

**STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF MCALLEN**

The McAllen Board of Commissioners convened in a Workshop on **Monday, August 14, 2017** at 4:00 pm, at McAllen City Hall Third Floor (3rd) Commission Chambers, with the following present:

Mayor Jim Darling, Commissioner Richard Cortez, Commissioner Joaquin Zamora, Commissioner Omar Quintanilla, Commissioner John Ingram, Commissioner Veronica Whitacre

Absent: Mayor Pro Tem Aida Ramirez

Staff: City Manager Roy Rodriguez, City Attorney Kevin Pagan, Assistant City Manager Michelle Leftwich, Assistant City Manager Jeff Johnston, Assistant City Manager Joe Vera, City Secretary Perla Lara, Planning Director Juli Rankin, Director of Parks and Recreation Department Mike Hernandez, Engineering Director Yvette Barrera

CALL TO ORDER

Mayor Darling called the meeting to order.

1. PRESENT QUESTIONS TO STAFF RELATING TO THE AUGUST 14, 2017 REGULAR MEETING AGENDA, TO BE DISCUSSED AT SUCH MEETING.

Questions were asked on items 2D, 3B, 3D and 4B of the regular meeting agenda.

2. DISCUSSION OF GENERAL OBLIGATION BONDS AND MAY ELECTION PROVIDING FOR DRAINAGE AND TRAFFIC IMPROVEMENTS AND ISSUANCE OF CERTIFICATES OF OBLIGATION FOR FIRE STATION #2 RECONSTRUCTION AND PARKS AND RECREATION OFFICE RELOCATION.

Ms. Ann Burger Entrekin of First Southwest presented a Power Point presentation relating to the general obligation bonds providing for drainage and traffic improvements and the issuance of certificates of obligation for Fire Station #2 reconstruction and Parks and Recreation office relocation. Staff reviewed the following key points:

Proposed Certificates of Obligation and Future Bond Election

- Review of Funding Mechanism
 - ✓ Fire Station #2 \$2 Million
 - ✓ Parks and Recreation Office \$3 Million

Proposed Bond Election (Date for Consideration: May 2018)

- ✓ Proposition 1: Drainage Improvements \$22 Million
- ✓ Proposition 2: Traffic Improvements \$ 3 Million

Staff briefly reviewed debt service and tax rate analysis summary, proposed debt service and tax rate impact.

- Proposed \$24,000,000 General Obligation Bond Election (Assuming May 2018 Election)

Ms. Burger reported on the proposed plan of finance reviewing the following:

- City Management has requested various financing scenarios related to the issuance of debt to fund various City Capital Infrastructure Projects
- Projected cost of the Capital Improvement Projects ("CIP") is approximately \$30 million
- City Management evaluate the CIP and identified there are two categories of projects with the following recommendation:
 - Approximately \$6 million in CIP with the utilization of Certificates of Obligation
 - Approximately \$24 million in CIP of a General Obligation Bond package presented to the voters of the City of McAllen

The time consideration were also reviewed as follows:

- Proposed Plan of Finance consideration includes providing guidance to City Staff to proceed with a dual track that includes the following:
 - Moving forward with both a Certificate of Obligation for \$6 million in CIP
 - Preparing for a General Obligation Bond process for \$24 million in CIP

- City Management is focused on strategies to minimize the time of unspent proceeds and negative arbitrage
- Timeline that would allow for the planning and design process to be undertaken prior to the issuance is being considered

The potential timeline for Certificates of Obligation was recommended as follows:

- August 14th – City Commission considers approval of Plan of Finance
- November/December – City Commission considers Notice of Intent to Issue CO's
- January/February – City Commission considers approval of CO issuance
- February/March – CO's close and funds delivered to the City

The potential timeline for General Obligation Bonds was recommended as follows:

- August 14th – City Commission considers approval of Plan of Finance
- February 2018 – City Commission considers calling a General Obligation Bond Election to be held on May 5, 2018
- May 5, 2018 - General Obligation Bond Election

A lengthy discussion ensued. Questions were posed by the Mayor and City Commission and answered by staff. Staff advised that said item was on the Regular Meeting Agenda for consideration.

Mayor Jim Darling and the City Commission thanked the team for their presentation.

3. PRESENTATION OF GASB EVALUATION FOR RETIREE HEALTH PLAN AND PREMIUM DISCUSSION.

Staff reported on the valuations results as of October 1, 2016 vs October 1, 2014 dates. The following key points were reviewed:

- Changes in Actuarial Accrued Liability since Prior Valuation
- Key Valuation Assumptions
- GASB 45 vs GASB 75
- New Disclosure Requirements
- Methods for Managing City's GASB Liabilities

A lengthy discussion ensued and questions were posed by the Mayor and City Commission and answered by staff.

4. DISCUSSION REGARDING THE CITY'S POLICIES IN RESPONSE TO H.B. 283 OF THE 84TH REGULAR SESSION OF THE TEXAS LEGISLATURE.

Said item was not addressed.

5. DISCUSSION OF TEMPORARY MEDIAN ON TRENTON ROAD EAST OF 8TH STREET.

Staff reported on temporary median on Trenton Road East of 8th Street noting that they are proposing a 90-day trial period with temporary traffic control devices, water barricades barrels and traffic cones.

Discussion ensued and staff answered questions posed by the Mayor and City Commission. Concerns were expressed as it related to water barrels, westbound traffic getting green lights, adding another lane, BlueWave inner connection and reducing the number of curb cuts.

After due consideration, staff was instructed to bring back an analysis of accident reports.

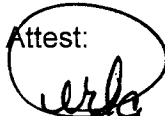
6. EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 (CONSULTATION WITH ATTORNEY), SECTION 551.072 (DELIBERATION REGARDING REAL PROPERTY) AND SECTION 551.087 (ECONOMIC DEVELOPMENT).

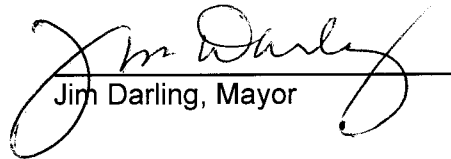
- A) CONSULTATION WITH CITY ATTORNEY REGARDING LEGAL ISSUES RELATED TO CAUSE NO. C-1840-17-H; BLANCA ELISA BARRIENTOS VS. CITY OF MCALLEN. (SECTION 551.071, T.G.C.)
- B) CONSULTATION WITH CITY ATTORNEY REGARDING LITIGATION REGARDING SB 1004. (SECTION 551.071, T.G.C.)

- C) CONSULTATION WITH CITY ATTORNEY REGARDING LEGAL ASPECT OF SB 4. (SECTION 551.071, T.G.C.)
- D) CONSULTATION WITH CITY ATTORNEY REGARDING LEGAL ISSUES RELATING TO PUBLIC COMMENT SESSION. (SECTION 551.071, T.G.C.)
- E) DISCUSSION AND POSSIBLE LEASE, SALE OR PURCHASE OF REAL PROPERTY; TRACT 1. (SECTION 551.072 T.G.C.)
- F) CONSIDERATION OF ECONOMIC DEVELOPMENT MATTERS. (SECTION 551.087, T.G.C.)

ADJOURNMENT

There being no other business to come before the Commission, the meeting was adjourned at 5:00 p.m.

Attest:

Perla Lara, TRMC/CMC, CPM
City Secretary


Jim Darling, Mayor