

**TAKE NOTICE THAT A REGULAR MEETING
OF THE BOARD OF COMMISSIONERS
OF THE CITY OF PHARR, TEXAS
WILL BE HELD AT CITY HALL, COMMISSIONERS' ROOM,
118 S. CAGE BLVD., 2ND FLOOR, PHARR, TEXAS
COMMENCING AT 4:00 PM ON
MONDAY, APRIL 6, 2020**

The City of Pharr has called this meeting as allowed pursuant to Texas law, city charter, and city ordinances. The governing body may recess from day to day when it does not complete consideration of a particularly long subject as authorized by law. All persons desiring to address the governing body must register with the presiding city clerk prior to the scheduled meeting.

In accordance with social distancing guidelines, the City Commission meeting will not be open to the public, except for individuals who have elected to appear in person for Public Testimony and Public Hearing. The meeting will be via Videoconference and streamed live at www.pharr-tx-gov

1. CALL TO ORDER:

A) Roll call and possible action on the excusing of any absent member of the governing board.

B) Pledge of Allegiance/Invocation

2. PUBLIC TESTIMONY: (Ordinance No. O-2019-45). A person intending on addressing the governing body may speak at a scheduled meeting of the governing body following registration with the presiding clerk and prior to the scheduled meeting. A registered speaker may speak only on items on the agenda and may not exceed 1.5 minutes when addressing the board regarding an agenda item. A registered speaker may not donate time to another speaker. A sign-in form for public testimony shall be promulgated by the presiding clerk and be made available at the city clerk's office. A person may sign up for public testimony beginning at the time the agenda is posted for the meeting. A person may not sign up later than one hour before the posted meeting is scheduled to begin. No registered speaker may be allowed to speak regarding an item once the public testimony portion of the agenda has ended.

3. PUBLIC HEARINGS:

A) PUBLIC HEARING ON DEVELOPMENT SERVICES CASES: (Ordinance No. O-2019-31). A registered speaker during the public hearing may not exceed 1.5 minutes when addressing the board. A sign-in form for participation in public a hearing shall be promulgated by the city clerk and be made available at the city clerk's office. The public hearing sign-in form shall include the person or entity's name, address, telephone number, other contact information, organization if applicable, and other notices, authorizations, and acknowledgements as may be allowed by law from time to time. No registered speaker may be allowed to address the governing body once the public hearing has closed.

4. CITY MANAGER'S REPORTS: *(City Manager's Administrative Reports and discussion, if any, with governing body. The City Manager may also assign a designated spokesperson for any particular listed topic)*

A) City Engineer's Report.

B) Submission of the Audited Financial Statements for FY 2018-2019.

5. CONSENT AGENDA: *(All items listed under consent Agenda are considered to be routine and non-controversial by the Governing Body and will be enacted by one motion. Any Commissioner may remove items from the consent agenda by making such request prior to a motion and vote on the Consent Agenda)*

A) Approval of Minutes for March 2, 2020 Regular Called Meeting and March 16, 2020 Regular Called Meeting. (ADMINISTRATION)

B) Consideration and action authorizing the purchase of new furniture for the Pharr International Bridge Administrative Offices through Lone Star Furnishing using BuyBoard Contract 584-19. (Project #1920-70-510-P018-001) (BRIDGE)

C) Consideration and action on Development Services Cases:

1. Raul Fong, d/b/a D's Paradise Lounge, is requesting renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a Business District (C-2). The property is legally described as Lot 14, Block 1, J. T. Doster Subdivision, Pharr, Hidalgo County, Texas. The property's physical address is 107 East Park Avenue. **CUP#040213**

2. Fuera De Lugar, LLC, d/b/a Fuera De Lugar Restaurant, is requesting renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C). The property is legally described as 0.071 of an acre tract of land, more or less, out of Plaza Sports Center Phase 1 Lot 1 Subdivision, Pharr, Hidalgo County, Texas. The property's physical address is 1101 East Nolana Loop. **CUP#150101**

REGULAR AGENDA - OPEN SESSION:

6. ORDINANCES AND RESOLUTIONS:

A) Consideration and action, if any, on Ordinance amending Chapter 110 of the Pharr Code of Ordinances creating Article VIII - Residential Collection Station, providing for collection and disposal, defining terms and prescribing rates. **(2nd Reading)** (PUBLIC WORKS)

B) Consideration and action, if any, on Resolution appointing/re-appointing seven (7) regular members of the Building and Standards Commission. (DEVELOPMENT SERVICES)

7. ADMINISTRATIVE:

A) Consideration and action, if any, on Change Order No. 2 for the Hi Line 16" Waterline Project. (Bid No. 1819-60-583-C015-051) (ENGINEERING)

B) Consideration and action, if any, authorizing City Manager to advertise for bids for earthwork material hauling and related rental equipment for the proposed Citywide Drainage Ditch Widening Project. (Project #1920-60-582-S033-171) (ENGINEERING)

8. PURCHASING:

A) Consideration and action, if any, on the purchase of one (1) 300KW natural gas generator from Holt Power Systems using Sourcewell Contract 120617-CAT. (Project #1920-70-510-P019-001) (ENGINEERING)

9. CONTRACTS/AGREEMENTS:

A) Consideration and action, if any, authorizing City Manager to negotiate and enter into a contract with R.L. Abatement for the partial demolition of the City Hall 1st Floor Renovations Project through The Interlocal Purchasing System (TIPS) Purchasing Cooperative. (Project #1920-40-510-C007-001) (PARKS)

B) Consideration and action, if any, on Memorandum of Agreement (MOA) between City of Pharr and Federal Emergency Management Agency (FEMA) to operate the Integrated Public Alert and Warning System (IPAWS). (COMMUNICATIONS)

C) Consideration and action, if any, utilizing TLGC Sec. 252.022 (1) and (2) Public Calamity Exemption and to preserve and protect the public health or safety and to authorize the City Manager to negotiate and enter into an agreement for Facility Condition Assessments and Emergency/Disaster Usability Assessment of city all Pharr city facilities. (ADMINISTRATION)

10. CLOSED SESSION: *In accordance with Chapter 551 of the Texas Gov't. Code, the Pharr Board of Commissioners hereby gives notice that it may meet in a closed (non-public) executive session to discuss the items listed on the public portion of the meeting agenda in accordance with the following below:*

AGENDA REGULAR MEETING
April 6, 2020

Pursuant to Section 551.071, the Board may convene in a closed, non-public meeting with its attorney and discuss any matters related to **legal advice on pending or contemplated litigation, settlement offer, and/or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter.** The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.072, the Board may convene in a closed, non-public meeting to discuss any matters related to **real property and deliberate the purchase, exchange, lease, or value of real property as such would be detrimental to negotiations between the City and a third party in an open meeting.** The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.074, the Board may convene in a closed, non-public meeting to discuss any matters related to **appointment, employment, evaluation, reassignment, duties and discipline or dismissal of a public officer or employee and to hear any complaints or charges against an officer or employee.** The City and its attorney may also discuss such issues with the appropriate staff including members so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.076, the Board may convene in a closed, non-public meeting to discuss any matters on the **deployment, or specific occasions for implementation, of security personnel or devices.** The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.084, the Board may convene in a closed, non-public meeting to discuss any matters involving an **investigation and may exclude a witness from hearing during the examination of another witness in the investigation.** The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.087, the Board may convene in a closed, non-public meeting to discuss any matters regarding **economic development issues.** The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

11. RECONVENE: *into Regular Session and consider action, if necessary, on any items(s) discussed in closed session.*

12. ADJOURNMENT:

AGENDA REGULAR MEETING
April 6, 2020

NOTICE OF ASSISTANCE AT THE PUBLIC MEETING

City Hall is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Clerk's Office at 956/402-4100 ext. 1003/1007 or FAX 956/702-5313 or E-mail hilda.pedraza@pharr-tx.gov or imelda.barrera@pharr-tx.gov for further information. Braille is not available.

I, the undersigned authority, do hereby certify that the above notice of said Regular Meeting of the City Commission of the City of Pharr was posted on the bulletin board at City Hall and on the City's web page at www.pharr-tx.gov. This Notice was posted on the 3rd day of April 2020 at 3:30 p.m. and will remain posted continuously for at least 72 hours preceding the scheduled time of said Meeting, in compliance with Chapter 551 of the Government Code, Vernon's Texas Codes, Annotated (Open Meetings Act).



WITNESS MY HAND AND SEAL, this 3rd day of April 2020.


HILDA PEDRAZA, TRMC, CMC
CITY CLERK

I certify that the attached notice and agenda of items to be considered by the City Commission was removed from the bulletin board of City Hall on the ____ day of _____, 20__ by,

Title: _____



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 3.A.

DATE SUBMITTED: March 31, 2020

MEETING DATE: April 6, 2020

FROM: Hilda Pedraza, City Clerk

DEPARTMENT: Administration

DIRECTOR:

Agenda Item: Public Hearing on Development Services Cases

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue:

Financial Consideration:

Staff Recommendation:

Alternatives:

ROUTING:

Hilda Pedraza

Created/Initiated - 3/31/2020



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 4.A.

DATE SUBMITTED: March 30, 2020

MEETING DATE: April 6, 2020

FROM: Omar Anzaldua, City Engineer

DEPARTMENT: Engineering

DIRECTOR:

Agenda Item: City Engineer's Report

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: City Engineer's Report

Financial Consideration:

Staff Recommendation:

Alternatives:

ROUTING:

Omar Anzaldua

Omar Anzaldua

City Management Office

Created/Initiated - 3/30/2020

Approved - 4/2/2020

Final Approval - 4/3/2020

Design Phase

- ☐ **PSJA Tri-City Pedestrian Safety Improvements Projects - Phase I**
- ☐ **Pharr Pedestrian Connections**
- ☐ **Hi-Line Road Improvements From Jackson Rd to Veterans Rd (I-Road)**
- ☐ **Anaya Road Improvements From US 281 (Cage Blvd) to Veterans Rd (I-Road)**
- ☐ **559 FY 15 DAP-Pharr-Reynosa Intl. Br. Northbound Lane and 2nd BSIF Exit**
- ☐ **559 FY 16 DAP-Pharr-Reynosa Intl. Br. (Dock Expansion, Cold Inspection Facility, & Ag Training Center & Lab)**

Construction Phase

- ☐ **Pharr Nature and Birding Center**
- ☐ **Allen & William Arnold City/School Park**
- ☐ **Dr. William Long City/School Park**
- ☐ **Renovations of Jose "Pepe" Salinas Civic Center**
- ☐ **Utility Relocation for Hike & Bike Tunnel under Veterans**
- ☐ **City of Pharr Downtown Park**
- ☐ **Pharr Bridge Office Expansion**
- ☐ **16-Inch Waterline on Hi-Line Rd.**
- ☐ **Aquatic Facility**

DESIGN PHASE

Project Name:	PSJA Tri-City Pedestrian Safety Improvements Project
Design Engineer:	City of Pharr Engineering Department.
Description:	Construction of approximately 27,784 square yards of concrete sidewalks within the Cities of Pharr, San Juan & Alamo to make linkages to surrounding cities, schools, neighborhoods, public parks by extending sidewalks and closing gaps in service.
Status:	Coordinating with TXDOT to finalize the Advance Funding Agreement. Survey for the Project is approximately 100% Complete. Design is 95% Complete. Project was submitted to TXDOT for review
Project Name:	Pharr Pedestrian Connections
Design Engineer:	City of Pharr Engineering Department.
Description:	The Project will provide pedestrians in the City of Pharr with facility improvements that will address the needs of seniors and persons with disabilities
Status:	Staff has begun the design
Project Name:	Hi-Line Road Improvements From Jackson to Veterans
Design Engineer:	S&B Infrastructure, Ltd.
Description:	Approximately 2.3 miles of roadway improvements from Jackson Rd to Veterans Rd.
Status:	City received AFA. Staff Coordinating a design kickoff meeting.

DESIGN PHASE

Project Name:	Anaya Rd. Improvements From US 281 (Cage Blvd.) to Veterans Rd. (I-Road)
Design Engineer:	S&B Infrastructure, Ltd.
Description:	Approximately 1.03 miles of roadway improvements from US 281 (Cage Blvd.) to Veterans Rd. (I-Road)
Status:	Project On-Hold
Project Name:	559 FY 15 DAP- Pharr Reyonsa Intl. Br. Northbound lane and 2nd BSIF Exit
Design Engineer:	TEDSI/Half Associates
Description:	Addition on 2 northbound lanes and a 2nd BSIF Exit.
Status:	Bids were received on March 12, 2020. A Bid Analysis has been completed and provided to TXDOT for concurrence
Project Name:	559 FY 16 DAP- Pharr Reyonsa Intl. Br. (Dock Expansion, Cold Inspection Facility, and Ag Training Center and Lab)
Design Engineer:	Half Associates
Description:	Construcion of a dry Dock Expansion, Cold Inspection Facility, and Ag Training Center and Lab
Status:	City is waiting for AFA from TXDOT. Design is 100% Complete

CONSTRUCTION PHASE

Project Name:	Pharr Nature and Birding Center		
Engineer	Halff Associates		
Contractor	Davila Construction		
Contract Amount to Date	\$2,765,642	Contract Time (Days)	210
Notice to Proceed	2/20/2018	Contract Time Used:	367.62%
Description: Construction of a new nature and birding park. Includes parking lot, restroom, amphitheater, decomposed granite trail, and retention pond.			
Status: Substantial completion has been achieved.			
Pictures: Contractor is finishing up grading of pond and punch list items.			



CONSTRUCTION PHASE

Project Name:	Allen & William Arnonld City/School Park		
Engineer	Halff Associates		
Contractor	Davila Construction		
Contract Amount to Date	\$2,516,467	Contract Time (Days)	210
Notice to Proceed	2/20/2018	Contract Time Used:	367.62%
Description: Construction of a new park. Includes concrete trail, playground, restroom, parking lot, and sports fields.			
Status: Substantial completion has been achieved.			
Pictures: Contractor is finishing north drainage structure and punch list items.			



CONSTRUCTION PHASE

Project Name:	Dr. William Long City/School Park		
Engineer	Halff Associates		
Contractor	Davila Construction		
Contract Amount to Date	\$1,786,709	Contract Time (Days)	210
Notice to Proceed	2/20/2018	Contract Time Used:	367.62%
Description: Construction of a new park. Includes concrete trail, playground, restroom, and sports fields.			
Status: Substantial completion has been achieved.			
Pictures: Contractor is completing punch list items. City is subcontracting construction of irrigation system in baseball field.			



CONSTRUCTION PHASE

Project Name:	Renovations of Jose "Pepe" Salinas Civic Center		
Architect	Diseño		
Contractor	Davila Construction		
Contract Amount	\$3,200,000	Contract Time (Days)	210
Notice to Proceed	9/24/2018	Contract Time Used:	264.76%
Description: Renovations of an approximately 16,000 s.f. facility and construction of a new Parks Administration Building			
Status: Substantial completion has been achieved.			
Pictures: Pending punchlist items.			
			
			

CONSTRUCTION PHASE

Project Name:	Utility Relocation for Hike & Bike Tunnel under Veterans.		
Engineer	Garcia Infrastructure Consultants, LLC (GiC)		
Contractor	Ferguson Service Systems, Inc.		
Contract Amount	\$304,645	Contract Time (Days)	210
Notice to Proceed	7/30/2018	Contract Time Used:	291.43%

Description: Construction of a new grinder pump station to eliminate a sanitary sewer utility conflict that resulted from the proposed Hike and Bike Tunnel under I-Road.

Status: Coordinating with Hidalgo County on the pouring the driveway. Lift Station is in operation

Pictures:



CONSTRUCTION PHASE

Project Name:	City of Pharr Downtown Park		
Engineer	City of Pharr		
Contractor	Davila Construction		
Contract Amount to Date	\$1,425,177	Contract Time (Days)	120
Notice to Proceed	9/18/2019	Contract Time Used:	164.17%

Description: Construction of a new downtown park located on the north side and south side of City Hall. Includes amphitheater, fountains, and food park.

Status: Construction is ongoing

Pictures: South of City Hall -Restroom partitions have been installed. CMU walls are going up. Tile work is being done on the fountain.



CONSTRUCTION PHASE

Project Name:	Pharr Bridge Office Expansion		
Engineer	The Warren Group Architects Inc.		
Contractor	International Consulting Engineers (ICE)		
Contract Amount to Date	\$1,316,952	Contract Time (Days)	240
Notice to Proceed	6/3/2019	Contract Time Used:	126.67%

Description:**Status:** Construction is ongoing**Pictures:** Parking lot and retention pond are complete. Building additional and renovations are in progress.

CONSTRUCTION PHASE

Project Name:	16-Inch Waterline on Hi-Line Rd.		
Engineer	Melden and Hunt		
Contractor	Castle Enterprises, LLC.		
Contract Amount to Date	\$292,647.88	Contract Time (Days)	60
Notice to Proceed	7/29/2019	Contract Time Used:	413.33%

Description: Installation of a 16-inch waterline on the north side of Hi-Line Rd. from S. Cage Blvd. to Monarch Business Park Subdivision.

Status: Construction is ongoing.

Pictures: Waterline installation is about 100 FT from Cage/Hi-Line intersection. Preparations are being made to cross waterline underneath S. Cage Blvd.



CONSTRUCTION PHASE

Project Name:	Aquatic Facility (Project No. 1819-35-510-C011-051)		
Architect	The Warren Group Architects		
Contractor	D. Wilson Construction		
Contract Amount to Date	\$23,165,208.00	Contract Time (Days)	550
Notice to Proceed	11/1/2019	Contract Time Used:	27.82%
Description: The project is a fully enclosed olympic natatorium and diving pool with support facilities. Building area is approximatley 70,400 S.F.			
Status: Construction is ongoing.			
Pictures: Stormline is being installed for parking area. Developers have begun preparations for diving area.			
			
			

CONSTRUCTION PHASE

Project Name:	Jones Box Park Phase 2 West Expansion (Project No. 1920-01-528-C003-210)		
Engineer:	R. Guitierrez Engineering Corporation		
Contractor:	Vensor Contractors, LLC		
Contract Amount to Date	\$299,214.24	Contract Time (Days)	170
Notice to Proceed	2/6/2020	Contract Time Used:	32.94%
Description: This project will consist of utility improvements.			
Status: Construction is ongoing.			
Pictures: Developer has begun installing waterline.			



CONSTRUCTION PHASE

Project Name:	Hike & Bike Phase 2 Utility Relocation (Project No. 1920-61-528-C004-289)		
Engineer:	Javier Hinojosa Engineering		
Contractor:	RDH Site and Concrete, LLC		
Contract Amount to Date	\$332,830.00	Contract Time (Days)	180
Notice to Proceed	3/2/2020	Contract Time Used:	17.22%
Description: This project will consist of utility relocation.			
Status: Construction will begin 10 days after NTP.			
Pictures: Developer has begun installing waterline.			
			
			

CONSTRUCTION PHASE

Project Name:	Single Machine Repaving Year 5 Project (Project		
Engineer:	City of Pharr Engineering Department		
Contractor:	Cutler Repaving Inc.		
Contract Amount to Date	\$4,244,522.93	Contract Time (Days)	180
Notice to Proceed	3/2/2020	Contract Time Used:	17.22%
Description: This project will consist of milling and repaving streets from the northern, central and southern regions of the City of Pharr .			
Status: Construction in ongoing			
Pictures: Developer is close to completing Soll Brilla Subdivision.			
			



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 4.B.

DATE SUBMITTED: March 9, 2020

MEETING DATE: April 6, 2020

FROM: Karla Moya, Finance Director

DEPARTMENT: Finance

DIRECTOR:

Agenda Item: Submission of the Audited Financial Statements for FY 2018-2019.

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: City undergoes a financial and internal control external audit as required by state law. The report presented is for FY 2018-2019 with an **unmodified opinion (clean opinion)**, meaning that is the Auditor's opinion that the City Financial Statements and component units are presented fairly, in all materials aspects and no material weaknesses were identified.

Financial Consideration:

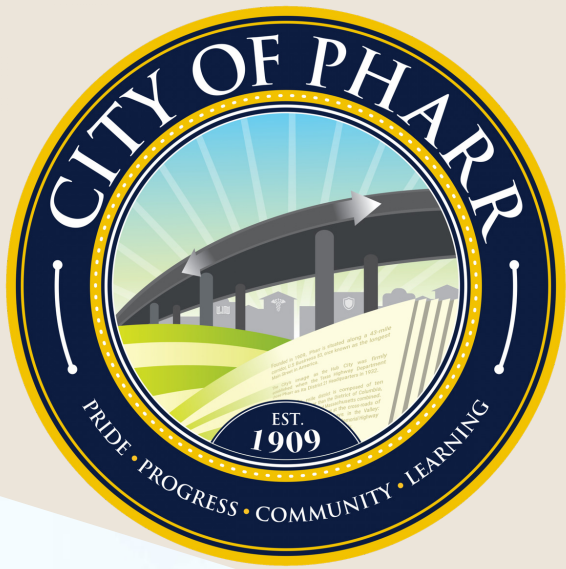
Staff Recommendation:

Alternatives:

ROUTING:

Karla Moya
Karla Moya
Patricia Rigney
City Management Office

Created/Initiated - 3/9/2020
Approved - 3/12/2020
Approved - 3/12/2020
Final Approval - 4/3/2020

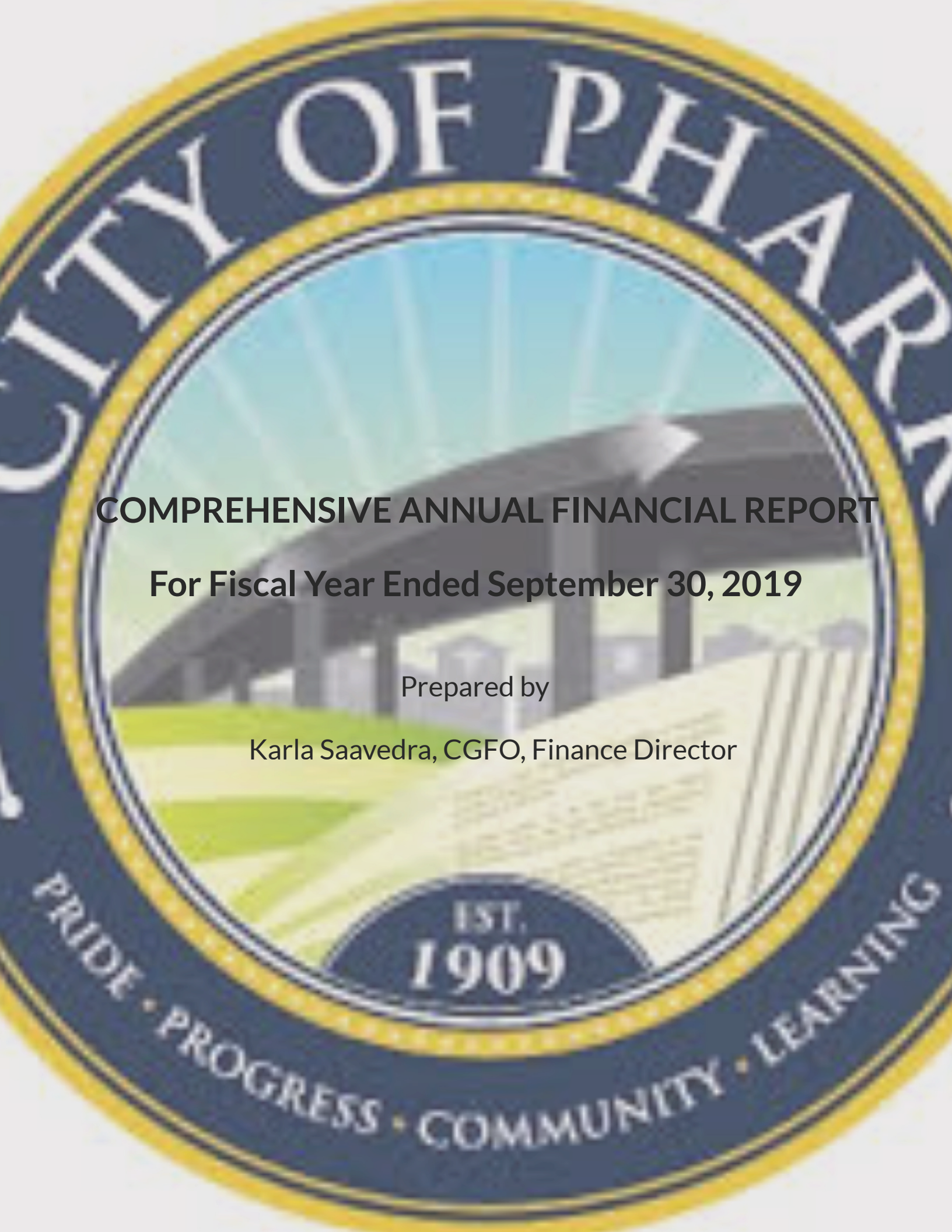


CITY OF PHARR

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2019





COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended September 30, 2019

Prepared by

Karla Saavedra, CGFO, Finance Director

City of Pharr, TX



ELECTED OFFICIALS



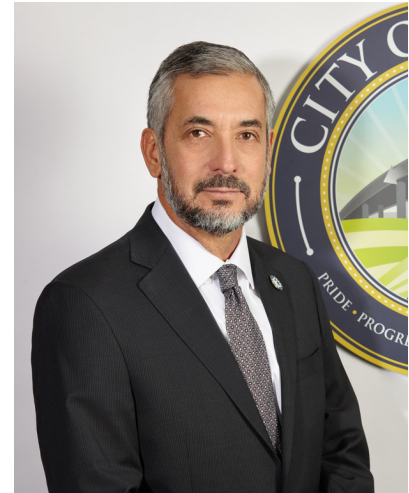
Ambrosio "Amos" Hernandez,
MD-Mayor



Eleazar Guajardo



Roberto "Bobby" Carrillo



Ramiro Caballero, MD



Ricardo Medina



Daniel Chavez



Itza Flores

CITY OF PHARR, TX
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2019

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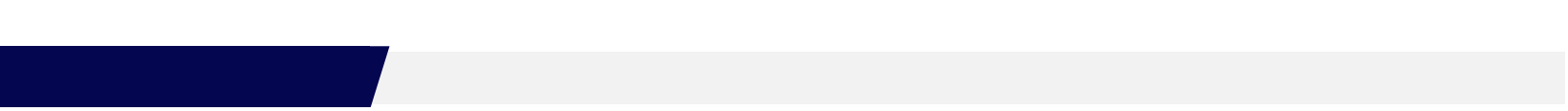
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INTRODUCTORY SECTION

City of Pharr



March 16, 2020

Citizens of Pharr
Honorable Mayor
Members of the City Commission
City of Pharr, Texas
Pharr, Texas 78577

To the Honorable Mayor, Members of the City Commission, and Citizens of the City of Pharr, Texas: The Finance Department and the City Manager's Office are pleased to submit the Comprehensive Annual Financial Report for the City of Pharr, Texas for the fiscal year ended September 30, 2019. State law requires that the City publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Oscar R. Gonzalez, CPA and Associates, P.L.L.C. have issued an unmodified ("clean") opinion on the City of Pharr's financial statements for the year ended September 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Generally accepted auditing standards and the standards set forth in the Government Accountability Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditors' report on the basic financial statements and required supplementary information as well as the individual fund statements and schedules are included in the financial section of this report. The auditors' report on internal controls and compliance with applicable laws and regulations can be found in the single audit section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it. The City of Pharr is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Information related to federal and state awards, the independent auditors' report on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in the single audit section of this report. On November 10, 2008 via ordinance O-2008-49, the Pharr Economic Development Corporation (PEDC) was approved by citizen vote and ratified by the City Commission to receive ½ percent (the City receives 1 ½ percent) of sales tax. City management has included PEDC in its financial reports as a blended component unit since the City appoints all board members, can remove board members at will, and must approve PEDC's budget and plan of work. The City is also a guarantor for debt that is collateralized by PEDC funds. City management has also included the Pharr Housing Finance Corporation (PHFC), the PHFC Jackson Place apartments and the Pharr Tax Increment Reinvestment Zone (TIRZ) No. 1 and 2 in its financial statements as component units.

More information concerning the PEDC, PHFC, Jackson Apartments and TIRZ No. 1 and No. 2 are in the Notes to Financial Statements.

PROFILE OF THE GOVERNMENT

Located on lands originally known in the 1600's as the Seno Mejicano, the City of Pharr was founded in 1909. During a period of great social and economic transition in the Rio Grande Valley. In 1909, John C. Kelly, Henry N. Pharr, W.E. Cage, and R.E. Briggs formed the Pharr Townsite Company, platting and registering the new town. Kelly donated lots in the original plat for early churches, including the Methodist, Baptist, Catholic, Episcopal, and Presbyterian denominations. Pharr schools began in 1911, and the community later joined with San Juan and Alamo to create the Pharr-San Juan-and Alamo School District. The City founders were also involved with the Louisiana - Rio Grande Canal Co., organized in 1910 to furnish irrigation and domestic water to 40,000 acres in the Pharr area by means of a Rio Grande Pumping Plant. The water system led the economy to shift from ranching to crop production, and the Railroad, which came through the area in 1905 made it possible to ship the produce around the country. Amidst the explosive growth caused by the introduction of irrigation, the coming of the railroad, and the Mexican Revolution, the City incorporated in 1916, and became a hub for the confluence of Tejano, Anglo and Mejicano influences in the region.

Centrally located, Pharr played a key role as the agricultural frontier pushed into the brush and cattle country in the early 1900's to form a new fertile land dubbed the "Magic Valley". As water from the Rio Grande was being diverted for irrigation, Pharr served as headquarters for the Louisiana-Rio Grande Canal Company owned and operated by the Pharr co-founders John C. Kelly and Henry N. Pharr. The company built the historic Hidalgo Pumphouse that initially irrigated 40,000 acres of land known as Pharr-Kelly tract.

Pharr, served by two state highways and the St. Louis, Brownsville and Mexico Railway Company, became a hub and a natural shipping center for the transportation and produce industries. By the early 1950's, Pharr was home to 22 processing and shipping businesses including the Valley Fruit and Vegetable Company, the largest packing facility in the world. Pharr is situated along a 43-mile corridor, U.S Business 83, once known as the longest Main Street in America. The City's image as the Hub City was firmly established when the Texas Highway Department chose Pharr as its District 21 Headquarters in 1932. The 13,869 Sq mile district is composed of ten counties and is larger than the District of Columbia, Delaware, Connecticut and Massachusetts combined. Since the early days, Pharr sat at the cross-roads of the two most important highways in the Valley: Highways 4 and 66, known today as Memorial Highway U.S 281 (US i69) and U.S Business 83 (US i2) respectively. They intersect Pharr's historical Main Street District and are the basis for Hidalgo County's historical trails, making Pharr the region's historical hub as well. Pharr serves as one of the most important ports of entry for the US-Mexico border. It handles both commercial and passenger operated vehicles and crosses about a hundred and seventy-five thousand vehicles a month.

The municipal government provided by the Charter of the City of Pharr is known as the Board of Commissioners – City Manager Form of Government. The Board of Commissioners consists of a Mayor and six (6) Commissioners which enact local legislation, adopt budgets, determine policies, and appoint the City Manager, who is held responsible to the Board of Commissioners for the execution of the laws and the administration of the government of the City.

All powers of the City are exercised in the manner prescribed by the City Charter, or, if the manner be not prescribed, then in such manner as may be prescribed by ordinance, the State Constitution, or by the statutes of the State of Texas. The Mayor and the other members of the Board of Commissioners are elected by the City at large for a term of four (4) years.

The City provides a full range of services. Some of these services include police and fire protection; sanitation service; maintenance of streets and infrastructure; and recreational activities. In addition, the City provides water and wastewater services, a system of municipal parks, and a golf course.

ECONOMIC CONDITION AND OUTLOOK



Pharr is strategically located in the middle of the Rio Grande Valley of South Texas, only minutes from the Mexico border. It is strategically located to reap the benefits of explosive growth in commerce and trade. The Pharr area offers a top-quality workforce on both sides of the border. Many visitors enjoy the diversity of Pharr's culture, business and people with its variety and retail outlets, residential neighborhoods and cultural events – Pharr's rich heritage is unwavering. The spirit of tradition and a strong sense of community are flourishing in Pharr.

Over the last 10 years, Pharr has experienced unprecedented growth and economic development, and increase of roughly 40% in sales tax collections. Its population has steadily increased to almost 80,000 people. The housing industry is still increasing, businesses continue to look at Pharr, and the Pharr-Reynosa International Bridge commercial traffic is continuing to increase.

The sales tax base is growing and is expected to continue to have a positive outcome in the upcoming year, thereby potentially creating more jobs. The economic future looks bright for Pharr.

A few of the upcoming projects include:

- * Major commercial development projects in the Pharr Town Center including restaurants
- * A new Natatorium to bring swimming competitions.
- * Increase in industrial warehouses
- * Increase in residential development to keep raising appraised value
- * Additional Infrastructure upgrades of the Pharr International Bridge

According to the Texas Workforce Commission, Pharr's unemployment rate as of September 30, 2019 was 3.4% and is currently at 3.6% as of March 2020. These rates have been one of the lowest in the last 4 decades.

MAJOR INITIATIVES

The City Commission and staff have identified several initiatives to address significant issues in our community. The budget for the upcoming fiscal year reflects these goals. These programs are briefly described below:

Major tax activity: Well-managed economic growth is vital to any city. It increases the tax base and thereby allows improved services to be provided to the citizens.

- **Property Tax:** Tax year 2019, which will be in effect during next fiscal year, is expected to have at least 5% growth in tax appraisal values. In Tax Year 2020 (FY 2020-2021) and forward is when City of Pharr is expecting to have its assessed property values increase even more due to economic development growth expected to happen this coming FY 2019-2020.
- **Sales Tax:** Sales tax revenue is used by the City as an economic indicator. This fiscal year FY 2018-2019 the City experienced a 15% growth in collections compared to FY 2017-2018 and remained No. 1 in growth compared to neighboring cities in the Rio Grande Valley. For this FY 2019-2020 the City budgeted a 3% projected growth.
- **Hotel/Motel Tax:** Hotel/Motel tax revenue may only be used to increase tourism opportunities, hopefully benefiting the hotel/motel industry within the city. This FY 2018-2019, City remained constant in collections.

Public Safety: Ensuring that the public safety personnel have the tools that they need to ensure the safety of the City is always a priority to the Commissioner's and management.

The Police Department along with the Bridge administrators collectively with federal border security organizations continue to operate a southbound inspection station. The purpose is to slow the flow of stolen vehicles and weapons into Mexico.

Public Works: The cost of infrastructure continues to rise while the need for the projects continues to be a priority. Street repairs continues to be one of the main objectives this coming fiscal year with projects such as the 4-Year Repaving Plan, which now extended to a 5th Year.

International Bridge Infrastructure: The bridge capital projects expenditures for the upcoming fiscal year are budgeted at \$16 million. There are two goals of these projects; 1) to allow Pharr to be the regional international trade center, and 2) to minimize the wait-times for commercial traffic, thereby allowing Pharr to continue being the most efficient commercial bridge in south Texas. Expenditures are expected to be funded through grants; approximately \$8 million dollars from TXDOT and another \$8 million from bond proceeds.

International Trade: The City of Pharr owns an international bridge that allows the City to have a generous revenue source as a direct result of the North American Free Trade Agreement (NAFTA). It has four Industrial Parks and 25 cold storage facilities. Most of the bridge revenue is from commercial trucks. The City's International Bridge has grown capping off the year with the number one ranking as produce trading partner of Mexico beating out last year's leader Nogales, Arizona. Pharr continues to break import-export records, crossing 60 percent of all fresh produce coming from Mexico. Pharr is the leading bridge for produce such as avocados and berries.

FINANCIAL INFORMATION

Budgetary Controls: The City of Pharr maintains a system of budgetary controls, the objective of which is to ensure compliance with the legal provisions of the annual appropriated budget approved by the City Commission. The adopted Annual Budget is the basic budget document. It governs all expenditures within a certain fiscal year, which runs from October 1 to September 30. The City Charter states that between sixty (60) and ninety (90) days prior to the end of the fiscal year, the City Manager is required to submit to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following October 1. Furthermore, the Charter requires that the budgeted expenditures for governmental funds not exceed estimated resources and requires that public hearings be held prior to the adoption of the budget. Directors are expected to review their budgets on a monthly basis. The Finance Director will periodically review the budget and inform the Director and/or management of its status. A complete summary of significant accounting policies and budgetary principles is presented in the notes to the financial statements.

Fund Accounting: In accordance with generally accepted accounting principles, the City of Pharr uses a fund accounting system. Fund accounting is designed to ensure that public monies are spent for their intended purpose. Numerous funds are necessary due to legal, financial or operating constraints. Each fund is a separate fiscal entity with a self-balancing set of accounting books. In the financial section of the comprehensive annual financial report, each fund type used by the City of Pharr is defined immediately prior to that fund's financial statements.

FINANCIAL INFORMATION

Fund Accounting: In accordance with generally accepted accounting principles, the City of Pharr uses a fund accounting system. Fund accounting is designed to ensure that public monies are spent for their intended purpose. Numerous funds are necessary due to legal, financial or operating constraints. Each fund is a separate fiscal entity with a self-balancing set of accounting books. In the financial section of the comprehensive annual financial report, each fund type used by the City of Pharr is defined immediately prior to that fund's financial statements.

General Fund Balance Policy: The fiscal policy as it relates to General Fund's reserve/contingency account states: the City shall strive to maintain the General Fund undesignated/unreserved fund balance at 90 days of the current year's budget appropriation for operations and maintenance, which is defined as the total budget less capital outlay purchases, debt service, incentives and the annual transfers from the General Fund to the other funds.

For fiscal year 2018-2019, the **General Fund** committed to contingency and unreserved balance totaled \$21,018,685 and the required minimum (per Fund Balance policy) was \$11,500,300 (rounded).

	FY 16.17	FY 17.18	FY 18.19
Unassigned Fund Balance and Cash on Hand	\$20,196,100	\$21,211,700	\$21,018,685
Recommended Days of Fund Balance	90	90	90
Actuals Days of Fund Balance	174	166	164
Unassigned Fund Balance and Contingency	\$11,900,000	\$13,201,000	\$10,582,878
	102	103	

Utility Fund Retained Earnings Policy: an operating reserve will be established and maintained at 120 days of the current year's original budget appropriation for operation and maintenance, which is defined as the total budget less debt service and capital project expenditures. Utility Contingency Balance as of **September 30, 2019 is: \$3,285,162.**

The Bridge Fund Retained Earnings Policy: a contingency account will be equal to the annual operating cost (expenses minus long-term debt and minus non-operating General Fund transfers) plus one year of the highest long-term debt service payment (principal and interest). Bridge Contingency Balance as of **September 30, 2019 is \$5,294,396.**

These balances provides an adequate protection againts unforeseen occurrences and significantly decreased the likelihood of the City entering the short-term debt market to pay for current operating expenditures. The City's General Fund is fiscally stable.

Debt Administration and Rating: State law does not provide a debt limit for the issuance of debt, however, by custom; a practical economic debt limit of 5% of the assessed valuation is used. General obligation bonds are backed by the full faith and credit of the City of Pharr and are used to finance permanent public improvements. In September 2018, the city's ratings were upgraded by the first time in the last 10 years by S& P and this December 2019, city's rating was confirmed once again by S & P and seconded by Moody's.

S & P AA-

Moody's Aa3

Cash Management: All City operating funds are held in interest-bearing demand accounts in the depository bank. This money is protected by insurance from the Federal Deposit Insurance Corporation and by collateral interests in the depository's investment securities that are pledged against the City's deposits.

Cash not required for operations is invested according to the City's written investment policy. The policy emphasizes safety and liquidity in investing public funds. As of September 30, 2019, 93% of City's funds were available within one day. Investments consisted mainly in 2 CD's and 1 main TexPool account.

Risk Management: The City continues to put high emphasis on safety concerns to lower workers' compensation claims. Risk management, particularly workers' compensation, is coordinated through the Human Resources Department. Insurance is provided by Texas Municipal League for general and asset insurance management.

LONG-TERM FINANCIAL PLANNING

The City of Pharr has been planning for the next 30 years in the form of expading the city limits and expanding bridge infrastruture in order to make it the heart of import and export. City has been issuing certificates of obligations in order to invest in these projects.

The Pharr International Bridge continues to break import/export records, making the land port of entry a forced to be reckoned with, as the 3rd largest commercial land crossing within Mexico.

OTHER INFORMATION AWARDS

The Texas State Comptroller issued a new Transparency program that recognizes local governments for going above and beyond in their transparency efforts through Transparency Stars.

The City of Pharr was awarded the Traditional Finances Star this past fiscal year and it was the first City in the Valley to receive it. In FY 2017-2018, the City received for the first time the Debt Obligations Transparency award.

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the City a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the year ended September 30, 2018.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit published an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. The City has received the Certificate of Achievement for the last eight consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate. The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget dated October 1, 2018. This was the City's 10th consecutive budget award from GFOA. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document is judged on proficiency in several categories including policy documentation, financial planning, an operations guide, and a communication device.

The budget for October 1, 2019 has been submitted for review and we are pending notification of an award.

ACKNOWLEDGMENTS: The preparation of this report on a timely basis could not have been accomplished without the efficient and dedication services of the entire staff of the Finance Department. Appreciation is expressed to City employees throughout the organization, especially those employees who were instrumental in the successful completion of this report. We would like to thank the members of the City Commission for their interest and support in planning and guiding the financial operation of the City in a responsible and progressive manner.

Respectfully Submitted,

Karla Saavedra, CGFO
Finance Director



Government Finance Officers Association

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

Presented to

**City of Pharr
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

CURRENT CITY OFFICIALS

Elected Officials

Mayor	Ambrosio “Amos” Hernandez
Commissioner	Eleazar Guajardo
Commissioner	Roberto “Bobby” Carrillo
Commissioner	Ramiro Caballero
Commissioner	Daniel Chavez
Commissioner	Ricardo Medina
Commissioner	Itza Flores

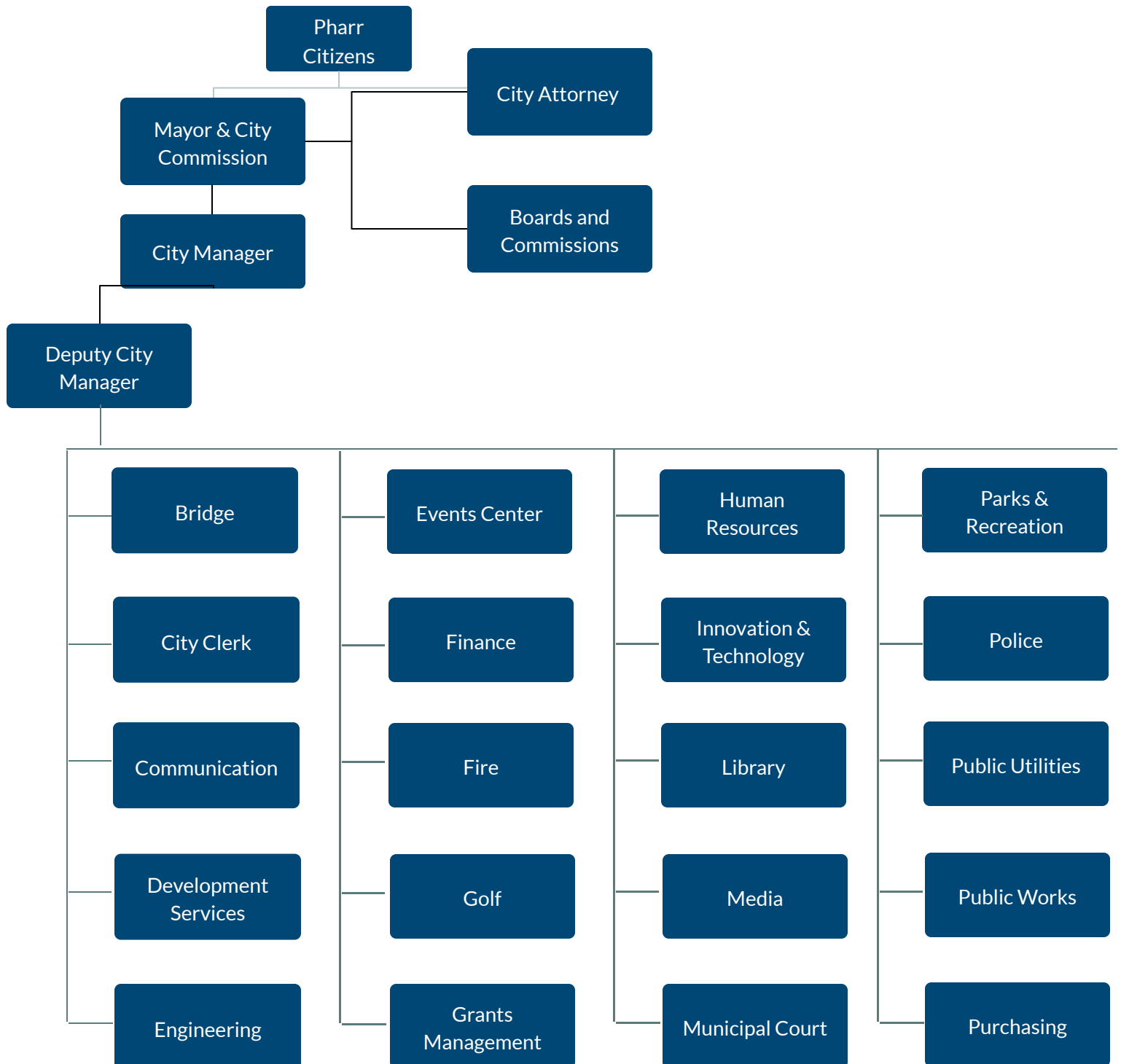
Appointed Officials

City Manager	Alex Meade
Deputy City Manager	Edward Wylie

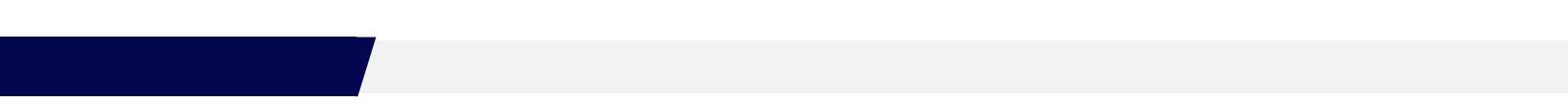
Department Directors

City Clerk	Hilda Pedraza
Police Chief	Jose Luengo
Fire Chief	Lenny Perez
Director of Finance	Karla Saavedra
Director of Human Resources	Anali Cantu
Director of Communications	Danny Ramirez
Director of Utilities	Jose Villescascas
Director of Parks & Recreation/ Golf	Sergio Alanis
Director of Library	Adolfo Garcia
Director of Development Services	Melanie Cano
Director of Public Works	Ricardo Pedraza
Director of Grant Management	Raul Garza
Director of Media	Gary Rodriguez
Director of Bridge	Luis Bazan
Director of Economic Development Corp.	Victor Perez
Director of Innovation and Technology	Jose Pena
City Engineer	Omar Anzaldua
Municipal Court Judge	Marissa Carranza Hernandez

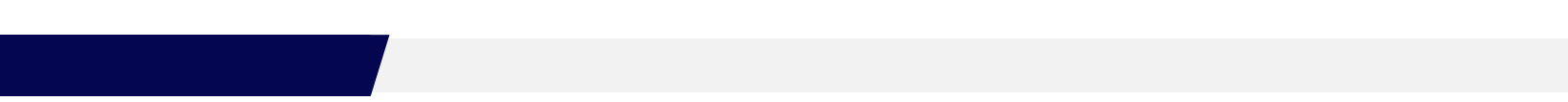
FY 2019-2020







FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
City of Pharr, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the blended component units, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pharr, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Pharr, Texas's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the blended component units, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pharr, Texas, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis the schedules of funding progress, schedule of changes in net pension liability and related ratios, and schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

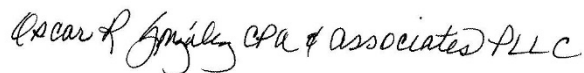
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pharr, Texas's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the schedule of revenues, expenditures, and changes in fund balance – budget and actual for the general fund and the schedule of revenues, expenditures, and changes in fund balance – budget and actual for Pharr Economic Development Corporation II, Inc., and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of revenues, expenditures, and changes in fund balance – budget and actual for the general fund and the schedule of revenues, expenditures, changes in fund balance – budget and actual for Pharr Economic Development Corporation II, Inc., and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of revenues, expenditures, and changes in fund balance – budget and actual for the general fund, the schedule of revenues, expenditures, and changes in fund balance – budget and actual for Pharr Economic Development Corporation II, Inc. and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

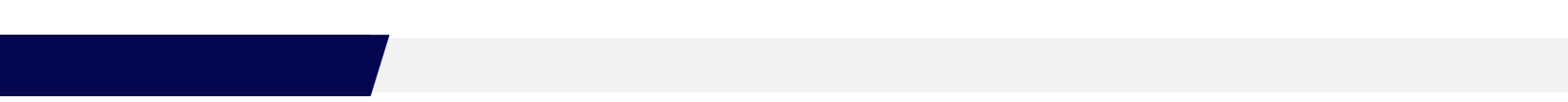
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2020, on our consideration of the City of Pharr, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Pharr, Texas's internal control over financial reporting and compliance.



Oscar R. Gonzalez, CPA & Associates, PLLC
Certified Public Accountants

Pharr, Texas
March 16, 2020



MANAGEMENT'S DISCUSSION & ANALYSIS (MD & A)

Management's Discussion and Analysis

As management of the City of Pharr, Texas (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Pharr for the fiscal year ended September 30, 2019.

FINANCIAL HIGHLIGHTS

- ✚ The assets of the City's governmental activities exceeded its liabilities at the close of the most recent fiscal year by over \$114.65 million (net position). Of this amount, \$3.78 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. This is a decrease of 3.38 million in unrestricted net position. The decrease is mainly due to investment in new capital projects.
- ✚ At the end of the current fiscal year, spendable and non-restricted fund balance for all governmental funds increased by \$1.82 million. This increase is mainly due to sales and property tax collections higher than expected and higher bridge transfers.
- ✚ The assets of the City's business-type activities exceeded its liabilities at the close of the most recent fiscal year by over \$122.42 million (net position). Of this amount, over \$10.57 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. Overall proprietary funds experienced an increase of \$500 thousand mainly due to better fiscal management and increased collections in Bridge Revenues.
- ✚ The General Fund assets exceeded its liabilities by over \$24.83 million (fund balance). Of this amount, \$4.56 million (unassigned fund balance) may be used to meet the General Fund's ongoing obligations. This is an increase from last years of \$1.34 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all the City's assets and liabilities as well as deferred outflow and inflow of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Management's Discussion and Analysis

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include services provided to the citizens for the basic health, safety, welfare, and administration of the City. Examples would include police and fire protection, animal control, streets, and parks and recreation. The business-type activities of the City which include the services provided to the citizens, the cost of which is recouped by user fees charged for the services. This includes water and wastewater services, bridge toll, event concession and rents and golf course fees to all residents and businesses.

The government-wide financial statements include not only the City itself (known as the primary government), but also legally separate component units for which the City is financially accountable: the Pharr Economic Development Corporation II (blended component unit) and the Pharr Public Facilities Corporation No. 1 (blended component unit).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into four categories: governmental funds, proprietary funds, fiduciary funds, and discretely presented component units.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources that can be spent, as well as on balances of resources that can be spent available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains three major (General, PEDC II, CIP) and nine nonmajor governmental funds. Information for the major funds is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the General, Asset Sharing, Community Development, Hotel/Motel, Parkland Dedication, Paving & Drainage, Grants, General Capital Improvement Projects, and Debt Service governmental funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

Management's Discussion and Analysis

Proprietary Funds

The City maintains two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater operations, its bridge toll and golf course operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its vehicle repair activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water and wastewater operations and its bridge toll and golf course operations. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary funds' financial statements. Individual fund data for the internal service funds are provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the Utility, Event Center, Bridge, Golf, and Garage funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

The City's progress in funding its obligations to provide pension benefits to its employees can be found at the end of the notes to the financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the result of activities comparing the budget versus actual.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by over \$237.07 million at the close of the fiscal year.

Management's Discussion and Analysis

The City's condensed Statement of Net Position along with last fiscal year's numbers is presented for comparison in the table is located below:

City of Pharr's Net Position						
Table 1 – Dollars in Millions	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 78.18	\$ 80.26	\$ 22.55	\$ 25.41	\$100.73	\$105.67
Capital assets	137.74	119.29	145.82	145.47	283.56	264.76
Total assets	215.92	199.55	168.37	170.88	384.29	370.43
Deferred Outflow of Resources						
Deferred outflows	7.85	3.59	0.23	0.27	8.08	3.86
Total deferred outflow of resources	7.85	3.59	0.23	0.27	8.08	3.86
Total Assets and Deferred Outflow of Resources	223.77	203.14	168.60	171.15	392.37	374.29
Liabilities						
Current and other liabilities	18.47	15.17	6.70	7.62	25.17	22.79
Long-term Liabilities	87.46	72.47	39.49	44.31	126.95	116.78
Total liabilities	105.93	87.64	46.19	51.93	152.12	139.57
Deferred Inflow of Resources						
Deferred inflows	3.19	3.94	-	-	3.19	3.94
Total deferred inflows of resources	3.19	3.94	-	-	3.19	3.94
Total Liabilities and Deferred Inflow of Resources	109.12	91.58	46.19	51.93	155.31	143.51
Net Position						
Net Invested in capital assets, net of related debt	79.38	72.65	103.80	98.71	183.18	171.36
Restricted	31.49	31.78	8.05	10.46	39.54	42.24
Unrestricted	3.78	7.13	10.57	10.05	14.35	17.18
Total net position	\$114.65	\$111.56	\$122.42	\$119.22	\$237.07	\$230.78

Management's Discussion and Analysis

The excess of liabilities/deferred inflows of resources over assets/deferred outflows of resources reported on the government-wide Statement of Net Position of \$114.65 at September 30, 2019 results from several factors. The most significant items include certain long-term liabilities that do not require current funding such as net pension liabilities of \$13.50 million as of September 30, 2019, and other unfunded long-term liabilities which include compensated absences.

By far the largest portion of the City's net position (\$183.19) reflects its Net Invested in Capital Assets (e.g., land buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position, (\$39.52) million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$14.35 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City can report positive balances in all three categories of net assets for the government. The same situation held true for the prior fiscal year.

Governmental Activities

Governmental activities increase the City's net position by \$3.34 million. The key changes this fiscal year along with element of this increase is described as follows:

-  Transfers from Bridge excess cash
-  Investment in Capital Projects

Management's Discussion and Analysis

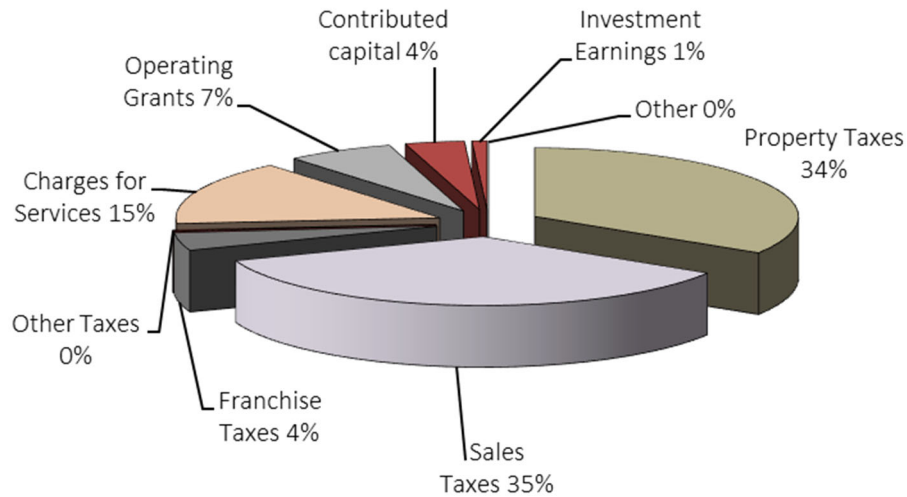
The City's condensed Changes in Net Position along with last fiscal year's numbers are presented for comparison in the following table below:

City of Pharr's Changes in Net Position							
Table 2 – Dollars in Millions		Governmental		Business-Type		Total	
		Activities		Activities			
		2019	2018	2019	2018	2019	2018
Revenues							
Program Revenues:							
Charges for services	\$	9.31	\$ 9.17	\$	30.29	\$	39.60
Operating grants and contributions		4.03	4.06	-	-	4.03	4.06
Capital grants and contributions		2.22	2.17	1.91	2.78	4.13	4.94
General Revenues:							
Property tax		20.75	19.70	-	-	20.75	19.70
Sales tax		21.66	19.38	-	-	21.66	19.38
Other taxes		2.53	2.49	-	-	2.53	2.49
Other		0.74	1.15	0.29	0.26	1.03	1.41
Total Revenues		61.24	58.11	32.49	32.11	93.73	90.22
Expenses:							
General governmental		13.20	16.37	-	-	13.20	16.37
Public safety		26.57	23.81	-	-	26.57	23.81
Streets		5.24	1.48	-	-	5.24	1.48
Health and welfare		3.08	3.01	-	-	3.08	3.01
Culture and recreation		7.42	5.61	-	-	7.42	5.61
Economic Development		4.42	5.47	-	-	4.42	5.47
Interest of debt service		2.97	2.20	-	-	2.97	2.20
Issuance Cost		-	0.31	-	-	-	0.31
Utility		-	-	13.59	13.33	13.59	13.33
Pharr Event Center		-	-	0.83	0.77	0.83	0.77
Toll bridge		-	-	4.11	4.04	4.11	4.04
Tierra Del Sol Golf Course		-	-	1.53	1.41	1.53	1.41
Total Expenses		62.90	58.26	20.06	19.55	82.96	77.81
Excess of revenues over expenses		(1.66)	(0.15)	12.43	12.56	10.77	12.41
Loss on land		-	(0.36)	-	-	-	(0.36)
Bad Debt Expense		-	(0.55)	-	-	-	(0.55)
Gain on Market Value of Land		-	-	-	-	-	-
Transfers		8.35	8.44	(8.35)	(8.44)	-	-
Net change in net position		6.69	7.38	4.08	4.12	10.77	11.50
Net position - beginning		111.56	104.29	119.21	114.86	230.77	219.15
Prior period adjustment (a)		(3.60)	(0.10)	(0.87)	0.23	(4.47)	0.13
Net position - ending		<u>\$114.65</u>	<u>\$111.57</u>	<u>\$122.42</u>	<u>\$119.21</u>	<u>\$237.07</u>	<u>\$230.78</u>

Management's Discussion and Analysis

The City's governmental activities' revenues source distribution is presented below.

Revenues by Source – Governmental Activities



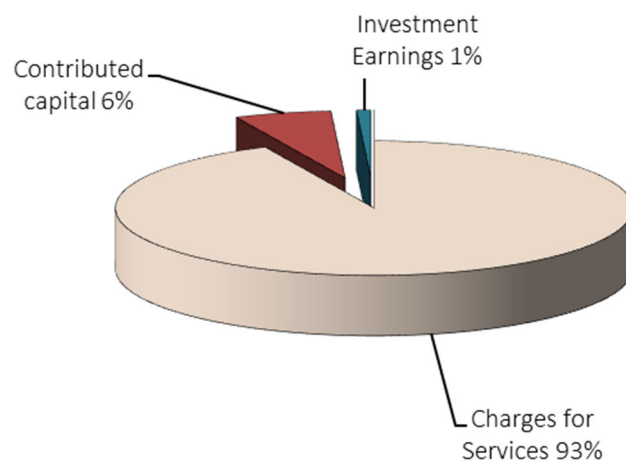
Business-Type Activities

Business-type activities increase the City's net position by \$4.38 million. One of the key changes this fiscal year for this increase was:

- Addition of Water Infrastructure of approximately \$3 million dollars.

The City's Business-Type activities' revenue source distribution is presented below.

Revenues by Source – Business-Type Activities



Management's Discussion and Analysis

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's net change in fund balance was roughly \$957 thousand more than budget. The operating revenues were \$973 thousand more than budget. The main reason for this increase was due to sales tax collections greater by \$.99 million, sanitation and brush charges greater by \$.32 million. Expenditures were \$2.42 million less than budget; this is mainly from General Government (\$0.66 less than budgeted) and Public Safety (Fire) (\$0.58 million dollars less than budgeted).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Pharr's Capital assets for its governmental and business-type activities amounts to \$283.52 million. This investment in capital assets includes land, buildings and system improvements, and machinery and equipment net of depreciation. The total increase in the City's net investment in capital assets for the current fiscal year was \$18.87 million or 7.1%.

City of Pharr's Capital Assets (Net of Depreciation)						
Table 3- Dollars in million	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Water rights	\$ -	\$ -	\$ 3.45	\$ 3.45	3.45	3.45
Land	17.58	17.33	3.41	3.42	20.99	20.75
Building and system improvements	27.02	27.94	14.19	14.93	41.21	42.87
Other improvements	11.15	7.80	2.55	2.86	13.70	10.66
Machinery and equipment	7.64	7.90	4.57	4.88	12.21	12.78
Infrastructure	31.14	33.10	106.94	109.22	138.08	142.32
Construction in progress	43.19	25.22	10.69	6.71	53.88	31.93
	<u>\$ 137.72</u>	<u>\$ 119.29</u>	<u>\$ 145.80</u>	<u>\$ 145.47</u>	<u>\$ 283.52</u>	<u>\$ 264.76</u>

Additional information on the City's capital assets can be found in the Notes to the Financial Statements in this report under section *III-Detailed Notes on Funds and Component Units* subsection *F-Capital Assets*.

Management's Discussion and Analysis

Long-Term Debt

At the end of the current fiscal year, the City had total contractually obligated long-term debt of \$112.36 million. The details of the change in debt from last fiscal year are as indicated:

Table 4 - Dollars in millions (not including unamortized activity)

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Governmental			
Bonds	\$ 5.03	\$ 4.09	\$ 0.95
Certificates of obligation	47.50	33.44	14.07
Capital leases	6.46	7.39	(0.93)
Notes	<u>9.87</u>	<u>18.70</u>	<u>(8.83)</u>
	68.86	63.61	5.25
Business-Type			
Bonds	40.26	44.40	(4.14)
Capital leases	<u>3.24</u>	<u>3.83</u>	<u>(0.59)</u>
	43.50	48.24	(4.74)
Total	<u>\$ 112.36</u>	<u>\$ 111.85</u>	<u>\$ 0.51</u>

Long-term debt for the Governmental activities increases by \$5.25 million. This increase was due to the new capital equipment and the issue for new bonds for capital projects. This fiscal year the city issued \$16 million in bonds (Including premium) for City construction and Infrastructure.

Long-term debt for the Business-Type activities decreased by \$4.74 million. This decrease is the reduction of the debt by principal as amortized.

Additional information on the City's long-term debt can be found in the Notes to the Financial Statements in this report under section *III-Detailed Notes on Funds and Component Units* subsection *G-Long-Term Obligations*.

Pension

The adoption of Statement No. 68 resulted in the City's reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for each of its qualified pension plans and the recognition of pension expense in accordance with the provisions of the Statement.

Management's Discussion and Analysis

Table 5 provides the City's key pension statistics related to the TMRS plan as of and for the fiscal year ended September 30, 2019:

City of Pharr's Key Pensions Statistics

Table 5-(Dollars in millions)

Net Pension Liability	\$	13.50
Pension Expense	\$	3.87

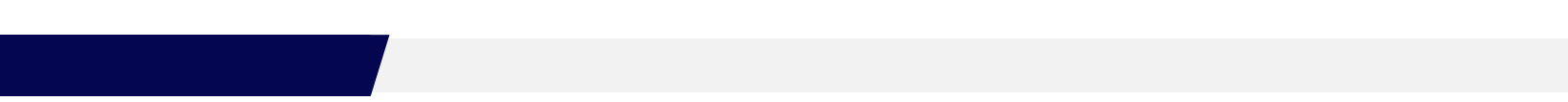
Additional information on the City's net pension liability can be found in the notes to the financial statements as indicated in the table of contents of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The University of Texas Rio Grande Valley School of Medicine will be building its Aquatic Center in the City. It will also develop a medical clinic campus that would help improve access to primary and specialty care for Pharr families.
- The continuous growth of the Pharr Town Center will help increase jobs and sales taxes.
- New infrastructure Bridge Projects and improvements inside the Port of Entry will streamline the truck/cargo inspection process, allowing for better flow and maximum efficiency; and more crossing revenue as consequence.
- The continued increase of produce crossings through Pharr will allow for further development of cold storage/distribution facilities, as more company expansions are breaking ground in South Pharr.
- Continued truck volumes despite the downturn in the oil and gas industry is a testament of the future potential for the bridge, as truck crossings continue the incline year after year.
- Peso devaluation is still considered a negative factor that might affect the City's sales tax in the future.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Pharr, Office of the Finance Director, P.O. Box 1729, Pharr, TX 78577.



BASIC FINANCIAL STATEMENTS

CITY OF PHARR, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Primary Government				
	Governmental	Business-Type		Discrete	
	Activities	Activities	Total	Component Units	Total
<u>ASSETS</u>					
Current assets:					
Cash	\$ 29,555,243	\$ 7,398,699	\$ 36,953,943	\$ 3,197,131	\$ 40,151,074
Receivables (net of allowance for uncollectible)	21,089,292	3,110,449	24,199,742	-	24,199,742
Prepaid items	143,848	-	143,848	-	143,848
Internal balances	46,934	(46,934)	-	-	-
Inventories	1,125,084	221,812	1,346,896	-	1,346,896
Land available for sale	2,365,012	-	2,365,012	-	2,365,012
Restricted assets:					
Cash	21,246,720	-	21,246,720	2,431,056	23,677,776
Cash with Fiscal Agent	2,119,319	11,871,601	13,990,920	-	13,990,920
Intergovernmental receivable	493,725	-	493,725	-	493,725
Total current assets	78,185,178	22,555,628	100,740,806	5,628,187	106,368,993
Capital assets					
Water Rights (nondepreciable)	-	3,450,000	3,450,000	-	3,450,000
Land (nondepreciable)	17,585,379	3,418,448	21,003,827	1,500,000	22,503,827
Buildings (net of acc. depreciation)	27,025,334	14,198,625	41,223,959	25,913,612	67,137,571
Improvements other than buildings (net of acc. depreciation)	11,152,543	2,552,872	13,705,415	-	13,705,415
Machinery and equipment (net of acc. depreciation)	7,647,468	4,570,261	12,217,730	115,742	12,333,472
Infrastructure (net of acc. depreciation)	31,140,258	106,948,324	138,088,582	-	138,088,582
Construction in progress (nondepreciable)	43,190,652	10,691,081	53,881,733	-	53,881,733
Total capital assets	137,741,634	145,829,612	283,571,246	27,529,354	311,100,600
Total noncurrent assets	137,741,634	145,829,612	283,571,246	27,529,354	311,100,600
Total assets	215,926,812	168,385,240	384,312,052	33,157,541	417,469,593
<u>DEFERRED OUTFLOW OF RESOURCES</u>					
Unamortized loss on refunding of debt	97,560	234,981	332,541	-	332,541
Pension-TMRS	7,760,493	-	7,760,493	-	7,760,493
Total deferred outflow of resources	7,858,053	234,981	8,093,034	-	8,093,034
<u>LIABILITIES</u>					
Current liabilities payable:					
Accounts payable and other current liabilities	5,617,801	1,647,830	7,265,631	6,659,974	13,925,604
Escrows	3,176,705	234,207	3,410,911	-	3,410,911
Current portion debt payable	9,681,472	4,818,688	14,500,160	627,931	15,128,091
Total current liabilities	18,475,977	6,700,725	25,176,702	7,287,904	32,464,606
Noncurrent liabilities:					
Other post employment benefit	1,098,818	-	1,098,818	-	1,098,818
Net Pension Liability	13,505,237	-	13,505,237	-	13,505,237
Due in more than one year, net	72,860,150	39,495,699	112,355,849	32,897,360	145,253,209
Total noncurrent liabilities	87,464,205	39,495,699	126,959,904	32,897,360	159,857,264
Total liabilities	105,940,182	46,196,424	152,136,606	40,185,264	192,321,870
<u>DEFERRED INFLOW OF RESOURCES</u>					
Pension-Actual Contributions vs Assumptions	3,151,845	-	3,151,845	-	3,151,845
Other Post Employment Benefits	40,075	-	40,075	-	40,075
	3,191,920	-	3,191,920	-	3,191,920
<u>NET POSITION</u>					
Net Invested in capital assets	79,387,817	103,809,577	183,197,395	(5,995,936)	177,201,458
Restricted for:					
Debt service	765,889	3,677,454	4,443,344	-	4,443,344
Capital projects	21,410,722	3,938,515	25,349,236	-	25,349,236
Economic development	4,195,467	-	4,195,467	-	4,195,467
Tourism	1,627,610	427,684	2,055,294	-	2,055,294
Public safety	1,243,757	-	1,243,757	-	1,243,757
Paving and Drainage	700,170	-	700,170	-	700,170
General Government	1,537,742	-	1,537,742	-	1,537,742
Unrestricted	3,783,590	10,570,566	14,354,156	(1,031,787)	13,322,369
Total net position	\$ 114,652,764	\$ 122,423,797	\$ 237,076,560	\$ (7,027,723)	\$ 230,048,837

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

**CITY OF PHARR, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position								
	Program Revenues				Primary Government			Discrete Component Unit	Total
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total		
Primary government:									
Governmental activities:									
General government	\$ 13,205,884	\$ 3,712,372	\$ 1,391,844	\$ -	\$ (8,101,668)		\$ (8,101,668)	-	(8,101,668)
Public safety	26,572,095	447,466	2,645,576	-	(23,479,053)		(23,479,053)	-	(23,479,053)
Highways and streets	5,242,586	512,004	-	2,226,568	(2,504,014)		(2,504,014)	-	(2,504,014)
Health and welfare	3,080,212	4,248,683	-	-	1,168,471		1,168,471	-	1,168,471
Culture and recreation	7,420,313	390,300	-	-	(7,030,013)		(7,030,013)	-	(7,030,013)
Economic development	4,425,728	-	-	-	(4,425,728)		(4,425,728)	-	(4,425,728)
Interest on long-term debt	2,971,134	-	-	-	(2,971,134)		(2,971,134)	-	(2,971,134)
Total governmental activities	62,917,953	9,310,825	4,037,420	2,226,568	(47,343,139)		(47,343,139)	-	(47,343,139)
Business-type activities:									
Utility	13,582,904	13,956,674	-	1,911,892		2,338,790	2,338,790		2,338,790
Pharr Event Center	824,124	419,091	-	-		(409,832)	(409,832)		(409,832)
Toll Bridge	4,118,143	14,268,351	-	-		10,150,208	10,150,208		10,150,208
Tierra Del Sol Golf Course	1,535,292	795,387	-	-		(724,007)	(724,007)		(724,007)
Total business-type activities	20,060,463	29,439,503	-	1,911,892		11,355,160	11,355,160		11,355,160
Total primary government	\$ 82,978,416	\$ 38,750,328	\$ 4,037,420	\$ 4,138,460	\$ (47,343,139)	\$ 11,355,160	\$ (35,987,979)	-	(35,987,979)
Component unit:									
PHFC Jackson Apartments	-	-	-					208,976	208,976
Depreciation Expense	-	-	-					604,461	
PFH	-	-	-					926,379	926,379
Debt Interest and Issuance Cost	\$ -	\$ -	-					1,651,961	1,651,961
	-	-	-					3,391,777	3,391,777
<u>General revenues:</u>									
Property taxes					20,759,454	-	20,759,454	-	20,759,454
Sales taxes					21,668,827	-	21,668,827	-	21,668,827
Franchise taxes					2,536,472	-	2,536,472	-	2,536,472
Rent Revenue					-	-	-	1,938,730	1,938,730
Contributions					-	-	-	-	-
Other taxes					149,877		149,877	-	149,877
Investment earnings					562,591	283,040	845,631	13,417	859,048
Other					-	10,020	10,020	149,050	159,071
Cost of Issuance					-	-	-	-	-
Transfers					8,354,409	(8,354,409)	-	-	-
Total general revenues and transfers					54,031,629	(8,061,349)	45,970,281	2,101,197	48,071,478
Change in net position					6,688,490	3,293,811	9,982,301	(1,290,580)	8,691,721
Net position - beginning					111,567,087	119,217,232	230,784,319	(5,223,303)	225,561,016
Prior period adjustment					(3,602,813)	(87,245)	(3,690,058)	(513,840)	(4,203,898)
Net position - ending					\$ 114,652,764	\$ 122,423,797	\$ 237,076,560	\$ (7,027,723)	\$ 230,048,837

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



**CITY OF PHARR, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

		General	Pharr Economic Development Corporation, Inc.	General Capital Improvements	Non-Major Governmental	Total Governmental
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>						
Cash	\$	17,874,971	\$ 3,594,457	\$ 1,814,866	6,224,041	\$ 29,508,335
Receivables (net of allowance for uncollectible):						
Property taxes		1,933,085	-	-	261,186	2,194,271
Warrants		3,159,634	-	-	-	3,159,634
Sales tax		2,455,269	818,423	-	-	3,273,691
Notes		-	1,659,172	-	54,619	1,713,790
Accounts		858,057	-	-	154,020	1,012,077
Other		7,292,819	43,967	1,857,725	541,318	9,735,828
Prepaid Items		36,248	107,600	-	-	143,848
Inventories		1,063,668	-	-	-	1,063,668
Land Available for Sale		-	2,365,012	-	-	2,365,012
Due from other funds		623,011	-	-	-	623,011
Restricted assets:						
Cash		-	439,524	20,807,196	-	21,246,720
Cash with Fiscal Agent		1,537,742	-	581,578	-	2,119,319
Intergovernmental receivable		-	-	-	493,725	493,725
Total assets	\$	<u>36,834,502</u>	<u>\$ 9,028,154</u>	<u>\$ 25,061,365</u>	<u>7,728,909</u>	<u>\$ 78,652,929</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>						
Liabilities:						
Accounts payable	\$	2,946,633	\$ 175,638	\$ 1,000,134	163,286	\$ 4,285,690
Accrued liabilities		767,102	-	-	-	767,102
Due to other funds		-	-	-	554,508	554,508
Escrow accounts		2,322,514	18,547	835,643	-	3,176,705
Unearned revenue		-	-	-	-	-
Total liabilities		<u>6,036,249</u>	<u>194,185</u>	<u>1,835,777</u>	<u>717,793</u>	<u>8,784,004</u>
		<u>6,036,249</u>	<u>194,185</u>	<u>1,835,777</u>	<u>717,793</u>	<u>8,784,004</u>
Deferred Inflows of Resources:						
Deferred property tax		1,933,085	-	-	261,186	2,194,271
Deferred accounts		858,057	-	-	154,021	1,012,078
Deferred warrants		3,159,634	-	-	-	3,159,634
Deferred notes		-	1,659,172	-	54,619	1,713,790
Total deferred inflow of resources		<u>5,950,776</u>	<u>1,659,172</u>	<u>-</u>	<u>469,825</u>	<u>8,079,773</u>

Fund balances:		General	Economic Development Corporation 4B	General Capital Improvements	Non-Major Governmental	Total Governmental
	Nonspendable:					
	Inventory	1,063,668	2,365,012	-		3,428,680
	Noncurrent advances	2,765,125	-	-	-	2,765,125
	Restricted:					
	General government	-	-	-	-	-
	Debt service	-	-	-	627,459	627,459
	Street paving and drainage	-	-	-	700,170	700,170
	Tourism	-	-	-	1,627,610	1,627,610
	Public safety	-	-	-	1,243,757	1,243,757
	Parkland	-	-	-	43,627	43,627
	Community development	-	-	-	472,546	472,546
	Economic development	-	1,923,914	-	1,826,121	3,750,035
	Committed:					
	Contingency	10,582,878	-	-	-	10,582,878
	Assigned:					
	General government	4,337,339	-	-	-	4,337,339
	Capital outlay	1,537,742	-	21,410,722	-	22,948,463
	Encumbrances	-	-	-	-	-
	Unassigned:					
		4,560,726	2,885,871	1,814,866	-	9,261,463
	Total fund balances	<u>24,847,478</u>	<u>7,174,797</u>	<u>23,225,588</u>	<u>6,541,290</u>	<u>61,789,152</u>
Total liabilities, deferred inflows of resources and fund balances		\$ <u>36,834,502</u>	\$ <u>9,028,154</u>	\$ <u>25,061,365</u>	<u>7,728,908</u>	\$ <u>78,652,929</u>

CITY OF PHARR, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds balance sheet		\$	61,789,152
(1) When capital assets that are to be used in governmental activities are purchased, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net asset includes those capital assets among the assets of the city as a whole	Cost of capital assets	236,336,534	
	Accumulated depreciation	<u>(98,946,236)</u>	137,390,299
(2) Internal service funds are used by management to charge the costs of fleet management and workman's compensation to individual funds. 100% of the assets is allocated to governmental activities. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net position	Garage	<u>363,554</u>	363,554
(3) Long-term liabilities applicable to the city's governmental activities are not due in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position	Bonds/Certificates/Notes		
	Current	(6,554,055)	
	Long-term	(59,335,607)	
	Capital leases		
	Current	(1,769,265)	
	Long-term	(4,698,341)	
	Unamortized loss -Deferred outflow	97,560	
	Unamortized debt activity	<u>(4,772,870)</u>	(77,032,577)
(4) Because some property tax will not be collected for several months after the city's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are considered deferred in governmental funds	Tax receivable	2,653,043	
	Allowance	<u>(458,772)</u>	2,194,271
(5) Because some sanitation, brush, and paving fees will not be collected for several months after the city's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are considered deferred in governmental funds	Sanitation	752,258	
	Paving	154,021	
	Library	55,522	
	Alarm permits	<u>50,276</u>	1,012,078
(6) Interest expense in the statement of activities differs from the amount reported in governmental funds due to accrued interest calculated for bonds and notes payable	Bonds	(143,403)	
	Certificates	(72,377)	
	Notes	<u>(27,114)</u>	(242,894)

CITY OF PHARR, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019-Continued

(7)	Certain accrued obligations not normally expected to be liquidated with expendable available financial resources unless they are due for payment in the current period. The difference in compensated absences from last year to this year is recorded in the statement of activities	Current	(1,339,765)	
		Long-term	<u>(4,319,295)</u>	(5,659,060)
(8)	Because some warrants will not be collected for some time after the city's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are considered deferred in governmental funds	Warrants receivable	13,108,006	
		Allowance	<u>(9,948,373)</u>	3,159,634
(9)	Employers that participate in defined contribution OPEB plans are required to recognize OPEB liability for unpaid required contributions	OPEB Liability - Prior Years	32,108	
		This fiscal year contribution	(1,098,818)	
		This fiscal year trust fund contribution	<u>(72,183)</u>	(1,138,893)
(10)	Because some EDC loan receivables will not be collected for some time after the city's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are considered deferred in governmental funds.		<u>1,713,790</u>	1,713,790
(11)	Deferred Outflow Pension Contributions		7,760,493	
		Deferred Inflow	(3,151,845)	
		Net Pension Liability	<u>(13,505,237)</u>	(8,896,589)
	Rounding Difference			2
	Net position of governmental activities - statement of net position		<u>\$</u>	<u>114,652,764</u>

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

CITY OF PHARR, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General	Pharr Economic Development Corporation, Inc.	General Capital Improvements	Non-Major Governmental	Total Governmental
REVENUES					
Taxes:					
Property	\$ 17,136,640	\$ -	\$ -	\$ 3,491,378	\$ 20,628,019
Sales	15,760,634	5,253,545	-	654,648	21,668,827
Franchise	2,536,472	-	-	-	2,536,472
Other	149,877	-	-	-	149,877
Licenses and permits	808,250	-	-	-	808,250
Intergovernmental	535,924	-	248,020	3,253,476	4,037,420
Fees and charges:					
Sanitation	2,915,722	-	-	-	2,915,722
Brush	1,257,958	-	-	-	1,257,958
Other	1,114,519	-	-	1,086,399	2,200,917
Fines	798,417	-	-	-	798,417
Interest income	354,796	135,404	-	72,652	562,852
Other	775,745	1,238,482	-	47,869	2,062,096
Total revenues	<u>44,144,952</u>	<u>6,627,432</u>	<u>248,020</u>	<u>8,606,423</u>	<u>59,626,826</u>
EXPENDITURES					
Current:					
General government	11,773,169	-	18,860	426,445	12,218,475
Public safety	22,443,135	-	4,382,280	1,575,089	28,400,504
Highways and streets	4,079,093	-	4,576,582	41,115	8,696,791
Health and welfare	2,857,062	-	-	-	2,857,062
Culture and recreation	6,228,652	-	12,799,523	3,830	19,032,006
Economic development	1,515,214	3,202,414	-	-	4,717,628
Debt service:					
Principal	1,607,244	1,923,861	942,712	4,148,923	8,622,740
Interest	119,668	392,528	265,404	2,444,084	3,221,684
Total expenditures	<u>50,623,238</u>	<u>5,518,803</u>	<u>22,985,362</u>	<u>8,639,486</u>	<u>87,766,889</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,478,286)</u>	<u>1,108,629</u>	<u>(22,737,343)</u>	<u>(33,063)</u>	<u>(28,140,063)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	8,585,095	1,184,500	19,944,339	3,717,676	33,431,610
Transfers (out)	(20,579,667)	(1,509,794)	(1,100,000)	(1,887,739)	(25,077,201)
Cost of Issuance	197,463	-	-	-	197,463
Issuance of debt	17,184,537	-	-	-	17,184,537
Issuance of debt-Premium	2,048,204	-	-	-	2,048,204
Total other financing sources and uses	<u>7,435,632</u>	<u>(325,294)</u>	<u>18,844,339</u>	<u>1,829,936</u>	<u>27,784,613</u>
Net change in fund balance	957,345	783,334	(3,893,003)	1,796,873	(355,450)
Fund balance - beginning	23,862,197	6,394,963	24,964,904	4,741,726	59,963,790
Prior period adjustment	<u>27,934</u>	<u>(3,500)</u>	<u>2,153,687</u>	<u>2,691</u>	<u>2,180,812</u>
Fund balance - ending	<u>\$ 24,847,477</u>	<u>\$ 7,174,797</u>	<u>\$ 23,225,587</u>	<u>6,541,290</u>	<u>\$ 61,789,152</u>

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

CITY OF PHARR, TEXAS
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Amounts reported for governmental activities in the statement of activities are different because:

	Net change in fund balances - total governmental funds	\$	(355,450)
(1)	Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period		
	Capital assets purchases	23,865,675	
	Depreciation expense	<u>(5,843,998)</u>	18,021,677
(2)	Governmental funds do not recognize developer contribution of land, roads, paving and draining as donation/contribution revenue nor as an increase in governmental expenditures. This is the net amount by which contributed capital increased the capital assets net or related debt of the city		
	Contributed capital - drainage	697,846	
	Contributed capital - streets	<u>1,528,723</u>	2,226,568
(3)	Internal service funds are used by management to charge the costs of fleet management and workman's compensation to individual funds. 100% is allocated to governmental activities. This is the net revenue of certain activities of internal service funds		
	Garage	<u>(32,200)</u>	(32,200)
(4)	Repayment of bond principal is reported as an expenditure in governmental funds. For the city as a whole, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities. The city's bonded debt was reduced in due to principal payments made to bondholder's and the amortization of the debt issuance cost, premium/discount, and gain or loss on refunding, which results in an increase to interest expenses. Also, any new debt issuances are recorded as other financial sources but not counted as revenue in governmental activities. This is the result of debt activity		
	New lease/notes proceeds	(942,000)	
	Certificate of Obligation proceeds	(18,488,204)	
	Lease/Notes	2,145,907	
	Tax Notes Principal Paid	942,712	
	Bond Principal Paid	3,610,000	
	Loan Principal Paid	1,923,861	
	Unamortized debt activity	<u>334,687</u>	(10,473,037)
(5)	Because some property tax will not be collected for several months after the city's fiscal year ends, they are not considered as "available" revenues in the governmental funds		
	Current tax	-	
	Collections	<u>131,435</u>	131,435
(6)	Because some sanitation and brush fees will not be collected for several months after the city's fiscal year ends, they are not considered as "available" revenues in the governmental funds		
	Sanitation	29,659	
	Paving	10,458	
	Library	1,964	
	Alarm Fees	<u>(1,199)</u>	40,882

CITY OF PHARR, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2019

(7)	Interest expense in the statement of activities differs from the amount reported in governmental funds due to accrued interest calculated for bonds and notes payable	Current year accrual	(242,895)	
		Prior year accrual	158,758	
				(84,137)
(8)	Certain accrued obligations not normally expected to be liquidated with expendable available financial resources unless they are due for payment in the current period. Compensated absences is recorded in the statement of assets	Current year	(5,359,060)	
		Prior year	5,015,315	
				(343,745)
(9)	Because some warrant fines will not be collected for some time after the city's fiscal year ends, they are not considered as "available" revenues in the governmental funds	Prior Year Warrant A/R	(3,510,585)	
		Current Year Warrant A/R	3,159,634	
				(350,951)
(10)	Employers that participate in defined contribution OPEB plans are required to recognize OPEB expense/expenditures for their net required contributions to the plan	OPEB Liability - This fiscal year	(1,098,818)	
		Trust fund contributions	992,629	
				(106,189)
(11)	Loans issued to outside entities for Economic development are considered expenses governmental funds but not in the statement of activities.		(422,467)	(422,467)
(12)	GASB 68 recognition on Pension Expense requires an adjustment to reflect in Statement of Activities		\$ (1,563,897)	\$ (1,563,897)
	Rounding difference			1
	Change in net position of governmental activities		\$	<u>6,688,490</u>



CITY OF PHARR, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

Business-type Enterprise Funds							Governmental Activities - Internal Service Fund
	Utility	Pharr Event Center	Toll Bridge	Tierra Del Sol Golf Course	Total		
ASSETS							
Current assets:							
Cash	\$ 649,599	\$ 276,236	\$ 5,941,945	\$ 530,919	\$ 7,398,699	\$ 46,909	
Receivables (net of allowance for uncollectible):							
Accounts	2,778,308	264,354	48,486	17,804	3,108,953	-	
Other	1,496	-	-	-	1,496	-	
Prepayment	-	-	-	-	-	-	
Inventories	191,549	4,462	-	25,801	221,812	61,416	
Restricted assets:							
Cash	9,825,267	-	457,511	-	10,282,778	-	
Cash with Fiscal Agent	1,022,986	-	434,059	131,777	1,588,822	-	
Total current assets	14,469,205	545,051	6,882,001	706,302	22,602,561	108,325	
Capital assets							
Water Rights (nondepreciable)	3,450,000	-	-	-	3,450,000	-	
Land (nondepreciable)	814,236	785,224	819,645	999,342	3,418,448	-	
Buildings (net of acc. depreciation)	10,325,985	2,289,490	1,282,120	301,031	14,198,625	350,550	
Improvements other than buildings (net of acc. depreciation)	529,380	90,620	130,686	1,802,186	2,552,872	-	
Machinery and equipment (net of acc. depreciation)	1,815,664	17,490	2,521,752	215,355	4,570,261	-	
Infrastructure (net of acc. depreciation)	95,156,663	-	11,775,986	15,675	106,948,324	-	
Construction in progress (nondepreciable)	7,501,661	-	3,189,421	-	10,691,081	786	
Total capital assets	119,593,589	3,182,824	19,719,610	3,333,589	145,829,611	351,336	
Total noncurrent assets	119,593,589	3,182,824	19,719,610	3,333,589	145,829,611	351,336	
Total assets	134,062,794	3,727,876	26,601,611	4,039,891	168,432,172	459,661	
DEFERRED OUTFLOW OF RESOURCES							
Unamortized loss on refunding of debt	228,067	-	6,914	-	234,981	-	
Total deferred outflow of resources	228,067	-	6,914	-	234,981	-	

Business-type Enterprise Funds						Governmental Activities - Internal Service Fund
	Utility	Boggus Event Center	Toll Bridge	Tierra Del Sol Golf Course	Total	
LIABILITIES						
Current liabilities payable:						
Accounts payable	461,467	15,798	517,671	24,150	1,019,086	22,115
Accrued liabilities						
Due to other funds	18,216	6,761	15,270	6,686	46,934	21,569
Unearned revenue	-	34,433	54,012	47,049	135,495	-
Total current liabilities payable	479,683	56,992	586,954	77,885	1,201,514	43,683
Current liabilities payable from restricted assets:						
Customer deposits payable	493,250	-	-	-	493,250	-
Escrow payable	234,207	-	-	-	234,207	-
Matured accrued compensation	115,374	15,094	47,932	21,695	200,095	10,458
Matured capital lease	268,064	-	506,477	54,053	828,593	7,930
Matured bonds/notes, net	3,165,000	-	625,000	-	3,790,000	-
Total current liabilities payable from restricted assets	4,275,894	15,094	1,179,409	75,748	5,546,145	18,387
Total current liabilities	4,755,577	72,087	1,766,362	153,633	6,747,660	62,070
Noncurrent liabilities:						
Accrued compensation	346,122	45,282	143,797	65,085	600,286	31,373
Capital lease payable	1,225,909	-	979,950	214,373	2,420,232	2,665
Bonds/notes principal payable	34,982,834	-	1,492,347	-	36,475,181	-
Total noncurrent liabilities	36,554,865	45,282	2,616,094	279,458	39,495,699	34,037
Total liabilities	41,310,442	117,369	4,382,456	433,091	46,243,358	96,108
NET POSITION						
Invested in capital assets, net of related debt	81,445,754	3,182,824	16,115,836	3,065,163	103,809,577	342,620
Restricted for:						
Debt service	3,219,943	-	457,511	-	3,677,454	-
Capital projects	3,806,737	-	-	131,777	3,938,515	-
Tourism	-	427,684	-	-	427,684	-
Unrestricted	4,507,984	-	5,652,721	409,860	10,570,565	20,933
Total net position	\$ 92,980,419	\$ 3,610,509	22,226,069	\$ 3,606,800	\$ 122,423,796	\$ 363,553

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

CITY OF PHARR, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-type Enterprise Funds					Governmental Activities - Internal Service Fund
	Utility	Pharr Event Center	Toll Bridge	Tierra Del Sol Golf Course	Total	
Operating revenues:						
Charges for sales and services:						
Water sales	\$ 7,809,204	\$ -	\$ -	\$ -	\$ 7,809,204	\$ -
Sewer service	5,782,238	-	-	-	5,782,238	-
Tap fees	240,630	-	-	-	240,630	-
Toll fees	-	-	14,013,175	-	14,013,175	-
Golf services	-	-	-	702,089	702,089	-
Event Center	-	419,091	-	-	419,091	-
Other	124,601	-	255,176	93,298	473,075	665,586
Total operating revenues	13,956,674	419,091	14,268,351	795,387	29,439,502	665,586
Operating expenses:						
Personnel services	3,477,009	425,122	1,250,331	793,658	5,946,120	224,478
Supplies and Materials	1,663,408	154,015	228,388	193,391	2,239,202	-
Contractual Services	2,883,943	158,739	1,688,831	278,843	5,010,357	445,747
Depreciation	4,643,189	91,046	883,087	245,283	5,862,604	27,310
Total operating expenses	12,667,549	828,922	4,050,636	1,511,175	19,058,283	697,535
Operating income (loss)	1,289,125	(409,832)	10,217,715	(715,788)	10,381,219	(31,950)
Nonoperating revenues (expenses):						
Investment earnings	162,344	2,959	106,155	11,582	283,040	-
Interest expense	(1,226,051)	-	(99,318)	(8,219)	(1,333,588)	(252)
Amortization expense	363,824	-	31,811	-	395,635	-
Other	7,227	-	-	2,793	10,019	-
Total nonoperating revenues (expenses)	(692,656)	2,959	38,648	6,156	(644,893)	(252)
Income before contributions and transfers	596,469	(406,873)	10,256,363	(709,632)	9,736,326	(32,201)
Transfers in	65,600	318,168	18,700	546,323	948,791	-
Transfers (out)	(524,400)	-	(8,778,800)	-	(9,303,200)	-
Capital contributions	1,911,892	-	-	-	1,911,892	-
	1,453,092	318,168	(8,760,100)	546,323	(6,442,517)	-
Special Items:						
Water Relief Program	-	-	-	-	-	-
Changes in Net Position	2,049,561	(88,705)	1,496,263	(163,309)	3,293,809	(32,201)
Total net position - beginning	91,018,103	3,699,214	20,729,806	3,770,109	119,217,232	395,754
Prior period adjustment	(87,245)	-	-	-	(87,245)	-
Total net position - ending	\$ 92,980,419	\$ 3,610,509	22,226,069	\$ 3,606,800	\$ 122,423,796	\$ 363,553

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



CITY OF PHARR, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-type Enterprise Funds					Governmental Activities - Internal Service Fund
	Utility	Pharr Event Center	Toll Bridge	Tierra Del Sol Golf Course	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 13,918,063	\$ 392,775	\$ 14,121,785	\$ 798,990	\$ 29,231,613	\$ 665,586
Payments to suppliers	(1,716,536)	(149,217)	(228,388)	(209,289)	(2,303,430)	(3,359)
Payments to employees	(3,438,116)	(423,673)	(1,233,583)	(785,053)	(5,880,425)	(217,406)
Payments for contractual services	(3,433,038)	(193,511)	(2,109,213)	(296,534)	(6,032,296)	(451,043)
Payments (to)/from others	15,457	-	255,176	-	270,633	-
Net cash flow (to)/from operating activities	5,345,830	(373,626)	10,805,777	(491,886)	15,286,095	(6,222)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Receipts from grants					-	-
Advances (to)/from other funds	3,037	2,009	3,119	3,219	11,384	1,581
Transfers in from other funds	65,600	318,168	18,700	546,323	948,791	-
Transfers out to other funds	(524,400)	-	(8,778,800)	-	(9,303,200)	-
Net cash provided/(used) by noncapital and related financing activities	(455,763)	320,177	(8,756,981)	549,542	(8,343,025)	1,581
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Bond/Lease Proceeds					-	-
Acquisition and construction of capital assets	(4,721,276)	-	(1,459,359)	(59,363)	(6,239,998)	-
Principal paid on long-term debt	(3,741,142)	-	(956,504)	(24,895)	(4,722,541)	(7,800)
Interest paid on long-term debt	(1,341,712)	-	(131,001)	(8,219)	(1,480,932)	(252)
Other	316,385	(2)	34,115	2,792	353,288	-
Net cash provided/(used) by capital and related financing activities	(9,487,745)	(2)	(2,512,749)	(89,685)	(12,090,183)	(8,052)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income received	162,344	2,960	106,155	11,582	283,041	
Net cash provided/(used) by investing activities	162,344	2,960	106,155	11,582	283,041	-
NON CASH INVESTING/FINANCING ACTIVITIES						
Capital Contributions	1,911,892	-	-	-	1,911,892	-
Noncash provided/(used) by investing/financing	1,911,892	-	-	-	1,911,892	-
Net increase/(decrease) in cash	(2,523,442)	(50,491)	(357,798)	(20,447)	(2,952,178)	(12,693)
Cash beginning of fiscal year	14,021,291	326,728	7,191,312	683,075	22,222,406	59,602
Cash end of fiscal year	\$ 11,497,849	\$ 276,237	6,833,514	\$ 662,628	\$ 19,270,228	\$ 46,909

	Business-type Enterprise Funds					Governmental Activities - Internal Service Fund
	Utility	Pharr Event Center	Toll Bridge	Tierra Del Sol Golf Course	Total	
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 1,289,125	(409,832)	10,217,715	(715,788)	\$ 10,381,220	\$ (31,950)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	4,643,189	91,046	883,087	245,283	5,862,605	27,310
(Increase) Decrease in Accounts and Other Receivables, net	(53,192)	(31,438)	54,598	4,882	(25,150)	(1,582)
(Increase) Decrease in Inventories	(53,128)	4,798	-	(15,898)	(64,228)	-
(Increase) Decrease in Other Assets		-	-		-	-
Increase (Decrease) in Accounts Payable	(549,095)	(34,771)	(420,383)	(17,691)	(1,021,940)	-
Increase (Decrease) in Accrued Compensation	38,893	1,449	16,748	8,606	65,696	-
Increase (Decrease) in Deferred/Escrow Revenue	15,457	5,121	54,011	(1,279)	73,310	-
Increase (Decrease) in Customer Deposits	14,580	-	-	-	14,580	-
Increase (Decrease) in Other Liabilities	-	-	-		-	-
Total adjustments	<u>4,056,704</u>	<u>36,205</u>	<u>588,061</u>	<u>223,903</u>	<u>4,904,873</u>	<u>25,728</u>
Net cash provided (used) by operating activities	\$ <u>5,345,830</u>	\$ <u>(373,626)</u>	<u>10,805,777</u>	\$ <u>(491,886)</u>	\$ <u>15,286,095</u>	\$ <u>(6,222)</u>

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



Discrete Component Units

Basic Financial Statements

Discretely Component Units: Separate legal entities in which the primary government is financially accountable and is able to impose will on the organization.

Pharr Housing Finance Corporation (PHFC): separate entity created for the purpose of carrying out the purposes of the Texas Housing Finance Corporation Act, Chapter 394.

PHFC-Jackson Place Apartments: is a separate entity created for the purpose of holding liability to construct an apartment complex.

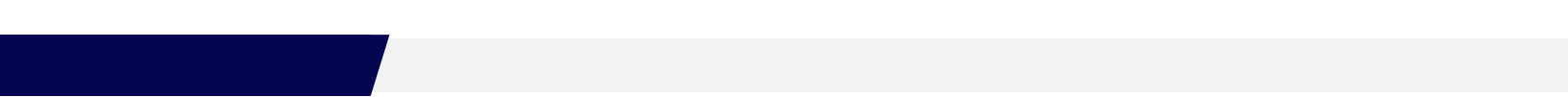
CITY OF PHARR, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	<u>Pharr Housing Finance Corporation</u>	<u>PHFC Jackson Place Apartments</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash	\$ 2,892,622	\$ 304,509	\$ 3,197,131
Receivables (net of allowance for uncollectible)	-	194,131	194,131
Prepaid Expenses	-	-	-
NonCurrent assets:			
Restricted assets:			-
Cash	-	2,431,056	2,431,056
Total current assets	<u>2,892,622</u>	<u>2,929,696</u>	<u>5,822,318</u>
Capital assets			
Land (nondepreciable)	-	1,500,000	1,500,000
Machinery and Equipment	-	115,742	115,742
Construction in progress (nondepreciable)	-	25,913,612	25,913,612
Total capital assets	<u>-</u>	<u>27,529,354</u>	<u>27,529,354</u>
Total assets	<u>2,892,622</u>	<u>30,459,050</u>	<u>33,351,672</u>
<u>LIABILITIES</u>			
Current liabilities payable:			
Current portion debt payable	-	627,931	627,930.72
Accounts payable and other current liabilities	3,757,800	2,861,631	6,619,431
Unearned revenue	-	40,542	40,542
Total current liabilities payable	<u>3,757,800</u>	<u>3,530,104</u>	<u>7,287,904</u>
Noncurrent liabilities:			
Due in more than one year, net	-	32,897,360	32,897,360
Total non current liabilities	<u>3,757,800</u>	<u>36,427,464</u>	<u>40,185,264</u>
Total liabilities			
<u>NET POSITION</u>			
Net Invested in capital assets	-	(5,995,936)	(5,995,936)
Unrestricted	(865,178)	27,522	(837,656)
Total net position	<u>\$ (865,178)</u>	<u>\$ (5,968,414)</u>	<u>\$ (6,833,592)</u>

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

CITY OF PHARR, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Component Unit
Component Unit				
Pharr Housing Finance Corporation	208,976	-	-	(208,976)
PHFC Jackson Place Apartments	926,380	-	-	(926,380)
Depreciation Expense	604,461	-	-	(604,461)
Debt Interest and Issuance Cost	1,651,961	-	-	(1,651,961)
Total component unit	<u>\$ 3,391,778</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,391,778)</u>
Total component unit	\$ <u>3,391,778</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(3,391,778)</u>
General revenues:				
				2,132,861
Rental Revenue				13,417
Investment earnings				149,050
Other				<u>2,295,328</u>
Total general revenues and transfers				(1,096,450)
Change in net position				(5,223,303)
Net position - beginning				(513,840)
Prior Period Adjustment				<u>(6,833,592)</u>
Net position - ending			\$	<u>(6,833,592)</u>



NOTES TO THE FINANCIAL STATEMENTS

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Pharr, Texas (City) founded in 1909 and was incorporated as a general law city on February 22, 1916. The City charter was approved via election and adopted with an effective date of December 1, 1949. The charter established a City Manager form of government. The municipal government provided by the Charter of the City of Pharr shall be known as the Board of Commissioners. The Board of Commissioners shall consist of a Mayor and six (6) Commissioners and which shall enact local legislation, adopt budgets, determine policies, and appoint the City Manager, who is held responsible to the Board of Commissioners for the execution of the laws and the administration of the government of the City.

The general governmental functions include law enforcement, fire and other public safety activities, streets, sanitation, public improvements, public charities, parks and recreation, library services, zoning and general administrative services. Enterprise funds are used to account for the operations of its utility, bridge, and golf operations.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United State of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (FASB), when applicable.

B. Financial Reporting Entity

The City's financial reporting entity comprises the following:

Primary Government:	City of Pharr
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The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units with the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the city appoints a voting majority of the organization's board
- the City can impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Blended Component Unit

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Commission or the component unit provides services entirely to the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation.

The City has three blended component units, the Pharr Economic Development Corporation (PEDC) II, Inc., Tax Increment Reinvestment Zone No. 1, and Tax Increment Reinvestment Zone No. 2. Information for these component units is stated below:

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

B. Financial Reporting Entity- (continued)

Pharr Economic Development Corporation II, Inc. – (PEDC) is a nonprofit industrial development corporation organized for the same purpose as the PEDC 4a but with the legal authority to use sales tax funds for a wider range of projects. Sales taxes are collected under Section 4B of the Development Corporation Act of 1979 for these purposes. Voted by the citizens of Pharr on November 4, 2008 and ratified by the City Commission on November 10, 2008 via ordinance O-2008-49, the PEDC 4a was dissolved and the PEDC was authorized to receive the sales tax revenue which is its main revenue source. The component unit's governing body is substantially the same as the governing body of the primary government and management of the primary government has operational responsibility for the component unit as well.

The reason it is a blended component unit is because the City appoints all PEDC board members and can removed them at will, therefore, the PEDC board is substantially the same as the City governing body. Separate financial statements issued by the PEDC can be obtained by request at the following address: *PEDC- 1215 South Cage Blvd. Pharr, TX 78577.*

Tax Increment Reinvestment Zone No. 1-On March 2012, the City Commissioners created the Tax Increment Reinvestment Zone No. 1 (TIRZ No. 1). TIRZ is a separate entity with its own EIN, whose three of its board members consists of the same members of the City Commission. TIRZ No. 1 was established to provide a financing mechanism to facilitate a high-quality development in the Pharr area. Created by ordinance No. O-2011-46 in September 2011, TIRZ No. 1 is set to expire on January 1st, 2051 or the date when all project costs are paid, and all debt is retired, whichever comes first. Separate financial statements issued by TIRZ No. 1 can be obtained by request at the following address: *TIRZ No. 1 P.O. Box 1729 Pharr, TX 78577.* The component unit's governing body is substantially the same as the governing body of the primary government and management of the primary government has operational responsibility for the component unit as well

Tax Increment Reinvestment Zone No. 2-On February 2015, the City Commissioners created the Tax Increment Reinvestment Zone No. 2 (TIRZ No. 2). TIRZ is a separate entity with its own EIN, whose three of its board members consists of the same members of the City Commission. TIRZ No. 2 was established to provide a financing mechanism to facilitate a high-quality development in the Pharr area. Created by ordinance No. O-2015-52 in November 2015 TIRZ No. 2 is set to expire on January 1st, 2035 or the date when all project costs are paid, and all debt is retired, whichever comes first. Separate financial statements issued by TIRZ No. 2 can be obtained by request at the following address: *TIRZ No. 2 P.O. Box 1729 Pharr, TX 78577.* The component unit's governing body is substantially the same as the governing body of the primary government and management of the primary government has operational responsibility for the component unit as well.

Discretely Presented Component Units

The component unit column in the government-wide financial statements includes the financial data of the City's component unit. The unit is reported in a separate column to emphasize that they are legally separate from the City but are included because the primary government is financially accountable and can impose its will on the organization. This component unit subscribe to the accounting policies and procedures of the primary government.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

B. Financial Reporting Entity- (continued)

Pharr Housing Finance Corporation-On November 2015, the Pharr Housing Finance Corporation (PHFC) was created for the purpose of carrying out the purposes of the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, by providing a means of financing the cost of residential ownership and development that will provide decent, safe and sanitary housing for residents of the City of Pharr at prices they can afford. The Board of Directors is composed in its entirety of persons who are members of the governing body of the City, and whose terms of office shall be fixed by and run conterminous with their respective terms of office on such governing body of the City. PHFC is considered a Discrete Component Unit based on the criteria established by GASB Statement No. 61. PHFC uses same fiscal year as City of Pharr.

PHFC Jackson Place Apartments-On November 2015, PHFC Jackson Place Apartments Corporation was created for the purpose of holding liability to construct an apartment complex located on the corner of Jackson and Sioux Rd. in Pharr, Texas to meet the purpose of the Texas Housing Finance Corporation Act mentioned above. The City Manager is the designated official to act as the Executive Director of the corporation. PHFC Jackson Place Apartments is considered a Discrete Component Unit based on the criteria established by GASB Statement No. 61 and due to its economic independence to City.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information on all the non-fiduciary financial information for the City and its component units. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Eliminations have been made to minimize the double-counting of internal activities. Individual funds are not displayed but the statements distinguish governmental activities (generally supported by taxes and City general revenue) from business-type activities (generally financed in whole or in part with fees charged to external customers). The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements.

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

The fund financial statements provide reports on the financial condition and results of operations about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increase (revenues) and decrease (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

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

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

E. Fund Types and Major Funds

Governmental Funds

The City reports the following major governmental funds:

- *General Fund* – reports the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.
- *General Capital Improvements Fund*- This fund is used to account for all construction projects not accounted in enterprise funds.
- *Pharr Economic Development Corporation, Inc.*– is a nonprofit industrial development corporation organized for the purpose of promoting, assisting and enhancing economic development activities for the City. Although this fund does not meet the size criteria for major fund categorization, the City is including it as a major fund because it is believed that this fund is particularly important to financial statement users due to of public interest.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

E. Fund Types and Major Funds

Proprietary Funds

The City reports the following major enterprise funds:

- *Utility Fund* – accounts for the provision of water and sewer services to the residents of the City.
- *Event Center* – accounts for event venue to host concerts to attract tourism to the City of Pharr
- *Bridge Fund* – accounts for the operating function of the City's international bridge with Mexico.
- *Golf Fund* – accounts for the operating function of the golf course including golf event hall, greens, pro-shop and concessions.

Other Fund Types

Additionally, the City reports internal service funds which are used to account for the financing of goods or services provided by one department to other departments within the City on a cost-reimbursement basis. These services include fleet management. These are proprietary funds that are reported with governmental activities in the government-wide financial statements because most of the activity is for governmental activities. Direct expenses are not eliminated from the various functional categories, whereas indirect expenses are. Reimbursements are treated as a reduction of expenses.

F. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources and Net Position or Equity

1. Cash and Investments

Cash of all funds, including restricted cash, are pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's pooled cash are available upon demand and are "cash equivalents" when preparing these financial statements. All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Taxable property includes real property and certain personal property situated in the City. Certain properties of religious, educational and charitable organizations, including the federal government and the State of Texas, are exempt from taxation. Additionally, there are other exemptions in arriving at the total assessed valuation of taxable property.

The valuations are subject to County-wide revaluation every three years. The effective tax rate is based upon the previous year's total assessed valuation.

Allowances for uncollectible tax receivables within the General and Debt Service funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and included as part of the allowance for uncollectible; except for tax receivables over 20 years, the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The City does not write off tax receivable greater than 20 years.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

F. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources and Net Position or Equity

3. Inventories

The inventories are recorded at cost and are accounted for by the consumption method.

4. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible. The three main receivables that contain allowances are for property taxes, utility accounts, and warrants. For these categories the allowance was based on historical collection rates, the allowances are 2% for property taxes as well as for utility accounts, and 20% for warrants. As of February 2017, the City recommended doing 100% allowance for warrants older than 10 years.

5. Transactions between Funds

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

6. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$5,000 or more and over three years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	50 Years
Infrastructure	30 Years
Improvements	20 Years
Water and Sewer System	30-50 Years
Machinery and Equipment	3-15 Years

7. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated annual and sick leave balances. The City's policy allows employees to accumulate unused sick leave and extra compensation time on an unlimited basis and vacation leave based on the number of years of full-time employment with the City in accordance with the following chart:

Years of Employment	Pro-Rata Accrual Rate per Month
0-19 Years	10 hours (15 days per year)
20 & Over	13.33 hours (20 days per year)

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

F. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources and Net Position or Equity- (continued)

Nonexempt employees may accumulate no more than a maximum of two years allotment of vacation leave as set above, except for civil service nonexempt employees, which can accumulate more than the maximum. Exempt employees can also accumulate more than the maximum. Sick leave may be accrued but will not be paid out to employees that leave before retirement.

8. Long-Term Obligations

In the government-wide, proprietary and component unit financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method as the amount is immaterial against the effective interest method. Gain or loss on refunding are not netted against the liability but recorded in as deferred outflow/inflow of resources. Issuance cost is recorded as an expense for the period incurred and is no longer amortized over the life of the bond after implementing GASB Statement No. 65 and Statement No. 63. In the fund financial statements, long-term liabilities are not recorded in the governmental funds as the payment of the obligations will not be made by current financial resources. The governmental fund financial statements recognize the proceeds of debt as other financing resources.

9. Restricted Assets

The proceeds and required reserves of debt issuances are recorded as restricted assets as they are restricted for debt service and/or capital projects, payments and/or purchases.

10. Net Position / Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available or are legally restricted by outside parties for use for a specific purpose.

11. Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates by management. All estimates are made utilizing a conservative philosophy for both revenues and expenditures.

12. General Fund's Fund Balance Policy

The City has adopted GASB 54 through a resolution as part of its fiscal year ending September 30, 2011. Implementation of GASB 54 is required of all cities for the fiscal year ending in 2011. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the City's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. GASB 54 provides for two major types of fund balances which are non-spendable and spendable.

Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, non-current advances to other funds that not expected to be collected in the next fiscal year, and the principal (corpus) of an endowment fund. The City has inventories that are considered non-spendable, an encumbrance, and a non-current advance to the PEDC II. The City does not have any prepaid items or non-spendable funds related to an endowment.

In addition to non-spendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

F. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources and Net Position or Equity- (continued)

-Restricted: Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation. All the City's restricted funds are from Special Revenue Funds, whose funds are revenues legally restricted to expenditures for a particular purpose.

-Committed: Fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority. The responsibility to commit funds rests with the elected City Commissioners and Mayor through an approved resolution. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. The City formally approved the recording of its self-named "Contingency" fund balance as committed. The Contingency fund balance policy is as follows:

The City shall strive to maintain the General Fund (not the combined reporting General Fund which consists of the Payroll, Contingency, and the General funds) committed fund balance at 90 days (25%) of the current year's original budget appropriation for operations and maintenance, which is defined as the total budget less capital outlay purchase, debt service, annual economic incentives, and the annual transfer from the General Fund to the other funds (Charter mandated contingency funding will not take place so long as the contingency fund is fully funded). This amount changes slightly from year to year; for this fiscal year, the General Fund committed balance was fully funded at the end of September 30, 2018.

These funds shall be used only for emergencies, non-recurring expenditures, or major capital purchases that cannot be accommodated through current year savings. The use of these funds will be approved by the City Commission. Use of these funds will be disclosed to the City Commission. If the required amount goes below the stated policy amount, the City will set aside enough portion of the upcoming fiscal year's budget to meet the required reserve amount. Any surpluses realized at year end shall be used first to meet reserve policies, then capital replacement purposes, then retirement/extinguishing of debt.

-Assigned: Fund balances that contain self-imposed constraints of the government to be used for a purpose. The responsibility to assign funds rests with the City Manager. The only funds assigned relate to the accumulation of funds for future capital projects.

-Unassigned: Fund balance of the general fund that is not constrained for any purpose. This is also where negative amounts from the other categories of fund balance are recognized.

13. General Fund's Fund Balance Policy

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City typically first applies restricted resources, as appropriate opportunities arise, but reserves the right to selectively defer the use thereof to a future project or replacement equipment acquisition. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of assigned, then unassigned, and finally committed funds.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data

1. Budget Policy and Practice

The City follows the procedures outlined below in establishing budgetary data reflected in the financial statements:

Annual budgets are legally adopted for all City funds with revenue and expense/expenditure activity. The City Charter states that between sixty (60) and ninety (90) days prior to the end of the fiscal year, the City Manager is required to submit to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes the proposed expenditures/expenses and the proposed method to finance them.

Dates for public hearings, the purpose of which are to obtain taxpayers' comments, are set by the Board of Commissioners at the time the budget is submitted to that body. The Board of Commissioners may add to, subtract from or change appropriations, but may not change the form of the proposed budget.

Any changes must be within the revenue and reserves estimated as available by the City Manager. Prior to September 25 of each year, the budget is legally enacted through the passage of an ordinance.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations between/within a department in the same fund with the City Manager's approval. Transfers of appropriations between funds require the approval of the Board of Commissioners. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

At any time during the fiscal year, the City Manager can reallocate expenditures within a fund without the approval of the Board of Commissioners. However, any revisions to the budget which increase the total budgeted expenditures/expenses within any fund must be approved by the Board of Commissioners.

As of September 30, 2019, the City of Pharr Commissioners approved four (3) Budget Amendments with a net effect of \$1,224,900 in expenditures over revenues which was available with cash on hand.

B. Excess of General Fund Expenditures over Appropriations

None

C. Budget Basis of Accounting

The City prepares its annual budget on a basis (budget basis), which slightly differs from generally accepted accounting principles (GAAP Basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis are debt service transactions, capital outlay purchases, and the recording of bond/loan proceeds.

D. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violation
None

Action Taken
Not applicable

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (continued)

E. Deficit Fund Equity/Net Position

The discretely component unit PHFC- Jackson Place Apartments shows a deficit in net position due to low occupancy and high loan payments. The investment for the construction of the apartments has not been able to recover up to this date.

F. Prior Period Adjustment

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

<u>Purpose of Prior Period Adjustment</u>	<u>Amount</u>	<u>Total</u>
Governmental Funds:		
<u>General Fund:</u>		
To adjust prior year payables	\$ (62,310)	
To adjust prior year payroll liabilities	93,458	
To correct prior year receivables	<u>(3,214)</u>	
		<u>\$ 27,934</u>
<u>General CIP:</u>		
To correct prior year receivables	295,961	
To correct land purchase receivable	<u>1,857,725</u>	
		<u>2,153,686</u>
<u>PEDC:</u>		
To correct prior year receivables	<u>(3,500)</u>	
		<u>(3,500)</u>
<u>Other Funds:</u>		
To correct prior year receivables	<u>2,692</u>	
		<u>2,692</u>
Total Governmental Fund Adjustment		<u>2,180,812</u>
 Government-Wide Adjustments		
To adjust Prior Year Warrants	(4,006,281)	
To adjust Prior Year Depreciation Expense	<u>(1,777,344)</u>	
		<u>\$ (5,783,625)</u>
Total Prior Period Adjustment		<u>\$ (3,602,813)</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (continued)

F. Prior Period Adjustment-(continued)

<u>Purpose of Prior Period Adjustment</u>	<u>Amount</u>	<u>Total</u>
Proprietary Funds:		
<u>Enterprise Fund: Utility Fund:</u>		
To adjust prior year unearned revenue	\$ (87,245)	
		<u>\$ (87,245)</u>
Total Proprietary Fund Adjustment		<u><u>\$ (87,245)</u></u>

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

A. Deposits and Investments

1. Deposits

City's funds are required to be deposited and invested under the terms of a depository contract and investment policy pursuant to state statute. The depository bank deposits for safekeeping and trust with its agent approved pledged securities authorized by Chapter 2257 Collateral for Public Funds of the Government Code in an amount enough to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At September 30, 2019, the carrying amount of all the City's deposits was \$61,568,249 (Bank Balance). The City has one depository account: Lone Star National Bank (LSNB).

<u>LSNB Depository Account-City of Pharr</u>	Balance September 30, 2019
Insured	\$ 250,000
Security collateral issued by pledging bank's trust department in the City's name	69,000,013
(Over-insured)/over-collateralized	<u>(7,681,764)</u>
Total Deposits	<u><u>\$ 61,568,249</u></u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS-(continued)

A. Deposits and Investments-(continued)

1. Deposits -(continued)

	Balance
LSNB Depository Account-PEDC	September 30, 2019
Insured	\$ 250,000
Security collateral issued by pledging bank's trust department in the City's name	3,994,086
(Over-insured)/over-collateralized	<u>(837,439)</u>
Total Deposits	<u>\$ 3,406,647</u>

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a policy of maintaining contact with the trust department of its depository agency to eliminate all custodial credit risk. As of September 30, 2019, the City's bank balance was not exposed to custodial credit risk and was over-insured and over-collateralized.

In addition, the following is disclosed regarding coverage of combined balances on the date of the highest deposit:

- a. Depository: **LSNB**
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was **\$72,806,704.**
- c. The highest combined balances of cash accounts amounted to **\$100,245,275** and occurred during **October 2018**
- d. The total amount of FDIC coverage at the time of the largest combined balance was \$250,000 during September 2019

Restricted cash is defined as the cash balances restricted by the funder for a specific purpose. Cash with fiscal agents of **\$2,119,319** on September 30, 2019, was covered by collateral held in the fiscal agents' trust departments, but not in the City's name. The trust department pledges a pool of collateral against all trust deposits it holds. U.S. Bancorp is the fiscal agent for the City.

2. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act ("Act"), to adopt, implement, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management and include a list of the types of authorized investments in which the investing entity's funds may be invested, and the maximum allowable stated maturity of any individual investment owned by the entity.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purposes financial statements disclosed that in the areas of investment practices, management reports and establish appropriate policies. The City adheres to the requirements of the Act. Additionally, investment practices of the City are in accordance with local policies.

Due to the extremely low interest rates, the City had not engaged in any investments other than savings accounts in LSNB before FY 2015-2016, however due the expiration of contract and change in rates, City started to diversify and invested a certain portion of its Contingency cash balance set aside into TexPool and CD's in Lone Star National Bank.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS- (continued)

2. Investments – (continued)

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

- a. **Interest Rate Risk**
This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the City was not exposed to interest rate risk. The City's investment policy states that no investment shall exceed 24 months in maturity. By limiting the exposure of its investments, the City reduces its risk to the rising or decreasing interest rates.
- b. **Credit Risk**
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At year end, the City was not exposed to credit risk.
- c. **Custodial Credit Risk**
Deposits and investments are exposed to custodial credit risk if they are not covered by depository insurance and the deposits and investments are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name. At year end, the City was not exposed to custodial credit risk. See Note III A.1 for more information on this risk.
- d. **Concentration of Credit Risk**
This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City was exposed to concentration of credit risk, but highly collateralized. With the City's investment policy, diversification is stressed.

The City followed its diversification investment guidelines. At the beginning of year, all deposits were placed into LSNB due to previous depository agreement given a rate of return of 2%, now with a renewed agreement, rates are lower, and diversification is even needed more. The City invested in TexPool a portion of its contingency fund as of May 2016 of last year and has accrued interest since then.

- e. **Foreign Currency Risk**
This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS- (continued)

2. Investments – (continued)

The City of Pharr Investment activity as of September 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Market Value</u>
Texpool Investments	\$ 4,011,678	\$ 93,827	\$ -	\$ 4,105,505	\$ 4,105,505
LSNB-CD	300,000	-	-	300,000	300,000
LSNB-CD	300,000	-	-	300,000	300,000
Total	<u>\$ 4,611,678</u>	<u>\$ 93,827</u>	<u>\$ -</u>	<u>\$ 4,705,505</u>	<u>\$ 4,405,505</u>

GASB No. 79 requires additional note disclosure requirements for qualifying external investment pools that measure all their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Texpool revised its Investment Policy to comply with GASB No. 79 as of August 2017 which includes the use of amortized cost to value portfolio assets and the following guidelines to maintain the portfolio consistent with a stable net asset value per share:

- The maximum remaining maturity of any security of other investment acquired for the portfolio shall be 397 calendar days or less.
- The portfolio should maintain a weighted average maturity of 60 days or less
- The portfolio should maintain a weighted average life of 120 days or less

B. Receivables

Receivables for the City at September 30, 2019, were as follows:

	Governmental Activities			Business-Type Activities			
	General	Other	Total	Utility	Event Center	Bridge & Golf	Total
Property taxes	\$ 2,330,257	\$ 322,885	\$ 2,653,142	\$ -	\$ -	\$ -	\$ -
Warrants	13,108,006	-	13,108,006	-	-	-	-
Sales Tax	2,455,269	818,423	3,273,692	-	-	-	-
Notes	-	1,713,790	1,713,790	-	-	-	-
Accounts	979,344	156,647	1,135,991	2,865,996	-	66,290	2,932,286
Intergovernmental	-	493,625	493,625	-	-	-	-
Franchise taxes	398,624	-	398,624	-	-	-	-
Component Units	6,421,151	-	6,421,151	-	-	-	-
Other	473,044	2,443,011	2,916,055	1,496	264,354	-	265,850
Gross receivables	26,165,694	5,948,381	32,114,076	2,867,492	264,354	66,290	3,198,136
Less; allowance for uncollectible	(10,446,831)	(64,227)	(10,531,059)	(87,688)	-	-	(87,688)
Net total receivable	\$ 15,718,863	\$ 5,884,154	\$ 21,583,017	\$ 2,779,804	\$ 264,354	\$ 66,290	\$ 3,110,449

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

B-1. Notes Receivable

Notes Receivables for the Pharr Economic Development Corporation at September 30, 2019, were as follows:

Note	Outstanding Balance As of 10/1/2018	Increases	Decreases	Outstanding Balance As of 9/30/2019
Reyes Garza, 05/13/2012, for the amount of \$27,021.68 at an interest rate of 6.00% with maturity on April 13, 2027.	\$ 18,418	\$ -	\$ 1,683	\$ 16,735
Moonbeans Coffee, 04/01/15, for the amount of \$117,122.99 at an interest rate of 4.00% with maturity on August 01, 2019.	92,889	-	-	92,889
Stormy Colors, 07/01/2015, for the amount of \$40,000 at an interest rate of 5.00% with maturity on 08/01/2017	40,000	-	-	40,000
Irma's Sweete Shoppe, 02/01/16, for the amount of \$100,000 at an interest rate of 3.00% with maturity on January 01, 2021.	90,522	-	90,522	-
Irma's Sweete Shoppe II, 04/16/2017, for the amount of \$50,000 at an interest rate of 3.00% with maturity on April 6, 2022.	47,675	-	47,675	-
American Star, 03/22/2016, for the amount of \$15,000 at an interest rate of 5.00% with maturity on April 01, 2020.	6,616	-	3,903	2,712
Pharr Bridge Investment, 02/11/2016, for the amount of \$900,000 at an interest rate of 4.00% with maturity on March 28, 2021	300,351	-	114,652	185,698
Aprl Investments, 06/20/2016, for the amount of \$700,000 at an interest rate of 5.00% with maturity on June 20, 2021	576,481	-	61,672	514,809
Mayan Capital, 10/31/2016, for the amount of \$185,000 at an interest rate of 6.00% with maturity on March 01, 2020.	81,139	-	81,139	-
Rositas Taste of the Valley, 02/06/2017, for the amount of \$62,000 at an interest rate of 5% with maturity on February 06, 2022.	44,996	-	10,011	34,985
Maria Herrera DBA Comala, 05/15/2017, for the amount of \$20,000 at an interest rate of 5.00% with maturity on May 15, 2022.	16,013	-	16,013	-
Trancasa, 02/15/18, for the amount of \$600,000 at an interest rate of 6.00% with maturity on March 15, 2026.	600,000	-	30,979	569,021
Big River Brewery, 05/27/2018, for the amount of \$180,000 at an interest rate of 6.00% with maturity on April 27, 2021.	174,238	50,000	21,917	202,322
Totals	<u>\$ 2,089,338</u>	<u>\$ 50,000</u>	<u>\$ 480,166</u>	<u>\$ 1,659,172</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

C. Payables

Payables for the City at September 30, 2019, were as follows:

	Governmental Activities	Business-Type Activities					
	Governmental	Utility	Event Center	Bridge	Golf	Business- Type Total	Total
Vendors	\$ 1,994,462	\$ 337,447	\$ 31,389	\$ 517,671	\$ 24,150	\$ 910,657	\$ 2,905,119
Salaries & benefits	2,166,387	-	-	-	-	-	2,166,387
Retainage fees	599,950	124,020	-	-	-	124,020	723,970
Accrued interest	242,894	-	-	-	-	-	242,894
Intergovernmental	314,109	-	-	-	-	-	314,109
Contingent Liability	300,000	-	-	-	-	-	300,000
Total payables	<u>\$ 5,617,801</u>	<u>\$ 461,467</u>	<u>\$ 31,389</u>	<u>\$ 517,671</u>	<u>\$ 24,150</u>	<u>\$ 1,034,677</u>	<u>\$ 6,652,479</u>

D. Escrows

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of unearned revenue were mainly Escrow Liability Accounts which are comprised of the following:

	<u>As of September 30, 2019</u>
Water and Sewer	\$ 91,190
Police	383,666
Media	44,303
Court	264,715
Fire	115,611
Library	47,151
Public Works	283,018
Recreation	61,151
Subdivisions and Improvements	933,979
Contruction	835,643
Other	116,278
	<u>\$ 3,176,705</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

E. Interfund Balances

The City reports interfund balances between many of its funds. The total of all balances agrees with the sum of interfund balances presented in the statements of net assets/balance sheets for governmental and enterprise funds. The interfund balances are operational and short-term in nature. Interfund balances at September 30, 2019 consisted of the following:

General Fund		PURPOSE
DUE FROM:		
Assets Sharing	\$ 4,170	To advance funds for expenditures
City Garage	21,569	To advance funds for expenditures
CDBG	22,978	To advance funds for expenditures
Grant Fund	527,360	To advance funds for expenditures
	<u>576,077</u>	
Enterprise Funds:		
Utility	18,217	To advance funds for payroll expenditures
Event Center	6,761	To advance funds for payroll expenditures
Golf	6,686	To advance funds for payroll expenditures
	<u>46,934</u>	
Grand Total	\$ 623,011	

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

F. Capital Assets

Capital asset activity for the year ended September 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Primary Government					
Governmental Activities:					
<i>Capital assets, not being depreciated:</i>					
Land and right of way	\$ 12,476,272	\$ 251,000	\$ -	\$ -	\$ 12,727,272
Construction in Progress	25,223,888	21,340,973	3,374,210	-	43,190,651
Total capital assets, not being depreciated	37,700,160	21,591,973	3,374,210	-	55,917,924
<i>Capital assets, being depreciated:</i>					
Buildings	41,001,737	-	-	-	41,001,737
Machinery and equipment	28,466,858	1,650,796	-	-	30,117,654
Improvements other than buildings	11,533,620	3,411,216	-	-	14,944,836
Infrastructure	86,722,073	2,226,568	-	-	88,948,641
Total capital assets, being depreciated	167,724,288	7,288,580	-	-	175,012,868
Less accumulated depreciation for:					
Buildings	13,407,443	882,196	-	-	14,289,639
Machinery and equipment	20,585,510	1,898,093	-	-	22,483,603
Improvements other than buildings	4,331,904	548,114	-	-	4,880,018
Infrastructure	53,619,661	2,411,379	-	1,777,344	57,808,384
Total accumulated depreciation	91,944,518	5,739,782	-	1,777,344	99,461,643
Total capital assets, being depreciated, net	75,779,770	1,548,798	-	(1,777,344)	75,551,225
	<u>\$ 113,479,930</u>	<u>\$ 23,140,771</u>	<u>\$ 3,374,210</u>	<u>\$ (1,777,344)</u>	<u>\$ 131,469,149</u>
Component Unit-Blended PEDC					
<i>Capital assets, not being depreciated:</i>					
Land and right of way	\$ 4,858,106	\$ -	\$ -	\$ -	\$ 4,858,106
Total capital assets, not being depreciated	4,858,106	-	-	-	4,858,106
<i>Capital assets, being depreciated:</i>					
Buildings	747,170	-	-	-	747,170
Improvement other than buildings	873,667	584,854	-	-	1,458,521
Machinery and equipment	144,340	-	-	-	144,340
Total capital assets, being depreciated	1,765,177	584,854	-	-	2,350,031
Less Accumulated Depreciation					
Buildings	405,846	28,089	-	-	433,935
Improvement other than buildings	274,412	96,384	-	-	370,796
Machinery and equipment	124,653	6,270	-	-	130,923
Total Accumulated Depreciation	804,911	130,743	-	-	935,654
Total Capital assets, being depreciated, net	960,266	454,111	-	-	1,414,377
Governmental activities capital assets, net	<u>\$ 5,818,372</u>	<u>\$ 454,111</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,272,483</u>
	<u>\$ 119,298,302</u>	<u>\$ 23,594,882</u>	<u>\$ 3,374,210</u>	<u>\$ (1,777,344)</u>	<u>\$ 137,741,634</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

F. Capital Assets

Business-Type Activities:	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
<i>Capital assets, not being depreciated:</i>					
Water Rights	\$ 3,450,000	\$ -	\$ -	\$ -	\$ 3,450,000
Land and right of way	3,418,448	-	-	-	3,418,448
Construction in Progress	6,709,316	3,981,763	-	-	10,691,079
Total capital assets, not being depreciated	13,577,764	3,981,763	-	-	17,559,527
<i>Capital assets, being depreciated:</i>					
Buildings	32,502,500	-	-	-	32,502,500
Machinery and equipment	18,485,209	340,663	-	-	18,825,872
Improvements other than buildings	6,116,794	-	-	-	6,116,794
Infrastructure	152,411,116	1,911,892	-	-	154,323,008
Total capital assets, being depreciated	209,515,619	2,252,555	-	-	211,768,174
Less accumulated depreciation for:					
Buildings	17,577,280	726,596	-	-	18,303,876
Machinery and equipment	13,602,209	653,399	-	-	14,255,608
Improvements other than buildings	3,255,412	308,510	-	-	3,563,922
Infrastructure	43,188,126	4,186,558	-	-	47,374,684
Total accumulated depreciation	77,623,027	5,875,063	-	-	83,498,090
Total capital assets, being depreciated, net	131,892,592	(3,622,507)	-	-	128,270,084
Business-Type activities capital assets, net	145,470,356	359,255	-	-	145,829,611
Total Primary Government	\$ 258,950,286	\$ 23,500,027	\$ 3,374,210	\$ (1,777,344)	\$ 277,298,760
Component Unit-Discrete PHFC					
<i>PHFC Capital assets, not being depreciated:</i>					
Land and right of way	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	1,500,000	-	-	-	1,500,000
<i>PHFC Capital assets, being depreciated:</i>					
Buildings	26,502,558	-	-	-	26,502,558
Improvement other than buildings	-	-	-	-	-
Machinery and equipment	153,683	-	-	-	153,683
Total capital assets, being depreciated	26,656,241	-	-	-	26,656,241
Less Accumulated Depreciation					
Buildings	-	588,946	-	-	588,946
Improvement other than buildings	-	-	-	-	-
Machinery and equipment	22,426	15,515	-	-	37,941
Total Accumulated Depreciation	22,426	604,461	-	-	626,887
Total Capital assets, being depreciated, net	26,633,815	(604,461)	-	-	26,029,354
Component Unit-Discrete capital assets, net	33,974,613	454,111	-	-	33,801,838
City-Wide capital assets, net	\$ 292,924,899	\$ 23,954,138	\$ 3,374,210	\$ (1,777,344)	\$ 311,100,598

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

G. Long-Term Obligations

The following schedule summarizes the changes in long-term debt during the year ended September 30, 2019:

	Beginning Balance	Additions	Retirements	Adjustments	Ending Balance	Due Within One Year
Governmental Activities						
Refunding Bonds Payable	\$ 4,085,000	\$ -	\$ 1,295,000		\$ 2,790,000	\$ 1,360,000
Certificates of Obligation	33,435,000	16,440,000	2,315,000		47,560,000	980,000
Unamortized Premium/(Discount)	3,108,133	2,048,204	383,467		4,772,870	-
Capital Leases	7,369,121	942,000	1,850,907	7,395	6,467,609	1,769,265
Capital Leases-Garage	26,050	-	8,052	(7,395)	10,603	8,052
CDBG Section 108 Note Payable	3,835,000	-	295,000		3,540,000	295,000
Tax Notes Series 2017	6,610,609	-	942,712		5,667,897	982,627
LSNB Note Payable-City	8,255,627	-	1,923,871		6,331,756	2,936,426
Other Post Employment Benefits	1,123,128	-	24,314		1,098,814	-
Accrued Compensated Absences-PEDC	92,650	64,364	39,269		117,745	29,436
Accrued Compensated Absences	4,910,977	2,823,462	2,504,812		5,229,627	1,307,407
Accrued Compensated Absences -Garage	46,447	20,727	13,656		53,518	13,380
Net Pension Liability-GASB 68	6,759,557	6,745,682	-		13,505,239	-
Total Governmental Activities	<u>\$ 79,657,299</u>	<u>29,084,439</u>	<u>11,596,060</u>	<u>-</u>	<u>97,145,678</u>	<u>\$ 9,681,593</u>

Deferred Outflow/Inflow of Resources

Unamortized Gain/(loss) on Refunding	(146,340)	-	(48,780)	-	(97,560)	(48,780)
	<u>\$ (146,340)</u>	<u>-</u>	<u>(48,780)</u>	<u>-</u>	<u>(97,560)</u>	<u>(\$48,780)</u>

Business-Type

Revenue Bonds Payable	\$23,017,000	-	1,699,000	-	\$21,318,000	1,745,000
Refunding Revenue Bonds Payable	18,080,000	-	2,010,000	-	16,070,000	2,045,000
Unamortized Premium/(Discount)	3,307,702	-	430,521	-	2,877,181	430,521
Capital Leases	3,831,845	227,000	810,020	-	3,248,825	828,593
Accrued Compensated Absences	734,684	480,144	414,449	-	800,379	200,095
Total Business-Type Activities	<u>\$48,971,231</u>	<u>707,144</u>	<u>5,363,990</u>	<u>-</u>	<u>\$44,314,385</u>	<u>\$ 5,249,209</u>

Deferred Outflow/Inflow of Resources

Unamortized Gain/(loss) on Refunding	(269,867)	34,886	-	-	(234,981)	(34,886)
	<u>\$ (269,867)</u>	<u>34,886</u>	<u>-</u>	<u>-</u>	<u>(234,981)</u>	<u>\$ (34,886)</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

G. Long-Term Obligations – (continued)

Long-term bonded and revenue supported obligations outstanding at September 30, 2019 is comprised of the following:

	Original Issuance	Series	Type	Name	Payment Installments	Installments		Interest Rates		Payment Through	Current Balance
						Lowest	Highest	Lowest	Highest		
Governmental Activities	\$ 9,120,000	2015B	Refunding Bonds	GO	Annual	\$ 905,000	\$ 1,535,000	3.75%	5.00%	8/15/2021	\$ 2,790,000
								Subtotal-Refunding Bonds			\$ 2,790,000
	\$ 7,625,000	2012	Certificate of Obligation	CO	Annual	\$ 295,000	\$ 535,000	0.60%	4.98%	8/15/2032	\$ 4,410,000
	\$ 14,290,000	2016	Certificate of Obligation	CO	Annual	\$ 190,000	\$ 1,035,000	1.13%	3.60%	2/15/2036	\$ 13,910,000
	\$ 17,240,000	2017	Certificate of Obligation	CO	Annual	\$ 355,000	\$ 2,640,000	1.45%	2.79%	8/15/2031	\$ 14,240,000
	\$ 16,440,000	2018	Certificate of Obligation	CO	Annual	\$ 70,000	\$ 1,440,000	2.08%	3.52%	8/15/2038	\$ 15,000,000
								Subtotal-Certificate of Obligation			\$ 47,560,000
	\$ 7,300,000	2017	Tax Notes	TN	Monthly	\$ 941,000	\$ 1,167,000	4.25%	4.25%	12/1/2024	\$ 5,667,897
								Subtotal-Tax Notes			\$ 5,667,897
	\$ 5,600,000	2017	HUD Section 108 Loan	HUD 108	Annual	\$ 294,000	\$ 295,000	1.28%	1.73%	8/15/2031	\$ 3,540,000
								Subtotal-Section 108 Loan			\$ 3,540,000
								Governmental Total			\$ 59,557,897
								Governmental Total			<u>\$ 59,557,897</u>
Business-Type Activities	\$ 13,310,000	2007A	Revenue Bonds-DWSFR	WW & SS	Annual	\$ 380,000	\$ 1,075,000	2.35%	3.50%	9/1/2027	\$ 7,800,000
	\$ 10,000,000	2007B	Revenue Bonds-NADBANK	WW & SS	Annual	\$ 385,000	\$ 685,000	3.75%	3.75%	9/1/2027	\$ 4,850,000
	\$ 8,725,000	2013	Revenue Bonds-DWSFR	WW & SS	Annual	\$ 255,000	\$ 400,000	0.00%	2.71%	91/1/2042	\$ 7,195,000
	\$ 1,762,000	2015	Revenue Bonds-DWSFR	WW & SS	Annual	\$ 72,000	\$ 117,000	0.59%	4.10%	9/1/2035	\$ 1,473,000
								Subtotal-Revenue Bonds			\$ 21,318,000
	\$ 9,755,000	2005A	Refunding Bonds	CT & IBR	Annual	\$ 510,000	\$ 740,000	3.63%	4.50%	8/15/2022	\$ 2,015,000
	\$ 18,000,000	2017	Refunding Bonds	WW & SS	Annual	\$ 1,220,000	\$ 2,160,000	3.29%	3.62%	8/15/2028	\$ 14,055,000
	\$ 6,430,000	2008	Refunding Bonds	WW & SS	Annual	\$ 75,000	\$ 815,000	3.60%	3.60%	9/1/2018	\$ -
								Subtotal-Refunding Bonds			\$ 16,070,000
								Business-Type Total			<u>\$ 37,388,000</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

G. Long-Term Obligations – (continued)

1. Bonds Payable

Debt service requirements of bonds payable at September 30, 2019 are as follows:

Year Ended September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 2,340,000	\$ 2,194,071	\$ 4,534,071	\$ 3,805,000	\$ 1,387,034	\$ 5,192,034
2021	2,430,000	2,116,040	4,546,040	3,931,000	1,301,070	5,232,070
2022	2,025,000	2,550,508	4,575,508	4,078,000	1,032,444	5,110,444
2023	2,275,000	2,443,312	4,718,312	3,485,000	898,969	4,383,969
2024-2029	15,690,000	9,802,292	25,492,292	16,564,000	3,923,842	20,487,842
2030-2035	17,505,000	5,355,323	22,860,323	2,035,000	567,750	2,602,750
2036-2041	8,085,000	940,500	9,025,500	3,490,000	384,213	3,874,213
	<u>\$ 50,350,000</u>	<u>\$ 25,402,046</u>	<u>\$ 75,752,046</u>	<u>\$ 37,388,000</u>	<u>\$ 9,495,320</u>	<u>\$ 46,883,320</u>

2. Tax Notes Payable

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 982,627	\$ 262,727	\$ 1,245,353
2021	1,026,449	207,458	1,233,907
2022	1,071,563	162,344	1,233,907
2023	1,118,660	102,778	1,221,438
2024	1,167,708	40,408	1,208,116
2025	300,889	2,150	303,040
	<u>\$ 5,667,897</u>	<u>\$ 777,865</u>	<u>\$ 6,445,761</u>

3. Notes Payable

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 3,231,428	\$ 649,608	\$ 3,881,036
2021	1,219,055	559,001	1,778,056
2022	2,832,758	163,836	2,996,594
2023	295,000	83,662	378,662
2024-2029	1,770,000	286,445	2,056,445
2030-2035	523,525	60,062	583,587
	<u>\$ 9,871,766</u>	<u>\$ 1,802,614</u>	<u>\$ 11,674,380</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

G. Long-Term Obligations – (continued)

4. Capital Leases Payable

Assets purchased with the lease funds are included in the City's capital assets and depreciation expense. Debt service requirements of capital leases obligations at September 30, 2019 are as follows:

Year Ended September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 1,769,265	\$ 1,683,722	\$ 3,452,987	\$ 818,369	\$ 86,239	\$ 904,608
2020	1,169,664	126,411	1,296,075	838,001	54,875	892,876
2021	846,279	146,259	992,538	609,177	35,722	644,899
2022	614,326	71,548	685,874	425,544	24,101	449,645
2023	569,792	67,781	637,573	392,174	1,010	393,184
2024-2027	1,498,283	117,517	1,615,800	165,560	2,512	168,072
	<u>\$ 6,467,609</u>	<u>\$ 2,213,238</u>	<u>\$ 8,680,847</u>	<u>\$ 3,248,825</u>	<u>\$ 204,459</u>	<u>\$ 3,453,284</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

G. Long-Term Obligations – (continued)

6. Notes Payable

Long-term notes payable outstanding at September 30, 2019 is comprised of the following:

Name	Payment Installments	Installments		Interest Rates		Payment Through	Current Balance
		Lowest	Highest	Lowest	Highest		
CDBG HUD Section 108	Annual	\$ 294,000	\$ 295,000	0.49%	1.73%	8/1/2031	\$ 3,540,000
						Subtotal-City of Pharr Governmental	\$ 3,540,000
LSNB-Line of Credit	Annual	\$ -	\$ 5,000,000	3.50%	3.50%		\$ 2,046,331
LSNB-Jackson Development	Annual	\$ 669,100	\$ 669,100	4.50%	4.50%	11/15/2019	\$ 4,285,435
						Subtotal-PEDC	\$ 6,331,766
						Governmental Total	<u>\$ 9,871,766</u>

Debt service requirements of notes payable at September 30, 2019 are as follows:

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 3,231,428	\$ 347,708	3,579,136
2021	\$ 1,219,055	\$ 377,334	1,596,389
2022	\$ 2,766,283	\$ 91,627	2,857,910
2023	\$ 295,000	\$ 83,662	378,662
2024-2029	\$ 1,770,000	\$ 286,445	2,056,445
2030-2035	\$ 590,000	\$ 60,062	650,062
	<u>\$ 9,871,766</u>	<u>\$ 1,246,838</u>	<u>\$ 11,118,604</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

G. Long-Term Obligations – (continued)

7. Debt Disclosure and Currently Defeased Debt

The City has entered into a continuing disclosure undertaking to provide Annual Reports and Material Events Notices to the State Information Depository of Texas, which is the Municipal Advisory Commission. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the City. In 2005, 2008 and 2011 the City defeased certain outstanding general obligation, certificates of obligation, and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust accounts for the defeased bonds and are not included in the City's financial statements. At September 30, 2019, the following outstanding bonds are considered defeased:

General Obligation Bonds		
Interest rates:	5.00% - 5.53%	
Series	2003	\$ 4,470,000
Waterworks & Sewer System Revenue Bonds		
Interest rates:	4.15% - 6.74%	
Series	1996 through 1998a	1,073,000
Bonds legally defeased		<u>\$ 5,543,000</u>

8. Accrued Compensated Absences

Accrued compensated absences (vested sick and vacation leave) are payable from the fund responsible for the employee's compensation. As of September 30, 2019, the owning fund of the liability is as follows:

<u>Owning Fund of Liability</u>	<u>Amount</u>
General	\$ 5,230,675
PEDC 4B	117,745
Community Development	10,641
Garage	41,830
Utility	461,496
Event Center	60,377
Bridge	191,729
Golf	86,779
	<u>\$ 6,201,271</u>

9. Arbitrage

The City has issued long-term debt for capital construction projects. These bonds are subject to the arbitrage regulations. Arbitrage regulations call for the return of the difference in interest revenue against interest expense. At September 30, 2019, there was no liability of arbitrage that would have been owed to the federal government

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

H. Interfund Transfers

The City reports interfund transfers between many of its funds. Interfund transfers for the year ended September 30, 2019, consisted of the following:

	TRANSFER FROM Governmental Funds							
	General	PEDC	Parkland	CDBG	Hotel/ Motel	CIP	Paving & Drainage	Total Governmental
General	\$ -	\$ 453,294	\$ -	-	\$ 60,000	\$ 1,100,000	\$ -	\$ 1,613,294
Capital Projects	18,185,000	-	230,000	87,039	380,700	-	1,061,600	19,944,339
PEDC 4B	1,116,100	-	-	-	68,400	-	-	1,184,500
Community Development	3,676	-	-	-	-	-	-	3,676
Seized Assets	-	-	-	-	-	-	-	-
Debt Service	326,100	1,056,500	-	-	-	-	-	1,382,600
Total governmental	19,630,876	1,509,794	230,000	87,039	509,100	1,100,000	1,061,600	24,128,409
Event Center	318,168	-	-	-	-	-	-	318,168
Utility	65,600	-	-	-	-	-	-	65,600
Bridge	18,700	-	-	-	-	-	-	18,700
Golf	546,323	-	-	-	-	-	-	546,323
Total enterprise	948,791	-	-	-	-	-	-	948,791
Total	\$ 20,579,667	\$ 1,509,794	\$ 230,000	\$ 87,039	\$ 509,100	\$ 1,100,000	\$ 1,061,600	\$ 25,077,201

The reasons for the transfers vary from operational, to reimbursements, to debt service payment supplements. The following details state the exact purpose of the transfers.

The transfers on this page are related to Governmental transactions.

General Fund:

- The Transfer from general fund to capital projects is from Series 2018 Bond proceeds for CIP Projects.
- The Transfer from general fund to PEDC is to pay debt service related to loan with LSNB for the Jackson Development AKA Costco.
- The transfer from General Fund to Community Development is to cover administrative costs not covered by CDBG funds.
- The Transfer from General Fund to debt service is to cover for debt service payment of associated with Envirolite city-wide project and to contribute a payment to Series 2012.

PEDC:

- The transfer from PEDC to general fund is to pay for the management administrative fee per inter-local agreement.
- The transfer from PEDC to Debt Service is to cover for Certificates of Obligation 2012 and part of 2015B.

Other:

- The transfer from CDBG to capital projects is to reimburse expenses related to Jones Box Park.
- The transfer from Hotel Funds to PEDC is to reimburse for tourism manager position
- The transfer from Paving & Drainage to CIP is to cover for a portion of debt service payment for Tax Notes Series 2017.
- The transfer from Hotel Funds to General Fund is to contribute to City Festivals throughout the year.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

H. Interfund Transfers - (continued)

		TRANSFER FROM Enterprise Funds		
		Utility	Bridge	Total Enterprise
TRANSFER TO	General	\$ 524,400	\$ 6,447,400	\$ 6,971,800
	Capital Projects	-	-	-
	PEDC 4B	-	-	-
	Community Development	-	-	-
	Seized Assets	-	-	-
	Debt Service	-	2,331,400	2,331,400
	Total governmental	524,400	8,778,800	9,303,200
	Event Center	-	-	-
	Bridge CIP	-	-	-
	Golf	-	-	-
	Total enterprise	-	-	-
Total		\$ 524,400	\$ 8,778,800	\$ 9,303,200
				\$ 34,361,701

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

H. Interfund Transfers - (continued)

Enterprise Funds:

- The transfer from Utility to general fund is to pay annual service fees for administrative services
- The transfer from Bridge to the General Fund is for the following:

Purpose	<u>FY 18/19</u>
GF Operations	\$ 4,377,917
Golf Operations	453,383
Jackson Development Debt	1,116,100
Help Support Tax Debt	2,331,400
Incentives	500,000
Total	\$ 8,778,800

I. Restricted Assets

The balances of restricted asset as of September 30, 2019 are as follows:

Governmental Funds

Capital Outlay	\$ 2,119,319
Capital Improvement Projects	21,246,720
Grant Receivables	493,725
Total restricted assets-governmental funds	<u>23,859,763</u>

Business-Type Funds

Capital financing-Utility	1,022,986
Capital financing-Bridge	434,059
Capital financing-Golf	131,777
Customer deposits-Utility	9,825,267
Debt reserves-Bridge	457,511
Total restricted assets-business-type funds	<u>\$ 11,871,601</u>

Total restricted assets **\$ 35,731,364**

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees (workman's compensation), and natural disasters. During the fiscal year, the City obtained general liability coverage at a cost that is economically justifiable by joining with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool (TML). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years. A copy of TML's Comprehensive Annual Report may be obtained by request at the following address:

Texas Municipal League
1821 Rutherford Lane, Suite 400
Austin, TX 78754-5128

1. Health Care Coverage

As of January 2018, the City transitioned from fully funded to self/partially funded. Health provider is now United Health Care with Lone Star Insurance services as an agent of record. The City now funds its claims on a monthly basis through a separate bank account managed through the agent. The City pays for 100% of the employees' insurance cost and 50% of the employee's dependent's insurance cost with the following plans:

Basic Plan

Coverage Type	Monthly Cost to Employee	Monthly Cost to City	Total Monthly Cost
Employee Only	\$ -	\$ 146.12	\$ 146.12
Employee and Spouse	\$ 206.08	\$ 146.12	\$ 352.20
Employee and Child(ren)	\$ 189.28	\$ 146.12	\$ 335.40
Employee and Family	\$ 408.28	\$ 146.12	\$ 554.40

Buy-Up Plan

Coverage Type	Monthly Cost to Employee	Monthly Cost to City	Total Monthly Cost
Employee Only	\$ 16.97	\$ 146.12	\$ 163.09
Employee and Spouse	\$ 239.62	\$ 146.12	\$ 385.74
Employee and Child(ren)	\$ 221.42	\$ 146.12	\$ 367.54
Employee and Family	\$ 458.05	\$ 146.12	\$ 604.17

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS - (continued)

IV. OTHER INFORMATION - (continued)

For more detailed information about United HealthCare please contact:

United Healthcare
2000 West Loop South, Suite 900
Houston, TX 77027

2. Post-Retirement Health Care Benefits

The City provides certain health care and life insurance benefits, under City ordinance, for:

- A. A retired person and their dependents covered under the City of Pharr's health insurance plan, prior to January 1, 2009, shall be entitled to continued coverage at the municipality's expense not to exceed \$275 per month for the retiree, and fifty percent of the cost of coverage for the dependent or \$225 whichever is less. When a retiree reaches the age of 65, the municipality will no longer pay for the retiree's and dependent's health insurance. The municipality will only pay for the cost of the retiree's Medicare Advantage Plan coverage.
- B. Any person employed with the City of Pharr, prior to January 1, 2009, that has been employed for not less than twenty (20) years with any municipality in the State of Texas that participates in the Texas Municipal Retirement System, that was employed with the City of Pharr for not less than ten (10) years, and reaches the age of fifty (50), shall be eligible upon retirement to receive continued health coverage at the expense of the municipality not to exceed \$275 per month. A dependent of an eligible retired person under the subsection shall not receive continued coverage at the expense of the municipality. When a retiree reaches the age of 65, the municipality will no longer pay for the retiree's health coverage.
- C. A person that becomes employed with the City of Pharr, after January 1, 2009, shall not be eligible for any health insurance coverage at the expense of the municipality upon retirement. A dependent of an employee under this subsection shall not receive health insurance coverage at the expense of the municipality upon retirement.

Currently, approximately 46 retirees meet these eligibility requirements. The City pays 80% of the number of validated claims for qualified medical and hospitalization costs incurred, after the retiree meets a deductible ranging from \$1,000 per individual to \$2,000 per family for In-Network coverage. The maximum out-of-pocket costs that can be incurred by a retiree in one-year ranges from, \$1,500 per individual to \$3,000 per family.

B. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are the property of the beneficiary. General inflation is assumed to be 2.50% per year with an Investment return and assumption of 6.75% per year, compounded annually, composed on an assumed 2.5% inflation rate and a 4.25% net real rate of return.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

C. Pension Plan

1. Plan Description

The City of Pharr participates as of the 872 plans in the nontraditional, joint contributory, hybrid pension plan administered by the TMRS Act, Subtitle G, Title 8, Texas Government Code (The TMRS Act) as an agent of multi-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available Comprehensive Annual Financial Report (CAFR) that can be obtained at www.TMRS.com.

All eligible employees of the City are required to participate in TMRS

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefits provisions are adopted by the Governing Body of the City, within options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in the amount equal to 12, 24 or 36 payments, which cannot exceed 75% of the member's deposits and interest.

	Plan Year 2018	Plan Year 2019
Employee deposit rate	8.14%	8.14%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (express as age/years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	0%	0%
Annuity Increase (to retirees)	0% of CPI	0% of CPI

Employee Covered by Benefits Terms.

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefits terms:

Inactive beneficiaries currently receiving benefits	176
Inactive employees entitled to but not yet receiving benefits	41
Active employees	618
	835

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

C. Pension Plan-(continued)

3. Contributions

The contribution rates for employees I TMRS are either 5%, 6% or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200% as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Pharr were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Pharr were 8.14% in calendar years for both; 2017 and 2018.

The City's contributions to TMRS for the year ended September 30, 2019 were \$4,242,054.

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Pension Cost:			
Annual Required Contribution	\$ 4,242,054	\$ 4,281,490	\$ 4,381,490
Contributions Made	<u>4,242,054</u>	<u>4,281,490</u>	<u>4,381,490</u>
Net Pension Obligation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

4. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions

Inflation	2.5 % per Year
Overall payroll growth	3.5% to 10.5% including inflation
Investment rate of return	6.75%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males' rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality 16 rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

4. Net Pension Liability-(continued)

Actuarial assumptions used in the December 31, 2018; valuation was based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability

At September 30, 2019, the City reported a liability of **\$13,505,236**.

The Net Pension Liability is based on an actuarial valuation performed as of December 31, 2018 and a measurement date of December 31, 2018; as such no roll-forward was required.

For the purpose of this valuation, a single discount rate of 6.75% was used to measure the total pension liability as of December 31, 2017. This single discount rate was based on the expected rate of return on pension plan investment of 6.75%. Based on the stated assumptions and the projection of cash flow, the City's fiduciary net position and future contributions were enough to finance the future benefit payments of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability for the City. The projection of cash flows used to determine the single discount rate for the City assumed that the funding policy adopted by the TMRS Board will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

4. Net Pension Liability-(continued)

Changes in Net Pension Liability-(continued)

The change in the City's net pension liability for TMRS pension for the fiscal year ended September 30, 2019 is as follows:

A. Total pension liability	
1. Service Cost	\$ 3,533,983
2. Interest (on the Total Pension Liability)	5,493,822
3. Change in benefit terms including substantively automatic status	-
4. Difference between expected and actual experience	(231,976)
5. Change in assumptions	-
6. Benefit payments, including refunds of employee contributions	<u>(3,726,672)</u>
7. Net change in total pension liability	\$ 5,069,157
8. Total pension liability-beginning	<u>81,486,304</u>
9. Total pension liability-ending	<u><u>\$ 86,555,461</u></u>
B. Plan fiduciary net position	
1. Contributions-employee	\$ 2,312,486
2. Contributions-employee	2,021,401
3. Net investment income	(2,238,218)
4. Benefit payment, including refunds of employees contributions	(3,726,672)
5. Administrative Expense	(43,261)
6. Other	<u>(2,260)</u>
7. Net change in plan fiduciary net position	\$ (1,676,524)
8. Plan fiduciary net position-beginning	<u>74,726,749</u>
9. Plan fiduciary net position-ending	<u><u>\$ 73,050,225</u></u>
C. Net pension liability/(assets) (Item A.9 - Item B.9)	<u><u>\$ 13,505,236</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability (Item B.9 / Item A.9)	84.40%
E. Covered-employee payroll	\$ 28,848,841
F. Net pension liability/(asset) as a percentage of covered employee payroll	46.81%

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

4. Net Pension Liability-(continued)

Sensitivity of the Net Position liability changes in discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
\$26,515,614	\$13,505,237	\$2,862,434

Pension Plan Fiduciary Net Position

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

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

For the year ended September 30, 2019, the City recognized a pension expense of **\$3,876,384.**

SCHEDULE OF PENSION EXPENSE

1. Total Service Cost	\$ 3,533,983
2. Interest on the Pension Liability	5,493,822
3. Changes in Current Period Benefits Including Substantively Automatic Status	-
4. Employees Contributions (Reduction of Expense)	(2,021,401)
5. Projected Earning on Plan Investment (Reduction of Expense)	(5,044,056)
6. Administrative Expense	43,261
7. Other Changes in Fiduciary Net Position	2,260
8. Recognition of Current Year Outflow (Inflow) of Resources-Liabilities	(36,474)
9. Recognition of Current Year Outflow (Inflow) of Resources-Assets	1,456,455
10. Amortization of Prior Year Outflows (Inflows) of Resources-Liabilities	388,647
11. Amortization of Prior Year Outflows (Inflow) of Resources-Assets	59,887
12. Total Pension Expense (Income)	<u><u>\$ 3,876,384</u></u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions – (continued)

At September 30, 2019, the city reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Recognition Period (or amortization yrs.)	Total (Inflow) or Outflow or Resources	2018 Recognized in current pension expense	Deferred (Inflow)/Outflow in future expense
<u>Due to Liabilities:</u>				
Difference in expected and actual experience actuarial (gains) or losses	6.36	\$ (231,976)	\$ (36,474)	\$ (195,502)
Difference in assumption changes actuarial (gains) or losses	6.36	\$ -	\$ -	\$ -
			<u>\$ (36,474)</u>	\$ (195,502)
<u>Due to Assets:</u>				
Difference in projected and actual earnings on pension plan investments actuarial (gains) or losses	5.00	\$ 7,282,274	\$ 1,456,455	\$ 5,825,819
			<u>\$ 1,456,455</u>	\$ 5,825,819
<u>Total:</u>				<u>\$ 5,630,317</u>

3. Pension Liabilities, Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions-(continued)

The net amounts of the City's balances of deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

	Net deferred outflows (Inflows) of resources
2019	\$ 1,721,088
2020	883,531
2021	643,839
2022	1,405,165
2013	(31,845)
Thereafter	<u>(13,132)</u>
Total	<u>\$ 4,608,646</u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

D. Other Post Employment Benefit (OPEB) Programs

1. Plan Description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered another postemployment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is an unfunded OPEB plan (i.e. no assets are accumulated).

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

GASB 75 requires employers to recognize the total OPEB liability and the OPEB expense on their financial statements. The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability.

In the year of implementation, the employer should make a prior period adjustment for the total OPEB liability as of the 12/31/2016 measurement date (provided) and record a deferred outflow of resources for contributions recorded by the city (retiree portion of SDB rate only) from December 31, 2016 to its prior fiscal year end. TMRS has elected to not calculate other deferrals as of the December 31, 2017 measurement date.

The total OPEB liability shown in this report is based on an actuarial valuation performed as of December 31, 2017 and a measurement date of December 31, 2018; as such, no roll-forward is required.

2. Supplemental Death Benefits (SDBF) Plan Contributions

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

Plan/Calendar Year	Total SDB Contribution (Rate)	Retiree Portion of SDB Contribution (Rate)
2019	0.13%	0.03%
2018	0.13%	0.03%

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

3. OPEB Liability

The Other Post-Employment benefits (OPEB) was measured as of December 31, 2018, and the Total Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions

Inflation	2.50%
Salary increases	3.50% to 10.50% including inflation
Discount rate*	3.71%

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018

The change in the City's OPEB for City of Pharr for the fiscal year ended September 30, 2018 is as follows:

	<u>2018</u>
Membership*	
Number of	
Inactives Employees currently receiving benefits	176
Inactives Employees entitled but not yet receiving benefits	41
Active Employees	<u>618</u>
Total	835
 Covered Payroll	 \$ 28,848,841
 Changes in the Total OPEB Liability	 \$ 1,123,132
Changes for the Year	
Service Cost	63,467
Interest on Total OPEB Liability	38,083
Changes of Benefits terms	-
Difference between expected and actual experience	(32,757)
Changes in assumptions or other inputs	(84,452)
Benefit Payments**	<u>(8,655)</u>
Net Changes	<u>(24,314)</u>
Total OPEB Liability-end of Year	<u>1,098,818</u>
 Total OPEB Liability as a percentage of Covered Payroll	 3.81%

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

Sensitivity of the Net Position liability changes in discount rate

	1% Decrease 2.71%	Current Discount Rate 3.71%	1% Increase 4.71%
Total OPEB liability	\$1,327,037	\$1,098,818	\$922,622

4. OPEB Expense

For the year ended September 30, 2019, the City recognized OPEB expense of **\$98,043.**

OPEB Expense

Service cost	\$ 63,467
Interest on total OPEB liability	38,083
Changes in benefit terms including TMRS plan participation	0
Employer administrative cost	0
Recognition of deferred outflows/inflows of resources:	
Difference between expected and actual experience	(4,822)
Changes in assumption or other inputs*	1,315
Total OPEB expense	<u>\$ 98,043</u>

* Generally, this will only be the annual change in the municipal bond index rate.

5. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At September 30, 2019, the city reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<u>Due to Liabilities:</u>	<u>Recognition Period (or amortization yrs.)</u>	<u>Total (Inflow) or Outflow or Resources</u>	<u>2018 Recognized in current OPEB expense</u>	<u>Deferred (Inflow)/Outflow in future expense</u>
Difference in expected and actual experience actuarial (gains) or losses	7.6400	\$ (32,757)	\$ (4,288)	\$ (28,469)
Difference in assumption changes actuarial (gains) or losses	7.6400	\$ (84,452)	(11,054)	(73,398)
Contributions made subsequent to measurement date				
Total (excluding city provided contributions made subsequent to meaurement date)				<u><u>\$ (101,867)</u></u>

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

5. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions –(continued)

The net amounts of the City's balances of deferred outflows of resources and deferred inflows related to pensions will be recognized in OPEB expense as follows:

	Net Deferred Outflows/(Inflows) of Resources
2019	\$ (2,973)
2020	(2,973)
2021	(2,973)
2022	(2,973)
2023	(2,973)
Thereafter	(17,243)
Total	\$ (32,108)

In Fiscal year 2011-2012, the City entered into a contractual agreement with First Southwest Advisory Services, Inc. (FSWA). for the administration and maintenance of cash and other assets from the City's contributions for Other Post-Employment Benefits in the form of an irrevocable trust to fund for its long-term obligation to its participants and to comply with GASB Statement No. 45.

FSWA is registered as an investment advisor with the Securities and Exchange Commission ("SEC") pursuant to the Investment Advisers Act of 1940 and acknowledges that it is a fiduciary with respect to the Trust. FSWA will notify Employer if at any time during the term of this Agreement if it is not registered or if its registration is suspended or restricted.

The balance of the trust at September 30, 2019 was \$2,126,338.13.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

E. Commitments

1. Grant Programs

The City participates in several federal and state assisted grant programs. Under the terms of these grants, the City is subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. If future program compliance audits result in questioned or disallowed costs, reimbursements would be made to the grantor agencies. The amounts of expenditures which might be disallowed by the grantor agencies cannot be determined at this time; however, management believes such amounts, if any, would be immaterial.

2. Litigation

The City is a defendant in various lawsuits. It is the opinion of the City's legal counsel and management there are no potential unasserted claim as of September 30, 2019.

3. Construction Commitments

The City has entered various significant construction commitments that are currently underway. As of September 30, 2019, they are as follows:

Governmental:				
	Balance 10/1/2018	Additions	Completions	Balance 9/30/2019
<u>PARKS</u>				
Civic Center Renovation	488,205	3,121,965	\$ -	\$ 3,610,170
Parks Desings and Improvements	786,536	-	786,536	-
Jones Box Pedestrian	9,846	-	9,846	-
Newcombe	52,352	1,283,786	-	1,336,138
Dr. Long Park	689,379	1,131,263	-	1,820,642
Jones Box Park	597,197	165,453	-	762,650
Nature Park	1,143,225	1,554,288	-	2,697,513
Witten Park & Pharr Sports Complex Light Poles	9,625	290,975	-	300,600
Baseball Dugouts	20,309	325,175	345,484	-
Aquatic Park Renovations	17,000	154,940	-	171,940
Arnold Elementary Park	1,301,719	1,745,751	-	3,047,470
Victor Garcia Skate Park	55,860	266,153	-	322,013
North Side Aquatic Facility	-	2,311,048	-	2,311,048
Poles for Sport Light	-	140,660	-	140,660
Parks Safety Project	-	144,363	-	144,363
Universal Park	-	82,908	-	82,908
Total Parks	5,171,253	12,718,728	1,141,866	16,748,115

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

E. Commitments-(continued)

Governmental:				
	Balance 10/1/2018	Additions	Completions	Balance 9/30/2019
<u>STREETS</u>				
South Alondra	2,985	-	2,985	-
Anaya Road	329,887	-	-	329,887
Hi-Line	538,200	213,848	-	752,048
Owassa Road	3,231,975	23,618	-	3,255,593
Bike Path Stripping	294,413	-	-	294,413
LED Project	2,103,422	-	2,103,422	-
4 Year Repaving Program	9,349,703	2,568,175	-	11,917,878
PSJA Tri-City Pedestrian	93,604	97,515	-	191,119
Moore Road	393,834	-	-	393,834
Railroad Crossing Replanking	89,515	141,302	-	230,817
Downtown Traffic Signal Loop Detector	125,937	-	125,937	-
West Las Milpas Road	98,610	660,599	-	759,209
Thomas Road	33,698	241,014	-	274,712
Downtown Lighting	48,359	61,208	-	109,567
Veterans Road	202,614	-	-	202,614
St. Jude Parking	208,609	104,114	-	312,723
Jackson Right Turn Lane	-	163,168	-	163,168
Total Streets	17,145,365	4,274,560	2,232,344	19,187,581
<u>PUBLIC SAFETY</u>				
Communication Center	2,089,980	2,745,389	-	4,835,369
South Fire Station No. 4	774,998	1,523,522	-	2,298,520
North Fire Station No. 1	42,292	78,775	-	121,067
Total Public Safety	2,907,270	4,347,686	-	7,254,956
Total Governmental	\$ 25,223,888	\$ 21,340,974	\$ 3,374,210	\$ 43,190,652

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

E. Commitments-(continued)

Business-Type:				
	Balance 10/1/2017	Additions	Completions	Balance 9/30/2018
UTILITY				
Hike & Bike Reallocation	\$ -	\$ 249,763	\$ -	249,763
Rehab LBJ Water Tower	143,700	223,412	-	367,112
Waste Water Treatment Clarifier	936,335	937,054	-	1,873,389
Lift Station N. 25	3,162,700	5,710	-	3,168,410
Relocation W & SW	425,085	-	-	425,085
Manhole & Lift Station Rehabilitation	61,650	-	-	61,650
Lift Station N. 1	28,430	5,262	-	33,692
Moore Road Sewer Improvements	5,500	851,205	-	856,705
Oxidation Ditches - Sewer Plant	-	132,516	-	132,516
Waterline 16"	-	141,915	-	141,915
South Water Trans	-	47,122	-	47,122
Lift Station Elimination	-	144,300	-	144,300
Total Utility	4,763,400	2,738,259	-	7,501,659
BRIDGE				
P. OF ENTRY 2ND EXIT -ENGINEERING	-	\$ 409,024	-	409,024
EXP OF INSPECT DOCK	-	292,894	-	292,894
Bridge Office Expansion	52,300	541,586	-	593,886
FY 15 DAP	633,552	-	-	633,552
DY 16 DAP	1,260,064	-	-	1,260,064
Total Bridge	\$ 1,945,916	\$ 1,243,504	\$ -	\$ 3,189,420
Total Business-Type:	\$ 6,709,316	\$ 3,981,763	\$ -	\$ 10,691,079
Grand Total	\$ 31,933,204	\$ 25,322,738	\$ 3,374,210	\$ 53,881,732

4. Economic Development Commitments

The PEDC, TIRZ, and the City have the following outstanding commitments as of September 30, 2019:

Program Commitment To	Amount Pending	Obligator	Purpose	Length of Time
City of Pharr	varies	TIRZ	Infrastructure development	20 Years
UTRGV	\$ 2,500,000	City of Pharr	Infrastructure development	10 Years
Pharr Town Center	varies****	City of Pharr	Commercial development	10 Years
Total	\$ 2,500,000			

**City will reimburse 25% of sales tax received for 6 years plus 100% of property taxes for 10 years

***City will reimburse the difference between the previous HEB store's sales taxes and property taxes compared to their new store

****City will reimburse 25% of sales tax received for 10 years

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

F. Land available for sale

During FY 2011-2012, the City and PEDC entered into an agreement to buy land for economic development purposes. As of September 30, 2015, the City has a market value of \$8,867,500 in land including demolitions and infrastructure. On February 2012, the City Commission approved to contribute all land that has been purchased to the PEDC, the transfer of all land titles was completed as of September 30, 2013. Per GASB standards, land available for sale should be recorded at the lower of cost or net realizable value (NRV). The City obtained appraisals for the land on January 2017 which indicated that the land was worth \$1,565,698 less than the previous recorded value, a loss of this amount was reported on the financial statements as a special item. The balance of land available for development is recorded as Land Available for Sale in the PEDC fund. Appraisal of land will be done every two years, which began in the September 30, 2013 fiscal year.

The summary land transactions are stated on the following table:

Project/Land	NRV Recorded 9.30.2018	Added/ (Removed)	Gain/(Loss) on Appraised Value	NRV Recorded 9.30.2019
Jackson Development Project	\$ 1,240,000	\$ -	\$ -	\$ 1,240,000
Produce Park	1,834,500	-	-	1,834,500
Total	\$ 3,074,500	\$ -	\$ -	\$ 3,074,500

G. Related Party

None

H. New Accounting Principles

In fiscal year 2018, the City implemented GASB 75 which is summarized as follows:

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

The following pronouncements were also issued by GASB but not applicable to City of Pharr as of September 30, 2019.

- GASB Statement No. 83, Certain Asset Retirement Obligations
- GASB Statement No. 84, Fiduciary Activities
- GASB Statement No. 85, Omnibus 2017
- GASB Statement No. 86, Certain Debt Extinguishment Issues
- GASB Statement No. 87, Leases

- a. Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

H. New Accounting Principles-(continued)

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of ARO.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

- b. Statement No. 84 objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.
- c. Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]).

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

- d. Statement No. 86 objective is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

City of Pharr, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

IV. OTHER INFORMATION - (continued)

H. New Accounting Principles-(continued)

Governments that defeasance debt using only existing resources should provide a general description of the transaction in the notes to financial statements in the period of the defeasance. In all periods following an in-substance defeasance of debt using only existing resources, the amount of that debt that remains outstanding at period-end should be disclosed.

For governments that extinguish debt, whether through a legal extinguishment or through an in-substance defeasance, this Statement requires that any remaining prepaid insurance related to the extinguished debt be included in the net carrying amount of that debt for the purpose of calculating the difference between the reacquisition price and the net carrying amount of the debt.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

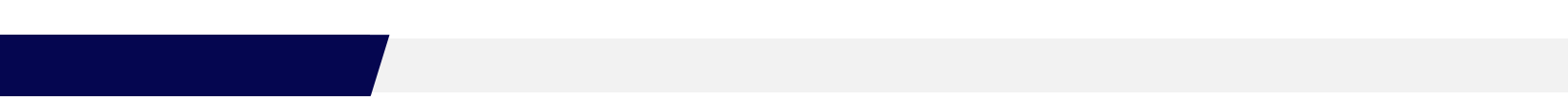
- e. Statement No. 87 objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statements are effective for reporting periods beginning after December 15, 2019.

I. Subsequent Events

For the purpose of reporting subsequent events, management has considered events occurring through March 16, 2019 the date the report was available to be issued, and the following are to be disclosed:

- A Budget amendment was taken to City Commission and approved on November 2019 with no net effect in the General Fund but to cover operation expenses.
- On February 19, 2020 the City of Pharr issued Certificates of Obligations with a par value of \$25,000,000. The purpose of this issuance is to fund capital improvement project approved during the budget 2019-2020 process. This project is the new natatorium.
- In January 2019, the City of Pharr awarded Banc of America for the leasing of \$3.5 million in capital outlay for fiscal year 19-20.
- The City purchase a land for \$4,953,090 that 80% will be use for the Raw Water Reservoir expansion project and he rest will be used for Economic Development.



REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF PHARR, TEXAS
POST EMPLOYMENT BENEFIT PLAN
RETIREE HEALTH INSURANCE BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS (unaudited)**

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Excess of Assets Over/ (Unfunded) AAL (a-b)	Covered Payroll (c)	Unfunded AAL as Percentage of Covered Payroll ((b-a)/c)
12/31/10	\$ 41,686,353	\$ 46,768,782	89.1%	\$ 5,082,429	\$ 17,770,636	28.6%
12/31/11	\$ 45,864,221	\$ 49,965,141	91.8%	\$ 4,100,920	\$ 19,519,197	21.0%
12/31/12	\$ 49,962,459	\$ 53,717,387	93.0%	\$ 3,754,928	\$ 20,588,476	18.2%
12/31/13	\$ 54,346,139	\$ 61,820,357	87.9%	\$ 7,474,218	\$ 21,980,889	34.0%
12/31/14	\$ 58,982,997	\$ 65,909,395	89.5%	\$ 6,926,398	\$ 23,264,509	29.8%
12/31/15	\$ 62,699,607	\$ 72,524,993	86.5%	\$ 9,825,386	\$ 24,723,154	39.7%
12/31/16	\$ 66,621,323	\$ 76,673,830	86.9%	\$ 10,052,507	\$ 26,122,943	38.5%
12/31/17	\$ 71,679,826	\$ 81,486,304	88.0%	\$ 9,806,478	\$ 27,718,603	35.4%
12/31/18	\$ 76,682,758	\$ 86,555,461	88.6%	\$ 9,872,703	\$ 29,862,376	33.1%

CITY OF PHARR, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022
A Total Pension Liability									
1 Total Service Cost	\$ 2,377,944	\$ 2,746,650	\$ 3,146,078	\$ 3,320,128	\$ 3,533,983	\$XXX	\$XXX	\$XXX	\$XXX
2 Interest on the Total Pension Liability	4,321,502	4,587,828	4,880,163	5,161,419	5,493,822	XXX	XXX	XXX	XXX
3 Current Period Benefit Changes	-	-	-	-	-	XXX	XXX	XXX	XXX
4 Difference between expected and actual experience	(63,247)	435,455	(278,776)	67,791	(231,976)	XXX	XXX	XXX	XXX
5 Changes of Assumptions	-	2,330,292	-	-	-	XXX	XXX	XXX	XXX
6 Benefit Payments, including refunds of employee contributions	(2,547,161)	(3,484,627)	(3,598,628)	(3,736,864)	(3,726,672)	XXX	XXX	XXX	XXX
7 Net change in total pension liability	\$ 4,089,038	\$ 6,615,598	\$ 4,148,837	\$ 4,812,474	5,069,157	\$XXX	\$XXX	\$XXX	\$XXX
8 Total pension liability-beginning	61,820,357	65,909,395	72,524,993	76,673,830	81,486,304	XXX	XXX	XXX	XXX
9 Total pension liability-ending	<u>\$ 65,909,395</u>	<u>\$ 72,524,993</u>	<u>\$ 76,673,830</u>	<u>\$ 81,486,304</u>	<u>\$ 86,555,461</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>
B Plan fiduciary net position									
1 Contributions-employer	\$ 1,570,743	\$ 1,649,708	\$ 1,683,200	2,174,506	2,312,486	\$XXX	\$XXX	\$XXX	\$XXX
2 Contributions-employee	1,578,431	1,702,972	1,800,699	1,903,877	2,021,401	XXX	XXX	XXX	XXX
3 Net Investment income	3,296,861	90,733	4,148,172	9,059,762	(2,238,218)	XXX	XXX	XXX	XXX
4 Benefit payments, including refunds of employee contributions	(2,547,161)	(3,484,627)	(3,598,628)	(3,736,864)	(3,726,672)	XXX	XXX	XXX	XXX
5 Administrative Expense	(34,419)	(55,265)	(46,857)	(46,957)	(43,261)	XXX	XXX	XXX	XXX
6 Other	(2,830)	(2,730)	(2,525)	(2,380)	(2,260)	XXX	XXX	XXX	XXX
7 Net change in plan fiduciary net position	\$ 3,861,625	\$ (99,209)	\$ 3,984,061	\$ 9,351,944	\$ (1,676,524)	\$XXX	\$XXX	\$XXX	\$XXX
8 Plan fiduciary net position-beginning	57,628,328	61,489,953	61,390,744	65,374,805	74,726,749	XXX	XXX	XXX	XXX
9 Plan fiduciary net position-ending	<u>\$ 61,489,953</u>	<u>\$ 61,390,744</u>	<u>\$ 65,374,805</u>	<u>\$ 74,726,749</u>	<u>73,050,225</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>
C Net Pension Liability (A9-B9)	<u>\$ 4,419,442</u>	<u>\$ 11,134,249</u>	<u>\$ 11,299,025</u>	<u>\$ 6,759,555</u>	<u>13,505,236</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>
D Plan fiduciary net position as a percentage of the total pension liability (B9/A9)	93.29%	84.65%	85.26%	91.70%	84.40%	XXX%	XXX%	XXX%	XXX%
E Covered-employee Payroll	\$ 22,531,464	\$ 24,328,166	\$ 25,724,265	\$ 27,417,409	\$ 28,848,841	\$XXX	\$XXX	\$XXX	\$XXX
F Net Pension liability as a percentage of covered employee payroll (C/E)	19.61%	45.77%	43.92%	24.65%	46.81%	XXX%	XXX%	XXX%	XXX%

Note to City: GASB 68 requires 10 fiscal years of data to be provided in this schedule.
City will be required to build this schedule over the next 10-year period.

CITY OF PHARR, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially Determined Contribution	\$XXX	\$ 1,980,325	\$ 2,092,448	\$ 2,175,593	\$ 2,312,486	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX
Contributions in relation to the actuarially determined contribution	<u>XXX</u>	<u>\$ 1,715,919</u>	<u>\$ 2,005,126</u>	<u>\$ 2,236,749</u>	<u>\$ 2,021,401</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Contribution deficiency (excess)	XXX	\$ 264,406	\$ 87,322	\$ (61,156)	\$ 291,085	XXX	XXX	XXX	XXX	XXX
Covered employee payroll	XXX	\$ 24,723,154	\$ 26,122,943	\$ 27,147,409	28,848,841	XXX	XXX	XXX	XXX	XXX
Contributions as a percentage of covered employee payroll	XXX%	6.94%	7.68%	8.24%	7.01%	XXX%	XXX%	XXX%	XXX%	XXX%

Note to City: GASB 68 requires 10 fiscal years of data to be provided in this schedule.
City will be required to build this schedule over the next 10-year period.

CITY OF PHARR, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
LAST TEN YEARS

A Total Pension Liability	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
1 Total OPEB Liability-beginning of year	\$ 948,524	\$ 1,123,132	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX
Changes for the year										
Service Cost	51,580	63,467	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX
Interest on Total OPEB Liability	36,675	38,083	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX
Changes in benefits terms	-	-	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX
Differences between expected and actual experience	-	(32,757)	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX
Changes in assumption or other inputs	\$ 94,497	(84,452)	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX
Benefit payments**	(8,144)	(8,655)	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX
Net Changes	\$ 174,608	\$ (24,314)	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX
Total OPEB Liability-end of year	\$ 1,123,132	1,098,818	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX
Total OPEB Liability as a percentage of Covered Payroll	4.14%	3.81%								



CITY OF PHARR, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

		Budgeted Amounts		Actual	Final
		Original	Final	Budget Basis	Variance Budget Basis
REVENUES					
Taxes:					
Property	\$	17,180,900	\$ 17,180,900	\$ 17,136,640	\$ (44,260)
Sales		13,962,700	14,762,700	15,760,634	997,934
Franchise		2,443,100	2,443,100	2,536,472	93,372
Other		190,000	190,000	149,877	(40,123)
Licenses and permits		721,100	721,100	808,250	87,150
Intergovernmental		293,600	293,600	535,924	242,324
Fees and charges:					
Sanitation		2,977,300	2,977,300	2,915,722	(61,578)
Brush		1,232,700	1,232,700	1,257,958	25,258
Other		1,585,500	1,785,500	1,114,519	(670,981)
Fines		1,220,100	1,020,100	798,417	(221,683)
Interest income		125,000	300,000	354,796	54,796
Other		241,300	264,000	775,745	511,747
Total revenues		<u>42,173,300</u>	<u>43,171,000</u>	<u>44,144,952</u>	<u>973,954</u>
EXPENDITURES					
Current:					
General government		10,538,900	12,025,000	11,773,169	251,831
Public safety		22,982,100	24,004,000	22,443,135	1,560,865
Highways and streets		4,155,400	4,285,000	4,079,093	205,907
Health and welfare		2,947,800	2,861,800	2,857,062	4,738
Culture and recreation		6,414,000	6,695,800	6,228,652	467,148
Economic Development		1,072,100	1,451,000	1,515,214	(64,214)
Debt service:					
Principal		1,622,700	1,622,700	1,607,244	15,456
Interest		120,400	120,400	119,668	732
Total expenditures		<u>49,853,400</u>	<u>53,065,700</u>	<u>50,623,238</u>	<u>2,442,462</u>
Excess (deficiency) of revenues over (under) expenditures		<u>(7,680,100)</u>	<u>(9,894,700)</u>	<u>(6,478,286)</u>	<u>(1,468,508)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		9,168,500	10,034,900	8,585,095	(1,449,805)
Transfers (out)		(20,630,400)	(20,803,100)	(20,579,667)	223,433
Cost of Issuance		197,463	197,463	197,463	-
Issuance of debt		18,944,537	19,240,537	17,184,537	(2,056,000)
Premium		-	-	2,048,204	2,048,204
Total other financing sources and uses		<u>7,680,100</u>	<u>8,669,800</u>	<u>7,435,632</u>	<u>(1,234,168)</u>
Net change in fund balance		-	(1,224,900)	957,345	(2,702,676)
Fund balance - beginning		-	-	23,862,197	23,862,197
Prior period adjustment		-	-	27,934	27,934
Fund balance - ending	\$	<u>-</u>	<u>(1,224,900)</u>	<u>24,847,477</u>	<u>21,187,455</u>

CITY OF PHARR, TEXAS
PHARR ECONOMIC DEVELOPMENT CORPORATION, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

		Budgeted Amounts		Actual	Final			
		Original	Final	Budget	Variance			
REVENUES				Basis	Budget Basis			
Taxes:								
Sales	\$	4,693,100	\$	4,693,100	\$	5,253,545	\$	560,445
Interest income		65,000		65,000		135,405		70,405
Other		983,600		983,600		1,238,482		254,882
Total revenues		5,741,700		5,741,700		6,627,432		885,732
EXPENDITURES								
Current:								
Economic development		3,006,600		2,921,200		3,202,414		(281,214)
Debt service:		-		-		-		-
Principal		2,561,100		2,196,100		1,923,861		272,239
Interest		60,000		394,000		392,528		1,472
Total expenditures		5,627,700		5,511,300		5,518,803		(7,503)
Excess (deficiency) of revenues over (under) expenditures		114,000		230,400		1,108,629		893,235
OTHER FINANCING SOURCES (USES)								
Transfers in		1,229,500		1,229,500		1,184,500		(45,000)
Transfers (out)		(1,556,500)		(1,672,900)		(1,509,794)		163,106
Proceeds from sale of assets		-		-		-		-
Issuance of debt		213,000		213,000		-		(213,000)
Total other financing sources and uses		(114,000)		(230,400)		(325,294)		(94,894)
SPECIAL ITEMS								
Gain/(Loss) on land available for sale valuation		-		-		-		-
Total special items		-		-		-		-
Net change in fund balance		-		-		783,335		798,341
Fund balance - beginning		-		-		6,394,963		6,394,963
Prior period adjustment		-		-		(3,500)		(3,500)
Fund balance - ending	\$	-	\$	-	\$	7,174,797	\$	7,189,803

COMBINING AND INDIVIDUAL FUND
INFORMATION AND OTHER SUPPLEMENTARY
INFORMATION

Non-Major Governmental Funds

Combining Financial Statements

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Asset Sharing – This fund accounts for forfeitures awarded to the City by the courts and drug enforcement expenditures.

Community Development – This fund accounts for revenue received from the Community Development Block Grant and the expenditures allowed by grant terms.

Hotel-Motel – This fund accounts for revenue from a seven percent tax levied upon the cost of City hotel and motel rooms with a daily rate over \$2. According to state civil statutes, this tax revenue can be used to promote tourism, maintain and repair convention facilities, promote the arts and humanities, or any other purpose directly related to these activities.

Parkland Dedication – This fund accounts for contributions developers are required to make when creating subdivisions for park improvements or development.

Paving & Drainage – This fund accounts for restricted funds that were billed and collected from every utility account to supplement the cost of street improvements.

Special Revenue – This fund accounts for miscellaneous revenues for various purposes that are restricted from general use. Seven departments use this fund: Police, Fire, Court, Streets, Library, Planning & Zoning, and Non-Departmental.

Grants – This fund accounts for general grant revenues awarded to the City. Three departments utilize this fund: Police, Fire, and Library.

Debt Service – This fund accounts for the accumulation of resources for and the payment of General and Certificates of Obligation.



CITY OF PHARR, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	Special Revenue Funds			
	Asset Sharing	Community Development	Hotel/Motel	Parkland Dedication
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Cash	\$ 1,253,638	\$ 491,838	\$ 1,501,892	\$ 43,627
Receivables (net of allowance for uncollectible):				
Property taxes	-	-	-	-
Notes	-	54,619	-	-
Accounts	-	-	-	-
Other	-	-	125,718	-
Due from other funds	-	-	-	-
Restricted assets:				
Intergovernmental receivable	-	38,005	-	-
Total assets	\$ <u>1,253,638</u>	\$ <u>584,462</u>	\$ <u>1,627,610</u>	\$ <u>43,627</u>
<u>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 5,711	\$ 34,319	\$ -	\$ -
Due to other funds	4,170	22,978	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>9,881</u>	<u>57,297</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Deferred property tax	-	-	-	-
Deferred accounts	-	-	-	-
Deferred notes	-	54,619	-	-
Total deferred inflows	<u>-</u>	<u>54,619</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted:				
General Government	-	-	-	-
Debt service	-	-	-	-
Street paving and drainage	-	-	-	-
Tourism	-	-	1,627,610	-
Public safety	1,243,757	-	-	43,627
Parkland	-	-	-	-
Community development	-	472,546	-	-
Economic development	-	-	-	-
Assigned:				
Capital outlay	-	-	-	-
Total fund balances	<u>1,243,757</u>	<u>472,546</u>	<u>1,627,610</u>	<u>43,627</u>
Total liabilities and fund balances	\$ <u>1,253,638</u>	\$ <u>584,462</u>	\$ <u>1,627,610</u>	\$ <u>43,627</u>

CITY OF PHARR, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

Special Revenue Funds					Debt Service Fund	Total Nonmajor Governmental Funds
Paving & Drainage	Grants	TIRZ No. 1	TIRZ No. 2	Total	Debt Service	
\$ 700,171	\$ 194,896	\$ 706,310	\$ 704,211	\$ 5,596,583	\$ 627,459	\$ 6,224,042
-	-	-	-	-	-	-
-	-	-	-	-	261,186	261,186
154,020	-	-	-	54,619	-	54,619
-	-	231,100	184,500	154,020	-	154,020
-	-	-	-	541,318	-	541,318
-	-	-	-	-	-	-
-	455,719	-	-	-	-	-
\$ 854,191	\$ 650,615	\$ 937,410	\$ 888,711	\$ 493,724	\$ 888,645	\$ 493,724
				\$ 6,840,264		\$ 7,728,909
\$ -	\$ 123,255	\$ -	\$ -	\$ 163,285	\$ -	\$ 163,285
-	527,360	-	-	554,508	-	554,508
-	-	-	-	-	-	-
-	650,615	-	-	717,793	-	717,793
-	-	-	-	-	261,186	261,186
154,021	-	-	-	154,021	-	154,021
-	-	-	-	54,619	-	54,619
154,021	-	-	-	208,640	261,186	469,826
-	-	-	-	-	-	-
-	-	-	-	-	627,459	627,459
700,170	-	-	-	700,170	-	700,170
-	-	-	-	1,627,610	-	1,627,610
-	-	-	-	1,243,757	-	1,243,757
-	-	-	-	43,627	-	43,627
-	-	-	-	472,546	-	472,546
-	-	937,410	888,711	1,826,121	-	1,826,121
-	-	-	-	-	-	-
700,170	-	937,410	888,711	5,913,831	627,459	6,541,290
\$ 854,191	\$ 650,615	\$ 937,410	\$ 888,711	\$ 6,840,264	\$ 888,645	\$ 7,728,909

CITY OF PHARR, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

		Special Revenue Funds				
		Asset Sharing	Community Development	Hotel/Motel	Parkland Dedication	
REVENUES						
Taxes:						
Property	\$	-	\$	-	\$	-
Other		-	-	654,648	-	
Intergovernmental		947,029	903,100	-	-	
Fees and charges:						
Other		-	-	-	23,105	
Interest income		15,243	9,057	-	5,740	
Other		-	1,605	46,264	-	
Total revenues		962,273	913,762	700,912	28,844	
EXPENDITURES						
Current:						
General government		-	426,445	-	-	
Public safety		171,741	-	-	-	
Highways and streets		-	40,872	-	-	
Health & Welfare		-	-	-	-	
Culture and recreation		-	-	3,830	-	
Economic development		-	-	-	-	
Debt service:						
Principal		-	295,000	-	-	
Interest		-	112,504	-	-	
Total expenditures		171,741	874,821	3,830	-	
Excess (deficiency) of revenues over (under) expenditures						
		790,531	38,941	697,082	28,844	
OTHER FINANCING SOURCES (USES)						
Transfers in		-	3,676	-	-	
Transfers (out)		-	(87,039)	(509,100)	(230,000)	
Total other financing sources and uses		-	(83,364)	(509,100)	(230,000)	
Net change in fund balances						
Fund balance - beginning		790,531	(44,422)	187,982	(201,156)	
Prior period adjustment		453,226	514,277	1,439,628	244,783	
		-	2,691	-	-	
Fund balance - ending	\$	1,243,757	\$ 472,546	\$ 1,627,610	\$ 43,627	

CITY OF PHARR, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Special Revenue Funds					Debt Service Fund Debt Service	Total Nonmajor Governmental Funds
Paving & Drainage	Grants	TIRZ No. 1	TIRZ No. 2	Total		
-	\$ -	\$ 420,000	\$ 530,900	\$ 950,900	\$ 2,540,478	\$ 3,491,378
-	-	-	-	654,648	-	654,648
-	1,403,347	-	-	3,253,476	-	3,253,476
					-	-
1,063,294	-	-	-	1,086,399	-	1,086,399
22,530	-	10,307	9,775	72,652	-	72,652
-	-	-	-	47,869	-	47,869
<u>1,085,824</u>	<u>1,403,347</u>	<u>430,307</u>	<u>540,675</u>	<u>6,065,944</u>	<u>2,540,478</u>	<u>8,606,423</u>
-	-	-	-	426,445	-	426,445
-	1,403,347	-	-	1,575,089	-	1,575,089
243	-	-	-	41,115	-	41,115
-	-	-	-	-	-	-
-	-	-	-	3,830	-	3,830
-	-	-	-	-	-	-
					-	-
-	-	-	-	295,000	3,853,923	4,148,923
-	-	-	-	112,504	2,331,580	2,444,084
<u>243</u>	<u>1,403,347</u>	<u>-</u>	<u>-</u>	<u>2,453,983</u>	<u>6,185,503</u>	<u>8,639,486</u>
<u>1,085,580</u>	<u>-</u>	<u>430,307</u>	<u>540,675</u>	<u>3,611,961</u>	<u>(3,645,024)</u>	<u>(33,063)</u>
-	-	-	-	3,676	3,714,000	3,717,676
<u>(1,061,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,887,739)</u>	<u>-</u>	<u>(1,887,739)</u>
<u>(1,061,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,884,064)</u>	<u>3,714,000</u>	<u>1,829,936</u>
23,980	-	430,307	540,675	1,727,897	68,976	1,796,873
676,190	-	507,103	348,036	4,183,243	558,483	4,741,726
-	-	-	-	2,691	-	2,691
<u>700,170</u>	<u>\$ -</u>	<u>\$ 937,410</u>	<u>\$ 888,711</u>	<u>\$ 5,913,831</u>	<u>\$ 627,459</u>	<u>\$ 6,541,290</u>



Governmental Funds Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

General Fund (detailed): is used to account for all financial resources except those required to be reported in another fund.

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Asset Sharing – This fund accounts for forfeitures awarded to the City by the courts and drug enforcement expenditures.

Community Development – This fund accounts for revenue received from the Community Development Block Grant and the expenditures allowed by grant terms.

Hotel-Motel – This fund accounts for revenue from a seven percent tax levied upon the cost of City hotel and motel rooms with a daily rate over \$2. According to state civil statutes, this tax revenue can be used to promote tourism, maintain and repair convention facilities, promote the arts and humanities, or any other purpose directly related to these activities.

Parkland Dedication – This fund accounts for contributions developers are required to make when creating subdivisions for park improvements or development.

Paving & Drainage – This fund accounts for restricted funds that were billed and collected from every utility account to supplement the cost of street improvements.

Grants – This fund accounts for general grant revenues awarded to the City. Three departments utilize this fund: Police, Fire, and Library.

Debt Service – This fund accounts for the accumulation of resources for and the payment of General and Certificates of Obligation.

CITY OF PHARR, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

		Budgeted Amounts		Actual	Final
		Original	Final	Budget Basis	Variance Budget Basis
REVENUES					
Taxes:					
Property					
	Current	\$ 16,150,900	\$ 16,150,900	\$ 16,084,742	\$ (66,158)
	Delinquent	600,000	600,000	600,773	773
	Penalty & interest	430,000	430,000	451,126	21,126
	Total property taxes	17,180,900	17,180,900	17,136,640	(44,260)
	Sales	13,962,700	14,762,700	15,760,634	997,934
	Franchise				
	Telephone	261,600	261,600	203,385	(58,215)
	Electric	1,791,500	1,791,500	1,844,902	53,402
	Cable	300,000	300,000	372,737	72,737
	Gas	90,000	90,000	115,448	25,448
	Total franchise taxes	2,443,100	2,443,100	2,536,472	93,372
	Other	190,000	190,000	149,877	(40,123)
	Total taxes	33,776,700	34,576,700	35,583,623	1,006,923
Licenses and permits					
	Building	430,000	430,000	505,021	75,021
	Vocational	141,100	141,100	129,559	(11,541)
	Other	150,000	150,000	173,670	23,670
	Total licenses & permits	721,100	721,100	808,250	87,150
Intergovernmental					
	Local school districts	283,600	283,600	449,956	166,356
	Other	10,000	10,000	85,967	75,967
	Total intergovernmental	293,600	293,600	535,923	242,323
Fees and charges:					
	Sanitation	2,977,300	2,977,300	2,915,722	(61,578)
	Brush	1,232,700	1,232,700	1,257,958	25,258
	Other	1,585,500	1,785,500	1,114,519	(670,981)
	Total fees & charges	5,795,500	5,995,500	5,288,199	(707,301)
Fines					
	Court	1,168,100	968,100	747,379	(220,721)
	Other	52,000	52,000	51,038	(962)
	Total fines	1,220,100	1,020,100	798,417	(221,683)
Interest income		125,000	300,000	354,796	54,796
Other		241,300	264,000	775,745	511,745
	Total revenues	\$ 42,173,300	\$ 43,171,000	44,144,952	\$ 973,954

CITY OF PHARR, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXPENDITURES		Budgeted Amounts		Actual	Final
		Original	Final	Budget Basis	Variance Budget Basis
Current:					
General government					
City manager		1,386,722	2,380,700	2,434,416	(53,716)
Finance		702,300	667,500	645,309	22,191
Purchasing		285,800	296,200	211,706	84,494
IT		1,778,000	1,862,700	1,770,471	92,229
Media		323,900	339,900	313,115	26,785
Grants		245,100	266,300	254,508	11,792
Human Resources		622,700	608,800	555,209	53,591
Development Services		1,315,300	1,519,600	1,510,314	9,286
Engineering		617,500	639,500	587,733	51,767
Non-departmental		3,261,578	3,443,800	3,490,387	(46,587)
Total general government		10,538,900	12,025,000	11,773,169	251,831
Public safety					
Police		14,445,700	14,951,700	13,881,573	1,070,127
Court		571,800	564,200	536,464	27,736
Fire		6,599,000	6,989,600	6,648,278	341,322
Communications		1,365,600	1,498,500	1,376,820	121,680
Total public safety		22,982,100	24,004,000	22,443,135	1,560,865
Highways and streets		4,155,400	4,285,000	4,079,093	205,907
Health and welfare					
Sanitation		2,047,900	1,950,900	1,942,756	8,144
Brush		713,900	709,900	703,405	6,495
Animal control		186,000	201,000	210,901	(9,901)
Total health and welfare		2,947,800	2,861,800	2,857,062	4,738
Culture and recreation					
Library		1,555,000	1,624,200	1,532,979	91,221
Parks		4,859,000	5,071,600	4,695,674	375,926
Total culture and recreation		6,414,000	6,695,800	6,228,652	467,148
Economic Development		1,072,100.00	1,451,000.00	1,515,213.79	(64,214)
Debt service:					
Principal		1,622,700	1,622,700	1,607,244	15,456
Interest		120,400	120,400	119,668	732
		1,743,100	1,743,100	1,726,912	16,188
Total expenditures		49,853,400	53,065,700	50,623,238	2,442,462
Excess (deficiency) of revenues over (under) expenditures		(7,680,100)	(9,894,700)	(6,478,286)	(1,468,508)

CITY OF PHARR, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - Continued
FOR THE YEAR ENDED SEPTEMBER 30, 2019

OTHER FINANCING SOURCES (USES)	Budgeted Amounts		Actual Budget Basis	Final Variance Budget Basis
	Original	Final		
Transfers in				
CIP	-	1,100,000.00	1,100,000.00	-
Utility	524,400	524,400	524,400	-
Bridge	8,034,100	7,534,100	6,447,400	(1,086,700)
Hotel	60,000	60,000	60,000	-
PEDC	350,000	616,400	453,294	(163,106)
PHFC	200,000	200,000	-	(200,000)
Total transfers in	9,168,500	10,034,900	8,585,094	(1,449,806)
Transfers (out)				
City Garage	-	(6,500)	-	6,500
Community Development	-	-	(3,676)	(3,676)
Capital Improvement Project	(18,200,000)	(18,200,000)	(18,185,000)	15,000
Debt Service	(326,100)	(326,100)	(326,100)	-
Golf	(494,600)	(552,100)	(546,323)	5,777
Utility	-	(65,600)	(65,600)	-
Event Center	(448,600)	(461,000)	(318,168)	142,832
Bridge	-	(30,700)	(18,700)	12,000
PEDC	(1,161,100)	(1,161,100)	(1,116,100)	45,000
Total transfers (out)	(20,630,400)	(20,803,100)	(20,579,667)	223,433
Cost of Issuance	197,463	197,463	197,463	-
Bond/loan proceeds	18,944,537	19,240,537	17,184,537	(2,056,000)
Premium	-	-	2,048,204	2,048,204
Total	19,142,000	19,438,000	19,430,204	(7,796)
Total other financing sources and uses	7,680,100	8,669,800	7,435,632	(1,234,168)
Net change in fund balance	-	(1,224,900)	957,346	2,182,246
Fund balance - beginning	-	-	23,862,197	23,862,197
Prior period adjustment	-	-	27,934	27,934
Fund balance - ending	\$ -	\$ (1,224,900)	\$ 24,847,477	\$ 26,072,377

CITY OF PHARR, TEXAS
ASSET SHARING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

		Budgeted Amounts		Actual	Final
		Original	Final	Budget	Variance
REVENUES				Basis	Budget Basis
Taxes:					
Intergovernmental		\$ -	\$ -	\$ 947,029	\$ 947,029
Interest income		-	-	15,243	15,243
Total revenues		-	-	962,273	962,273
EXPENDITURES					
Current:					
Public safety		156,999	156,999	171,740	(14,741)
Total expenditures		156,999	156,999	171,740	(14,741)
Excess (deficiency) of revenues					
over (under) expenditures		(156,999)	(156,999)	790,533	977,014
OTHER FINANCING SOURCES (USES)					
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Bond/loan proceeds		-	-	-	-
Total other financing sources					
and uses		-	-	-	-
Net change in fund balance		(156,999)	(156,999)	790,533	977,014
Fund balance - beginning		453,226	453,226	453,226	-
		-	-	-	-
Fund balance - ending		\$ 296,227	\$ 296,227	\$ 1,243,758	\$ 977,014

CITY OF PHARR, TEXAS
CDBG
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Final
	Original	Final	Budget	Variance
			Basis	Budget Basis
REVENUES				
Intergovernmental	\$ 1,216,000	\$ 1,224,800	\$ 903,100	\$ (321,700)
Interest income	-	-	9,057	9,057
Other	-	-	1,605	1,605
Total revenues	<u>1,216,000</u>	<u>1,224,800</u>	<u>913,762</u>	<u>(311,038)</u>
EXPENDITURES				
Current:				
General government	422,400	431,200	426,445	4,755
Public Safety	10,000	10,000	-	10,000
Highways and streets	-	-	40,872	(40,872)
Culture and recreation	-	-	-	-
Debt service:				
Principal	295,000	295,000	295,000	-
Interest	112,500	112,500	112,504	(4)
Total expenditures	<u>839,900</u>	<u>848,700</u>	<u>874,821</u>	<u>(26,121)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>376,100</u>	<u>376,100</u>	<u>38,941</u>	<u>(284,917)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	(376,100)	(376,100)	3,676	379,776
Transfers out	-	-	(87,039)	(87,039)
Bond/loan proceeds	-	-	-	-
Total other financing sources and uses	<u>(376,100)</u>	<u>(376,100)</u>	<u>(83,362)</u>	<u>292,737</u>
Net change in fund balance	-	-	(44,421)	7,819
Fund balance - beginning	-	-	514,277	-
Prior Year Adjustment	-	-	2,691.00	
Fund balance - ending	\$ -	-	472,546	\$ 7,819

CITY OF PHARR, TEXAS
HOTEL/MOTEL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

		Budgeted Amounts		Actual	Final
		Original	Final	Budget	Variance
				Basis	Budget Basis
REVENUES					
Taxes:					
Other	\$	550,000	550,000	654,648	\$ 104,648
Interest income		-	-	-	-
Other		-	-	46,264	46,264
Total revenues		<u>550,000</u>	<u>550,000</u>	<u>700,912</u>	<u>150,912</u>
EXPENDITURES					
Current:					
Culture and recreation		50,000	50,000	3,830	46,170
Total expenditures		<u>50,000</u>	<u>50,000</u>	<u>3,830</u>	<u>46,170</u>
Excess (deficiency) of revenues over (under) expenditures		<u>500,000</u>	<u>500,000</u>	<u>697,082</u>	<u>104,742</u>
OTHER FINANCING SOURCES (USES)					
Transfers out		(500,000)	(500,000)	(509,100)	(9,100.00)
Total other financing sources and uses		<u>(500,000)</u>	<u>(500,000)</u>	<u>(509,100)</u>	<u>(9,100.00)</u>
Net change in fund balance		-	-	187,982	95,642
Fund balance - beginning		1,439,628	1,439,628	1,439,628	-
Prior period adjustment		-	-	-	-
Fund balance - ending	\$	<u>1,439,628</u>	<u>1,439,628</u>	<u>1,627,610</u>	<u>\$ 95,642</u>

CITY OF PHARR, TEXAS
PARKLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Final
	Original	Final	Budget Basis	Variance Budget Basis
REVENUES				
Fees and charges:				
Other	\$ 30,000	\$ 30,000	\$ 23,105	\$ (6,896)
Interest income	500	500	5,740	5,240
Total revenues	<u>30,500</u>	<u>30,500</u>	<u>28,844</u>	<u>(1,656)</u>
EXPENDITURES				
Current:				
Highways and streets	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,500</u>	<u>30,500</u>	<u>28,844</u>	<u>(1,656)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(230,000)	(230,000)
Bond/loan proceeds	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(230,000)</u>	<u>(230,000)</u>
Net change in fund balance	30,500	30,500	(201,156)	(231,656)
Fund balance - beginning	244,783	244,783	244,783	-
Fund balance - ending	<u>\$ 275,283</u>	<u>275,283</u>	<u>\$ 43,627</u>	<u>\$ (231,656)</u>

CITY OF PHARR, TEXAS
PAVING AND DRAINAGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

		Budgeted Amounts		Actual	Final
		Original	Final	Budget	Variance
				Basis	Budget Basis
REVENUES					
Taxes:					
Other	\$	1,061,600	\$ 1,061,600	\$ 1,063,294	\$ 1,694
Interest income		-	-	22,530	22,530
Total revenues		<u>1,061,600</u>	<u>1,061,600</u>	<u>1,085,824</u>	<u>24,224</u>
EXPENDITURES					
Highways and streets		-	-	243	-
Total expenditures		<u>-</u>	<u>-</u>	<u>243</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures		<u>1,061,600</u>	<u>1,061,600</u>	<u>1,085,580</u>	<u>24,224</u>
OTHER FINANCING SOURCES (USES)					
Transfers out		<u>(1,061,600)</u>	<u>(1,061,600)</u>	<u>(1,061,600)</u>	<u>-</u>
Total other financing sources and uses		<u>(1,061,600)</u>	<u>(1,061,600)</u>	<u>(1,061,600)</u>	<u>-</u>
Net change in fund balance		-	-	23,980	24,224
Fund balance - beginning		<u>676,190</u>	<u>676,190</u>	<u>676,190</u>	<u>-</u>
Fund balance - ending	\$	<u><u>676,190</u></u>	<u><u>676,190</u></u>	<u><u>700,170</u></u>	<u><u>24,224</u></u>

CITY OF PHARR, TEXAS
GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

		Budgeted Amounts		Actual	Final
		Original	Final	Budget Basis	Variance Budget Basis
REVENUES					
Intergovernmental	\$	1,647,800	1,647,800	1,403,347	\$ (244,453)
Other			-	-	-
Total revenues		<u>1,647,800</u>	<u>1,647,800</u>	<u>1,403,347</u>	<u>(244,453)</u>
EXPENDITURES					
Current:					
Public safety		1,647,800	1,647,800	1,403,347	244,453
Health and welfare		-	-	-	-
Culture and recreation		-	-	-	-
Total expenditures		<u>1,647,800</u>	<u>1,647,800</u>	<u>1,403,347</u>	<u>244,453</u>
Excess (deficiency) of revenues over (under) expenditures		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		-	-	-	-
(Transfers out)		-	-	-	-
Total other financing sources and uses		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF PHARR, TEXAS
GENERAL CAPITAL IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

		Budgeted Amounts		Actual	Final
		Original	Final	Budget	Variance
REVENUES				Basis	Budget Basis
Taxes:					
Intergovernmental	\$	-	\$ -	\$ 248,020	\$ 248,020
Total revenues		-	-	248,020	248,020
EXPENDITURES					
Current:					
General government		3,446,100	3,446,100	18,860	3,427,240
Public safety		3,113,500	3,113,500	4,382,280	(1,268,780)
Highways and streets		6,476,500	6,476,500	4,576,582	1,899,918
Culture and recreation		13,310,000	13,310,000	12,799,523	510,477
Debt Service					
Principal		-	-	942,712	(942,712)
Interest		-	-	265,404	(265,404)
Total expenditures		26,346,100	26,346,100	22,985,362	3,360,738
Excess (deficiency) of revenues					
over (under) expenditures		(26,346,100)	(26,346,100)	(22,737,342)	(3,112,718)
OTHER FINANCING SOURCES (USES)					
Transfers in		19,408,200	-	19,944,339	536,139
Transfers (out)		-	-	(1,100,000)	1,100,000
Proceeds from sale of assets		-	-	-	-
Issuance of debt		-	26,516,100	-	-
Total other financing sources					
and uses		19,408,200	19,408,200	18,844,339	1,636,139
Net change in fund balance		(6,937,900)	(6,937,900)	(3,893,003)	(1,476,579)
Fund balance - beginning		-	-	24,964,904	24,964,904
Prior period adjustment		-	-	2,153,687	2,153,687
Fund balance - ending	\$	(6,937,900)	\$ (6,937,900)	\$ 23,225,588	\$ 25,642,012

CITY OF PHARR, TEXAS
TIRZ NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

		Budgeted Amounts		Actual	Final
		Original	Final	Budget	Variance
				Basis	Budget Basis
REVENUES					
Taxes					
Property	\$	420,000	173,400	420,000	\$ 246,600
Interest income				10,307	
Other			-	-	-
Total revenues		<u>420,000</u>	<u>173,400</u>	<u>430,307</u>	<u>246,600</u>
EXPENDITURES					
Debt service:					
Principal		-	-	-	-
Interest		-	-	-	-
Total expenditures		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues					
over (under) expenditures		<u>420,000</u>	<u>173,400</u>	<u>430,307</u>	<u>256,907</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		-	-	-	-
(Transfers out)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources					
and uses		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance		<u>420,000</u>	<u>173,400</u>	<u>430,307</u>	<u>256,907</u>
Fund balance - beginning		<u>-</u>	<u>-</u>	<u>507,103</u>	<u>507,103</u>
Fund balance - ending	\$	<u>420,000</u>	<u>173,400</u>	<u>937,410</u>	<u>\$ 764,010</u>

CITY OF PHARR, TEXAS
TIRZ NO. 2
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

		Budgeted Amounts		Actual	Final
		Original	Final	Budget	Variance
				Basis	Budget Basis
REVENUES					
Taxes					
Property		\$ 530,900	530,900	530,900	\$ -
Interest income				9,775	
Other			-	-	-
Total revenues		<u>530,900</u>	<u>530,900</u>	<u>540,675</u>	<u>-</u>
EXPENDITURES					
Debt service:					
Principal		-	-	-	-
Interest		-	-	-	-
Total expenditures		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues					
over (under) expenditures		<u>530,900</u>	<u>530,900</u>	<u>540,675</u>	<u>9,775</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		-	-	-	-
(Transfers out)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources					
and uses		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance		<u>530,900</u>	<u>530,900</u>	<u>540,675</u>	<u>9,775</u>
Fund balance - beginning		<u>-</u>	<u>-</u>	<u>348,036</u>	<u>507,103</u>
Fund balance - ending		<u>\$ 530,900</u>	<u>\$ 530,900</u>	<u>888,711</u>	<u>\$ 516,878</u>

Proprietary Funds Schedule of Revenues, Expenses and Changes in Net Position– Budget and Actual

Utility Fund: is used to account for the City's water and sewer/wastewater system operations.

Event Center: is used to account for the City's event center. The Event Center serves as a promotional tourism attraction to the City.

Bridge Fund: is used to account for the City's international bridge operations. The bridge enables traffic to flow to and from Mexico.

Golf Course Fund: is to account for the City owned Tierra Del Sol Golf Course operations.

City Garage Fund – This fund is used to account for fleet maintenance and maintains an inventory of parts for the City-owned vehicles.

CITY OF PHARR, TEXAS
UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Final
	Original	Final	Budget Basis	Variance Budget Basis
OPERATING REVENUES				
Charges for sales and services:				
Water Sales	\$ 7,600,000	7,600,000	7,809,204	\$ 209,204
Sewer Fees	5,576,000	5,557,600	5,782,238	224,638
Tap Fees	296,500	296,500	240,632	(55,868)
Other	118,200	118,200	124,601	6,401
Total operating revenues	<u>13,590,700</u>	<u>13,572,300</u>	<u>13,956,675</u>	<u>384,375</u>
OPERATING EXPENSES				
Personnel services	3,629,100	3,787,900	3,477,009	310,891
Supplies and Materials	1,617,300	1,661,100	1,663,408	(2,308)
Contractual Services	4,150,500	4,290,500	2,738,013	1,552,487
Depreciation	-	-	4,643,189	(4,643,189)
Total operating expenses	<u>9,396,900</u>	<u>9,739,500</u>	<u>12,521,618</u>	<u>(2,782,118)</u>
Operating income (loss)	<u>4,193,800</u>	<u>3,832,800</u>	<u>1,435,057</u>	<u>3,166,493</u>
NON OPERATING REVENUES/(EXPENSES):				
Investment earnings	70,000	74,000	16,234	(57,766)
Interest expense	(1,340,200)	(1,340,200)	(1,226,051)	114,149
Amortization expense	-	-	363,824	363,824
Intergovernmental	-	-	-	-
Other	16,800	16,800	7,226	(9,574)
Issuance cost	-	-	-	-
Total nonoperating revenues/ (expenses)	<u>(1,253,400)</u>	<u>(1,249,400)</u>	<u>(838,766)</u>	<u>410,634</u>
Income before contributions and transfers	<u>2,940,400</u>	<u>2,583,400</u>	<u>596,290</u>	<u>3,577,127</u>
Transfers in	-	65,000	65,600	600
Transfers (out)	(696,600)	(524,400)	(524,400)	-
Capital Contributions	-	-	1,911,892	1,911,892
Changes in net position	2,243,800	2,124,000	2,049,382	(74,618)
Total net position - beginning	87,042,265	87,042,265	91,018,103	3,975,838
Prior period adjustment	-	-	(87,245)	(87,245)
Total net position - ending	<u>\$ 89,286,065</u>	<u>\$ 89,166,265</u>	<u>\$ 92,980,240</u>	<u>\$ 3,813,975</u>

CITY OF PHARR, TEXAS
EVENT CENTER
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Final
	Original	Final	Budget Basis	Variance Budget Basis
OPERATING REVENUES				
Charges for sales and services:				
Other	\$ 261,000	\$ 261,100	\$ 419,091	\$ 157,991
Total operating revenues	<u>261,000</u>	<u>261,100</u>	<u>419,091</u>	<u>157,991</u>
OPERATING EXPENSES				
Personnel services	373,000	425,122	425,122	-
Supplies and Materials	182,000	158,400	154,015	4,385
Contractual Services	154,700	178,300	158,739	19,561
Depreciation	-	-	91,046	(91,046)
Total operating expenses	<u>709,700</u>	<u>761,822</u>	<u>828,923</u>	<u>(67,100)</u>
Operating income (loss)	<u>(448,700)</u>	<u>(500,722)</u>	<u>(409,832)</u>	<u>225,091</u>
NON OPERATING REVENUES/(EXPENSES):				
Investment earnings	-	-	2,959	2,959
Other	-	-	-	-
Total nonoperating revenues/ (expenses)	<u>-</u>	<u>-</u>	<u>2,959</u>	<u>2,959</u>
Income before contributions and transfers	<u>(448,700)</u>	<u>(500,722)</u>	<u>(406,873)</u>	<u>228,050</u>
Transfers in	<u>448,600</u>	<u>461,000</u>	<u>318,168</u>	<u>(142,832)</u>
Changes in net position	-	-	(88,705)	(88,705)
Total net position - beginning	3,720,909	3,720,909	3,699,214	(21,695)
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position - ending	<u>\$ 3,720,909</u>	<u>\$ 3,720,909</u>	<u>\$ 3,610,509</u>	<u>\$ (110,400)</u>

CITY OF PHARR, TEXAS
BRIDGE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Final
	Original	Final	Budget Basis	Variance Budget Basis
OPERATING REVENUES				
Charges for sales and services:				
Toll fees	\$ 14,162,000	\$ 14,162,000	\$ 14,007,974	\$ (154,026)
Other	313,800	313,800	255,176	(58,624)
Total operating revenues	<u>14,475,800</u>	<u>14,475,800</u>	<u>14,263,150</u>	<u>(212,650)</u>
OPERATING EXPENSES				
Personnel services	1,452,400	1,361,100	1,250,331	110,769
Supplies and Materials	745,500	1,942,500	228,388	1,714,112
Contractual Services	1,187,900	1,935,900	1,688,830	247,070
Depreciation	-	-	883,087	(883,087)
Total operating expenses	<u>3,385,800</u>	<u>5,239,500</u>	<u>4,050,635</u>	<u>1,188,865</u>
Operating income (loss)	<u>11,090,000</u>	<u>9,236,300</u>	<u>10,212,515</u>	<u>(1,401,515)</u>
NON OPERATING REVENUES/(EXPENSES):				
Investment earnings	50,000	50,000	106,155	56,155
Interest expense	(132,500)	(132,500)	(99,318)	33,182
Amortization expense	-	-	31,811	31,811
Total nonoperating revenues/ (expenses)	<u>(82,500)</u>	<u>(82,500)</u>	<u>38,648</u>	<u>121,148</u>
Income before contributions and transfers	<u>11,007,500</u>	<u>9,153,800</u>	<u>10,251,164</u>	<u>(1,280,367)</u>
Transfers in	-	30,700	18,700	-
Transfers (out)	(10,365,500)	(9,865,500)	(8,778,800)	1,086,700
Debt Proceeds	520,000	200,000	-	(200,000)
Changes in net position	<u>1,162,000</u>	<u>(481,000)</u>	<u>1,491,064</u>	<u>1,010,064</u>
Total net position - beginning			20,729,806	20,729,806
Prior period adjustment	-	-	-	-
Total net position - ending	<u>\$ 1,162,000</u>	<u>\$ (481,000)</u>	<u>\$ 22,220,870</u>	<u>\$ 21,739,870</u>

CITY OF PHARR, TEXAS
GOLF BUDGET
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Final
	Original	Final	Budget Basis	Variance Budget Basis
OPERATING REVENUES				
Charges for sales and services:				
Golf Services	\$ 790,900	\$ 757,900	\$ 702,089	\$ (55,811)
Other	103,000	103,000	93,298	(9,702)
Total operating revenues	<u>893,900</u>	<u>860,900</u>	<u>795,387</u>	<u>(65,513)</u>
OPERATING EXPENSES				
Personnel services	882,200	906,700	793,658	113,042
Supplies and Materials	244,500	215,000	193,391	21,609
Contractual Services	385,100	414,600	278,843	135,757
Depreciation	-	-	245,283	(245,283)
Total operating expenses	<u>1,511,800</u>	<u>1,536,300</u>	<u>1,511,175</u>	<u>25,125</u>
Operating income (loss)	<u>(617,900)</u>	<u>(675,400)</u>	<u>(715,788)</u>	<u>(90,638)</u>
Investment earnings	5,000	5,000	11,582	(6,582)
Interest expense	(108,700)	(108,700)	(8,219)	(100,481)
Other	-	-	2,793	2,793
Total nonoperating revenues/ (expenses)	<u>(103,700)</u>	<u>(103,700)</u>	<u>6,156</u>	<u>(104,270)</u>
Income before contributions and transfers	<u>(721,600)</u>	<u>(779,100)</u>	<u>(709,632)</u>	<u>(194,908)</u>
Transfers in	494,600	552,100	546,323	(5,777)
Changes in net position	<u>(227,000)</u>	<u>(227,000)</u>	<u>(163,309)</u>	<u>(390,309)</u>
Total net position - beginning	-	-	3,770,109	3,770,109
Prior period adjustment	-	-	-	-
Total net position - ending	<u>\$ (227,000)</u>	<u>\$ (227,000)</u>	<u>\$ 3,606,800</u>	<u>\$ 3,379,800</u>

Combining Financial Statements

INTERNAL SERVICE FUND

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the City on a cost-reimbursement basis.

City Garage Fund – This fund is used to account for fleet maintenance and maintains an inventory of parts for the City-owned vehicles.

CITY OF PHARR, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	City Garage
<u>ASSETS</u>	
Current assets:	
Cash	\$ 46,909
Inventories	61,416
Restricted assets:	
Cash with Fiscal Agent	-
Total current assets	<u>108,325</u>
Noncurrent assets:	
Capital assets (net of accumulated: depreciation):	
Buildings	350,550
Improvements other than buildings	-
Machinery and equipment	<u>786</u>
Total capital assets, net of accumulated depreciation	<u>351,336</u>
Total noncurrent assets	<u>351,336</u>
Total assets	<u>459,661</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	22,115
Due to other funds	<u>21,569</u>
Total current liabilities	<u>43,683</u>
Current liabilities payable from restricted assets:	
Matured accrued compensation	10,458
Matured capital lease	<u>7,930</u>
Total current liabilities payable from restricted assets	<u>18,387</u>
Noncurrent liabilities:	
Accrued compensation	31,373
Capital lease payable	<u>2,665</u>
Total noncurrent liabilities	<u>34,037</u>
Total liabilities	<u>96,108</u>
<u>NET POSITION</u>	
Net assets:	
Invested in capital assets, net of related debt	343,406
Unrestricted	<u>20,148</u>
Total net position	\$ <u><u>363,554</u></u>

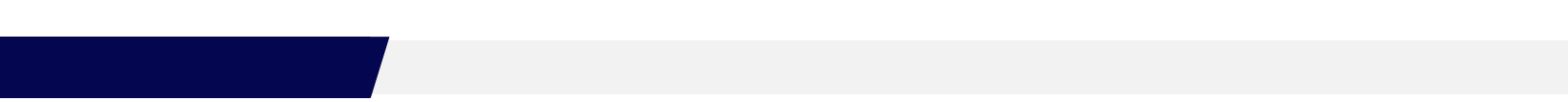
CITY OF PHARR, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	City Garage
Operating revenues:	
Charges for sales and services:	665,586
Other	\$ -
Total operating revenues	<u>665,586</u>
Operating expenses:	
Personnel services	224,477
Supplies and Materials	-
Contractual Services	445,747
Depreciation	<u>27,310</u>
Total operating expenses	<u>697,534</u>
Operating income (loss)	<u>(31,949)</u>
Nonoperating revenues (expenses):	
Interest expense	<u>(252)</u>
Total nonoperating revenues (expenses)	<u>(252)</u>
Income before contributions and transfers	(32,200)
Transfers in	-
Transfers out	-
Changes in net position	<u>(32,200)</u>
Total net position- beginning	395,754
Prior period adjustment	-
Total net position - ending	<u>\$ 363,554</u>

CITY OF PHARR, TEXAS
INTERNAL SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Final
	Original	Final	Budget Basis	Variance Budget Basis
OPERATING REVENUES				
Charges for sales and services:				
Other	\$ 837,200	\$ 843,700	\$ 665,586	\$ (178,114)
Total operating revenues	<u>837,200</u>	<u>843,700</u>	<u>665,586</u>	<u>(178,114)</u>
OPERATING EXPENSES				
Personnel services	203,700	210,200	224,477	(14,277)
Supplies and Materials	20,500	20,500	3,359	17,141
Contractual Services	604,900	604,900	442,388	162,512
Depreciation	-	-	27,310	(27,310)
Total operating expenses	<u>829,100</u>	<u>835,600</u>	<u>697,534</u>	<u>138,066</u>
Operating income (loss)	<u>8,100</u>	<u>8,100</u>	<u>(31,949)</u>	<u>(316,180)</u>
NON OPERATING REVENUES/(EXPENSES):				
Interest expense	<u>(8,100)</u>	<u>(8,100)</u>	<u>(252)</u>	<u>(7,848)</u>
Total nonoperating revenues/ (expenses)	<u>(8,100)</u>	<u>(8,100)</u>	<u>(252)</u>	<u>(7,848)</u>
Income before contributions and transfers	<u>-</u>	<u>-</u>	<u>(32,201)</u>	<u>(324,028)</u>
Changes in net position	<u>-</u>	<u>-</u>	<u>(32,201)</u>	<u>(324,028)</u>
Total net position - beginning	454,436	454,436	395,754	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position - ending	\$ <u>454,436</u>	\$ <u>454,436</u>	\$ <u>363,554</u>	\$ <u>(324,028)</u>





STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Pharr's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Pharr's overall financial health.

Page

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place

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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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City of Pharr, Texas
Net Position by Component
Last Ten Fiscal Years¹
(Accrual Basis of Accounting)
(amount expressed in thousands)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities										
Net Invested in capital assets	\$ 53,417	\$ 36,205	\$ 36,205	\$ 39,362	\$ 64,274	\$ 62,451	\$ 69,610	\$ 76,686	\$ 72,654	79,387
Restricted	5,234	7,159	23,652	35,796	15,012	18,454	23,585	21,655	31,783	31,481
Unrestricted	18,999	16,463	18,274	8,032	8,951	1,170	2,224	5,954	7,129	3,784
Total governmental activities net position	<u>\$ 77,650</u>	<u>\$ 59,827</u>	<u>\$ 78,131</u>	<u>\$ 83,190</u>	<u>\$ 88,237</u>	<u>\$ 82,075</u>	<u>\$ 95,420</u>	<u>\$ 104,295</u>	<u>\$ 111,566</u>	<u>\$ 114,652</u>
Business-type activities										
Net Invested in capital assets	\$ 82,609	\$ 82,300	\$ 82,757	\$ 86,011	\$ 85,304	\$ 88,401	\$ 91,942	\$ 95,760	\$ 98,709	103,809
Restricted	7,375	10,195	8,529	21,394	18,996	19,603	16,647	13,158	10,459	8,044
Unrestricted	9,691	12,435	15,940	6,013	10,276	10,280	5,994	5,938	10,049	10,570
Total business-type activities net position	<u>\$ 99,675</u>	<u>\$ 104,930</u>	<u>\$ 107,226</u>	<u>\$ 113,418</u>	<u>\$ 114,576</u>	<u>\$ 118,283</u>	<u>\$ 114,583</u>	<u>\$ 114,855</u>	<u>\$ 119,217</u>	<u>\$ 122,423</u>
Primary government										
Net Invested in capital assets	\$ 136,026	\$ 118,505	\$ 118,962	\$ 125,374	\$ 149,577	\$ 150,852	\$ 161,552	\$ 172,445	\$ 171,363	183,197
Restricted	12,609	17,354	32,181	57,191	34,008	38,056	40,232	34,813	42,242	39,525
Unrestricted	28,690	28,898	34,214	14,044	19,227	11,450	8,218	11,892	17,178	14,354
Total primary government net position	<u>\$ 177,325</u>	<u>\$ 164,757</u>	<u>\$ 185,357</u>	<u>\$ 196,609</u>	<u>\$ 202,813</u>	<u>\$ 200,358</u>	<u>\$ 210,002</u>	<u>\$ 219,150</u>	<u>\$ 230,783</u>	<u>\$ 237,076</u>

City of Pharr, Texas
Changes in Net Position
Last Ten Fiscal Years¹
(Accrual Basis of Accounting)
(amount expressed in thousands)

Expenses	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:										
General government	\$ 8,061	\$ 10,917	\$ 16,251	\$ 9,970	\$ 12,144	\$ 11,091	\$ 12,359	\$ 12,265	\$ 16,369	13,205
Public safety	19,775	21,546	22,427	22,700	21,355	20,581	20,175	25,261	23,813	26,572
Streets	3,102	3,757	4,490	5,330	4,903	7,826	7,834	8,748	1,481	5,242
Sanitation	2,008	2,749	2,699	1,880	2,867	2,636	1,518	647	3,014	3,080
Culture and recreation	3,890	3,239	4,133	4,306	6,155	5,530	5,790	5,358	5,607	7,420
Economic development	-	-	-	8,085	2,590	1,679	3,119	3,445	5,467	4,425
Debt service	885	736	1,293	1,926	1,800	1,629	1,182	1,810	2,192	2,973
Total governmental activities expenses	<u>37,721</u>	<u>42,944</u>	<u>51,293</u>	<u>54,196</u>	<u>51,814</u>	<u>50,973</u>	<u>51,978</u>	<u>57,535</u>	<u>57,943</u>	<u>62,917</u>
Business-type activities:										
Utility	9,140	10,382	11,829	12,241	13,619	14,069	13,981	14,908	13,319	13,582
Pharr Event Center	-	-	-	-	-	727	808	776	769	824
Toll Bridge	3,428	3,082	3,137	3,413	4,822	3,905	3,725	3,768	4,037	4,118
Tierra Del Sol Golf Course	1,035	1,236	1,110	1,279	1,394	1,428	1,338	1,337	1,415	1,536
Total business-type activities expenses	<u>13,603</u>	<u>14,700</u>	<u>16,076</u>	<u>16,933</u>	<u>19,836</u>	<u>20,128</u>	<u>19,851</u>	<u>20,788</u>	<u>19,540</u>	<u>20,060</u>
Total primary government expenses	<u>\$ 51,324</u>	<u>\$ 57,644</u>	<u>\$ 67,369</u>	<u>\$ 71,128</u>	<u>\$ 71,650</u>	<u>\$ 71,101</u>	<u>\$ 71,829</u>	<u>\$ 78,323</u>	<u>\$ 77,483</u>	<u>\$ 82,977</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,734	\$ 1,962	\$ 2,014	\$ 1,980	\$ 1,646	\$ 1,431	\$ 2,074	\$ 1,989	\$ 4,210	3,712
Public Safety	999	1,184	1,180	1,210	1,355	1,607	2,953	2,576	-	447
Streets	1,093	782	807	878	859	1,008	1,026	1,048	472	512
Sanitation	3,347	3,560	3,585	3,658	3,825	3,924	4,018	4,079	4,095	4,248
Culture and recreation	128	257	665	579	1,629	582	409	436	390	391
Economic development	-	-	-	-	648	-	-	1,610	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	4,227	3,451	6,221	9,493	3,132	2,568	3,289	3,784	1,014	-
Capital grants and contributions	508	25	59	1,111	1,435	1,477	222	59	2,170	1,911
Total governmental activities program revenues	<u>12,036</u>	<u>11,221</u>	<u>14,531</u>	<u>18,910</u>	<u>14,529</u>	<u>12,597</u>	<u>13,991</u>	<u>15,580</u>	<u>12,351</u>	<u>11,221</u>

Business-type activities:

Charges for services:

Utility	11,892	13,553	13,814	13,977	13,670	12,980	13,751	14,462	13,952	13,956
Boggus Ford Event Center	-	-	-	-	-	434	617	518	341	419
Toll Bridge	10,660	10,415	11,002	11,915	12,572	12,781	13,438	13,905	13,978	14,341
Tierra Del Sol Golf Course	805	812	776	597	786	781	810	876	801	796
Operating grants and contributions	-	-	17	314	-	-	1,812	-	-	-
Capital grants and contributions	2,512	548	316	1,686	919	3,339	842	2,300	2,776	1,911
Total business-type activities program revenues	25,869	25,328	25,926	28,489	27,948	30,315	31,270	32,061	44,199	31,423
Total primary government program revenues	<u>\$ 37,905</u>	<u>\$ 36,549</u>	<u>\$ 40,456</u>	<u>\$ 47,398</u>	<u>\$ 42,477</u>	<u>\$ 42,912</u>	<u>\$ 45,261</u>	<u>\$ 47,641</u>	<u>\$ 56,550</u>	<u>\$ 42,644</u>
Net (expense)/revenue										
Governmental activities	\$ (25,685)	\$ (31,723)	\$ (36,762)	\$ (35,286)	\$ (37,286)	\$ (38,375)	\$ (37,987)	\$ (41,955)	\$ (46,807)	\$ (51,696)
Business-type activities	12,266	10,628	9,850	11,556	8,112	10,186	11,419	11,273	12,308	11,363
Total primary government net expense	<u>\$ (13,419)</u>	<u>\$ (21,095)</u>	<u>\$ (26,913)</u>	<u>\$ (23,730)</u>	<u>\$ (29,174)</u>	<u>\$ (28,189)</u>	<u>\$ (26,568)</u>	<u>\$ (30,681)</u>	<u>\$ (34,499)</u>	<u>\$ (40,333)</u>

General Revenues and Other Changes in

Net Assets

Governmental activities:

Taxes										
Property taxes	\$ 15,265	\$ 14,984	\$ 15,221	\$ 15,186	\$ 15,812	\$ 16,728	\$ 17,186	\$ 17,875	\$ 19,688	20,759
Sales taxes	10,289	11,838	12,801	13,079	14,557	16,311	16,781	17,082	19,376	21,668
Other Taxes	3,152	2,844	2,232	3,129	3,129	3,605	3,457	3,565	5,534	2,536
Investment earnings	361	440	415	473	401	314	89	241	417	562
Grants, Donations, and Miscellaneous	105	763	1,048	421	198	-	1,763	1,546	721	152
Transfers	<u>1,841</u>	<u>7,214</u>	<u>6,702</u>	<u>6,317</u>	<u>7,682</u>	<u>10,758</u>	<u>11,300</u>	<u>11,175</u>	<u>8,445</u>	<u>8,354</u>
Total governmental activities	<u>31,013</u>	<u>38,083</u>	<u>38,420</u>	<u>38,605</u>	<u>41,780</u>	<u>47,717</u>	<u>50,576</u>	<u>51,484</u>	<u>54,181</u>	<u>54,031</u>
Business-type activities:										
Investment earnings	1,008	795	705	848	848	486	67	112	259	283
Grants, Donations, and Miscellaneous	131	135	22	21	21	65	7	30	5	1
Water Relief Program							(3,750)	-	-	0
Transfers	<u>(1,841)</u>	<u>-</u>	<u>(6,702)</u>	<u>(6,466)</u>	<u>(7,849)</u>	<u>(11,020)</u>	<u>(11,683)</u>	<u>(11,175)</u>	<u>(8,445)</u>	<u>(8,354)</u>
Total business-type activities	<u>(702)</u>	<u>930</u>	<u>(5,975)</u>	<u>(5,598)</u>	<u>(6,981)</u>	<u>(10,469)</u>	<u>(15,359)</u>	<u>(11,033)</u>	<u>(8,181)</u>	<u>(8,070)</u>
Total primary government	<u>\$ 30,311</u>	<u>\$ 39,013</u>	<u>\$ 32,445</u>	<u>\$ 33,008</u>	<u>\$ 34,799</u>	<u>\$ 37,248</u>	<u>\$ 35,217</u>	<u>\$ 40,451</u>	<u>\$ 46,000</u>	<u>\$ 45,961</u>

Change in Net Position

Governmental activities	\$ 5,328	\$ 6,360	\$ 1,658	\$ 3,320	\$ 4,494	\$ 9,342	\$ 12,589	\$ 9,530	\$ 7,374	\$ 2,336
Business-type activities	11,564	4,344	3,875	5,958	1,131	(283)	(3,940)	240	4,127	3,293
Total primary government	<u>\$ 16,892</u>	<u>\$ 10,704</u>	<u>\$ 5,532</u>	<u>\$ 9,278</u>	<u>\$ 5,625</u>	<u>\$ 9,059</u>	<u>\$ 8,649</u>	<u>\$ 9,770</u>	<u>\$ 11,501</u>	<u>\$ 5,629</u>

City of Pharr, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amount expressed in thousands)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Reserved, Nonspendable, Restricted	\$ 231	\$ 3,354	\$ 20,807	\$ 10,752	\$ 12,879	\$ 12,841	\$ 13,573	\$ 16,422	\$ 12,634	\$ 14,411
Unreserved, undesignated, unassigned	14,901	5,809	748	3,593	219	794	5,839	6,333	3,218	4,560
Designated, Committed, Assigned	-	8,054	9,046	-	-	-	-	-	8,010	5,876
Total general fund	<u>\$ 15,132</u>	<u>\$ 17,217</u>	<u>\$ 30,601</u>	<u>\$ 14,346</u>	<u>\$ 13,098</u>	<u>\$ 13,636</u>	<u>\$ 19,413</u>	<u>\$ 22,755</u>	<u>\$ 23,862</u>	<u>\$ 24,847</u>
All other governmental funds										
Reserved, Nonspendable,	\$ 2,501	\$ -	\$ (1,611)	\$ 1,212	\$ 1,677	\$ 2,405	\$ 3,052	\$ 3,145	\$ 3,074	2,365
Restricted, reported in:					-					
Special revenue funds	-	387	1,339	-	-	-	-	-	4,066	5,913
Debt service fund	-	63	20	-	-	-	-	-	-	627
Economic Development fund	-	3,197	3,085	20,014	23,094	12,169	12,816	12,869	3,320	1,923
Unreserved, unassigned, reported in:										
Special revenue funds	1,086	(2,929)	-	-	-	-	-	-	-	-
Capital projects funds	1,251	-	-	11,747	8,349	10,459	23,198	15,690	24,965	23,229
Debt service funds	-	-	-	37	157	317	203	251	676	-
Economic Development	-	-	-	-	-	-	-	-	-	2,885
Assigned	-	1,943	17,392	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 4,838</u>	<u>\$ 2,661</u>	<u>\$ 20,224</u>	<u>\$ 33,009</u>	<u>\$ 33,278</u>	<u>\$ 25,350</u>	<u>\$ 39,269</u>	<u>\$ 31,955</u>	<u>\$ 36,101</u>	<u>\$ 36,942</u>
 Total governmental fund balances	 <u>\$ 19,970</u>	 <u>\$ 19,878</u>	 <u>\$ 50,825</u>	 <u>\$ 47,355</u>	 <u>\$ 46,376</u>	 <u>\$ 38,986</u>	 <u>\$ 58,681</u>	 <u>\$ 54,709</u>	 <u>\$ 59,963</u>	 <u>\$ 61,789</u>

City of Pharr, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amount expressed in thousands)

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
Revenues										
Taxes	\$ 29,814	\$ 31,391	\$ 31,504	\$ 33,978	\$ 36,550	\$ 37,335	\$ 38,434	\$ 44,716	44,983	
Licenses and permits	762	664	818	762	681	734	657	722	808	
Intergovernmental	3,451	6,221	9,521	4,468	2,964	3,289	3,784	1,015	4,037	
Charges for services	5,010	5,525	5,778	6,326	5,933	6,048	6,332	6,718	6,374	
Fines	914	977	936	1,086	1,178	1,309	1,641	1,068	798	
Investment earnings	440	415	474	401	314	89	241	417	562	
Miscellaneous	375	692	644	945	368	1,218	12,571	1,191	2,062	
Total Revenues	<u>40,766</u>	<u>45,885</u>	<u>49,675</u>	<u>47,966</u>	<u>47,988</u>	<u>50,023</u>	<u>63,661</u>	<u>55,847</u>	<u>59,624</u>	
Expenditures										
General government	14,398	13,336	10,337	11,933	10,784	11,498	11,037	16,384	12,218	
Public safety	19,963	22,058	22,253	21,439	19,456	21,930	23,572	26,603	28,400	
Highways and streets	4,404	7,401	7,056	5,012	8,412	11,107	13,846	8,764	8,696	
Health and Welfare	2,555	2,654	2,371	2,758	2,808	2,694	2,408	2,853	2,857	
Culture and recreation	6,010	5,524	12,999	6,346	4,867	5,439	7,926	12,253	19,032	
Economic development	1,538	2,677	1,163	2,775	1,698	2,720	3,340	8,690	4,717	
Debt service - Principal	1,635	2,588	9,339	7,811	7,994	15,162	17,161	12,046	8,622	
Debt service - Interest	712	1,156	1,750	1,866	1,636	1,267	2,052	2,393	3,222	
Total expenditures	<u>51,215</u>	<u>57,393</u>	<u>67,269</u>	<u>59,940</u>	<u>57,655</u>	<u>71,817</u>	<u>81,342</u>	<u>89,986</u>	<u>87,764</u>	
Excess of revenues over (under) expenditures	(10,449)	(11,508)	(17,594)	(11,974)	(9,667)	(21,793)	(17,681)	(34,139)	(28,140)	
Other financing sources (uses)										
Transfers in	11,615	42,210	34,633	19,662	21,849	35,719	20,787	37,389	33,431	
Transfers out	(4,393)	(35,508)	(28,316)	(11,981)	(11,090)	(24,419)	(9,612)	(29,503)	(25,077)	
Proceeds from sale of assets	805	120	551	198	(953)	642	-	-	-	
Other Contributions	-	-	-	-	-	-	(9,900)	-	-	
Issuance of debt	2,372	30,572	14,306	2,381	480	29,739	11,366	31,810	19,430	
Total other financing sources (uses)	<u>10,399</u>	<u>37,395</u>	<u>21,175</u>	<u>10,260</u>	<u>10,286</u>	<u>41,680</u>	<u>12,641</u>	<u>39,696</u>	<u>27,784</u>	
Special Items										
Gain/(Loss) on land available for sale valuation	-	-	(6,371)	-	(7,629)	-	1,566	(356)	-	
Total special items	<u>-</u>	<u>-</u>	<u>(6,371)</u>	<u>-</u>	<u>(7,629)</u>	<u>-</u>	<u>1,566</u>	<u>(356)</u>	<u>-</u>	
Net change in fund balances	<u>\$ (50)</u>	<u>\$ 25,887</u>	<u>\$ (2,790)</u>	<u>\$ (1,714)</u>	<u>\$ (7,010)</u>	<u>\$ 19,887</u>	<u>\$ (3,475)</u>	<u>\$ 5,201</u>	<u>\$ (355)</u>	
Debt service as a percentage of noncapital expenditures	4.8%	7.0%	19.7%	19.3%	20.1%	29.7%	30.9%	19.1%	15.6%	

City of Pharr, Texas
Assessed Value and Estimated Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)

<u>Fiscal Year Ended</u>	<u>Tax Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Minerals</u>	<u>Other</u>	<u>Total Assessed</u>	<u>Less: Ag Loss &Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value¹ as a Percentage of Actual Value</u>
2010	2009	\$ 1,852,609	\$ 528,963	\$ 16,672	\$ 49,303	\$ 242,187	\$ 2,689,735	\$ 527,968	\$ 2,161,766	\$ 0.68	\$ 2,161,766	124.42%
2011	2010	\$ 1,903,835	\$ 561,456	\$ 14,999	\$ 16,865	\$ 265,722	\$ 2,762,876	\$ 591,022	\$ 2,171,854	\$ 0.68	\$ 2,171,854	127.21%
2012	2011	\$ 1,913,524	\$ 574,336	\$ 13,337	\$ 11,027	\$ 256,980	\$ 2,769,204	\$ 604,760	\$ 2,164,444	\$ 0.68	\$ 2,164,444	127.94%
2013	2012	\$ 1,978,273	\$ 591,866	\$ 12,310	\$ 11,038	\$ 265,359	\$ 2,858,847	\$ 662,530	\$ 2,196,317	\$ 0.68	\$ 2,196,317	130.17%
2014	2013	\$ 1,989,015	\$ 623,074	\$ 12,350	\$ 9,132	\$ 320,085	\$ 2,953,655	\$ 687,001	\$ 2,266,654	\$ 0.68	\$ 2,266,654	130.31%
2015	2014	\$ 2,130,562	\$ 665,903	\$ 12,239	\$ 6,201	\$ 316,074	\$ 3,130,979	\$ 753,721	\$ 2,377,258	\$ 0.68	\$ 2,377,258	131.71%
2016	2015	\$ 2,255,602	\$ 734,905	\$ 11,444	\$ 4,972	\$ 377,209	\$ 3,384,132	\$ 812,816	\$ 2,571,316	\$ 0.65	\$ 2,571,316	131.61%
2017	2016	\$ 2,302,343	\$ 826,519	\$ 11,971	\$ 3,175	\$ 374,763	\$ 3,518,771	\$ 827,461	\$ 2,691,310	\$ 0.65	\$ 2,691,310	130.75%
2018	2017	\$ 2,384,074	\$ 951,399	\$ 12,021	\$ 5,914	\$ 385,546	\$ 3,738,955	\$ 896,151	\$ 2,842,804	\$ 0.65	\$ 2,842,804	131.52%
2019	2018	\$ 2,561,140	\$ 1,001,555	\$ 11,949	\$ 4,586	\$ 415,996	\$ 3,995,226	\$ 808,535	\$ 3,186,691	\$ 0.65	\$ 3,186,691	125.37%

Source: Hidalgo County Central Appraisal District

Note: Assessed values are determined as of August 1, and relate to taxes levied on the first day of the following fiscal year. Assessed value is equal to 100% of estimated value. All property is assessed the same rate regardless of real or personal property, commercial, residential, or industrial.

¹Includes tax-exempt property.

City of Pharr, Texas
Property Tax Rates¹ and Tax Levies
Direct and Overlapping² Governments
Last Ten Fiscal Years

Fiscal Year Ending	City of Pharr Tax Rate			Overlapping Tax Rates								
				Drainage District #1			Hidalgo County			P.S.J.A ISD		
	Operating	Debt Service	Total	Operating	Debt Service	Total	Operating	Debt Service	Total	Operating	Debt Service	Total
2010	\$ 0.60	\$ 0.078	\$ 0.68	\$ 0.04	\$ 0.03	\$ 0.07	\$ 0.51	\$ 0.08	\$ 0.59	\$ 1.04	\$ 0.17	\$ 1.21
2011	\$ 0.60	\$ 0.078	\$ 0.68	\$ 0.04	\$ 0.03	\$ 0.07	\$ 0.52	\$ 0.07	\$ 0.59	\$ 1.17	\$ 0.19	\$ 1.36
2012	\$ 0.60	\$ 0.077	\$ 0.68	\$ 0.05	\$ 0.03	\$ 0.08	\$ 0.52	\$ 0.07	\$ 0.59	\$ 1.17	\$ 0.19	\$ 1.36
2013	\$ 0.60	\$ 0.077	\$ 0.68	\$ 0.06	\$ 0.04	\$ 0.10	\$ 0.52	\$ 0.07	\$ 0.59	\$ 1.17	\$ 0.19	\$ 1.36
2014	\$ 0.60	\$ 0.080	\$ 0.68	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.53	\$ 0.06	\$ 0.59	\$ 1.17	\$ 0.19	\$ 1.36
2015	\$ 0.58	\$ 0.072	\$ 0.65	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.53	\$ 0.06	\$ 0.59	\$ 1.17	\$ 0.19	\$ 1.36
2016	\$ 0.58	\$ 0.072	\$ 0.65	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.53	\$ 0.06	\$ 0.59	\$ 1.17	\$ 0.23	\$ 1.40
2017	\$ 0.58	\$ 0.070	\$ 0.65	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.53	\$ 0.06	\$ 0.59	\$ 1.17	\$ 0.23	\$ 1.40
2018	\$ 0.58	\$ 0.072	\$ 0.65	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.53	\$ 0.05	\$ 0.58	\$ 1.17	\$ 0.21	\$ 1.38
2019	\$ 0.57	\$ 0.151	\$ 0.72	\$ 0.05	\$ 0.05	\$ 0.11	\$ 0.55	\$ 0.07	\$ 0.62	\$ 1.07	\$ 0.20	\$ 1.27

Fiscal Year Ending	Overlapping Tax Rates							Total						
	South Texas ISD				South Texas College			Direct & Overlapping Rates						
	Debt			Debt										
	Operating	Service	Total	Operating	Service	Total								
2010	\$	0.05	\$	-	\$	0.05	\$	0.11	\$	0.04	\$	0.15	\$	2.76
2011	\$	0.05	\$	-	\$	0.05	\$	0.11	\$	0.04	\$	0.15	\$	2.90
2012	\$	0.05	\$	-	\$	0.05	\$	0.11	\$	0.04	\$	0.15	\$	2.90
2013	\$	0.05	\$	-	\$	0.05	\$	0.11	\$	0.04	\$	0.15	\$	2.92
2014	\$	0.05	\$	-	\$	0.05	\$	0.11	\$	0.04	\$	0.15	\$	2.93
2015	\$	0.05	\$	-	\$	0.05	\$	0.14	\$	0.05	\$	0.18	\$	2.93
2016	\$	0.05	\$	-	\$	0.05	\$	0.14	\$	0.05	\$	0.18	\$	2.97
2017	\$	0.05	\$	-	\$	0.05	\$	0.14	\$	0.05	\$	0.18	\$	2.97
2018	\$	0.05	\$	-	\$	0.05	\$	0.14	\$	0.05	\$	0.18	\$	2.94
2019	\$	0.05	\$	-	\$	0.05	\$	0.14	\$	0.04	\$	0.18	\$	2.94

Source: City of Pharr Tax Assessor/Collector, Hidalgo County Tax Office, Pharr-San Juan-Alamo Independent School District, TEA
Financial Audit Reports

¹Tax rate is per \$100 of taxable assessed value

²Overlapping rates are those of local and county governments that apply to property owners within the City of Pharr. Not all overlapping rates apply to all City of Pharr property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district.

City of Pharr, Texas
Principal Property Taxpayers
Fiscal Year End 2019 and 2010
(amounts expressed in thousands)

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
McAllen LEVCAL, LLC	\$ 63,302	1	1.99%	\$ 9,989	6	0.46%
AEP TEXAS INC	\$ 38,920	2	1.22%	\$ -	-	0.00%
46TH STREET INVESTORS & PWIP LLC & ROWLAND ENTERPRISES	\$ 30,402	3	0.95%	\$ 12,368	5	0.57%
HEB Grocery Company LP	\$ 25,057	4	0.79%	\$ 4,546	21	0.21%
WILDER CORPORATION OF DELAWARE	\$ 18,733	5	0.59%	\$ 13,126	4	0.61%
FJRS INVESTMENTS LTD	\$ 11,922	6	0.37%	\$ 4,718	18	0.22%
TX PHARR CASA LLC	\$ 11,448	7	0.36%	\$ -	-	0.00%
TOYOTA OF PHARR SCION OF PHARR	\$ 11,044	8	0.35%	\$ -	-	0.00%
RAY AUDIE E	\$ 10,819	9	0.34%	\$ -	-	0.00%
COSTCO WHOLESALE CORP	\$ 10,600	10	0.33%	\$ -	-	0.00%
AEP TEXAS CENTRAL COMPANY	\$ 10,305	11	0.32%	\$ 13,684	1	0.63%
CLARK KNAPP MOTOR CO LC	\$ 10,177	12	0.32%	\$ -	-	0.00%
COSTCO WHOLESALE CORP	\$ 9,902	13	0.31%	\$ -	-	0.00%
ESPONJAS DEVELOPMENT LTD	\$ 9,632	14	0.30%	\$ -	-	0.00%
LCN ATH GULFPORT (MULTI) LLC	\$ 9,498	15	0.30%	\$ -	-	0.00%
TIME WARNER CABLE TEXAS LLC	\$ 9,427	16	0.30%	\$ -	-	0.00%
BROOK RIDGE MANAGEMENT LLC	\$ 9,058	17	0.28%	\$ 4,923	17	0.23%
LOWE'S HOME CENTERS INC	\$ 8,765	18	0.28%	\$ 6,043	10	0.28%
ROYAL FREIGHT L P	\$ 7,957	19	0.25%	\$ 4,295	22	0.20%
GOLD STAR WAREHOUSING LTD	\$ 7,708	20	0.24%	\$ -	-	0.00%
E & P PROJECTS LLC	\$ 7,026	21	0.22%	\$ -	-	0.00%
JPC CENTER LLC	\$ 7,022	22	0.22%	\$ -	-	0.00%
MATT'S CASH & CARRY	\$ 6,927	23	0.22%	\$ 5,687	11	0.26%
BROOK RIDGE GARDENS LP	\$ 6,909	24	0.22%	\$ -	-	0.00%
KELLY-PHARR INVESTORS LTD	\$ 6,672	25	0.21%	\$ -	-	0.00%
Totals	\$ 359,232		11.3%	\$ 79,379		3.7%
Assessed Taxable Value	\$ 3,186,691			\$ 2,161,766		

City of Pharr, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended	Tax Year	Total Tax Levy* for Fiscal Year	Collections within the Fiscal Year of the Levy		Delinquent Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2010	2009	\$ 14,824	\$ 13,673	92.2%	\$ 859.66	\$ 14,532	98.0%
2011	2010	\$ 14,674	\$ 13,559	92.4%	\$ 706.32	\$ 14,265	97.2%
2012	2011	\$ 14,576	\$ 13,771	94.5%	\$ (0.13)	\$ 13,771	94.5%
2013	2012	\$ 14,935	\$ 14,049	94.1%	\$ 178.69	\$ 14,228	95.3%
2014	2013	\$ 15,413	\$ 14,631	94.9%	\$ 96.26	\$ 14,727	95.6%
2015	2014	\$ 16,431	\$ 15,448	94.0%	\$ 242.87	\$ 15,691	95.5%
2016	2015	\$ 16,952	\$ 15,928	94.0%	\$ 297.72	\$ 16,226	95.7%
2017	2016	\$ 17,654	\$ 16,642	94.3%	\$ 293.29	\$ 16,935	95.9%
2018	2017	\$ 18,625	\$ 17,832	95.7%	\$ 80.13	\$ 17,912	96.2%
2019	2018	\$ 19,456	\$ 18,408	94.6%	\$ 320.57	\$ 18,729	96.3%

*Tax Levy including modifications throughout the year

Sources: City of Pharr Tax Assessor/Collector
Hidalgo County Tax Assessor/Collector

City of Pharr, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General	Certificates of Obligation	Notes	Capital Leases	Utility &	Capital Leases	Notes					
	Obligation Bonds				Toll Bridge Bonds/Notes							
2010	\$ 14,395	\$ 2,745	\$ 270	\$ 1,621	\$ 61,345	\$ 713	\$ 1,595	\$ 82,684	0.03%	\$ 1,230		
2011	\$ 15,750	\$ -	\$ -	\$ 2,738	\$ 58,415	\$ 952	\$ -	\$ 77,855	0.04%	\$ 1,106		
2012	\$ 14,300	\$ 7,600	\$ 21,500	\$ 3,405	\$ 55,385	\$ 537	\$ -	\$ 102,726	0.03%	\$ 1,417		
2013	\$ 12,800	\$ 7,300	\$ 28,500	\$ 3,200	\$ 61,000	\$ 463	\$ -	\$ 113,263	0.03%	\$ 1,562		
2014	\$ 11,295	\$ 7,025	\$ 24,064	\$ 4,101	\$ 58,442	\$ 389	\$ -	\$ 105,317	0.03%	\$ 1,452		
2015	\$ 9,710	\$ 6,720	\$ 20,242	\$ 3,413	\$ 55,917	\$ 218	\$ -	\$ 96,219	0.04%	\$ 1,327		
2016	\$ 7,440	\$ 20,705	\$ 14,254	\$ 8,541	\$ 52,092	\$ 27	\$ -	\$ 103,059	0.03%	\$ 1,347		
2017	\$ 6,305	\$ 18,835	\$ 1,121	\$ 6,516	\$ 44,268	\$ 1,783	\$ -	\$ 78,827	0.05%	\$ 1,019		
2018	\$ 5,898	\$ 32,565	\$ 6,819	\$ 7,377	\$ 41,097	\$ 3,539	\$ -	\$ 97,295	0.04%	\$ 1,224		
2019	\$ 4,090	\$ 33,440	\$ 18,700	\$ 7,390	\$ 44,400	\$ 3,830	\$ -	\$ 111,850	0.04%	\$ 1,403		

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of Pharr, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Taxable Value¹ of Property</u>	<u>Per Capita²</u>
2010	\$ 14,395	0.54%	\$ 214.2
2011	\$ 15,750	0.57%	\$ 223.7
2012	\$ 14,300	0.52%	\$ 197.2
2013	\$ 12,800	0.45%	\$ 176.5
2014	\$ 11,295	0.38%	\$ 154.4
2015	\$ 9,710	0.31%	\$ 132.8
2016	\$ 7,440	0.22%	\$ 97.2
2017	\$ 6,305	0.18%	\$ 81.5
2018	\$ 5,898	0.16%	\$ 74.2
2019	\$ 4,090	0.10%	\$ 51.3

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics

City of Pharr, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2019
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Hidalgo County	\$ 195,660	8.4%	\$ 16,461
Hidalgo Irrigation District #1	-	-	-
South Texas College	\$ 143,065	102.4%	\$ 146,536
South Texas ISD	-	-	-
Pharr, San Juan, Alamo Independent School District	\$ 325,685	12.8%	\$ 41,689
Overlapping debt			\$ 204,686
City of Pharr direct debt	\$ 42,887	100.0%	\$ 42,887
Total direct and overlapping debt			<u>\$ 247,573</u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment.
Debt outstanding data provided by the county. Data as of 12/31/2010.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the city of Pharr. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the governments boundaries and dividing it by the county's total taxable assessed value.

City of Pharr, Texas
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 268,973	\$ 276,288	\$ 276,920	\$ 285,885	\$ 295,366	\$ 313,098	\$ 338,412	400,700	448,005	399,523
Total net debt applicable to limit	<u>14,395</u>	<u>15,750</u>	<u>14,300</u>	<u>12,800</u>	<u>11,295</u>	<u>9,710</u>	<u>7,440</u>	<u>6,819</u>	<u>5,898</u>	<u>4,090</u>
Legal debt margin	<u>\$ 254,578</u>	<u>\$ 260,538</u>	<u>\$ 262,620</u>	<u>\$ 273,085</u>	<u>\$ 284,071</u>	<u>\$ 303,388</u>	<u>\$ 330,972</u>	<u>\$ 393,881</u>	<u>\$ 442,107</u>	<u>\$ 395,433</u>
Total net debt applicable to the limit as a percentage of debt limit	5.4%	5.70%	5.2%	4.5%	3.8%	3.1%	2.2%	1.7%	1.3%	1.0%

Assesed Value	\$ 3,186,691
Add Back: exempt property	808,535
Total Assessed Value	3,995,226
Debt Limit (10% of total assessed value)	399,523
Debt applocable to limit:	
General obligation bonds	<u>4,090</u>
Legal debt margin	<u><u>\$ 395,433</u></u>

Note: Under state finance law, the City of Pharr's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

City of Pharr, Texas
Pledged Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

Water & Sewer Revenue Bonds								
Fiscal Year	Utility Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage		
				Principal	Interest			
2010	\$ 12,473	\$ 5,750	\$ 6,723	\$ 2,385	\$ 1,749	1.63		
2011	\$ 13,553	\$ 6,946	\$ 6,607	\$ 2,465	\$ 1,670	1.60		
2012	\$ 13,814	\$ 7,465	\$ 6,349	\$ 2,540	\$ 1,598	1.53		
2013	\$ 13,977	\$ 7,043	\$ 6,934	\$ 2,540	\$ 1,618	1.67		
2014	\$ 13,728	\$ 7,862	\$ 5,866	\$ 2,870	\$ 1,675	1.29		
2015	\$ 12,991	\$ 7,966	\$ 5,025	\$ 2,950	\$ 1,600	1.10		
2016	\$ 13,745	\$ 6,315	\$ 7,430	\$ 3,035	\$ 1,675	1.58		
2017	\$ 14,454	\$ 6,387	\$ 8,067	\$ 3,382	\$ 1,643	1.61		
2018	\$ 13,643	\$ 6,590	\$ 7,053	\$ 2,958	\$ 1,070	1.75		
2019	\$ 14,132	\$ 6,886	\$ 7,246	\$ 3,084	\$ 880.47	1.83		

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Utility charges and other revenues include only utility service charges, investment earnings, and tap fees. Operating expenses do not include interest or depreciation. Historical information taken from prior financial reports.

City of Pharr, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal <u>Year</u>	<u>Population</u> ¹	Median Household <u>Income</u>	Per Capita Personal <u>Income</u>	Median <u>Age</u>	Education Level in Years of Formal <u>Schooling</u> ²	School <u>Enrollment</u> ³	Unemployment <u>Rate</u> ⁴
2010	67,217	28,000	11,421	27.1	58.1%	31,329	10.5%
2011	70,400	28,000	11,420	27.1	58.1%	31,508	10.7%
2012	72,513	30,486	12,328	27.3	59.7%	31,633	8.4%
2013	73,138	30,486	12,328	28.0	59.7%	32,050	9.3%
2014	73,138	32,087	12,964	28.3	61.3%	32,287	7.9%
2015	75,382	34,655	12,694	27.6	61.3%	32,519	7.1%
2016	76,538	34,708	13,713	27.6*	62.0%	33,501	6.7%
2017	77,320	36,501	13,724	31.1	62.8%	32,838	7.7%
2018	79,487	39,445	14,826	31.1	63.3%	32,631	7.3%
2019	79,707	39,372	14,655	28.7	63.6%	32,481	6.4%

Data Sources: U.S. Census, Texas Workforce Commission, U.S. Bureau of Labor Statistics, and PSJA ISD

¹Population data from 2004 to 2007 taken from Planning/Zoning department. 2010 population estimate based on percentage increase of US Census Bureau totals for 2008 and 2009. 2011 population estimate based on percentage increase of US Census Bureau totals for 2009 and 2010. 2012 population estimate based on percentage increase of US Census Bureau totals for 2010 and 2011. 2013 population estimate based on percentage increase of US Census Bureau totals for 2011 and 2012.

²Represents population age 25 or greater that has graduated from high school.

³School Enrollment data includes enrollment for Pharr San Juan and Alamo School District. (As of 12/26/2019)

⁴Unemployment rate as of September 2018. (Source: Workforce Solutions)

* Data Not Available

City of Pharr, Texas
Principal Employers
Fiscal Year Ending 2019 and 2010

2019			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment¹</u>
Pharr-San Juan-Alamo ISD	4,624	1	14.66%
City of Pharr	835	2	2.65%
Ticketmaster	618	3	1.96%
Maximus	547	4	1.73%
Walmart	376	5	1.19%
Atento	360	6	1.14%
Lacks	300	7	0.95%
HEB Food Stores	290	8	0.92%
VDP Healthcare	250	9	0.79%
Home Depot	150	10	0.48%
Total	<u>8,350</u>		<u>26.46%</u>

2010			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Pharr-San Juan - Alamo ISD	4,500	1	20.07%
Convergys	1,154	2	5.15%
Valley View ISD	863	3	3.85%
VDP Healthcare	675	4	3.01%
City of Pharr	487	5	2.17%
Lack's	365	6	1.63%
Royal Freight	354	7	1.58%
Texas Department of Transportation	345	8	1.54%
HEB	340	9	1.52%
Limon Masonry	315	10	1.40%
Total	<u>9,398</u>		<u>38.92%</u>

Source: Workforce Solutions Lower RGV

* Information was not tracked to provide stated information.

City of Pharr, Texas
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
GENERAL FUND										
City Manager	8.0	7.5	9.5	8.5	15.0	9.0	7.0	8.0	8.0	11.0
Finance	9.0	9.0	14.0	14.0	14.0	12.0	10.0	8.0	8.0	9.0
Police Department	160.0	172.0	174.5	176.5	186.5	178.5	183.0	169.0	169.0	168.0
Traffic Safety	16.0	16.0	17.0	17.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchasing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0	2.0
Municipal Court	6.5	7.5	7.5	8.0	7.0	8.0	9.0	10.0	10.0	9.0
Fire Protection	65.0	74.0	73.0	78.0	82.0	80.0	80.0	80.0	80.0	83.0
Street Maintenance	31.0	33.0	32.0	32.0	48.0	50.0	63.0	53.0	53.0	50.0
Information Technology	0.0	2.5	2.0	5.0	10.0	12.5	19.5	13.5	13.5	14.0
Media	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0	8.0	14.0
Municipal Library	22.5	22.5	22.5	23.5	25.0	23.5	27.5	27.5	27.5	30.0
Parks & Recreation	102.0	64.3	68.1	62.1	56.8	112.6	31.0	54.0	54.0	53.0
Communication	0.0	0.0	0.0	0.0	0.0	0.0	6.0	23.0	23.0	25.0
Human Resources	0.0	0.0	0.0	0.0	0.0	4.0	6.0	8.0	8.0	7.0
Planning & Community Dev	18.5	18.5	18.5	20.0	22.5	23.0	23.0	24.0	24.0	23.0
Engineer	0.0	0.0	4.0	5.5	4.5	6.5	7.5	8.5	8.5	7.0
Total General Fund	446.0	433.8	449.6	457.1	479.6	527.9	477.5	496.5	496.5	505.0
UTILITY FUND										
Administrative	9.5	9.0	9.0	9.0	9.0	9.0	9.0	10.0	10.0	10.0
Water Production	10.0	10.0	10.0	13.0	15.0	15.0	15.0	15.0	15.0	15.0
Water Distribution	23.5	24.0	26.5	27.0	30.5	30.5	28.5	32.5	32.5	30.0
Water Treatment Plant	13.0	13.0	17.0	18.0	19.0	19.0	19.0	19.0	19.0	15.0
Lift Station	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Utility Fund	57.0	57.0	62.5	67.0	73.5	73.5	71.5	76.5	76.5	70.0
INTERNAL SERVICE FUND										
Chief Mechanic	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Laborers	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Total Internal Svc Fund	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
OTHER										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Others	24.5	24.0	22.0	22.0	27.0	23.5	23.5	19.0	19.0	21.0
Total Int'l Bridge	25.5	25.0	23.0	23.0	28.0	24.5	24.5	20.0	20.0	22.0
OTHER										
CDBG	5.5	5.5	4.5	3.5	4.0	0.0	0.0	5.0	4.0	6.0
Golf Course	15.0	15.5	15.5	17.0	23.5	20.5	22.0	24.0	24.0	24.0
Events Center	0.0	0.0	6.4	8.0	17.5	18.5	4.0	4.0	4.0	5.0
Total Other	20.5	21.0	26.4	28.5	45.0	45.0	40.5	33.0	32.0	35.0
GRAND TOTAL	553.0	540.8	565.5	580.6	631.1	675.9	619.0	631.0	630.0	637.0

Source: City of Pharr Budget Reports

City of Pharr, Texas
Operating Indicators by Function
Last Ten Fiscal Years

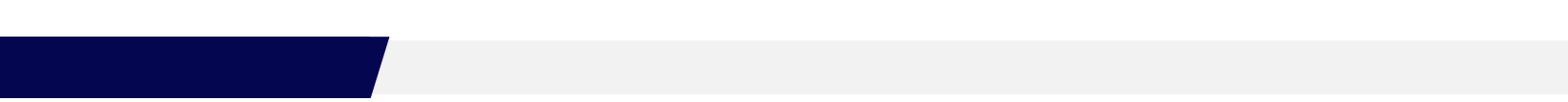
Function	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police										
Physical arrests	15,660	3,395	3,477	2,197	3,573	2,423	1,805	2,150	3,215	1,596
Parking & Traffic Violations	12,556	10,742	9,654	12,607	12,893	19,628	13,684	12,543	13,523	11,636
Fire										
Number of calls answered	2,144	2,018	1,850	2,491	2,488	2,899	2,926	1,527	1,711	2,714
Inspections	1,160	1,842	2,620	2,263	2,942	2,184	2,675	2,197	2,273	631
Highways and streets										
Street resurfacing (miles)	9	9	7	6.44	7.31	1.41	10	8	8	8
Potholes repaired	775	4000	1500	545	1297	506	3089	3947	1801	1801
International Bridge										
Car Crossings	1,264,573	1,038,430	946,847	937,829	866,328	794,930	865,200	843,452	856,392	677,062
Truck Crossings	447,122	440,705	463,714	485,299	508,180	523,373	548,172	566,918	578,617	623,155
Culture and recreation										
Pharr Events Center	50	20	72	60	91	69	160	74	76	54
Other Community Center Events	378	329	703	442	unknown	unkown	382	41	unkown	
Water										
New connections	278	428	304	372	256	303	447	425	420	340
Water mains breaks	711	768	~1365	~1625	~1642	~1726	1,410	1,107	1,107	739
Average daily consumption (millions of gallons)	6.3 MGD	6.6 MGD	7.0 MGD	6.9 MGD	7.1 MGD	6.46 MGD	6.7 MGD	5.4 MGD	7 MGD	7.34 MGD
Wastewater										
Average daily sewage treatment (thousands of gallons)	4.76MGD	4.9 MGD	4.9MGD	4.8 MGD	5.1 MGD	5.2 MGD	4.9 MGD	4.8 MGD	4.57 MGD	4.97 MGD

Sources: Various City Departments

City of Pharr, Texas
Capital Asset Statistics by Function
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public Safety										
Police:										
Stations	2	2	2	2	2	2	2	3	3	3
Patrol units	128	125	62	61	68	68	83	93	98	100
Fire stations	3	3	3	3	3	3	3	3	3	3
Highways and streets										
Streets (miles)	214	214	214	214	214	214	214	214	214	348
Streetlights	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown
Traffic signals	56	58	61	68	72	75	77	77	77	100
Culture and recreation										
Parks Acreage (Developed)	57	57	79	46	57	57	57	57	57	127
Swimming pools	-	-	-	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	2	2
Community and Convention Centers	4	4	4	4	4	4	7	7	7	7
Water										
Water mains (miles)	313	325	~304	~304	~303	~304	~350.84	~356	~356	351
Fire hydrants	1,946	1,946	~2,214	~2,214	~2,213	~2,214	~2,563	~2219	~2219	2,819
Maximum daily capacity (thousands of gallons)	9.9 MGD	10 MGD	10 MGD	10 MGD	19 MGD	20 MGD	20 MGD	19MGD	19MGD	19MGD
Sewer										
Sanitary sewers (miles)	266	269	267	~267	~266	~267	~273.55	~280	~280	273.6
Storm sewers (miles)	94.43	97.2	Unknown	96.63	95.63	95.64	97.34	98	98	97
Maximum daily treatment capacity (thousands of gallons)	5.3 MGD	8 MGD	8 MGD	7.4 MGD	6.4 MGD	7.3 MGD	6.44 MGD	8 MGD	8 MGD	8 MGD

Sources: Various City Departments



SINGLE AUDIT SECTION

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

To the Honorable Mayor and Members of City Council
City of Pharr, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the blended component units, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pharr, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Pharr, Texas's basic financial statements and have issued our report thereon dated March 16, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be to be a significant deficiency. It is item #2019-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Pharr, Texas's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under

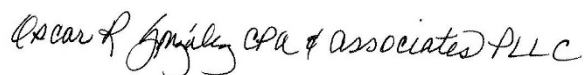
Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs.

City of Pharr, Texas's Response to Findings

City of Pharr, Texas's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Pharr, Texas's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Oscar R. Gonzalez CPA & Associates PLLC".

Oscar R. Gonzalez, CPA & Associates, PLLC
Certified Public Accountants

Pharr, Texas
March 16, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members of the City Council
City of Pharr, Texas

Report on Compliance for Each Major Federal Program

We have audited the City of Pharr, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Pharr, Texas' major federal programs for the year ended September 30, 2019. City of Pharr, Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Pharr, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Pharr, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Pharr, Texas' compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Pharr, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control over Compliance

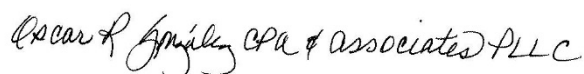
Management of the City of Pharr, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Pharr, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on

compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Pharr, Texas' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Oscar R. Gonzalez CPA & Associates PLLC". The signature is fluid and cursive.

Oscar R. Gonzalez, CPA & Associates, PLLC
Certified Public Accountants

Pharr, Texas
March 16, 2020

CITY OF PHARR, TEXAS
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
Passed Through Governor's Division of Emergency Management:			
Operation Stonegarden	97.067	EMW-2018-SS-00022-S01	\$ 382,476
HAZMAT Regional Equipment Project	97.067	EMW-2018-SS-00022-S01	\$ 11,504
Total Passed Through Texas Office of the Governor-Homeland Security Grants Division (HSGD)			\$ 393,980
Total U.S. DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY			\$ 393,980
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Passed Through Direct Programs:			
Community Development Block Grant	14.218	B-17-MC-48-0507	\$ 282,189
Community Development Block Grant	14.218	B-18-MC-48-0507	\$ 676,133
Total Passed Through Direct Programs			\$ 958,322
Total U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ 958,322
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Passed Through Direct Programs Governor's Division of Criminal Justice			
Human Trafficking Liaison Grant	16.575	2018-V2-GX-0040	\$ 31,861
Crime Victims Liaison Grant	16.575	2018-V2-GX-0040	\$ 46,387
Domestic Violence Coordinator Project	16.575	2018-V2-GX-0040	\$ 26,868
Total Passed Through Governor's Division of Criminal Justice			\$ 105,116
<u>U.S. DEPARTMENT OF JUSTICE</u>			
COPS Hiring Program	16.710	2015UMWX0115	\$ 408,777
			\$ 408,777
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Bulletproof Vest Partnership Program-Bureau of Justice Assist. (BJA)	16.607	N/A	\$ 1,350
			\$ 1,350
<u>U.S. DEPARTMENT OF JUSTICE</u>			
FY 2017 Edward Byrne Memorial Justice Assistance Grant Program	16.607	2017-DJ-BX-0976	\$ 17,842
FY 2018 Edward Byrne Memorial Justice Assistance Grant Program	16.607	2018-DJ-BX-0230	\$ 17,456
			\$ 35,298
Total U.S. DEPARTMENT OF JUSTICE			\$ 550,541
<u>NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</u>			
Passed Through Texas Department of Transportation (TXDOT)			
STEP - Impaired Driving Mobilization	20.616	405D	\$ 1,789
STEP - CMV	20.616	402	\$ 43,003
Total Passed Through Texas Department of Transportation (TXDOT)			\$ 44,792
<u>U.S. DEPARTMENT OF THE TREASURY</u>			
Passed Through Direct Programs:			
Operation Task Force	16.922	112SA1599	\$ 120,315
Total U.S. DEPARTMENT OF TREASURY			\$ 120,315
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,067,950

CITY OF PHARR, TEXAS*SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019*

<u>Grantor/ Program Title</u>	<u>Grant Number</u>	<u>Expenditures</u>
<u>TEXAS DEPARTMENT OF TRANSPORTATION</u>		
South Texas Auto Theft Enforcement Task Force	608-18-0310100	\$ 72,037
Total Texas Department of Transportation		<u>\$ 72,037</u>
<u>TEXAS OFFICE OF THE ATTORNEY GENERAL</u>		
Victims Coordinator Liaison Grant (VCLG)	1986017	\$ 37,538
Total Texas Office of the Attorney General		<u>\$ 37,538</u>
<u>TEXAS OFFICE OF THE GOVERNOR-HOMELAND SECURITY GRANTS DIVISION (HSGD)</u>		
Local Border Security Program 2018	2019-BL-ST-0016	\$ 230,093
Total Texas Office of the Governor-Homeland Security Grants Division (HSGD)		<u>\$ 230,093</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 339,667</u>
TOTAL EXPENDITURES OF FEDERAL & STATE AWARDS		<u><u>\$ 2,407,618</u></u>

City of Pharr, Texas
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended September 30, 2019

1. General Statement

The accompanying Schedule of Expenditures of Federal/State Awards (Schedule) presents the activity of all the federal awards of the City of Pharr, Texas. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). The City's reporting entity is defined in Note I.B. to the City's basic financial statements. All federal awards received directly from Federal agencies and state and federal awards passed through state agencies are included on the Schedule. Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position or changes in net position of City of Pharr, Texas.

2. Measurement Focus and Basis of Accounting

The federal and state grant funds were accounted for in the Grant Fund, a governmental fund type, and in an enterprise fund. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types are accounted for using a current financial resources measurement focus. With the governmental fund type measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the governmental fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measureable and available, and expenditures in the accounting period in which the fund liability is incurred, if measureable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Federal and state grant funds are generally considered earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as deferred revenues until earned.

The City has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. Relationship to Federal Financial Status Reports

Amounts reported on the Schedule may not agree with the amounts reported in the related Federal/State financial status reports filed with grantor agencies, because of the effect of accruals made in the Schedule.

CITY OF PHARR, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

SECTION I - SUMMARY OF AUDITOR RESULTS - CURRENT FISCAL YEAR

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued UNMODIFIED

Internal control over financial reporting:

- One or more material weakness identified? YES X NO
- One or more significant deficiencies identified that are not considered to be material weaknesses? X YES NO

Noncompliance material to financial statements noted? YES X NO

2. Federal Awards

Internal control over major programs:

- One or more material weakness identified? YES X NO
- One or more significant deficiencies identified that are not considered to be material weaknesses? YES X NONE

Type of auditor's report issued on compliance for major programs: UNMODIFIED

Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance? YES X NO

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X YES NO

A. Summary of Auditor's Results - Continued

Internal control over major programs:

- Type of auditor's report issued on compliance for major programs: Not Applicable

Identification of major programs:

NONE

Auditee qualified as low-risk auditee?	X	YES	NO
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City of Pharr, TX
Schedule of Findings and Questioned Costs
Year Ended September 30, 2019

II. FINANCIAL STATEMENT FINDINGS

**Schedule Reference (2019-001) INTERNAL CONTROL OVER MANAGEMENT OF POLICIES AND PROCEDURES
RELATING TO CREDIT CARDS**

SIGNIFICANT DEFICIENCY

Criteria: Chapter 9 of the City's Purchasing Manual establishes policies and procedures related to the use of credit cards. The manual stipulates that usage of the cards is for unforeseen non-routine or emergency purchases, travel related charges, meeting preparation purposes, and for use with vendors that do not accept purchase orders.

Condition: During the audit, we noted heavy monthly usage of the cards for purchases not deemed compliant with the criteria previously specified. Many of the purchases appeared routine in nature. Other issues encountered included; payment of taxes on purchases, payment of tips on meals, or no receipt at all.

Effect: Controls relating to routine purchases were not adhered to, since the purchases were made with credit cards instead of a purchase order. Additionally, historical information regarding vendor activity/transactions was not maintained in the accounting software during the year, since the credit card system oversteps the vendor payment system.

Cause: Departmental supervisory staff were not monitoring purchase activity to ensure that expenditures adhered to established policies and procedures as prescribed by the Purchasing Manual.

Recommendation: City management should implement steps for immediate compliance with Chapter 9 of the Purchasing Manual, in order to foster a stronger system of internal controls.

Questioned Cost: -\$0-

III. FEDERAL AWARDS FINDINGS

None

City of Pharr, TX
Schedule of Prior Year Findings
Year Ended September 30, 2019

SUMMARY OF AUDITOR RESULTS – PRIOR FISCAL YEAR

Schedule Reference: (2018-001) COMPLIANCE OVER FORMAL COMPETITIVE PROCUREMENT

Type of Finding: Significant Deficiency

Criteria: Texas Government Code, Section 252.021 established the requirements specifically relating to the monetary threshold (\$50,000) for which the formal competitive procurement process is required.

Condition: Audit procedures identified two contracts that were secured in excess of the statutory requirements. These contracts were not subjected to the formal competitive process. The first contract was classified under emergency procurement provisions as per City Commission authorization, however the overall process from start to finish (awarding the contract) took approximately eight months. The project related to a lighting project at a local park. The second contract related to advertising/production/ and promotional services. The costs for the second contract were funded by the Pharr Economic Development Corporation (PEDC).

Effect: The City did not comply with the requirements prescribed by the Government Code Section 252.021.

Cause: Personnel in the purchasing department did not monitor all purchase requisitions prior to approving the related purchase order, to ensure compliance with applicable requirements.

Recommendation: City management should constantly monitor procurement activity ongoing to ensure compliance with these requirements. In particular, those contracts that recur on a yearly basis should be monitored for compliance.

Current Status: Item has been corrected

Schedule Reference (2018-002) COMPLIANCE OVER REQUIRED EMPLOYMENT FORM I-9

Type of Finding: Significant Deficiency

Criteria: Employers have certain responsibilities under immigration law during the hiring process. These requirements are set forth in the Immigration Reform and Control Act of 1986 (IRCA). Specifically, the employer is required to complete Form I-9 as provided by established instructions. The form documents the legal work status of the employee.

Condition: Audit procedures in the area of payroll identified several employees with Forms I-9 with incomplete documentation; to support that the verification occurred during the hiring process. In some cases, the Employer did not sign off on the form to document that the verification occurred.

Effect: In those specific cases, the City did not comply with Form I-9 requirements as noted above. Further, the Employer could face financial penalties for not adhering to these requirements.

Cause: Personnel completing the forms and the verification were not well versed with the documentation requirements.

Recommendation: City management should ensure that personnel that fill/complete the form on behalf of the employer are adequately trained. The human resource department should perform a comprehensive review of all files to ensure ongoing compliance with these requirements.

Current Status: Item has been corrected

City of Pharr, TX
Schedule of Prior Year Findings
Year Ended September 30, 2019

Schedule Reference (2018-3) COMPLIANCE OVER CASH MANAGEMENT-DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

Type of Finding: Significant Deficiency

Criteria: The Compliance Supplement contained in 2 CFR PART 200, APPENDIX issued by the Executive Office, Office of Management and Budget, establishes general compliance requirements; among them is one related to cash management (i.e. drawdown and management of federal funds).

Condition: The City administered HUD grant funds under the Community Development Block Grant (CDBG) program. For purposes of fund draw downs, Form HUD-27053, Request Voucher for Grant Funds, is required. The

form provides for a certification of the funds request from the designated City official; in this case, the City Manager or his designee. Numerous draws downs and related deposit of funds were made prior to the form being signed off (certified) by the City Manager's office.

Effect: The City did not comply with cash management requirements, specific to the CDBG program.

Cause: The technical documentation requirements were not reviewed properly by management.

Recommendation: City management should ensure that federal funds are not requested until such time that the designated official has certified the form referenced above.

Current Status: Item has been corrected

Schedule Reference (2018-4) INTERNAL CONTROL OVER MANAGEMENT OF POLICIES AND PROCEDURES RELATING TO CREDIT CARDS

Type of Finding: Significant Deficiency

Criteria: Chapter 9 of the City's Purchasing Manual establishes policies and procedures related to the use of credit cards. The manual stipulates that usage of the cards is for unforeseen non-routine or emergency purchases, travel related charges, meeting preparation purposes, and for use with vendors that do not accept purchase orders.

Condition: During the audit, we noted heavy monthly usage of the cards for purchases not deemed compliant with the criteria previously specified. Many of the purchases appeared routine in nature. Other issues encountered included; payment of taxes on purchases, payment of tips on meals, or no receipt at all.

Effect: Controls relating to routine purchases were not adhered to, since the purchases were made with credit cards instead of a purchase order. Additionally, historical information regarding vendor activity/transactions was not maintained in the accounting software during the year, since the credit card system oversteps the vendor payment system.

Cause: Departmental supervisory staff were not monitoring purchase activity to ensure that expenditures adhered to established policies and procedures as prescribed by the Purchasing Manual.

Recommendation: City management should implement steps for immediate compliance with Chapter 9 of the Purchasing Manual, in order to foster a stronger system of internal controls.

Current Status: Refer to current year findings

City of Pharr, TX
Schedule of Prior Year Findings
Year Ended September 30, 2019

Federal Awards Findings:

Schedule Reference (2018-3) COMPLIANCE OVER CASH MANAGEMENT-DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

Type of Finding: Significant Deficiency

Criteria: The Compliance Supplement contained in 2 CFR PART 200, APPENDIX issued by the Executive Office, Office of Management and Budget, establishes general compliance requirements; among them is one related to cash management (i.e. drawdown and management of federal funds).

Condition: The City administered HUD grant funds under the Community Development Block Grant (CDBG) program. For purposes of fund draw downs, Form HUD-27053, Request Voucher for Grant Funds, is required. The

form provides for a certification of the funds request from the designated City official; in this case, the City Manager or his designee. Numerous draws downs and related deposit of funds were made prior to the form being signed off (certified) by the City Manager's office.

Effect: The City did not comply with cash management requirements, specific to the CDBG program.

Cause: The technical documentation requirements were not reviewed properly by management.

Recommendation: City management should ensure that federal funds are not requested until such time that the designated official has certified the form referenced above.

Current Status: Item has been corrected



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 5.A.

DATE SUBMITTED: March 31, 2020

MEETING DATE: April 6, 2020

FROM: Hilda Pedraza, City Clerk

DEPARTMENT: Administration

DIRECTOR: Edward Wylie

Agenda Item: Approval of Minutes for March 2, 2020 Regular Called Meeting and March 16, 2020 Regular Called Meeting.

Classification: Consent

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue:

Financial Consideration:

Staff Recommendation: Approval

Alternatives:

ROUTING:

Hilda Pedraza
City Management Office

Created/Initiated - 3/31/2020
Final Approval - 4/3/2020

**MINUTES
BOARD OF COMMISSIONERS
REGULAR CALLED MEETING
MONDAY, MARCH 2, 2020
118 SOUTH CAGE 2nd FLOOR**

The Board of Commissioners of the City of Pharr, Texas, met in a Regular Called Meeting on Monday, March 2, 2020 and following is the record of attendance.

BOARD OF COMMISSIONERS PRESENT: Mayor Ambrosio Hernandez
Comm. Eleazar Guajardo
Mayor Pro Tem Roberto "Bobby" Carrillo
Comm. Daniel Chavez
Comm. Ricardo Medina
Comm. Itza Flores

BOARD OF COMMISSIONERS ABSENT: Comm. Ramiro Caballero

STAFF PRESENT: Edward Wylie, Interim City Manager
Hilda Pedraza, ACM/City Clerk
Omar Anzaldua, City Engineer
Karla Saavedra, Finance Director
Anali Alanis, ACM/HR Director
Marissa Hernandez, Municipal Court Judge
Jose A. Luengo, Police Chief
Leonardo Perez, Fire Chief
Melanie Cano, Dev. Services Director
Pilar Rodriguez, Interim Public Works Dir.
Sergio Alanis, Parks & Rec. Director
Raul Garza, CDBG Director
Adolfo Garcia, Library Director
Jose Pena, I.T. Director
Luis Bazan, Bridge Director
Veronica Gutierrez, Purchasing
Daniel Ramirez, Comm. Director

CITY ATTORNEY Patricia Rigney, City Attorney

ITEM 1. CALL TO ORDER

A) ROLL CALL AND POSSIBLE ACTION ON THE EXCUSING OF ANY ABSENT MEMBER OF THE GOVERNING BOARD

Mayor Hernandez called the meeting to order at 4:00 p.m. Roll call established a quorum.

Comm. Guajardo **moved** to excuse the absent member. Comm. Carrillo seconded the motion and when put to a vote, it carried unanimously.

B) PLEDGE OF ALLEGIANCE/INVOCATION

Luis Bazan, Bridge Director, led in the pledge of allegiance and said the invocation.

ITEM 2. PUBLIC TESTIMONY

There were no comments from the public.

ITEM 3. PUBLIC HEARINGS

A) PUBLIC HEARING ON DEVELOPMENT SERVICES CASES

Ed Wylie, Interim City Manager, opened the public hearing. There being no comments from the public, the public hearing was closed.

ITEM 4. CITY MANAGER'S REPORTS

A) CITY ENGINEER'S REPORT

Ed Wylie, Interim City Manager, introduced the item and stated questions could be entertained at this time.

Mayor Hernandez asked about the upgrades being made to the City of Pharr drainage project. Omar Anzaldua, City Engineer, stated they were coordinating with Public Works Department on equipment for excavation, plan of action and timeline to start on the widening of the ditches.

Mayor Hernandez requested that all updates regarding project be posted on the city's website.

B) SUBMISSION OF TAX COLLECTION REPORT FOR JANUARY 2020

Ed Wylie, Interim City Manager, introduced the item and stated questions could be entertained at this time. There were no questions.

C) SUBMISSION OF QUARTERLY REPORT FOR PERIOD ENDING DECEMBER 2019

Ed Wylie, Interim City Manager, introduced the item. He briefly explained the report was for the city's investments and stated questions could be entertained at this time. There were no questions.

D) CITY EVENTS OF INTEREST

Ed Wylie, Interim City Manager, reported the Pharr Municipal Court was recognized by the Texas Municipal Courts Education Center in connection with the Texas Department of Transportation. He stated this honor recognized the courts hazards and risk model which promotes public safety traffic education and best practices.

Marissa Hernandez, Municipal Court Judge, stated the Pharr Municipal Court was selected as one of 22 recipients of the Traffic Safety Initiative Safety Award out of 933 municipal courts in the state of Texas. She stated the Pharr Municipal Court was the only court in Hidalgo County that was selected, and they would be attending a conference in Austin on April 6, 2020 to receive the award.

Ed Wylie, Interim City Manager, stated due to City Hall 1st floor renovations, a water payment station was fully operational and located at the Development and Research Center.

Ed Wylie, Interim City Manager, reported on upcoming events. He stated the Miss Pharr Hub Phestival Pageant would take place on March 24, 2020 at the Pharr Events Center and Dr. Seuss Birthday Celebration would take place on Thursday, March 5, 2020 at the Pharr Memorial Library and the Development and Research Center. He further stated the event was for all residents.

Ed Wylie, Interim City Manager, announced the St. Patrick's Day 5K walk/run would be held on Saturday, March 14, 2020 and registrations could be done online or by visiting the Parks & Recreation Office. Deadline to register was Friday, March 13, 2020.

Ed Wylie, Interim City Manager, reported the City of Pharr would be conducting a traffic study to synchronize the traffic signals along Cage Boulevard from Polk Avenue to El Rancho Blanco Road. He stated bumps and counters would be setup on various traffic signals to collect numbers to get traffic lights in sync.

Comm. Carrillo suggested to consider changing the speed limit on Nolana Loop towards Veterans Road. He stated this was a 5-lane street and the speed limit was set to 30 mph. Mr. Wylie stated this had been looked at in the past but would definitely look into it again. He added a lot had to do with the number of entrances the street has, the slower the traffic needed to be.

MINUTES: REGULAR CALLED MEETING
MARCH 2, 2020

Ed Wylie, Interim City Manager, reported Pharr Hub Phestival would take place on Saturday, April 4, 2020 and stated a press conference would be held after the meeting to announce the artists performing at the festival.

ITEM 5. CONSENT AGENDA

- A) APPROVAL OF MINUTES FOR FEBRUARY 3, 2020 REGULAR CALLED MEETING (ADMINISTRATION)**
- B) CONSIDERATION AND ACTION ON RESOLUTION AUTHORIZING THE PHARR POLICE DEPARTMENT TO APPLY FOR LOCAL BORDER STAR SECURITY PROGRAM (LBSP 2021) GRANT # 2991405 (POLICE)**
- C) CONSIDERATION AND ACTION ON RESOLUTION AUTHORIZING THE PHARR POLICE DEPARTMENT TO APPLY FOR OFFICE OF THE GOVERNOR DOMESTIC VIOLENCE COORDINATOR GRANT # 2299409 (POLICE)**
- D) CONSIDERATION AND ACTION ON RESOLUTION AUTHORIZING THE PHARR POLICE DEPARTMENT TO APPLY FOR OFFICE OF THE GOVERNOR HUMAN TRAFFICKING LIAISON GRANT # 2430509 (POLICE)**
- E) CONSIDERATION AND ACTION ON RESOLUTION AUTHORIZING THE PHARR POLICE DEPARTMENT TO APPLY FOR OFFICE OF THE GOVERNOR CRIME VICTIM LIAISON GRANT # 2987304 (POLICE)**
- F) CONSIDERATION AND ACTION ALLOWING A CARNIVAL AND FUN FAIR TO BE HELD MARCH 5 TO MARCH 15, 2020 AT 2301 N. CAGE AND WAIVE APPLICATION FEES (ADMINISTRATION)**
- G) CONSIDERATION AND ACTION ON REQUEST FROM ARISE FOR POLICE AND FIRE ASSISTANCE DURING THEIR INTERNATIONAL WOMEN'S DAY MARCH AND CELEBRATION ON FRIDAY, MARCH 6, 2020 (ADMINISTRATION)**
- H) CONSIDERATION AND ACTION AUTHORIZING CITY MANAGER TO ADVERTISE FOR RFQ (REQUEST FOR QUALIFICATIONS) FOR CONSULTING SERVICES FOR RISK MANAGER. (PROJECT #1920-01-526-S027-096) (HR)**
- I) CONSIDERATION AND ACTION ON DEVELOPMENT SERVICES CASES:**

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1. MELDEN & HUNT INC., REPRESENTING VAQUERO CAGE PARTNERS, LP, REQUESTED A CHANGE OF ZONE FROM AGRICULTURAL AND/OR OPEN SPACE DISTRICT (A-O) AND LIMITED INDUSTRIAL DISTRICT (L-I) TO GENERAL BUSINESS DISTRICT (C). THE PROPERTY IS LEGALLY DESCRIBED AS BEING LOTS 1, 2 AND 3, GOMEZ SUBDIVISION AND BEING THE E162.19'-W510'-S165'-N330' OUT OF LOT 77, 0.58AC, KELLY PHARR SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY'S PHYSICAL ADDRESS IS 6024 NORTH CAGE BOULEVARD. COZ#200106
2. RED TAPE II, INC., D/B/A STILETTOS GENTLEMEN'S CLUB, REQUESTED RENEWAL OF THE SEXUALLY ORIENTED BUSINESS LICENSE IN A GENERAL BUSINESS DISTRICT (C). THE PROPERTY IS LEGALLY DESCRIBED AS ALL OF LOT 2, ALBRAD SUBDIVISION UNIT #3, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY'S PHYSICAL ADDRESS IS 1050 NORTH SUGAR ROAD. SOB#001254
3. MAURICIO JARAMILLO, D/B/A REGENCY FIESTA, REQUESTED RENEWAL OF THE CONDITIONAL USE PERMIT TO ALLOW THE SALE OF ALCOHOLIC BEVERAGES FOR ON-PREMISE CONSUMPTION IN A GENERAL BUSINESS DISTRICT (C). THE PROPERTY IS LEGALLY DESCRIBED AS LOT 1, REGENCY SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY'S PHYSICAL ADDRESS IS 1020 WEST FERGUSON AVENUE. CUP#071271
4. SHOTS MAIN EVENT, LLC, D/B/A MAIN EVENT ENTERTAINMENT, REQUESTED RENEWAL OF THE CONDITIONAL USE PERMIT AND LATE HOURS PERMIT TO ALLOW THE SALE OF ALCOHOLIC BEVERAGES FOR ON-PREMISE CONSUMPTION IN A GENERAL BUSINESS DISTRICT (C). THE PROPERTY IS LEGALLY DESCRIBED AS BEING A 1.34 ACRE TRACT OF LAND MORE OR LESS, OUT OF LOT 4A, REPLAT OF VACATED CAR-MEL SUBDIVISION, VACATED EL CENTRO MALL NO. 3 & 4 SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY'S PHYSICAL ADDRESS IS 500 NORTH JACKSON ROAD, SUITE C. CUP#140101

PLATS:

1. QUINTANILLA, HEADLY & ASSOCIATES, INC., REPRESENTING JUDGE RICHARD CORTEZ, FOR THE COUNTY OF HIDALGO, OWNER, REQUESTED FINAL PLAT APPROVAL OF THE PROPOSED LAS MILPAS PARK YOUTH FACILITY SUBDIVISION. THE PROPERTY IS LEGALLY DESCRIBED AS A 6.00 ACRE TRACT OF LAND BEING THE NORTH 776.65 FEET AND THE EAST 336.52 FEET OUT OF LOT 8, BLOCK 13, A.J. MCCOLL SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY IS LOCATED WITHIN THE 1600 BLOCK OF WEST ANAYA ROAD. SUB#180206
2. RUBEN ALFARO, P.E., REPRESENTING MANUEL ALEJANDRO VILLA, OWNER, REQUESTED PRELIMINARY AND FINAL PLAT APPROVAL OF THE PROPOSED VILLA BAEZ SUBDIVISION. THE PROPERTY IS LEGALLY DESCRIBED AS BEING A TRACT OF LAND 125 FEET BY 173.6 FEET OUT OF OUTLOT "Q", ORIGINAL TOWNSITE OF PHARR, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY'S PHYSICAL ADDRESS IS 320 EAST JONES AVENUE. SUB#200205

Ed Wylie, Interim City Manager, introduced the item and recommended approval of consent agenda.

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Comm. Carrillo **moved** to approve as recommended. Comm. Guajardo seconded the motion and when put to a vote, it carried unanimously.

Ordinance No. O-2020-08 and Resolution Nos. R-2020-11, R-2020-12, R-2020-13 and R-2020-14 are filed with the City Clerk's Office.

At this time, Ed Wylie, Interim City Manager, stated they would deviate from the agenda and go into closed session. There was no objection.

ITEM 9. CLOSED SESSION: IN ACCORDANCE WITH CHAPTER 551 OF THE TEXAS GOV'T. CODE, THE PHARR BOARD OF COMMISSIONERS HEREBY GIVES NOTICE THAT IT MAY MEET IN A CLOSED (NON-PUBLIC) EXECUTIVE SESSION TO DISCUSS THE ITEMS LISTED ON THE PUBLIC PORTION OF THE MEETING AGENDA IN ACCORDANCE WITH THE FOLLOWING BELOW

The time being 4:09 p.m., Mayor Hernandez stated the commission would be entering into closed session in accordance with Chapter 551 of the Texas Govt. Code to discuss agenda items listed in the public portion of the agenda and Pursuant to Sections 551.071, 551.072, 551.074, 551.076, 551.084 and 551.087.

ITEM 10. RECONVENE

The time being 4:32 p.m., Mayor Hernandez stated the commission would be resuming the open meeting.

REGULAR AGENDA - OPEN SESSION

ITEM 6. ORDINANCES AND RESOLUTIONS

- A) CONSIDERATION AND ACTION, IF ANY, ON ORDINANCE SETTING GUIDELINES AND FRAMEWORK FOR NEIGHBORHOOD EMPOWERMENT ZONE/BUSINESS IMPROVEMENT DISTRICT 2020-01 (3RD AND FINAL READING) (DEVELOPMENT SERVICES)**

Ed Wylie, Interim City Manager, introduced the item and recommended the item be tabled due to some changes to ordinance before its final reading.

Comm. Carrillo **moved** to table item. Comm. Guajardo seconded the motion and when put to a vote, it carried unanimously.

ITEM 7. ADMINISTRATIVE

- A) CONSIDERATION AND APPROPRIATE ACTION, IF ANY, TO RECOGNIZE AN ASSOCIATION SELECTED BY A MAJORITY OF THE POLICE OFFICERS FOR THE CITY OF PHARR, TEXAS AS THE EXCLUSIVE BARGAINING AGENT FOR THE POLICE OFFICERS OF THE POLICE DEPARTMENT AS REQUIRED BY SECTION 174.102, TEXAS LOCAL GOV'T CODE, OR TO DETERMINE WHETHER THERE EXISTS A QUESTION REGARDING REPRESENTATION UNDER SECTION 174.104, TEXAS LOCAL GOV'T CODE, AS APPROPRIATE (ADMINISTRATION)**

Ed Wylie, Interim City Manager, introduced the item.

Comm. Medina **moved** to call on the parties to conduct an election and provide the City with the certified election results to be fair to both sides. Comm. Guajardo seconded the motion and when put to a vote, it carried unanimously.

- B) CONSIDERATION AND ACTION, IF ANY, AUTHORIZING CAXCAN S.A. DE C.V. INGENIEROS CIVILES TO CONDUCT A REGIONAL TRAFFIC STUDY AND COST BENEFIT ANALYSIS (PHASE II) FOR BRIDGE EXPANSION PROJECT (TWIN BRIDGE/SECOND SPAN) IN MEXICO (PROJECT # 1819-70-510-S034-001) (BRIDGE)**

Ed Wylie, Interim City Manager, introduced the item and recommended approval.

Comm. Guajardo **moved** to approve as recommended. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

- C) CONSIDERATION AND ACTION, IF ANY, ON ACCEPTANCE OF THE CITY OF PHARR WATER TRANSMISSION MAIN PROJECT AND AUTHORIZATION TO RELEASE FINAL PAYMENT AND RETAINAGE IN THE AMOUNT OF \$190,430.37 (PROJECT #1415-02-582-0037) (ENGINEERING)**

Ed Wylie, Interim City Manager, introduced the item.

Comm. Medina **moved** to approve. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

ITEM 8. CONTRACTS/AGREEMENTS

- A) CONSIDERATION AND ACTION, IF ANY, AUTHORIZING CITY MANAGER TO NEGOTIATE AND ENTER INTO A CONTRACT FOR PROFESSIONAL SERVICES RELATED THE AMERICA'S WATER INFRASTRUCTURE ACT OF 2018 (AWIA) RISK ASSESSMENT AND EMERGENCY PLAN RESPONSE REPORT (PROJECT #1920-60-583-S010-001) (ENGINEERING)**

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Ed Wylie, Interim City Manager, introduced the item. He briefly stated the City of Pharr received four Requests for Qualifications on January 31, 2020 and recommended awarding contract to AARC Consultants in the amount of \$544,000. He stated this was a requirement from Texas Commission on Environmental Quality.

Comm. Guajardo **moved** to approve as recommended. Comm. Carrillo seconded the motion and when put to a vote, it carried unanimously.

B) CONSIDERATION AND ACTION, IF ANY, AUTHORIZING CITY MANAGER TO AWARD A CONTRACT FOR THE SINGLE MACHINE REPAVING PROJECT YEAR 5 (PROJECT NO. 1920-40-510-C006-105) (ENGINEERING)

Ed Wylie, Interim City Manager, introduced the item and stated one bid was received from Cutler Repaving, Inc. and recommended awarding contract to Cutler Repaving, Inc. in the amount of \$4.25 million.

Comm. Carrillo **moved** to approve as recommended. Comm. Medina seconded the motion and when put to a vote, it carried unanimously.

Mr. Wylie further stated maps of the streets to be repaved would be on the city's website for public view.

C) CONSIDERATION AND ACTION, IF ANY, AUTHORIZING CITY MANAGER TO AWARD A CONTRACT FOR THE REHABILITATION OF THIRTY-FIVE (35) SANITARY SEWER MANHOLES TO SOUTHERN TRENCHLESS SOLUTIONS OF LA FERIA TX USING BUYBOARD #555-18 (PROJECT #1920-60-583-P015-001) (PUBLIC UTILITIES)

Ed Wylie, Interim City Manager, introduced the item and stated this was in the amount of \$198,000. He mentioned it was a budgeted item and a BuyBoard Contract, he further recommended approval.

Comm. Chavez **moved** to approve as recommended. Comm. Medina seconded the motion and when put to a vote, it carried by majority vote of six (6) ayes and one (1) abstention. Comm. Carrillo abstained from voting.

D) CONSIDERATION AND ACTION, IF ANY, ON CONTRACT WITH PYRO SHOWS OF TEXAS FOR A LIVE FIREWORKS DISPLAY FOR THE CITY OF PHARR'S FREEDOM FESTIVAL ON SATURDAY JULY 4, 2020 (EVENTS CENTER)

Ed Wylie, Interim City Manager, introduced the item and recommended approval in the amount of \$15,000.

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Comm. Medina **moved** to approve as recommended. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

E) CONSIDERATION AND ACTION, IF ANY, ON EXTENDING THE PROFESSIONAL SERVICE AGREEMENT BETWEEN CITY OF PHARR AND KM INTERNATIONAL, LLC. (PROJECT #1920-01-510-S028-001) (ADMINISTRATION)

Ed Wylie, Interim City Manager, introduced the item. He stated KM International LLC. was the city's Agent of Record and sole media outlet for all media needs and recommended to extend current contract at the same rate of \$4,000 monthly.

Comm. Carrillo **moved** to approve as recommended. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

ITEM 11. ADJOURNMENT

There being no other business to come before the board, Comm. Carrillo **moved** to adjourn. Comm. Chavez seconded the motion and when put to a vote, the motion carried unanimously. Meeting adjourned at 4:39 p.m.

CITY OF PHARR

AMBROSIO HERNANDEZ
MAYOR

**STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF PHARR**

ON THIS THE 2nd DAY OF MARCH 2020 the Board of Commissioners of the City of Pharr, Texas convened in a **REGULAR CALLED MEETING** at the Commissioner's Room located at 118 S. Cage, 2nd Floor, Pharr, Texas. The meeting being open to the public and notice of said meeting, giving the date, place, subject, hereof, having been posted in accordance with Chapter 551, Texas Government Code (Open Meetings Act) and there being present a quorum, I, **HILDA PEDRAZA, CITY CLERK**, of the City of Pharr, Texas, certify that this is a true and correct copy of the minutes.

ATTEST:

HILDA PEDRAZA, CITY CLERK
APPROVED:

**MINUTES
BOARD OF COMMISSIONERS
REGULAR CALLED MEETING
MONDAY, MARCH 16, 2020
118 SOUTH CAGE 2nd FLOOR**

The Board of Commissioners of the City of Pharr, Texas, met in a Regular Called Meeting on Monday, March 16, 2020 and following is the record of attendance.

BOARD OF COMMISSIONERS PRESENT: Mayor Ambrosio Hernandez
Comm. Eleazar Guajardo
Mayor Pro Tem Roberto "Bobby" Carrillo
Comm. Ramiro Caballero
Comm. Daniel Chavez
Comm. Ricardo Medina
Comm. Itza Flores

BOARD OF COMMISSIONERS ABSENT: None

STAFF PRESENT: Edward Wylie, Deputy City Manager
Hilda Pedraza, ACM/City Clerk
Omar Anzaldua, City Engineer
Gary Rodriguez, Events Ctr. Director
Karla Saavedra, Finance Director
Anali Alanis, ACM/HR Director
Edward Chavez, Asst. Police Chief
Leonardo Perez, Fire Chief
Melanie Cano, Dev. Services Director
Pilar Rodriguez, Interim Public Works Dir.
Sergio Alanis, Parks & Rec. Director
Raul Garza, CDBG Director
Adolfo Garcia, Library Director
Jose Pena, I.T. Director
Luis Bazan, Bridge Director
Veronica Gutierrez, Purchasing
Daniel Ramirez, Comm. Director

CITY ATTORNEY Patricia Rigney, City Attorney

ITEM 1. CALL TO ORDER

A) ROLL CALL AND POSSIBLE ACTION ON THE EXCUSING OF ANY ABSENT MEMBER OF THE GOVERNING BOARD

Mayor Hernandez called the meeting to order at 4:00 p.m. Roll call established a quorum.

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Commissioner Carrillo was not present at the time of roll call, but arrived at 4:01 p.m.

B) PLEDGE OF ALLEGIANCE/INVOCATION

Luis Bazan, Bridge Director, led in the pledge of allegiance and said the invocation.

ITEM 2. PUBLIC TESTIMONY

At this time, Mayor Hernandez called upon Senator Eddie Lucio.

Eddie Lucio, State Senator, approached the podium and stated he was urged by the Democratic Party to petition the use of the Pharr Events Center. Mr. Lucio voiced his concern with the coronavirus outbreak and stated he hoped the Commission puts the community first in their decision. He further thanked them for their leadership.

Mayor Hernandez stated the health, safety, and wellbeing of the residents were the City's outmost priority. Therefore, the City was the first one to issue an Emergency Declaration in response to the COVID-19 (coronavirus) outbreak. He stated the Commission was aware of the importance of the event Senator Lucio spoke about thanked him for visiting the City of Pharr.

Norma Ramirez, Democrat Chairwoman, thanked the Commission for the opportunity and asked the Commission to consider allowing them to use the Pharr Events Center for their event. She stated the law required the delegates to convene on this date and they will make sure no more than 30 or 40 people attend at the same time. Ms. Ramirez stated the coronavirus was a serious matter but unfortunately, they could not change the date.

Mayor Hernandez called upon Dr. Narciso Garcia, Vanguard Academy Superintendent; Xavier Salinas, Hidalgo ISD Superintendent; and Jorge Palacios, Pharr-San Juan-Alamo ISD President.

Mayor Hernandez stated the Commission was honored to be working with the school districts in taking proactive measures to limit the spread of the coronavirus among students. For this reason, the City of Pharr would be partnering with the school districts for the purchase of additional electronic devices and hotspots as deemed necessary.

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Xavier Salinas, Hidalgo ISD Superintendent, stated the health of the children was important to them and thanked the Commission for their partnership. He stated this was a good decision for everyone and they would be adhering to the City's recommendation.

Dr. Narciso Garcia, Vanguard Academy Superintendent, also thanked the Commission for their partnership and stated when he started at Vanguard Academy, there were only 500 electronic devices district wide. As of this year, there were 4,500 electronic devices and 4,587 students. He further stated they would be purchasing hot spots and more laptops for teachers that may need for distance learning. Lastly, Dr. Garcia stated Vanguard Academy would continue partnering with the City of Pharr and any other learning institution that needed their help.

Jorge Palacios, Pharr-San Juan-Alamo ISD President, stated they had been working on a plan since last week to make sure they have the necessary tools for students to be successful in case something like this did occur. Mr. Palacios stated their focus was on the safety, health and security of the students and staff and they were willing to work with the City of Pharr. He further thanked the Commission for their continued support and partnership.

Mayor Hernandez stated the schools would be providing meals to the students by pick-up or curbside to ensure that all Pharr area students are being fed healthy during this time that they are away from school.

At this time, Mayor Hernandez, stated they would deviate and go into closed session. There was no objection.

ITEM 10. CLOSED SESSION: IN ACCORDANCE WITH CHAPTER 551 OF THE TEXAS GOV'T. CODE, THE PHARR BOARD OF COMMISSIONERS HEREBY GIVES NOTICE THAT IT MAY MEET IN A CLOSED (NON-PUBLIC) EXECUTIVE SESSION TO DISCUSS THE ITEMS LISTED ON THE PUBLIC PORTION OF THE MEETING AGENDA IN ACCORDANCE WITH THE FOLLOWING BELOW

The time being 4:19 p.m., Mayor Hernandez stated the commission would be entering into closed session in accordance with Chapter 551 of the Texas Govt. Code to discuss agenda items listed in the public portion of the agenda and Pursuant to Sections 551.071, 551.072, 551.074, 551.076, 551.084 and 551.087.

ITEM 11. RECONVENE

The time being 5:15 p.m., Mayor Hernandez stated the commission would be resuming the open meeting.

ITEM 3. PUBLIC HEARINGS

A) PUBLIC HEARING ON DEVELOPMENT SERVICES CASES

Ed Wylie, Interim City Manager, opened the public hearing. There being no comments from the public, the public hearing was closed.

ITEM 4. CITY MANAGER'S REPORTS

A) SUBMISSION OF SALES TAX COLLECTION REPORT FOR MARCH 2020

Ed Wylie, Interim City Manager, introduced the item. He briefly reported the City of Pharr had an increase of 9.71% year to date true growth and a decrease of 1.1% in collected payment compared from last year.

B) SUBMISSION OF TAX COLLECTION REPORT FOR FEBRUARY 2020

Ed Wylie, Interim City Manager, introduced the item and reported the City of Pharr was still on track and doing good.

C) CITY EVENTS OF INTEREST

Ed Wylie, Interim City Manager, reported Public Works Department would be incorporating a program to chip dogs for free at their next rabies clinic. He stated this was in an effort to improve public service and cutdown costs for housing and feeding dogs at the Pharr facility.

Mayor Hernandez asked how the City would be limiting people from other cities to come to the clinic. Ed Wylie, Interim City Manager, stated the program was for Pharr residents only and a water bill will be required as proof of residence.

ITEM 5. CONSENT AGENDA

A) APPROVAL OF MINUTES FOR FEBRUARY 17, 2020 REGULAR CALLED MEETING (ADMINISTRATION)

B) CONSIDERATION AND ACTION ON SPONSORSHIP REQUEST FROM HOPE FAMILY HEALTH CENTER FOR THEIR ART AND WINE FESTIVAL ON FRIDAY, APRIL 17, 2020 (ADMINISTRATION)

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- C) **CONSIDERATION AND ACTION ON REQUEST FROM HIDALGO COUNTY DEMOCRATIC PARTY FOR USE OF THE PHARR EVENTS CENTER ON SATURDAY MARCH 21, 2020 FOR A POLITICAL EVENT; AND THE WAIVING OF ASSOCIATED RENTAL FEES (EVENTS CENTER)**
- D) **CONSIDERATION AND ACTION ON REQUEST FROM THE RIO GRANDE DIABETES ASSOCIATION FOR USE OF THE DEVELOPMENT AND RESEARCH CENTER ON SATURDAY, APRIL 18, 2020 FOR THEIR "TOGETHER FOR OUR HEALTH" EVENT AND WAIVE RENTAL FEES (LIBRARY)**
- E) **CONSIDERATION AND ACTION ON DEVELOPMENT SERVICES CASES:**
1. **TAQUERIA BORREGO PINTO, REQUESTED RENEWAL OF THE CONDITIONAL USE PERMIT TO ALLOW THE SALE OF ALCOHOLIC BEVERAGES FOR ON-PREMISE CONSUMPTION IN A GENERAL BUSINESS DISTRICT (C). THE PROPERTY IS LEGALLY DESCRIBED AS BEING LOT 212, VALLE DE LA PRIMAVERA SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY'S PHYSICAL ADDRESS IS 6615 SOUTH JACKSON ROAD. CUP#180208**
 2. **PAPPAS RESTAURANTS, INC., D/B/A PAPPADEAUX SEAFOOD KITCHEN, REQUESTED RENEWAL OF THE CONDITIONAL USE PERMIT TO ALLOW THE SALE OF ALCOHOLIC BEVERAGES FOR ON-PREMISE CONSUMPTION IN A GENERAL BUSINESS DISTRICT (C). THE PROPERTY IS LEGALLY DESCRIBED AS LOT 2, PAPPAS SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY'S PHYSICAL ADDRESS IS 1610 WEST EXPRESSWAY 83. CUP#100103**
 3. **MARCELINO RICHIE REQUESTED A LIFE-OF-THE-USE CONDITIONAL USE PERMIT TO ALLOW AN ACCESSORY USE STRUCTURE (GUEST HOUSE) IN A SINGLE-FAMILY RESIDENTIAL DISTRICT (R-1). THE PROPERTY IS LEGALLY DESCRIBED AS BEING ALL OF LOT 17, SING'S #2 SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY'S PHYSICAL ADDRESS IS 407 WEST RAMOS STREET. CUP#200210**
 4. **TOTAL RETIREMENT SOLUTIONS, INC., REQUESTED A CHANGE OF ZONE FROM SINGLE-FAMILY RESIDENTIAL DISTRICT (R-1) TO RESIDENTIAL MULTI-FAMILY DISTRICT (R-MF). THE PROPERTY IS LEGALLY DESCRIBED AS BEING LOTS 2 AND 3, BLOCK 1, VALENCIA SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY'S PHYSICAL ADDRESS IS 313 WEST POLK AVENUE. COZ#200209**

PLATS:

1. **MELDEN & HUNT, INC., REPRESENTING CITY OF PHARR, REQUESTED FINAL PLAT APPROVAL OF THE PROPOSED P.S.J.A. AG BARN SUBDIVISION. THE PROPERTY IS LEGALLY DESCRIBED AS BEING A SUBDIVISION OF 19.434 ACRES BEING A PART OR PORTION OUT OF LOT 224, KELLY-PHARR SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY IS LOCATED WITHIN THE 2100 BLOCK OF SOUTH VETERANS BOULEVARD ("I" ROAD). SUB#180823**

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Ed Wylie, Interim City Manager, introduced the item and stated any item may be removed from the consent agenda prior to a motion and vote.

Comm. Guajardo **moved** to remove item 5.C from the consent agenda and approve items 5.A and 5.B and 5.D through 5.E. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

Ordinance No. O-2020-09 is filed with the City Clerk's Office.

C) CONSIDERATION AND ACTION ON REQUEST FROM HIDALGO COUNTY DEMOCRATIC PARTY FOR USE OF THE PHARR EVENTS CENTER ON SATURDAY MARCH 21, 2020 FOR A POLITICAL EVENT; AND THE WAIVING OF ASSOCIATED RENTAL FEES (EVENTS CENTER)

Mayor Hernandez introduced item 5.C and explained the item was removed from the consent agenda in the best interest of our constituents. He stated as per the Center for Disease Control and Prevention (CDC) guidelines and recommendations, the City of Pharr would be canceling or postponing any public events in efforts to mitigate the spread of COVID-19 virus.

There being no further discussion, Comm. Medina **moved** to deny the item. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

REGULAR AGENDA - OPEN SESSION

ITEM 6. ORDINANCES AND RESOLUTIONS

A) CONSIDERATION AND ACTION, IF ANY, ON ORDINANCE SETTING GUIDELINES AND FRAMEWORK FOR NEIGHBORHOOD EMPOWERMENT ZONE/BUSINESS IMPROVEMENT DISTRICT 2020-01 (3RD AND FINAL READING) **(TABLED) (DEVELOPMENT SERVICES)**

Ed Wylie, Interim City Manager, introduced the item and recommended the item be un-tabled.

Comm. Carrillo **moved** to un-table as recommended. Comm. Guajardo seconded the motion and when put to a vote, it carried unanimously.

Ed Wylie, Interim City Manager, recommended approval.

Comm. Carrillo **moved** to approve as recommended. Comm. Medina seconded the motion and when put to a vote, it carried unanimously.

Ordinance No. O-2020-10 is filed with the City Clerk's Office.

B) CONSIDERATION AND ACTION, IF ANY, ON ORDINANCE AMENDING CHAPTER 110 OF THE PHARR CODE OF ORDINANCES CREATING ARTICLE VIII - RESIDENTIAL COLLECTION STATION, PROVIDING FOR COLLECTION AND DISPOSAL, DEFINING TERMS AND PRESCRIBING RATES (1ST READING) (PUBLIC WORKS)

Ed Wylie, Interim City Manager, introduced the item and recommended approval.

Comm. Carrillo moved to approve as recommended. Comm. Guajardo seconded the motion and when put to a vote, it carried unanimously.

C) CONSIDERATION AND ACTION, IF ANY, RATIFYING RESOLUTION DECLARING A DISASTER AND PUBLIC HEALTH EMERGENCY (ADMINISTRATION)

Ed Wylie, Interim City Manager, introduced the item and noted a correction on the wording. He stated the item would be to ratify the continuing declaration instead of ratifying resolution. He further recommended approval.

Comm. Guajardo moved to approve. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

D) CONSIDERATION AND ACTION, IF ANY, ON RESOLUTION DETERMINING A PUBLIC NECESSITY TO ACQUIRE CERTAIN REAL PROPERTY; GIVING NOTICE OF AN OFFICIAL DETERMINATION TO ACQUIRE REAL PROPERTY FOR PUBLIC PURPOSE; ESTABLISHING PROCEDURES FOR THE ACQUISITION OF MARKET VALUE FOR THE PROPERTY TO BE ACQUIRED; AND DIRECTING THE CITY MANAGER OR DESIGNEE TO COMMUNICATE OFFERS TO OWNERS FOR PURCHASE OF PROPERTY, APPROPRIATE FUNDS, AND AUTHORIZING CONDEMNATION PROCEEDING BY CITY ATTORNEY, CONTINGENT ON AVAILABLE FUNDING (DEVELOPMENT SERVICES)

Ed Wylie, Interim City Manager, introduced the item and stated this was for South Fir Street and recommended approval.

Comm. Carrillo moved to approve as recommended. Comm. Medina seconded the motion and when put to a vote, it carried unanimously.

Resolution No. R-2020-15 is filed with the City Clerk's Office.

E) CONSIDERATION AND ACTION, IF ANY, ON RESOLUTION APPOINTING/RE-APPOINTING FIVE (5) MEMBERS TO THE COMMUNITY DEVELOPMENT COUNCIL (GMCD)

Ed Wylie, Interim City Manager, introduced the item. He briefly stated Ruben Solis had resigned and needed to be replaced. He recommended Olga Cardoza to replace Mr. Solis and re-appoint Trinidad Suchil, Lucio Gaytan, Norma Trevino, and Joe Hinojosa.

Comm. Medina **moved** to appoint Olga Cardoza and re-appoint Trinidad Suchil, Lucio Gaytan, Norma Trevino, and Joe Hinojosa to the Community Development Council. Comm. Carrillo seconded the motion and when put to a vote, it carried unanimously.

Resolution No. R-2020-16 is filed with the City Clerk's Office.

F) CONSIDERATION AND ACTION, IF ANY, ON RESOLUTION AUTHORIZING FIRE DEPARTMENT TO SUBMIT A GRANT APPLICATION TO THE U.S. DEPARTMENT OF HOMELAND SECURITY'S FEDERAL EMERGENCY MANAGEMENT AGENCY FOR ITS FY 2019 ASSISTANCE TO FIREFIGHTERS PROGRAM FOR THE PURCHASE FIREFIGHTER'S EQUIPMENT (FIRE)

Ed Wylie, Interim City Manager, introduced the item. He briefly stated this was to replace firefighter's equipment and the cost was \$167,000. He further recommended approval.

Comm. Medina **moved** to approve as recommended. Comm. Guajardo seconded the motion and when put to a vote, it carried unanimously.

Resolution No. R-2020-17 is filed with the City Clerk's Office.

G) CONSIDERATION AND ACTION, IF ANY, ON RESOLUTION ENTERING INTO AN AGREEMENT WITH TEXAS DEPARTMENT OF TRANSPORTATION FOR CLOSURE OF WEST OLD BUSINESS 83 BETWEEN PALM DRIVE AND ASTER STREET FOR THE PURPOSE OF CONDUCTING THE VANGUARD ACADEMY 5K FOR CHILDREN WITH SPECIAL NEEDS ON SATURDAY, MAY 23, 2020 FROM 8:00 A.M. TO 12:00 P.M. (PARKS)

Ed Wylie, Interim City Manager, introduced the item and recommended approval contingent upon COVID-19 status.

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Comm. Carrillo **moved** to approve as recommended. Comm. Medina seconded the motion and when put to a vote, it carried unanimously.

Resolution No. R-2020-18 is filed with the City Clerk's Office.

ITEM 7. ADMINISTRATIVE

A) CONSIDERATION AND ACTION, IF ANY, ON CHANGE ORDER NO. 2 FOR THE CITY OF PHARR INTERNATIONAL BRIDGE FACILITY EXPANSION AND RENOVATIONS PROJECT (PROJECT # 1819-70-510-C005-395) (ENGINEERING)

Ed Wylie, Interim City Manager, introduced the item. He briefly explained this was to replace LED lights and wiring for generator and the amount of the change order was \$99,929.29. He recommended approval.

Comm. Carrillo **moved** to approve as recommended. Comm. Medina seconded the motion and when put to a vote, it carried by majority vote of six (6) ayes and one (1) abstention. Comm. Chavez abstained from voting.

B) CONSIDERATION AND ACTION, IF ANY, ON PERMISSION TO ADVERTISE FOR REQUESTS FOR QUALIFICATIONS FOR CONSTRUCTION MANAGEMENT SERVICES FOR NORTH SIDE EVENT CENTER AND GRANTING PERMISSION TO CITY MANAGER TO NEGOTIATE AND ENTER INTO A CONTRACT FOR SUCH SERVICES (PROJECT #1920-01-510-S032-611) (ADMINISTRATION)

Ed Wylie, Interim City Manager, introduced the item and recommended approval.

Comm. Guajardo **moved** to approve. Comm. Chavez seconded the motion.

Comm. Medina asked if the City would be waiting for reimbursement from the businesses.

Mayor Hernandez stated Senator Lucio had assisted the City of Pharr by funding \$2 million dollars for this project and the City would be moving forward with the grant funding. He explained Comm. Medina was referring to the new restrictions for businesses from the federal government and the state regarding small business loans and any relief efforts. Mayor Hernandez stated the City would accelerate payment to the businesses in lieu of receiving money back so they can remain afloat.

The motion was put to a vote and it carried unanimously.

C) CONSULTATION WITH THE BOARD OF COMMISSIONERS ON THE HIRING OF A PUBLIC UTILITIES DIRECTOR (ADMINISTRATION)

Ed Wylie, Interim City Manager, introduced the item and stated no action was necessary.

D) CONSULTATION WITH THE BOARD OF COMMISSIONERS ON CITY OF PHARR FESTIVALS (ADMINISTRATION)

Ed Wylie, Interim City Manager, introduced the item and stated no action was necessary.

E) CONSULTATION WITH THE CITY COMMISSION ON COVID-19 (CONRONAVIRUS) MITIGATION MEASURES (ADMINISTRATION)

Ed Wylie, Interim City Manager, introduced the item and stated no action was necessary.

ITEM 8. PURCHASING

A) CONSIDERATION AND ACTION, IF ANY, AUTHORIZING CITY MANAGER TO AWARD PURCHASE OF POLICE SAFETY EQUIPMENT FOR FLEET TO GT DISTRIBUTORS USING BUYBOARD #524-17 (PROJECT #1920-01-512-P016-001) (POLICE)

Ed Wylie, Interim City Manager, introduced the item. He briefly stated this was for the purchase of ten (10) new police units and emergency equipment in the amount of \$71,619 and recommended approval.

Comm. Carrillo **moved** to approve as recommended. Comm. Medina seconded the motion and when put to a vote, it carried unanimously.

B) CONSIDERATION AND ACTION, IF ANY, AUTHORIZING CITY MANAGER TO AWARD A PURCHASE OF MOBILE DATA TERMINALS TO TURN KEY MOBILE USING TEXAS DIR CONTRACT #DIR-TSO-4025 (PROJECT #1920-01-512-P017-001) (POLICE)

Ed Wylie, Interim City Manager, introduced the item. He briefly stated this was for mobile data terminals for the new police units for \$57,340 and recommended approval.

Comm. Carrillo **moved** to approve as recommended. Comm. Guajardo seconded the motion and when put to a vote, it carried unanimously.

C) CONSIDERATION AND ACTION, IF ANY, AUTHORIZING CITY MANAGER TO AWARD PURCHASE CONTRACT(S) TO MULTIPLE VENDORS FOR THE PURCHASE OF NINE (9) 2020 CITY VEHICLES (PROJECT #1920-01-528-P012-129) (PURCHASING)

Ed Wylie, Interim City Manager, introduced the item and stated the City received bids from two vendors and recommended award of contract to Caldwell Country Chevrolet and Boggus Ford.

Comm. Medina **moved** to approve as recommended. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

ITEM 9. CONTRACTS/AGREEMENTS

A) CONSIDERATION AND ACTION, IF ANY, AUTHORIZING CITY MANAGER TO NEGOTIATE AND ENTER IN A CONTRACT WITH THE WARREN GROUP ARCHITECTS INC. FOR PROFESSIONAL ARCHITECTURAL & ENGINEERING SERVICES FOR THE DESIGN OF A NEW NORTH-SIDE EVENT CENTER (PROJECT #1920-01-510-S031-001) (ENGINEERING)

Ed Wylie, Interim City Manager, introduced the item and recommended approval.

Comm. Chavez **moved** to approve as recommended. Comm. Medina seconded the motion and when put to a vote, it carried unanimously.

B) CONSIDERATION AND ACTION, IF ANY, AUTHORIZING CITY MANAGER AMEND THE CONTRACT WITH GARCIA INFRASTRUCTURE CONSULTANTS, LLC. FOR ADDITIONAL PROFESSIONAL ENGINEERING SERVICES RELATED TO THE SANITARY SEWER COLLECTION IMPROVEMENTS AND LIFT STATION 1, 29 AND 33 ELIMINATION PROJECT (PROJECT #1819-61-587-S028-001) (ENGINEERING)

Ed Wylie, Interim City Manager, introduced the item. He briefly stated the City applied for a grant with the Texas Water Development Board and the grant required an environmental document. He stated Garcia Infrastructure Consultants was the engineer on record for the project and they would be doing the environmental document. He further recommended approval.

Comm. Carrillo **moved** to approve as recommended. Comm. Guajardo seconded the motion and when put to a vote, it carried unanimously.

ITEM 12. ADJOURNMENT

MINUTES: REGULAR CALLED MEETING
MARCH 16, 2020

There being no other business to come before the board, Comm. Carrillo **moved** to adjourn. Comm. Guajardo seconded the motion and when put to a vote, the motion carried unanimously. Meeting adjourned at 5:31 p.m.

CITY OF PHARR

AMBROSIO HERNANDEZ
MAYOR

**STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF PHARR**

ON THIS THE 16th DAY OF MARCH 2020 the Board of Commissioners of the City of Pharr, Texas convened in a **REGULAR CALLED MEETING** at the Commissioner's Room located at 118 S. Cage, 2nd Floor, Pharr, Texas. The meeting being open to the public and notice of said meeting, giving the date, place, subject, hereof, having been posted in accordance with Chapter 551, Texas Government Code (Open Meetings Act) and there being present a quorum, I, **HILDA PEDRAZA, CITY CLERK**, of the City of Pharr, Teas, certify that this is a true and correct copy of the minutes.

ATTEST:

HILDA PEDRAZA, CITY CLERK

APPROVED:



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 5.B.

DATE SUBMITTED: March 25, 2020

MEETING DATE: April 6, 2020

FROM: Vanessa Guzman, Administrative Assistant

DEPARTMENT: Bridge

DIRECTOR: Luis Bazan

Agenda Item: Consideration and action authorizing the purchase of new furniture for the Pharr International Bridge Administrative Offices through Lone Star Furnishing using BuyBoard Contract 584-19. (Project #1920-70-510-P018-001)

Classification: Consent

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: Expansion and renovation of the Pharr International Bridge administrative offices are nearing completion and the facility will need to be newly furnished as with other city building renovation projects.

Financial Consideration: \$95,458.66

Staff Recommendation: Staff recommends approval on the purchase of new furniture for the Pharr International Bridge administrative offices to Lone Star Furnishings from Carrollton, TX in the amount of \$95,458.66 using Buyboard #584-19

Alternatives: N/A

ROUTING:

Vanessa Guzman

Created/Initiated - 3/25/2020

Luis Bazan

Approved - 3/25/2020

Veronica Gutierrez

Approved - 3/26/2020

Patricia Rigney

Approved - 3/26/2020

Karla Moya

Approved - 3/26/2020

City Management Office

Final Approval - 4/3/2020



20-Mar-20

4301 Reeder Dr Suite 100
Carrollton, TX 75010
(888)755-1836(O)

City of Pharr Bridge Operations

Ship To:

City of Pharr Bridge Operation
City of Pharr
Pharr, TX 78577

Sold To:

City of Pharr Bridge Operation
City of Pharr
Pharr, TX 78577

Quote Info

Quote # 11298-4

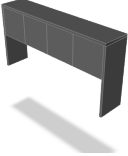
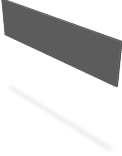
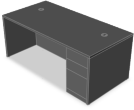
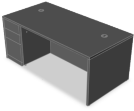
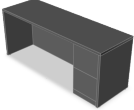
Revision #

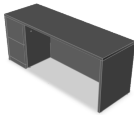
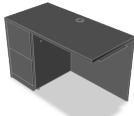
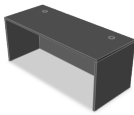
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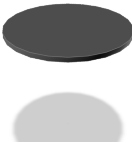
Install Dates:

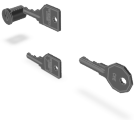
Sales Rep Dave Martinez
Email: dave@lonestarfurnishings.com
Phone: 956-328-6139
Sales Coordinator Bethany Peek

MFG	Model #	Description	QTY	Sell	Extended
CONTINETAL					
	1358BK	Continetal Commercial Products 13 5/8 Qt Plastic Waste Basket BLACK	24	\$8.55	\$205.20
CONTINETAL					
	1430	Continetal Commercial Products 24 Gal Funnel Top Waste Basket BLACK	4	\$179.78	\$719.12
CONTINETAL					
	25GY	Continetal Commercial Swingline Waste Basket 25 Gal GREY	1	\$85.71	\$85.71
HON					
	H10502	10500 Series Floorstnd Full Ht Ped B/B/F 15-5/8W x 22-3/4D	1	\$364.86	\$364.86

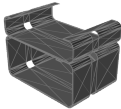
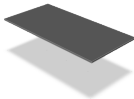
MFG	Model #	Description	QTY	Sell	Extended
HON	H10516	10500 Series Lat File 4-Dr36W 20D 59-1/8H	5	\$1,116.12	\$5,580.60
					
HON	H10534	10500 Series Stack-on Storage 72"W x 14-5/8D x 37-1/8H	4	\$539.33	\$2,157.32
					
HON	H10560	10500 Series Bridge 42W x 24D x 29-1/2H	4	\$195.00	\$780.00
					
HON	H105856	10500 Series Back enclosure for 72"W Stack on Storage	4	\$126.75	\$507.00
					
HON	H105895R	10500 Series 72Wx36Dx29-1/2H Sgl edDskRH B/B/F RectTop	2	\$734.33	\$1,468.66
					
HON	H105896L	10500 Series 72Wx36Dx29-1/2H SglPedDskLH B/B/F RectTop	4	\$734.33	\$2,937.32
					
HON	H105903R	10500 Series 72Wx24Dx29-1/2H Single Ped Cred RH F/F Ped	3	\$649.14	\$1,947.42
					

MFG	Model #	Description	QTY	Sell	Extended
HON					
	H105904L	10500 Series 72Wx24Dx29-1/2H Single Ped Cred LH F/F Ped	1	\$649.14	\$649.14
HON					
	H105906L	10500 Series 48Wx24Dx29-1/2H Return Lt File/File Ped	2	\$514.18	\$1,028.36
HON					
	H10592	10500 Series Desk Shell 72W x 30D x 29-1/2H	1	\$413.09	\$413.09
HON					
	H19723R	Flagship Pedestal "R" Pull Freestanding B/B/F	4	\$358.70	\$1,434.80
HON					
	H90056	10500 Series Tckbd for 72"W Stack on Strg Bck Enclosure	1	\$154.46	\$154.46
HON					
	HCT29MX	Arrange Seated Height X-base for 36" Surfaces	3	\$270.95	\$812.85
HON					
	HCT29SX	Arrange Seated Height X-base for 24-30" Srfc	2	\$243.75	\$487.50

MFG	Model #	Description	QTY	Sell	Extended
HON					
	HCTRND30	Arrange Table 30" Round Top	2	\$180.63	\$361.26
					
HON					
	HCTSQR36	Arrange Table 36" Square Top	3	\$187.30	\$561.90
					
HON					
	HEC35PL	L Connector 35H	2	\$54.39	\$108.78
					
HON					
	HEC42PL	L Connector 42.5H	4	\$63.12	\$252.48
					
HON					
	HEC42PT	T Connector 42.5H	1	\$63.12	\$63.12
					
HON					
	HEFEC35P	Panel Finished End Covers 35H	2	\$25.14	\$50.28
					
HON					
	HEFEC42P	Panel Finished End Covers 42.5H	5	\$26.68	\$133.40
					

MFG	Model #	Description	QTY	Sell	Extended
HON					
	HETC24	Panel Top Cap 24"W	7	\$18.47	\$129.29
					
HON					
	HETC48	Panel Top Cap 48"W	4	\$33.87	\$135.48
					
HON					
	HETP3524FP	Tackable Panel w/o TC 35H x 24W	2	\$145.74	\$291.48
					
HON					
	HETP3548FP	Tackable Panel w/o TC 35H x 48W	1	\$176.53	\$176.53
					
HON					
	HETP4224FP	Tackable Panel w/o TC 42.5H x 24W	5	\$155.49	\$777.45
					
HON					
	HETP4248FP	Tackable Panel w/o TC 42.5H x 48W	3	\$196.03	\$588.09
					
HON					
	HF23S	Contain Satin Removable Lock Core Kit	4	\$20.53	\$82.12
					

MFG	Model #	Description	QTY	Sell	Extended
HON	HFSS74L	Flock Stool 4-Leg	1	\$386.41	\$386.41
					
HON	HIEH3	Ignition Exe HB Pneu Syn Tilt Bck Adj Tilt Seat Glde Bk	3	\$442.34	\$1,327.02
					
HON	HIGCL	Ignition Guest Chair Four Leg Frame Arms	12	\$235.54	\$2,826.48
					
HON	HIGS6	Ignition Guest/Multi-Purpose Chair Four-Leg Stacking	3	\$239.13	\$717.39
					
HON	HIWM1	Ignition Wk Mid-bck Pneu Swivel tilt Tilt Bck Ht Adj	7	\$368.96	\$2,582.72
					
HON	HIWM1-M	Ignition Wk Mid-bck Pneu Swivel tilt Tilt Bck Ht Adj	2	\$368.96	\$737.92
					
HON	HIWM1-O	Ignition Wk Mid-bck Pneu Swivel tilt Tilt Bck Ht Adj	8	\$368.96	\$2,951.68
					

MFG	Model #	Description	QTY	Sell	Extended
HON					
	HML1S	Grove Single Seat Lounge	4	\$864.16	\$3,456.64
					
HON					
	HMVPC-DTLG	Motivate Presentation Cart Desktop Lectern 2mm edgeband	1	\$183.71	\$183.71
					
					
HON					
	HMVPCF-1830G	Motivate Presentation Cart Fixed Leg 18Dx30W concave	1	\$467.49	\$467.49
					
HON					
	HMVPCSS-4O9C	Motivate Presetn Cart Shelf Dbl 4"Open Bk/ 9"Closed BK	1	\$152.92	\$152.92
					
					
HON					
	HSGS6	Accomodate Set of Two Guest Chairs	6	\$417.71	\$2,506.26
					
HON					
	HTLC4896	Preside Preside 96W x 48D Rect Shaped Laminate Top	1	\$479.80	\$479.80
					
HON					
	HTLCREDB	Preside 60 Buffet Credenza	2	\$1,323.95	\$2,647.90
					

MFG	Model #	Description	QTY	Sell	Extended
HON					
	HTTLEG96	Preside Aluminum T leg for 96" Table Tops	1	\$420.79	\$420.79
					
HON					
	HWR2448P	Systems Rectangular Worksurface Edgeband 24D x 48W	4	\$215.01	\$860.04
					
HON					
	HWSB2	Worksurface Bracket Kit	8	\$23.61	\$188.88
					
MYTCOAT					
	BPY04-A-32-000	4' Player's Bench with Back - 15" Wide Seats -Expanded Metal - Surface Mount. Advantage Coating	1	\$626.97	\$626.97
NPS					
	8820-11-20	National Public Seating Cafetorium Style Stack Chair	100	\$62.96	\$6,296.00
NPS					
	GSL-S-LWM-7	Greystone Lectern with Speaker and Wireless Headset	1	\$925.32	\$925.32
REPUBLIC STORAGE					
	CLIP SHELVING	SECTIONS OF REPUBLIC OPEN CLIP SHELVING 48X12X73" WITH FIVE 20 GA SHELVES	2	\$355.26	\$710.52

MFG	Model #	Description	QTY	Sell	Extended
REPUBLIC STORAGE					
	LOCKERS	10 FRAMES (20 DOORS)12X18X36 DOUBLE TIER REPUBLIC STANDARD LOCKERS WITH SLOPE TOPS AND 4" METAL Z BASE. LOCKERS TO BE IN ONE RUN AND INCLUDES TWO FINISHED ENDS-MASTER KEY	1	\$3,019.74	\$3,019.74
REPUBLIC STORAGE					
	RS1081	REPUBLIC STORAGE CABINET RS1081 36X18X78 WITH FOUR ADJUSTABLE SHELVES	1	\$815.79	\$815.79
SAFCO					
	5603CL	5603CL Safo 9 Magazine Display	2	\$248.03	\$496.06
SAFFE					
	HTTRFT244829C	Huron Table, T-Legs, Flip-Top, 24d x 48w x 29h, Casters	30	\$548.03	\$16,440.90
SAFFE					
	RECEPTION DESK	Custom reception desk per quote drawings QUOTE# 1015	1	\$5,782.83	\$5,782.83
ZZ					
	ZFREIGHT		1	\$3,255.41	\$3,255.41
ZZ					
	ZZINSTALL	LABOR TO RECEIVE TRUCKS, UNLOAD, INSTALL AND REMOVE TRASH	1	\$8,750.00	\$8,750.00

MFG	Model #	Description	QTY	Sell	Extended
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Total: \$95,458.66

CLIENT APPROVAL: _____ **DATE:** _____



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 5.C.

DATE SUBMITTED: March 31, 2020

MEETING DATE: April 6, 2020

FROM: Hilda Pedraza, City Clerk

DEPARTMENT: Administration

DIRECTOR:

Agenda Item: Consideration and action on Development Services Cases:

Classification: Public Hearing

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue:

Financial Consideration:

Staff Recommendation:

Alternatives:

ROUTING:

Hilda Pedraza

Created/Initiated - 3/31/2020



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 5.C.1.

DATE SUBMITTED: March 31, 2020

MEETING DATE: April 6, 2020

FROM: Iris Mata, Secretary

DEPARTMENT: Development Services

DIRECTOR: Melanie Cano

Agenda Item: Raul Fong, d/b/a D's Paradise Lounge, is requesting renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a Business District (C-2). The property is legally described as Lot 14, Block 1, J. T. Doster Subdivision, Pharr, Hidalgo County, Texas. The property's physical address is 107 East Park Avenue. **CUP#040213**

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: Raul Fong, d/b/a D's Paradise Lounge, is requesting renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a Business District (C-2). **CUP#040213**

Financial Consideration:

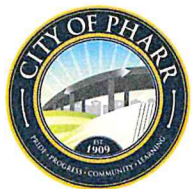
Staff Recommendation: Development Services recommends approval of the renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a Business District (C-2) subject to applicant being in compliance with all City Ordinances and City Department requirements.

Alternatives:

ROUTING:

Iris Mata
Rita Galvan
Roland Gomez
Melanie Cano
City Management Office

Created/Initiated - 3/31/2020
Approved - 3/31/2020
Approved - 4/2/2020
Approved - 4/3/2020
Final Approval - 4/3/2020



Pharr

MAYOR Ambrosio Hernandez, MD



COMMISSIONERS Eleazar Guajardo | Roberto "Bobby" Carrillo | Ramiro Caballero, MD | Daniel Chavez | Ricardo Medina | Itza Flores

Executive Summary Letter

April 06, 2020

Conditional Use Permit **Renewal** for ABC -

D's Paradise

Background:

Raul Fong, d/b/a D's Paradise Lounge, is requesting renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption. This request constitutes the 16th renewal for Raul Fong d/b/a D's Paradise.

The property is located at 107 East Park Avenue. It is zoned Business District (C-2) and is in conformance with the Future Land Use Plan. All required inspections have been conducted and have passed.

Recommendations:

Staff recommends **approval** of the renewal of the Conditional use Permit to allow the sale of alcoholic beverages for on-premise consumption subject to the site and applicant being in compliance with all City Ordinances and City Department requirements.

P:\Admin\MY FILES\CUPS\ABC\ABC_R FONG dba D'S PARADISE_2004



MEMORANDUM

DATE: MONDAY, APRIL 06, 2020
TO: MAYOR AND CITY COMMISSION
FROM: MELANIE CANO, DIRECTOR OF DEVELOPMENT SERVICES
THROUGH: EDWARD WYLIE, INTERIM CITY MANAGER

SUBJECT: CONDITIONAL USE PERMIT RENEWAL FOR ABC FILE NO. CUP#040213 (D'S PARADISE LOUNGE)

GENERAL INFORMATION:

APPLICANT: Raul Fong, d/b/a D's Paradise Lounge, is requesting renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a Business District (C-2).

LEGAL DESCRIPTION: The property is legally described as Lot 14, Block 1, J. T. Doster Subdivision, Pharr, Hidalgo County, Texas.

LOCATION: The property's physical address is 107 East Park Avenue.

ZONING: The property is currently zoned Business District (C-2). The surrounding area is zoned Business District (C-2) to the North, South, East and West. The area is generally designated for commercial use in the Land Use Plan.

COMMENTS:

POLICE CHIEF:	Recommends approval of the Conditional Use Permit.
FIRE MARSHAL:	Recommends approval of the Conditional Use Permit.

**CODE COMPLIANCE
DIVISION:**

Recommends approval of
the Conditional Use Permit.

HEALTH DIVISION:

Recommends approval of
the Conditional Use Permit.

PLANNING DIVISION:

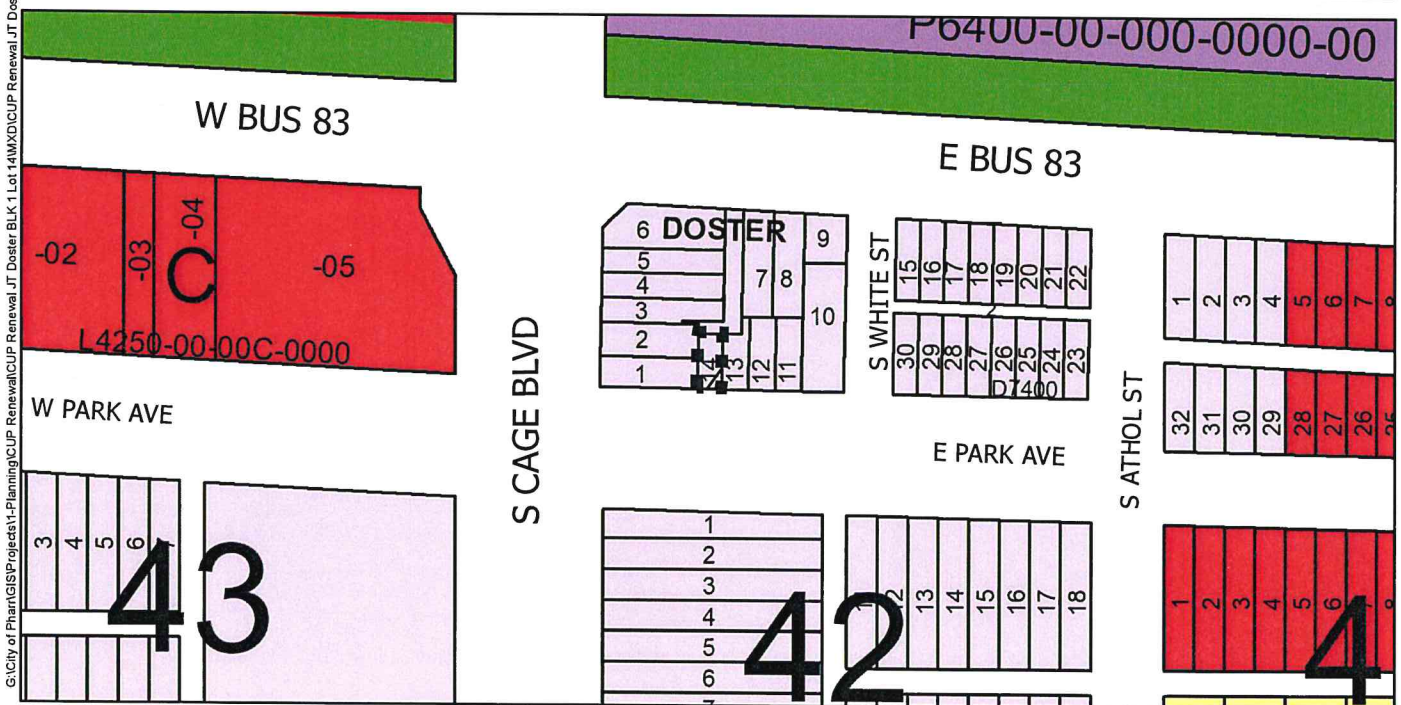
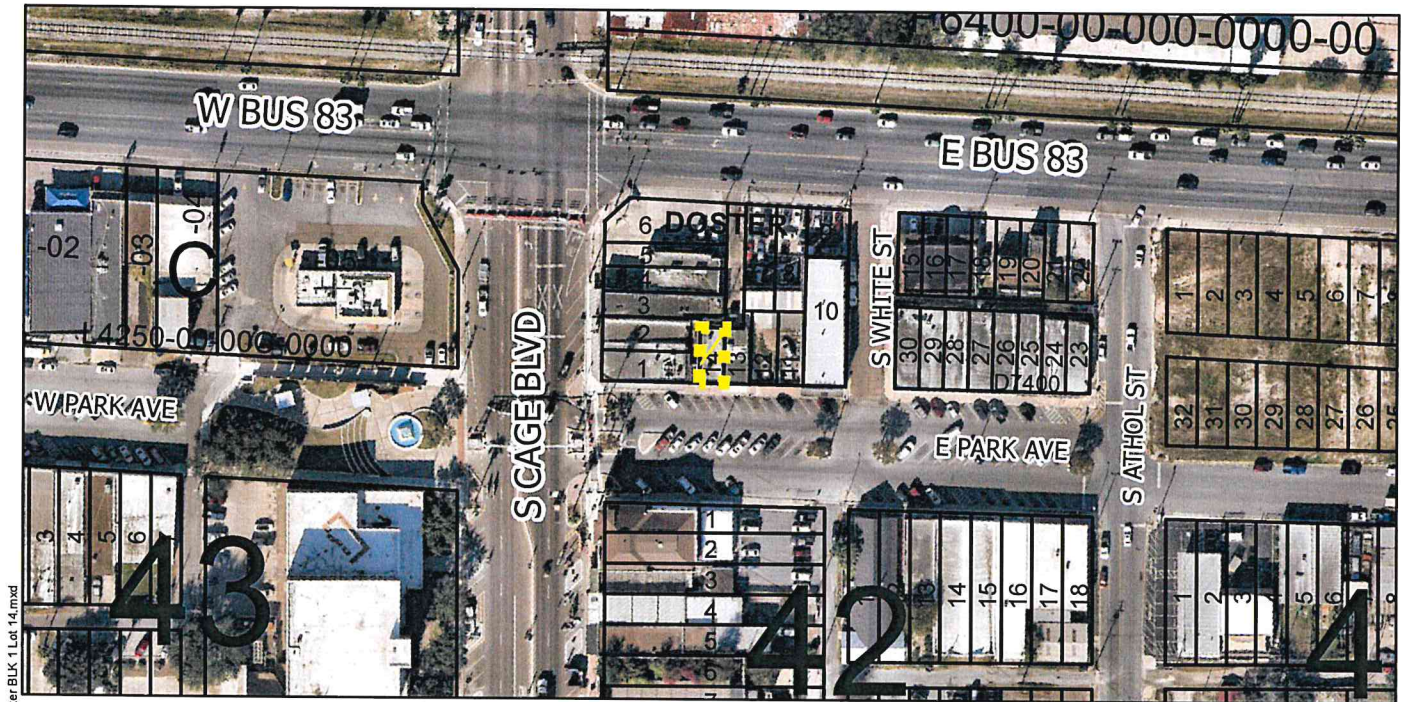
Recommends approval of
the Conditional Use Permit.

**DEVELOPMENT
SERVICES**

RECOMMENDATIONS:

Development Services recommends **approval** of the renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a Business District (C-2) subject to applicant being in compliance with all City Ordinances and City Department requirements.

Conditional Use Permit Renewal
JT Doster BLK 1 Lot 14
D's Paradise



- | | | | |
|---------------------------------------|-------------------|-------------------------|--------------------------|
| Agricultural Open Space | Townhouse | Drainage Easement | PSJA ISD |
| Single Family | HUD Code | Heavy Commercial | Hidalgo ISD |
| Single Family Small Lot | Rail Road R.O.W | Heavy Industrial | Valley View ISD |
| Residential Multi-Family | Government Owned | Limited Industrial | Planned Unit Development |
| Residential Multi-Family High Density | General Business | Neighborhood Commercial | |
| Mobile Home | Business District | Office Professional | |

City of Pharr, Texas
Engineering Department
956.702.5355

Scale: 1 inch = 150 feet



Date: 3/3/2020



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 5.C.2.

DATE SUBMITTED: April 2, 2020

MEETING DATE: April 6, 2020

FROM: Iris Mata, Secretary

DEPARTMENT: Development Services

DIRECTOR: Melanie Cano

Agenda Item: Fuera De Lugar, LLC, d/b/a Fuera De Lugar Restaurant, is requesting renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C). The property is legally described as 0.071 of an acre tract of land, more or less, out of Plaza Sports Center Phase 1 Lot 1 Subdivision, Pharr, Hidalgo County, Texas. The property's physical address is 1101 East Nolana Loop. **CUP#150101**

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: Fuera De Lugar, LLC, d/b/a Fuera De Lugar Restaurant, is requesting renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C). CUP#150101

Financial Consideration:

Staff Recommendation: Development Services recommends approval of the renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C) subject to site being in compliance with all City Ordinances and City Department requirements.

Alternatives:

ROUTING:

Iris Mata
Rita Galvan
Roland Gomez
Melanie Cano
City Management Office

Created/Initiated - 4/2/2020
Approved - 4/2/2020
Approved - 4/2/2020
Approved - 4/3/2020
Final Approval - 4/3/2020



Pharr



MAYOR Ambrosio Hernandez, MD

COMMISSIONERS Eleazar Guajardo | Roberto "Bobby" Carrillo | Ramiro Caballero, MD | Daniel Chavez | Ricardo Medina | Itza Flores

Executive Summary Letter

April 06, 2020

Conditional Use Permit for **Renewal** for ABC –

Fuera De Lugar Restaurant

Background:

Fuera De Lugar, LLC., d/b/a Fuera De Lugar Restaurant, is requesting renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption. This request constitutes the 5th renewal for Fuera De Lugar Restaurant.

The property is located at 1101 East Nolana Loop. It is zoned General Business District (C) and is in conformance with the Future Land Use Plan. All required inspections have been conducted and have passed.

Recommendations:

Staff recommends **approval** of the renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption subject to site and applicant being in compliance with all City Ordinances and City Department requirements.

P:\Admin\MY FILES\CUPS\ABC-J & A Caso_Fuera De Lugar dba Fuera De Lugar Restaurant_2015



MEMORANDUM

DATE: MONDAY, APRIL 06, 2020

TO: MAYOR AND CITY COMMISSION

FROM: MELANIE CANO, DIRECTOR OF DEVELOPMENT SERVICES

THROUGH: EDWARD WYLIE, INTERIM CITY MANAGER

SUBJECT: CONDITIONAL USE PERMIT RENEWAL FOR ABC FILE NO. CUP#150101 (FUERA DE LUGAR RESTAURANT)

GENERAL INFORMATION:

APPLICANT: Fuera De Lugar, LLC, d/b/a Fuera De Lugar Restaurant, is requesting renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C).

LEGAL DESCRIPTION: The property is legally described as 0.071 of an acre tract of land, more or less, out of Plaza Sports Center Phase 1 Lot 1 Subdivision, Pharr, Hidalgo County, Texas.

LOCATION: The property's physical address is 1101 East Nolana Loop.

ZONING: The property is currently zoned General Business District (C). The surrounding area is zoned Agricultural and/or Open Space District (A-O) to the North, General Business District (C) to the South, Agricultural and/or Open Space District (A-O) and General Business District (C) to the East and Heavy Commercial District (C) to the West. The area is generally designated for commercial, industrial and public/semipublic use in the Land Use Plan.

COMMENTS: **POLICE CHIEF:** Recommends approval of the Conditional Use Permit.

FIRE MARSHAL:

Recommends approval of the Conditional Use Permit.

**CODE COMPLIANCE
DIVISION:**

Recommends approval of the Conditional Use Permit.

HEALTH DIVISION:

Recommends approval of the Conditional Use Permit.

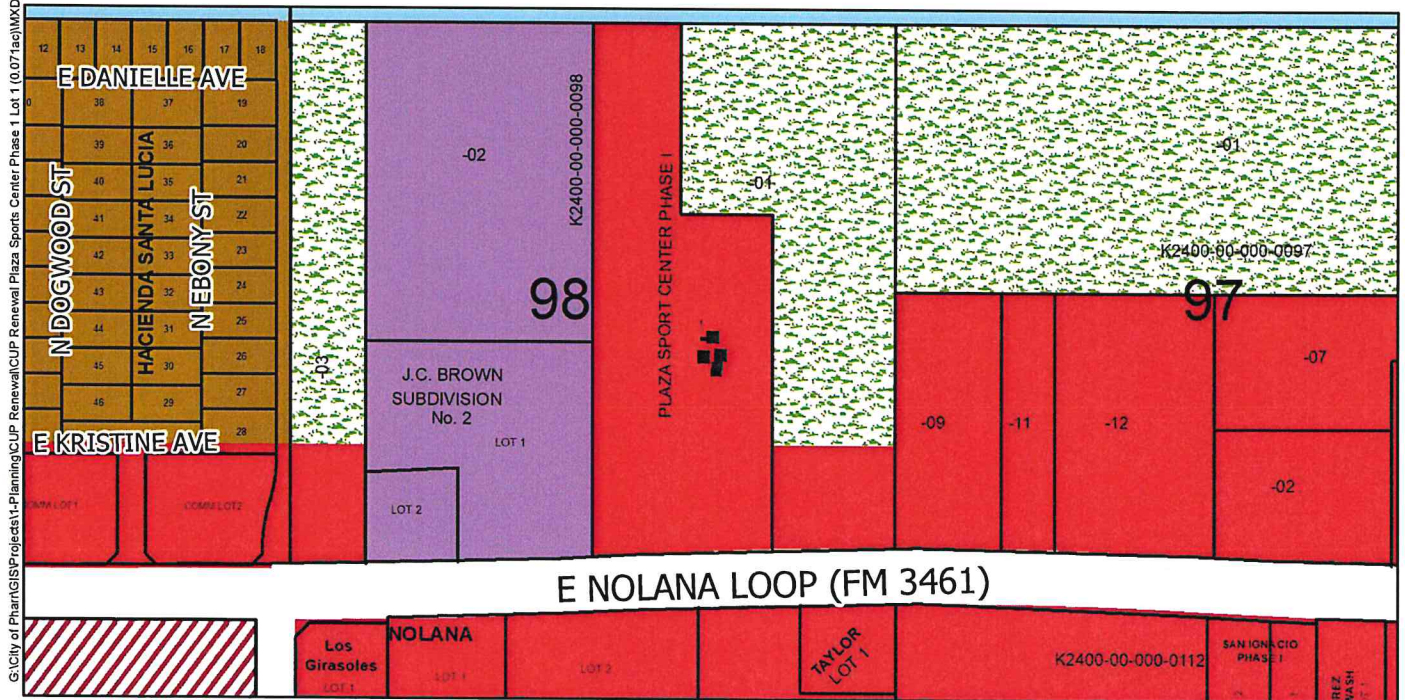
PLANNING DIVISION:

Recommends approval of the Conditional Use Permit.

**DEVELOPMENT
SERVICES
RECOMMENDATIONS:**

Development Services recommends **approval** of the renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C) subject to site being in compliance with all City Ordinances and City Department requirements.

Conditional Use Permit Renewal
Plaza Sports Center Phase 1 Lot 1 (0.071ac)
Fuera De Lugar Restaurant/Jose Antonio Caso



- Agricultural Open Space
- Single Family
- Single Family Small Lot
- Residential Multi-Family
- Residential Multi-Family High Density
- Mobile Home

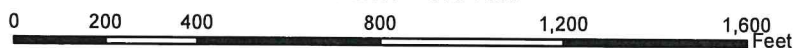
- Townhouse
- HUD Code
- Rail Road R.O.W
- Government Owned
- General Business
- Business District

- Drainage Easement
- Heavy Commercial
- Heavy Industrial
- Limited Industrial
- Neighborhood Commercial
- Office Professional

- PSJA ISD
- Hidalgo ISD
- Valley View ISD
- Planned Unit Development

City of Pharr, Texas
Engineering Department
956.702.5355

Scale: 1 inch = 400 feet



Date: 3/3/2020



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 6.A.

DATE SUBMITTED: April 1, 2020

MEETING DATE: April 6, 2020

FROM: Hilda Pedraza, City Clerk

DEPARTMENT: Public Works

DIRECTOR: Pilar Rodriguez

Agenda Item: Consideration and action, if any, on Ordinance amending Chapter 110 of the Pharr Code of Ordinances creating Article VIII - Residential Collection Station, providing for collection and disposal, defining terms and prescribing rates. **(2nd Reading)**

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: The Public Works Department is requesting authorization to create a Residential Collection Station to allow Citizens of Pharr an alternative to dispose of solid waste and brush in between regular collection cycles.

The Residential Collection Station will allow residents to dispose of household garbage, construction debris, green waste and tires for a service charge. The service charge would cover the cost to handle, transport and dispose of the solid waste and brush.

The department will not be able to handle any waste that is classified as hazardous materials.

Financial Consideration: The proposed service charge at the Residential Collection Station is \$55.00 per cubic yard or \$3.00 per cubic foot of solid waste or brush disposed. The fees charged are to offset the cost to properly dispose of the items that are collected.

Staff Recommendation: Based on review by this office, staff recommends approval of the ordinance as presented.

Alternatives:

ROUTING:

Hilda Pedraza

Patricia Rigney

Karla Moya

City Management Office

Created/Initiated - 4/1/2020

Approved - 4/2/2020

Approved - 4/3/2020

Final Approval - 4/3/2020

ORDINANCE NO: 0-2020-__

AN ORDINANCE AMENDING CHAPTER 110 OF THE PHARR CODE OF ORDINANCES BY CREATING ARTICLE VIII. RESIDENTIAL COLLECTION STATION OF THE PHARR CODE OF ORDINANCES; REGULATING SOLID WASTE IN THE CITY OF PHARR, PROVIDING FOR COLLETION AND DISPOSAL THEREOF BY THE CITY; DEFINING TERMS, PRESCRIBING RATES TO BE CHARGED FOR COLLECTION STATIONS; AND OTHER PROVISIONS RELATED THERETO; INCLUSION IN PHARR CODE OF ORDINANCES; INCORPORATION OF OTHER ORDINANCES; REPEALING CONFLICTING ORDINANCES; SEVERABILITY; AND EFFECTIVE DATE

BE IT ORDAINED BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF PHARR, TEXAS:

SECTION 110-180: AUTHORITY: DEFINITIONS.

The City of Pharr, being a Home Rule municipality of the State of Texas, is authorized to enact this ordinance and provisions herewith in accordance with its legislative powers, and article XI, Section 5 of the Texas Constitution. Additionally, Chapter 756 of the Texas Health and Safety Code authorizes municipalities to provide solid waste collection services. The provisions contained herein shall continue in perpetuity, unless the governing body deems it necessary to abolish, amend, or supplement.

- A. CITY: The term "City" as used in this Ordinance shall mean the City of Pharr, Texas.
- B. RESIDENTIAL COLLECTION STATION: The term "Residential Collection Station" shall mean a centralized location established by the City to allow citizens to dispose of Solid Waste and Brush for a service charge.

SECTION 110-181: ADMINISTRATION, REGULATION AND ASSESSMENT:

The City Manager shall designate the Public Works Director to administer and enforce the provisions of this ordinance. Following its adoption, the Public Works Director shall, by separate instrument, develop and adopt provisions and guidelines to operate, regulate and assess the operations and efficiency of the residential collection stations and its related activities.

**SECTION 110-182: OPERATION OF RESIDENTIAL COLLECTION STATION:
ASSUMPTION OF RISK:**

- (a) A residential collection station shall be available for any and all citizens allowing for the safeguarding of public health, safety, and welfare.
- (b) Any person entering upon a residential collection station for any purpose shall be conclusively presumed to know and appreciate the hazards and the extent of the damage that accompanies the accumulation of waste of all types, class, and genre, and the use of equipment and trucks upon said property. Any person on the premises shall assume any and all risks of injury and property damage resulting from such hazards and danger by his action in entering such site, and covenant not to sue, and also indemnify, save, and hold harmless, the City, its agents, officers, or employees, from and against any and all claims of any nature arising from the use and also from mere presence on the property.

SECTION 110-183: RATES:

- (a) Residential Collection Station Rate. The rate for disposal at the Collection Station shall be as follows:
 - 1. Cubic yard disposed - - \$55.00
 - 2. Cubic foot disposed - - \$3.00

The cost for the collection station shall include Solid Waste and Brush. It shall not include any Special Waste as defined in Section 110-66 of the Pharr Code of Ordinances.

SECTION 110-184: PENALTIES:

- (a) Any violation of this Ordinance shall be subject to both civil and criminal penalties. A criminal conviction shall be a Class C misdemeanor. A violator shall also be subject to the maximum penalties allowed by law for failing to appear in Court when charged with an offense as described herein.
- (b) A liable party shall be subject to a civil penalty of \$1,000.00 per violation.

SECTION 110-185: SEVERABILITY:

If any section or provision of this Ordinance shall be held to be void, ineffective or unconstitutional, the holding of any such section or provision to be void, ineffective or unconstitutional for any reason whatsoever shall not affect the validity of the remaining sections and provisions of this Ordinance.

SECTION 110-186: REPEAL:

All ordinances or parts of ordinances in conflict herewith shall be and are hereby repealed.

SECTION 110-186: CUMULATIVE:

This Ordinance shall be cumulative of all ordinances of the City of Pharr, Texas, and of all laws of the State of Texas.

PUBLICATION AND EFFECTIVE DATE:

The Ordinance shall take effect and be in force from and after its passage and approval on three (3) separate readings in accordance with Section 8, Article 3 of the Charter of the City of Pharr, Texas. Publication shall also be in caption form as allowed under Section 9 of the Pharr City Charter.

PASSED AND APPROVED ON THE FIRST READING BY THE BOARD OF COMMISSIONERS OF THE CITY OF PHARR, TEXAS, ON THIS THE **16th** DAY OF **MARCH**, 2020.

ATTEST:

CITY OF PHARR

Hilda Pedraza, City Clerk

Ambrosio Hernandez, Mayor

PASSED AND APPROVED ON THE SECOND READING BY THE BOARD OF COMMISSIONERS OF THE CITY OF PHARR, TEXAS, ON THIS THE ____ DAY OF _____, 2020.

ATTEST:

CITY OF PHARR

Hilda Pedraza, City Clerk

Ambrosio Hernandez, Mayor

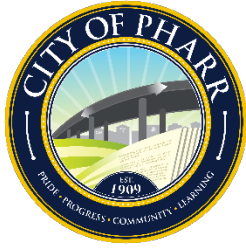
PASSED AND APPROVED ON THE THIRD READING BY THE BOARD OF COMMISSIONERS OF THE CITY OF PHARR, TEXAS, ON THIS THE ____ DAY OF _____, 2020.

ATTEST:

CITY OF PHARR

Hilda Pedraza, City Clerk

Ambrosio Hernandez, Mayor



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 6.B.

DATE SUBMITTED: March 31, 2020

MEETING DATE: April 6, 2020

FROM: Iris Mata, Secretary

DEPARTMENT: Development Services

DIRECTOR: Melanie Cano

Agenda Item: Consideration and action, if any, on Resolution appointing/re-appointing seven (7) regular members of the Building and Standards Commission.

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: Three members shall be chosen from the general public and four members shall be chosen from the following professions, with no more than 2 from each specific field: master electrician, master plumber, building contractor, and registered architect and professional engineer.

Regular Members:

*Jaime Flores

Ramiro Espinosa

Hector Guerra Sr.

Ruben Escobar

Ramiro Gutierrez

*Oscar Cantu

*Johnny Ramos

*denotes general public

Financial Consideration:

Staff Recommendation: Staff recommends re-appointment of regular members, Jaime Flores, Ramiro Espinosa, Hector Guerra, Sr., Ruben Escobar, Ramiro Gutierrez, Johnny Ramos and the appointment of Roy Torres.

Alternatives:

ROUTING:

Iris Mata	Created/Initiated - 3/31/2020
Rita Galvan	Approved - 3/31/2020
Roland Gomez	Approved - 4/2/2020
Melanie Cano	Approved - 4/3/2020
City Management Office	Final Approval - 4/3/2020

STATE OF TEXAS

§

§

CITY OF PHARR

§

RESOLUTION NO. R-2020-____

WHEREAS, the Board of Commissioners shall appoint a Building and Standards Commission composed of seven (7) regular members who shall be residents of the City of Pharr, Texas; and

WHEREAS, the terms of regular members, Jaime Flores, Ramiro Espinosa, Hector Guerra, Sr., Ruben Escobar, Ramiro Gutierrez, Oscar Cantu, and Johnny Ramos will expire on April 17, 2020; and

WHEREAS, appointment/re-appointment of seven (7) regular members needs to be made at this time in accordance with City Ordinance No. O-2007-48 whereby a person, either citizen/resident or Pharr business owner, shall not serve as an officer or member on more than two (2) Pharr board or committee concurrently.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PHARR, TEXAS, THAT:

The following residents of the City of Pharr are hereby appointed as regular members of the Board of Adjustment.

NAME:	LENGTH OF TERM
1. _____	3-year term (expiring April 17, 2023)
2. _____	3-year term (expiring April 17, 2023)
3. _____	3-year term (expiring April 17, 2023)
4. _____	3-year term (expiring April 17, 2023)
5. _____	3-year term (expiring April 17, 2023)
6. _____	3-year term (expiring April 17, 2023)
7. _____	3-year term (expiring April 17, 2023)

PASSED, APPROVED AND MADE EFFECTIVE BY THE BOARD OF COMMISSIONERS OF THE CITY OF PHARR, TEXAS, on this the 6th day of April, 2020.

CITY OF PHARR

AMBROSIO HERNANDEZ, MAYOR

ATTEST:

HILDA PEDRAZA, CITY CLERK



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 7.A.

DATE SUBMITTED: March 30, 2020

MEETING DATE: April 6, 2020

FROM: Omar Anzaldua, City Engineer

DEPARTMENT: Engineering

DIRECTOR:

Agenda Item: Consideration and action, if any, on Change Order No. 2 for the Hi Line 16" Waterline Project. (Bid No. 1819-60-583-C015-051)

Classification: Consent

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason: N/A

Issue: Change Order No.2 in the amount of \$11,407.06 is a result of the 16" PVC Waterline not being able to be installed under Cage Blvd due to the size of the existing casing being a 20" diameter casing as opposed to a 24" diameter. Additionally, the existing 12" Waterline was 8' deeper than shown on the plans. This resulted in needing additional 12" Fittings to complete the work.

Financial Consideration: Original Contract: \$292,647.88

CO. No. 1 \$18,738.22

CO. No. 2 \$11,407.06

Total \$322,793.16

Staff Recommendation: Staff recommends approval of Change Order No. 2 in the amount of \$11,407.06 for the Hi Line 16" Waterline Project (Bid No. 1819-60-583-C015-051)

Alternatives: N/A

ROUTING:

Omar Anzaldua

Omar Anzaldua

Veronica Gutierrez

Karla Moya

City Management Office

Created/Initiated - 3/30/2020

Approved - 3/30/2020

Approved - 3/31/2020

Approved - 3/31/2020

Final Approval - 4/3/2020



CHANGE ORDER

Contractor: Castle Enterprises, LLC

Change Order No.: 2

Project: Hi-Line Road Waterline Improvements

Date: 3/23/2020

Project # _____

Notice to Proceed Date: 7-Jul-19

Change Order Amount: \$11,407.06

You are directed to make the following changes in the Contract Documents:
See attached breakdown.

Reason for Change Order:

Due to existing conditions, the new 16" PVC waterline was unable to be installed under Cage Boulevard. The existing casing was 20" in diameter and not the 24" as called for on the plans. Therefore, a 16" PVC could not fit and different fittings are needed to complete the tie in to the existing 12" waterline. In addition, the steel casing crossing was 8' deeper than what was called for on the plans.

	Contract Price	Contract Time(Calendar Days)
Original Contract:	\$ 292,647.88	Original Completion Date: 27-Sep-19
Previous Change Order: (+/-)	\$ 18,738.22	Additional Days: 14
This Change Order: (+/-)	\$ 11,407.06	Revised Completion Date: 11-Oct-19
Revised Contract Amount:	\$ 322,793.16	

It is agreed by the Contractor that this Change Order includes any and all costs associated with or resulting from change(s) ordered herein, including all impact, delays, and acceleration costs. Other than the dollar amount and time allowance listed above, there shall be no further time or dollar compensation as a result of this Change Order.

THIS DOCUMENT SHALL BECOME AN AMMENDMENT TO THE CONTRACT AND ALL STIPULATIONS AND COVENANTS OF THE CONTRACT SHALL APPLY HERETO.

Accepted:

Castle Enterprises, LLC.

Linda Castel

Authorized Signature

3/23/2020

Date

Contractor

Recommended:

Melden and Hunt, Inc.

Paul R. Hunt

Authorized Signature

3-25-20

Date

Project Engineer

Omar Anzaldia Jr., PE, CFM, PMP, CCM

City Engineer

Authorized Signature

Date

Approved:

Ed Wylie

City Manager

Authorized Signature

Date

3/23/2020

BREAKDOWN FOR CHANGE ORDER #2

Item #	Description	Quantity	Unit	<u>Additional Items</u>		<u>Deleted Items</u>	
				Unit Price	Item Total	Unit Price	Item Total
1.	Remobilization	2 EA		\$ 2,210.00	\$ 4,420.00	\$ -	\$ -
2.	Remove & reinstall fence	1 LS		\$ 1,560.00	\$ 1,560.00	\$ -	\$ -
3.	Trench excavation protection extra depth @ 281 crossing	2 EA		\$ 1,430.00	\$ 2,860.00	\$ -	\$ -
4.	Additional concrete repairs	1 LS		\$ 975.00	\$ 975.00	\$ -	\$ -
5.	Replace 12" with 16" inside casing (Cage Blvd)	1 EA		\$ -	\$ -	\$ -	\$ -
6.	16" PVC waterline C900 DR18	120 LF		\$ -	\$ -	\$ 1,906.50	\$ 1,906.50
7.	Trench excavation protection	120 LF		\$ -	\$ -	\$ 38.13	\$ 4,575.60
8.	16"x12" Reducer	2 EA		\$ 806.88	\$ 1,613.76	\$ 1.50	\$ 180.00
9.	12" 45 degree elbow	3 EA		\$ 694.73	\$ 2,084.19	\$ -	\$ -
10.	16" 45 degree elbow	4 EA		\$ 1,084.16	\$ 4,336.64	\$ -	\$ -
11.	Valve marker	3 EA		\$ 73.19	\$ 219.57	\$ -	\$ -
Total Additional Items:				\$	\$ 18,069.16	\$	\$ 6,662.10
Total Deleted Items:							
TOTAL CHANGE ORDER #2 BREAKDOWN:				\$	\$ 11,407.06		



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 7.B.

DATE SUBMITTED: March 31, 2020

MEETING DATE: April 6, 2020

FROM: Omar Anzaldua, City Engineer

DEPARTMENT: Engineering

DIRECTOR: Omar Anzaldua

Agenda Item: Consideration and action, if any, authorizing City Manager to advertise for bids for earthwork material hauling and related rental equipment for the proposed Citywide Drainage Ditch Widening Project.(Project #1920-60-582-S033-171)

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason: N/A

Issue: The proposed Citywide Ditch Widening Project will be undertaken by the Public Works In-House Staff, however the Public Works Department has limited resources to haul off the amount of earthwork materials that will be generated

Financial Consideration: Estimated Cost \$500-\$750K

Staff Recommendation: Staff Recommends Approval.

Alternatives:

ROUTING:

Omar Anzaldua

Created/Initiated - 3/31/2020

Omar Anzaldua

Approved - 3/31/2020

Veronica Gutierrez

Approved - 3/31/2020

Patricia Rigney

Approved - 4/1/2020

Karla Moya

Approved - 4/3/2020

City Management Office

Final Approval - 4/3/2020



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 8.A.

DATE SUBMITTED: March 30, 2020

MEETING DATE: April 6, 2020

FROM: Omar Anzaldua, City Engineer

DEPARTMENT: Engineering

DIRECTOR:

Agenda Item: Consideration and action, if any, on the purchase of one (1) 300KW natural gas generator from Holt Power Systems using Sourcewell Contract 120617-CAT. (Project #1920-70-510-P019-001)

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: The new 300kw natural gas generator will replace and upgrade the existing generator at the Pharr Bridge Administration Building. The existing generator is over 20 years old and can no longer provide the required back up power needed for the new expansion.

Financial Consideration: Account #70-51000-8804
\$139,660.00

Staff Recommendation: Staff recommends authorizing City Manager to purchase of one (1) 300KW natural gas generator from Holt Power Systems from San Antonio, TX, using Sourcewell Contract 120617-CAT in the amount of \$139,660.00

Alternatives:

ROUTING:

Omar Anzaldua

Created/Initiated - 3/30/2020

Omar Anzaldua

Approved - 3/30/2020

Veronica Gutierrez

Approved - 3/30/2020

Patricia Rigney

Approved - 3/30/2020

Karla Moya

Approved - 3/31/2020

City Management Office

Final Approval - 4/3/2020



Austin • Brownsville • Corpus Christi • Dallas • Edinburg • Ft Worth • Laredo • Longview • Pflugerville • San Antonio • Victoria • Waco

Quote No: 30742717
Quote Date: 3/27/2020
Quote Expires: 5/11/2020

Re: City of Pharr Inter Bridge Fac Renov

Greetings,

We are pleased to submit the following confirmation of our quote. Holt Power Systems proposes to furnish this equipment at the attached quoted price.

If Start-up is included, Holt Cat will arrange for initial start-up services at no additional charge. These services include a check of wiring continuity, safety shutoffs and controls; including automatic transfer switches or paralleling gear on and related to the unit that we supply.

Load bank testing is provided if requested or required by specifications. Holt Cat will arrange for the load banks and the personnel to conduct the test, with fuel being the responsibility of others. All work is to be conducted during normal Holt working hours (Monday –Friday, 7:30 AM – 4:30 PM, excluding national holidays) unless otherwise stated with in this quotation. (Please provide at least two-week notification before startups). Additional charges may be added for worked requested to be done outside HPS standard business hours, or holiday. Installation is to be by others.

Thank you for the opportunity of quoting this project. Holt Power Systems remains at your disposal for any additional information or assistance that you may require.

Sincerely yours,

Richard de los Santos
Power Systems – Sales Engineer
5665 SE Loop 410
San Antonio, TX 78222-3903
Office: 210-648-8325
Cell: 210-763-2278
Richard.delosSantos@HoltCat.com



Bill of Materials:

Quantity	Description
1	EPA CERT FOR EMERGENCY STANDBY
1	60HZ 480 VOLT (WYE)
1	300ekW, 60Hz, 1800rpm
1	DG300-2 GC EMISSIONS CERT.
1	UL2200 LISTED PACKAGE GENSET
1	STANDARD ELECTRONIC GOVERNOR
1	PLATINUM PLUS 60M 2500HR STDY
1	ALTERNATOR SPACE HEATER (b)
1	STANDARD GENERATOR
1	130C TEMP RISE OVER 40C AMB
1	NATURAL GAS
1	GAS REGULATOR
1	SOUND ATTENUATED ENC L2
1	WHITE ENCLOSURE
1	KIT E-GRP AC/DC 4X LED LIGHTS
1	EMCP4.2B CONTROL PANEL
1	GFCI OUTLET
1	OVERSIZED WET BATTERY
1	20A BAT. CHARGER - INSTALLED
1	125A LOAD CENTER
1	REMOTE EMG STOP BREAK GLASS
1	VOLT FREE CONTACT
1	POWER TERMINAL STRIP 2ND CB
1	100% LSI 450A
1	STD AIR CLEANER - LIGHT DUTY
1	AIR FILTER RESTRICT INDICATOR
1	LOCAL ANNUN NFPA99-110/CSA282
1	ANNUNICATOR - FLUSH MNT
1	FACTORY TEST 0.8PF

Quantity	Description
1	MX00250 CONTROLLER
1	OPEN TRANSITION
1	STANDARD - NO BYPASS
1	NEMA 1 ENCLOSURE
1	400 AMPS
1	MECHANICAL LUGS - STANDARD
1	277/480V, 3 PHASE, 4 WIRE, 60H
1	3 POLES
1	CONTACTOR
1	PRICING - MX250
1	120VAC MX250 DELUXE EXERCISER
1	MX ELEVATOR PRE-SIGNAL
1	MX150/250 MODBUS COMM CARD

Grand Total \$139,660.00

Local, state, sales or taxes, which may be applicable, are not included.

[Caterpillar Sourcewell Info Link](#)

Notes, Clarifications and Exceptions:

- *Holt Scope of Supply is limited to those items expressly outlined in this proposal. Should there be any uncertainty in this proposal, please call to clarify*
- *Pricing is based on Specifications Sections 16231, 16415 and Drawing E2.00*
- *Commissioning of the generator equipment is considered to be complete at the time of the Holt Power Systems startup unless explicitly stated in our proposal. If additional trips are required, those will be charged at the published field service rate for the time and date the service is rendered*

Accessories & Services Included:

- Soft copy Submittals (**Current lead times are 2 – 4 weeks**)
 - Hard copy submittals can be provided upon request
- Delivery to jobsite
- (2) Full days of startup (normal business hours)
 - Commissioning is included and to be performed once equipment is fully installed and prestartup checklist has been completed. Additional trip charge may apply if equipment is not completely installed
 - Field tech travel is included
- Load Bank Test: 2 hours at no more than 100% load
 - 50' cables will be provided
 - Customer is to provide load connection within this distance
 - Setup and connections of load bank to be performed by others
- O & M and Parts manuals: electronic copy
- Training will be provided
 - (Videotaping costs are excluded and done by others)

Accessories & Services NOT Included:

- Factory Witness Testing (not specified)
- Neutral Ground Resistors (not specified)
- Generator Load Side Cable Lugs
- Infrared Scanning
- Coordination / Arc Flash Studies and Labels
- SCADA / BMS / Fire Alarm Systems
- Independent Testing Agency
- NETA Testing
- Construction and Fuel Tank permits and/or registrations
- Offloading of equipment at jobsite
- Protection from damage after delivery
- Cleaning and/or repairs from damage done by others after delivery
- Installation of equipment shipped loose (Exhaust and Fuel Tank accessories)
- Fuel for startup and testing

-HOLT POWER SYSTEMS TERMS & CONDITIONS-

Proposal This proposal is provided to meet the intention of the project equipment requirements. Some interpretational differences between our proposal and the specifications may exist; therefore the above bill of material contains our offer for this project. None other is expressed or implied unless stated in writing.

Pricing This Proposal is valid for 30 days from the date of proposal unless specifically noted otherwise.

Taxes & Permits This Proposal excludes any local, state and TERP applicable sales taxes, permits and licensing. Taxes, unless otherwise stated are not included in our Proposal. Note that a 2% additional charge is required by the state of Texas for all stationary engine equipment due to emission restrictions. This is in addition to any state and local taxes that may be required. No permits are included in this proposal unless specified in the preceding proposal.

Lead Time Standard delivery of proposed Caterpillar Generator Set to jobsite will be confirmed after receipt of order and submittals are approved and credit terms are agreed.

The quoted lead-times are standard from the factory at the time of this quotation. In some cases lead-times maybe able to be improved to assist in customer needs. Please call and inquire about possible improved lead-times.

Note: The Caterpillar factory has mandatory factory shutdowns for two weeks in December/January and one week in July. The length of those shutdowns will extend lead-times on orders entered at those times. Orders, which include non-standard features, may require additional time before shipment. Consult with your Caterpillar dealer at the time of order.

Special Notes It is the responsibility of the customer to verify the voltage, number of poles in ATS, terminal conductor sizes and other Bill of Material items quoted above as compared to the requirements of this project. Lugs for terminations are included but is the responsibility of the customer to ensure compatibility. Holt Cat will not supply new lugs once submittals are approved.

Fuel Tank Changes occur at the municipal level in regard to fire code requirements. Unless otherwise stated within the body of this quotation, the fuel tank included is as specified by the written specifications of this project (if specifications were supplied at the time of quotation). The specifications may be in conflict with City Fire Codes for the location of the project. Responsibility for local code compliance is with the specifying engineer and those responsible for the permits for the project.

Payment Terms Payment due in full Net 30 after delivery with approved Holt credit or COD at time of shipment.

In cases where retainage is required, a maximum of 10% retainage will be allowed. The balance of retainage is due after startup-up/ commissioning services of equipment provided by Holt Cat is completed.

Sales tax will be added to invoice. Resale tax certificate must be on file with the Holt credit department for tax-exempt sales.

- Warranty** Caterpillar's standard two (2) year warranty applies for standby applications, unless otherwise noted. Standard manufacturer's warranty applies to all non-Caterpillar equipment. Copies of warranty statements are available upon request.
- Cancellation** There will be a minimum 25% cancellation fee for orders cancelled, once placed and accepted by Holt Power Systems. Cost of custom components, completed fabrication, or any other work performed at the time of cancellation will be added to the cancellation fee. If all material have been acquired the cancellation fees will be 100%. Caterpillar content, 14 days after orders placed will be 100% of the order. Written notice of cancellation is required.

General Clarifications

Holt Power Systems is an equipment supplier only. No fuel, wiring, connecting, hook-up, plumbing, or other installation type labor is included in the proposal unless noted herein. This includes any control wiring to and from the generator sets to any automatic transfer switches, paralleling gear or other devices which HPS may or may not supply.

The customer is responsible for any and all installation of the above equipment. Holt personnel will perform an installation audit prior to start-up.

Unless stated otherwise in this proposal, service and/or maintenance for this equipment are not included. HPS product support service group can provide a quote to the end user of this equipment for those services under a separate proposal.

All equipment needed to perform any loading or unloading of the equipment supplied by Holt Power Systems is the responsibility of the buyer.

Holt Power Systems limits the scope of supply for this quotation to the equipment and services listed in our bill of material. Unless specifically listed in our bill of material, equipment not indicated is to be supplied by others. We have detailed the equipment proposed in the bill of material. Please carefully review it to be certain it meets your requirements.

Third party electrical testing and certifications, seismic calculations, coordination studies, stamped engineering calculations, emissions testing, NETA, infrared scanning, meg-testing or other services and material not specifically included in the preceding quotation, is not included in this proposal.

Holt Power Systems reserves the right to correct any errors or omissions.

Contracts which include penalty or liquidated damage clauses for failure to meet promised shipping dates are not acceptable or binding on Holt Power Systems, unless accepted and confirmed in writing by an officer of Holt Cat.

Holt Power Systems standard terms and conditions are included in the quotation and hereby become part of this quotation. These same terms need to be noted on any purchase order received by Holt Power Systems.

Holt Power Systems will not be responsible for any labor or material charged by others associated with the start-up and installation of this equipment unless previously agreed upon in writing by HPS.

Testing & Commissioning

If included in the proposal, all on-site startup/ commissioning, testing and training will be performed Monday through Friday during normal business hours and excluding nights, weekends, or holidays unless agreed otherwise in writing. Additional charges may be added for work requested to be done outside HPS's standard business hours, on weekends, or holiday. For those instances, standard overtime rates will apply. All permits are to be by others.

Paralleling Unless otherwise stated in the proposal, a single unit generator application is represented. Startup labor, controls conversion or additions and load banking for the above equipment for a system arrangement have not been included.

Shipping Delivery of the product unless otherwise stated is by hired independent freight carriers that may require road permitting and other requirements which are outside the responsibility of Holt Cat. Traffic delays and required routing may also delay deliveries. Holt Cat is not responsible for any delays and costs associated with those delays.

Submittals An order for the equipment covered by this proposal will be accepted on a "Hold for Submittal Release" basis. The order will not be released and scheduled for production until written approval to proceed is received in HPS's office.

Authorization:

I, _____ (printed name) accept the above terms and conditions on behalf of _____ (printed company name) and authorize Holt Cat to order the equipment detailed in this Proposal as per approved submittals and as described in the above Proposal.

Accepted By:

Authorized Signature Date

Printed Name & Title

Purchase Order # or Job Name Reference

Thank you for the opportunity of quoting this project. Should you require additional assistance or additional information, don't hesitate to contact me.

Sincerely yours,

Richard de los Santos

Power Systems – Sales Engineer

Cell: 210-763-2278

Richard.delosSantos@HoltCat.com





AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 9.A.

DATE SUBMITTED: March 27, 2020

MEETING DATE: April 6, 2020

FROM: Omar Anzaldua, City Engineer

DEPARTMENT: Parks

DIRECTOR: Sergio Alanis

Agenda Item: Consideration and action, if any, authorizing City Manager to negotiate and enter into a contract with R.L. Abatement for the partial demolition of the City Hall 1st Floor Renovations Project through The Interlocal Purchasing System (TIPS) Purchasing Cooperative. (Project #1920-40-510-C007-001)

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason: N/A

Issue: An Asbestos survey was conducted for the City Hall 1st Floor in accordance with the Texas Asbestos Health Protection Rules required by the Texas Department of State Health Services for building renovations of this size.

The Asbestos Survey found that the building contains no Asbestos.

Financial Consideration: Architect's Estimate \$179,000

Contractor's Fee \$168,000

Staff Recommendation: Staff recommends approval and authorization to use The Interlocal Purchasing System (TIPS) Purchasing Cooperative to negotiate and approve a contract with R.L. Abatement from Weslaco, TX in the amount of \$168,100 for the partial demolition of the City Hall 1st Floor as part the City Hall Renovation Project.

Alternatives: The alternative would be the conventional Bid Process which will take around 1-month from the time of advertisement to the start of construction. Since this is a time sensitive project, using the TIPS Purchasing Cooperative will allow to begin work within one week of contract approval.

If the conventional Bid Process is preferred, staff requests approval to advertise for bids for the Asbestos Abatement of the Jose "Pepe" Salinas Civic Center

ROUTING:

Omar Anzaldua	Created/Initiated - 3/27/2020
Omar Anzaldua	Approved - 3/27/2020
Veronica Gutierrez	Approved - 4/2/2020
Patricia Rigney	Approved - 4/2/2020
Karla Moya	Approved - 4/3/2020
City Management Office	Final Approval - 4/3/2020

R.L. ABATEMENT, INC.
P.O. BOX 332
WESLACO, TEXAS 78599
TEL: 956-968-2265 FAX: 956-968-3301
Email: rlai@rlabatement.com

BID PROPOSAL
(Revised)

Proposal No: 20-2916
Date: 03-26-2020

Submitted To: City of Pharr
Pharr, Texas

Project: Pharr City Hall
1st Floor
Pharr, Texas

RE: Selective Interior Demolition

PHASE I

BID ITEM 1: Demolition of approximately 35,931 sq. ft. of walls throughout building, removal of approximately 10,260 sq. ft. of ceramic tile and vinyl floor tile and removal of plumbing fixtures and electrical items, according to drawings and specification.

Total Cost For Bid Item 1:.....\$121,200.00
(One Hundred Twenty-one Thousand Two Hundred Dollars and Zero Cents.)

BID ITEM 2: Demolition of Vault associated with approximately 2,500 sq. ft. of re-enforced concrete walls and ceiling.

Total Cost for Bid Item 2:.....\$25,800.00
(Twenty-five Thousand Eight Hundred Dollars and Zero Cents.)

PHASE II

BID ITEM 3: Demolition of old mechanical room and chill water lines, throughout building.

Total Cost For Bid Item 3:.....\$21,000.00
(Twenty-one Thousand Dollars and Zero Cents.)

Alternate: Removal and disposal of ceiling tile and grid, within Lobby areas (unit price):.....\$2.00 (per sq. ft.)
(Two Dollars and Zero Cents.)

Exclusions:

- *Hiring an Asbestos Consultant who will need to prepare specifications, conduct air monitoring and clearance testing, if applicable.
- *Notification State fees (ARU), which will be mailed directly to the owner, if applicable.
- *Built Back or Replacements
- *Disconnection or relocation of any utility lines
- *Any Allowances/Contingency

R.L. ABATEMENT, INC. will provide labor, materials, equipments and insurances. Proposal is subject to change in accordance with the project's specifications and drawings.

Submitted by: Roberto Valladares, Jr. Print Name: Roberto Valladares, Jr. Title: President Date: 03/26/2020

Acceptance of Proposal: The above price, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified.

Signature: _____ Print Name: _____ Title: _____ Date: _____

Note: This proposal is good for 30 days from date submitted. If your firm is exempt from any and all taxes, please provide our office with a Tax Exempt Form. If Tax Exempt form is not received in our office, you will be charged 8.25% (taxes) on invoice.



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 9.B.

DATE SUBMITTED: April 2, 2020

MEETING DATE: April 6, 2020

FROM: Daniel Ramirez, Communications
Director/Deputy EMC

DEPARTMENT: Communica
tions

DIRECTOR:

Agenda Item: Consideration and action, if any, on Memorandum of Agreement (MOA) between City of Pharr and Federal Emergency Management Agency (FEMA) to operate the Integrated Public Alert and Warning System (IPAWS).

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: The MOA will authorize Pharr Public Safety Communications to be the only authorized IPAWS user in the Rio Grande Valley. IPAWS gives the ability to send emergency alert messages to the public via telephone, text, TV, and radio. We have applied for the MOA and are waiting to receive it from FEMA

Financial Consideration:

Staff Recommendation: Staff recommends signing the MOA

Alternatives:

ROUTING:

Daniel Ramirez
Daniel Ramirez
Patricia Rigney
City Management Office

Created/Initiated - 4/2/2020
Approved - 4/2/2020
Approved - 4/2/2020
Final Approval - 4/3/2020

DEPARTMENT OF HOMELAND SECURITY
Federal Emergency Management Agency

IPAWS MEMORANDUM OF AGREEMENT (MOA) APPLICATION

OMB Control No. 1660-0140
Expires: 11/30/2018

PAPERWORK BURDEN DISCLOSURE NOTICE

Public reporting burden for this form is estimated to average 1 hour per response. The burden estimate includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the needed data, and completing, reviewing, and submitting the form. This collection of information is mandatory. You are not required to respond to this collection of information unless a valid OMB control number appears in the upper right corner of this form. Send comments regarding the accuracy of the burden estimate and any suggestions for reducing this burden to: Information Collections Management, Department of Homeland Security, Federal Emergency Management Agency, 500 C Street, SW, Washington, DC, 20472, Paperwork Reduction Project (1660-NEW). **NOTE: Do not send your completed form to the above address.**

PRIVACY NOTICE

Authorities: Executive Order 13407, "Public Alert and Warning System"

Purpose: FEMA is collecting this information to assess an entity's eligibility to use FEMA's Integrated Public Alert and Warning System (IPAWS), and to provide access to specific members of the requesting entity to facilitate access to IPAWS.

Routine Uses: The information will be used by and disclosed to DHS personnel or other agents who need the information to assist in activities related to the use of IPAWS. The information on this form may be disclosed as generally permitted under the Privacy Act of 1974, as amended (5 U.S.C. § 552). This includes using this information as necessary and authorized by the routine uses published in **DHS/ALL-004 General Information Technology Access Account Records System (GITAARS)** (September 29, 2009, 74 Fed. Reg. 49,882, and upon written request, by agreement, or as required by law.

Disclosure: Furnishing this information is voluntary; however, failure to furnish the requested information may delay or prevent DHS/FEMA from providing the requested access to its IPAWS system.

Instructions for Organizations Applying for Access to IPAWS-OPEN

1. Review the following eligibility criteria to determine if your organization and interoperable software system qualify for access to IPAWS-OPEN:

- State, local, tribal, territorial, or federal governmental organization of the United States.
- The interoperable software developer has executed an MOA with FEMA for system testing. See the IPAWS-OPEN Developers list posted at <http://www.fema.gov/library/viewRecord.do?id=5670>.

2. If your organization and interoperable software system meet the criteria, complete the Memorandum of Agreement (MOA) application form and return to ipaws@fema.dhs.gov. Please indicate "Operational COG Application" in the subject line of your email.

3. Notes on the MOA Application

a. Name of Sponsoring Eligible Organization: This organization must meet the eligibility criteria above and be responsible for ensuring the provisions of the MOA and accompanying Rules of Behavior are enforced. A Collaborative Operating Group (COG) is a term used by IPAWS to designate an organization that is responsible for coordinating emergency management or incident response activities. A COG may have members from multiple organizations (e.g., a regional mutual aid organization); however, an official Sponsoring Organization must execute the MOA on behalf of the COG membership.

b. Name and Title of individual who will sign the MOA on behalf of the Sponsoring Organization: The person who will execute the MOA on behalf of the Sponsoring Organization should be an individual who has the authority to enter agreements with the United States government on behalf of the organization.

c. Primary Point of Contact Information: This information pertains to the individual completing the application on behalf of the Sponsoring Organization. An official email address must be provided.

d. Alternate Point of Contact Information: This information will be only used by FEMA in the event the Primary Point of Contact cannot be reached.

e. Technical Point of Contact Information: This information pertains to the individual who is responsible for system administration for the Sponsoring Organization.

f. System Information: Three blank forms are provided to complete interoperable system information, which will be used to populate Appendix A of the MOA. Complete one form for each interoperable system as needed. (e.g., if only one interoperable system is used, complete only one form. If additional forms are required, contact the FEMA IPAWS MOA Coordinator.) If necessary, consult your system vendor/developer to ensure accuracy of the information. Vendor/developer contact information will only be used in the event that technical clarification is required.

4. Next Steps

Once the application has been submitted to the FEMA IPAWS MOA Coordinator, the MOA will be prepared and returned to the Primary Point of Contact for signature and return by the Sponsoring Organization. It will then be routed to the FEMA IPAWS-OPEN System Owner. Once executed, a COG ID and digital certificate will be generated and implemented in IPAWS-OPEN. A copy of the executed MOA, COG ID, and digital certificate will be returned to the Primary Point of Contact.

IPAWS MEMORANDUM OF AGREEMENT (MOA) APPLICATION

Name of Sponsoring Eligible Organization: Pharr Public Safety Communications

Individual who will sign the MOA on behalf of the Sponsoring Eligible Organization

Name: Edward Wylie **Title:** Interim City Manager / EMC

Email: ed.wylie@pharr-tx.gov **Telephone:** 956-402-4000

Organization: City of Pharr

Physical Address: 118 S Cage, 4th Floor

City: Pharr **State:** Texas **Zip Code:** 78577

Primary Point of Contact

Name: Danny Ramirez **Title:** Director of Communicaitons / Deputy EMC

Email: danny.ramirez@pharr-tx.gov **Telephone:** 956-402-4911

Organization: City of Pharr Public Safety Communications

Physical Address: 100 W. Ferguson

City: Pharr **State:** Texas **Zip Code:** 78577

Alternate Point of Contact

Name: Kenneth Ennis **Title:** Asst. Director of Communications

Email: kenneth.ennis@pharr-tx.gov **Telephone:** 956-402-4400

Organization: City of Pharr Public Safety Communications

Physical Address: 100 W. Ferguson

City: Pharr **State:** Texas **Zip Code:** 78577

Technical Point of Contact

Name: _____ **Title:** _____

Email: _____ **Telephone:** _____

Organization: _____

Physical Address: _____

City: _____ **State:** _____ **Zip Code:** _____

IPAWS MEMORANDUM OF AGREEMENT (MOA) APPLICATION

Interoperable System 1

(The following information will be used to populate Appendix A of the MOA. Please complete one form for each interoperable system connecting to IPAWS-OPEN.)

Name of Interoperable Software System:

OnSolve Code Red

Function:

Is this system intended to be used to issue public alerts for dissemination over the Emergency Alert System (EAS), the Wireless Emergency Alert (WEA) System and/or NOAA Weather Radio All Hazards via IPAWS-OPEN? ☒ Yes ☐ No

(Briefly describe the purpose of the system.)

Host Server Location:**Type of Third Party Software System:**

☐ Commercial Off The Shelf Software (COTS)

Company: _____

☐ Custom Designed Software

Company: _____

☐ Other If "Other", please describe:

Data Sensitivity: (Note: Classified systems cannot be connected to IPAWS-OPEN)

☐ Interoperable System 1 does not contain classified data. I understand that IPAWS-OPEN system data is considered Sensitive But Unclassified (SBU) and this level of security is adequate for our requirements. I also understand that Law Enforcement Sensitive or Sensitive Personally Identifiable Information (SPII) (such as Social Security Numbers) should not be passed through IPAWS-OPEN.

Data Description: (Describe only data that will be relayed to or retrieved from IPAWS-OPEN.)**Vendor/Developer Contact Information:**

Name: _____ **Title:** _____

Email: _____ **Telephone:** _____

Do you authorize FEMA to send information necessary to set up your alerting access to this vendor? ☐ Yes ☐ No

IPAWS MEMORANDUM OF AGREEMENT (MOA) APPLICATION

Interoperable System 2

(The following information will be used to populate Appendix A of the MOA. Please complete one form for each interoperable system connecting to IPAWS-OPEN.)

Name of Interoperable Software System:

Function:

Is this system intended to be used to issue public alerts for dissemination over the Emergency Alert System (EAS), Wireless Emergency Alert (WEA) System and/or NOAA Weather Radio All Hazards via IPAWS-OPEN? ☐ Yes ☐ No

(Briefly describe the purpose of the system.)

Host Server Location:

Type of Third Party Software System:

☐ Commercial Off The Shelf Software (COTS)

Company: _____

☐ Custom Designed Software

Company: _____

☐ Other If "Other", please describe:

Data Sensitivity: (Note: Classified systems cannot be connected to IPAWS-OPEN)

☐ Interoperable System 2 does not contain classified data. I understand that IPAWS-OPEN system data is considered Sensitive But Unclassified (SBU) and this level of security is adequate for our requirements. I also understand that Law Enforcement Sensitive or Sensitive Personally Identifiable Information (SPII) (such as Social Security Numbers) should not be passed through IPAWS-OPEN.

Data Description: (Describe only data that will be relayed to or retrieved from IPAWS-OPEN.)

Vendor/Developer Contact Information:

Name: _____ Title: _____

Email: _____ Telephone: _____

Do you authorize FEMA to send information necessary to set up your alerting access to this vendor? ☐ Yes ☐ No

IPAWS MEMORANDUM OF AGREEMENT (MOA) APPLICATION

Interoperable System 3

(The following information will be used to populate Appendix A of the MOA. Please complete one form for each interoperable system connecting to IPAWS-OPEN.)

Name of Interoperable Software System:

Function:

Is this system intended to be used to issue public alerts for dissemination over the Emergency Alert System (EAS), Wireless Emergency Alert (WEA) System and/or NOAA Weather Radio All Hazards via IPAWS-OPEN? ☐ Yes ☐ No

(Briefly describe the purpose of the system.)

Host Server Location:

Type of Third Party Software System:

☐ Commercial Off The Shelf Software (COTS)

Company: _____

☐ Custom Designed Software

Company: _____

☐ Other If "Other", please describe: _____

Data Sensitivity: (Note: Classified systems cannot be connected to IPAWS-OPEN)

☐ Interoperable System 3 does not contain classified data. I understand that IPAWS-OPEN system data is considered Sensitive But Unclassified (SBU) and this level of security is adequate for our requirements. I also understand that Law Enforcement Sensitive or Sensitive Personally Identifiable Information (SPII) (such as Social Security Numbers) should not be passed through IPAWS-OPEN.

Data Description: (Describe only data that will be relayed to or retrieved from IPAWS-OPEN.)

Vendor/Developer Contact Information:

Name: _____ Title: _____

Email: _____ Telephone: _____

Do you authorize FEMA to send information necessary to set up your alerting access to this vendor? ☐ Yes ☐ No

Emergency Management Institute



FEMA

This Certificate of Achievement is to acknowledge that

DANIEL RAMIREZ

has reaffirmed a dedication to serve in times of crisis through continued professional development and completion of the independent study course:

IS-00247.a
Integrated Public Alert and Warning System
(IPAWS)

Issued this 2nd Day of April, 2020



Michael J. Sharon
Deputy Superintendent
Emergency Management Institute
Federal Emergency Management Agency

Emergency Management Institute



FEMA

This Certificate of Achievement is to acknowledge that

KENNETH L ENNIS

has reaffirmed a dedication to serve in times of crisis through continued professional development and completion of the independent study course:

IS-00247.a

**Integrated Public Alert and Warning System
(IPAWS)**

Issued this 1st Day of April, 2020



Michael J. Sharon
Deputy Superintendent
Emergency Management Institute
Federal Emergency Management Agency

Alert origination software providers that have successfully demonstrated their IPAWS capabilities

- ✓ AlertSense
- ✓ AmberAlertGPS – LEAP (Law Enforcement Alerting Portal)
- ✓ Asher Group – Hyper Reach
- ✓ Blackberry – AtHoc IWS
- ✓ Blackboard – Blackboard Connect
- ✓ Buffalo Computer Graphics – DisasterLAN
- ✓ Comlabs – EMNet
- ✓ CommPower – iNotify
- ✓ Desktop Alert
- ✓ Everbridge – Nixle
- ✓ Federal Signal Corporation – CenterPoint Dashboard
- ✓ Geo-Comm, Inc. – GeoLynx
- ✓ GSS Alert Studio – ALERT FM
- ✓ HipLink
- ✓ Information Logistics - IRIS/HELP
- ✓ Inspiron Logistics – WENS
- ✓ Interop-Solutions – Paraclete
- ✓ Juvare – WebEOC
- ✓ KDEE Technology LLC – On-the-go Alerting
- ✓ Monroe Electronics – DAS-EOC
- ✓ Motorola Solutions – VESTA
- ✓ NC4 – E-Team
- ✓ OnSolve – CodeRED
- ✓ Ping 4 – Ping 4 Alerts!
- ✓ Regroup Mass Notifications – CivicPlus
- ✓ SwiftReach – Swift911



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 9.C.

DATE SUBMITTED: April 3, 2020

MEETING DATE: April 6, 2020

FROM: Edward Wylie, Assistant City Manager

DEPARTMENT: Administration

DIRECTOR:

Agenda Item: Consideration and action, if any, utilizing TLGC Sec. 252.022 (1) and (2) Public Calamity Exemption and to preserve and protect the public health or safety and to authorize the City Manager to negotiate and enter into an agreement for Facility Condition Assessments and Emergency/Disaster Usability Assessment of city all Pharr city facilities.

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: This needs assessment will provide the City with facility conditions for the next 15 years and also gauge the viability to utilize certain buildings and facilities in emergency situations and to protect the municipality now and in the future.

Financial Consideration:

Staff Recommendation: Approval

Alternatives:

ROUTING:

Edward Wylie
Patricia Rigney
City Management Office

Created/Initiated - 4/3/2020
Approved - 4/3/2020
Final Approval - 4/3/2020