher

QUESTIONNAIRE

1. Required Forms

ATTACH A COPY OF YOUR COMPANY'S INSURANCE CERTIFICATE.*

Please attach the insurance certificate

Certificate_of_Insurance-_Triple_Crown_Ford_-_OUO_-_2023.pdf

PLEASE FILL OUT GENERAL QUESTIONNAIRE AND UPLOAD HERE *

Please download the below documents, complete, and upload.

- [GENERAL QUESTIONNAIRE.pdf](#)

GENERAL_QUESTIONNAIRE-EDINBURG.pdf

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LITIGATION_DISCLOSURE_FORM-EDINBURG.pdf

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- 1) does not boycott Israel; and
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HOUSE_BILL_89_VERIFICATION-EDINBURG.pdf

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- [SENATE BILL 13 VERIFICATION...](#)

SENATE_BILL_13_VERIFICATION_(1).pdf

PLEASE FILL OUT AND SIGN SENATE BILL 19 AND UPLOAD HERE*

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- [SENATE BILL 19 VERIFICATION...](#)

SENATE_BILL_19_VERIFICATION-EDINBURG.pdf

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Submitters, by submitting a signed submission, certify that the accompanying submission is not the result of, or affected by, any unlawful act of collusion with any other person or company engaged in the same line of business or commerce, or any other fraudulent act punishable under Texas or United States law.

- [CITY OF EDINBURG NONCOLLUSI...](#)

non_collusion_-_Mar_25_2024_-_14-03.pdf

PLEASE FILL OUT AND SIGN THE CONFLICT OF INTEREST FORM AND UPLOAD HERE*

CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Edinburg not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

For more information or to obtain Questionnaire CIQ go to the Texas Ethics Commission web page at <https://www.ethics.state.tx.us/forms/conflict/>.

CIQ-EDINBURG.pdf

IF AWARDED THE 1295 FORM WILL NEED TO BE PROVIDED.*

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

For more information go to the Texas Ethics Commission web page at <https://www.ethics.state.tx.us/filinginfo/1295/>.

Confirmed

PRICE TABLES

Line Item	Description	Quantity	Unit of Measure	Unit Cost	Total
1	2023 or newer 4x4 Electric Truck, single speed transmission, oxford white, dual E motor Standard battery.	1	EA	\$54,170.75	\$54,170.75
TOTAL					\$54,170.75



City of Edinburg

Purchasing

Criselda Lozano, Purchasing Manager

415 W. University Drive, Edinburg, TX 78541

[THE SEWELL FAMILY OF COMPANIES] RESPONSE DOCUMENT REPORT

NTB-ITEMS No. 2024-10

Purchase of One (1) 4x4 Electric Truck

RESPONSE DEADLINE: March 26, 2024 at 3:00 pm

Report Generated: Tuesday, April 9, 2024

The Sewell Family of Companies Response

CONTACT INFORMATION

Company:

The Sewell Family of Companies

Email:

david.gomez@teamsewell.com

Contact:

David Gomez

Address:

4400 Parks Legado Rd
Odessa, TX 79765

Phone:

N/A

Website:

www.teamsewell.com

Submission Date:

Mar 13, 2024 10:44 AM

ADDENDA CONFIRMATION

Addendum #1

Confirmed Mar 11, 2024 2:00 PM by David Gomez

QUESTIONNAIRE

1. Required Forms

ATTACH A COPY OF YOUR COMPANY'S INSURANCE CERTIFICATE. *

Pass

Please attach the insurance certificate

Sewell_ID_Card_-_Sewell_Ford[47].pdf

PLEASE FILL OUT GENERAL QUESTIONNAIRE AND UPLOAD HERE *

Pass

Please download the below documents, complete, and upload.

- [GENERAL QUESTIONNAIRE.pdf](#)

Edinburg_Questionnaire.pdf

PLEASE FILL OUT THE LITIGATION DISCLOSURE FORM AND UPLOAD HERE*

Pass

Please download the below documents, complete, and upload.

- [LITIGATION DISCLOSURE FORM.pdf](#)

Edinburg_Litigation_Form.pdf

PLEASE FILL OUT AND SIGN THE CONFLICT OF INTEREST DISCLOSURE FORM AND UPLOAD HERE*

Pass

Please download the below documents, complete, and upload.

- [CONFLICT OF INTEREST.pdf](#)

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PLEASE FILL OUT AND SIGN HOUSE BILL 89 AND UPLOAD HERE*

Pass

HB 89

The 85th Texas Legislature approved new legislation, effective Sept. 1, 2017, which amends Texas Local Government Code Section 1. Subtitle F, Title 10, Government Code by adding Chapter 2270 which states that a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

- 1) does not boycott Israel; and
- 2) will not boycott Israel during the term of the contract

- [HOUSE BILL 89 VERIFICATION.pdf](#)

Edinburg_Bill_89.pdf

PLEASE FILL OUT AND SIGN SENATE BILL 13 AND UPLOAD HERE*

Pass

SB 13 ENERGY COMPANY BOYCOTTS

The 87th Texas Legislature approved new legislation, effective Sept. 1, 2021, which amends Texas Local Government Code 2274.002 Section 1. Subtitle A, Title 8 by adding Chapter 809 which states that a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

- 1) does not boycott energy companies and will not boycott energy companies during the term of the Contract. If Respondent does not make that verification, Respondent must so indicate in its Response and state why the certification is not required , or

2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Respondent shall promptly notify Agency.

- [SENATE BILL 13 VERIFICATION...](#)

Edinburg_Bill_13.pdf

PLEASE FILL OUT AND SIGN SENATE BILL 19 AND UPLOAD HERE*

Pass

The 87th Texas Legislature approved new legislation, effective Sept. 1, 2021, which amends Texas Local Government Code Section 1. Subtitle F, Title 10 of the Texas Government Code 2274.002, Respondent verifies that it:

- 1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and
- 2) will not discriminate during the term of the contract against a firearm entity or firearm trade association.

If Respondent does not make that verification, Respondent must so indicate in its Response and state why the verification is not required. If circumstances relevant to this provision change during the course of the contract, Respondent shall promptly notify Agency.

- [SENATE BILL 19 VERIFICATION...](#)

Edinburg_Bill_19.pdf

PLEASE FILL OUT AND SIGN THE NON-COLLUSION AFFIDAVIT AND UPLOAD HERE*

Pass

Submitters, by submitting a signed submission, certify that the accompanying submission is not the result of, or affected by, any unlawful act of collusion with any other person or company engaged in the same line of business or commerce, or any other fraudulent act punishable under Texas or United States law.

- [CITY OF EDINBURG NONCOLLUSI...](#)

Edinburg_Noncollusion.pdf

PLEASE FILL OUT AND SIGN THE CONFLICT OF INTEREST FORM AND UPLOAD HERE*

Pass

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IF AWARDED THE 1295 FORM WILL NEED TO BE PROVIDED.*

Pass

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For more information go to the Texas Ethics Commission web page at <https://www.ethics.state.tx.us/filinginfo/1295/>.

Confirmed

PRICE TABLES

Line Item	Description	Quantity	Unit of Measure	Unit Cost	Total
1	2023 or newer 4x4 Electric Truck, single speed transmission, oxford white, dual E motor Standard battery.	1	EA	\$51,090.00	\$51,090.00
TOTAL					\$51,090.00



City of Edinburg

Purchasing

Criselda Lozano, Purchasing Manager

415 W. University Drive, Edinburg, TX 78541

[WELLNESS CENTER] RESPONSE DOCUMENT REPORT

NTB-ITEMS No. 2024-10

Purchase of One (1) 4x4 Electric Truck

RESPONSE DEADLINE: March 26, 2024 at 3:00 pm

Report Generated: Tuesday, April 9, 2024

Wellness Center Response

CONTACT INFORMATION

Company:

Wellness Center

Email:

wellnesscenter22@gmail.com

Contact:

Sam Benson

Address:

2205 West Jackson Avenue
McAllen, TX 78501-7244

Phone:

N/A

Website:

N/A

Submission Date:

Mar 25, 2024 10:02 PM

ADDENDA CONFIRMATION

Addendum #1

Confirmed Mar 15, 2024 10:14 PM by Sam Benson

QUESTIONNAIRE

1. Required Forms

ATTACH A COPY OF YOUR COMPANY'S INSURANCE CERTIFICATE.*

Please attach the insurance certificate

Insurance_2024.png

PLEASE FILL OUT GENERAL QUESTIONNAIRE AND UPLOAD HERE *

Please download the below documents, complete, and upload.

- [GENERAL QUESTIONNAIRE.pdf](#)

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PLEASE FILL OUT THE LITIGATION DISCLOSURE FORM AND UPLOAD HERE*

Please download the below documents, complete, and upload.

- [LITIGATION DISCLOSURE FORM.pdf](#)

1.3.pdf

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- [CONFLICT OF INTEREST.pdf](#)

1.4.pdf

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- [HOUSE BILL 89 VERIFICATION.pdf](#)

1.5.pdf

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- 1) does not boycott energy companies and will not boycott energy companies during the term of the Contract. If Respondent does not make that verification, Respondent must so indicate in its Response and state why the certification is not required , or
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- [SENATE BILL 13 VERIFICATION...](#)

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PLEASE FILL OUT AND SIGN SENATE BILL 19 AND UPLOAD HERE*

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- [SENATE BILL 19 VERIFICATION...](#)

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- [CITY OF EDINBURG NONCOLLUSI...](#)

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For more information go to the Texas Ethics Commission web page at <https://www.ethics.state.tx.us/filinginfo/1295/>.

Confirmed

PRICE TABLES

Line Item	Description	Quantity	Unit of Measure	Unit Cost	Total
1	2023 or newer 4x4 Electric Truck, single speed transmission, oxford white, dual E motor Standard battery.	1	EA	\$88,601.41	\$88,601.41
TOTAL					\$88,601.41











CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

CONSENT AGENDA

Agenda Item No: 12.A.

Job Task Order No. 8 with B2Z Engineering

1. Agenda Item:

Consider Authorizing the City Manager to Enter Into Job Task Order No. 8 with B2Z Engineering, for Material Testing Services for the New Service Center for an Amount Not to Exceed \$79,180.79 and Authorize the City Manager to Enter Into an Agreement Relating Thereto. [Gerardo Carmona Jr., P.E., Director of Utilities]

2. Description:

The New Service Center facility will serve as a centralized hub for operations, administrative offices, maintenance workshops, and a modern warehouse to streamline the storage and distribution of essential resources for the departments of Public Works and Utilities Administration.

The project consists of administrative offices, conference and training facilities, an emergency response center, a new utilities department warehouse facility for high-capacity storage areas, loading docks and gated controlled storage for sensitive materials.

In this phase of the construction project of the new service center, materials testing is required.

B2Z Engineering will provide material testing services for the new service center building. This service will be provided throughout the duration of the construction of the proposed building.

Funding is available through the American Rescue Plan Act (ARPA)-Coronavirus State and Local Fiscal Recovery Funds (SLFRF).

3. Staff's Recommendation:

Approve Authorizing the City Manager to Enter Into Job Task Order No. 8 with B2Z Engineering, for Material Testing Services for the New Service Center for an Amount Not to Exceed \$79,180.79 and Authorize the City Manager to Enter Into an Agreement Relating Thereto.

Reviewed by:

Gerardo Carmona, Director of Utilities

Tomas Reyna, Assistant City Manager

Prepared by:

Vanessa Velasquez,

Administrative Assistant

Attachments:

A. Attachment A: Agreement

THE STATE OF TEXAS §
COUNTY OF HIDALGO §
CITY OF EDINBURG §

JOB TASK ORDER NUMBER EIGHT (8) TO
AGREEMENT BETWEEN OWNER (CITY OF EDINBURG)
AND CONSULTANT (B2Z ENGINEERING) SERVICES TO
PROVIDE CONSTRUCTION MATERIAL TESTING
SERVICES FOR NEW SERVICE CENTER PROJECT

This Job Task Order Number Eight (8), to the Agreement is entered into by and between the City of Edinburg (hereinafter called "**City**"), and **B2Z Engineering**, (hereinafter referred to as "**Contractor**").

RECITALS

WHEREAS, on October 1, 2022 the City Council of Edinburg approved City Manager or his designated appointee to negotiate and enter into a professional services Agreement with the Consultant to provide Geotechnical Engineering Services (Hereafter referred to as "Agreement" and attached as Exhibit "B"). Specifically, it was agreed that the Consultant shall provide Geotechnical Engineering Services and other as-needed services, in a manner which shall provide the necessary public services through subsequently assigned Job Task Order; and

WHEREAS, City and Consultant desire to further assign and execute Job Task Order Number Eight (8) to the Agreement to provide for Construction Material Testing for the New Service Center Improvement Project of as set out in Exhibit "A"; and

NOW, THEREFORE, said Job Task Order Number Eight (8), to the Agreement is hereby agreed to and include in the Agreement to provide Construction Material Testing as set out in Exhibit "A" to this Job Task Order.

If any of the terms of this Job Task Order Number Eight (8), including its Exhibits, conflict in any respect with any of the terms of the Agreement, the terms of the Agreement shall control.

Progress payment will be issued, as tasks are completed. Consultant is responsible for providing proof on invoices in the survey and design phase. Construction phase will be paid, as progress payment are issued to selected consultant.

This Job Task Order Number Eight (8) to the Agreement is agreed to and EXECUTED by the duly authorized representative of the parties in duplicate originals on this on this _____ day of _____, 2024.

CITY OF EDINBURG:

BY: _____
Myra L. Ayala, City Manager
City of Edinburg
415 W. University Dr.
P.O. Box 1079
Edinburg, Texas 78540
Phone: (956)383-5661
Fax: (956)383-7111

ATTEST:

BY: _____
Clarice Yvette Balderas, City Secretary

APPROVED AS TO FORM:

OMAR OCHOA LAW FIRM, P.C.

BY: _____
Omar Ochoa, City Attorney

B2Z ENGINEERING, LLC

BY: _____
Aisha Gonzalez
President/Owner
900 S. Steward Rd., Ste. 2
& 4 Mission, Texas 78572
Phone: (956) 585-3773
Email: aisha@b2zeng.com

**Attachments: Exhibit "A" Assurance Civil Rights Contract Provisions
Exhibit "B" Federal Register 2 CFR Part 200-Appendix II
Exhibit "C" Job Task Order No. 8 Proposal
Exhibit "D" Original Agreement**

**EXHIBIT “A” – ASSURANCE CIVIL
RIGHTS CONTRACT PROVISIONS**

**BETWEEN CITY OF EDINBURG AND B2Z
ENGINEERING**

ASSURANCE OF COMPLIANCE WITH CIVIL RIGHTS REQUIREMENTS
ASSURANCE OF COMPLIANCE WITH TITLE VI OF THE CIVIL
RIGHTS ACT OF 1964

As a condition of receipt of federal financial assistance from the Department of the Treasury, the City of Edinburg (hereinafter referred to as "the Recipient") must ensure that any contract or sub-award (hereinafter referred to as "the contractor") provides the assurances stated herein. The federal financial assistance may include federal grants, loans and contracts to provide assistance to the recipient's beneficiaries, the use or rent of Federal land or property at below market value, Federal training, a loan of Federal personnel, subsidies, and other arrangements with the intention of providing assistance. Federal financial assistance does not encompass contracts of guarantee or insurance, regulated programs, licenses, procurement contracts by the Federal government at market value, or programs that provide direct benefits. This assurance applies to all federal financial assistance from or funds made available through the Department of the Treasury, including any assistance that the Recipient may request in the future.

The Civil Rights Restoration Act of 1987 provides that the provisions of this assurance apply to all of the recipient's programs, services and activities, so long as any portion of the recipient's program(s) is federally assisted in the manner proscribed above.

1. The Contractor ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal funds, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166; directives; circulars; policies; memoranda and/or guidance documents.
2. The Contractor acknowledges that Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency," seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Recipient understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury's implementing regulations. Accordingly, Recipient shall initiate reasonable steps, or comply with the Department of the Treasury's directives, to ensure that LEP persons have meaningful access to its programs, services, and activities.
3. The Contractor understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Recipient's programs, services, and activities.
4. The Contractor agrees to consider the need for language services for LEP persons during development of applicable budgets and when conducting programs, services and activities.
As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on LEP, please visit <http://www.lep.gov>.
5. The Contractor acknowledges and agrees that compliance with this assurance constitutes a condition of continued receipt of federal financial assistance and is binding upon.

The Contractor and Contractor's successors, transferees and assignees for the period in which such assistance is provided. Contractor acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Contractor and the Contractor's sub-grantees, contractors, subcontractors, successors, transferees, and assignees:

The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

**EXHIBIT “B” – FEDERAL REGISTER 2
CFR PART 200-APPENDIX II**

**BETWEEN CITY OF EDINBURG AND B2Z
ENGINEERING**

FEDERALLY MANDATED PROCUREMENT CONTRACT PROVISIONS

Appendix II to 2 CFR Part 200

Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. The Contractor and all of its Subcontractors shall comply with these Federal provisions. The Contractor shall include this document in all subcontracts and ensure it is also included in all lower-tier subcontracts of the Subcontractor.

- (A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- (B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
- (C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964- 1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
- (D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146- 3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.
- (E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- (F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations

and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

- (G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and sub-grants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- (H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
- (I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier, up to the non-Federal award.
- (J) See §200.322 Procurement of recovered materials.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75888, Dec. 19, 2014]

EXHIBIT “C” – PROPOSAL QUOTE

AGREEMENT BETWEEN CITY OF EDINBURG AND B2Z ENGINEERING

April 10, 2024

Mr. Mardoqueo Hinojosa, P.E., CFM, CPM
City Engineer
Engineering Department
415 W. University Drive
Edinburg, Texas 78541

Reference: Service Center Upgrades – CMT Proposal

Dear Mr. Hinojosa:

B2Z Engineering, LLC. appreciates the opportunity to submit the budget estimate to provide materials testing services in response to your Request for Proposal issued April 2, 2024. Based on the information furnished to us, we estimate a budget of \$79,180.79. Any additional services requested and not part of this estimate will be charged in accordance with City of Edinburg fee schedule. A worksheet with the breakdown of quantities is included with this proposal for your convenience.

We look forward to working with you. If you have any questions, please contact us at your convenience.

Sincerely,
B2Z Engineering, LLC.



Hector Cantu
Corporate Laboratory Manager

Attachments: Cost Estimate



B2Z Engineering, LLC.
900 S. Stewart Road
Suite 4
Mission, TX 78572
(956) 585-3773
Hector@B2ZEng.com

CLIENT

Mr. Mardoqueo Hinojosa, P.E., CFM, CPM
City Engineer
City of Edinburg
415 W. University Drive
Edinburg, Texas 78541

CONSTRUCTION MATERIALS TESTING

Service Center Upgrades

DATE

04/10/2024

DESCRIPTION OF WORK

Construction Material Testing Services

LABOR	QTY	RATE/ HR	TOTAL
PERSONNEL			
Project Manager	20.00	\$ 218.88	\$ 4,377.60
Project Engineer	40.00	\$ 144.85	\$ 5,794.00
Tech Time	413.00	\$ 72.43	\$ 29,913.59
Admin/Clerical	80.00	\$ 70.82	\$ 5,665.60
Vehicle Trip Charge	8160.00	\$ 0.625	\$ 5,100.00
ESTIMATED LABOR TOTAL			\$50,850.79

MATERIALS	QTY	UNIT PRICE/ EA	TOTAL
EARTHWORK			
Atterberg Limits of Soils	7.00	\$ 135.00	\$ 945.00
Sieve Analysis - Flexible Base Material	3.00	\$ 90.00	\$ 270.00
Sieve Analysis -200	3.00	\$ 60.00	\$ 180.00
Moisture-Density Relationship (Proctor)	5.00	\$ 225.00	\$ 1,125.00
In-Place Density	206.00	\$ 28.00	\$ 5,768.00
HMAC			
Extraction, Sieve Analysis, Asphalt Content	2.00	\$ 250.00	\$ 500.00
In-Place Nuclear Densities Tests	34.00	\$ 28.00	\$ 952.00
Theoretical Max Specific Gravity & Density	2.00	\$ 95.00	\$ 190.00
Asphalt Concrete Coring			
a. Coring Rig (per day)	2.00	\$ 95.00	\$ 190.00
b. Generator (per day)	2.00	\$ 105.00	\$ 210.00
c. Bit Wear - Quartz Aggregate (River Gravel) (in.-in.)	40.00	\$ 8.00	\$ 320.00
d. Core Density (1 core per 5000 sqft)	5.00	\$ 80.00	\$ 400.00
CONCRETE/MASONARY			
Air Content (Pressure Method)	36.00	\$ 25.00	\$ 900.00
Compressive Strength Tests	144.00	\$ 30.00	\$ 4,320.00
Mortar/Grout Compressive Strength Tests	36.00	\$ 35.00	\$ 1,260.00
Reinforcing/Structural Steel Observation	48.00	\$ 225.00	\$ 10,800.00
ESTIMATED MATERIALS TOTAL			\$28,330.00
ESTIMATED TOTAL			\$79,180.79

THANK YOU

For questions concerning this estimate,
please contact

Hector Cantu
(281) 717-4016
Hector@B2ZEng.com
www.B2ZEng.com

AUTHORIZED SIGNATURE

The specific hourly rate within each classification listed under Labor/Staff Classification depends on the experience, training, and qualifications of the personnel. A two (2) hour minimum billing at the applicable rate will be assessed per visit to project site.

Services provided on Saturday, Sunday and all work in excess of "normal" work hours will be invoiced at an overtime rate of 1.5 times the applicable rate for the work performed. The cost of services is based upon the assumption that services will be provided during "normal" working hours. Normal working hours are between 7:00 a.m. and 6:00 p.m., Monday through Friday.

EXHIBIT “C” – MASTER AGREEMENT

AGREEMENT BETWEEN CITY OF EDINBURG AND B2Z ENGINEERING

STATE OF TEXAS §
COUNTY OF HIDALGO §
CITY OF EDINBURG §

**AGREEMENT BETWEEN THE
CITY OF EDINBURG AND B2Z
ENGINEERING, LLC FOR
GEOTECHNICAL ENGINEERING
SERVICES PURSUANT RFQ NO.
2022-008**

The City of Edinburg, Hidalgo County, Texas, a municipal corporation, (hereinafter "**City**") and **B2Z Engineering, LLC** (hereinafter "**Consultant**"), are the parties to this Agreement.

RECITALS

WHEREAS, City has authorized staff to request proposals for the On-Call Professional Services, the Consultant shall provide for specific projects as may be requested by the City. Such services shall be defined, scheduled, and authorized in subsequent Task Orders. Services may include, but not be limited to Geotechnical Engineering Services, and or other as-needed services as stated in Exhibit "A", and

WHEREAS, Consultant has the professional knowledge and abilities to perform professional geotechnical engineering services; and

WHEREAS, City desires to engage Consultant to render services in connection therewith:

NOW, THEREFORE, City and Consultant do mutually agree as follows:

**SECTION I
EMPLOYMENT OF CONSULTANT**

A. City agrees to employ Consultant to furnish and provide the Services, as stated in this agreement and **Exhibit "A"**. Upon receipt of Services to the City's satisfaction, the City agrees to pay Consultant as stated in this Agreement.

**SECTION II
SERVICES OF CONSULTANT**

A. The Consultant shall, in the scope of his work, perform the Services identified in **Exhibit "A"** of this document. City shall provide Consultant with authorization to proceed, after execution of this Agreement.

B. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint either party as an agent of the other for any

purpose whatsoever. Except as otherwise specifically provided herein, neither party shall in any way assume any of the liability of the other for acts of the other or obligations of the other.

SECTION III **RESPONSIBILITY OF THE CITY**

- A. City will facilitate Consultant's work with the following tasks:
1. Provide Consultant with its requirements for the Services.
 2. Assist Consultant by providing information reasonably available to the City and pertinent to the Services.
 3. Facilitate access to and make provisions for Consultant to enter upon public property as reasonably required for Consultant to perform its Services.
 4. Examine all reports, sketches, estimates, drawings, proposals, and other documents presented by Consultant and render in writing decisions pertaining thereto within a reasonable time so as not to delay the Services of the Consultant.
 5. Give prompt written notice to Consultant whenever City observes or otherwise becomes aware of any defect in Services.
 6. City's representative with respect to interpretation and implementation of the Services and this Agreement will be the City Engineer or such other representative that the City may appoint by written notice to Consultant with whom Consultant will communicate regarding all matters pertaining to this Agreement. Said representative will make all arrangements for consultation by Consultant with employees or designees of City. In addition, said representative shall have authority and responsibility to define and agree upon the scope and specification of the Services, require and receive reports regarding the progress of the Services, and terminate the performance of the Services or any phase thereof in accordance with the provisions of this Agreement.

SECTION IV **RESPONSIBILITIES OF CONSULTANT**

- A. Consultant shall perform the Services described in **Exhibits "A"**.
- B. Consultant shall perform its services with care, skill, and diligence, in accordance with the applicable professional standards currently recognized by its profession, and shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all reports, plans, information, and other items and Services furnished under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, ordinances, codes, and regulations in performing the

Services. If Consultant fails to meet applicable professional standards, Consultant shall without additional compensation correct or revise any errors or deficiencies, with or without request to do so by the City.

C. Consultant shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of Services furnished by Consultant under this Agreement. Consultant shall keep the City informed of the Services performed under this Agreement. In connection with the performance of the Services by Consultant, Consultant agrees to promptly and fully disclose to City any information regarding the Services as City may request.

D. Consultant will develop and maintain a detailed schedule for completion of the Services. The schedule will be a work plan showing activities to be performed and their sequence; and, in addition, activities will contain duration, manpower required, and estimated cost. A preliminary schedule shall be submitted to the City within ten (10) days after execution of a Job Task Order for review and establishment of the level of detail to be included.

E. Consultant will submit monthly progress data for the reporting period which will include the percentage complete and actual start date and actual finish date for all activities worked on by the Consultant during the period. Any changes in delivery dates will be reported. Other information, such as actual hours expended, will be furnished monthly, or as requested, by the City. If requested by the City, schedule update meetings will be held to discuss the results of schedule analysis and necessary action to meet the requirements of the schedule.

F. Consultant shall perform Services necessary to accomplish the work specified in this Agreement, in accordance with this Agreement.

G. City's review or approval of reports, and other services furnished hereunder shall not in any way relieve Consultant of responsibility for the technical adequacy of the work. Neither City's review, approval, or acceptance of, nor payment for any of the Services shall be construed as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

H. Consultant shall be and shall remain liable, in accordance with applicable law, for all damages to City caused by Consultant's negligent performance of any of the Services furnished under this Agreement. Consultant shall not be responsible for any time-delays in the project caused by circumstances beyond Consultant's control.

I. Consultant's obligations under this clause are in addition to the Consultant's other expressed or implied obligations under this Agreement or state law and in no way diminish any other rights that City may have against Consultant for consultant's errors or omissions.

J. All reports, drawings, plans, and other documentation pertaining to the Services become the property of City.

SECTION V

PAYMENT AND FEES

City agrees to pay Consultant for recommendations, reports, design, specifications, and such other services herein contracted for as follows:

A. City hereby agrees to pay a sum not to exceed that which is included in a specific Task Order and authorized by a Notice to Proceed, notwithstanding any contrary indications that may be contained in Consultant's proposal, for services to be performed and reimbursable costs incurred under this Agreement. City shall pay Consultant for services rendered on a lump sum basis pursuant to any specific Task Order and in the manner set forth therein. Consultant shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City in writing, Consultant shall not bill City for duplicate services performed by more than one person. Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

B. City is entitled to impose a set-off against payment based on any of the following:

a. Claims have been made against City based on Consultant's conduct in the performance or furnishing of Services, or City has incurred costs, losses, or damages resulting from Consultant's conduct in the performance or furnishing of Services, including but not limited to claims, costs, losses, or damages from workplace injuries, adjacent property damage, and non-compliance with Laws and Regulations;

b. Consultant has failed to take reasonable and customary measures to avoid damage, delay, disruption, and interference with Services and related work;

c. Consultant has failed to provide and maintain required insurance;

d. City has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible;

e. City has incurred extra charges or engineering costs related to submittal reviews, evaluations of proposed substitutes, tests and inspections, or return visits to manufacturing or assembly facilities;

f. Any Services are defective, requiring correction or replacement;

g. City has been required to correct defective Services or has accepted defective Services;

h. Liens have been filed in connection with the Services; or

i. Other items entitle City to a set-off against the payment amount.

C. If City imposes any set-off against payment, City will give Consultant immediate written notice stating the reasons for such action and the specific amount of the reduction, and promptly pay Consultant any amount remaining after deduction of the amount so withheld. City shall promptly pay Consultant the amount so withheld, or any adjustment thereto agreed to by City and Consultant, if Consultant remedies the reasons for such action. The reduction imposed will be binding on Consultant unless it duly submits written notice contesting the reduction within 30 days of receiving City's written notice.

D. All fees payable to Consultant under this Agreement shall be made in full, and without any withholding, deduction, or offset of any state or federal withholding taxes, FICA, SDI, or income taxes, nor shall the City be obligated to pay any of Consultant's employees' taxes. Consultant hereby covenants and agrees that it shall be solely responsible for all taxes, withholding, FICA, SDI, and other similar items (both employee and employer portions) with respect to all fees paid by the City under this Agreement, and agrees to indemnify and hold the City harmless with respect to such taxes and withholding.

E. Consultant and its employees shall not be eligible for, participate in, or be entitled to compensation in lieu of any insurance, benefit, retirement, or other plan or program provided by the City to its employees.

F. Consultant shall provide an invoice in accordance with City regulations. Payment terms shall be net thirty (30) days from receipt of invoice.

G. The City may, at any time, request Consultant to make changes within the scope of the Services or to perform extra work. If any request by the City for a change or extra work causes an increase or decrease in the cost or the time required for performance of the work, or any change to this Agreement, Consultant shall, within fourteen (14) days from the date it receives the City's request, unless the City Engineer grants additional time in writing, submit in writing a proposal for accomplishing such changed or extra work. This proposal shall define, if applicable, any increase or decrease in cost or time of completion or other change to this Agreement. The City must approve

any change orders, pursuant to the City's Code of ordinances and policies and procedures and any other applicable laws of this State, before making the changes. The City will not be liable for any costs incurred by Consultant from performance of a change or extra work prior to issuance of a change order to this Agreement.

H. The total contract price may not be increased because of the changes unless additional money for increased costs is appropriated for that purpose from available funds or is provided for by the authorization of the issuance of time warrants.

I. Prior to and as a condition of final payment to the Consultant following termination or expiration of this Agreement as defined below, the Consultant shall deliver to the City a release in form and substance satisfactory to the City, discharging it and its officers, agents, and employees of all liabilities, obligations, and claims arising out of this Agreement and the performance thereof.

SECTION VI

TERM OF AGREEMENT

A. Except as provided below, this Agreement, and the Services to be performed under it, shall commence on the date this Agreement is executed by both parties, and shall continue thereafter through and the earlier of (i) two (2) years from the date of execution or (ii) until the Services are declared complete in a written instrument signed by the City Engineer and the City Manager. The City shall have the right, in its sole discretion, to extend the term of this Agreement for an additional year upon approval from the City. If approved by City, City shall provide Consultant with a written notice of the approval of the extension.

B. City may terminate this Agreement upon giving 30 days' prior written notice thereof to Consultant. In addition, City shall have the right, upon written notice, to cancel this Agreement immediately if, in the City's sole judgment, the Services rendered by Consultant breach or violate any of the provisions of this Agreement.

C. Upon termination or completion of this Agreement, City shall have no liability to Consultant except for charges for Services performed by Consultant and accepted by the City prior to receipt of notice of termination or cancellation. The terms and conditions in this Agreement that by their sense and context are intended to survive the performance hereof by either or both parties hereunder shall so survive the termination, cancellation, or completion of performance of this Agreement.

D. Upon termination or completion of Consultant's Services hereunder or at such other time as may be requested by City, Consultant shall return to City within ten (10) days of termination, completion, or request all documents, records, notebooks, including copies thereof, whether prepared by Consultant or others, in Consultant's possession and related to the Services.

E. The City reserves the right to suspend work on the Services, with or without cause, in whole or in part, upon giving notice to Consultant. Consultant shall resume the Services so suspended when directed to do so by the City. The City shall have no liability to Consultant except for charges for Services performed by Consultant and accepted by the City prior to receipt of notice of suspension of Services. If only a portion of the Services are suspended, Consultant shall be compensated only for Services of which are not suspended and are actually performed during such suspension.

F. Upon termination of this Agreement or suspension of Services under this Section, the City may take over the work and may obtain the services of another entity to complete the work under this Agreement.

SECTION VII

MINIMUM INSURANCE REQUIREMENTS

Consultant shall be adequately insured and carry liability, workers compensation, automobile insurance and professional liability for injury to its employees and others incurring loss or injury as a result of the acts of Consultant or its employees. In accordance with City ordinances, Consultant shall be required to hold the following minimum insurance coverage throughout the duration of this agreement:

- A. Workers Compensation
In accordance with State statute.
- B. Comprehensive General Liability
 - 1. Bodily Injury
 - \$250,000 each person
 - \$500,000 each occurrence
 - 2. Property Damage
 - \$100,000 each occurrence
 - \$100,000 each aggregate

or \$500,000 combined single limits
- C. Comprehensive Auto Liability
 - 1. Bodily Injury
 - \$100,000 each person
 - \$500,000 each occurrence
 - 2. Property Damage
 - \$100,000 each occurrence
 - \$100,000 aggregate

or \$500,000 combined single limits
- D. City's Protective Liability

1. Bodily Injury
\$250,000 each person
\$500,000 each occurrence
2. Property Damage
\$100,000 each occurrence
\$100,000 each aggregate

or \$500,000 combined single limits

E. Professional Liability

1. Professional
\$1,000,000 per claim and in the aggregate

F. Evidence of the above insurance coverage is attached as Exhibit "B" and the City of Edinburg shall be listed as an additional insured.

G. If at any time and for any reason Consultant fails to provide, maintain, keep in force and effect, or deliver to the City proof of, any of the insurance required and such failure continues for ten (10) days after Notice thereof from City to Consultant, City may, but shall have no obligation to, procure single interest insurance for such risks covering City (or, if no more expensive, the insurance required by this Agreement), and Consultant shall, within ten (10) days following City's demand and Notice, pay and reimburse City therefor with interest at Prime Rate plus 2%, the Prime Rate being that in place on the date of Notice, from the date of payment by the City until repayment of City in full by Consultant.

H. With respect to each and every one of the insurance policies required to be obtained, kept, or maintained under the terms of this Agreement, on or before the date on which each such policy is required to be first obtained and at least fifteen (15) days before the expiration of any policy required hereunder previously obtained, Consultant shall deliver evidence reasonably acceptable to City showing that such insurance is in full force and effect.

I. Consultant hereby agrees as follows:

1. To punctually pay or cause to be paid all premiums and other sums payable under each insurance policy required to be obtained, kept, and maintained pursuant to this Lease;
2. To maintain in full force and effect the policies required to be carried to the extent so required to be carried pursuant to the terms hereof;
3. To ensure that all Casualty Proceeds are paid to the Party entitled to receive same;

4. Not, at any time, to take any action (or omit to take action) which action (or omission) would cause any insurance policies required to be obtained, kept, and maintained under this Lease to become void, voidable, unenforceable, suspended, or impaired in whole or in part or which would otherwise cause any sum paid out under any such insurance policy to become repayable in whole or in part; and

5. Promptly deliver Notice to City of any facts or circumstances of which it is aware which, if not disclosed to its insurers or re-insurers, is likely to affect adversely the nature or extent of the coverage to be provided under any insurance policy required hereunder.

SECTION VIII **ALTERNATE DISPUTE RESOLUTION/NEUTRAL PARTY**

A. If any dispute, controversy, or claim between or among the Parties arises under this Agreement or is related in any way to this Agreement or the relationship of the Parties hereunder (a "Dispute"), the Parties shall first attempt in good faith to settle and resolve such Dispute by meeting at a mutually agreeable time and place to discuss the Dispute within seven (7) days following the original written notice of any Dispute by the party making such a claim. The Parties shall seek to resolve the Dispute in writing within fourteen (14) days following the original written notice of any Dispute by the party making such a claim.

B. If a mutual resolution and settlement are not obtained at the meeting, the Parties shall participate in good faith in formal mediation, within thirty (30) days following the original written notice of any Dispute, with a mutually agreeable mediator at a mutually agreeable time and place. No settlement reached under this provision shall be binding on the Parties until reduced to a writing signed by a representative of Contractor and the City Manager. Unless the parties expressly agree otherwise, each party shall bear its own costs and legal and expert fees incurred in the mediation, and evenly share the costs of the mediator. If after proceeding in good faith the parties, with the assistance of a neutral mediator, do not resolve the dispute within forty-five (45) days following the original written notice of any Dispute, the parties may proceed in accordance with Section IX below.

SECTION IX **CONTROLLING LAW, MANDATORY VENUE, AND FEES AND EXPENSES**

A. After exhausting the procedures set forth above, either party may initiate litigation to resolve the dispute. The Law of the State of Texas shall control the Dispute. Venue is mandatory in in State courts located in Hidalgo County, Texas.

B. In the event of any litigation between the parties, the parties shall bear their own costs, including attorneys' fees and expenses.

SECTION X

INDEMNIFICATION

A. To the maximum extent allowed by law, Consultant agrees to and shall indemnify, hold harmless, and defend City, its officers, agents, and employees from any all claims, losses, causes of action and damages, suits and liability of every kind, including all expenses of litigation, court costs, and attorney's fees for injury to or death to any person or for damage to any property, arising out of or directly connected with the negligent or willful conduct of Consultant, its agents, officers and employees, carried out in furtherance of this Agreement.

B. Consultant agrees to assist City in defense of claims or litigation brought against the City related to this project, including any claims related to design or any other services provided by consultant regarding this agreement.

SECTION XI

LIMITATION OF LIABILITY

A. Consultant agrees to limit the City's liability arising from City's acts, errors, or omissions such that the total liability of City shall not exceed Consultant's total fees paid by the City to Consultant for the Services rendered pursuant to the Task Order which is the subject matter of the claim. Consultant agrees that City will not be liable for any indirect, incidental, special, or consequential punitive or multiple damages, including without limitation any damages resulting from loss of use, loss of business, loss of revenue, loss of profits, or loss of data, arising in connection with this Agreement, Consultant's performance of Services, or of any other obligations relating to this Agreement, even if City has been advised of the possibility of such damages. The foregoing limitation of liability shall apply to the maximum extent allowed by law for limitation of City's liability, regardless of the cause of action under which such damages are sought.

SECTION XII

AGREEMENT CONSTRUCTION

A. The headings of the Sections contained in this Agreement are for reference purposes only, and shall not affect the meaning or interpretation of this Agreement. The parties have been advised by counsel in connection with this Agreement. This Agreement shall be construed and interpreted in accordance with the plain meaning of its language, and not for or against either party, and as a whole, giving effect to all of the terms, conditions, and provisions of this Agreement. Nothing contained in this Agreement shall be deemed to confer any right or benefit on any person who is not a party to this Agreement.

SECTION XIII
NO PENDING LITIGATION

A. Consultant represents that there is no action, proceeding, inquiry, or investigation, at law or in equity, before any court, arbitrator, governmental or other board or official, pending to the best knowledge of Consultant threatened against or affecting the Consultant or any subsidiaries of the Consultant, questioning the validity or any action taken or to be taken by the Consultant in connection with the execution, delivery, and performance by the Consultant of this Agreement to which the Consultant may be a party or seeking to prohibit, restrain, or enjoin the execution, delivery, or performance by the Consultant hereof or thereof, where in an unfavorable decision, ruling, or finding (i) would adversely effect the validity or enforceability of, or the authority or ability of the Consultant to perform, its obligations under this Agreement to which the Consultant may be party or (ii) would have an adverse effect on the consolidated financial condition or results of operations of the Consultant or on the ability of the Consultant to conduct its business as presently conducted or as proposed or contemplated to be conducted.

SECTION XIV
SEVERABILITY

A. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION XV
NOTICE

A. Any notices to be given under this Agreement shall be in writing, (i) sent by registered or certified mail, postage prepaid, return receipt requested or (ii) sent by nationally recognized overnight courier (e.g. Federal Express) with electronic tracking, and addressed to such party as follows:

(a) Notices to the City:

City of Edinburg
415 W. University Drive
Edinburg, Texas 78539
Attn.: City Manager

With a copy to:

City of Edinburg
415 W. University Drive
Edinburg, Texas 78539
Attn.: City Attorney

(b) Notices to Consultant:

900 S. Steward Rd, Ste 4
Mission, Texas 78572
Attn.: Aisha Gonzalez

B. Such Notices shall be deemed delivered (i) in the case of U.S. mail in the manner provided above, three (3) business days after posting or (ii) if sent by nationally recognized overnight courier with electronic tracking service, the next business day after depositing same with such overnight courier before the overnight deadline and if deposited with such courier after such deadline, then the next succeeding business day.

SECTION XVI **NON-APPROPRIATIONS**

A. Notwithstanding anything in the Agreement to the contrary, any and all payments which the City is required to make under this Agreement shall be subject to annual appropriation or other availability of funds, as certified by the Director of Finance.

B. If the City cannot appropriate sufficient funding, then either party has the right to terminate the Agreement by providing ten (10) days' written notice to the other party.

SECTION XVII **SUCCESSORS AND ASSIGNS**

City and Consultant each bind themselves, their partners, successors, executors, administrators, and assigns to the other party of the Agreement in respect to all covenants of this Agreement. Neither City nor Consultant shall assign, sublet, or transfer interest in this Agreement without written consent of the other.

SECTION XIX **CONFLICT OF TERMS**

If any of the terms of this Agreement conflict in any respect with any of the terms of the attached Exhibits or any current or future Job Task Orders, the terms of this Agreement shall be controlling.

SECTION XX **NO WAIVERS OR ACCORD AND SATISFACTION**

A. This Agreement may be amended only by written instrument signed by all parties.

B. No failure or delay of any Party, in any one or more instances (i) in exercising any power, right, or remedy under this Agreement or (ii) in insisting upon the

strict performance by the other Party of such other Party's covenants, obligations, or agreements under this Lease, shall operate as a waiver, discharge, or invalidation thereof, nor shall any single or partial exercise of any such right, power, or remedy or insistence on strict performance, or any abandonment or discontinuance of steps to enforce such a right, power, or remedy or to enforce strict performance, preclude any other or future exercise thereof or insistence thereupon or the exercise of any other right, power, or remedy. The covenants, obligations, and agreements of a defaulting Party and the rights and remedies of the other Party upon a default shall continue and remain in full force and effect with respect to any subsequent breach, act, or omission.

C. Without limiting the generality of the above, the receipt by City of any Services with knowledge of a breach by Consultant of any covenant, obligation, or agreement under this Agreement shall not be deemed or construed to be a waiver of such breach. No acceptance of Services or payment to Consultant shall be deemed to be other than on account of the earliest installment of the amounts due under this Agreement, nor shall any endorsement or statement on any check, or any letter accompanying any check, wire transfer or other payment, be deemed an accord and satisfaction. City may accept services or make payment without prejudice to its rights under this Agreement or pursue any remedy provided in this Agreement or provided otherwise by law or equity.

Section XXI

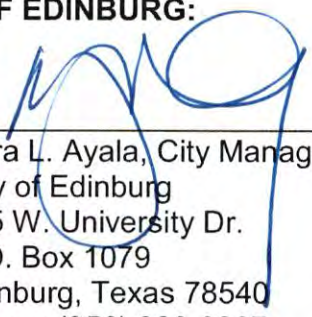
Notice of Governing Law for State and Federal Grant Projects

The Consultant agrees to abide by all applicable laws and regulations and to make all applicable records and other documentary data available at any time for the purpose of an audit and to ensure compliance with relevant State and federal laws, including but not entirely limited to, those provisions found any future Job Task Orders.

EXECUTED by the parties in triplicate originals on this 1st day of October 2022.

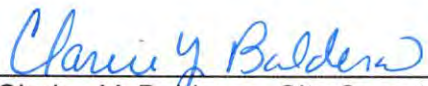
CITY OF EDINBURG:

BY: _____


Myra L. Ayala, City Manager
City of Edinburg
415 W. University Dr.
P.O. Box 1079
Edinburg, Texas 78540
Phone: (956) 388-8207
Fax: (956) 383-7111

ATTEST:

BY: _____


Clarice Y. Balderas, City Secretary



APPROVED AS TO FORM:

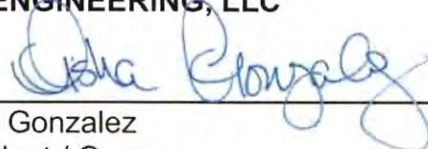
Omar Ochoa Law Firm, P.C.

BY: _____


Omar Ochoa, City Attorney

B2Z ENGINEERING, LLC

BY: _____


Aisha Gonzalez
President / Owner
900 S. Stewart Rd, Ste. 4
Mission, Texas 78572
Phone: (956) 585-3773
Email: Aisha@B2ZEng.com

Attachments: Exhibit "A" RFQ 2020-008, Scope of Services and Proposal
Exhibit "B" Insurance
Exhibit "C" Fee Schedule

**EXHIBIT "A" TO AGREEMENT BETWEEN THE CITY OF EDINBURG AND B2Z
ENGINEERING, LLC FOR GEOTECHNICAL ENGINEERING SERVICES PURSUANT
TO RFQ NO. 2022-008**

REQUEST FOR QUALIFICATIONS (RFQ)

FOR

RFQ #2022-008 GEOTECHNICAL ENGINEERING SERVICES

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REQUEST FOR STATEMENT OF QUALIFICATIONS

The City of Edinburg is soliciting sealed request for statement of qualifications; hereinafter referred to as RFQ, to be received by the City Secretary's Office located at 415 W. University Drive, Edinburg, Texas 78541. City of Edinburg normal business days are Monday through Friday between the hours of 8:00 a.m. to 5:00 p.m. and shall be closed on recognized holidays.

RFQ'S will be received until 3:00 p.m. Central Time, on **Tuesday, August 2, 2022**, shortly thereafter all submitted RFQ'S will be gathered and taken to the Edinburg City Hall Community Room, 1st Floor, to be publicly opened and read aloud. Any RFQ received after the closing time will not be accepted and will be returned to the submitter unopened. It is the responsibility of the submitter to see that any RFQ submitted shall have sufficient time to be received by the City Secretary's Office prior to the RFQ opening date and time. The receiving time in the City Secretary's Office will be the governing time for acceptability of the RFQ's. RFQ's will not be accepted by telephone or facsimile machine. All RFQ'S must bear original signatures and figures. The RFQ shall be for:

RFQ # 2022-008 GEO-TECHNICAL ENGINEERING SERVICES

Respondents receiving a "NOTICE TO RESPONDENTS" and/or "REQUEST FOR STATEMENT OF QUALIFICATIONS" notice in the mail or reading same in the newspaper are advised that the solicitation documents can be downloaded from the City of Edinburg web page address: www.cityofedinburg.com, or may obtain copies of same by contacting the office of: LORENA FUENTES, PURCHASING AGENT, LOCATED AT 415 W. UNIVERSITY DRIVE, EDINBURG, TX 78541 by calling (956) 388-1895 Ext. 8972 or by e-mailing your request to the following e-mail address: lfuentes@cityofedinburg.com

If you have any questions or require additional information regarding this RFQ, please contact **Mr. Mardoqueo Hinojosa, P.E., CFM, CPM, City Engineer**, at (956) 388-8211.

Hand Delivered RFQ'S:

415 W. University Drive
C/o City Secretary Department
(1st Floor)

If using Land Courier (i.e. FedEx, UPS):

City of Edinburg
C/o City Secretary
415 W. University Drive
Edinburg, Texas 78541

If Mailing Proposals:

City of Edinburg
C/o City Secretary
P.O. Box 1079
Edinburg, Texas 78540-1079

The City of Edinburg reserves the right to refuse and reject any or all RFQ's and to waive any or all formalities or technicalities and to accept the RFQ deemed most advantageous to the City, and hold the RFQ's for a period of 90 days without taking action.

RFQ's must be submitted in an envelope sealed with tape and prominently marked on the lower left hand corner of the envelope with corresponding RFQ number and title.

Please read your requirements thoroughly and be sure that the RFQ offered complies with all requirements/specifications noted. Any variation from the solicitation requirements/specifications must be clearly indicated by letter, on a point by point basis, attached to and made a part of your RFQ. If no exceptions are noted, and you are the successful respondent, it will be required that the service(s) be provided as specified.

PURPOSE

The purpose of these solicitation documents is to execute a Professional Services Contract for:

RFQ # 2022-008 GEOTECHNICAL ENGINEERING SERVICES

INTENT

The services to be provided under this RFQ shall be in accordance with and shall meet all specifications and/or requirements as shown in this solicitation for RFQ. There is no intention to disqualify any respondent who can meet the requirements.

SUBMITTAL OF RFQ

RFQs shall be submitted in sealed envelopes as called referenced on the attached solicitation. Six (6) complete sets of the response One (1) original marked "**ORIGINAL**," and Five (5) **COPIES** marked. In addition, a **USB** with a PDF file of response must be provided. RFQs submitted by facsimile (fax) or electronically shall **NOT** be accepted. Submittal of an RFQ in response to this solicitation constitutes an offer by the respondent. Once submitted, RFQ's become the property of the City of Edinburg and as such the City reserves the right to use any ideas contained in any RFQ regardless of whether that respondent/firm is selected. Submission of a RFQ in response to this solicitation, by any respondent, shall indicate that the respondent(s) has/have accepted the conditions contained in the RFQ, unless clearly and specifically noted in the RFQ submitted and confirmed in the contract between the City and the successful respondent otherwise. RFQs which do not comply with these requirements may be rejected at the option of the City. RFQs must be filed with the City of Edinburg before the deadline day and hour. No late RFQs will be accepted. They will be returned to respondent unopened (if properly identified). Failure to meet RFQ requirements may be grounds for disqualification.

Hand Delivered RFQ'S:

415 W. University Drive
C/o City Secretary Department (1st Floor)

If using Land Courier (i.e.FedEx, UPS):

City of Edinburg
C/o City Secretary
415 W. University Drive
Edinburg, Texas 78541

If Mailing RFQ's:

City of Edinburg
C/o City Secretary

P.O. Box 1079
Edinburg, Texas 78540-1079

TIME ALLOWED FOR ACTION TAKEN

The City of Edinburg may hold RFQ/s 90 days after deadline without taking action. Respondents are required to hold their RFQ/s firm for same period of time.

RIGHT TO REJECT/AWARD

The City of Edinburg reserves the right to reject any or all RFQs, to waive any or all formalities or technicalities, and to make such awards of contract as may be deemed to be the best and most advantageous to the City of Edinburg.

ASSIGNMENT

Respondents are advised that the City of Edinburg shall not allow the successful respondent to sell, assign, transfer, or convey any part of any contract resulting from this RFQ in whole or in part, to a third party without the written approval of the City of Edinburg.

AWARD

Respondents are advised that the City of Edinburg is soliciting RFQs and award shall be made to the respondent that in the opinion of the City of Edinburg is the best qualified.

NUMBER OF CONTRACTS

THE CITY reserves the right to award one, more than one, or no contract(s) in response to this RFQ.

STATUTORY REQUIREMENTS

It shall be the responsibility of the successful respondent to comply with all applicable State & Federal laws, Executive Orders and Municipal Ordinances, and the Rules and Regulations of all authorities having jurisdiction over the work to be performed hereunder and such shall apply to the contract throughout, and that they will be deemed to be included in the contract as though written out in full in the contract documents.

ALTERATIONS/AMENDMENTS TO RFQ

RFQ **CANNOT** be altered or amended after opening time. Alterations made before opening time must be initialed by respondent guaranteeing authenticity. No RFQ may be withdrawn after opening time without acceptable reason in writing and only after approval by the City of Edinburg.

NO RESPONSE TO RFQ

If unable to submit a RFQ, respondent should return inquiry giving reasons.

LIST OF EXCEPTIONS

The respondent shall attach to his/her RFQ a list of any exceptions to the specifications/ requirements.

PAYMENT

The City of Edinburg will execute payment by mail in accordance with the State of Texas Pay Law after SERVICES have been completed, introduced to the City, and found to meet City of Edinburg specifications/requirements. No other method of payment will be considered.

SYNONYM

Where in this solicitation package SERVICES is used, its meaning shall refer to the request for qualifications **GEOTECHNICAL SERVICES** as specified.

RESPONDENT'S EMPLOYEES

Neither the Respondent nor his/her employees engaged in fulfilling the terms and conditions of this Service Contract shall be considered employees of the City. The method and manner of performance of such undertakings shall be under the exclusive control of the vendor on contract. The City shall have the right of inspection of said undertakings at any time.

INDEMNIFICATION CLAUSE

The Respondent agrees to indemnify and save harmless the City, from all suits and actions of every nature and description brought against them or any of them, for or on account of the use of patented appliances, products or processes, and he shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request of the Purchasing Agent, as a necessary requirement in connection with the final estimate for payment in which such patented appliance, products or processes are used

INTERPRETATIONS

Any questions concerning the project and/or specifications/requirements with regards to this solicitation for statement(s) of qualifications shall be directed to the designated individuals as outlined in the RFQ. Such interpretations, which may affect the eventual outcome of this request for statements of qualifications, shall be furnished in writing to all prospective Respondents via Addendum. No interpretation shall be considered binding unless provided in writing by the City of Edinburg in accordance with paragraph entitled **"Addenda and Modifications"**.

VERBAL THREATS

Any threats made to any employee of the City, be it verbal or written, to discontinue the providing of item/material/services for whatever reason and/or reasons shall be considered a breach of contract and the City will immediately sever the contract with the Respondent/Consultant on contract.

CONFIDENTIAL INFORMATION

Any information deemed to be confidential by the respondent should be clearly noted on the pages where confidential information is contained; however, the City cannot guarantee that it will not be compelled to disclose all or part of any public record under Texas Public Information Act, since information deemed to be confidential by the respondent may not be considered confidential under Texas Law, or pursuant to a Court order.

PAST PERFORMANCE

Respondent's past performance shall be taken into consideration in the evaluation of RFQ submittal.

JURISDICTION

Contract(s) executed as part of this solicitation shall be subject to and governed under the laws of the State of Texas. Any and all obligations and payments are due and performable and payable in Hidalgo County, Texas.

RIGHT TO AUDIT

The City of Edinburg reserves the right to audit the vendor's books and records relating to the performance of this contract. The City of Edinburg, at its own expense, shall have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours' advance notice, to audit, to examine, and to make copies of or extracts from the books of account and records maintained by the vendor(s) with respect to the Supply/Service and/or Purchase Contract. If such audit shall disclose overpayment by City to vendor, written notice of such overpayment shall be provided to the vendor and the amount of overpayment shall be promptly reimbursed by vendor to the City. In the event any such overpayment is not paid within five (5) business days after receipt of such notice, the unpaid amount of such overpayment shall bear interest at the rate of one percent (1%) per month from the date of such notice until paid.

VENUE

The parties agree that venue for purposes of any and all lawsuits, cause of action, arbitration, and/or any other dispute(s) shall be in Hidalgo County, Texas.

IF YOU HAVE ANY QUESTIONS ABOUT COMPLIANCE, PLEASE CONSULT YOUR OWN LEGAL COUNSEL. COMPLIANCE IS THE INDIVIDUAL RESPONSIBILITY OF EACH PERSON OR AGENT OF A PERSON WHO IS SUBJECT TO THE FILING REQUIREMENT. AN OFFENSE UNDER CHAPTER 176 IS A CLASS "C" MISDEMEANOR.

CONFLICT OF INTEREST

CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Edinburg not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. For more information or to obtain Questionnaire CIQ visit the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

CERTIFICATE OF INTERESTED PARTIES (Form 1295)

(25) In 2015, the Texas Legislature adopted [House Bill 1295](#), which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016. For more information go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

CONFIDENTIALITY OF INFORMATION AND SECURITY

Should the successful respondent become the holder of and have access to confidential information in the process of fulfilling its responsibilities in connection with an awarded contract the successful respondent agrees that it shall keep such information confidential and will comply fully with the laws and regulations of the State of Texas, ordinances and regulations of the City, and any applicable federal laws and regulations relating to confidentiality.

TERMINATION OF CONTRACT

The City of Edinburg reserves the right to terminate the contract if, in the opinion of the City of Edinburg, the successful vendor's performance is not acceptable, no funds are available, or if the City wishes, without cause, to discontinue this contract. Termination will be in written form allowing a 30-day notice.

RESPONSE DEADLINE

Responses to the RFQ must be addressed to Mr. Mardoqueo Hinojosa, P.E., CFM, CPM, City Engineer, City of Edinburg, 415 W. University Drive by **August 2, 2022 until 3:00 p.m.** for consideration. An original and Five (5) **COPY** sets of the response must be submitted no later than this date and time in a **sealed envelope** indicating that its contents are in response to the RFQ for **"RFQ #2022-008 GEOTECHNICAL ENGINEERING SERVICES"**. In addition, a **USB with a PDF file of response must be provided**. Respondents are advised that all confidential records must be submitted in a separate sealed envelope and marked accordingly.

Hand Delivered RFQ's:

415 W. University Drive
C/o City Secretary Department (1st Floor)

If using Land Courier (i.e.FedEx, UPS):

City of Edinburg
C/o City Secretary
415 W. University Drive
Edinburg, Texas 78541

If Mailing RFQs:

City of Edinburg
C/o City Secretary
P.O. Box 1079
Edinburg, Texas 78540-1079

ADDENDA AND MODIFICATIONS

Any changes, additions, or clarifications to the RFQ are made by amendments (addenda). Any respondent in doubt as to the true meaning of any part of the RFQ or other documents may request an interpretation from the Purchasing Division. At the request of the respondent, or in the event the Purchasing Division deems the interpretation to be substantive, the interpretation will be made by written addendum. Said Addenda shall be mailed, e-mailed, hand delivered and/or faxed, to all prospective respondents. All Addenda issued in respect to this RFQ shall be considered official changes to the original documents. Verbal statements in response to inquiries and/or requests for explanations shall not be authoritative or binding. It shall be the respondent's responsibility to ensure that they have received all Addenda in respect to this project. Furthermore, respondents are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their RFQ Submittal. Respondent(s) signature on Addenda shall be interpreted as the respondent's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original solicitation documents. Failure of any respondent to receive any such addendum or interpretation shall not relieve such respondent from its terms and requirements. Addendums are available online at www.cityofedinburg.com.

RFQ PREPARATION COSTS

The City of Edinburg shall not be held liable for any costs incurred by any respondent for work performed in the preparation of and production of a RFQ or for any work performed prior to execution of contract.

EQUAL EMPLOYMENT OPPORTUNITY

Respondent agrees that they will not discriminate in hiring, promotion, treatment, or other terms and conditions of employment based on race, sex, national origin, age, disability, or in any way violate Title VII of

1964 Civil Rights Act and amendments, except as permitted by said laws.

AUTHORIZATION TO BIND RESPONDENT TO RFQ

RFQs MUST give full firm name and address of respondent, and be manually signed. Failure to do so will disqualify your RFQ. Person signing bid must show title or AUTHORITY TO BIND HIS/HER FIRM IN A CONTRACT. Firm name and authorized signature must appear on each page that calls for this information. The legal status of the Respondent whether corporation, partnership, or individual, shall also be stated in the RFQ. A corporation shall execute the RFQ by its duly authorized officers in accordance with its corporate by-laws and shall also list the state in which it is incorporated. A partnership Respondent shall give full names and addresses of all partners. All partners shall execute the RFQ. Partnership and Individual Respondent shall state in the proposal the names and addresses of all persons with a vested interest therein. The place of residence of each Respondent, or the office address in the case of a firm or company, with county and state and telephone number, shall be given after the signature.

Confidential Information Respondents are advised that all confidential records must be submitted in a separate sealed envelope and marked accordingly.

GENERAL

The City of Edinburg's Department of Engineering is currently seeking to retain a rotation list of qualified professional Geotechnical Engineering firms to provide Geotechnical Engineering and Material Testing. The term of the contract will be two (2) years from 10/01/2022 – 09/30/2024. The services request is to provide the following services: Geotechnical Engineering, Construction Materials Testing and Engineering, and Environmental Services of any and all City Projects. It is anticipated that Geotechnical Engineering firms will lead full teams of engineers and or related consultants as needed for each project. This document outlines the requirements, selection process and documentation necessary to submit to this Request for Qualifications (RFQ).

SCOPE OF SERVICES

The selected firm(s) will report to, and operate under, the direction of City of Edinburg's Department of Engineering staff. Must have a Texas Licensed Professionals with superior background, training, and qualifications meeting all requirements of this RFQ, Registered or licensed in the State of Texas. The scope of services required by this RFQ may include some or all of the following services:

1. Geotechnical:

- A. Slab on Grade Foundation Evaluation and Recommendation
- B. Special Construction Details for Removal of Ground or Surface Water, Existence of Expansive Clay, Hydrostatic Pressure, etc.
- C. Site Work
- D. Retention Systems
- E. Field Exploration
- F. Laboratory Testing
- G. Analysis and Reports
- H. Other Geotechnical Evaluation
- I. Environmental Reports

2. Construction Materials Testing:

- A. Plans Review
- B. Earthwork Services
- C. Density Testing
- D. Post Construction Services
- E. Foundation Inspection Services
- F. Concrete Services
- G. Structural Steel Services
- H. Other Laboratory Construction Testing for Infrastructure and/or Building Projects.

All qualified firms or persons shall have current licenses as required under the State of Texas for the provisions of services requested for the City of Edinburg.

CONTRACT

A sample Professional Services Agreement is attached for review of all firms submitting an RFQ. Each firm must carefully review all sections and pay special attention to the indemnity and insurance portions of the agreement. Insurance requirements are included in the Agreement and they must be satisfied prior to the execution of the Agreement. Note that the City does not ordinarily allow modifications to the standard agreement.

PAYMENT

The method of payment to the selected firms shall be on a time-and-material basis. This amount shall include labor, overhead, profit and expenses including transportation, communications, and materials. Progress payments will be based on actual hours and contract hourly rates charged to a particular task on a monthly basis. Each invoice submitted to the City for payment shall contain a brief description of the work billed on that invoice, total billed to date, total paid to date and amount remaining.

SUBMITTAL REQUIREMENTS

Geotechnical Engineering Services Request for Qualifications (RFQ) is requested to be submitted to the **City Secretary's Office at 415 W. University Dr. Edinburg, Texas 78541 no later than 3:00 PM on August 2, 2022.**

The RFQ must be submitted according to the instructions outlined herein. Each response should include, at a minimum, the following items not excluding the selection process criteria:

1. Transmittal letter – Indicate interest and commitment to perform services for the City of Edinburg, include contact information (physical address, telephone, fax, cell phone, and email address) for the primary person responsible for your RFQ who will be the point of contact for the City on all correspondence and communications pertaining to the RFQ. State whether any addendums to this RFQ have been received by your firm and whether consideration of their content has been included in your RFQ. The letter must be signed by an officer of the firm who is authorized to bind the firm to contract and shall contain a statement to this effect;
2. Firm Qualification and Experience – Discuss the firm's experience and history in performing engineering and project management services in a timely manner, particularly for other governmental agencies in the past five (5) years. Discuss the firm's uniqueness to best perform these services for the City. Identify the office location that will be providing the services and the approach to handling part-time staffing needs for smaller assignments.
3. Team Member Qualifications and Experience – Submit resumes summarizing qualifications and experience of project manager, key staff and any support staff likely to be assigned to the work.
4. References – Provide at least three references (names and current phone numbers) from recent work and List all past projects with the City of Edinburg for each proposed team member. Include a brief description of the projects associated with the reference, and the role of the individual.
5. Insurance - Provide information on the types and amounts of insurance carried by the PSP, including General Liability, Auto Coverage, Worker's Compensation, and Professional Liability Coverage. A list of any insurance claims against the firm within the past 5 years.
6. Professional Services Agreement – Provide a statement that the Professional Services Agreement has been read, that the firm will meet the prerequisite insurance requirements, and the firm, if selected, agrees to enter in to such agreement.
7. Contact Information – Each firm must submit the firms two (2) different contact information (Name, Title, Address, Phone Number, Mobile Number, and Email Address).
8. Presentation – Each firm must submit six (6), one (1) original and five (5) bound copies of the RFQ. In addition, a USB with a PDF file of response must be provided.

SELECTION PROCESS

Evaluation will include confirmation by City Staff that respondents have the required registration, license, insurance or expertise to render requested services. The evaluation process is not intended to select one best qualified provider but rather shall include several similarly qualified providers that will be placed on a pre-qualified list.

The selection Committee shall screen and rate all of the respondents that are submitted. Selection ratings will be based on 100-point scale rating and shall be based on the following criteria.

a.	Overall Qualification of Team	40 points
b.	Previous Experience with City	10 points
c.	Ability to meet Schedules and Deadlines	30 points
d.	Stability and References	15 points
e.	Presentation	5 points

The City may select one (1) or more firms to provide services based on this evaluation. This process will result in the selection of a firm or firms to provide services. The City reserves the right to reject any and all RFQ's for any reason whatsoever. The City may waive informalities or irregularities in the RFQ's received where such is merely a matter of form and not substance, and the correction or waiver thereof is deemed by the City not prejudicial to other RFQ's.

After the selection of the most qualified firm(s), scope of services and billing rates will be negotiated and used as attachments to the City's Professional Services Agreement. This Agreement will then be submitted to the City Council for approval. If the City and the selected firm cannot successfully negotiate an agreement, then the City will enter into negotiations with the next best qualified firm on the evaluation rating list. This procedure may be repeated until one (1) or more firms has been selected and approved by the City Council.

The City currently anticipates conducting the selection process proceeding in accordance with the following list of milestones. This schedule is subject to revision and the City reserves the right to modify this schedule as necessary, in its sole discretion.

RFQ Issued	July 15, 2022
Publish RFQ	July 15 & 22, 2022
RFQ Submission Deadline (Post Marked or Delivered)	August 2, 2022
RFQ Review	August 3 – 8, 2022
City Council Selects Firm(s)	August 16, 2022

CITY CONTACT

If you should have any questions regarding the preparation of the RFQ contact Mr. Mardoqueo Hinojosa, P.E., CFM, CPM, City Engineer at (956) 388-8211 or mhinojosa@cityofedinburg.com.

Responses to the RFQ must be addressed to City Secretary's Office, City of Edinburg, and received at City Hall, at 415 W. University Drive, Edinburg, Texas 78541 by **August 2, 2022 and no later than 3:00 pm**. Six (6) complete sets of the response no larger than 30 bound pages must be submitted no later than this date and time (cover and index sheets excluded from 30 page count). In addition, a USB with a PDF file of

response must be provided. In addition, a USB with a PDF file of response must be provided. The RFQ is to be placed in a sealed envelope indicating that its contents are in response to the Request for Qualifications for the **GEOTECHNICAL ENGINEERING SERVICES**.

STATE OF TEXAS §
COUNTY OF HIDALGO §
CITY OF EDINBURG §

AGREEMENT BETWEEN THE
CITY OF EDINBURG AND
DISCIPLINE CONSULTANT FOR
PROFESSIONAL DISCIPLINE
SERVICES PURSUANT RFQ NO.
2022-0XX

The City of Edinburg, Hidalgo County, Texas, a municipal corporation, (hereinafter "City") and FIRM NAME, Inc (hereinafter "Consultant"), are the parties to this Agreement.

RECITALS

WHEREAS, City has authorized staff to request proposals for the On-Call Professional Services, the Consultant shall provide for specific projects as may be requested by the City. Such services shall be defined, scheduled, and authorized in subsequent Task Orders. Services may include, but not be limited to Engineering, Project management services, and or other as-needed services as stated in Exhibit "A", and

WHEREAS, Consultant has the professional knowledge and abilities to perform the professional engineering and project management services; and

WHEREAS, City desires to engage Consultant to render services in connection therewith:

NOW, THEREFORE, City and Consultant do mutually agree as follows:

SECTION I
EMPLOYMENT OF CONSULTANT

A. City agrees to employ Consultant to furnish and provide the Services, as stated in this agreement and **Exhibit "A"**. Upon receipt of Services to the City's satisfaction, the City agrees to pay Consultant as stated in this Agreement.

SECTION II
SERVICES OF CONSULTANT

A. The Consultant shall, in the scope of his work, perform the Services identified in **Exhibit "A"** of this document. City shall provide Consultant with authorization to proceed, after execution of this Agreement.

B. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint either party as an agent of the other for any

purpose whatsoever. Except as otherwise specifically provided herein, neither party shall in any way assume any of the liability of the other for acts of the other or obligations of the other.

SECTION III **RESPONSIBILITY OF THE CITY**

- A. City will facilitate Consultant's work with the following tasks:
1. Provide Consultant with its requirements for the Services.
 2. Assist Consultant by providing information reasonably available to the City and pertinent to the Services.
 3. Facilitate access to and make provisions for Consultant to enter upon public property as reasonably required for Consultant to perform its Services.
 4. Examine all reports, sketches, estimates, drawings, proposals, and other documents presented by Consultant and render in writing decisions pertaining thereto within a reasonable time so as not to delay the Services of the Consultant.
 5. Give prompt written notice to Consultant whenever City observes or otherwise becomes aware of any defect in Services.
 6. City's representative with respect to interpretation and implementation of the Services and this Agreement will be the City Engineer or such other representative that the City may appoint by written notice to Consultant with whom Consultant will communicate regarding all matters pertaining to this Agreement. Said representative will make all arrangements for consultation by Consultant with employees or designees of City. In addition, said representative shall have authority and responsibility to define and agree upon the scope and specification of the Services, require and receive reports regarding the progress of the Services, and terminate the performance of the Services or any phase thereof in accordance with the provisions of this Agreement.

SECTION IV **RESPONSIBILITIES OF CONSULTANT**

- A. Consultant shall perform the Services described in **Exhibits "A"**.
- B. Consultant shall perform its services with care, skill, and diligence, in accordance with the applicable professional standards currently recognized by its profession, and shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all reports, plans, information, and other items and Services furnished under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, ordinances, codes, and regulations in performing the

Services. If Consultant fails to meet applicable professional standards, Consultant shall without additional compensation correct or revise any errors or deficiencies, with or without request to do so by the City.

C. Consultant shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of Services furnished by Consultant under this Agreement. Consultant shall keep the City informed of the Services performed under this Agreement. In connection with the performance of the Services by Consultant, Consultant agrees to promptly and fully disclose to City any information regarding the Services as City may request.

D. Consultant will develop and maintain a detailed schedule for completion of the Services. The schedule will be a work plan showing activities to be performed and their sequence; and, in addition, activities will contain duration, manpower required, and estimated cost. A preliminary schedule shall be submitted to the City within ten (10) days after execution of a Job Task Order for review and establishment of the level of detail to be included.

E. Consultant will submit monthly progress data for the reporting period which will include the percentage complete and actual start date and actual finish date for all activities worked on by the Consultant during the period. Any changes in delivery dates will be reported. Other information, such as actual hours expended, will be furnished monthly, or as requested, by the City. If requested by the City, schedule update meetings will be held to discuss the results of schedule analysis and necessary action to meet the requirements of the schedule.

F. Consultant shall perform Services necessary to accomplish the work specified in this Agreement, in accordance with this Agreement.

G. City's review or approval of reports, and other services furnished hereunder shall not in any way relieve Consultant of responsibility for the technical adequacy of the work. Neither City's review, approval, or acceptance of, nor payment for any of the Services shall be construed as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

H. Consultant shall be and shall remain liable, in accordance with applicable law, for all damages to City caused by Consultant's negligent performance of any of the Services furnished under this Agreement. Consultant shall not be responsible for any time-delays in the project caused by circumstances beyond Consultant's control.

I. Consultant's obligations under this clause are in addition to the Consultant's other expressed or implied obligations under this Agreement or state law and in no way diminish any other rights that City may have against Consultant for consultant's errors or omissions.

J. All reports, drawings, plans, and other documentation pertaining to the Services become the property of City.

SECTION V **PAYMENT AND FEES**

City agrees to pay Consultant for recommendations, reports, design, specifications, and such other services herein contracted for as follows:

A. City hereby agrees to pay a sum not to exceed that which is included in a specific Task Order and authorized by a Notice to Proceed, notwithstanding any contrary indications that may be contained in Consultant's proposal, for services to be performed and reimbursable costs incurred under this Agreement. City shall pay Consultant for services rendered on a lump sum basis pursuant to any specific Task Order and in the manner set forth therein. Consultant shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City in writing, Consultant shall not bill City for duplicate services performed by more than one person. Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

B. City is entitled to impose a set-off against payment based on any of the following:

a. Claims have been made against City based on Consultant's conduct in the performance or furnishing of Services, or City has incurred costs, losses, or damages resulting from Consultant's conduct in the performance or furnishing of Services, including but not limited to claims, costs, losses, or damages from workplace injuries, adjacent property damage, and non-compliance with Laws and Regulations;

b. Consultant has failed to take reasonable and customary measures to avoid damage, delay, disruption, and interference with Services and related work;

c. Consultant has failed to provide and maintain required insurance;

d. City has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible;

e. City has incurred extra charges or engineering costs related to submittal reviews, evaluations of proposed substitutes, tests and inspections, or return visits to manufacturing or assembly facilities;

f. Any Services are defective, requiring correction or replacement;

g. City has been required to correct defective Services or has accepted defective Services;

h. Liens have been filed in connection with the Services; or

i. Other items entitle City to a set-off against the payment amount.

C. If City imposes any set-off against payment, City will give Consultant immediate written notice stating the reasons for such action and the specific amount of the reduction, and promptly pay Consultant any amount remaining after deduction of the amount so withheld. City shall promptly pay Consultant the amount so withheld, or any adjustment thereto agreed to by City and Consultant, if Consultant remedies the reasons for such action. The reduction imposed will be binding on Consultant unless it duly submits written notice contesting the reduction within 30 days of receiving City's written notice.

D. All fees payable to Consultant under this Agreement shall be made in full, and without any withholding, deduction, or offset of any state or federal withholding taxes, FICA, SDI, or income taxes, nor shall the City be obligated to pay any of Consultant's employees' taxes. Consultant hereby covenants and agrees that it shall be solely responsible for all taxes, withholding, FICA, SDI, and other similar items (both employee and employer portions) with respect to all fees paid by the City under this Agreement, and agrees to indemnify and hold the City harmless with respect to such taxes and withholding.

E. Consultant and its employees shall not be eligible for, participate in, or be entitled to compensation in lieu of any insurance, benefit, retirement, or other plan or program provided by the City to its employees.

F. Consultant shall provide an invoice in accordance with City regulations. Payment terms shall be net thirty (30) days from receipt of invoice.

G. The City may, at any time, request Consultant to make changes within the scope of the Services or to perform extra work. If any request by the City for a change or extra work causes an increase or decrease in the cost or the time required for performance of the work, or any change to this Agreement, Consultant shall, within fourteen (14) days from the date it receives the City's request, unless the City Engineer grants additional time in writing, submit in writing a proposal for accomplishing such changed or extra work. This proposal shall define, if applicable, any increase or decrease in cost or time of completion or other change to this Agreement. The City must approve

any change orders, pursuant to the City's Code of ordinances and policies and procedures and any other applicable laws of this State, before making the changes. The City will not be liable for any costs incurred by Consultant from performance of a change or extra work prior to issuance of a change order to this Agreement.

H. The total contract price may not be increased because of the changes unless additional money for increased costs is appropriated for that purpose from available funds or is provided for by the authorization of the issuance of time warrants.

I. Prior to and as a condition of final payment to the Consultant following termination or expiration of this Agreement as defined below, the Consultant shall deliver to the City a release in form and substance satisfactory to the City, discharging it and its officers, agents, and employees of all liabilities, obligations, and claims arising out of this Agreement and the performance thereof.

SECTION VI

TERM OF AGREEMENT

A. Except as provided below, this Agreement, and the Services to be performed under it, shall commence on the date this Agreement is executed by both parties, and shall continue thereafter through and the earlier of (i) two (2) years from the date of execution or (ii) until the Services are declared complete in a written instrument signed by the City Engineer and the City Manager. The City shall have the right, in its sole discretion, to extend the term of this Agreement for an additional year upon approval from the City. If approved by City, City shall provide Consultant with a written notice of the approval of the extension.

B. City may terminate this Agreement upon giving 30 days' prior written notice thereof to Consultant. In addition, City shall have the right, upon written notice, to cancel this Agreement immediately if, in the City's sole judgment, the Services rendered by Consultant breach or violate any of the provisions of this Agreement.

C. Upon termination or completion of this Agreement, City shall have no liability to Consultant except for charges for Services performed by Consultant and accepted by the City prior to receipt of notice of termination or cancellation. The terms and conditions in this Agreement that by their sense and context are intended to survive the performance hereof by either or both parties hereunder shall so survive the termination, cancellation, or completion of performance of this Agreement.

D. Upon termination or completion of Consultant's Services hereunder or at such other time as may be requested by City, Consultant shall return to City within ten (10) days of termination, completion, or request all documents, records, notebooks, including copies thereof, whether prepared by Consultant or others, in Consultant's possession and related to the Services.

E. The City reserves the right to suspend work on the Services, with or without cause, in whole or in part, upon giving notice to Consultant. Consultant shall resume the Services so suspended when directed to do so by the City. The City shall have no liability to Consultant except for charges for Services performed by Consultant and accepted by the City prior to receipt of notice of suspension of Services. If only a portion of the Services are suspended, Consultant shall be compensated only for Services of which are not suspended and are actually performed during such suspension.

F. Upon termination of this Agreement or suspension of Services under this Section, the City may take over the work and may obtain the services of another entity to complete the work under this Agreement.

SECTION VII

MINIMUM INSURANCE REQUIREMENTS

Consultant shall be adequately insured and carry liability, workers compensation, automobile insurance and professional liability for injury to its employees and others incurring loss or injury as a result of the acts of Consultant or its employees. In accordance with City ordinances, Consultant shall be required to hold the following minimum insurance coverage throughout the duration of this agreement:

- A. Workers Compensation
In accordance with State statute.
- B. Comprehensive General Liability
 - 1. Bodily Injury
 - \$250,000 each person
 - \$500,000 each occurrence
 - 2. Property Damage
 - \$100,000 each occurrence
 - \$100,000 each aggregate

or \$500,000 combined single limits
- C. Comprehensive Auto Liability
 - 1. Bodily Injury
 - \$100,000 each person
 - \$500,000 each occurrence
 - 2. Property Damage
 - \$100,000 each occurrence
 - \$100,000 aggregate

or \$500,000 combined single limits
- D. City's Protective Liability

1. Bodily Injury
\$250,000 each person
\$500,000 each occurrence
2. Property Damage
\$100,000 each occurrence
\$100,000 each aggregate

or \$500,000 combined single limits

E. Professional Liability

1. Professional
\$1,000,000 per claim and in the aggregate

F. Evidence of the above insurance coverage is attached as Exhibit "B" and the City of Edinburg shall be listed as an additional insured.

G. If at any time and for any reason Consultant fails to provide, maintain, keep in force and effect, or deliver to the City proof of, any of the insurance required and such failure continues for ten (10) days after Notice thereof from City to Consultant, City may, but shall have no obligation to, procure single interest insurance for such risks covering City (or, if no more expensive, the insurance required by this Agreement), and Consultant shall, within ten (10) days following City's demand and Notice, pay and reimburse City therefor with interest at Prime Rate plus 2%, the Prime Rate being that in place on the date of Notice, from the date of payment by the City until repayment of City in full by Consultant.

H. With respect to each and every one of the insurance policies required to be obtained, kept, or maintained under the terms of this Agreement, on or before the date on which each such policy is required to be first obtained and at least fifteen (15) days before the expiration of any policy required hereunder previously obtained, Consultant shall deliver evidence reasonably acceptable to City showing that such insurance is in full force and effect.

I. Consultant hereby agrees as follows:

1. To punctually pay or cause to be paid all premiums and other sums payable under each insurance policy required to be obtained, kept, and maintained pursuant to this Lease;
2. To maintain in full force and effect the policies required to be carried to the extent so required to be carried pursuant to the terms hereof;
3. To ensure that all Casualty Proceeds are paid to the Party entitled to receive same;

4. Not, at any time, to take any action (or omit to take action) which action (or omission) would cause any insurance policies required to be obtained, kept, and maintained under this Lease to become void, voidable, unenforceable, suspended, or impaired in whole or in part or which would otherwise cause any sum paid out under any such insurance policy to become repayable in whole or in part; and

5. Promptly deliver Notice to City of any facts or circumstances of which it is aware which, if not disclosed to its insurers or re-insurers, is likely to affect adversely the nature or extent of the coverage to be provided under any insurance policy required hereunder.

SECTION VIII **ALTERNATE DISPUTE RESOLUTION/NEUTRAL PARTY**

A. If any dispute, controversy, or claim between or among the Parties arises under this Agreement or is related in any way to this Agreement or the relationship of the Parties hereunder (a "Dispute"), the Parties shall first attempt in good faith to settle and resolve such Dispute by meeting at a mutually agreeable time and place to discuss the Dispute within seven (7) days following the original written notice of any Dispute by the party making such a claim. The Parties shall seek to resolve the Dispute in writing within fourteen (14) days following the original written notice of any Dispute by the party making such a claim.

B. If a mutual resolution and settlement are not obtained at the meeting, the Parties shall participate in good faith in formal mediation, within thirty (30) days following the original written notice of any Dispute, with a mutually agreeable mediator at a mutually agreeable time and place. No settlement reached under this provision shall be binding on the Parties until reduced to a writing signed by a representative of Contractor and the City Manager. Unless the parties expressly agree otherwise, each party shall bear its own costs and legal and expert fees incurred in the mediation, and evenly share the costs of the mediator. If after proceeding in good faith the parties, with the assistance of a neutral mediator, do not resolve the dispute within forty-five (45) days following the original written notice of any Dispute, the parties may proceed in accordance with Section IX below.

SECTION IX **CONTROLLING LAW, MANDATORY VENUE, AND FEES AND EXPENSES**

A. After exhausting the procedures set forth above, either party may initiate litigation to resolve the dispute. The Law of the State of Texas shall control the Dispute. Venue is mandatory in in State courts located in Hidalgo County, Texas.

B. In the event of any litigation between the parties, the parties shall bear their own costs, including attorneys' fees and expenses.

SECTION X

INDEMNIFICATION

A. To the maximum extent allowed by law, Consultant agrees to and shall indemnify, hold harmless, and defend City, its officers, agents, and employees from any all claims, losses, causes of action and damages, suits and liability of every kind, including all expenses of litigation, court costs, and attorney's fees for injury to or death to any person or for damage to any property, arising out of or directly connected with the negligent or willful conduct of Consultant, its agents, officers and employees, carried out in furtherance of this Agreement.

B. Consultant agrees to assist City in defense of claims or litigation brought against the City related to this project, including any claims related to design or any other services provided by consultant regarding this agreement.

SECTION XI

LIMITATION OF LIABILITY

A. Consultant agrees to limit the City's liability arising from City's acts, errors, or omissions such that the total liability of City shall not exceed Consultant's total fees paid by the City to Consultant for the Services rendered pursuant to the Task Order which is the subject matter of the claim. Consultant agrees that City will not be liable for any indirect, incidental, special, or consequential punitive or multiple damages, including without limitation any damages resulting from loss of use, loss of business, loss of revenue, loss of profits, or loss of data, arising in connection with this Agreement, Consultant's performance of Services, or of any other obligations relating to this Agreement, even if City has been advised of the possibility of such damages. The foregoing limitation of liability shall apply to the maximum extent allowed by law for limitation of City's liability, regardless of the cause of action under which such damages are sought.

SECTION XII

AGREEMENT CONSTRUCTION

A. The headings of the Sections contained in this Agreement are for reference purposes only, and shall not affect the meaning or interpretation of this Agreement. The parties have been advised by counsel in connection with this Agreement. This Agreement shall be construed and interpreted in accordance with the plain meaning of its language, and not for or against either party, and as a whole, giving effect to all of the terms, conditions, and provisions of this Agreement. Nothing contained in this Agreement shall be deemed to confer any right or benefit on any person who is not a party to this Agreement.

SECTION XIII
NO PENDING LITIGATION

A. Consultant represents that there is no action, proceeding, inquiry, or investigation, at law or in equity, before any court, arbitrator, governmental or other board or official, pending to the best knowledge of Consultant threatened against or affecting the Consultant or any subsidiaries of the Consultant, questioning the validity or any action taken or to be taken by the Consultant in connection with the execution, delivery, and performance by the Consultant of this Agreement to which the Consultant may be a party or seeking to prohibit, restrain, or enjoin the execution, delivery, or performance by the Consultant hereof or thereof, where in an unfavorable decision, ruling, or finding (i) would adversely effect the validity or enforceability of, or the authority or ability of the Consultant to perform, its obligations under this Agreement to which the Consultant may be party or (ii) would have an adverse effect on the consolidated financial condition or results of operations of the Consultant or on the ability of the Consultant to conduct its business as presently conducted or as proposed or contemplated to be conducted.

SECTION XIV
SEVERABILITY

A. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION XV
NOTICE

A. Any notices to be given under this Agreement shall be in writing, (i) sent by registered or certified mail, postage prepaid, return receipt requested or (ii) sent by nationally recognized overnight courier (e.g. Federal Express) with electronic tracking, and addressed to such party as follows:

(a) Notices to the City:

City of Edinburg
415 W. University Drive
Edinburg, Texas 78539
Attn.: City Manager

With a copy to:

City of Edinburg
415 W. University Drive
Edinburg, Texas 78539
Attn.: City Attorney

(b) Notices to Consultant:

xxx E. Address, Suite 1
Edinburg, Texas 78542
Attn.: Mr., P.E.

B. Such Notices shall be deemed delivered (i) in the case of U.S. mail in the manner provided above, three (3) business days after posting or (ii) if sent by nationally recognized overnight courier with electronic tracking service, the next business day after depositing same with such overnight courier before the overnight deadline and if deposited with such courier after such deadline, then the next succeeding business day.

SECTION XVI **NON-APPROPRIATIONS**

A. Notwithstanding anything in the Agreement to the contrary, any and all payments which the City is required to make under this Agreement shall be subject to annual appropriation or other availability of funds, as certified by the Director of Finance.

B. If the City cannot appropriate sufficient funding, then either party has the right to terminate the Agreement by providing ten (10) days' written notice to the other party.

SECTION XVII **SUCCESSORS AND ASSIGNS**

City and Consultant each bind themselves, their partners, successors, executors, administrators, and assigns to the other party of the Agreement in respect to all covenants of this Agreement. Neither City nor Consultant shall assign, sublet, or transfer interest in this Agreement without written consent of the other.

SECTION XIX **CONFLICT OF TERMS**

If any of the terms of this Agreement conflict in any respect with any of the terms of the attached Exhibits or any current or future Job Task Orders, the terms of this Agreement shall be controlling.

SECTION XX **NO WAIVERS OR ACCORD AND SATISFACTION**

A. This Agreement may be amended only by written instrument signed by all parties.

B. No failure or delay of any Party, in any one or more instances (i) in exercising any power, right, or remedy under this Agreement or (ii) in insisting upon the

strict performance by the other Party of such other Party's covenants, obligations, or agreements under this Lease, shall operate as a waiver, discharge, or invalidation thereof, nor shall any single or partial exercise of any such right, power, or remedy or insistence on strict performance, or any abandonment or discontinuance of steps to enforce such a right, power, or remedy or to enforce strict performance, preclude any other or future exercise thereof or insistence thereupon or the exercise of any other right, power, or remedy. The covenants, obligations, and agreements of a defaulting Party and the rights and remedies of the other Party upon a default shall continue and remain in full force and effect with respect to any subsequent breach, act, or omission.

C. Without limiting the generality of the above, the receipt by City of any Services with knowledge of a breach by Consultant of any covenant, obligation, or agreement under this Agreement shall not be deemed or construed to be a waiver of such breach. No acceptance of Services or payment to Consultant shall be deemed to be other than on account of the earliest installment of the amounts due under this Agreement, nor shall any endorsement or statement on any check, or any letter accompanying any check, wire transfer or other payment, be deemed an accord and satisfaction. City may accept services or make payment without prejudice to its rights under this Agreement or pursue any remedy provided in this Agreement or provided otherwise by law or equity.

Section XXI

Notice of Governing Law for State and Federal Grant Projects

The Consultant agrees to abide by all applicable laws and regulations and to make all applicable records and other documentary data available at any time for the purpose of an audit and to ensure compliance with relevant State and federal laws, including but not entirely limited to, those provisions found any future Job Task Orders.

EXECUTED by the parties in triplicate originals on this ____ day of _____, 2022.

CITY OF EDINBURG:

BY: _____
Myra L. Ayala, City Manager
City of Edinburg
415 W. University Dr.
P.O. Box 1079
Edinburg, Texas 78540
Phone: (956) 388-8207
Fax: (956) 383-7111

ATTEST:

BY: _____
Clarice Y. Balderas, City Secretary

APPROVED AS TO FORM:

Omar Ochoa Law Firm, P.C.

BY: _____
Omar Ochoa, City Attorney

CONSULTANTS, INC

BY: _____
Mr. , P.E.
President
XXX E. Adress, Suite 1
Edinburg, Texas 78542
Phone: (956)XXX-XXXX
Email:

Attachments: Exhibit "A" RFQ 2020-003, Scope of Services and Proposal
Exhibit "B" Insurance

EXHIBIT "A" TO AGREEMENT BETWEEN THE CITY OF EDINBURG AND
ENGINEERING CONSULTANT FOR PROFESSIONAL DISCIPLINE SERVICES
PURSUANT TO RFQ NO. 2022-XXX

EXHIBIT "B" TO AGREEMENT BETWEEN THE CITY OF EDINBURG AND
ENGINEERING CONSULTANT FOR PROFESSIONAL DISCIPLINE SERVICES
PURSUANT TO RFQ NO. 2022-XXX

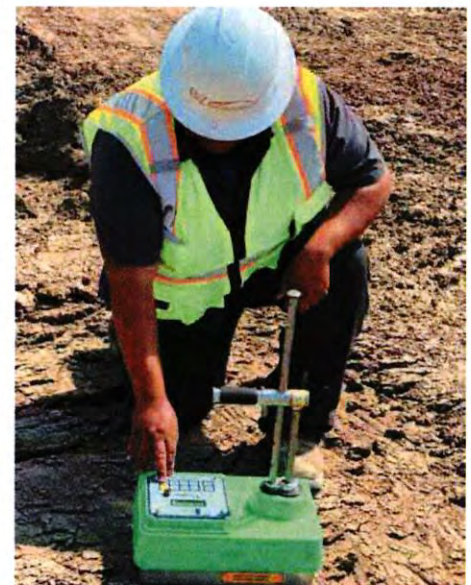
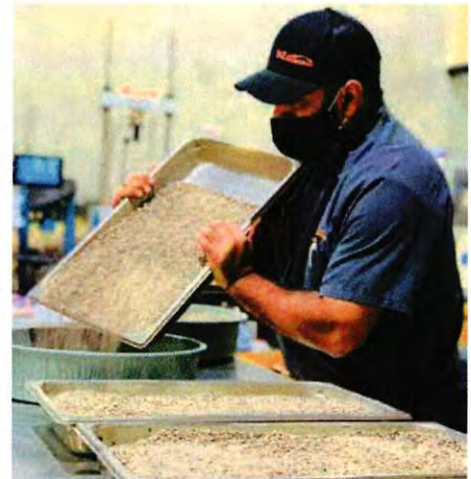


Statement of Qualifications
for

Geotechnical Engineering Services

**RFQ No.:
2022-008**

Submittal Due:
August 2, 2022



B²Z ENGINEERING

Corporate/Mission Office & Laboratory
900 S. Stewart Rd., Ste. 2, 4 & 14
Mission, TX 78572
956.585.3773

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• Conflict of Interest Questionnaire • HB 89 Verification Form • SB 13 Verification Form • SB 19 Verification Form • Non-Collusion Affidavit • B2Z & Key Personnel Licenses • B2Z Laboratory Certifications • AASHTO / TxDOT / USACE • B2Z Firm Certifications • HUB / DBE / WBE / MBE		

August 1, 2022

Mr. Mardoqueo Hinojosa, P.E., CFM, CPM, City Engineer
City of Edinburg
C/o City Secretary Department (1st Floor)
415 W. University Drive
Edinburg, Texas 78541

RE: RFQ #: 2022-008 Geotechnical Engineering Services

Dear Mr. Hinojosa,

B2Z Engineering, LLC (B2Z) is pleased to present our Statement of Qualifications (SOQ) in response to the City of Edinburg's solicitation for Geotechnical Engineering Services. B2Z is excited and pleased to express our interest and commitment to **continue** providing quality Geotechnical Engineering and Construction Materials Testing Services to the City of Edinburg as outlined in the above-referenced RFQ.

B2Z is a **HUB, DBE, MBE, and WBE** certified engineering consulting and materials testing firm known for its ability to build positive working relationships with our clients. We have extensive experience in providing Geotechnical & CMT services to the City of Edinburg and stand ready to continue providing those services via this contract. B2Z recently competed on a state-wide basis and was ranked **NUMBER ONE** by the **Texas Department of Transportation (TxDOT)** for their bi-annual **Materials Engineering Statewide** contract.

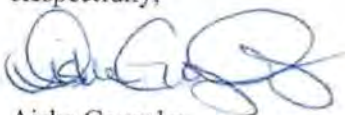
We have assembled a **uniquely qualified** group of **LOCAL TALENT** with extensive knowledge and technical expertise in geotechnical engineering and construction materials testing. B2Z's team, consisting of professional engineers, technicians, and support staff, operates our **state-of-the-art, AASHTO-accredited, TxDOT & USACE-certified** laboratory in Mission. B2Z is equipped and prepared to continue to meet all schedule demands and adhere to all quality standards set by the City of Edinburg.

B2Z's proposed **Project Manager, Mr. Raphael Campos, P.E.** will serve as the primary contact person responsible for matters regarding our SOQ. He is located at 900 S. Steward Rd, Ste. 2, Mission, TX office and can be contacted by telephone at (956) 585-3773 or by email at Raphael@B2ZEng.com.

Ms. Aisha Gonzalez, as Principal of B2Z Engineering, LLC is authorized to bind the firm to a contract with the City of Edinburg. She is located at 900 S. Steward Rd, Ste. 4, Mission, TX office and can be contacted by telephone at (956) 566-3421 or by email at Aisha@B2ZEng.com.

Please allow me to be the first to say that we sincerely appreciate the opportunity to present our statement of qualifications in response to the City of Edinburg's request. We look forward to the opportunity to continue our working relationship with the city, should we be selected. We thank you for your time, consideration, and attention.

Respectfully,



Aisha Gonzalez
President
B2Z Engineering, LLC



900 S. Stewart Rd., Suite 4 • Mission, TX 78572
(956) 585-3773 • www.B2ZEng.com

Firm Qualification and Experience

Firm Introduction

B2Z Engineering, LLC (B2Z) is a **premier engineering consulting firm established in 2009** and licensed through the State of Texas as a Professional Engineering Firm (TBPE #F-11187). B2Z is **100% LOCALLY OWNED AND OPERATED** and has been headquartered in the Rio Grande Valley since 2009. B2Z is a **Woman-Owned Minority Business** with engineering offices and materials testing laboratories in Mission, Houston, and Austin. We are a HUB, WBE, MBE, DBE, WOSB, SBE, and SBA 8(a) certified firm. B2Z has a uniquely qualified group of **LOCAL TALENT** with **extensive knowledge and expertise in geotechnical engineering & testing, construction materials testing**, American Society for Testing and Materials (ASTM) testing procedures, American Concrete Institute (ACI) testing procedures, National Institute for Certification of Engineering Technologies (NICET) proficient, the Texas Asphalt Paving Association (TXAPA), and others.

Services under this contract will be performed out of our Mission office.

Additional support, if needed, will be provided from our regional offices in Houston and Austin. B2Z's Mission Engineering & Laboratory Offices employs over 30 professional and technical personnel. Services performed out of this office include, but are not limited to geotechnical engineering & testing, construction materials testing, general civil engineering, bridge/roadway design, drainage design, construction/project management, and construction engineering & inspection.

Statement of Interest

B2Z has an executed contract with the City of Edinburg to provide geotechnical engineering and construction materials testing services on an as-needed basis. We are ready and able to continue to provide these services. Our materials testing laboratory is equipped with all the required testing equipment to conduct the geotechnical and materials testing services that may be required by the City of Edinburg's projects.

B2Z is contracted by various entities to provide **geotechnical and construction materials testing services**. These entities include but are not limited to the Cities of Alamo, Edinburg, McAllen, Palmview, and Weslaco, the McAllen Public Utility, Hidalgo County, Hidalgo County Drainage District No. 1, TxDOT, and Hidalgo County Regional Mobility Authority. Last year B2Z was ranked and selected as the **NUMBER ONE** firm for TxDOT's **Materials Engineering Statewide** contract and has been providing geotechnical and materials testing services all over the state. In addition to that contract, **B2Z has been recently awarded four other TxDOT prime contracts for geotechnical engineering and materials testing services.**



Office Providing Services

900 S. Stewart Road, Suites 2, 4, & 14
Mission, TX 78572

Contact Person

Mr. Raphael Campos, P.E.
Raphael@B2ZEng.com
(956) 585-3773



Unique Qualifications

B2Z maintains over 6,000 square feet of combined engineering office and laboratory space in Mission, TX. Our **state-of-the-art laboratory** contains the necessary tools and equipment to provide quality geotechnical engineering and materials testing services. B2Z's team of highly qualified professionals has extensive experience working not only with but for public agencies and understands the nuances and complexities of working within the public sector project model. **Whether we are working on a large/small project, we give each task the same attention to technical excellence and quality control while maintaining responsiveness.**



B2Z also owns and operates **three Geotechnical drilling rigs** and **three drilling support trucks**. We have the capacity and capability to **expedite** geotechnical and materials testing services when necessary. We pride ourselves on hiring local professionals who have **over 200 years of combined TxDOT experience**. B2Z's team is comprised of **over eighteen certified field and laboratory technicians**, half of whom possess more than ten years of individual experience. Their certifications include **Level 1A, 1B, and 2; SB 101, 102, 103, 201, and 202; and ACI**. B2Z would like for the City of Edinburg to continue to view our firm as an extension of its staff, utilizing our expertise whenever necessary.



B2Z's **vast experience** and **quality of services** have allowed us to obtain **AASHTO Accreditation, TxDOT and USACE Certifications** for our Mission-based materials testing laboratory. We utilize the most up-to-date equipment to perform all construction materials testing services. Independent servicing agencies calibrate all our equipment, and our experienced technical staff conducts testing in compliance with all standards set by **AASHTO, ACI, ASTM, and TxDOT**.



In addition to our years of experience in providing compliant geotechnical engineering and construction materials testing, B2Z's staff holds a multitude of TxDOT Pre-Certifications. The following table shows B2Z's current TxDOT geotechnical and materials testing pre-certifications.

B2Z Engineering, LLC - Areas of Certification (TxDOT Pre-Certs.)			
12.1.1	ASPHALTIC CONCRETE PRODUCTION	12.2.1	PLANT INSPECTION AND TESTING
12.1.2	PORTLAND CEMENT CONCRETE	14.1.1	SOIL EXPLORATION
12.1.3	MATERIALS ENGINEERING	14.2.1	GEOTECHNICAL TESTING
12.1.4	ASPHALTIC CONCRETE PLACEMENT	14.3.1	TRANSPORTATION FOUNDATION STUDIES
12.1.5	PORTLAND CEMENT CONCRETE PLACEMENT	14.4.1	BUILDING FOUNDATION STUDIES
12.1.6	EMBANKMENT/SUBGRADE/BACKFILL/BASE PRODUCTION	14.5.1	EVALUATION & DESIGN OF GEOTECHNICAL RELATED STRUCTURES
12.1.7	EMBANKMENT/SUBGRADE/BACKFILL/BASE PLACEMENT		

In addition to being an **AASHTO, TxDOT, and USACE Certified Laboratory**, B2Z's field and laboratory technicians hold the following certifications:

- ACI CONCRETE FIELD-TESTING TECH GRADE 1
- ACI CONCRETE STRENGTH TESTING TECHNICIAN
- ACI AGGREGATE TESTING
- TXAPA HMA PLAN SPECIALIST – LEVEL 1A
- TXAPA SMA ROAD SPECIALIST – LEVEL 1B
- TXAPA HMA MIX DESIGN SPECIALIST – LEVEL 2
- TXAPA PROPERTIES SPECIALIST – SB 101
- TXAPA FIELD SPECIALIST – SB 102
- TXAPA MATERIALS ANALYSIS SPECIALIST – SB 103
- TXAPA STENGTH SPECIALIST – SB 201
- TXAPA COMPRESSIVE STRENGTH SPECIALIST – SB 202
- RADIATION SAFETY OFFICER
- OSHA 10 & OSHA 30
- NUCLEAR GAUGE SAFETY CERTIFIED
- HAZMAT CERTIFIED

Meeting Timeline Requirements & Staffing



We have staff available to begin work immediately for any size project (part-time or full-time). B2Z knows that maintaining a predictable project schedule is paramount to successful project delivery. Our team prides itself on meeting, and often exceeding the schedules developed by our clients and project owners. We have developed a system for project schedule monitoring that has proven itself on over \$1B worth of construction contracts. As a function of our proven system, we would develop a schedule early in the process to

ensure that we have the appropriate staffing levels assigned to the critical path components. This schedule would be developed in conjunction with both the client and any other project stakeholders with consideration of the major project milestones and anticipated project hurdles. B2Z has committed the services of experienced personnel who know and understand the tasks required to perform municipal projects. This will undoubtedly allow us to keep ahead of schedule and add additional resources as appropriate.

On all B2Z projects, we have tailored our project plan of borings to accommodate the design and construction schedule by prioritizing areas that will impact the schedule's critical path. B2Z can mobilize multiple drill rigs on an as-needed basis upon conditional award and approval by the City of Edinburg. Samples will be transported to our local laboratory twice daily and sample prep/testing will begin within 24 hours of receipt. Q/A of test results will occur within 1 day of test completion and the final test report issued within 24 hours. Analysis and draft reporting will be completed within a week on any sample. The following are examples of when B2Z has implemented this process and completed the projects on time, under budget, and to the client's satisfaction:

- SH365 Wetland Mitigation Site – Hidalgo County Regional Mobility Authority (RMA)
- Las Milpas Rd Extension w/ Bridge over HCID#2 Canal – Hidalgo County Precinct #2
- IH 35 and Loop 20 (US 59) Expressway Interchange Project - TxDOT Laredo District
- South Lateral Drain Regional Detention Facilities (Various Locations) – Hidalgo County Drainage District #1
- Mission Lateral Regional Detention Facility – Hidalgo County Precinct #3

Ability to Expedite Services

B2Z is made up of technical and multi-discipline staff of sixty-four (64) employees, thirty-seven (37) fleet vehicles, three (3) Geotechnical drilling rigs, and three (3) drilling support trucks. **We have the capacity and capability to fulfill all requests for expedited geotechnical and material testing services.** *B2Z commits to continue responding promptly to the City of Edinburg's requests as they are received. We will make every effort to minimize scheduling conflicts.* B2Z

prefers to schedule field and laboratory work with at least 24 hours of advance notice, however, we understand that certain situations may occur where projects may require emergency services. During these instances, B2Z will make every effort to dispatch the appropriate personnel.

With all drilling and laboratory testing operations owned and managed by B2Z, we have the distinct ability to best manage our resources to meet deadlines.



B2Z Projects

B2Z is currently on the City of Edinburg's Geotechnical and Construction Materials Testing (CMT) rotation list and is very well versed in how the City likes to conduct its business. We have also provided services to governmental agencies throughout the State of Texas including, but not limited to, the City of Alamo, City of McAllen, City of Mission, Hidalgo County, Hidalgo County Drainage District No. 1, and TxDOT.



City of Edinburg – On-Call Geotechnical & Construction Materials Testing (CMT)

Client: City of Edinburg

Contact: Mr. Mardoqueo Hinojosa, P.E., CFM, CPM, City Engineer – Ph. (956) 292-7080

Services Provided: Geotechnical Engineering & Construction Materials Testing

Description/Scope: B2Z was contracted to provide geotechnical and construction materials testing services for various city projects. *B2Z has provided materials testing on* subgrade roadway, flex base roadway, pipe bedding material, asphalt concrete pavement, hydraulic cement concrete, curbs, gutters, sidewalks, and riprap. B2Z has over twenty (20) work authorizations under this contract. Please see below for a listing of active projects.

- | | |
|--------------------------------------|---------------------------------|
| ▪ Los Lagos Phase V | ▪ Municipal Park Sanitary Sewer |
| ▪ Carmen Avila Subdivision Phase III | ▪ Russell Village Subdivision |
| ▪ 2812 Estates | ▪ Caledonia West Subdivision |
| ▪ Vela & Flores Construction | ▪ Atwood Village Subdivision |
| ▪ Ingle Springs Subdivision | ▪ Atwood Estates Subdivision |
| ▪ Hyde Park | ▪ Alberta Heights Subdivision |
| ▪ The Heights on Trenton Subdivision | ▪ Mariterry Estates Subdivision |

McAllen Public Utility - Sprague Road Sewer Interceptor ~ Phase I

Client: McAllen Public Utility (MPU)

Contact: Mr. Marco A. Vega, P.E., General Manager – Ph. (956) 681-1770

Services Provided: Construction Materials Testing

Description/Scope: The Sprague Road Sewer Interceptor project consisted of the construction of a new 48" sewer line within the McAllen city limits. The project length in total, including accepted alternates, was approximately 6800 linear feet and the depth of the line was more than thirty feet at some locations. B2Z worked closely with MPU and the design engineer during the proposal and negotiation phase to find efficiencies in the testing frequencies that would still satisfy the engineer's requirements but also meet MPU's CMT budget. **B2Z**

provided materials testing on embankment (liquid limit/plasticity index, gradations, moisture/density, in-place density), subgrade (pulverization, liquid limit/plasticity index, gradations, moisture/density, in-place density), flexible base stockpile testing (liquid limit/plasticity index, gradations, moisture/density, in-place density, wet-ball, triaxial), flexible base field testing (pulverization, liquid limit/plasticity index, gradations, moisture/density, in-place density), asphaltic concrete pavement testing (coarse aggregate, fines, mineral fillers, combined aggregate, complete mix), and hydraulic cement concrete (structural and non-structural).



City of Weslaco – On-Call Construction Materials Testing (CMT)

Client: City of Weslaco

Contact: Mr. Alberto Aldana, P.E., City Engineer – Ph. (956) 969-1533

Services Provided: Construction Materials Testing

Description/Scope: B2Z is contracted to provide construction materials testing (CMT) services as needed by the City of Weslaco. B2Z is evaluating soil properties, such as moisture content, by conducting laboratory soil tests (Atterberg limits, gradation, standard proctor, nuclear density, compressive strength, and more). Additionally, B2Z is providing field testing services on-site to determine parameters such as field density. B2Z currently has seven work authorizations under this contract, as provided below:



- San Jacinto Estates Phase I & II
- Milanos Estates
- Freedom Storage Subdivision
- Pleasant View Estates
- Ten Fifteen Subdivision
- Fire Station No. 2 (Downtown)
- Police Station w/Municipal Court

City of Alamo – Geotechnical & Construction Materials Testing (CMT)

Client: City of Alamo

Contact: Mr. Bobby Salinas, City Manager – Ph. (956) 787-0006

Services Provided: Geotechnical Engineering & Construction Materials Testing

Description/Scope: B2Z was contracted to provide geotechnical engineering and construction materials testing (CMT) services on an “as-needed” basis. B2Z is currently conducting CMT for the **San Agustin Subdivision Phase III**. Services include testing on subgrade roadway, flex base roadway, pipe final backfill material 12” lifts waterlines, sanitary sewer and drainage, asphalt concrete pavement and hydraulic cement concrete curb & gutter, sidewalks, and riprap (Atterberg limits, moisture/density, and nuclear density, pavement thickness, concrete strength, etc.).

Hidalgo County Drainage District No. 1 – On-Call Geotechnical & Construction Materials Testing (CMT)

Client: Hidalgo County Drainage District No. 1 (HCDD1)

Contact: Mr. Raul Sesin, P.E., CFM, District Manager – Ph. (956) 292-7080

Services Provided: Geotechnical Engineering & Construction Materials Testing

Description/Scope: B2Z was contracted to provide on-call geotechnical and construction material testing services for various projects throughout Hidalgo County. B2Z has 20 CMT & 15 Geotechnical Work Authorizations under various On-Call Contracts including:



Anaquitas Drain Structure (Bond Project #8) (CMT) – B2Z is performing culvert box backfill testing (cement stabilized sand), embankment testing (plasticity index, gradation, moisture/density, in-place density), and flexible base for levee crown (Cast in Place, Type E Grade 4). Additional testing includes hydraulic cement concrete gateway structure, culvert boxes, footing, and riprap.

Mission-McAllen Rado Alternate (Bond Project #25) (CMT) – B2Z is performing embankment testing (plasticity index, gradation, moisture/density, in-place density), backfill testing (plasticity index, gradation, moisture/density, in-place density). Additional testing includes subgrade (4% lime treated), 12” flexbase, asphalt concrete pavement (HMA – QC/QA), hydraulic cement concrete testing on wingwalls (Class C), and riprap/curb/sidewalk (Class A).

Pharr McAllen Drain (Bond Project #31) (CMT) – B2Z is performing embankment testing (plasticity index, gradation, moisture/density, in-place density), backfill testing (plasticity index, gradation, moisture/density, in-place density).

Hidalgo Drain (Bond Project #13) (CMT) – B2Z is performing asphalt concrete pavement testing (complete mix: asphalt content, voids in mineral aggregates (VMA), gradation, moisture content, lab molded density; roadway: in-place air voids, segregation profile, joint density, thermal profile), embankment testing (plasticity index, gradation, moisture/density, in-place density), lime compliance testing, lime-treated subgrade testing (pulverization gradation, plasticity index, gradation, moisture/density, in-place density), untreated flexible base testing (plasticity index, gradation, moisture/density, wet ball mill, triaxial), lime-treated flexible base testing (pulverization gradation, plasticity index, gradation, moisture/density, in-place density). Additional testing includes hydraulic cement concrete testing (Class A).

Mission Lateral- Sections I/II/III (Bond Project #26) (CMT) – B2Z is performing pipe bedding material testing (plasticity index, gradation), embankment testing (plasticity index, gradation, moisture/density, in-place density). Additional testing includes hydraulic cement concrete testing on riprap/field drains.

Jackson Rd Drain (Bond Project #16) (CMT) – B2Z is performing flexible base for cut/restore (plasticity index, gradation, moisture/density, in-place density), asphalt concrete pavement for cut/restore – Type D (complete mix: asphalt content, voids in mineral aggregates (VMA), gradation, lab molded density), pipe bedding material testing (plasticity index, gradation), embankment testing (liquid limit, plasticity index, gradation, moisture/density, in-place density). Additional testing includes hydraulic cement concrete testing on gateway structure & pump system (Class C) and hydraulic cement concrete testing on riprap/field drains.

Mission Inlet Balboa Estates (CMT) – B2Z is performing pipe & box bedding material testing (plasticity index, gradation), embankment testing (plasticity index, gradation, moisture/density, in-place density). Additional testing includes hydraulic cement concrete testing on gateway structure and foundation (Class C) and hydraulic cement concrete testing on riprap/field drains.



Hidalgo Drain and Dicker Road Box Culvert Crossing (CMT) – B2Z is performing backfill testing at non-roadway (general backfill - plasticity index, gradation, moisture/density, in-place density), flexible base for cut/restore – Type E Grade 4 (plasticity index, gradation, wet ball mill, moisture/density, in-place density), pipe bedding material testing (plasticity index, gradation), backfill testing at roadway (cement stabilized backfill - plasticity index, gradation, moisture/density, unconfined compression, in-place density), asphalt concrete pavement for cut/restore – Type D (complete mix: asphalt content, voids in mineral aggregates (VMA), gradation, lab molded density). Additional testing includes hydraulic cement concrete testing (Class C) junction box.

J-09 Drain Phase IV (CMT) – B2Z is performing asphalt concrete pavement for cut/restore – Type D (complete mix: asphalt content, voids in mineral aggregates (VMA), gradation, lab molded density), flexible base for cut/restore (plasticity index, gradation, wet ball mill, moisture/density, in-place density), pipe bedding material testing (plasticity index, gradation), pipe haunch material testing conforming with ASTM D2321 (plasticity index, gradation, moisture/density, in-place density), pipe initial, final and field drain backfill testing (plasticity index, gradation, moisture/density, in-place density). Additional testing includes hydraulic cement concrete testing on riprap/field drains.

Pharr McAllen Drain at HCID 2 Canal (Geo) – B2Z performed qualitative investigation of soil shear strength vs. proposed construction. Field exploration and laboratory testing conducted included moisture content, Atterberg limits, -200 determination, and sieve analysis with hydrometers.

Hidalgo County Health Department Testing/Bio-Safety Laboratory – Edinburg, TX

Client: Hidalgo County

Contact: Eduardo Olivarez, Chief Administrative Officer – Phone: (956) 383-6221

Services Provided: Geotechnical Engineering, Materials Testing, Construction Management, and Inspection Services



Description/Scope: B2Z was contracted to perform geotechnical and construction materials testing for a proposed 10,413 square foot, \$4.08M facility consisting of a clinic, administration, and laboratory. Three (3) borings at a depth of 20 feet were drilled at approximate locations of the proposed building structure. Laboratory testing included Atterberg limits,

gradation (-200), moisture content, sieve analysis, hydrometer, and sulfate content. B2Z provided structural evaluations of the borings, shear strength models, and soil profiles. Shallow foundation analysis and recommendations were provided, as well as construction recommendations.

Lopezville Park Improvements Project – San Juan, TX

Client: GDJ Engineering, LLC

Contact: Robert Macheska, P.E., Project Manager – Phone: (956) 684-8698

Services Provided: Geotechnical Engineering Services

Description/Scope: This \$2M park project consisted of a 414,000-square-foot park and recreational center development. The project included a geotechnical investigation of proposed pavilions on drilled shafts, general park equipment, amenities on shallow footings, slabs for restroom facilities, patio rest areas, sports fields, and other items. Additionally, this project contained a proposed pond facility for recreational fishing and float activities. Geotechnical recommendations and analyses included deep foundations for drilled shafts, allowable bearing capacity of the shallow foundations (column square footings, edge strip footings), potential vertical rise (PVR), slab on grade analysis (WRI and PTI), flexible pavement design (for roadway connection, parking areas and inner park routes), global stability modeling for pond side-slopes and permeability modeling of pond soils (recommendations for pond lining).



Hidalgo County Precinct No. 2 – Regional Linear Park Project (RLPP) ~ Section II

Client: Hidalgo County Precinct No. 2

Contact: Commissioner Eduardo “Eddie” Cantu – Ph. (956) 787-1891

Services Provided: Construction Materials Testing and Construction Engineering & Inspection



Description/Scope: B2Z provided material testing on embankment (plasticity index, gradation, moisture/density, in-place density), untreated subgrade (organic content, sulfate content), lime compliance, lime-treated subgrade (pulverization gradation, plasticity index, gradation, moisture/density, in-place density), untreated flexible base (plasticity index, gradation, moisture/density, wet ball mill, triaxial), lime-treated flexible base (pulverization gradation, plasticity index, gradation, moisture/density, in-place density), asphalt concrete pavement (course aggregate: gradation, flat & elongated particles, coarse aggregate angularity, del. matl. and decant; fine aggregates: bar linear

shrinkage, organic impurities, gradation; mineral filler: sand equivalent; complete mix: asphalt content, voids in mineral

aggregates (VMA), gradation, moisture content, lab molded density; roadway: in-place air voids, segregation profile, joint density, thermal profile). Additional testing has included hydraulic cement concrete testing, riprap testing, and drill shaft testing.

Hidalgo County Precinct No. 2 – Dicker Road Expansion Project

Client: Hidalgo County Precinct No. 2

Contact: Commissioner Eduardo “Eddie” Cantu – Ph. (956) 787-1891

Services Provided: Construction Materials Testing and Construction Engineering & Inspection

Description/Scope: **B2Z provided material testing on** lime-treated flexible base (pulverization gradation, plasticity index, gradation, moisture/density, in-place density), asphalt concrete pavement (coarse aggregate: gradation, flat & elongated particles, coarse aggregate angularity, del. matl. and decant; fine aggregates: bar linear shrinkage, organic impurities, gradation; mineral filler: sand equivalent; complete mix: asphalt content, voids in mineral aggregates (VMA), gradation, moisture content, lab molded density; roadway: in-place air voids, segregation profile, joint density, thermal profile), embankment (plasticity index, gradation, moisture/density, in-place density), untreated subgrade (organic content, sulfate content), lime compliance, lime-treated subgrade (pulverization gradation, plasticity index, gradation, moisture/density, in-place density), untreated flexible base (plasticity index, gradation, moisture/density, wet ball mill, triaxial). Additional testing has included hydraulic cement concrete testing, drill shafts, wingwalls, and traffic rail foundation testing.



Hidalgo County Precinct No. 3 – Mile 3 N Road Project

Client: Hidalgo County Precinct No. 3

Contact: Commissioner Everardo “Ever” Villarreal – Ph. (956) 585-4509

Services Provided: Construction Materials Testing and Construction Engineering & Inspection



Description/Scope: **B2Z is providing material testing on** lime-treated subgrade (pulverization gradation, plasticity index, gradation, moisture/density, in-place density), untreated flexible base (plasticity index, gradation, moisture/density, wet ball mill, triaxial), embankment (plasticity index, gradation, moisture/density, in-place density), untreated subgrade (organic content, sulfate content), lime compliance, lime-treated flexible base (pulverization gradation, plasticity index, gradation, moisture/density, in-place density), asphalt concrete pavement (course aggregate: gradation, flat & elongated particles, coarse aggregate angularity, del. matl. and decant; fine aggregates: bar linear shrinkage, organic impurities, gradation; mineral filler: sand equivalent; complete mix: asphalt content, voids in

mineral aggregates (VMA), gradation, moisture content, lab molded density; roadway: in-place air voids, segregation profile, joint density, thermal profile).

TxDOT San Antonio District Improvement Projects (Bexar, Wilson, and Kendall Counties, TX)

Client: TxDOT

Contact: Lizardo Ceballos, P.E. – Ph. (210) 249-2280

Services Provided: Geotechnical Engineering Services

Description/Scope: B2Z was contracted by TxDOT to provide Geotechnical Site Investigation, Boring Logs, and Geotechnical Engineering Analysis / Design (Miscellaneous Geotechnical Design) within the TxDOT San Antonio District. To date, B2Z has completed 6 Work Authorizations under this Contract including:

US 87 Project Wilson County 1 – B2Z provided Geotechnical Investigation of existing pavement, bridge overlay, and subgrade type and consistency. B2Z provided pavement design for the rehabilitation of the pavement (heavy truck corridor). The project was approximately 2.5 miles of roadway



north and within the town of Sutherland Springs, TX. The project included specialty investigation of Potential Vertical Rise issues in the area of a floodplain around Gunn Branch Creek where high plasticity clays were noted.

US 87 Project Bexar County – B2Z provided Geotechnical Investigation of existing pavement and subgrade type and consistency. B2Z provided pavement design for the rehabilitation of the pavement (heavy use urban connection section from US 87 to IH-10). The project was approximately 0.6 miles of roadway within San Antonio, TX. The project illustrated extremely high swelling of soils causing an almost 'rollercoaster-like' feel to the corridor and uncomfortable traffic movements. Soils were determined to be of extremely high plasticity (NRCS Soil Unit: Houston Black Soil) causing the swell. Recommendations for removal and replacement through the rehabilitation were zoned for the project and provided to the Client. A pavement design was completed for the corridor.

IH-410, IH-10, and IH-37 High Mast Illumination Project – B2Z provided Geotechnical Investigation of proposed high mast illumination locations on the interstate facilities noted within San Antonio, TX. The project consisted of approximately 50 borings drilled to 30 to 40 feet. The project also included the design of foundations for various sized High Mast Illumination poles throughout the corridors.

US 87 Project Wilson County 2 – B2Z provided Geotechnical Investigation of existing pavement, bridge overlay, and subgrade type and consistency. B2Z provided pavement design for the rehabilitation of the pavement (heavy truck corridor). The project was approximately 9.75 miles of roadway south and within the towns of Sutherland Springs, TX and Stockdale, TX. The project included denotation of the most cost-effective solution to be able to utilize the existing flexible base and sub-base while maintaining the PGL. B2Z provided the best option and multiple alternatives.

IH-10 Mainlane Pavement Rehabilitation Coring Project – B2Z provided Geotechnical Investigation of IH-10 Mainlanes in Boerne, TX and Comfort, TX for the proposed pavement rehabilitation project. The project consisted of 20 corings and 2 borings at the 2 locations. Pavement thicknesses were documented and provided via a report to the Client.

FM 3351 (Ralph Fair Road) Pavement Rehabilitation and Widening Project – B2Z is currently providing Geotechnical Investigation of FM 3351 just North of Interstate I-10 and Leon Springs for the proposed pavement rehabilitation and widening project. The project consists of 10 pavement corings and 6 borings and 6-10 Dynamic Cone Penetrometer (DCP) tests on existing Subgrade soils.

Our Services

Shown through past project experience, B2Z is highly qualified to provide superior Geotechnical and Construction Material Testing services to the City of Edinburg. We understand the City is seeking firms able to perform the following services:

Geotechnical:

- A. Slab on Grade Foundation Evaluation and Recommendation*
- B. Special Construction Details for Removal of Ground or Surface Water, Existence of Expansive Clay, Hydrostatic Pressure, etc.*
- C. Site Work*
- D. Retention Systems*
- E. Field Exploration*
- F. Laboratory Testing*
- G. Analysis and Reports*
- H. Other Geotechnical Evaluation*

Construction Materials Testing:

- A. Plans Review*
- B. Earthwork Services*
- C. Density Testing*
- D. Post Construction Services*
- E. Foundation Inspection Services*
- F. Concrete Services*
- G. Structural Steel Services*
- H. Other Laboratory Construction Testing for Infrastructure and/or Building Projects*

Geotechnical Engineering Services

B2Z's geotechnical services typically follow a three-part approach. B2Z will first conduct project discovery. Project discovery entails defining project parameters regarding size, scope, materials, budget, schedule, location, existing conditions, and formulating a plan. Next, B2Z will conduct all the drilling, field observation/exploration, and pertinent field and laboratory testing requirements based on the needs defined in step one. Lastly, B2Z will prepare geotechnical engineering reports that will include recommendations to be used by the project design team to develop plans and specifications.

1. **Project Discovery** - Project discovery includes all preliminary coordination activities with the City of Edinburg. Identifying project structures, project location(s), proposed materials, and depths will help B2Z generate a boring plan that is both effective and efficient. The number of borings, depth of borings, and other project parameters (proximity to the lab, tests required, etc.) will determine the cost associated with geotechnical services.



2. **Field Exploration and Laboratory Testing** - After the City of Edinburg accepts the boring plan and proposal, B2Z will begin field activities by physically staking all boring locations in the field. All boring locations will be cross-checked with existing utility plans (if available) and identified/marked in the field by submitting a request to **Texas811**. Once the site is clear, B2Z will dispatch the appropriate drilling rig(s) to collect the necessary soil samples. Typical field operations include removing samples from collection apparatuses and classifying them to record boring logs. Samples are then appropriately packaged and sealed to minimize moisture loss and transported to our soil laboratory. Water level readings are taken during drilling,

directly after the conclusion of drilling, and after 24 hours. The crew will then backfill the borings.

3. **Geotechnical Reports** - Once all field investigations and laboratory tests are complete, the team compiles the information to finalize soil classification and subsurface details. The team will generate boring logs and test summary sheets using this data. The geotechnical engineer will write the geotechnical report, summarizing the data, embankment design analysis, foundations design analysis, and any other specified requirements for the project. The contents of the geotechnical report vary based on the project type and scope. The report will typically include a general project overview (including previous studies), boring logs, test summary sheets, existing surface and sub-surface conditions, geotechnical analysis, design parameters (such as deep foundation capacity and global stability analysis), and general construction considerations (deep/shallow foundation, MSE retaining walls, excavation, trenching, and embankment recommendations). The geotechnical engineer will note any project concerns and recommend solutions alongside the design and construction recommendations. *Our geotechnical reports are comprehensive, concise, and accurate, ensuring safe, cost-effective construction.*



Locate Public/Private Utilities

B2Z will dispatch a field technician to stake the location by utilizing the KMZ file provided by our geotechnical engineer. The technician identifies each drilling location, within a 40-foot radius, with a wooden stake painted orange. After staking, B2Z's experienced staff will request a utility check from Texas811 at least 48 hours prior to drilling work. B2Z provides Texas811 with the location coordinates of each boring, and Texas811 issues a ticket for each location. Texas811 will notify all utility companies with utilities present in the area, and the companies will mark their specific utility. Existing utilities are marked with colored flags or spray paint. Utility companies will reply to the ticket(s) issued for the boring, and tickets are saved in their respective projects for reference. Drilling operations can commence once all utilities have been cleared.



To update or view a map of the dig location click [here](#) to go to the Texas811 Portal Site.

Texas811 Locate Request

Ticket Number:	2261121577	Old Ticket:	
Source:	Voice	Hours Notice:	48
Type:	Normal	Taken Date:	4/21/2022 4:17:15 PM
Seq Num:	4		

Company Information

Excavator:	B2Z Engineering	Type:	Excavator
Address:	900 S Stewart Rd Suite 2	Contact:	NOE RODRIGUEZ
City, St, Zip:	Mission, TX 78572	Contact Phone:	(956) 599-0927
Phone:	(956) 585-3773	Caller:	NOE RODRIGUEZ
Fax:		Caller Phone:	(956) 599-0927
Callback:			
Caller Email:	NOE@B2ZENGG.COM		
Contact Email:	NOE@B2ZENGG.COM		

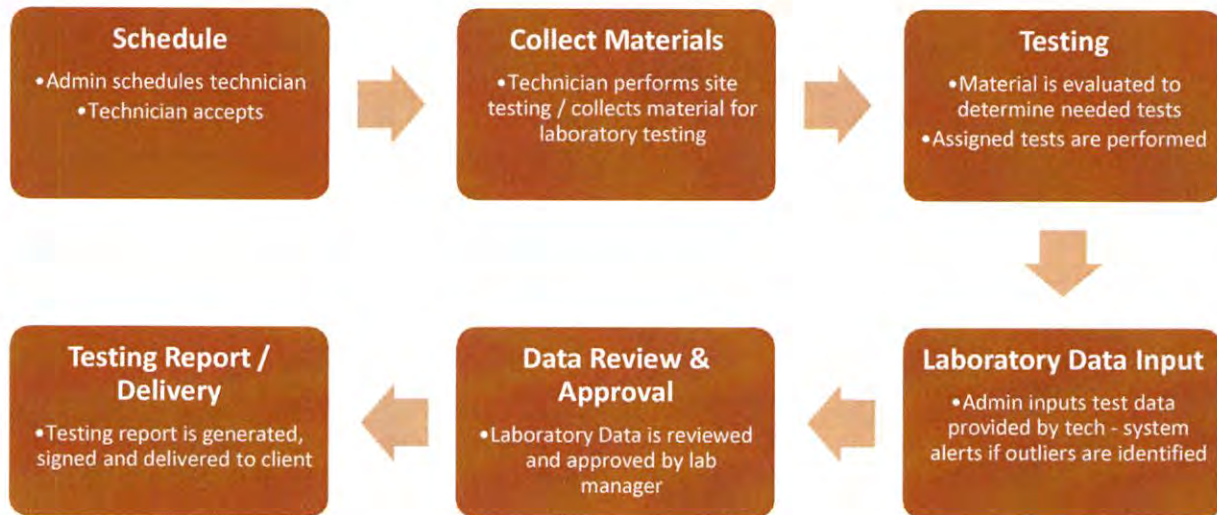
Construction Materials Testing (CMT) Services

CMT is an instrumental component of all construction projects. CMT is used to ensure methods and materials specified in the construction documents are being adhered to and properly installed. B2Z provides CMT services for the categories listed below:

- | | | |
|--|-------------------------------------|--|
| ❖ Quality Assurance and
Quality Control (QA/QC) | ❖ Field Inspection and
Oversight | ❖ Field and Laboratory
Testing and Analysis |
|--|-------------------------------------|--|

Quality Assurance and Quality Control (QA/QC)

Quality control is paramount to ensure the completion of all testing according to specifications and within testing standard compliance. B2Z utilizes MetaField, a software as a Solution (SaaS) platform used by project personnel, to schedule field activities, dispatch technicians, collect sample and activity data, organize test data, and generate final reports. This process requires approval at multiple steps to ensure collected data is accurately documented, recorded, and reported.



B2Z's dispatch program, MetaField, manages and tracks samples from the field to laboratory testing to final reporting, maintaining consistency and compliance for each project. MetaField facilitates the Project Manager and Task Leads by backchecking samples and field technician assignments. B2Z also utilizes MetaField to schedule and dispatch the appropriate personnel to each project throughout all parts of the day with minimal notice to maintain the same certified field technician(s) on each project. The technician will communicate with the Construction Superintendent every morning to confirm the scheduled tests for that day.



MetaField gives our technicians the capability to input specimen data at project sites before returning to the lab for processing. Once the specimens have been entered, the system tracks when testing needs to be completed based on the assignments. This streamlined process helps ensure projects stay on time and within budget.



Field Inspection and Oversight

Field inspection, oversight, construction material testing (CMT), and an open line of communication with the contractor are pivotal to a successful construction operation. B2Z assigns experienced CMT engineers and technicians skilled in all aspects of construction materials and methods. The B2Z team has experience inspecting **soils**, **structural concrete placement**, **structural reinforcing steel**, **grout and mortar** (in both vertical and horizontal applications), **aggregates** (for concrete batching and pavement mixes), and **hot mix asphaltic concrete (HMAC)** (in roadway and parking lot applications).



Field and Laboratory Testing

Our laboratory team has vast experience and is proficient in all the latest **AASHTO, ACI, and TxDOT testing requirements**. Conducting all testing out of our Austin lab will further ensure accurate testing results and a quicker turnaround. Performing CMT throughout the construction phases helps verify that all materials and methods utilized comply with the design engineer's plans and specifications. CMT testing will include the following categories:

- Soil observation, sampling & testing
- Field density testing
- HMAC pavement testing
- Concrete sampling & testing
- Concrete compressive strength
- Shotcrete sampling & testing

Testing Capabilities

Soil and Base Material Testing

Moisture Content Determination
Determination of Liquid Limit of Soils
Determination of Plastic Limit of Soils
Atterberg Limits of Soils
Bar Linear Shrinkage of Soils
Material Finer #200 Sieve
Lime Series Testing
Moisture-Density Relationship (TxDOT)
Standard Proctor
Modified Proctor
Field Density Test (Nuclear)
Determination of Soil pH
Soil-Lime Testing
Resistivity of Soils (Laboratory)
Sieve Analysis
Texas Wet Ball Mill (Base Material Quality)
Soil Organic Content UV-VIS Method

ASTM D2216 / Tex-103-E
Tex-104-E
Tex-105-E
ASTM D 4318 / Tex-106-E
Tex-107-E
ASTM D 1140 / Tex-111-E
Tex-112-E
Tex-113-E / Tex-114-E
ASTM D 698
ASTM D 1557
ASTM D 6938 / Tex-115-E
Tex-128-E
Tex-121-E
Tex-129-E
ASTM C 136 / Tex-200-F
Tex-116-E
Tex-148-E



Coarse and Fine Aggregate Quality Testing

Decantation Test (Conc. Aggr.)
Specific Gravity/Absorp. (Conc. Aggr.)
Cycle Magnesium Soundness
SSD Unit Weight of Aggregates
Percent Voids/Solids in Concrete Aggregate
Sand Equivalent
Specific Gravity / Absorption (Fine Aggr.)
Organic Impurities in Fine Aggregate
Fineness Modulus of Fine Aggregate
Acid Insoluble of Fine Aggregate

ASTM C117 / Tex-406-A
ASTM C127 / Tex-403-A
ASTM C88 / Tex-411-A
ASTM C29 / Tex-404-A
Tex-405-A
ASTM D 2419 / Tex-203-F
ASTM C 128 / Tex -403-A
ASTM C 87 / Tex -408-A
Tex-402-A
Tex-612-J



Concrete and Masonry Field and Laboratory Testing

Slump Test
Air Content (Pressure Method)
Air Content (Volumetric)
Casting of Concrete Cylinders
Compressive Strength of Cyl. Specimen
Cylindrical Specimen Prep./Hold/Cure
Casting of Grout Prisms
Grout Prism Prep./Cure/Compressive Strength
Casting of Mortar Cubes
Mortar Cube Prep./Cure/Compressive Strength
Masonry Unit Prep. /Compressive Strength
Masonry Unit SPG/Absorption/Unit Wt.

ASTM C 143 / Tex-415-A
ASTM C 138 / Tex-416-A
ASTM C 173
ASTM C 31
ASTM C 39 / Tex-418-A
ASTM C 192
ASTM C 1019
ASTM C 39
ASTM C 780
ASTM C 109
ASTM C 140
ASTM C 140



Pavement Investigation / Thickness / Asphalt Quality

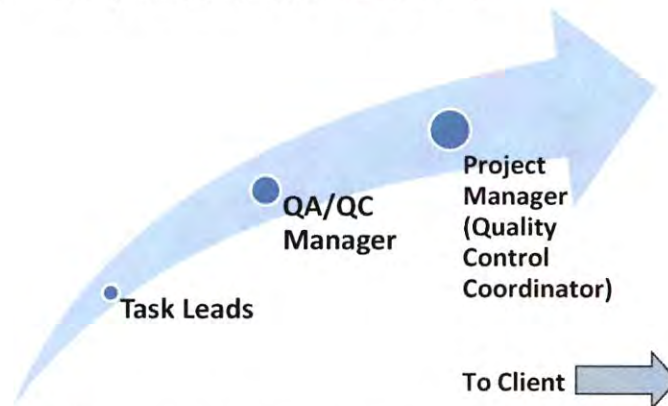
Coring – ACP Thickness	ASTM D 3549
Pavement Thickness Determination (Full Depth)	ASTM
Density of Asphaltic Cores (4 or 6 inch)	Tex-207-F
Maximum Theoretical SPG (Rice Gravity)	Tex-227-F
Extraction/Sieve Analysis/Asphalt Content	Tex-210-F / Tex-200-F
Asphalt Rolling Pattern (Nuclear Method)	Tex-207-F – Part IV



Quality Assurance Program

Utilizing quality control and quality assurance is vital to ensure all designs/analyses/final deliverables are of the highest quality and to reduce the presence of outliers in the statistical models of results. B2Z has developed written policies and procedures for various tasks to provide direction to staff and increase the consistency of all processes (modified only through project managers to provide flexibility due to any project variability).

B2Z's Management Plan calls for a three-tiered approach to QA/QC, where the first QA/QC comes from the Task Leads, followed by the QA/QC Oversight Representative, and lastly by the Project Manager. The Laboratory Managers are responsible for direct supervision of QA/QC programs in the field and the Laboratory Engineer of Record is responsible for performing all supervisory reviews of technical procedures in the engineering laboratory. Ultimately, though, the Project Manager provides oversight of all QA/QC operations. This three-tiered approach provides a triple-check system of all reports, designs, and recommendations prior to submission to the client.



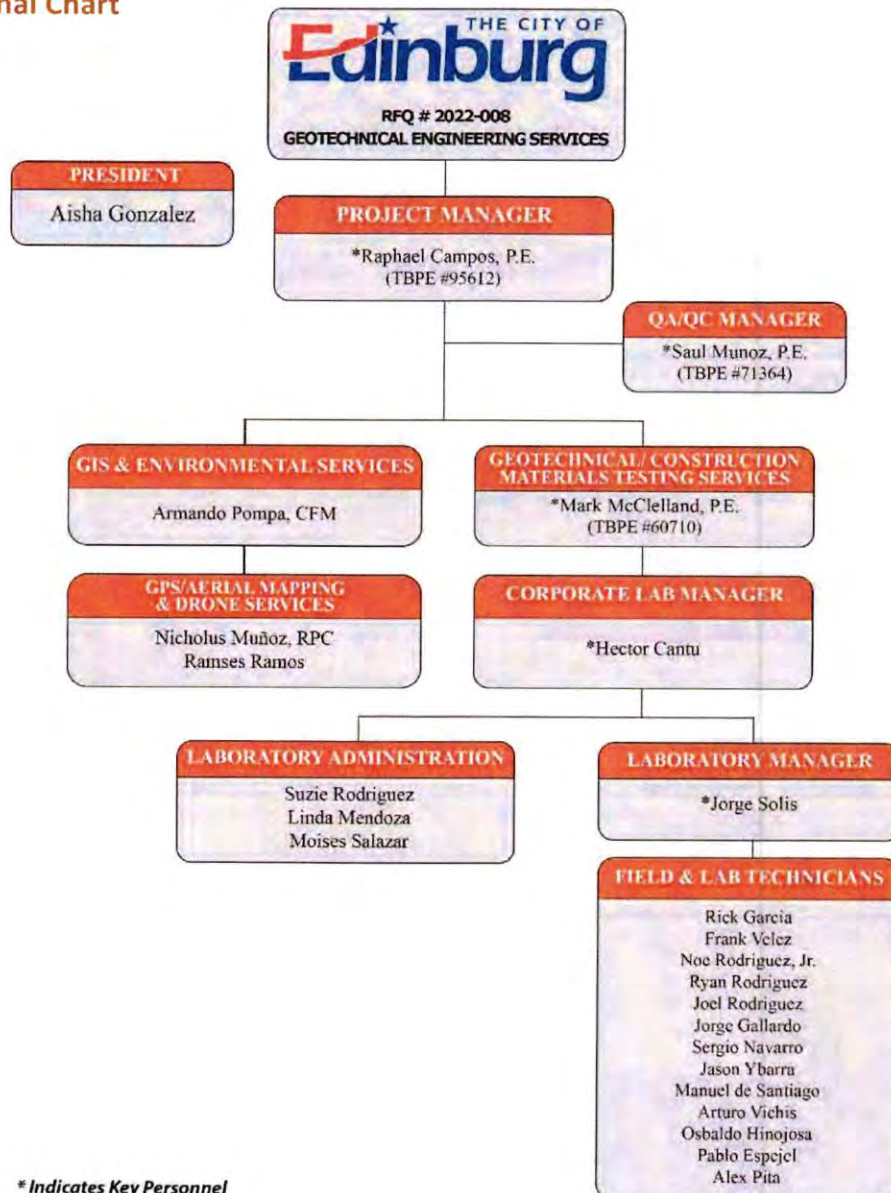
As part of B2Z's commitment to quality, there are key employees that are tasked with the oversight and execution of the quality control measures and policy. B2Z's quality measures are implemented and enforced by the Project Manager and Quality Control Coordinator, Mr. Raphael Campos, P.E.

Team Member Qualifications and Experience

B2Z's staff is comprised of highly skilled individuals possessing **extensive knowledge and expertise in geotechnical engineering and construction materials testing** (please see below for an illustration of our organization chart).

Mr. Raphael Campos, P.E., will serve as B2Z's **Project Manager**, bringing over 21 years of experience in the field of engineering; with 7 years of design, 5 years of construction, and 9 years of inspection experience. **Mr. Saul Muñoz, P.E.**, will serve as **QA/QC Manager**, bringing over 30 years of experience in the field of engineering; with 25 years of TxDOT experience. **Mr. Mark McClelland, P.E.**, will serve as the **Geotechnical / Construction Materials Testing Lead**, with support from **Mr. Hector Cantu (Corporate Lab Manager)** and **Mr. Jorge Solis (Mission Lab Manager)**. They bring over 80 years of combined experience in geotechnical engineering and construction materials testing for both commercial and transportation projects. Resumes with biographic summaries and project experience are provided on page 18 of this submittal.

B2Z's Organizational Chart



* Indicates Key Personnel



Raphael Campos, P.E.

Summary

Mr. Campos is a Professional Engineer with 21 years of construction and technical experience in the design, construction, and inspection of transportation projects. Prior to working for the private sector, Mr. Campos worked as a Bridge Designer for seven years in TxDOT's Bridge Division. He also worked as the Contractor's Quality Control (QC) Manager for six years on D-B urban freeway construction projects. His experience includes projects with complex bridge and direct connector structures (steel and concrete), construction phasing, and urban freeway traffic control. Mr. Campos has experience in CE&I, including constructability reviews and managing/ coordinating teams of QC inspectors and testing personnel. He has extensive experience managing local, State, and Federally funded construction projects for the CTRMA, the City of Taylor, Travis County, and TxDOT, as well as verifying compliance with the TxDOT QAP and the TxDOT Guide Schedule for Sampling and Testing.

Relevant Project Experience

Dicker Road Reconstruction / Hidalgo County Precinct No. 2

Role: Project Manager

\$16.5M Construction Cost. This reconstruction project consists of expanding the existing 2 twelve-foot lanes rural roadway with shoulders and ditch drainage to a sixty-six-foot-wide divided urban roadway that will accommodate 4-lanes of traffic (two fourteen-foot shared travel lanes, two twelve-foot travel lanes, and one fourteen-foot left turn lane). The Project is funded through the Hidalgo County MPO (TxDOT Category 7 funds) and is being constructed in accordance with County's general specs, TxDOT's standards, and is subject to State oversight to qualify for allotted federal reimbursements. B2Z was contracted to provide inspection, material testing, and construction management services.

Regional Linear Park Phase II / Hidalgo County Precinct No. 2

Role: Project Manager

\$3.8M Construction Cost. The RLPP Section II was 2.64 miles of new location consisting of a ten-foot-wide asphalt trail that accommodated two-way shared-use traffic, as well as two prefabricated pedestrian bridges, and three pedestrian box culvert tunnel crossings under three major roadways. The trail was inclusive of pavement markings, signing, and continuous illumination. Because this project was funded through the Hidalgo County MPO (TxDOT Category 7 funds), it was constructed in accordance with County's general specs, TxDOT's standards and was subject to State oversight to qualify for allotted federal reimbursements. B2Z was contracted to provide inspection, material testing, and construction management services.

Mile 3 Road Project / Hidalgo County Precinct No. 3

Role: Project Manager

\$14M Construction Cost. The Mile 3 N Road Project consists of the reconstruction of the existing 2-lane roadway from Tom Gil Road to FM 492 (Goodwin Road) (3.41 miles) to a 4-lane divided urban roadway consisting of grading, curb, and gutter, lime treated subgrade, flexible base, asphaltic concrete paving, storm sewer, culvert structures, sidewalks with ADA ramps, signing, pavement markings, traffic signals, and outfalls. B2Z was contracted to provide inspection, material testing, and construction management services.

Title / Proposed Role

Executive VP of Construction
Phase Services/ Project
Manager

Years of Experience

21

Education

BS, Architectural Engineering
University of Texas, 2000

Training/Certifications

Professional Engineer:
Texas/95612

Local Government Project
Procedures Certified (LGPP)

Nuclear Gauge Safety Certified

Radiation Safety Officer
Certified

Areas of Expertise

- Construction Engineering
- Construction Inspection
- Constructability Review
- Quality Control
- Materials Testing
- Bridge Design

TxDOT Pre-certifications

- 4.5.1 - Constructability Review
- 5.2.1 - Bridge Design
- 11.1.1 - Roadway Construction
Management & Inspection
- 11.2.1 - Bridge Construction
Management & Inspection
- 11.5.1 - Construction Scheduling
Project Manager
- 11.6.1 - Construction Schedule
Support - Sched Bridge &
Interchange Project

Raphael Campos, P.E.

Title / Proposed Role

Executive VP of Construction
Phase Services/ Project
Manager

Years of Experience

21 (7 years w/ TxDOT)

Education

BS, Architectural Engineering
University of Texas, 2000

Training/Certifications

Professional Engineer:
Texas/95612

Local Government Project
Procedures Certified (LGPP)

Nuclear Gauge Safety Certified

Radiation Safety Officer
Certified

Areas of Expertise

- Construction Engineering
- Construction Inspection
- Constructability Review
- Quality Control
- Materials Testing
- Local, State & Federally
Funded Construction
- Bridge Design

TxDOT Pre-certifications

- 4.5.1 - Constructability Review
- 5.2.1 - Bridge Design
- 11.1.1 - Roadway Construction
Management & Inspection
- 11.2.1 - Bridge Construction
Management & Inspection
- 11.5.1 - Construction Scheduling
Project Manager
- 11.6.1 - Construction Schedule
Support – Sched Bridge &
Interchange Project

Materials Engineering IDIQ / TxDOT Austin District

Role: Project Manager

B2Z was contracted by the Texas Department of Transportation (TxDOT) to perform and supervise all sampling, testing, inspection work, and related services for asphaltic and concrete construction for highway projects. Mr. Campos is managing Level 1B technicians providing inspection for asphalt projects across the Austin District, Level 1A technicians at the asphalt plants, and Level 2 services performing correction factors for the new calibrated TxDOT equipment. He also tested the boring samples from the geotechnical drilling performed from an existing bridge under this work authorization. This contract is still active and currently has two fully executed work authorizations.

Manor Exp Ph III, 290 E & SH 130 Direct Connectors (MEP III) / CTRMA

Role: Project Manager / Resident Engineer

The project included CE&I and CMT services on this \$127M federally funded improvement project. This project includes two tolled and one non-tolled direct connector flyovers and associated improvements at the 290E/SH 130 interchange in Travis County. The three flyovers will bridge the two toll facilities together.

IH-35 (William Cannon Dr. to Stassney Ln.) / TxDOT Austin District

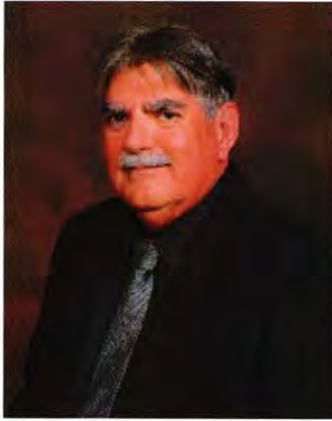
Role: Project Manager / Resident Engineer

The project included CE&I services for this multi-phase \$78.8M project. This 3.2-mile long project consisted of widening the main lanes; adding shoulders; ramp reversals; constructing U-turn bridges; replacing existing bridges at the Stassney Ln. and William Cannon Dr.; constructing rock nail walls, soil nail walls, and MSE walls; SUPs along frontage roads; improving existing storm drain, water lines, and sewer systems; and improving traffic and pedestrian signals.

IH-35 Belton-Salado Reconstruction / TxDOT Austin District

Role: Deputy PM / Project Engineer

This project included a complex reconstruction of this \$177M federally funded project, which increased capacity and upgraded transportation infrastructure to meet current FHWA and TxDOT design standards for interstates, bridges, and frontage roads. The project widened 11.4 miles of IH-35 from four lanes to six lanes, upgraded on/off ramps, converted frontage roads to one-way to improve safety, constructed a new overpass and direct connector ramp, U-turns, and installed new electronic message signs.



Proposed Role
QA/QC Manager

Years of Experience
39

Education
Bachelor of Science in Natural
Gas Engineering

Certifications/Training
Professional Engineer:
TBPE #71364

Local Government
Management Certification
(FHWA)

Texas Concrete Pipe
Association

Areas of Expertise

- Highway Construction & Design Engineering (Roadway & Bridge)
- Highway Plan Review & Preparation
- Local Government Projects Development
- Knowledge of Federal and State Highway Requirements
- Materials Engineering (Aggregate, Concrete & Asphalt)
- Soils & Subgrades
- Materials Testing
- Project Management & Close Out
- Construction Inspection

Saul R. Muñoz, P.E.

Summary

Mr. Muñoz has over 39 years of experience in the field of Engineering. With over 25 years of TxDOT experience, Mr. Muñoz brings a wealth of knowledge in the areas of road and bridge design and construction, inspection and materials testing, project lettings, contract administration, change orders, construction payments, and project management. Throughout his career, Mr. Muñoz has gained extensive knowledge of working on large complex Interstate Projects, State Farm to Market Highways to Off System Roads and Bridges. His experience includes working with highly experienced Contractors, Subcontractors, City Municipalities and Leaders, County Municipalities and Federal Entities including, but not limited to the Federal Highways and Administration, IBWC, and the USACE. Mr. Muñoz has managed over 100 projects specializing mainly in bridge and roadway construction. As District Construction Engineer in Pharr, Mr. Muñoz prepared several million-dollar change orders, negotiated costly utility disputes for extended performance, and settled construction claims as necessary.

Recent Project Experience

Dicker Road Project (Hidalgo County, TX)

Role: QA/QC Manager / Construction Engineer

\$16.5M Construction Cost. This reconstruction project consists of expanding the existing 2 twelve-foot lanes rural roadway with shoulders and ditch drainage to a sixty-six-foot-wide divided urban roadway that will accommodate 4-lanes of traffic (two fourteen-foot shared travel lanes, two twelve-foot travel lanes, and one fourteen-foot left turn lane). The Project is funded through the Hidalgo County MPO (TxDOT Category 7 funds) and is being constructed in accordance with County's general specs, TxDOT's standards, and is subject to State oversight to qualify for allotted federal reimbursements. B2Z was contracted to provide inspection, material testing, and construction management services.

Regional Linear Park Project (Hidalgo County, TX)

Role: QA/QC Manager / Construction Engineer

\$3.8M Construction Cost. The RLPP Section II was 2.64 miles of new location consisting of a ten-foot-wide asphalt trail that accommodated two-way shared-use traffic, as well as two prefabricated pedestrian bridges, and three pedestrian box culvert tunnel crossings under three major roadways. The trail was inclusive of pavement markings, signing, and continuous illumination. Because this project was funded through the Hidalgo County MPO (TxDOT Category 7 funds), it was constructed in accordance with County's general specs, TxDOT's standards and was subject to State oversight to qualify for allotted federal reimbursements. B2Z was contracted to provide inspection, material testing, and construction management services.

Mile 3 Road Project (Hidalgo County, TX)

Role: QA/QC Manager / Construction Engineer

\$14M Construction Cost. The Mile 3 N Road Project consists of the reconstruction of the existing 2-lane roadway from Tom Gil Road to FM 492 (Goodwin Road) (3.41 miles) to a 4-lane divided urban roadway consisting of grading, curb and gutter, lime treated subgrade, flexible base, asphaltic concrete paving, storm sewer, culvert structures, sidewalks with ADA ramps, signing, pavement markings, traffic signals, and outfalls. B2Z was contracted to provide inspection, material testing, and construction management services.



Title

Geotechnical Engineer & CMT
Task Lead

Years of Experience
40

Education
BS, Civil Engineering
The University of Texas – Austin

Training/Certifications
Professional Engineer:
Texas/60710

Areas of Expertise

- Geotechnical Engineering
- Geotechnical Drilling/Testing
- Retaining Wall Analysis & Design
- Deep Foundation Design
- Vessel Impact Analysis & Fender System Design
- Construction Materials Testing
- Laboratory/Field Operations
- Construction Support
- QA/QC
- Structural Engineering
- Roadway & Bridge Design

TxDOT Pre-certifications

- 5.2.1 – Bridge Design
- 5.3.1 – Multi-Level Interchange Design
- 10.5.1 – Bridge Scour Evaluations & Analysis
- 14.1.1 – Soil Exploration
- 14.2.1 – Geotechnical Testing
- 14.3.1 – Transportation Foundation Studies
- 14.4.1 – Building Foundation Studies
- 14.5.1 – Evaluation & Design of Geotechnical Related Structures

Mark McClelland, P.E.

Summary

Mr. McClelland has 40 years of experience (29 years directly with TxDOT) in all aspects of Geotechnical Engineering. Most of his career was spent working in, and ultimately managing, the TxDOT Bridge Division Geotechnical Branch. He oversaw the update of the Geotechnical Manual, wrote all foundation and retaining wall Standard Specifications for the 2004 Spec Book, and oversaw the development of all current foundation and retaining wall design processes currently in use by TxDOT. He developed and oversaw the TxDOT Scour Management Program, and the program to manage structures on unknown foundations.

Relevant Experience

Structural Foundation Design

Oversaw foundation design for structures and personally designed foundations for 1000+ bridges ranging from simple off-system structures to complex, major bridge structures. Foundation types designed include drilled shafts, auger-cast piling, prestressed concrete piling, steel H-piling, steel pipe piling, steel and prestressed concrete sheet piling, and spread footings.

Slope and Retaining Wall Stability and Settlement

Oversaw evaluations for global stability and settlement of embankments, earth slopes, and retaining walls, and has analyzed 100+ slope and retaining wall projects. He is highly proficient and experienced in the external stability and global stability of slopes and wall systems and has used programs such as GSTABL to provide detailed models and analyses.

Geotechnical Exploration and Testing

Oversaw policies and methodologies for geotechnical exploration within TxDOT and developed 100+ soil exploration plans. This included determination of soil boring number, location and depth, appropriate in-situ and laboratory testing, need for and installation of monitoring wells, inclinometers, and other field instrumentation, and final analysis and reporting of results.

Construction Support

Acted as primary construction and maintenance support within TxDOT for issues involving bridge foundations, retaining walls, slope and wall instabilities, river migration, and scour. Work included immediate resolution of time-sensitive construction problems, evaluation and remediation of ongoing maintenance issues, and training of TxDOT and contractor construction personnel.

Relevant Project Experience

City of Austin Guadalupe Storm Drain Improvements Project / Austin, TX

B2Z is currently contracted by Freese and Nichols for the Waller Creek, Guadalupe Storm Drain Improvements Project (CLMP259). All geotechnical drilling and testing were completed within the City of Austin primarily in the Hyde Park Local Historic District and Adams & Hemphill Area of Central Austin situated between I-35 and Mopac Expressway just north of the University of Texas (UT) Campus.

TxDOT IH 35 at US 183 Project / Austin, TX

This project consisted of the design of 4 direct connectors between IH-35 and US 183, 1 underpass of IH-35 at St. Johns Avenue, 1 IH-35 overpass widening at US 290, and various other improvements to the IH-35 and US 183 existing interchange corridor. In addition, this project consisted of 24 new MSE, Soil Nail and Spread Footing retaining walls throughout the project. The project length was 2.9 miles.

Mark McClelland, P.E.

Title

Geotechnical Engineer & CMT
Task Lead

Years of Experience

40

Education

BS, Civil Engineering
The University of Texas – Austin

Training/Certifications

Professional Engineer:
Texas/60710

Areas of Expertise

- Geotechnical Engineering
- Geotechnical Drilling/Testing
- Retaining Wall Analysis & Design
- Deep Foundation Design
- Vessel Impact Analysis & Fender System Design
- Construction Materials Testing
- Laboratory/Field Operations
- Program Management
- Construction Support
- Quality Assurance/Quality Control
- Structural Engineering
- Roadway & Bridge Design

TxDOT Pre-certifications

- 5.2.1 – Bridge Design
- 5.3.1 – Multi-Level Interchange Design
- 10.5.1 – Bridge Scour Evaluations and Analysis
- 14.1.1 – Soil Exploration
- 14.2.1 – Geotechnical Testing
- 14.3.1 – Transportation Foundation Studies
- 14.4.1 – Building Foundation Studies
- 14.5.1 – Evaluation & Design of Geotechnical Related Structures

TxDOT Complex Geotechnical Contract / Statewide

Contracted to provide geotechnical engineering services required for the preparation of scoping and schematic projects, maintenance projects, plans, specifications, and estimates (PS&E), and other related documents that include specified Geotechnical and Geotechnical Field Operation, Testing Program, and Engineering Analysis for pavement, bridge, tunnel, retaining wall, slope and embankment, and related foundation investigations, and if requested, provide design support and testify at Right-of-Way hearings and construction phase services to support the design process.

TxDOT On-System/Off-System Bridge Replacements / Statewide

Contracted to provide engineering services generally described as preparation of plans, specifications, and estimates (PS&E) and related documents, for a new overpass along FM 116 at SH 9 in Coryell County, as well as bridge and approach replacements at SH 6 over Lake Waco in McLennan County, at SH 174 over Lake Whitney in Hill County, and on SH 31 at the FM 939 and FM 2311 intersections in McLennan County. The services being provided include, but are not limited to, preparing roadway and bridge design, hydrologic and hydraulic design, traffic signal design, survey, geotechnical data collection, environmental documentation necessary to support the design process, and construction phase services.

IH-610 Dedicated Business Lane Project / Houston, TX

This project consisted of the design of a 2-way elevated bus lane incorporated into the existing IH-610 corridor from Post Oak Blvd. to Post Oak Rd. and I-10; approximately 1.7 miles. The Geotechnical portion of the project scope included the drilling of 28 structural/bridge borings (120 feet in depth) and 10 retaining walls (35 to 55 feet in depth) for a total of 3,790 LF of geotechnical drilling. Field investigations included TxDOT TCP testing and Shelby Tube sampling. Laboratory testing included moisture content, -200 gradation, atterberg limits, full gradation (full sieve & hydrometer), sulfate content, one-dimensional consolidation testing, unconfined compression (UC) testing, and unconsolidated-undrained triaxial (UU) testing. Engineering analyses included the generation of soil strength tables for deep foundation design, the establishment of soil type and gradation criteria for use in scour analysis at water crossing, calculation, and analysis of external stability for retaining walls, development of modeling and analysis for global stability for retaining walls, analysis of settlement of retaining walls, design/analysis/detailing of cut type retaining walls (soil nailed walls), suitability/applicability of proposed ground improvement at retaining walls, construction recommendations for geotechnical items.



Hector Cantu

Summary

Mr. Cantu has over 32 years of experience in the field of Engineering. With over 26 years of TxDOT experience, Mr. Cantu brings a wealth of knowledge in material testing and has supervised the daily operations of laboratories which include staff training, development and performance reviews, utilization of equipment/ facilities, safety oversight, and quality of services/ work products. Mr. Cantu has served in supervisory roles and has monitored construction asphalt and concrete material testing as well as advanced geotechnical testing to support government and private sector work. Mr. Cantu supports engineers in functional areas of geotechnical design services, materials consulting, structure and roadway construction inspection, materials sampling, inspection, and testing. Mr. Cantu is well-versed in monitoring construction costs, writing and/ or supervising the preparation of proposals, reports, correspondence, and communicating with contractors, supervisors, subordinates, local officials, and the public.

Project Experience

Various Subdivision Projects / City of McAllen, Edinburg, Alamo, and Weslaco

Role: Lab Manager

General Management of Construction Materials Testing. Coordination with Mission Laboratory Manager, Field Manager, and Field Technicians to ensure that all materials testing functions are being performed in accordance with industry standards and contract documents. Reviewed all test reports pertaining to these projects. Tests performed on these projects included: Moisture-Density Determination, Atterberg Limits, Sieve Analysis, Fresh Concrete Testing, and Compressive Strength Testing of Hardened Specimens. Performed construction observation and testing services on residential and commercial developments. Field experience included observations and testing of controlled fill, stormwater management facilities, subgrade stabilization, asphalt placement, concrete, pavement, retaining walls, roadway, and shallow building foundation construction. Ensured quality control and quality assurance were in accordance with the project plans and specifications.

Regional Linear Park Project-Phase 2 / Hidalgo County Precinct No. 2

Role: Materials Manager

General Management of Construction Materials Testing. Coordination with Laboratory Field Technicians and Inspectors to ensure that all materials testing functions are being performed in accordance with industry standards and contract documents. Review of all test reports pertaining to these projects. Tests performed on soils and base materials on these projects include Moisture-Density Determination, Atterberg Limits, Sieve Analysis, Fresh Concrete Testing, and Compressive Strength Testing of Hardened Specimens, Asphalt Content, Sieve Analysis, Specific Gravity and Thickness of Asphaltic Pavements.

Dicker Road Reconstruction / Hidalgo County Precinct No. 2

Role: Materials Manager

General Management of Construction Materials Testing. Coordination with Laboratory Field Technicians and Inspectors to ensure that all materials testing functions are being performed in accordance with industry standards and contract documents. Review of all test reports pertaining to these projects. Tests performed on soils and base materials on these projects include Moisture-Density Determination, Atterberg Limits, Sieve Analysis, Fresh Concrete Testing, and Compressive Strength Testing of Hardened Specimens, Asphalt Content, Sieve Analysis, Specific Gravity and Thickness of Asphaltic Pavements.

Title

Corporate Lab Manager

Years of Experience

32

Certifications/ Training

- AASHTO Accreditation
ATG No. 19-3730
- Local Government Project
Procedures (LGPP)
- SB102 – Field Specialist
- SB101 – Properties Specialist
- Certificate 103 – Radiation
Safety Officer Portable
Density/ Moisture Gauge
- USCE Construction Quality
Management Certificate for
Contractors – No. 784
- TxDOT Environmental Process
for Local Governments
ENV429
- Hazmat Certification
- OSHA General Industry Safety
& Health Certified
- OSHA Construction Safety &
Health Certified

Areas of Expertise

- Materials Engineering
(Aggregate, Concrete &
Asphalt)
- Soils & Subgrades
- Materials Testing
- Construction Inspection
- Highway Plan Review
- Knowledge of Federal and
State Hwy Requirements

TxDOT Pre-Certifications

A complete list is available
on page 2 of resume.

Hector Cantu

Title

Corporate Lab Manager

Years of Experience

32

Areas of Expertise

- Materials Engineering (Aggregate, Concrete & Asphalt)
- Soils & Subgrades
- Materials Testing
- Construction Inspection
- Highway Plan Review
- Knowledge of Federal and State Hwy Requirements

Certifications/ Training

- AASHTO Accreditation ATG No. 19-3730
- Local Government Project Procedures (LGPP)
- SB102 – Field Specialist
- SB101 – Properties Specialist
- Certificate 103 – Radiation Safety Officer Portable Density/ Moisture Gauge
- USCE Construction Quality Management Certificate for Contractors – No. 784

TxDOT Pre-Certifications

- 11.3.1 – Construction Superintendent
- 11.4.1 – Environmental Inspection
- 12.1.4 – Asphaltic Concrete Placement
- 12.1.5 – Portland Cement Placement
- 12.1.6 – Embankment/ Subgrade/Backfill /Base Production
- 12.1.7 – Embankment/ Subgrade/Backfill /Base Placement
- 18.3.1 – Utility Adjustment Coordination
- 18.6.1 – Utility Management and Coordination Oversight

Pharr Bridge - US77, Waco Bridges – FM116, SH6, SH174 / TxDOT Waco District

Role: Lab Manager

On these projects, B2Z was tasked with drilling, sampling, and testing soils from shallow and deep borings for the design of the bridge, drainage, and pavement structures. Mr. Cantu was responsible for the management of utility clearances, permits for drilling in TxDOT ROW, boring locations, field exploration coordination with drillers, positive laboratory classification, and Logs of Boring on TxDOT Wincore. All work performed was done in accordance with TxDOT Test Procedures and TxDOT Geotechnical Manual. Scope of work included the coordination of deep foundation boreholes in Willacy, Kenedy, Brown, McLennan, Bosque, and San Saba County, Texas. Analyzed the amount of gravel, sand, clay, and moisture present in the soil samples during which performed tests for soil pressure, composition, gathering and correlating basic engineering data with established well-defined procedures. Identified discrepancies in results. Provided technical expertise for studies and design efforts. Participated in the development of the technical proposal.

Harvey Camp Area Improvements / Harris County Precinct No. 2

Role: Lab Manager

Full-depth repairs of Concrete Pavements, Curbs, Driveways, and Sidewalks in various locations. Construction material testing includes Sampling of freshly mixed concrete, making and curing concrete test specimens in the field, Slump of hydraulic cement concrete, Air Content of concrete by pressure method, and Compressive Strength of cylindrical concrete specimens. Preparation of cement stabilized sand samples for test, Moisture-Density relations of sand-cement mixtures, Moisture-Density relations for laboratory compaction characteristics of cement stabilized sand using standard efforts, Compressive Strength of Molded Cement-Sand cylinders, and In-Place density and moisture content of soil and soil-aggregate by Nuclear Method (Shallow Depth).

El Dorado Blvd – Phase 2 / Harris County Precinct No. 2

Role: Lab Manager

This project consists of the construction of storm sewer and sidewalks along El Dorado Blvd (Phase 2) from Horsepen Bayou to Clear Lake City Blvd. Phase 2 includes 5 miles of hike and bike trail work and an in-ground detention facility. B2Z is currently providing materials testing on aggregates, portland cement concrete, and soils.

Baytown N Area Pavement Maintenance / Harris County Precinct No. 2

Role: Lab Manager

B2Z was contracted to provide construction material testing consisting of Level 1-B and Level 1-A technicians testing Asphalt for Densities, Road Cores, Thickness Verification, Extractions/Gradations, Specific Gravity, Bulk Densities, Molding Specimens, Max. Theoretical Specific Gravities, and Asphalt Content.

Jorge Solis



Title

Mission Laboratory Manager

Years of Experience

11

Certifications/Training

- Local Government Project Procedures (LGPP) #70208
- Level 1A Plant Mix Specialist #3482
- Level 1B Roadway Specialist #8405
- AGG 101 Aggregate Specialist #111
- SB101 Properties Specialist #285
- SB102 Field Specialist #382
- SB103 Materials Analyst Specialist #144
- SB201 Strength Specialist #622
- Concrete Field-Testing Technician – Grade I
- Concrete Strength Testing Technician
- 101 – Portable Nuclear Density / Moisture Gauge
- 102 – Portable Nuclear Gauge
- Hazmat Certification
- Radiation Safety Officer

Areas of Expertise

- Materials Engineering (Aggregate, Concrete & Asphalt)
- Soils & Subgrades
- Materials Testing

Summary

Mr. Solis has over 11 years of experience in the field of Engineering. Mr. Solis gained experience starting and finishing the Federal Retaining Wall Project Segment 6-A and performing concrete tests such as slump, air content, temperature, casting compressive strength cylinders, and testing. He acquired his experience testing Geotechnical Borings and performed such tests as Moisture Content, Atterberg Limits, -200's, P.H.'s Sulfate Contents, and many more. For two years Mr. Solis concentrated in the asphalt field where he performed most of the quality control testing. Mr. Solis has monitored construction asphalt and concrete material testing as well as advanced geotechnical testing to support government and private sector work. Mr. Solis supports engineers in functional areas of geotechnical design services, materials consulting, structure and roadway construction inspection, materials sampling, inspection, and testing.

Relevant Project & Area Experience

Various Subdivision Projects / City of McAllen, Edinburg, Alamo, and Weslaco

General Management of Construction Materials Testing. Coordination with Mission Laboratory Manager, Field Manager, and Field Technicians to ensure that all materials testing functions are being performed in accordance with industry standards and contract documents. Reviewed all test reports pertaining to these projects. Tests performed on these projects included: Moisture-Density Determination, Atterberg Limits, Sieve Analysis, Fresh Concrete Testing, and Compressive Strength Testing of Hardened Specimens. Performed construction observation and testing services on residential and commercial developments. Field experience included observations and testing of controlled fill, stormwater management facilities, subgrade stabilization, asphalt placement, concrete, pavement, retaining walls, roadway, and shallow building foundation construction.

IH 35/ Loop 20, Webb County / TxDOT

General management of utility clearances, boring location, field exploration coordination, laboratory classification of soils, and boring logs. On these projects, B2Z was tasked with drilling, sampling, and testing of soils from shallow and deep borings for the design of Bridge, Retaining Walls, and High-Mast Illumination.

Regional Linear Park Project-Phase 2 / Hidalgo County Precinct No. 2

General management of Construction Materials Testing. Coordination with Laboratory Field Technicians and Inspectors to ensure that all materials testing functions are being performed in accordance with industry standards and contract documents. Review of all test reports pertaining to these projects. Tests performed on soils and base materials on these projects include Moisture-Density Determination, Atterberg Limits, Sieve Analysis, Fresh Concrete Testing, and Compressive Strength Testing of Hardened Specimens, Asphalt Content, Sieve Analysis, Specific Gravity and Thickness of Asphaltic Pavements.

Segment 6-A Border Wall

On this project, Mr. Solis was tasked with overseeing this project and testing concrete on Key-Footings, Wall Forms, and Concrete Bollards for uniformity of concrete structure. This project also included retaining levees in which he tested the compaction of soil layers using the nuclear gauge method to determine the percent moisture and compaction.

SH 48 Overlay Project / TxDOT

On this project, Jorge Solis had the task of performing Quality Control in an Asphalt Plant representing the Texas Department of Transportation. In this project, he had the responsibility of performing tests such as Asphalt Content, Specific Gravity, Gradations, and many more. He had the responsibility of sending the best material possible to be used in all locations listed in this project.

References

City of Edinburg

Mr. Mardoqueo Hinojosa, P.E., CFM, CPM, City Engineer
(956) 292-7080

Geo/CMT Project References:

Various Subdivisions & City Projects

Role: Geotechnical Engineering & Construction Material Testing Services
Services: Performing all testing on construction materials.

Hidalgo County Precinct No. 2

Commissioner Eduardo "Eddie" Cantu
(956) 787-1891

Geo/CMT Project References:

Regional Linear Park Project ~ Section II (Hidalgo County)

Role: Construction Engineering & Inspection and Material Testing Services
Services: Performing all testing on construction materials for the project.

Dicker Road Expansion Project (Hidalgo County)

Role: Construction Engineering & Inspection and Material Testing Services
Services: Performing all testing on construction materials for the project.

HNTB Corp.

Mr. Joel Salinas, P.E., Project Manager
(346) 352-5659

Geo/CMT Project References:

Northpark Drive Overpass Project (Lake Houston Development Authority – Overall Client)

Role: Geotechnical Engineering & Testing Services
Services: Geotechnical Site Investigation, Boring Logs, and Geotechnical Engineering Analysis/Design
(Miscellaneous Geotechnical Design)

Hidalgo County Drainage District No. 1

Mr. Raul Sesin, P.E., CFM, District Manager
(956) 292-7080

Geo/CMT Project References:

Mission Lateral- Sections I/II/III (2018 Bond Ref Project #26)

Role: Construction Material Testing Services and Construction Management & Inspection
Services: Performing all testing on construction materials for the project.

Hidalgo Drain Military Crossing (Project #13)

Role: Construction Material Testing Services
Services: Performing all testing on construction materials for the project.

Pharr McAllen Drain (2018 Bond Ref Project #31)

Role: Geotechnical Engineering & Testing Services
Services: Geotechnical Site Investigation, Boring Logs, and Geotechnical Engineering Analysis/Design

Insurance

As a function of day-to-day business, B2Z carries a Professional Liability of \$2 Million. Additionally, B2Z carries a General Liability of \$1 Million (each claim) / \$2 Million (aggregate), an Automobile Liability of \$1 Million (combined), an Umbrella Liability of \$2 Million (each claim) / \$2 Million (aggregate), and a Worker's Compensation and Employers Liability of \$1 Million. B2Z has no pending or past insurance claims.

ACORD®		CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 7/6/2022
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER. IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).				
PRODUCER The Risk Specialty Group, LLC 675 Bering Dr, Ste. #175 Houston TX 77057		CONTACT NAME: Candi Carpenter PHONE (A/C No, Ext): 713-552-1900 FAX (A/C, No): 713-513-5411 E-MAIL: ccarpenter@risksspecialtygroup.com		
INSURED B2Z Engineering, LLC P.O. Box 2724 McAllen TX 78502		B2ZENGL-01		INSURER(S) AFFORDING COVERAGE
		INSURER A: The Travelers Indemnity of Ame		NAIC #
		INSURER B: Travelers Property Casualty In		25686
		INSURER C: Hudson Insurance Company		25054
		INSURER D: Travelers		19038
		INSURER E:		
		INSURER F:		

COVERAGES		CERTIFICATE NUMBER: 371435032		REVISION NUMBER:		
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ Incl. Unmanned ☐ Aircraft Liab. GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PROJECT ☐ LOC ☐ OTHER		6807N737635	7/10/2022	7/10/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPOP AGG \$ 2,000,000
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY		BA9R235112	7/10/2022	7/10/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED \$ RETENTION \$		CUP1P237416	7/10/2022	7/10/2023	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
D	☒ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	UB7N741163	7/10/2022	7/10/2023	☒ PER STATUTE ☐ OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	☒ Professional Liability including Pollution Liability (claims made)		PRB 06 19 114495	7/10/2022	7/10/2023	Each Claim 2,000,000 Aggregate 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER "Sample" For information purposes only	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	--

Professional Services Agreement



August 1, 2022

Mr. Mardoqueo Hinojosa, P.E., CFM, CPM, City Engineer
City of Edinburg
C/o City Secretary Department (1st Floor)
415 W. University Drive
Edinburg, Texas 78541

**RE: RFQ #2022-008 Geotechnical Engineering Services
Professional Services Agreement**

Dear Mr. Hinojosa,

B2Z Engineering, LLC (B2Z) has reviewed all prerequisite insurance requirements and assures that all coverages are met or exceeded. Please reference page 27 of this SOQ for detailed information. B2Z further agrees to enter into an agreement with the stated requirements within the advertised RFQ.

Sincerely,

A handwritten signature in blue ink, appearing to read "Aisha Gonzalez".

Aisha Gonzalez
President
B2Z Engineering, LLC



Contact Information

Mrs. Aisha Gonzalez, the President and Owner of B2Z Engineering, and Mr. Raphael Campos, P.E., the assigned Project Manager, will serve as the point of contact. Below, please find the requested contact information:

Name	Title	Address	Phone Numbers	Email Address
Mrs. Aisha Gonzalez	President/Owner	900 S. Stewart Rd, Ste. 4 Mission, TX 78572	Office: (956) 585-3773 Mobile: (956) 566-3421	Aisha@B2ZEng.com
Mr. Raphael Campos, P.E.	VP of Construction Phase Services	900 S. Stewart Rd, Ste. 2 Mission, TX 78572	Office: (956) 585-3773 Mobile: (512) 350-9917	Raphael@B2ZEng.com

Appendix A

CONFLICT OF INTEREST

DISCLOSURE

Prospective contractors should carefully consider whether any of their activities may give rise to an improper conflict of interest situation. Conflict of interest situations that are not properly addressed can result in a loss of funding to a specific program and/or to the City of Edinburg, and in some cases can result in civil or criminal liability.

Organizations that may enter into a contract with the City of Edinburg should examine the following:

- Are any employees or board members of the organization,
 - a City of Edinburg employee or consultant who exercises program or project specific functions as part of their City position?
 - a member of a Board, Council or Committee that may participate in the City's selection or award process?
 - a City Official?
- Are any immediate family members or business associates of my employees or board member's,
 - a City of Edinburg employee or consultant who participates in the City's selection or award process as part of their City position?
 - a member of a Board, Council or Committee that may participate in the City's selection or award process?
 - a City Official?
- Will any of my employees or board members receive a financial interest or benefit from any project funded and administered through the City (other than employee salaries or personnel benefits)?
- Will any immediate family members or business associates of my employees or board members receive a financial interest or benefit from any project funded and administered through the City (other than employee salaries or personnel benefits)?
- To my knowledge, will my program or project have a financial effect on a City official or employee who exercises City-related functions, or an immediate family member or business associate of such person? For example, will any of these persons be receiving rental payments, other business income, or program services from my company or services offered?

If you can answer "yes" to any of these questions, it is possible that there may be a conflict of interest. You should review the rules below to determine whether an actual conflict situation is raised, and, if so, what action needs to be taken to avoid a violation of the law. You should contact City staff immediately if you suspect that there might be an issue.

Any contractor entering into an agreement with the City will be required to warrant and represent, to the best of his/her knowledge at the time the contract is executed, he/she is not aware of any improper conflict of interest as

described. Also, the contract will obligate contractors to exercise due diligence to ensure that no improper conflict situations occur during the contract.

The following Federal, State and local regulations and policies, govern projects funded through the City of Edinburg:

- * 2 CFR Part 200 [Subpart B 200.112 and Subpart D 200.318]
- * Texas Local Government Code Chapter 171.004
- * City of Edinburg Policies & Procurement Manual

Certification:

I, the undersigned, certify and report that to the best of my knowledge,

☒ I have no conflict of interest to disclose

☐ I have the following conflict of interest to disclose:

Date:

08/01/2022

Printed Name and Title:

Aisha Gonzalez, President

Company/Vendor Name:

B2Z Engineering, LLC

Authorized Signatory:



HOUSE BILL 89 VERIFICATION

I, Aisha Gonzalez, the undersigned representative of
B2Z Engineering, LLC, (Company or Business name) (hereafter referred to as
company) being an adult over the age of eighteen (18) years of age, verify that the company named-above, under
the provisions of Subtitle F, Title 10, Government Code Chapter 2270:

1. Does not boycott Israel currently; and
2. Will not boycott Israel during the term of the contract.
- 3) Is not currently listed on the State of Texas Comptroller's Companies that Boycott Israel List located at
<https://comptroller.texas.gov/purchasing/publications/divestment.php>

Pursuant to Section 2270.001, Texas Government Code:

1. "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and

2. "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.



SIGNATURE OF COMPANY REPRESENTATIVE:

Aisha Gonzalez, President

TYPE/PRINT NAME AND TITLE:

08/01/2022

DATE:

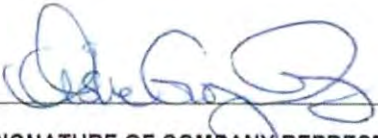
SENATE BILL 13 VERIFICATION

I, Aisha Gonzalez, the undersigned representative of
B2Z Engineering, LLC, (Company or Business name) (hereafter referred to as
company) being an adult over the age of eighteen (18) years of age, verify that the company named-above, under
the provisions of Subtitle F, Title 10, Chapter 809, Government Code 2274:

- 1) does not boycott energy companies and;
- 2) will not boycott energy companies during the term of the contract.

Pursuant to Section 2274.001, Texas Government Code:

1. "Boycott energy company" has the meaning assigned by Section 809.001; and
2. "Company" has the meaning assigned by Section 809.001, except that the term does not include a sole proprietorship.



SIGNATURE OF COMPANY REPRESENTATIVE:

Aisha Gonzalez, President

TYPE/PRINT NAME AND TITLE:

08/01/2022

DATE:

SENATE BILL 19 VERIFICATION

I, Aisha Gonzalez, the undersigned representative of
B2Z Engineering, LLC, (Company or Business name) (hereafter referred to as company) being an adult over the age of eighteen (18) years of age, verify that the company named-above, under the provisions of Subtitle F, Title 10, Government Code Chapter 2274:

- (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and,
- (2) will not discriminate during the term of the contract against a firearm entity or firearmtrade association.

Pursuant to Section 2274.001, Texas Government Code:

- 1) "Ammunition" means a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile.
- 2) "Company" means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or associations that exists to make a profit. The term does not include a sole proprietorship.
- 3) "Discriminate against a firearm entity or firearm trade association":
 - a) means, with respect to the entity or association, to:
 - i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association;
 - ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or
 - iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; and
 - b) does not include:
 - (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and
 - (ii) a company 's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship:
 - (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or
 - (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity 's or association 's status as a firearm entity or firearm trade association.

- 4) "Firearm" means a weapon that expels a projectile by the action of explosive or expanding gases.
- 5) "Firearm accessory" means a device specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and an item used in conjunction with or mounted on a firearm that is not essential to the basic function of the firearm. The term includes a detachable firearm magazine.
- 6) "Firearm entity" means:
- a) firearm, firearm accessory, or ammunition manufacturer, distributor, wholesaler, supplier, or retailer; and
 - b) a sport shooting range as defined by Section 250.001, Local Government Code.
- 7) "Firearm trade association" means any person, corporation, unincorporated association, federation, business league, or business organization that:
- a) is not organized or operated for profit and for which none of its net earnings inures to the benefit of any private shareholder or individual;
 - b) has two or more firearm entities as members; and
 - c) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.



SIGNATURE OF COMPANY REPRESENTATIVE:

Aisha Gonzalez, President

TYPE/PRINT NAME AND TITLE:

08/01/2022

DATE:

CITY OF EDINBURG

NONCOLLUSION AFFIDAVIT

NONCOLLUSION AFFIDAVIT OF PRIME BIDDER

STATE OF TEXAS

COUNTY OF HIDALGO

Aisha Gonzalez

, being first duly sworn, deposes and says that: (Name)

(1) She/He is President of B2Z Engineering, LLC, the Bidder that has submitted the attached Bid;
(Company)

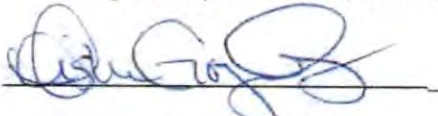
(2) She/He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;

(3) Such Bid is genuine and is not a collusive or sham Bid.

(4) Neither said Bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed directly or indirectly with another Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such contract, or has in any manner, directly or indirectly sought by agreement or collusion or communication or conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix an overhead, profit or cost element of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the **CITY OF EDINBURG**, or any person interested in the proposed Contract; and

(5) The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including affiant.

Sign

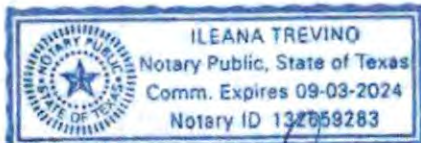


Title

Aisha Gonzalez, President

Subscribed and sworn to me this 1st day of August 2022

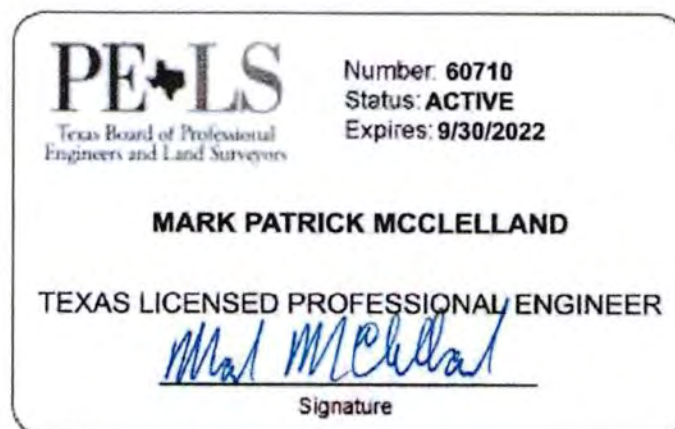
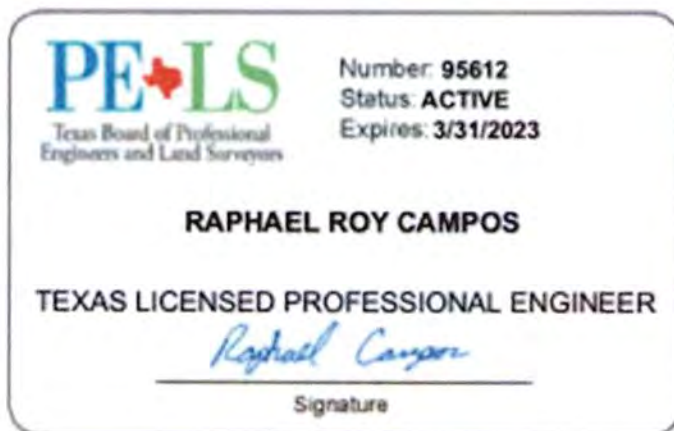
By:



Notary Public

My commission expires

Ileana Trevino
09/03/2024



B2Z LABORATORY CERTIFICATIONS



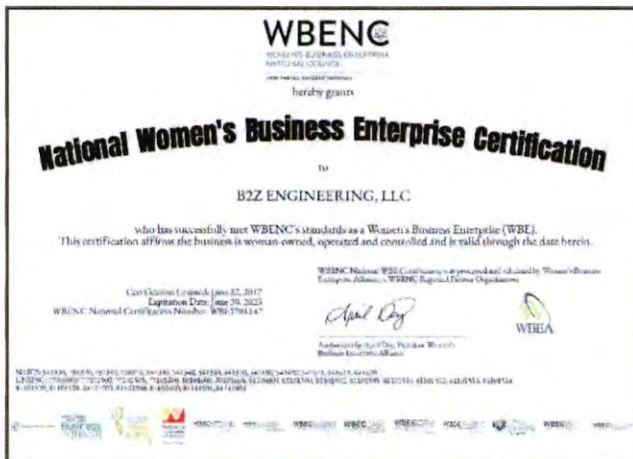
B2Z FIRM CERTIFICATIONS



HUB Certified Firm



DBE Certified Firm



WBE Certified Firm



MBE Certified Firm

**EXHIBIT "B" TO AGREEMENT BETWEEN THE CITY OF EDINBURG AND B2Z
ENGINEERING, LLC FOR GEOTECHNICAL ENGINEERING SERVICES PURSUANT
TO RFQ NO. 2022-008**



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/6/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER The Risk Specialty Group, LLC 675 Bering Dr, Ste. #175 Houston TX 77057	CONTACT NAME: Candi Carpenter PHONE (A/C, No, Ext): 713-552-1900 E-MAIL ADDRESS: ccarpenter@risksspecialtygroup.com FAX (A/C, No): 713-513-5411
INSURED B2Z Engineering, LLC P.O. Box 2724 McAllen TX 78502	INSURER(S) AFFORDING COVERAGE INSURER A: The Travelers Indemnity of Ame INSURER B: Travelers Property Casualty In INSURER C: Hudson Insurance Company INSURER D: Travelers INSURER E: INSURER F:

COVERAGES**CERTIFICATE NUMBER:** 2081093836**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ Incl. Unmanned ☐ Aircraft Liab. GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PRO-JECT ☐ LOC ☐ OTHER		6807N737635	7/10/2022	7/10/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY		BA9R235112	7/10/2022	7/10/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☐ RETENTION \$		CUP1P237416	7/10/2022	7/10/2023	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
D	☒ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y / N ☐ N / A		UB7N741163	7/10/2022	7/10/2023	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Professional Liability including Pollution Liability (claims made)		PRB 06 19 114495	7/10/2022	7/10/2023	Each Claim Aggregate 2,000,000 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**City of Edinburg
415 W. University Dr.
Edinburg TX 78539

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2015 ACORD CORPORATION. All rights reserved.

**EXHIBIT "C" TO AGREEMENT BETWEEN THE CITY OF EDINBURG AND B2Z
ENGINEERING, LLC FOR GEOTECHNICAL ENGINEERING SERVICES PURSUANT
TO RFQ NO. 2022-008**



Contract Rates

Personnel Classification	Hourly Base Rate	Contract Rate FY 2022
Senior Project Manager / Principal	\$ 75.00	\$ 241.42
Project Manager	\$ 68.00	\$ 218.88
Senior Construction Engineer / Manager	\$ 62.00	\$ 199.57
Geotechnical Engineer	\$ 60.00	\$ 193.13
Construction Manager / PMP	\$ 60.00	\$ 193.13
Construction Superintendent	\$ 42.00	\$ 135.19
Environmental Manager (10+ Years Exp.)	\$ 49.00	\$ 157.73
Project Engineer (10+ Years Exp.)	\$ 45.00	\$ 144.85
Engineering Lab Manager	\$ 43.00	\$ 138.41
Design Engineer (5~10 Years Exp.)	\$ 40.00	\$ 128.76
GIS / Senior Engineering Tech	\$ 38.00	\$ 122.32
Environmental Specialist	\$ 37.00	\$ 119.10
Construction Inspector	\$ 30.00	\$ 96.57
EIT	\$ 29.00	\$ 93.35
Construction Record Keeper	\$ 28.00	\$ 90.13
Unmanned Aircraft System (UAS) Pilot	\$ 27.00	\$ 86.91
Engineer Tech	\$ 25.00	\$ 80.47
CADD Operator	\$ 23.00	\$ 74.03
Laboratory / Field Technician	\$ 22.50	\$ 72.43
Admin/Clerical	\$ 22.00	\$ 70.82
Overhead Rate*: 179.03% Profit Rate: 12.00%	Contract Rates include labor, overhead, and profit. Contract Rates to be used to derive lump sum totals. All rates are negotiated rates and are not subject to change or adjustment.	
Direct Expenses:		
Lodging.....	\$98/night	
Meals.....	\$59/day	
Mileage.....	\$0.625/mile	
Car Rental.....	\$60.00/Day	
Aerial Drone Flight.....	\$250.00/hr	
Air Travel (Coach/Business Class).....	At Cost	
8 1/2" X 11" copies.....	\$1.00/sheet	
11" X 17" copies.....	\$1.50/sheet	
Overnight Mail - Letter Size.....	\$15.00/Each	
Overnight Mail - Oversized Box.....	\$25.00/Each	

* = Overhead Rate is TxDOT 2020 Approved Audited Overhead Rate.



GEOTECHNICAL & CONSTRUCTION MATERIALS TESTING SERVICES

Direct Expenses

Geotechnical Field Services

Mobilization (Drill Rig and Crew)	\$415.38/Day
Stand-By Time	\$235.22/Hr
Texas Cone Penetration Test (Tex-132)	\$10.80/Ea.
Soil Boring / Solid Stem	\$32.00/Lf
Soil Boring / Hollow Stem	\$32.00/Lf
Soil Boring / Mud Rotary	\$32.00/Lf
Mileage (Logger-Soil Tech)	\$0.625/Mi.
Support Truck	\$1.75/Mi.
Piezometer / Monitoring Well	By Quote

Soil Testing

Moisture Content Determination - ASTM D2216/Tex-103-E	\$13.05/Ea.
Determination of Liquid Limit of Soils - Tex-104-E	\$45.00/Ea.
Determination of Plastic Limit of Soils - Tex-105-E	\$45.00/Ea.
Determination of Plasticity Index of Soils - Tex-106-E	\$45.00/Ea.
Atterberg Limits of Soils - ASTM D 4318	\$115.47/Ea.
Bar Linear Shrinkage of Soils - Tex-107-E	\$83.60/Ea.
Particle Size Analysis of Soils (Gradation) - ASTM D 422/Tex-110-E	\$92.38/Ea.
Material Finer #200 Sieve - ASTM D 1140/Tex-111-E	\$62.43/Ea.
Lime Series Testing (PI Relation) - Tex-112-E	\$292.50/Ea.
Lime Series Testing (pH Relation) - Tex-121-E (Part III)	\$443.31/Ea.
Moisture-Density Relationship (TxDOT) - Tex-113-E /Tex-114-E	\$281.68/Ea.
Standard Proctor - ASTM D 698	\$257.27/Ea.
Modified Proctor - ASTM D 1557	\$261.93/Ea.
Field Density Test (Nuclear) - ASTM D 6938/Tex-115-E	\$25.17/Ea.
Determination of Soil pH - Tex-128-E	\$74.16/Ea.
Soil-Lime Testing - Tex-121-E (Part I)	\$167.50/Ea.
Resistivity of Soils - Tex-129-E	\$194.00/Ea.
Sulfate Content of Soils - Tex-145-E	\$98.98/Ea.
Organic Content of Soils - Tex-148-E	\$60.00/Ea.
Texas Wet Ball Mill (Material Quality) - Tex-116-E	\$276.63/Ea.
Triaxial Compression (Dist. Soil & Base) - Tex-117-E	\$2,300.00/Ea.
Unconfined Compression-Soil - ASTM D 2166	\$57.15/Ea.
Uniaxial Compression-Rock - ASTM D 7012	\$73.37/Ea.
Consolidation Test - ASTM D 2435	\$654.62/Ea.
Pulverization Gradation - Tex-101-E (Part III)	\$95.81/Ea.
Mechanical Grain Analysis ASTM D 6913	\$100.00/Ea.
Organic Content Determination (Ignition) ASTM D 2974	\$60.00/Ea.

Coarse & Fine Aggregate Quality Testing

Sieve Analysis (Dry)(4 Sieves) - ASTM C 136/Tex-200-F	\$79.99/Ea.
Sieve Analysis (Washed)(4 Sieve) - ASTM C 136/Tex-200-F	\$85.53/Ea.
Sieve Analysis (Conc. Aggregate)(5 Sieve) - Tex-401-A	\$90.00/Ea.
Sieve Analysis (Additional Sieves) - All Methods	\$15.12/Ea.

Deleterious Material (Coarse Aggr.) - Tex-217-F (Part I)	\$50.00/Ea.
Deleterious Material (Concrete Aggr.) - Tex-413-A	\$50.00/Ea.
Decantation (Coarse Aggr.) - Tex-217-F (Part II)	\$54.00/Ea.
Decantation Test (Fine Aggr. - Conc.) - ASTM C 117/Tex-406-A	\$26.50/Ea.
Specific Gravity/Absorp. (Conc. Aggr.) - ASTM C127/Tex-403-A	\$81.22/Ea.
L.A. Abrasion - ASTM C13/ Tex-410-A	\$402.33/Ea.
Soundness (5 Cycle Magnesium Sulfate) - ASTM C 88/Tex-411-A	\$575.87/Ea.
SSD Unit Weight of Aggregates - ASTM C29/Tex-404-A	\$57.17/Ea.
Percent Voids/Solids in Conc. Aggr. - Tex-405-A	\$15.00/Ea.
*(In Conjunction w/ SSD Unit Wt of Aggregates)	

Sand Equivalent - ASTM D 2419/Tex-203-F	\$96.10/Ea.
Specific Gravity / Absorption (Fine Aggr.) - ASTM C 128/Tex -403-A	\$82.61/Ea.
Organic Impurities in Fine Aggregate -ASTM C 87/Tex -408-A	\$53.05/Ea.
Fineness Modulus of Fine Aggregate - Tex-402-A	\$15.00/Ea.
Flat & Elongated Particles (Coarse Aggr.) - Tex-280-F	\$65.88/Ea.
Coarse Aggr. Crushed Face (Coarse Aggr.) - Tex-460-A (Part I)	\$60.00/Ea.
Acid Insoluble of Fine Aggregate - Tex-612-J	\$90.00/Ea.

Pavement Testing (Mix & Roadway) / Asphalt Quality

Sieve Analysis (Paving Mix Gradation) - Tex-236-F/Tex-200-F	\$81.49/Ea.
Bulk Specific Gravity and Water Absorption of Aggregates – Tex-201-F	\$100.00/Ea.
Lab Method of Mixing Bituminous Mixtures (set of 3) – Tex-205-F	\$145.00/Ea.
Compacting Specimens Using the Texas Gyratory Compactor (set of 3) - Tex-206-F	\$95.00/Ea.
Determine Drain down Characteristics in Bituminous Mixtures – Tex-235-F	\$60.00/Ea.
Asphalt Content - Tex-236-F	\$95.00/Ea.
Voids in Mineral Aggr. (VMA) - Tex-207-F	\$90.00/Ea.
Boil Test (Effect of Water on Paving Mix) - Tex-530-C/Tex-531-C	\$90.00/Ea.
Indirect Tensile Strength Test - Tex-226-F	\$62.50/Ea.
Moisture Content (Paving Mix) - Tex-212-F (Part II)	\$18.00/Ea.
Lab Molded Density - Tex-207-F	\$89.08/Ea.
Hamburg Wheel Tracker - Tex-242-F	\$1,000.00/Ea.
Field Coring – ACP Thickness - ASTM D 3549	\$69.50/Ea.
Pavement Thickness Det. (Full Depth) - ASTM D 3549	\$95.00/Ea.
Density of Cores (4 or 6 inch) (Set of 2) - Tex-207-F	\$81.67/Ea.
In-Place Air Voids - Tex-207-F	\$25.00/Ea.
Maximum Theoretical SPG (Rice Gravity) - Tex-227-F	\$101.63/Ea.
Extraction/Sieve Analysis/Asphalt Content - Tex-210-F/Tex-200-F	\$226.37/Ea.
Asphalt Rolling Pattern (Nuclear Method) - Tex-207-F (Part IV)	\$45.00/Ea.
Segregation Profile - Tex-207-F (Part V)	\$315.00/Ea.
Joint Density - Tex-207-F (Part VII)	\$315.00/Ea.
Tack Coat Adhesion - Tex-243-F	\$100.00/Ea.
Thermal Profile - Tex-244-F	\$200.00/Ea.
Ride Quality - Tex-1001-S	By Quote

Pavement Investigation (All Inclusive – QA Verification Field Sample) ~

Includes Core Exist. Asphalt for Thick. Perform Caliche Base Thick., Sieve Analysis & P.I., Stabilized Subgrade Thickness & P.I	\$550.00/Ea.
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Concrete/Masonry Field & Laboratory Testing

Temperature Test (Fresh Mix Conc.) - Tex-422-A	\$5.00/Ea.
Slump Test - ASTM C 143/Tex-415-A	\$28.13/Ea.

Air Content (Pressure Method) - ASTM C 231/Tex-416-A	\$32.90/Ea.
Air Content (Volumetric) - ASTM C 173	\$39.23/Ea.
Casting of Concrete Cylinders - ASTM C 31/Tex-447-A	~
Cylindrical Specimen Prep./Hold/Cure - ASTM C 192/ Tex-447-A	\$13.65/Ea.
Capping Cyl. Concrete Specimen – Tex-450-A	\$14.00/Ea.
Compressive Strength of Cyl. Specimen - ASTM C 39/Tex-418-A	\$19.41/Ea.
Casting of Grout Prisms - ASTM C 1019	~
Grout Prism Prep./Cure/Comp. Strength - ASTM C 39	\$31.29/Ea.
Casting of Mortar Cubes - ASTM C 780	~
Mortar Cube Prep./Cure/Comp. Strength - ASTM C 109	\$32.79/Ea.
Masonry Unit Prep. /Comp. Str. (Set of 3) - ASTM C 140	\$250.00/Ea.
Masonry Unit SPG/Abs./Unit Wt. (Set of 3) - ASTM C 140	\$250.00/Ea.

***(In Coniunction w/ Field Inspection)**

Structural

Bolt Technician	By Quote
Welding Inspection	By Quote

Miscellaneous Testing

Drilled Shaft Slurry Density - Tex-130-E (Part II)	\$25.00/Ea.
Drilled Shaft Slurry Sand Content - Tex-130-E (Part III)	\$25.00/Ea.
Drilled Shaft Slurry Viscosity - Tex-130-E (Part IV)	\$25.00/Ea.
Lime (Compliance with DMS 6350) (Tex-600-J)	\$300.00/Ea.
Asphalt Binder (Compliance with DMS-6310)	\$500.00/Ea.

Engineering Review, Evaluation, Management & Administration

Test Report	\$28.25/Ea.
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The specific hourly rate within each classification listed under Labor/Staff Classification depends on the experience, training, and qualifications of the personnel. A two (2) hour minimum billing at the applicable rate will be assessed per visit to project site.

Services provided on Saturday, Sunday and all work in excess of "normal" work hours will be invoiced at an overtime rate 1.5 times the applicable rate for the work performed. The cost of services is based upon the assumption that services will be provided during "normal" working hours. Normal working hours are between 7:00 a.m. and 6:00 p.m., Monday through Friday.

Expenses

Mileage	\$0.625/Mi.
All other project specific, third-party costs will be charged at cost plus 10 percent.	



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

CONSENT AGENDA

Agenda Item No: 12.B.

MOU with LRGVDC

1. Agenda Item:

Consider Authorizing the City Manager to Renew a Memorandum of Understanding (MOU) Between the City of Edinburg and the Lower Rio Grande Development Council (LRGVDC) for the Purposes of Providing Basic Police Officer Training at the Derek Hernandez Police Training Academy in the City of Edinburg. [Jaime Ayala, Chief of Police]

2. Description:

The Lower Rio Grande Valley Development Council (LRGVDC) is a contractual training provider for the Texas Commission on Law Enforcement (TCOLE) and serves as the Regional Law Enforcement Training and Education provider throughout the counties of Cameron, Hidalgo, and Willacy. The LRGVDC manages the operational requirements and training curriculum standards as per TCOLE contractual agreement.

The LRGVDC and the Edinburg Police Department agree to cooperate with each other for the performance of governmental functions and provide basic police academy training, in-service police training for police department officers, other area police officers, and prospective peace officer candidates. There is no budget impact on the department for the interlocal agreement.

The Edinburg Police Department will make their training facility and certified instructors available. The LRGVDC will permit access to their police academy license in order to credit training to TCOLE that is provided and hosted by the Edinburg Police Department.

This MOU is necessary to establish an understanding for the Basic Police Officer Academy held at the Dereck Hernnandez Police Training Center in the City of Edinburg.

3. Staff's Recommendation:

Approve Authorizing the City Manager to Renew a Memorandum of Understanding (MOU) Between the City of Edinburg and the Lower Rio Grande Development Council (LRGVDC) for the Purposes of Providing Basic Police Officer Training at the Derek Hernandez Police Training Academy in the City of Edinburg.

Reviewed by:

Jaime Ayala, Chief of Police

Jesus Saenz, Assistant City Manager

Prepared by:

Iris Alvarado, Management

Services Administrator

Chad Dufner, Assistant

Police Chief

Attachments:

A. Interlocal Agreement

**INTERLOCAL AGREEMENT BETWEEN THE
LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL
&
CITY OF Edinburg, POLICE DEPARTMENT**

REGARDING COOPERATIVE EXTENSION SERVICES FOR LRGV ACADEMY SITE

This Interlocal Agreement (the “Agreement”) is entered into by and between the LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL (“LRGVDC”), a Regional Council of Government and political subdivision of the State and the CITY OF Edinburg, TEXAS, (“City”), a home rule municipality, By and Through The Edinburg POLICE DEPARTMENT (LAW ENFORCEMENT AGENCY) regarding the implementation of a cooperative extension services for the regional police academy under the Interlocal Cooperation Act, Chapter 791, Texas Government Code, as the same may be amended from time to time, to be effective as of the date on which the last Party signs this Agreement (the “Effective Date”). The City and the LRGVDC are collectively referred to herein as the “Parties” and are each a “Party”.

WITNESSETH:

WHEREAS, Chapter 791 of the Texas Government Code, as amended, titled Interlocal Cooperation Contracts, authorizes contracts between political subdivisions for the performance of governmental functions and services;

WHEREAS, the Regional Police Academy as a division of the LRGVDC is tasked with representing the Rio Grande Valley and supporting law enforcement agencies with almost 50 years of experience administering training resources and programs for the development of qualified law enforcement officers throughout the region;

WHEREAS, the LRGVDC Regional Police Academy utilizes a wide-variety of law enforcement instructors to provide a comprehensive, diverse academy, incorporating the expertise of some of the finest training officials in the region;

WHEREAS, LRGVDC and Edinburg POLICE DEPARTMENT have agreed to cooperate with each other for the performance of governmental functions and provide basic police academy training, in-service police training for POLICE DEPARTMENT officers, other area police officers, and prospective peace officer candidates;

WHEREAS, the LRGVDC, for the purposes of performing functions of law enforcement through its REGIONAL ACADEMY, has a Law Enforcement Academy with a TCOLE Agency Number (TCOLE REPORTING);

WHEREAS, the Edinburg POLICE DEPARTMENT has a need for Basic Peace Officer Academy and TCOLE REPORTING, when Edinburg POLICE DEPARTMENT provides other entities training, which will be utilized in the service of crime prevention and for law enforcement purposes, such as training;

WHEREAS, the LRGVDC and Edinburg POLICE DEPARTMENT are located in close proximity and have a common law enforcement and crime prevention initiative and close

working relations; and

WHEREAS, the LRGVDC and Edinburg POLICE DEPARTMENT have heretofore entered into this Agreement providing for COOPERATIVE EXTENSION SERVICES of Edinburg POLICE DEPARTMENT for law enforcement purposes; and

NOW, THEREFORE, to enhance cooperation amongst local law enforcement agencies, express their mutual commitment to the service of law enforcement purposes and provision of the aforementioned training programs, the LRGVDC and Edinburg POLICE DEPARTMENT hereby agree as follows:

The LRGVDC is a contractual training provider for the Texas Commission on Law Enforcement to serve as the Regional Law Enforcement Training and Education provider throughout the counties of Cameron, Hidalgo, and Willacy.

The LRGVDC manages operational requirements and training curriculum standards as per TCOLE contractual agreement. LRGVDC maintains the right to review or modify, as needed, training calendar, curriculum, lesson plans and/or adjunct instructors in accordance with TCOLE requirements.

1. REPORTING: the LRGVDC will report training to TCOLE for the Edinburg POLICE DEPARTMENT for trainings conducted by the Edinburg POLICE DEPARTMENT related to law enforcement purposes under the following terms and conditions outlined below.
2. IN CONSIDERATION OF TCOLE REPORTING: To the extent permitted by federal law and regulations, and applicable policies, directives, guidelines and/ or rules, Edinburg POLICE DEPARTMENT farther agrees to the following:
 - a. Edinburg POLICE DEPARTMENT agrees to provide at least two weeks advance notice of any classes to be held by the AGENCY.
 - b. Edinburg POLICE DEPARTMENT agrees to provide all training at NO COST to the students.
 - c. Edinburg POLICE DEPARTMENT agrees, for any class facilitated by the AGENCY, to abide by the LRGVDC Regional Police Academy LRGV Academy BPOC Rules, Policies, and Procedures attached hereto and incorporated by reference as Exhibit "A".
 - d. Edinburg POLICE DEPARTMENT agrees, for any class facilitated by the AGENCY, to provide both a legibly written sign-in roster with PID numbers as well as a typed LRGVDC TCOLE Report of Training Form attached hereto and incorporated by reference as Exhibit "B".
 - e. Edinburg POLICE DEPARTMENT agrees, for any class facilitated by the AGENCY, to provide a list of clearly defined and spelled out learning objectives.

- f. Edinburg POLICE DEPARTMENT agrees to provide, for any class facilitated by the AGENCY, a concise, up to date, easy to follow lesson plan.
- g. Edinburg POLICE DEPARTMENT agrees to provide, for any class facilitated by the AGENCY, an up-to-date instructor bio-sketch.
- h. Edinburg POLICE DEPARTMENT agrees to provide, for any class facilitated by the AGENCY, a typed LRGVDC Regional Police Academy Score Sheet attached hereto and incorporated by reference as Exhibit "C".
- i. Edinburg POLICE DEPARTMENT agrees to provide, for any class facilitated by the AGENCY every student in every class, a completed LRGVDC Regional Police Academy Course/Instructor Evaluation form attached hereto and incorporated by reference as Exhibit "D".
- j. Edinburg POLICE DEPARTMENT agrees to allow the LRGVDC Regional Police Academy Coordinator or his/her designee unfettered access to classes and/or record related to classes facilitated by the AGENCY for compliance and auditing purposes.
- k. The TCOLE Agency Number is assigned, and proprietary to LRGVDC and Regional Police Academy and TCOLE REPORTING is subject to the policies, rules and procedures established by the LRGVDC.
- l. Edinburg POLICE DEPARTMENT agrees that TCOLE REPORTING shall be solely used for the law enforcement purpose of reporting training.
- m. Edinburg POLICE DEPARTMENT hereby acknowledges and agrees that failure to comply with any of the terms of this agreement, and or any rule or policy incorporated herein by reference, shall result in the termination of this agreement, including further TRAINING and TCOLE REPORTING.
- n. To the extent permitted under the Constitution and the laws of the State of Texas, Edinburg POLICE DEPARTMENT shall be solely responsible for any injuries or damages to persons arising out of the acts or omissions of its employees and shall maintain liability insurance coverage for any such loss. Proof of same shall be provided to LRGVDC prior to any TCOLE REPORTING.

I. Findings

1.1 The recitals set forth above are incorporated herein for all purposes and are found by the Parties to be true and correct. It is further found and determined that the Parties have authorized and approved this Agreement by their respective entities, and that this Agreement will be in full force and effect when executed by all Parties.

II. RESPONSIBILITIES/DUTIES

2.1 LRGVDC will:

- A. Provide quality Basic Peace Officer Academy training, as per requirements established by the Texas Commission on Law Enforcement and Chapter 1701 of the Texas Occupations Code.
- B. Provide quality in-service peace officer training as per requirements established by the Texas Commission on Law Enforcement and Chapter 1701 of the Texas Occupations Code.
- C. Insure that all POLICE DEPARTMENT sworn personnel receive the minimum required training as mandated by the Texas Commission on Law Enforcement and the Chapter 1701 of the Texas Occupations Code.
- D. Provide at no cost Basic Peace Officer Academy training for up to the first **FIVE (5) POLICE DEPARTMENT** personnel per academy, known as sponsored cadets.
- E. Limit each class to a **maximum** of **24** participants, including those sponsored by the City of Edinburg Police Department (both day and evening classes). When a day or night academy is operable in the City of Edinburg, there must be a **minimum** of **12** participants. If the City of Edinburg's Day or Night academies enrollment drops below FIVE (5) participants, those enrolled may be relocated to one of the other operable sites at the discretion of LRGVDC. Allocation of slots for each Basic Peace Officer Academy will be determined on a case-by-case basis between LRGVDC and EDINBURG POLICE DEPARTMENT.
- F. Provide **POLICE DEPARTMENT 60-day** advanced notice of forthcoming scheduled Basic Peace Officer Course academy to be held at **POLICE DEPARTMENT** facilities, after coordinating with **POLICE DEPARTMENT** the logistics of preliminary applicants and final acceptance toward the **minimum** number of participants.
- G. Schedule, coordinate and conduct all police training activities, when **POLICE DEPARTMENT** instructors, facilities or equipment are utilized in the training activity.
- H. Utilize LRGVDC instructional staff, facilities, equipment and support staff, as appropriate and available, when **POLICE DEPARTMENT** instructors, facilities or equipment are not utilized in the training activity.
- I. Provide reporting of applicable training activities to Texas Commission on Law Enforcement upon submission of competent documentation including sign-in rosters, learning objectives, lesson plans, instructor bio-sketch, instructor evaluations, course evaluations, testing instrument, test key, all applicable handouts provided, and or any documents related to the course at the request of Training Coordinator.
- J. Provide supervision of all instructors while conducting training functions of the LRGVDC Regional Police Academy.

- K. Provide supervision of students attending training functions of the LRGVDC Regional Police Academy.
- L. Provide lesson plans, learning objectives, and any and all media visual training material in conjunction with any Basic Peace Officer Course or instructed in-service courses as part of any Basic Peace Officer Course in accordance with Title 37, Part 7, Chapter 215 - TAC 215.9 assuring that all TCOLE Rules and Regulations are met at **POLICE DEPARTMENT**. The Training Coordinator will:
- (1) ensure compliance with commission rules and guidelines:
 - (2) prepare, maintain, and submit the following reports within the time frame specified:
 - (A) reports of training:
 - (i) basic licensing course shall be submitted prior to students attempting a licensing exam; and
 - (ii) within 30 days of completion of continuing education course;
 - (B) self-assessment reports as required by the commission;
 - (C) a copy of advisory board minutes during an on-site evaluation;
 - (D) training calendars-schedules must be available for review and posted on the internet, or another public venue, no later than 30 days prior to the beginning of each calendar quarter or academic semester. A continually updated and posted (live) calendar will meet this requirement;
 - (E) any other reports or records as requested by the commission;
 - (3) be responsible for the administration and conduct of each course, including those conducted at ancillary sites, and specifically:
 - (A) appointing and supervising qualified instructors;
 - (B) maintaining course schedules and training files. At a minimum, training files shall contain:
 - (i) complete lesson plan;
 - (ii) clear learning objectives;
 - (iii) instructor biography indicating subject matter expertise and teaching experience;
 - (iv) approved class roster and original sign-in sheet; and
 - (v) course evaluation;
 - (C) enforcing all admission, attendance, retention, and other standards set by the commission and approved by the advisory board;
 - (D) securing and maintaining all facilities necessary to meet the inspection standards of this section;
 - (E) controlling the discipline and demeanor of each student and instructor during class;

(F) distributing a current version of the Texas Occupations Code, Chapter 1701 and commission rules to all students at the time of admission to any course that may result in the issuance of a license;

(G) distributing learning objectives to all students at the beginning of each course;

(H) ensuring that all learning objectives are taught and evaluated;

(I) proctoring or supervising all examinations to ensure fair, honest results; and

(J) maintaining training files, records of tests, and other evaluation instruments for a period of five years.

(4) receive all commission notices on behalf of the training provider and forward each notice to the appointing authority.

M. Provide the opportunity to transfer lesson plans, learning objectives, media visual training material and all handouts to **POLICE DEPARTMENT**.

N. Provide the Edinburg Police Department with a copy of the "Release of Liability and Statement of Understanding Basic Peace Officer Course" form for every student using a Edinburg Police Department facility and/or instructor.

2.2 Edinburg Police Department will:

- A. **POLICE DEPARTMENT** will remit cash payment for **ONE (1)** cadet slot over the original **FIVE (5)** sponsored cadet slots at half of the regular tuition for every additional two seats over the minimum participants when **POLICE DEPARTMENT** instructors, facilities, or equipment are utilized in the training activity. However, the allotments do not accrue, meaning that the maximum number of fully sponsored cadets shall not exceed **FIVE (5)** per class and no more than **FIVE (5)** at ½ of regular tuition cost.
- B. Provide, at no cost, specialized instructional staff assigned to the EDINBURG POLICE DEPARTMENT'S Training Division as requested by the LRGVDC for instruction of BPOC classes instructed or in-service courses attended, in whole or in part, by **POLICE DEPARTMENT** personnel.
- C. Provide a list of prospective Sponsored Cadets on letterhead to the LRGVDC no later than 30 days prior to the start date of the academy. Submissions not received within the specified time frame **may not** be considered and the Cadets will be accepted at the full tuition rate.
- D. Provide, at no cost, on-hand instructional equipment and facilities as may be requested by the LRGVDC for use in the Basic Peace Officer Course.
- E. Provide certified **POLICE DEPARTMENT** firearms instructors approved by both **POLICE DEPARTMENT** and the LRGVDC to provide instruction at the firing range designated by LRGVDC and at no cost, access to the **POLICE DEPARTMENT** firing range for the LRGVDC Regional Police Academy Basic Peace Officer Course instructed at the Edinburg site. Upon advanced scheduling provide at no cost, support to include instruction as needed and access to the **POLICE DEPARTMENT** firing range for the LRGVDC Regional Police Academy Basic Peace Officer Course instructed at other sites. Access to a firing range rented, leased or borrowed by the EDINBURG POLICE DEPARTMENT may be denied access to other LRGVDC Regional Police Academy Basic Peace Officer Course sites due to agreements between the EDINBURG

POLICE DEPARTMENT and any third parties.

F. Provide lesson plans, learning objectives, and any and all media visual training material in conjunction with any Basic Peace Officer Course or instructed in-service courses in accordance with Title 37, Part 7, Chapter 215 - TAC 215.10 assuring that all TCOLE Rules and Regulations are met at LRGVDC. An instructor teaching a course must:

(1) hold a valid instructor license;

(2) certificate; or

(3) be designated, in writing, as a subject matter expert in the course by the training coordinator.

- The instructor is responsible for:

(1) ensuring compliance with commission rules and guidelines;

(2) preparing, maintaining, and submitting reports of training to LRGVDC administration location within two weeks of completing that specific chapter; unless otherwise approved by Training Coordinator

(3) the administration and conduct of each course taught;

(4) at a minimum, providing a complete lesson plan, clear learning objectives, instructor biography, approved class roster and original sign in sheet/daily roster, course evaluation, students' completed testing instrument, test key, all applicable handouts, make up assignments, and any memos when there is an inconsistency with the documentation provided to the training coordinator for the training file;

(5) enforcing all attendance and other standards set by the commission or the training advisory board;

(6) maintaining the discipline and demeanor of each student during class;

(7) distributing or presenting learning objectives to all students at the beginning of each course;

(8) ensuring that all learning objectives are taught; and

(9) ensuring examinations are proctored or supervised to have fair, honest results.

(10) instructor shall follow the BPOC Calendar as provided and approved and if the instructor wishes to deviate from the Calendar, a request must be submitted to the LRGVDC training coordinator for review and approval.

G. Provide all completed Basic Peace Officer Course chapters or in-service material to the LRGVDC by the tenth (10th) day of the completion of the block of instruction.

H. Provide LRGVDC prescribed uniforms for all **POLICE DEPARTMENT** personnel attending the Basic Peace Officer Academy.

I. Provide LRGVDC RPA a signed Release of liability Waiver and Assumption of Liability absolving the LRGVDC RPA of liability for the Cadets to participate in VOLUNTARY community functions. Cadets must be provided the option to opt-out of the event. Cadets who

volunteer to assist will not be in Academy uniform for the duration of the event. All functions must be outside the scope of normal Academy operational hours. Cadets who are agency employees will operate as prescribed by their agencies chain of command.

- J. Provide full charges and fees, if applicable, for **POLICE DEPARTMENT** personnel attending special training events (i.e. special presentations, conferences, sponsored training events, etc.) hosted and sponsored by the LRGVDC.
- K. Provide housing/office space for all lesson plans, learning objectives and any and all media visual training material in conjunction with any Basic Peace Officer Academy Course or any in-service courses making sure all TCOLE Rules and Regulations are met.
- L. Provide a designated point of contact within **POLICE DEPARTMENT** as a liaison for Veterans Affairs and refer those applicants to RPA staff.

III. Binding Effect; Benefiting Parties

3.1 This Agreement shall bind and benefit the respective Parties and their legal successors, but shall not otherwise be assignable, in whole or in part, by either Party without first obtaining the written consent of the other Party.

3.2 This Agreement inures to the benefit of and obligates only the Parties. No term or provision of this Agreement shall benefit or obligate any person or entity not a Party to the Agreement. The Parties shall cooperate fully in opposing any attempt by any third person or entity to claim any benefit, protection, release, or other consideration under this Agreement.

IV. Governmental Functions; Liability; No Waiver of Immunity or Defenses

4.1 Notwithstanding any provision to the contrary herein, this Agreement is a contract for and with respect to the performance of governmental functions by governmental entities.

4.1.1 The services provided for herein are governmental functions, and the LRGVDC and the CITY shall be engaged in the conduct of a governmental function while providing and/or performing any service pursuant to this Agreement.

4.1.2 The relationship of the LRGVDC and the City shall, with respect to that part of any service or function undertaken as a result of or pursuant to this Agreement, be that of independent contractors.

4.1.3 Nothing contained herein shall be deemed or construed by the Parties, or by any third party, as creating the relationship of principal and agent, partners, joint ventures', or any other similar such relationship between the Parties.

4.2 Each Party reserves and does not waive any defense available to it at law or in equity as to any claim or cause of action whatsoever that may arise or result from or in connection with this Agreement. This Agreement shall not be interpreted nor construed to give to any third party the right to any claim or cause of action, and neither the City nor the LRGVDC shall be held legally liable for any claim or cause of action arising pursuant to or in connection with this Agreement except as specifically provided herein or by law.

4.3 Neither Party waives or relinquishes any immunity or defense on behalf of itself, its trustees,

councilmembers, officers, employees, and agents as a result of the execution of this Agreement and the performance of the covenants and agreements contained herein.

4.4 The LRGVDC agrees to hold the **POLICE DEPARTMENT** and the City of _____, Texas, harmless from any and all claims arising out of acts or omissions of the LRGVDC during any Basic Peace Officer Academy or police in-service training classes and activities.

4.4.1 The **POLICE DEPARTMENT** agrees to hold the Lower Rio Grande Valley Development Council harmless from any and all claims arising out of acts or omissions of **POLICE DEPARTMENT** during any Basic Peace Officer Academy or police in-service training classes or activities.

4.4.2 This section does not apply to, nor has any effect in, Workers Compensation claims filed against either party by that party's personnel, resulting out of acts or omissions during any Basic Peace Officer Academy or police in-service training classes and activities.

V. Notices

5.1 All correspondence and communications concerning this Agreement shall be directed to:

LRGVDC: Manuel Cruz, Executive Director
301 W. Railroad Street
Weslaco, TX 78596

CITY: **First, Last**, City Manager
Address
_____, TX 785xx

Notices required hereunder shall be hand-delivered or sent by prepaid certified mail, return receipt requested.

VI. Severability

6.1 If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, but rather this entire Agreement will be construed as if not containing the particular invalid or unenforceable provision(s), and the rights and obligations of the Parties shall be construed and enforced in accordance therewith. The Parties acknowledge that if any provision of this Agreement is determined to be invalid or unenforceable, it is their desire and intention that such provision be reformed and construed in such a manner that it will, to the maximum extent practicable, give effect to the intent of this Agreement and be deemed to be validated and enforceable.

6.2 LRGVDC may immediately suspend operation of contract with **POLICE DEPARTMENT** for noncompliance with the terms of the contract or any TCOLE rule or law. Operation of the contract may be suspended for a period of time, including a period pending outcome of an investigation or until remedial compliance with applicable standards has been met. The suspension is considered effective when **POLICE DEPARTMENT** is notified in writing.

VII. Entire Agreement

7.1 This Agreement is the entire agreement between the city and the LRGVDC as to the subject matter hereof and supersedes any prior understanding or written or oral agreement relative to the subject matter hereof. This Agreement may be amended only by written instrument duly approved and executed by both Parties in accordance with the formalities of this Agreement.

VIII. Governing Law; Venue

8.1 All Parties agree that this Agreement shall be construed under the laws of the State of Texas, and obligations under the Agreement shall be performed in Hidalgo County, Texas. Should the need for dispute resolution arise, venue shall be in Hidalgo County, Texas.

IX. Term and Termination

9.1 This Agreement shall be for an initial term of two (2) years and will automatically renew for subsequent one-year terms unless terminated as herein provided and subject to any necessary funding being appropriated by the governing bodies of the Parties.

9.2 Either party may terminate this Agreement in whole or in part hereto whenever such termination is found to be in the best interest of either party. Termination shall be affected by the conveyance of a written notification thereof to the other party at least ninety (90) days in advance of the effective date of the termination.

9.3 Either party may terminate this contract upon ten days written notice. The LRGVDC may also terminate this contract if:

- (a) the **POLICE DEPARTMENT** training staff intentionally or knowingly submits, or causes the submission of, a falsified document or a false written statement or representation to the LRGVDC;
- (b) **POLICE DEPARTMENT** training staff has not met the needs of the communities or agencies it serves;
- (c) **POLICE DEPARTMENT** training staff fails to comply with any term of a contract or violation of a TCOLE rule or law, including when a provider has been classified as at risk under this chapter for a twelve-month period without complying with commission rules;
- (d) **POLICE DEPARTMENT** training staff has failed to conduct training within a calendar year without a waiver from the Training Coordinator; or
- (e) If applicable, **POLICE DEPARTMENT** training staff has lost accreditation, including SACS or THECB approval.

X. Current Revenues

10.1 Pursuant to Section 791.001(d)(3), Texas Government Code, each party paying for the performance of governmental functions or services will make those payments from current revenues available to the paying party.

XI. General Terms

11.1 **Execution in Counterparts.** This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall be considered fully executed as of the date first written above, when all Parties have executed an identical counterpart, notwithstanding that all signatures may not appear on the same counterpart.

11.2 **Effective Date.** The Effective Date of this Agreement shall be the date last executed by a Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their authorized representatives as of the dates noted below.

[SIGNATURE PAGE TO FOLLOW]

LRGVDC

By: _____

Date: _____

APPROVED AS TO FORM

Legal Counsel

CITY OF Edinburg

By: _____ Mayor

Date: _____ ATTEST:

City Secretary

APPROVED AS TO FORM

City Attorney, City of Edinburg

MEMORANDUM OF UNDERSTANDING AMENDMENTS

The parties agree that this agreement is given and accepted upon the expressed condition that it cannot, in any manner, be changed, altered, varied, or modified unless such modification, change, or alteration shall be in writing and executed by both parties.

This agreement may be amended by mutual written agreement of both parties and terminated by either party giving not less than thirty (30) days written notice prior to the proposed effective date of the proposed amendment or termination.

In the event of actions which may include, but not limited to, actions that are illegal, unsafe instructional practices, unethical, or not in the best interest of either party, this agreement can be immediately terminated.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their authorized representatives as of the dates noted below.

The effective start date of this agreement is the ____ day of _____ 20 ____.

NAME Ramiro Garza Jr.
Mayor
City of Edinburg

NAME: Jaime Ayala
Chief of Police
Edinburg Police Department

NAME: Manuel Cruz
Executive Director
Lower Rio Grande Valley Development Council

NAME: Mayra L. Ayala
City Manager
City of _____, Texas

EXHIBIT

"A"

(Note: Refers to the LRGV Academy BPOC Rules, Policies and Procedures) Document is available on-line.

EXHIBIT

'B'

(TCOLE Roster)
TEXAS COMMISSION ON LAW ENFORCEMENT
REPORT OF TRAINING

Page #	TCOLE Dept. or Provider #	Course #	Today's Date	Total Hours	Beg. Date	Ending Date	Provider Type: - Academy - Contract Provider - Other
1	511481						

Course Title: Today's Hours
Name of Academy / Department:

Lower Rio Grande Valley Regional Police Academy Instructor
Name & PID:

	PID#	Last Name, First Name	Class	D.O.B.	Print Name
1.					
2.					
3.					
4.					
5.					
6.					
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24 .					
25					

THESE STUDENTS HAVE COMPLETED THIS COURSE AND ARE APPROVED FOR CREDIT.

Acad./Training Coordinator (please type or print) Signature Date Phone #

If provider type "Other," chief administrator signs.

EXHIBIT

"C"

(Grade Sheet)



Lower Rio Grande Valley Academy

B.P.O.C.

(Name & Time) Ex: Mission Day

Chapter 1 - Professionalism & Ethics



Last Name	First Name	PID #	Exam Grade	Retest

Test Administered By: _____ (_____) ____/____/____

Re-Test Administered By: _____ (_____) ____/____/____

Number in () indicates the amount of the exam failures the Cadet currently has at the time the exam is administered.

EXHIBIT

"D"

(Course Evaluation)



Please rate the overall quality of this course and/or presentation

Academy Course Title:

Instructor:

Location: Date

Completed

Unacceptable Poor
Satisfactory Good Excellent

All ratings/scores of a 1 or 2
require written detail justification
on the reverse side of this form.
(Please be constructive, specific
& professional)

Lower Rio Grande Valley

Instructor

Appearance 1 2 3 4 5

Instructor presented lesson clearly and logically.

Instructor displayed general knowledge of lesson delivered.

Instructor was easy to understand.

Instructor answered all question(s) thoroughly.

Instructor covered all learning objectives thoroughly.

1 2 3 4 5 1 2 3 4 5

1 2 3 4 5 1 2 3 4 5

1 2 3 4 5

Lesson goals

were achieved. 1 2 3 4 5

Instructor's demeanor was Professional.

Participant handout with sources & references

were helpful.

1 2 3 4 5 1 2 3 4 5

Were the knowledge & skills taught helpful to you. 1 2 3 4 5

Classroom facilities 1 2 3 4 5 Did the lesson PowerPoint help you to understand and

visualize learning objectives? What was the most valuable learning objective to you? Why?

Did you gain knowledge and/or skills from this course that will enhance your job performance?
Please Explain:

Suggestions to improve (Comments): *Feel free to write on the back your comments help us improve course quality.*

(Rev:12-18-17)



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

CONSENT AGENDA

Agenda Item No: 12.C.

North Alamo Water Supply Corporation (NAWSC) and a Two-Party
Contract with Latitude Investment Group LLC

1. **Agenda Item:**

Consider Authorizing the City Manager to Enter Into a Counter-Part Agreement with North Alamo Water Supply Corporation (NAWSC) and a Two-Party Contract with Latitude Investment Group LLC, A Texas Limited Liability Company to Provide Water Services to Villages on Closner Subdivision and Execute any Other Documents Relating Thereto. [Gerardo Carmona Jr., P.E., Director of Utilities]

2. **Description:**

Latitude Investment Group LLC, A Texas Limited Liability Company (developer), is requesting that the City and NAWSC execute a counter-part agreement that will allow the City of Edinburg to become the water service provider for the Villages on Closner Subdivision (located at the southeast corner of the intersection of Closner Blvd and Russell Rd.) and the City and NAWSC will thereafter apply to the PUC within a one-year period from execution of the agreement to amend their respective service area. In addition, the city is requesting for the developer to execute a Two-Party Contract with the City, which requires the developer to pay for all the fees associated with the buyouts and transfer of service area.

The developer is requesting for this buyout to take place because NAWSC does not have water lines in this area to service the Villages on Closner Subdivision.

The timeline for the buyout and Public Utility Commission (PUC) application can take up to one year from the submission date of the initial application.

There will be no fiscal impact on the city as the developer will pay all fees associated with the buyout.

3. **Staff's Recommendation:**

Approve Authorizing the City Manager to Enter Into a Counter-Part Agreement with North Alamo Water Supply Corporation (NAWSC) and a Two-Party Contract with Latitude Investment Group LLC, A Texas Limited Liability Company, to Provide Water Services to the Villages on Closner Subdivision and Execute any Other Documents Relating Thereto.

Reviewed by:

Tomas Reyna, Assistant City Manager

Prepared by:

Gerardo Carmona, Director
of Utilities

Attachments:

- A. Attachment A: Counter Part Agreement - Villages on Closner Subdivision
- B. Attachment B: Two Party Contract - Villages on Closner Subdivision

**COUNTER-PART AGREEMENT FOR
BUYOUT AND TRANSFER OF SERVICE AREA**

STATE OF TEXAS

**BETWEEN: NORTH ALAMO WATER
SUPPLY CORPORATION**

AND

COUNTY OF HIDALGO

CITY OF EDINBURG

**RE: Latitude Investment Group LLC, A Texas
Liability Company**

1. The Master Agreement for Transfer of Service Area ("***Master Agreement***") by and between the City of Edinburg, 415 W. University Drive, P.O. Box 1079, Edinburg, Hidalgo County, Texas 78540 ("***CITY***") and North Alamo Water Supply Corporation, 420 S. Doolittle Road, Edinburg, Hidalgo County, Texas 78542 ("***NAWSC***"), a non-profit corporation of the State of Texas, dated February 16, 2021, along with this Counter-Part Agreement for Buyout and Transfer of Service Area ("***Counter-Part Agreement***") made this ____ day of _____, 20 __, form the entire agreement with respect to the Area set forth below. The defined terms within the Master Agreement constitute defined terms herein.

NAWSC Transfer Area: Villages on Closner Subdivision, being a 18.623 acre tract, as depicted on map and/or metes and bounds description attached hereto as **Exhibit "1."**

Purchase Price: **One-Hundred Fourty-Five Thousand Eightn Dollars and 0/100ths Dollars (\$ 145,008.00).**

Additional Provisions: **None**

2. The purchase price has been paid to NAWSC and NAWSC acknowledges receipt of the purchase price, subject to satisfaction of the conditions set forth in the Master Agreement, par. 2, sec. II.

3. This Counter-Part Agreement has been approved by the appropriate bodies of NAWSC and CITY as evidenced by appropriate minutes of the governing bodies, copies of which are attached hereto as **Exhibits “2”** and **“3”**, respectively, and are executed by the appropriate officers of same.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, THE PARTIES HERETO have executed this Counter-Part Agreement for Buyout and Transfer as of the date above stated.

NORTH ALAMO WATER SUPPLY CORPORATION
420 S. DOOLITTLE ROAD
EDINBURG, Texas 78542

By: _____
Steven P. Sanchez, General Manager

Approved:

By: _____
Richard Ward Fryer, Attorney for
North Alamo Water Supply Corporation

CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

I hereby certify that on this day before me, an officer duly authorized in the State of Texas and in the County of Hidalgo to take acknowledgments, personally appeared **Steven P. Sanchez**, known to me to be the person described in and who executed the foregoing instrument as **General Manager of North Water Supply Corporation**, the corporation therein, and acknowledged that he executed the same as such an officer, in the name and for on behalf of the said corporation.

IN WITNESS WHEREOF I hereunto set my hand and affixed my official seal this _____ day of _____, 202____.

Notary Public and for the State of Texas

ATTEST:

CITY OF EDINBURG, TEXAS

415 W. University Drive

P. O. Box 1079

Edinburg, Texas 78540

By: _____
Clarice Y Balderas, City Secretary

By: _____
Myra L. Ayala, City Manager

Approved:

OMAR OCHOA LAW FIRM, P.C.

BY: _____
Omar Ochoa, City Attorney

ACKNOWLEDGMENT

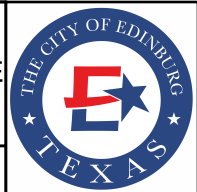
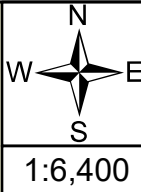
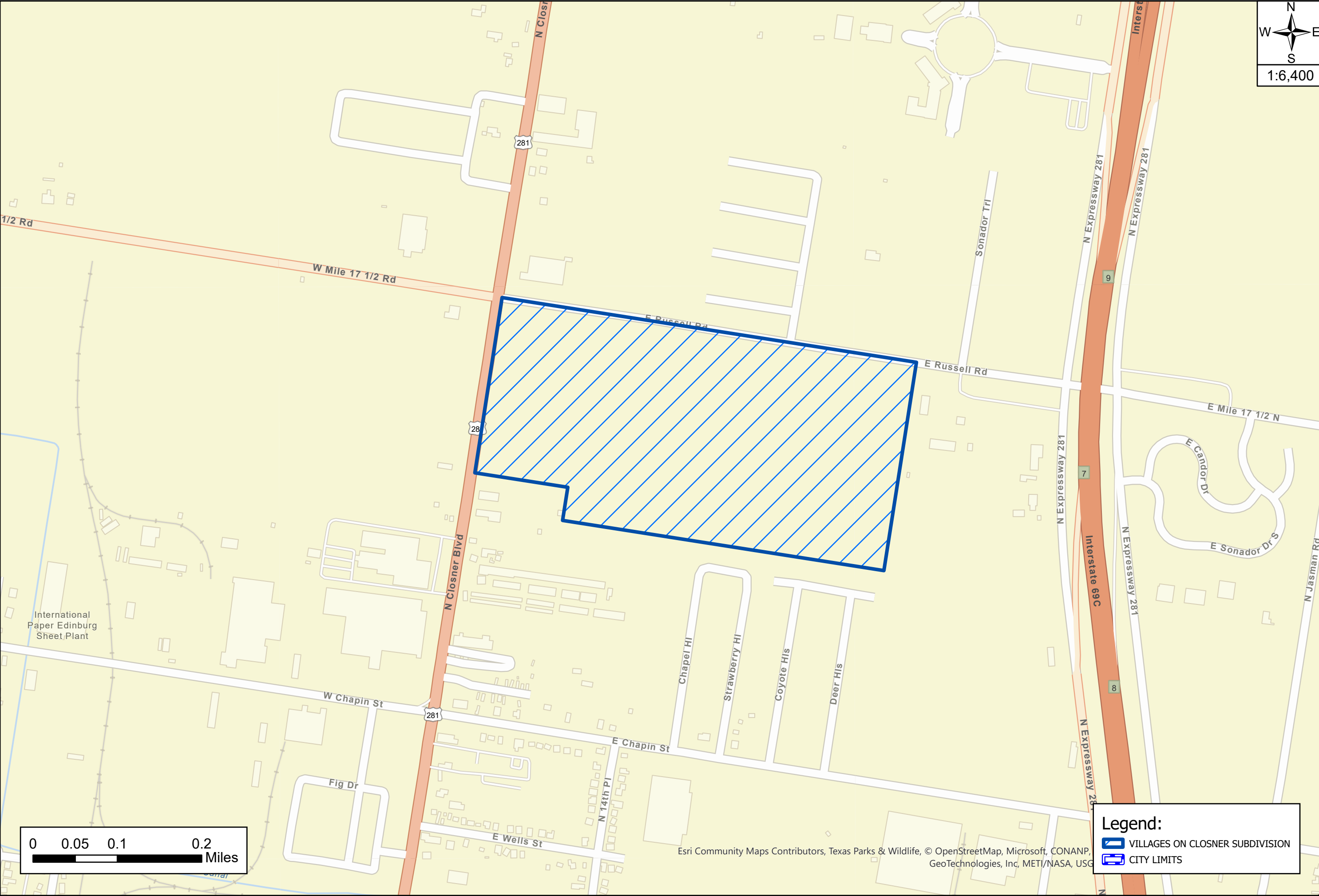
STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared **Myra L. Ayala, City Manager**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he is the **City Manager of the City of Edinburg**, that he executed the same as the act of the **City of Edinburg** for the purposes and consideration therein expressed and in the capacity therein stated.

IN WITNESS WHEREOF I hereunto set my hand and affixed my official seal this _____ day of _____, 202__.

Notary Public and for the State of Texas

EXHIBIT “1”
(NAWSC Transfer Area Map/Description)



**TRANSFER A PORTION OF NORTH ALAMO WSC (CCN No. 10553) TO
THE CITY OF EDINBURG (CNN No. 12106) DETAIL MAP**

REQUESTED BY: UTILITIES DEPARTMENT **CREATED BY:** ENGINEERING DEPARTMENT - GIS DIVISION **DATE:** APRIL 16, 2024

MAP DISCLAIMER:
This product is for informational purposes and may not have been prepared for, or suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information. The user of this information agrees to these terms by using the data provided. City of Edinburg and the software developers assume no legal responsibility for the information.

Legend:

- VILLAGES ON CLOSSNER SUBDIVISION
- CITY LIMITS

Esri Community Maps Contributors, Texas Parks & Wildlife, © OpenStreetMap, Microsoft, CONANP, GeoTechnologies, Inc, METI/NASA, USGS

EXHIBIT “2”

**(NAWSC Minutes and/or Resolution
Approving Counter-Part Agreement for
Buyout and Transfer of Service Area)**

MINUTES
NORTH ALAMO WATER SUPPLY CORPORATION
June 20, 2023

Present

Steve D. Krenek
Samuel Ruiz
Thomas Jendrusch
Anna Flores
Abdiel Cuevas
Martin Drewry
Manuel Garcia

Staff

Steven P. Sanchez
Robert Rodriguez
Irma Tamez
Robyn Rodriguez
Janie Sandoval
Agustin Gomez

Other

Richard Fryer – Corp. Attorney
Ruben James – Melden & Hunt Eng.
Ben Smith – Higginbotham Ins.
Zac Coventry – 5
Fred Resendez – Freese & Nichols
Jennifer Rodriguez - Galvan – Student
Claudia Galvan – Guest
Itzel Reyna-Carmona – Student
Kaitlyn Cavazos – Student
Isabella Hetzel – Student
Stephanie Hetzel – Guest
Alexis J. Marquez – Student
Julissa Marquez – Guest
Alejandro Marquez – Guest
Kimberly Deleon -Student
Olivia Herrera – Guest
Karyme Rios – Student
Evan Sanchez – Student
Christy Sanchez – Guest

1. **Agenda Item #1.** The meeting was called to order by President Steve Krenek at 1:00 p.m.
2. **Agenda Item #2.** Mr. Drewry moved for the approval of the minutes for May 12, and May 16, 2023. Mr. Cuevas seconded and the motion carried with all in favor.
3. **Agenda Item #3.** No public comments
4. **Agenda Item #4.** Mr. Jendrusch moved for the approval of renewing North Alamo's worker's comp insurance as recommended by Ben Smith from Higginbotham. Mr. Drewry seconded and the motion carried with all in favor.
5. **Agenda Item #5.** An update was made by Fred Resendez with Freese and Nichols on the following projects:
 - A. Doolittle R.O.
 - B. Owassa R.O.
6. **Agenda Item #6.** Mr. Drewry moved for the approval of Change Order No. 1 for the Energy Efficient Brackish Groundwater Desalination Doolittle Retrofit Project in the amount of \$54,873.45. Mr. Garcia seconded and the motion carried with all in favor.
7. **Agenda Item #7.** Consideration and possible approval of engaging Freese and Nichols, Inc. to apply for cost overruns with the Texas Water Development Board for the R.O. CIP Projects – Tabled
8. **Agenda Item #8.** No payment for all related invoices for the above-mentioned projects on Item #05 for the month of June.
9. **Agenda Item #9.** Mr. Agustin Gomez gave an update on the following projects:
 - A. San Carlos Lift Station Project

North Alamo WSC Board of Directors Meeting – June 20, 2023

10. **Agenda Item #10.** No payment for all related invoices for the above-mentioned projects on Item #09 for the month of June.
11. **Agenda Item #11.** An update was made by Ruben James of Melden & Hunt Engineering on the following projects:
 - A. Donna Regional Wastewater Treatment Plant Phase 2
 - B. Construction Phase of the Weslaco Area Wastewater Project
 - C. Emergency Power for Water Plant 1 & 6 Project
 - D. Mile 6 West Road Right of Way Project
 - E. Water Tower South of Donna
 - F. CIP Phase II
 - G. Water Treatment Plant 7 Raw Waterline Project
12. **Agenda Item #12.** Mr. Garcia moved for the approval of change order no. 1 related to the electrical transformer improvements for the Emergency Power Generator at Plant #1. Mr. Cuevas seconded and the motion carried with all in favor.
13. **Agenda Item #13.** Mr. Drewry moved for the approval of accepting improvements for the Emergency Power Generator for Water Plants 1 & 6 as recommended by the engineer. Mr. Garcia seconded the motion carried with all in favor.
14. **Agenda Item #14.** Mr. Jendrusch moved for the approval of payment for all related invoices for the above-mentioned projects on Item #11 for the month of June. Mr. Drewry seconded and the motion carried with all in favor.
15. **Agenda Item #15.** Mr. Ruiz moved for the approval of engaging NAD Bank to provide financial assistance for planning, engineering, and construction of sewer yard lines and decommissioning of septic tanks for the North Weslaco and North Donna Phase II Wastewater Improvement Projects plus authorize the board president and general manager to sign all related documents. Mr. Garcia seconded and the motion carried with all in favor.
16. **Agenda Item #16.** Mr. Jendrusch moved for the approval of adopting a resolution authorizing the request for technical assistance funding from the North American Development Bank for project development activities to comply with the agency certification criteria for the North Weslaco and North Donna Phase II Wastewater Improvement Projects. Mr. Drewry seconded and the motion carried with all in favor.
17. **Agenda Item #17.** Mr. Jendrusch moved for the approval of authorizing staff and engineer to request approval from Rural Development to move the 12" waterline project from FM 493 to Mile 7 West and include environmental clearance. This would be on the Capital Improvement Project (CIP) Phase III. Mr. Drewry seconded and the motion carried with all in favor.
18. **Agenda Item #18.** Mr. Ruiz moved for the approval to engage an engineer to develop a plan to relocate our infrastructure on FM 1925 from FM 907 to Sharp Road and authorize the Board President and/or GM to Execute all related documents. Mr. Drewry seconded and the motion carried with all in favor.
19. **Agenda Item #19.** Mr. Garcia moved for the approval of authorizing management and legal counsel to request the release of loans from TWDB, RD, and CoBank for the land sold to TXDOT on FM 490 and FM 1015. Mr. Drewry seconded and the motion carried with all in favor.

North Alamo WSC Board of Directors Meeting – June 20, 2023

20. **Agenda Item #20.** Mr. Garcia moved for the approval of a buyout of a 4-acre tract located on the south side of E. Eldora Road and east of IH 69C (US 281). Mr. Cuevas seconded and the motion carried with all in favor.
21. **Agenda Item #21.** Mr. Garcia moved for the approval of a buyout of 18.623 acres, (13.15 net acres), located south of Rogers Rd. along the west side of Closner Blvd., (281). Mr. Cuevas seconded and the motion carried with all in favor.
22. **Agenda Item #22.** Mr. Garcia moved for the approval of the buyout of 76.682 acres (53.42 net acres), located on the southeast corner of Business 281 and Russell Rd. Mr. Cuevas seconded and the motion carried with all in favor.
23. **Agenda Item #23.** Mr. Ruiz moved for the approval of approving a rate increase for the North Alamo as recommended by the staff and Board Committee. Mr. Garcia seconded and the motion carried with all in favor.
24. **Agenda Item #24.** Mr. Garcia moved for the approval of the Financial Statement for May 2023 as presented by Janie Sandoval. Mr. Drewry seconded and the motion carried with all in favor.
 - A. Mr. Jendrusch moved for the approval of opening a sub-account for water rights. Mr. Garcia seconded and the motion carried with all in favor.
 - B. Mr. Drewry moved for the approval of opening a new account for the North Cameron Regional Water Supply Corporation/PJT sales proceeds. Mr. Cuevas seconded and the motion carried with all in favor.
25. **Agenda Item #25.** Water Operations Report, Robert Rodriguez
 - A. Water Loss for the Month of May 2023
26. **Agenda Item #26.** Wastewater Operations Report, Agustin Gomez
 - A. Wastewater Operations Report
 - (1) Report on Wastewater Treatment Plants and Collection Systems for May 2023
27. **Agenda Item #27.** General Manager's Report
 - A. Report on the Texas Water Development Board meeting
 - B. Mr. Drewry moved for the approval of obtaining a right of entry from Listo's Properties. Mr. Ruiz seconded and the motion carried with all in favor with the exception of Mr. Jendrusch abstaining from voting.

July Board Meeting 07/20/2023

28. **Agenda Item #28.** Mr. Jendrusch moved to approve the following subdivisions:
 - A. *Border Town Subdivision No. 4, 191 lots on 156.04 acres, located on the southeast corner of Mile 22.5 N Rd and Brushline Rd., developer Bordertown Development, LLC (Septic Tanks)
*Originally approved 11/15/2022 on 131.84 acres; needs to amended to 156.04 acres, # of lots, location and developer remain the same.
 - B. *Closner Terrace Subdivision, 56 lots on 13.15 net acres, located south of Rogers Rd. and east of Business 281, developer Latitude Investments, LLC (City Sewer Service – Edinburg)
*Buyout
 - C. Grapefruit Acres Phase 3 Subdivision, 32 lots on 20.03 acres, located northeast corner of Mile 5 ½ W Rd. and Garcia St., developer – GARVIC Management Inc. (Septic Tanks)
 - D. Minnesota Oaks Subdivision, 96 lots on 25.09 acres, located south of Minnesota Rd. and east of Exp 281; developer – Lord and Gonzalez Investments Group (City Sewer Service – Pharr)

North Alamo WSC Board of Directors Meeting – June 20, 2023

Agenda Item 28 Continued:

- E. **Rio Stone Subdivision Phase I, 54 -4 Plex Units on 23.05 acres, located west of Milanos Rd. and south of Mile 6 ½ N Rd., developer – Reyna Family Development, LTD (City Sewer Service - Weslaco) **Originally approved on 08/16/2022 as Mi Linda Subdivision Ph I; needs to be amended with a name change to Rio Stone Subdivision, Phase I, lots, acres, location, and developer remain the same.
- F. **Rio Stone Subdivision Phase II, 68 lots on 14.19 acres, located west of Milanos Rd. and south the Mile 6 ½ N Rd, developer – Reyna Family Development, LTD (City Sewer Service – Weslaco) **Originally approved on 08/16/2022 as Mi Linda Subdivision Ph II; needs to be amended with name change to Rio Stone Subdivision, Phase II, lots, acres, location, and developer remain the same.
- G. Tower Villas Subdivision, 28 Multifamily lots 10 acres, located south of Sioux Rd. and east of Tower Rd., developer – Gouge Development Co., LLC (City Sewer Service – Alamo)
- H. *Utility Trailers – Eldora Rd. Subdivision, 2 lots on 4 acres, located east of US 281 south of Eldora Rd., developer – Joe E. Loring Jr. (City Service – Pharr) *Buyout
- I. *Villages on Closner Subdivision, 212 lots on 76.682 acres (53.42 net acres), located on the southeast corner of Business 281 and Russell Rd., developer – Latitude Investments, LLC (City Sewer Service – Edinburg) *Buyout

These subdivisions are subject to the Corporation's rules and regulations. Mr. Cuevas seconded and the motion carried with all in favor.

29. Agenda Item #29. Mr. Drewry moved for the approval of accepting the finished subdivisions:

Subdivision Name	Date Finished
A. Pecan Cove Subdivision	05/10/2023
B. The Heights on Trenton Phase II Subdivision	01/03/2023
C. The Luxx Subdivision	05/10/2023

Mr. Garcia seconded and the motion carried with all in favor.

30. Agenda Item #30. Mr. Drewry moved for the approval of Membership Applications, Installation, Membership Transfers, and Membership Cancellations. Mr. Cuevas seconded and the motion carried with all in favor.

31. Agenda Item #31. The board entered into an Executive Session at 2:31 p.m. to discuss the following items:

- A. Report on PEN Joint Tenants / North Cameron Regional WSC
- B. Discussion on lift station failure at Tower Rd. and Alberta Rd.
- C. Discussion on the Donna Irrigation District agreement and possible approval.

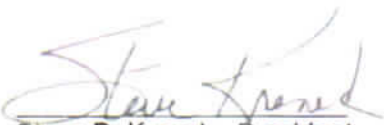
32. Agenda Item #32. The board returns to regular session at 3:07 p.m.

Mr. Ruiz moved for the approval of Agenda Item #31 C as per discussed in the executive session. Mr. Garcia seconded and the motion carried with all in favor.

33. Agenda Item #33. Mr. Drewry moved to adjourn the meeting at 3:09 p.m. Mr. Cuevas seconded and motion carried with all in favor.

Irma Tamez, Recording

Derrick Swanberg – Secretary


Steve D. Krenek - President

Hidalgo County
Arturo Guajardo Jr.
County Clerk
Edinburg, Texas 78540

Document No: 3357214

Billable Pages: 6

Recorded On: June 30, 2022 12:28 PM

Number of Pages: 7

*****Examined and Charged as Follows*****

Total Recording: \$ 56.00

*****THIS PAGE IS PART OF THE DOCUMENT*****

Any provision herein which restricts the Sale, Rental, or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

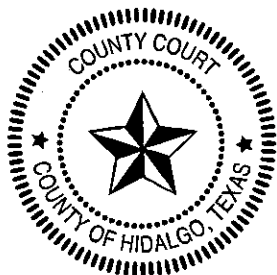
File Information:

Document No: 3357214
Receipt No: 20220630000186
Recorded On: June 30, 2022 12:28 PM
Deputy Clerk: Olga Garcia
Station: CH-1-CC-K21

Record and Return To:

Corporation Service Company
919 North 1000 West

Logan UT 84321



STATE OF TEXAS
COUNTY OF HIDALGO

I hereby certify that this Instrument was FILED in the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of Hidalgo County, Texas.

Arturo Guajardo Jr.
County Clerk
Hidalgo County, Texas

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED WITH VENDOR'S LIEN

Date: June 28, 2022

Grantor: EIA PROPERTIES, LTD., A TEXAS LIMITED PARTNERSHIP
Grantor's Mailing Address (including county): P.O. Box 118
Edinburg, Texas 78540-0118
Hidalgo County, Texas

Grantee: LATITUDE INVESTMENT GROUP LLC, A TEXAS LIMITED LIABILITY COMPANY
Grantee's Mailing Address (including county): 7701 Broadway
San Antonio, Texas 78209
Bexar County, Texas

Consideration: Cash and a note of even date executed by Grantee and payable to the order of CONSTRUCTION LOAN SERVICES II, LLC, A WASHINGTON LIMITED LIABILITY COMPANY, in the principal amount of FOURTEEN MILLION ONE HUNDRED EIGHT THOUSAND NINE HUNDRED SEVENTY-NINE AND 15/100THS DOLLARS (\$14,108,979.15), of which the sum of \$4,526,000.00 represents a portion of the purchase price of the within-described property. The note is secured by a first and superior vendor's lien and superior title retained in this deed in favor of CONSTRUCTION LOAN SERVICES II, LLC, A WASHINGTON LIMITED LIABILITY COMPANY, and by a first-lien deed of trust of even date from Grantee to TRUSTEE SERVICES, INC., Trustee.

Property (including any improvements):

A 76.686-Acre Tract of land, consisting of 36.686 acres out of Lot 1 and all of Lot 2, Section 241, TEXAS-MEXICAN RAILWAY COMPANY'S SUBDIVISION, Hidalgo County, Texas, as per map or plat thereof recorded in Volume 1, Page 16, Map Records, Hidalgo County, Texas, reference to which is here made for all purpose, located in the City of Edinburg on the Southeast corner of the Russell Road (Mile 17 1/1/2 North Road) and North Closer Boulevard, is described by metes and bounds as follows:

The POINT OF COMMENCEMENT (P.O.C.) being at a point of intersection of the apparent existing 40-foot right-of-way centerline of said Russell Road and the apparent West lot line of said 76.686-Acre Tract being at 25.00 feet West of the apparent existing East right-of-way line of said North Closer Boulevard for the apparent Northwest corner of said 76.686-Acre Tract, and also being the POINT OF BEGINNING (P.O.B.) of said 76.686-Acre Tract of land herein described:

THENCE, South 81 degrees 07 minutes 11 seconds East, with the said Russell Road existing 40-foot right-of-way centerline and the apparent North lot line of said 76.686-Acre Tract, a distance of 2,624.5 feet to a point on the said Russell Road existing 40-foot right-of-way centerline for the apparent Northeast corner of said 76.686-Acre Tract of land herein described;

THENCE, South 8 degrees 52 minutes 49 seconds West, with the apparent existing 40-foot right-of-way centerline designated for road right-of-way (Volume 1, Page 16, Hidalgo County Map Records, Hidalgo County, Texas) being used for a drain ditch improvement, and the apparent East lot line of said 76.686-Acre Tract, a total distance of 1,320.00 feet to a point on said designated 40-foot road right-of-way centerline for the apparent Southeast corner of said 76.686-Acre Tract of land herein described;

THENCE, North 81 degrees 07 minutes 11 seconds West, with the apparent southernmost South lot line of said 76.686-Acre Tract, a distance of 20.00 feet passed a No. 4 Rebar found on the apparent West right-of-way line of said designated road 40-foot right-of-way, continuing for a total distance of 2,034.5 feet to a point that is North 59 degrees 09 minutes 29 seconds West, a distance of 1.46 feet from a No. 4 Rebar found for the apparent southernmost Southwest corner of said 76.686-Acre Tract of land herein described;

THENCE, North 8 degrees 52 minutes 49 seconds East, with the apparent easternmost West lot line of said 76.686-Acre Tract, a distance of 210.00 feet to a point that is North 14 degrees 14 minutes 51 seconds West, a distance of 2.75 feet from a No. 4 Rebar found for an apparent internal corner of said 76.686-Acre Tract of land herein described;

THENCE, North 81 degrees 07 minutes 11 seconds West, with the apparent northernmost South lot line of said 76.686-Acre Tract, a distance of 570.00 feet passed a point on the said North Closer Boulevard existing East right-of-way line that is North 14 degrees 14 minutes 51 seconds West, a distance of 2.75 feet from a No. 4 Rebar found, continuing for a total distance of 590.00 feet for the apparent westernmost Southwest corner of said 76.686-Acre Tract of land herein described;

THENCE, North 08 degrees 52 minutes 49 seconds East, with the said West lot line of 76.686-Acre Tract, a distance of 1,110.00 feet to said point of intersection of Russell Road existing 40-foot right-of-way centerline and the said West lot line of 76.686-Acre Tract for the apparent Northwest corner of said 76.686-Acre Tract of land herein described, and being the POINT OF BEGINNING (P.O.B.), containing a gross of 76.686 acres of land, of which 2.435 acres lies in existing road right-of-way, for a net of 74.251 acres of land, more or less.

SAVE AND EXCEPT: 313 square feet out of said Lot 2, conveyed to the City of Edinburg in Deed dated November 26, 2001, recorded under Clerk's File No. 1084519, Official Records, Hidalgo County, Texas.

Reservations from Conveyance and Exceptions to Conveyance and Warranty:

There is expressly EXCEPTED from this deed and RESERVED to GRANTOR, its, successors and assigns, all right, title and interests of the minerals and mineral estate owned by the GRANTOR herein, in, on, or under said land above described, including, but not limited to, all oil,

gas, sulphur and all other hydrocarbon substances, whether liquid, gaseous or solid, all fissionable minerals and materials, including, but not limited to, uranium, thorium, vanadium, molybdenum, rhenium, and all coal, lignite and other minerals and ores, whether known or unknown, and irrespective of the depth at which same may be found, and further, without limitation by the foregoing enumeration, all other minerals and ores of every kind and character, whether similar or dissimilar. There is included in the foregoing exception and reservation all minerals which may be produced or recovered by wells, bores, shafts, tunnels, open pits, strip or surface mines, or by any other methods, even through such production may damage or destroy the surface estate, together with the rights of ingress and egress in, on, over and upon said property for the purpose of exploring, producing, mining, saving, storing, treating and marketing said minerals. It is further expressly agreed and understood, that out of the grant hereby made, there is excepted and reserved to the GRANTOR herein all its interest in and to all rights to underground high temperature waters and other underground substances providing heat sources such as may now or hereafter be suitable for use in producing geothermal energy.

Easements, rights-of-way, and prescriptive rights, whether or record or not; all presently recorded restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances, and other instruments, other than liens and conveyances, that affect the Property; any discrepancies, conflicts, or shortages in area or boundary lines; any encroachments or overlapping of improvements; all rights, obligations, and other matters emanating from and existing by reason of the creation, establishment, maintenance, and operation of the Hidalgo County Water Improvement District in which the Property is located; taxes for the year of closing, the payment of which Buyer shall assume; and subsequent assessments for that and prior years due to change in land usage, ownership, or both, the payment of which Buyer shall assume.

Mineral and/or royalty grant and/or reservation in instruments dated November 14, 1977, recorded in Volume 1553, Page 763, Deed Records and corrected in instrument dated December 1, 1986, recorded in Volume 2386, Page 913, Official Records, Hidalgo County, Texas, and subsequent transfers thereof.

Mineral and/or royalty grant and/or reservation in instruments dated December 15, 1986, recorded in Volume 2390, Page 167, Official Records, and dated June 1, 2004, recorded under Clerk's File No. 1355496, Official Records, Hidalgo County, Texas, and subsequent transfers thereof.

All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges and immunities relating thereto, appearing in the Public Records whether listed herein or not.

Oil, Gas and Mineral Lease(s) dated October 5, 1977, recorded in Volume 370, Page 8987, Oil and Gas Records and dated August 23, 1983, recorded in Volume 1888, Page 945, Official Records, Hidalgo County, Texas, and subsequent transfers thereof.

Easement and/or other rights, if any, as set forth in Deed dated October 19, 1937, recorded in Volume 435, Page 346, Deed Records, Hidalgo County, Texas.

Easement dated October 1, 1947, recorded in Volume 627, Page 391, Deed Records, Hidalgo County, Texas.

Right of Way Easement dated March 17, 1955, recorded in Volume 825, Page 336, Deed Records, Hidalgo County, Texas.

Unrecorded Grower Agreement through August 31, 2022.

Subject to any portion of the land described herein lying within canal right of way.

Easements, rules, regulations and rights in favor of HIDALGO COUNTY IRRIGATION DISTRICT NO. 1.

Easements and reservations as may appear upon the recorded map and dedication of said subdivision.

Overhead power line, transmission poles, power poles, water valve, light pole, gas markers, 12-inch irrigation stand pipes and 60-inch irrigation stand pipes, as shown on survey plat of the land dated March 9, 2022, prepared by Homero L. Gutierrez, P.E., R.P.L.S. No. 2791, Job No. HLG22-03-004.

25.00-foot Closner Blvd. along the West side of said tract, as shown on survey plat of the land dated March 9, 2022, prepared by Homero L. Gutierrez, P.E., R.P.L.S. No. 2791, Job No. HLG22-03-004.

40.00-foot Russell Road right-of-way along the North side of said tract, as shown on survey plat of the land dated March 9, 2022, prepared by Homero L. Gutierrez, P.E., R.P.L.S. No. 2791, Job No. HLG22-03-004.

20.00-foot drain ditch and 20.00-foot road right-of-way along the East side of said tract, as shown on survey plat of the land dated March 9, 2022, prepared by Homero L. Gutierrez, P.E., R.P.L.S. No. 2791, Job No. HLG22-03-004.

Taxes for the year 2022 and subsequent years.

Grantor, for valuable consideration, the receipt of which is hereby acknowledged, and subject to the reservations from conveyance, and exceptions to conveyance and warranty contained in this instrument, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and to hold the Property to Grantee, Grantee's heirs, executors, administrators, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the reservations from conveyance, and exceptions to conveyance and warranty herein contained.

The vendor's lien against and superior title to the property are retained until each note described is fully paid according to its terms, at which time this deed will become absolute.

CONSTRUCTION LOAN SERVICES II, LLC, A WASHINGTON LIMITED LIABILITY COMPANY, at Grantee's request, has paid in cash to Grantor that portion of the purchase price of the Property that is evidenced by the sum of \$4,526,000.00, being a part of the above described \$14,108,979.15 note. The vendor's lien and the superior title to the Property are retained for the benefit of CONSTRUCTION LOAN SERVICES II, LLC, A WASHINGTON LIMITED LIABILITY COMPANY, and are transferred to CONSTRUCTION LOAN SERVICES II, LLC, A WASHINGTON LIMITED LIABILITY COMPANY, without recourse on Grantor.

As a material part of the consideration for the sale of the Property, Grantee understands and agrees that Grantor makes no warranty, express or implied, as to the condition or state of repair of the Property, or any portion thereof, or of visible or hidden defects in material, workmanship or capacity of the Property, or any portion thereof, and there are no implied warranties or merchantability or fitness for a particular purpose as to the Property or any portion thereof. Grantee acknowledges that Grantor is under no obligation to alter, repair or improve the Property or any portion thereof. Grantee agrees that it will fully inspect and review the Property including, without implied limitation, the physical aspects thereof and all matters affecting the operation thereof, and that delivery of the Property is "AS IS" and "WITH ALL FAULTS," and that Grantor has disclaimed any implied warranties with respect to the Property. Grantee acknowledges that it is not relying on any representations, warranty, written information, data, reports or statements of Grantor or any of its employees or agents with respect to the Property as to any aspect of the Property or its operation including, without implied limitation, the physical condition of the Property. Grantee acknowledges that any and all reports of any type that Grantee has received from Grantor or Grantor's employees or agents is furnished on the express condition that Grantee shall or did make an independent verification of the accuracy of any and all such information being furnished without any representation or warranty whatsoever. Grantee agrees that no warranty has arisen through trade, custom or course of dealing with Grantor, and agrees that all disclaimers of warranties should be construed liberally in favor of Grantor.

GRANTEE WILL FOREVER WAIVE AND HOLD HARMLESS FROM, AND DEFEND GRANTOR AGAINST, ANY CLAIMS, LOSSES, CAUSES OF ACTION, AND SUITS WHICH ARISE FROM GRANTEE, ITS AGENTS, EMPLOYEES, OR INVITEES, NEGLIGENT ACTS, GROSS NEGLIGENCE, OR OMISSION, RELATED TO THE USE OF THE PROPERTY HEREIN DESCRIBED AND WILL INDEMNIFY GRANTOR FOR ANY LOSSES SUFFERED DUE TO ANY SUCH CLAIMS, LOSSES, CAUSES OF ACTION OR SUITS. THIS INDEMNITY SHALL NOT APPLY WHERE SUCH LOSS, DAMAGE, INJURY, LIABILITY OR CLAIM IS THE RESULT OF THE WILLFUL MISCONDUCT OF GRANTOR, ITS AGENTS, EMPLOYEES OR OTHER REPRESENTATIVES.

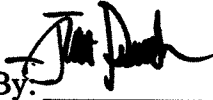
GRANTEE'S OBLIGATION TO DEFEND AND INDEMNIFY GRANTOR AND TO HOLD GRANTOR HARMLESS SHALL APPLY WHETHER OR NOT GRANTOR MAY BE GUILTY OF ANY NEGLIGENT ACT, GROSS NEGLIGENCE, OR OMISSION WHICH RESULTED IN OR CONTRIBUTED TO THE COST, EXPENSE OR LIABILITY AGAINST WHICH GRANTEE'S OBLIGATED TO INDEMNIFY GRANTOR HEREUNDER, AND WHETHER

OR NOT GRANTOR'S LIABILITY IS IMPOSED BY ANY STATUTORY OR COMMON-LAW THEORY OF STRICT LIABILITY.

When the context requires, singular nouns and pronouns include the plural.

EIA PROPERTIES, LTD., A TEXAS
LIMITED PARTNERSHIP

By: EIA MANAGEMENT, LLC,
its General Partner

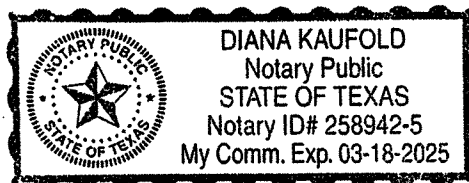
By: 

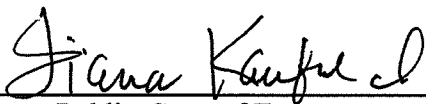
FORREST N. RUNNELS, JR.,
Vice President

(Acknowledgment)

STATE OF TEXAS §
COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 29th of June, 2022,
by FORREST N. RUNNELS, JR., Vice President of EIA MANAGEMENT, LLC, a Texas limited
liability company, as General Partner, on behalf of EIA PROPERTIES, LTD., A TEXAS LIMITED
PARTNERSHIP.




Notary Public, State of Texas

AFTER RECORDING RETURN TO:
LATITUDE INVESTMENT GROUP LLC,
A TEXAS LIMITED LIABILITY COMPANY
7701 Broadway
San Antonio, Texas 78209

PREPARED BY:
LEWIS PEÑA FALCON & COOK
Attorneys At Law
3111 W. Freddy Gonzalez Drive
Edinburg, Texas 78539
GF#: 942317; DSK:lc

Supreme Engineering, PLLC

Civil Engineering Consultants

135 Paseo del Prado Ste. 7

Edinburg, TX 78539

June 1, 2023

North Alamo Water Supply Co. (NAWSC)

Attention: Board Members

420 S. Doolittle Rd.

Edinburg, TX 78542

Reference: **Villages on Closner Subdivision**

Subject: **CCN Buyout**

Dear NAWSC Board Members,

Supreme Engineering on behalf my client, Marco Lopez manage/owner of Vista Property investments LLC, is requesting the NAWSC to convey, transfer or sell the water facility Certificate of Convenience and Necessity (CCN) to City of Edinburg. City of Edinburg has adequate water infrastructure with an 8-inch water line along Closner Blvd and Russell Rd. for this development to connect to.

The property consists of 76.682 acres in which a 210 multi-family (four-plex) and 2 commercial lot subdivision is proposed. The property is located at the southeast intersection of Closner Blvd. and Russell Rd. within the limits of City of Edinburg. The property legal description is as follows:

A 76.682 acres of tract of land, consisting of 36.674 acres of lot 2 and all of lot 1, section 241, Texas Mexican Railway company's subdivision, volume 1, page 16, map records or Hidalgo County, Texas.

Enclosed are exhibits 1-3, consisting of the proposed subdivision plat, property topographical survey and water system layout all within NAWSC CCN boundary

Your consideration of this matter and prompt response would be greatly appreciated.

Should you have any questions or concerns, please do not hesitate to contact me at any time at (956) 272-2246 or omar.cano@supremeengineering.com

Sincerely,



Omar Cano, P.E., CFM
Project Engineer/President



North Alamo Water Supply Corp.

420 S. Doolittle Road
Edinburg, Texas 78542

Sales Receipt

Date	Sale No.
3/6/2024	43759

Sold To
LIMBARDI SWAMY DEVUNI

Check No.	Payment Method	Rep
	American Express	CS

Description	Qty	Rate	Amount
Service Area Release		145,008.00	145,008.00
NORTH ALAMO WATER SUPPL 420 S DOOLITTLE RD EDINBURG, TX 78542 956-383-1618 SALE Store: 0001 Batch #: 051 REF#: 00000016 03/06/24 RRN: 406622334073 16:3127 CVC: M Invoice #: 43759 Trans ID: 010370827250072 Ship-to Postal/Zip: 78542 APPR CODE: 222870 AMEX *****1007 Manual CNP AMOUNT \$145,008.00 APPROVED I AGREE TO PAY ABOVE TOTAL AMOUNT IN ACCORDANCE WITH CARD ISSUER'S AGREEMENT (MERCHANT AGREEMENT IF CREDIT VOUCHER) KEEP COPY FOR YOUR RECORDS THANK YOU! MERCHANT COPY			
VILLAGES ON CLOSNR BUYOUT			Total \$145,008.00

Phone #	(956) 383-1618
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E-mail	newaccounts@nawsc.com
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SUBDIVISION CHECK LIST

Subdivision Name	VILLAGES ON CLOSNER SUBDIVISION			CITY
No. of Lots / Gross & Net Acres	212 LOTS 76.682 ACRES 53.42 NET ACRES			EDINBURG
Location	SEC OF BUS 281 AND RUSSEL ROAD			F.H. 30
Developer's Name	LATITUDE INVESTMENTS LLC		Ph #	358-1212
Engineering Firm	SUPREME ENGINEERING PLIC		Ph #	272-2246
Contractor			Ph #	
ITEMS	REQUESTING BUYOUT \$145,008.00	AMOUNTS		RECEIPTS
Preliminary Plat	3/31/2023			
Utility Layout	3/31/2023			
Board of Director's Appr.to proceed	6/20/2023			
Buyout	PAID 3/6/24	\$145,008.00		43759
Warranty Deed				
Subdivision Review Fee			Rec #	
A/P County/State Bore Permits			Rec #	
Contract Easement-Current yr			Rec #	
Hydraulic Analysis Study				
Water Service Agreement Signed				
Letter of Conditions Issued & Rec.				
Black Hydrant Legal Deposit			Rec #	
Fire Hydrant Liab. Ins. Reims.			Rec #	
County / City Notice To Proceed				
Submittal of Material List for Project				
Preconstruction Meeting				
NAWSC Separate M.P.O. Easement				
Irrigation District Exclusion Letter			Irri.	
Administrative Filing Sub			Rec #	
Installation Deposits-Curr YR			Rec #	
New/Forfeited Membership			Rec #	
Water Supply Fee			Rec #	
Rimbursement Policy (5 yrs)				
Sewer Provider	CITY OF EDINBURG SEWER			
Pipe line Pressure Test				
Bac-it Sample Approved				
Service connections Pad Lock				
Engineer Cost of Wtr Improv.				
3.5 C.D Disk on State Plain format				
Subdivision As-Builts				
FINAL Inspector's Wtr Certification		DATE		
Thirty Year Letter				
Date Plat Recorded				
Recorded Plat Received				



EXHIBIT “3”

**(CITY Minutes and/or Resolution
Approving Counter-Part Agreement for
Buyout and Transfer of Service Area)**

STATE OF TEXAS §

COUNTY OF HIDALGO §

TWO PARTY CONTRACT

CITY OF EDINBURG §

WHEREAS, Latitude Investment Group LLC, A Texas Limited Company (“Developer”), owns a 18.623 acre tract of land known as Villages on Closner Subdivision, which is located in central Hidalgo County on the located at the southeast corner of the intersection of Closner Blvd and Russell Rd.; and

WHEREAS, proposed Villages on Closner Subdivision lies within North Alamo Water Supply Corporation (NAWSC) water Certificate of Convenience and Necessity (“CCN”) jurisdiction to provide potable water service to the development under the rules and regulations of the Texas Commission on Environmental Quality (“TCEQ”) and the Public Utility Commission of Texas (“PUC”); and

WHEREAS, the Developer requests that the City and NAWSC execute an agreement that NAWSC will allow the City of Edinburg to become the service provider for said development, after all fees associated with the buyout are complete, and that City and NAWSC will thereafter apply to the PUC, to amend their respective service areas as shown in the attached agreement for service; so as to maintain water continuity and have a better water service accountability on the proposed development; and

WHEREAS, a Counter-Part Agreement for Buyout and Transfer of Service Area, hereafter referred to as “Service Agreement,” is necessary to be made between NAWSC and the City as set out in Exhibit “A” attached hereto and made a part hereof; and

NOW, THEREFORE, the City of Edinburg and Latitude Investment Group LLC, A Texas Limited Company in consideration of the mutual covenants expressed hereinafter, agree as follows:

1. Developer agrees to pay for any and all fees associated with the buyout transaction contemplated in the Service Agreement, including but not limited to CCN application fees and related legal fees. The total amount is estimated as \$2,500 payable to the City of Edinburg; however, Developer understands and agrees that it shall pay the actual cost of such fees as invoiced by the City. Developer shall make the required payment within seven (7) calendar days of receiving an invoice from the City.

2. **No Waiver:** No waiver by any party hereto of any breach of any provision of the Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

3. **Entire Agreement:** This Agreement contains the entire contract between the parties hereto and each party acknowledges that neither has made (either directly or through any agent or representative) any representation or agreement in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by City and the Developer and not otherwise.

4. **TEXAS LAW TO APPLY.** THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATION OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

5. **Alternate Dispute Resolution.** If any dispute, controversy, or claim between or among the Parties arises under this Agreement or is related in any way to this Agreement or the relationship of the Parties hereunder (a "Dispute"), the Parties shall first attempt in good faith to settle and resolve such Dispute by meeting at a mutually agreeable

time and place to discuss the Dispute within seven (7) days following the original written notice of any Dispute by the party making such a claim. The Parties shall seek to resolve the Dispute in writing within fourteen (14) days following the original written notice of any Dispute by the party making such a claim. If a mutual resolution and settlement are not obtained at the meeting, the Parties shall participate in good faith in formal mediation, within thirty (30) days following the original written notice of any Dispute, with a mutually agreeable mediator at a mutually agreeable time and place. No settlement reached under this provision shall be binding on the Parties until reduced to a writing signed by a representative of each Party. Unless the parties expressly agree otherwise, each party shall bear its own costs and legal and expert fees incurred in the mediation, and evenly share the costs of the mediator. If after proceeding in good faith the parties, with the assistance of a neutral mediator, do not resolve the dispute within forty-five (45) days following the original written notice of any Dispute, either party may initiate litigation to resolve the dispute. Venue is mandatory in in State courts located in Hidalgo County, Texas

6. **Attorneys' Fees.** In the event of litigation between the Parties, each party shall bear its own costs, including attorney's fees, expenses, and costs.

7. **Notice.** Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communication required or permitted hereunder shall be in writing and shall be either (i) personally delivered against written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to Edinburg: City of Edinburg
Attention: Myra L Ayala, City Manager
P.O. Box 1079 – 415 W University
Edinburg, Texas 78540

If to Developer: Latitude Investment Group LLC, A Texas Limited Company
7701 Broadway
San Antonio, Texas 78209
Bexar County, Texas

8. Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addresses or, if mailed, at such time as it is deposited in the United States mail.

9. **Additional Documents.** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

10. **Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

11. **Assignment.** This Agreement shall not be assignable.

12. **Headings.** The headings and captions contained in this Agreement are solely for convenience reference and shall not be deemed to affect the meaning or interpretation of any provision of paragraph hereof.

13. **Gender and Number.** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and singular shall include the plural whenever and so often as may be appropriate.

14. **Authority to Execute.** The execution and performance of this Agreement by Edinburg and the Developer have been duly authorized by all necessary laws,

resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of Edinburg and the Developer in accordance with its terms.

IN WITNESS WHEREOF, EXECUTED by Latitude Investment Group LLC, A Texas Limited Company., and the City of Edinburg, in duplicate originals effective on day of _____, 2024.

CITY OF EDINBURG

By: _____
Myra L. Ayala, City Manager

ATTEST:

BY: _____
Clarice Y. Balderas, City Secretary

APPROVED AS TO FORM:
Omar Ochoa Law Firm, P.C.

BY: _____
Omar Ochoa, City Attorney

**Latitude Investment Group LLC, A Texas
Limited Company**

BY: _____

7701 Broadway
San Antonio, Texas 78209
Bexar County, Texas

EXHIBIT "A" -

COUNTER-PART AGREEMENT
BETWEEN NORTH ALAMO WATER SUPPLY
CORPORATION (NAWSC) AND CITY OF
EDINBURG



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

CONSENT AGENDA

Agenda Item No: 12.D.

Approving City Council Minutes

1. Agenda Item:

Consider Approving the City Council Minutes for the following: 2024 Regular Meetings: January 02, 2024 and January 16, 2024. [Clarice Y. Balderas, City Secretary]

2. Description:

The City Secretary Department prepares and maintains the legislative history of all City Council meetings for historic and public purposes in accordance to the: City of Edinburg Code of Ordinances, Charter, Article III. Procedures of the City Council, Legislation, Section 6: Introduction and Passage of Ordinances and Resolutions. The City Code of Ordinances states, “yeas and nays shall be taken upon the passage of all ordinances and resolutions and entered upon the journal of proceedings of the City Council.”

Texas Government Code; Title 5. Open Government; Ethics; Subtitle A. Open Government; Chapter 551. Open Meetings; Subchapter A. General Provisions and Subchapter B. Record of Open Meeting:

Sec. 551.021. Minutes or Recording of Open Meeting Required “(a) A governmental body shall prepare and keep minutes or make a recording of each open meeting of the body. (b) The minutes must: (1) state the subject of each deliberation; and (2) indicate each vote, order, decision, or other action taken.”

Sec. 551.022. Minutes and Recording of Open Meeting: Public Record; and the 2022 Texas Open Meeting Act, Chapter X. Records of Meetings, Section A. Minutes or Recordings of Open Meeting. “The minutes and recordings of an open meeting are public records and shall be available for public inspection and copying on request to the governmental body’s chief administrative officer or the officer’s designee.”

City Council meeting minutes and recordings are available to the public upon request.

The City Council meeting videos are also available to the public through the city’s website at: www.cityofedinburg.com. The Mayor signs the minutes and attested by the City Secretary. Minutes are maintained for historical and public purposes.

In accordance to the City's Code of Ordinances, the City Secretary Department prepares and maintains the minutes of all City Council meetings for historical and public purposes.

3. Staff's Recommendation:

Approve the City Council Minutes for the following: 2024 Regular Meetings: January 2, 2024 and January 16, 2024.

Reviewed by:

Clarice Balderas, City Secretary

Prepared by:

Maria Ortiz, Administrative

Assistant

Attachments:

- A. 01022024CCRM MINUTES
- B. 01162024CCRM MINUTES



MINUTES OF THE EDINBURG CITY COUNCIL REGULAR MEETING
CITY OF EDINBURG, HIDALGO COUNTY, TEXAS

Location: Edinburg City Hall-Council Chambers

415 West University Dr.

Edinburg, Texas 78541

JANUARY 02, 2024

6:00 PM

Mayor Ramiro Garza, Jr. called the meeting to order at 6:00 p.m.

PRESENT:

Ramiro Garza, Jr.	Mayor
Daniel “Dan” Diaz	Mayor Pro Tem
Jason De Leon	Councilmember Place 2
David Salazar, Jr.	Councilmember Place 3
David White	Councilmember Place 4
Myra L. Ayala	City Manager
Clarice Y. Balderas	City Secretary
Omar Ochoa	City Attorney

ABSENT:

1. CALL TO ORDER, ESTABLISH QUORUM

- A.** Prayer by Dr. David Alexander, First Baptist Church.
- B.** Pledge of Allegiance by Mayor Ramiro Garza, Jr.

2. CERTIFICATION OF PUBLIC NOTICE

Mayor Ramiro Garza, Jr. verified the City Secretary’s posting of the City Council meeting and its compliance as required by the Texas Open Meetings Act. The notice was posted on December 28, 2023 at 8:15 p.m.

3. DISCLOSURE OF CONFLICT OF INTEREST

City Attorney Omar Ochoa stated under State Law a conflict of interest exists if a Councilmember or a certain member of that Councilmember’s family has a qualifying financial interest in any agenda item. Members with a conflict of interest cannot participate in the discussion nor vote on that agenda item.

Omar Ochoa, City Attorney asked Mayor Pro Tem and Councilmembers if there were any known conflict of interest to disclose at that time.

There were no conflict of interests presented.

4. CITY MANAGER'S REPORT

A. New Customer Service Initiative

Myra L. Ayala, City Manager, informed the public that the City of Edinburg is launching a new customer service initiative that will be implemented starting the first week of January. She said they are asking the public's feedback via a customer service survey created by Daniel Vera, Director of Information Technology. Ms. Ayala stated the survey is anonymous; however the City will be launching a new city newsletter and they will be asked if they would like to receive it digitally so they will be asked to provide an email address. Ms. Ayala stated a flyer will be displayed at all customer service windows with a QR code; it will also be available on the City's website. She said the 311 Center will be evaluating the survey results and provide the report to the City Manager to review and assess the results to either continue and elaborate on what is working for customers and/or take the opportunity to implement a new processes for what may need improvement.

5. PROCLAMATIONS/RECOGNITIONS

A. Presentation of Proclamation Recognizing Cassandra Pedraza for Winning a \$10,000.00 Scholarship at the San Antonio Livestock Show Western Art Contest. [Clarice Y. Balderas, City Secretary]

Mayor Ramiro Garza, Jr. read the proclamation aloud.

Miss Cassandra Pedraza thanked the Council for the recognition; she thanked her teacher, Ms. Gaby Gonzalez, for always pushing her and to her family for all their support. Miss Pedraza attributed her inspiration for the drawing to her grandfather, her visits to the ranch and her love for the horses.

Mayor Ramiro Garza, Jr. congratulated Miss Pedraza, her family, her teacher and Edinburg North High School for this first-time achievement and wished Miss Pedraza well in any future endeavors.

Mayor Pro Tem Daniel "Dan" Diaz congratulated Miss Cassandra Pedraza, he wished her the very best in her bright future and he thanked her for putting Edinburg on the map of positive light. Mayor Pro Tem Diaz thanked all of Miss Pedraza's support system.

6. PUBLIC COMMENTS

Fern McClaugherty: Ms. McClaugherty stated she understood the City of Edinburg purchased the H.E.B soccer facility, and the community needs a financial explanation for how the purchase of a failing soccer field will benefit the residents. She reminded the Council the people being represented here are having problems paying their taxes, utilities and even buying food. Ms. McClaugherty stated the people no longer see transparency but rather they are looking at this Council increasing the debt. She and the people voted to use state funds to lower property taxes, yet the benefits of that action

are gone because the Council and other elected officials voted to keep the same people on the Appraisal District Board. She said homestead owners were supposed to get an additional \$60,000 reduction on the property values but instead the Appraisal District increased the values. Ms. McClaugherty stated the people of Texas are trying to help but the elected officials nullified that action by increasing property values. Now these officials want the people to believe that purchasing a failing soccer facility will improve the economy by creating jobs but this has been seen before with the purchase of a sports arena and supported facilities for \$93 million. The city receives \$250,000 annually from the arena but pays out \$1.3 million for the bonds; how does that benefit the city when 30% of its population is living in poverty. Ms. McClaugherty stated she had signed up to speak on item 12A which is in closed session; she asked how much cost the taxpayers.

There were no further Public Comments.

7. PRESENTATION AND REPORTS

A. Presentation Regarding the Edinburg Downtown District. [Jaime Acevedo, Director of Planning & Zoning]

Jaime Acevedo, Director of Planning and Zoning, stated like many Texas County seats, to Downtown Edinburg is designed around the courthouse where there is access two main thoroughfares. He said the concept is to go two blocks all around the courthouse on the north of University Dr. to Kuhn St., two blocks south to Mahl St., on the east, it would go all the way to Veterans St., and on the west, it would go all the way to 5th Ave. Mr. Acevedo stated in the Downtown District as per the Unified Development Code, would only be for Edinburg's historical downtown square and it's immediate environment. It is intended to permit a range of commercial and high-density residential uses that create a pedestrian oriented downtown that will serve as the civic and cultural heart of the City. Vertical mixed-use development with retail, restaurant and entertainment uses on the ground floor and offices or residential users on the upper floor is encouraged. This district is not appropriated or warranted in any other location other than the historic downtown square and the immediate environments. Mr. Acevedo stated new construction or remodeling a building in the downtown district will be considered grandfathered and they will not be required to have more parking than is already provided on site. Mr. Acevedo said that this is just one of the provisions for those investing in the downtown area. Most of the new projects the city has done are in the McIntyre Area, the Promenade Park has been completed and the Edinburg Arts, Cultural and Event Center should be ready in the next couple of months. Mr. Acevedo stated he inquired with other cities in the valley and other cities in the State of Texas who have focused in their downtown areas. Mr. Acevedo said the American Planning Association produced a list of great places in the State of Texas almost every one of them focuses on downtown areas. Mr. Acevedo stated he would like to work with the UTRGV Planning Department to see what ideas they have and possibly work on updating the Downtown Masterplan. He said working with the university they can focus and come up with something good for the future of the corridor just west of City Hall between City Hall and 5th Street.

Councilmember David White stated that the promenade area was already part of a project in the master plan; it's a vision that should be looked at.

Jaime Acevedo, Director of Planning and Zoning, stated the University has done a lot of expansion but they have not focused on the existing areas and working together with the City. Mr. Acevedo feels like they can come up with a good plan for the future.

Mayor Pro Tem Daniel "Dan" Diaz, stated the master plan was finalized in 2010 and the City has followed a lot of its improvements, and they need to use the stakeholders already in the area like UTRGV with the new division one football coming. Athens, Georgia is a perfect example of what Edinburg's downtown could look like with football coming into town.

Mayor Ramiro Garza, Jr. stated he asked this be placed on the agenda because they want to get a move on this. Unless there is a focused approach on the downtown having its own designated committee or focused area, it will be tough. This obviously happens in the city and there has been plans in the past but if it is going to be updated who will implement it. He said they have great stakeholders working on a lot of different things but they need to figure out how to work closer together. Mayor Ramiro Garza, Jr. stated looking at other cities there is no sense in reinventing the wheel; there are so many wonderful downtown areas out there but it needs its own dedicated staff. He said a committee that would include a member from each stakeholder like UTRGV, the County, and the Edinburg School District that can serve and help with the downtown vision.

Myra L. Ayala, City Manager, stated they presented this item to have an open dialogue and get the feedback from the Council knowing what staff needs to do to move forward. Ms. Ayala said they could have designated staff, create a committee through a form of a resolution or ordinance. They could start setting goals and the implementation of the budgetary process and start inviting the stakeholders to incorporate their vision of the downtown area.

Mayor Ramiro Garza, Jr. stated the first order of business is evaluating the map of the downtown area and the alleyways, and what can be done with them. In addition, an ordinance, if needed, to make any changes to what is currently in place; to allow all entrepreneurs to do their thing and for the city to be able to support the public improvements. Mayor Ramiro Garza, Jr. said he did not want to designate the downtown area any TIRZ without having a plan. He said they have great things coming up like the parking garage. TXDOT is doing all the improvements to 107 and the city needs to get on board to capitalize on those improvements; the stakeholders are working together as part of the overall downtown improvement plan.

Mayor Pro Tem Daniel "Dan" Diaz invited the public to get online and look at the master plan from 2010; with all the synergy of all the things happening with TXDOT and with college football coming in some of the master plan has to be revamped and upgraded. He stated will all the energy they need to invite businesses and residents to make sure everyone is on the same page.

Mayor Ramiro Garza, Jr. stated Closner Blvd. is now closed and it was not envisioned back when the downtown plan was done. The courthouse now sits right in the middle, with that reason, the plan needs to be revisited and figured out. He said many things have really changed and there are many businesses looking to make improvements, but they need to see how they can collaborate because a lot of the downtown space is public space and it needs to be enhanced.

Nick Cantu stated he would like to echo what the Council has said with the University's recent announcement and the all-time high of subdivisions going on; it feels like the quality of life has been lagging. He said with all the investments the city has made to improve the area; there should be more private money stepping in but there is a lack of communication, Mr. Cantu stated he would like to assist on the committee.

Mayor Ramiro Garza, Jr. stated unless there is a dedicated effort for this it will be tough because the City must stay on task and they are currently working on updating the comprehensive plan, maybe this should be part of that comprehensive plan. Mayor Ramiro Garza, Jr. stated there have been many individual improvements but they need to connect because the end vision to connect the university and downtown area into real community and capitalize it being here. He said they are proud that the City of Edinburg is home to UTRGV and proud to have a county seat; they just need to connect everything and rally around the synergy going on right now. Mayor Ramiro Garza, Jr. stated if this is something everyone agrees with he asked that in a future item the staff present options to appoint a board.

8. ECONOMIC DEVELOPMENT

A. Consider Approval of the Edinburg Economic Development Corporation's Facade and Lot Improvement Program (FLIP). [Raudel Garza, Edinburg EDC Executive Director]

MOTION: Councilmember David White to Approve the Edinburg Economic Development Corporation's Facade and Lot Improvement Program.

SECOND: Councilmember David Salazar, Jr.

There was discussion. Raudel Garza, Edinburg Economic Development Corporation Executive Director addressed the Council's questions.

Raudel Garza, Edinburg Economic Development Corporation Executive Director, stated the board has been working on a program that would benefit small businesses that need to revitalize their parking lots, landscaping, their façade, and their signage. He said it would be similar to the SPARK Program; the Edinburg Economic Development Corporation has set aside \$400,000 to make available to small businesses in Edinburg. The program will have some restrictions and applications will be online. The application will go through a review process the board will be participating, in; followed by a ranking system allowing at least 40 businesses to receive up to \$10,000 in assistance. Mr. Garza stated if a business is not going to spend all the \$10,000, it will allow for an opportunity for others to participate. He said in an effort to target the small businesses the scores will be based on:

geography, higher points for downtown areas, how big the business is, how many people it employs; the smaller the business, the higher the score. A national chain or a corporate owned business would not qualify. Mr. Garza stated if this is approved tonight they would start taking applications January 8, 2024 through February 8, 2024. The applications would be reviewed and scored then the board will decide which 40 or more businesses will be granted the funds. Mr. Garza stated if one of the businesses selected cannot afford to do the improvements; they can prove their financial hardship, the board will consider paying the vendor instead of having the small business owner paying out of pocket and then the EEDC reimbursing them.

Mayor Ramiro Garza, Jr. thanked the Economic Development Corporation for coming up with this program and stated the need to help the small businesses is still there. He stated it was appreciated that they are looking at the geographic aspect.

Councilmember David White stated he would like to have Closner Blvd., which turns into Business 281, get fewer points than the downtown area based on the Opportunity Zone but there are other areas that need the help.

Raudel Garza, Edinburg Economic Development Corporation Executive Director, stated the Council can make the recommendation, subject to him taking it back to the board.

Omar Ochoa, City Attorney, stated the Edinburg Economic Development Corporation has presented a baseline program, and if there are specific areas or concerns that the City Council would like to include they may provide that feedback to the EEDC Board. Ultimately, the EEDC Board will be the one implementing the program, the Council could suggest the program be more formalized before it is approved and bring it back.

Mayor Ramiro Garza, Jr. said they do not want to delay this and get the businesses the help they need.

Councilmember David White said he is happy with the opportunity the EEDC is providing but he would like this to include a caveat that includes positive point structure. He said Closner Blvd. is heavily traveled just like University Dr. and it should be included.

Councilmember David Salazar, Jr. stated the Council is requesting the opportunity area be extended further north and south on Closner Blvd.

Councilmember David White withdrew his motion.

MOTION: Councilmember David White to Approve the Edinburg Economic Development Corporation's Facade and Lot Improvement Program subject to include the Closner Blvd. from Chapin Street to Canton Road as part of the Downtown area for this program.

SECOND: Councilmember David Salazar, Jr.
Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

9. APPOINTMENTS

- A. Consider Appointment to the Following City Advisory Board, Council, Commission and Committee: Planning and Zoning Commission, One Member; Public Library Board; One Member; Zoning Board of Adjustments, Three Members. [Clarice Y. Balderas, City Secretary]**

MOTION: Councilmember Jason De Leon to Appoint Ruby Casas to the Planning and Zoning Commission.

SECOND: Mayor Pro Tem Daniel “Dan” Diaz

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

MOTION: Councilmember David White to Appoint Patricia Rigney, to the Public Library.

SECOND: Mayor Pro Tem Daniel “Dan” Diaz

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

MOTION: Councilmember David White to Appoint Ponciano Longoria, Michael Cantu, Andrew Leal Almaguer, to the Zoning Board of Adjustment.

SECOND: Councilmember Jason De Leon

There was discussion. Omar Ochoa, City Attorney addressed the Council's questions.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel "Dan" Diaz, and Councilmember David White

NAYS: Councilmember Jason De Leon, and Councilmember David Salazar, Jr.

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

MOTION: Councilmember Jason De Leon to Appoint Marc Moran, Michael Aaron Cantu, and Andrew Leal Almaguer, to the Zoning Board of Adjustment.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel "Dan" Diaz, and Councilmember David White

NAYS: Councilmember Jason De Leon, and Councilmember David Salazar, Jr.

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

10. CONSENT AGENDA

- A. Considering Awarding RFP No. 2024-005, Purchase of a Palo Alto Next Generation Firewall to Insight Public Sector, Inc., in the Amount of \$54,176.09. [Daniel Vera, Director of Information Technology].

MOTION: Councilmember David White to Approve Awarding RFP No. 2024-005, Purchase of a Palo Alto Next Generation Firewall to Insight Public Sector, Inc., in the Amount of \$54,176.09.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- B. Consider Authorizing the City Manager to Enter Into a Waterline Access Agreement with North Alamo Supply Corporation to Provide Fire Protection services to City Place at Chapin Subdivision and Las Magnolias Subdivision. [Gerardo Carmona, Jr, P.E., Director of Utilities]**

MOTION: Councilmember David White to Approve Authorizing the City Manager to Enter Into a Waterline Access Agreement with North Alamo Supply Corporation to Provide Fire Protection services to City Place at Chapin Subdivision and Las Magnolias Subdivision.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- C. Consider Amendment to Interlocal Agreement with the City of McAllen for Jackson Hike and Bike Phase 2 and Authorize the City Manager to Execute any Related Documents Thereto. [Mardoqueo Hinojosa, P.E., CFM, City Engineer]**

MOTION: Councilmember David White to Approve an Amendment to Interlocal Agreement with the City of McAllen for Jackson Hike and Bike Phase 2 and Authorize the City Manager to Execute any Related Documents Thereto.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- D.** Consider Awarding RFP No. 2024-006, Doolittle Detention Pond to RBM Contractors, LLC for an Amount Not to Exceed \$3,324,532.82 and Authorize the City Manager to Enter Into a Professional Services Contract and Execute Any Documents Related Thereto Pursuant to the City’s Ordinances and Procurement Policies. [Mardoqueo Hinojosa, P.E. CFM, City Engineer]

MOTION: Councilmember David White to Approve Awarding RFP No. 2024-006, Doolittle Detention Pond to RBM Contractors, LLC for an Amount Not to Exceed \$3,324,532.82 and Authorize the City Manager to Enter Into a Professional Services Contract and Execute Any Documents Related Thereto Pursuant to the City’s Ordinances and Procurement Policies.

SECOND: Mayor Pro Tem Daniel “Dan” Diaz

There was discussion. Mardoqueo Hinojosa, P.E. CFM, City Engineer addressed the Council’s questions.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- E.** Consider Awarding RFP No. 2024-007, Schunior Detention Pond Phase 3 to MOR-WIL, LLC for an Amount Not to Exceed \$496,242.85 and Authorize the City Manager to Enter Into a Professional Services Contract and Execute Any Documents Related Thereto Pursuant to the City’s Ordinances and Procurement Policies. [Mardoqueo Hinojosa, P.E. CFM, City Engineer]

MOTION: Councilmember David White to Approve Awarding RFP No. 2024-007, Schunior Detention Pond Phase 3 to MOR-WIL, LLC for an Amount Not to Exceed \$496,242.85 and Authorize the City Manager to Enter Into a Professional Services Contract and Execute Any Documents Related Thereto Pursuant to the City’s Ordinances and Procurement Policies.

SECOND: Mayor Ramiro Garza, Jr.

There was discussion. Mardoqueo Hinojosa, P.E. CFM, City Engineer addressed the Council's questions.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel "Dan" Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- F. Consider Authorizing the City Manager to Enter Into Job Task Order No. 4 with Millenium Engineers Group, Inc. for Construction Materials Testing Services on the Doolittle Detention Pond Construction for an Amount Not to Exceed \$80,254.60 and Authorize the City Manager to Enter Into a Professional Services Agreement and Execute Any Documents Related Thereto Pursuant to the City's Ordinances and Procurement Policies. [Mardoqueo Hinojosa, P.E. CFM, City Engineer]

MOTION: Councilmember David White to Approve Authorizing the City Manager to Enter Into Job Task Order No. 4 with Millenium Engineers Group, Inc. for Construction Materials Testing Services on the Doolittle Detention Pond Construction for an Amount Not to Exceed \$80,254.60 and Authorize the City Manager to Enter Into a Professional Services Agreement and Execute Any Documents Related Thereto Pursuant to the City's Ordinances and Procurement Policies.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel "Dan" Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- G. Consider Resolution Authorizing the Installation of Two Additional Stop Signs at the

Intersection of Freddy Gonzalez Drive and Mon Mack Road to Convert the Intersection to a 4-Way Stop Controlled Intersection. [Tomas D. Reyna, Assistant City Manager]

MOTION: Councilmember David White to Approve a Resolution Authorizing the Installation of Two Additional Stop Signs at the Intersection of Freddy Gonzalez Drive and Mon Mack Road to Convert the Intersection to a 4-Way Stop Controlled Intersection.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

11. OTHER BUSINESS

A. Future Items Requested by City Council. [Myra L. Ayala, City Manager]

Mayor Pro Tem Daniel “Dan” Diaz would like an update on the PIPAC he would like to know where some of the projects that were approved as of October are.

12. EXECUTIVE SESSION

MOTION: Mayor Pro Tem Daniel “Dan” Diaz to convene into Executive Session.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Councilmember Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

Mayor Ramiro Garza, Jr. convened into Executive Session 6:56 p.m.

OPEN SESSION

Mayor Ramiro Garza, Jr. Reconvened into Open Session at 7:36 p.m. and stated no action was taken in Executive Session.

- A. Consultation with City Attorney and Possible Action Regarding Economic Development Agreement with Doctors Hospital at Renaissance, Ltd. (§551.071. Consultation with Attorney; Closed Meeting; §551.087 Deliberation Regarding Economic Development Negotiations; Closed Meeting.)
No Action
- B. Discussion and Possible Action Regarding Project Aluminium Foil. (§551.071 Consultation with Attorney; §551.072 Deliberation Regarding Real Property; Closed Meeting.; §551.087 Deliberation Regarding Economic Development Negotiations; Closed Meeting.)

MOTION: Councilmember David White to Ratify the Edinburg Economic Development Corporation action Regarding Project Aluminium Foil on the terms discussion in Executive Session.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Councilmember Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

MOTION: Councilmember Jason De Leon to reconsider Item 9. Appointments, Appointment to the Zoning Board of Adjustments, Three Members.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Councilmember Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

13. ADJOURNMENT

MOTION: Councilmember David White to Adjourn the meeting.

SECOND: Mayor Pro Tem Daniel “Dan” Diaz

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr. Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr. and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

Mayor Ramiro Garza, Jr. Adjourned the meeting at 7:39 p.m.

CITY OF EDINBURG

Ramiro Garza, Jr., Mayor

ATTEST:

Clarice Y. Balderas, City Secretary

City Council Approval: _____



MINUTES OF THE EDINBURG CITY COUNCIL REGULAR MEETING
CITY OF EDINBURG, HIDALGO COUNTY, TEXAS

Location: Edinburg City Hall-Council Chambers

415 West University Dr.

Edinburg, Texas 78541

JANUARY 16, 2024

6:00 PM

Mayor Ramiro Garza, Jr. called the meeting to order at 6:00 p.m.

PRESENT:

Ramiro Garza, Jr.	Mayor
Daniel “Dan” Diaz	Mayor Pro Tem
Jason De Leon	Councilmember Place 2
David Salazar, Jr.	Councilmember Place 3
David White	Councilmember Place 4
Myra L. Ayala	City Manager
Clarice Y. Balderas	City Secretary
Omar Ochoa	City Attorney

ABSENT:

1. CALL TO ORDER, ESTABLISH QUORUM

A. Prayer by Pastor Doctor David Alexander, First Baptist Church.

B. Pledge of Allegiance by Mayor Ramiro Garza, Jr.

2. CERTIFICATION OF PUBLIC NOTICE

Mayor Ramiro Garza, Jr. verified the City Secretary’s posting of the City Council meeting and its compliance as required by the Texas Open Meetings Act. The notice was posted on January 12, 2024 at 11:15 p.m.

3. DISCLOSURE OF CONFLICT OF INTEREST

City Attorney Omar Ochoa stated under State Law a conflict of interest exists if a Councilmember or a certain member of that Councilmember’s family has a qualifying financial interest in any agenda item. Members with a conflict of interest cannot participate in the discussion nor vote on that agenda item.

Omar Ochoa, City Attorney asked Mayor Pro Tem and Councilmembers if there were any known conflict of interest to disclose at that time.

There were no conflict of interests presented.

4. PROCLAMATIONS/RECOGNITIONS

A. Presentation of Proclamation Recognizing January 2024 as Crime Stoppers Month.
[Clarice Y. Balderas, City Secretary]

Clarice Y. Balderas, City Secretary read the proclamation aloud.

Sonia Enriquez, President of the Edinburg Crime Stoppers, thanked the Mayor and Council for the recognition and stated the Crime Stoppers are active in the community. The volunteers are dedicated to keep the community safe and informed and they are grateful that their hard work is recognized. She introduced the Edinburg Crime Stoppers members present:

Yvonne Garza, Vice President
Johnny Hernandez, Media Informant
Imelda Rodriguez, Treasurer
Romero Sanchez, Sergeant of Arms
Letty Flores, Historian
Melissa Gonzalez
Olga Regalado
Arnold Cerda
Officer Lara
Eva Guerrero
Estella Rodriguez
Sonia Salinas
Joe Borrego

Ms. Enriquez thanked Police Chief Jaime Ayala for all of his support.

Mayor Ramiro Garza, Jr. thanked the Edinburg Crime Stoppers and stated they appreciate all they do and their participation at all the City events. He said their effort to spread awareness goes a long way.

Mayor Pro Tem Daniel “Dan” Diaz thanked everyone he offered his support to make the program better.

B. Presentation of Proclamation Recognizing Ricardo Perez for his Impact in the Tejano Music Community and his Service to the City of Edinburg Community. **[Clarice Y. Balderas, City Secretary]**

Clarice Y. Balderas, City Secretary read the proclamation aloud.

Doctor Rose Michelle Zuniga, daughter of Ricardo Perez thanked the Mayor and Council, Director of Grants Management Marissa Garza, and all the city staff for the recognition.

Rosie Perez, wife of Ricardo Perez, thanked everyone present in support of Mr. Perez including family, friends, fellow musicians from Cruisers and the Class of 1973

Fighting Bobcats.

Mayor Ramiro Garza, Jr. stated it was an honor to recognize Mr. Peralez. He said people are aware of the impact he had on the music industry and of course his contributions in the City of Edinburg. Mr. Peralez served the city for almost 30 years on the Community Development and the Housing Assistance, he went from one board to another but all related to housing. These are boards relating to providing affordable housing in the community. Mayor Ramiro Garza, Jr. thanked Mr. Peralez's family for allowing him to serve the community all those years.

- C. Present the Recipient for the Employee of the Month Award for the Month of November 2023. [Belinda Torres, Director of Human Resources/Civil Service]
Belinda Torres, Director of Human Resources/Civil Service presented Ms. Jarita Hernandez as the November 2023 employee of the month.

Eddie Velarde, Director of Aviation, stated in December 2022, Ms. Hernandez was recognized by a nationwide publication in airport business as one of the Top 40 Under 40 across the country. Mr. Velarde said Ms. Hernandez does so much financially, with consistency, serving both internal and external customers. It does not matter what you fly, she serves everybody the same. Mr. Velarde stated she is a wonderful cohort and colleague to all of her coworkers, and to other city department staff. Ms. Hernandez is admired, she is exemplary of the best of those who work for the City of Edinburg.

Ms. Jarita Hernandez thanked everyone for the recognition and stated in the time that she has worked for the City of Edinburg she has really enjoyed networking and working with city staff and she wants to accomplish more and continue being an example.

Mayor Ramiro Garza, Jr. congratulated Ms. Hernandez for her recognitions of both the Top 40 Under 40 and being recognized as Employee of the Month. He stated Ms. Hernandez's recognition is very well deserved and he thanked her for her work.

5. PUBLIC COMMENTS

Javier Garza, Director of Parks and Recreation: Mr. Garza stated they were excited for the 42nd Annual 10-K being held on February 3, 2024, kicking off with the Miracle Mile on February 2, 2024 at 6:15 p.m. He said this is the biggest race in the Rio Grande Valley and they collaborated with Edinburg CISD, other communities, and various businesses to bring in as many people as possible. Mr. Garza stated there are about 2200 people already signed up. Mayor Ramiro Garza, Jr. challenged the community to beat the City's record of 10,466 participants.

Mr. Garza stated Parks and Recreation is hosting their Health Expo on Friday, February 2, 2024 from 10:00 a.m. to 6:00 p.m. at the Parks and Recreation gyms. He said they are no longer accepting vendors, he stated they partnered up with DHR, South Texas Health Systems and UTRGV. Mr. Garza said they will be offering health screenings,

and there will be different businesses promoting healthy eating and good health. He invited the Mayor and Council and the entire community to this event.

Laura Cerda, Human Resources Benefits and Wellness Manager: Ms. Cerda stated It's Time Texas is a nonprofit organization that educates communities across Texas on health-related topics and provides resources to Texans on healthier eating habits, physical activities, and the importance of water consumption. She said It's Time Texas hosts a community challenge for eight weeks, starting in January and ending in March. Ms. Cerda stated because she accepted the It's Time Texas challenge last year and took a step towards a healthier lifestyle; she can proudly say she is a cancer free survivor. She said she was sick and because of her weight loss, the doctors decided to run a few extra tests to rule out weight loss related complications, discovering a tumor on her right kidney and was diagnosed with renal cell carcinoma. Doctors wasted no time in scheduling a partial removal of her kidney. She was present to encourage the community to challenge themselves by making health a priority by participating in the It's Time Texas Challenge.

Ronnie Larralde, Executive Director at Edinburg Chamber of Commerce: Mr. Larralde stated in 2016 University Draft House came to the Edinburg Chamber of Commerce with the idea of bringing a Beerfest but also to help the community. It started with historical landmarks including the Southern Pacific Depot and now also the future ACE building.

Sony Rego thanked the Mayor and Council for allowing them to host the University Drafthouse Beerfest at the City Hall courtyard. She said because of the Council's support they are able to give back to the community by donating money to the Edinburg Chamber of Commerce Education Initiative for the past six years.

Albert Rego, thanked the Mayor and Council for allowing them to participate in this way in the community. He stated he would like to recognize the countless volunteers, from the Chamber of Commerce, the EEDC, City Staff, and the sponsors like LNF Distributors and the restaurants that participate and do not charge. Everything is donated whether it is time or product. Mr. Rego stated there are other expenses but they have managed to maintain the levels of donations and hope to near \$100,000 soon. He said the last beer fest was the most attended with nearly 800 people and they hope to break a thousand on the next one. Mr. Rego said he was proud to be part of the City and be able to participate in such wonderful events.

Magdiel Castle, Assistant Director of Cultural Arts, stated on behalf of the Edinburg Arts Foundation, they are very appreciative of the University Drafthouse and the partnership they have created through the Edinburg Chamber of Commerce, the Edinburg Arts Foundation and the City of Edinburg. He stated they assist through the logistics and as a beneficiary towards the Arts, Culture and Events Center.

Ronnie Larralde, stated Mr. and Mrs. Rego are present to present a \$15,500 check; 50% of the proceeds go to the Edinburg Chamber Education Initiatives and the other 50%

goes to the Arts Initiative.

Fern McClaugherty: Ms. McClaugherty stated she would like to suggest the Council spend some time at the tax office where people pay their taxes or at least make some payments. She said 835 of the people voted to use state money to lower the homestead property tax and the appraisal district increased the homestead values and turned that \$60,000 reduction into at least \$1,000 increase. Ms. McClaugherty said this Council is not working for the people and asked if they are working in their own interest in reference to the purchase of the soccer field. She stated this Council has taken a private company that was paying taxes and turned it into a city owned project that is losing money. Ms. McClaugherty said the public has a right to know how this purchase will benefit financially? How many full-time jobs will be created? Will any of the councilmembers benefit in any political contributions in the next five years? Does the project include employment of the developers to administer the facility? When and where was the deal negotiated before it was approved by the City? Is the City committed to making improvements? The City is already paying \$1.3 million on the bonds for the sports arena and in a good year has an income of about \$300,000. No business can operate like that. Ms. McClaugherty stated she would also like to ask questions on Item 7G, why is the city raising the water rates for everyone?

Magdiel Castle, Assistant Director of Cultural Arts: Mr. Castle was present to invite everyone to the MLK Day of Service on Friday, January 19, 2024 from 9:00 a.m. to 12:00 p.m. at the Restlawn Cemetery inside Hillcrest Cemetery. He stated they were still looking for volunteers they ask that everyone come out and in the spirit of MLK donate their time.

Mr. Castle would also like to inform everyone the Edinburg Michael Sekula Library is open as a warming center and will continue open tonight from 8:00 p.m. to 8:00 a.m.

AJ. Aleman, Executive Assistant to the City Manager: Mr. Aleman was present to remind everyone of the Challenge RGV the weigh-in is taking place on January 27, 2024 at 9:00 a.m. weather permitting. He stated they are excited that it being their first year participating they already have about 220 participants. Mr. Aleman invited everyone to participate in the challenge, they would be accepting registrations up until the weigh-in. He said this challenge would run until April 27, 2024, he stated they would have different incentives like discounts at different shake shops and some local gyms are offering free classes for people participating in the challenge. He stated if anyone had questions or would like more information they can contact Mr. Aleman or the Health and Wellness Committee.

There were no further Public Comments.

6. PRESENTATION AND REPORTS

- A. Presentation on Status of Capital Improvement Projects. [Mardoqueo Hinojosa, P.E., CFM, City Engineer]

Mardoqueo Hinojosa stated everything he presented is available online on the City's webpage. He said there are three ways to view the Capital Projects, the link can be found on the City's main page, through the Engineering Page and most recently added through the GIS Dashboard. Mr. Hinojosa stated all three options will take you to a landing page with all the current construction project and the Public Infrastructure Projects Advisory Committee (PIPAC) packages presented every month. A status update is provided every week to city management and the same information is posted on the website for the public. He stated the update provides the latest and greatest, financial transactions and what stage the project is at. It also shows a project schedule. Mr. Hinojosa stated some of the projects completed in 2023 include the Lull Project, Alberta, Veterans, and the Schunior Detention Pond, the Ebony Hills Master Plan, the City Hall tile replacement, the Municipal Pool, De Zavala Park, City Hall roof, Municipal Park turf field, Cano Trail, El Tule, Jackson and Chapin signals, Schunior St., and Hobbs St. He said on the utility side they completed the lift station, 34 and 35, and the yearly manhole rehabilitation project.

Mayor Ramiro Garza, Jr. stated it would good to show a summary of the total dollar amount of the projects completed. He said many of these projects are ongoing from one year to the next but it would be good to list the total dollar amount. Mayor Garza stated it would also be good to show a separate category for those projects being funded through the bond issuance. He said those projects should have its own link because those were bonds that were issued by the City and it would keep track of the project based on that bond issuance, and it would be good way to show the people what they are doing with those tax dollars. Mayor Ramiro Garza, Jr. stated it would be good to show maps of the detentions ponds and the area affected by those improvements.

Mardoqueo Hinojosa stated monies would be needed for the future Trenton Road Street improvement project the City collaborated with the County on. He said they would be submitting a request for the Chapin Street Planning Grant, to do road improvements. Mr. Hinojosa went on to list the Utilities Comprehensive list, completed projects the Lull Subdivision Road, drainage and sidewalk project a \$6.2 million investment. Alberta Road Phase One between Jackson and McColl Road, a \$1.7 million investment. Veterans Detention Pond, three streets were fully reconstructed they did not have storm drainage or sanitary sewer. Phase One was completed in October 2023 and they are looking at Phase Two, the main detention pond project. Schunior Detention Pond project the main phase was completed in December 2023. About 93,000 cubic feet of excavation a true benefit for the City, this project will help with any major flood issues in that area. Mr. Hinojosa stated they just awarded Phase Three for the Schunior Detention Pond project. The Municipal Pool redevelopment was completed in May 2023, it was a \$5.3 million investment; that included redoing the bathhouse which was built in the 1950s and added the Pirate's Cove. In a partnership with the Edinburg CISD and Hidalgo County, De Zavala Park was a \$2 million investment, which included a splash pad, a pavilion with basketball courts, a walking trail, and a parking lot. The roof at City Hall a \$442,000 investment completed earlier this year. The Cano Trail Lighting Improvements this project was an 80/20 match with the MPO for \$183,000. El Tule-Jose Nieto & Consuelo Alfaro Robledo Center was completed in September 2023, which included three basketball courts, walking trail around the area and

parking lot. The total investment was about \$5 million; monies came from the Edinburg Economic Development Corporation. Jackson and Chapin Traffic Signal completed last year, a \$280,000 investment plus engineering fees. The Schunior Street Reconstruction was completed in January 2023, a \$3.5 million investment that included medians, landscaping, lighting, and sidewalks. Taking advantage of a partnership with the City of McAllen, the Hobbs Drainage project was completed at the end of 2023 with a \$40,000 investment, it was a huge benefit.

Mayor Ramiro Garza, Jr. stated on the Hobbs Project it had been discussed that once the drainage was completed, the City would go back and do an overlay to Hobbs Street. Is this still in the plans and when can the project be expected to start?

Vincent Romero, Director of Public Works, stated the overlay for Hobbs is in the plans now that the drainage is complete, they will have to plug it into the current street improvement list.

Mardoqueo Hinojosa, City Engineer, stated the Municipal Turf field Phase One, with an investment of \$500,000 has been completed and is already in use. He said lift station 34 and 35 were completed as were the manhole rehabilitation. Mr. Hinojosa moved on to list the projects under construction including the ACE building, which they are looking to be completed toward the end of March. Alberta Road Phase Two, they are currently working on the area that is west of McColl Road. The south side is getting the drainage installed and the north side has been completed. It is already paved with the first lift and on the south side and they are looking to be completed mid-February. Once that is complete, they will move to the section between Jackson and Sugar Road. Shalom Project, the sanitary sewer has been installed, the manholes are being worked on, services are being worked on he said they are looking to be completed by the first week in February. Ebony Hills Golf Course bridges all the foundation and the footings have been replaced and looking to be completed towards the end of March. The skate park restroom and pump station; the park is completed and functional. They are waiting for the delivery of the pump; they are looking to complete the project in about three weeks. Traffic signals, for Freddy Gonzalez and Mon Mack, will be having a pre-construction meeting with TXDOT, this project was funded for design by the City, but construction is funded by TXDOT. Monte Cristo Road, M Road, and Gwin Road project meeting is scheduled for January 26, 2024. Flashing Beacon Project, pre-construction meeting, a date has not been set. The Doolittle Detention Pond was approved in the last meeting and the groundbreaking ceremony is scheduled on February 8, 2024 and it is a 540-calendar day project. The intersection on Freddy Gonzalez Road and Veterans Road should be scheduled for the summer but the time frame may be shortened. Schunior Detention Pond Phase Three has groundbreaking ceremony on January 25, 2024. For the police roof, they are working on a negative change order and the project will be complete in a couple of months.

Gerardo Carmona, Director of Utilities, stated they have four projects that are currently ongoing or under construction. The first one is the Monte Cristo and Closner elevated water tower, the foundation was completed in December and will start building vertical

in the next couple of weeks. On the wastewater treatment plant headworks, raw water pump is almost complete but there is a delay on the delivery of materials and some issues at the plant but they should be finalizing the project in the upcoming months. The 1250 KW standby generator for the wastewater treatment plant belt press to ensure the sludge removal during the treatment process. The utility rate and connection fee study were started back on June with the task force. The new proposed rates based on the study will be presented today for consideration. If approved today they would continue with a public notice then a grace period and potentially start with the new rates in March.

Mardoqueo Hinojosa, City Engineer, stated they are out for bids for the Downtown Parking Garage and were looking at the end of the month but are currently reviewing requests to push the date back. The plans for the Animal Care Facility are 60% completed, they are looking to starting the bidding process at the end of the month to start construction in April. Park restrooms are under design, plans should be complete by March and they are looking to start construction in May.

Mayor Ramiro Garza, Jr. asked that this be expedited for the summer so the kids could utilize the parks.

Mardoqueo Hinojosa, City Engineer, said they would work with City Manager on that expediting the project. The Municipal Park turf fields are under design with 60% completion on the plans. They will start the bidding process at the end of the January 2024, to start construction on the first three fields in April. The Brennaaleen Drainage project bidding process was moved to next Tuesday. It will be at the next City Council meeting for the awarding; once awarded they are looking at starting construction at the end of February. The bidding for the new service center is scheduled for next Tuesday. The bids will be presented at the next City Council meeting for the awarding process and should be starting construction in March 2024. The RGV MPO through a grant will fund the Freddy Gonzalez Hike & Bike Trail. They had the kick off meeting and are currently moving the irrigation canal underground. They will start the environmental report and follow with the survey upon completion, they can get the engineering design. The Ebony Hills detention pond has some funding but not all of it. They applied for the Building Resilient Infrastructure Communities (BRIC) grant and they will maximize it to do a couple more phases on this project. For the Edinburg transit terminal they are negotiating the price with the contractor/consultant and they are aiming to start the construction in May.

Gerardo Carmona, Director of Utilities, stated the Utilities Department has six projects under planning, acquisition, design and bidding process. The first one is to make improvements to the Wastewater Treatment Plant, that is currently under the procurement process. The US Highway 281 project, the water line readjustments between 490 and SH 186 because TXDOT will be doing highway improvement. They are waiting to execute an agreement with TXDOT; then they will start the procurement process. Construction is anticipated for the summer or early fall this year. For the Downtown Water Treatment Plant high service pump generator, they will be accepting bids next week. The engineer is working on the design for the airport's new lift station and they already received

preliminary approval from TXDOT to install the forcemain within the right of way. He stated both the east and west Owassa projects are in the acquisition phase.

Mardoqueo Hinojosa, City Engineer, said the Faysville and Iowa Estates Drainage are pending grant applications. He stated they have a list of projects in the hazard mitigations plan and when funding opportunities come up they evaluate which project would get the most points and has a better chance of being funded. They applied for TDM for a couple of projects but they have not received an official response. They applied for the BRIC grant for the Ebony Hills retention pond. On the Chapin Pond pump station, they had a kickoff meeting and will begin the environmental process in the upcoming months. The Cano and Veterans project was awarded through the RGV MPO and they are expecting to kick off in March. The Freddy Gonzalez and Closner Blvd. project had their kick off last week and they are working on Advanced Funding Agreement (AFA) and they are aiming for completion in July of 2025. They will try to expedite and get it done sooner.

Gerardo Carmona, Director of Utilities, stated last year they were awarded two projects: one of them was the TDEM Grant to install a new additional generator for the wastewater treatment plant. Currently during power outages, they are only able to run half of the plant so this second generator will be of great help. The next project was awarded through the Bureau of Reclamation for the smart water meter grant for the area between Closner Blvd. and Business 281 and Schunior and HW 107, within those areas they are going to switch out about 500 regular meters to the smart meters.

Mardoqueo Hinojosa, City Engineer, stated they continue looking for funding for the intersections and they would like to add right hand turn lanes. He said as the opportunities come up they will look at doing those types of improvements to improve the flow of traffic.

Vincent Romero, Director of Public Works, stated they have list of in-house street improvements that were approved through this year's fiscal budget. They have a list for mill and full width overlay and have the preservation, which will be taking place in March. He stated they have all their purchase orders in place. They have \$1.9 million encumbered and asphalt materials and for contractual striping. They had a bid opening for the concrete and hope to bring an awarding of bid presentation to the Council to award that contract and encumber the purchase orders for the concrete work. Mr. Romero stated typically they do not pave in winter, usually start aggressively in early spring through fall, they have the schedule on the dashboard. He said the weather has not been very favorable and have had to make some adjustments but their target is still December 2024.

Mayor Pro Tem Daniel "Dan" Diaz asked Mr. Romero to explain why winter is not favorable to work on streets.

Mr. Romero stated the precipitation or just the cold weather is not favorable because the asphalt. Asphalt has to have a certain temperature when it's laid and has to be workable to roll it out. If the weather is too cold, the material will segregate and harden

prematurely.

Mayor Ramiro Garza, Jr. asked for some background on the process they go through to identify which streets need to be in which category like preservation or repavement, because there are many streets that need work. So how do they analyze, how do they assess which streets go first and next so that everybody is aware.

Mr. Romero stated there are several factors they take into consideration one being their work order system, SeeClickFix. They look at the hotspots where they get the most demands for potholes, patching, and street repairs. He said citizens go through SeeClickFix reporting for street and pavement condition index. They go out to the street and do an assessment of the street. They document the type of distresses, the amount of distresses and the severity of the distresses. They have a grading system based on that. Every street gets a score and it's placed on a paving list. The score, determines is where on the list the street it is placed. Once the street is addressed, they keep a log of each street and revisit those streets periodically, three to five years, to see if any preservations are needed.

Mayor Ramiro Garza, Jr. informed the public that they make sure to report the streets that need to be addressed. He thanked staff for all their work.

7. PUBLIC HEARING

Mayor Ramiro Garza, Jr. declared the hearing open for public comments on items A-F. There being not comments, Mayor Ramiro Garza, Jr. declared the hearing closed.

- A. Hold Public Hearing and Consider the Ordinance Providing for the Rezoning Request from Residential Suburban (RS) District to Commercial, General (CG) District, Being 3.0 Acres Out of Lot 48, Santa Cruz Ranch Subdivision, Located at 4601 North I-69C, as Requested by YAY Holdings LLC. (A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.) [Jaime Acevedo, Director of Planning & Zoning] Consider Approval of the Edinburg Economic Development Corporation's Facade and Lot Improvement Program (FLIP). [Raudel Garza, Edinburg EDC Executive Director]

MOTION: Councilmember David White to Approve Ordinance Providing for the Rezoning Request from Residential Suburban (RS) District to Commercial, General (CG) District, Being 3.0 Acres Out of Lot 48, Santa Cruz Ranch Subdivision, Located at 4601 North I-69C, as Requested by YAY Holdings LLC. (A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.) [Jaime Acevedo, Director of Planning & Zoning] Consider Approval of the Edinburg Economic Development Corporation's Facade and Lot Improvement Program (FLIP).

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- B. Hold Public Hearing and Consider the Ordinance Providing for the Rezoning Request from Residential Suburban (RS) District to Industrial, General (IG) District, Being 5.61 Acres out of Lot 48, Santa Cruz Ranch Subdivision, Located at 4601 North I-69C, as Requested by YAY Holdings LLC. (A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.) [Jaime Acevedo, Director of Planning & Zoning]**

MOTION: Councilmember David Salazar, Jr. to Approve the Ordinance Providing for the Rezoning Request from Residential Suburban (RS) District to Industrial, General (IG) District, Being 5.61 Acres out of Lot 48, Santa Cruz Ranch Subdivision, Located at 4601 North I-69C, as Requested by YAY Holdings LLC. (A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.)

SECOND: Councilmember David White

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- C. Hold Public Hearing and Consider the Ordinance Providing for the Rezoning Request from Commercial General (CG) District to Industrial General (IG) District, Being Lot 2, Tandy’s Subdivision, Located at 6029 North I-69C, as Requested by CC Truckers LLC. (A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.) [Jaime Acevedo, Director of Planning & Zoning]**

MOTION: Councilmember David White to Approve the Ordinance Providing for the Rezoning Request from Commercial General (CG) District to Industrial General (IG) District, Being Lot 2, Tandy’s Subdivision, Located at 6029 North I-69C, as Requested by CC Truckers LLC. (A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.)

SECOND: Mayor Pro Tem Daniel “Dan” Diaz

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- D. Hold Public Hearing and Consider the Ordinance Providing for the Rezoning Request from Agriculture and Open Space (AO) District to Residential, Suburban (RS) District, Being a 1.30 Acre Tract of Land Out of the East One-Half of Lot 15, Section 233, Texas Mexican Railway Company Survey, Located at 5505 W Schunior Road Unit A, as Requested by Roy Luna Jr. (A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.) [Jaime Acevedo, Director of Planning & Zoning]**

MOTION: Councilmember David White to Approve the Ordinance Providing for the Rezoning Request from Agriculture and Open Space (AO) District to Residential, Suburban (RS) District, Being a 1.30 Acre Tract of Land Out of the East One-Half of Lot 15, Section 233, Texas Mexican Railway Company Survey, Located at 5505 W Schunior Road Unit A, as Requested by Roy Luna Jr. (A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.)

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- E. Hold Public Hearing and Consider the Ordinance Providing for the Rezoning Request from Agriculture and Open Space (AO) District to Residential, Primary (RP) District, Being 24.99 Acres of Lot 15, Section 248, Texas-Mexican Railway Company Survey Subdivision (Proposed Silverstone Heights Subdivision), Located at 3201 East Mile 17 ½**

Road, as Requested by Carlos Gaytan. (A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.) [Jaime Acevedo, Director of Planning & Zoning]

MOTION: Councilmember David White to Approve the Ordinance Providing for the Rezoning Request from Agriculture and Open Space (AO) District to Residential, Primary (RP) District, Being 24.99 Acres of Lot 15, Section 248, Texas-Mexican Railway Company Survey Subdivision (Proposed Silverstone Heights Subdivision), Located at 3201 East Mile 17 ½ Road, as Requested by Carlos Gaytan. (A 4/5 vote is required by the City Council to overturn the Planning & Zoning Commission action.)

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- F. Hold Public Hearing and Consider the Ordinance Providing for the Special Use Permit for a Licensed Child Care Home, Being Lot 4, Block 199, Original Townsite of Edinburg, Located at 1112 East Kuhn Street, as Requested By Sabas Garcia on Behalf of Erica Garcia. [Jaime Acevedo, Director of Planning & Zoning]

MOTION: Councilmember David White to Approve the Ordinance Providing for the Special Use Permit for a Licensed Child Care Home, Being Lot 4, Block 199, Original Townsite of Edinburg, Located at 1112 East Kuhn Street, as Requested By Sabas Garcia on Behalf of Erica Garcia.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

G. Consider Notifying Residents by Way of a Public Hearing of a Potential Increase in Water and Wastewater Rates that Could Go Into Effect March 1, 2024. [Myra L. Ayala, City Manager]

MOTION: Mayor Pro Tem Daniel “Dan” Diaz to suspend the Robert Rules of Order for Item G.

SECOND: Mayor Ramiro Garza, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz,

NAYS: Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

ABSENT: None

ABSTAIN: None

The motion to Suspend Roberts Rule of Order does not carry.

MOTION: Councilmember Jason De Leon to Table Notifying Residents by Way of a Public Hearing of a Potential Increase in Water and Wastewater Rates that Could Go Into Effect March 1, 2024.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz

ABSENT: None

ABSTAIN: None

The motion to Table carried.

8. ORDINANCE

A. Consider Ordinance Amending the Code of Ordinances of the City of Edinburg, Texas, at Title V. Public Works, Chapter 50 General Provisions to Provide for Changes to Rates and Charges. [Tomas D. Reyna, Assistant City Manager]

MOTION: Councilmember Jason De Leon to Approve Scenario 1 as presented.

SECOND: Councilmember David Salazar, Jr.

There was discussion. Tom Reyna, Assistant City Manager, stated meeting with a utility rate consultant and presenting the issues the City was encountering trying to fund all the utility operations and projects with the current rates. They presented different scenarios.

Gerardo Carmona, Director of Utilities, stated scenario 1 is a gradual increase, about 11% starting in March 2024 and then another increase in October 2024 and then every October thereafter until 2028. Scenario 2 is a higher increase about 22% and 8% thereafter. Ultimately, getting the same goal just divided differently option one is a consistent 11% increase from start to 2028, option 2 is a 22% increase in March, and an 8% increase every year until 2028.

Myra L. Ayala, City Manager, stated in scenario one the first increase would be approximately \$2.96, October be about \$3.28, in 2025 would be \$3.64 and then \$4.04 in 2026 and so forth.

Tom Reyna, Assistant City Manager, stated this is on an average consumption rate of 5000 gallons.

Mayor Pro Tem Daniel “Dan” Diaz stated they got a lot of input from their financial advisors, from the utility rate committee and different people but can you explain the current rate and how much lower it is from neighboring cities.

Myra L. Ayala, City Manager, stated the current rate in the City of Edinburg is at \$26.87, which is far lower than any other surrounding community. It is actually lower than the state average of \$98.57, the closest one as of right now would be Sharyland, which is at \$37.51. Ms. Ayala said even with an increase whether scenario 1 or 2 it will probably be the lowest in the state and in our surrounding communities.

Mayor Pro Tem Daniel “Dan” Diaz stated administrations keep kicking the can down the road. There are many things that the city should have addressed years ago, this being one of those things. No council wants to raise rates but in order to be responsible they have to look at the cost of growth, the cost of the aging systems and the cost that the city is charging now is barely meeting the requirements to maintain what the city currently has. He said some of the emails are stating that in order to be able to apply for these funds, they have to charge the rate a year in advance before being eligible for the funds, and asked if that could be explained.

Myra L. Ayala, City Manager, stated because they are charging in increments, they will not have all of the funding made available until the following year. She said the exact capacity would be unknown until after a full fiscal year of funding. Of course there are many factors to be taken into considerations such as consumption, development, growth, and of course increasing maintenance and operations.

Mayor Pro Tem Daniel “Dan” Diaz asked with the increase in rate and the increase in

infrastructure allow the increase of the water capacity? Will this help reach those areas that are still under septic and without the rate, increase there is no way to reach those areas?

Myra L. Ayala, City Manager, stated currently there are still areas in the City that are under septic systems and would like to utilize some those funds, create projects to convert those areas to the sanitary sewer infrastructure, such as Shalom.

Councilmember David White stated all the information presented to him shows the increase starting March 2024 and then it goes to October 2025.

Myra L. Ayala, City Manager, stated at the December 19, 2023, City Council Meeting city staff was asked that they bring back scenario 2, to present to the Council, which is the one that increases approximately \$5.90 and 8% which is \$2.00 to \$3.00, every time after that. As per the directive of the council, all the documents that had been presented were based on scenario 2. The motion made is to approve scenario 1, which is to increase the 11% therefore this discussion is based on scenario 1.

Councilmember David White stated so if the motion passes as presented there will be an increase in March and then again in October so it will be a double increase in one year.

Myra L. Ayala, City Manager, stated that was the recommendation from the consultant of course, it is at the will of the Council to change it right now.

Mayor Ramiro Garza, Jr. stated the scenarios presented are for the council's consideration, the Council determines what is done.

Councilmember David White stated a motion has been made and he is not comfortable with hitting the people with an increase twice in one year. Can this be changed to say at least scenario 2 has March then it does not go up until October 2025 and then every year after that.

Councilmember David Salazar, Jr. stated scenario 1, has always been \$5.00 it adds up the same. It just breaks the impact of \$5.00. The first increase in March of \$2.96 and the adjustment in October would be \$3.28. The following year October 2025, the increase would be \$3.64. He said both scenarios have the same increase; scenario 1 just breaks it up and gives a little assistance on the first six months.

Mayor Ramiro Garza, Jr. stated he asked for the previous item is because they just adopted a budget in September, where they told the public they would not raise rates this fiscal year. He said during the budget process is normally when rates are adjusted. The budget is approved, rates are set, you know what the expenditures are then the public is notified through a public hearing just like it is done for the property tax rate but on the budget. Mayor Garza, Jr. stated he asked to consider having a public hearing since this is being done during the fiscal year. It is important that everybody knows

what they are trying to do. He said even the way the item is worded, he does not think anyone knows they are looking at; just the water rates and for that reason is why he requested to have a public hearing. Mayor Ramiro Garza, Jr. stated he still had questions about the increases being proposed as it relates to debt coverages, and timelines for projects. He said the City also pays water from the General Fund, the golf course, and parks it is budgeted for those increases.

Myra L. Ayala, City Manager, stated the amount paid is based on consumption. Many times, they do not know until the end of the year, even at the current rate, if the city will be using more or less water. In speaking with the Director of Finance, they may have to do a mid-year appropriation. At the end of the year, the finance department reviews all of the accounts and will do budget transfers if needed.

Mayor Ramiro Garza, Jr. stated in the last City Council Meeting, they talked about public involvement and that has not been done. He said they have not gone out to the rotaries, or to the civic groups to let everyone know what they are trying to do. Letting the people know of the potential increase. Mayor Garza, Jr. stated he would like to know what actual rate is needed to take care of the debt and then account for the projects that are needed.

Bobby Villarreal, Financial Advisor, stated he is not the utility rate consultant. Those people have a team that studies the operations of the City's utility system and figures out revenue projections, and the expenses of the utility. Mr. Villarreal presented a pro-form of the debt; the utility has on its own and there is an existing loan having to do with a State Infrastructure Bank (SIB) Loan. This loan is being paid from the City's General Fund rather than the Utility Fund because it could not cover without exceeding the debt coverages. The debt payments are \$380,000 for the first eight years then they go up to \$840,000. He said they had to work with TXDOT SIB Program to structure; help mitigate pressure on the General Fund. Mr. Villarreal stated then you have the Capital Leases. He said with the City's current commitments it is struggling to cover, the minimum target of 1.25. That should not be what you strive to do, but rating agencies will look at use of your coverages continue to decline over time and they may ding you. The Water Development Board wants to see 1.25 at least but they do not want it to be so tight. He said without considering a future SIB, the City is struggling to get to that 1.25 in the first six to seven years. Mr. Villarreal stated if the Council waits to institute the rate in October that means that fiscal year 2024 ends in September with no rate increase and in March of 2025, the City would present an audit showing a struggle. He said if you institute the rate now the City will get five to six months of revenues, making it look better or mitigate the concerns. Mr. Villarreal stated the Water Development Board, USDA, the lenders, the underwriters, and the rating agencies want to see some coverage for future projects. He said again if you wait for October that would be fiscal year 2025, which ends in September 2025; they would not get an audit until March 2026 or maybe later. He stated it is up to the Council how they want to do things but he just wanted it out there as a cautionary item. Mr. Villarreal stated what he presented is not future stuff what they are instituting was to gently get in there and if the Utility Department with the INS Tax rate would take over that \$380,000

and \$840,000 payment coming due it would take that pressure off of the general fund and put the Utility Department where it belongs in the water sewer system.

Councilmember Jason De Leon asked Mr. Villarreal if in his professional opinion if it is crucial to move forward as soon as possible so that they are not in the negative.

Mr. Villarreal stated if the City is looking at projects and being ready with the Water Development Board, because borrowing with the Water Development Board is not just about getting great rates sometimes there are grants that come with it. The City wants to be prepared financially to meet those targets. He said the financial advisors concur with Mr. Dan Jackson Willdan.

Mayor Ramiro Garza, Jr. state the \$380,000 is currently not being paid by the Utility Fund, therefor it should not be on this list and he would like to know what the coverage ratio is at this point. He said assuming the current revenues stay the same and the SIB loan continues to be paid as this Council voted, that coverage ratio is not negative it is over at least 1.10.

Councilmember David White stated there are Capital Lease items which should come from the utility fund. He said there was a time when he questioned the Utility Fund about the rate and talked about the cost of goods, the cost of chlorine and all that stuff and they were hesitant about it. This should have been done a long time ago and he said the \$382,000 is road pavement they cannot do, gutter service, drainage, they cannot do because they took on a loan because they were not charging enough in their utilities to make the project. Councilmember White stated when they did the budget, he would never have approved the budget with the information they are learning now, but he has to do his best for the City. They have to make hard decisions and yes, they might have said no rate increase, at the time, but now that their audit has come back with bad numbers; the issue is they have been informed. They have no choice but to raise rates to start to clean up the mess. It is what is best for the City. It's going to hurt the mid-year appropriations and there are other things they wanted to do with the money. This is also going to affect next year but it looks like all of this will assist the future Council because it is about four years down the road before they start getting out of some of this mess.

Councilmember David Salazar, Jr. stated coming into this Council, the last thing they want to do is raise rates or raise taxes but it is the responsible decisions for the betterment of the community in general and to see project throughout the City to continue moving forward. He said just as everyone else has stated the can has been kicked down the road too many years and this is the direction they have to go to keep moving forward.

Mayor Pro Tem Daniel "Dan" Diaz, stated the prior administration's spending and the utility rate has not covered those loans.

Mr. Villarreal stated those Capital Leases were pretty big. He said when they first got

hired on; there was an application of \$60 million to the Water Development Board which they said lets draw it back to \$25 million. He said the City is operating under good diligence but one thing to know is when you borrow \$25 million, you are doing over 20 to 30 years and many of the Capital Leases were \$40 million over like five to seven years. Those are strains on the budget and people where it is not really debt, they are not obligated to make the payments.

Mayor Pro Tem Daniel “Dan” Diaz stated like Councilmember David White said the popular thing is to ignore and kick the can down the road and they can raise the rate after their time is up on the Council. He said no one wants to raise rates but it is the responsible thing to do to make sure that they maintain the healthy growth of the City. If they do not raise the rate in March and wait until October, then they would have to wait another fiscal year before we can apply for the loans. Mayor Pro Tem Diaz stated instituting one of the options would keep them from using the General Fund and the Utility Rate will actually pay for the services; it will self-sustain like it should be.

Mr. Villarreal stated the City can apply but the results will not be favorable in the eyes of the underwriters or the Water Development Board.

Councilmember David White stated that it affects the debt to equity ratio. When you apply for a loan, you have to show the 2024 audit but you do not get it until 2025 you instituted the rates and see how it goes.

Mr. Villarreal stated but if you see the 2024 audit this coming March with at least six months’ worth of revenues the difference in March through September as seen make a big impact.

Mayor Pro Tem Daniel “Dan” Diaz stated the City does an internal rate study but it is the first time in 11 years that they have hired someone to do an actual rate study. He said if they had known these numbers during the budget, it would have affected their reasoning. He said they even did a tax decrease knowing those costs at that time might have been different.

Mayor Ramiro Garza, Jr. stated the information was part of the budget when they approved the budget. The budget book has the debt service coverage ratios. They cannot approve a budget unless it has revenues that are not covering only the expenditure but also the debt, it is a balanced budget. These are projections showing if you do not do anything, this is where you could be. The budget that was approved with no water rate increase was sufficient to cover the debt service coverage and the expenditures for this fiscal year.

Mr. Ascencion Alonzo, Director of Finance, stated they make sure they are covering budget expenditures. Their goal is that when they present to Council, it is either a balanced budget or they will let the Council know they are going to draw down either on the fund balance to meet some of these coverage ratios when it is not self-sustaining. He said they look at the City as a whole so that it can be subsidized, hopefully for a

short period out of the General Fund, or Solid Waste money in the big picture their goal is to balance as much as they can with the resources they have. They do not like to commit resources they do not have. He said the Utility Fund did have to pay the debt service. The SIB loan was paid out of the General Fund temporarily and was paid out of tax money. He stated they look at that every year as a total and not a certain fund. Mr. Alonzo stated in a perfect world the Utility Fund should be self-sustaining; should be paying its own debt and it should be paying its operations. Unfortunately, because of some of the transactions that have occurred, they have had to work with other resources. It is not self-sustaining at this point because of some decisions made with the Capital Leases in particular.

Councilmember David White stated he would like the people to know there is some stuff that happened here that they are starting to figure out. They should have a Utility Fund that can take some of the stuff like the roads and streets. They cannot do because they have to subsidize the Utility Fund which should be a user based if you use it you pay for it. He stated they are not looking to make a lot of money. The Utility Fund goes back into the Utility Fund; if they pick up \$100.00 it goes back into the utility whether it's \$100.00 of pipe, sewer and water. It has to go back to the Utility Fund and if they end up with a reserve, it will probably go to some type of emergency. They should be repairing, updating and pushing towards the growth the size of the annex. He said they just need to make sure this is a self-sustaining system and that was lost somewhere down the road in the last ten years.

Mr. Alonzo stated it is an enterprise fund and at minimum, it should break even, but as enterprise fund that self-sustaining and they have additional funds they reserve for anything that is not operations but other things that come up and hopefully start building that up again. He stated when it comes to studies they were done internally when he was here. They did a study annually before, during the budget process to determine if they needed to recommend an increase.

Mayor Ramiro Garza, Jr. stated aside from the obvious, that the proposed plans for a rate increase may help the city look good for future potential rating but at this point, there are enough funds to cover services without a rate adjustments.

Mr. Alonzo stated the more funds they have and more flexibility, the better it looks as credit to issue additional funds. It is always a plus to have additional revenues.

Mayor Ramiro Garza, Jr. stated in 2019 the tax rate went up because of a Bond Issuance in 2018 and those projects are just now being done but he taxpayers were already paying those taxes starting in 2019. He said his concern is the schedule, he said he is not against any kind of adjustments to account for not only the debt service as described but also for new projects. The amount and the timing, what the consultant came up with is a guide and they have two scenarios but the Council gets to determine if it is 11% or 8% or they can say start with 5% because any increase is going to help because they are covered for this year as far as debt service coverage. He said they need a full year but the big projects out of the \$250 million are the new water plant and the

new wastewater treatment plant. Those are the biggest ticket items and we need to get those done. For the public's sake planning for the water plant is not scheduled until October 2026. The Wastewater Treatment Plant is not scheduled to start the planning until July of 2026. Mayor Ramiro Garza, Jr. stated those need to get done but the timing of it is obviously two years away but they do need to make some adjustments. He said given the discussion, would they be amenable to have a public hearing or would Councilman De Leon be amenable to have a public hearing before they raise the rates.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: Mayor Ramiro Garza, Jr., and Pro Tem Daniel "Dan" Diaz

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

9. VARIANCE

- A. Consider Variance Request to the City's Unified Development Code, Article 5, Section 5.203-1, Right-of-Way & Paving Width, Highest Praise Church RGV Subdivision, Being a 0.84 Acre Tract of Land Out of Lot 18, M.L. Woods Tract No. 4 Subdivision, Located at 818 East Trenton Road, as Requested by Rio Delta Engineering. [Jaime Acevedo, Director of Planning and Zoning]**

MOTION: Councilmember David White to Approve Variance Request to the City's Unified Development Code, Article 5, Section 5.203-1, Right-of-Way & Paving Width, Highest Praise Church RGV Subdivision, Being a 0.84 Acre Tract of Land Out of Lot 18, M.L. Woods Tract No. 4 Subdivision, Located at 818 East Trenton Road, as Requested by Rio Delta Engineering.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel "Dan" Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

10. AWARDING OF BID

- A. Consider Awarding RFQ No. 2024-001, Project Management Services to Qualified Firm(s) and Authorize the City Manager or Designated Appointee to Enter Into a Professional Services Contract with Such Firm(s), as Projects Arise. [Mardoqueo Hinojosa, P.E., CFM, City Engineer]

MOTION: Councilmember David White to Approve the following Consultants be on the rotation: Brownstone Consultants, Supreme Engineering, PLLC, SAMES, Inc.,

SECOND:

MOTION: Mayor Pro Tem Daniel “Dan” Diaz to Approve the following Consultants be on the rotation: Brownstone Consultants, Supreme Engineering, PLLC, SAMES, Inc., Halff Associates Inc. and RO Engineering, PLLC.

SECOND: Councilmember David White

There was discussion. Councilmember Jason De Leon entertained adding NorrisLeal, LLC. Councilmember David Salazar entertained adding B2Z Engineering, LLC

MOTION: Mayor Pro Tem Daniel “Dan” Diaz to Amended his motion to include the following Consultants be on the rotation: Brownstone Consultants, Supreme Engineering, PLLC, SAMES, Inc., Halff Associates Inc. and RO Engineering, PLLC., NorrisLeal LLC., and B2Z Engineering, LLC.

SECOND: Councilmember David White

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

11. RESOLUTION

- A. Consider Resolution Creating a Downtown District Steering Committee. [Clarice Y. Balderas, City Secretary]

MOTION: Councilmember David White to Approve Resolution Creating a Downtown District Steering Committee.

SECOND: Mayor Pro Tem Daniel “Dan” Diaz

There was discussion. Mayor Ramiro Garza, Jr. entertained including the number of members.

MOTION: Councilmember David White Amended his motion to Approve Resolution Creating a Downtown District Steering Committee to include seven members to be brought back for appointments.

SECOND: Mayor Pro Tem Daniel “Dan” Diaz

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

12. CONSENT AGENDA

- A. Consider Authorizing the Disposition of Approximately 26 Cubic Feet (Boxes of Letter Size Records) of Non-Vital City Records in Accordance with City’s Records Management Program and the Texas State Library and Archives Commission Local Records Retention Schedules. [Clarice Y. Balderas, City Secretary]**

MOTION: Councilmember David White to Approve Authorizing the Disposition of Approximately 26 Cubic Feet (Boxes of Letter Size Records) of Non-Vital City Records in Accordance with City’s Records Management Program and the Texas State Library and Archives Commission Local Records Retention Schedules.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- B. Consider Approving the City Council Minutes for the following: 2023 Regular Meeting: November 02, 2023 and November 21, 2023 and 2023 Special Meeting: November 15, 2023. [Clarice Y. Balderas, City Secretary]**

MOTION: Councilmember David White to Approve the City Council Minutes for the following: 2023 Regular Meeting: November 02, 2023 and November 21, 2023 and

2023 Special Meeting: November 15, 2023.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- C. Consider Authorizing the Purchase of a 20 Ton and a 50 Ton Air Conditioning Unit from Carrier Corporation for Edinburg City Hall through the Local Government Purchasing Cooperative (BuyBoard) Contract No. 720-23 in the Amount of \$229,700.00. [Tomas D. Reyna, Assistant City Manager]

MOTION: Councilmember David White to Approve Authorizing the Purchase of a 20 Ton and a 50 Ton Air Conditioning Unit from Carrier Corporation for Edinburg City Hall through the Local Government Purchasing Cooperative (BuyBoard) Contract No. 720-23 in the Amount of \$229,700.00.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- D. Consider Resolution Ratifying the City Manager’s Submission of a Grant Application to the Texas Department of Transportation for the Fiscal Year 2024-2025 Selective Traffic Enforcement Program (STEP) – Commercial Motor Vehicle (CMV) Grant and Authorize City Manager to Execute Grant Documents Related Thereto. [Jaime Ayala, Chief of Police]

MOTION: Councilmember David White to Approve Resolution Ratifying the City Manager’s Submission of a Grant Application to the Texas Department of

Transportation for the Fiscal Year 2024-2025 Selective Traffic Enforcement Program (STEP) – Commercial Motor Vehicle (CMV) Grant and Authorize City Manager to Execute Grant Documents Related Thereto.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- E. Consider Resolution Ratifying the City Manager’s Submission of a Grant Application to the Texas Department of Transportation for the Fiscal Year 2024-2025 Selective Traffic Enforcement Program (STEP) – Comprehensive Grant and Authorize City Manager to Execute Grant Documents Related Thereto. [Jaime Ayala, Chief of Police]

MOTION: Councilmember David White to Approve Resolution Ratifying the City Manager’s Submission of a Grant Application to the Texas Department of Transportation for the Fiscal Year 2024-2025 Selective Traffic Enforcement Program (STEP) – Comprehensive Grant and Authorize City Manager to Execute Grant Documents Related Thereto.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- F. Consider Awarding Bid No. 2024-03, Annual Pool Chemical Supplies to Valley Solvents & Chemical for Items 1, 3 and 6, in the Amount of \$54,786.60 and to Chemsol Services for Items 2, 4 and 5 in the Amount of \$25,907.50. [Javier Garza, Director of Parks & Recreation]

MOTION: Councilmember David White to Approve Awarding Bid No. 2024-03, Annual Pool Chemical Supplies to Valley Solvents & Chemical for Items 1, 3 and 6, in the Amount of \$54,786.60 and to Chemsol Services for Items 2, 4 and 5 in the Amount of \$25,907.50.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

13. OTHER BUSINESS

A. Future Items Requested by City Council. [Myra L. Ayala, City Manager]

Mayor Ramiro Garza, Jr. would like to the process to be taken to inform the public of the rate increase.

14. EXECUTIVE SESSION

MOTION: Councilmember David White to convene into Executive Session.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Councilmember Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

Mayor Ramiro Garza, Jr. convened into Executive Session 8:10 p.m.

OPEN SESSION

Mayor Ramiro Garza, Jr. Reconvened into Open Session at 9:38 p.m. and stated no action was taken in Executive Session.

- A. Consultation with City Attorney and Possible Action Regarding Reimbursement Agreement with Cuatro Noventa. (§551.071. Consultation with Attorney; Closed Meeting; §551.087 Deliberation Regarding Economic Development Negotiations; Closed Meeting.)

MOTION: Councilmember David White to Enter into an agreement on the terms discussed in Executive Session.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Councilmember Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

- B. Discussion and Possible Action Regarding the Conveyance, Exchange, or Lease of Real Property Related to Project Swap. (§551.071 Consultation with Attorney; §551.072 Deliberation Regarding Real Property; Closed Meeting.; §551.087 Deliberation Regarding Economic Development Negotiations; Closed Meeting.)

MOTION: Councilmember David White to Authorize the City Manager to enter into a Property Agreement related to Project Swap on the terms discussed in Executive Session.

SECOND: Mayor Pro Tem Daniel “Dan” Diaz

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Councilmember Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

MOTION: Councilmember David White to Ratify, EEDC Action related to Project

Swap on the terms discussed in Executive Session.

SECOND: Councilmember David Salazar, Jr.

There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Councilmember Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr., and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

C. Consultation with City Attorney and Possible Action Regarding Development Ordinances. (§551.071. Consultation with Attorney; Closed Meeting; §551.087).

No Action

15. ADJOURNMENT

MOTION: Mayor Pro Tem Daniel “Dan” Diaz to Adjourn the meeting.

SECOND: Councilmember Jason De Leon

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr. Pro Tem Daniel “Dan” Diaz, Councilmember Jason De Leon, Councilmember David Salazar, Jr. and Councilmember David White

NAYS: None

ABSENT: None

ABSTAIN: None

The motion to Approve carried.

Mayor Ramiro Garza, Jr. Adjourned the meeting at 9:38 p.m.

CITY OF EDINBURG

Ramiro Garza, Jr., Mayor

ATTEST:

Clarice Y. Balderas, City Secretary

City Council Approval: _____



CITY OF EDINBURG - CITY COUNCIL

Meeting Date: May 7, 2024

OTHER BUSINESS

Agenda Item No: 13.A.

Rescheduling Regular City Council Meeting

1. **Agenda Item:**

Consider Rescheduling the Thursday, May 23, 2024 Regular City Council Meeting to Wednesday, May 29, 2024. [Clarice Y. Balderas, City Secretary]

2. **Description:**

The City of Edinburg Code of Ordinances at Title III Administration, Chapter 31 City Council, Section 31.01 Rules and order of business for City Council Meetings, Rule 1: Regular meetings, states that the regular meetings of the City Council shall be held on the first and third Tuesdays of every month at 6:00 p.m., at Edinburg City Hall in the City of Edinburg, Texas. Whenever a function conflicts with the Tuesday of a regular meeting, such regular meeting may be scheduled as soon as practical at the same time and place. Special meetings of the City Council shall be held as scheduled.

On April 02, 2024, the Edinburg City Council voted to reschedule the Tuesday, May 21, 2024 Regular City Council Meeting to Thursday, May 23, 2024. Staff recommends rescheduling the Thursday, May 23, 2024 Regular City Council Meeting to Wednesday, May 29, 2024.

There are no public hearings scheduled, nor are there any anticipated Governing Body issues that would require legislative action on the date of the next scheduled meeting.

3. **Staff's Recommendation:**

Reschedule the Thursday, May 23, 2024 Regular City Council Meeting to Wednesday, May 29, 2024.

Reviewed by:

Prepared by:

Clarice Balderas, City
Secretary

Attachments:

None