STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF MCALLEN

The McAllen Board of Commissioners convened in a Workshop on **Monday, October 14, 2019** at 4:00 pm, at McAllen City Hall Third Floor (3rd) Commission Chambers, with the following present:

Mayor Jim Darling, Mayor Pro Tem Veronica Whitacre, Commissioner Javier Villalobos, Commissioner Joaquin Zamora, Commissioner Omar Quintanilla, Commissioner Tania Ramirez and Commissioner Victor "Seby" Haddad

Staff: City Manager Roy Rodriguez, City Attorney Kevin Pagan, Assistant City Manager Michelle Rivera, Assistant City Manager Jeff Johnston, Assistant City Manager Joe Vera, City Engineer Yvette Barrera and City Secretary Perla Lara

CALL TO ORDER

Mayor Jim Darling called the meeting to order.

1. PRESENT QUESTIONS TO STAFF RELATING TO OCTOBER 14, 2019 REGULAR MEETING AGENDA, TO BE DISCUSSED AT SUCH MEETING.

There were no questions to the Regular Meeting Agenda.

2. DISCUSSION REGARDING AIRPORT MASTER PLAN / DEVELOPMENT PLAN.

Staff briefed the City Commission on the Airport Master Development Plan. It was noted that a comprehensive, long range study of the airport and all air and landside components that describe plans to meet FAA safety standards and future aviation demand is needed.

Staff discussed what an Airport Master Plan is:

- Required by the FAA to be conducted every 7-10 years
- Last Master Plan was completed in 2005
- Funded by the FAA through the Airport Improvement Program (AIP) which provided 90% of the total project costs; remaining 10% is funded by the City of McAllen
- The FAA approves only two elements of the Master Plan, the Aviation Demand Forecasts and the Airport Layout Plan (ALP Drawing Set)
- Three public information workshops will be conducted throughout the Master Plan process to facilitate this public outreach effort

Staff discussed what an Airport Master Plan is not:

- A guarantee that the airport will proceed with any planned projects. Master Plans are guides that help airport staff plan for future airport development, however, the need/demand for certain projects may not ever materialize
- A guarantee that the City of McAllen or the FAA will fund any planned projects. Project funding is considered on a project by project basis and requires appropriate need and demand and certain projects may require the completion of a benefit cost analysis
- Environmental clearance for any planned projects. The Master Plan includes an environmental overview that identifies potential environmental sensitivities per the National Environmental Policy Act of 1969 (NEPA); however, most planned projects will require a separate NEPA study (Environmental Impact Statement/Environmental Assessment/Categorical Exclusion) prior to construction.

A discussion ensued. Comments and concerns were shared by the Mayor and City Commission. Questions were raised as to: 1) Master Plan Project, 2) Can Amendments be done to the AOP, 3) Goals, 4) Completed Projects, 5) Documentation and Plan, 6) Meet and Demand, 7) Existing Runway, 8) Air Cargo on South Side, 9) Next Feasibility Study and 10) Cemetery. Staff answered questions posed by the Mayor and City Commission.

Mayor Jim Darling thanked staff for their presentation.

3. MXLAN UPDATE BY THE MCALLEN CHAMBER OF COMMERCE.

Staff briefed the Mayor and City Commission on MxLan and presented a marketing overview. It was mentioned that MxLan included five days of traditional calenda street parades, visual artists concerts, Mexican cuisine and drink, Oaxcan performances, educational conferences, competitions, performances, and interactive events. Also mentioned were that their new markets included: San Antonio, Monterrey, Houston, Austin, Dallas and New Mexico and their primary markets included: South Texas Triangle (Rio Grande Valley, Corpus Christi, Laredo and the Mexico Border.

Staff also discussed the following:
- 2019 Survey Results
- Social Media Influencers that promoted MxLan 2019
- Letter Burning
- Arts & Exhibition
- Music & Performance
- Culinary Festivals

A discussion ensued. Comments and concerns were shared by the Mayor and City Commission. Questions were raised as to: 1) Shows, 2) Low Turnout, 3) City's Largest Expense, 4) Event being too long – 5 days, 5) Festival and Overall Events and 6) Making the Event a 2-3 Day Event. Staff answered questions posed by the Mayor and City Commission.

After a lengthy discussion, it was the consensus of the City Commission to place a budget amendment item at the next regular city commission meeting for consideration.

Mayor Jim Darling thanked staff for their presentation.

4. REFUNDING PRESENTATION FOR THE CITY'S COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATIONS, SERIES 2011 (AMT).

Mrs. Anne Burger Entrekin with Hilltop Securities addressed the City Commission and provided a brief presentation for the City's Combination Tax and Revenue Certificate of Obligations, Series 2011. Staff discussed the following:
- Bond Buyer's Index of 20 Municipal Bonds
- Municipal Market Data
- Summary of Bonds Soon to be Callable

The timing considerations were highlighted as follows:
- With the passage of the Tax Cuts and Jobs Act of 2017, advanced refunding's are no longer permitted
- Current refunding bond issues must close within 90 days of the call date
- With a February 15, 2020 call date, the first day the proposed refunding bonds could practically close would be Tuesday, November 19, 2019
- The 89th day is Tuesday, November 18, 2019 (Bonds generally do not close on Mondays)
- The earliest these bonds could practically price is Thursday, October 17, 2019

Staff also stated that the current municipal interest rate market is near historical lows. It was mentioned that City of McAllen has the opportunity to refund existing bonds at lower interest rates resulting in projected debt service savings.

Staff summarized the following steps to take:
- Have the City Commission consider at a future meeting as an agenda item related to the authorization of a Parameters Ordinance
- Parameters Ordinance identifies the requirements relative to the proposed Refunding Bonds under which a refinancing could be undertaken
    - Maximum Principal Amount
    - Maximum Interest Cost
    - Maximum Final Maturity
    - Minimum Debt Service Savings
- If the parameters are able to be achieved, the Parameters Ordinance delegates the Mayor and City Manager the authority to authorize the refunding bonds

A discussion ensued. Comments and concerns were shared by the Mayor and City Commission. Questions were asked relating to: 1) General Obligation Bonds Issued 2014, 2) Tax Bonds, 3) Spread Differential, 4) Interest Rate Risks, 5) Gross Savings, 6) Certificates of Obligation, 7) Feedback from the Rating Agencies and 8) Policies and Procedures. Staff answered questions posed by the Mayor and City Commission.

No action taken, report only. Mayor Jim Darling thanked staff for their presentation.

5. REPORT ON FIESTA DE PALMAS.

Said item was not addressed.

6. **EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 (CONSULTATION WITH ATTORNEY), SECTION 551.072 (DELIBERATION REGARDING REAL PROPERTY), SECTION 551.074 (PERSONNEL MATTERS) AND SECTION 551.087 (ECONOMIC DEVELOPMENT)**

A) **EVALUATION OF THE CITY MANAGER. (SECTION 551.074, T.G.C.)**
B) **CONSIDERATION OF ECONOMIC DEVELOPMENT MATTERS. (SECTION 551.087, T.G.C.)**
C) **CONSULTATION WITH CITY ATTORNEY REGARDING LEGAL ISSUE RELATED TO CONSULTING CONTRACT.**
D) **CONSULTATION WITH CITY ATTORNEY REGARDING LEGAL ISSUUES RELATED TO RAILROAD REAL ESTATE.**
E) **CONSULATION WITH CITY ATTORNEY REGARDING LEGAL ASPECTS OF STREET NAMING PROTOCOL. (551.071, T.G.C.)**
F) **DISCUSSION AND POSSIBLE LEASE, SALE OR PURCHASE OF REAL PROPERTY; TRACT 1. (SECTION 551.072, T.G.C.)**

PUBLIC COMMENT SESSION: There were no Public Comments.

ADJOURNMENT

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

Jim Darling
Jim Darling, Mayor

Attest:

Perla Lara
Perla Lara, TRMC/CMC, CPM
City Secretary