# CITY COMMISSION
# AGENDA
# REGULAR MEETING
# SEPTEMBER 3, 2025
# @ 5:30 PM
# CITY HALL, TOWN HALL MEETING ROOM
# 2ND FLOOR, 118 E. TYLER AVENUE
# HARLINGEN, TEXAS

Notice is hereby given that the City Commission of the City of Harlingen, Texas will hold a Regular Meeting on **WEDNESDAY, SEPTEMBER 03, 2025 at 5:30 P.M.** at City Hall, Town Hall Meeting Room, 118 E. Tyler Avenue, Harlingen, Texas and provide the public the ability to view the meeting via internet live-streaming at www.harlingentx.gov and the City of Harlingen YouTube Page.

The public will be permitted to offer citizen communication or participate in items listed as public hearings as provided by the agenda and as permitted by the presiding officer during the meeting.

**To offer citizen communication or participate in scheduled public hearings, go to www.harlingentx.gov and click on " PUBLIC HEARING AND CITIZEN COMMUNICATION FORM." Fill out the form and indicate the item you wish to address, and submit the form.**

Please indicate (1) the agenda item on which you wish to speak, (2) whether you prefer to speak on the item during citizen communication or at the time the agenda item is brought for consideration before the City Commission.

**To submit written comments requesting an item for City Secretary, go to www.harlingentx.gov and click on " PUBLIC HEARING AND CITIZEN COMMUNICATION FORM" write your comments (limited to 400 words or less) and submit the form.**

**PLEASE SUBMIT WRITTEN COMMENTS BEFORE 3:00 P.M. THE DAY OF THE MEETING.**

A recording of the meeting will be made and will be available to the public in accordance with the Texas Open Meetings Act.

**City of Harlingen meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary's Office at (956) 216-5001 or write Post Office Box 2207, Harlingen, Texas 78550 at least 48 hours in advance of the meeting.**

**The Harlingen City Commission reserves the right, pursuant to the Texas Government Code Chapter 551, Subchapter D, to enter into closed executive session on any item posted on the agenda if a matter is raised that is appropriate for closed discussion.**

1) **Call Meeting to Order**

   a) Invocation: Commissioner Michael Mezmar

   b) Pledge of Allegiance:

   c) Welcome Citizens:

2) **Conflict of Interest:**
"Under State Law, a conflict of interest exists if a commission member, or certain members of that person's family, has a qualifying financial interest in an agenda item. Members with a conflict of interest cannot participate in the discussion nor vote on the agenda item. Are there any known conflicts of interest to disclose at the time? " ***(City Attorney)***

3) **Announcements:** *With respect to items not listed elsewhere on this agenda, the City Commission may report on items of community interest, including announcing community events, announcing employee or community recognitions.*

   a) Mayor's Announcements

   b) City Manager's Announcements

   c) City Commission Member Announcements

4) **Proclamation/Presentation of Awards:**

   a) Harlingen Animal Shelter - "Pet of the Week"

   b) Recognition award for Cobra Barn Pole Vault Academy

   c) Proclamation for Jubilee Harlingen proclaiming "National GEAR UP Week"

5) ***Citizen Communication:*** *At this time, the public is invited to address the City Commission and speak on any matter not specifically listed for public hearing elsewhere in this agenda. Please note that the City Commission members may not respond to comments or deliberate on topics addressed.*

6) **Approval of Minutes:**

   a) Regular Meeting of May 21, 2025

7) **Consent Agenda:** *No discussion is anticipated on any of the items in this section because they are routine business, were included in the budget adoption process, or have been previously discussed as a staff report or discussion item. These items will be considered collectively by a single vote, unless a commission member requests an item be removed from the consent agenda.*

   a) Consideration and possible action to authorize an agreement with the Harlingen Performing Arts Theater for the use of Hotel Motel funds for the promotion of the arts. Attachment ***(City Manager)***

   b) Consideration and possible action to authorize an agreement with Loaves and Fishes to provide meals for the homeless and needy through their kitchen and food pantry. Attachment ***(City Manager)***

   c) Consideration and possible action to authorize an agreement with the Marine Military Academy for the use of Hotel Motel funds for the promotion of tourism by maintaining the Iwo Jima Monument. Attachment ***(City Manager)***

   d) Consideration and possible action to authorize an agreement with the Rio Grande Valley Birding Festival for the use of the Hotel Motel fund for the promotion of tourism through the annual birding festival. Attachment ***(City Manager)***

e) Consideration and possible action to adopt an ordinance on second and final reading for a request to rezone from Not Designated ("N") District to Residential, Single Family ("R-1") District for 25.78 acres of land out of Survey 140, L.L. Adams Subdivision, located on the east side of Altas Palmas Road, approximately 4,696 feet north of W. Expressway 83. Applicant: Moore Land Surveying, LLC c/o Zarate Management, LLC. Attachment.***(Planning & Development)***

f) Consideration and possible action to adopt an ordinance on second and final reading for a request for a Special Use Permit (SUP) for a Food Truck Park in a General Retail (GR) District located at 2906 South Expressway 83, bearing a legal description of Lot 1, E & L Subdivision. Applicant: James Kendrick Judkins. *Attachment Pending.* ***(Planning & Development)***

g) Consideration and possible action to adopt an ordinance on second and final reading for a request to amend the City of Harlingen Code of Ordinances Chapter 28, Licenses, Permits, and Miscellaneous Regulations, Article VI, Limousines, Vans and Other Commercial Passenger Vehicles by amending definitions, supplemental operating permit requirements, fees, and conditions for supplemental vehicles; and by amending Chapter 18, Fees and Charges to Reflect Updated Fees for Limousine Services. Applicant: City of Harlingen. Attachment. ***(Planning & Development)***

h) Consideration and possible action to adopt an ordinance on second and final reading for a request to amend the City of Harlingen Comprehensive Plan, One Vision, One Harlingen, Chapter 2, Figure 2.1, Thoroughfare Plan, by removing the proposed extension of New Hampshire Street as a major collector road south of Morris Road to Park Bend. Applicant: City of Harlingen. Attachment. ***(Planning & Development)***

i) Consideration and possible action to approve the annual Investment Policy for the City of Harlingen. Attachment ***(Finance Dept)***

8) **Staff Reports and Other Discussion Items:** *Items in this section are not expected to require action by the City Commission and are generally for information only. However, any item listed in this section may become an action item at a future meeting with the request of the Mayor, or after the request of any two Commission members, or the City Manager.*

a) City Manager's Report

b) Staff Reports

9) **Public Hearings:** *At this time, the Mayor will invite members of the public who have filled out the Public Hearing and the Citizen Communication Form to address each item listed in this section. Please limit your comments to the topic of that public hearing. If more than one public hearing is being held, you will be allowed to speak during each topic, provided you have filled out the Public Hearing and Citizen Communication Form for the appropriate topic. If you are signed up for two (2) or more Public Hearings, you will be limited to 5 minutes for all topics.*

a) Public hearing for a Special Use Permit (SUP) to allow the loading/unloading of bulk liquid in a Light Industry ("LI") District located at 227 N. West Street, bearing a legal description of approximately 19.541336 acres of land out of School Land League Surveys 26, 27, and 36, R. King Survey #289, C.C.S.D and R.G RR Survey #290. Applicant: Frank Cunningham c/o Saint Claire Group Inc. *Attachment (Minutes) Pending.* ***(Planning & Development)***

b) Public hearing for a Special Use Permit (SUP) to allow a storage container in a General Retail ("GR") District located at 302 N. 77 Sunshine Strip, bearing a legal description of 3.245 acres out of Block 1, Profit Subdivision. Applicant: Anne Eberhardt, c/o Quality Equipment Management/Dollar Tree. *Attachment (Minutes) pending.* ***(Planning & Development)***

10) **Action Items:** *City Commission will discuss, consider, and take any action deemed necessary on items listed in this section, including the adoption of a resolution or an ordinance.*

**Ordinances:**

a) Consideration and possible action to adopt an ordinance on first reading for a request for a Special Use Permit (SUP) to allow the loading/unloading of bulk liquid in a Light Industry ("LI") District located at 227 N. West Street, bearing a legal description of approximately 19.541336 acres of land out of School Land League Surveys 26, 27, and 36, R. King Survey #289, C.C.S.D and R.G RR Survey #290. Applicant: Frank Cunningham c/o Saint Claire Group Inc. Attachment. ***(Planning & Development)***

b) Consideration and possible action to adopt an ordinance on first reading for a Special Use Permit (SUP) to allow a storage container in a General Retail ("GR") District located at 302 N. 77 Sunshine Strip, bearing a legal description of 3.245 acres out of Block 1, Profit Subdivision. Applicant: Anne Eberhardt, c/o Quality Equipment Management/Dollar Tree. Attachment. ***Planning & Development)***

c) Consideration and possible action to approve an ordinance on first reading amending the Harlingen Code of Ordinances, Chapter 18, Master Fee Schedule, by establishing fees for certain licenses, permits, and other services provided by the City of Harlingen as they relate to Chapter 36, Article V, Division 2(Tony Butler Golf Course); providing for publication and ordaining other matters pertaining to the foregoing. Attachment ***(Golf)***

d) Consideration and possible action to approve an ordinance on second and final reading adopting the City of Harlingen's budget for Fiscal Year 2026 by record vote. Attachment ***(Finance Dept.)***

e) Consideration and possible action to approve an ordinance on second and final reading adopting the Tax Year 2025 Ad Valorem Tax rate for Maintenance and Operations (M&O) together with the Interest and Sinking (I&S) Rate for Fiscal year 2026 by record vote. Attachment ***(Finance Dept.)***

f) Consideration and possible action to approve an ordinance on first reading amending the City of Harlingen's budget for Fiscal Year 2025. Attachment ***(Finance Dept.)***

g) Consideration and possible action to approve an ordinance on first reading adopting a change in TMRS Plan design authorizing updated service credits and transfer updated service credits and removal of the statutory maximum contribution rate limit beginning January 1, 2026. Attachment ***(Finance Dept.)***

h) Consideration and possible action to approve a resolution ratifying the property tax reflected in the adopted budget for Fiscal Year 2026. Attachment ***(Finance Dept.)***

i) Consideration and possible action to approve a resolution accepting the Development Corporation of Harlingen's final amendments to the Fiscal Year 2024-2025 Budget. Attachment. ***(HEDC)***

j) Consideration and possible action to approve a resolution accepting the Development Corporation of Harlignen's Proposed Fiscal Year 2026 Budget. Attachment ***(HEDC)***

k) Consideration and action to approve a Memorandum of Understanding (MOU) between the Cities of Brownsville, San Benito, and Harlingen to establish a general working agreement to consolidate and coordinate their efforts and resources in the establishment of a Regional Consolidated Plan and Strategy as required by the U.S. Department of Housing and Urban Development as set forth in 24 CFR Part 91. Attachment ***(CDBG)***

l) Consideration and possible action to fund the "Tu Salud Si Cuenta" Program and Community Health Worker for Fiscal Year 2026 for $100,000. Power-Point ***(Parks & Recreation)***

m) Consideration and Possible action to renew the McGriff Employee Benefits Broker Agreement for the City of Harlingen Fiscal Year 2025-2026 and to authorize the City Manager to sign the Contract. Attachment ***(City Manager)***

11) **Board Appointments:**
*Specifically, appointment or discussion and possible action to include appointment and/or removal of any position subject to appointment or removal by statute, ordinance, or bylaws.*

Airport
Animal Shelter Advisory Committee (2)
Audit Committee (Terms expire in June)
Civil Service Commission
Community Development Advisory Board
Construction Board of Adjustments (4)
Convention & Visitors Bureau
Development Corporation of Harlingen, Inc.
Golf Course Advisory Board
Harlingen Community Improvement Board
Harlingen Housing Authority Board
Harlingen Finance Corporation (6)
Harlingen Teen and Young Adult Advisory Board (2)
Healthy Harlingen Advisory Board
Keep Harlingen Beautiful Board
Library Advisory Board
Mayor Wellness Council
Museum Advisory Board (1)
Parks Advisory Board
Planning & Zoning Advisory Board
Senior Citizens Advisory Board (1)
Small Business Committee
Tax Increment Finance Board 1, 2 & 3
Utility Board of Trustees
Veterans Advisory Board
Zoning Board of Adjustment

12) **Executive Session:** *All items listed in this section will be deliberated in a closed session. Members of the public are not generally permitted to attend a closed session. Executive Session items may be considered as an action item at the discretion of the Mayor. However, City Commission will not take any action in closed session.*

a) Executive Session pursuant to Government Code Section 551.071 - attorney consultation and contemplated litigation; Section 551.072 - deliberation regarding real estate; and Section 551.087 - economic development relating to the following projects.

1. Project Its Thyme
2. Project Radiant Sky
3. Project Smoke Signals

13) **Action on Executive Session Items:** *The City Commission will reconvene in open session and may take action on any item listed in the Executive Session Section of this agenda.*

a) Consideration and possible action on item 12a(1-3) as discussed in executive session.

14) **Adjournment:**

I, the undersigned authority, do hereby certify that the above Notice of the Regular Meeting of the Harlingen City Commission is a true and correct copy of said notice posted on the bulletin board at City Hall of said City of Harlingen, Texas in a place convenient and readily accessible to the general public at all times and on the City's Internet Website and said Notice was posted on **Wednesday, August 27, 2025** at or before 2:45 a.m./p.m. and remained so posted for at least 72 hours preceding the time of said meeting.

Dated this 27th day of August, 2025

Mayra Herrera

Mayra Herrera, City Secretary

6(2)

REGULAR MEETING

CITY COMMISSION HARLINGEN, TEXAS

May 21, 2025

A Regular Meeting of the Harlingen City Commission was held May 21, 2025 at 5:35 pm, at City Hall, Town Hall Meeting Room, 118 E. Tyler, Harlingen, Texas and providing the public the ability to view the meeting via internet, live streaming and permitting the public to offer citizen communication or participate in items listed on the agenda via videoconferencing or telephonically via www.harlingentx.gov. Those in attendance were:

Mayor and Commissioners
Mayor Norma Sepulveda
Mayor Pro-Tem Ford Kinsley
Daniel N. Lopez, Commissioner District 2
Michael Mezmar, Commissioner District 3
Frank Morales, Commissioner District 4
Rene Perez, Commissioner District 5

City Staff
Gabriel Gonzalez, City Manager
Hermelinda Gonzales, Interim City Secretary
Mark Sossi, City Attorney

1. **Call Meeting to Order**
   a) Invocation – Commissioner Morales
   b) Pledge of Allegiance
   c) Welcome Citizens

2. **Conflict of Interest**

"Under State Law, a conflict of interest exists if a council member, or certain members of that person's family, has a qualifying financial interest in an agenda item. Members with a conflict of interest cannot participate in the discussion nor vote on the agenda item. Are there any known conflicts of interest to disclose at this time"?

None declared.

3. **Announcements –**

   a) Mayor's Announcements –

   Mayor Sepulveda announced that she, Commissioner Perez, and Mayor Pro-Tem Kinsley advocated in Austin, helping Harlingen secure $900,000 in grants for local veterans. The program is expected to launch in July. She encouraged residents to follow the Convention Center's page for upcoming events and reminded everyone about the State of the City next Thursday afternoon. Tickets are still available, with food samples from local businesses and dinner provided. She closed by wishing all Harlingen kids a great summer.

   b) City Manager's Announcements-

   Mr. Gonzalez announced that the Red Crown's first soccer game will take place this Saturday at 7:30 PM at Harlingen Field. He encouraged residents to come out and support the local team. He also reminded everyone that City Hall will be closed on Monday, May 26 in observance of Memorial Day, and wished all employees a joyful holiday. Lastly, he noted that tickets for the Mayor's State of the City are $25 and available on Eventbrite for anyone interested in attending. Mayor Sepulveda noted all proceeds would be going to a non-profit.

c) City Commission Member Announcements –

Mayor Pro-Tem Kinsley urged everyone to stay safe over Memorial Day weekend and take a moment to reflect on the true meaning of the holiday—honoring those who gave their lives in service to our country.

Commissioner Morales invited the public to the district 2 Town Hall tomorrow, May 2nd, at 5:30 PM.

Commissioner Perez congratulated the Harlingen South One Act Play team for winning the state championship.

4. **Proclamation/Presentation of Awards:**

a) Harlingen Animal Shelter- "Pet of the Week"

Ms. Shannon Harvill, Health Director, introduced Mocha—a 5-month-old boxer mix who's been at the shelter since mid-April. Mocha is cuddly, sweet, and looking for a forever home. Anyone interested in adopting Mocha or other animals can visit the shelter at 106 Markowsky Ave, Harlingen, TX, or call 956-216-5220. Ms. Harvill also announced a fundraiser at Chick-fil-A on May 22, 2025. She encouraged everyone to enjoy dinner there and mention the animal shelter to help support their efforts. Additionally, the shelter will host an adoption event at PetSmart on Saturday, May 24, from 11 AM to 3 PM.

b) Mayor's Business of the Month - "Don Gollito"

Don Gollito, a Tex-Mex restaurant located at 417 W. Van Buren St., expressed gratitude to its loyal customers for their continued support through challenging times—including the COVID pandemic, a flood, and even a break-in. The owners also thanked the City of Harlingen and the supportive community for believing in their small business and helping them pursue their dream.

c) Proclamation - "Foster Care Awareness Month"

Mayor Norma Sepulveda of Harlingen officially recognized May 2025 as National Foster Care Month, honoring the vital role of foster families, caregivers, and child welfare professionals. With approximately 325 children in foster care in Cameron County, the proclamation emphasizes the importance of safe, loving, and family-style homes over group care. It calls on the community to support foster youth and their caregivers.

Kristin Luckey reported that as of March 2025, Cameron County is facing a critical foster care crisis. Over 500 families are currently receiving support from DFPS or CPS, yet due to a shortage of local foster homes, 89 children have been placed outside the county. Additionally, more than 80 children in the area are awaiting adoption. Ms. Luckey emphasized that foster families play a vital role in providing children with stability, education, shelter, and access to medical care, especially for those who have lacked basic necessities. She also highlighted the efforts of organizations like Blue Sunday and Foster Angels, which continue to support foster youth and the families who care for them, ensuring these children feel seen, valued, and loved.

d) Proclamation-Proclaiming the Week of May 18-24, 2025, as "National Public Works Week"

Mayor Norma Sepulveda proclaimed May 18–24, 2025, as National Public Works Week in Harlingen, recognizing the essential role public works professionals play in maintaining infrastructure, public health, and quality of life. The proclamation highlights the importance of community awareness and appreciation for services like drainage, roads, buildings, and waste collection, and calls on citizens to support and acknowledge the contributions of public works personnel.

Chris Torres, Public Works Director, expressed gratitude to the mayor and city commission for recognizing the Public Works staff through the proclamation. He praised the team's dedication and tireless efforts.

Ruth Treviño, Assistant Public Works Director, highlighted that the proclamation not only acknowledges their work, but the passion, teamwork, and commitment of the staff. Both thanked city leadership for their continued support.

Mayor Sepulveda expressed admiration for the Public Works team, commending their unwavering dedication and consistent excellence. She highlighted their ability to respond swiftly to emergencies and manage daily operations with outstanding performance. Mayor Sepulveda also shared her hope that the community could witness the remarkable efforts that the commission sees on a regular basis.

5. **Citizen Communication:**

- Raymond Reyes-706 Nantucket Drive-Oversite and Responsibility
- Magda Peynado-2017 River Oaks Dr- Bushes at Pendelton Park, Sinkhole at Dixieland Rd.

6. **Approval of Minutes:**

a) Regular Meeting of February 19, 2025

Motion was made by Commissioner Lopez and seconded by Mayor Pro-Tem Kinsley to approve minutes for Regular Meeting of February 19, 2025.

7. **Consent Agenda**:

a) Consideration and possible action to approve an ordinance on second and final reading authorizing Visit Harlingen (Harlingen CVB) to sell souvenir items at the Downtown Improvement District office. Attachment **(CVB).**

ORDINANCE NO. 2025-27

AN ORDINANCE AMENDING CHAPTER 18 "MASTER FEE SCHEDULE" OF THE HARLINGEN CODE OF ORDINANCES TO AUTHORIZE THE SALE OF SOUVENIR ITEMS AT THE DOWNTOWN IMPROVEMENT DISTRICT OFFICE; PROVIDING FOR THE ADOPTION OF EXHIBIT A; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

PASSED AND APPROVED on first reading this the 7th day of May 2025.
PASSED AND APPROVED on the second and final reading this the 21st day of May 2025.

ATTEST: CITY OF HARLINGEN
/s/ Hermelinda Gonzales, Interim City Secretary /s/Norma Sepulveda, Mayor

b) Consideration and possible action to approve a resolution authorizing the submission of a grant application to the 2025 Transportation Alternatives Call for Projects and dealing with related matters. Attachment **(Special Projects Department)**

c) Consideration and possible action to approve a resolution authorizing the City Manager to submit a grant application to the Texas General Land Office Local Hazard Mitigation Plans Program. Attachment **(Special Projects Department)**

d) Consideration and possible action to adopt an ordinance on second and final reading amending the City of Harlingen Code of Ordinances Chapter 111, Zoning, Article XVIII, Section 111-505(a) Special Use Permits; by eliminating the need for a special use permit to receive a recommendation from the Downtown Improvement District Board and eliminating the language to not allow an adult business in the Downtown District Overlay. Applicant: City of Harlingen. Attachment **(Planning & Development)**

ORDINANCE NO. 25-28

AN ORDINANCE AMENDING THE CITY OF HARLINGEN CODE OF ORDINANCES CHAPTER 111, ZONING, ARTICLE XVIII, SECTION 111-505(a) SPECIAL USE PERMITS; BY ELIMINATING THE NEED FOR A SPECIAL USE PERMIT IN THE DOWNTOWN DISTRICT OVERLAY TO RECEIVE A RECOMMENDATION FROM THE DOWNTOWN IMPROVEMENT DISTRICT BOARD AND ELIMINATING THE LANGUAGE TO NOT ALLOW AN ADULT BUSINESS IN THE DOWNTOWN DISTRICT OVERLAY; PROVIDING FOR PUBLICATION AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING

PASSED AND APPROVED on first reading this the 7th day of May 2025.
PASSED AND APPROVED on the second and final reading this the 21st day of May 2025.

ATTEST: CITY OF HARLINGEN
/s/ Hermelinda Gonzales, Interim City Secretary /s/Norma Sepulveda, Mayor

e) Consideration and possible action to approve an ordinance on second and final reading for a rezoning request from Residential, Single Family ("R-1") District to Planned Development ("PD") District to allow 32 foot wide paved streets with 50 feet of right-of-way and smaller lots for Lots 4, 8, 18, 22, 25, 26, 42, 53, 57 for a 140 lot single-family residential development on a property bearing a legal description of the West 19.5500 acres and the North 9.5500 acres of Block 76, Lon C. Hill Subdivision, located at the southwest corner of Lipscomb Avenue and West New Hampshire Street. Applicant: Ricardo Garcia c/o Affordable Homes of South Texas Inc. Attachment **(Planning & Development)**

ORDINANCE NO. 25-29

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF HARLINGEN: REZONING FROM RESIDENTIAL, SINGLE-FAMILY ("R-1") DISTRICT TO PLANNED DEVELOPMENT ("PO") DISTRICT TO ALLOW 32- FOOT -WIDE PAVED STREETS WITH 50 FEET OF RIGHT -OF-WAY AND SMALLER LOT SIZES FOR LOTS 4, 8, 18, 22, 25, 26, 42, 53, AND 57 FOR A 140 LOT SINGLE-FAMILY DEVELOPMENT ON A PROPERTY BEARING A LEGAL DESCRIPTION OF THE WEST 19.5500 ACRES AND THE NORTH 9.5500 ACRES OF BLOCK 76, LON C. HILL SUBDIVISION, LOCATED AT THE SOUTHWEST CORNER OF LIPSCOMB AVENUE AND WEST NEW HAMPSHIRE STREET ; PROVIDING FOR PUBLICATION AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING

PASSED AND APPROVED on first reading this the 7th day of May 2025.
PASSED AND APPROVED on the second and final reading this the 21st day of May 2025.

ATTEST: CITY OF HARLINGEN
/s/ Hermelinda Gonzales, Interim City Secretary /s/Norma Sepulveda, Mayor

Motion was made by Mayor Pro-Tem Kinsley and Seconded by Commissioner Perez to approve items No. 7 (a through e). Motion carried unanimously.

8. **Staff Reports and Other Discussion Items:**

a) City Manager's Report
None.

b) Staff Reports - Sandee Alvarez-(CDBG Director)
Sandee Alvarez, Director of the Community Development Block Grant (CDBG) program, presented an overview of the department's responsibilities and current initiatives. The department administers federal grants from HUD, specifically CDBG and the HOME Investment Partnership Program, awarded annually due to the city's status as one of the three largest in Cameron County's Metropolitan Statistical Area. For the current year, the city received $913,635 in CDBG funds and $325,911.52 in HOME funding.

A key program is housing rehabilitation and reconstruction. Last year, a home was rebuilt for a disabled elderly couple, one of whom was a veteran, at a cost of $106,512. Funding is available for two to three additional homes, and the department is now working with the next eligible applicant.

Ms. Alvarez also highlighted the affordable housing program, which provides down payment assistance to first-time homebuyers. Due to rising home prices, the maximum subsidy increased to $75,000 to ensure homes are safe and ready to move. Homes must be in good condition to avoid placing financial strain on low-income families.

CDBG funds have supported infrastructure improvements, including a $33,086 lighting retrofit project that converted 240 streetlights into low- to moderate-income areas. City commissioners helped identify locations, and Public Works may seek additional funding for similar projects. Another 45 solar-powered streetlights were installed in similar areas, also guided by commissioner input and completed by Public Works to reduce costs. Los Vecinos Street Improvement project received $454,000 in CDBG funding and partnered with the housing authority to improve three streets, including added parking. All funds were used in the first phase; the remaining streets are under separate construction. The Vestal Park Lighting Phase III project was completed for $216,000—under its $255,000 budget. Remaining funds were used for park upgrades, including a walking trail, basketball court, and solar lights.

Ms. Alvarez introduced the 2024–2025 Clearance and Demolition initiative, a joint effort with Code Compliance and Planning and Zoning. Public Works handles demolitions, while CDBG covers debris removal. Eight properties with nine structures were identified, and the final demolition is scheduled soon. The total cost was $72,266.83. Additional properties are pending environmental review. Commercial properties may also qualify if linked to drug activity or homelessness in low-income areas.

In the 2023–2024 cycle, $117,333 in CDBG funds was distributed to agencies including the Boys and Girls Club, Maggie's House, CASA, Family Crisis Center, and Loaves and Fishes, benefiting 1,954 individuals. This year, $137,045 was allocated to a broader group including Amigos Del Valle, Sunshine Haven, Area Agency on Aging, and the Aging and Disability Resource Center.

Ms. Alvarez also highlighted a fire hydrant infrastructure project with Harlingen Waterworks System. CDBG allocated $314,856, awarded to Central Line Construction at a lower bid of $238,226. The project includes nine hydrants and 440 linear feet of 8-inch water line. The notice of award has been issued, and work is underway.

The city received a Healthy Homes grant applied for in 2022 and awarded in June 2023. After training and environmental reviews, funds were released in September 2024. Since then, 82 applications have been received, with 26 families deemed eligible and 18 inspections completed. The first home repair was finalized last week. The program provides up to $10,000 per home for health and safety concerns. Some applicants reported worsening conditions due to flooding.

To address urgent needs, a proposal was made to redirect $400,000 from housing rehabilitation to emergency repairs for up to 40 families, capped at $10,000 per home. This policy-supported approach allows rapid response to disasters without commission approval.

Mayor Sepulveda suggested a workshop to discuss the shift and emphasize swift action.

Ms. Alvarez confirmed the department could begin within two weeks, pending environmental reviews, and reiterated the program's focus on low- to moderate-income areas.

Mr. Gonzalez asked to be notified when applications open so he can inform the commission.

Mayor Sepulveda requested outreach materials and proposed a community event to raise awareness.

Ms. Alvarez clarified that eligibility is based on household income, which requires verification. She encouraged residents to apply immediately. The department is procuring a pool of ten contractors to handle work on a rotating basis. She also provided updates on the HOME-ARP program, funded through the American Rescue Plan, which awarded the city $1.2 million. Of that, $287,900 was allocated to supportive services.

Finally, Ms. Alvarez announced two new grants: $400,000 from the Texas Veteran Commission General Assistance program, offering up to $6,000 per household for rental, mortgage, and utility support; and $500,000 for the Housing for Texas Heroes program, providing up to $35,000 per household for accessibility, safety, and weatherization improvements. Flyers and applications are in circulation, and the Housing for Texas Heroes program is set to launch by July 1.

Commissioner Lopez raised concerns about unresolved streetlight repairs.

Arnold Campos from Public Works confirmed that supply chain issues have delayed progress. AEP has been managing both the retrofit and regular maintenance, contributing to delays in addressing weekly audit reports.

9. **Public Hearings:**

Mayor Sepulveda announced that Items (9 a through d) are public hearings, and anyone wishing to speak for or against these items may do so.

a) Public hearing for the voluntary annexation of 88.40 acres of land out of a Portion of Blocks 15 and 16 Subdivision "C", located along Kroger Avenue/Lafayette Avenue, west of Chester Park Road. Applicant: Javier Hinojosa c/o William Lewis Youngblood and Jonny Nurdin. Attachment **(Planning & Development)**

- Item 9 (a) - None.

b) Public hearing for a rezoning request from Residential, Single Family ("R-1") District to General Retail ("GR") District to 3.6780 acres out of Block 23, Briggs and Coleman Subdivision of Section 49, located on the south side of Montezuma approximately 2,395 feet west of 25th Street. Attachment **(Planning & Development)**

- Item 9 (b) - None.

c) Public hearing for a rezoning request from Residential, Multi-Family ("M-2") District to General Retail ("GR") District for 7.52 acres of land, bearing a legal description of Lot 1, Block 1, Windsong Subdivision, located south of Lincoln Avenue, approximately 910 feet east of S. Palm Court Drive. Applicant: Tycen Hanna c/o Riverstone Crossing, LLC. Attachment **(Planning & Development)**

- Item 9 (c) - None.

d) Public hearing for a Special Use Permit ("SUP") to allow a Community Residential Facility in a General Retail ("GR") District on a property bearing a legal description of 5.9236 acres out of 8.6170 acres out of Block 55, David & Stephenson Subdivision, located on the southeast corner of Breedlove Street and North Loop 499. Applicant: Alan Ozuna. Attachment **(Planning & Development)**

- Item 9 (d) - None.

10. **Action Items:**

**Ordinances:**

a) Consideration and possible action to approve an ordinance on first reading for a request for the voluntary annexation of 88.40 acres of land out of a Portion of Blocks 15 and 16 Subdivision "C", located along Kroger Avenue/Lafayette Avenue, west of Chester Park Road. Applicant: Javier Hinojosa c/o William Lewis Youngblood and Jonny Nurdin. Attachment **(Planning & Development)**

Motion was made by Commissioner Mezmar and seconded by Commissioner Perez to approve an ordinance on first reading for a request for the voluntary annexation of 88.40 acres of land out of a Portion of Blocks 15 and 16 Subdivision "C", located along Kroger Avenue/Lafayette Avenue, west of Chester Park Road. Motion carried unanimously.

b) Consideration and possible action to approve an ordinance on first reading for a request to rezone from Residential, Single Family ("R-1") District to General Retail ("GR") District to 3.6780 acres out of Block 23, Briggs and Coleman Subdivision of Section 49, located on the south side of Montezuma approximately 2,395 feet west of 25th Street. Attachment **(Planning & Development)**

Motion was made by Commissioner Perez and seconded by Mayor Pro-Tem Kinsley to approve an ordinance on first reading for a request to rezone from Residential, Single Family ("R-1") District to General Retail ("GR") District to 3.6780 acres out of Block 23, Briggs and Coleman Subdivision of Section 49, located on the south side of Montezuma approximately 2,395 feet west of 25th Street. Motion carried unanimously.

c) Consideration and possible action to approve an ordinance on first reading for a request to rezone from Residential, Multi-Family ("M-2") District to General Retail ("GR") District for 7.52 acres of land, bearing a legal description of Lot 1, Block 1, Windsong Subdivision, located south of Lincoln Avenue, approximately 910 feet east of S. Palm Court Drive. Applicant: Tycen Hanna c/o Riverstone Crossing, LLC. Attachment **(Planning & Development)**

Motion was made by Commissioner Perez and seconded by Mayor Pro-Tem Kinsley to approve an ordinance on first reading for a request to rezone from Residential, Multi-Family ("M-2") District to General Retail ("GR") District for 7.52 acres of land, bearing a legal description of Lot 1, Block 1, Windsong Subdivision, located south of Lincoln Avenue, approximately 910 feet east of S. Palm Court Drive. Motion carried unanimously.

d) Consideration and possible action to approve an ordinance on first reading for a Special Use Permit ("SUP") request to allow a Community Residential Facility in a General Retail ("GR") District on a property bearing a legal description of 5.9236 acres out of 8.6170 acres out of Block 55, David & Stephenson Subdivision, located on the southeast corner of Breedlove Street and North Loop 499. Applicant: Alan Ozuna. Attachment **(Planning & Development)**

Motion was made by Commissioner Perez and seconded by Commissioner Mezmar to table item 10(d) pending ordinance. Motion carried unanimously.

e) Consideration and possible action to approve an ordinance on first reading amending the City of Harlingen's Budget for Fiscal year 2025. Attachment **(Finance Dept.)**

Motion was made by Commissioner Mezmar and seconded by Commissioner Lopez to approve an ordinance on first reading amending the City of Harlingen's Budget for Fiscal year 2025. Motion carried unanimously.

f) Consideration and possible action to approve the preliminary construction plans and final plat with conditions of the proposed Villas at Paso Real Subdivision, bearing a legal description of 12.537 acres being a part or Portion out of Lots 1, 2, 7, and 8, Block 146, located at the northwest corner of Haine Drive and FM 509. Applicant: Melden & Hunt, INC c/o HDP Paso Real, LLC. Attachment **(Planning & Development)**

Motion was made by Commissioner Lopez and seconded by Commissioner Perez to approve the preliminary construction plans and final plat with conditions of the proposed Villas at Paso Real Subdivision, bearing a legal description of 12.537 acres being a part or Portion out of Lots 1, 2, 7, and 8, Block 146, located at the northwest corner of Haine Drive and FM 509. Motion carried unanimously.

g) Consideration and possible action to authorize the City Manager to sign an access and utility easement document for the installation of an additional distribution line on the subject property, bearing a legal description of 0.174 acres out of Block 67, Harlingen Land and Water Company Subdivision. Applicant: AEP Texas. Attachment **(Planning & Development)**

Motion was made by Mayor Pro-Tem Kinsley and seconded by Commissioner Perez to authorize the City Manager to sign an access and utility easement document for the installation of an additional distribution line on the subject property, bearing a legal description of 0.174 acres out of Block 67, Harlingen Land and Water Company Subdivision. Motion carried unanimously.

h) Consideration and possible action to authorize the City Manager to award a construction contract with SLR Building Contractors, LLC, for the animal shelter outdoor kennels extension, designed in-house by the City's Engineering Department. Attachment **(Engineering Dept.)**

Luis Vargas, City Engineer, advised that they allocated four months for construction, pending material delivery, which may take two to four months.

Motion was made by Commissioner Lopez and seconded by Commissioner Mezmar to authorize the City Manager to award a construction contract with SLR Building Contractors, LLC, for the animal shelter outdoor kennels extension, designed in-house by the City's Engineering Department. Motion carried as follows: FOR: Mayor Pro-Tem Ford Kinsley, Commissioners: Lopez, Mezmar, Perez AGAINST: Commissioner Morales ABSTAINED: None. (Vote: 4-1-0).

i) Consideration and possible action to select the highest-ranking consulting firm and authorize the City Manager to negotiate and execute a contract pursuant to RFQ No. 2025-08 Historic Resources Survey. Attachment **(Special Projects Department)**

Motion was made by Commissioner Lopez and seconded by Commissioner Mezmar to select the highest-ranking consulting firm and authorize the City Manager to negotiate and execute a contract pursuant to RFQ No. 2025-08 Historic Resources Survey. Motion carried unanimously.

j) Consideration and possible action to approve a resolution suspending the June 24, 2025, effective date of the proposal by Texas Gas Service Company, a Division of One Gas, Inc.-Rio Grande Valley Service Area, to Implement Interim Grip Rate Adjustments for Gas Utility Investment in 2024 and requiring delivery of this resolution to the Company and Legal Counsel. Attachment **(City Manager)**

Motion was made by Commissioner Perez and seconded by Commissioner Mezmar to approve a resolution suspending the June 24, 2025, effective date of the proposal by Texas Gas Service Company, a Division of One Gas, Inc.-Rio Grande Valley Service Area, to Implement Interim Grip Rate Adjustments for Gas Utility Investment in 2024 and requiring delivery of this resolution to the Company and Legal Counsel. Motion carried unanimously.

11. **Board Appointments:**

Mayor Pro-Tem Kinsley re-appointed Brenda Pena to the Keep Harlingen Beautiful Advisory Board.

Commissioner Perez re-appointed Raymond Reyes to the Downtown District Advisory Board.

Motion was made by Commissioner Lopez and seconded by Commissioner Mezmar to approve re-appointment of Brenda Pena to the Keep Harlingen Beautiful Advisory Board, and Raymond Reyes to the Downtown District Advisory Board. Motion carried unanimously.

12. **Executive Session:**

a) Pursuant to Texas Government Code 551.071-attorney consultation and contemplated litigation (City Attorney)

Motion was made by Commissioner Lopez and seconded by Commissioner Mezmar to convene into Executive Session. Motion carried unanimously.

At 7:11 p.m., Mayor Sepulveda announced that the City Commission would convene in Executive Session.

13. **Action on Executive Session Items**:

At 7:39 p.m., Mayor Sepulveda announced that the City Commission was out of Executive Session and declared the meeting open to the public.

a) Consideration and possible action on Item 12(a) as discussed in executive session.

Motion was made by Commissioner Lopez and seconded by Commissioner Perez to proceed on

Item 12 (a) as discussed in executive session. Motion carried unanimously.

14. **Adjournment:**

There being no other business to discuss, Mayor Sepulveda adjourned the meeting.

City of Harlingen

ATTEST:

Norma Sepulveda, Mayor

Hermelinda Gonzales, Interim City Secretary

7(a)

# AGENDA ITEM
# EXECUTIVE SUMMARY

Meeting Date: **September 03, 2025**

**Agenda Item:**

Consideration and possible action to authorize an agreement with the Harlingen Performing Arts Theater for the use of Hotel Motel funds for promotion of the arts.

Prepared By (Print Name): Gabriel Gonzalez
Title: City Manager
Signature: Gabriel Gonzalez

**Brief Summary:**

The City Commission has awarded $24,000. This Agreement merely memorializes the dollar amount and places restrictions on the use of funds.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? [X] Yes [ ] No*

*If no, specify source of funding and amount requested:

Finance Director's approval: [ ] Yes [ ] No [ ] N/A

**Staff Recommendation:**

Approval

City Manager's approval: GG [✓] Yes [ ] No [ ] N/A

**Comments:**

City Attorney's approval: [✓] Yes [ ] No [ ] N/A

AGREEMENT FOR MANAGEMENT OF HOTEL OCCUPANCY TAX FUNDS

STATE OF TEXAS

COUNTY OF CAMERON

This agreement is made this 3rd day of September, 2025, but effective October 1, 2025, by and between the City of Harlingen, Texas, a home rule city organized and existing under the laws of the State of Texas, hereinafter called, "City", and Harlingen Performing Arts Theatre Board of Directors, hereinafter called "HPAT", and is as follows:

WHEREAS, pursuant to Texas Tax Code, Chapter 351, City has imposed a tax within the corporate limits and extraterritorial jurisdiction of the City of Harlingen, Texas, upon the possession of a room located in a hotel which is ordinarily used for sleeping and for which consideration is received, such tax is imposed at the rate of seven percent (7%) of the price paid for such room; and

WHEREAS, pursuant to Section 351.101(c) of such Chapter, the governing body of City may contract with a private organization for the management and supervision of programs and activities funded with revenue from such tax; and

WHEREAS, in consideration of their mutual desire to promote tourism through the encouragement, promotion, improvement, and application of the arts, City and HPAT desire to contract for the management and supervision by HPAT of programs and activities funded with revenue from such tax:

NOW, THEREFORE, BE IT MUTUALLY AGREED AS FOLLOWS:

1. City shall, in conformity with Texas Tax Code, Chapter 351 and Chapter 37-11, Code of Ordinances, City of Harlingen, Texas, collect the hotel occupancy tax therein authorized and imposed. City shall pay to HPAT a portion of the tax in the amount of Twenty-four thousand dollars ($24,000) for operational purposes. The City shall pay HPAT by October 31, 2025.

2. HPAT shall expend the tax revenues disbursed under this agreement for exclusive purpose of encouragement, promotion, improvement and application of the arts, as provided by Texas Tax Code, Section 351.101(a)(4). All such revenues shall be expended in a manner to promote tourism and the convention and hotel industry.

3. *HPAT shall submit an annual budget when requesting funding from the City. HPAT will provide the City with a consolidated financial report prepared by a CPA for all expenditures under this Contract for each fiscal year ending September 30.* HPAT shall submit a report on expenditure of such tax revenues thirty days after the end of each calendar quarter.

4. HPAT shall provide a number of hotel stays they anticipate to generate as a result of receiving the HOT funds, a list of magazine, newspaper or other print, video or audio promotions paid for with Hotel/Motel Occupancy Tax by the tenth day of each calendar quarter.

5. HPAT agrees to allocate 10 % of funds strictly for promotions.

6. HPAT shall maintain the tax revenues provided by City in a separate account established for that purpose and may not commingle that revenue with any other money or maintain it in any other account.

7. HPAT may expend such tax revenues for the cost of day-to-day operations, supplies, salaries, office rental, travel expenses, or any related expenses only if these administrative costs are incurred directly in the promotion and servicing of expenditures authorized under this agreement. If HPAT conducts programs which, in part, include activities for which the tax revenues may not be used, the portion of costs of such program for which the tax revenues are used, including associated administrative costs, may not exceed the actual cost attributable to the activities for which the tax revenues may be used under this agreement.

8. Nothing in this agreement shall be deemed to limit the power of City to repeal, alter or amend the ordinance imposing the hotel occupancy tax, such legislative power being hereby expressly retained.

9. City expressly reserves the right to terminate this agreement at any time upon thirty (30) days written notice to HPAT. Unless earlier terminated, this agreement shall remain in effect until September 30, 2026.

10. This Agreement constitutes the exclusive agreement of the parties with respect to the subject matter hereof and may be amended only in writing executed by both parties hereto.

11. Exclusive venue of any claim or cause of action arising out of this Agreement shall lie in the State Courts of Cameron County, Texas.

12. City shall have the right to use the facility at no cost for various municipal purposes, as long as such use does not interfere with any HPAT previously scheduled events.

13. This agreement shall be construed in accordance with the laws of the State of Texas.

Agreed this the 3rd day of September, 2025.

| | |
|---|---|
| CITY OF HARLINGEN, TEXAS | HARLINGEN PERFORMING ARTS THEATRE BOARD OF DIRECTORS |
| ______________________ | ______________________ |
| Norma Sepulveda<br>Mayor | Board Member |
| Attest: | Attest: |
| ______________________ | ______________________ |
| Mayra Herrera<br>City Secretary | Board Secretary |

7(b)

# AGENDA ITEM
# EXECUTIVE SUMMARY

Meeting Date: **September 3, 2025**

**Agenda Item:**

Consideration and possible action to authorize an agreement with Loaves and Fishes to provide meals for the homeless and needy through their kitchen and food pantry.

Prepared By (Print Name): Gabriel Gonzalez
Title: City Manager
Signature: Gabriel Gonzalez

**Brief Summary:**

The City awarded Loaves and Fishes $75,000 to provide meals to the homeless and needy. This will be done through their main kitchen located at their shelter. This amount has been budgeted and approved by the City Commission. The funds will be used to provide meals.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*
*If no, specify source of funding and amount requested:

Finance Director's approval: ☐ Yes ☐ No ☐ N/A

**Staff Recommendation:**

Staff recommends approval.

City Manager's approval: GG ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: ☑ Yes ☐ No ☐ N/A

**STATE OF TEXAS }**
**}**
**COUNTY OF CAMERON }**

## PUBLIC SERVICES CONTRACT

This Agreement made and entered into on this the **3rd** day of **September, 2025**, by and between the City of Harlingen, a political subdivision of the State of Texas, hereinafter referred to as **"CITY"**, and the **Loaves & Fishes of the Rio Grande Valley, Inc. ,** hereinafter referred to as **"L&F".**

### WITNESSETH

WHEREAS, **L&F** desires to carry out eligible activities as described in the attached **Exhibit A** "Statement of Work", of this Agreement.

WHEREAS, the **CITY** proposes to contract with **L&F** in order that the eligible activities described in **Exhibit A** can be carried out for the benefit of residents in the CITY's jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration, the **CITY** and the **L&F** do mutually agree as follows:

### SECTION I
Rules and Regulations

**L&F** agrees to cooperate with the **CITY** in respect to the implementation of Homeless Prevention activities to be carried out by **L&F.**

### SECTION II
Statement of Work

**L&F** agrees to perform services as outlined in **Exhibit A** "Statement of Work" for and in consideration of payment in the amount of **Seventy Five Thousand Dollars ($75,000.00),** and as delineated in **Exhibit B-1** "Grant Budget" and **B-2** "Payment Schedule".

**L&F** agrees to notify **CITY**, in writing, of any changes in its Statement of Work, Project Budget and Payment Schedule. L&F shall obtain approval, in writing, from CITY prior to commencing work on any changes made to the Statement of Work, Project Budget and Payment Schedule.

**CITY** shall not be liable for costs incurred or performances rendered by **L&F** before commencement of this Agreement or after termination of this Agreement.

**L&F** agrees to follow the schedule outlined in **Exhibit C** "Project Time Table" of this Agreement, and shall notify **CITY**, in writing, of any changes, delays or departures from the schedule. If **L&F** demonstrates that delays or departure from the schedule is due to circumstances beyond its control, **CITY** and **L&F** may amend such Project Time Table.

**SECTION III**
Records and Reports

**L&F** agrees to establish and maintain records and reports as outlined in **Exhibit D** "Records and Reports" and agrees to make those records and reports available to the **CITY**.

**SECTION IV**
Monitoring Visits

If applicable, **L&F** agrees to comply with applicable requirements and standards as set forth in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, applicable to Nonprofit Organizations.

**L&F** agrees to furnish the **CITY** a Financial Management letter covering the period of this agreement that includes detailed receipts and disbursement of payment to **L&F** Hereunder, However, if **L&F** obtains an audit as per Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, applicable to Nonprofit Organizations, also known as a "Single Audit," **L&F** shall submit said audit to **CITY**. Further, **L&F** agrees to cooperate with **CITY** relating to any inquiries regarding the audit. Audit shall be available to **City** staff.

**SECTION V**
Payment Requests

**L&F** agrees to follow administrative directions from the **CITY** regarding documenting and processing payment requests as defined in **Exhibit E** "Requests for Payments" of this Agreement.

**L&F** shall submit final reimbursement request to **CITY** within fifteen (15) days of the Agreement end date.

**L&F** agrees to comply with the RECORDS & REPORTS as outlined in **Exhibit D.**

**L&F** and **CITY** agree that all unused funds will be returned to **CITY** at the end or termination of this agreement for either reallocation or to be reprogrammed by **CITY.**

**SECTION VI**

Religious Activities

**L&F** and **CITY** both agree that none of the funds expended or activities undertaken under this Agreement shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

**SECTION VII**

Uniform Administrative Requirements

If applicable, **L&F** agrees to comply with applicable requirements and standards as set forth in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, applicable to Nonprofit Organizations

**SECTION VIII**

Audit Requirements

**L&F** agrees to furnish the **CITY** a Financial Management letter covering the period of this agreement that includes detailed receipts and disbursement of payment to L&F Hereunder, However, if **L&F** obtains an audit as per Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, applicable to Nonprofit Organizations, also known as a "Single Audit," **L&F** shall submit said audit to **CITY**. Further, **L&F** agrees to cooperate with **CITY** relating to any inquiries regarding the audit. Audit shall be available to **City** staff.

**SECTION IX**

Suspension and Termination

**L&F** understands that this Agreement may be suspended or terminated, if **L&F** materially fails to comply with the provisions of this Agreement or the provisions so listed in **Exhibits A through E.**

If **L&F** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **L&F** violates any of the Agreements or stipulations of this Agreement, then the **CITY** shall provide **L&F** written notification of such non-performance. Such non-performance may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results from **L&F** or its successor, the **CITY** will terminate Agreement and seek reimbursement of all funds from **L&F**. **L&F** shall not be relieved of the liability to the **CITY** for damages sustained by the **CITY** by virtue of any breach of this contract

(Agreement) by **L&F** and **CITY** may withhold any payments to **L&F** for violations of federal regulations. Should the **CITY** become aware of any activity by **L&F,** which would jeopardize public accountability of funds, then the **CITY** may take appropriate action including injunctive relief against **L&F** to prevent the transaction as aforesaid. The failure of the **CITY** to exercise any right shall in no way constitute a waiver by the **CITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except in writing upon the joint action of both the **CITY** and **Loaves & Fishes of the Rio Grande Valley.**

## SECTION X
Assets

**L&F** shall not purchase any asset with funding provided under this agreement unless so permitted by the **CITY** and such procurement shall be done in the form and manner so prescribed by the **CITY**.

## SECTION XI
Indemnity Clause

**L&F** agrees to hold **CITY** harmless from, and indemnify **CITY** from and defend **CITY** against any and all claims brought against **CITY** by employees or officers of **L&F** or brought by any third person arising in any manner directly or indirectly from **L&F** programs, activities or events conducted pursuant to this Agreement.

**L&F** shall acquire, maintain and furnish to **CITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under the contract agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement. Policies must be endorsed to Waive Subrogation Rights, name the City as an "Additional Insured" and the cancellation provisions extended to thirty (30) days in writing. This requirement shall be to meet **L&F'S** duty of indemnification under this paragraph.

## SECTION XII
Procurement

**L&F** agrees to follow the rules of the **CITY** on the procurement of services, supplies or non-real property in relation to **CITY**-funded projects. The legal standards that will apply include the Procurement Standards of the City of Harlingen. In such case as **L&F** has developed procurement standards governing its operation, such standards shall be reviewed by **CITY** to ensure compliance with the standards implemented by **CITY.**

## SECTION XIII
Conflict of Interest

**L&F** covenants that neither members of its organization or staff members who exercise influence on the decision-making process presently have or will have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in **Exhibit A.**

**L&F** agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **L&F**'s organization or the **CITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure.

**L&F** is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **CITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on **Exhibit A**.

## SECTION XIV
Legal Action and Venue

**L&F** agrees to notify the **CITY** when a problem arises that may lead to legal action or claim against the **L&F**. The **L&F** agrees to furnish to the **CITY** any information with respect to such action or claim. The **L&F** agrees not to take any action with respect to any legal action or claim sought against the **L&F** without the advice and consent of the **CITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in Cameron County, Texas.

## SECTION XV
Miscellaneous Provisions

**Conflict with Applicable Law.** Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

**No Waiver.** No waiver by **CITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

**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 representations or agreements 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 **L&F**, and not otherwise.

**Texas Law to Apply.** This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Cameron County, Texas. The parties hereby consent to personal jurisdiction in Cameron County, Texas.

**Notice.** Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **CITY**:

City of Harlingen
Finance Department
118 E. Tyler
Harlingen, Texas 78550
Email rrodriguez@myharlingen.us
Phone # (956) 216-5050
Fax # (956) 216-5058

If to **L&F**:

Loaves & Fishes of the Rio Grande Valley, Inc.
514 South E Street
Harlingen, Texas 78550
victor@lfrgv.onmicrosoft.com
Phone # (956) 423-1014
Fax # (956) 423-3051

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

**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.

**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.

**Assignment.** This Agreement shall not be assignable by **L&F**. **CITY** may assign this Agreement without the consent of **L&F**.

**Headings.** The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

**Gender and Number.** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate

**Authority to Execute.** The execution and performance of this Agreement by **CITY** and **L&F** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **CITY** and **L&F** in accordance with its terms.

**SECTION XVI**
Effective Date

The effective date of this agreement shall be the **1st day of October, 2025**, which follows the approved budget by the City Commission, and shall terminate on the **30th day of September, 2026.**

Approved and signed this ___**3rd**___ day of **September, 2025**.

__________________________________
**Victor Rivera, Executive Director**

**L&F Firm Name: Loaves & Fishes of the Rio Grande Valley, Inc.**
**Address: 514 South E Street**
**City/State/Zip: Harlingen, Texas 78550**
**Fed. I.D. # or Soc. Sec. #: 74-2589451**
**DUNS # 80-1182981**

**STATE OF TEXAS** §
§
**COUNTY OF CAMERON** §

**Victor Rivera, Executive Director**, personally appeared before me and declared that he/she signed this agreement in the capacity designated, if any, and further states that, he/she has read the above agreement, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of **September**, **2025**.

______________________________
Notary - Signature

**CITY OF HARLINGEN**

______________________________ ______________________________
**Witness:** **Norma Sepulveda, Mayor**

## EXHIBIT A
## STATEMENT OF WORK

### 1) Mission and Goals:

The goal of Loaves & Fishes of the Rio Grande Valley is to improve the community we live in by restoring broken lives. We do this by providing a wide range of unduplicated support and services to individuals who desire to become self-supporting members of the community. Loaves & Fishes feeds the hungry, provides shelter to those that have lost their home, train those who seek to improve their opportunities for employment. They place into jobs those individuals that desire to rejoin the community as productive members. They give aid and comfort to those experiencing a life altering event that takes away their ability to afford the necessities that make a house a home. Homeless prevention services provided by Loaves & Fishes gives assistance to Harlingen residents by providing rental and utility assistance, medical prescription assistance and other assistance on a case by case basis.

### 2) Homeless Prevention Services:

A. Food Services provided by Loaves and Fishes Food Pantry

Funds will be used to provide nutritious meals in the Dining Hall and bed nights in the shelter. These programs will be provided to residents of Harlingen and those who have become homeless within the City of Harlingen.

## B-1
## BUDGET

| Line Item | Amount |
|---|---|
| 1. Food Pantry | $ 75,000.00 |
| Total General Fund Allocation | **$ 75,000.00** |

## EXHIBIT B-2
## PAYMENT SCHEDULE

**Monthly payments of $6,250 to commence on October 2025 and end on September 2026.**

**EXHIBIT C**
**PROJECT TIME TABLE**

It is anticipated that the following families will be served each month in the specified categories:

Meals provided____________________

**EXHIBIT D**
**RECORDS & REPORTS**

1. When requesting payment, attach an invoice with the following documents:
   - Copies of program applications, timesheets, verbal quotations, invoices, and other supporting documentation (such as sales receipts and 941 IRS quarterly reports)
   - Copies of cancelled checks or bank statements

2. A **Monthly Activity Report** must be submitted to the Finance Department accompanying each request for payment. Each activity report must have the following items:
   - **What funds were used for, the type of services provided**
   - **Number of Persons Assisted**
   - **Specific Income Levels of persons or households with the categories of extremely low, low, moderate and non low income.**

3. All records pertaining to each fiscal year of funds must be retained for a period of 4-years

4. L&F must maintain proper financial records.

**EXHIBIT E**
**REQUESTS FOR PAYMENT**

1) L&F shall submit monthly reimbursement requests for payment. L&F shall submit copies of cancelled checks and other supporting documentation along with each monthly reimbursement request. As per Section IV of this Agreement, CITY may conduct on-site monitoring visits to assure compliance with applicable state, local and federal requirements and that performance goals are being achieved.

2) L&F shall submit monthly reimbursement requests and reports along with supporting documentation no later than the **third ($3^{rd}$) Wednesday of every month**. Reimbursement checks generally will be mailed out the within seven working days. Monthly Requests received after the due date will not be processed until the following week and reimbursement checks will not be available until two weeks after the day of receipt.

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

7(C)

Meeting Date: **September 3, 2025**

**Agenda Item:**

Consideration and possible action to authorize an agreement with Marine Military Academy for the use of Hotel Motel funds for promotion of tourism by maintaining the Iwo Jima Monument.

Prepared By (Print Name): Gabriel Gonzalez
Title: City Manager
Signature: Gabriel Gonzalez

**Brief Summary:**

The City Commission has awarded $30,000 in Hotel Motel Funds to the Marine Military Academy to promote tourism by maintaining the Iwo Jima Monument. The Agreement merely memorializes this amount and places restrictions on the use of funds.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? [X] Yes [ ] No*
*If no, specify source of funding and amount requested:

Finance Director's approval: [ ] Yes [ ] No [ ] N/A

**Staff Recommendation:**

Approval

City Manager's approval: GG [✓] Yes [ ] No [ ] N/A

**Comments:**

City Attorney's approval: [✓] Yes [ ] No [ ] N/A

AGREEMENT FOR MANAGEMENT OF HOTEL OCCUPANCY TAX FUNDS

STATE OF TEXAS

COUNTY OF CAMERON

This agreement is made this 3rd day of September, 2025, but effective October 1, 2025, by and between the City of Harlingen, Texas, a home rule city organized and existing under the laws of the State of Texas, hereinafter called, "City", and Marine Military Academy, hereinafter called "Academy", and is as follows:

WHEREAS, pursuant to Texas Tax Code, Chapter 351, City has imposed a tax within the corporate limits and extraterritorial jurisdiction of the City of Harlingen, Texas, upon the possession of a room located in a hotel which is ordinarily used for sleeping and for which consideration is received, such tax is imposed at the rate of seven percent (7%) of the price paid for such room; and

WHEREAS, pursuant to Section 351.101(c) of such Chapter, the governing body of City may contract with a private organization for the management and supervision of programs and activities funded with revenue from such tax; and

WHEREAS, in consideration of their mutual desire to promote tourism through the encouragement, promotion, improvement, and application of the arts, City and Academy desire to contract for the management and supervision by Academy of programs and activities funded with revenue from such tax:

NOW, THEREFORE, BE IT MUTUALLY AGREED AS FOLLOWS:

1. City shall, in conformity with Texas Tax Code, Chapter 351 and Chapter 37-11, Code of Ordinances, City of Harlingen, Texas, collect the hotel occupancy tax therein authorized and imposed. City shall pay to Academy a portion of the tax in the amount of Thirty thousand dollars ($30,000). The City shall pay Academy by October 31, 2025.

2. Academy shall expend the tax revenues disbursed under this agreement for exclusive purpose of encouragement, promotion, improvement and application of the arts, as provided by Texas Tax Code, Section 351.101(a)(4). All such revenues shall be expended in a manner to promote tourism and the convention and hotel industry.

3. Academy shall submit a report on expenditure of such tax revenues thirty days after the end of each calendar year.

4. Academy shall provide a number of hotel stays they anticipate to generate as a result of receiving the HOT funds, a list of magazine, newspaper or other print, video or audio promotions paid for with the Hotel/Motel Occupancy Tax by the tenth day of each calendar year.

5. Academy shall maintain the tax revenues provided by City in a separate account established for that purpose and may not commingle that revenue with any other money or maintain it in any other account.

6. Academy may expend such tax revenues for the cost of day-to-day operations, supplies, salaries, office rental, travel expenses, or any related expenses only if these administrative costs are incurred directly in the promotion and servicing of expenditures authorized under this agreement. If Academy conducts programs which, in part, include activities for which the tax revenues may not be used, the portion of costs of such program for which the tax revenues are used, including associated administrative costs, may not exceed the actual cost attributable to the activities for which the tax revenues may be used under this agreement.

7. Nothing in this agreement shall be deemed to limit the power of City to repeal, alter or amend the ordinance imposing the hotel occupancy tax, such legislative power being hereby expressly retained.

8. City expressly reserves the right to terminate this agreement at any time upon thirty (30) days written notice to Academy. Unless earlier terminated, this agreement shall remain in effect until September 30, 2026.

9. This Agreement constitutes the exclusive agreement of the parties with respect to the subject matter hereof and may be amended only in writing executed by both parties hereto.

10. Exclusive venue of any claim or cause of action arising out of this Agreement shall lie in the State Courts of Cameron County, Texas.

11. This agreement shall be construed in accordance with the laws of the State of Texas.

Agreed this the ______ day of September ______, 2025.

| | |
|---|---|
| CITY OF HARLINGEN, TEXAS | Marine Military Academy |
| ______________________ | ______________________ |
| Norma Sepulveda<br>Mayor | Colonel Christopher Dowling,<br>Superintendent<br>Marine Military Academy |
| Attest: | Attest: |
| ______________________ | ______________________ |
| Mayra Herrera<br>City Secretary | Dr. John Butler, Business Director<br>Marine Military Academy |

7(d)

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

Meeting Date: **September 3, 2025**

**Agenda Item:**

Consideration and possible action to authorize an agreement with Rio Grande Valley Birding Festival for the use of Hotel Motel funds for promotion of tourism through the annual birding festival.

Prepared By (Print Name): Gabriel Gonzalez
Title: City Manager
Signature: Gabriel Gonzalez

**Brief Summary:**

The City Commission has awarded $81,000 in Hotel Motel Funds to the Rio Grande Valley Birding Festival. This Agreement merely memorializes the dollar amount and places restrictions on the use of funds.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? [X] Yes [ ] No*
*If no, specify source of funding and amount requested:

Finance Director's approval: [ ] Yes [ ] No [ ] N/A

**Staff Recommendation:**

Approval

City Manager's approval: GG [✓] Yes [ ] No [ ] N/A

**Comments:**

City Attorney's approval: [✓] Yes [ ] No [ ] N/A

AGREEMENT FOR MANAGEMENT OF HOTEL OCCUPANCY TAX FUNDS

STATE OF TEXAS

COUNTY OF CAMERON

This agreement is made this 3rd day of September , 2025, but effective October 1, 2024, by and between the City of Harlingen, Texas, a home rule city organized and existing under the laws of the State of Texas, hereinafter called, "City", and Rio Grande Valley Birding Festival Board of Directors, hereinafter called "Festival", and is as follows:

WHEREAS, pursuant to Texas Tax Code, Chapter 351, City has imposed a tax within the corporate limits and extraterritorial jurisdiction of the City of Harlingen, Texas, upon the possession of a room located in a hotel which is ordinarily used for sleeping and for which consideration is received, such tax is imposed at the rate of seven percent (7%) of the price paid for such room; and

WHEREAS, pursuant to Section 351.101(c) of such Chapter, the governing body of City may contract with a private organization for the management and supervision of programs and activities funded with revenue from such tax; and

WHEREAS, in consideration of their mutual desire to promote tourism through the encouragement, promotion, improvement, and application of the arts, City and Festival desire to contract for the management and supervision by Festival of programs and activities funded with revenue from such tax:

NOW, THEREFORE, BE IT MUTUALLY AGREED AS FOLLOWS:

1. City shall, in conformity with Texas Tax Code, Chapter 351 and Chapter 37-11, Code of Ordinances, City of Harlingen, Texas, collect the hotel occupancy tax therein authorized and imposed. City shall pay to Festival a portion of the tax in the amount of Eighty-one thousand dollars ($81,000). The City shall pay Festival by October 31, 2025.

2. Festival shall expend the tax revenues disbursed under this agreement for exclusive purpose of encouragement, promotion, improvement and application of the arts, as provided by Texas Tax Code, Section 351.101(a)(4). All such revenues shall be expended in a manner to promote tourism and the convention and hotel industry.

3. *Festival shall submit an annual budget when requesting funding from the City. Festival will provide the City with a consolidated financial report prepared by a CPA for all expenditures under this Contract for each year ending September 30.* Festival shall submit a report on expenditure of such tax revenues thirty days after the end of each calendar quarter.

4. Festival shall provide a number of hotel stays they anticipate to generate as a result of receiving the HOT funds, a list of magazine, newspaper or other print, video or audio promotions paid for with the Hotel/Motel Occupancy Tax by the tenth day of each calendar quarter.

5. Festival agrees to allocate a minimum of $10,000 of funds strictly for promotions.

6. Festival shall maintain the tax revenues provided by City in a separate account established for that purpose and may not commingle that revenue with any other money or maintain it in any other account.

7. Festival may expend such tax revenues for the cost of day-to-day operations, supplies, salaries, office rental, travel expenses, or any related expenses only if these administrative costs are incurred directly in the promotion and servicing of expenditures authorized under this agreement. If Festival conducts programs which, in part, include activities for which the tax revenues may not be used, the portion of costs of such program for which the tax revenues are used, including associated administrative costs, may not exceed the actual cost attributable to the activities for which the tax revenues may be used under this agreement.

8. Nothing in this agreement shall be deemed to limit the power of City to repeal, alter or amend the ordinance imposing the hotel occupancy tax, such legislative power being hereby expressly retained.

9. City expressly reserves the right to terminate this agreement at any time upon thirty (30) days written notice to Festival. Unless earlier terminated, this agreement shall remain in effect until September 30, 2026.

10. This Agreement constitutes the exclusive agreement of the parties with respect to the subject matter hereof and may be amended only in writing executed by both parties hereto.

11. Exclusive venue of any claim or cause of action arising out of this Agreement shall lie in the State Courts of Cameron County, Texas.

12. This agreement shall be construed in accordance with the laws of the State of Texas.

Agreed this the 3rd day of September, 2025.

| CITY OF HARLINGEN, TEXAS | RIO GRANDE VALLEY BIRDING FESTIVAL BOARD OF DIRECTORS |
|---|---|
| ______________________ | ______________________ |
| Norma Sepulveda<br>Mayor | David Schibi<br>Board President |
| Attest: | Attest: |
| ______________________ | ______________________ |
| Mayra Herrera<br>City Secretary | Sue Griffin<br>Festival Chair |

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

7(e)

Meeting Date: **September 3, 2025**

**Agenda Item:**

Consideration and possible action to adopt an Ordinance on Second and Final Reading for a request to rezone from Not Designated ("N") District to Residential, Single Family ("R-1") District for 25.78 acres of land out of Survey 140, L.L. Adams Subdivision, located on the east side of Altas Palmas Road, approximately 4,696 feet north of W. Expressway 83. Applicant: Moore Land Surveying, LLC c/o Zarate Management, LLC

Prepared By: Ana Hernandez, AICP, CNU_A
Title: Planning and Development Director/ Special Projects Director
Signature: Ana Hernandez

**Brief Summary:**

Project Timeline

- July 15, 2025 – Application for rezoning submitted **(ATTACHMENT I).**
- August 1, 2025 – In accordance with State and local law, notice of the required public hearing was mailed to all property owners within a 200 feet radius of subject tract.
- August 2, 2025 – In accordance with Statute and local law, notice of required public hearings published in the Valley Morning Star and mailed to all property owners within 200 feet of subject tract
- August 13, 2025 – Public hearing and consideration of requested rezoning by the Planning and Zoning Commission (P&Z).
- August 20, 2025 – Public hearing and consideration of requested rezoning via 1st ordinance reading scheduled before the City Commission.
- September 3, 2025 – Pending approval of 1st ordinance reading, consideration of approval of 2nd ordinance reading scheduled before the City Commission.

Summary

- The applicant is requesting to rezone the subject properties from Not Designated ("N") District to Residential, Single Family ("R-1") District to allow for the development of a single-family residential subdivision on the subject property.

- The subject property was annexed into the city limits on November 2008, and is currently vacant. The property has 613 feet of frontage on Altas Palmas Road and a depth of 1,881 feet at its longest point. Altas Palmas is currently a two lane 22 ft. wide paved street without curb and gutter. **(ATTACHMENT II-V).**

- The surrounding properties are zoned Not Designated ("N") District to the north and south, and Residential, Single Family ("R-1") District to the east. West of the subject property is outside the city limits. **(ATTACHMENT II).** Surrounding land use consists of vacant land in agriculture use to the north and south and residential single family use to the east. **(ATTACHMENT VI).**

- The Future Land Use Plan component of the City of Harlingen Comprehensive Plan One Vision, One Harlingen shows this area as low density residential. The request is consistent with the Future Land Use Plan and consistent with the surrounding zoning and land use. (**ATTACHMENT VII**).
- To the present, the Planning and Development Department has not received any calls in opposition to the requested rezoning from surrounding property owners.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*

*If no, specify source of funding and amount requested:

Finance Director's approval: ☐ Yes ☐ No ☐ N/A

**Staff Recommendation:**

Staff recommends approval.

City Manager's approval: GG ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: ☑ Yes ☐ No ☐ N/A

## Attachment I—Application

**CITY OF HARLINGEN PLANNING AND DEVELOPMENT DEPARTMENT**
**MASTER APPLICATION**

**PROPERTY INFORMATON**: (*Please* **PRINT** *or* **TYPE**)

Project Address ALTAS PALMAS Nearest Intersection RODEO DR. & ALTAS PALMAS

(Proposed) Subdivision Name ALTAS PALMAS PHASE I Lot 110 Block 1

Existing Zoning Designation ND Future Land Use Plan Designation SF-1

**OWNER/APPLICANT INFORMATION:** (*Please* **PRINT** or **TYPE**)

Applicant/Authorized Agent EMILIANO ROSEL Phone 956-929-1615 FAX

**Email Address** (for project correspondence only): EROSEL.MLS@GMAIL.COM

Mailing Address 14216 PALIS DR. City LA FERIA State TX Zip 78552

Property Owner ZARATE MANAGEMENT, LLC Phone 956-561-9587 FAX

**Email Address** (for project correspondence only):

Mailing Address 1992 DATE PALM DR. City MERCEDES State TX Zip 78570

**Select appropriate process for which approval is sought. Attach completed checklists with this application.**

| | |
|---|---|
| ☐ Annexation Request ........ No Fee | ☐ Preliminary Construction Plans and Final Plat ........ $150.00 |
| ☐ Administrative Appeal (ZBA) ........ $125.00 | ☐ Minor Plat ........ $100.00 |
| ☐ Comp. Plan Amendment Request ........ $250.00 | ☐ Re-Plat ........ $250.00 |
| ☒ Re-zoning Request ........ $250.00 | ☐ Vacating Plat ........ $250.00 |
| ☐ SUP Request/Renewal ........ $250.00 | ☐ Development Plat ........ $50.00 |
| ☐ Zoning Variance Request (ZBA) ........ $250.00 | ☐ Subdivision Variance Request ........ $25.00 (each) |
| ☐ PDD Request ........ $250.00 | ☐ Right-of-Way / Utility Easement Abandonment ........ No Fee |
| ☐ License to Encroach ........ $250.00 | |

**Please provide a basic description of the proposed project:** PROPOSED 110 SINGLE FAMILY RESIDENTIAL SUBDIVISION

I hereby certify that I am the owner and/or duly authorized agent of the owner for the purposes of this application. I further certify that I have read and examined this application and know the same to be true and correct. If any of the information provided on this application is incorrect the permit or approval may be revoked.

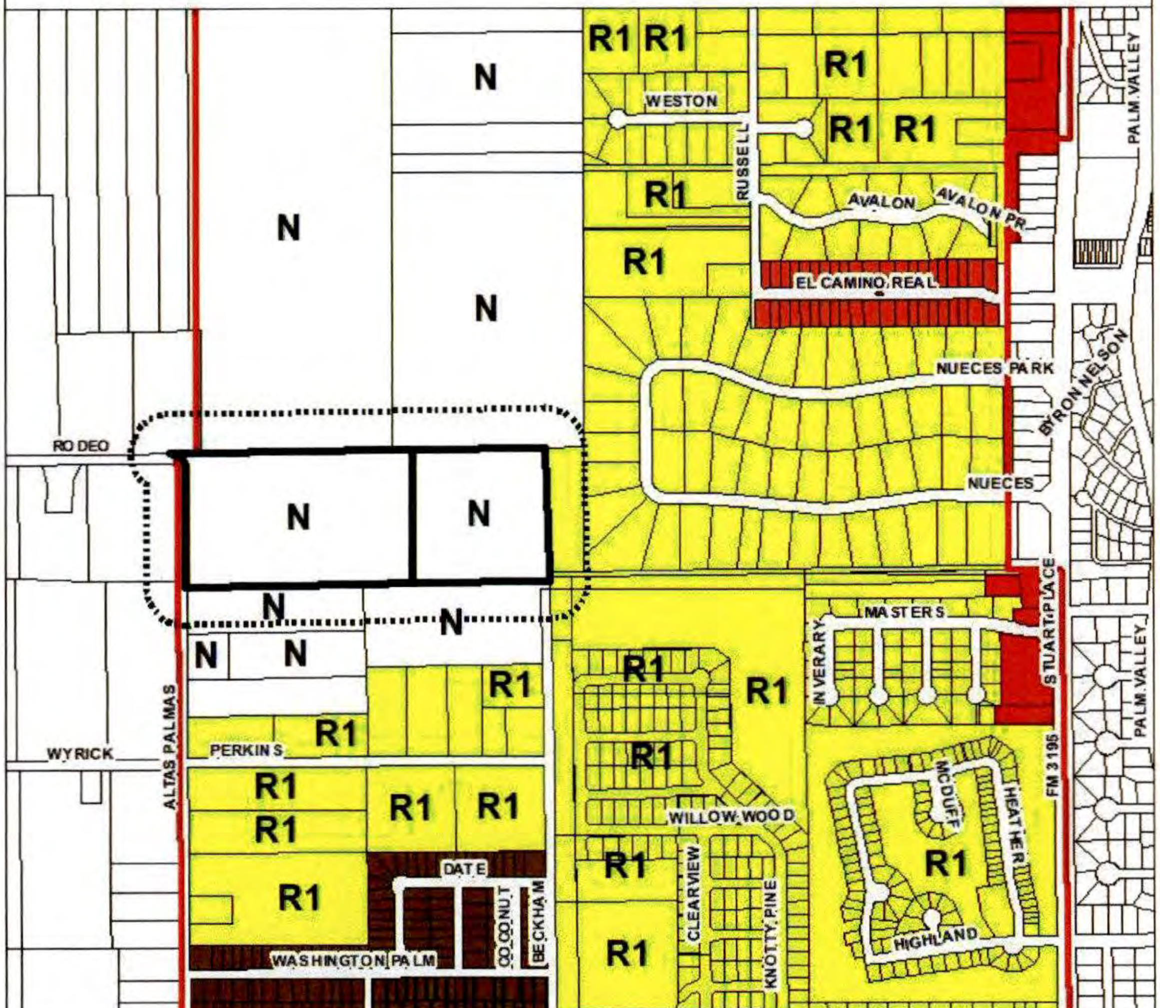
Applicant's Signature: [signature] Date: 7/15/25

Property Owner(s) Signature: [signature] Date:

Accepted by: Date:

## Attachment II—Legal Notice

**Request to rezone from Not Designated (N) District to Residential, Single-Family ("R-1") District for single family residential use with for 25.78 acres of land out of Survey 140, L.L. Adams Subdivision. Applicant: Moore Land Surveying, LLC c/o Zarate Homes & Design**




N

0 250 500

Feet

**Boundary lines**

Harlingen city limits.shp

200' Notification Boundary

Subject Property

**Zoning Designations**

**Zone Map**

General Retail (GR)

Heavy Industry (HI)

Light Industry (LI)

3/4 Plex Residential (M1)

Multi Family Residential (M2)

Mobile Home Residential (MH)

Not-Designated (N)

Neighborhood Services (NS)

Office (O)

Planned Development (PD)

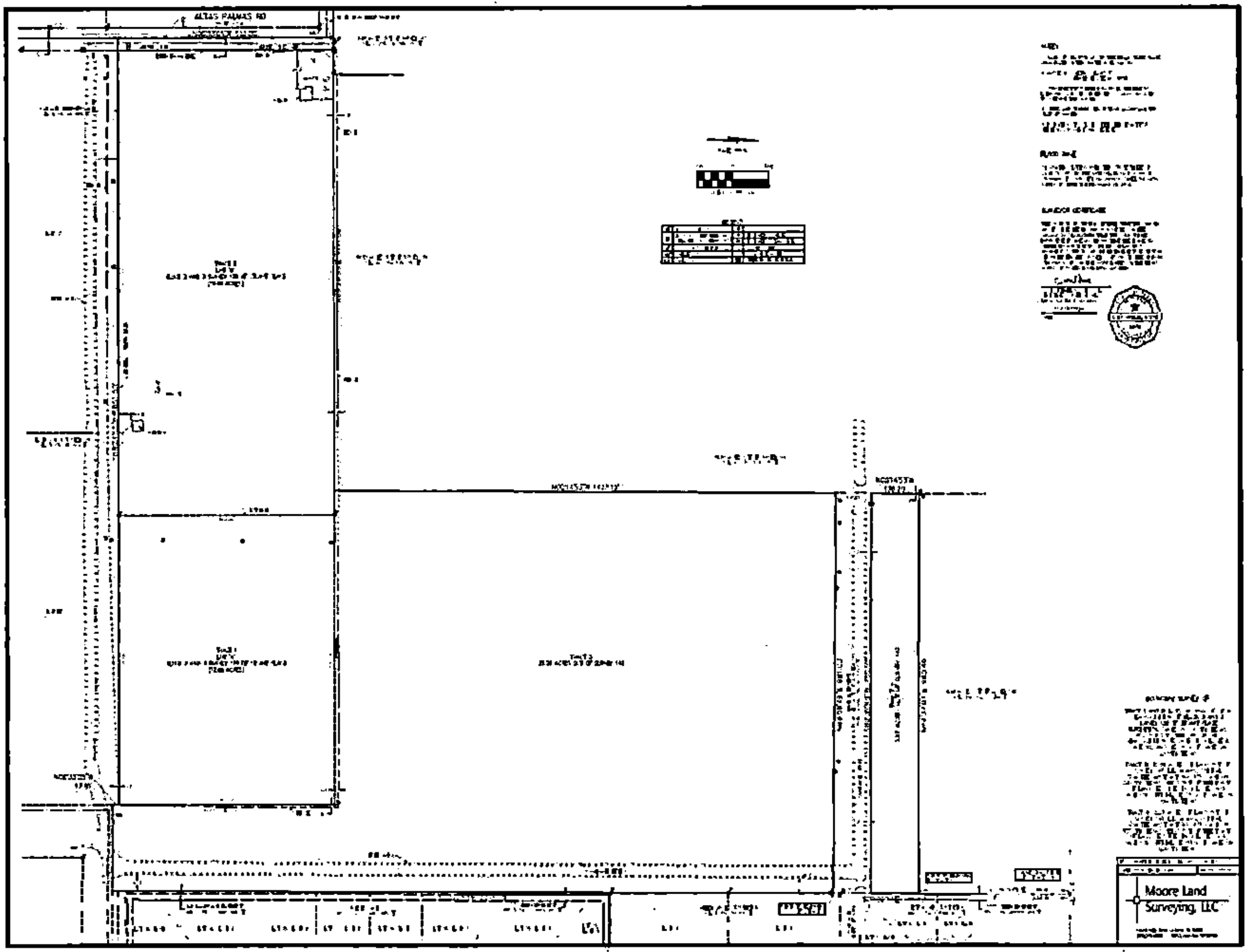
Single Family Residential (R1)

Duplex Residential (R2)

Residential Patio Home (RPH)

This map has been produced by the City of Harlingen for the sole purpose of locating jurisdictional boundaries and is not intended for any other. The map data is compiled from various sources including orthophoto imagery, engineer plans and plats, survey field notes, and other sources. This map is intended for graphic representation only. No warranty is made by the City regarding its accuracy or completeness. Before relying on any information on the map, check with the Planning Department. Date of map 07.28.2025

## Attachment III—Survey



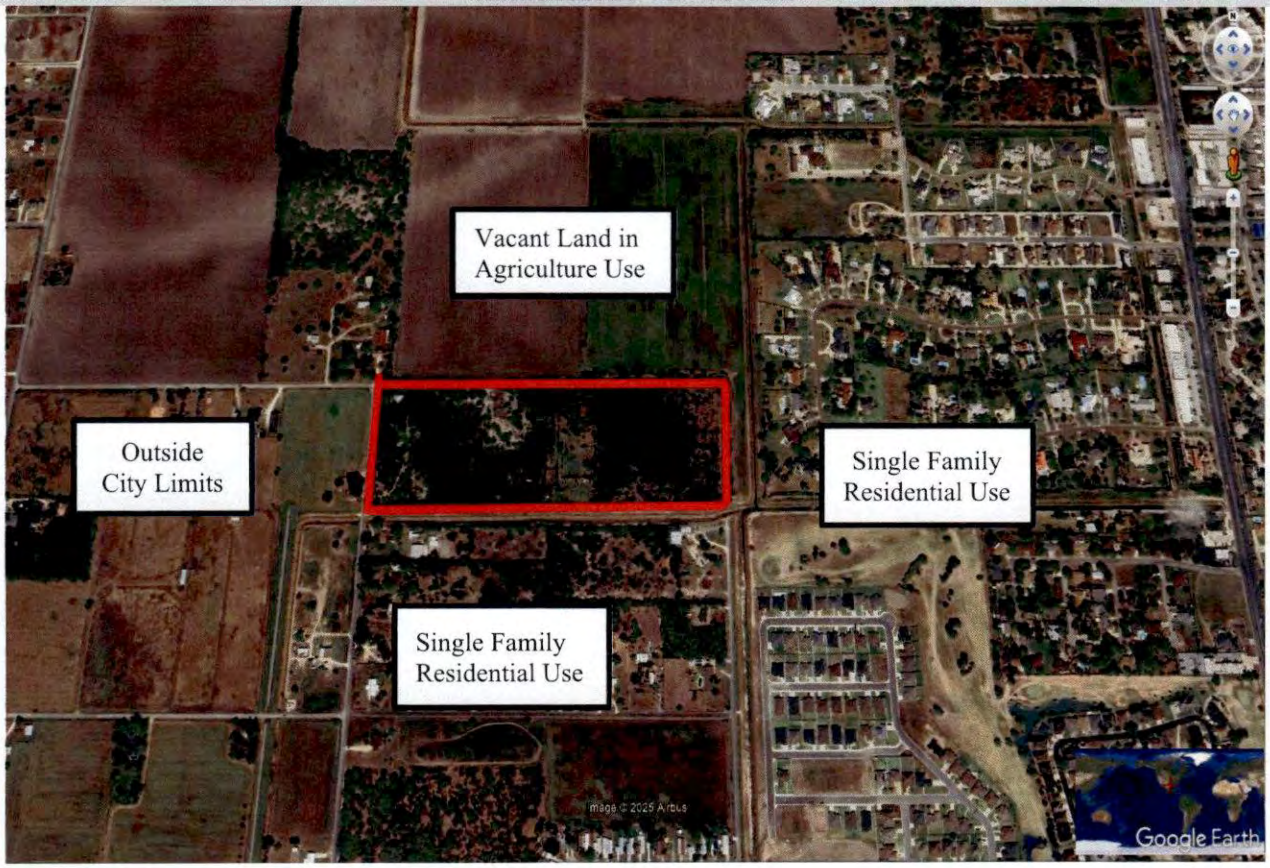
## Attachment IV

View from west on Altas Palmas Road

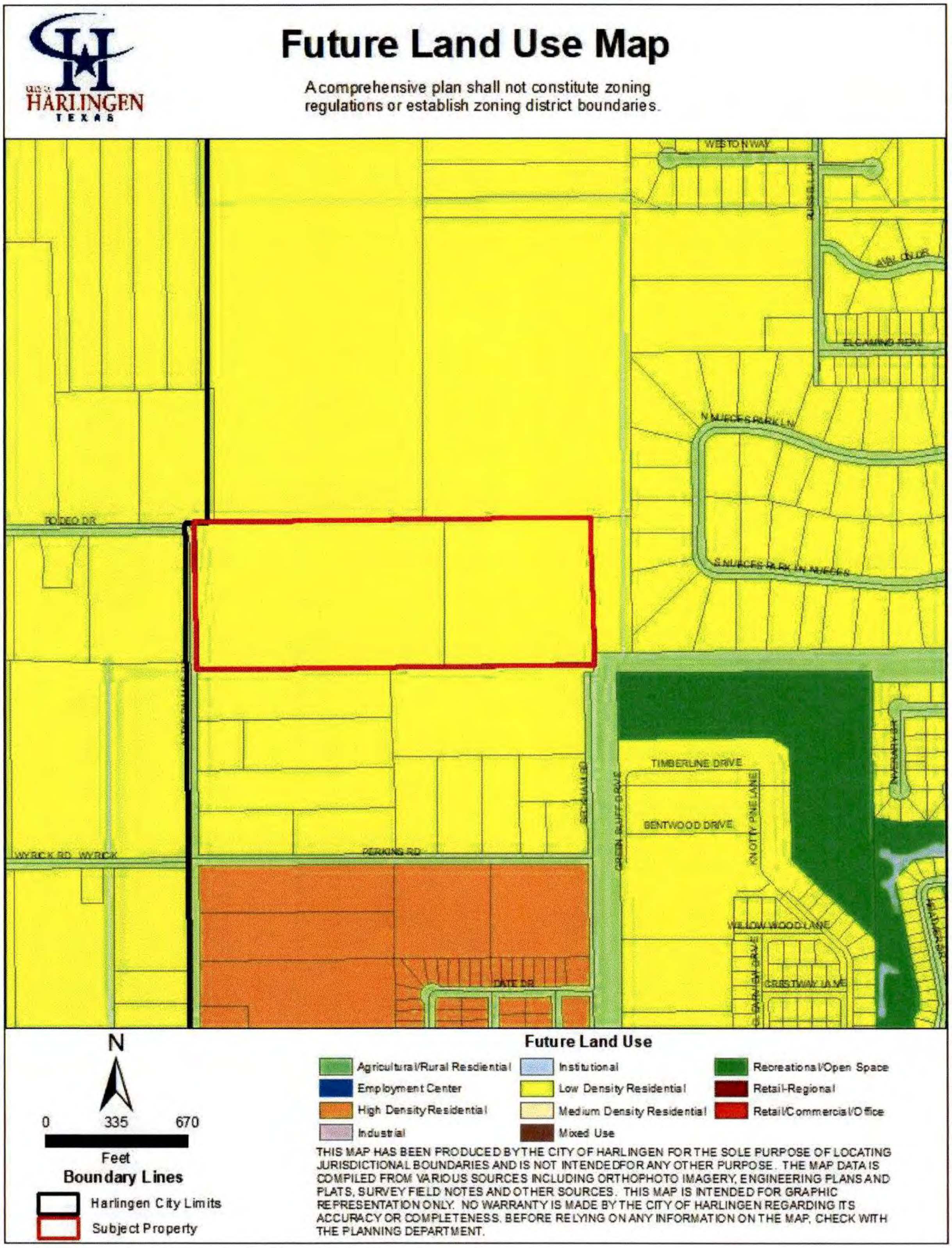
**Attachment V-**

View from the Southwest
on Altas Palmas Rd.

## Attachment VI—Aerial



## Attachment VII—Future Land Use Map



**ORDINANCE NO. 25-**

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF HARLINGEN: REZONING FROM NOT DESIGNATED ("N") DISTRICT TO RESIDENTIAL, SINGLE FAMILY ("R-1") DISTRICT FOR 25.78 ACRES OF LAND OUT OF SURVEY 140, L.L. ADAMS SUBDIVISION, LOCATED ON THE EAST SIDE OF RODEO DRIVE, APPROXIMATELY 4,696 FEET NORTH OF WEST EXPRESSWAY 83.**

WHEREAS, the Planning and Zoning Commission of the City of Harlingen pursuant to Harlingen's Zoning Ordinance procedure, has recommended a change in the zoning classification for certain described real property in the City of Harlingen; and it is deemed to be in the best interest of the City of Harlingen in accordance with said recommendation of the Planning and Zoning Commission of the City, being the recommendation as hereinafter set forth; and public notice of such proposed rezoning having been fully made and complied with as required by said Zoning Ordinance and applicable laws of the State of Texas; and the City Commission of the City of Harlingen having held public hearings with reference thereto, being duly and thoroughly heard; and after consideration of the evidence presented, said City Commission is of the opinion that it is in the best interest of the City of Harlingen that said Code of Ordinances be amended as indicated, now, therefore,

**BE IT ORDAINED BY THE CITY OF HARLINGEN**

That the Code of Ordinances of the City of Harlingen (Ordinance 16-8) be and the same is herewith amended by the following described property being changed for permissive zone use as indicated:

> Rezoning from Not Designated ("N") District to Residential, Single Family ("R-1") District for 25.78 acres of land out of Survey 140, L.L. Adams Subdivision, located on the east side of Rodeo Drive, approximately 4.696 feet north of West Expressway 83 as shown in Exhibit "A".

A copy of the Zoning Map constituting a part and parcel of the Code of Ordinances, as filed with the Building Inspection Inspector and for the joint use and information of the Planning and Zoning Commission shall, upon final enactment hereof, be and the same is herewith amended and revised to reflect that the above described property is zoned for land use purposes as above indicated by the boundaries thereof being outlined in pronounced heavy line markings and such heavy line marking boundary enclosure being indicated within by the appropriate initials for that portion herewith zoned for particular land uses; with the Planning and Development Director being herewith instructed and authorized to document such Zoning Map changes and revisions.

The provisions of this ordinance shall become effective from and after the final and lawful passage hereof and publication of the caption hereof as provided for and required in the Code of Ordinances and applicable state statutes.

**FINALLY ENACTED** this ____ day of _____________, 2025 at a regular meeting of the Elective Commission of the City of Harlingen, Texas at which a quorum was present, and which was held in accordance with TEXAS GOVERNMENT CODE, CHAPTER 551.

**CITY OF HARLINGEN**

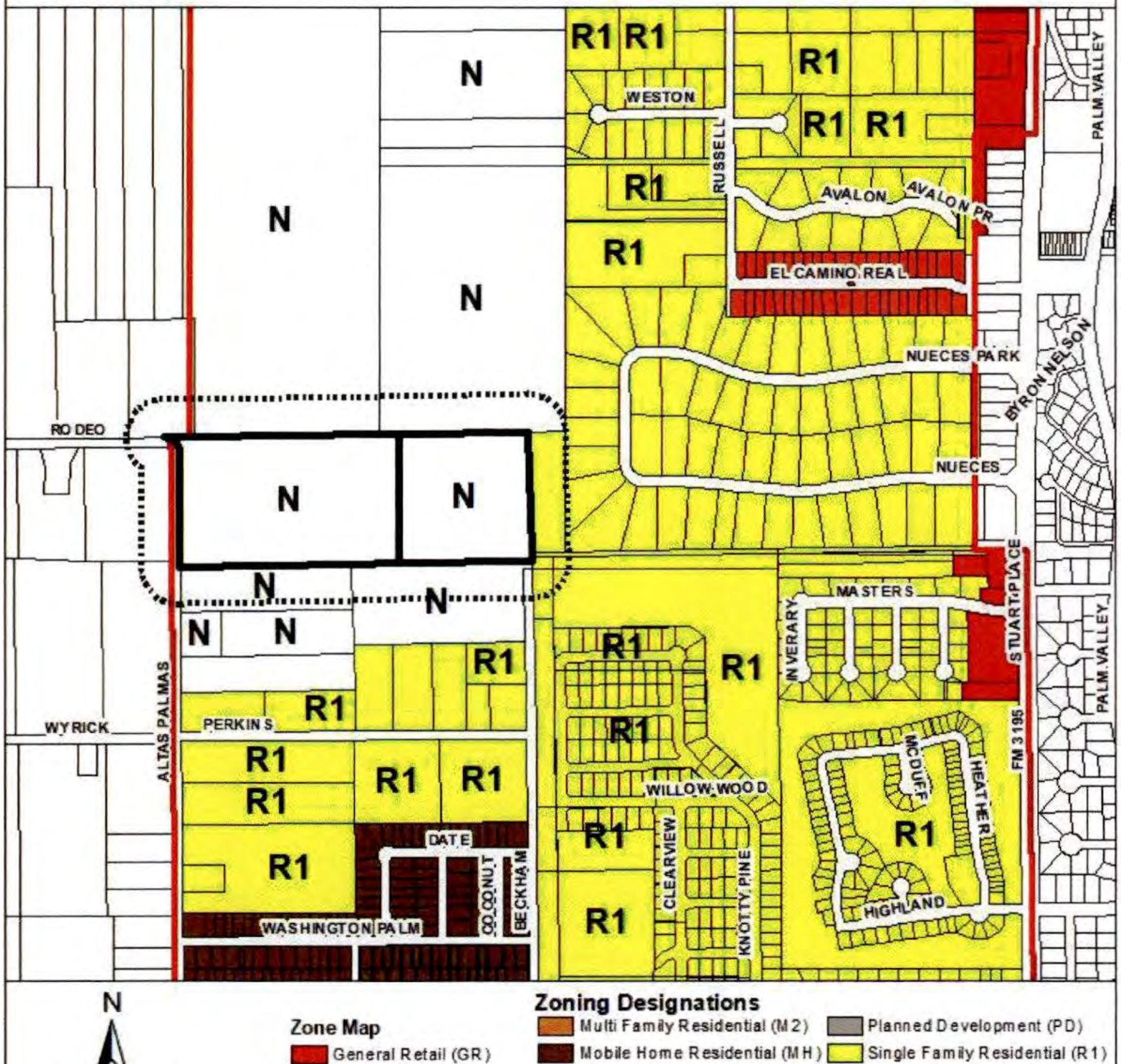
______________________
Norma Sepulveda, Mayor

**ATTEST:**

______________________
Amanda C. Elizondo, City Secretary

EXHIBIT "A"

**Request to rezone from Not Designated (N) District to Residential, Single-Family ("R-1") District for single family residential use with for 25.78 acres of land out of Survey 140, L.L. Adams Subdivision. Applicant: Moore Land Surveying, LLC c/o Zarate Homes & Design**




**Zone Map**

**Zoning Designations**

- General Retail (GR)
- Heavy Industry (HI)
- Light Industry (LI)
- 3/4 Plex Residential (M1)
- Multi Family Residential (M2)
- Mobile Home Residential (MH)
- Not-Designated (N)
- Neighborhood Services (NS)
- Office (O)
- Planned Development (PD)
- Single Family Residential (R1)
- Duplex Residential (R2)
- Residential Patio Home (RPH)

**Boundary lines**

- Harlingen city limits.shp
- 200' Notification Boundary
- Subject Property

This map has been produced by the City of Harlingen for the sole purpose of locating jurisdictional boundaries and is not intended for any other. The map data is compiled from various sources including orthophoto imagery, engineer plans and plats, survey field notes, and other sources. This map is intended for graphic representation only. No warranty is made by the City regarding its accuracy or completeness. Before relying on any information on the map, check with the Planning Department. Date of map 07.28.2025

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

7(f)

Meeting Date: **September 3, 2025**

**Agenda Item:**

Consideration and possible action to adopt an Ordinance on Second and Final Reading for a request for a Special Use Permit (SUP) for a Food Truck Park in a General Retail (GR) District located at 2906 South Expressway 83, bearing a legal description of Lot 1, E & L Subdivision. Applicant: James Kendrick Judkins

Prepared By: Ana Hernandez, AICP, CNU_A
Title: Planning and Development Director/ Special Projects Director

Signature: Ana Hernandez

**Brief Summary:**

Project Timeline

- July 21, 2025 – Application for Special Use Permit (SUP) submitted to the City. **(ATTACHMENT I)**
- July 30, 2025 – In accordance with State and local law, notice of required public hearings mailed to all property owners within 1000 feet of subject tract.
- August 02, 2025 – In accordance with State and local law, notice of required public hearings published in the Valley Morning Star.
- August 13, 2025 - Public hearing and consideration of requested Special use permit by the Planning and Zoning Commission (P&Z).
- August 20, 2025 – Public hearing and consideration of requested SUP via 1st ordinance reading scheduled before the City Commission.
- September 03, 2025 – Pending approval of 1st ordinance reading, consideration of approval of 2nd ordinance reading scheduled before the City Commission.

Summary

- Pursuant to the Code of Ordinances, a Food Truck Park in a General Retail (GR) District requires the approval of a Special Use Permit (SUP) by the City Commission.
- James Kendrick Judkins, the applicant, is requesting a special use permit to allow a Food Truck Park with a maximum of 10 food trucks to be located at the southeast corner of Louisiana Avenue and Expressway 83 frontage road. **(ATTACHMENT II AND III).**
- There is an existing 8,892 sq. ft. commercial building on the property. The subject property has 256 feet of frontage on Expressway 83 and 300 feet of frontage on Louisiana Street.
- Based on the site plan and the information submitted by the applicant, the proposed food truck park is to be located at Spectacular Solutions Plaza on the southeast side of the property. The proposed days and hours of operation are Sunday through Wednesday from 6 a.m. to 6 p.m. On Thursday, Friday and Saturday the proposed hours of operation are from 6 a.m. to 12 a.m. Nine parking spaces are required and approximately 63 parking spaces are provided in a common parking area as shown on the existing commercial building on the subject property. The building houses JKJ Workforce, Ezy Mail shipping outlet, and Trump Store. **(ATTACHMENT III and IV).**

- Adjacent zoning is GR District to the east, west, and to the north across Expressway 77/83. There is R-1 (single family residential) District to the south and west. The surrounding land uses consist of Spectrum offices to the north, Victoria Steel building to the east, and single-family residences to the south and west. (**ATTACHMENTS V and VI).**
- The City of Harlingen Building Inspections, Fire Prevention, Health, Police and Public Works Departments reviewed the SUP application. The Building Inspection, Fire Prevention, and Police Departments reported no objection to the proposed request subject to adhering to the Harlingen Code of Ordinances and procedures administered by each department. **(ATTACHMENTS VII-IX).**
- The applicant must obtain and maintain the proper State and City permits.
- Presently, the Planning and Zoning Department has not received any objections to the request from surrounding property owners.
- In accordance with the zoning ordinance, the P&Z and City Commissions may impose requirements and conditions of approval as needed to ensure that a use requested by a SUP is compatible and complementary to adjacent properties.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*

*If no, specify source of funding and amount requested:

Finance Director's approval: ☐ Yes ☐ No ☐ N/A

**Staff Recommendation:**

Staff recommends approval of the request subject to compliance with the following conditions:

1. Obtaining and maintaining the proper State and City permits;
2. Providing and maintaining the required parking in accordance with city regulations;
3. Hours of operation are from 6 AM – 6 PM, Sunday through Wednesday; 6 AM – 12 AM Thursday through Saturday;
4. Providing video surveillance with a thirty-day video retention; and
5. Complying with the requirements administered by Planning and Zoning, Building Inspections, Fire Prevention, Health, and Police Departments.

City Manager's approval: GG ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: [signature] ☑ Yes ☐ No ☐ N/A

## Attachment I

### CITY OF HARLINGEN PLANNING AND DEVELOPMENT DEPARTMENT
### MASTER APPLICATION

**PROPERTY INFORMATON**: (*Please* **PRINT** *or* **TYPE**)

Project Address 2906 S Expressway 83 Nearest Intersection Expresway 83 & Louisiana

(Proposed) Subdivision Name Spectacular Solutions Food Truck Park Lot 1 E&L Sub Block ______

Existing Zoning Designation GR Future Land Use Plan Designation ______

**OWNER/APPLICANT INFORMATION:** (*Please* **PRINT** or **TYPE**)

Applicant/Authorized Agent James Kendrick Judkins Phone 956-440-8720 FAX 510-588-5547

**Email Address** (for project correspondence only): James.K.Judkins@JKJWorkforce.com

Mailing Address 2906 S Expressway 83 City Harlingen State TX Zip 78552

Property Owner James K Judkins (Spectacular Solutions LLC) Phone 956-440-8720 FAX 510-588-5547

**Email Address** (for project correspondence only): James.K.Judkins@JKJWorkforce.com

Mailing Address 2906 S Expressway 83 City Harlingen State TX Zip 78552

**Select appropriate process for which approval is sought. Attach completed checklists with this application.**

| | |
|---|---|
| ☐ Annexation Request........ No Fee | ☐ Preliminary Construction Plans and Final Plat........ $150.00 |
| ☐ Administrative Appeal (ZBA)........ $125.00 | ☐ Minor Plat........ $100.00 |
| ☐ Comp. Plan Amendment Request... $250.00 | ☐ Re-Plat........ $250.00 |
| ☐ Re-zoning Request........ $250.00 | ☐ Vacating Plat........ $250.00 |
| ☒ SUP Request/Renewal........ $250.00 | ☐ Development Plat........ $50.00 |
| ☐ Zoning Variance Request (ZBA)...... $250.00 | ☐ Subdivision Variance Request........ $25.00 (each) |
| ☐ PDD Request........ $250.00 | ☐ Right-of-Way / Utility Easement Abandonment...... No Fee |
| ☐ License to Encroach........ $250.00 | |

PAID 7/21/25

**Please provide a basic description of the proposed project:** Special Use Permit Request for Food Truck Park as per Sec 111-335 of Harlingen, TX Code of Ordinances.

I hereby certify that I am the owner and/or duly authorized agent of the owner for the purposes of this application. I further certify that I have read and examined this application and know the same to be true and correct. If any of the information provided on this application is incorrect the permit or approval may be revoked.

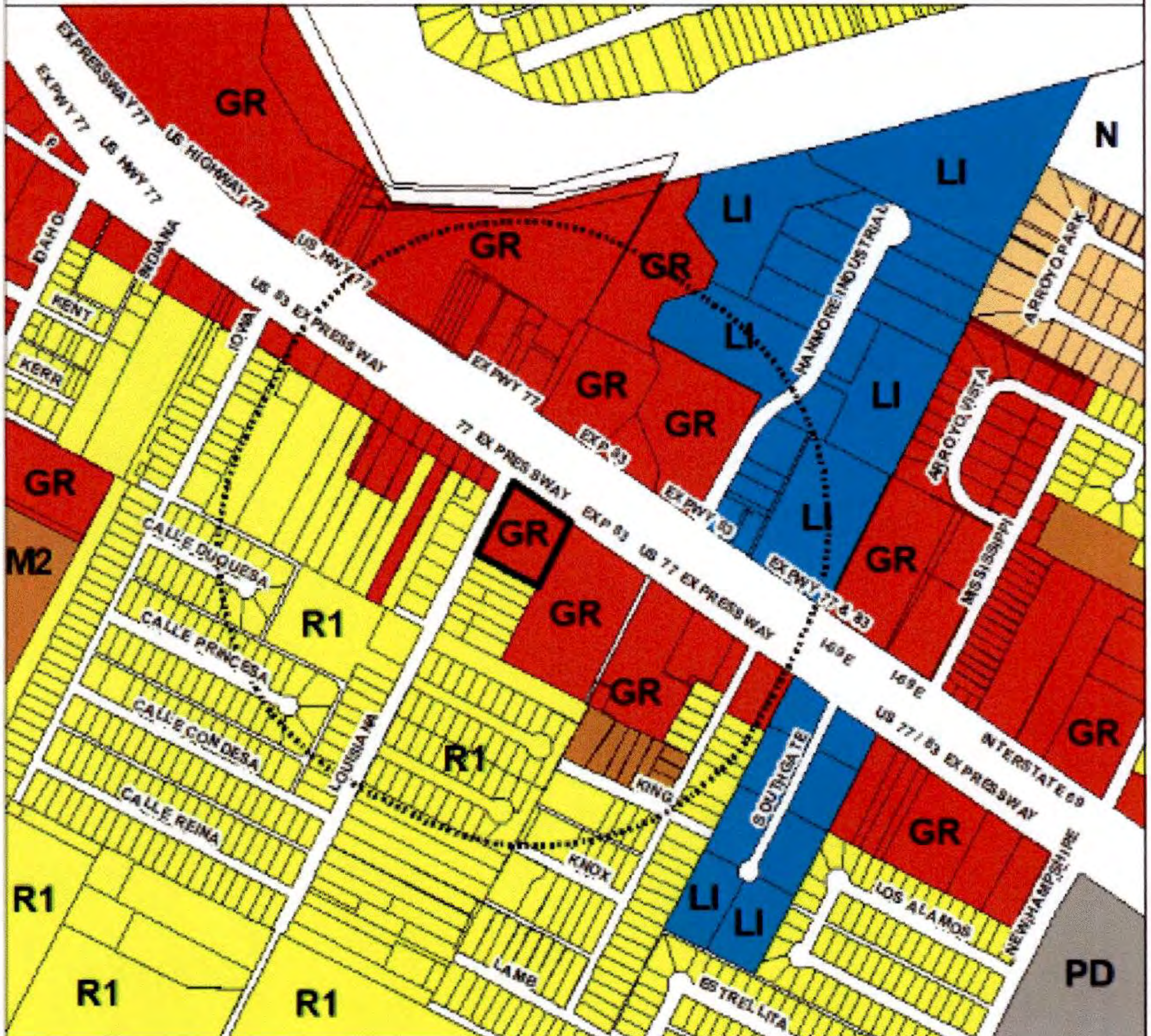
Applicant's Signature: ______ Date: 07/21/2025

Property Owner(s) Signature: ______ Date: 07/21/2025

Accepted by: ______ Date: ______

## Attachment II

**Request for a Special Use Permit (SUP) to allow a food truck park in a General Retail ("GR") District, located at the JKJ Workforce located at 2906 S. Expressway 83, bearing a legal description of Lot 1, E & L Subdivision. Applicant: James Kendrick Judkins**




N

0 185 370

Feet

**Boundary lines**

Harlingen city limits.shp

1,000' Notification Boundary

Subject Property

**Zoning Designations**

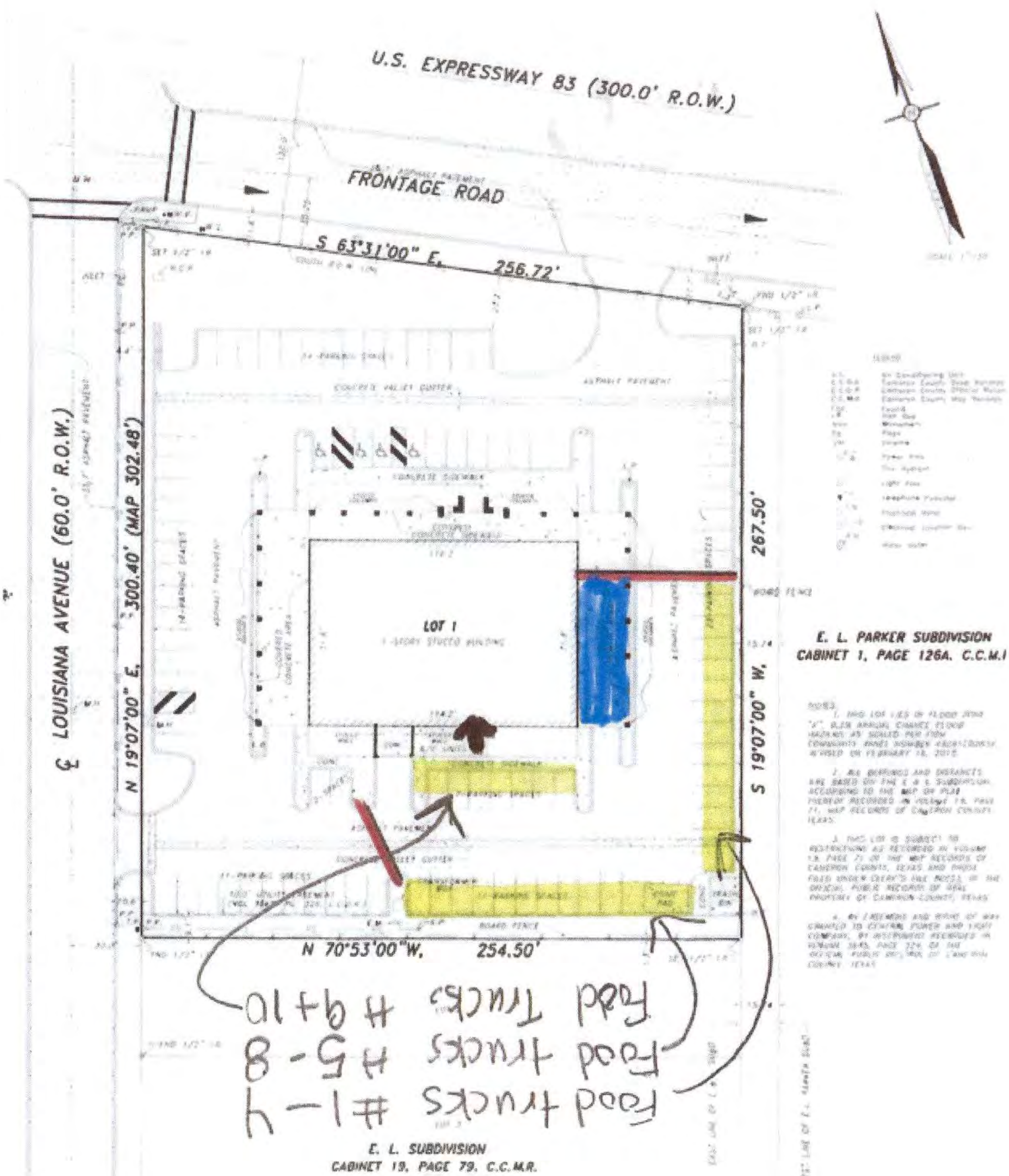
- General Retail (GR)
- Heavy Industry (HI)
- Light Industry (LI)
- 3/4 Flex Residential (M1)
- Multi Family Residential (M2)
- Mobile Home Residential (MH)
- Not-Designated (N)
- Neighborhood Services (NS)
- Office (O)
- Planned Development (PD)
- Single Family Residential (R1)
- Duplex Residential (R2)
- Residential Patio Home (RPH)

This map has been produced by the City of Harlingen for the sole purpose of locating jurisdictional boundaries and is not intended for any other. The map data is compiled from various sources including orthophoto imagery, engineer plans and plats, survey field notes, and other sources. This map is intended for graphic representation only. No warranty is made by the City regarding its accuracy or completeness. Before relying on any information on the map, check with the Planning Department. Date of map 07.28.2025

**Attachment III**

**Attachment IV**

**SITE PLAN**



## Attachment V

## Attachment VI

**Pending Comments from the Building Inspections Department.**

**Attachment VII**

CITY OF HARLINGEN TEXAS

**Specific Use Permit ("SUP") Routing Slip**

**Applicant:** James Kendrick Judkins

**Phone No.:** (956) 440-8720

**Location:** 2906 South Expressway 83

**Project Description:** Request for a Special Use Permit (SUP) to allow a Food Truck Park

**Department:** HARLINGEN POLICE DEPARTMENT

**Approval:** ✓ YES ____ NO

**Comments:**

Alfredo Alvear, BSCJ, CPM
Chief of Police

Date 8/5/25

**Attachment VIII**

CITY OF HARLINGEN TEXAS

**Specific Use Permit ("SUP") Routing Slip**

**Applicant:** James Kendrick Judkins

**Phone No.:** (956) 440-8720

**Location:** 2906 S Expressway 83

**Project Description:** Request for a Special Use Permit (SUP) to allow a Food Truck Park

**Department:** Fire Prevention Bureau

**Approval:** _X_YES_ NO

**Comments: Applicant will have to meet any code, regulation, ordinance, and standard required for permit.**

**Fire Marshal Juan Sauceda Jr.**

Juan Sauceda Jr

**Date: August 1, 2025**

Attachment IX

CITY OF HARLINGEN TEXAS

**Specific Use Permit ("SUP") Routing Slip**

**Applicant:** James Kendrick Judkins

**Phone No.:** (956) 440-8720

**Location:** 2906 South Expressway 83

**Project Description:** Request for a Special Use Permit (SUP) to allow a Food Truck Park

**Department:** Health

**Approval:** **X**____YES ______ NO

**Comments: After reviewing comments and site plans from Mr. James Judkins owner of Spectacular Solutions Food Truck Park located at 2906 S. Expressway 83, Harlingen, TX. 78552. Approval for SUP will be granted with the conditions that all food trucks/trailers must be inspected by the Health Department and Fire Prevention Department. Additionally; Food truck park must meet city food truck park ordinance requirements.**

**Signature** 

**Date: 8-5-2025**

## Attachment X

**From:** Ramiro Robledo
**Sent:** Thursday, July 31, 2025 11:11 AM
**To:** Christopher Torres; Rodrigo Sanchez; Alfredo Alvear - HPD; Frances Pena - HPD; George Martinez; Juan Sauceda Jr. - HFD; James Padilla; David Vasquez - HWWS
**Cc:** Joel Olivo; Sol Nunez; Sabina Ramirez; Ana Hernandez; Ruth Trevino; Roberto Gloria; Rosemary Medrano
**Subject:** RE: Proposed food truck park

Trash Enclosure Requirement:
Please note that the site must include a designated trash enclosure that complies with local refuse service requirements. The enclosure must be located in an area that provides unobstructed access for a standard refuse collection vehicle, ensuring safe and efficient pickup without requiring excessive maneuvering.
Additionally, the site plan must include a fully detailed drawing of the proposed trash enclosure. This detail should clearly indicate construction materials, dimensions, screening methods, access gates, and any applicable setbacks. The enclosure must meet all municipal codes and sanitation department guidelines regarding accessibility, durability, and aesthetics.
Please ensure this information is incorporated into the next plan submittal for review and approval.

*Ramiro Robledo, CPM*

Sanitation Superintendent

City of Harlingen Public Works

404 S. 54th St. Harlingen, TX 78550
(956)216-5300 | rrobledo@harlingentx.gov

ORDINANCE NO. 25-______

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES (ORDINANCE NO. 16-8) OF THE CITY OF HARLINGEN: TO ISSUE A SPECIAL USE PERMIT (SUP) TO JAMES KENDRICK JUDKINS TO ALLOW A FOOD TRUCK PARK IN A GENERAL RETAIL (GR) DISTRICT LOCATED AT 2906 SOUTH EXPRESSWAY 83, BEARING A LEGAL DESCRIPTION OF LOT 1, E & L SUBDIVSION.**

**WHEREAS,** the Planning and Zoning Commission of the City of Harlingen pursuant to Harlingen's Zoning Ordinance procedure, has recommended a special use permit for certain described real property in the City of Harlingen; and it is deemed to be in the best interest of the City of Harlingen in accordance with said recommendation of the Planning and Zoning Commission of the City, being the recommendation as hereinafter set forth; and public notice of such proposed special use permit having been fully made and complied with as required by said Code of Ordinances and applicable laws of the State of Texas; and the City Commission of the City of Harlingen having held public hearings with reference thereto, being duly and thoroughly heard; and after consideration of the evidence presented, said City Commission is of the opinion that it is in the best interest of the City of Harlingen that said Code of Ordinances be amended as indicated, now, therefore,

**BE IT ORDAINED BY THE CITY OF HARLINGEN**

That the Code of Ordinances of the City of Harlingen (Ordinance 16-8) be and the same is herewith amended by the following described property being changed for permissive zone use as indicated:

To Special Use Permit (SUP) to James Kendrick Judkins to allow a Food Truck Park in a General Retail (GR) District located at 2906 South Expressway 83, bearing a legal description of parts of Lot 1, E & L Subdivision as shown in Exhibit "A" subject to:

1. Obtaining and maintaining the proper State and City permits;
2. Providing and maintaining the required parking in accordance with city regulations;
3. Hours of operation are from 6 a.m. – 6 p.m., Sunday through Wednesday; 6 a.m. to 12 a.m. Thursday through Saturday;
4. Provide video surveillance with a thirty-day video retention; and
5. Complying with the requirements administered by Planning and Zoning, Building Inspections, Fire Prevention, Health, Police. and Public Works Departments.

A copy of the Zoning Map constituting a part and parcel of the Code of Ordinances, as filed with the Building Inspection Inspector and for the joint use and information of the Planning and Zoning Commission shall, upon final enactment hereof, be and the same is herewith amended and revised to reflect that the above described property is zoned for land use purposes as above indicated by the boundaries thereof being outlined in pronounced heavy line markings and such heavy line marking boundary enclosure being indicated within by the appropriate initials for that portion herewith zoned for particular land uses; with the Planning and

Development Director being herewith instructed and authorized to document such Zoning Map changes and revisions.

The provisions of this ordinance shall become effective from and after the final and lawful passage hereof and publication of the caption hereof as provided for and required in the Code of Ordinances and applicable state statutes.

**FINALLY ENACTED** this ____ day of ______________, 2025 at a regular meeting of the Elective Commission of the City of Harlingen, Texas at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, CHAPTER 551.

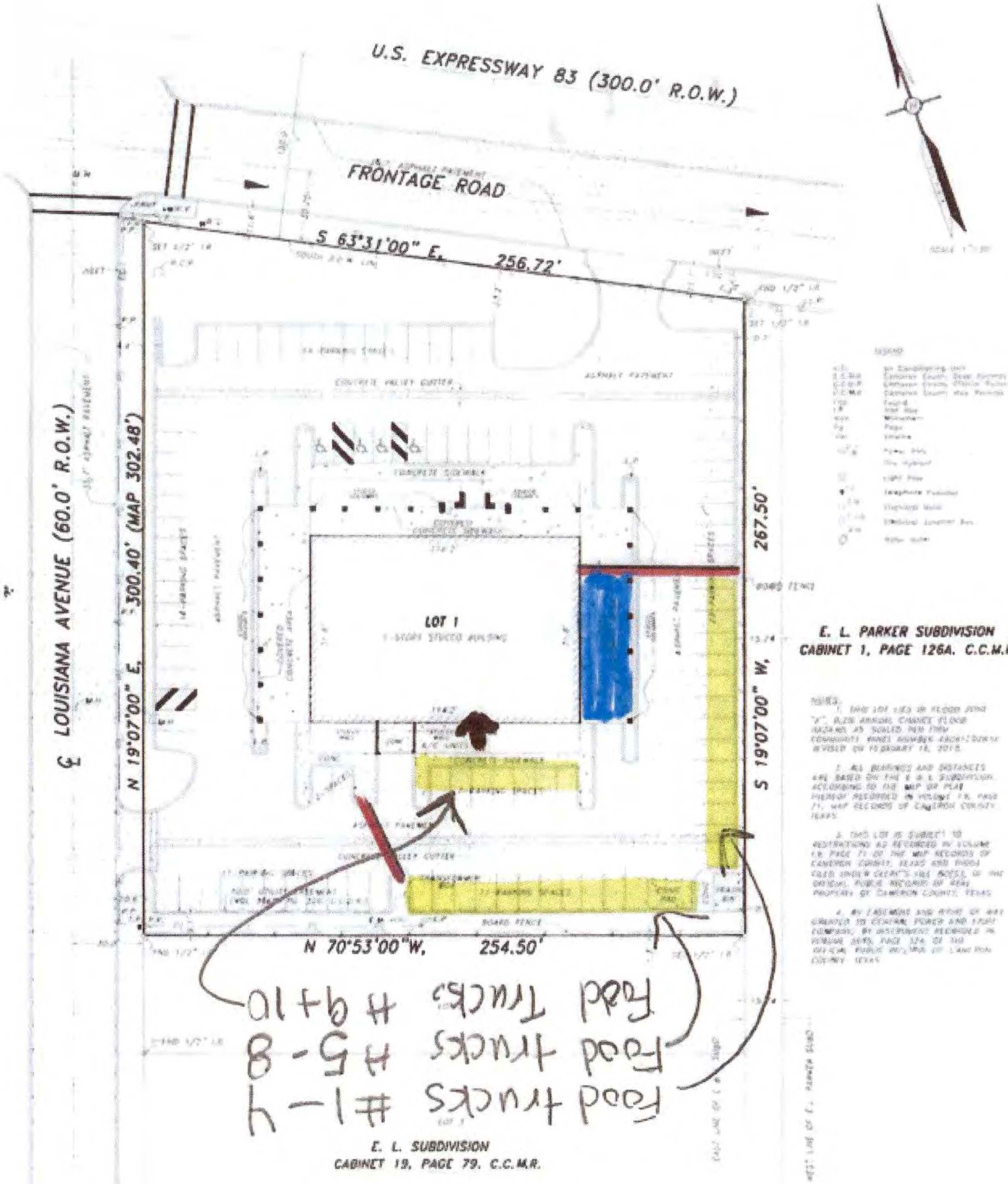
**CITY OF HARLINGEN**

______________________
Norma Sepulveda, Mayor

**ATTEST:**

______________________________
Mayra Herrera, City Secretary

**Exhibit "A"**


U.S. EXPRESSWAY 83 (300.0' R.O.W.)
FRONTAGE ROAD
S 63°31'00" E. 256.72'
℄ LOUISIANA AVENUE (60.0' R.O.W.)
N 19°07'00" E. 300.40' (MAP 302.48')
LOT 1
267.50'
S 19°07'00" W.
N 70°53'00"W. 254.50'
E. L. PARKER SUBDIVISION
CABINET 1, PAGE 126A. C.C.M.I
E. L. SUBDIVISION
CABINET 19, PAGE 79. C.C.M.R.
Food Trucks #9+10
Food trucks #5-8
Food trucks #1-4

7(g)

# AGENDA ITEM
# EXECUTIVE SUMMARY

Meeting Date: **August 20, 2025**

| **Agenda Item:** |
|---|
| Consideration and possible action to adopt an Ordinance on Second and Final Reading for a request to amend the City of Harlingen Code of Ordinances Chapter 28, Licenses, Permits, and Miscellaneous Regulations, Article VI, Limousines, Vans and Other Commercial Passenger Vehicles by amending definitions, supplemental operating permit requirements, fees, and conditions for supplemental vehicles; and by amending Chapter 18, Fees and Charges to Reflect Updated Fees for Limousine Services. Applicant: City of Harlingen |

| | |
|---|---|
| Prepared By: | Ana Hernandez, AICP, CNU-A |
| Title: | Planning and Development Director/ Special Projects Director |
| Signature: | Ana Hernandez |

**Brief Summary:**

The City of Harlingen regulates the operation of limousines, vans, and other commercial passenger vehicles to protect the health, safety, and welfare of residents and visitors. These rules ensure vehicles are operated safely, drivers are qualified, and businesses comply with consistent standards. The City's current regulations have been in place for several years and require updates to reflect current industry practices, add flexibility for peak demand, and revise associated fees.

Summary of Proposed Key Amendments:

1. New Supplemental Operating Permit:
   - Allows operators to temporarily add vehicles during peak demand (up to 10 consecutive days per request).
   - Requires proof of another Texas city operating permit, insurance, and registration for each vehicle.
   - Sets a fee of $10 per day per vehicle, payable in advance.
   - Permits use of rented or leased vehicles.
2. Fee Schedule Updates:
   - Updates Chapter 18 of the City Code to include the supplemental operating permit fee and change limousine service rate limits, from a maximum of $60 for the first full hour and $40 for each additional hour to a minimum of $60 per hour. It also establishes a new fee of $10 per day for a maximum of 10 days for supplemental operating permits.

These updates will give operators flexibility to meet short-term demand, strengthen consumer transparency through posted rates, and ensure fees cover administrative oversight. The City Attorney has reviewed and approved the proposed amendments.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☒ No*

| | | | |
|---|---|---|---|
| *If no, specify source of funding and amount requested:<br>Finance Director's approval: | ☐ Yes | ☐ No | ☒ N/A |

| **Staff Recommendation:** |
|---|
| Staff recommend approval of this Ordinance. |

| | | | | |
|---|---|---|---|---|
| City Manager's approval: | GG | ✓ Yes | ☐ No | ☒ N/A |
| **Comments:** | | | | |
| | | | | |
| City Attorney's approval: | | ☒ Yes | ☐ No | ☐ N/A |

**ORDINANCE NO. 2025-______**

**AN ORDINANCE OF THE CITY OF HARLINGEN AMENDING THE CODE OF ORDINANCES CHAPTER 28, LICENSES, PERMITS AND MISCELLANEOUS REGULATIONS, ARTICLE VI, LIMOUSINES, VANS AND OTHER COMMERCIAL PASSENGER VEHICLES TO REVISE DEFINITIONS, SUPPLEMENTAL OPERATING PERMIT REQUIREMENTS, FEES, AND CONDITIONS FOR SUPPLEMENTAL VEHICLES; FURTHER AMENDING CHAPTER 18, FEES AND CHARGES TO UPDATE THE FEE SCHEDULE FOR LIMOUSINE SERVICES; PROVIDING FOR A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS,** the City Commission of the City of Harlingen finds that the health, safety, and welfare of its citizens and the public in general require the adoption of additional rules and procedures which will regulate limousines, vans, and other commercial passenger vehicles; and,

**WHEREAS,** the City is authorized to enact and enforce such regulations pursuant to Chapter 215 of the Texas Local Government Code; and,

**WHEREAS,** the Planning and Zoning Commission has reviewed the proposed amendment and has recommended approval; and,

**WHEREAS**, the City of Harlingen has complied with all notices and public hearings as required by law; and,

**WHEREAS,** the City Commission of the City of Harlingen finds that it is in the best interests of the citizens of Harlingen to amend the Code of Ordinances as set forth below.

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

**SECTION I**: That the City of Harlingen Code of Ordinances, Chapter 28, License Permit and Miscellaneous Regulations; Article VI, Limousines, Vans and Other Commercial Passenger Vehicles, Section 28-376, Definitions, Section 28-379, Rates for limousine services found in the city fee schedule in Chapter 18, Section 28-383, Supplemental Operating Permit, through Section 28-385, Conflicts with state law, is hereby amended by adding the language underlined (<u>added</u>) and deleted (~~stricken thru~~) to read in full as follows.

**Sec. 28-376. - Definitions.**

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Any other commercial passenger vehicle* means any other type of motor vehicle, exclusive of buses and taxicabs, but in addition to vans and limousines, as described in this section, constructed, designed, and used for the commercial transportation of passengers and attendant luggage.

*Limousine* means a chauffeured motor vehicle, other than a taxicab, a van, a bus, or a touring vehicle, with a rated passenger capacity of not less than nine or more than 11 passengers, charging an hourly rate to passengers, and not operating upon a fixed schedule or over a fixed route, but where the charge for such vehicle is determined by the length of time for which the vehicle is engaged and not based upon the distance traveled.

*Van* means a motor vehicle constructed and designed in form generally known as a van type motor vehicle, and having a rectangular-shaped, panel-type body with four or more doors located on either side thereof, and containing interior seats for the transportation of six or more persons and attendant luggage.

**Sec. 28-377. - Limousine permit conditions and fees.**

No limousine as defined in this article shall engage in the business of transporting passengers and/or passengers and luggage without first having complied with the provisions of article V, division 2, of this chapter in the same manner, and upon the same terms and conditions and with the same fees as provided for taxicabs in said division. The provisions of such division are adopted hereby for limousines, as if the same were fully set forth in subsequent sections of this article.

**Sec. 28-378. - Limousine drivers to obtain driver's permit.**

It shall be unlawful for any person to drive a limousine in the city without first having obtained a limousine driver's permit in the same manner as a taxi driver obtaining a taxi driver's permit and without first having complied with article V, division 3, of this chapter. The provisions of such division governing taxi drivers are adopted hereby for limousine drivers, as if the same were fully set forth in subsequent sections of this article.

**Sec. 28-379. - Rates for limousine service, found in the city fee schedule in Chapter 18.**

The rate to be charged for transportation by limousine in this city shall be as established in the city's fee schedule in Chapter 18 ~~for the first hour of such limousine by one or more passengers, and no more than the rate as established in the city fee schedule per hour for each additional hour~~. The limousine operator shall post a schedule ~~in each limousine operated by him~~ of rates for their services in each limousine they operate, ~~in a conspicuous place in view of the passengers to be conveyed, a schedule of rates to be charged for such service~~. Such a schedule shall be ~~printed on a card~~ placed in a conspicuous location that is easily visible to passengers. ~~card in not less than 24 point black faced type, letter-spaced and stating the maximum hourly rate~~

~~chargeable by such limousine. Posted rates shall be illuminated between the hours of sunset and sunrise.~~ The schedule must be printed on a legible card and should clearly state the minimum hourly rate that can be charged for the limousine service.

**Sec. 28-380. - Maintenance of fixed place of business; exceptions for Valley International Airport ground transportation limousine service permit holders.**

(a)Every holder of a certificate for limousine service issued under the terms of this article shall maintain at least one fixed place of business with a location within the corporate limits of the city on private property at a place to be approved by the chief of police. The chief of police shall approve the proposed location unless in his opinion the installation of the limousine service at such location would create a traffic hazard, or unless the general welfare of the citizens of the city would be best served by not having a limousine service located at such place; provided, however, that no limousine service location shall be located at any place in the city if another ordinance of the city prohibits the location of such a business at such place.

(b)The requirement for maintenance of a fixed place of business under subsection (a) of this section does not apply to limousine service certificate holders with valid airport ground transportation permits for servicing passenger terminal of Valley International Airport under Section 28-208, or applicants for such permits, that do not otherwise service or operate in the city.

**Sec. 28-381. - Limousines to be kept on private premises when not in use.**

Except when carrying passengers, or going to or from a garage or other place where automotive repairs are made, for the purpose of being repaired, all limousines shall be kept off the streets of the city and upon premises owned by or leased to and under the supervision and control of the holder of the certificate by virtue of which such limousine is being operated within the city. No limousine shall be kept upon the streets or other public places of the city longer than is necessary for the performance of the public service which such limousine is designed to render. Each limousine must stand and remain, except in the immediate act of discharging or taking on passengers upon or within private depot and grounds, upon private premises owned or leased to the holder of the certificate by virtue of which such limousine is being operated, and under the control of such holder. It shall be unlawful for any limousine to stand, waiting employment, upon any public street or public property within the corporate limits of the city.

**Sec. 28-382. - Inspection of limousines.**

Before being allowed to operate upon the streets of the city, each and every limousine shall be inspected and approved by the chief of police or his representatives. No limousine shall be driven or operated on the streets of the city unless same is in a safe condition and free from mechanical defects with particular reference to, but not limited to, lights, brakes, tires, and steering apparatus.

## Sec. 28-383. – Supplemental Operating Permit.

(a) If a limousine service experience peak demand periods requiring the use of additional vehicles beyond those authorized in its existing permit or operating agreement, the permit holder may request authorization for supplemental vehicles. The permit holder must submit a written application for a supplemental operating permit. The application must include:

a. Proof of a current limousine operating permit issued by another Texas city.
b. Proof of valid insurance coverage for each requested vehicle; and
c. A current State of Texas vehicle registration document for each vehicle.

(b) Supplemental vehicles approved under this permit shall be subject to the following conditions:

a. A fee of $10 per day per vehicle shall be paid for each day of operation authorized under the supplemental permit.
b. Authorization shall not exceed 10 consecutive days per request. A new application is required for any extension.
c. All supplemental vehicles shall be subject to inspection by city authorized personnel. Any vehicle deemed unsafe may be immediately removed from service at the discretion of the city.
d. Each vehicle must hold a current operating permit from another Texas city and may be exempt from the city's local inspection requirements.
e. Supplemental vehicles are not required to be owned by the permit holder and may be rented or leased, if needed.
f. All applicable fees must be paid in advance before the vehicles are placed into service.

~~**Sec. 28-383. - Enforcement of provisions by chief of police.**~~

~~Except as otherwise herein explicitly specified, the chief of police is charged with the duty of enforcing this article and all police officers shall promptly report to him all violations of the provisions hereof or any facts coming to their attention showing a change in the conditions existing at the time the certificate was issued to the operator thereof.~~

## Sec. 28-384 – Enforcement of provisions by chief of police

Except as otherwise herein explicitly specified, the chief of police is charged with the duty of enforcing this article, and all police officers shall promptly report to him all violations of the provisions hereof or any facts coming to their attention showing a change in the conditions existing at the time the certificate was issued to the operator thereof.

~~**Sec. 28-384. - Conflicts with state law.**~~

~~If any section of this article is in conflict with state law, then the state law shall govern.~~

**Sec. 28-385. - Conflicts with state law.**

If any section of this article is in conflict with state law, then the state law shall govern.

**Secs. 28-386—28-411. - Reserved.**

**SECTION II.** That the City of Harlingen Code of Ordinances, Chapter 18 – Fees and Charges, is hereby amended to revise the fee schedule related to limousine services under Chapter 28 – Licenses, Permits and Miscellaneous Regulations, as follows:

| City Code Sec. No. | Description | Amount |
|---|---|---|
| **Chapter 28. Licenses, Permits and Miscellaneous Regulations** | | |
| 28-24 | Initial processing fee for carnivals, circuses, religious activities or temporary amusements (nonrefundable) | $150.00 |
| 28-25 | Carnival fees | |
| | Permit fees (nonrefundable) | |
| | Up to five rides | $100.00 base, plus 5.00 each ride, concession, show, etc. |
| | Six to ten rides | $150.00 base, plus 5.00 each ride, concession, show, etc. |
| | 11 or more rides | $200.00 base, plus 5.00 each ride, concession, show, etc. |
| | Cleanup deposit (refundable) | 200.00 |
| | Circus fees | |
| | Permit fee (nonrefundable) | 250.00 |
| | Cleanup deposit (refundable) | 200.00 |
| | Temporary amusement/religious revival fees | |
| | Permit fee (nonrefundable) | 150.00 |
| | Cleanup deposit (refundable) | 200.00 |
| 28-26 | Garbage collection fee for carnival, circus or temporary amusement show or religious revival | |
| 28-81 | Commercial solicitor license fee (firm, corporation or other entity) | $50.00 |
| | Individual commercial solicitor | 10.00 |
| 28-154 | Itinerant or transient vendor annual license fee | $100.00 |
| 28-184 | Taxicab annual license fee for use of streets | 25.00 |
| 28-208 | Ground transportation permit for servicing passenger terminal of Valley International Airport | |
| 28-314 | Taxicab license fee | 5.00 |

| | | |
|---|---|---|
| 28-338 | Transportation services and fares | |
| | Transportation of persons or passengers | |
| | First half mile, or fraction thereof, for first passenger | 4.00 |
| | Each additional half mile after first half mile for first passenger | 0.55 |
| | Charge for each additional passenger, regardless of distance | 2.00 |
| | Waiting time (at instance and request of passenger) | 0.65 per minute for fractional parts of hour<br>maximum 39.00 each full hour |
| | Transportation of items and animals | |
| | First 45 minutes consumed in move | Regular meter fare plus maximum 7.00 |
| | Each minute thereafter | maximum 0.15 per minute |
| | Each animal transported | Fares for persons plus maximum 2.00 each animal |
| 28-349 | Reinspection of taxicab that does not pass annual inspection or found in noncompliance during random inspection | 12.50 |
| 28-379 | Rates for limousine service | |
| | **First full hour, ~~(maximum)~~ minimum charge** | **60.00** |
| | ~~**Each additional hour, maximum charge**~~ | ~~**40.00**~~ |
| | **Supplemental operating permit – Per vehicle, per day (max 10 days)** | **10.00** |
| 28-445 | Horse-drawn carriage annual permit | 50.00 |
| 28-500 | License fee for dealer engaged in business of buying used and/or scrap jewelry, precious and/or semiprecious articles or silverware, etc. | 25.00 |
| | Parade Fee | $30.00 per float |

**SECTION III. SEVERABILITY**

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The governing body hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases may be declared invalid.

**SECTION IV. EFFECTIVE DATE**

This ordinance shall become effective immediately from and after the final and lawful passage hereof and publication of the caption hereof as provided for and required in the Code of Ordinances.

Norma Sepulveda, Mayor

**ATTEST:**

______________________________
Mayra Herrera, City Secretary

# AGENDA ITEM
# EXECUTIVE SUMMARY

7(h)

Meeting Date: **September 3, 2025**

| **Agenda Item:** |
|---|
| Consideration and possible action to adopt an Ordinance on Second and Final Reading Public for a request to amend the City of Harlingen Comprehensive Plan, One Vision, One Harlingen, Chapter 2, Figure 2.1, Thoroughfare Plan, by removing the proposed extension of New Hampshire Street as a major collector road south of Morris Road to Park Bend. Applicant: City of Harlingen. |

| | |
|---|---|
| Prepared By: | Ana Hernandez, AICP, CNU-A |
| Title: | Planning and Development Director / Special Projects Director |
| Signature: | Ana Hernandez |

**Brief Summary:**

Project Timeline

- August 2, 2025 – In accordance with State and local law, notice of the required public hearing was published in the Valley Morning Star. **(ATTACHMENT II)**
- August 13, 2025 - Public hearing and consideration of the requested rezoning by the Planning and Zoning Commission (P&Z).
- August 20, 2025 – Public hearing and consideration of requested rezoning via 1st ordinance reading scheduled before the City Commission.
- September 3, 2025 – Pending approval of 1st ordinance reading, consideration of approval of 2nd ordinance reading scheduled before the City Commission.

Summary

- The Thoroughfare Plan is a component of the Comprehensive Plan and outlines the City Commission's adopted policy relative to the development of the Harlingen roadway network. To implement the plan, right-of-way dedication and paving standards are required from developers during the processing of new subdivisions.

- The City of Harlingen is requesting an amendment to the City of Harlingen Thoroughfare Plan to remove the proposed extension of New Hampshire Street south of Morris Road to Park Bend. The City has received interest from developers regarding the development of property in this area, including the potential annexation of the land into the City limits.

- According to the City's Thoroughfare Plan, the proposed extension of New Hampshire Street—south of Morris Road—is classified as a major collector, requiring a minimum right-of-way of 80 feet. However, the planned extension would terminate directly behind two existing homes in a residential subdivision.

- Due to changes in development patterns and the full build-out of the surrounding subdivision, the continuation of New Hampshire Street as a designated thoroughfare is no longer feasible or necessary. The existing street network in the area along with the new residential streets in the proposed subdivision will provide adequate traffic circulation connectivity, and no circulation issues have been identified that would require the planned extension.

- The surrounding area consists of vacant land and a residential subdivision to the south and east, vacant land to the west, and to the north are residential subdivisions.
- The request was reviewed by the Engineering Department. The Engineering Department has no objections to removing the proposed extension of New Hampshire Street from the Thoroughfare Plan. **(Attachment III)**
- As a result, staff recommends removing the planned extension of New Hampshire Street from the Future Thoroughfare Plan to reflect current development conditions and prevent future right-of-way conflicts with existing homes and infrastructure.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*
*If no, specify source of funding and amount requested:
Finance Director's approval: ☐ Yes ☐ No ☐ N/A

**Staff Recommendation:**

Staff recommends approval of the Thoroughfare Amendment.

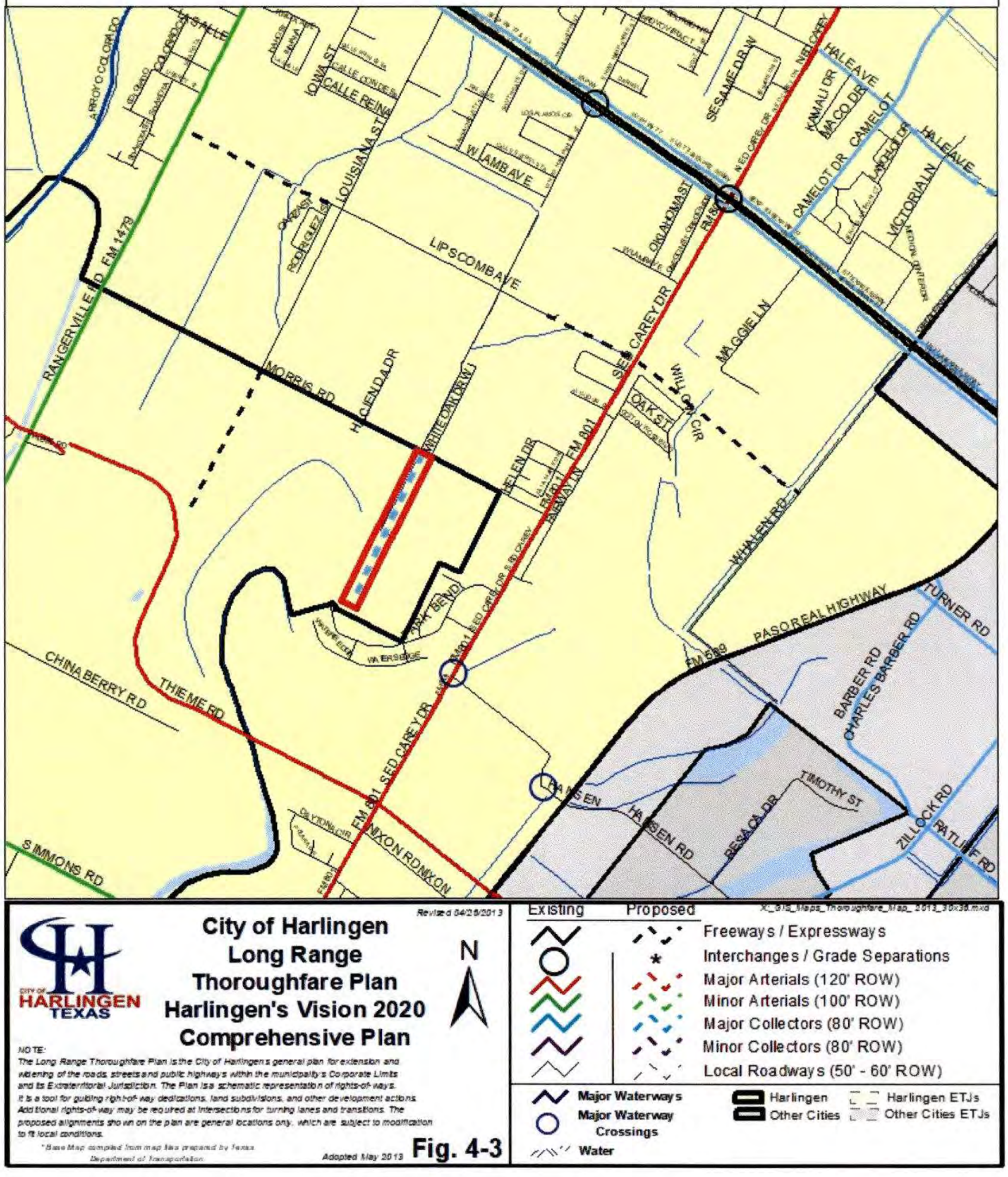
City Manager's approval: GG ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: ☑ Yes ☐ No ☐ N/A

# Attachment I

**Request to amend the City of Harlingen Comprehensive Plan, One Vision, One Harlingen, Chapter 2, Figure 2.1, Thoroughfare Plan, by removing the proposed extension of New Hampshire Street south of Morris Road to Park Bend. Applicant: City of Harlingen**



## Attachment II

## Attachment III

**From:** Roberto Hernandez
**To:** Sol Nunez; Joel Olivo; Ana Hernandez
**Cc:** Luis A. Vargas
**Subject:** Re: New Hampshire ROW
**Date:** Tuesday, July 22, 2025 2:42:16 PM
**Attachments:** image001.png
image002.png
Outlook-irvra3wi.png

---

Hello Sol,

The proposed ROW abandonment appears acceptable, as the road does not connect to any major thoroughfares south of the site. Currently, it terminates behind two existing homes near the southern boundary. As part of the subdivision, the development will introduce new residential streets that will ensure adequate traffic circulation and provide future street stub-outs to accommodate potential development to the east and west of the master plan area.

Thanks,

**Roberto Hernandez, PE, CFM**
*Assistant City Engineer*
City of Harlingen
24200 FM 509, Harlingen, TX 78550
Office: (956) 216-5284

CITY OF HARLINGEN TEXAS

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**From:** Sol Nunez <soln@harlingentx.gov>
**Sent:** Thursday, July 3, 2025 7:56 AM
**To:** Luis A. Vargas <lvargas@harlingentx.gov>; Roberto Hernandez <rhernandez@harlingentx.gov>
**Subject:** FW: New Hampshire ROW

Good Morning,

Please see the questions below regarding Horseshoe Pointe. The Thoroughfare map shows an extension of New Hampshire along the east side of the subdivision. There is also a parcel of land that has not been developed east of that. We have not processed the annexation yet, because there are still pending answers on the sanitary sewer. Please let me know your thoughts with regards to abandoning the New Hampshire ROW. Thank you.

## ORDINANCE NO. 25-______

**AN ORDINANCE OF THE CITY OF HARLINGEN COMPREHENSIVE PLAN ONE VISION ONE HARLINGEN, CHAPTER 2, FIGURE 2.1 THOROUGHFARE PLAN, BY REMOVING THE PROPOSED EXTENSION OF NEW HAMPSHIRE STREET AS A MAJOR COLLECTOR ROAD SOUTH OF MORRIS ROAD TO PARK BEND; PROVIDING FOR PUBLICATION AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING**

**BE IT ORDAINED BY THE CITY OF HARLINGEN**

**SECTION I:** The City of Harlingen Comprehensive Plan One Vision One Harlingen, Chapter 2, Figure 2.1 Thoroughfare Plan is hereby amended by removing the proposed extension of New Hampshire Street as a major collector road south of Morris Road to Park Bend as shown on Exhibit "A".

**SECTION II:** That the City Secretary of the City of Harlingen, Texas is hereby authorized and directed to cause a true and correct copy of the caption of this ordinance to be published in a newspaper having general circulation in the City of Harlingen, Cameron County, Texas.

**FINALLY ENACTED** this _______ day of ______________, 2025, at a regular meeting of the Elective Commission of the City of Harlingen, Texas at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, CHAPTER 551.

**CITY OF HARLINGEN**

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Norma Sepulveda, Mayor

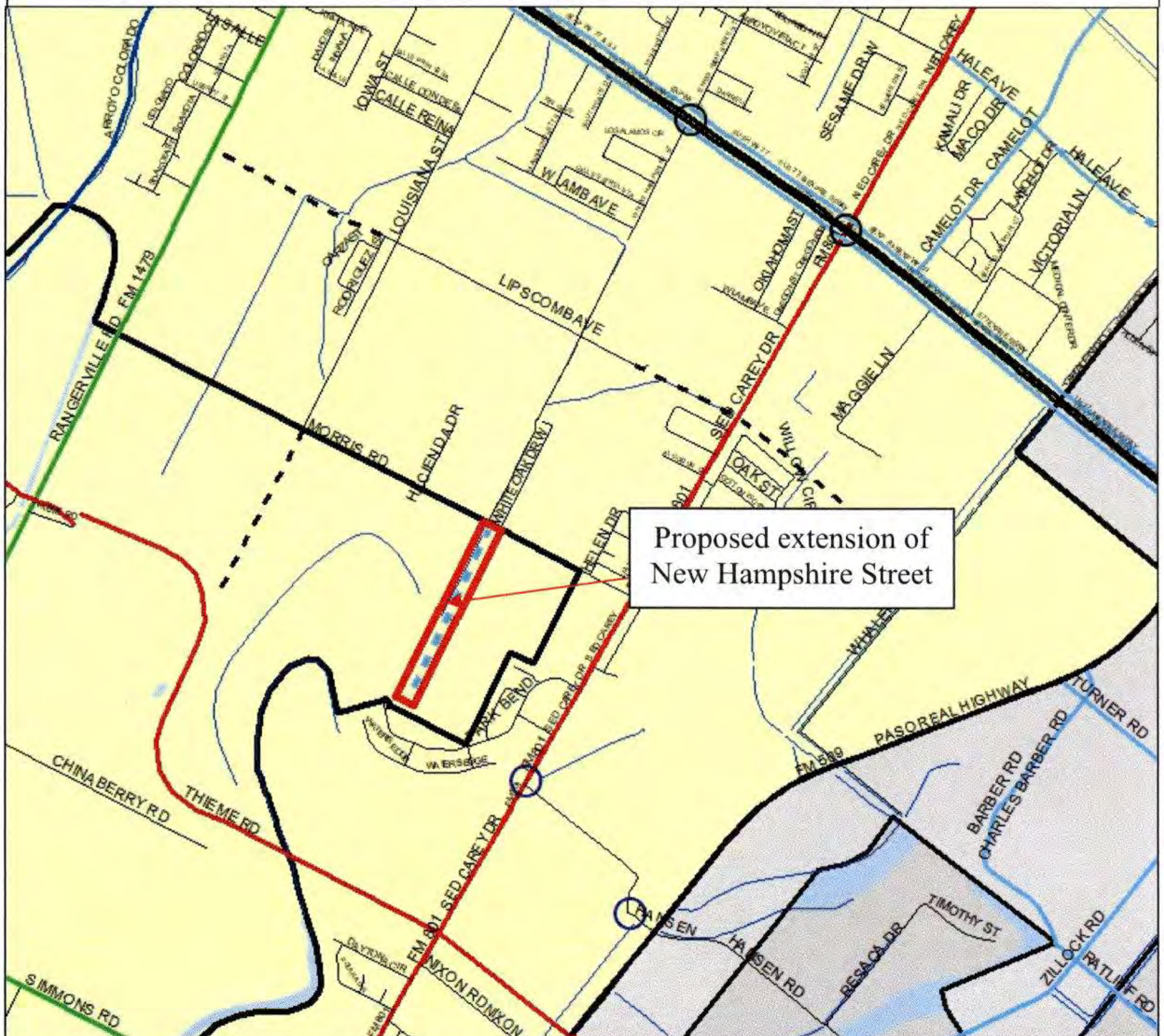
**ATTEST:**

____________________________

Mayra Herrera, City Secretary

**"Exhibit A"**

**Request to amend the City of Harlingen Comprehensive Plan, One Vision, One Harlingen, Chapter 2, Figure 2.1, Thoroughfare Plan, by removing the proposed extension of New Hampshire Street south of Morris Road to Park Bend. Applicant: City of Harlingen**




Revised 04/26/2013

**City of Harlingen Long Range Thoroughfare Plan Harlingen's Vision 2020 Comprehensive Plan**

N

*NOTE:*
*The Long Range Thoroughfare Plan is the City of Harlingen's general plan for extension and widening of the roads, streets and public highways within the municipality's Corporate Limits and its Extraterritorial Jurisdiction. The Plan is a schematic representation of rights-of-ways. It is a tool for guiding right-of-way dedications, land subdivisions, and other development actions. Additional rights-of-way may be required at intersections for turning lanes and transitions. The proposed alignments shown on the plan are general locations only, which are subject to modification to fit local conditions.*

**Base Map compiled from map files prepared by Texas Department of Transportation.*

Adopted May 2013 **Fig. 4-3**

| Existing | Proposed | |
|---|---|---|
| | | Freeways / Expressways |
| | | Interchanges / Grade Separations |
| | | Major Arterials (120' ROW) |
| | | Minor Arterials (100' ROW) |
| | | Major Collectors (80' ROW) |
| | | Minor Collectors (80' ROW) |
| | | Local Roadways (50' - 60' ROW) |

Major Waterways
Major Waterway Crossings
Water
Harlingen
Other Cities
Harlingen ETJs
Other Cities ETJs

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

7(i)

Meeting Date: **September 3, 2025**

## Agenda Item:

Consideration and possible action to approve the annual Investment Policy for the City of Harlingen.

Prepared By (Print Name): Robert Rodriguez
Title: Finance Director
Signature:

## Brief Summary:

The Public Funds Investment Act and the City of Harlingen's Investment Policy requires the City to have an investment policy and for it to be reviewed annually by the governing body. This Investment Policy covers the fiscal period of October 1, 2025 through September 30, 2026. This investment policy is in compliance with the Texas Public Investment Act, Texas Government Code, Chapter 2256. The Investment Policy addresses the following strategy and guidelines:

1. **Investment strategy** – Three specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolio (Operating Funds, Debt Service Funds and Capital Projects Funds).
2. **Investment Objectives** – The City shall manage and invest its cash with three objectives by order of priority: Preservation and Safety of Principal, Liquidity and Yield.
3. **Responsibility and control** – (1) Identifies the delegation of authority and training of the investment officers, (2) the responsibility for maintaining an internal control structure designed so that the assets of the entity are protected from loss, theft or misuse, (3) the standard of prudence to be applied by the investment officers and (4) the maintenance of ethics and avoidance of conflicts of interest by the investment officers.
4. **Reporting** - Identifies the quarterly and annual investment reports required.
5. **Investment portfolio** - Identifies authorized investments and unauthorized investments, consideration of maturity dates to match liquidity needs, and risk and diversification requirements of investments.
6. **Selection of banks and dealers** - Requires an annual review of services provided by its depository bank and competitive bidding requirements no less than every five years. The policy establishes requirements for banks seeking to establish eligibility requirements for the City's competitive certificate of deposit purchase program. The policy provides guidance on the review and selection of securities dealers.
7. **Safekeeping and control** - Establishes guidance on required insurance and collateral, safekeeping agreement, collateral subject to audit by the Finance Director, Internal Auditor or the City's independent auditors.
8. **Investment policy adoption requirements** - Requires an annual review of investment policy.

There were no changes to the existing investment policy. Staff recommends approval.

## Funding (if applicable):

Are funds specifically designated in the current budget for the full amount for this purpose? N/A ☐ Yes ☐ No*
*If no, specify source of funding and amount requested:

Finance Director's approval: ☒ Yes ☐ No ☐ N/A

| **Staff Recommendation:** |
| --- |
| Staff recommends approval. |

| City Manager's approval: | GG | ☑ Yes | ☐ No | ☐ N/A |
| --- | --- | --- | --- | --- |
| **Comments:** | | | | |
| | | | | |

| City Attorney's approval: | | ☑ Yes | ☐ No | ☐ N/A |
| --- | --- | --- | --- | --- |

# Investment Policy

City of Harlingen Texas

September 2025

# Table of Contents

# INVESTMENT POLICY

## I. INTRODUCTION

The purpose of this document is to set forth specific investment policy and strategy guidelines for the City of Harlingen in order to achieve the goals of safety, liquidity and yield for all investment activity. The City Commission of the City of Harlingen shall review its investment strategies and policy not less than annually. This policy serves to satisfy the statutory requirement, specifically the Public Funds Investment Act, Chapter 2256 of the Government Code (the "Act"), to define, adopt and review a formal investment strategy and policy.

## II. INVESTMENT STRATEGY

The City of Harlingen maintains portfolios which utilize three specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios:

a. Investment strategies for operating funds and commingled pools containing operating funds have as their primary objective to assure the anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles. This may be accomplished by purchasing high quality, short- to medium-term securities. The dollar weighted-average maturity of 365 days or less will be calculated using the stated final maturity of each security.

b. Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date.

c. Investment strategies for capital projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility and unanticipated project outlays. The stated final maturity dates of securities held should not exceed the estimated project completion date.

## III. SCOPE

This Investment Policy applies to activities of the City of Harlingen with regard to investing the financial assets of all funds, including the following:

| | |
|---|---|
| General Fund | Debt Service Funds |
| Special Revenue Funds | Special Assessment Funds |
| Capital Projects Funds | Internal Service Funds |
| Enterprise Funds | Trust & Agency Funds |

Funds (Grant Activities) expressly exempt from investment activities may not be subject to this policy.

## IV. OBJECTIVES

The City of Harlingen shall manage and invest its cash with three objectives, listed in order of priority: Preservation and Safety of Principal, Liquidity, and Yield. All investments shall be designed and managed in a manner using judgment and care responsive to the public trust and consistent with State and Local Law.

The City shall maintain a comprehensive cash management program which includes collection of accounts receivable, vendor payment in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and maximum yield on short-term investment of idle cash.

1) Preservation and Safety of Principal

The primary objective of the City's investment activity is the preservation of capital in the overall portfolio. Each investment transaction shall be conducted in a manner to avoid capital losses, whether from securities default or erosion of market value.

2) Liquidity

The City's investment portfolio shall be structured such that the City is able to meet all obligations in a timely manner. This shall be achieved by matching investment maturities with forecasted cash flow requirements, by investing in securities with active secondary markets and by retaining ample liquidity in the City's depository bank, and local government investment pools and money market funds.

3) Yield

The City's cash management portfolio shall be designed with the objective of regularly exceeding the average rate of return on three-month U.S. Treasury Bills. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified herein and prudent investment policies.

## V. RESPONSIBILITY AND CONTROL

1) Delegation of Authority and Training

Authority to manage the City's investment program is derived from a resolution of the City Commission. The management responsibility for the investment program is hereby delegated to the Director of Finance, who shall establish written procedures for the operation of the investment program, consistent with this investment policy. Both the Director of Finance and the Deputy Director of Finance are designated as investment officers. Accordingly, the investment officers shall attend at least 10 hours of training relating to their responsibility under the Act within 12 months after assuming duties. Going forward, investment officers shall attend investment training not less than once in every two-year period, which begins on the first day of the fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than eight (8) hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the State of Texas.

2) Internal Controls

The Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that the objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Director of Finance shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

a. Control of collusion.

b. Separation of transaction authority from accounting and record keeping.

c. Custodial safekeeping.

d. Clear delegation of authority to subordinate staff members.

e. Avoidance of physical delivery securities.

f. Written confirmation for telephone (voice) transactions for investments and wire transfers.

g. Development of a wire transfer agreement with the depository bank or third party custodian.

3) Prudence

The standard of prudence to be applied by the investment officer shall be the "prudent investor" rule, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

a. The investment of all funds, or funds under the City's control, over which the officer had responsibility rather than consideration as to the prudence of a single investment.

b. Whether the investment decision was consistent with the written investment policy of the City.

The investment officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner to the City Commission.

<u>4) Ethics and Conflicts of Interest</u>
City staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. City staff shall disclose to the City Manager any material interests in financial institutions that conduct business with the City and they shall further disclose positions that could be related to the performance of the City's portfolio.

An investment officer of the City who has a personal business relationship with an organization seeking to sell an investment to the city shall file a statement disclosing that personal business interest. For purposes of this subsection, an investment officer has a personal business relationship with a business organization if:

a. The investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns $15,000 or more of the fair market value of the business organization;

b. Funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or

c. The investment officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the investment officer.

An investment officer who is related within the first degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be file with the Texas Ethics Commission and the governing body of the entity.

## VI. REPORTING

1) Quarterly Reporting

The Director of Finance shall submit a signed quarterly investment report that shall, at a minimum, describe the portfolio in terms of investment securities, maturities, risk characteristics, and also shall provide a benchmark total investment return for the quarter. In addition, a separate report shall be included which summarizes current market conditions, economic developments and anticipated investment conditions.

The quarterly investment report shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be provided to the City Manager and City Commission. The report shall include the following:

a. A listing of individual securities held at the end of the reporting period.

b. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period.

c. Average weighted yield to maturity of portfolio on City investments as compared to applicable benchmarks.

d. Listing of investments by maturity date.

e. The percentage of the total portfolio which each type investment represents.

f. Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Commission.

g. Fully accrued interest for the reporting period.

2) Annual Report

Within 60 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Commission.

If the City invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers shall be reviewed annually by an independent auditor, and the results of the review shall be reported to the city commission by that auditor.

## VII. INVESTMENT PORTFOLIO

Assets of the City of Harlingen may be invested in the following instruments; provided, however, that at no time shall assets of the City be invested in any instrument or security not authorized for investment under the Act, as the Act may from time to time be amended.

1) Authorized Investments

a. Obligations of the United States of America, its agencies and instrumentalities.

b. Direct obligations of the State of Texas and agencies and instrumentalities thereof.

c. Other obligations, the principal of and interest on which are unconditionally guaranteed by the State of Texas or United States of America and any security fully insured by the Federal Deposit Insurance Corporation (FDIC).

d. Obligations of the States, agencies thereof, Counties, Cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm, and having received a rating of not less than "AA" or its equivalent.

e. Certificates of Deposit of state and national banks doing business in Texas, guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by an Federal Home Loan Bank (FHLB) letter of credit, or obligations described in A through D above, which are intended to include all direct agency or instrumentality issued mortgage-back securities rated AAA by a nationally recognized rating agency, or by Article 2529b-1, V.T.C.S., and that have a market value of not less than the principal amount of the certificates.

f. Joint pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by current law. (Prior approval from the City Commission is required before investing funds in joint pools.)

g. Fully collateralized direct repurchase agreements with a defined termination date secured by cash and obligations of the United States or its agencies and instrumentalities pledged with a third party. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a bank doing business in Texas. (Prior approval from the City Commission is required before the investment officers can begin investing in repurchase agreements. Repurchase agreements can be used by the depository bank for investment of overnight funds.)

h. A no-load money market mutual fund that is regulated by the Securities and Exchange Commission, has a dollar-weighted average stated maturity of 60 days or fewer and includes in its investment objectives the maintenance of a stable net asset value of $1 for each share; or a no-load mutual fund that is registered with the

Securities and Exchange Commission, has an average weighted maturity of less than two years, is *invested exclusively in obligations approved by in Section 2256.014 of the Texas Local Government Code,* is continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent, and conforms to the requirements set forth in Sections 2256.016 (b) and (c) of the Texas Local Government Code.

2) Unauthorized Investments

a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pay no principal.

b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.

c. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.

d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

3) Maturities

The City of Harlingen intends to match the maturity dates of investments with the liquidity needs of the City. In no case shall the average maturity of investments of the City's operating funds exceed one year. The maximum final stated maturity of any single investment shall not exceed five years.

4) Risk and Diversification

The City of Harlingen recognizes that investment risks can result from dealer defaults, market price changes or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification which shall be achieved by the following general guidelines:

a. Risk of issuer default is controlled by limiting investments to those instruments allowed by the Act, which are described herein.

b. Risk of market price changes shall be controlled by avoiding over-concentration of assets in a specific maturity sector, limitation of average maturity of operating funds investments to one year, and avoidance of over-concentration of assets in specific instruments other than U.S. Treasury Securities and Insured or Collateralized Certificates of Deposits.

## VIII. SELECTION OF BANKS AND DEALERS

1) Depository Bank Selection

On an annual basis the City shall review the services provided by its depository bank and no less than every five (5) years, shall conduct a competitive bid through the City's banking services procurement process, which shall include a formal request for applications (RFA) in consideration of provisions as outlined in Texas Local Government Code 105, Depositories for Municipal Funds, Subchapter B In selecting a depository, the credit worthiness of institutions shall be considered along with the cost of services and proposed interest rates. The Director of Finance shall then conduct a comprehensive review of prospective depository bank credit characteristics and financial history.

2) Certificates of Deposit

Banks seeking to establish eligibility for the City's competitive certificate of deposit purchase program shall submit for review annual financial statements, evidence of federal insurance and other information as required by the Director of Finance. An independent source for bank financial information can be found at https://www.bankrate.com/rates/safe-sound/bank-ratings-search.aspx

3) Securities Dealers

For brokers and dealers of government securities, the City shall select dealers reporting to the Market Reports Division of the Federal Reserve Bank of New York, also known as the "Primary Government Security Dealers", and regional institutional dealers which are adequately capitalized to conduct public business. All securities dealers shall provide the City with references from public entities which they are currently serving.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:

- Audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification of having read the City's investment policy signed by a registered principal of the organization

An annual review of the financial condition and registration of qualified bidders will be conducted by the Director of Finance.

All business organizations eligible to transact investment business with the City shall be presented a written copy of this Policy. The qualified representative of the business organization seeking to transact investment business with the City shall acknowledge receipt of policy in writing.

The City may contract for investment advisor services. Selection of an investment advisor will be through a competitive proposal process. The investment advisory must:

- Be registered with the Securities and Exchange Commission
- Be registered with the State of Texas

- Manage at least $1,000,000,000 in investments
- Have experience providing investment advisory service to other Texas cities

If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the City. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the City for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the City's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the City. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.

## IX. SAFEKEEPING AND CUSTODY

1) Insurance or Collateral

All deposits and investments of City funds other than direct purchases of U.S. Treasuries or Agencies shall be secured by an FHLB letter of credit or pledged collateral. In order to anticipate market changes and provide a level of security for all funds, the collateralization level for securities will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. Evidence of the pledged collateral shall be maintained by the Director of Finance or a third party financial institution. Repurchase agreements shall be documented by a specific agreement noting the collateral pledged in each agreement. Collateral shall be reviewed weekly to assure that the market value of the pledged securities is adequate.

2) Safekeeping Agreement

Collateral pledged to secure deposits of the City shall be held by a safekeeping institution in accordance with a Safekeeping Agreement which clearly defines the procedural steps for gaining access to the collateral should the City of Harlingen determine that the City's funds are in jeopardy. The safekeeping institution, or Trustee, shall be the Federal Reserve Bank or an institution not affiliated with the firm pledging the collateral. The safekeeping agreement shall include the signatures of authorized representatives of the City of Harlingen, the firm pledging the collateral, and the Trustee.

3) Collateral Defined

The City of Harlingen shall accept only the following securities as collateral:

a. FDIC insurance coverage.

b. A Treasury bill, note, bond or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States.

c. Other obligations, including letters of credit, of the United States or its agencies or instrumentalities.

d. Obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas.

e. A bond of the State of Texas or of a county, city or other political subdivision of the State of Texas having been rated no less than "AA" or its equivalent by a national recognized rating agency with a remaining maturity of ten (10) years or less.

f. Cash

4) Subject to Audit

All collateral shall be subject to inspection by the Director of Finance, Internal Auditor or the City's independent auditors.

5) Delivery vs. Payment

Treasury Bills, Notes, Bonds and Government Agency securities shall be purchase using the delivery vs. payment method. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the Trustee or safekeeping agent. The security shall be held in the name of the City or held on behalf of the City. The agent's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of the safekeeping receipts shall be delivered to the City.

## X. INVESTMENT POLICY ADOPTION

The City of Harlingen investment policy shall be adopted by resolution of the City Commission. The policy shall be reviewed for effectiveness on an annual basis by the Finance Director and any modification will be recommended for approval to the City Commission.

## XI. GLOSSARY of COMMON TREASURY TERMINOLOGY

**Agencies:** Federal agency securities.

**Ask:** The price at which securities are offered.

**Bid:** The price offered for securities.

**Broker:** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

**Book Value:** The original acquisition cost of an investment plus or minus the accrued amortization or accretion.

**Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

**Collateral:** Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public monies.

**Comprehensive Annual Financial Report (CAFR):** The official annual report for the City of Harlingen. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP.

**Coupon:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**Dealer:** A dealer, as opposed to a broker, acts as a principal in all transaction, buying and selling for his own account.

**Debenture:** A bond secured on by the general credit of the issuer.

**Delivery-Versus-Payment (DVP):** There are two methods of delivery of securities – delivery-versus-payment and delivery-versus-receipt (also called "free"). Delivery-versus-payment is delivery of securities with an exchange of money for securities. Delivery-versus-receipt is delivery of securities with an exchange of a signed receipt for the securities.

**Discount:** The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original price shortly after sale also is considered to be at a discount.

**Discount Securities:** Non-interest bearing money market instruments issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

**Diversification:** Dividing investment funds among a variety of securities offering independent returns.

**Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures bank deposits, currently up to $250,000 per deposit.

**Federal Funds Rate:** The rate of interest at which overnight Fed funds are traded between banks. This rate is currently pegged by the Federal Reserve through open-market operations as is used as a proxy for the overnight rate.

**Federal Farm Credit Bank (FFCB):** The Federal Farm Credit Bank System is the oldest of the government sponsored enterprises, created by an act of Congress in 1916. Its mission is to provide a reliable and low cost source of funds to support agriculture in the United States. FFCB debt obligations are highly liquid and its senior debt is rated AA+.

**Federal Home Loan Banks:** The Federal Home Loan Bank was created by an act of Congress in 1932 as a system of 12 regional banks that provide funds to its member banks. FHLB's primary mission is to support residential and community lending. Its membership of more than 8,000 financial institutions includes savings banks, commercial banks, credit unions and insurance companies active in housing finance. FHLB debt obligations are highly liquid and its senior debt is rated AA+.

**Federal Home Loan Mortgage Company (FHLMC or "Freddie Mac"):** Freddie Mac was created by an act of Congress in 1970 as a shareholder-owned company to further expand the secondary market for mortgage loans in the United States. Freddie Mac buys existing mortgages and pools them together to create mortgage-backed securities that can then be sold to investors, thereby providing liquidity to lenders who can then make additional loans. Along with Fannie Mae, Freddie Mac was placed into government conservatorship in September 2008, but continues full operations under government control and has been instrumental in the government's attempts to revive the housing sector. Freddie Mac securities are highly liquid and its senior debt is rated AA+.

**Federal National Mortgage Association (FNMA or "Fannie Mae"):** Fannie Mae was created by an act of Congress in 1938 under the Federal National Mortgage Association Act to provide a secondary market for mortgage loans in the United States. It does this by purchasing existing home loans and pooling them together to create mortgage-backed securities that can them be sold to investors, along with a guaranty of the timely payment of principal and interest on the underlying loans. Fannie Mae was privatized in 1968, and operated as a private stockholder-owned company for 40 years before the housing market collapse forced them into federal government conservatorship in September 2008. Fannie Mae debt obligations are highly liquid and its senior debt is rated AA+.

**Federal Open Market Committee (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve is a permanent member while the other presidents serve on a rotating basis. The committee meets eight times per year to set monetary policy.

**Government National Mortgage Association (GNMA or "Ginnie Mae"):** Securities guaranteed by GNMA are issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by the full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA, or FMHM mortgages. The term pass-through is often used to describe Ginnie Maes.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**Local Government Investment Pool (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

**Market Value:** The current face or par value of an investment multiplied by the net selling price of the security as quoted by a recognized market pricing source quoted on the valuation date.

**Master Repurchase Agreement:** To protect investors, many public investors will request that repurchase agreements be preceded by a master repurchase agreement between the investor and financial institution of dealer. The master agreement should define the nature of the transaction, identify the relationship between the parties, establish normal practices regarding ownership and custody of the collateral securities during the term of the investment, provide remedies in the case of default by either party and clarify issues of ownership. The master repurchase agreement protects the investor by eliminating the uncertainty of ownership and hence, allowing investors to liquidate collateral if a bank or dealer defaults during the term of the agreement.

**Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.

**Money Market:** The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded. May also refer to a type of mutual fund whose underlying portfolio contains these security types.

**Open Market Operations:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**Portfolio:** Collection of securities held by an investor.

**Primary Dealer:** A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities brokers-dealers, banks and a few unregulated firms.

**Prudent Person Rule:** An investment standard. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

**Qualified Public Depositories:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than is maximum liability and which has been approved by the Public Depository Protection Commission to hold public deposits.

**Rate of Return:** The yield obtained on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Repurchase Agreement (repo or RP)** - An agreement by one party to sell securities at a specified price to a second party, along with a simultaneous agreement by the first party to repurchase the same securities at a specified price and a specified date.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**Secondary Market:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**Securities & Exchange Commission (SEC):** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**Treasury Bills:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months and one year.

**Treasury Bonds:** Long-term U.S. Treasury securities having initial maturities of more than ten years.

**Treasury Notes:** Intermediate term coupon bearing U.S. Treasury securities having initial maturities from two to ten years.

**Yield:** The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price of the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

9(2)

# AGENDA ITEM
# EXECUTIVE SUMMARY

Meeting Date: **September 3, 2025**

**Agenda Item:**

Public hearing for a Special Use Permit (SUP) to allow the loading/unloading of bulk liquid in a Light Industry ("LI") District located at 227 N. West Street, bearing a legal description of approximately 19.541336 acres of land out of School Land League Surveys 26, 27, and 36, R. King Survey #289, C.C.S.D and R.G RR Survey #290. Applicant: Frank Cunningham c/o Saint Claire Group Inc. Attachment ***(Planning & Development)***

Prepared By: Ana Hernandez, AICP, CNU-A
Title: Planning and Development Director/Special Projects Director
Signature: Ana Hernandez

**Brief Summary:**

Project Timeline

- July 21, 2025 – Application for Special Use Permit (SUP) submitted to the City. **(ATTACHMENT I and II)**
- August 13, 2025 – In accordance with State and local law, notice of required public hearings mailed to all property owners within 200 feet of subject tract.
- August 16, 2025 – In accordance with State and local law, notice of required public hearings published in the Valley Morning Star.
- August 27, 2025– Public hearing and consideration of requested Special Use Permit by the Planning and Zoning Commission.
- September 3, 2025 – Public hearing and consideration of requested Special Use Permit via 1st ordinance reading scheduled before the City Commission.
- September 17, 2025 – Pending approval of 1st ordinance reading, consideration of approval of 2nd ordinance reading scheduled before the City Commission.

Summary

- Frank Cunningham, the applicant, is requesting a Special Use Permit to allow a mobile bulk liquid transload operation located at 227 N. West Street. **(ATTACHMENT III)**
- According to the site plan and supporting documentation, the applicant proposes to operate Monday through Saturday, from 8:00 a.m. to 6:00 p.m. Daily operations will involve approximately eight (8) operators on-site, with an average of eleven (11) trailers engaged in loading and unloading bulk liquid for transport. **(ATTACHMENT IV AND VII)**
- Surrounding properties are zoned General Retail ("GR") District to the south and Light Industry ("LI") District to the south, north, east, and west. Land uses in the vicinity include single-family residential homes and Way of the Cross Ministries to the south, warehouses to the west, commercial businesses and the Missouri Pacific Railroad to the east, and the Missouri Pacific Railroad to the north. **(ATTACHMENT VI and VII)**
- The Building Inspections Division, Environmental Division, Fire Prevention

Bureau, and Harlingen Police Department have reviewed the application and reported no objection to the requested Special Use Permit, subject to compliance with all applicable codes and regulations. **(ATTACHMENT VIII-X)**

- In accordance with the Zoning Chapter of the Code of Ordinances, the P&Z Commission and City Commission may impose requirements and conditions of approval as are needed to ensure that a use requested by a SUP is compatible and complementary to adjacent properties.
- To date, the Planning and Development Department has received one written opposition to the Special Use Permit request. The individual expressed concern regarding the proposed business's proximity to the Downtown District and its location adjacent to another new, yet undisclosed, community project.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*
*If no, specify source of funding and amount requested:

Finance Director's approval: ☐ Yes ☐ No ☐ N/A

**Staff Recommendation:**

Staff recommends approval of the special use permit subject to complying with the following conditions:

1. Must obtain and maintain the proper State and City permits;
2. Must provide and maintain the required parking spaces in accordance with City regulations; and
3. Must provide and maintain a Hazard Mitigation Plan at all times while in operation; and
4. Complying with the requirements administered by Planning and Zoning, Building Inspections, Fire Prevention, and Environmental Services.

City Manager's approval: ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: ☑ Yes ☐ No ☐ N/A

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

9(b)

Meeting Date: **September 3, 2025**

**Agenda Item:**

Public hearing for a Special Use Permit (SUP) to allow a storage container in a General Retail ("GR") District located at 302 N. 77 Sunshine Strip, bearing a legal description of 3.245 acres out of Block 1, Profit Subdivision. Applicant: Anne Eberhardt, c/o Quality Equipment Management/Dollar Tree. Attachment ***(Planning & Development)***

Prepared By: Ana Hernandez, AICP, CNU_A
Title: Planning and Development Director/ Special Projects Director
Signature: Ana Hernandez

**Brief Summary:**

Project Timeline

- August 5, 2025 – Application for Special Use Permit (SUP) submitted to the City. **(ATTACHMENT I)**
- August 13, 2025 – In accordance with State and local law, notice of required public hearings mailed to all property owners within 200 feet of subject tract.
- August 16, 2025 – In accordance with State and local law, notice of required public hearings published in the Valley Morning Star.
- August 27, 2025– Public hearing and consideration of requested Special Use Permit by the Planning and Zoning Commission.
- September 3, 2025 – Public hearing and consideration of requested Special Use Permit via 1st ordinance reading scheduled before the City Commission.
- September 17, 2025 – Pending approval of 1st ordinance reading, consideration of approval of 2nd ordinance reading scheduled before the City Commission.

Summary

- Per the Code of Ordinances, a storage container in a General Retail ("GR") District requires the approval by the City Commission.
- The applicant is requesting a Special Use Permit to allow a storage container on the subject property to temporarily store merchandise for the Dollar Tree. **(ATTACHMENT II)**
- There is an existing 42,532 sq. ft. commercial building on the property. The northern part of the building is the site of "Peter Piper Pizza," and southern part of the building is the site of "Dollar Tree." The property has 271 feet of frontage on N. 77 Sunshine Strip and a depth of 570 feet at its longest point. **(ATTACHMENT III-VI)**
- According to the site plan, the applicant is proposing a 40 ft. long x 8 ft. wide x 8 ft. 6 inch height storage container to be located on the southeast side of the property. As mentioned, the purpose of the container is to temporarily store merchandise for the Dollar Tree. **(ATTACHMENT III)**
- Surrounding properties are zoned General Retail ("GR") District to the north and south, Residential, Single Family ("R-1") District to the east, and Neighborhood Services ("NS") to the west **(ATTACHMENT II).** Surrounding land uses consist of "Peter Piper Pizza" to the north, "Move It Storage" and "Los Asados Restaurant" to the south, single family residential use to the east, and Harlingen CISD Annex to

the west. **(ATTACHMENT VI)**

- The Building Inspections Department, and the Fire Prevention Bureau have reviewed the application and have reported no objection to the requested Special Use Permit subject to complying with all applicable codes and regulations. **(ATTACHMENT VII and VIII)**

- In accordance with the Zoning Chapter of the Code of Ordinances, the P&Z Commission and City Commission may impose requirements and conditions of approval as are needed to ensure that a use requested by a SUP is compatible and complementary to adjacent properties.

- To present, the Planning and Development Department has not received any calls opposition to the requested special use permit.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*
*If no, specify source of funding and amount requested:

Finance Director's approval: ☐ Yes ☐ No ☐ N/A

**Staff Recommendation:**

Staff recommends approval of the special use permit subject to complying with the following conditions:

1. The Special Use Permit will be limited to ninety days;
2. The container must be located in the rear of the property and screened from public view; and
3. Complying with the requirements administered by Planning and Zoning, Building Inspections, and Fire Prevention Departments.

City Manager's approval: GG ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: ☑ Yes ☐ No ☐ N/A

3. **Public hearing and take action to consider a request for a Special Use Permit (SUP) to allow a storage container in a General Retail ("GR") District located at 302 N. 77 Sunshine Strip, bearing a legal description of 3.245 acres out of Block 1, Profit Subdivision. Applicant: Anne Eberhardt, c/o Quality Equipment Management/Dollar Tree**

Assistant Director, Mr. Joel Olivo, presented the following information related to the request for a Special Use Permit, as follows:

- The legal notice map of the property was presented. Mr. Olivo explained that the applicant is requesting a Special Use Permit to allow a storage container to temporarily store merchandise for the Dollar Tree.
- The Subject Property is on the east side of 77 Sunshine Strip, south of Jefferson Avenue.
- An Aerial View of the Subject Property was presented. There is currently an existing approximately forty-three thousand (43,000) square foot building on the property. The north part of the building is the side of Peter Piper Pizza, and the south part is the Dollar Tree.
- The property has about two hundred and seventy-one feet of frontage on 77 Sunshine Strip and a depth of about five hundred and seventy (570) feet at its longest point.
- The Site Plan that was submitted was presented. Mr. Olivo said they are proposing a storage container which is eight (8) feet wide by forty (40) feet in length and about eight and half (8.5) feet in height. He explained it would be on the southeast part of the property in the rear or the east side of the property.
- A Street View of the property from the West on 77 Sunshine Strip was presented.
- A Street View from the rear of the property (from the east on 17$^{th}$ Street) was presented.
- Mr. Olivo again stated that the storage containers may need to store merchandise on a temporary basis. He said they are getting new merchandise, and they are going to be redisplaying some merchandise inside the store, so it is only for a temporary period.
- Building and Fire Prevention reviewed the request and reported no objection.
- Staff did notify property owners within a two hundred (200) foot radius. Mr. Olivo stated that fourteen (14) property owners received notification and that Staff received no objections to the requested SUP.
- Staff is recommending approval subject to the permit being limited to ninety (90) days and that the container must be in the rear of the property and screened from public view, and [that they be] in compliance with the appropriate departments.
- Mr. Olivo made himself available to the Board for any questions. He explained that the applicants were not present because they are from out of town and were unable to attend the meeting.

Chairman Consiglio thanked Mr. Olivo.

Cmr. Flores asked what would happen if they used it for more than ninety (90) days. He asked if they would have to come back. Mr. Olivo said they would have to come in for another SUP. He said it was only for the maximum ninety (90) days and that they would need to reapply again. Mr. Olivo said that according to the applicant, they were only going to use it for two (2) weeks and then they are going to remove it.

Cmr. Cruz-Velázquez asked if they are doing some kind of renovations maybe. Mr. Olivo said it was just for new merchandise that they are getting in and that they are going to redisplay the merchandise inside the store.

The Chairman asked if there were any other questions for Staff. Upon hearing none, he proceeded to the Public Hearing.

The Public Hearing was opened. He asked if there was anyone and upon hearing and seeing none, the Public Hearing was closed.

Chairman Consiglio asked if there was a motion. Cmr. Cruz-Velázquez made the motion to approve. Cmr. Perez seconded the motion. The Chairman asked if there was any further discussion and upon hearing none, moved the motion to a vote. The motion passed unanimously.

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

10(23)

| Meeting Date: | **September 3, 2025** |
|---|---|
| **Agenda Item:** | |
| Consideration and possible action to adopt an Ordinance on First Reading for a request for a Special Use Permit (SUP) to allow the loading/unloading of bulk liquid in a Light Industry ("LI") District located at 227 N. West Street, bearing a legal description of approximately 19.541336 acres of land out of School Land League Surveys 26, 27, and 36, R. King Survey #289, C.C.S.D and R.G RR Survey #290. Applicant: Frank Cunningham c/o Saint Claire Group Inc. | |
| Prepared By: | Ana Hernandez, AICP, CNU-A |
| Title: | Planning and Development Director/Special Projects Director |
| Signature: | Ana Hernandez |
| **Brief Summary:** | |

Project Timeline

- July 21, 2025 – Application for Special Use Permit (SUP) submitted to the City. **(ATTACHMENT I and II)**
- August 13, 2025 – In accordance with State and local law, notice of required public hearings mailed to all property owners within 200 feet of subject tract.
- August 16, 2025 – In accordance with State and local law, notice of required public hearings published in the Valley Morning Star.
- August 27, 2025– Public hearing and consideration of requested Special Use Permit by the Planning and Zoning Commission.
- September 3, 2025 – Public hearing and consideration of requested Special Use Permit via 1st ordinance reading scheduled before the City Commission.
- September 17, 2025 – Pending approval of 1st ordinance reading, consideration of approval of 2nd ordinance reading scheduled before the City Commission.

Summary

- Frank Cunningham, the applicant, is requesting a Special Use Permit to allow a mobile bulk liquid transload operation located at 227 N. West Street. **(ATTACHMENT III)**
- According to the site plan and supporting documentation, the applicant proposes to operate Monday through Saturday, from 8:00 a.m. to 6:00 p.m. Daily operations will involve approximately eight (8) operators on-site, with an average of eleven (11) trailers engaged in loading and unloading bulk liquid for transport. **(ATTACHMENT IV AND VII)**
- Surrounding properties are zoned General Retail ("GR") District to the south and Light Industry ("LI") District to the south, north, east, and west. Land uses in the vicinity include single-family residential homes and Way of the Cross Ministries to the south, warehouses to the west, commercial businesses and the Missouri Pacific Railroad to the east, and the Missouri Pacific Railroad to the north. **(ATTACHMENT VI and VII)**
- The Building Inspections Division, Environmental Division, Fire Prevention

Bureau, and Harlingen Police Department have reviewed the application and reported no objection to the requested Special Use Permit, subject to compliance with all applicable codes and regulations. **(ATTACHMENT VIII-X)**

- In accordance with the Zoning Chapter of the Code of Ordinances, the P&Z Commission and City Commission may impose requirements and conditions of approval as are needed to ensure that a use requested by a SUP is compatible and complementary to adjacent properties.

- To date, the Planning and Development Department has received one written opposition to the Special Use Permit request. The individual expressed concern regarding the proposed business's proximity to the Downtown District and its location adjacent to another new, yet undisclosed, community project.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*

*If no, specify source of funding and amount requested:

Finance Director's approval: ☐ Yes ☐ No ☐ N/A

**Staff Recommendation:**

Staff recommends approval of the special use permit subject to complying with the following conditions:

1. Must obtain and maintain the proper State and City permits;
2. Must provide and maintain the required parking spaces in accordance with City regulations; and
3. Must provide and maintain a Hazard Mitigation Plan at all times while in operation; and
4. Complying with the requirements administered by Planning and Zoning, Building Inspections, Fire Prevention, and Environmental Services.

City Manager's approval: GG ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: ☑ Yes ☐ No ☐ N/A

## ATTACHMENT I

### CITY OF HARLINGEN PLANNING AND ZONING DIVISION
### MASTER APPLICATION

**PROPERTY INFORMATON:** (*Please* **PRINT** *or* **TYPE**)

Project Address 227 N West St Nearest Intersection N F St & N West St

(Proposed) Subdivision Name Freedom Propane LLC Lot____ Block____

Existing Zoning Designation Lite Industrial Future Land Use Plan Designation____

**OWNER/APPLICANT INFORMATION:** (*Please* **PRINT** or **TYPE**)

Applicant/Authorized Agent Frank Cunningham Phone 956-572-0122 FAX____

**Email Address** (for project correspondence only):FrankCunningham@SaintClaireGroupInc.com

Mailing Address 1225 N Expressway, Ste C1 City Brownsville State TX Zip 78520

Property Owner Valley Switching Phone 956-227-4586 FAX____

**Email Address** (for project correspondence only): jmlerma@riovalleyswitching.com

Mailing Address____ City____ State____ Zip____

**Select appropriate process for which approval is sought. Attach completed checklists with this application.**

| | |
|---|---|
| ☐Annexation Request......................No Fee | ☐Preliminary Construction Plans/Final Plat..........$150.00 |
| ☐Administrative Appeal (ZBA)............$125.00 | ☐Subdivision Variance Request............................$25.00 (each) |
| ☐Comp. Plan Amendment Request...$250.00 | ☐Re-plat..........................................................$250.00 |
| ☐Re-zoning Request......................$250.00 | ☐Vacating Plat..................................................$50.00 |
| ☑SUP Request/Renewal..................$250.00 | ☐License to Encroach......................................$250.00 |
| ☐Zoning Variance Request (ZBA)......$250.00 | ☐Right-of-Way/Utility Easement Abandonment...No Fee |
| ☐PDD Request...............................$250.00 | |

**Please provide a basic description of the proposed project:** Mobile bulk liquid transload operation (Railcar to Truck)

I hereby certify that I am the owner and/or duly authorized agent of the owner for the purposes of this application. I further certify that I have read and examined this application and know the same to be true and correct. If any of the information provided on this application is incorrect the permit or approval may be revoked.

Applicant's Signature: [signature] Date: 16JUL25

Property Owner(s) Signature: [signature] Date: 07/16/2025

Accepted by:____ Date:____

*Revised 09/13/2024*

## ATTACHMENT I

# PLANNED DEVELOPMENT DISTRICT (PDD) REQUEST
# SPECIFIC USE PERMIT (SUP) REQUEST
# SUBMITTAL CHECKLIST

***Please submit the following items along with the completed master application and appropriate fees. The project cannot be scheduled for consideration unless all items are marked complete. Citations come from the Zoning Ordinance.***

Complete

☐ One (1) copy of a comprehensive site plan showing the proposed development of the property. The site plan shall consist of the following items, as applicable:

- Existing/proposed building footprints and building heights (or buildable areas for single and two-family residential); and
- Locations of proposed uses; and
- Ingress and egress to/from property;
- Existing/proposed streets in compliance with the City of Harlingen Long Range Thoroughfare Plan; and
- Existing/proposed sidewalks; and
- Existing/proposed utilities; and
- Existing/proposed drainage; and
- Existing/proposed parking spaces.

☐ A written statement describing the proposed use(s) of the subject property.

☐ Any other information (elevation drawings, pictures, etc.) in support of the subject request.

---

- I understand that I am requesting an amendment to the City's Zoning Ordinance and it will not be scheduled for Planning and Zoning Commission review unless all items on this list are completed.

- I understand that in accordance State law and the Zoning Ordinance, no later than ten (10) days prior to consideration by the Planning and Zoning Commission:

  - A notice will be published in the Valley Morning Star describing the request and the date, time, and location of the public hearing; and
  - Notices will be mailed to all property owners within 200 feet of the tract describing the request and the date, time, and location of the public hearing.

- I understand that while all requirements for the submittal of a PDD or SUP request may be complete, the City Commission is the sole authority for the consideration and approval or denial of the request.

- I understand that the purpose of a PDD or SUP is to allow for development not otherwise authorized in the Zoning Ordinance. Hence, the Planning and Zoning Commission and/or City Commission may impose development standards important to the health, safety, welfare, and protection of the proposed development and the adjacent property and its occupants.

Owner: RIO VALLEY SWITCHING CO. Date 07/16/2025

Owner Address: 101 N. 2ND STREET McALLEN, TX. 78501

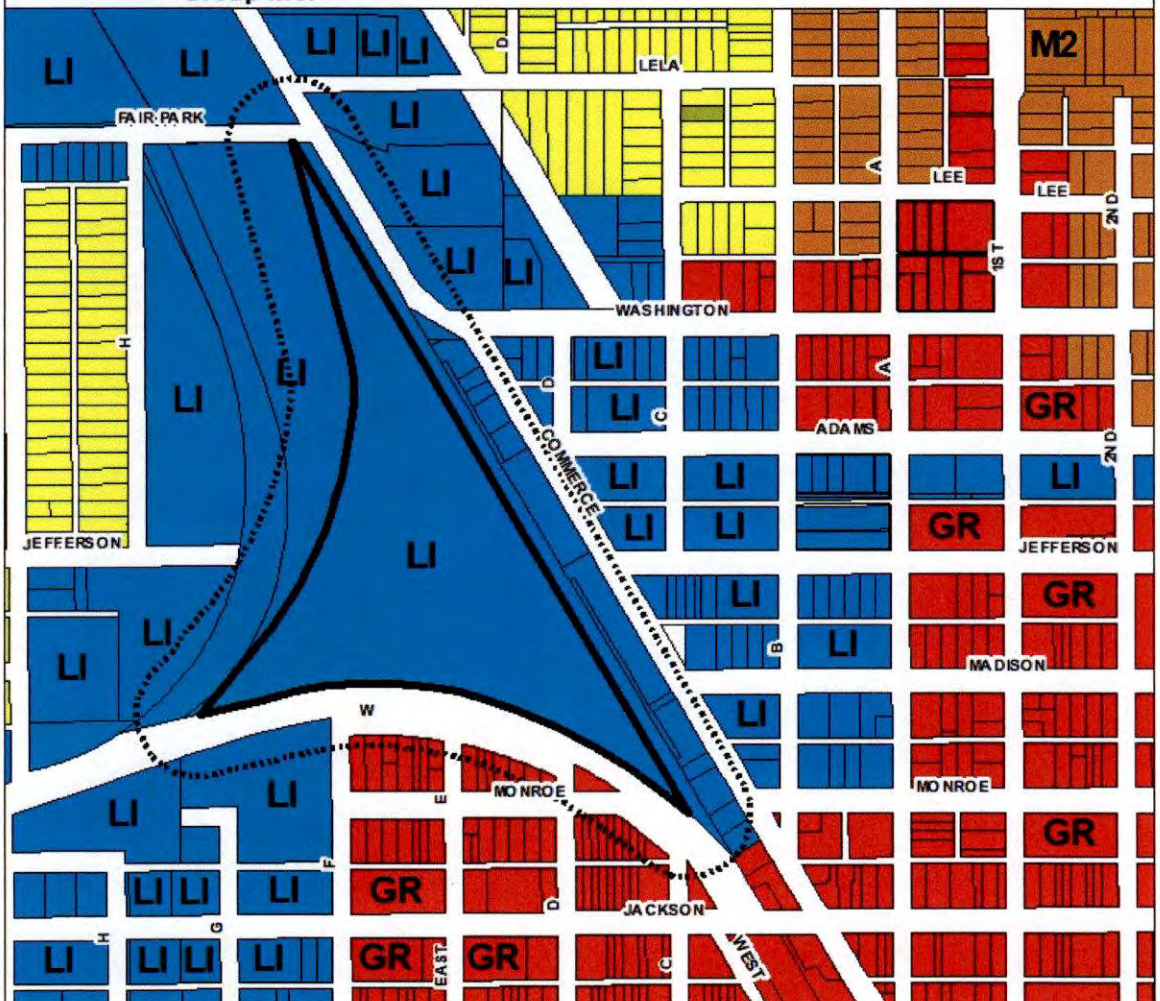
Phone/Fax: P. 956-971-9111 M. 956-227-4586 F. 956-971-9114

Signature: ______________________

# ATTACHMENT II

CITY OF HARLINGEN TEXAS

**Request for a Special Use Permit (SUP) to allow the loading/unloading of bulk liquid in a Light Industry ("LI") District located at 227 N. West Street, bearing a legal description of approximately 19.541336 acres of land out of School Land League Surveys 26, 27, and 36, R. King Survey #289, C.C.S.D and R.G RR Survey #290. Applicant: Frank Cunningham c/o Saint Claire Group Inc.**




N

0 155 310

Feet

**Zoning Designations**

- General Retail (GR)
- Heavy Industry (HI)
- Light Industry (LI)
- 3/4 Plex Residential (M1)
- Multi Family Residential (M2)
- Mobile Home Residential (MH)
- Not-Designated (N)
- Neighborhood Services (NS)
- Office (O)
- Planned Development (PD)
- Single Family Residential (R1)
- Duplex Residential (R2)
- Residential Patio Home (RPH)

**Boundary lines**

- Harlingen city limits.shp
- 200' Notification Boundary
- Subject Property

This map has been produced by the City of Harlingen for the sole purpose of locating jurisdictional boundaries and is not intended for any other. The map data is compiled from various sources including orthophoto imagery, engineer plans and plats, survey field notes, and other sources. This map is intended for graphic representation only. No warranty is made by the City regarding its accuracy or completeness. Before relying on any information on the map, check with the Planning Department. Date of map 08.08.2025

## ATTACHMENT III

Freedom Propane LLC proposed transload location
and Special Use Permit site diagram.

227 N West St, Harlingen, Texas 78550


## ATTACHMENT IV

View from North West Street

## ATTACHMENT V

## ATTACHMENT VI

CITY OF HARLINGEN TEXAS

**Specific Use Permit ("SUP") Routing Slip**

**Applicant:** Frank Cunningham c/o Saint Claire Group Inc.

**Phone No.:** (956) 572-0122

**Location:** 227 N. West Street

**Project Description:** Request for a Special Use Permit (SUP) to allow the loading/unloading of bulk liquid in a Light Industry ("LI") District located at 227 N. West Street, bearing a legal description of approximately 19.541336 acres of land out of School Land League Surveys 26, 27, and 36, R. King Survey #289, C.C.S.D and R.G RR Survey #290. Applicant: Frank Cunningham c/o Saint Claire Group Inc.

**Department:** Building Permits and Inspections Department

**Approval:** ____YES ____NO __X__PENDING

**Comments:** **If request is approved by the Planning Department, temporary structures and uses shall conform to the structural strength, fire safety, means of egress, accessibility, light, ventilation and sanitary requirements of the 2018 International Building Code and family of Codes as necessary to ensure public health, safety and general welfare. Any use of electrical equipment, extension cords, wires or such shall be installed and or placed in accordance with 2017 NEC or Manufacture Installation Instructions. The city commission adopted the new 2024 family of codes which will take effect on October 1, 2025. Any building permit applications received after that date will have to follow the new codes. A site survey of the area will be required for any safety hazards.**

**Raul Rodriguez** | **08/15/2025**

**Signature** | **Date**

## ATTACHMENT VII

**Pending Fire**

CITY OF HARLINGEN TEXAS

**Specific Use Permit ("SUP") Routing Slip**

**Applicant:** Frank Cunningham c/o Saint Claire Group Inc.

**Phone No.:** (956) 572-0122

**Location:** 227 N. West Street

**Project Description:** Request for a Special Use Permit (SUP) to allow the loading/unloading of bulk liquid in a Light Industry ("LI") District located at 227 N. West Street, bearing a legal description of approximately 19.541336 acres of land out of School Land League Surveys 26, 27, and 36, R. King Survey #289, C.C.S.D and R.G RR Survey #290. Applicant: Frank Cunningham c/o Saint Claire Group Inc.

**Department:** POLICE

**Approval:** ✓ YES ____ NO

**Comments:** ON CONDITION OF A SAFETY AUDIT - PERTAINING TO HANDLING OF HAZARDOUS MATERIALS IN PROXIMITY TO RESIDENTIAL AREA

**Signature** ALFREDO ALVEAR, CHIEF **Date** 8/12/25

## ATTACHMENT IX

Pending Environmental

**ORDINANCE NO. 25-**

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF HARLINGEN: A SPECIAL USE PERMIT ISSUED TO FRANK CUNNINGHAM TO ALLOW THE LOADING/UNLOADING OF BULK LIQUID IN A LIGHT INDUSTRY ("LI") DISTRICT, LOCATED AT 227 N. WEST STREET, BEARING A LEGAL DESCRIPTION OF APPROXIMATELY 19.541336 ACRES OF LAND OUT OF SCHOOL LAND LEAGUE SURVEYS 26, 27, AND 36, R. KING SURVEY #289, C.C.S.D. AND R.G. RR SURVEY #290, PROVIDING FOR PUBLICATION AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING.**

WHEREAS, the Planning and Zoning Commission of the City of Harlingen pursuant to Harlingen's Zoning Ordinance procedure, has recommended a change in the zoning classification for certain described real property in the City of Harlingen; and it is deemed to be in the best interest of the City of Harlingen in accordance with said recommendation of the Planning and Zoning Commission of the City, being the recommendation as hereinafter set forth; and public notice of such proposed rezoning having been fully made and complied with as required by said Zoning Ordinance and applicable laws of the State of Texas; and the City Commission of the City of Harlingen having held public hearings with reference thereto, being duly and thoroughly heard; and after consideration of the evidence presented, said City Commission is of the opinion that it is in the best interest of the City of Harlingen that said Code of Ordinances be amended as indicated, now, therefore,

**BE IT ORDAINED BY THE CITY OF HARLINGEN**

That the Code of Ordinances of the City of Harlingen (Ordinance 16-8) be and the same is herewith amended by the following described property being changed for permissive zone use as indicated in Exhibit "A":

> Special Use Permit (SUP) issued to Frank Cunningham the loading/unloading of bulk liquid in a Light Industry ("LI") District located at 227 N. West Street, bearing a legal description of approximately 19.541336 acres of land out of School Land League Surveys 26, 27, and 36, R. King Survey #289, C.C.S.D and R.G RR Survey #290.

A copy of the Zoning Map constituting a part and parcel of the Code of Ordinances, as filed with the Chief Building Official and for the joint use and information of the Planning and Zoning Commission shall, upon final enactment hereof, be and the same is herewith amended and revised to reflect that the above described property is zoned for land use purposes as above indicated by the boundaries thereof being outlined in pronounced heavy line markings and such heavy line marking boundary enclosure being indicated within the appropriate initials for that portion herewith zoned for particular land uses; with the Planning and Development Director being herewith instructed and authorized to document such Zoning Map changes and revisions.

The Special Use Permit is made contingent upon construction being complied in accordance with the site plan, a true and correct copy of which is attached hereto and incorporated herein by reference as Exhibit "A" and shall comply with the conditions as listed below:

1. Must obtain and maintain the proper State and City permits;
2. Must provide and maintain the required parking spaces in accordance with City regulations; and
3. Must provide and maintain a Hazard Mitigation Plan at all times while in operation; and
4. Complying with the requirements administered by Planning and Zoning, Building Inspections, Fire Prevention, and Environmental Services.

The provisions of this ordinance shall become effective from and after the final and lawful passage hereof and publication of the caption hereof as provided for and required in the Code of Ordinances and applicable state statutes.

**FINALLY ENACTED** this ____ day of ____________, 2025 at a regular meeting of the Elective Commission of the City of Harlingen, Texas at which a quorum was present, and which was held in accordance with TEXAS GOVERNMENT CODE, CHAPTER 551.

**CITY OF HARLINGEN**

____________________
Norma Sepulveda, Mayor

**ATTEST:**

____________________
Mayra Herrera, City Secretary

**Exhibit "A"**

Freedom Propane LLC proposed transload location
and Special Use Permit site diagram.

227 N West St, Harlingen, Texas 78550


10(b)

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

Meeting Date: **September 3, 2025**

| **Agenda Item:** |
|---|
| Consideration and possible action to adopt an Ordinance on First Reading for a Special Use Permit (SUP) to allow a storage container in a General Retail ("GR") District located at 302 N. 77 Sunshine Strip, bearing a legal description of 3.245 acres out of Block 1, Profit Subdivision. Applicant: Anne Eberhardt, c/o Quality Equipment Management/Dollar Tree |

| | |
|---|---|
| Prepared By: | Ana Hernandez, AICP, CNU_A |
| Title: | Planning and Development Director/ Special Projects Director |
| Signature: | Ana Hernandez |

**Brief Summary:**

Project Timeline

- August 5, 2025 – Application for Special Use Permit (SUP) submitted to the City. **(ATTACHMENT I)**
- August 13, 2025 – In accordance with State and local law, notice of required public hearings mailed to all property owners within 200 feet of subject tract.
- August 16, 2025 – In accordance with State and local law, notice of required public hearings published in the Valley Morning Star.
- August 27, 2025– Public hearing and consideration of requested Special Use Permit by the Planning and Zoning Commission.
- September 3, 2025 – Public hearing and consideration of requested Special Use Permit via 1st ordinance reading scheduled before the City Commission.
- September 17, 2025 – Pending approval of 1st ordinance reading, consideration of approval of 2nd ordinance reading scheduled before the City Commission.

Summary

- Per the Code of Ordinances, a storage container in a General Retail ("GR") District requires the approval by the City Commission.
- The applicant is requesting a Special Use Permit to allow a storage container on the subject property to temporarily store merchandise for the Dollar Tree. **(ATTACHMENT II)**
- There is an existing 42,532 sq. ft. commercial building on the property. The northern part of the building is the site of "Peter Piper Pizza," and southern part of the building is the site of "Dollar Tree." The property has 271 feet of frontage on N. 77 Sunshine Strip and a depth of 570 feet at its longest point. **(ATTACHMENT III-VI)**
- According to the site plan, the applicant is proposing a 40 ft. long x 8 ft. wide x 8 ft. 6 inch height storage container to be located on the southeast side of the property. As mentioned, the purpose of the container is to temporarily store merchandise for the Dollar Tree. **(ATTACHMENT III)**
- Surrounding properties are zoned General Retail ("GR") District to the north and south, Residential, Single Family ("R-1") District to the east, and Neighborhood Services ("NS") to the west **(ATTACHMENT II)**. Surrounding land uses consist of "Peter Piper Pizza" to the north, "Move It Storage" and "Los Asados Restaurant" to

the south, single family residential use to the east, and Harlingen CISD Annex to the west. **(ATTACHMENT VI)**

- The Building Inspections Department, and the Fire Prevention Bureau have reviewed the application and have reported no objection to the requested Special Use Permit subject to complying with all applicable codes and regulations. **(ATTACHMENT VII and VIII)**

- In accordance with the Zoning Chapter of the Code of Ordinances, the P&Z Commission and City Commission may impose requirements and conditions of approval as are needed to ensure that a use requested by a SUP is compatible and complementary to adjacent properties.

- To present, the Planning and Development Department has not received any calls opposition to the requested special use permit.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*
*If no, specify source of funding and amount requested:

Finance Director's approval: ☐ Yes ☐ No ☐ N/A

**Staff Recommendation:**

Staff recommends approval of the special use permit subject to complying with the following conditions:

1. The Special Use Permit will be limited to ninety days;
2. The container must be located in the rear of the property and screened from public view; and
3. Complying with the requirements administered by Planning and Zoning, Building Inspections, and Fire Prevention Departments.

City Manager's approval: ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: ☑ Yes ☐ No ☐ N/A

# ATTACHMENT I

## CITY OF HARLINGEN PLANNING AND ZONING DIVISION
## MASTER APPLICATION

TEU22

**PROPERTY INFORMATON:** (*Please* **PRINT** *or* **TYPE**)

Project Address 302 N 77 Sunshine Strip, Harlingen, Tx 78550 Nearest Intersection North 7th Street

(Proposed) Subdivision Name Peter Piper Center Lot ______ Block ______

Existing Zoning Designation ______ Future Land Use Plan Designation ______

**OWNER/APPLICANT INFORMATION:** (*Please* **PRINT** or **TYPE**)

Applicant/Authorized Agent Quality Equipment Mgmt / Dollar Tree Phone 404-780-6882 FAX ______

**Email Address** (for project correspondence only): AnneEberhardt@GoQEM.com

Mailing Address 1350 Bluegrass Lakes Pkwy City Alpharetta State GA Zip 30004

Property Owner Dollar Tree Phone 757-449-6959 FAX ______

**Email Address** (for project correspondence only): ammanis@dollartree.com

Mailing Address 500 Volvo Parkway City Chesapeake State VA Zip 23320

**Select appropriate process for which approval is sought. Attach completed checklists with this application.**

| | |
|---|---|
| ☐ Annexation Request.................. No Fee | ☐ Preliminary Construction Plans/Final Plat.......... $150.00 |
| ☐ Administrative Appeal (ZBA)........... $125.00 | ☐ Subdivision Variance Request.......................... $25.00 (each) |
| ☐ Comp. Plan Amendment Request... $250.00 | ☐ Re-plat.................................................. $250.00 |
| ☐ Re-zoning Request..................... $250.00 | ☐ Vacating Plat............................................ $50.00 |
| ☑ SUP Request/Renewal.................. $250.00 | ☐ License to Encroach.................................. $250.00 |
| ☐ Zoning Variance Request (ZBA)...... $250.00 | ☐ Right-of-Way/Utility Easement Abandonment... No Fee |
| ☐ PDD Request.............................. $250.00 | |

CC PYMT.

PAID 8/5/25

**Please provide a basic description of the proposed project:**

Temporary placement of Storage Unit and ABF Trailer for the purpose of storing merchandise and open top dumpster

I hereby certify that I am the owner and/or duly authorized agent of the owner for the purposes of this application. I further certify that I have read and examined this application and know the same to be true and correct. If any of the information provided on this application is incorrect the permit or approval may be revoked.

Applicant's Signature: Anne Eberhardt Date: 8/4/25

Property Owner(s) Signature: [signature] Date: 8/1/2025

Accepted by: ______ Date: ______

*Revised 09/13/2024*

**ATTACHMENT I**

Quality Equipment Management, LLC
Anne Eberhardt
404-780-6882

8/5/2025

Harlingen Texas Planning and Zoning
Subject: Permit Application for Dollar Tree 4766 – SUP

Dear Mr. Olivo,

The intent of this SUP application is for one (1) 40' storage container to be placed on the subject property for up to 90 days. There will also be an Open Top dumpster and ABF trailer on site for approximately two weeks while the storage container is on site. We have referenced these items on the application and the site map strictly for transparency.

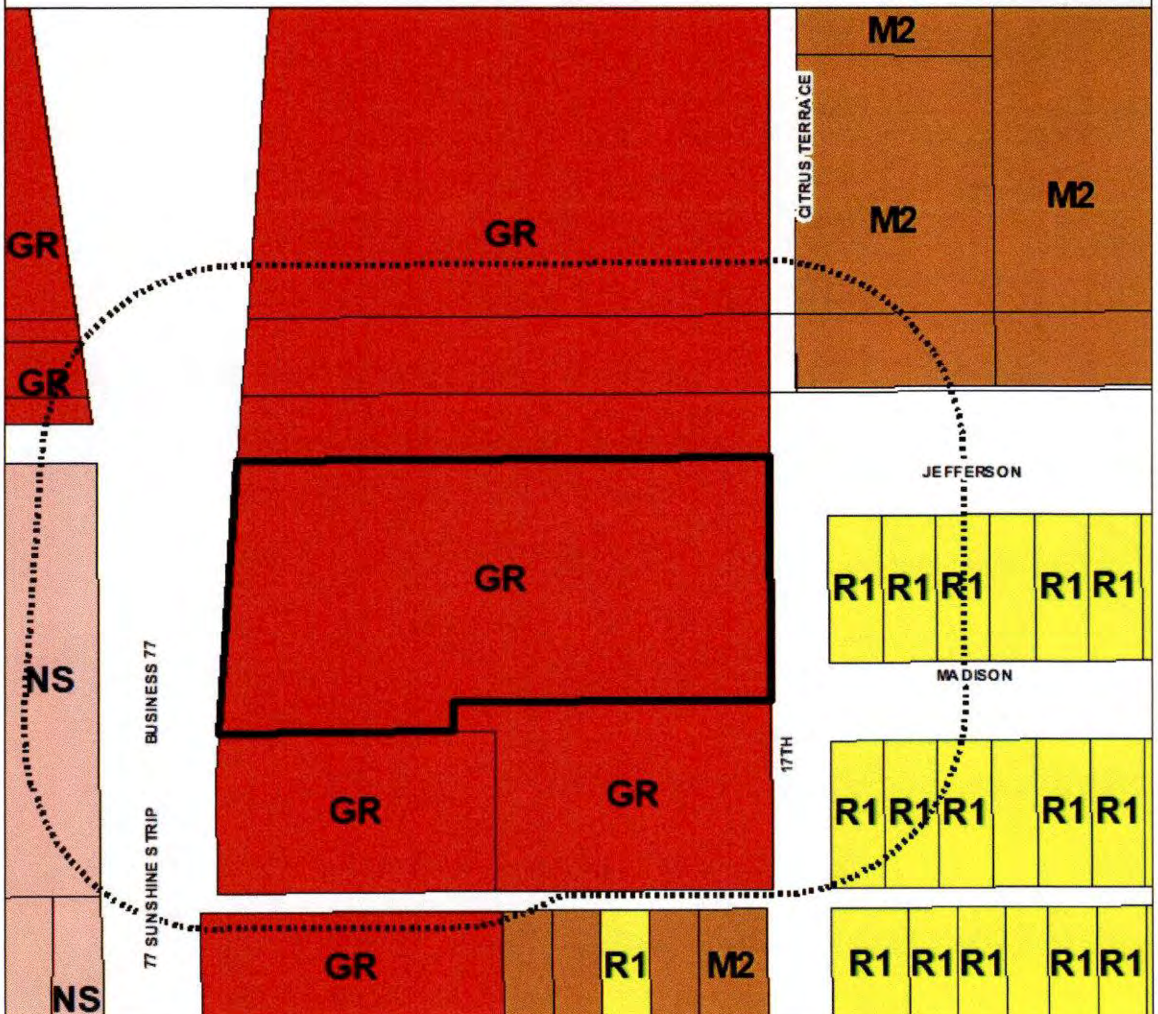
Sincerely,

Anne Eberhardt

## ATTACHMENT II

**Request for a Special Use Permit (SUP) to allow a storage container in a General Retail ("GR") District located at 302 N. 77 Sunshine Strip, bearing a legal description of 3.245 acres out of Block 1, Profit Subdivision. Applicant: Anne Eberhardt, c/o Quality Equipment Management/Dollar Tree**

CITY OF HARLINGEN TEXAS




N

0 50 100
Feet

**Zoning Designations**

- General Retail (GR)
- Heavy Industry (HI)
- Light Industry (LI)
- 3/4 Plex Residential (M1)
- Multi Family Residential (M2)
- Mobile Home Residential (MH)
- Not-Designated (N)
- Neighborhood Services (NS)
- Office (O)
- Planned Development (PD)
- Single Family Residential (R1)
- Duplex Residential (R2)
- Residential Patio Home (RPH)

**Boundary lines**

- Harlingen city limits.shp
- 200' Notification Boundary
- Subject Property

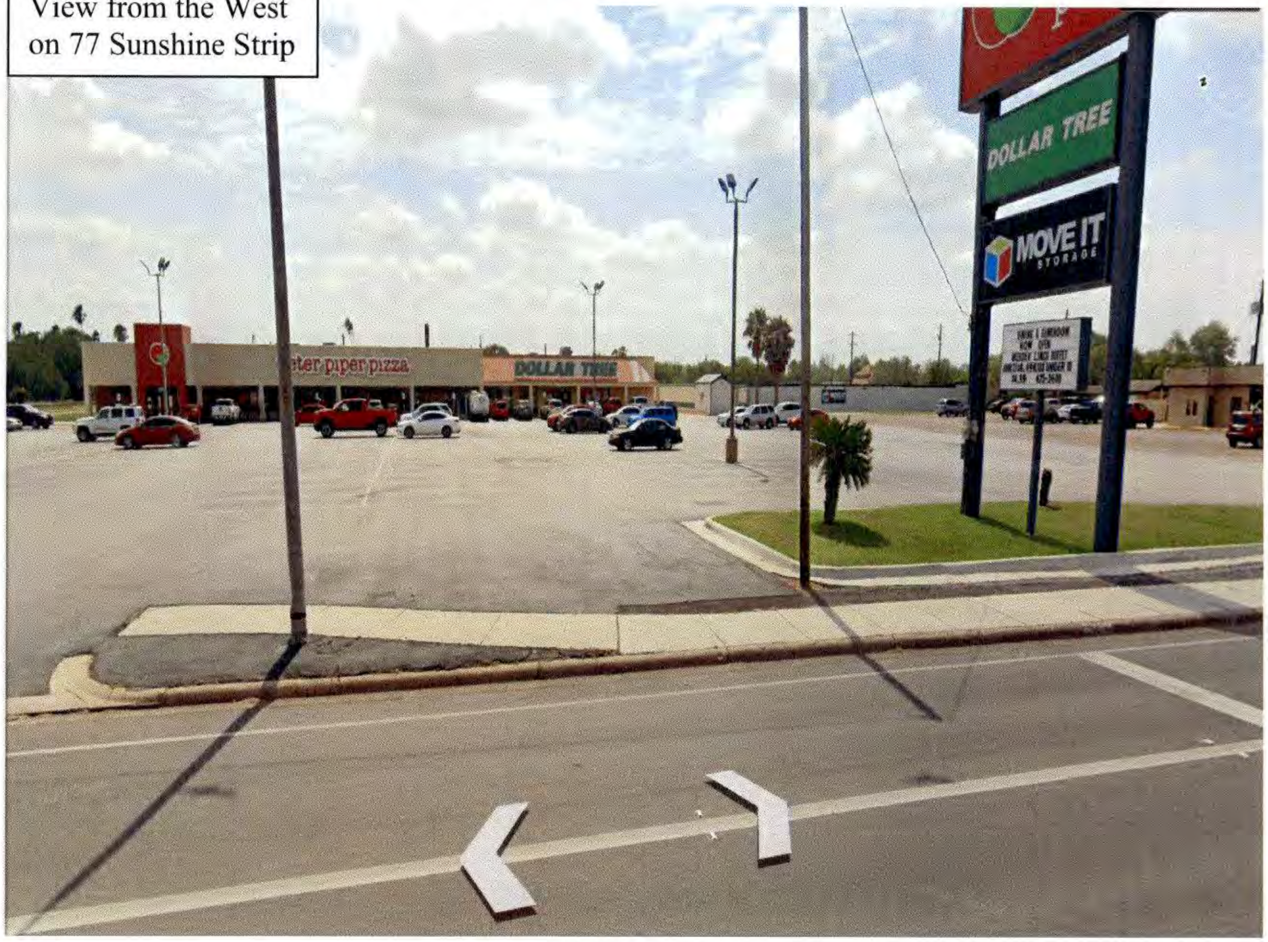
This map has been produced by the City of Harlingen for the sole purpose of locating jurisdictional boundaries and is not intended for any other. The map data is compiled from various sources including orthophoto imagery, engineer plans and plats, survey field notes, and other sources. This map is intended for graphic representation only. No warranty is made by the City regarding its accuracy or completeness. Before relying on any information on the map, check with the Planning Department. Date of map 08.08.2025

## ATTACHMENT III

**Store 4766**
**302 N 77 Sunshine Strip**
**Harlingen, TX**

## ATTACHMENT IV

View from the West
on 77 Sunshine Strip




## ATTACHMENT V

View from the East on 17th Street

## ATTACHMENT VI

**ATTACHMENT VII**

CITY OF HARLINGEN TEXAS

**Specific Use Permit ("SUP") Routing Slip**

**Applicant:** Anne Eberhardt. c/o Quality Equipment Management/Dollar Tree

**Phone No.:** (404)780-6882

**Location:** 302 N. 77 Sunshine Strip

**Project Description:** Request for a Special Use Permit (SUP) to allow a storage container on the subject property

**Department:** Building Permits and Inspections Department

**Approval:** ____YES ______ NO __X__PENDING

**Comments:** **If request is approved by the Planning Department, temporary structures and uses shall conform to the structural strength, fire safety, means of egress, accessibility, light, ventilation and sanitary requirements of the 2018 International Building Code and family of Codes as necessary to ensure public health, safety and general welfare. Any use of electrical equipment, extension cords, wires or such shall be installed and or placed in accordance with 2017 NEC or Manufacture Installation Instructions. The city commission adopted the new 2024 family of codes which will take effect on October 1, 2025. Any building permit applications received after that date will have to follow the new codes. A site survey of the area will be required for any safety hazards.**

| | |
|---|---|
| **Raul Rodriguez** | **08/15/2025** |
| **Signature** | **Date** |

CITY OF HARLINGEN TEXAS

**Specific Use Permit ("SUP") Routing Slip**

**Applicant:** Anne Eberhardt. c/o Quality Equipment Management/Dollar Tree

**Phone No.:** (404)780-6882

**Location:** 302 N. 77 Sunshine Strip

**Project Description:** Request for a Special Use Permit (SUP) to allow a storage container on the subject property

**Department:** Fire Prevention

**Approval:** **X** YES ____ NO

**Comments: Must comply will all City of Harlingen rules, regulations, and city ordinances. Must also comply with clearances of all Fire Lanes.**

Russell [signature]

**Signature**

8/18/2025

**Date**

**ORDINANCE NO. 25- .**

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF HARLINGEN: A SPECIAL USE PERMIT ISSUED TO QUALITY EQUIPMENT MANAGEMENT/DOLLAR TREE TO ALLOW A STORAGE CONTAINER IN A GENERAL RETAIL ("GR") DISTRICT LOCATED AT 302 N. 77 SUNSHINE STRIP, BEARING A LEGAL DESCRIPTION OF 30245 ACRES OUT OF BLOCK 1, PROFIT SUBDIVISION, PROVIDING FOR PUBLICATION AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING.**

WHEREAS, the Planning and Zoning Commission of the City of Harlingen pursuant to Harlingen's Zoning Ordinance procedure, has recommended a change in the zoning classification for certain described real property in the City of Harlingen; and it is deemed to be in the best interest of the City of Harlingen in accordance with said recommendation of the Planning and Zoning Commission of the City, being the recommendation as hereinafter set forth; and public notice of such proposed rezoning having been fully made and complied with as required by said Zoning Ordinance and applicable laws of the State of Texas; and the City Commission of the City of Harlingen having held public hearings with reference thereto, being duly and thoroughly heard; and after consideration of the evidence presented, said City Commission is of the opinion that it is in the best interest of the City of Harlingen that said Code of Ordinances be amended as indicated, now, therefore,

**BE IT ORDAINED BY THE CITY OF HARLINGEN**

That the Code of Ordinances of the City of Harlingen (Ordinance 16-8) be and the same is herewith amended by the following described property being changed for permissive zone use as indicated in Exhibits "A" and "B.":

> Special Use Permit (SUP) issued to Quality Equipment Management/Dollar Tree to allow a storage container in a General Retail ("GR") District located at 302 N. 77 Sunshine Strip, bearing a legal description of 3.245 acres out of Block 1, Profit Subdivision.

A copy of the Zoning Map constituting a part and parcel of the Code of Ordinances, as filed with the Chief Building Official and for the joint use and information of the Planning and Zoning Commission shall, upon final enactment hereof, be and the same is herewith amended and revised to reflect that the above described property is zoned for land use purposes as above indicated by the boundaries thereof being outlined in pronounced heavy line markings and such heavy line marking boundary enclosure being indicated within the appropriate initials for that portion herewith zoned for particular land uses; with the Planning and Development Director being herewith instructed and authorized to document such Zoning Map changes and revisions.

The Special Use Permit is made contingent upon construction being complied in accordance with the site plan, a true and correct copy of which is attached hereto and incorporated herein by reference as Exhibit "A" and shall comply with the conditions as listed below:

1. The Special Use Permit will be limited to ninety (90) days;
2. The storage container must be located in the rear of the property and screened from public view; and
3. Comply with the requirements administered by the Planning and Zoning, Building Inspections and Fire Prevention Departments.

The provisions of this ordinance shall become effective from and after the final and lawful passage hereof and publication of the caption hereof as provided for and required in the Code of Ordinances and applicable state statutes.

**FINALLY ENACTED** this ____ day of ____________, 2025 at a regular meeting of the Elective Commission of the City of Harlingen, Texas at which a quorum was present, and which was held in accordance with TEXAS GOVERNMENT CODE, CHAPTER 551.

**CITY OF HARLINGEN**

______________________
Norma Sepulveda, Mayor

**ATTEST:**

______________________
Mayra Herrera, City Secretary

**Exhibit "A"**

**Store 4766**
**302 N 77 Sunshine Strip**
**Harlingen, TX**

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

10(C)

Meeting Date: **September 3, 2025**

**Agenda Item:**

Consideration and possible action to approve an ordinance on first reading amending the Harlingen Code of Ordinances Chapter 18, Master Fee Schedule, by establishing fees for certain licenses, permits, and other services provided by the City of Harlingen as they relate to chapter 36, Article V, Division 2(Tony Butler Golf Course); providing for publication and ordaining other matters pertaining to the foregoing. Attachment ***(Golf)***

Prepared By: Jeff Hart
Title: Director of Golf
Signature: Jeff Hart

**Summary:**

Summary
Tony Butler Golf Course staff recommends increasing the pricing of the non-twilight Green Fee and Cart Rate to $40. The Advisory Board voted on July 29th, 2025 to approve the new rates and send them to the city council for a vote.

| Tony Butler Rates | |
|---|---|
| 18 Hole Green Fee | From $23 to $27 |
| 18 Hole Cart Rate (1/2 cart) | From $13 to $13 |

..

**Staff Recommendation:**

Staff and Advisory Board recommends increasing the rate for an 18-hole green fee with half a cart from $36 to $40 by increasing the 18-hole green fee by $4.

City Manager's approval: GG ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: ☐ Yes ☐ No ☐ N/A

**ORDINANCENO. XXX**

**AN ORDINANCE OF THE CITY OF HARLINGEN, TEXAS AMENDING CHAPTER 18, MASTER FEE SCHEDULE OF THE HARLINGEN CODE OF ORDINANCES BY ESTABLISHING FEES FOR CERTAIN LICENSES, PERMITS, AND OTHER SERVICES PROVIDED BY THE CITY OF HARLINGEN AS THEY RELATE TO CHAPTER 36, ARTICLE V, DIVISION 2(TONY BUTLER GOLF COURSE); PROVIDING FOR PUBLICATION AND ORDAINING OTHER MATTERS PERTAINING TO THE FOREGOING.**

**WHEREAS,** the City of Harlingen provides and maintains the Tony Butler Golf Course, to enhance the quality of life and provide opportunities for healthy activities for Harlingen residents and visitors; and

**WHEREAS,** the City finds that providing for additional resources in the maintenance of the Tony Butler Golf Course furthers these aims and better enables it to provide quality facilities for the enjoyment of the public;

**BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF HARLINGEN:**

**Section 1.** That Chapter 18, Master Fee Schedule of the Code of Ordinances of the City of Harlingen is hereby amended by adjusting and increasing fees for Tony Butler Golf Course.

| Rate | Current | Proposed |
|---|---|---|
| 18-Hole Green Fee Rate | $23 | $27 |
| 18-Hole Cart Rate | $13 | $13 |
| | | |

**VOTE AND APPROVAL THIS** 21st day of August 2024 at a regular meeting of the City Council of Harlingen, Texas at which a quorum was present and a unanimous vote to increase pricing was held in accordance with TEXAS GOVERNMENT CODE, TITLE 5, SUBTITLE A, CHAPTER 551.

**CITY OF HARLINGEN**

**Norma Sepulveda, Mayor**

**ATTEST:**

**Mayra Herrera, City Secretary**

10(d)

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

Meeting Date: **September 3, 2025**

**Agenda Item:**

Consideration and possible action to approve an ordinance on second and final reading adopting the City of Harlingen's budget for Fiscal Year 2026 by record vote.

Prepared By (Print Name): Robert Rodriguez
Title: Finance Director
Signature:

**Brief Summary:**

Texas Local Government Code Section 102.007 requires the City Commission to record a record vote to adopt a budget. Exhibit A displays total proposed revenues and expenditures and estimated fund balances by fund for Fiscal Year 2026.

Total Proposed Revenues – $119,595,578
Total Proposed Expenditures – $117,534,130

Revenues and expenditures for the Community Development Block Grant, Harlingen Downtown Improvement District, Harlingen Economic Development Corporation, Harlingen Community Improvement Board, Harlingen Waterworks System, and Valley International Airport budgets are excluded.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*
*If no, specify source of funding and amount requested:

Finance Director's approval: ☒ Yes ☐ No ☐ N/A

**Staff Recommendation:**
Staff recommends approval.

City Manager's approval: GG ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: ☑ Yes ☐ No ☐ N/A

**ORDINANCE NO. 25 -____**

**AN ORDINANCE ADOPTING THE REVENUE AND EXPENDITURE BUDGET FOR THE CITY OF HARLINGEN, TEXAS, FOR THE FISCAL YEAR OCTOBER 1, 2025 THROUGH SEPTEMBER 30, 2026. PROVIDING FOR PUBLICATION OF THE CAPTION OF THIS ORDINANCE AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING.**

**WHEREAS,** the City Manager of the City of Harlingen has prepared and presented to the City Commission a budget for the fiscal year October 1, 2025 through September 30, 2026; and,

**WHEREAS,** a public hearing on said budget was called for the 20th day of August, 2025 at 5:30 p.m. by publication in a newspaper of general circulation at least ten days and not more than thirty days before the public hearing to be held at City Hall, in the City of Harlingen, Texas, where and when any and all interested persons might appear and be heard with reference to any item contained in said budget; and,

**WHEREAS,** on the 3th day of September 2025, the City Commission voted to adopt the said budget by record vote, as per the requirements of Section 102.007, Texas Local Gov't Code; and,

**WHEREAS,** a second reading of said Ordinance is required by the City Charter for the City of Harlingen, Article V, Section 5:

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF HARLINGEN:**

**SECTION I.** That the budget for revenues and expenditures of the City of Harlingen, Texas for the fiscal year October 1, 2025 and ending September 30, 2026 (exclusive of the revenues and expenditures of the Community Development Block Grant Fund, Harlingen Economic Development Corporation Fund, Harlingen Community Improvement Board Fund, Harlingen Waterworks System, and the Valley International Airport) in the total amount of One Hundred Nineteen Million, Five Hundred Ninety-Five Thousand, Five Hundred and Seventy-Eight Dollars ($119,595,578) in revenues and One Hundred Seventeen Million, Five Hundred Thirty-Four Thousand, One Hundred and Thirty Dollars ($117,534,130) in expenditures is hereby adopted. A summary of the budget adopted is hereby attached to this Ordinance and incorporated herein as Exhibit A and the complete detailed budget adopted by this Ordinance is incorporated herein by reference and shall be made available for public inspection at the office of the City Secretary during regular business hours and made available on the City of Harlingen website.

**SECTION II.** That the City Manager of the City of Harlingen, Texas, is hereby authorized to increase the budget by the amount of purchase orders outstanding as of September 30, 2025.

**SECTION III.** That the City Manager of the City of Harlingen, Texas, is hereby authorized to increase the budget by the amount of funds recovered for repair or replacement of property or equipment damaged by others.

**SECTION IV.** That the City Secretary of the City of Harlingen, Texas is hereby authorized and directed to cause a true and correct copy of the caption of this Ordinance to be published in a newspaper having general circulation in the City of Harlingen, Cameron County, Texas.

**FINALLY ENACTED THIS** ________ day of _______________, 2025 at a regular meeting of the Elective Commission of the City of Harlingen, Texas at in compliance with TEXAS GOVERNMENT CODE, TITLE 5, SUBTITLE A., CHAPTER 551 and applicable law.

**CITY OF HARLINGEN, TEXAS**

______________________________
Norma Sepulveda, Mayor

**ATTEST:**

______________________________
Mayra Herrera, City Secretary

10(e)

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

Meeting Date: **September 3, 2025**

**Agenda Item:**

Consideration and possible action to approve an ordinance on second and final reading adopting the Tax Year 2025 Ad Valorem Tax Rate for Maintenance and Operations (M&O) together with the Interest and Sinking (I&S) Rate for Fiscal Year 2026 by record vote.

Prepared By (Print Name): Robert Rodriguez
Title: Finance Director
Signature:

**Brief Summary:**

Chapter 26 of the Texas Government Tax Code requires the City Commission to record a record vote to adopt the City's tax rate. The proposed maintenance and operations rate for Tax Year 2025 is $0.458038 per $100 valuation, when combined with the interest and sinking rate of $0.068022 per $100 valuation the total proposed tax rate is $0.526060 per $100 valuation. All legal requirements have been met for the adoption of the tax rate.

The proposed tax rate is 0.001464 per $100 valuation less than the current tax rate in effect.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*
*If no, specify source of funding and amount requested:

Finance Director's approval: ☒ Yes ☐ No ☐ N/A

**Staff Recommendation:**

Staff recommends approval.

City Manager's approval: ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: ☑ Yes ☐ No ☐ N/A

**ORDINANCE NO. 2025 -____**

**AN ORDINANCE OF THE CITY OF HARLINGEN, TEXAS LEVYING AD VALOREM TAXES FOR USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND TERMINATING SEPTEMBER 30, 2026; PROVIDING FOR APPORTIONING EACH LEVY FOR SPECIFIC PURPOSES; PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING.**

**WHEREAS,** the tax rolls of all taxable property in the City of Harlingen, Texas have been prepared and submitted to the Director of Finance of the City of Harlingen, Texas by the Chief Appraiser of the Cameron County Appraisal District:

**WHEREAS,** such tax rolls as certified by the Chief Appraiser show a taxable valuation, after making deductions for all exemptions authorized under State law and under ordinances of the City of Harlingen, Texas of Five Billion, Five Hundred Fifty-Six Million, Nine Hundred Thirty-Seven Thousand, Fifty-Four Dollars ($5,556,937,054);

**WHEREAS,** the City Commission approved the municipal budget for the fiscal year beginning October 1, 2025 and ending September 30, 2026;

**WHEREAS,** the City Commission ratified the property tax revenue increase reflected in the fiscal year 2025-2026 approved budget;

**WHEREAS,** the property tax rate reflected in the budget also represents a decrease of .3% as compared to the rate adopted by the City Commission for fiscal year 2024-2025;

**WHEREAS,** it is necessary that an ordinance be passed levying an ad valorem tax on all property, both real and personal, within the corporate limits of the City of Harlingen, Texas in accordance with such budget and the Texas Tax Code;

**WHEREAS,** The City of Harlingen has complied with all of the legal, procedural, and notice requirements to enact this ordinance fixing the ad valorem tax rate for the City for the tax year 2025;

**WHEREAS**, THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE; and

**WHEREAS**, THE TAX RATE WILL EFFECTIVELY BE RAISED BY 3.33% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $16.93;

**BE IT ORDAINED BY THE CITY OF HARLINGEN:**

The following ad valorem tax rate is adopted per $100.00 valuation:

| | |
|---|---|
| $ 0.458038 | For Maintenance and Operation (M&O) |
| $ 0.068022 | For Debt Service (I&S) |
| **$ 0.526060** | **Total Tax Rate** |

**WHEREAS**, that unless the due date has been extended, taxes levied under this ordinance shall be due October 1, 2025 and if not paid on or before January 31, 2026 shall immediately becomes delinquent.

**WHEREAS**, that a tax rate set at the foregoing rate is hereby levied on all properties subject to taxation, real and personal, located within the City of Harlingen, Texas and a lien against such property to secure the payment of such taxes levied is hereby established.

**WHEREAS**, that the City Secretary of the City of Harlingen, Texas is hereby authorized and directed to cause a true and correct copy of the caption of this Ordinance to be published in a newspaper having general circulation in the City of Harlingen, Cameron County, Texas.

**FINALLY ENACTED THIS** ____ day of _______________, 2025 at a regular meeting of the Elective Commission of the City of Harlingen, Texas at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, CHAPTER 551.

**CITY OF HARLINGEN**

______________________________
Norma Sepulveda, Mayor

**ATTEST:**

______________________________
Mayar Herrera, City Secretary

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

10(f)

Meeting Date: **September 3, 2025**

**Agenda Item:**

Consideration and possible action to approve an ordinance on first reading amending the City of Harlingen's budget for Fiscal Year 2025.

Prepared By (Print Name): Robert Rodriguez
Title: Finance Director
Signature:

**Brief Summary:**

This budget amendment allocates funds for prior fiscal year unspent encumbrances, awards, grants, and other revenues and expenditures not included in the current fiscal year approved budget. Exhibit "A" displays total revenues, expenditures, and estimated fund balances by fund after the amendment. Exhibit "B" displays detailed changes in revenues and expenditures by account number.

**General Fund –**
**Revenues Decreased by $-586,071**

- $-586,071 Department Requests
  - Elks Lodge Donation for Fire Dept $768
  - Autism Awareness $3,000
  - National Night Out $1,716
  - End of the year allocations $-591,555

**Expenses Increased by $778,338**

- $778,338 Department Requests
  - Administration—Travel & Training $16,525
  - Media & Communications—Supplies $7,117
  - Media & Communications—Services & Charges $4,066
  - Internal Auditor – Data Analytics Software Purchase $10,000
  - Risk Management – August & September Insurance Payments Due $97,238
  - Finance – Move Hotel/Motel Avenue Insights cost from GF to Hotel Motel Fund $-12,500
  - Police – Cover expenses for National Night Out $216
  - Polic – Cover expenses for Autism Awareness $3,000
  - Fire – Elks Lodge Donation $768
  - Public Works Admin – Cover Xerox Rental for the remainder of the Fiscal Year $1,035
  - Public Works Street -- Purchase tractor mower for maintaining areas acquired through the new MMA with TxDot $64,471
  - Public Works Paving – Cover Over overtime costs for the remainder of the Fiscal Year $8,100
  - Public Works Paving -- Cover balance for the purchase of the Pro-Patcher PO#94615 $10,403
  - Planning & Development-Code Compliance – Motor Vehicle and Tractor for new Groundskeeper Tractor Mower Position approved by CC 3/25/25 $108,907
  - Health-Animal Services – Replacement of Unit #612 approved by CC on 7/16/25 $39,950
  - Health-Animal Shelter – Cover expenses for the remainder of the FY $16,500
  - Health-Animal Shelter – Outside kennels for Animal Shelter approved by CC on 5/21/25 $237,350
  - Public Buildings—Renovation of the Children's restroom at the library $80,000
  - Public Buildings – Cover purchase of vehicle to replace unit #328 $36,823
  - Match for National Trust Historic Preservation Grant $8,000
  - Match for Downtown Master Plan $16,693
  - Match for Phase I Jefferson Improvements Project $23,676

**H.E.B. Tennis Court Fund –**
**Revenues Increased by $13,150**
- $13,150 Department Requests
  - End of the year allocations $13,150

**Hotel Motel Fund –**
**Revenues Decreased by $-124,029**
- $-124,029 Department Requests
  - End of the year allocations $-124,029

**Expenses Increased by $60,638**
- $60,638 Department Requests
  - Cover Invoices for rental monitoring/short term rental setup fees and monitoring $60,638

**Catastrophic Emergency Fund –**
**Expenditures Increased by $34,266**
- $34,266 Department Requests
  - End of the year allocations $34,266

**Free Trade Bridge Fund –**
**Revenues Increased by $310,000**
- $310,000 Department Requests
  - End of the year allocations $310,000

**CVB Fund –**
**Revenues Increased by $23,145**
- $23,145 Department Requests
  - End of the year allocations $23,145

**Grant Award Fund – Restricted Fund –**
**Revenues Increased by $1,406,684**
- $1,406,684 Grant revenue
  - HUD Health Homes Grant $122,969
  - HUD Health Homes Grant Salaries $2,945
  - Parks – Added Funds for swim bags and extra swimming platforms $72,000
  - Police – Operation Stonegarden Funds $58,244
  - Engineering—Continue Supporting Phase I of the Jefferson Improvements Project $41,157
  - Police – COPS Technology and Equipment Program Grant to fund Motorola Portable Radios $648,000
  - TVC Program Construction-Housing for Heros $100,000
  - Financial Hardship Utility/Rent/Mortgage $100,000
  - End of the Year Allocations $155,000
  - National Trust Historic Preservation Grant $8,000
  - General Fund Transfer In for 3 Grants $48,369
  - EDC 4A Transfer In for 1 Grant $50,000

**Expenses Increased by $395,811**
- $395,811 Awards and Grants
  - National Trust Historic Preservation Grant $16,000
  - Downtown Master Plan $66,693
  - Operation Stonegarden Funds $58,244
  - COPS Technology and Equipment Program Grant to fund Motorola Portable Radios $648,000
  - Engineering—Continue Supporting Phase I of the Jefferson Improvements Project $64,833
  - Parks-funds for swim bags and extra swimming platforms $72,000
  - HUD Healthy Homes Grant Salaries $2,945
  - HUD Healthy Homes Grant Contract Labor $57,969

  - HUD Healthy Homes Grant Construction $65,000
  - TVC Program Construction -Housing for Heros $100,000
  - Financial Hardship Utility/Rent/Mortgage $100,000
  - Transfers to General Fund $-855,873

**Federal Forfeitures –**
**Revenues Increased by $117,902**
- $117,902 Department Requests
  - Increase of Seized Funds $109,117
  - End of the year allocations $8,785

**Tax Increment Financing Zones No.1,2,3 Fund –**
**Revenues Increased by $24,027**
- $24,027 Department Requests
  - End of the year allocations $24,027

**Sponsorships Fund –**
**Revenues Increased by $37,200**
- $37,200 Department Requests
  - End of the year allocations $37,200

**Expenditures Increased by $117,848**
- $117,848 Department Requests
  - End of the year allocations $117,848

**Debt Services Fund –**
**Revenues Decreased by $-136,933**
- $-136,933 Department Requests
  - End of the year allocations $-136,933

**Infrastructure Fund –**
**Revenues Increased by $108,247**
- $108,247 Department Requests
  - End of the year allocations $108,247

**Sanitation Fund – Enterprise Fund –**
**Revenues Increased by $149,247**
- $149,247 Department Requests
  - End of the year allocations $149,247

**Expenses Increased by $5,657**
- $5,657 Department Requests
  - Recycling – Health Insurance for remainder of the Fiscal Year $5,057
  - Recycling – Cover Fuel expenses for the remainder of the Fiscal Year $600

**Tony Butler Golf Course Fund – Enterprise Fund –**
**Revenues Increased by $162,332**
- $162,332 Department Requests
  - End of the year allocations $162,332

**Expenses Increased by $35,616**
- $35,616 Department Requests
  - Golf Course – expanding the driving range forward by 25 yrds. $3,900
  - Golf Course – repairs for multiple carts $9,423
  - Golf Course -- Purchase of Golf Carts $22,293

**Motor Vehicle/Warehouse Fund –**
**Revenues Decreased by $-88,180**

- $-88,180 Department Requests
  - End of the year allocations $-88,180

**Expenses Increased by $44,334**

- $44,334 Department Requests
  - Motor Vehicle/Warehouse – Cover Utilities for the remainder of the Fiscal Year $650
  - Motor Vehicle/Warehouse – TML Premium for the remainder of the Fiscal Year $2,876
  - Fleet Maintenance –Cover Salaries for the remainder of the Fiscal Year $31,000
  - Fleet Maintenance – Cover Benefits for the remainder of the Fiscal Year $9,400
  - Fleet Maintenance – Cover internal service expenses for the remainder of the Fiscal Year $408

**Health Insurance Fund –**
**Revenues Decreased by $-287,110**

- $-287,110 Department Requests
  - End of the year allocations $-287,110

**Expenses Decreased by $-306,000**

- $-306,000 Department Requests
  - End of the year allocations $-306,000

**Lon C Hill Memorial Library Fund –**
**Revenues Increased by $12,775**

- $12,775 Department Requests
  - End of the year allocations $12,775

**Total – Revenues increased by ($1,142,386) - Expenditures increased by ($1,166,508)**

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*
*If no, specify source of funding and amount requested:

Finance Director's approval: [X] Yes ☐ No ☐ N/A

**Staff Recommendation:**

Staff recommends approval.

City Manager's approval: ☐ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: ☐ Yes ☐ No ☐ N/A

Departmental Budget Projections and Requests
Department Request
*Fiscal Year 2025*

**Exhibit A**

149 Days of Operation

| Fund | Unaudited *Estimated* Beginning Fund Balance | Projected Revenues | Requested Expenditures | Revenues Over(Under) Expenditures | *Estimated* Ending Fund Balance |
|---|---|---|---|---|---|
| General Fund | $ 38,138,659 | $ 72,039,823 | $ 78,286,768 | $ (6,246,945) | $ 31,891,714 |
| Tennis Court | 234,574 | 244,819 | 231,669 | 13,150 | 247,724 |
| Hotel / Motel | 3,334,148 | 1,801,041 | 1,234,271 | 566,770 | 3,900,918 |
| Catastrophic Emergency | 888,276 | 35,040 | 64,266 | (29,226) | 859,050 |
| Free Trade Bridge | 950,804 | 665,400 | 111,500 | 553,900 | 1,504,704 |
| Convention and Visitors Bureau | 196,981 | 759,532 | 774,187 | (14,655) | 182,326 |
| Award Programs - Restricted | 214,099 | 26,350,395 | 25,390,734 | 959,661 | 1,173,760 |
| Public, Educational, and Governmental Programming | 1,006,331 | 142,000 | 300,000 | (158,000) | 848,331 |
| Harlingen Convention Center | 1,601,852 | 30,400 | - | 30,400 | 1,632,252 |
| Federal Forfeitures | 653,201 | 466,942 | 330,000 | 136,942 | 790,143 |
| State Forfeitures | 120,276 | 146,040 | 145,616 | 424 | 120,700 |
| Tax Increment Financing No. 1 | 528,292 | 411,000 | 500 | 410,500 | 938,792 |
| Tax Increment Financing No. 2 | 3,366,536 | 611,221 | - | 611,221 | 3,977,757 |
| Tax Increment Financing No. 3 | 843,848 | 864,806 | 500,500 | 364,306 | 1,208,154 |
| Sponsorships Fund | 82,980 | 147,200 | 117,848 | 29,352 | 112,332 |
| Animal Shelter Fund | 3,095 | 206,000 | 200,000 | 6,000 | 9,095 |
| Debt Service | 569,152 | 4,657,369 | 4,624,001 | 33,368 | 602,520 |
| Infrastructure | 2,431,447 | 1,683,347 | 2,489,763 | (806,416) | 1,625,031 |
| Municipal Auditorium* | 801,904 | 243,300 | 243,300 | - | 801,904 |
| Sanitation/Sanitary Landfill* | 15,621,393 | 11,071,947 | 17,279,194 | (6,207,247) | 9,414,146 |
| Harlingen Arts and Heritage Museum* | 39,964 | 92,681 | 92,681 | - | 39,964 |
| Municipal Golf Course* | 4,091,184 | 1,297,367 | 1,521,110 | (223,743) | 3,867,441 |
| Motor Vehicle Warehouse* | 7,272,384 | 2,432,120 | 6,811,532 | (4,379,412) | 2,892,972 |
| Health Insurance* | 617,430 | 6,475,317 | 6,449,417 | 25,900 | 643,330 |
| Lon C. Hill Memorial Library | 81,414 | 198,085 | 251,850 | (53,765) | 27,649 |
| Total | $ 83,690,224 | $ 133,073,192 | $ 147,450,707 | $ (14,377,515) | $ 69,312,709 |

****Working capital presented in place of fund balance.***

**ORDINANCE NO. 2025-____**

**AN ORDINANCE AMENDING THE REVENUE AND EXPENDITURE BUDGET FOR THE CITY OF HARLINGEN, TEXAS, FOR FISCAL YEAR OCTOBER 1, 2024 THROUGH SEPTEMBER 30, 2025. PROVIDING FOR PUBLICATION OF THE CAPTION OF THIS ORDINANCE, AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING.**

**WHEREAS,** the City Manager of the City of Harlingen has prepared and presented to the City Commission Budget Amendment No. 3 for Fiscal Year October 1, 2024 through September 30, 2025; and

**WHEREAS,** amending the current fiscal year budget is desirable for clarity and is required by law: now therefore

**BE IT ORDAINED BY THE CITY OF HARLINGEN:**

**SECTION I.** That an amendment to the budget of the City of Harlingen, Texas for the fiscal year October 1, 2024 and ending September 30, 2025 (exclusive of the revenues and expenditures of the Harlingen Waterworks System, Valley International Airport, Harlingen Community Improvement Board Fund, Harlingen Economic Development Corporation Fund, Harlingen Downtown Improvement District Fund, and the Community Development Block Grant Fund) in the total amount of One Million, One Hundred Forty-Two Thousand, Three Hundred Eighty-Six Dollars ($1,142,386) in revenues and One Million, One Hundred Sixty-Six Thousand, Five Hundred Eight Dollars ($1,166,508) in expenditures is hereby adopted. A summary of the budget adopted is hereby attached to this Ordinance and incorporated herein as Exhibit A and the complete detailed budget adopted by this Ordinance is incorporated herein by reference and shall be made available for public inspection at the office of the City Secretary during regular business hours.

**SECTION II.** That the City Manager of the City of Harlingen, Texas, is hereby authorized to increase the budget by the amount of purchase orders outstanding as of September 30, 2024.

**SECTION III.** That the City Manager of the City of Harlingen, Texas, is hereby authorized to increase the budget by the amount of funds recovered for repair or replacement of property or equipment damaged by others.

**SECTION IV.** That the City Secretary of the City of Harlingen, Texas is hereby authorized and directed to cause a true and correct copy of the caption of this Ordinance to be published in a newspaper having general circulation in the City of Harlingen, Cameron County, Texas.

**FINALLY ENACTED THIS** _______ day of ________________, 2025 at a regular meeting of the Elective Commission of the City of Harlingen, Texas at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, TITLE 5, SUBTITLE A., CHAPTER 551.

**CITY OF HARLINGEN**

______________________________

Norma Sepulveda, Mayor

**ATTEST:**

______________________________

Mayra Herrera, City Secretary

10(9)

# AGENDA ITEM
# EXECUTIVE SUMMARY

Meeting Date: **September 3, 2025**

## Agenda Item:

Consideration and possible action to approve an ordinance adopting a change in TMRS plan design authorizing updated service credits and transfer updated service credits and removal of the statutory maximum contribution rate limit beginning January 1, 2026.

Prepared By (Print Name): Robert Rodriguez
Title: Finance Director
Signature:

## Brief Summary:

This ordinance will allow the city to impose its own "limit" on the contribution rate by using its discretion in determining which potential plan improvements to adopt, or not to adopt, based on the calculated contribution rate. The TMRS actuary will perform a valuation of the city's plan of benefits each year and forward this rate to the City.

The plan changes include:
1. 100% Updated Service Credit with Transfers - Ad hoc (one-time only basis)
2. Removal of the Statutory Maximum Contribution Rate Limit

With the adoption of these additional benefits the City's contribution rate will be 9.62% starting January 1, 2026.

## Funding (if applicable):

Are funds specifically designated in the current budget for the full amount for this purpose? N/A — [ ] Yes [ ] No*

*If no, specify source of funding and amount requested:

Finance Director's approval: [X] Yes [ ] No [ ] N/A

## Staff Recommendation:

Staff recommends approval.

City Manager's approval: [✓] Yes [ ] No [ ] N/A

## Comments:

City Attorney's approval: [✓] Yes [ ] No [ ] N/A

**ORDINANCE NO. 25 -____**

**AN ORDINANCE REGARDING THE CITY OF HARLINGEN'S TEXAS MUNICIPAL RETIREMENT SYSTEM BENEFITS AUTHORIZING UPDATED SERVICE CREDITS AND TRANSFER UPDATED SERVICE CREDITS AND REMOVAL OF THE STATUTORY MAXIMUM CONTRIBUTION RATE LIMIT.**

**WHEREAS**, the City of Harlingen, Texas (the "City"), elected to participate in the Texas Municipal Retirement System (the "System" or "TMRS") pursuant to Subtitle G of Title 8, Texas Government Code, as amended (which subtitle is referred to as the "TMRS Act"); and

**WHEREAS**, each person who is or becomes an employee of the City on or after the effective date of the City's participation in the System in a position that normally requires services of 1,000 hours or more per year ("Employee") shall be a member of the System ("Member") as a condition of their employment; and

**WHEREAS**, the City Commission finds that it is in the public interest to (1) in accordance with TMRS Act §§853.401 through 853.403 and §853.601, authorize Updated Service Credits and transfer Updated Service Credits, and (2) authorize actuarially determined city contribution rate payments and remove the statutory maximum contribution rate ("STATMAX") limit; now:

**BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF HARLINGEN, TEXAS:**

**SECTION 1. Authorization of Updated Service Credits and Transfer Updated Service Credits.**

(a) On the terms and conditions set out in TMRS Act §§ 853.401 through 853.403, the City authorizes each Member of the System who on the first day of January of the calendar year immediately preceding the January 1 on which the Updated Service Credits will take effect (i) has current service credit or prior service credit in the System by reason of service to the City, (ii) has at least 36 months of credited service with the System, and (iii) is a TMRS-contributing Employee of the City, to receive "Updated Service Credit," as that term is defined and calculated in accordance with TMRS Act §853.402.

(b) The City authorizes and provides that each Employee of the City who (i) is eligible for Updated Service Credits under Subsection (a) above, and (ii) who has unforfeited prior service credit and/or current service credit with another System-participating municipality or municipalities by reason of previous employment, shall be credited with Updated Service Credits pursuant to, calculated in accordance with, and subject to adjustment as set forth in TMRS Act §853.601 (also known as "Transfer USC").

(c) The Updated Service Credit authorized and provided under this Ordinance shall be **100%** of the "base Updated Service Credit" of the TMRS Member calculated as provided in TMRS Act §853.402.

(d) Each Updated Service Credit authorized and provided by this Ordinance shall replace any Updated Service Credit, prior service credit, special prior service credit, or antecedent service credit previously authorized for part of the same service.

(e) The Updated Service Credit authorized by this Ordinance shall be effective on January 1 immediately following the year in which this Ordinance is approved, subject to receipt by the System prior to such January 1 and approval by the Board of Trustees of the System.

**SECTION 2. Removal of Maximum Contribution Rate Limit.**

(a) Pursuant to TMRS Act §855.407, the City elects to make normal service and prior service contributions to the City's account in the benefit accumulation fund of the System (the "City's BAF") at the combined rate of the total compensation paid to its Employees who are System Members as the System's actuary annually determines is necessary to fund all obligations chargeable to the City's BAF, within the amortization period determined as applicable to the City under the TMRS Act and regardless of other TMRS Act provisions limiting the combined rate of City contributions.

(b) The removal of the maximum contribution rate limit under this Section shall be effective on the first day of the month of January, 2026.

**FINALLY ENACTED THIS** _______ day of ______________, 2025 at a regular meeting of the Elective Commission of the City of Harlingen, Texas at in compliance with TEXAS GOVERNMENT CODE, TITLE 5, SUBTITLE A., CHAPTER 551 and applicable law.

**CITY OF HARLINGEN, TEXAS**

______________________________
Norma Sepulveda, Mayor

**ATTEST:**

______________________________
Mayra Herrera, City Secretary

10(h)

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

Meeting Date: **September 3, 2025**

**Agenda Item:**

Consideration and possible action to approve a resolution ratifying the property tax reflected in the adopted budget for Fiscal Year 2026.

Prepared By (Print Name): Robert Rodriguez
Title: Finance Director
Signature:

**Brief Summary:**

In accordance with Texas Local Government Code Section 102.007(c) which states when a budget will require raising more property taxes than in the previous year a vote separate from adopting the budget or tax rate must be taken to ratify the property tax increase. A vote in addition to and separate from the vote to adopt the budget or tax rate must be taken to ratify the property tax increase.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? [ ] Yes [ ] No*
*If no, specify source of funding and amount requested:

Finance Director's approval: [X] Yes [ ] No [ ] N/A

**Staff Recommendation:**

No action is necessary for a public hearing.

City Manager's approval: [✓] Yes [ ] No [ ] N/A

**Comments:**

City Attorney's approval: [✓] Yes [ ] No [ ] N/A

**RESOLUTION NO. 2025 - ____**

**A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HARLINGEN, TEXAS RATIFYING THE PROPERTY TAX INCREASE REFLECTED IN THE ADOPTED BUDGET FOR FISCAL YEAR 2025-2026, AND DEALING WITH RELATED MATTERS**

WHEREAS, Texas Local Government Code Section 102.007(c) states, when a budget will require raising more property taxes than in the previous year a vote separate from adopting the budget or tax rate must be taken to ratify the property tax increase; and,

WHEREAS, the City Commission has committed to an increase in the property tax rate as reflected in the budget for Fiscal Year 2025-2026;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HARLINGEN, TEXAS, THAT:**

Section 1. The City Commission hereby ratifies that the Fiscal Year 2025-2026 Budget will raise more property taxes than last year's budget by $1,651,197 or 6.12%, and of that amount $572,611 is tax revenue to be raised from new property added to the tax roll this year.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Commission.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Commission hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED, this____________day of ________________________ 2025.

**CITY OF HARLINGEN, TEXAS**

______________________________

Norma Sepulveda, Mayor

ATTEST:

______________________________

Mayra Herrera, City Secretary

(CITY SEAL)

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

10(i)

Meeting Date: **Wednesday, September 3, 2025**

**Agenda Item:**

Consider and take action to approve the Development Corporation of Harlingen's final amendments to fiscal year 2024-2025 budget.

Prepared By: Orlando Campos
Title: CEO

Signature: [signature]

**Brief Summary:**

On August 13, the Board of the Development Corporation of Harlingen approved final amendments to the FY 2025 Budget found in the attached. The amended budget reports revenues of $8,985,821 and total expenditures of $6,867,979.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*

*If no, specify the source of funding and amount requested:

Finance Director's approval: ☐ Yes ☐ No ☐ N/A

**Staff Recommendation:**

Staff recommends approval of the amended budget for the Development Corporation of Harlingen for Fiscal Year 2024.

City Manager's approval: GG ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: [signature] ☑ Yes ☐ No ☐ N/A

**RESOLUTION NO. R2025-_______**

**STATE OF TEXAS**

**COUNTY OF CAMERON**

**WHEREAS**, the Development Corporation of Harlingen, Inc. has submitted its final proposed budget amendments for fiscal year October 1, 2024 through September 30, 2025; and

**WHEREAS,** the Elective Commission of the City of Harlingen, Texas has reviewed the budget amendments submitted by the Development Corporation of Harlingen, Inc. for its 2024-25 fiscal year; and

**WHEREAS,** the budget amendments for the Development Corporation of Harlingen, Inc. as submitted shows total projected revenues of **Eight-Million Nine-Hundred-Eighty Five-Thousand, Eight-Hundred-Twenty-One** (8,985,821) and total authorized expenditures of **Eight-Million Eight-Hundred-Sixty-Seven-Thousand Nine-Hundred-Seventy-Nine dollars** (8,867,979) as shown on the attached Exhibit "A", now therefore,

**BE IT RESOLVED BY THE CITY OF HARLINGEN:**

That the budget amendments of the Development Corporation of Harlingen, Inc., as recited hereinabove for the fiscal year commencing October 1, 2024 and ending September 30, 2025, showing total projected revenues of **Eight-Million Nine-Hundred-Eighty Five-Thousand, Eight-Hundred-Twenty-One** (8,985,821), and total authorized expenditures of **Eight-Million Eight-Hundred-Sixty-Seven-Thousand Nine-Hundred-Seventy-Nine dollars** (8,867,979) is hereby adopted and approved.

**CONSIDERED AND ADOPTED THIS** 3rd day of September 2025 at a regular meeting of the Elective Commission of the City of Harlingen, Texas at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, TITLE 5, SUBTITLE A., CHAPTER 551, as amended.

CITY OF HARLINGEN

______________________________

Norma Sepulveda, Mayor

Attest:

______________________________

Mayra Herrera, City Secretary

Harlingen Economic Development Corporation
FY 24-25 Amended Budget

| | Account No. | FY 24-25 BUDGET | Amended Budget | Variance (over/under budget) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Taxes | | | | |
| Sales Tax | 191-0000-302-02-00 | $ 6,434,653 | $ 6,567,014 | $ 132,361 |
| EDC/BPS Sales Tax (.00375 of BPS Sales) | 191-0000-302-80-00 | $ 75,955 | $ 71,258 | $ (4,697) |
| 380 Proj. Reimb/BPS Developer - Add'l Retail Fac -EDC | 191-0000-302-85-01 | $ 125,118 | $ 133,700 | $ 8,582 |
| Taxes | 191-0000-331-81-01 | **$ 6,635,726** | **$ 6,771,972** | **$ 136,246** |
| Charges for Services | | | | |
| BPS Rent | 191-0000-331-80-00 | $ 676,037 | $ 649,483 | $ (26,554) |
| EDC Rental Property at HIP | 191-0000-331-81-01 | $ 28,000 | $ - | $ (28,000) |
| Echostar/Parking Lot | 191-0000-331-90-00 | $ 28,572 | $ 28,572 | $ - |
| Charges for Services | | **$ 732,609** | **$ 678,055** | **$ (54,554)** |
| Intergovernmental | | | | |
| 380 Proj.Reimb/BPS Developer-Add'l Retail Fac-City | 191-0000-359-01-01 | $ 133,336 | $ 142,588 | $ 9,252 |
| Roosevelt EDA Grant | 191-0000-359-01-02 | $ 1,647,600 | $ 439,665 | $ (1,207,935) |
| Intergovernmental | | **$ 1,780,936** | **$ 582,253** | **$ (1,198,683)** |
| Interest | | | | |
| TexPool | 191-0000-361-06-00 | $ 634,471 | $ 651,285 | $ 16,814 |
| NOW | 191-0000-361-11-00 | $ 13,756 | $ 12,590 | $ (1,166) |
| Interest | | **$ 648,227** | **$ 663,875** | **$ 15,648** |
| Miscellaneous | | | | |
| Miscellaneous | 191-0000-389-99-00 | $ 15,000 | $ 2,677 | $ (12,323) |
| Marketing VIA | 191-0000-389-99-03 | $ 100,000 | $ 100,000 | $ - |
| Miscellaneous | | **$ 115,000** | **$ 102,677** | **$ (12,323)** |
| Other Financing Sources | | | | |
| Transfer from General Fund | 191-0000-391-01-00 | $ 200,000 | $ 186,989 | $ (13,011) |
| Sale of Assets | 191-0000-392-01-00 | $ 300,000 | $ - | $ (300,000) |
| Other Financing Sources | | **$ 500,000** | **$ 186,989** | **$ (313,011)** |
| **TOTAL REVENUES** | | **$ 10,412,498** | **$ 8,985,821** | $ (1,426,677) |

Harlingen Economic Development Corporation
FY 24-25 Amended Budget

| | | FY 24-25 BUDGET | Final Amended Budget (Aug 2023) | Variance (over/under budget) |
|---|---|---|---|---|
| **Expenditures** | | | | |
| Administration | | | | |
| Personnel Services - Payroll | | | | |
| Salaries - Full time | 191-8501-441-10-01 | $ 575,969 | $ 545,062 | $ (30,907) |
| Car Allowance | 191-8501-141-10-08 | $ 29,400 | $ 29,100 | $ (300) |
| Personnel Services - Payroll | | **$ 605,369** | **$ 574,162** | **$ (31,207)** |
| Personnel Services - Benefits | | | | |
| City FICA | 191-8501-441-11-01 | $ 38,761 | $ 33,292 | $ 33,292 |
| City Medicare | 191-8501-441-11-02 | $ 9,065 | $ 8,179 | $ (886) |
| City Retirement/TMRS | 191-8501-441-11-11 | $ 49,201 | $ 45,883 | $ (3,318) |
| City Health Insurance | 191-8501-441-11-21 | $ 60,762 | $ 55,837 | $ (4,925) |
| City Life Insurance | 191-8501-441-11-22 | $ 284 | $ 213 | $ (71) |
| Worker's Compensation | 191-8501-441-11-31 | $ 1,125 | $ 1,085 | $ (40) |
| Personnel Services - Benefits | | **$ 159,198** | **$ 144,488** | **$ (14,709)** |
| Supplies - General | | | | |
| Services & Charges - General | | | | |
| Communications | 191-8501-441-30-02 | $ 23,000 | $ 26,044 | $ 3,044 |
| Website Development/Maintenance | 191-8501-441-30-11 | $ 5,000 | $ 375 | $ (4,625) |
| Equipment Rental/Lease | 191-8501-441-30-21 | $ 4,033 | $ 2,681 | $ (1,352) |
| Office Rental | 191-8501-441.30-23 | $ 1 | $ 1 | $ - |
| Professional Development - Dues, Memberships, Subscripti | 191-8501-441-30-30 | $ 45,000 | $ 43,576 | $ (1,424) |
| Professional Development - Educational courses | 191-8501-441-30-31 | $ - | $ - | $ - |
| Insurance | 191-8501-441-30-40 | $ 26,000 | $ 26,099 | $ 99 |
| Contract Labor | 191-8501-441-30-60 | $ 15,000 | $ - | $ (15,000) |
| Services & Charges - General | | **$ 118,034** | **$ 98,776** | **$ (19,258)** |

| | | FY 24-25 BUDGET | Amended Budget | Variance (over/under budget) |
|---|---|---|---|---|
| Services & Charges Maintenance | | | | |
| Maintenance - Other | 191-8501-441-31-50 | $ 9,000 | $ 13,815 | $ 4,815 |
| Services & Charges Maintenance | | **$ 9,000** | **$ 13,815** | **$ 4,815** |
| Services & Charges - Miscellaneous | | | | |
| Marketing - Miscellaneous | 191-8501-441-39-99 | $ 7,500 | $ 7,703 | $ 203 |
| Services & Charges - Miscellaneous | | **$ 7,500** | **$ 7,703** | **$ 203** |
| Administration - Billboards | | | | |
| Advertising / Billboards | 191-8501-441-60-15 | $ 50,000 | $ 35,870 | $ (14,130) |
| Administration - Billboards | | **$ 50,000** | **$ 35,870** | **$ (14,130)** |
| Administration - Operations | | | | |
| Consultants - Austin | 191-8501-441-61-01 | $ 204,000 | $ 204,000 | $ - |
| Economic Development Studies | 191-8501-441-61-03 | $ 260,000 | $ 117,913 | $ (142,087) |
| City Reimbursement | 191-8501-441-61-05 | $ 58,000 | $ 58,000 | $ 0 |
| Office | 191-8501-441-61-07 | $ 12,000 | $ 7,184 | $ (4,816) |
| Professional | 191-8501-441-61-08 | $ 144,000 | $ 52,281 | $ (91,719) |
| Audit Fees | 191-8501-441-61-09 | $ 10,000 | $ 10,000 | $ - |
| Professional Dev - Travel & Training | 191-8501-441-61-10 | $ 35,000 | $ 26,496 | $ (8,504) |
| Meeting/Event Hosting | 191-8501-441-61-18 | $ 45,000 | $ 45,211 | $ 211 |
| Administration - Operations | | **$ 770,000** | **$ 521,085** | **$ (248,915)** |
| Total Administration | | **$ 1,719,101** | **$ 1,395,899** | **$ (323,201)** |

| | | FY 24-25 BUDGET | Final Amended Budget (Aug 2023) | Variance (over/under budget) |
|---|---|---|---|---|
| Marketing | | | | |
| Services & Charges - Miscellaneous | | | | |
| Marketing Misc.- Prospect Hosting | 191-8502-441-39-99 | $ 16,000 | $ 16,316 | $ 316 |
| Services & Charges - Miscellaneous | | **$ 16,000** | **$ 16,316** | **$ 316** |
| Marketing | | | | |
| Direct Mail | 191-8502-441-62-07 | $ 500 | $ 105 | $ (395) |
| Travel | 191-8502-441-62-10 | $ 90,000 | $ 80,405 | $ (9,595) |
| Advertising | 191-8502-441-62-18 | $ 306,810 | $ 184,846 | $ (121,964) |
| Marketing | | **$ 397,310** | **$ 265,356** | **$ (131,954)** |

| | | FY 24-25 BUDGET | Final Amended Budget (Aug 2023) | Variance (over/under budget) |
|---|---|---|---|---|
| Business Incentives Other | | | | |
| Direct Business Incentives | | | | |
| *Project FM (Frankie Flavz)* | 191-8505-441.63-92 | $ 2,500 | $ - | $ (2,500) |
| *TaskUs Job Creation grant* | 191-8505-441.63-95 | $ 100,000 | $ 100,000 | $ - |
| *Project Double Stack (IHOP)* | 191-8505-441.63-96 | $ 14,000 | $ 13,632 | $ (368) |
| *Project LC3 (Little Ceasar's)* | 191-8505-441.63-97 | $ 8,000 | $ - | $ (8,000) |
| *Project SBI (Revitalize Harlingen)* | 191-8505-441.63-07 | $ 200,000 | $ 6,676 | $ (193,324) |
| *Project SBI (Equip Harlingen)* | 191-8505-441.64-11 | $ 20,000 | $ 6,000 | $ (14,000) |
| *Project Plumber (TSTC Foundation)* | 191-8505-441.63-10 | $ 750,000 | $ 750,000 | $ - |
| *Project Alphabet* | 191-8505-441.63-11 | $ 50,000 | $ - | $ (50,000) |
| *Project Shrimp (Sort Rite)* | 191-8505-441.64-02 | $ 20,000 | $ 7,000 | $ (13,000) |
| *Project Rootbeer (Raices)* | 191-8505-441.64-04 | $ 8,000 | $ - | $ (8,000) |
| *Project Surfboard (Jersey Mike's)* | 191-8505-441.64-05 | $ 8,000 | $ 7,500 | $ (500) |
| *Project Machine Rental (Equipment Share)* | 191-8505-441.64-12 | $ 150,000 | $ - | $ (150,000) |
| *Project Rio* | 191-8505-441.64-13 | $ 200,000 | $ - | $ (200,000) |
| *RISE Up Harlingen Pitch Competition* | 191-8505-441.64-14 | $ 65,000 | $ 55,640 | $ (9,360) |
| *Harlingen Strong* | 191-8505-441.64-15 | $ - | $ 314,940 | $ 314,940 |
| *Project Sunshine* | 191-8505-441.64-23 | $ - | $ 100,000 | $ 100,000 |
| New/Existing Business Projects | | **$ 1,595,500** | **$ 1,361,388** | **$ (234,112)** |
| Direct Business Incentives | | **$ 1,595,500** | **$ 1,361,388** | **$ (234,112)** |

Harlingen Economic Development Corporation
FY 24-25 Amended Budget

| | | FY 24-25 BUDGET | Final Amended Budget (Aug 2023) | Variance (over/under budget) |
|---|---|---|---|---|
| Development Corp. Other | | | | |
| Other | | | | |
| TSTC Goal Line/VIDA/Other Institutions | 191-8515-441-68-13 | $ 250,000 | $ 173,166 | $ (76,834) |
| UTRGV - Entrepreneurship Training | 191-8515-441-68-29 | $ 90,000 | $ 35,000 | $ (55,000) |
| WFS Cameron | 191-8515-441-68-31 | $ 10,000 | $ - | $ (10,000) |
| Job Training Initiatives | 191-8515-441-68-39 | $ 10,000 | $ - | $ (10,000) |
| Harlingen Industrial Park Improvements | 191-8515-441-68-51 | $ 200,000 | $ 22,911 | $ (177,089) |
| Grand Entrance at Roosevelt | 191-8515-441-68-52 | $ 3,200,000 | $ 48,510 | $ (3,151,490) |
| The Park at Roosevelt EDA | 191-8515-441-68-50 | $ 2,059,500 | $ 688,584 | $ (1,370,916) |
| The Park at Roosevelt Improvements (not EDA) | 191-8515-441-68-53 | $ 140,000 | $ 42,892 | $ (97,108) |
| Project Organic | 191-8515-441-68-54 | $ 600,000 | $ 114,210 | $ (485,790) |
| BRE & Workforce Events | 191-8515-441-68-55 | | | $ - |
| Other | | **$ 6,569,000** | **$ 1,125,272** | **$ (5,443,728)** |
| Services & Charges Misc. | | | | $ - |
| Property Taxes | 191-8515-442-39-99 | $ 352,760 | $ 303,980 | $ (48,780) |
| Services & Charges Misc. | | **$ 352,760** | **$ 303,980** | **$ (48,780)** |
| Debt Services | | | | |
| Other Financing Uses | | | | |
| Debt Service - Principal | 191-9901-951-90-01 | $ 1,655,000 | $ 1,655,000 | $ - |
| BPS Bonds | 191-9901-951-90-02 | $ 610,068 | $ 610,068 | $ - |
| Paying Agent Fees | 191-9901-951-90-05 | $ 1,000 | $ 1,000 | $ - |
| Bass Pro Dev. 83/77 | 191-9901-951-90-20 | $ 125,118 | $ 133,700 | $ 8,582 |
| Other Financing Uses | | **$ 2,391,186** | **$ 2,399,768** | **$ 8,582** |
| **TOTAL EXPENDITURES** | | **$ 13,040,857** | **$ 6,867,979** | $ (6,172,878) |
| **EXCESS REVENUES OVER EXPENDITURES** | | **$ (2,628,358.94)** | **$ 2,117,842** | $ 4,746,201 |

**Cash Flow Analysis (Estimated)**

| | | | |
|---|---|---|---|
| Beginning Cash Balance | | **$ 12,994,385** | **$ 12,994,385** |
| + Revenues | | **$ 10,412,498** | **$ 8,985,821** |
| - Expenditures | | **$ 13,040,857** | **$ 6,867,979** |
| Ending Cash Balance | | **$ 10,366,027** | **$ 15,112,228** |
| | | | |
| Reserve Account | | $ 2,000,000 | |
| Other Funds (Land) | | $ 1,832,094 | |
| Total All Funds | | **$ 14,198,121** | $ 18,944,322 |

10(j)

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

Meeting Date: **Wednesday, September 3, 2025**

**Agenda Item:**

Consider and take action to approve a Resolution accepting Development Corporation of Harlingen's Proposed Fiscal Year 2026 budget.

Prepared By: Orlando Campos
Title: CEO
Signature:

**Brief Summary:**

The FY 2026 proposed budget for the Development Corporation of Harlingen, as submitted, includes projected revenue of **Ten Million, Eighty-Eight Thousand, Six Hundred Thirty-Eight** ($10,088,638), and total authorized expenditures of **Ten Million, One-Hundred, Sixty-Nine Thousand, Seven Hundred Fifty-One** ($10,169,751). The Board of Directors of the Development Corporation of Harlingen approved the proposed budget at a Special Meeting on August 13, 2025.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*
*If no, specify the source of funding and amount requested:

Finance Director's approval: ☐ Yes ☐ No ☐ N/A

**Staff Recommendation:**

Staff recommends acceptance of the Adopted Budget for the Development Corporation of Harlingen for Fiscal Year 2025.

City Manager's approval: ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: ☑ Yes ☐ No ☐ N/A

**RESOLUTION NO. R-___**

**STATE OF TEXAS**
**COUNTY OF CAMERON**

**WHEREAS**, the Development Corporation of Harlingen, Inc. has submitted its proposed budget for fiscal year October 1, 2025 through September 30, 2026; and

**WHEREAS,** the Elective Commission of the City of Harlingen, Texas has reviewed the budget submitted by the Development Corporation of Harlingen, Inc. for its 2025-26 fiscal year; and

**WHEREAS,** the budget for the Development Corporation of Harlingen, Inc. as submitted shows total projected revenues of **Ten Million, Eighty-Eight Thousand, Six Hundred Thirty-Eight** ($10,088,638), and total authorized expenditures of **Ten Million, One-Hundred, Sixty-Nine Thousand, Seven Hundred Fifty-One** ($10,169,751) as shown on the attached Exhibit "A", now, therefore,

**BE IT RESOLVED BY THE CITY OF HARLINGEN:**

That the budget of the Development Corporation of Harlingen, Inc., as recited hereinabove for the fiscal year commencing October 1, 2025, and ending September 30, 2026, showing total projected revenues of **Ten Million, Eighty-Eight Thousand, Six Hundred Thirty-Eight** ($10,088,638), and total authorized expenditures of **Ten Million, One-Hundred, Sixty-Nine Thousand, Seven Hundred Fifty-One** ($10,169,751) is hereby adopted and approved.

**CONSIDERED AND ADOPTED THIS** 3rd day of September 2025 at a regular meeting of the Elective Commission of the City of Harlingen, Texas at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, TITLE 5, SUBTITLE A., CHAPTER 551, as amended.

CITY OF HARLINGEN

______________________
Norma Sepulveda, Mayor

Attest:

______________________
Mayra Herrera, City Secretary

Harlingen Economic Development Corporation
FY 25-26 Proposed Budget

| | Account No. | FY 24-25 BUDGET | Amended Budget | FY 25-26 Proposed BUDGET |
|---|---|---|---|---|
| **Revenues** | | | | |
| Taxes | | | | |
| Sales Tax | 191-0000-302-02-00 | $ 6,434,653 | $ 6,567,014 | $ 6,829,695 |
| EDC/BPS Sales Tax (.00375 of BPS Sales) | 191-0000-302-80-00 | $ 75,955 | $ 71,258 | $ 71,258 |
| 380 Proj. Reimb/BPS Developer - Add'l Retail Fac -EDC | 191-0000-302-85-01 | $ 125,118 | $ 133,700 | $ 139,048 |
| Taxes | 191-0000-331-81-01 | $ 6,635,726 | $ 6,771,972 | $ 7,040,001 |
| Charges for Services | | | | |
| BPS Rent | 191-0000-331-80-00 | $ 676,037 | $ 649,483 | $ 649,483 |
| EDC Rental Property at HIP | 191-0000-331-81-01 | $ 28,000 | $ - | $ - |
| Echostar/Parking Lot | 191-0000-331-90-00 | $ 28,572 | $ 28,572 | $ 28,572 |
| Charges for Services | | $ 732,609 | $ 678,055 | $ 678,055 |
| Intergovernmental | | | | |
| 380 Proj.Reimb/BPS Developer-Add'l Retail Fac-City | 191-0000-359-01-01 | $ 133,336 | $ 142,588 | $ 148,291 |
| Roosevelt EDA Grant | 191-0000-359-01-02 | $ 1,647,600 | $ 439,665 | $ 1,207,934 |
| Intergovernmental | | $ 1,780,936 | $ 582,253 | $ 1,356,225 |
| Interest | | | | |
| TexPool | 191-0000-361-06-00 | $ 634,471 | $ 651,285 | $ 586,157 |
| NOW | 191-0000-361-11-00 | $ 13,756 | $ 12,590 | $ 12,000 |
| Interest | | $ 648,227 | $ 663,875 | $ 598,157 |
| Miscellaneous | | | | |
| Miscellaneous | 191-0000-389-99-00 | $ 15,000 | $ 2,677 | $ 129,210 |
| Marketing VIA | 191-0000-389-99-03 | $ 100,000 | $ 100,000 | $ 100,000 |
| Miscellaneous | | $ 115,000 | $ 102,677 | $ 229,210 |
| Other Financing Sources | | | | |
| Transfer from General Fund | 191-0000-391-01-00 | $ 200,000 | $ 186,989 | $ 186,989 |
| Sale of Assets | 191-0000-392-01-00 | $ 300,000 | $ - | $ - |
| Other Financing Sources | | $ 500,000 | $ 186,989 | $ 186,989 |
| **TOTAL REVENUES** | | $ 10,412,498 | $ 8,985,821 | $ 10,088,638 |

| | | FY 24-25 BUDGET | Final Amended Budget (Aug 2023) | FY 25-26 Proposed BUDGET |
|---|---|---|---|---|
| **Expenditures** | | | | |
| Administration | | | | |
| Personnel Services - Payroll | | | | |
| Salaries - Full time | 191-8501-441-10-01 | $ 575,969 | $ 545,062 | $ 625,760 |
| Car Allowance | 191-8501-141-10-08 | $ 29,400 | $ 29,100 | $ 31,200 |
| Personnel Services - Payroll | | **$ 605,369** | **$ 574,162** | **$ 656,960** |
| Personnel Services - Benefits | | | | |
| City FICA | 191-8501-441-11-01 | $ 38,761 | $ 33,292 | $ 40,301 |
| City Medicare | 191-8501-441-11-02 | $ 9,065 | $ 8,179 | $ 9,425 |
| City Retirement/TMRS | 191-8501-441-11-11 | $ 49,201 | $ 45,883 | $ 62,532 |
| City Health Insurance | 191-8501-441-11-21 | $ 60,762 | $ 55,837 | $ 57,642 |
| City Life Insurance | 191-8501-441-11-22 | $ 284 | $ 213 | $ 273 |
| Worker's Compensation | 191-8501-441-11-31 | $ 1,125 | $ 1,085 | $ 1,235 |
| Personnel Services - Benefits | | **$ 159,198** | **$ 144,488** | **$ 171,409** |
| Supplies - General | | | | |
| Services & Charges - General | | | | |
| Communications | 191-8501-441-30-02 | $ 23,000 | $ 26,044 | $ 30,000 |
| Website Development/Maintenance | 191-8501-441-30-11 | $ 5,000 | $ 375 | $ 1,500 |
| Equipment Rental/Lease | 191-8501-441-30-21 | $ 4,033 | $ 2,681 | $ 3,500 |
| Office Rental | 191-8501-441.30-23 | $ 1 | $ 1 | $ 1 |
| Professional Development - Dues, Memberships, Subscripti | 191-8501-441-30-30 | $ 45,000 | $ 43,576 | $ 55,000 |
| Professional Development - Educational courses | 191-8501-441-30-31 | $ - | $ - | $ 2,250 |
| Insurance | 191-8501-441-30-40 | $ 26,000 | $ 26,099 | $ 27,000 |
| Contract Labor | 191-8501-441-30-60 | $ 15,000 | $ - | $ 5,000 |
| Services & Charges - General | | **$ 118,034** | **$ 98,776** | **$ 124,251** |

| | | FY 24-25 BUDGET | Amended Budget | FY 25-26 Proposed BUDGET |
|---|---|---|---|---|
| Services & Charges Maintenance | | | | |
| Maintenance - Other | 191-8501-441-31-50 | $ 9,000 | $ 13,815 | $ 10,800 |
| Services & Charges Maintenance | | **$ 9,000** | **$ 13,815** | **$ 10,800** |
| Services & Charges - Miscellaneous | | | | |
| Marketing - Miscellaneous | 191-8501-441-39-99 | $ 7,500 | $ 7,703 | $ 10,000 |
| Services & Charges - Miscellaneous | | **$ 7,500** | **$ 7,703** | **$ 10,000** |
| Administration - Billboards | | | | |
| Advertising / Billboards | 191-8501-441-60-15 | $ 50,000 | $ 35,870 | $ 50,000 |
| Administration - Billboards | | **$ 50,000** | **$ 35,870** | **$ 50,000** |
| Administration - Operations | | | | |
| Consultants - Austin | 191-8501-441-61-01 | $ 204,000 | $ 204,000 | $ 204,000 |
| Economic Development Studies | 191-8501-441-61-03 | $ 260,000 | $ 117,913 | $ 260,000 |
| City Reimbursement | 191-8501-441-61-05 | $ 58,000 | $ 58,000 | $ 68,000 |
| Office | 191-8501-441-61-07 | $ 12,000 | $ 7,184 | $ 12,000 |
| Professional | 191-8501-441-61-08 | $ 144,000 | $ 52,281 | $ 100,000 |
| Audit Fees | 191-8501-441-61-09 | $ 10,000 | $ 10,000 | $ 10,000 |
| Professional Dev - Travel & Training | 191-8501-441-61-10 | $ 35,000 | $ 26,496 | $ 45,000 |
| Meeting/Event Hosting | 191-8501-441-61-18 | $ 45,000 | $ 45,211 | $ 25,000 |
| Administration - Operations | | **$ 770,000** | **$ 521,085** | **$ 724,000** |
| Total Administration | | **$ 1,719,101** | **$ 1,395,899** | **$ 1,747,420** |

| | | FY 24-25 BUDGET | Final Amended Budget (Aug 2023) | FY 25-26 Proposed BUDGET |
|---|---|---|---|---|
| Marketing | | | | |
| Services & Charges - Miscellaneous | | | | |
| Marketing Misc.- Prospect Hosting | 191-8502-441-39-99 | $ 16,000 | $ 16,316 | $ 30,000 |
| Services & Charges - Miscellaneous | | **$ 16,000** | **$ 16,316** | **$ 30,000** |
| Marketing | | | | |
| Direct Mail | 191-8502-441-62-07 | $ 500 | $ 105 | $ 200 |
| Travel | 191-8502-441-62-10 | $ 90,000 | $ 80,405 | $ 115,000 |
| Advertising | 191-8502-441-62-18 | $ 306,810 | $ 184,846 | $ 275,000 |
| Marketing | | **$ 397,310** | **$ 265,356** | **$ 390,200** |

| | | FY 24-25 BUDGET | Final Amended Budget (Aug 2023) | FY 25-26 Proposed BUDGET |
|---|---|---|---|---|
| Business Incentives Other | | | | |
| Direct Business Incentives | | | | |
| *TaskUs Job Creation grant* | 191-8505-441.63-95 | $ 100,000 | $ 100,000 | $ 100,000 |
| *Project Double Stack (IHOP)* | 191-8505-441.63-96 | $ 14,000 | $ 13,632 | $ 7,000 |
| *Project LC3 (Little Ceasar's)* | 191-8505-441.63-97 | $ 8,000 | $ - | $ 6,000 |
| *Project SBI (Revitalize Harlingen)* | 191-8505-441.63-07 | $ 200,000 | $ 6,676 | $ 250,000 |
| *Project Shrimp (Sort Rite)* | 191-8505-441.64-02 | $ 20,000 | $ 7,000 | $ 8,000 |
| *Project Rootbeer (Raices)* | 191-8505-441.64-04 | $ 8,000 | $ - | $ 2,500 |
| *Project Surfboard (Jersey Mike's)* | 191-8505-441.64-05 | $ 8,000 | $ 7,500 | $ 3,000 |
| *Project San Pedro (Frontier Direct Care)* | 191-8505-441.64-06 | $ - | $ - | $ 60,000 |
| *Project Beach* | 191-8505-441.64-09 | $ - | $ - | $ 100,000 |
| *Project Machine Rental (Equipment Share)* | 191-8505-441.64-12 | $ 150,000 | $ - | $ 150,000 |
| *RISE Up Harlingen Pitch Competition* | 191-8505-441.64-14 | $ 65,000 | $ 55,640 | $ 65,000 |
| *Project Rambo (Provecho y Salud)* | 191-8505-441.64-17 | $ - | $ - | $ 5,000 |
| *Project Spur (Matts Building Materials)* | 191-8505-441.64-16 | $ - | $ - | $ 30,000 |
| *Project SBI (Marketing Grant)* | 191-8505-441.64-21 | $ - | $ - | $ 20,000 |
| *Project Dixieland* | 191-8505-441.64-22 | $ - | $ - | $ 48,000 |
| *Project Distillery* | 191-8505-441.64-24 | $ - | $ - | $ 7,500 |
| New/Existing Business Projects | | **$ 1,595,500** | **$ 1,361,388** | **$ 862,000** |
| Direct Business Incentives | | **$ 1,595,500** | **$ 1,361,388** | **$ 862,000** |

Harlingen Economic Development Corporation
FY 25-26 Proposed Budget

| | | FY 24-25 BUDGET | Final Amended Budget (Aug 2023) | FY 25-26 Proposed BUDGET |
|---|---|---|---|---|
| Development Corp. Other | | | | |
| Other | | | | |
| TSTC Goal Line/VIDA/Other Institutions | 191-8515-441-68-13 | $ 250,000 | $ 173,166 | $ 250,000 |
| UTRGV - Entrepreneurship Training | 191-8515-441-68-29 | $ 90,000 | $ 35,000 | $ 40,000 |
| WFS Cameron | 191-8515-441-68-31 | $ 10,000 | $ - | $ 10,000 |
| Job Training Initiatives | 191-8515-441-68-39 | $ 10,000 | $ - | $ 10,000 |
| Harlingen Industrial Park Improvements | 191-8515-441-68-51 | $ 200,000 | $ 22,911 | $ 50,000 |
| Grand Entrance at Roosevelt | 191-8515-441-68-52 | $ 3,200,000 | $ 48,510 | $ 3,718,000 |
| The Park at Roosevelt EDA | 191-8515-441-68-50 | $ 2,059,500 | $ 688,584 | $ 1,370,916 |
| The Park at Roosevelt Improvements (not EDA) | 191-8515-441-68-53 | $ 140,000 | $ 42,892 | $ 100,000 |
| Project Organic | 191-8515-441-68-54 | $ 600,000 | $ 114,210 | $ 600,000 |
| BRE & Workforce Events | 191-8515-441-68-55 | | | $ 13,000 |
| Other | | **$ 6,569,000** | **$ 1,125,272** | **$ 6,161,916** |
| Services & Charges Misc. | | | | |
| Property Taxes | 191-8515-442-39-99 | $ 352,760 | $ 303,980 | $ 305,000 |
| Services & Charges Misc. | | **$ 352,760** | **$ 303,980** | **$ 305,000** |
| Debt Services | | | | |
| Other Financing Uses | | | | |
| Debt Service - Principal | 191-9901-951-90-01 | $ 1,655,000 | $ 1,655,000 | $ - |
| BPS Bonds | 191-9901-951-90-02 | $ 610,068 | $ 610,068 | $ 533,167 |
| Paying Agent Fees | 191-9901-951-90-05 | $ 1,000 | $ 1,000 | $ 1,000 |
| Bass Pro Dev. 83/77 | 191-9901-951-90-20 | $ 125,118 | $ 133,700 | $ 139,048 |
| Other Financing Uses | | **$ 2,391,186** | **$ 2,399,768** | **$ 673,215** |
| **TOTAL EXPENDITURES** | | **$ 13,040,857** | **$ 6,867,979** | **$ 10,169,751** |
| **EXCESS REVENUES OVER EXPENDITURES** | | **$ (2,628,358.94)** | **$ 2,117,842** | **$ (81,113.34)** |

**Cash Flow Analysis (Estimated)**

| | | FY 24-25 BUDGET | Final Amended Budget (Aug 2023) | FY 25-26 Proposed BUDGET |
|---|---|---|---|---|
| Beginning Cash Balance | | **$ 12,994,385** | **$ 12,994,385** | **$ 15,112,228** |
| + Revenues | | **$ 10,412,498** | **$ 8,985,821** | **$ 10,088,638** |
| - Expenditures | | **$ 13,040,857** | **$ 6,867,979** | **$ 10,169,751** |
| Ending Cash Balance | | **$ 10,366,027** | **$ 15,112,228** | **$ 15,031,114** |
| | | | | |
| Reserve Account | | $ 2,000,000 | | $ 2,000,000 |
| Other Funds (Land) | | $ 1,832,094 | | $ 1,832,094 |
| Total All Funds | | **$ 14,198,121** | $ 18,944,322 | **$ 18,863,208** |

HARLINGEN
ECONOMIC DEVELOPMENT

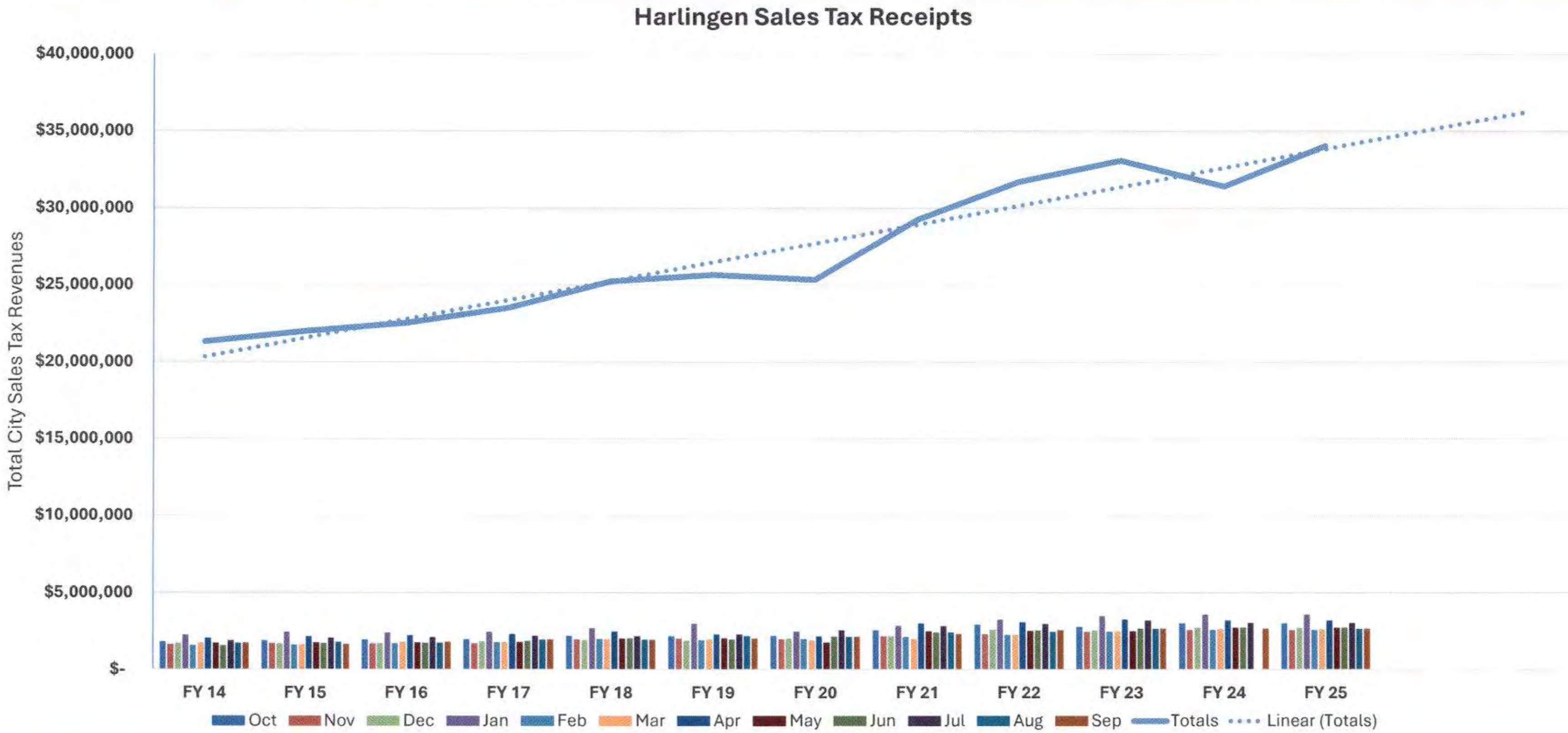
# Proposed Budget

## FY 2025-2026

## Revenues

- Projecting a 4% increase over the current year for sales tax receipts.
- Expect a healthy return in interest income from our investments.
- We anticipate an infusion of $1.2 million in intergovernmental revenues resulting from EDA Grant.
- Anticipate overall revenues to increase by 12.27% as compared to the FY 2025 final amended budget.

# Sales Tax Receipts



# Expenditures

- Administrative expenses – We budgeted for a salary adjustment and for COLA/merit increases.
- Administrative expense-We provided funding for a retail recruitment consultant and economic impact analysis tool for incentives ROI.
- Marketing—We increased ad placement by $125,000 to be more aggressive in our promotion of Harlingen in print publications and targeted social media campaigns.
- Business Incentives--New projects anticipated in FY 2025:
  - $150,000 allocated for Project Beach.
  - $48,000 allocated for Project Dixieland.
  - $20,000 allocated for Project Turbine.
- Significant investment in industrial park infrastructure:
  - $600K for infrastructure (including drainage) for Project Organic which includes HEDC property.
  - $5M for drainage and roadway infrastructure at The Park at Roosevelt (includes local EDA match) on HEDC property.

# Expenditures

- Small Business Support: $200,000 allocated to Revitalize Harlingen ($100,000 for downtown area), and additional $20,000 allocated for a new matching grant program marketing support.
- $270,000 set aside for TSTC's Goal Line Assistance Program, TSTC Scholarships, VIDA, and local industry demand training programs.
- Doubling Kaufmann FastTrac Entrepreneurship Program frequency and UTRGV Accelerator Program and Pitch Competition.

- Existing budget may require $81,133.34 transfer from cash reserves which will be resolved in FY 26 end of year budget amendments.

## Summary

- Proposed budget helps EDC achieve significant projects and aligns expenditures with three-year strategic plan.
- Proposed budget increases our efforts to support small businesses and entrepreneurs.
- Proposed budget strengthens our corporate and retail recruitment efforts.
- Significant one-time industrial park infrastructure costs, will further city's long-term ED efforts.
- Despite dipping into reserves, ending cash balance is anticipated to be maintained at a healthy $15 M at the end of the year.

# Thank You

HARLINGEN
ECONOMIC DEVELOPMENT

**Orlando Campos**
Chief Executive Officer
956.216.5085
ocampos@harlingenedc.com

10(K)

**AGENDA ITEM**
**EXECUTIVE SUMMARY**

Meeting Date: **September 3, 2025**

| **Agenda Item:** |
|---|
| Consideration and action to approve a Memorandum of Understanding (MOU) between the Cities of Brownsville, San Benito, and Harlingen to establish a general working agreement to consolidate and coordinate their efforts and resources in the establishment of a Regional Consolidated Plan and Strategy as required by the U.S. Department of Housing and Urban Development as set forth in 24 CFR Part 91. |
| Prepared By: Sandee Alvarez-Ybarra, Director |
| **Brief Summary:** |
| In order to acquire federal funding from the U.S. Department of Housing and Urban Development (HUD), participating jurisdictions must submit a consolidated plan for a 5-year period as set forth in 24 CFR Part 91.200. The consolidated plan describes activities and resources used to meet the needs of low- and moderate-income families. The consolidated plan is designed to help states and local jurisdictions assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. |
| **Funding (if applicable):** |
| Are funds specifically designated in the current budget for the full amount (Yes/No):<br>*If no, specify source of funding and amount requested:<br><br>Finance Director's approval (Yes/No/NA): |
| **Staff Recommendation:** |
| Staff recommends approval. |
| City Manager approval: |
| **Comments:** |
| |
| City Attorney's approval: |

**MEMORANDUM OF UNDERSTANDING**
**Between the City of Brownsville, Texas and the Cities of Harlingen, Texas and San Benito, Texas**

## I. Purpose

The purpose of this Memorandum of Understanding (MOU) is to establish a general working agreement between the City of Brownsville, Texas (COB) and local partners, to include the cities of Harlingen and San Benito, Texas, (CITIES), to consolidate and coordinate their efforts and resources in the establishment of a Regional Consolidated Plan and Strategy as required by the U.S. Department of Housing and Urban Development as set forth in 24 CFR Part 91.

## II. Background

Participating local governments receive an annual allocation of Community Development Block Grants (CDBG), Emergency Solutions Grants (ESG), and HOME Investment Partnerships Program (HOME) Grants from U.S. Department of Housing & Urban Development (HUD). The grant amounts are determined by formulas established through federal regulations. The primary objectives of the CDBG Program are the development of viable urban communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for persons of low and moderate income. The HOME program funds a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct assistance to low-income people. The HOME Program is the largest Federal blog grant designed to create affordable housing for low-income households. The purpose of ESG is to assist individuals and families quickly to regain stability in permanent housing after experiencing a housing crisis or homelessness.

In order to acquire federal funding from HUD, participating jurisdictions must submit a consolidated plan for a 5-year period as set forth in 24 CFR Part 91.200. The consolidated plan describes activities and resources used to meet the needs of low- and moderate-income families. The consolidated plan is designed to help states and local jurisdictions assess their affordable housing and community development needs and market conditions, and to make data-driven placed-based investment decisions. In addition, participating jurisdictions must submit an annual action plan which provides a concise summary of the actions, activities, and specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the consolidated plan.

The COB, through proper procurement procedures and input from the CITIES, obtained Request for Proposals for a Consultant to undertake the development of a Regional Consolidated Plan and its necessary components. The COB will be the lead entity.

## III. Agreement

COB and CITIES agree to coordinate and establish a Regional Consolidated Plan through the selected qualified consultant.

CITIES agree to

- schedule, coordinate, and hold public hearings within their communities
- provide demographic and historical data to consultant
- distribute and collect community surveys
- implement efforts at the local level in developing and supporting research addressing housing, infrastructure, social service agencies, economic development and other information as needed by consultant
- review and approve the contents of the completed Regional Consolidated Plan through formal process adopted by each of the CITIES respective Commissions
- establish local priorities to be included in the Regional Consolidated Plan and Annual Action Plans
- actively participate in the development of the Regional Consolidated Plan and Annual Action Plans

## IV. Programming, Budgeting, Funding, and Reimbursement Arrangement

This MOU involves a commitment on behalf of the CITIES to contribute CDBG Administrative funds towards the cost of the consultant to undertake the development of the Regional Consolidated Plan to include the Housing Market Analysis, Analysis of Impediments, and the Development of Performance Measurement System for each participant. The cost of said consultant is an eligible CDBG expense.

It is understood that the cost distribution shall be that COB will pay 67% of the total costs, City of Harlingen will pay 24% of the costs, and City of San Benito will pay 9% of the costs. The CITIES will reimburse COB in accordance with applicable laws, regulations, and procedures.

## V. Effective Date

This MOU will become effective upon signatures by the CITIES and the COB, and shall terminate upon completion and approval by HUD of the Regional Consolidated Plan and Annual Action Plan.

## VI. Other MOUs

There are no superseding MOUs on this topic between the parties hereto.

AGREED TO THIS ______DAY OF SEPTEMBER 2025 BY:

**City of Brownsville:**

_____________________________
City of Brownsville Mayor

APPROVED AS TO FORM:

_____________________________
City Attorney

Attest:

_____________________________
City Secretary

AGREED TO THIS ______DAY OF SEPTEMBER 2025 BY:

**City of San Benito:**

______________________________
City of San Benito Mayor

APPROVED AS TO FORM:

______________________________
City Attorney

Attest:

______________________________
City Secretary

AGREED TO THIS ______DAY OF SEPTEMBER 2025 BY:

**City of Harlingen:**

______________________________
City of Harlingen Mayor

APPROVED AS TO FORM:

______________________________
City Attorney

Attest:

______________________________
City Secretary

10(L)

# EXECUTIVE SUMMARY

Meeting Date: **September 03, 2025**

**Agenda Item:**

Consideration and possible action to fund the Tu Salud Si Cuenta Program and Community Health Worker for fiscal year 2026 for the amount of $100,000.

Prepared By: Daniel Diaz
Title: Director of Parks and Recreation
Signature:

**Brief Summary:**

Summary:

Tu Salud Si Cuenta is a campaign which aims to create a culture of health in our city by addressing alarming rates of diabetes, hypertension, and obesity in the Rio Grande Valley by providing participants with health risk screening, free exercise and nutrition classes, and 6 educational modules on health and nutrition delivered by our Community Health Worker. TSSC program services like our free exercise classes are available to everybody.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☒ No*

*If no, specify source of funding and amount requested:

Finance Director's approval: ☐ Yes ☐ No ☒ N/A

**Staff Recommendation:**

Staff recommends funding the program.

City Manager's approval: ☑ Yes ☐ No ☐ N/A

**Comments:**

City Attorney's approval: ☑ Yes ☐ No ☐ N/A

# AGENDA ITEM
# EXECUTIVE SUMMARY

10(m)

Meeting Date:

**Agenda Item:**

Consideration and possible action to renew the McGriff Employee Benefits Broker Agreement for the City of Harlingen Fiscal Year 2025 to 2026 and to authorize the City Manager to sign the contract.

Prepared By Print Name: Gabriel Gonzalez
Title: City Manager
Signature: Gabriel Gonzalez

**Brief Summary:**

**The city received notification for this renewal regarding the Employee Benefits Broker Service Agreement from McGriff which remains the same. The City does provide funding for this contract for McGriff to negotiate and service insurance policies for the Client for coverages.**

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount for this purpose? [X] Yes [ ] No*

*If no, specify source of funding and amount requested:

Finance Director's approval: [ ] Yes [ ] No [ ] N/A

**Staff Recommendation:**

City Manager's approval: GG [✓] Yes [ ] No [ ] N/A

**Comments:**

City Attorney's approval: [✓] Yes [ ] No [ ] N/A

MarshMcLennan Agency

# CLIENT SERVICE AGREEMENT

This Client Service Agreement and any statement of work , Exhibits and Appendices hereto (this "***Agreement***") is made as of July 1, 2025,(the "***Effective Date***"), by and between City of Harlingen (herein referred to as "***Client***"), and McGriff, A Marsh & McLennan Agency LLC (herein referred to as ("***MMA***").

NOW, THEREFORE, in consideration of mutual covenants and representations set forth in the Agreement, the parties hereby agree as follows:

## Article I. Services Provided by MMA

MMA shall provide the services outlined on the Statement of Work ("SOW") attached to this Agreement as Exhibit A and signed by the Client (the "***Services***") and which may be amended, from time to time, by mutual written agreement of the parties. To the extent there is a direct conflict between the terms of this Agreement and an SOW, the terms of the SOW shall control.

## Article II. Term/Termination

### 2.1 Term

This Agreement shall begin on the Effective Date and continue until (a) a termination occurs pursuant to provision 2.2; or (b) the end of a service period as described in the SOW, whichever occurs earlier. MMA's obligations to provide Services hereunder will terminate upon termination of the Agreement for any reason.

### 2.2 Termination

This Agreement, and any SOW attached hereto, may be terminated for convenience by either party by providing 90 days' prior written notice. This Agreement may be terminated by MMA for Client's non-payment of fees as provided on the SOW. Any termination of this Agreement shall not relieve Client of its obligations to pay for Services rendered and/or earned by MMA up to and including the effective date of the termination.

### 2.3 Events Upon Termination

Upon termination of this Agreement, Client shall pay to MMA any and all fees due and owing to MMA calculated in accordance with the Exhibit A - SOW for the period ending at the end of the 90-day notice period. Notwithstanding any termination of this agreement, any retail commissions collected by MMA shall be considered fully earned upon receipt.

## Article III. Confidentiality

3.1 Each of MMA and Client is likely to disclose information (in such capacity, the "***Disclosing Party***") to the other (in such capacity, the "***Receiving Party***") from time to time in the course of the provision of the Services, which is marked or designated as confidential or proprietary at or prior to disclosure or which would appear to a reasonably prudent person to be confidential and/or proprietary in nature ("***Confidential Information***"). Confidential Information shall also include this Agreement and all business strategies, plans and procedures, business information, proprietary information, scientific information, product plans, sales information and plans, data, and trade secrets of the Disclosing Party. Notwithstanding the foregoing, "Confidential Information" shall not include any information or materials that: (a) are or become known to the general public through no act or omission of the Receiving Party, (b) are received by the Receiving Party from a third party that the Receiving Party reasonably believes was legally entitled to disclose the same, (c) were legally in the Receiving Party's possession prior to disclosure by Client; (d) are developed by or for the Receiving Party independently of the Disclosing Party's Confidential Information, or (e) are de-identified and aggregated. In the event the Receiving Party is requested or required by legal or regulatory authority to disclose any Confidential Information, the Receiving Party may, unless prohibited by law or regulation, disclose such information; provided, that prior to any such disclosure, the Receiving Party shall advise the Disclosing Party of such required disclosure promptly upon learning thereof such that the Disclosing Party may seek an appropriate protective order. In the event that a protective order or other remedy is not obtained, the Receiving Party agrees to furnish only that portion of the Confidential Information that it reasonably determines is consistent with the scope of the subpoena or demand.

The Receiving Party (a) shall safeguard and maintain in confidence all Confidential Information of the Disclosing Party provided to or learned or developed during the course of performing such Receiving Party's obligations hereunder and (b) shall not use or copy any Confidential Information, or authorize or permit others to use any such Confidential Information, for any purposes other than, in the case of MMA as the Receiving Party, to perform the Services. Notwithstanding anything to the contrary in this Agreement, Client expressly agrees that (i) MMA may share the Client's Confidential Information with carriers, third party providers, intermediaries and related parties in furtherance of the Services (and the same shall not be considered agents or representatives of MMA for this purpose) and (ii) MMA is expressly permitted to de-identify and aggregate Confidential Information for preparing commercially available normative and benchmarking data and for internal and external research, analysis, and product development purposes.

The confidentiality obligations contained in this section with respect to any Confidential Information shall survive for a period of two (2) years from receipt of such Confidential Information, or for such longer period as required by applicable law.

### 3.2 [Intentionally Blank.]

### 3.3 Ownership Rights

Client acknowledges and agrees that except to the extent they constitute Work (as defined below), all products, forms, procedures, pricing, and other materials, including any hardware or software products, proposals, and templates, utilized or made available by MMA to Client in connection with any Services rendered hereunder (collectively, the "**Products**") are the sole property of MMA. Client acknowledges and agrees that nothing herein shall be construed to grant or create any ownership rights in any hardware and software owned, operated by, or licensed to MMA. Client shall have no title or other ownership right to or interest in any of such Products, nor shall it acquire any such right, title, or interest by use thereof in accordance with this Agreement. Client shall not license, market, modify, sell, or transfer any of such Products, in whole or in part.

### 3.4 Deliverables and Intellectual Capital

Only materials prepared by MMA specifically, solely and exclusively for Client pursuant to this Agreement (the "**Work**") shall be owned by Client. Notwithstanding the foregoing, MMA will retain all ownership and copyright, patent and other intellectual property rights in the methodologies, methods of analysis, ideas, concepts, know-how, models, tools, techniques, skills, knowledge and experience owned or possessed by MMA before the commencement of, or developed or acquired by MMA during or after, the performance of the Services, including without limitation, all systems, software, algorithms, specifications, documentation and other materials created, owned or licensed and used by MMA or our affiliates or subcontractors in the course of providing the Services and the Work (collectively, the "**Intellectual Property**"), and shall not be restricted in any way with respect thereto.

Client will not use, in a manner other than as mutually contemplated when MMA was first retained by Client to perform the applicable Services, or disclose to any third party, any material, Work, Products and/or Intellectual Property supplied by MMA under this Agreement. MMA shall have no liability with respect to: (i) modifications made by any person other than MMA to the Work, Intellectual Property or other work product or deliverables provided to Client by MMA or (ii) any third party's use or reliance on the Work, Intellectual Property or other work product or deliverables provided to Client by MMA.

**Article IV. Indemnification; Limitation of Liability; Disclaimers**

**4.1 Indemnity**

MMA agrees to indemnify and hold harmless Client from and against any and all Losses (as defined below) to the extent resulting from (i) MMA's breach of this Agreement or (ii) MMA's negligence or willful misconduct in the performance of Services hereunder.

Client agrees to indemnify and hold harmless MMA from and against any and all Losses to the extent resulting from (i) Client's breach of this Agreement, (ii) any third party claims against MMA arising out of the Services, except to the extent resulting from MMA's negligence or willful misconduct, (iii) Client's negligent acts or omissions, or (iv) MMA's or a third party provider's reliance on the accuracy of information provided by Client hereunder.

**4.2 Limitation of Liability**

MMA shall not be liable for any indirect, incidental, consequential, punitive or other special damages suffered by Client arising out of or related to this Agreement, even if advised of the possibility of such damages. The aggregate liability of MMA, its affiliates and any officer, director or employee of MMA and its affiliates ("***MMA Parties***") to Client, its affiliates, and its and their officers, directors or employees and any third party (including any benefit plan, its fiduciaries or any plan sponsor) for any and all Losses arising out of or relating to the provision of any Services at any time by any of the MMA Parties shall not exceed an amount equal to one times revenues earned by MMA with respect to the applicable service period. MMA shall have no liability for the acts or omissions of any third party (other than any subcontractor performing Services hereunder). "***Losses***" as used herein shall mean any and all claims, damages, losses, judgments, costs, and expenses of any kind, including reasonable attorneys' fees.

**4.3 Disclaimers**

MMA does not assume any responsibility or authority hereunder for (i) the design, funding or operation of any Client-sponsored employee welfare benefit plan (as defined in ERISA Section 3(1)) or for compliance of any such plan with ERISA, including any aspect of COBRA, (ii) duties incumbent upon a "plan sponsor" or "covered entity" under HIPAA privacy and security rules, (iii) funding claims for benefits under any Health Savings Account (HSA) or employee welfare benefit plan or the payment of fees to third parties providing services or products to Client or its employees, (iv) insuring or underwriting any liability to provide benefits under any employee welfare plan, (v) the acts or omissions of any automated clearing house or other financial institution, or (vi) Wrap Plan documents prepared by third parties. MMA specifically disclaims any warranty regarding the compliance of Client's employee health and benefits plan with ERISA.

MMA does not act on behalf of any insurer or other service provider, is not bound to utilize any particular insurer or service provider, and does not have the authority to make binding commitments on behalf of any insurer or service provider. MMA does not guarantee or make any representation or warranty that coverage or services can be placed on terms acceptable to Client. MMA is not responsible for the solvency or ability to pay claims of any insurance carrier or the solvency or ability of any service provider to provide service. Client agrees that all decisions regarding the amount, type or terms of coverage shall be Client's ultimate responsibility. While MMA may provide advice and recommendations, Client must decide the specific coverages that are appropriate for its particular circumstances and financial position. The form of MMA's compensation, whether by commission, fee, or both, shall not affect MMA's role as insurance broker or the scope of the services to be provided by MMA.

MMA's service obligations to you are solely contractual in nature. The parties acknowledge and agree that, in performing the Services, MMA and its affiliates are not acting as a fiduciary for Client, except to the extent required by applicable law, and do not otherwise have a fiduciary or other enhanced duty to you.

In the event that a service, resource or tool listed on Exhibit A is being provided by a party that is not a subcontractor or MMA's the provision of such service, resource, or tool may be subject to terms and conditions or contract to be entered into between Client and such third-party provider. MMA shall have no liability with respect to any service, resource or tool not provided directly by MMA and/or one of its subcontractors.

Client shall be responsible for any fee or penalty arising out of or relating to its benefit plans that is assessed by the Internal Revenue Service, the Department of Labor, and/or other federal or state governmental agencies.

MMA is not engaged in the practice of law or tax accounting and the Services provided hereunder do not constitute and are not a substitute for legal, tax and/or accounting advice. Accordingly, MMA recommends that Client secure the advice of competent legal counsel and/or tax advisor with respect to any legal or tax matters related to the Services or otherwise.

The Patient Protection and Affordable Care Act (ACA) is a complex law. Any statements or guidance regarding the ACA made by MMA concerning tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as accounting, tax, or legal advice.

## Article V. Representations

### 5.1 Compliance with Applicable Law and Regulation

Each party agrees to comply in all material respects with all federal, state, and local laws and regulations applicable to such party in carrying out its obligations under this Agreement.

### 5.2 Accuracy of Information

Client shall provide to MMA timely, complete and accurate information to enable MMA to perform its obligations and provide Services hereunder. Client assumes full responsibility for any Client information provided to MMA, a general agent or a service provider hereunder, including, but not limited to, its condition, content, format, usability, or correctness and MMA has no obligation to confirm or verify the accuracy, authenticity, or completeness of any information provided by Client. Client understands that the failure to provide necessary, complete and accurate information to MMA and/or a general agent or service provider, whether intentional or by error, could result in the voiding of coverage or denial of claims. Client acknowledges that MMA: (i) relies upon the accuracy of all information provided by Client in effecting and performing its obligations under this Agreement, and (ii) understands and agrees that MMA shall have no liability for its reliance on inaccurate or incomplete information.

### 5.3 Plan Fiduciary; Instructions

MMA is not a "plan administrator" or "fiduciary" as defined under ERISA. Client acknowledges, agrees and warrants that Client or the appropriate Covered Entity is the named plan administrator and/or fiduciary for the plan(s) within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"), and, notwithstanding anything to the contrary contained herein, that MMA is not a fiduciary and does not have any discretionary authority or responsibility with respect to the plan(s) or plan assets. It is understood and agreed that Client and/or the relevant plan(s) have full and final authority and responsibility for the plan(s), plan(s) assets, and plan(s) operation. Client, and not MMA, shall be solely responsible for the review and payment of claims for benefits provided under any benefit plan and for all appeals brought under any such benefit plan and/or ERISA. Client shall be responsible for meeting any ERISA trust requirements to the extent applicable. MMA does not assume any responsibility for receiving or reviewing claims for benefits under or in connection with any benefit plan. MMA shall not have any duty or power to act on behalf of Client or any participant in connection with the plan(s) other than as expressly stated in this Agreement or upon instruction from Client.

## Article VI. Other Provisions

### 6.1 No Third-Party Beneficiaries

Neither this Agreement nor the provision of the Services is intended to confer any right or benefit on any third party.

### 6.2 Governing Law/Waiver of Jury Trial

This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to choice of law principles. Each party, on behalf of itself and its affiliates, to the fullest extent permitted by law, knowingly, voluntarily, and intentionally waives its right to a trial by jury in any action or other legal proceeding arising out of or relating to this Agreement or any services provided by MMA or its affiliates. The waiver applies to any action or legal proceeding, whether sounding in contract, tort or otherwise. Each party agrees not to include any employee, officer, director or trustee of the other as a party in any action, proceeding or counterclaim relating to such dispute.

**6.3 Amendment; Waiver**

No changes, amendments, or alterations shall be effective unless signed by duly authorized representatives of both parties. Neither the waiver by either party of a breach or violation of any provision of this Agreement nor the failure by either party to insist upon strict performance of any provision herein shall operate or be construed to be a waiver of any subsequent breach or violation thereof. To be effective, all waivers must be in writing and signed by an authorized officer of the party to be charged.

**6.4 Exhibits; Entire Agreement**

This Agreement (including any SOW, Exhibits and Appendices hereto) sets forth the complete and sole understanding between MMA and Client with respect to its subject matter and supersedes any and all prior or contemporaneous communications, discussions, agreements, understandings, promises, and/or representations made by either party to the other, whether oral, written, or in any other form not expressly included herein. This Agreement includes the following Exhibit:

- **EXHIBIT A** – Statement of Work & Compensation
- **EXHIBIT B** – Compensation Disclosure
- **EXHIBIT C** – Business Associate Agreement or Data Privacy & Security Addendum [IF REQUIRED]

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the parties, through their authorized representatives, have executed this Agreement as of the Effective Date.

**McGriff, A Marsh & McLennan Agency LLC**

By:______________________________

Printed Name: ______________________

Title: ______________________________

Date:______________________________

**City of Harlingen**

By:______________________________

Printed Name: ______________________

Title: ______________________________

Date:______________________________

## STATEMENT OF WORK

This Statement of Work is entered into pursuant to the Client Service Agreement dated July 1, 2025, between the parties hereto, and sets forth the scope of services to be provided, and the compensation to be earned, by MMA. This SOW is subject to the terms and conditions contained in the Client Service Agreement.

**PART 1 – SERVICE PERIOD from 7/1/25 to 6/30/26**

**PART 2 – SCOPE OF SERVICES**

**Medical Coverages**

**Employee Benefit Management Services**

**A. Strategic Benefit Planning. Agent/Broker will provide assistance in developing overall plan benchmarks and targets to ensure that the plan meets the objectives of Client and its employees.**

**B. Benefit Design. Agent/Broker will help to ensure that benefit designs are consistent with the strategic benchmarks and targets set forth in the strategic benefit planning process.**

**C. Administration. Agent/Broker will identify core administrative services, assess vendor performance, and manage vendor relationships to provide appropriate program administration.**

**D. Funding. Agent/Broker will provide counsel regarding program funding alternatives, including reviewing fee proposals and recommending budget rates, employee contribution rates, and COBRA rates.**

**E. Vendor Selection. Upon client request, Agent/Broker will prepare Request(s) for Proposal (RFP), analyze RFP's and prepare a summary report outlining responses. Vendors include, but are not limited to:**

- **Voluntary Worksite Programs**
- **Wellness and Population Health Management Programs**
- **Third Party Claims Administration**
- **Utilization Review Programs**
- **IRS Code Section 125 Programs**
- **Preferred Provider Network Plans**
- **Benefits Administration and Outsourcing Tools**
- **Communication Services**
- **Health Savings Account Services**
- **ERISA Compliance (i.e.: 5500 Filings, ERISA Wrap Document, SPDs)**
- **Private Exchange Solutions**
- **Retirement Plan Consulting Services**
- **Health and Welfare Actuarial Services**

**F. Communication. Agent/Broker will assist in drafting employee communications regarding benefit program performance and changes, and assist in the review of plan documents and insurance certificates during the planning and enrollment process.**

**G. Compliance Tools & Legislative Information. Agent/Broker will provide informational materials on legislative developments impacting employee benefit plans, including access to online reference tools on topics such as FMLA, COBRA, HIPAA, HIPAA Privacy, Section 125, ERISA, and ACA.**

**H. Meetings with Client and Vendors. Services will include attendance at and facilitation of the following meetings with Client and vendors to facilitate program management including day-to-day operations and planning program changes:**

**•Agent/Broker shall meet with Client on a quarterly basis to review all activities performed by Agent/Broker during the prior quarter. The meetings will include discussion of business concerns, including presentations of options and recommendations.**

**•Upon Client request, Agent/Broker shall meet with Client semi-annually to discuss review of the program, state of the marketplace, progress made toward strategic plan, and developments within Clients organization.**

**•Agent/Broker shall meet with Client annually to review the stewardship report for the preceding year, create a stewardship report outlining the goals and objectives for the upcoming year, and agree upon Agent/Broker's fees for the next twelve month period.**

**I. Stewardship Report. Agent/Broker will develop and implement a detailed account stewardship plan, which should include, but not be limited to, the following:**

**•Specific quantifiable and measurable goals and objectives for Agent/Broker's team relating to Client's programs; and**

**•Detailed work plans which lay out the account management plan, work schedules, areas of concentration, timing, and information requirements.**

**J. Data Analysis. Agent/Broker will provide Client with summary comparisons and work with Client and TPA to secure additional reports as needed for claims analysis.**

**PART 3 - COMPENSATION**

**1.1 Fee-Based Compensation**

MMA will deliver its Services to the Client in respect of the Fee Coverages for a fixed annual fee of $42,500.00, plus any applicable sales tax if required by state law, to be billed as follows: Semi-Annual installments.

In the event this Services Agreement is terminated by the Client or by MMA for material breach by Client, with respect to Fee Coverages, MMA's fee shall be deemed earned in accordance with the following schedule [50% within the initial three (3) months of any annual service period described in the SOW, 75% if after three (3) months but before the end of the nine- (9) month period of an annual service period, and 100% after nine (9) months of any annual service period].

**1.2 Third-Party Vendor Services**

Client has opted to engage with the following identified third-party vendors whose services shall be paid for by the fee paid by client hereunder. In the event Client terminates MMA as broker of record with respect to any or all of the Client insurance plan(s), services under this Agreement will immediately terminate unless otherwise mutually agreed to in writing by the parties. Services will be provided in accordance with the terms and conditions of each respective third-party vendor and MMA disclaims any and all liability or loss incurred by client relating to such third-party services.

| THIRD PARTY VENDOR | SERVICE PROVIDED |
|---|---|
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| | |

**1.4 Out-of-Scope Services.**

MMA can provide additional services at an additional cost. The cost and scope of additional services will be agreed in advance and reflected in an amendment to the SOW.

If there is a significant change in Client's operations that affects the complexity of Client's program or plan that may have the effect of increasing MMA's responsibilities and the Client's service needs, both parties agree to renegotiate MMA's compensation in good faith. Changes in scope include, but are not limited to, a change in operations due to merger or acquisition, a material increase in the number of employees and participants, a change in plan design and operations, and a change in Client's payroll or other systems vendor.

Please see Exhibit B for MMA's standard Compensation Disclosure which may be updated from time to time.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement.

| **McGriff, A Marsh & McLennan Agency LLC** | **City of Harlingen** |
| --- | --- |
| By:________________________ | By:________________________ |
| Printed Name: ________________ | Printed Name: ________________ |
| Title: ______________________ | Title: ______________________ |
| Date:______________________ | Date:______________________ |

## EXHIBIT B: COMPENSATION DISCLOSURE

Marsh & McLennan Agency LLC ("MMA") prides itself on being an industry leader in the area of transparency and compensation disclosure. We believe you should understand how we are paid for the services we are providing to you. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: **https://mma.marshmma.com/non-us-affiliates** . In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. If MMA places business through an affiliated wholesale broker or managing general agent, MMA will advise the client of this at or prior to placement.

- **Client Fees** – Some clients may negotiate a fee for MMA's services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA's engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client's placements.

- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.

- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer's performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.

- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.

- **Medallion Program and Sponsorships** – Pursuant to MMA's Medallion Program, participating carriers sponsor educational programs, MMA events and other initiatives. Depending on their sponsorship levels, participating carriers are invited to attend meetings and events with MMA executives, have the opportunity to provide education and training to MMA colleagues and receive data reports from MMA. Insurers may also sponsor other national and regional programs and events.

- **Other Compensation & Sponsorships** – From time to time, MMA may be compensated by insurers for providing administrative services on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and events. MMA may also have arrangements with vendors who compensate MMA for referring clients for vendor services.

We will be pleased to provide you additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at **https://www.marshmma.com/us/compensation-guide.html**.

Rev March 15, 2024

**EXHIBIT C, IF REQUIRED:**

**Health Insurance Portability and Accountability Act (HIPAA)**

**BUSINESS ASSOCIATE AGREEMENT**

To the extent that it applies, this Business Associate Agreement ("BAA") is incorporated into and forms an integral part of the Client Service Agreement, including any Statement of Work, ("Agreement") concluded by Client and Marsh & McLennan Agency LLC ("Business Associate"), each a Party and together the Parties.

1. **Definitions**. Capitalized terms not defined herein shall have the meanings ascribed to them in HIPAA or the Agreement.

2. **Applicability**. This BAA shall apply only with respect to and to the extent that Business Associate, in its role as Client's Business Associate, creates, receives, maintains, or transmits Protected Health Information for or on behalf of Client ("PHI"), in Client's role as a Covered Entity or as a Business Associate.

3. **Minimum Necessary.** Each Party shall limit its requests and disclosures to the minimum PHI that is necessary for Business Associate to perform the Services in accordance with the Agreement.

4. **Uses and Disclosures**. Business Associate may not Use or Disclose PHI except as permitted or Required by the Agreement or as permitted or Required by law. Except as limited in this BAA, Business Associate may Use and Disclose PHI:
   - 4.1. to perform the obligations and provide the Services described in the Agreement, provided that such Use or Disclosure would not violate HIPAA if done by Client;
   - 4.2. to provide data aggregation services to Client;
   - 4.3. to de-identify PHI in accordance with the de-identification standard set out in the Privacy Rule; and
   - 4.4. for its proper management and administration and to carry out its legal responsibilities, provided that any Disclosure may occur only if it is Required by law or Business Associate obtains reasonable assurances from the person to whom the PHI is Disclosed that it will be held confidentially and Used or further Disclosed only as Required by law or for the purpose for which it was Disclosed to such person, and the person promptly notifies Business Associate if the confidentiality of the PHI is breached.

5. **Business Associate's Obligations.**
   - 5.1. **Safeguards**. Business Associate shall use appropriate administrative, physical, and technical safeguards to prevent Use or Disclosure of PHI other than as provided for by this BAA. If applicable, Business Associate shall comply with the Security standards set out in 45 C.F.R. Part 164 regarding any Electronic PHI.
   - 5.2. **Reporting**. Business Associate shall promptly, and in no event later than two business days after determining the occurrence of a Use or Disclosure of PHI not provided for by this BAA, including a Security Incident or Breach of Unsecured PHI, notify Client in accordance with applicable law. The Parties agree that this section constitutes notice by Business Associate to Client of the ongoing occurrence of attempted but Unsuccessful Security Incidents for which no additional notice is required. For purposes of this BAA, the term "Unsuccessful Security Incident" includes, but is not limited to, pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service, and any other incident that does not result in unauthorized Use or Disclosure of PHI. Business Associate shall pay actual reasonable costs for notifications and credit monitoring services that are Required by law.
   - 5.3. **Subcontractors**. Business Associate shall ensure that any subcontractors that create, receive, maintain, or transmit PHI on its behalf agree to substantially the same restrictions and conditions as those that apply, directly or through this BAA, to Business Associate with respect to such PHI.
   - 5.4. **Access and Amendment**. Upon Client's written request and in the time and manner Required by law, Business Associate shall amend and/or provide Client with access to PHI in a Designated Record Set. Business Associate shall forward an individual or individual's designee's request to access or amend information in the Designated Record Set to Client within five calendar days of receipt.
   - 5.5. **Accounting.** Upon Client's written request and in the time and manner Required by law, Business Associate shall provide to Client an accounting of disclosures of an Individual's PHI to permit Client to

respond to a request by an Individual for such an accounting. Business Associate shall document such disclosures of PHI and related information as would be required for Client to respond to a request by an Individual for an accounting of disclosures of PHI. Business Associate may impose a reasonable fee if Client requests an accounting more than once in any 12-month period.

5.6. **Delegation.** If Business Associate agrees in writing to carry out an obligation of Client under 45 CFR 164, Subpart E, Business Associate shall comply with the requirements of Subpart E that apply to Client in performing such an obligation.

5.7. **Disclosure.** Business Associate shall make internal practices, books, and records relating to the Use and Disclosure of PHI received from or created or received by Business Associate on Client's behalf available to the Secretary of Health and Human Services for the purpose of determining Client's or Business Associate's compliance with its obligations under HIPAA. Upon Client's written request, Business Associate shall promptly provide to Client a copy or summary of its client-releasable security and/or privacy policies.

6. **Mitigation**. Business Associate and Client shall mitigate, to the extent practicable, any harmful effect known to have arisen out of a Use or Disclosure of PHI in violation of this BAA.

7. **Client's Obligations.** Client represents and warrants that it has the right and authority to disclose PHI to Business Associate. Client shall
   7.1. not ask Business Associate to Use or Disclose PHI in any manner that would violate applicable law or Client's privacy notice if done by a Covered Entity (unless permitted by HIPAA for a Business Associate);
   7.2. transfer all PHI to Business Associate in an encrypted format, to be mutually agreed by the Parties; and
   7.3. notify Business Associate in writing of (a) any limitation(s) in the Client's notice of privacy practices, to the extent that such limitation may affect Business Associate's use or disclosure of PHI, and any changes to it; (b) any changes in, or revocation of, an Individual's permission to Use or Disclose PHI, if such changes may impact Business Associate's Uses and Disclosures of PHI; and (c) any restriction on Use or Disclosure of PHI to which Client has agreed.

8. **Term.** This BAA shall continue in effect until the earlier of (a) termination by Client for material breach as set out in Section 9 below or (b) expiration of the Agreement.

9. **Termination**. Client may immediately terminate this BAA upon written notice to Business Associate if (a) Business Associate has materially breached this BAA and failed to cure such violation within 30 days after receipt such notice or (b) cure of such Breach is not possible.

10. **Return, Destruction, or Retention of PHI**. Except as provided in this section, upon termination of the Agreement, if feasible, Business Associate shall return or destroy all PHI received from Client or created or received on Client's behalf. If the return or destruction of the PHI is infeasible, Business Associate shall extend to it the protections of this BAA and limit further Uses and Disclosures to those purposes that make the return or destruction infeasible.

11. **Indemnity**. Subject to the limitation of liability set out in the Agreement, each Party ("Indemnifying Party") agrees to indemnify, hold harmless, and defend the other Party ("Indemnified Party") and its employees, officers, and directors from and against all claims, losses, liabilities, and costs, including reasonable attorneys' fees (collectively, "Losses") to the extent directly arising out of a Breach of this BAA by the Indemnifying Party. Neither Party shall be responsible for any Losses incurred by the other Party that are attributable to the other Party's acts or omissions. The Indemnified Party agrees to give the Indemnifying Party prompt and reasonable written notice any claim for indemnification and provide reasonable assistance in the defense of such Losses. The Indemnified Party retains the right to hire, at its own expense, separate counsel to participate in its own representation. In the event there is no Agreement otherwise describing a limitation of liability, MMA's aggregate liability arising under this BAA and Business Associate's provision of services shall not exceed that amount described in the Broker Transparency Disclosure provided to Client.

12. **Amendment**. The Parties may amend this BAA upon mutual written agreement.

13. **Survival**. The obligations under Sections 10 and 11 above shall survive termination of this BAA.

**14. Miscellaneous.** The Parties intend that this BAA be interpreted consistently with their intent to comply with HIPAA and other applicable law. If there is any conflict between a provision in this BAA and a provision in the Agreement, this BAA will control. Except where this BAA conflicts with the Agreement, all other terms of the Agreement remain unchanged. There are no intended third-party beneficiaries under this BAA.

**IN WITNESS WHEREOF, the parties hereto have executed this Agreement.**

| **McGriff, A Marsh & McLennan Agency LLC** | **City of Harlingen** |
|---|---|
| By:____________________ | By:____________________ |
| Printed Name: ________________ | Printed Name: ________________ |
| Title: ____________________ | Title: ____________________ |
| Date:____________________ | Date:____________________ |