

**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, 2026**

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.

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. PROCLAMATIONS:

- A) Proclamation proclaiming April 2026 as Fair Housing Month
- B) Proclamation proclaiming April 6–10, 2026 as National Community Development Week.
- C) Proclamation proclaiming April 12–18, 2026 as National Public Safety Telecommunicators Week.

3. 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.*

4. PUBLIC HEARINGS: (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 presiding 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.*

- A) Public hearing on development services cases

5. 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) Submission of Sales Tax Collection Report for March 2026.
- B) City Engineer's Report
- C) City Events of Interest

6. 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 25, 2026 — Regular Called Meeting **This item supports SG - Sound Governance and Fiscal Sustainability.** (ADMINISTRATION)
- B) Consideration and action, if any, on Ordinance amending Ordinance No. O-2024-18 regarding Water Conservation and Drought Contingency Plan Stage 2. **(3rd and Final Reading) This item supports QL - Quality of Life.** (PUBLIC UTILITIES)
- C) Consideration and action, if any, on Ordinance amending Ordinance No. O-2023-46 of the City of Pharr, Texas, Chapter 118, Subdivision, modifying Section X - Fiber Optic. **(2nd Reading) This item supports IF - Infrastructure.** (IT)
- D) Consideration and action, if any, on Resolution entering into an agreement with the Texas Department of Transportation (TxDOT) for closure of a single outside lane of N. Jackson Rd. from Sioux Rd. to Owassa Rd. and Frontage Road of I69 Central from Sioux Rd. to Owassa Rd. for the Annual Pharr Warrior Race Triathlon on Saturday, May 2, 2026, from 4:00 a.m. to 12:00 p.m. **This item supports QL - Quality of Life.** (SPECIAL EVENTS)
- E) Consideration and action, if any, on Interlocal Agreement with Hidalgo County and the City of Pharr for library services for county calendar year 2026. **This item supports QL - Quality of Life.** (LIBRARY)
- F) Consideration and action, if any, authorizing City Manager to advertise for bids for the Lift Station No. 31 and Force Main Improvements Project. **This item supports IF - Infrastructure.** (ENGINEERING)
- G) Consideration and action, if any, on Development Services Cases:
 - 1. 7-Eleven Inc. DBA 7-Eleven Convenience Store's and Stripes Stores, 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 Lot 1, 7-11 Cage Addition, Pharr, Hidalgo County, Texas. The property's physical address is 6024 North Cage Boulevard. CUP#231106 - **This item supports EV - Economic Vitality.**

2. Cavazos Management, LLC., d/b/a Tropical Island #2, 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 being Lot 2B, of the Re-Subdivision of Lots 2 & 3, Jackson Ridge Court Subdivision, Pharr, Hidalgo County, Texas. The property's physical address is 1801 West Ridge Road. CUP#220951 - **This item supports EV - Economic Vitality.**

REGULAR AGENDA - OPEN SESSION:

7. ORDINANCES AND RESOLUTIONS:

A) Consideration and action, if any, on Ordinance amending Ordinance No. O-2023-42 setting the requirements for the appointment of members and/or officers for City of Pharr Boards and/or Committees. **(Adoption on First Reading) (TABLED) This item supports SG - Sound Governance and Fiscal Sustainability.** (ADMINISTRATION)

B) Consideration and action, if any, on Resolution suspending implementation of interim GRIP rate adjustments proposed by Texas Gas Service Company. **This item supports QL - Quality of Life.** (LEGAL)

C) Consideration and action, if any, on Resolution in support of Aster Villas, LP to submit application to the Texas Department of Housing and Community Affairs for 2026 4% housing tax credit for Aster Villas Apartments. **This item supports QL - Quality of Life.** (ADMINISTRATION)

D) Consideration and action, if any on Resolution appointing one (1) member to the Keep Pharr Beautiful Board. **This item supports SG-Sound Governance and Fiscal Sustainability.** (MAINTENANCE)

8. ADMINISTRATIVE:

A) Consideration and action, if any, accepting the City of Pharr Audited Financial Statements for the FY 2024-2025. **This item supports SG - Sound Governance and Fiscal Sustainability.** (FINANCE)

9. PURCHASING:

A) Consideration and action, if any, on the purchase of a Rotary Fan Press from A-Square Water Treatment, LLC out of Leakey, Texas (The Interlocal Purchasing System (TIPS) # 250104). **This item supports IF - Infrastructure.** (PUBLIC UTILITIES)

B) Consideration and action, if any, on the purchase of fiber and supplies for Pharr Connect from Graybar, Inc, out of Fort Worth, Texas for an amount not to exceed \$724,872.02 (OMNIA Cooperative Contract #EV2370). **This item supports IF - Infrastructure.** (IT)

10. CONTRACTS/AGREEMENTS:

A) Consideration and action, if any, awarding contract to The Sign Depot for the design, engineering, and installation of a lighted monument sign (BuyBoard Contract No. 777-25). **This item supports QL - Quality of Life.** (ENGINEERING)

B) Consideration and action, if any, authorizing City Manager to amend contract with Javier Hinojosa Engineering for professional engineering services for the design and project administration of the South Regional Detention Facility and Drainage Improvement Project. **This item supports IF - Infrastructure.** (ENGINEERING)

C) Consideration and Action, if any, authorizing the City Manager to amend contract with J&R Engineering for professional water and wastewater engineering services related to the Sanitary Sewer Collection System Elimination Project for Lift Stations 26 and 30 (Amendment No. 2). **This item supports IF - Infrastructure.** (ENGINEERING)

D) Consideration and action, if any, authorizing City Manager to amend contract with R. Gutierrez for professional engineering services for the Tri-City Sidewalk Improvements Project — Phase II. **This item supports IF - Infrastructure.** (ENGINEERING)

11. 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:*

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.

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

13. ADJOURNMENT:

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 956-402-4200 Ext 1201 or FAX 956-475-3442 or Email cityclerksoffice@pharr-tx.gov for further information. Braille is not available.2

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 30th day of March 2026 at 4:45 p.m. and will remain posted continuously for at least three (3) business days 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 30th day of March 2026



IMELDA PEREZ, TRMC
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,

Name: _____

Title: _____



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 2.A.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Kimberly Hernandez,
Administrative Assistant

DEPARTMENT: GMCD

DIRECTOR: Napoleon Coca

Agenda Item: Proclamation proclaiming April 2026 as Fair Housing Month

Classification: Regular

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

Issue: Proclamation proclaiming April 2026 as Fair Housing Month

Fiscal Consideration: N/A

Staff Recommendation: Staff recommends presentation of proclamation.

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Kimberly Hernandez
Napoleon Coca
Imelda Perez
City Management Office

Created/Initiated - 03/27/2026
Approved - 03/27/2026
Approved - 03/27/2026
Final Approval - 03/27/2026

Proclamation



WHEREAS, April is observed as Fair Housing Month across the country; and

WHEREAS, the Fair Housing Act recognizes, supports, and encourages the right of every person, regardless of race, color, creed, gender, national origin, family status, or disability to live in the housing of the individual's choice; and

WHEREAS, Fair Housing organizations and partners will observe the month of April with special activities and events in recognition of the Federal Fair Housing Act and the important role it plays in our community; and

WHEREAS, in Pharr, Texas we encourage all of our citizens to join in this national effort to assure housing opportunities for all Americans in all neighborhoods throughout the nation.

NOW THEREFORE, I, Ambrosio Hernandez, Mayor of the City of Pharr, Texas, by virtue of the authority vested in me, and on behalf of the Commission, do hereby proclaim the month of April 2026 as:

“Fair Housing Month”

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Pharr to be affixed on this 6th day of April 2026.

CITY OF PHARR

ATTEST:

Ambrosio Hernandez, Mayor

Imelda Perez, City Clerk



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 2.B.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Kimberly Hernandez,
Administrative Assistant

DEPARTMENT: GMCD

DIRECTOR: Napoleon Coca

Agenda Item: Proclamation proclaiming April 6–10, 2026 as National Community Development Week.

Classification: Regular

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

Issue: Proclamation proclaiming April 6–10, 2026 as National Community Development Week.

Fiscal Consideration: N/A

Staff Recommendation: Staff recommends presentation of proclamation.

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Kimberly Hernandez
Napoleon Coca
Imelda Perez
City Management Office

Created/Initiated - 03/27/2026
Approved - 03/27/2026
Approved - 03/27/2026
Final Approval - 03/27/2026

Proclamation



WHEREAS, the City of Pharr participates in the Community Development Block Grant (CDBG) program, which provides funding for a wide range of social and public services, community development projects and housing programs; and

WHEREAS, in the city and in communities throughout the nation, forty-eight years of Community Development Block Grant (CDBG) Program funding has developed a strong network of working relationships between local government, residents of CDBG target neighborhoods, and numerous nonprofit agencies, all of which provide vital services and help advance our commitment to these communities; and

WHEREAS, during National Community Development Week, the city will extend special thanks and recognition to all participants for their hard work and dedication to their neighborhoods and to low- and moderate-income residents who help ensure the continued quality and effectiveness of the Community Development Block Grant Program.

NOW THEREFORE, I, Ambrosio Hernandez, Mayor of the City of Pharr, Texas by virtue of the authority vested in me and on behalf of the City Commission, do hereby proclaim the week of April 6 - April 10, 2026, as:

“National Community Development Week”

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Pharr to be affixed on this 6th day of April 2026.

City of Pharr

Ambrosio Hernandez, Mayor

Attest:

Imelda Perez, City Clerk



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 2.C.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Daniel Ramirez, Director

DEPARTMENT: Communications

DIRECTOR: Daniel Ramirez

Agenda Item: Proclamation proclaiming April 12–18, 2026 as National Public Safety Telecommunicators Week.

Classification: Regular

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

Issue: Proclamation proclaiming April 12–18, 2026 as National Public Safety Telecommunicators Week.

Fiscal Consideration: N/A

Staff Recommendation: Staff recommends presentation of the proclamation.

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Daniel Ramirez
Imelda Perez
City Management Office

Created/Initiated - 03/27/2026
Approved - 03/27/2026
Final Approval - 03/27/2026

Proclamation



WHEREAS, 9-1-1 telecommunicators serve as the vital lifeline between the public and emergency responders, demonstrating exceptional professionalism, skill, and dedication in their mission to safeguard lives and property; and

WHEREAS, these highly trained professionals—often referred to as the “unseen first responders”—work tirelessly behind the scenes, providing critical communication, swift decision-making, and life-saving guidance to those in distress; and

WHEREAS, the efficiency and effectiveness of law enforcement officers, firefighters, and emergency medical personnel are directly dependent upon the accuracy and diligence of 9-1-1 telecommunicators in gathering and relaying vital information under immense pressure; and

WHEREAS, their steadfast commitment to public safety, often under challenging and emotional circumstances, exemplifies selflessness, resilience, and an unwavering dedication to duty; and

WHEREAS, each April, we take time to recognize and express our profound gratitude to these extraordinary individuals for their invaluable contributions to our communities.

NOW THEREFORE, I, Ambrosio Hernandez, Mayor of the City of Pharr, Texas by virtue of the authority vested in me and on behalf of the City Commission, do hereby proclaim the week of April 5 – 11, 2026 as:

“National Public Safety Telecommunicators Week”

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Pharr to be affixed on this 6th day of April 2026.

CITY OF PHARR

Ambrosio Hernandez, Mayor

ATTEST:

Imelda Perez, City Clerk



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 4.A.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Alessandra Garcia, Assistant City Clerk

DEPARTMENT: Administration

DIRECTOR:

Agenda Item: Public hearing on development services cases

Classification: Regular

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

Issue:

Fiscal Consideration:

Staff Recommendation:

Alternatives:

Exclude Material from Public Packet? No

Reason:

ROUTING:

Alessandra Garcia

Created/Initiated - 03/27/2026



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 5.A.

DATE SUBMITTED: March 26, 2026

MEETING DATE: April 6, 2026

FROM: Jamison Merrick, Finance Director

DEPARTMENT: Finance

DIRECTOR: Jamison Merrick

Agenda Item: Submission of Sales Tax Collection Report for March 2026.

Classification: Regular

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

Issue: SALES TAX HIGHLIGHTS

The City of Pharr shows an INCREASE of 3.01% YTD TRUE GROWTH (based on calendar year) compared to last YTD March 2025 and a 1.61% DECREASE compared to March 2025 collections. For the City's FY 25-26, YTD collections INCREASED 4.79%

Fiscal Consideration: Sales Tax Collections are 2.93% ahead of budget for FY 2025-2026.

Staff Recommendation: Presentation only.

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Jamison Merrick
Ricardo Rodriguez
City Management Office

Created/Initiated - 03/26/2026
Approved - 03/26/2026
Final Approval - 03/26/2026



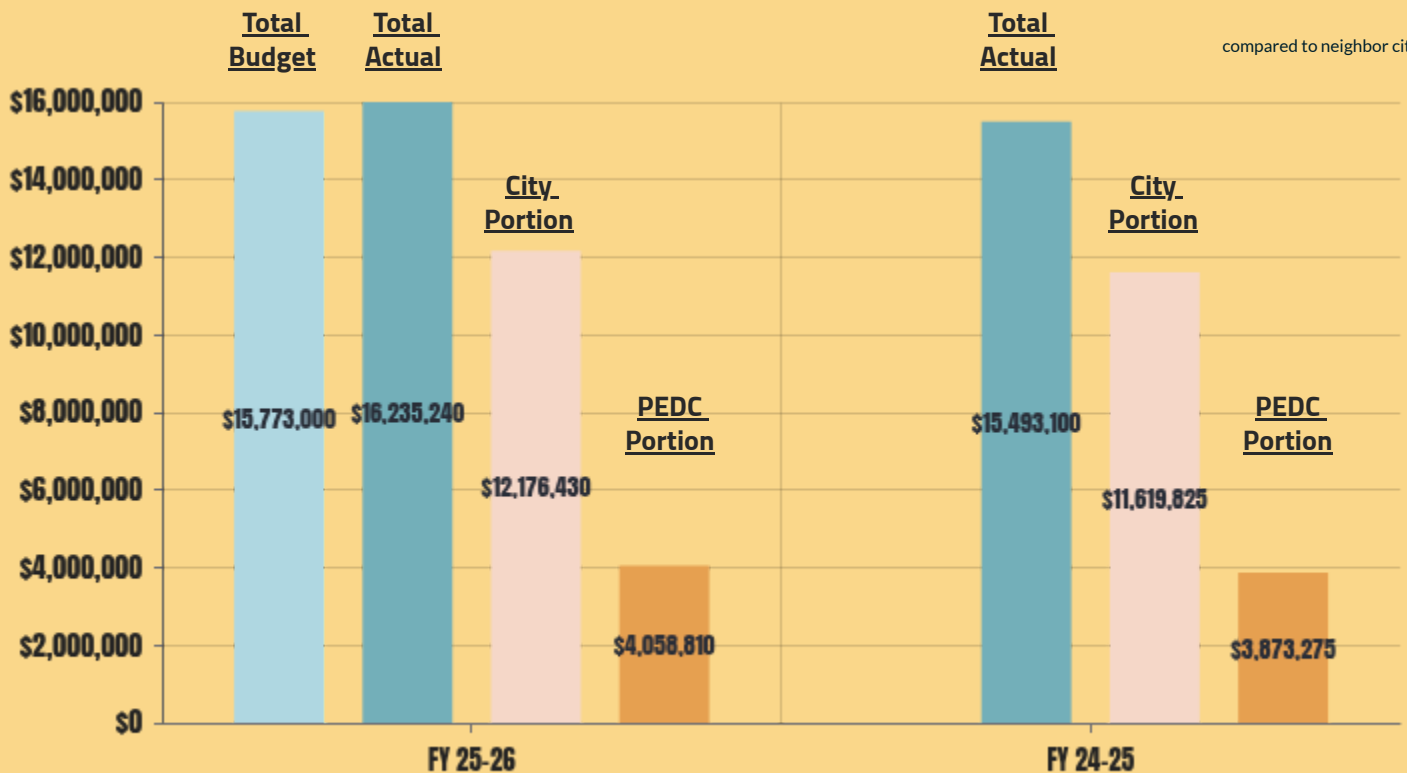
CITY OF PHARR SALES TAXES

as of March 2026
FY 2025-2026

SALES TAXES COLLECTIONS Cash Basis by Fiscal Year

Ranked
No. 5

compared to neighbor cities YTD



3.01% YTD

Increase in Sales Tax from
Last Year*



-1.61%

Compared to March 2025
Cash Basis.



2.93%

Above Budget

*Growth is based on Calendar Year per Texas State Comptroller
Fiscal Year to Date Growth is 4.79%.

CREATED BY

City of Pharr Finance Department





AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 5.B.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Patrizia Longoria, City Engineer

DEPARTMENT: Engineering

DIRECTOR: Patrizia Longoria

Agenda Item: City Engineer's Report

Classification: Regular

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

Issue: N/A

Fiscal Consideration: N/A

Staff Recommendation: N/A

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Patrizia Longoria

Patrizia Longoria

Ricardo Rodriguez

City Management Office

Created/Initiated - 03/27/2026

Approved - 03/27/2026

Approved - 03/27/2026

Final Approval - 03/27/2026



Report on Capital Improvement Project Activity Construction – March 2026

**City Engineer – Patrizia Longoria, P.E.
Monday, April 06, 2026**



Pharr
Engineering



City Engineers Report

Engineer: Halff Associates, Inc.
Contractor: D. Wilson Construction Co.
CM: Brownstone Consultants, LLC
Status:

- Bid Opening for re-bid on Thur., June 20, 2024.
- Bid Analysis and recommendation sent to TxDOT for concurrence on Fri. July 05, 2024
- Received concurrence from TxDOT on Aug. 22, 2024.
- Awarded project at City Commission on Tue. Sept. 03, 2024.
- Pre-Construction Meeting was held on October 23, 2024.

Next Steps:

- Construction ongoing

Start Contract Time: November 04, 2024

Contract Time: 425 standard workweek days (22 mo.) + 30 (8/18/2025) + 15 (12/01/2025) = 470

Time to Date (03/31/26): 329 (70%)

End Contract Time: Oct. 20, 2026 (latest schedule Nov. 03, 2026)

Contract Amount: \$45,253,972.12

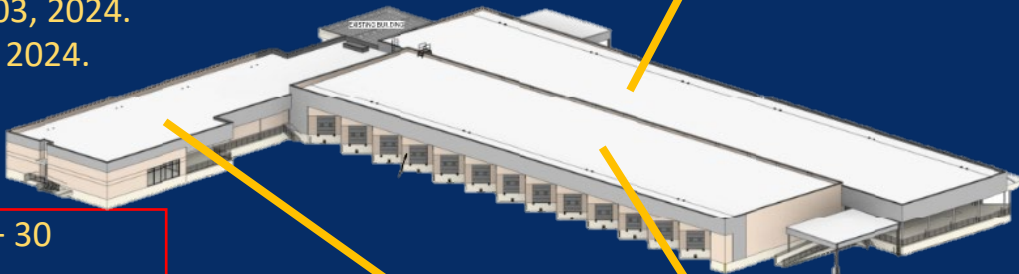
Change Orders: \$22,835.40 (8/18/2025)
\$49,781.94 (12/01/2025)

Revised Contract: \$45,326,589.46

PCOs: N/A

Total Paid to Date (1-16): \$21,260,658.56 (46.9%) (02/25/2026)

Latest Reimbursement Requests: #12 for \$2,329,000.74
(submitted 02/13/2026; total to date \$15,463,445.79)



Dock Expansion Ph I
Dry Dock

Agricultural Lab

Dock Expansion Ph II
Cold Storage

Dock Expansion Phase I, II & Ag Lab (DAP FY 16)



Pharr
Engineering



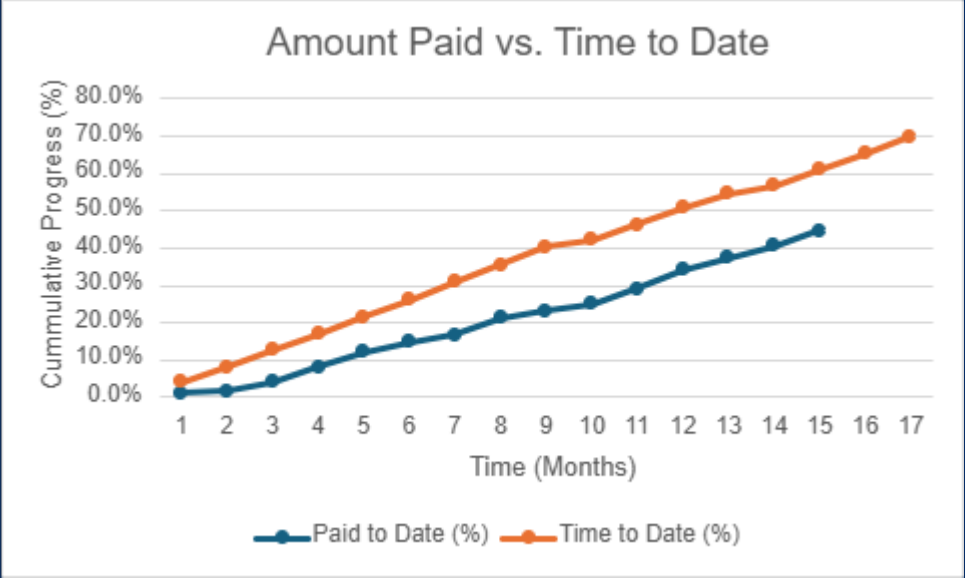
CSJ: 0921-02-424

CSJ: 0921-02-424

CSJ: 0921-02-433

CONSTRUCTION

Month	Total Amount Paid to Date (%)	Total Time to Date (%)
November '24	1.0 0.6	4.0 4.2
December '24	1.7 2.5	8.2 4.5
January '25	4.2 3.8	12.7 4.2
February '25	8.0 4.2	16.9 4.7
March '25	12.2 2.6	21.6 4.5
April '25	14.8 1.8	26.1 4.9
May '25	16.6 4.6	31.1 4.5
June '25	21.2 1.9	35.5 4.9
July '25	23.2 2.0	40.5 1.7
August '25	25.2* 3.8	42.2* 4.2
September '25	29.0 5.1	46.4 4.4
October '25	34.2 3.2	50.8 3.7
November '25	37.3 3.4	54.5 2.3
December '25	40.7 3.9	56.8 4.3
January '26	44.6 2.3	61.1 4.3
February '26	46.9	65.3 4.3
March '26	TBD	70.0



Construction Phase I, II & Ag Lab (DAP FY 16)

0921-02-424

0921-02-424

0921-02-433

CONSTRUCTION



Engineering

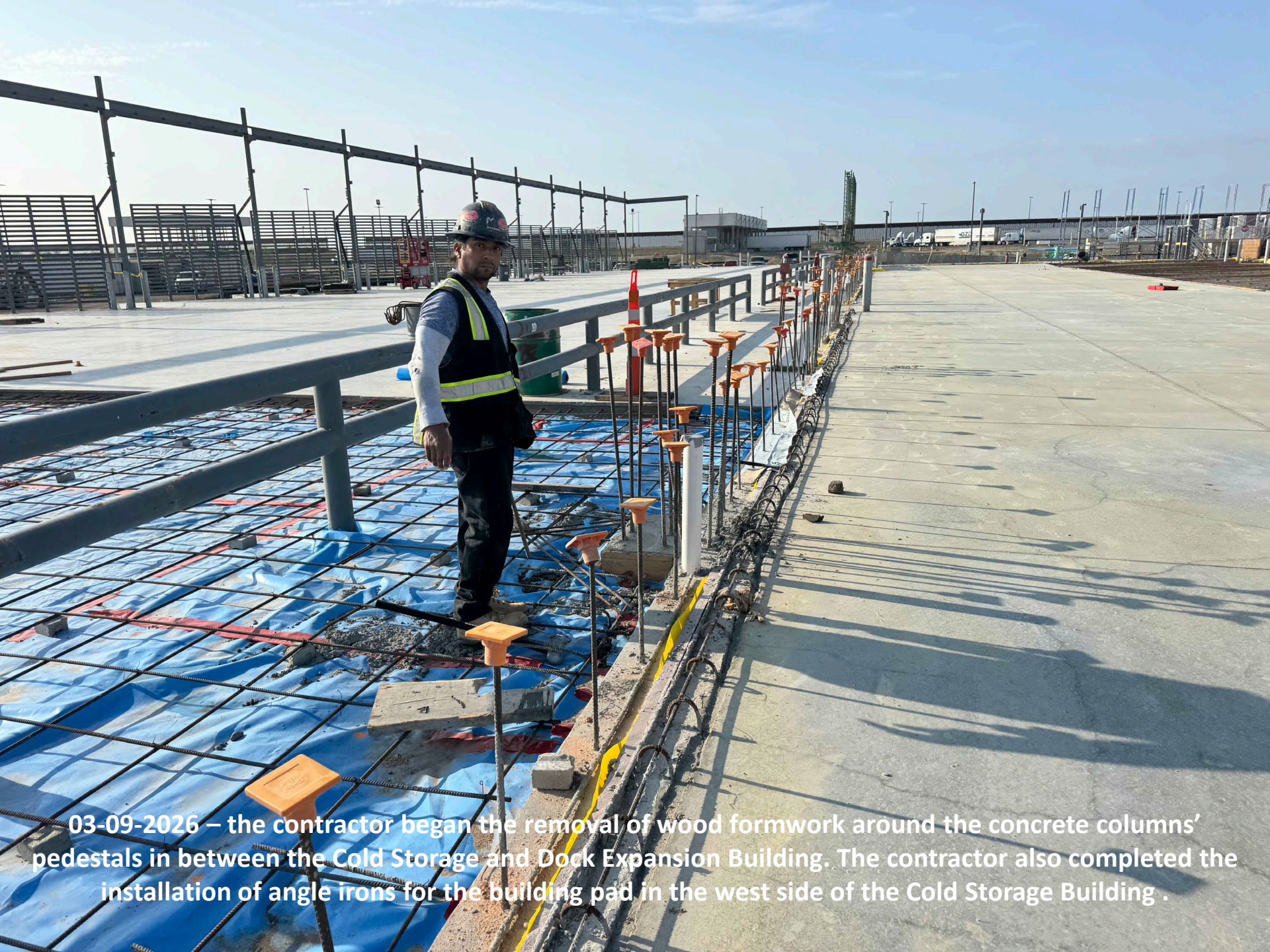


CSJ: 0921-02-424

CSJ: 0921-02-433



03-09-2026 – the contractor continued installation of 8-inch CMU block and reinforcing steel along north and west walls of the Agricultural Building.



03-09-2026 – the contractor began the removal of wood formwork around the concrete columns' pedestals in between the Cold Storage and Dock Expansion Building. The contractor also completed the installation of angle irons for the building pad in the west side of the Cold Storage Building .

Engineer: Structural Engineering Associates, Inc. (SEA)

CM: Brownstone Consultants, LLC

Contractor: IOC Company, LLC

Status:

- Project is under construction.
- OSB easements have been finalized. Light easements are being worked on.
- HCID No. 2 Agreement and Temporary Construction Permit were executed

Next Steps:

- Construction ongoing

Start Contract Time: August 05, 2024

Contract Time: 480 calendar days + 30 (int'l span, 2/25/25) + 15 (weather, SEJ, 5/19/2025) + 02 (9/2/25) = 527

Time to Date (03/31/26): 603 calendar days (114.4%)

End Contract Time: January 14, 2026 (latest schedule 04/24/26)

*does not include delays for irr. work, looking at summer '26

Contract Amount: \$47,601,706.75

Change Orders: -\$824,457.60 (OSB, 2/25/25)

\$36,317.42 (SEJ, 05/19/2025)

\$15,206.86 (9/2/2025)

Revised Contract: \$46,828,773.43

Total Paid to Date (1-19): \$40,152,444.30 (85.7%) (02/25/2026)

Latest Reimbursement Request: #11 & Final (9/09/2025).

Remaining requests are for \$0 (#16, 03/09/2026)



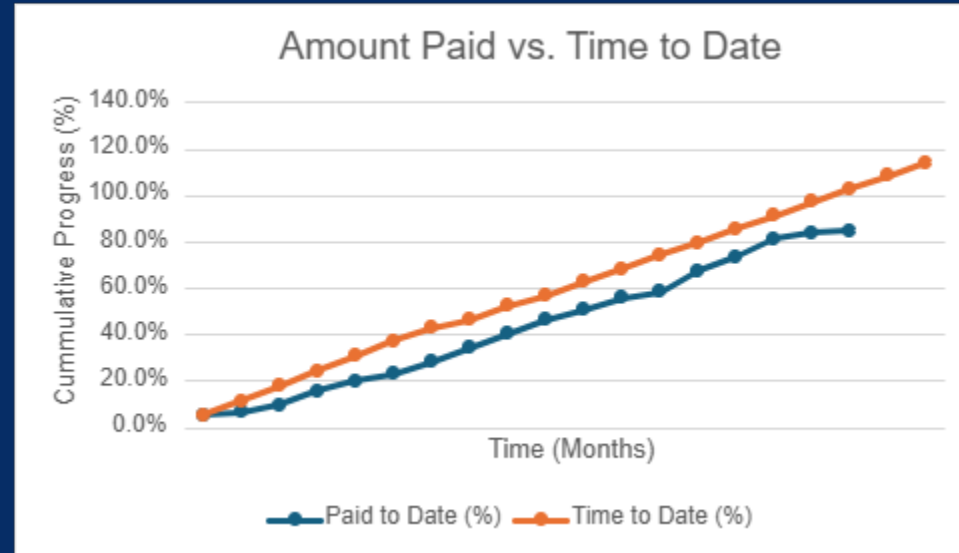
International Bridge Expansion

CSJ: 0921-02-479



CONSTRUCTION

Month	Total Amount Paid to Date (%)	Total Time to Date (%)
August '24	5.6 1.3	5.4 6.3
September '24	6.9 3.1	11.7 6.5
October '24	10.0 5.8	18.1 6.3
November '24	15.8 4.2	24.4 6.5
December '24	20.0 3.1	30.8 6.5
January '25	23.1 5.3	37.3 5.8
February '25	28.4 5.9	43.1 3.5
March '25	34.3* 6.0	46.7* 5.9
April '25	40.3 6.2	52.5 4.4
May '25	46.4* 4.3	57.0* 5.7
June '25	50.7 5.2	62.7 5.9
July '25	56.0 2.8	68.6 5.9
August '25	58.8 8.7	74.5 5.4
September '25	67.5* 6.2	79.9* 5.9
October '25	73.7 7.7	85.8 5.7
November '25	81.3 2.6	91.5 5.9
December '25	83.9 0.9	97.3 5.9
January '26	84.8 0.9	103.2 5.3
February '26	85.7	108.5 5.9
March '26	TBD	114.4



International Bridge Expansion

CSJ: 0921-02-479

CONSTRUCTION



02-27-2026 – TNT Crane Company utilized the crane to set the girders and panels with assistance from IOC's crew.



03-09-2026 – D&G's crew began installing the full-color LED DMS assembly (5' x 5') on the HOSB structure located on the bridge slab at Unit 36.

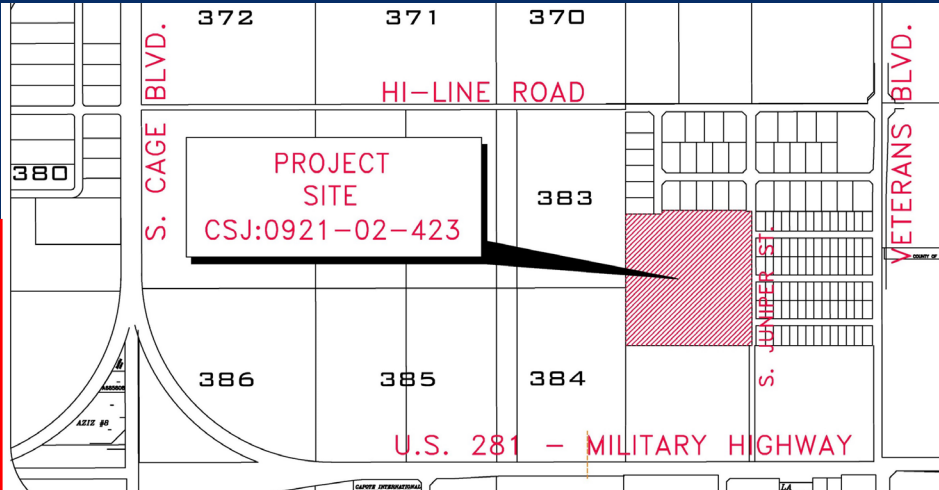
Engineer: Javier Hinojosa Engineering
Contractor: NM Contracting LLC
CM: City of Pharr
Location: 10200 S. Juniper St.
Status:

- Bid opening was on Thur., May 30, 2024, and a total of six (6) bids were received.
- City Commission awarded the project to NM Contracting on Monday, May 5, 2025
- Pre-Construction Meeting was held on Thursday, July 03, 2025.
- Contract time started Wednesday, July 16, 2025.

Next Steps:

- Contractor is lime treating the subgrade and cement treating base, as well as laying asphalt and pouring concrete.

Start Contract Time: July 16, 2025
Contract Time: 275 standard workweek days
Time to Date (02/28/26): 155 (56.4%)
End Contract Time: August 19, 2026
Contract Amount: \$11,888,058.76
Change Orders: \$0
Total Paid to Date (1-4): \$1,357,547.64 (10/25/2025, 11.4%)
Latest Reimbursement Requests: \$259,928.98 (#2 submitted 01/13/2026, total reimbursed \$322,277.40)



Commercial Vehicle Parking Area
CSJ: 0921-02-423



CONSTRUCTION



03-09-2026 – HR's Company crew delivered and placed raw flex base material for a 6-inch layer in Section 5, scheduled for cement treatment in a future phase. The material was graded with a motor grader to achieve the specified line and grade.



03-05-2026 – The Maverick Company crew placed 7.5-inch Continuous Reinforced Concrete Pavement in Sections 3 and 4. Operations included concrete delivery, placement, consolidation, finishing, and general housekeeping activities.

Engineer: **GIC- Trimad Consultants LLC**

Contractor: **Mor-Wil, LLC.**

CM: **GIC-Trimad**

Status:

- Eldora Rd opened through Sugar Rd.
- Lift Station 29 has been decommissioned.
- 100 LF of 24” Gravity Sewer Line has been installed along Juarez.

Next Steps:

- Walkthrough of NW interceptor. (February 23, 2026)
- Kumquat to Juniper St block closed for construction.

Construction Commencement Date: January 6, 2025

Construction Days: 541 Calendar days

Time to Date (02/26/26: Monthly Meeting): 433 Calendar days (80.04%)

Project Closeout Date: June 9, 2026 (latest schedule Dec. 05, 2025)

Contract Amount: \$6,749,668.03	TWDB Fund Amount: \$6,749,668.03
Original Betterment Amount: \$350,000.00	TWDB CWSRF 73867 LF1001077 & LF1001119
Betterment I (Box Culvert Repair): \$27,093.85	
Betterment II (Tunnel): \$39,220.00	
Betterment III (Work Delay, Irrig Line Repair): \$150,063.00	
Betterment IV (Work completed on previous pay periods): \$130,000.00	
Betterment V (Project Sign): \$2,800.00	
Betterment Balance (12/19/2025): \$823.15	
Total Paid to Date (1-8): \$3,933,908.62 (58%) (03/03/2026)	
Latest Reimbursement Request: Outlay 3: \$705,008.15 Approved (February 13, 2026)	
Outlay 1: \$948,132.01 (August 2020) // Outlay 2: \$12,000 (December 2020)	

**Collection System Improvements and Lift Station #1, 29,
and 33 Elimination Project (NW and Central)**



Pharr
Engineering



CSJ: 2324-61-587-C02-535
CONSTRUCTION



03-26-2026

Aerial view of construction along Juarez
Block between Juniper and Ironwood St.





Mar 26 2026 at 9:31:42 AM
1008 E Juarez Ave
Pharr TX 78577
United States

WE ARE

**TEAM
PHARR**



DEPARTMENT MISSION STATEMENT

“To enhance health, safety and welfare in the City of Pharr by providing economical, responsive and effective professional engineering and GIS services for the planning, construction, and preservation of public infrastructure and improvement of quality of life.”



Pharr
Engineering



END



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 5.C.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Alessandra Garcia, Assistant City Clerk

DEPARTMENT: Administration

DIRECTOR:

Agenda Item: City Events of Interest

Classification: Regular

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

Issue:

Fiscal Consideration:

Staff Recommendation:

Alternatives:

Exclude Material from Public Packet? No

Reason:

ROUTING:

Alessandra Garcia

Created/Initiated - 03/27/2026



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 6.A.

DATE SUBMITTED: March 31, 2026

MEETING DATE: April 6, 2026

FROM: Alessandra Garcia, Assistant City Clerk

DEPARTMENT: Administration

DIRECTOR: Imelda Perez

Agenda Item: Approval of Minutes for March 25, 2026 — Regular Called Meeting
This item supports SG - Sound Governance and Fiscal Sustainability.

Classification: Consent

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

Issue: Minutes for March 25, 2026 — Regular Called Meeting

Fiscal Consideration: N / A

Staff Recommendation: Recommend approval of Minutes as presented.

Alternatives: N / A

Exclude Material from Public Packet? No

Reason: N / A

ROUTING:

Alessandra Garcia
City Management Office

Created/Initiated - 03/31/2026
New -

**MINUTES
BOARD OF COMMISSIONERS
REGULAR CALLED MEETING
WEDNESDAY, MARCH 25, 2026
118 SOUTH CAGE 2nd FLOOR**

The Board of Commissioners of the City of Pharr, Texas, met in a Regular-Special Called Meeting on Monday, March 25, 2026, and following is the record of attendance.

BOARD OF COMMISSIONERS PRESENT: Mayor Ambrosio Hernandez
Comm. Michael Pacheco
Comm. Roberto Carrillo
Comm. Ramiro Caballero
Comm. Daniel Chavez
Comm. Ricardo Medina
Comm. Itza Flores

STAFF PRESENT:

Jonathan Flores, City Manager
Cynthia Garza Reyes, Deputy City Manager
Imelda Perez, City Clerk
Patrizia Longoria, City Engineer
Jamison Merrick, Finance Director
Laura Parra, HR Director
Juan Gonzalez, Chief of Police
Pilar Rodriguez, Fire Chief
Roy Rodriguez, Code Comp. Director
Roland Gomez, Development Services Director
Luis Marin, Public Works Director
Keyla Jalife, OSE Director
Oscar De Leon, Asst. Public Utilities Director
Samantha Guzman, Asst. Parks & Rec. Dir.
Mike Singleterry, Library Branch Manager
Jose Pena, I.T. Director
Javier Martinez, Asst. Bridge Director
Danny Ramirez, EMS Chief
Kenia Gomez, Chief Communications Officer
Elizabeth Diaz, Public Health Director
Will Borowski, Golf Director
Abel Molina, Interim Special Events Director
Napoleon Coca, Interim Grants Mgmt. Director
Isaac Escobedo, Interim Maintenance Dir.
Victoria Brewster, Dir. of External Relations
Kenneth Walsch, Food Services Director
Victor Perez, PEDC II Director
Yuri Gonzalez, Dir. Of Int'l Commercial Dev.

CITY ATTORNEY:

Ricardo Rodriguez, 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.

B) PLEDGE OF ALLEGIANCE/INVOCATION

Javier Martinez, Assistant Bridge Director, led the pledge of allegiance and said the invocation.

ITEM 2. PROCLAMATIONS

A) PROCLAMATION PROCLAIMING APRIL 5, 2026, AS OKUR-CHUNG NEURODEVELOPMENTAL SYNDROME AWARENESS DAY

Jonathan Flores, City Manager, introduced the item.

Erica Trevino, Mother of Jordan Trevino, introduced her son and accompanying family members. She shared Okur-Chung Neurodevelopment Syndrome (OCNDS) was a rare genetic gene and stated her son was the only one in the State of Texas. Mrs. Trevino further explained OCNDS results in both physical and developmental delays and expressed her commitment to raising awareness of this rare condition within the community.

Comm. Carrillo read proclamation proclaiming April 5, 2026, as OCNDS Awareness Day. Erica Trevino and family members received the proclamation.

ITEM 3. PUBLIC TESTIMONY

Jonathan Flores, City Manager, introduced the item.

Ninfa Gallegos Rodriguez spoke on agenda item 7.E. She stated she was in support of the Pharr Animal Shelter Advisory Committee and stated the community was in urgent help to combat the overpopulation of animals.

Ned Muñoz spoke on agenda item 7.A. He stated he was with Charter Communications - Spectrum and stated his concerns regarding Fiber Optic Ordinance.

Mario Barragan spoke on agenda item 7.A. He stated he was with AT&T and stated his concerns regarding Fiber Optic Ordinance.

Mayor Hernandez stated the City of Pharr was in full compliance with all laws and would continue to do what's in the best interest of the City of Pharr and its residents.

ITEM 4. PUBLIC HEARINGS

A) PUBLIC HEARING ON DEVELOPMENT SERVICES CASES

There were no comments from the public.

ITEM 5. CITY MANAGER'S REPORTS

A) SUBMISSION OF SALES TAX COLLECTION REPORT FOR FEBRUARY 2026

Jonathan Flores, City Manager, introduced the item. He briefly reported the City of Pharr showed an increase of 5.08% year to date true growth compared to February 2025. He further stated Jamison Merrick, Finance Director, was in the audience and questions could be entertained at this time.

At this time, Jonathan Flores, City Manager, reported on organizational changes. He recognized Yuri Gonzalez in her new role as Director of International Commercial Development and stated he looked forward to all the great things she would be doing for the City of Pharr.

Yuri Gonzalez, Director of International Commercial Development, expressed gratitude for the opportunity to serve in this capacity. She stated she would be working closely with the Pharr International Bridge Staff and Pharr Economic Development Corporation II (PEDC II) staff, and this new role would allow her to travel into Mexico to strengthen international partnerships, collaborations, tourism and enhancing economic growth.

Jonathan Flores, City Manager, further recognized Kenia Gomez as the new Office of City Communications Director. He expressed appreciation for her service and stated he looks forward to her future accomplishments in this role.

B) TRAILBLAZER OF THE MONTH RECOGNITION

Jonathan Flores, City Manager, introduced the item.

Keyla Jalife, Office of Strategic Excellence Director, presented the March Trailblazer Award to Jaythan Barrera, Programmer Analyst in the Information Technology Department. Ms. Jalife stated Mr. Barrera was being recognized for his impact on both internal and external customers and his Pharr values demonstration and commitment.

Jose Pena, Information Technology Director, stated this was an excellent opportunity to showcase the great work the City of Pharr does and Jaythan Barrera was an outstanding example, serving as Programmer for the City and collaborating with all departments to enhance digital processes.

Jaythan Barrera, IT Programmer Analyst, stated he has been employed with the City for a little over a year and finds his work highly fulfilling and rewarding. He further expressed gratitude for the opportunity to work for the City of Pharr.

C) CITY EVENTS OF INTEREST

Jonathan Flores, City Manager, introduced the item.

Kenia Gomez, Director of City Communications, presented a series of video recaps. She highlighted the St. Patrick's 5K Run/Walk, the Digital Literacy Program Graduation at the first RV Park, the Grand Opening and Ribbon Cutting to the Milk Bank Donation & Wellness Room, HOLI Pharr Festival of Colors, Woman of the Year, and City Manager's National Public Service Award received from the American Society for Public Administration (ASPA).

Kenia Gomez, Director of City Communications, further reported on the City of Pharr Easter Eggstravaganza. She stated the event would take place on Saturday, March 28, 2026 at 9:00 a.m. at Allen & William Arnold City/School Park. She stated there were over 18,000 Easter eggs for the children, organized by age group and extended an invitation to everyone to attend.

Kenia Gomez, Director of City Communications, also reported on the City of Pharr Easter Scavenger Hunt. She stated the event would take place at Allen & William Arnold City/School Park at 12:30 p.m. and the City would partner with seven (7) local businesses. She further reported there would be monetary cash prizes for those winners and expressed safety measures be taken while participating in this event.

Lastly, Kenya Gomez, Director of City Communications, reported on the City of Pharr Paint the Park. She stated the event would take place from April 4th through April 24th, 2026 and the theme this year was "Birds of Pharr." She further extended an invitation to all artists and anyone who would like to participate to scan QR code for additional information.

At this time, Mayor Hernandez stated they would go into closed session. There was no objection.

ITEM 9. CLOSED SESSION

The time being 4:59 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 5:50 p.m. Mayor Hernandez stated the commission would be resuming the open meeting.

Comm. Medina left the meeting at this point of the agenda. The time being 5:30 p.m.

ITEM 6. CONSENT AGENDA

- A) APPROVAL OF MINUTES FOR FEBRUARY 23, 2026 - SPECIAL CALLED MEETING. THIS ITEM SUPPORTS SG - SOUND GOVERNANCE AND FISCAL SUSTAINABILITY. (ADMINISTRATION)**
- B) CONSIDERATION AND ACTION, IF ANY, ON ORDINANCE AMENDING ORDINANCE NO. O-2024-18 REGARDING WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN STAGE 2. (2ND READING) THIS ITEM SUPPORTS QL - QUALITY OF LIFE. (PUBLIC UTILITIES)**
- C) CONSIDERATION AND ACTION, IF ANY, ON DEVELOPMENT SERVICES CASES:**
 - 1. VILLA DEL MAR RESTAURANT, 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 0.108 ACRES, MORE OR LESS, OUT OF LOT 3, RIVERAINE SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY'S PHYSICAL ADDRESS IS 6502 SOUTH CAGE BOULEVARD, SUITE 1. CUP#231029 - THIS ITEM SUPPORTS EV - ECONOMIC VITALITY.**
 - 2. JUAN CANTU, REPRESENTING APOSTOLIC ASSEMBLY OF THE FAITH IN CHRIST JESUS, OWNER, REQUESTED A CHANGE OF ZONE FROM SINGLE-FAMILY RESIDENTIAL DISTRICT (R-1) TO TOWNHOUSE RESIDENTIAL DISTRICT (R-TH). THE PROPERTY IS LEGALLY DESCRIBED AS BEING A 3.00- ACRE TRACT OF LAND, MORE OR LESS, OUT OF LOT 8, BLOCK 146, L.R. BELL DEVELOPMENT "E" SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY IS PHYSICALLY LOCATED WITHIN THE 2300 BLOCK OF NORTH FRIDAY AVENUE. COZ#260102 - THIS ITEM SUPPORTS EV - ECONOMIC VITALITY.**
- D) PLATS:**
 - 1. NAIN ENGINEERING, REPRESENTING RAUL BOCANEGRA, REQUESTED PRELIMINARY AND FINAL PLAT APPROVAL OF THE PROPOSED BOCANEGRA SUBDIVISION NO. 2. THE PROPERTY IS LEGALLY DESCRIBED AS BEING A 0.846 ACRE TRACT OF LAND BEING ALL OF LOT 1, BOCANEGRA SUBDIVISION AND 0.305 OUT OF LOT 178, KELLY-PHARR SUBDIVISION. THE PROPERTY IS LOCATED WITHIN THE 700 BLOCK OF WEST BUSINESS 83. SUB#251139 — THIS ITEM SUPPORTS EV - ECONOMIC VITALITY.**

2. **PABLO SOTO JR., P.E., REPRESENTING JOSE ANGEL TREVINO, OWNER, REQUESTED FINAL PLAT APPROVAL OF THE PROPOSED T-JAM SUBDIVISION. THE PROPERTY IS LEGALLY DESCRIBED AS BEING A 2.498 ACRE TRACT OF LAND, OUT OF LOT 167, KELLY-PHARR SUBDIVISION PHARR ORIGINAL TOWNSITE, HIDALGO COUNTY, TEXAS. THE PROPERTY IS LOCATED WITHIN THE 700 BLK. OF W. INTERSTATE 2. SUB#220721 - THIS ITEM SUPPORTS EV - ECONOMIC VITALITY.**

Jonathan Flores, City Manager, introduced consent agenda and recommended approval of items.

Comm. Chavez **moved** to approve consent agenda as recommended. Comm. Flores seconded the motion and when put to a vote, it carried by majority vote of five (5) ayes and one (1) abstention. Comm. Pacheco abstained from voting on item 6.D2.

Ordinance No. O-2026-06 is filed with the City Clerk's Office.

REGULAR AGENDA - OPEN SESSION

ITEM 7. ORDINANCES AND RESOLUTIONS

- A) **CONSIDERATION AND ACTION, IF ANY, ON ORDINANCE AMENDING ORDINANCE NO. O-2023-46 OF THE CITY OF PHARR, TEXAS, CHAPTER 118, SUBDIVISION, MODIFYING SECTION X - FIBER OPTIC. (1ST READING) THIS ITEM SUPPORTS IF - INFRASTRUCTURE. (IT)**

Jonathan Flores, City Manager, introduced the item and recommended approval.

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

- B) **CONSIDERATION AND ACTION, IF ANY, ON ORDINANCE AMENDING ORDINANCE NO. O-2023-42 SETTING THE REQUIREMENTS FOR THE APPOINTMENT OF MEMBERS AND/OR OFFICERS FOR CITY OF PHARR BOARDS AND/OR COMMITTEES. (ADOPTION ON FIRST READING) THIS ITEM SUPPORTS SG - SOUND GOVERNANCE AND FISCAL SUSTAINABILITY. (ADMINISTRATION)**

Jonathan Flores, City Manager, introduced the item and recommended the item be tabled.

Comm. Chavez **moved** to table as recommended. Comm. Pacheco seconded the motion and when put to a vote, it carried unanimously.

C) CONSIDERATION AND ACTION, IF ANY, ON ORDINANCE FOR TRANSFER OF PROPERTY FROM THE CITY OF PHARR TO THE PHARR ECONOMIC DEVELOPMENT CORPORATION II. (ADOPTION ON FIRST READING) THIS ITEM SUPPORTS EV - ECONOMIC VITALITY. (ADMINISTRATION)

Jonathan Flores, City Manager, introduced the item and recommended approval.

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

Ordinance No. O-2026-07 is filed with the City Clerk's Office.

D) CONSIDERATION AND ACTION, IF ANY, ON RESOLUTION ADOPTING THE TEN TEXAS TRAITS OF GOOD GOVERNMENT AND AUTHORIZING APPLICATION FOR THE BALANOFF GOOD GOVERNMENT AWARD. THIS ITEM SUPPORTS SG - SOUND GOVERNANCE AND FISCAL SUSTAINABILITY. (ADMINISTRATION)

Jonathan Flores, City Manager, introduced the item and recommended approval.

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

Resolution No. R-2026-18 is filed with the City Clerk's Office.

E) CONSIDERATION AND ACTION, IF ANY, ON RESOLUTION APPOINTING/ RE-APPOINTING FOUR (4) MEMBERS TO THE PHARR ANIMAL SHELTER ADVISORY COMMITTEE. THIS ITEM SUPPORTS SG - SOUND GOVERNANCE AND FISCAL SUSTAINABILITY. (PUBLIC HEALTH)

Jonathan Flores, City Manager, introduced the item. He recommended appointment of Dr. Yarytza Rivera, David Fernandez, Daniel Castro, and Elizabeth Diaz to the Pharr Animal Shelter Advisory Committee.

Comm. Carrillo **moved** to appoint Dr. Yarytza Rivera, David Fernandez, Daniel Castro and Elizabeth Diaz to the Pharr Animal Shelter Advisory Committee. Comm. Flores seconded the motion and when put to a vote, it carried unanimously.

Resolution No. R-2026-19 is filed with the City Clerk's Office.

- F) CONSIDERATION AND ACTION, IF ANY, ON RESOLUTION APPOINTING ONE (1) MEMBER TO THE PHARR ECONOMIC DEVELOPMENT CORPORATION II BOARD OF DIRECTORS. THIS ITEM SUPPORTS SG - SOUND GOVERNANCE AND FISCAL SUSTAINABILITY. (ADMINISTRATION)**

Jonathan Flores, City Manager, introduced the item and recommended no action.

ITEM 8. CONTRACTS/AGREEMENTS

- A) CONSIDERATION AND ACTION, IF ANY, AWARDED SERVICE CONTRACT TO SAENZ BROTHERS CONSTRUCTION FOR EXPRESSWAY FRONTAGE SEWER LINE REPAIR (TIPS CONTRACT NO. 241001). THIS ITEM SUPPORTS IF - INFRASTRUCTURE. (PUBLIC UTILITIES)**

Jonathan Flores, City Manager, introduced the item and recommended approval.

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

- B) CONSIDERATION AND ACTION, IF ANY, ON GUARANTEED MAXIMUM PRICE AMENDMENT NO. 1 (GMP #1) TO THE EXISTING CONSTRUCTION MANAGER AT RISK (CMAR) CONTRACT WITH D. WILSON CONSTRUCTION COMPANY (DWCC) FOR THE CITY OF PHARR MULTI-USE FACILITY. THIS ITEM SUPPORTS IF - INFRASTRUCTURE. (ENGINEERING)**

Jonathan Flores, City Manager, introduced the item and recommended approval.

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

- C) CONSIDERATION AND ACTION, IN ANY, AUTHORIZING CITY MANAGER TO ENTER INTO A SERVICE CONTRACT WITH HALFF ASSOCIATES FOR PROFESSIONAL ENGINEERING SERVICES FOR A UTILITY ADJUSTMENT PROJECT ALONG ELDORA ROAD. THIS ITEM SUPPORTS IF - INFRASTRUCTURE (ENGINEERING)**

Jonathan Flores, City Manager, introduced the item and recommended approval.

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

D) CONSIDERATION AND ACTION, IF ANY, AWARDING CONSTRUCTION MATERIAL TESTING SERVICES CONTRACT TO TERRACON CONSULTANTS, INC. FOR THE CITY OF PHARR MULTI-USE FACILITY. (TABLED) THIS ITEM SUPPORTS IF - INFRASTRUCTURE. (ENGINEERING)

Jonathan Flores, City Manager, introduced the item and recommended untable the item.

Comm. Carrillo moved to untable item as recommended. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

Jonathan Flores, City Manager, reintroduced the item and recommended approval.

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

E) CONSIDERATION AND ACTION, IF ANY, AUTHORIZING CITY MANAGER TO ENTER INTO AN AGREEMENT WITH RAMCON GROUP LLC. OF BROWNSVILLE, TX, FOR THE REMODELING OF THE TIERRA DEL SOL GOLF COURSE (TIPS COOPERATIVE CONTRACT NO. 26010402). THIS ITEM SUPPORTS IF - INFRASTRUCTURE. (PURCHASING)

Jonathan Flores, City Manager, introduced the item and recommended approval.

Comm. Chavez moved to approve as recommended. Comm. Flores 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 5:54 p.m.

CITY OF PHARR

AMBROSIO HERNANDEZ
MAYOR

STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF PHARR

MINUTES: SPECIAL CALLED MEETING
MARCH 25, 2026

ON THIS THE 25th DAY OF MARCH 2026 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, **IMELDA PEREZ, CITY CLERK**, of the City of Pharr, Texas, certify that this is a true and correct copy of the minutes.

ATTEST:

IMELDA PEREZ
CITY CLERK

APPROVED:



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 6.B.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Imelda Perez, City Clerk

DEPARTMENT: Public Utilities

DIRECTOR: Ruben Rosales

Agenda Item: Consideration and action, if any, on Ordinance amending Ordinance No. O-2024-18 regarding Water Conservation and Drought Contingency Plan Stage 2. *(3rd and Final Reading)* This item supports QL - Quality of Life.

Classification: Regular

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

Issue: Updating existing plan to show new water and sewer rates as well as the new state and county requirements.

Fiscal Consideration: N/A

Staff Recommendation: Staff recommends approval of readings

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Imelda Perez

Created/Initiated - 03/27/2026

Ruben Rosales

Approved - 03/27/2026

Melanie Cano

Approved - 03/27/2026

Ricardo Rodriguez

Approved - 03/27/2026

City Management Office

Final Approval - 03/27/2026

ORDINANCE No. O-2026-_____

AN ORDINANCE AMENDING ORDINANCE NOS: **O-2024-18**, O-2022-47 AND O-2019-26 OF THE CODE OF ORDINANCES OF THE CITY OF PHARR CHAPTER 130, UTILITIES, ARTICLE IV, WATER, DIVISION 1. EMERGENCY CONSERVATION, SECTION 232, ADOPTING THE AMENDED WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN, ESTABLISHING CRITERIA FOR INITIATION AND TERMINATION OF WATER CONSERVATION AND DROUGHT RESPONSE STAGES; PROVIDING FOR WATER ALLOCATION DURING SHORTAGES; PROVIDING FOR PENALTY OF UP TO \$2,000.00; PROVIDING FOR PUBLICATION; PROVIDING PROCEDURES FOR GRANTING VARIANCES; FOR SEVERABILITY; ORDAINING OTHER PROVISION RELATED TO THE SUBJECT MATTER; DECLARING AN EMERGENCY AND PROVIDING FOR PUBLICATION AND EFFECTIVE DATE THEREOF

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF PHARR, TEXAS:

SECTION 1: City of Pharr, Texas Water Conservation and Drought Contingency Plan

Table of Contents

1.0 Introduction

- 1.1 Purpose
- 1.2 Location and Size of City
- 1.3 Population

2.0 Water Supply and Demand

- 2.1 Raw Water Supply
- 2.2 Description of Water Treatment, Storage, and Distribution Facilities
- 2.3 Water Demand
- 2.4 Water Rates and Revenues

3.0 Wastewater Facilities

- 3.1 Description of Wastewater Treatment Plant and Wastewater Collection System
- 3.2 Sewer Rates and Revenues

4.0 Water Conservation **Plan**

- 4.1 Water Conservation Goals
- 4.2 Water Conservation **Programs**
 - A. Public Education and Awareness
 - B. Plumbing Fixture Efficiency Standards
 - C. Plumbing Fixture Retrofit and Replacement
 - D. Water Rate Structure**

- E. Metering and Repair
- F. Leak Detection, Repair, and Water Loss Record Keeping
- G. Water Conserving Landscaping
- H. Water Reuse
- I. Means of Implementation and Enforcement
- J. Wholesale Water Contracts
- K. Record Management System

4.3 Reporting

5.0 Drought Contingency Plan

- Section I Declaration of Policy, and Intent
- Section II Public Involvement
- Section III Public Education
- Section IV Coordination with Regional Water Planning Group
- Section V Authorization
- Section VI Application
- Section VII Definitions
- Section VIII Criteria for Initiation / Termination of Drought Response Stages
- Section IX Drought Response Stages
- Section X Additional Water Sources
- Section XI Review Committee – Formation, Power and Duties
- Section XII Variances
- Section XIII Violations, Penalties and Enforcement

6.0 Appendixes:

- Appendix A: TWDB Water Conservation Plan: Contact Information
- Appendix B: TWDB Utility Profile
- Appendix C: Water and Wastewater CCN Maps
- Appendix D: Resolution – Adoption of City of Pharr WCP & DCP

1.0 INTRODUCTION

1.1. Purpose

This document provides a revised and updated Water Conservation and Drought Contingency Plan for the City of Pharr, Texas, replacing the adopted 2019 Plan. The adoption of the new plan is to stay in compliance with TAC Title 30 Part 1 Chapter 288 Subchapter A (§288.2), B (§288.20) and C (§288.30). And maintain compliance with TAC Title 31 Part 10 Chapter 363 Subchapter A Division 2 (§363.15) to meet requirements for financial assistance with the Texas Water Development Board (TWDB).

The current extended drought affecting the watershed of the middle and lower Rio Grande has underscored the importance of water conservation and drought contingency planning to the City of Pharr. Water conservation and drought preparedness are essential if the City's to continue to meet its responsibility to provide adequate future water supplies for its citizens. The Water Conservation and Drought Contingency Plan will serve to extend the City's available water supply, decrease water losses and waste, and will provide procedures for responding to and coping with drought and other water supply emergencies.

1.2 Location and Size of City

The City of Pharr, Texas is located in the Lower Rio Grande Valley of Texas at the intersection of US Highway 281 and 83. The current service area size is 23 square miles with 415.30 miles of water lines and 301.67 miles of sanitary sewer lines.

1.3 Population

The City of Pharr's current population is 79,715 as per the 2020 Decennial Census Data, Population Division, U.S. Census Bureau. The projected population growth is shown below in Table 1.

Table 1. City of Pharr's Projected Growth

Year	2021 Regional Water Plan	2020 Water Master Plan
2020	89,220	79,714
2030	110,785	97,491
2040	132,436	116,545
2050	154,131	135,635
2060	175,826	154,727
2070	196,917	173,288

2.0 WATER SUPPLY AND DEMAND

2.1 Raw Water Supply

The City of Pharr has a contract with the Hidalgo Irrigation County District No. 2 (HCID 2), at a cost of \$0.178 per 1000 gallons of water metered delivered. It delivers the raw water supply from the Rio Grande River via canal system to the City's owned reservoir, which has a 70 Million Gallons (MG) capacity. The raw water from the reservoir then flows through a 36" gravity line to the City of Pharr Water Treatment Plant intake wet well. The City currently has a total of 10,639.377 acre-feet of water rights available as of January 2024. Additionally, the City of Pharr Water Treatment Plant has a Gulf Aquifer Emergency Groundwater well, it averages a total of 900 gpm or approximately 1.3 MGD.

2.2 Description of Water Treatment, Storage and Distribution Facilities

The City owns and operates a Surface Water Treatment Plant originally built in 1984 at a 4 MGD capacity, in 1997 it was expanded to 10 MGD and lastly in 2014 it was expanded and designed to treat 17.5 MGD of Surface Water and 1.5 MGD of Groundwater, setting a total production capacity of 19.0 MGD. It consists of a raw water pump station, 5-clarifiers, 1-rapid mix basin, 19 filters, one 1-MG clear well, two 2-MG ground storage tanks, and a high service pump station. The City of Pharr's Distribution System consists of approximately 415.30 miles of water lines ranging from 2"-30" and four elevated storage tanks, at a total of 3.25 MG elevated storage (one 0.5-MG, one 0.75-MG, and two-1.0 MG). The City of Pharr has enough storage capacity until the year 2035.

2.3 Water Demand

In the calendar year (CY) 2023, the water treatment plant treated approximately 2.913 billion gallons (8941.58 acre-feet) of raw water. It averaged 7.92 MGD and a maximum average use peak day of 11.70 MGD on August 17th, 2023. The City of Pharr has an approximate population of 79,715. The average residential gallons per capita per day (gpcd) used during the CY 2023 was approximately 97 gpcd, and for CY 2022, was 96 gpcd. Compared with an estimated statewide average municipal use of 134 gpcd in 2018 (TWDB, "2018 per Capita Water Use State Average"). The City's consistent average water use for the last three (3) years is in part due to continued mandatory conservation efforts implemented by the city, however with a continued population growth and economic development, water demand will increase especially during the summer. Based on historical data, a 2.46% projected growth will increase water demand to 3.058 billion gallons per year (9,387.4 acre-feet) in 2025, and 3.454 billion gallons per year (10,601.7 acre-feet) in 2030. At the City's current water rights standing at 10,639.377 acre-feet and projected water demand growth the City of Pharr will be challenged to meet future water demands.

2.4 Water Rates and Revenues

The City of Pharr currently applies Inclining/Inverted Block Water Rates, as per June 1st, 2025, the following are the water rates Inside City Limits (ICL) and Outside City Limits (OCL):

Table 2.1. Water Base Fee

Meter Size	Residential ICL	Residential OCL	Senior	Commercial
5/8" or 3/4"	\$ 20.81	\$ 22.38	\$ 9.03	\$ 40.79
1"	\$ 20.91	\$ 22.50	-	\$ 46.91
1 1/2"	\$ 21.13	\$ 22.77	-	\$ 54.11
2"	\$ 33.98	\$ 36.57	-	\$ 80.54
3"	\$ 47.08	\$ 50.68	-	\$ 122.10
4"	\$ 72.16	\$ 77.70	-	\$ 208.18

6"	\$ 118.30	\$ 127.41	-	\$ 354.84
8"	-	-	-	\$ 528.00

Table 2.2. Water Consumption Rates

Inc./ Inv. Block Gallons	Residential ICL	Residential OCL	Senior	Commercial
1 – 3,000	\$ 1.84	\$ 2.63	\$ 1.66	\$ 2.46
3,001 – 6,000	\$ 2.02	\$ 2.89	\$ 1.66	\$ 2.46
6,001 – 20,000	\$ 2.39	\$ 3.42	\$ 1.66	\$ 2.46
20, 001+	\$ 2.77	\$ 3.96	\$ 1.66	\$ 2.68

Rate for every 1,000 gallons

During Fiscal Year (FY) 2022 - 2023 total water revenue was \$9.516 million dollars.

3.0 WASTEWATER FACILITIES

3.1 Description of Wastewater Treatment Plant and Wastewater Collection System

The City of Pharr's Wastewater Treatment Plant (WWTP) began treatment operations in 1966 as a trickling filter plant. It was expanded in:

- 1974, addition of a second trickling filter train and sludge digester.
- 1986, addition of a 2.25 MGD carrousel extended aeration system, the trickling filter operation ceased.
- 1997, addition of a 2.75 MGD second carrousel extended aeration system.
- 2011, the following upgrades were done to increase permitted design flow to 8.0 MGD: addition of biological treatment train, with two Modified Ludzack-Ettinger (MLE bioreactors) and two clarifiers were constructed. Additionally, a new influent wastewater screen, effluent filtration system, ultra-violet (UV) disinfection system, and other plant improvements were included.

The Wastewater Collection System consists of 34 lift stations, and approximately 301.67 miles of sanitary sewer lines with pipes sizes ranging from 6" to 42".

3.2 Sewer Rates and Revenues

The City of Pharr current sewer rates, as **per June 1st, 2025**, are the following:

Table 3. Sewer Rates

Type	Residential	Senior	Commercial
Base Fee	\$18.91	\$9.03	\$40.39
Consumption Rate	\$1.23	\$0.77	\$2.22

Rate for every 1,000 gallons

During FY 2022-2023 total sanitary sewer revenue was \$6.751 million dollars.

4.0 WATER CONSERVATION PROGRAM

4.1 Water Conservation Goals

The City of Pharr's goals with respect to water conservation are to achieve the 5-year and 10-year targets for water savings listed in Table 4. It includes quantified 5-year and 10-year targets for total, residential and water loss in gallons per capita per day (GPCD). The 5-yr goals listed in this table were determined based on projected water demands, RWP projected population, and 8% total water loss of total system input volume for 2029 and 2034. These goals will be evaluated on the efforts and results of the 5-year targets.

Table 4. Water Conservation Goals

Description	Historic 5 yr Average	Baseline	5- yr target	10-yr target
Total GPCD	94	94	85	87
Residential GPCD	59	59	53	55
Water Loss GPCD	8	8	7	7

GPCD: gallons per capita per day

The goals listed above will be reached through improvement of water use accounting, replacement of old water lines, meter repair, meter efficiency testing, meter replacement, and record keeping (fire department, city's street sweeper, and city's vector trucks use.) Additionally, increase beneficial reuse of effluent from City's wastewater treatment plant, enhance public education on water conservation and continue enforcement of existing plumbing codes. The challenges facing these goals will be the hot weather conditions and rapidly increased population.

4.2 Water Conservation Program

The following actions will be taken by the City of Pharr to accomplish the goals mentioned above:

A. Public Education and Awareness

Public education and awareness are an essential component of the City's water conservation program. The objective is to communicate to the City's residents the need for and benefits of water conservation and to provide useful consumer-oriented information on water conservation practices and technologies. The City will obtain and disseminate such information through a variety of avenues including:

- Providing water conservation literature to new utility customers at the time they apply for service, to utility customers reporting high water use, and the utility sales office on continuing basis.
- Providing consumer tips on water conservation in Consumer Confidence Report to be made available on the Public Utilities website annually; notify residents via social platforms and through their monthly water bill.
- Providing literature on xeriscape landscaping and the use of native plants and grasses to reduce lawn water demands.
- Presentation at different civic organizations, city events, and schools.

The City of Pharr will make educational resources available on their Public Utilities website from TCEQ, TWDB and EPA. It will also continue to utilize social platforms to make public service announcements. Provide water conservation literature to all education facilities in our community. Lastly, continue to educate the public during community events.

B. Plumbing Fixture Efficiency Standards

In 1991, the Texas Legislature passed legislation requiring that plumbing fixtures sold in Texas after January 1, 1992, meet the following standards:

- Shower Heads: No more than 2.50 gallons per minute at 80 pounds per square inch of pressure.
- Laboratory/Sink Faucets and Aerators: No more than 2.2 gallons per minute at 60 pounds per square inch of pressure.
- Wall mounted, Flushometer Toilets: No more than 2.0 gallons per flush
- All other Toilets: No more than 1.6 gallons per flush
- Drinking Water Fountains: Must be self-closing

The City of Pharr adopted the International Plumbing Code , most recent edition excluding A, promulgated by the International Code Council as the City of Pharr Plumbing Code (Ord. No. O-95-04, § 1, 1-3-95). *And the International Residential Code, most recent edition, with Appendixes A through Q, excluding L and I as the City of Pharr Residential Code (Ord. No. O-2000-45, § 1, 10-3-00). Additionally, it placed the following Building(s) regulations:*

- Swimming Pools: Adoption of International Swimming Pool and Spa Code (Ord. No. O-91-19, § 1, 6-18-91; Ord. No. O-2013-32, § 1, 9-3-13).
- Irrigation System: Water conservation means the design, installation, service, and operation of an irrigation system in a manner that prevents the waste of water, promotes the most efficient use of water, and applies the least amount of water that is required to maintain healthy individual plant material or turf, reduce dust, and control erosion (Ord. No. O-2009-24, § 1, 7-21-09)

The use of water efficient plumbing fixtures in new construction is expected to significantly reduce per capita water use and wastewater flow over time. These savings will occur "passively" as a consequence of new development and as old inefficient plumbing fixtures continue to wear out and are replaced. Water savings associated with high efficiency plumbing fixtures are not dependent on conscious effort by the customer to modify water use behaviors.

C. Plumbing Fixture Retrofit and Replacement

The City will encourage the retrofit and/or replacement of older, inefficient plumbing fixtures and appliances through the public education and awareness activities described above. Emphasis will be placed on the expected cost saving and payback periods through reduced water, wastewater, and energy costs. Additionally, the City will continue to replace inefficient plumbing fixtures in all city-owned facilities.

D. Water Rate Structure

The current Incline/Inverted Block Water Rate structure will continue to significantly encourage water conservation efforts from residential, commercial customers and thus resulting sustainability for future growth.

E. Metering and Repair

Metering all water services is an effective means of improving and maintaining control of water system operations and provides the basis for efficient and equitable cost recovery. Metering provides a database for system performance monitoring, for planning future facilities, and for assessing the effects of water conservation measures. Metering also improves accountability for both water deliveries and for unaccounted for water losses. The City of Pharr meters all water accounts, including those serving city facilities.

In April 2010 the City conducted a Meter Management Audit by JBS Associates. The audit included recommendations that are now being implemented such as testing meters annually and every two years depending on usage and age of the meter. Rule of thumb, if a 5/8" -3/4" meter has over a 1,000,000-gallon usage or over 15 years that meter should be changed; however, the City of Pharr follows a 10-year replacement. Periodic testing will be conducted every year on approximate 0.5% of the 3/4" meter for efficiency verification. Meters found to be outside these parameters (+/- 5%) will be replaced. Master Meters (raw water meter and high service meters) at the Water Treatment Plant are tested annually by a third party and results are reported to staff in writing and are filed for at a period of five years. Master meters which are not within +/- 5% of standard will be repaired and/or replaced. The City will continue to follow the recommendations from Meter Management Audit.

F. Leak Detection, Repair, and Water Loss Record Keeping

The 2018 City of Pharr Water System Master Plan recommended improvements are primarily driven by the need to replace mains within the City that are in poor conditions or asbestos cement (AC) pipes regardless of size. The replacement of AC mains should be automatically programmed to any street improvement project. It also recommends any street improvement work should include removing and replacing any AC Mains if they exist within the boundaries of the project.

When unaccounted water loss is greater than 15% annually, the City of Pharr will evaluate and determine if a systematic leak survey of the water distribution system is required and proceed accordingly. The City of Pharr Public Utilities has implemented recorded keeping of water usage of fire fighter department, street sweeper use, vactor truck use, and flushing of water mains. These accounting will allow the City of Pharr to better estimate actual water losses and will aid in evaluating the costs and benefits associated with leaks detection and the repair or replacements of main waterlines. Annual top-down audits will be conducted by the Public Utilities staff, they will utilize these records and their institutional knowledge to provide an overall picture of water loss during the year. Monthly tracking will allow for a more accurate unaccounted water loss.

G. Water Conserving Landscaping

At this time the City does not have landscaping restrictions for the purpose of water conservation, however, it will continue to encourage its residents to adopt water efficient landscaping practices through its public information program. The City encourages and supports the use of xeriscape landscaping techniques. The Public Utilities staff distribute xeriscape literature and lawn watering methods at community events.

H. Water Reuse

The City uses non-potable reclaimed wastewater effluent for facility wash-downs and chlorination at the wastewater treatment plant. The effluent basin accommodates 6" pump that provides non-potable reuse water to the City's golf course for irrigation purpose. The City is also looking at potential use of non-potable reuse water for various city services such as city street sweepers, city vactor truck and construction water tanks trucks.

I. Means of Implementation and Enforcement

An ordinance by the City Commission has been approved adopting this water conservation plan (Appendix D). The City's Public Utilities Department and City Manager will have primary responsibility for implementing the plan. The Public Utilities Department will be responsibility for keeping records of the implementation to verify water loss annually through top-down audits. (See 4.2F and 4.2K). These records will be compared to the goals stated above. The City's Police Department, Fire Department,

Code Compliance, and Public Utilities staff will have enforcement powers in accordance with the Drought Contingency Plan Ordinance.

J. Wholesale Water Contracts

The City of Pharr will require, through contractual agreement, that any political subdivision or public water supplies contracting with City for wholesale water supply or wastewater services either (1) adopt the provisions of the City's water conservation and drought contingency plan; or (2) develop and adopt a plan which meets the requirements of the TWDB or TCEQ. Currently the City of Pharr does not service continued wholesale water, only as needed.

K. Record Management System

The City of Pharr record of management includes purchased water, treated water and billed water. It classifies its water services by residential customers, residential senior, commercial, and institutional (church, school, and city). Based on the type of record keeping the system has established would allow to keep track of the effectiveness of our annual goals. As mentioned on Section 4.2 F top-down audit will give us a general knowledge if we meet our annual goal. Even though no monthly goals are established, we believe setting the annual goal will set the margin to meet a goal monthly. With better record keeping as mentioned above we can continue to track our progress in meeting our goals in Section 4.1 annually.

4.3 Reporting

The City of Pharr will continue its water conservation programs indefinitely and will report to the Executive Administrator of the TWDB on the implementation and status of the City's water conservation programs. The City is obligated to the TWDB under TAC Title 31 Part 10 Chapter 363 Subchapter A, Division 2 (§363.15) to submit an annual report. The annual report will be completed and submitted as required by the TWDB to determine the City's compliance with the Water Conservation and Drought Contingency Plan.

Drought Contingency Plan

City of Pharr

P.O Box 1729 Pharr 78577

CCN# 11918

PWS # 1080009

September 18, 2025

The City of Pharr Drought Contingency Plan (“Plan” or “DCP”) has been developed and adopted to establish a protocol for conserving water supply during emergency drought conditions and water shortages.

Section I: Declaration of Policy, Purpose, and Intent

In compliance with Texas Water Code Chapter 11 and Title 30 Texas Administrative Code Chapter 288, the Plan is to be adopted with the intent of preserving the reliability and stability of public water facilities while mitigating impacts of an emergency water shortage. The Plan prioritizes the protection of public health, welfare, and safety through maintaining domestic water usage, sanitation services, and fire protection. The City of Pharr hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Section II: Public Involvement

The City of Pharr provided an opportunity for the public to provide input during the Plan development through public meetings, bill inserts, and public notices posted on City of Pharr website and physically at official buildings.

Section III: Public Education

Following adoption, continued education to inform customers of any changes to the Plan and to continuously increase awareness of triggers, response measures, and importance of the plan will be conducted through:

- *Social media posts*
- *Bill inserts*
- *Public notices*
- *Press releases*
- *Public Events*
- *Other: Public service announcements and public utilities website.*

Section IV: Coordination with Regional Water Planning Groups

The City of Pharr is located within the Region M Water Planning Group. A copy of the approved City of Pharr Drought Contingency Plan will be shared with Region M upon adoption.

Section V: Authorization

The City Manager of the City of Pharr is authorized to determine the appropriate water conservation stage and implement the corresponding provisions as outlined in this Plan. Similarly, the City Manager of the City of Pharr is authorized to initiate or terminate the drought or other water supply emergency response measures as outlined in this Plan.

The provisions of this Plan may be amended, supplemented, changed, or repealed at any time during a duly called, noticed, and convened meeting of the City Manager of the City of Pharr.

Section VI: Application

The provisions of the City of Pharr DCP apply to all persons, customers, and property utilizing water services provided by City of Pharr. The terms “person” and “customer” as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

The highest priority for water usage during all stages is the protection of public health, welfare, and safety by providing water for human consumption, sanitation services, fire protection, and when alternative water sources are not available, the watering of livestock.

Section VII: Definitions

For the purposes of this Plan, the following definitions shall apply:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial and institutional water use: water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by the City of Pharr.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

Foundation watering: an application of water to the soils directly abutting (within 2 feet) the foundation of a building, structure.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
- b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- d) use of water to wash down buildings or structures for purposes other than immediate fire protection;
- e) flushing gutters or permitting water to run or accumulate in any gutter or street;
- f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- i) use of water from hydrants for construction purposes or any other purposes other than firefighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

Section VIII: Criteria for Initiation and Termination of Drought Response Stages

The City Manager **or** his or her designee shall monitor water supply and demand conditions on a monthly basis and shall determine when conditions warrant initiation or termination of each stage of the plan. Notification will be made through major media outlets and mailings. The designated City of Pharr representative will notify water users when water use restrictions have been eased due to lessening of drought conditions.

The triggering criteria described below are based on the level of the United States share of water in the Falcon-Amistad Reservoirs as reported by the TCEQ Rio Grande Watermaster, and demand on the municipal system capacity. The stages of

the drought plan may be rescinded when all of the conditions listed as triggering events have ceased for a period of three (3) consecutive days. Any one of the triggers listed below may cause the utility to initiate water restrictions. Please refer to Table 1: Demand, Supply and Emergency Triggers.

As of September 2025, the City of Pharr Water Treatment Plant Total System Treatment Capacity: 19.0 MGD, rated/rerated in 2019.

Table 1: Demand, Supply and Emergency Triggers

TYPE	TRIGGER	ACTION
DEMAND TRIGGERS	Water demand reaches or exceeds sixty-eight percent (68%) of delivery capacity for three (3) consecutive days (<i>currently 13 MGD</i>)	City of Pharr may enact Stage Two water restrictions
	Water demand reaches or exceeds seventy-four percent (74%) of delivery capacity for three (3) consecutive days (<i>currently 14 MGD</i>)	City of Pharr may enact Stage Three water restrictions
	Water demand reaches or exceeds seventy-nine percent (79%) of delivery capacity for three (3) consecutive days (<i>currently 15 MGD</i>)	City of Pharr may enact Stage Four water restrictions
	Water demand reaches or exceeds eighty-four percent (84%) of delivery capacity at any time (<i>currently 16 MGD</i>)	City of Pharr may enact Stage Five water restrictions
STAGE ONE WATER RESTRICTIONS AT ALL TIMES UNLESS:		
SUPPLY TRIGGERS	Reservoir levels of Amistad/Falcon reach forty percent (40%) of capacity	City of Pharr may enact Stage Two water restrictions
	Reservoir levels of Amistad/Falcon reach thirty percent (30%) of capacity	City of Pharr may enact Stage Three water restrictions
	Reservoir levels of Amistad/Falcon reach twenty percent (20%) of capacity	City of Pharr may enact Stage Four water restrictions
	Reservoir levels of Amistad/Falcon reach fifteen percent (15%) of capacity	City of Pharr may enact Stage Five water restrictions

TYPE	TRIGGER	ACTION
EMERGENCY TRIGGER	As determined by City Manager, including but not limited to system outage, equipment failure, or supply source contamination	Reduce water use to levels deemed necessary

Section IX: Drought Response Stages

The City Manager, or his/her designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section VIII of this Plan, shall determine that a mild, moderate, severe, critical, emergency or water shortage condition exists and shall implement the following notification procedures:

Notification

Notification of the Public:

The City Manager or his/ her designee shall notify the public by means of:

- a) City Website/Social Media
- b) publication in a newspaper of general circulation, direct mail to each customer,
- c) public service announcements,
- d) signs posted in public places

Additional Notification:

The City Manager or his/ her designee shall notify directly, or cause to be notified directly, the following individuals and entities:

- 1) Mayor / Chairman and members of the City Council
- 2) Fire Chief (s)
- 3) City and/or County Emergency Management Coordinator(s)
- 4) County Judge & Commissioner(s)
- 5) State Disaster District / Department of Public Safety
- 6) TCEQ (required when mandatory restrictions are imposed)
- 7) Major water users
- 8) Critical water users, i.e. hospitals
- 9) Parks /street superintendents & public facilities managers

Stage One: **Voluntary Conservation**

Voluntary conservation is the first stage of the conservation program and is always in force unless a higher stage is required and enacted. During Stage One, City of Pharr will aim to reduce per capita consumption by one percent (1%). The public is requested to voluntarily limit the amount of water used and only use the amount absolutely necessary for health, business, and irrigation. Notice of such request

shall be given by the City Manager through appropriate circulars, television, radio, and newspaper media at his or her discretion.

Water customers are requested to voluntarily limit the amount of water used for all activities, including but not limited to the following water uses:

- a. Designated irrigation days: Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6, or 8). And Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7, or 9). Landscape irrigation by means of a hand-held hose or using drip irrigation system is exempt from these requirements.
- b. Washing of automobiles, trucks, trailers, motorbikes, boats, airplanes, and other types of mobile equipment on designated irrigation days.
- c. Filling or refilling of residential swimming and/or wading pools;
- d. Irrigation of golf course tee boxes, greens, and fairways;
- e. Operation of ornamental fountains;
- f. Use of water from fire hydrants for activities unrelated to firefighting;
- g. Wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- h. Wash down of buildings or structures for purposes other than immediate fire protection; and
- i. Flushing gutters or permitting water to run or accumulate in any gutter or street.

Stage Two: Mandatory Compliance Water Alerts

During Stage Two, City of Pharr will aim to reduce per capita consumption by three percent (3%). The following restrictions shall apply to all persons:

Irrigation of outdoor vegetation shall be limited except for during the days and times as provided in this section and in such zones as designated herein. Irrigation by drip method or hand-held buckets is permitted at any time in any zone.

Schedule:

- a. Landscape Irrigation is only to be conducted during the hours of 6:00 p.m. to 10:00 a.m. on designated irrigation days.

b. The washing or sprinkling of foundations is only to be conducted on designated irrigation days, as those for landscape irrigation between the hours of 6:00 p.m. to 10:00 a.m.

c. The washing of automobiles, trucks, trailers boats, airplanes and other types of mobile equipment is only to be conducted on designated irrigation days between the hours of 6:00 p.m. to 10:00 a.m. Such washing, when allowed, shall be done with a handheld bucket or a handheld hose equipped with a positive shutoff nozzle for quick rinses.

Exception: Washing may be done at any time on the immediate premises of a commercial carwash or commercial service station. Further, such washing may be exempted from this recommendation if the health, safety and welfare of the public is contingent upon frequent vehicle cleaning, such as garbage trucks and vehicles to transport food and perishables.

d. The refilling or adding of water to residential swimming and/or wading pools is only to be conducted on designated irrigation days between the hours of 6:00 p.m. to 10:00 a.m.

e. The operation of any ornamental fountain, pond, or other structure making similar use of water for scenic or aesthetic purposes is only to be conducted between the hours of 6:00 p.m. to 10:00 a.m. Fountains or structures with a recirculation system, as well as water use to support aquatic life, are exempt from this recommendation.

f. The use of water for irrigation for golf greens, fairways, and tee boxes is only to be conducted on designated irrigation days between the hours of 6:00 p.m. to 10:00 a.m. Provided, however, any golf course utilizing wastewater effluent or raw water is exempted from this provision.

g. Use of water from fire hydrants shall be limited to firefighting and related activities, and/or other governmental use activities necessary to maintain the health, safety, and welfare of the City of Pharr.

h. Use of water to wash down buildings or structures for purposes other than immediate fire protection is only to be conducted between the hours of 6:00 p.m. to 10:00 a.m.

The following uses of water are defined as waste of water and are prohibited:

1. Flushing gutters or permitting water to run or accumulate in any gutter or street;
2. Failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s);

3. Washing sidewalks, driveways, parking areas, tennis courts or other paved areas, except to alleviate immediate fire hazards; and
4. Use of water for dust control.

In addition to the above restrictions, all water customers are requested to voluntarily limit any other water use to only the amount which is absolutely necessary for health or business purposes.

Stage Three: Mandatory Compliance Water Warning

During Stage Three, the following restrictions apply. In this stage, City of Pharr will aim to reduce per capita consumption by five percent (5%), or two percent (2%) greater than Stage Two. All elements of Stage Two, shall remain in effect in Stage Three except that:

- a. Irrigation of any outdoor vegetation is only to be conducted on the designated irrigation days and only during the hours of 7:00 p.m. to 9:00 a.m. on such designated days. Irrigation by drip or hand-held buckets is permitted at any time.
- b. The operation of any ornamental fountain, pond, or other structure making similar use of water for scenic or aesthetic purposes is prohibited. Fountains or structures with a recirculation system, as well as water use to support aquatic life, are exempt from this restriction.
- c. Use of water to wash down buildings or structures for purposes other than immediate fire protection is prohibited.
- d. All other water restrictions listed under Stage Two's schedule remain in effect with a reduced designated watering period between 7:00 p.m. and 9:00 a.m. on designated irrigation days. Water use for those purposes outside of this period is prohibited.

Any person who violates this Plan is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than \$50.00 dollars and not more than \$2,000.00 dollars.

Stage Four: Mandatory Compliance Water Shortages

During Stage Four, the following restrictions apply. In this stage, City of Pharr will aim to reduce per capita consumption by ten percent (10%), or five percent (5%) greater than Stage Three. All elements of Stages Two and Three shall remain in effect in Stage Four with the following additional restrictions:

Schedule:

- a. All outdoor irrigation of vegetation shall be allowed only between the hours of 8:00 p.m. to 6:00 a.m. on designated irrigation days and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems are prohibited at all times.

b. The washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment not occurring upon the immediate premises of commercial carwashes and commercial service stations and not in the immediate interest of the public health, safety and welfare is prohibited.

c. Car washes and commercial service stations in the immediate interest of public health, safety and welfare shall be limited to ninety percent (90.0%) of their monthly average usage based on the last twelve (12) billing periods for each of such customer.

d. Commercial nurseries, commercial sod farmers, and similarly situated establishments shall water only on designated irrigation days between the hours of 8:00 p.m. to 6:00 a.m. and shall use only handheld hoses, drip irrigation systems, or handheld buckets.

e. The filling refilling, or adding of water, except to maintain the structure integrity of the pool, to swimming and/or wading pools is prohibited.

f. All watering of golf course fairways, greens, and tee boxes is prohibited unless done with treated wastewater, reclaimed water, or well water.

Any person who violates this Plan is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than \$50.00 dollars and not more than \$2,000.00 dollars.

Stage Five: Mandatory Compliance Water Shortage Emergency

During Stage Five, the following restrictions shall apply. All elements of Stages Two through Four, including the goal of ten percent reduction (12%) of water use per capita, shall remain in effect in Stage Five except that:

a. No applications for new, additional, further expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or other water service facilities of any kind shall be allowed, approved or installed except as approved by the City of Pharr.

b. All allocations of water use to non-essential industrial and commercial customers, such as restaurant water service and misters, shall be reduced to amounts as established by the City of Pharr.

c. No bulk water sales shall be made from the City of Pharr or other sources for any purpose when such water will be transported by a tanker truck or similar type vehicle.

d. All filling, refilling, and adding water to residential swimming and/or wading pools is absolutely prohibited.

e. The maximum monthly water use allocation for residential customers may be established with revised rate schedules and penalties by the City

Commissioners on recommendation by the City Manager. Irrigation is permitted only by:

- i. Handheld or faucet filled bucket;
- ii. Continuously handheld hoses;
- iii. Drip irrigation during the hours from 6:00 a.m. to 8:00 a.m., once every ten (10) days, by a schedule established by the City Manager.

f. The washing of automobiles, trucks, trailers boats, airplanes, and other types of mobile equipment not occurring upon the immediate premises of commercial carwashes and commercial service stations and not in the immediate interest of the public health, safety and welfare shall be prohibited.

Any person who violates this Plan is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than \$50.00 dollars and not more than \$2,000.00 dollars.

Stage Six: Water Allocation

During Stage Six, the following restrictions shall apply, in addition to all elements of Stages Two through Five. In the event that water shortage conditions threaten public health, safety, and welfare, the City Manager is hereby authorized to allocate water according to the following priorities so that the remaining water is available for essential health- and safety-related uses. The priority list for water use during severe drought will be the following:

- Priority 1 – Hospitals and Medical Facilities, including Dialysis Centers
- Priority 2 – Emergency Water Facilities
- Priority 3 – Fire Protection
- Priority 4 – Residential
- Priority 5 – Schools
- Priority 6 – Industrial
- Priority 7 – Commercial
- Priority 8 – Recreation/Aesthetics

Section X: Additional Water Sources

The City of Pharr will take necessary measures to acquire an additional water source such as adjoining water suppliers and reservoirs.

Section XI: Review Committee – Formation, Powers and Duties

Upon approval of this Drought Contingency Plan, the City Manager will establish a **Review Committee** to review hardship and special cases involving customers, persons, or property utilizing the City of Pharr's water that cannot abide by the provisions of this plan. The Review Committee will consist of the City Manager, Public Utilities Director,

and a member/ customer chosen by the City Commissioners. The Public Utilities will be the Chairman of the Review Committee, and the designee will be the Vice-Chairman.

All requests for a variance to the provisions of this Plan must be submitted to the Review Committee in writing and must state the circumstances supporting the request. The Review Committee is authorized to grant variances from the provisions of this Plan if, owing to peculiar circumstances, an undue hardship will result, and the granting of the variance will not be contrary to the public interest.

All decisions of the Review Committee will be reported to the City Commissioners at the next regularly scheduled Meeting. If the Review Committee denies a request for a variance, an appeal can be made to the City Commissioners at the next regularly scheduled meeting. If a protest is received after the granting of a variance, the Review Committee will refer the protest to the City Commissioners at the next regularly scheduled meeting. The decisions of the City Commissioners are final.

Section XII: Variances

The City Manager, or his/her designee, may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

- a. Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- b. Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the City of Pharr within 5 days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the City Manager, or his/her designee, and shall include the following:

1. Name and address of the petitioner(s).
2. Purpose of water use.
3. Specific provision(s) of the Plan from which the petitioner is requesting relief.
4. Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
5. Description of the relief requested.
6. Period of time for which the variance is sought.
7. Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
8. Other pertinent information.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

All decisions of the Review Committee will be reported to the City Commissioners at the next regularly scheduled meeting. If the Review Committee denies a request for a variance, an appeal can be made at the next regularly scheduled meeting. If a protest is received after the granting of a variance, the Review Committee will refer the protest to the City Commissioners at the next regularly scheduled meeting. The decisions of the Commissioners are final.

Section XIII: Violations, Penalties, and Enforcement

a. No person shall knowingly or intentionally allow the use of water from the City of Pharr's system for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provisions of this Plan.

b. Any person who violates this Plan will be issued a warning on the first offense, any person who violates this Plan thereafter is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than \$50.00 dollars and not more than \$2,000.00 dollars. Each day that anyone or more of the provisions of this Plan are violated will constitute a separate offense. Upon receiving a notice of violation on the second offense, the customer's meter is subject to being locked. If a customer receives a notice of violation for two or more distinct violations in any one-day period, the City Manager will, upon due notice, be authorized to discontinue water service to premises where the violations occurred, and a fee will be required to be paid before service is restored. Should any person or customer receive a third notice of violation, water service will be discontinued, and a flow restriction device will be installed at the customer's meter at the customer's expense, and a second fee will be required to be paid before service is restored. Should a customer's water service be discontinued for a third time, then the fee for restoring water service shall be doubled.

1. For any customer whose meter equivalent is 1, water service will be restored after the first disconnection for a fee of \$30.00. For any customer whose meter equivalent is more than 1, water service will be restored after the first disconnection for a fee of \$30.00 per meter equivalent. After the second disconnection, water service will be restored only after a second fee of \$30.00 per meter equivalent has been paid and a flow restriction device has been installed at the customer's meter at the customer's expense. This device will remain connected to the customer's meter until the Corporation returns to Stage 2 or less. After the third disconnection, water service will be restored only after a third fee of \$30.00 per meter equivalent has been paid.

2. The above surcharges and termination provisions will not apply if the water used resulted from a loss of water (i.e., water leak) through no fault of the customer. The customer will have to prove that immediate steps were taken to

correct the leak after its discovery and that the customer was not in any way negligent in causing or permitting the loss of water.

c. Any City of Pharr employee from Police Department, Fire Department, Code Compliance or Public Utilities Department may issue a notice of violation to a person he/she reasonably believes to have committed a violation of this Plan. The notice of violation will be prepared in duplicate and will contain the name of the member and the tenant, if any, the address, the alleged violation, and the date.

d. The customer in apparent control of the property where a violation occurs or originates will be presumed to be the violator, but the customer will have the right to show that he/she did not commit the violation. The customer will be presumed to be responsible for minor children and for anyone residing in the customer's household who commits a violation.

SECTION 2 – CUMULATIVE

That except as herein amended, this Ordinance shall be cumulative of all other ordinances and said Ordinances shall remain in full force and effect, unimpaired hereby.

SECTION 3 – EFFECTIVE DATE; PUBLICATION

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, if necessary, may also be in caption form as allowed under Section 9 of the Pharr City Charter.

SECTION 4 – PROPER NOTICE AND MEETING

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

PASSED AND APPROVED ON THE FIRST READING BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF PHARR, TEXAS, on this the ____ day of ____ 2026.

CITY OF PHARR

AMBROSIO HERNANDEZ
MAYOR

ATTEST:

IMELDA PEREZ, CITY CLERK

**PASSED AND APPROVED ON THE SECOND READING BY THE BOARD OF
CITY COMMISSIONERS OF THE CITY OF PHARR, TEXAS, on this the ____ day of
____ 2026.**

CITY OF PHARR

AMBROSIO HERNANDEZ
MAYOR

ATTEST:

IMELDA PEREZ, CITY CLERK

**PASSED AND APPROVED ON THE THIRD AND FINAL READING BY THE
BOARD OF CITY COMMISSIONERS OF THE CITY OF PHARR, TEXAS, on this the
____ day of ____ 2026.**

CITY OF PHARR

AMBROSIO HERNANDEZ
MAYOR

ATTEST:

IMELDA PEREZ, CITY CLERK



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 6.C.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Imelda Perez, City Clerk

DEPARTMENT: IT

DIRECTOR: Jose Pena

Agenda Item: Consideration and action, if any, on Ordinance amending Ordinance No. O-2023-46 of the City of Pharr, Texas, Chapter 118, Subdivision, modifying Section X - Fiber Optic. **(2nd Reading) This item supports IF - Infrastructure.**

Classification: Regular

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

Issue: Ordinance to require developers to escrow Fiber Optic infrastructure at Subdivision phase and enforce penalties for noncompliance.

Fiscal Consideration: NA

Staff Recommendation: Staff recommends approval.

Alternatives: NA

Exclude Material from Public Packet? No

Reason: NA

ROUTING:

Imelda Perez

Created/Initiated - 03/27/2026

Jose Pena

Approved - 03/27/2026

Hilda Pedraza

Approved - 03/30/2026

Ricardo Rodriguez

Approved - 03/30/2026

Jamison Merrick

Approved - 03/30/2026

City Management Office

Final Approval - 03/30/2026

ORDINANCE NO. O-2026-__

AN ORDINANCE AMENDING ORDINANCE NO. O-2023-43 OF THE CITY OF PHARR, TEXAS CHAPTER 118, SUBDIVISIONS, ADDING SECTION X – FIBER OPTIC, PROVIDING FOR A REPEALING CLAUSE, SEVERABILITY CLAUSE, AND **PENALTY CLAUSE, PROVIDING FOR PUBLICATION AND EFFECTIVE DATE TO THE SUBJECT MATTER THEREOF**

WHEREAS, the City of Pharr has previously adopted subdivision regulations and a “Standards Manual: Construction and Development Guide” to provide uniform technical criteria for public infrastructure associated with land development within the City and its extraterritorial jurisdiction (“ETJ”); and

WHEREAS, the City of Pharr desires to apprise the public of the existence of these policies, standards, rules and regulations and to make them enforceable on a uniform basis; and

WHEREAS, the existing “Standards Manual: Construction and Development Guide” requires updates, modifications, and additions to establish fiber optic utility guidelines for development in our city; and

WHEREAS, Chapter 212 of the Texas Local Government Code authorizes the City to adopt rules governing plats and subdivisions of land to promote the health, safety, morals, and general welfare of the City and to provide for the safe, orderly, and healthful development of the community, including the regulation of municipal infrastructure improvements associated with new development; and

WHEREAS, the City finds that modern fiber optic communications infrastructure constitutes essential public utility infrastructure that supports public health, safety, education, economic development, and emergency response, and that integrating fiber conduit and related facilities into subdivision and site design at the time of development is the most efficient, least disruptive, and least costly means of achieving ubiquitous, future-ready broadband access; and

WHEREAS, the City further finds that requiring developers to design and install certain fiber optic conduit, handholes, cabinets, and related appurtenances in and along public rights-of-way and public utility easements, in a manner that is limited to improvements that are roughly proportionate to the demands and impacts of the proposed development, will promote fair and orderly growth, avoid duplicative street cuts, and preserve the public's investment in transportation and utility corridors.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PHARR, TEXAS THAT:

SECTION 1. The City of Pharr’s Standards Manual is hereby amended by adding Section X – Fiber Optic, as follows:

SECTION X – FIBER OPTIC

X – 1 General

The purpose of this section is to define the general requirements for the design and installation of the city's fiber optic network and to provide details for its correct implementation. All new proposed subdivisions, all new multi-family residential developments, and all new commercial or residential structures requiring a concrete foundation shall design and install conduit and fiber optic cable designated exclusively to the City of Pharr fiber optic network. All designs shall adhere to the standards located within this directive. The City of Pharr Innovation & Technology (IT) and Engineering Departments shall be consulted if variations from these standards are anticipated.

X – 2 Design

1. A main (2") PVC conduit with (30"x48") distribution handholes shall be designed to reach and provide connection to each service handhole in the subdivision.
2. A 1 1/4" PVC conduit shall be run from every service handhole on the main conduit side, across the roadway, and to a service handhole between every other lot on the opposite side of the roadway.
3. A (17"x30") service handhole shall be installed between every other lot.
4. All PVC conduits shall be a minimum of 3-ft deep when parallel to roadway and 5-ft deep at roadway crossings.
5. All fiber optic improvements shall be located inside a 5-ft Communication Easement Exclusive to the City of Pharr or inside an existing or proposed 15-ft Utility Easement Exclusive to the City of Pharr if permitted by Public Utilities Department.
6. A passive optical network (PON) cabinet adjacent to the city's fiber backbone shall be included in the design depending on the size of the subdivision or multi-family development as requested by the city's IT Department during plan review.
7. Fiber optic cable shall be pulled through all required conduits during the construction phase. For all new structures with concrete foundations, a sweep elbow with a pull string shall be installed from the foundation to the nearest service handhole to allow for future service connection.
8. Residential Multifamily dwelling units
 - a. A single 2" conduit shall be designed from the nearest city fiber distribution handhole or PON Cabinet to a centralized telecommunication room or demarcation point (d-marc) within the MDU property or building.
 - b. A 17"x30" service handhole shall be installed on the property, adjacent to the public right-of-way or utility easement, to serve as the point of demarcation and splice enclosure for the city's network.
 - c. From the centralized telecommunication room or demarcation point(D-Marc), individual 3/4" innerduct or conduit shall be extended to each unit, apartment, or dwelling to provide a dedicated pathway for future fiber optic services.

- d. Conduits from individual building foundations to the service handhole shall be stubbed out with a sweep elbow and pull string during the pouring of concrete slabs.
- 9. Commercial properties
 - a. A single 4" conduit shall be designed from the nearest city fiber distribution handhole or network cabinet a 30"x48" service handhole placed on the commercial property, adjacent to the public right-of-way or utility easement.
 - b. From this service handhole, a 4" conduit shall be extended to the building's designate telecommunications entrance room or designated utility area.
 - c. All foundations requiring concrete shall include a stub-out with a sweep elbow and pull string from the foundation to the service handhole.
- 10. Residential single-family properties
 - a. For standard residential lots, the 1.25" conduit running from the main line to the service handhole between lots, as described in Section x-2 #2 and #3, shall satisfy the requirement for the development's primary infrastructure.
 - b. At the time of single-family home construction, the builder shall install a 1.25" sweep elbow from the foundation of the home to the nearest service handhole. A pull string shall be left in place in the conduit for future fiber installation.

X – 3 Required Submittals

A. Preliminary Approval Phase

To properly review and consider projects and grant preliminary approval, the following items must be addressed and shown on a fiber conduit site plan (1" = 50'):

- 1. Communication Easement(s) (if needed) Exclusive to the City of Pharr, width(s) and location(s)
- 2. PON cabinet(s), size(s) and location(s)
- 3. Handhole(s), size(s) and location(s)
- 4. Conduit(s), size(s) and location(s)

B. Construction Phase

After preliminary approval has been granted by the COP-P&Z, the City will accept construction documents for review and approval. The submittal should include the following:

- 1. Plan and profiles showing service arrangements.
- 2. Complete construction details
- 3. Cost Estimate for all fiber optic utility improvements, including conduit, fiber optic cable, and associated infrastructure. Unit costs will be provided by the city's IT Department.
- 4. Commercial properties
 - a. For Commercial projects, here are construction requirements: shall include a lot-specific fiber stub-out site plan, detailing the location of the

sweep elbow from the foundation to the dedicated service handhole, to be inspected prior to the concrete pour.

5. Residential single-family properties

- a. For SF Residential properties, here are construction requirements: construction requirements shall include a lot-specific fiber stub-out site plan, detailing the location of the sweep elbow from the foundation to the dedicated service handhole, to be inspected prior to the concrete pour.

6. Residential Multifamily dwelling units

- a. For MDU's here are construction requirements: shall include a composite drawing or site plans showing all inter-building conduit runs, the location of the main telecommunication room, and all handholes, with vertical profiles for deeper conduit placements.

After the IT Department reviews and approves the submittals, the following shall be submitted as part of the subdivision and construction processes:

1. Approved design for all fiber optic utility improvements in shapefile or .kmz file.
2. Escrow amount for fiber optic utilities.

These two items shall be required as part of the subdivision process to obtain a Notice to Proceed for the Subdivision as well as construction and inspection of conduit/fiber systems.

A final Certificate of Occupancy shall not be issued for any structure or phase of the development until the City of Pharr IT Department has verified and approved the installation of all required fiber optics conduit, handholes, cabinets, and fiber optic cable, confirming that all requirements of this section have been met.

If the developer is required to extend fiber optic utilities past their property limits and through other properties a reimbursement contract may be executed to allow the developer to recover that cost.

X – 4 Standard Details

The following Standard Details (see appendix B) show the adopted standards required by the City of Pharr:

- FO – 1 Typical Fiber Optic Layout
- FO – 2 Typical Utility Service Arrangements
- FO – 3 Foundation to Handhole Service Sweep Detail
- STR – 1 local 50' with 15' utility easements

SECTION 2: REPEALING CLAUSE

All provisions of the ordinances of the City of Pharr, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions of the ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 3: SEVERABILITY CLAUSE

Should any section or part of this ordinance be held unconstitutional, illegal, or invalid, or the application to any person or circumstance for any reasons thereof ineffective or inapplicable, such unconstitutionality, illegality, invalidity, or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions thereof; but as to such remaining portion or portions, the same shall be and remain in full force and effect and to this end the provisions of this ordinance are declared to be severable.

SECTION 4: PUBLICATION

In compliance with Article III, Section 8 of the City Charter requiring Ordinances imposing penalties to be published in the official newspaper, it is hereby ordered that this Ordinance be so published. It is further ordered, as permitted by Article III, Section 9, of the City Charter, that the publication of this Ordinance take the form of the Publication of a description caption or title, stating in summary the purpose of the Ordinance and the penalty for violation thereof.

SECTION 5: 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.

SECTION 6: PENALTY CLAUSE

Any person, firm, entity or corporation violating any provision of this Ordinance, as it exists or may be amended, shall be deemed guilty of a misdemeanor, and on conviction thereof, shall be fined in an amount not exceeding FIVE HUNDRED AND 00/100 DOLLARS (\$500.00). Each continuing day's violation shall constitute a separate offense. The penal provisions imposed under this Ordinance shall not preclude the City from filing suit to enjoin the violation. The City retains all legal rights and remedies available to it pursuant to local, state and federal law.

PASSED AND APPROVED ON THE FIRST READING BY THE BOARD OF CITY COMMISSIONER OF THE CITY OF PHARR, TEXAS, on this the ____ day of March 2026.

CITY OF PHARR

AMBROSIO HERNANDEZ, MAYOR

ATTEST:

IMELDA PEREZ, CITY CLERK

**PASSED AND APPROVED ON THE SECOND READING BY THE BOARD OF
CITY COMMISSIONER OF THE CITY OF PHARR, TEXAS**, on this the ____ day of
_____, 2026.

CITY OF PHARR

AMBROSIO HERNANDEZ, MAYOR

ATTEST:

IMELDA PEREZ, CITY CLERK

**PASSED AND APPROVED ON THE THIRD READING BY THE BOARD OF CITY
COMMISSIONER OF THE CITY OF PHARR, TEXAS**, on this the ____ day of _____, 2026.

CITY OF PHARR

AMBROSIO HERNANDEZ, MAYOR

ATTEST:

IMELDA PEREZ, CITY CLERK



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 6.D.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Abel Molina, Special Events
Director

DEPARTMENT: Special Events

DIRECTOR: Abel Molina

Agenda Item:

Consideration and action, if any, on Resolution entering into an agreement with the Texas Department of Transportation (TxDOT) for closure of a single outside lane of N. Jackson Rd. from Sioux Rd. to Owassa Rd. and Frontage Road of I69 Central from Sioux Rd. to Owassa Rd. for the Annual Pharr Warrior Race Triathlon on Saturday, May 2, 2026, from 4:00 a.m. to 12:00 p.m. **This item supports QL - Quality of Life.**

Classification: Consent

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

Issue: Consideration and action, if any, on a resolution authorizing the City of Pharr to enter into an agreement with the Texas Department of Transportation (TxDOT) for temporary street and lane closures in support of the Annual Warrior Race event. Said closures will include northbound Jackson Road to Owassa Road, east on Owassa Road to the frontage road (US 83/Cage Boulevard), south along the frontage road to Sioux Road, and west on Sioux Road back to Jackson Road on May 2, 2026, from 4:00 a.m. to 12:00 p.m., to allow for proper traffic control measures and ensure safe event operations.

Fiscal Consideration: N/a

Staff Recommendation: Staff recommends the city commission to approve of this item.

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/a

ROUTING:

Abel Molina
Abel Molina
Hilda Pedraza
City Management Office

Created/Initiated - 03/27/2026
Approved - 03/27/2026
Approved - 03/27/2026
Final Approval - 03/30/2026

RESOLUTION R-2026-__

**A RESOLUTION OF THE CITY OF PHARR TEXAS, AUTHORIZING THE CITY TO
ENTER INTO AN AGREEMENT WITH THE TEXAS DEPARTMENT OF PUBLIC
TRANSPORTATION FOR PUBLIC EVENT IN THE CITY LIMITS OF PHARR**

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF
COMMISSIONERS OF THE CITY OF PHARR, TEXAS:**

That the City of Pharr wishes to enter into an agreement with the State of Texas, acting by and through the Texas Department of Transportation for temporary closure of a street for a public event.

That the closure of the single outside lane of N Jackson Rd from Sioux Rd to Owassa Rd and Frontage Road of I69 Central from Sioux Rd to Owassa Rd for the purpose of conducting the Annual Pharr Warrior Race Triathlon on Saturday, May 2, 2026, from 4:00 a.m. to 12:00 p.m.;

That all rules and procedures of 43 Tex., Adm. Code, Section 22.12 have been established for the temporary closure of a segment of the State highway system, and this agreement has been developed in accordance with the rules and procedures.

This resolution shall take effect immediately from and after its passage.

PASSED AND APPROVED this ____ day of _____, 2026, by the Board of Commissioners of the City of Pharr, Texas.

CITY OF PHARR

AMBROSIO HERNANDEZ, MAYOR

ATTEST:

IMELDA PEREZ, CITY CLERK



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 6.E.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: LINDA DEL TORO, Secretary

DEPARTMENT: Library

DIRECTOR: Adolfo Garcia

Agenda Item: Consideration and action, if any, on Interlocal Agreement with Hidalgo County and the City of Pharr for library services for county calendar year 2026. **This item supports QL - Quality of Life.**

Classification: Regular

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

Issue: Library interlocal agreement to provide library services to all County residents

Fiscal Consideration: HCLS funding to Pharr Memorial Library \$16,558.45

Staff Recommendation: Staff recommends approval

Alternatives: No alternatives

Exclude Material from Public Packet? No

Reason: No exclusion

ROUTING:

LINDA DEL TORO

Adolfo Garcia

Hilda Pedraza

Ricardo Rodriguez

Jamison Merrick

City Management Office

Created/Initiated - 03/27/2026

Approved - 03/27/2026

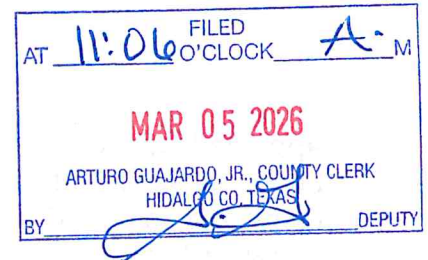
Approved - 03/27/2026

Approved - 03/27/2026

Approved - 03/30/2026

Final Approval - 03/30/2026

THE STATE OF TEXAS §
COUNTY OF HIDALGO §



**INTERLOCAL COOPERATION AGREEMENT
BETWEEN COUNTY OF HIDALGO, TEXAS AND CITY OF PHARR, TEXAS**

This Agreement is made effective as of this 3rd day of March, 2026, by and between HIDALGO COUNTY, TEXAS hereinafter referred to as "County," and the CITY OF PHARR, TEXAS hereinafter referred to as "City" pursuant to the provisions of the Texas Interlocal Cooperation Act, as follows:

WHEREAS, the County has established the Hidalgo County Library System (hereinafter "HCLS");

WHEREAS, the County wishes to Contract with the City for library privileges from the City's established library;

WHEREAS, pursuant to Tex. Loc. Gov't Code Section 323.011 the City understands that the City's library will assume the functions of a County library within the County;

WHEREAS, pursuant to standard HCLS operating procedures, HCLS acquires library materials, supplies and services, electronic database services, audiovisual equipment, and computer hardware, software and other resources for library services for the free use of City's library by residents of rural areas of the County;

WHEREAS, the County and City desire to clarify the terms and conditions of the operation of HCLS, and to provide direct funding to City in certain circumstances;

WHEREAS, the County finds that the City is suitably organized to provide efficient and effective free library services to County residents under Chapter 323; and

WHEREAS, the County therefore desires to expend funds to assist City with the expenses of establishing, operating and maintaining its free library in the County.

NOW THEREFORE, for and in good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the County and the City hereby agree as follows:

1. The County shall budget an estimated amount each year for the following fiscal year and allocate such amount from the County's General Fund as payment for various libraries of County of which City library is one. Such estimated amount will be allocated to County libraries in accordance with a formula established, reviewed and

approved by HCLS. This allocation formula shall be reviewed and approved annually at the beginning of the County fiscal year by HCLS meeting in regular-session. Funds disbursed to the City shall be in consideration for the City agreeing that the City's library will assume the functions of a county library within Hidalgo County. Funds disbursed to the City pursuant to this paragraph and HCLS provisions shall be used by City only for the City library to purchase contractual services and library materials, including but not limited to, books, supplies and services, Internet connectivity, electronic database services and connections, equipment and furnishings, and computer hardware and software.

2. The City agrees to maintain and operate its city library in accordance with the standards of the State of Texas, the State Library System Act and Local Government Code Chapter 323. The City specifically covenants to assure that the librarian of the City's library meets the minimum standards established by Texas State Library and Archives Commission ("State Library"), including any and all certification mandated by the State Library. The City further agrees to cooperate with the County in any programs, promotions or interlocal initiatives in furtherance of the purposes of HCLS.

3. The City agrees to supervise the activities and operation of its library and agrees to assume full responsibility and liability for any and all activities conducted under the terms of this Agreement.

4. The City library personnel shall not be entitled to any of the benefits of an employee of the County, including, but not limited to, County fringe benefits or the County Civil Service program.

5. This Agreement shall continue until December 31, 2026; or until amended, replaced or terminated in accordance with Chapter 323. Either party may terminate this Agreement by providing six (6) months' advance written notice to the other party. The parties agree that any property acquired under this Agreement is subject to division upon termination of this contract in accordance with Texas Local Government Code Section 323.011(c). Upon termination of this Agreement, any property acquired under this Agreement shall remain in the possession of the City in the City library and the City agrees to take any and all necessary measures to ensure that such property is safeguarded from theft and/or damage.

6. The City agrees to give County and its authorized representatives access to, and the right, to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, documents, things, or property belonging to or in use by the City in relation to its library operations for so long as such are maintained by City.

7. Conflict of Applicable Law: Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of their Agreement and any present or future law, ordinance, or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in

such event the affected provision(s) of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

8. No Waiver: No waiver by any party hereto of any breach of any provision of the Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

9. Entire Agreement: This Agreement contains the entire contract between the parties hereto and each party acknowledges that neither has made (either directly or through any agent or representative) any representation or agreement in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by City and County, and not otherwise.

TEXAS LAW TO APPLY. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATION OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

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

If to County: County of Hidalgo
Attention: Richard F. Cortez, County Judge
100 E. Cano, 2nd Floor
Edinburg, Texas 78539

If to City: City of Pharr, Texas
Attn: City Manager
118 S Cage Blvd
Pharr, Texas 78577

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

11. Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

12. Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

13. Assignment. This Agreement shall not be assignable.

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

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

16. Authority to Execute. The execution and performance of this Agreement by City and County have been duly authorized by all necessary laws, resolutions corporate action, and this Agreement constitutes the valid and enforceable obligations of City and County in accordance with its terms

17. Governmental Purpose. Each party hereto is entering into this agreement for the purpose of providing for governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.

18. Commitment of Current Revenues Only. In the event that, during any term, hereof, the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this Agreement, then any party may terminate this Agreement upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each party.

19. Non-Discrimination. The Agreement and all related activities shall be conducted in a manner that does not discriminate against any person on a basis prohibited by applicable law or County and City policy, including without limitation to race, color, national origin, religion, sex, age, veteran status, or disability.

[SIGNATURE PAGE TO FOLLOW]

WITNESS THE HANDS OF THE PARTIES this 3rd day of March, 2026.



HIDALGO COUNTY, TEXAS

Richard F. Cortez
Richard F. Cortez, County Judge

ATTEST:

Arturo Guajardo, Jr.
Arturo Guajardo, Jr., County Clerk

CITY OF PHARR, TEXAS

Dr. Ambrosio "Amos" Hernandez, Mayor

ATTEST:

By: _____
Imelda Perez, City Secretary

APPROVED AS TO FORM:

Hidalgo County Criminal District Attorney's Office
Toribio "Terry" Palacios

By: Victor M. Garza
Victor M. Garza, Chief Administrative Attorney

CITY:

By: _____
Ricardo P. Rodriguez, Jr., City Attorney

APPROVED BY
COMMISSIONERS COURT
ON: 3-3-26 MM



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 6.F.

DATE SUBMITTED: March 11, 2026

MEETING DATE: April 6, 2026

FROM: Jose Reyes, Capital Improvement
Project Engineer

DEPARTMENT: Engineering

DIRECTOR: Patrizia Longoria

Agenda Item: Consideration and action, if any, authorizing City Manager to advertise for bids for the Lift Station No. 31 and Force Main Improvements Project. **This item supports IF - Infrastructure.**

Classification: Consent

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

Issue: The Lift Station No. 31 and Force Main Improvements Project. Project (the "Project") is one of the projects being funded through the Clean Water State Revolving Fund (CWSRF) Program that is being administered by the Texas Water Development Board (TWDB). The design engineer, Garcia Infrastructure Consultants, LLC, has completed the design and obtained approval from the TWDB to proceed to advertise and receive bids for the Project.

This agenda item is to receive permission from the Pharr City Commission to advertise and receive bids for the Project.

Project No. 2526-61-587-C04-588

Fiscal Consideration: The only expense at this time is the cost of advertising the Project in the Advance News Journal and The Monitor for at least three consecutive weeks.

Staff Recommendation: Staff recommends approval to advertise for bids for the Lift Station No. 31 and Force Main Improvements Project.

Alternatives: No alternatives. The Project is a design-bid-build project that is at 100% for design, but permission from the City Commission is required before it can be advertised and bids be received.

Exclude Material from Public Packet? No

Reason: No exclusion.

ROUTING:

Jose Reyes
Patrizia Longoria
Maritza Magallan
Ricardo Rodriguez

Created/Initiated - 03/11/2026
Approved - 03/19/2026
Approved - 03/20/2026
Approved - 03/20/2026

Jamison Merrick
City Management Office

Approved - 03/20/2026
Final Approval - 03/20/2026



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 6.G.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Alessandra Garcia, Assistant City Clerk

DEPARTMENT: Administration

DIRECTOR:

Agenda Item: Consideration and action, if any, on Development Services Cases:

Classification: Public Hearing

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

Issue:

Fiscal Consideration:

Staff Recommendation:

Alternatives:

Exclude Material from Public Packet? No

Reason:

ROUTING:

Alessandra Garcia

Created/Initiated - 03/27/2026



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 6.G.1.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Nancy Hernandez, Administrative Assistant

DEPARTMENT: Development Services

DIRECTOR: Roland Gomez

Agenda Item: 7-Eleven Inc. DBA 7-Eleven Convenience Store's and Stripes Stores, 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 Lot 1, 7-11 Cage Addition, Pharr, Hidalgo County, Texas. The property's physical address is 6024 North Cage Boulevard. CUP#231106
- This item supports EV - Economic Vitality.

Classification: Consent

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

Issue: 7-Eleven Inc. DBA 7-Eleven Convenience Store's and Stripes Stores, 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)

Fiscal Consideration: N/A

Staff Recommendation: Development Services recommends approval of the renewal request for the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C) subject to the site and applicant being in compliance with all City Ordinances and City Department requirements.

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Nancy Hernandez
Joe Garza
Roland Gomez
Melanie Cano

Created/Initiated - 03/27/2026
Approved - 03/27/2026
Approved - 03/27/2026
Final Approval - 03/27/2026



Pharr

Development Services



MEMORANDUM

DATE: MONDAY, APRIL 6, 2026

TO: MAYOR AND CITY COMMISSION

FROM: ROLAND GOMEZ, DIRECTOR OF DEVELOPMENT SERVICES

THROUGH: JONATHAN FLORES, CITY MANAGER

SUBJECT: CONDITIONAL USE PERMIT RENEWAL FOR ABC – FILE NO. CUP#231106 (7-ELEVEN CONVENIENCE STORE'S AND STRIPES STORES)

GENERAL INFORMATION:

APPLICANT: 7-Eleven Inc. DBA 7-Eleven Convenience Store's and Stripes Stores, 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 Lot 1, 7-11 Cage Addition, Pharr, Hidalgo County, Texas.

LOCATION: The property's physical address is 6024 North Cage Boulevard.

ZONING: The property is currently zoned General Business District (C). The properties to the east are zoned Single-Family Residential District (R-1) and Limited Industrial District (L-I). The adjacent zoning is Limited Industrial District (L-I) to the south and west. The city limits lie to the north. The area is generally designated for commercial use in the Land Use Plan.

COMMENTS:

**POLICE
CHIEF:**

Recommends a
the Conditional

FIRE

Recommends approval of
Conditional Use Permit.

BUILDING:

Recommends approval of
Conditional Use Permit.

HEALTH:

approval of
Use Permit.

DEVELOPMENT

approval of
Use Permit.

**DEVELOPMENT SERVICES
RECOMMENDATIONS:**

Development Services recommends **approval** of the renewal request for the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C) subject to the site and applicant being in compliance with all City Ordinances and City Department requirements.



Pharr



MAYOR Ambrosio Hernandez, MD

COMMISSIONERS Michael Pacheco | Roberto "Bobby" Carrillo | Ramiro Caballero, MD | Daniel Chavez | Ricardo Medina | Itza Flores

Executive Summary Letter

April 6, 2026

Conditional Use Permit **Renewal** for ABC – 7-Eleven Convenience Store's and Stripes Stores

Background:

7-Eleven Inc. DBA 7-Eleven Convenience Store's and Stripes Stores, is requesting renewal of the Conditional Use Permit to allow the sale of alcoholic beverage for on-premise consumption. This request constitutes the 2nd renewal for 7-Eleven Convenience Store's and Stripes Stores.

The property is located at 6024 North Cage Boulevard. 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.

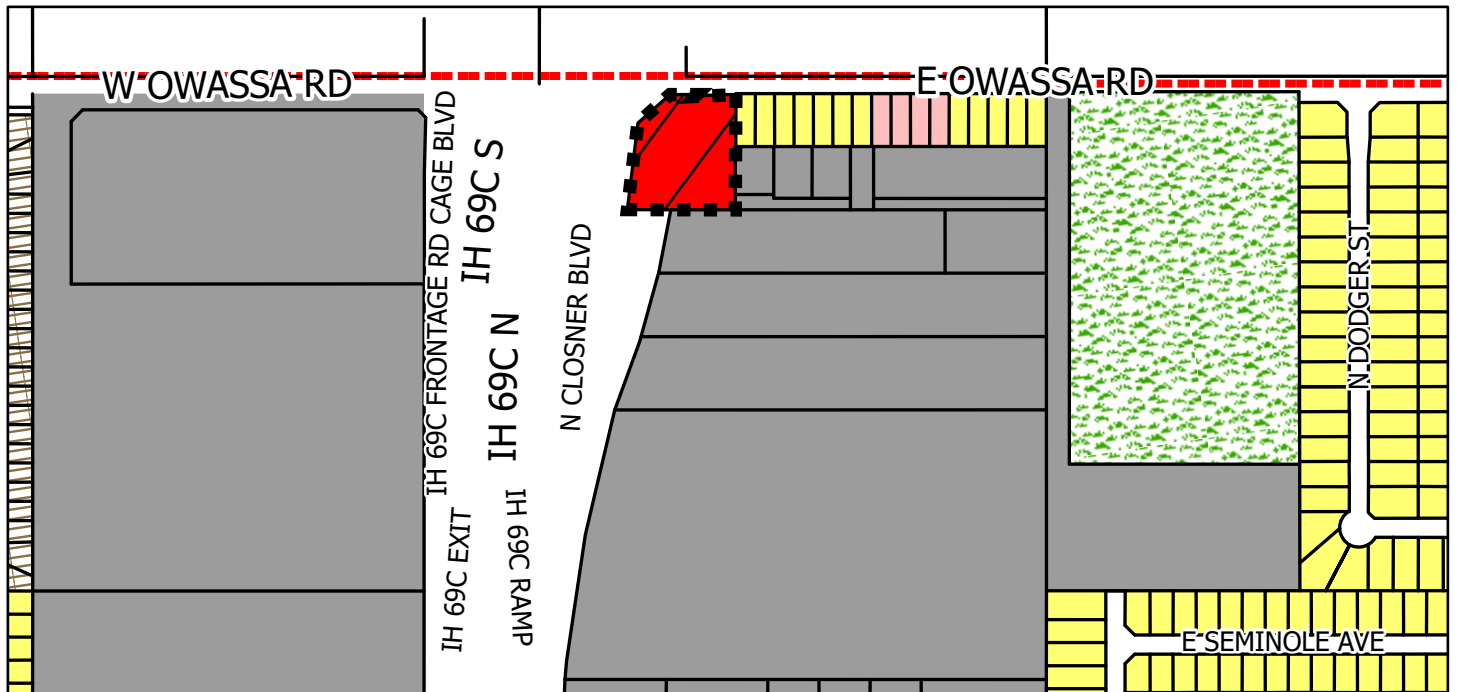
Recommendations:

Staff recommends **approval** of the renewal request for 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.

26 CUP Renewal
6024 N Cage Blvd
7-Eleven
Timothy Ilaoa

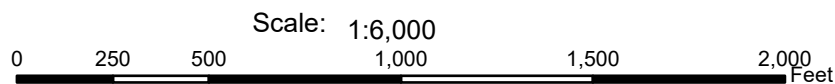


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- | | | | |
|--------------------------|---------------------------------------|--------------------|--------------------------|
| Subject Property | Residential Multi-Family High Density | General Business | Neighborhood Commercial |
| Pharr City Limit | Mobile Home | Business District | Office Professional |
| 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 |

City of Pharr, Texas
Engineering Department
956.402.4221



Date: 3/4/2026



Pharr
Development Services



Site Photo

6024 North Cage Boulevard





AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 6.G.2.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Nancy Hernandez, Administrative Assistant

DEPARTMENT: Development Services

DIRECTOR: Roland Gomez

Agenda Item: Cavazos Management, LLC., d/b/a Tropical Island #2, 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 being Lot 2B, of the Re-Subdivision of Lots 2 & 3, Jackson Ridge Court Subdivision, Pharr, Hidalgo County, Texas. The property's physical address is 1801 West Ridge Road. CUP#220951 - **This item supports EV - Economic Vitality.**

Classification: Consent

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

Issue: Cavazos Management, LLC., d/b/a Tropical Island #2, 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).

Fiscal Consideration: N/A

Staff Recommendation: Development Services recommends **approval** of the renewal request for the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C) subject to site and applicant being in compliance with all City Ordinances and City Department requirements.

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Nancy Hernandez
Joe Garza
Roland Gomez
Melanie Cano

Created/Initiated - 03/27/2026
Approved - 03/27/2026
Approved - 03/27/2026
Final Approval - 03/27/2026



MEMORANDUM

DATE: MONDAY, APRIL 6, 2026

TO: MAYOR AND CITY COMMISSION

FROM: ROLAND GOMEZ, DIRECTOR OF DEVELOPMENT SERVICES

THROUGH: JONATHAN FLORES, CITY MANAGER

SUBJECT: CONDITIONAL USE PERMIT RENEWAL FOR ABC – FILE NO. CUP#220951 (TROPICAL ISLAND #2)
--

GENERAL INFORMATION:

APPLICANT: I Cavazos Management, LLC., d/b/a Tropical Island #2, 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 being Lot 2B, of the Re-Subdivision of Lots 2 & 3, Jackson Ridge Court Subdivision, Pharr, Hidalgo County, Texas.

LOCATION: The property's physical address is 1801 West Ridge Road.

ZONING: The property and properties to the north and west are currently zoned General Business District (C). The surrounding area to the east and south is zoned Agricultural and/or Open Space District (A-O). This area is generally designated for commercial use in the Land Use Plan.

COMMENTS:

POLICE CHIEF:

Recommends approval of the Conditional Use Permit.

FIRE DEPARTMENT:

Recommends approval of the Conditional Use Permit.

BUILDING:

Recommends approval of the Conditional Use Permit.

HEALTH:

Recommends approval of the Conditional Use Permit.

DEVELOPMENT SERVICES:

Recommends approval of the Conditional Use Permit.

**DEVELOPMENT SERVICES
RECOMMENDATIONS:**

Development Services recommends **approval** of the renewal request for the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C) subject to site and applicant being in compliance with all City Ordinances and City Department requirements.



Pharr



MAYOR Ambrosio Hernandez, MD

COMMISSIONERS Michael Pacheco | Roberto "Bobby" Carrillo | Ramiro Caballero, MD | Daniel Chavez | Ricardo Medina | Itza Flores

Executive Summary Letter

April 6, 2026

Conditional Use Permit **Renewal** for ABC –

Tropical Island #2

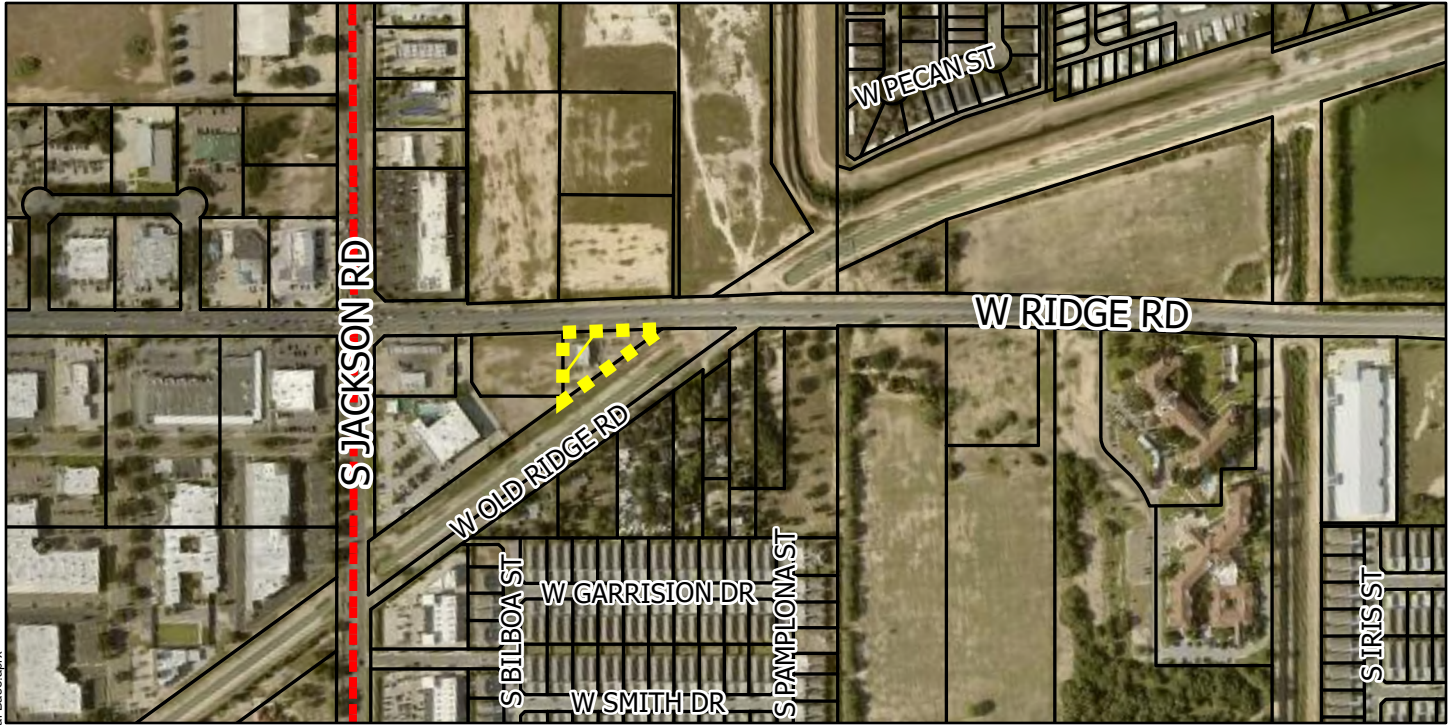
Background:

I Cavazos Management, LLC., d/b/a Tropical Island #2, is requesting renewal of the Conditional Use Permit to allow the sale of alcoholic beverages for on-premise consumption. This request constitutes the 4th renewal for Tropical Island #2.

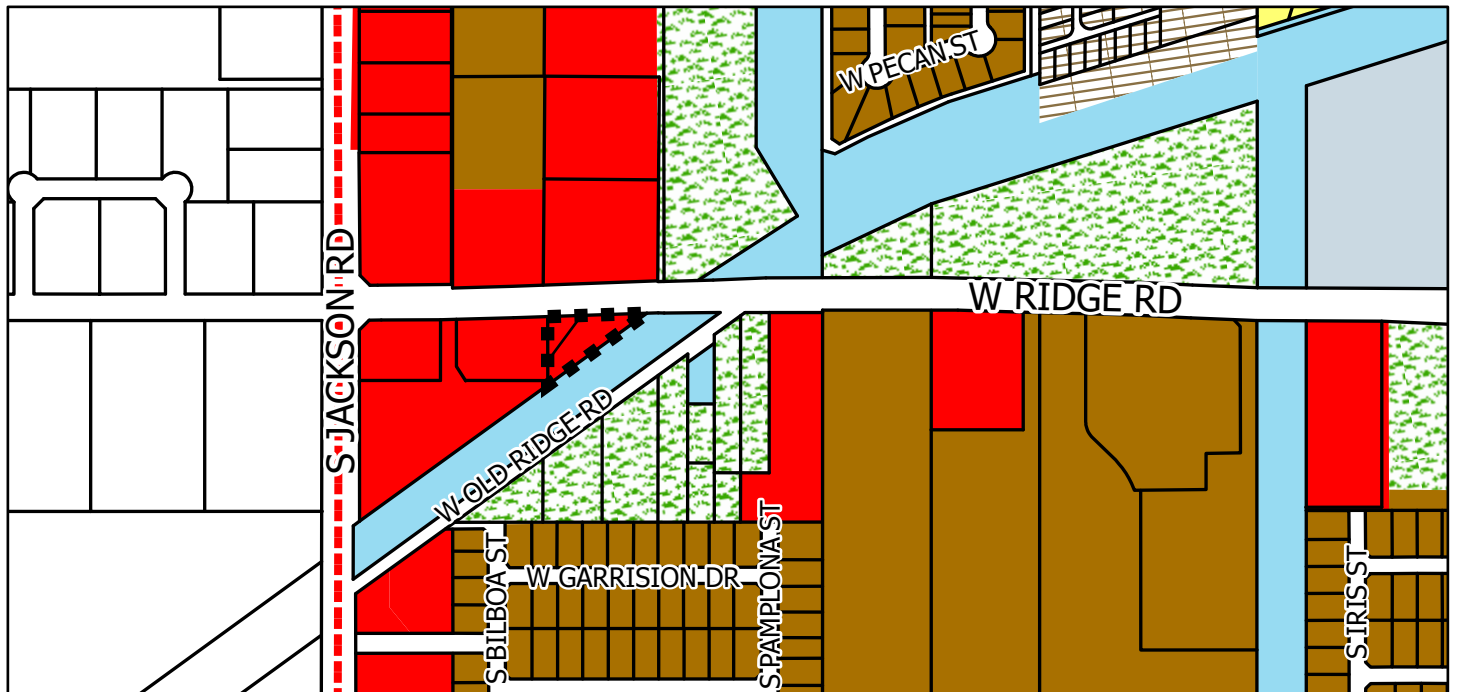
The property is located at 1801 West Ridge Road. It is zoned General Business District (C) and is in conformance with the Future Land Use Plan. All required inspections have been conducted and have passed.

Recommendations:

Staff recommends **approval** of the renewal request for 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.



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- | | | | |
|---|---|--|--|
|  Subject Property |  Residential Multi-Family High Density |  General Business |  Neighborhood Commercial |
|  Pharr City Limit |  Mobile Home |  Business District |  Office Professional |
|  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 |





Pharr
Development Services



Site Photo

1801 West Ridge Road





AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 7.A.

DATE SUBMITTED:

MEETING DATE: April 6, 2026

FROM: Imelda Perez, City Clerk

DEPARTMENT: Administration

DIRECTOR: Jonathan Flores

Agenda Item: Consideration and action, if any, on Ordinance amending Ordinance No. O-2023-42 setting the requirements for the appointment of members and/or officers for City of Pharr Boards and/or Committees. ***(Adoption on First Reading)***
(TABLED) This item supports SG - Sound Governance and Fiscal Sustainability.

Classification: Regular

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

Issue: Consideration and action, if any, on Ordinance amending Ordinance No. O-2023-42 setting the requirements for the appointment of members and/or officers for City of Pharr Boards and/or Committees.

NOTE: Back-up for this Agenda Item will be available at time of meeting.

Fiscal Consideration: N/A

Staff Recommendation: Staff recommends approval.

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Imelda Perez
Ricardo Rodriguez
Jamison Merrick
City Management Office

Created -

-
-
-



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 7.B.

DATE SUBMITTED: March 26, 2026

MEETING DATE: April 6, 2026

FROM: Imelda Perez, City Clerk

DEPARTMENT: Legal

DIRECTOR: Ricardo Rodriguez

Agenda Item: Consideration and action, if any, on Resolution suspending implementation of interim GRIP rate adjustments proposed by Texas Gas Service Company. **This item supports QL - Quality of Life.**

Classification: Regular

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

Issue: On Tuesday, March 10, Texas Gas Service Company (Texas Gas or the Company) made an Interim Rate Adjustment or "GRIP" filing with the cities within its service area. The Company is seeking recovery of \$278,096,965 in invested capital. The current filing will increase rates to the average small residential customer by \$3.58 per month. This will increase the current small residential customer charge from \$19.50 to \$23.08 per month. Large residential customers will see their customer charge increase from \$35.00 to \$38.58 per month, and small commercial customers will see their customer charge increase from \$75.00 to \$88.70 per month.

The increase is currently scheduled to go into effect on May 9, 2026.

Under the GRIP statute, cities may not challenge the Company's request. The only action that may be taken is to suspend the effective date of the rate increase by 45 days.

Fiscal Consideration: N/A

Staff Recommendation: Staff recommends approving Resolution suspending rate adjustments.

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Imelda Perez
Ricardo Rodriguez
Jamison Merrick
City Management Office

Created/Initiated - 03/26/2026
Approved - 03/27/2026
Approved - 03/30/2026
Final Approval - 03/30/2026

RESOLUTION NO. R-2026-__

**A RESOLUTION BY THE CITY OF PHARR, TEXAS SUSPENDING THE
MAY 9, 2026 EFFECTIVE DATE OF THE PROPOSAL BY TEXAS GAS
SERVICE COMPANY, A DIVISION OF ONE GAS, INC. TO IMPLEMENT
INTERIM GRIP RATE ADJUSTMENTS FOR GAS UTILITY
INVESTMENT IN 2025 AND REQUIRING DELIVERY OF THIS
RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.**

WHEREAS, the City of Pharr, Texas ("City") is a gas utility customer of Texas Gas Service Company, a Division of One Gas, Inc. ("TGS" or "Company") and is a regulatory authority with an interest in the rates and charges of TGS; and

WHEREAS, TGS made filings with the City and the Railroad Commission of Texas ("Railroad Commission") on March 10, 2026, proposing to implement interim rate adjustments ("GRIP Rate Increases") pursuant to Texas Utilities Code § 104.301 on all customers served by TGS, effective May 9, 2026; and

WHEREAS, it is incumbent upon the City, as a regulatory authority, to examine the GRIP Rate Increases to determine its compliance with the Texas Utilities Code.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PHARR, TEXAS, THAT:

1. The May 9, 2026, effective date of the GRIP Rate Increases proposed by TGS is hereby suspended for the maximum period allowed by Texas Utilities Code § 104.301(a) to permit adequate time to review the proposed increases, analyze all necessary information, and take appropriate action related to the proposed increases.

2. A copy of this Resolution shall be sent to TGS representative Judy Hitchye, Texas Gas Service Company, Barton Skyway IV, 1301 S. Mopac, Suite 400, Austin, Texas 787476 (Judy.Hitchye@onegas.com), and to Thomas Brocato, legal counsel to the City, at Lloyd Gosselink, 816 Congress Ave., Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

PASSED AND APPROVED this 6th day of April, 2026, by the Board of Commissioners of the City of Pharr, Texas

CITY OF PHARR

Ambrosio Hernandez, Mayor

ATTEST:

Imelda Perez, City Clerk

APPROVED AS TO FORM:

Ricardo Rodriguez, City Attorney



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 7.C.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Imelda Perez, City Clerk

DEPARTMENT: Administration

DIRECTOR: Jonathan Flores

Agenda Item: Consideration and action, if any, on Resolution in support of Aster Villas, LP to submit application to the Texas Department of Housing and Community Affairs for 2026 4% housing tax credit for Aster Villas Apartments. **This item supports QL - Quality of Life.**

Classification: Regular

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

Issue: The City of Pharr finds that the applicant has advised that it has submitted or intends to submit an application to the Texas Department of Housing and Community Affairs for 2026.

After consideration the City does not object to the project and the submittal of the application.

Fiscal Consideration: N/A

Staff Recommendation: Staff recommends approval.

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Imelda Perez
Ricardo Rodriguez
Jamison Merrick
City Management Office

Created/Initiated - 03/27/2026
Approved - 03/27/2026
Approved - 03/30/2026
Final Approval - 03/30/2026

RESOLUTION NO. R-2026- __

A RESOLUTION CONFIRMING NO OBJECTION TO THE PROPOSED DEVELOPMENT OF CERTAIN PROPERTIES AS AFFORDABLE RENTAL HOUSING, EACH LOCATED IN THE JURISDICTION OF THE CITY OF PHARR, TEXAS OR HAVING BEEN ANNEXED INTO THE CITY OF PHARR AND THE SUBMITTAL OF APPLICATIONS FOR NON-COMPETITIVE 4% HOUSING TAX CREDITS FOR SUCH DEVELOPMENTS; MAKING VARIOUS FINDINGS AND PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, the City Commission (the “City Commission”) of the City of Pharr (the “City”) finds that Aster Villas, LP, a Texas limited liability company” (“Applicant”) has proposed a development for affordable rental housing (“Applicant’s Project”), located **102 W. Polk Ave.** in the **City of Pharr, Hidalgo County, Texas** named **Aster Villas Apartments**; and

WHEREAS, the City Commission finds that the Applicant has advised that it has submitted or intends to submit an application, (“Applicant’s Application”), to the Texas Department of Housing and Community Affairs for 2026 4% Housing Tax Credits for the Applicant’s Project; and

WHEREAS, that in accordance with the requirements of Texas Government Code §2306.67071 and 10 Texas Administrative Code §11.204(4), it is hereby found that:

- (1) notice has been provided to the City Commission in accordance with Texas Government Code §2306.67071(a);
- (2) the City Commission has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed development; and
- (3) the City Commission has held a hearing at which public comment may be made on the proposed development in accordance with Texas Government Code §2306.67071(b); and

WHEREAS, after due consideration of the information provided by the Applicants and public comment, the City Commission, as the governing body of the City, does not object to the Projects and the submittal of the Applications related thereto;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PHARR:

Section 1. That the findings contained in the preamble of this Resolution are determined to be true and correct and are hereby adopted as a part of this Resolution.

Section 2. That the City Commission hereby confirms that it has no objection to the Projects and the submittal of the Applications related to such projects and that this formal action has been taken to put on record the opinion expressed herein.

Section 3. That, for and on behalf of the City Commission, the City Clerk is hereby authorized, empowered, and directed to certify this Resolution to the Texas Department of Housing and Community Affairs.

Section 4. That this Resolution shall take effect immediately upon its passage and signature by the Mayor.

FURTHER RESOLVED that for and on behalf of the Governing Body, **Ambrosio Hernandez, MD, Mayor of the City of Pharr** is hereby authorized, empowered, and directed to certify these resolutions.

PASSED AND APPROVED this 6th day of April, 2026, by the Board of Commissioners of the City of Pharr, Texas

CITY OF PHARR

Ambrosio Hernandez, Mayor

ATTEST:

Imelda Perez, City Clerk



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 7.D.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Cindy Bernal, Administrative Assistant

DEPARTMENT: Maintenance

DIRECTOR: Isaac Escobedo

Agenda Item: Consideration and action, if any on Resolution appointing one (1) member to the Keep Pharr Beautiful Board. **This time supports SG-Sound Governance and Fiscal Sustainability.**

Classification: Regular

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

Issue: Rolando Perez has informed us that he can no longer serve as a board member.

Fiscal Consideration: n/a

Staff Recommendation: Staff recommends Jaime Lopez to be appointed as new member

Alternatives: n/a

Exclude Material from Public Packet? No

Reason: n/a

ROUTING:

Cindy Bernal
Isaac Escobedo
Sara Guerra
Melanie Cano
City Management Office

Created/Initiated - 03/27/2026
Approved - 03/27/2026
Approved - 03/27/2026
Approved - 03/30/2026
Final Approval - 03/30/2026

STATE OF TEXAS { }

COUNTY OF HIDALGO { }

CITY OF PHARR { }

RESOLUTION
NO: R-2026-__

WHEREAS, in accordance with city ordinance, Chapter 2, Article III, Section 142-160, the Keep Pharr Beautiful Committee was created and composed of seven members whose terms of service shall be staggered. Three (3) members 1-year term; three members 2-year term; and one member 3-year term; and

WHEREAS, a vacancy has occurred due to the resignation of Board Member Rolando Perez

WHEREAS, appointment of one (1) member is needed at this time;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PHARR, TEXAS, THAT:

The following person is hereby appointed as member of the Keep Pharr Beautiful Committee of the City of Pharr

NAME:

LENGTH OF TERM

1.

2-Year (Unexpired Term-6-05-27)

PASSED AND APPROVED BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF PHARR on this the 6th day of April 2026

CITY OF PHARR

AMBROSIO HERNANDEZ, MAYOR

ATTEST:

IMELDA PEREZ, TRMC
CITY CLERK



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 8.A.

DATE SUBMITTED: March 26, 2026

MEETING DATE: April 6, 2026

FROM: Jamison Merrick, Finance Director

DEPARTMENT: Finance

DIRECTOR: Jamison Merrick

Agenda Item: Consideration and action, if any, accepting the City of Pharr Audited Financial Statements for the FY 2024-2025. **This item supports SG - Sound Governance and Fiscal Sustainability.**

Classification: Regular

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

Issue: Each year, the City undergoes a financial and external control audit as required by state law. The report is presented for the FY 2024-2025 with an unmodified (clean) opinion. This indicates that it is the opinion of the auditor that the Financial Statements for the City of Pharr and its component units are presented fairly in all material aspects.

Fiscal Consideration: N/A

Staff Recommendation: Approval and acceptance.

Alternatives: N/A

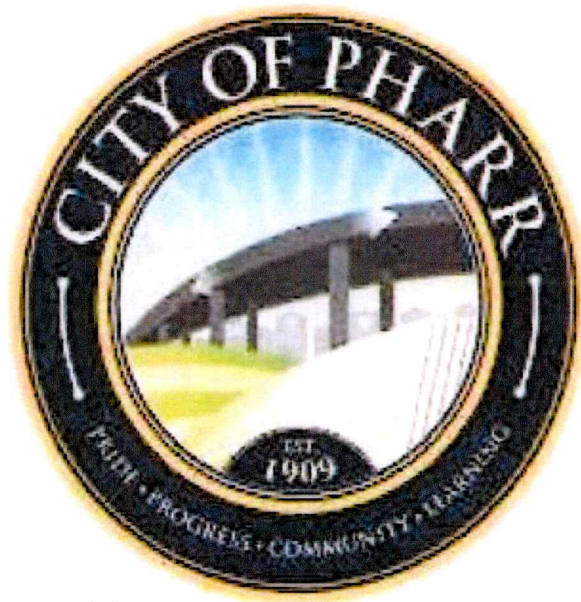
Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Jamison Merrick
Ricardo Rodriguez
City Management Office

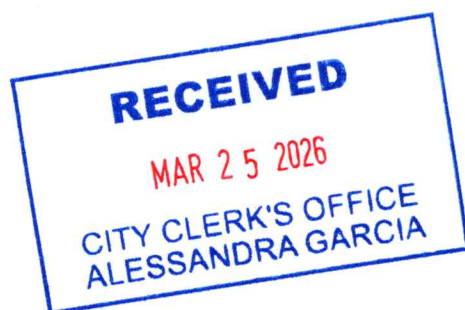
Created/Initiated - 03/26/2026
Approved - 03/26/2026
Final Approval - 03/26/2026



CITY OF PHARR, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2025



Raul Hernandez & Company, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

5402 Holly Road, Suite 102 Corpus Christi, TX 78411 Office: (361) 980-0428 Fax: (361) 980-1002

CITY OF PHARR, TEXAS
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED
SEPTEMBER 30, 2025

CITY OF PHARR, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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Raul Hernandez & Company, P.C.
Certified Public Accountants
5402 Holly Rd, Suite 102
Corpus Christi, Texas 78411
Office (361)980-0482 Fax (361)980-1002

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
Members of the City Commission
City of Pharr, Texas

Report on the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pharr, Texas, as of and for the year ended September 30, 2025, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pharr, Texas, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Pharr, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Change of Accounting Principle

As discussed in the notes to the financial statements, during the year ended September 30, 2025, the City of Pharr, Texas adopted new accounting standards issued by the Governmental Accounting Standards Board. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Discretely Presented Component Unit

As discussed in the notes to the financial statements, during the year ended September 30, 2025, the Public Facility Corporation – Jackson Place Apartments, a discretely presented component unit of the City, sold its only operating asset and used the proceeds primarily to retire all outstanding debt and obligations. As a result of this transaction, the component unit had no remaining assets or liabilities as of year-end. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City of Pharr, Texas's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Pharr, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Pharr, Texas's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison and schedule of the City of Pharr, Texas's proportionate share of the net pension liability and schedule of City of Pharr, Texas's pension contributions, and schedule of the City of Pharr, Texas's proportionate share of the net OPEB liability and schedule of City of Pharr, Texas's OPEB contributions identified as required supplementary information, 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.

Supplementary 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 combining and individual nonmajor fund statements, the schedule of expenditures of federal and state awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas *Grant Management Standards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements 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 schedule of expenditures of federal and state awards, the combining statements and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2026, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Pharr, Texas's internal control over financial reporting and compliance.

Raul Hernandez & Company, P.C.
Corpus Christi, Texas
March 20, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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City of Pharr 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, 2025.

Financial Highlights

- The assets and deferred outflows of the City's governmental activities exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$171,516,181.
- The assets and deferred outflows of the City's business-type activities exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$162,567,479. The majority of the business-type activities' net position is unrestricted.
- The General Fund's assets exceeded its liabilities by over \$3,461,043. The general fund showed an increase in revenues of \$2,974,920, primarily due to an increase in fees & charges and property tax collections. Sales taxes showed an increase of 4%, and property taxes went up by 12%, but the City experienced an increase of \$5,412,266 in operating expenses compared to the previous fiscal year. The significant increase in expenditures is mainly due to capital equipment purchase and the City's growing personnel needs.
- The City reports the Public Facility Corporation – Jackson Place Apartments as a discretely presented component unit established to own and operate a multifamily housing development.

During fiscal year 2025, the component unit sold its only operating asset on December 20, 2024, for approximately \$32.5 million. Proceeds were used primarily to repay approximately \$29.4 million of outstanding debt and to pay related transaction costs. As a result, no net cash proceeds were retained, and the transaction generated a loss on disposal of approximately \$1.07 million.

Following the sale, all capital assets and related debt were eliminated, leaving the component unit with no remaining assets, liabilities, or net position at September 30, 2025. Accordingly, the component unit's 2025 financial statements are not comparable to prior years. Although it remains legally in existence, it no longer conducts operations, and its future activity will depend on decisions of its governing board.

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 are comprised 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 and 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 similar to a private-sector business.

City of Pharr Management's Discussion and Analysis

Government-Wide Financial Statements (Continued)

The Statement of Net Position presents information on all the City's assets and liabilities and deferred outflows and inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a helpful indicator of whether the City's financial position 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 which gives 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).

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

The government-wide financial statements include separate component units for which the city is financially accountable: the Pharr Economic Development Corporation II (PEDC), the Greater Pharr Chamber of Commerce (Chamber), The Tax Increment Reinvestment Zone No. 1 (TIRZ No.1), and Tax Increment Reinvestment Zone No.2 (TIRZ No.2), the Pharr Housing Finance Corporation (PHFC), and the Jackson Place Apartments (JPA).

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. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the City's funds are divided into four categories: governmental funds, proprietary funds, blended component units and discretely presented component units.

Governmental Funds

Governmental funds are used to account for 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 and on balances of resources that can be spent which are available at the end of the fiscal year. Such information may be helpful in evaluating a government's near-term financing requirements.

City of Pharr Management's Discussion and Analysis

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

The City maintains three major (General, PEDC II and the Debt Service Fund) and ten nonmajor governmental funds. Information for the major funds is presented separately in the governmental fund's Balance Sheet and the governmental fund's Statement of Revenues, Expenditures, and Changes in Fund Balances. The nonmajor governmental funds are combined into a single, aggregated presentation.

Governmental Funds (Continued)

Individual fund data for each of these nonmajor funds is provided by 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.

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, internet services, ambulance services, 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 and health insurance.

Proprietary funds provide more detailed information than government-wide financial statements. The proprietary funds financial statements offer separate data for water and wastewater operations, bridge toll, internet services, ambulances services, 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 by combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the Utility, TeamPharr.net, Pharr Emergency Medical Services, Bridge, Golf, Health Insurance, and City Garage funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

City of Pharr Management's Discussion and Analysis

Notes to the Financial Statements

The notes provide additional information essential to a complete 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.

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

	Governmental Activities		Business-Type Activities		Totals		Increase (Decrease)
	2025	2024	2025	2024	2025	2024	
Current Assets	\$ 59,740,905	\$ 68,158,765	\$ 104,900,377	\$ 117,278,272	\$ 164,641,282	\$ 185,437,037	\$ (20,795,755)
Capital Assets, Net	271,351,053	270,693,190	191,903,625	179,386,695	463,254,678	450,079,885	13,174,793
Total Assets	331,091,958	338,851,955	296,804,002	296,664,967	627,895,960	635,516,922	(7,620,962)
Deferred Outflows of Resources	3,955,368	5,766,188	1,039,885	1,281,359	4,995,253	7,047,547	(2,052,294)
Total assets and deferred outflows of resources	335,047,326	344,618,143	297,843,887	297,946,326	632,891,213	642,564,469	(9,673,256)
Current and Other Liabilities	22,210,853	25,629,087	20,789,932	21,238,691	43,000,785	46,867,778	(3,866,993)
Long-Term Liabilities	138,440,053	156,005,303	113,792,654	122,397,386	252,232,707	278,402,689	(26,169,982)
Total Liabilities	160,650,906	181,634,390	134,582,586	143,636,077	295,233,492	325,270,467	(30,036,975)
Deferred Inflows of Resources	2,880,239	1,095,176	693,822	245,335	3,574,061	1,340,511	2,233,550
Net Invested in Capital Assets	144,829,163	125,363,887	83,506,595	74,572,297	228,335,758	199,936,184	28,399,574
Restricted	38,324,717	39,131,439	-	-	38,324,717	39,131,439	(806,722)
Unrestricted	(11,637,699)	(2,606,749)	79,060,884	79,492,617	67,423,185	76,885,868	(9,462,683)
Total Net Position	171,516,181	161,888,577	162,567,479	154,064,914	334,083,660	315,953,491	18,130,169
Total Liabilities, deferred inflows of resources and net position	\$ 335,047,326	\$ 344,618,143	\$ 297,843,887	\$ 297,946,326	\$ 632,891,213	\$ 642,564,469	\$ (9,673,256)

The excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources reported on the government-wide Statement of Net Position of \$334,047,326 as of September 30, 2025. The total governmental increase of \$18,130,169 is due to the increase in new capital projects to improve citizens' quality of life.

By far, the most significant portion of the City's net position reflects its Net Investment in Capital Assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding, which is \$144,829,163 for governmental activities and \$83,506,595 for business-type activities. 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 are 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.

City of Pharr Management's Discussion and Analysis

A portion of the City's net position, \$38,324,717 represents resources subject to external restrictions on how they may be used. Fiscal year 2024-2025 shows a negative unrestricted net position of (\$11,637,699) mainly due to an increase in general government expenditures, the Loss on Sale of the Component Unit and an increase in capital assets.

Governmental Activities

The City's condensed changes in net position along with last fiscal year's numbers are presented for comparison in the table below:

	Governmental		Business-Type		Totals		Increase
	2025	2024	2025	2024	2025	2024	(Decrease)
Revenues:							
Program Revenues							
Charges for Services	\$ 17,889,678	\$ 17,249,206	\$ 50,672,841	\$ 45,707,847	\$ 68,562,519	\$ 62,957,053	\$ 5,605,466
Operating Grants and Contributions	9,807,935	13,010,919	-	-	9,807,935	13,010,919	(3,202,984)
Capital Grants and Contributions	-	-	-	-	-	-	-
General Revenues							
Property Taxes	41,415,815	37,675,794	-	-	41,415,815	37,675,794	3,740,021
Sales Tax	30,838,496	29,828,389	-	-	30,838,496	29,828,389	1,010,107
Other Taxes	3,569,099	3,945,850	-	-	3,569,099	3,945,850	(376,751)
Other Revenues	3,250,639	3,652,339	8,571,348	4,510,237	11,821,987	8,162,576	3,659,411
Total Revenues	106,771,662	105,362,497	59,244,189	50,218,084	166,015,851	155,580,581	10,435,270
Expenses:							
General Government	36,887,957	25,654,927	-	-	36,887,957	25,654,927	11,233,030
Public safety	37,953,846	36,915,756	-	-	37,953,846	36,915,756	1,038,090
Highway and Streets	8,315,816	4,457,757	-	-	8,315,816	4,457,757	3,858,059
Health and Welfare	711,022	3,729,898	-	-	711,022	3,729,898	(3,018,876)
Culture and Recreation	11,724,902	17,621,115	-	-	11,724,902	17,621,115	(5,896,213)
Economic development	4,927,499	5,537,733	-	-	4,927,499	5,537,733	(610,234)
Interest on long-term debt	5,445,597	6,135,867	-	-	5,445,597	6,135,867	(690,270)
Loss on Sale of Component Unit	1,833,137	-	-	-	1,833,137	-	1,833,137
Utility Services	-	-	19,385,951	18,261,867	19,385,951	18,261,867	1,124,084
Pharr EMS	-	-	7,104,649	7,825,183	7,104,649	7,825,183	(720,534)
TeamPharr.net	-	-	5,443,163	4,818,163	5,443,163	4,818,163	625,000
Toll Bridge	-	-	6,503,624	6,429,512	6,503,624	6,429,512	74,112
Tierra del sol golf course	-	-	1,553,428	1,426,948	1,553,428	1,426,948	126,480
Total Expenses	107,799,776	100,053,053	39,990,815	38,761,673	147,790,591	138,814,726	8,975,865
Increase in net position before transfers	(1,028,114)	5,309,444	19,253,374	11,456,411	18,225,260	16,765,855	1,459,405
Contributions	-	245,089	-	-	-	245,089	(245,089)
Transfers	11,458,116	7,799,137	(11,698,960)	(8,017,537)	(240,844)	(218,400)	(22,444)
Change in Net Position	10,430,002	13,353,670	7,554,414	3,438,874	17,984,416	16,792,544	1,191,872
Net Position Beginning	161,888,576	152,347,675	154,064,914	146,704,738	315,953,490	299,052,413	16,901,077
Adjustments and Restatements	(802,398)	(3,812,769)	948,151	3,921,302	145,753	108,533	37,220
Net Position Ending	\$ 171,516,181	\$ 161,888,576	\$ 162,567,479	\$ 154,064,914	\$ 334,083,660	\$ 315,953,490	\$ 18,130,170

Business-Type Activities

There was an increase in revenues for most Business-Type funds, however, an increase in operating expenses was also reflected.

City of Pharr
Management's Discussion and Analysis

Capital Assets and Debt Administration

The City of Pharr's capital assets for its governmental and business-type activities amount to \$463,254,678. This investment in capital assets includes water rights, lease assets (GASB No. 87 and 96), land, buildings and system improvements, other improvements, machinery and equipment, infrastructure, and construction in progress net of depreciation. The total increase in the City's capital assets for the current fiscal year was \$12.9 million or 3%.

	<u>Governmental</u>		<u>Activities</u>		<u>Business-Type</u>		<u>Totals</u>		<u>Increase</u>
	<u>2025</u>		<u>2024</u>		<u>2025</u>		<u>2024</u>		<u>(Decrease)</u>
Right-to-use Lease Assets	\$ 708,735	\$	2,042,352		2,471,882		3,004,101	\$	(1,865,836)
Subscription Assets	27,000		58,043				27,000		(31,043)
Land (Including Water Rights)	27,036,155		27,036,155		14,647,338		14,647,338		-
Building and System Improvements	61,362,437		62,983,936		11,963,053		12,714,978		(2,373,424)
Other Improvements	51,979,031		53,965,855		8,505,060		9,287,223		(2,768,987)
Machinery and Equipment	7,236,887		8,037,354		8,116,741		9,162,929		(1,846,655)
Infrastructure	25,553,746		25,344,305		98,950,101		100,009,987		(850,445)
Construction in progress	97,447,063		91,488,733		47,249,449		30,560,143		22,647,637
Total Capital Assets	\$ 271,351,053	\$	270,956,733		191,903,625		179,386,698	\$	\$ 463,254,678
								\$	450,343,431
									\$ 12,911,247

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*.

Long-Term Debt Obligations

At the end of the current fiscal year, the City had a total contractually obligated long-term debt of \$231.01 million. The details of the change in debt from last fiscal year are as indicated:

	<u>Governmental</u>		<u>Increase</u>
	<u>2025</u>	<u>2024</u>	<u>(Decrease)</u>
Certificates of Obligation	\$ 107,135,000	\$ 112,230,000	\$ (5,095,000)
Capital Equipment Loans	5,182,092	7,990,401	(2,808,309)
Notes Payable	11,190,000	15,539,789	(4,349,789)
Total Long-Term Debt	123,507,092	135,760,190	(12,253,098)
	<u>Business-Type</u>		<u>Increase</u>
	<u>2025</u>	<u>2024</u>	<u>(Decrease)</u>
Bonds Payable	102,253,000	108,597,000	(6,344,000)
Capital Equipment Loans	5,263,961	6,540,356	(1,276,395)
Total Long-Term Debt	107,516,961	115,137,356	(7,620,395)
Total Long-Term Debt	\$ 231,024,053	\$ 250,897,546	\$ (19,873,493)

City of Pharr
Management's Discussion and Analysis

Long-Term Debt (Continued)

Long-term debt for governmental activities decreased by \$12.2 million. The decrease in long-term debt is mainly due to debt repayments made during the fiscal year.

Long-term debt for Business-Type activities decreased by \$7.62 million. The decrease in long-term debt is mainly due to debt repayments made during the fiscal year.

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

Pension Liability and Other Post-Employment Benefits

The adoption of Statement No. 68 and Statement No. 75 resulted in the City's reporting of net pension and OPEB liabilities, deferred inflows, and deferred outflows of resources for each of these qualified pension and benefit plans and the recognition of expense by the statement provisions.

Table 5 provides the City's key pension statistics related to the Texas Municipal Retirement System (TMRS) plan as of and for the fiscal year ended September 30, 2025:

Description	Amount
Net Pension Liability	18,820,251
Pension Expense	4,868,892
OPEB Liability	1,398,325
OPEB Expense	74,989

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.

City of Pharr
Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

- The 2025–2026 fiscal year's budget reflects continued growth in the City's tax base while maintaining a conservative revenue position and prioritizing investments in personnel and organizational capacity needed to support a growing community.
- In the 2024-2025 fiscal year, the Utility Fund adopted rate adjustments from the recently completed water and wastewater rate study. This results in a structured five-year rate adjustment plan, implemented annually each June. These adjustments are designed to ensure long-term financial sustainability and to support critical capital improvements to the City's water and wastewater systems.
- TeamPharr.net has entered its second full year of operations. The customer base continues to expand and currently serves more than 50% of identified residential accounts within the City. In the 2025-2026 fiscal year, the broadband utility will expand its marketing strategy to include small business and enterprise customers.
- The Pharr International Bridge remains a primary revenue generator for the City's General Fund. Several major capital projects are nearing completion and will significantly enhance operational capacity and efficiency. The Twin Span Bridge Expansion will increase total lanes to eight, effectively doubling throughput capacity. Additionally, the DAP 16 projects — including new cold storage and dry storage loading docks and a state-of-the-art agricultural inspection laboratory — will strengthen Pharr's competitive position as a premier port of entry. These projects are expected to be completed in the 2025-2026 fiscal year.
- The City's proposed revenues for the 2025-2026 fiscal year are \$88,015,820, which represents an increase of approximately \$4,311,920 from the current year.

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 the 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, 2025

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 22,254,840	\$ 49,566,465	\$ 71,821,305
Taxes Receivable, Net	3,432,355	-	3,432,355
Accounts Receivable, Net	14,323,573	12,258,106	26,581,679
Due from Other Funds	7,579,610	(7,585,862)	(6,252)
Due from Others	476,476	-	476,476
Inventories	27,380	544,994	572,374
Land Available for Sale	3,353,679	-	3,353,679
Permanently Restricted:			
Restricted Asset -Cash and Cash Equivalents	5,826,958	48,300,674	54,127,632
Restricted Asset - Cash with Fiscal Agent	1,336,115	1,816,000	3,152,115
Restricted Asset - Intergovernmental Receivable	1,129,919	-	1,129,919
Capital Assets:			
Land	27,036,155	14,647,338	41,683,493
Infrastructure, Net	25,553,747	98,950,102	124,503,849
Buildings, Net	61,362,435	11,963,053	73,325,488
Improvements other than Buildings, Net	51,979,031	8,505,060	60,484,091
Machinery and Equipment, Net	7,236,887	8,116,741	15,353,628
Right-to-Use Lease Assets, Net	708,735	2,471,882	3,180,617
SBITA Assets, Net	27,000	-	27,000
Construction in Progress	97,447,063	47,249,449	144,696,512
Total Assets	<u>331,091,958</u>	<u>296,804,002</u>	<u>627,895,960</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge for Refunding	-	32,581	32,581
Deferred Outflow Related to Pension Plan	3,638,976	951,065	4,590,041
Deferred Outflow Related to OPEB	215,180	56,239	271,419
Deferred Outflow Related to TESRS	101,212	-	101,212
Total Deferred Outflows of Resources	<u>3,955,368</u>	<u>1,039,885</u>	<u>4,995,253</u>
LIABILITIES			
Accounts Payable	6,239,917	5,373,955	11,613,872
Accrued Liabilities	1,389,398	781,150	2,170,548
Accrued Interest Payable	557,786	1,007,271	1,565,057
Unearned Revenues	213,500	4,703,049	4,916,549
Escrow Accounts	2,588,687	137,507	2,726,194
Noncurrent Liabilities:			
Due Within One Year:			
Due Within One Year	11,221,565	8,787,000	20,008,565
Due in More Than One Year:			
Debt Due in More Than One Year	122,103,513	109,603,328	231,706,841
Net Pension Liability	14,920,660	3,899,591	18,820,251
Net OPEB Liability	1,108,590	289,735	1,398,325
Net TESRS Liability	307,290	-	307,290
Total Liabilities	<u>160,650,906</u>	<u>134,582,586</u>	<u>295,233,492</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to Pension Plan	2,235,939	584,374	2,820,313
Deferred Inflow Related to OPEB	418,768	109,448	528,216
Deferred Inflow Related to TESRS	225,532	-	225,532
Total Deferred Inflows of Resources	<u>2,880,239</u>	<u>693,822</u>	<u>3,574,061</u>
NET POSITION			
Net Investment in Capital Assets and Lease Assets	144,829,163	83,506,595	228,335,758
Restricted:			
Restricted for Capital Outlay	1,258,822	-	1,258,822
Restricted for Debt Service	17,464,581	-	17,464,581
Restricted for Economic Development	14,372,935	-	14,372,935
Restricted for Other Purposes	5,228,379	-	5,228,379
Unrestricted	(11,637,699)	79,060,884	67,423,185
Total Net Position	<u>\$ 171,516,181</u>	<u>\$ 162,567,479</u>	<u>\$ 334,083,660</u>

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

Component Units		Component Units
Pharr Chamber of Commerce	PHFC Jackson Apartments	
\$ 416,641	\$ -	
-	-	
6,252	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
422,893	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
71,633	-	
-	-	
-	-	
-	-	
2,385	-	
7,156	-	
-	-	
-	-	
-	-	
81,174	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
-	-	
341,719	-	
-	-	
-	-	
\$ 341,719	\$ -	

CITY OF PHARR, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
General Government	\$ 36,887,956	\$ 8,625,575	\$ 6,529,633
Public Safety	37,953,846	1,940,766	3,278,302
Highways and Streets	8,315,816	6,677,442	-
Health and Welfare	711,022	-	-
Culture and Recreation	11,724,902	645,895	-
Economic Development and Assistance	4,927,499	-	-
Interest on Debt	5,445,597	-	-
Loss on Sale of Component Unit	1,833,137	-	-
Total Governmental Activities	107,799,775	17,889,678	9,807,935
BUSINESS-TYPE ACTIVITIES:			
Utility	19,385,951	18,381,863	-
EMS	7,104,649	5,045,241	-
TeamPharr.Net	5,443,163	5,526,075	-
Toll Bridge	6,503,624	20,774,581	-
Tierra Del Sol Golf Course	1,553,428	945,081	-
Total Business-Type Activities	39,990,815	50,672,841	-
TOTAL PRIMARY GOVERNMENT	\$ 147,790,590	\$ 68,562,519	\$ 9,807,935
Component Units:			
Greater Pharr Chamber of Commerce	\$ 332,703	\$ 165,578	\$ -
PHFC Jackson Place Apartments	1,774,000	564,169	-
TOTAL COMPONENT UNITS	\$ 2,106,703	\$ 729,747	\$ -

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes
Property Taxes, Levied for Debt Service
General Sales and Use Taxes
Franchise Tax
Other Taxes
Grants and Contributions
Miscellaneous Revenue
Investment Earnings
Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Adjustments and Restatements

Restated Beginning Net Position

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Pharr Chamber of Commerce	PHFC Jackson Apartments
\$ (21,732,748)	\$ -	\$ (21,732,748)	\$ -	\$ -
(32,734,778)	-	(32,734,778)	-	-
(1,638,374)	-	(1,638,374)	-	-
(711,022)	-	(711,022)	-	-
(11,079,007)	-	(11,079,007)	-	-
(4,927,499)	-	(4,927,499)	-	-
(5,445,597)	-	(5,445,597)	-	-
(1,833,137)	-	(1,833,137)	-	-
(80,102,162)	-	(80,102,162)	-	-
-	(1,004,088)	(1,004,088)	-	-
-	(2,059,408)	(2,059,408)	-	-
-	82,912	82,912	-	-
-	14,270,957	14,270,957	-	-
-	(608,347)	(608,347)	-	-
-	10,682,026	10,682,026	-	-
(80,102,162)	10,682,026	(69,420,136)	-	-
-	-	-	(167,125)	-
-	-	-	-	(1,209,831)
-	-	-	(167,125)	(1,209,831)
32,760,975	-	32,760,975	-	-
8,654,840	-	8,654,840	-	-
30,838,496	-	30,838,496	-	-
2,690,893	-	2,690,893	-	-
878,206	-	878,206	-	-
809,790	-	809,790	-	-
1,731,618	5,976,061	7,707,679	1,102	7,714,517
709,231	2,595,287	3,304,518	7,537	-
11,458,116	(11,698,960)	(240,844)	218,400	22,444
90,532,165	(3,127,612)	87,404,553	227,039	7,736,961
10,430,003	7,554,414	17,984,417	59,914	6,527,130
161,888,576	154,064,914	315,953,490	236,259	(6,527,130)
(802,398)	948,151	145,753	45,546	-
161,086,178	155,013,065	316,099,243	281,805	(6,527,130)
\$ 171,516,181	\$ 162,567,479	\$ 334,083,660	\$ 341,719	\$ -

CITY OF PHARR, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Economic Development Corp II, Inc.	Debt Service Fund
ASSETS			
Cash and Cash Equivalents	\$ (7,494,732)	\$ 6,679,903	\$ 12,418,571
Taxes Receivable	2,682,299	-	750,056
Accounts Receivable, Net	7,862,436	1,556,567	-
Notes Receivable, Net	-	1,038,499	-
Due from Other Funds	15,992,266	-	-
Due from Others	476,476	-	-
Land Available for Sale	-	3,353,679	-
Restricted Cash with Fiscal Agent	-	5,543,927	-
Restricted Asset - Cash with Fiscal Agent	864,255	-	-
Restricted Asset - Intergovernmental Receivable	-	-	-
Total Assets	<u>\$ 20,383,000</u>	<u>\$ 18,172,575</u>	<u>\$ 13,168,627</u>
LIABILITIES			
Accounts Payable	\$ 3,878,068	\$ 110,809	\$ -
Accrued Liabilities	1,389,398	-	-
Due to Other Funds	4,412,215	4,118,284	-
Unearned Revenues	-	-	-
Escrow Accounts	412,642	-	-
Total Liabilities	<u>10,092,323</u>	<u>4,229,093</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	2,682,299	-	750,056
Deferred Revenue - Accounts	801,962	123,589	-
Deferred Resource - Warrants	3,345,373	-	-
Total Deferred Inflows of Resources	<u>6,829,634</u>	<u>123,589</u>	<u>750,056</u>
FUND BALANCES			
Nonspendable Fund Balance:			
Noncurrent Advances	-	3,353,679	-
Restricted Fund Balance:			
Public Safety	-	-	-
Tourism	-	-	-
Parkland	-	-	-
Paving and Drainage	-	-	-
Retirement of Long-Term Debt	-	5,046,010	12,418,571
Economic Development	-	5,420,204	-
Unassigned Fund Balance	3,461,043	-	-
Total Fund Balances	<u>3,461,043</u>	<u>13,819,893</u>	<u>12,418,571</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 20,383,000</u>	<u>\$ 18,172,575</u>	<u>\$ 13,168,627</u>

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

Other Funds	Total Governmental Funds
\$ 11,991,304	\$ 23,595,046
-	3,432,355
3,866,071	13,285,074
-	1,038,499
2,075,446	18,067,712
-	476,476
-	3,353,679
283,031	5,826,958
471,860	1,336,115
1,129,919	1,129,919
<u>\$ 19,817,631</u>	<u>\$ 71,541,833</u>
\$ 2,208,926	\$ 6,197,803
-	1,389,398
1,949,480	10,479,979
213,500	213,500
1,670,476	2,083,118
<u>6,042,382</u>	<u>20,363,798</u>
-	3,432,355
3,251,614	4,177,165
-	3,345,373
<u>3,251,614</u>	<u>10,954,893</u>
-	3,353,679
848,050	848,050
961,776	961,776
64,874	64,874
1,258,822	1,258,822
-	17,464,581
8,952,731	14,372,935
(1,562,618)	1,898,425
<u>10,523,635</u>	<u>40,223,142</u>
<u>\$ 19,817,631</u>	<u>\$ 71,541,833</u>

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CITY OF PHARR, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Fund Balances - Governmental Funds	\$ 40,223,142
The City uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net effect of this consolidation is to increase (decrease) net position.	(1,658,757)
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.	124,637,294
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2025 capital outlays and debt principal payments is to increase (decrease) net position.	22,246,015
Included in the noncurrent assets/(liabilities) is the recognition of the City's net pension asset/(liability) required by GASB 68 in the amount of (\$15,375,845), a deferred resource inflow in the amount of (\$2,304,152), and a deferred resource outflow in the amount of \$3,749,990. This resulted in an increase/(decrease) in net position by (\$13,930,007).	(13,517,623)
Included in the noncurrent assets/(liabilities) is the recognition of the City's net OPEB asset/(liability) required by GASB 75 in the amount of (\$15,375,845), a deferred resource inflow in the amount of (\$2,304,152), and a deferred resource outflow in the amount of \$3,749,990. This resulted in an increase/(decrease) in net position by (\$13,930,007).	(1,312,178)
The 2025 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(10,048,126)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.	10,946,414
Net Position of Governmental Activities	\$ 171,516,181

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 BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Economic Development Corp II, Inc.	Debt Service Fund
REVENUES:			
Taxes:			
Property Taxes	\$ 28,490,571	\$ -	\$ 8,654,841
General Sales and Use Taxes	23,095,885	7,742,611	-
Franchise Tax	2,690,893	-	-
Other Taxes	188,466	-	-
Licenses and Permits	868,723	-	-
Intergovernmental Revenue and Grants	72,000	-	-
Charges for Services	3,271,143	-	-
Charges for Services - Brush	1,254,533	-	-
Charges for Services - Other	1,111,893	-	-
Fines	608,497	-	-
Investment Earnings	119,348	256,087	142,571
Sponsorships	-	196,859	-
Other Revenue	1,359,253	306,714	-
Total Revenues	63,131,205	8,502,271	8,797,412
EXPENDITURES:			
Current:			
General Government	29,057,012	-	-
Public Safety	31,991,790	-	-
Public Works	4,649,280	-	-
Health and Welfare	711,022	-	-
Culture and Recreation	8,839,432	-	-
Economic Development and Assistance	-	4,927,499	-
Debt Service:			
Principal on Debt	2,469,887	1,645,000	5,738,160
Interest on Debt	379,965	2,411,295	2,864,302
Loss on Sale of Component Unit	1,833,137	-	-
Total Expenditures	79,931,525	8,983,794	8,602,462
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,800,320)	(481,523)	194,950
OTHER FINANCING SOURCES (USES):			
Sale of Real and Personal Property	-	100	-
Transfers In	16,292,725	-	298,833
Transfers Out	(5,253,040)	(1,525,000)	-
Other (Uses)	-	-	(3,350)
Total Other Financing Sources (Uses)	11,039,685	(1,524,900)	295,483
Net Change in Fund Balances	(5,760,635)	(2,006,423)	490,433
Fund Balance - October 1 (Beginning)	11,131,271	14,668,849	12,278,112
Adjustments and Restatements	(1,909,593)	1,157,467	(349,974)
Restated and/or Adjusted Beginning Fund Balance	9,221,678	15,826,316	11,928,138
Fund Balance - September 30 (Ending)	\$ 3,461,043	\$ 13,819,893	\$ 12,418,571

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

Other Funds	Total Governmental Funds
\$ 1,337,700	\$ 38,483,112
-	30,838,496
-	2,690,893
689,740	878,206
-	868,723
10,348,866	10,420,866
-	3,271,143
-	1,254,533
1,332,687	2,444,580
-	608,497
191,225	709,231
-	196,859
25,377	1,691,344
<u>13,925,595</u>	<u>94,356,483</u>
6,113,166	35,170,178
3,971,074	35,962,864
1,822,788	6,472,068
-	711,022
83,378	8,922,810
-	4,927,499
2,364,843	12,217,890
96,919	5,752,481
-	<u>1,833,137</u>
<u>14,452,168</u>	<u>111,969,949</u>
<u>(526,573)</u>	<u>(17,613,466)</u>
98,140	98,240
4,791,113	21,382,671
(3,146,658)	(9,924,698)
-	(3,350)
<u>1,742,595</u>	<u>11,552,863</u>
<u>1,216,022</u>	<u>(6,060,603)</u>
<u>9,371,159</u>	<u>47,449,391</u>
<u>(63,546)</u>	<u>(1,165,646)</u>
<u>9,307,613</u>	<u>46,283,745</u>
<u>\$ 10,523,635</u>	<u>\$ 40,223,142</u>

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CITY OF PHARR, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

Total Net Change in Fund Balances - Governmental Funds	\$ (6,060,603)
The city uses some internal service funds to charge the costs of certain activities primarily to the governmental funds. The net income (loss) of these internal service funds are reported with governmental activities. The net effect of this consolidation is to increase (decrease) the change in net position.	(1,444,203)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2025 capital outlays and debt principal payments is to increase (decrease) the change in net position.	22,160,984
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/2024 caused the change in the ending net position to increase in the amount of \$3,638,085. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused a decrease in the change in net position totaling (\$2,938,252). The City's reported TMRS net pension expense had to be recorded. The net pension expense increased/(decreased) the change in net position by \$909,628. The result of these changes is to increase/(decrease) the change in net position by \$1,197,079.	1,609,461
The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/2024 caused the change in the ending net position to increase in the amount of \$58,145. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused a decrease in the change in net position totaling (\$60,223). The City's reported TMRS net OPEB expense had to be recorded. The net OPEB expense increased/(decreased) the change in net position by \$12,695. The result of these changes is to increase/(decrease) the change in net position by (\$10,617).	10,617
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(10,048,126)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) the change in net position.	4,201,873
Change in Net Position of Governmental Activities	\$ 10,430,003

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

CITY OF PHARR, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

		Business-Type Activities	
		Utility	EMS
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ (1,940,776)	\$ (130,254)	
Restricted Assets - Current:			
Restricted Cash and Cash Equivalents	48,300,674	-	
Restricted Cash with Fiscal Agent	166,000	-	
Accounts Receivable, Net	3,236,251	2,614,243	
Due from Other Funds	-	-	
Inventories	203,718	144,670	
Total Current Assets	49,965,867	2,628,659	
Noncurrent Assets:			
Capital Assets:			
Land	12,043,127	785,224	
Infrastructure, Net	80,021,496	-	
Buildings, Net	6,904,829	1,914,523	
Improvements other than Buildings, Net	6,975,311	33,306	
Machinery and Equipment, Net	2,930,008	3,346,985	
Right-to-Use Lease Assets	43,053	2,426,928	
Construction in Progress	11,882,793	-	
Total Noncurrent Assets	120,800,617	8,506,966	
Total Assets	170,766,484	11,135,625	
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge for Refunding	32,581	-	
Deferred Outflow Related to Pension Plan	372,536	374,206	
Deferred Outflow Related to OPEB	22,029	22,128	
Total Deferred Outflows of Resources	427,146	396,334	

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

- Enterprise Funds				Governmental Activities	
TeamPharr.Net	Toll Bridge	Tierra Del Sol Golf Course	Total Enterprise Funds	Total Internal Service Funds	
\$ 789,844	\$ 50,892,178	\$ (44,527)	\$ 49,566,465	\$ (1,340,206)	
-	-	-	48,300,674	-	
-	1,650,000	-	1,816,000	-	
5,366,618	1,032,359	8,635	12,258,106	-	
37,173	-	-	37,173	-	
-	176,186	20,420	544,994	27,380	
6,193,635	53,750,723	(15,472)	112,523,412	(1,312,826)	
-	819,645	999,342	14,647,338	-	
-	18,928,606	-	98,950,102	-	
-	2,919,567	224,134	11,963,053	263,542	
-	224,773	1,271,670	8,505,060	-	
25,463	1,697,824	116,461	8,116,741	-	
-	1,901	-	2,471,882	-	
-	35,366,656	-	47,249,449	-	
25,463	59,958,972	2,611,607	191,903,625	263,542	
6,219,098	113,709,695	2,596,135	304,427,037	(1,049,284)	
-	-	-	32,581	-	
-	137,034	67,289	951,065	-	
-	8,103	3,979	56,239	-	
-	145,137	71,268	1,039,885	-	

CITY OF PHARR, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities	
	Utility	EMS
LIABILITIES		
Current Liabilities:		
Accounts Payable	1,698,801	71,926
Due to Other Funds	4,379,821	360,676
Accrued Interest Payable	160,005	-
Unearned Revenues	3,068,246	-
Escrow Accounts	137,262	245
Debt Due Within One Year	5,391,795	420,145
Other Current Liabilities	781,150	-
Total Current Liabilities	15,617,080	852,992
Noncurrent Liabilities:		
Debt Due In More Than One Year	43,964,774	2,292,400
Net Pension Liability	1,527,486	1,534,332
Net OPEB Liability	113,491	113,999
Total Noncurrent Liabilities	45,605,751	3,940,731
Total Liabilities	61,222,831	4,793,723
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflow Related to Pension Plan	228,902	229,928
Deferred Inflow Related to OPEB	42,871	43,063
Total Deferred Inflows of Resources	271,773	272,991
NET POSITION		
Net Investment in Capital Assets and Lease Assets	74,829,943	6,072,629
Unrestricted	34,869,083	392,616
Total Net Position	\$ 109,699,026	\$ 6,465,245

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

- Enterprise Funds				Governmental Activities
TeamPharr.Net	Toll Bridge	Tierra Del Sol Golf Course	Total Enterprise Funds	Total Internal Service Funds
130,536	3,296,297	176,395	5,373,955	42,114
2,767,050	73,002	42,486	7,623,035	8,123
-	847,266	-	1,007,271	-
-	1,586,370	48,433	4,703,049	-
-	-	-	137,507	505,569
8,179	2,946,202	20,679	8,787,000	13,417
-	-	-	781,150	-
2,905,765	8,749,137	287,993	28,412,967	569,223
24,537	63,285,528	36,089	109,603,328	40,250
-	561,871	275,902	3,899,591	-
-	41,746	20,499	289,735	-
24,537	63,889,145	332,490	113,792,654	40,250
2,930,302	72,638,282	620,483	142,205,621	609,473
-	84,199	41,345	584,374	-
-	15,770	7,744	109,448	-
-	99,969	49,089	693,822	-
25,463	-	2,578,560	83,506,595	263,542
3,263,333	41,116,581	(580,729)	79,060,884	(1,922,299)
\$ 3,288,796	\$ 41,116,581	\$ 1,997,831	\$ 162,567,479	\$ (1,658,757)

CITY OF PHARR, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities	
	Utility	EMS
OPERATING REVENUES:		
Garage Repairs	\$ -	\$ -
Claims	-	-
Water Sales	10,269,375	-
Sewer Sales	7,928,913	-
Tap Fees	183,575	-
Toll Fees	-	-
Golf Services	-	-
Internet Services	-	-
EMS	-	5,045,241
Lease Revenue	-	-
Other Revenue	347,592	587,895
Total Operating Revenues	18,729,455	5,633,136
OPERATING EXPENSES:		
Personnel Services	4,769,637	4,276,497
Contractual Services	4,628,473	1,003,577
Supplies	2,924,609	176,004
Depreciation	6,574,582	1,530,510
Debt Service	-	-
Total Operating Expenses	18,897,301	6,986,588
Operating Income (Loss)	(167,846)	(1,353,452)
NONOPERATING REVENUES (EXPENSES):		
Investment Earnings	155,200	2,492
Interest Expense - Nonoperating	(488,650)	(118,061)
Total Nonoperating Revenue (Expenses)	(333,450)	(115,569)
Income (Loss) Before Contributions & Transfers	(501,296)	(1,469,021)
Capital Contributions	4,196,220	-
Nonoperating Transfers In	830,042	370,425
Transfers Out	(1,466,208)	-
Change in Net Position	3,058,758	(1,098,596)
Total Net Position - October 1 as Previously Reported	106,077,155	7,563,841
Adjustments and Restatements	563,113	-
Adjusted or Restated Beginning Net Position	106,640,268	7,563,841
Total Net Position - September 30 (Ending)	\$ 109,699,026	\$ 6,465,245

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

Enterprise Funds				Governmental Activities
TeamPharr.Net	Toll Bridge	Tierra Del Sol Golf Course	Total Enterprise Funds	Total Internal Service Funds
\$ -	\$ -	\$ -	\$ -	\$ 864,166
-	-	-	-	7,245,770
-	-	-	10,269,375	-
-	-	-	7,928,913	-
-	-	-	183,575	-
-	20,774,581	-	20,774,581	-
-	-	945,081	945,081	-
5,526,075	-	-	5,526,075	-
-	-	-	5,045,241	-
-	207,607	-	207,607	-
-	590,375	46,372	1,572,234	-
5,526,075	21,572,563	991,453	52,452,682	8,109,936
1,501,514	1,705,011	843,169	13,095,828	243,957
2,875,745	1,494,400	191,066	10,193,261	644,824
1,059,030	126,849	208,610	4,495,102	-
6,874	1,093,018	308,653	9,513,637	14,467
-	-	-	-	8,651,034
5,443,163	4,419,278	1,551,498	37,297,828	9,554,282
82,912	17,153,285	(560,045)	15,154,854	(1,444,346)
21,897	2,414,811	887	2,595,287	-
-	(2,084,346)	(1,930)	(2,692,987)	-
21,897	330,465	(1,043)	(97,700)	-
104,809	17,483,750	(561,088)	15,057,154	(1,444,346)
-	-	-	4,196,220	-
1,111,458	17,139,363	418,348	19,869,636	143
-	(30,102,388)	-	(31,568,596)	-
1,216,267	4,520,725	(142,740)	7,554,414	(1,444,203)
2,072,529	36,210,818	2,140,571	154,064,914	(214,554)
-	385,038	-	948,151	-
2,072,529	36,595,856	2,140,571	155,013,065	(214,554)
\$ 3,288,796	\$ 41,116,581	\$ 1,997,831	\$ 162,567,479	\$ (1,658,757)

CITY OF PHARR, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities	
	Utility	EMS
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 18,729,455	\$ 5,633,136
Cash Payments to Employees for Services	(4,522,322)	(4,387,015)
Cash Payments for Other Operating Expenses	(7,369,498)	(1,468,490)
Net Cash Provided by (Used for) Operating Activities	6,837,635	(222,369)
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Operating Transfer In	830,042	370,425
Operating Transfer Out	(1,466,208)	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	(636,166)	370,425
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Acquisition of Capital Assets	(4,196,220)	-
Principal and Interest Paid on Long-Term Debt	(4,547,892)	(376,808)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(8,744,112)	(376,808)
<u>Cash Flows from Investing Activities:</u>		
Interest and Dividends on Investments	155,200	2,492
Net Increase (Decrease) in Cash and Cash Equivalents	(2,387,443)	(226,260)
Cash and Cash Equivalents at Beginning of Year	48,913,341	96,006
Cash and Cash Equivalents at End of Year	\$ 46,525,898	\$ (130,254)
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided by (Used for) Operating Activities:</u>		
Operating Income (Loss)	\$ (167,846)	\$ (1,353,452)
Adjustments to Reconcile Operating Income		
to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	6,574,582	1,530,510
Effect of Increases and Decreases in Current		
Assets and Liabilities:		
Decrease (Increase) in Receivables	(885,424)	(60)
Decrease (Increase) in Inventories	(99,359)	(91,968)
Increase (Decrease) in Accounts Payable	660,900	(196,881)
Increase (Decrease) in Payroll Liabilities	247,315	(110,518)
Increase (Decrease) in Interfund Payables	507,467	-
Net Cash Provided by (Used for) Operating Activities	\$ 6,837,635	\$ (222,369)

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

				Governmental Activities -
TeamPharr.Net	Toll Bridge	Tierra Del Sol Golf Course	Total Enterprise Funds	Total Internal Service Funds
\$ 5,526,075	\$ 21,572,563	\$ 991,453	\$ 52,452,682	\$ 8,109,936
(1,471,848)	(1,638,327)	(823,233)	(12,842,745)	-
(4,450,045)	(2,874,548)	(244,668)	(16,407,249)	(9,073,357)
(395,818)	17,059,688	(76,448)	23,202,688	(963,421)
1,111,458	17,483,750	418,348	20,214,023	143
-	(30,102,388)	-	(31,568,596)	-
1,111,458	(12,618,638)	418,348	(11,354,573)	143
-	(13,987,482)	(307,111)	(18,490,813)	-
-	(4,326,428)	(130,215)	(9,381,343)	-
-	(18,313,910)	(437,326)	(27,872,156)	-
21,897	2,414,811	887	2,595,287	-
737,537	(11,458,049)	(94,539)	(13,428,754)	(963,278)
52,307	64,000,227	50,012	113,111,893	(376,928)
\$ 789,844	\$ 52,542,178	\$ (44,527)	\$ 99,683,139	\$ (1,340,206)
\$ 82,912	\$ 17,153,285	\$ (560,045)	\$ 15,154,854	\$ (1,444,346)
6,874	1,093,018	308,653	9,513,637	14,467
(1,380,511)	(106,960)	3,611	(2,369,344)	-
-	(90,883)	-	(282,210)	(13,482)
(169,780)	(1,072,595)	136,648	(641,708)	467,283
29,666	66,684	19,936	253,083	12,657
1,035,021	17,139	14,749	1,574,376	-
\$ (395,818)	\$ 17,059,688	\$ (76,448)	\$ 23,202,688	\$ (963,421)

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NOTES TO THE FINANCIAL STATEMENTS

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CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Pharr, Texas (City) was 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 established by the Charter of the City of Pharr, Texas shall be known as the Board of Commissioners. The Board of Commissioners shall consist of a Mayor and six (6) Commissioners, 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, EMS, teampharr.net, 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 States 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, Texas

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 substantially the same as the City Commission and (1) there is a financial benefit or burden between the primary government and the component unit (2) city management holds power on the organization.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Financial Reporting Entity (Continued)

The City has four blended component units: Tax Increment Reinvestment Zone No. 1, Tax Increment Reinvestment Zone No. 2, Information, Pharr Economic Development Corporation II, Inc., and the Pharr Housing Finance Corporation.

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; the entity has a total of four (4) board members, for which three (3) of them are part of the city's board of commissioners. TIRZ No. 1 board serves as an advisory board; any projects or changes in the entity will have to be approved by the city's commission to be executed. TIRZ No. 1 has no active employees, so all administrative documentation is done by the city's staff and approved by city management.

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 1, 2051, or 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 city contributes 60% of the agreed contributions every year; payments and disbursements need to be approved by the city manager.

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. The entity, just like TIRZ # 1, has a total of four (4) members, of which three (3) of them are part of the city's board of commissioners. The board is only an advisory board. Any changes on the entity will need to be approved by the city commission, and all documentation is prepared by city staff and approved by the city manager.

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 1, 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 city contributes 60% of the agreed contributions every year. Also, payments and disbursements need to be approved by the city manager.

Pharr Economic Development Corporation II, Inc. – (PEDC) is a nonprofit development corporation organized for the purpose of promoting the general economic welfare of the city. The component unit may offer incentives to local businesses for the enhancement of the community. While PEDC does not provide services directly to the city, all activities benefit the economic growth bringing more funding and economic resources to the city.

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. PEDC is considered a blended component unit due to its relationship with the primary government, PEDC board members cannot add or remove a board member without city commission approval, also, all policies and program administration shall be submitted for city commission approval and PEDC board shall administer said programs accordingly. Recently PEDC and the city joined forces to increase the quality of life of the Pharr citizens by investing in broadband infrastructure,

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Financial Reporting Entity- (Continued)

PEDC is funding the project while the city manages the construction and services. Separate financial statements issued by the PEDC can be obtained by request at the following address: PEDC- 1215 South Cage Blvd. Pharr, TX 78577.

Pharr Housing Finance Corporation- On November 2015, the entity was created to carry out the purposes of the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, which is to provide financially residential ownership and development to provide decent, safe, and sanitary housing for residents of the City of Pharr, Texas at prices they can afford. The Board of Directors is composed in its entirety of people who are members of the governing body of the city and whose terms of office shall be fixed by and run conterminously with their respective terms of office on such governing body of the city.

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 subscribes to the accounting policies and procedures of the primary government.

The Greater Pharr Chamber of Commerce is a nonprofit corporation created on April 16, 2018, to create an environment in which Pharr businesses can succeed and thrive and promote economic development by creating and promoting community events to increase tourism in tourism the City of Pharr, Texas. The Chamber has a different Primary government and management is responsible for overseeing and approving financial operations and decisions concerning the organization. Separate financial statements issued by the Chamber of Commerce can be obtained by request at 1215 South Cage Blvd, Pharr, Texas 78577.

PHFC Jackson Place Apartments- The entity was created with the purpose of providing moderate-income citizens with affordable housing. The apartments started operations in June 2017. All revenues generated by the Jackson Place Apartments will be used to repay the construction loan from CTL Capital LLC. The City entered into an agreement with home springs a management company and gave them authority to manage the entity. PHFC Jackson Place Apartments is considered a Discrete Component Unit based on the criteria established by GASB Statement No. 61.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements include a statement of net position and a 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 a 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.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements. (Continued)

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.

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 in the statement of net position 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.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Types and Major Funds

Governmental Funds

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.

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.
- *PEDC Fund* – is a nonprofit industrial development corporation organized for the purpose of promoting, assisting, and enhancing economic development activities for the City.
- *Debt Service Fund* – the City accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

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.
- *Pharr EMS* – accounts for the operations of the emergency medical service provided by the city.
- *TeamPharr.net* – accounts for the operations of the internet service provided by the city.
- *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 and health insurance. 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.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash and Investments

All cash collections are pooled into common pooled accounts 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 is 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 can 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.

3. Inventories

The inventories are recorded at cost and are accounted for by the consumption method. Inventories are reflected as nonspendable fund balance.

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."

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

All trade and property tax receivables are shown net of an allowance for uncollectible. The three main receivables that contain allowances are 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 inter-fund 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 cost is not available. Donated assets or donated works of art are valued at their acquisition value on the donated date. 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 with a useful life of more than 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

Right-to-use lease assets and SBITA assets are depreciated/amortized using the straight line method over the term of the respective agreements.

7. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual, and sick leave balances. The City's policy allows employees to accumulate unused sick leave 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 THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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. Sick leave may be accrued but will not be paid out to employees that leave before retirement. The liability for compensated absences includes vacation leave earned but not used and sick leave that is more likely than not to be paid upon retirement. The liability is recorded in the government-wide financial statements.

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 fund balance classifications 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

GASB No. 54 establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources; it also 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 are 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. The City does not have any material prepaid items or non-spendable funds related to an endowment.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

-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.

-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.

-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.

When an expense is incurred for purposes for which both restricted and unrestricted net positions 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 having been spent first out of committed, the assigned, then unassigned funds.

13. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and the Texas Emergency Services Retirement System (TESRS) and additions to/deductions from TMRS's and TESRS's fiduciary net position have been determined on the same basis as they are reported by TMRS and TESRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Other Postemployment Benefits

The City participates in a defined benefit group-term life insurance plan administered by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. 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. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

15. Leases

Leases are defined by GASB No. 87 as a contract that conveys control of the right to use another entity's non-financial assets as specified in the contract for a period in an exchange or exchange-like transaction.

- City as Lessor

The city should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable should be measured at the present value of lease payments expected to be measured at the value of lease payments expected to be received during the lease term.

- City as a lessee

The city recognizes lease liability and an intangible right-to-use lease asset at the beginning of a lease. In general, the lease liability and the right-to-use lease assets are measured based on the present value of the expected payments during the term of the lease.

16. Subscription-Based Information Technology Arrangements (SBITA)

The City implemented GASB 96 for reporting subscription-based information technology arrangements (SBITAs) during this reporting period. A SBITA is defined as a contract that conveys control over another entity's IT software as specified in the contract for a period of time in an exchange or exchange-like transaction. To be accounted for as a SBITA, it must meet the definition of a "long-term" SBITA provided in GASB 96. The right-to-use SBITA liability is reported in the government-wide statements. The SBITA liability is calculated as the present value of the reasonably certain expected payments made over the term of the contract and the interest included in the SBITA payments is recorded as an expense.

17. GASB Statement No. 100

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, was adopted effective July 1, 2023. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

18. Implementation of New Standards

GASB Statement No. 101, *Compensated Absences*

In the current fiscal year, the City implemented GASB Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not paid in cash or settled through noncash means. A liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – should not be recognized until the leave commences. A liability for specific types of compensated absences should not be recognized until the leave is used.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and for all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosure*

In the current fiscal year, the City implemented GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to the financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements.
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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 is 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 appropriate 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.

B. Excess of General Fund Expenditures over Appropriations

During the year ended September 30, 2025, expenditures exceeded appropriations as follows:

<u>Department</u>	<u>Expenditures Over Appropriations</u>
City Manager/City Clerk	\$ (15,289)
Finance	(133,793)
IT	(108,793)
Office of Strategic Excellence	(49,114)
Human Resources	(125,652)
Non-Departmental	(1,776,848)
Special Events	(276,331)
Public Safety Communications	(119,427)
Public Works	(157,280)
Principal on Debt	(1,526,687)
Interest on Debt	(262,765)

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

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:

<u>Violation</u>	<u>Action Taken</u>
None	Not applicable

E. Deficit Fund Equity/Net Position

At September 30, 2025, the following Funds had deficit fund balances: Grants fund had a deficit fund balance of (\$9,596), General Capital Improvements Fund had a deficit fund balance of (\$665,179), Pharr Housing Finance Corp Fund had a deficit fund balance of (\$887,843), and the Health Insurance Fund had a deficit fund balance of (\$2,019,085).

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

A. Deposits and Investments

1. Deposits

The 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 sufficient 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, 2025 the carrying amount of the City's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$129,101,052 and the bank balance was \$131,742,092. The City's cash deposits at September 30, 2025 and during the period ended September 30, 2025, were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

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, 2025, 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 and Texas Regional Bank
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$123,479,404
- c. The highest combined balances of cash accounts amounted to \$113,693,027 and occurred during February 2025.
- d. The total amount of FDIC coverage at the time of the largest combined balance was \$250,000 during September 2025.

Restricted cash is defined as the cash balances restricted by the funder for a specific purpose. Total restricted cash at the end of September 30, 2025, amounted to \$57,279,747 with \$3,152,115 that is classified as cash with fiscal agent, which was covered by collateral held in the fiscal agents' trust departments, but not in the city's name. The balance on Texas Regional Bank under the City's name but has Texas water development board as escrow agent. The rest are bond proceeds under the city's name. The trust department pledges a pool of collateral against all trust deposits it holds. Bank of America leasing company, U.S. Bank corporation are the city's fiscal agents.

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 the 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.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

A. Deposits and Investments (Continued)

2. Investments (Continued)

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 establishes appropriate policies. The City adheres to the requirements of the Act. Additionally, investment practices of the City are in accordance with local policies.

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.
- 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. In prior years, all deposits were placed into LSNB due to a 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 THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

A. Deposits and Investments (Continued)

2. Investments (Continued)

The City of Pharr, Texas has no Investment activity as of September 30, 2025.

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

1. Receivables for the City on September 30, 2025, were as follows:

Description	Governmental Activities			Business-Type Activities					Total Business-Type
	General	Other	Total	Utility	Fiber	BMS	Bridge	Golf	
Property Tax	\$ 2,999,246	\$ 4,032,092	\$ 7,031,338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Warrants	9,424,039	-	9,424,039	-	-	-	-	-	-
Sales Tax	3,718,486	1,283,478	5,001,964	-	-	-	-	-	-
Accounts	1,253,385	818,109	2,071,493	5,667,339	9,599,469	5,366,618	1,032,358	8,634	21,674,418
Other	-	484,846	484,846	-	-	-	-	-	-
Gross Receivables	17,395,155	6,618,525	24,013,680	5,667,339	9,599,469	5,366,618	1,032,358	8,634	21,674,418
Less: Allowance for Uncollectible	(6,935,219)	(361,034)	(7,296,253)	(2,431,088)	(6,985,226)	-	-	-	(9,416,314)
Total Receivables, Net	\$ 10,459,935	\$ 6,257,492	\$ 16,717,427	\$ 3,236,251	\$ 2,614,243	\$ 5,366,618	\$ 1,032,358	\$ 8,634	\$ 12,258,104

2. Notes Receivable for the Pharr Economic Development Corporation as of September 30, 2025, were as follows:

Description	Outstanding Balance		Outstanding Balance	
	As of 10/1/2024	Increases	Decreases	As of 9/30/2025
Reyes Garza, 05/13/2012, for the amount of \$27,021 at an interest rate of 6.00% with maturity on April 13, 2027.	\$ 1,044,996	\$ -	\$ (97,923)	\$ 947,073
Trancasa, 02/15/18, for the amount of \$600,000 at an interest rate of 6.00% with maturity on March 15, 2026.	232,428	-	(141,001)	91,427
Total Notes Receivable	\$ 1,277,424	\$ -	\$ (238,925)	\$ 1,038,499

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

B. Receivables (Continued)

3. Leases Receivable for the Business-Type Activities as of September 30, 2025, were as follows:

Description	Cost	Accumulated Depreciation	Book Value
Cold Storage	\$ 1,058,726	\$ (594,164)	\$ 464,562
UETA	218,244	(119,501)	98,742
TABC	2,424,536	(2,424,536)	-
Total Leases Receivable, Net	<u>\$ 3,701,506</u>	<u>\$ (3,138,201)</u>	<u>\$ 563,304</u>

C. Payables

Payables for the City on September 30, 2025, were as follows:

Description	Governmental Activities	Business-Type Activities					Total Business- Type	Total
	Governmental	Utility	EMS	TeamPharr, Net	Bridge	Golf		
Vendors	\$ 6,239,917	\$ 1,698,801	\$ 71,926	\$ 130,536	\$ 3,296,297	\$ 176,395	\$ 5,373,955	\$ 11,613,872
Due to Other Funds	7,579,610	4,379,821	360,676	2,767,050	73,002	72,486	7,653,035	15,232,645
Accrued Liabilities	1,389,398	160,005	-	-	847,266	-	1,007,271	2,396,669
Customer Deposits	-	781,150	-	-	-	-	781,150	781,150
Total Payables	<u>\$ 15,208,925</u>	<u>\$ 7,019,777</u>	<u>\$ 432,602</u>	<u>\$ 2,897,586</u>	<u>\$ 4,216,565</u>	<u>\$ 248,881</u>	<u>\$ 14,815,411</u>	<u>\$ 30,024,336</u>

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

D. 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 position/balance sheets for governmental and enterprise funds. The interfund balances are operational and short-term in nature. Interfund balances on September 30, 2025, consisted of the following:

	Due From Other Funds	Due To Other Funds
General Fund:		
CDBG	\$ 194,431	\$ -
Grant Fund	801,735	-
ARPA Fund	-	1,968,975
Utility	4,294,375	-
Fiber Optic	2,767,050	37,173
PEDC	4,118,284	-
EMS	360,676	-
City Garage	8,123	-
Bridge	73,002	-
PHFC	877,467	-
Golf	42,486	-
Asset Sharing	-	54,822
Chamber	-	6,252
Total General Fund	<u>13,537,629</u>	<u>2,067,222</u>
PEDC Fund:		
General Fund	-	4,118,284
Total PEDC Fund	<u>-</u>	<u>4,118,284</u>
Asset Sharing Fund:		
General Fund	54,822	-
Grant Fund	21,025	-
Total Asset Sharing Fund	<u>75,847</u>	<u>-</u>
Grants Fund:		
General Fund	-	801,735
Asset Sharing Fund	-	21,025
Total Grants Fund	<u>-</u>	<u>822,760</u>
Paving and Drainage		
Utility	85,446	-
Total Paving and Drainage	<u>85,446</u>	<u>-</u>
PHFC Fund:		
General Fund	-	877,467
Total PHFC Fund	<u>-</u>	<u>877,467</u>
CDBG Fund:		
General Fund	-	194,431
Total CDBG Fund	<u>-</u>	<u>194,431</u>
ARPA Fund:		
General Fund	1,968,975	-
Total ARPA Fund	<u>1,968,975</u>	<u>-</u>
City Garage Fund (Internal Service):		
General Fund	-	8,123
Total City Garage Fund	<u>-</u>	<u>8,123</u>
Total Interfund Balances, Governmental Funds	<u>\$ 15,667,897</u>	<u>\$ 8,088,287</u>

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

D. Interfund Balances (Continued)

The City's business-type activities as of September 30, 2025, are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Utility Fund:		
General Fund	\$ -	\$ 4,294,374
Paving and Drainage	-	85,446
Total Utility Fund	-	4,379,820
 EMS Fund:		
General Fund		360,676
Total EMS Fund	-	360,676
 TeamPharr.Net Fund		
General Fund	37,173	2,767,050
Total TeamPharr.Net Fund	37,173	2,767,050
 Toll Bridge Fund:		
General Fund		73,002
Total Toll Bridge Fund	-	73,002
 Golf Course Fund:		
General Fund		42,486
Total Golf Course Fund	-	42,486
 Total Interfund Balances, Business-Type Activities	<u>\$ 37,173</u>	<u>\$ 7,623,035</u>

The City's component Unit activities as of September 30, 2025, are as follows:

Component Units		
Chamber of Commerce		
General Fund	6,252	-
Total Chamber of Commerce	6,252	-
 Total Component Units	<u>\$ 6,252</u>	<u>\$ -</u>

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

F. Capital Assets

Capital asset activity for the City's governmental activities for the year ended September 30, 2025, was as follows:

	Beginning Balance October 1, 2024	Additions	Adjustments/ Deletions	Ending Balance September 30, 2025
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 27,036,155	\$ -	\$ -	\$ 27,036,155
Construction in Progress	91,488,733	5,958,330	-	97,447,063
Total Capital assets, not being depreciated	<u>118,524,888</u>	<u>5,958,330</u>	<u>-</u>	<u>124,483,218</u>
Capital Asset being depreciated and amortized:				
Buildings	83,590,529	-	-	83,590,529
Infrastructure	92,213,992	1,966,410	-	94,180,402
Improvements Other Than Building	71,516,570	1,443,574	-	72,960,144
Machinery and Equipment	39,978,938	984,102	-	40,963,040
Right-to-use Lease assets, Equipment	4,980,931	225,076	-	5,206,007
Right-to-use Subscription Assets	230,114	-	(68,465)	161,649
Total capital assets, being depreciated and amortized	<u>292,511,074</u>	<u>4,619,162</u>	<u>(68,465)</u>	<u>297,061,771</u>
Less accumulated depreciation and amortization for:				
Buildings	(20,606,593)	(1,621,499)	-	(22,228,092)
Infrastructure	(66,869,687)	(1,756,969)	-	(68,626,656)
Improvements Other Than Building	(17,550,715)	(3,430,398)	-	(20,981,113)
Machinery and Equipment	(31,941,584)	(1,784,569)	-	(33,726,153)
Right-to-use Lease assets, Equipment	(2,938,579)	(1,423,648)	(135,045)	(4,497,272)
Right-to-use Subscription Assets	(172,071)	(31,043)	68,465	(134,649)
Total accumulated depreciation and amortization	<u>(140,079,230)</u>	<u>(10,048,126)</u>	<u>(66,580)</u>	<u>(150,193,936)</u>
Total capital assets being depreciated and amortized, net	152,431,844	(5,428,964)	(135,045)	146,867,835
Governmental activities capital assets, net	<u>\$ 270,956,732</u>	<u>\$ 529,366</u>	<u>\$ (135,045)</u>	<u>\$ 271,351,053</u>

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

F. Capital Assets (Continued)

Capital asset activity for the City's business-type activities for the year ended September 30, 2025, was as follows:

	Beginning Balance October 1, 2024	Additions	Adjustments/ Deletions	Ending Balance September 30, 2025
Business-Type Activities:				
Capital Assets, not being depreciated:				
Land (including Water Rights)	\$ 14,647,338	\$ -	\$ -	\$ 14,647,338
Construction in Progress	30,560,143 *	16,689,306	-	47,249,449
Total Capital assets, not being depreciated	<u>45,207,481</u>	<u>16,689,306</u>	<u>-</u>	<u>61,896,787</u>
Capital Asset being depreciated and amortized:				
Buildings	34,748,600	-	-	34,748,600
Infrastructure	171,498,390	4,196,220	-	175,694,610
Improvements Other Than Building	17,145,910	307,111	-	17,453,021
Machinery and Equipment	30,467,692	837,928	-	31,305,620
Right-to-use Lease assets, Equipment	4,664,912	-	-	4,664,912
Total capital assets, being depreciated and amortized	<u>258,525,504</u>	<u>5,341,259</u>	<u>-</u>	<u>263,866,763</u>
Less accumulated depreciation and amortization for:				
Buildings	(22,033,622)	(751,925)	-	(22,785,547)
Infrastructure	(71,488,403)	(5,256,106)	-	(76,744,509)
Improvements Other Than Building	(7,858,687)	(1,089,274)	-	(8,947,961)
Machinery and Equipment	(21,304,764)	(1,884,115)	-	(23,188,879)
Right-to-use Lease assets, Equipment	(1,660,812)	(532,218)	-	(2,193,030)
Total accumulated depreciation and amortization	<u>(124,346,288)</u>	<u>(9,513,638)</u>	<u>-</u>	<u>(133,859,926)</u>
Total capital assets being depreciated and amortized, net	134,179,216	(4,172,379)	-	130,006,837
Business-Type activities capital assets, net	<u>\$ 179,386,698</u>	<u>\$ 12,516,927</u>	<u>\$ -</u>	<u>\$ 191,903,625</u>

* Construction in progress totaling \$2,479,199 for LS-Rehabilitation and \$302,250 for Program Management was placed into service in fiscal year 2026 and will be reclassified to the appropriate capital asset categories in that same fiscal year..

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

F. Capital Assets (Continued)

Capital asset activity for the City's discretely presented component unit activities for the year ended September 30, 2025, was as follows:

	Beginning Balance October 1, 2024	Additions	Adjustments/ Deletions	Ending Balance September 30, 2025
Component Unit - Discretely Presented Chamber				
Capital Asset being depreciated:				
Machinery and Equipment	\$ 35,848	\$ -	\$ -	35,848
Total capital assets, being depreciated	<u>35,848</u>	<u>-</u>	<u>-</u>	<u>35,848</u>
Less accumulated depreciation for:				
Machinery and Equipment	(34,237)	(1,611)	-	(35,848)
Total accumulated depreciation	<u>(34,237)</u>	<u>(1,611)</u>	<u>-</u>	<u>(35,848)</u>
Total capital assets being depreciated, net	1,611	(1,611)	-	-
Component Unit, capital assets, net	<u>\$ 1,611</u>	<u>\$ (1,611)</u>	<u>\$ -</u>	<u>\$ -</u>
	Beginning Balance October 1, 2024	Additions	Adjustments/ Deletions	Ending Balance September 30, 2025
Component Unit - Discretely Presented JPA				
Capital Assets, not being depreciated:				
Land	\$ 1,500,000	\$ -	\$ (1,500,000)	\$ -
Total Capital assets, not being depreciated	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>
Capital Asset being depreciated:				
Buildings	26,502,558	-	(26,502,558)	-
Machinery and Equipment	153,683	-	(153,683)	-
Total capital assets, being depreciated	<u>26,656,241</u>	<u>-</u>	<u>(26,656,241)</u>	<u>-</u>
Less accumulated depreciation for:				
Buildings	(2,944,729)	-	2,944,729	-
Machinery and Equipment	(153,683)	-	153,683	-
Total accumulated depreciation	<u>(3,098,412)</u>	<u>-</u>	<u>3,098,412</u>	<u>-</u>
Total capital assets being depreciated, net	23,557,829	-	(23,557,829)	-
Component Unit, capital assets, net	<u>\$ 25,057,829</u>	<u>\$ -</u>	<u>\$ (25,057,829)</u>	<u>\$ -</u>

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

G. Long-Term Obligations

The following schedule summarizes the changes in long-term obligations during the year ended September 30, 2025:

	Balance 10/1/2023	Balance 10/1/2024	Adjustment/ Increase	Adjustment/ Decrease	Balance 9/30/2025	Due in One Year
Governmental Activities						
Certificates of Obligation	\$ 112,230,000	\$ 112,230,000	\$ -	\$ (5,095,000)	\$ 107,135,000	\$ 5,265,000
CDBG Section 108 Note Payable	2,065,000	2,065,000	-	(2,065,000)	-	-
Tax Notes Payable	13,474,789	13,474,789	-	(2,284,789)	11,190,000	2,065,000
Unamortized Premium/(Discount)	3,262,582	3,262,582	-	(247,785)	3,014,797	247,785
Capital Equipment Loans/Leases	7,990,401	7,990,401	-	(2,808,309)	5,182,092	1,942,984
Accrued Compensated Balances	5,856,309	5,856,309	787,014	-	6,643,323	1,660,830
Accrued Compensated Balances PEDC	177,006	177,006	-	(17,141)	159,865	39,966
Net Pension Liability - TMRS	19,635,762	19,635,762	-	(4,715,102)	14,920,660	-
Net Pension Liability - TESRS	760,214	760,214	-	(452,924)	307,290	-
Other Post Employment Benefits	1,148,046	1,148,046	-	(39,456)	1,108,590	-
<i>Total Governmental Activities</i>	<u>166,600,110</u>	<u>166,600,110</u>	<u>787,014</u>	<u>(17,725,506)</u>	<u>149,661,618</u>	<u>11,221,565</u>
Business-Type Activities						
Revenue Bonds Payable	102,427,000	102,427,000	-	(4,389,000)	98,038,000	4,532,000
Refunding Revenue Bonds Payable	6,170,000	6,170,000	-	(1,955,000)	4,215,000	2,055,000
Unamortized Premium/(Discount)	11,195,163	11,195,163	-	(970,605)	10,224,558	970,605
Financing Arrangements	6,540,358	6,540,358	-	(1,276,397)	5,263,961	1,067,192
Accrued Compensated Absences	598,743	598,743	50,064	-	648,807	162,202
Net Pension Liability	4,398,690	4,398,690	-	(499,099)	3,899,591	-
Other Post Employment Benefits	257,180	257,180	32,555	-	289,735	-
<i>Total Business-Type Activities</i>	<u>\$ 131,587,135</u>	<u>\$ 131,587,135</u>	<u>\$ 82,620</u>	<u>\$ (9,090,101)</u>	<u>\$ 122,579,654</u>	<u>\$ 8,787,000</u>

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

G. Long-Term Obligations (Continued)

Long-term bonded and revenue supported obligations outstanding on September 30, 2025, is comprised of the following:

Governmental Activities	Series	Original Issuance	Payment Installments	Interest Rates	Installments	Maturity Date	Current Balance
<i>Bonds Payable</i>							
2012 Certificate of Obligation	2012	\$ 7,625,000	Annual	0.60% - 4.58%	295,000 - 535,000	8/15/2032	\$ 2,235,000
2016 Certificate of Obligation	2016	14,290,000	Annual	1.13% - 3.60%	190,000 - 1,035,000	2/15/2036	10,595,000
2017 Certificate of Obligation	2017	17,240,000	Annual	1.45% - 2.79%	355,000 - 2,640,000	8/15/2031	11,115,000
2018 Certificate of Obligation	2018	16,440,000	Annual	2.08% - 3.52%	70,000 - 1,440,000	8/15/2038	12,570,000
2020 Certificate of Obligation	2020	2,500,000	Annual	3.00%	890,000 - 2,625,000	8/15/2039	17,645,000
2021 Certificate of Obligation	2021	54,615,000	Annual	4.50% - 4.06%	1,645,000 - 3,740,000	8/15/2046	52,970,000
<i>Tax Notes Payable</i>							
2023 LSNB Tax Note	2023	15,115,000	Annual	4.00%	1,940,000 - 2,415,000	8/15/2030	11,190,000
Business-Type Activities	Series	Original Issuance	Payment Installments	Interest Rates	Installments	Maturity Date	Current Balance
<i>Bonds Payable</i>							
Revenue Bonds - DWSR	2007A	\$ 13,310,000	Annual	2.35% - 3.50%	380,000 - 1,075,000	9/1/2027	\$ 2,120,000
Revenue Bonds - NADBANK	2007B	10,000,000	Annual	3.75%	385,000 - 685,000	9/1/2027	1,350,000
Revenue Bonds - DWSR	2013	8,725,000	Annual	0% - 2.71%	255,000 - 400,000	9/1/2042	5,630,000
Revenue Bonds - DWSR	2015	1,762,000	Annual	0.59% - 4.10%	72,000 - 117,000	9/1/2035	1,000,000
Revenue Bonds - CWSR	2020A	18,150,000	Annual	0.03% - 0.22%	115,000 - 780,000	9/1/2049	17,265,000
Revenue Bonds - CWSR	2020B	13,880,000	Annual	0.04% - 0.32%	115,000 - 590,000	9/1/2049	12,995,000
Revenue Bonds - CT&IBR	2021	37,425,000	Annual	3.00% - 5.00%	1,395,000 - 2,850,000	8/15/2041	34,580,000
Revenue Bonds - CT&WR	2021	3,157,000	Annual	0.00%	105,000 - 106,000	8/15/2051	2,733,000
Revenue Bonds - CT&IBR	2021	20,945,000	Annual	2.00% - 2.80%	580,000 - 1,355,000	8/15/2046	20,365,000
<i>Other Long-Term Obligations</i>							
2017 Refunding Bond	2017	\$ 18,000,000	Annual	3.29% - 3.62%	1,220,000 - 2,160,000	8/15/2028	\$ 4,215,000

1. Bonds Payable

Debt service requirements of bonds payable on September 30, 2025, are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 3,575,000	\$ 2,180,329	\$ 6,587,000	\$ 2,735,617	\$ 10,162,000	\$ 4,915,946
2027	3,725,000	2,032,741	6,829,000	2,478,689	10,554,000	4,511,430
2028	3,890,000	1,878,065	4,156,000	2,194,629	8,046,000	4,072,694
Thereafter	42,975,000	9,913,594	84,681,000	18,569,185	127,656,000	28,482,779
Total	\$ 54,165,000	\$ 16,004,729	\$ 102,253,000	\$ 25,978,120	\$ 156,418,000	\$ 41,982,849

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

G. Long-Term Obligations (Continued)

2. Tax Notes Payable

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2026	\$ 2,065,000	\$ 447,600
2027	2,150,000	365,000
2028	2,235,000	279,000
2029-2030	4,740,000	286,200
Total	<u>\$ 11,190,000</u>	<u>\$ 1,377,800</u>

3. PEDC Bonds Payable

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2026	\$ 1,690,000	\$ 2,224,500
2027	1,745,000	2,173,530
2028-2032	9,630,000	9,952,211
2033-2037	11,585,000	7,994,624
2038-2042	14,325,000	5,266,070
2043-2046	13,995,000	1,663,413
Total	<u>\$ 52,970,000</u>	<u>\$ 29,274,348</u>

The following schedules summarize the changes in Component Unit Activities' long-term obligations during the year ended September 30, 2025:

	Balance 10/1/2024	Increase	Decrease	Balance 9/30/2025	Due in One Year
Component Unit Activities					
Notes Payable	\$ 29,293,243	-	(29,293,243)	-	\$ -

Component Activities	Original Issuance	Payment Installments	Interest Rates	Installments	Maturity Date	Current Balance
Notes Payable						
CTL Capital	\$ 34,600,000	Monthly	4.88%	187,504	5/14/2046	\$ -

During the fiscal year ended September 30, 2025, the discretely presented component unit, Pharr Housing Finance Corporation – Jackson Place Apartments, sold the apartment complex and related property to an unrelated third party. Proceeds from the sale were used to retire all outstanding long-term debt associated with the property. As a result, the Component Unit reported no long-term obligations outstanding as of September 30, 2025.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

G. Long-Term Obligations (Continued)

3. Capital Equipment Loans Payable

Capital leases payable on September 30, 2025, is comprised of the following issues:

Description	Governmental	Business-Type	Total
\$2,685,000 lease payable, due in annual installments of \$325,947 including interest, through January 2026 at 3.69% LED Lighting Project Citywide.	\$ 314,348	\$ -	\$ 314,348
\$979,455 lease payable, due in semi annual installments of \$55,045 including interest, through May 1, 2026; interest at 2.28%. All funds used to purchase Fire Truck and Equipment	108,236	-	108,236
\$955,000 lease payable, due in quarterly installments of \$27,489 including interest, through October 15, 2027; interest 2.97%. All funds used for citywide air conditioning repairs, fire equipment and irrigation repairs for the golf course.	205,982	32,458	238,440
\$4,262,100 lease payable, due in monthly installments of \$58,945 including interest, through February 1, 2031; interest 4.46%. All funds used to purchase genral fund equipment and utility fund equipment.	1,950,288	1,447,906	3,398,194
\$138,000 lease payable, due in quarterly installments of \$5,462 including interest, through October 31, 2024; interest 3.12%. All funds used to purchase general fund equipment and golf course equipment.	4,831	589	5,421

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

G. Long-Term Obligations (Continued)

\$1,788,000 lease payable, due in quarterly installments of \$70,435 including interest, through November 23, 2030; interest 1.385%. All funds used to purchase general fund equipment .

753,177 - 753,177

\$4,156,000 lease payable, due in quarterly installments of \$157,372 including interest, through November 01, 2028; interest 1.756%. All funds used to purchase general fund equipment and utility fund equipment.

767,756 1,120,507 1,888,263

\$620,000 lease payable, due in quarterly installments of \$104,907 including interest, through December 30, 2029; interest 4.20%. All funds used to purchase general fund equipment and utility fund equipment.

394,529 - 394,529

Right to Use lease payables, due in monthly installments at various rates, including interest, through December 30, 2029; various interest rates. All funds used to lease general fund equipment and utility fund equipment.

682,945 2,662,500 3,345,445

\$ 5,182,092	\$ 5,263,961	\$ 10,446,053
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3. Financing Arrangement/Right-to-use leases Payable

Assets purchased with the lease funds are included in the City's capital assets and depreciation expense. Debt service requirements on September 30, 2025, are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,891,544	\$ 147,317	\$ 1,067,193	\$ 184,975	\$ 2,958,736	\$ 332,292
2027	932,768	96,092	1,050,404	150,273	1,983,173	246,365
2028	856,137	67,780	1,074,025	115,427	1,930,162	183,206
Thereafter	1,501,643	62,461	2,072,339	151,184	3,573,982	213,644
Total	<u>\$ 5,182,092</u>	<u>\$ 373,649</u>	<u>\$ 5,263,961</u>	<u>\$ 601,859</u>	<u>\$ 10,446,053</u>	<u>\$ 975,508</u>

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

G. Long-Term Obligations (Continued)

4. Notes Payable

Long-term notes payable outstanding on September 30, 2025, is comprised of the following:

Governmental Activities	Series	Original Issuance	Payment Installments	Interest Rates	Installments	Maturity Date	Current Balance
<i>Notes Payable</i>							
2017 HUD Section 108 Loan	2017	\$ 5,600,000	Annual	1.28% - 1.73%	294,000 - 295,000	8/15/2031	\$ -

During the fiscal year ended September 30, 2025, the City paid off all outstanding long-term debt. As a result, no long-term obligations remained outstanding as of September 30, 2025.

6. Debt Disclosure and Currently Defeased Debt

None.

7. Accrued Compensated Absences

Accrued compensated absences (vested sick and vacation leave) are granted to city employees. In the event of termination, an employee is paid for all accumulated, unused vacation. The City's accrued compensated absences as of September 30, 2025, are reflected in the long-term obligations schedule. The liability for compensated absences includes vacation leave earned but not used and sick leave that is more likely than not to be paid upon retirement. The liability is recorded in the government-wide financial statements.

8. Arbitrage

The City has issued long-term debt for capital construction projects. These bonds are subject to arbitrage regulations. Arbitrage regulations call for the return of the difference in interest revenue against interest expense. On September 30, 2025, there was no liability of arbitrage that would have been owed to the federal government.

9. Line of Credit

The City's PEDC has a secured revolving line of credit with Lone Star National Bank up to \$5,000,000. The principal is payable on demand and interest is paid monthly at a rate of 3.75%. The line of credit is collateralized by securities. The balance due for the line of credit as of September 30, 2025, is \$1,179,150.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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, 2025, consisted of the following:

Governmental Activities:	Transfers In	Transfers Out
General Fund:		
Hotel	\$ 787,325	\$ -
ARPA Fund	-	1,968,975
Capital Projects	-	2,544,297
Parkland	126,775	-
Paving and Drainage	774,858	-
Utility	636,167	-
Golf	-	418,348
Bridge	12,592,600	-
Debt Service	-	298,833
Health Insurance Fund	-	143
PEDC	1,375,000	-
Total General Fund	16,292,725	5,230,596
Capital Projects Fund:		
General Fund	2,544,297	-
Hotel	60,775	-
Paving & Drainage	217,067	-
Total Capital Projects Fund	2,822,138	-
Debt Service Fund:		
General Fund	298,833	-
Total Debt Service Fund	298,833	-
Hotel/Motel Fund		
General Fund	-	787,325
Capital Projects	-	60,775
Total Hotel/Motel Fund	-	848,100

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

H. Interfund Transfers (Continued)

Paving & Drainage Fund:

General Fund	-	774,858
Capital Projects	-	217,067
Total Paving & Drainage Fund	-	991,925

PEDC

General Fund	-	1,375,000
Total PEDC	-	1,375,000

Parkland Fund

General Fund	-	126,775
Total Parkland Fund	-	126,775

ARPA Fund

General Fund	1,968,975	1,111,458
Total ARPA Fund	1,968,975	1,111,458

Governmental - Total Interfund Transfers

\$ 21,382,671	\$ 9,683,854
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Component Unit Transfers

Governmental Activities:	Transfers In	Transfers Out
General Fund:		
Hotel	\$ -	\$ 68,400
PHFC Jackson Apartments	-	22,444
PEDC	-	150,000
Total General Fund	-	240,844
Component Unit:		
Pharr Chamber of Commerce:		
Hotel	68,400	-
PEDC	150,000	-
Total Pharr Chamber of Commerce	218,400	-
PHFC Jackson Apartments:		
General Fund	22,444	-
Total PHFC Jackson Apartments	22,444	-
Total Component Unit Transfers	\$ 240,844	\$ 240,844

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS (Continued)

H. Interfund Transfers (Continued)

Enterprise Funds:

Business-Type Activities	Transfers In	Transfers Out
Toll Bridge Fund:		
General Fund	\$ -	\$ 12,592,600
EMS	-	370,425
Bridge	17,139,363	17,139,363
Total Toll Bridge Fund	17,139,363	30,102,388
Utility Fund:		
General Fund	-	636,167
Utility Fund	830,042	830,042
Debt Service	-	-
Total Utility Fund	830,042	1,466,208
EMS Fund:		
Toll Bridge	370,425	-
General Fund	-	-
Total EMS Fund	370,425	-
TeamPharr.Net Fund		
ARPA Fund	1,111,458	-
Total TeamPharr.Net Fund	1,111,458	-
Golf Course Fund:		
General Fund	418,348	-
Total Golf Course Fund	418,348	-
Health Insurance Fund		
General Fund	143	-
Total Health Insurance Fund:	143	-
Business-Type - Total Interfund Transfers	\$ 19,869,779	\$ 31,568,596

I. Leases

The international bridge serves as a lessor for three businesses, the first one is TABC. They pay the international bridge a monthly amount of \$550. Also, UETA rents land and makes monthly payments of \$12,500 and lastly cold storage with monthly payments of \$7,723.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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 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 more than 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 Annual Comprehensive Financial 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

The City continued as partially self-funded through the end of 2025 working with United Healthcare as the third-party administrator and Lone Star Insurance Services as the agent of record. Throughout 2024, the City continued to fund its fixed costs for administration fees and stop loss premium along with medications via International RX while paying claims weekly to United Healthcare. The City continued to pay a majority of the employees' insurance premiums and a percentage of the employees' dependents.

Coverage Type	Monthly Cost to Employee	Monthly cost to City	Total Monthly Cost
Employee Only	\$ 16.97	\$ 422.10	\$ 439.07
Employee and Spouse	\$ 239.62	\$ 628.17	\$ 867.79
Employee and Child(ren)	\$ 221.42	\$ 611.35	\$ 832.77
Employee and Family	\$ 458.05	\$ 830.38	\$ 1,288.43

For more detailed information about United HealthCare please contact:

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

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

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, Texas'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, Texas, 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, Texas 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, Texas, 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 the one-year range 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 THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

C. Pension Plan

Pension Plans: The City provides for two pension plans; one is a defined benefit cash-balance plan administered through Texas Municipal Retirement System (TMRS) and one has a special funding situation administered by Texas Emergency Services Retirement System (TESRS). Both plans are described in detail below. Aggregate amounts for both pension plans are as follows:

	TMRS	TESRS	TOTAL
Pension liability	\$ 7,218,576	\$ 307,290	\$ 7,525,866
Deferred outflows of resources	4,861,460	101,212	4,962,672
Deferred inflows of resources	3,348,529	225,532	3,574,061
Pension Expense	8,731,507	182,970	8,914,477

1. Plan Description

The City of Pharr, Texas participates as one of 938 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

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

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. At retirement, the member's benefit is calculated based on the sum of the Member's contributions with interest, the city-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total member's contributions and interest.

Description	Plan Year 2024	Plan Year 2025
Employee Deposit Rate	7.00%	7.00%
Matching Ratio (City to Employee)	2 to 1	2 to 1
Years Required for Vesting	5	5
Service Retirement Eligibility (Expressed as Age / Years of Service)	60/5,0/20	60/5,0/20
Updated Service Credit	100% of Repeating	100% of Repeating
Annuity Increase (to Retirees)	0% of CPI	0% of CPI

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

C. Pension Plan (Continued)

Employee Covered by Benefits Terms.

As of the December 31, 2024, valuation and measurement date, the following employees were covered by the terms of the benefits:

Description	2024
Inactive employees or beneficiaries currently receiving benefits	312
Inactive employees entitled to but not yet receiving benefits	481
Active employees	806
Total participants	<u>1,599</u>
Covered Payroll	\$ 43,495,248

3. Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan option selected by the city and any changes in benefits or actual experience over time.

Employees for the City of Pharr were required to contribute 7.00% of their annual compensation during the fiscal year. The contribution rates for the City of Pharr were 12.62% and 13.14% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$5,949,209 and were equal to the required contributions.

4. Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall Payroll Growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

C. Pension Plan (Continued)

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018, to December 31, 2022. The assumptions were adopted 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimate of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.10%
Core Fixed Income	6.0%	5.00%
Non-Core Fixed Income	6.0%	6.80%
Hedge Funds	5.0%	6.40%
Private Equity	13.0%	8.50%
Private Debt	13.0%	8.20%
Real Estate	12.0%	6.70%
Infrastructure	6.0%	6.00%
Other Private Markets	4.0%	7.30%
Total	100.0%	

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

C. Pension Plan (Continued)

4. Net Pension Liability (Continued)

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 Member 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 Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2023	\$ 137,097,595	\$ 113,063,143	\$ 24,034,452
Changes for the year:			
Service cost	6,733,064	-	6,733,064
Interest	9,281,757	-	9,281,757
Change of benefit terms	-	-	-
Difference between expected and actual experience	(1,011,250)	-	(1,011,250)
Changes of assumptions	-	-	-
Contributions - employer	-	5,490,662	(5,490,662)
Contributions - employee	-	3,045,534	(3,045,534)
Net investment income	-	11,758,679	(11,758,679)
Benefit payments, including refunds of employee contributions	(5,913,224)	(5,913,224)	-
Administrative expense	-	(75,343)	75,343
Other changes	-	(1,762)	1,762
Net changes	9,090,347	14,304,546	(5,214,199)
Balance at 12/31/2024	\$ 146,187,942	\$ 127,367,689	\$ 18,820,253

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

4. Net Pension Liability (Continued)

Sensitivity of the Net Position liability changes in the discount rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 40,799,641	\$ 18,820,253	\$ 853,245

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, 2025, the City recognized pension expense of \$4,868,892.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ 132,238	\$ 1,325,116
Changes in actuarial assumptions	4,735	10,170
Difference between projected and actual investment earnings (net of current year amortization)	-	1,485,028
Contributions subsequent to the measurement date	4,453,069	-
Total	<u>\$ 4,590,042</u>	<u>\$ 2,820,314</u>

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

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

\$4,453,069 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	
2026	\$ (341,914)
2027	838,214
2028	(2,153,736)
2029	(1,025,905)
2030	-
Thereafter	-

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 post-employment 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.

The city's SDBF is considered a single-employer unfunded OPEB plan with benefit payments treated as being equal to the employee's contribution for retirees.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

1. Plan Description (Continued)

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	246
Inactive employees entitled to but not yet receiving benefits	70
Active employees	806
Total	<u>1,122</u>

Contributions

Employees for the City of Pharr were required to contribute 0.09% of their annual gross earnings during the fiscal year. The contribution rates for the City were 0.24% and 0.21% in calendar year 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025 were \$101,832 and were equal to the required contributions.

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)
2025	0.21%	0.09%
2024	0.24%	0.09%
2023	0.22%	0.08%
2022	0.18%	0.10%
2021	0.18%	0.10%

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

3. OPEB Liability

The Other Post-Employment Benefits (OPEB) was measured as of December 31, 2024, 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 on December 31, 2024, actuarial valuation was determined using the following actuarial assumptions.

Inflation	2.50% per year
Overall Payroll Growth	3.60% to 11.85% per year - including inflation
Discount rate*	4.08%
Retiree's share of benefit related costs	\$0

**The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024.*

Administrative Expenses - All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

Mortality rates – service retirees – 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Mortality rates – disabled retirees – 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.77%. 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 OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

3. OPEB Liability (Continued)

Total OPEB Liability:

	Increase (Decrease) Total OPEB Liability
Balance at 12/31/2023	\$ 1,405,225
Changes for the year:	
Service cost	73,942
Interest	53,633
Change of benefit terms	-
Difference between expected and actual experience	(15,904)
Changes of assumptions	(79,424)
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments,	-
including refunds of employee contributions	(39,146)
Administrative expense	-
Other changes	-
Net changes	(6,899)
Balance at 12/31/2024	<u>\$ 1,398,326</u>

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.77%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77%) or 1 percentage point higher (4.77%) than the current rate:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
City's total OPEB liability	\$ 1,679,180	\$ 1,398,326	\$ 1,179,202

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

3. OPEB Liability (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

For the year ended September 30, 2025, the City recognized OPEB expense in the amount of \$74,989.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ -	\$ 56,493
Changes in actuarial assumptions	200,251	471,723
Difference between projected and actual investment earnings (net of current year amortization)	-	-
Contributions subsequent to the measurement date	71,168	-
Total	<u>\$ 271,419</u>	<u>\$ 528,216</u>

\$71,168 reported as deferred outflows of resources related to OPEBs resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ended September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Year ended September 30,	
2026	\$ (45,155)
2027	(55,259)
2028	(88,916)
2029	(100,673)
2030	(29,487)
Thereafter	(8,475)

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

D. Texas Emergency Services Retirement System

The City participates in a cost-sharing multiple employer pension plan that has a special funding situation. The plan is administered by TESRS and established and administered by the State to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. At August 31, 2025, there were 244 contributing fire and/or emergency services department members participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

On August 31, 2025, the TESRS membership consisted of:

Retirees and beneficiaries currently receiving benefits	4,188
Terminated members entitled to, but not yet receiveing benefits	1,764
Active participants	3,301

Pension Plan Fiduciary Net Position

Detailed information about the TESRS's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and Required Supplementary Information. TESRS issues a publicly available Annual Financial Report, which includes financial statements, notes, and Required Supplementary Information, which can be obtained at www.tesrs.org. The separately issued actuarial valuations that may be of interest are also available at the same link.

Benefits Provided

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

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

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

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

D. Texas Emergency Services Retirement System (Continued)

Funding Policy

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

According to the state law governing the System through August 31, 2025, the state was required to contribute an amount necessary to make the System "actuarially sound" each year, which could not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

During the regular 2025 session of the Texas Legislature SB 2065 by Huffman was passed and signed into law. It removed the statutory limit on the annual state contributions to the System, previously one-third of all contributions to the System by governing bodies of participating departments in a year. The state, beginning September 1, 2025, is required to contribute an actuarially determined amount. The amended state law provides for amortization of the August 31, 2024 unfunded actuarial accrued liability by August 31, 2055, a 30-year period. Actuarial gains and losses recognized in subsequent actuarial valuations are to be amortized over 15 years or the remainder of the initial 30-year period, whichever is the longer period.

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

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

Ultimately, the contribution policy also depends upon the total return of the System's assets, which varies from year to year. Investment policy decisions are established and maintained by the board of trustees. For the year ending August 31, 2025, the money-weighted rate of return on pension plan investments was 13.25%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

E. Texas Emergency Services Retirement System (Continued)

Contributions

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions were set by Board rule, and there is no maximum contribution rate. For the measurement year ending August 31, 2025, total contributions (dues, prior service, and interest on prior service financing) of \$34,800 were paid by the City. The State appropriated \$72,185 for the measurement year ending August 31, 2025 to the plan as a whole.

Actuarial Assumptions

The TPL in the August 31, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5% per year
Salary increases	N/A
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP- 2021. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (currently 4.58%) and by adding expected inflation (2.5%). In addition, the final 7% assumption was selected by rounding down.

The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities		
Large cap domestic	20%	5.73%
Small/mid cap domestic	10%	6.32%
Developed international	15%	6.77%
Emerging markets	5%	6.85%
Global infrastructure	5%	6.63%
Real Estate	10%	4.00%
Multi asset income	5%	3.50%
Fixed Income	30%	1.80%
Cash	0%	0.00%
Total	100.0%	
Weighted Average		4.60%

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

E. Texas Emergency Services Retirement System (Continued)

Discount Rate:

The discount rate used to measure the total pension liability was 7%. No projection of cash flows was used to determine the discount rate because the August 31, 2025 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 28 years. Because of the 28-year amortization period of the UAAL, the System's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7% was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity Analysis

The following presents the NPL of the City, calculated using the discount rate of 7%, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) than the current rate:

	1% Decrease in Discount Rate (6%)	Discount Rate (7%)	1% Increase in Discount Rate (8%)
City's total OPEB liability	\$ 487,622	\$ 307,290	\$ 161,404

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

At September 30, 2025, the City reported a liability of \$307,290 for its proportionate share of TESRS NPL. The amount recognized by the City as its proportionate share of the NPL, the related State support, and the total portion of the NPL that was associated with the City were as follows:

City's proportionate share of the collective NPL	\$ 307,290
State's proportionate share that is associated with the City*	<u>72,185</u>
	<u>\$ 379,475</u>

*Calculated using the City's proportionate share of contributions multiplied by the State's share of the collective net pension liability.

At September 30, 2025, the employer's proportion of the collective NPL was 0.632 percent, which was a decrease of 0.076 percent from its proportion measured as of September 30, 2024.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

E. Texas Emergency Services Retirement System (Continued)

There were no changes of assumptions or other inputs that affected measurement of the TPL during the measurement period.

There were no changes of benefit terms that affected measurement of the TPL during the measurement period.

For the measurement year ended August 31, 2025, the City recognized pension expense of \$223,990. On- behalf revenues and expenses were immaterial and not recognized by the City.

At August 31, 2024, the City reported its proportionate share of the TESRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ -	\$ 18,284
Changes in actuarial assumptions	92,516	187,147
Difference between projected and actual investment earnings (net of current year amortization)	8,696	20,101
Contributions paid to TESRS subsequent to the measurement date	-	-
Total	<u>\$ 101,212</u>	<u>\$ 225,532</u>

The contributions paid to TESRS subsequent to the measurement date of the NPL but before the end of the City's reporting period will be recognized as a reduction of the NPL in the subsequent fiscal year.

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

Year ended September 30,	
2026	\$ (5,537)
2027	(91,372)
2028	(17,132)
2029	<u>(10,278)</u>
Total	(124,319)

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

F. 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.

2. Litigation

The city is a defendant in various lawsuits. It is the opinion of the City's legal counsel and management that there is no potential unasserted claim as of September 30, 2025.

3. Construction Commitments

The city has entered various significant construction commitments that are currently underway. As of September 30, 2025, they are as follows:

Description	Original Commitment	Paid in Previous Years	Paid in Current Year	Balance Due
Governmental Activities				
<i>Administration</i>				
UTRGV Nursing School	\$ 2,000,000	\$ 1,993,134	\$ -	\$ 6,866
Total Administration	2,000,000	1,993,134	-	6,866
<i>Public Safety</i>				
Fire Station	5,000,000	1,264,890	-	3,735,110
Total Public Safety	5,000,000	1,264,890	-	3,735,110
<i>Parks</i>				
Maintenance Building	1,000,000	172,494	-	827,506
Total Parks	1,000,000	172,494	-	827,506
<i>Streets</i>				
Pharr Tri-City Pedestrian Walkway	2,461,000	1,823,792	-	637,208
Anaya Road	655,000	329,887	-	325,113
Railroad Crossing Replanking	500,000	497,703	-	2,297
Moore Road to Veterans	1,800,000	859,580	614,813	325,607
Total Streets	5,416,000	3,510,962	614,813	1,290,225
Total Commitments - Governmental Activities	<u>\$ 13,416,000</u>	<u>\$ 6,941,480</u>	<u>\$ 614,813</u>	<u>\$ 5,859,707</u>

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

F Commitments (Continued)

3. Construction Commitments (Continued)

Description	Original Commitment	Paid in Previous Years	Paid in Current Year	Balance Due
Business-Type				
<i>Utility</i>				
South Detention Pound	\$ 3,882,000	\$ 705,650	\$ -	\$ 3,176,350
Lift Station Elimination	8,241,168	1,689,716	2,765,572	3,785,880
South Region Interceptor	3,077,700	1,184,116	307,852	1,585,732
Raw Water Reservoir	4,454,600	580,951	-	3,873,649
Water Treatment Plant Upgrade	1,700,000	1,383,100	-	316,900
Waste Water Treat Headworks	787,000	466,286	18,101	302,613
Total Utility	<u>22,142,468</u>	<u>6,009,819</u>	<u>3,091,525</u>	<u>13,041,124</u>
<i>Bridge</i>				
Bridge Expansion	45,000,000	16,036,478	5,233,574	23,729,948
FY 16 DAP	14,141,300	3,814,838	3,437,864	6,888,598
Commercial Vehicle Parking Area	14,056,900	1,917,559	4,926,343	7,212,998
Total Bridge	<u>73,198,200</u>	<u>21,768,875</u>	<u>13,597,781</u>	<u>37,831,544</u>
Total Commitments - Business-Type	<u>95,340,668</u>	<u>27,778,694</u>	<u>16,689,306</u>	<u>50,872,668</u>
Total Commitments	<u>\$ 108,756,668</u>	<u>\$ 34,720,174</u>	<u>\$ 17,304,119</u>	<u>\$ 56,732,375</u>

G. 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 a lower of cost or net realizable value (NRV). The City obtained appraisals for the land in 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 during that year. The balance of land available for development is recorded as Land Available for Sale in the PEDC fund.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

G. Land available for sale (Continued)

The summary of land available for sale as of September 30, 2025, is shown on the following table:

Description	9/30/2024	Added/ (Removed)	Adjustment	Gain/(Loss) on Appraised Value	9/30/2025
Jackson Development Project	\$ 1,240,000	\$ -	\$ -	\$ -	\$ 1,240,000
Produce Park	255,993				255,993
Old Texan Hotel	1,107,686				1,107,686
Water Reservoir Commercial Portion	750,000	-	-	-	750,000
Total Land Available For Sale	<u>\$ 3,353,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,353,679</u>

H. Related Party

None.

J. Tax Abatements

The City of Pharr negotiates loans, grants, property tax abatement agreements, property tax rebates, and sales tax rebates on an individual basis. These agreements are designed to promote local economic development and redevelopment within the City, estimate commercial activity, promote job creation, generate additional sales tax, and enhance the property tax base and economic vitality of the City. This program is authorized under Chapter 380.001 of the Texas Local Government Code.

The City has entered into various agreements that rebate a percentage of property, sales tax, and employment related reimbursement as well as economic development grants. The reimbursement amounts range per type of agreement once certain milestones are attained.

Abatements as of September 30, 2025, are as follows:

PROGRAM COMMITMENT TO	AMOUNT PENDING	OBLIGATOR	PURPOSE	LENGTH OF TIME
City of Pharr	Varies	TIRZ #1	Infrastructure Development	26 Years
City of Pharr	Varies	TIRZ #2	Infrastructure Development	10 Years
Campero Legacy Properties	Varies*	City & PEDC	Commercial Development	5 Years
Pharr Town Center	Varies**	City of Pharr	Commercial Development	10 Years
CarMax	\$ 11,755	PEDC	Commercial Development	2 Years
Top Golf	Varies***	PEDC	Commercial Development	12 Years
HP Developers LLC	\$ 372,500	PEDC	Commercial Development	8 Years
Center Medical Ridge LLC	\$ 60,000	PEDC	Commercial Development	5 Years
Majestic/KVS Partners LLC	\$ 1,712,919	PEDC	Infrastructure Development	4 Years
Southern Roots	\$ 40,000.00	PEDC	Commercial Development	5 Years
American Legion Post 101	\$ 75,000.00	PEDC	Infrastructure Development	3 Years
Texas NH Management	\$ 254,257	PEDC	Commercial Development	7 Years
Total	<u>\$ 2,526,431</u>			

- * City and PEDC will reimburse a portion of the property taxes each year
 ** City will reimburse 25% of sales tax received for 10 years
 *** PEDC will reimburse 50% of total sales tax collected
 **** PEDC will reimburse 50% of property taxes collected

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

IV. OTHER INFORMATION (Continued)

L. Restatement of Beginning Balances

Beginning net position and fund balances have been restated to correct prior period amounts related to the clearance of certain liabilities, receivables, and deferred revenue balances. The net effect of these adjustments was an increase of \$145,753 to government-wide net position and a decrease of \$1,165,646 to governmental fund balances. Business-type activities increased by \$948,151. These restatements had no impact on current year results.

	9/30/2024 As Previously Reported	Error Correction	9/30/2024 As Restated
Net Position: Government-Wide Statements			
Governmental Activities	\$ 161,888,577	\$ (802,398)	\$ 161,086,179
Business-Type Activities	154,064,914	948,151	155,013,065
Total Primary Government	<u>315,953,491</u>	<u>145,753</u>	<u>316,099,244</u>
Fund Balances: Governmental Funds			
Major Funds			
General Fund	\$ 11,131,271	(1,909,593)	9,221,678
Economic Development Fund	14,668,849	1,157,467	15,826,316
Debt Service Fund	12,278,112	(349,974)	11,928,138
Nonmajor Funds	9,731,149	(63,546)	9,667,603
Total Governmental Funds	<u>\$ 47,809,381</u>	<u>\$ (1,165,646)</u>	<u>\$ 46,643,735</u>
Fund Balances: Proprietary Fund			
Business-Type Activities	\$ 154,064,914	948,151	155,013,065
Total Governmental Funds	<u>\$ 154,064,914</u>	<u>\$ 948,151</u>	<u>\$ 155,013,065</u>

M. DISCRETELY PRESENTED COMPONENT UNIT – JACKSON PLACE APARTMENTS

The City of Pharr, Texas (the “City”) reports the Public Facility Corporation – Jackson Place Apartments (the “Corporation”) as a discretely presented component unit. During the fiscal year ended September 30, 2025, the Corporation sold its apartment complex on December 20, 2024, for approximately \$32.46 million.

Sale proceeds were used primarily to repay approximately \$29.36 million of outstanding debt and to pay commissions and other closing costs. As a result, no net cash proceeds were retained. The transaction resulted in a loss on disposal of approximately \$1.07 million.

Following the sale, all capital assets and related debt were eliminated, and the Corporation had no remaining assets or liabilities as of year-end. Although the Corporation remains legally in existence, it no longer conducts operations, and its future activity is dependent on decisions of its governing board.

CITY OF PHARR, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

K. Subsequent Events

To report subsequent events, management has considered events occurring through March 20, 2026, the date the report was available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF PHARR, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 29,455,700	\$ 29,455,700	\$ 28,490,571	\$ (965,129)
General Sales and Use Taxes	22,676,300	22,676,300	23,095,885	419,585
Franchise Tax	2,770,100	2,770,100	2,690,893	(79,207)
Other Taxes	211,900	211,900	188,466	(23,434)
Licenses and Permits	1,844,500	1,844,500	868,723	(975,777)
Intergovernmental Revenue and Grants	96,900	96,900	72,000	(24,900)
Charges for Services	2,901,300	2,901,300	3,271,143	369,843
Charges for Services - Brush	1,130,200	1,130,200	1,254,533	124,333
Charges for Services - Other	1,048,100	1,048,100	1,111,893	63,793
Fines	689,500	389,500	608,497	218,997
Investment Earnings	27,500	27,500	119,348	91,848
Other Revenue	488,800	488,800	1,359,253	870,453
Total Revenues	63,340,800	63,040,800	63,131,205	90,405
EXPENDITURES:				
Current:				
City Manager/City Clerk	2,620,100	2,620,100	2,635,389	(15,289)
Finance	1,175,900	1,185,900	1,319,693	(133,793)
Purchasing	440,200	44,200	349,107	(304,907)
IT	3,052,700	3,052,700	3,161,493	(108,793)
Media	991,500	991,500	972,633	18,867
Grants	558,700	558,700	557,418	1,282
Office of Strategic Excellence (OSE)	465,900	474,400	523,514	(49,114)
Human Resources	934,500	934,600	1,060,252	(125,652)
Development Services	923,700	923,700	871,764	51,936
Engineering	1,134,200	1,134,200	1,105,132	29,068
Code Enforcement	1,560,800	1,550,700	1,535,338	15,362
Non-Departmental	6,275,300	11,021,950	12,798,798	(1,776,848)
Special Events	1,695,600	1,890,150	2,166,481	(276,331)
Police	16,665,700	16,665,700	15,976,096	689,604
Municipal Court	675,800	675,800	617,087	58,713
Fire Protection	13,712,600	13,712,600	12,234,230	1,478,370
Public Safety Communications	3,258,000	3,044,950	3,164,377	(119,427)
Public Works	4,492,000	4,492,000	4,649,280	(157,280)
Health and Welfare	882,300	882,300	714,444	167,856
Library	1,656,800	1,656,800	1,577,708	79,092
Parks	7,322,700	7,322,700	7,258,302	64,398
Debt Service:				
Principal on Debt	933,200	943,200	2,469,887	(1,526,687)
Interest on Debt	117,200	117,200	379,965	(262,765)
Loss on Sale of Component Unit	-	-	1,833,137	(1,833,137)
Total Expenditures	71,545,400	75,896,050	79,931,525	(4,035,475)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,204,600)	(12,855,250)	(16,800,320)	(3,945,070)
OTHER FINANCING SOURCES (USES):				
Issuance of Bonds	3,261,500	3,261,500	-	(3,261,500)
Transfers In	17,101,600	17,101,600	16,292,725	(808,875)
Transfers Out	(12,158,500)	(7,411,850)	(5,253,040)	2,158,810
Total Other Financing Sources (Uses)	8,204,600	12,951,250	11,039,685	(1,911,565)
Net Change in Fund Balances	-	96,000	(5,760,635)	(5,856,635)
Fund Balance - October 1 (Beginning)	11,131,271	11,131,271	11,131,271	-
Adjustments and Restatements	-	-	(1,909,593)	(1,909,593)
Fund Balance - September 30 (Ending)	\$ 11,131,271	\$ 11,227,271	\$ 3,461,043	\$ (7,766,228)

CITY OF PHARR, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
A. Total Pension Liability			
Service Cost	\$ 6,733,064	\$ 6,230,076	\$ 6,149,282
Interest (on the Total Pension Liability)	9,281,757	8,724,041	8,028,121
Changes of Benefit Terms		1,808,026	-
Difference between Expected and Actual Experience	(1,011,250)	(815,013)	37,652
Changes of Assumptions		7,667	-
Benefit Payments, Including Refunds of Employee Contributions	(5,913,224)	(6,358,371)	(5,148,741)
Net Change in Total Pension Liability	\$ 9,090,347	\$ 9,596,426	\$ 9,066,314
Total Pension Liability - Beginning	137,097,595	127,501,169	118,434,855
Total Pension Liability - Ending	\$ 146,187,942	\$ 137,097,595	\$ 127,501,169
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 5,490,662	\$ 4,995,619	\$ 5,312,216
Contributions - Employee	3,045,534	2,890,028	2,974,839
Net Investment Income	11,758,679	11,588,162	(7,630,390)
Benefit Payments, Including Refunds of Employee Contributions	(5,913,224)	(6,358,371)	(5,148,741)
Administrative Expense	(75,343)	(73,646)	(66,010)
Other	(1,762)	(515)	78,770
Net Change in Plan Fiduciary Net Position	\$ 14,304,546	\$ 13,041,277	\$ (4,479,316)
Plan Fiduciary Net Position - Beginning	113,063,143	100,021,866	104,501,182
Plan Fiduciary Net Position - Ending	\$ 127,367,689	\$ 113,063,143	\$ 100,021,866
C. Net Pension Liability	\$ 18,820,253	\$ 24,034,452	\$ 27,479,303
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.13%	82.47%	78.45%
E. Covered Payroll	\$ 43,495,248	\$ 41,286,120	\$ 42,496,767
F. Net Pension Liability as a Percentage of Covered Payroll	43.27%	58.21%	64.66%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015
\$ 5,640,448	\$ 3,749,532	\$ 3,734,670	\$ 3,533,893	\$ 3,320,128	\$ 3,146,078	\$ 2,746,650
7,442,313	6,184,172	5,838,306	5,493,822	5,161,419	4,880,163	4,587,828
12,390,200	-	-	-	-	-	-
357,274	(80,063)	(204,752)	(231,976)	677,911	(278,776)	435,455
-	-	(213,606)	-	-	-	2,330,292
(4,882,879)	(4,217,477)	(3,858,744)	(3,726,672)	(3,736,864)	(3,598,628)	(3,484,627)
\$ 20,947,356	\$ 5,636,164	\$ 5,295,874	\$ 5,069,067	\$ 5,422,594	\$ 4,148,837	\$ 6,615,598
97,487,499	91,851,335	86,555,461	81,486,304	76,673,830	72,524,993	65,909,395
\$ 118,434,855	\$ 97,487,499	\$ 91,851,335	\$ 86,555,371	\$ 82,096,424	\$ 76,673,830	\$ 72,524,993
\$ 2,907,748	\$ 2,437,328	\$ 2,442,368	\$ 2,312,486	\$ 2,174,506	\$ 1,683,200	\$ 1,649,708
2,725,135	2,170,945	2,167,600	2,021,401	1,903,877	1,800,699	1,702,972
11,974,498	6,454,440	11,294,135	(2,238,218)	9,059,762	4,148,172	90,733
(4,882,879)	(4,217,477)	(3,858,744)	(3,726,672)	(3,736,864)	(3,598,628)	(3,484,627)
(55,392)	(41,761)	(63,813)	(43,261)	(46,957)	(46,857)	(55,265)
379	(1,629)	(1,917)	(2,260)	(2,380)	(2,525)	(2,730)
\$ 12,669,489	\$ 6,801,846	\$ 11,979,629	\$ (1,676,524)	\$ 9,351,944	\$ 3,984,061	\$ (99,209)
91,831,699	85,029,853	73,050,224	74,726,749	65,374,805	61,390,744	61,489,953
\$ 104,501,188	\$ 91,831,699	\$ 85,029,853	\$ 73,050,225	\$ 74,726,749	\$ 65,374,805	\$ 61,390,744
\$ 13,933,667	\$ 5,655,800	\$ 6,821,482	\$ 13,505,146	\$ 7,369,675	\$ 11,299,025	\$ 11,134,249
88.24%	94.20%	92.57%	84.40%	91.02%	85.26%	84.65%
\$ 38,872,833	\$ 31,013,497	\$ 30,363,171	\$ 28,848,841	\$ 27,417,409	\$ 25,724,265	\$ 24,328,166
35.84%	18.24%	22.47%	46.81%	26.88%	43.92%	45.77%

CITY OF PHARR, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2025

	2025	2024	2023
Actuarially Determined Contribution	\$ 5,949,209	\$ 5,017,057	\$ 5,029,316
Contributions in Relation to the Actuarially Determined Contributions	(5,949,209)	(5,017,057)	(5,029,316)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 46,666,015	\$ 42,453,200	\$ 41,179,621
Contributions as a Percentage of Covered Payroll	12.75%	11.82%	12.21%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented as of the governmental entity's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 for the respective fiscal years.

2022	2021	2020	2019	2018	2017	2016
\$ 2,674,066	\$ 2,777,930	\$ 2,489,627	\$ 2,154,807	\$ 2,134,021	\$ 2,175,593	\$ 2,092,448
(2,674,066)	(2,777,930)	(2,489,627)	(2,154,807)	(2,134,021)	(2,175,593)	(2,092,448)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 38,377,631	\$ 35,342,627	\$ 31,617,123	\$ 30,363,171	\$ 28,848,841	\$ 27,147,409	\$ 25,724,265
6.97%	7.86%	7.87%	7.10%	7.40%	8.01%	8.13%

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CITY OF PHARR, TEXAS
NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Valuation Date: Actuarially determined contribution rates are calculated as of December 31, and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	N/A
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.6% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10 mortality tables, with 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully genrational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information: There were no benefit changes during the year.

CITY OF PHARR, TEXAS
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
Total OPEB Liability			
Service Cost	\$ 73,942	\$ 57,801	\$ 123,241
Interest on the Total OPEB Liability	53,633	52,014	34,838
Changes of Benefit Terms		-	-
Difference between Expected and Actual Experience	(15,904)	(14,055)	6,279
Changes of Assumptions	(79,424)	70,572	(690,389)
Benefit Payments*	(39,146)	(33,029)	(42,497)
Net Change in Total OPEB Liability	(6,899)	133,303	(581,086)
Total OPEB Liability - Beginning	1,405,225	1,271,922	1,853,008
Total OPEB Liability - Ending	\$ 1,398,326	\$ 1,405,225	\$ 1,271,922
Covered Payroll	\$ 43,495,248	\$ 41,286,120	\$ 42,496,767
Total OPEB Liability as a Percentage of Covered Payroll	3.21%	3.40%	2.99%

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

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

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

FY 2022 Plan Year 2021		FY 2021 Plan Year 2020		FY 2020 Plan Year 2019		FY 2019 Plan Year 2018		FY 2018 Plan Year 2017	
\$	128,280	\$	80,635	\$	60,726	\$	63,467	\$	51,580
	34,527		39,042		41,724		38,083		36,675
	-		-		-		-		-
	(13,348)		(43,780)		(45,154)		(32,757)		-
	60,787		231,003		237,034		(84,452)		94,497
	(38,873)		(9,304)		(9,109)		(8,655)		(8,144)
	171,373		297,596		285,221		(24,314)		174,608
	1,681,635		1,384,039		1,098,818		1,123,132		773,916
\$	1,853,008	\$	1,681,635	\$	1,384,039	\$	1,098,818	\$	948,524
\$	38,872,833	\$	31,013,497	\$	30,363,171	\$	28,848,841	\$	27,147,409
	4.77%		5.42%		4.56%		3.81%		4.14%

CITY OF PHARR, TEXAS
NOTES TO SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Valuation Date: Actuarially determined contribution rates are calculated as of December

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	N/A
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	N/A
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	4.08%
Retirement Age	N/A
Mortality	Mortality rates - service retirees: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Mortality rates - disabled retirees: 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

Other Information: There were no benefit changes during the year.

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

CITY OF PHARR, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Hotel/Motel	Asset Sharing	Parkland Dedication
ASSETS			
Cash and Cash Equivalents	\$ 673,167	\$ 1,110,551	\$ 64,874
Accounts Receivable, Net	288,609	-	-
Due from Other Funds	-	21,025	-
Restricted Cash with Fiscal Agent	-	-	-
Restricted Asset - Cash with Fiscal Agent	-	-	-
Restricted Asset - Intergovernmental Receivable	-	-	-
Total Assets	<u>\$ 961,776</u>	<u>\$ 1,131,576</u>	<u>\$ 64,874</u>
LIABILITIES			
Accounts Payable	\$ -	\$ 228,704	\$ -
Due to Other Funds	-	54,822	-
Unearned Revenues	-	-	-
Escrow Accounts	-	-	-
Total Liabilities	<u>-</u>	<u>283,526</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Accounts	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted Fund Balance:			
Public Safety	-	848,050	-
Tourism	961,776	-	-
Parkland	-	-	64,874
Paving and Drainage	-	-	-
Economic Development	-	-	-
Unassigned Fund Balance	-	-	-
Total Fund Balances	<u>961,776</u>	<u>848,050</u>	<u>64,874</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 961,776</u>	<u>\$ 1,131,576</u>	<u>\$ 64,874</u>

Paving and Drainage	Community Development	Grants	ARPA Fund	General Capital Improvements	TIRZ No. 1	TIRZ No. 2	Pharr Housing Finance Corp
\$ 1,160,210	\$ 598,184	\$ (88,950)	\$ -	\$ 250	\$ 5,021,403	\$ 3,461,991	\$ (10,376)
34,967	211,757	-	-	100,925	1,951,699	1,278,114	-
85,446	-	-	1,968,975	-	-	-	-
-	-	-	283,031	-	-	-	-
-	-	-	-	471,860	-	-	-
-	-	1,129,919	-	-	-	-	-
<u>\$ 1,280,623</u>	<u>\$ 809,941</u>	<u>\$ 1,040,969</u>	<u>\$ 2,252,006</u>	<u>\$ 573,035</u>	<u>\$ 6,973,102</u>	<u>\$ 4,740,105</u>	<u>\$ (10,376)</u>
\$ -	\$ 143,038	\$ 17,440	\$ 1,666,816	\$ 152,928	\$ -	\$ -	\$ -
-	194,431	822,760	-	-	-	-	877,467
-	3,135	210,365	-	-	-	-	-
-	-	-	585,190	1,085,286	-	-	-
-	340,604	1,050,565	2,252,006	1,238,214	-	-	877,467
21,801	-	-	-	-	1,951,699	1,278,114	-
<u>21,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,951,699</u>	<u>1,278,114</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,258,822	-	-	-	-	-	-	-
-	469,337	-	-	-	5,021,403	3,461,991	-
-	-	(9,596)	-	(665,179)	-	-	(887,843)
<u>1,258,822</u>	<u>469,337</u>	<u>(9,596)</u>	<u>-</u>	<u>(665,179)</u>	<u>5,021,403</u>	<u>3,461,991</u>	<u>(887,843)</u>
<u>\$ 1,280,623</u>	<u>\$ 809,941</u>	<u>\$ 1,040,969</u>	<u>\$ 2,252,006</u>	<u>\$ 573,035</u>	<u>\$ 6,973,102</u>	<u>\$ 4,740,105</u>	<u>\$ (10,376)</u>

CITY OF PHARR, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS		
Cash and Cash Equivalents	\$ 11,991,304	\$ 11,991,304
Accounts Receivable, Net	3,866,071	3,866,071
Due from Other Funds	2,075,446	2,075,446
Restricted Cash with Fiscal Agent	283,031	283,031
Restricted Asset - Cash with Fiscal Agent	471,860	471,860
Restricted Asset - Intergovernmental Receivable	1,129,919	1,129,919
Total Assets	<u>\$ 19,817,631</u>	<u>\$ 19,817,631</u>
LIABILITIES		
Accounts Payable	\$ 2,208,926	\$ 2,208,926
Due to Other Funds	1,949,480	1,949,480
Unearned Revenues	213,500	213,500
Escrow Accounts	1,670,476	1,670,476
Total Liabilities	<u>6,042,382</u>	<u>6,042,382</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Revenue - Accounts	3,251,614	3,251,614
Total Deferred Inflows of Resources	<u>3,251,614</u>	<u>3,251,614</u>
FUND BALANCES		
Restricted Fund Balance:		
Public Safety	848,050	848,050
Tourism	961,776	961,776
Parkland	64,874	64,874
Paving and Drainage	1,258,822	1,258,822
Economic Development	8,952,731	8,952,731
Unassigned Fund Balance	(1,562,618)	(1,562,618)
Total Fund Balances	<u>10,523,635</u>	<u>10,523,635</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 19,817,631</u>	<u>\$ 19,817,631</u>

CITY OF PHARR, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Hotel/Motel	Asset Sharing	Parkland Dedication
REVENUES:			
Taxes:			
Property Taxes	\$ -	\$ -	\$ -
Other Taxes	689,740	-	-
Intergovernmental Revenue and Grants	-	405,346	-
Charges for Services - Other	-	-	45,086
Investment Earnings	-	26,657	614
Other Revenue	4,366	20,807	3
Total Revenues	<u>694,106</u>	<u>452,810</u>	<u>45,703</u>
EXPENDITURES:			
Current:			
City Manager/City Clerk	-	-	-
Public Safety	-	778,691	-
Public Works	-	-	-
Culture and Recreation	-	-	-
Debt Service:			
Principal on Debt	-	-	-
Interest on Debt	-	-	-
Total Expenditures	<u>-</u>	<u>778,691</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>694,106</u>	<u>(325,881)</u>	<u>45,703</u>
OTHER FINANCING SOURCES (USES):			
Sale of Real and Personal Property	-	-	-
Transfers In	-	-	-
Transfers Out	(916,500)	-	(126,775)
Total Other Financing Sources (Uses)	<u>(916,500)</u>	<u>-</u>	<u>(126,775)</u>
Net Change in Fund Balance	(222,394)	(325,881)	(81,072)
Fund Balance - October 1 (Beginning)	1,184,170	1,173,931	145,946
Adjustments and Restatements	-	-	-
Fund Balance - September 30 (Ending)	<u>\$ 961,776</u>	<u>\$ 848,050</u>	<u>\$ 64,874</u>

Paving and Drainage	Community Development	Grants	ARPA Fund	General Capital Improvements	TIRZ No. 1	TIRZ No. 2	Pharr Housing Finance Corp
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 831,900	\$ 505,800	\$ -
-	-	-	-	-	-	-	-
-	2,747,337	2,872,958	3,710,298	612,927	-	-	-
1,287,601	-	-	-	-	-	-	-
7,388	8,322	-	-	-	86,547	61,695	2
-	-	-	-	-	-	-	201
<u>1,294,989</u>	<u>2,755,659</u>	<u>2,872,958</u>	<u>3,710,298</u>	<u>612,927</u>	<u>918,447</u>	<u>567,495</u>	<u>203</u>
-	668,485	-	4,343,958	1,036,723	32,000	32,000	-
-	28,226	2,872,958	-	291,199	-	-	-
26,736	-	-	-	1,796,052	-	-	-
-	-	-	-	83,378	-	-	-
-	2,065,000	-	-	299,843	-	-	-
-	95,078	-	-	1,841	-	-	-
<u>26,736</u>	<u>2,856,789</u>	<u>2,872,958</u>	<u>4,343,958</u>	<u>3,509,036</u>	<u>32,000</u>	<u>32,000</u>	<u>-</u>
<u>1,268,253</u>	<u>(101,130)</u>	<u>-</u>	<u>(633,660)</u>	<u>(2,896,109)</u>	<u>886,447</u>	<u>535,495</u>	<u>203</u>
-	-	-	-	98,140	-	-	-
-	-	-	1,968,975	2,822,138	-	-	-
(991,925)	-	-	(1,111,458)	-	-	-	-
(991,925)	-	-	857,517	2,920,278	-	-	-
276,328	(101,130)	-	223,857	24,169	886,447	535,495	203
1,064,842	493,215	(9,596)	(223,857)	(630,898)	4,134,956	2,926,496	(888,046)
(82,348)	77,252	-	-	(58,450)	-	-	-
<u>\$ 1,258,822</u>	<u>\$ 469,337</u>	<u>\$ (9,596)</u>	<u>\$ -</u>	<u>\$ (665,179)</u>	<u>\$ 5,021,403</u>	<u>\$ 3,461,991</u>	<u>\$ (887,843)</u>

CITY OF PHARR, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES:		
Taxes:		
Property Taxes	\$ 1,337,700	\$ 1,337,700
Other Taxes	689,740	689,740
Intergovernmental Revenue and Grants	10,348,866	10,348,866
Charges for Services - Other	1,332,687	1,332,687
Investment Earnings	191,225	191,225
Other Revenue	25,377	25,377
Total Revenues	<u>13,925,595</u>	<u>13,925,595</u>
EXPENDITURES:		
Current:		
City Manager/City Clerk	6,113,166	6,113,166
Public Safety	3,971,074	3,971,074
Public Works	1,822,788	1,822,788
Culture and Recreation	83,378	83,378
Debt Service:		
Principal on Debt	2,364,843	2,364,843
Interest on Debt	96,919	96,919
Total Expenditures	<u>14,452,168</u>	<u>14,452,168</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(526,573)</u>	<u>(526,573)</u>
OTHER FINANCING SOURCES (USES):		
Sale of Real and Personal Property	98,140	98,140
Transfers In	4,791,113	4,791,113
Transfers Out	<u>(3,146,658)</u>	<u>(3,146,658)</u>
Total Other Financing Sources (Uses)	<u>1,742,595</u>	<u>1,742,595</u>
Net Change in Fund Balance	1,216,022	1,216,022
Fund Balance - October 1 (Beginning)	9,371,159	9,371,159
Adjustments and Restatements	<u>(63,546)</u>	<u>(63,546)</u>
Fund Balance - September 30 (Ending)	<u>\$ 10,523,635</u>	<u>\$ 10,523,635</u>

CITY OF PHARR, TEXAS
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2025

	City Garage Fund	Health Insurance Fund	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 173,310	\$ (1,513,516)	\$ (1,340,206)
Inventories	27,380	-	27,380
Total Current Assets	<u>200,690</u>	<u>(1,513,516)</u>	<u>(1,312,826)</u>
Noncurrent Assets:			
Capital Assets:			
Buildings, Net	263,542	-	263,542
Total Noncurrent Assets	<u>263,542</u>	<u>-</u>	<u>263,542</u>
Total Assets	<u>464,232</u>	<u>(1,513,516)</u>	<u>(1,049,284)</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	42,114	-	42,114
Due to Other Funds	8,123	-	8,123
Escrow Accounts	-	505,569	505,569
Debt Due Within One Year	13,417	-	13,417
Total Current Liabilities	<u>63,654</u>	<u>505,569</u>	<u>569,223</u>
Noncurrent Liabilities:			
Debt Due In More Than One Year	40,250	-	40,250
Total Noncurrent Liabilities	<u>40,250</u>	<u>-</u>	<u>40,250</u>
Total Liabilities	<u>103,904</u>	<u>505,569</u>	<u>609,473</u>
NET POSITION			
Net Investment in Capital Assets and Lease Assets	263,542	-	263,542
Unrestricted	96,786	(2,019,085)	(1,922,299)
Total Net Position	<u>\$ 360,328</u>	<u>\$ (2,019,085)</u>	<u>\$ (1,658,757)</u>

CITY OF PHARR, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	City Garage Fund	Health Insurance Fund	Total Internal Service Funds
OPERATING REVENUES:			
Garage Repairs	\$ 864,166	\$ -	\$ 864,166
Claims	-	7,245,770	7,245,770
Total Operating Revenues	<u>864,166</u>	<u>7,245,770</u>	<u>8,109,936</u>
OPERATING EXPENSES:			
Personnel Services	243,957	-	243,957
Contractual Services	644,824	-	644,824
Depreciation	14,467	-	14,467
Debt Service	-	8,651,034	8,651,034
Total Operating Expenses	<u>903,248</u>	<u>8,651,034</u>	<u>9,554,282</u>
Income (Loss) Before Transfers	<u>(39,082)</u>	<u>(1,405,264)</u>	<u>(1,444,346)</u>
Nonoperating Transfers In	-	143	143
Change in Net Position	<u>(39,082)</u>	<u>(1,405,121)</u>	<u>(1,444,203)</u>
Total Net Position - October 1 (Beginning)	<u>399,410</u>	<u>(613,964)</u>	<u>(214,554)</u>
Total Net Position - September 30 (Ending)	<u>\$ 360,328</u>	<u>\$ (2,019,085)</u>	<u>\$ (1,658,757)</u>

CITY OF PHARR, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	City Garage Fund	Health Insurance Fund	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from User Charges	\$ 864,166	\$ 7,245,770	\$ 8,109,936
Cash Payments for Other Operating Expenses	(846,399)	(8,226,958)	(9,073,357)
Net Cash Provided by (Used for) Operating Activities	17,767	(981,188)	(963,421)
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Operating Transfer In	-	143	143
Net Increase (Decrease) in Cash and Cash Equivalents	17,767	(981,045)	(963,278)
Cash and Cash Equivalents at Beginning of the Period	155,543	(532,471)	(376,928)
Cash and Cash Equivalents at End of the Period	\$ 173,310	\$ (1,513,516)	\$ (1,340,206)
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by (Used for) Operating Activities:</u>			
Operating Income (Loss)	\$ (39,082)	\$ (1,405,264)	\$ (1,444,346)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:			
Depreciation	14,467	-	14,467
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (Increase) in Inventories	(13,482)	-	(13,482)
Increase (Decrease) in Accounts Payable	43,207	424,076	467,283
Increase (Decrease) in Payroll Liabilities	12,657	-	12,657
Net Cash Provided by (Used for) Operating Activities	\$ 17,767	\$ (981,188)	\$ (963,421)

REPORT ON INTERNAL CONTROL AND COMPLIANCE

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Raul Hernandez & Company, P.C.

Certified Public Accountants

5402 Holly Rd., Suite 102

Corpus Christi, Texas 78411

Office (361)980-0482 Fax (361)980-1002

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

To the Honorable Mayor and
Members of the City Commission
City of 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 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, 2025, 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 20, 2026.

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. However, we identified a deficiency in internal control that we consider to be a material weakness, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2025-01.

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*.

City of Pharr's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the City of Pharr's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Raul Hernandez & Company, P.C.

Corpus Christi, Texas

March 20, 2026

Raul Hernandez & Company, P.C.

Certified Public Accountants

5402 Holly Rd., Suite 102

Corpus Christi, Texas 78411

Office (361)980-0482 Fax (361)980-1002

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM
GUIDANCE AND THE STATE OF TEXAS GRANT MANAGEMENT STANDARDS**

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited City of Pharr, Texas's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and in the State of Texas *Grant Management Standards* that could have a direct and material effect on each of City of Pharr, Texas' major federal and state programs for the year ended September 30, 2025. City of Pharr, Texas' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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 and state programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit 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) and the State of Texas *Grant Management Standards* ("TxGMS"). Our responsibilities under those standards and the Uniform Guidance and the TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Pharr, Texas and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance with each major federal and state program. Our audit does not provide a legal determination of City of Pharr, Texas's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Pharr, Texas's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Pharr, Texas's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and the TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Pharr, Texas's compliance with the requirements of each major federal and state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Pharr, Texas's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Pharr, Texas's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Pharr, Texas's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state 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 or state 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 and the TxGMS. Accordingly, this report is not suitable for any other purpose.

Raul Hernandez & Company, P.C.

Corpus Christi, Texas
March 20, 2026

**CITY OF PHARR, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that were not considered material weakness?	No
Material noncompliance to financial statements noted?	No

2. Federal/State Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that were not considered to be material weaknesses?	No
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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a) or Texas Grant Management Standards?	No

Identification of major programs:

	<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	14.218	Community Development Block Grant
State	N/A	Methodist Healthcare Ministries of South Texas, Inc.
Dollar threshold used to distinguish between Type A and Type B programs:		Federal/State \$1,000,000
Auditee qualified as low-risk auditee?		Yes

CITY OF PHARR, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I – FINANCIAL STATEMENT FINDINGS

Reference Number	2025-001 Financial Reporting and Internal Control Deficiencies (Repeat Finding)
Criteria:	Management is responsible for establishing and maintaining effective internal controls over financial reporting to ensure that financial statements are complete, accurate, and prepared in accordance with accounting principles generally accepted in the United States of America. Such controls should include timely recording of transactions, proper review and approval processes, and monitoring of budget-to-actual results.
Condition Found:	Deficiencies in internal controls over financial reporting, consistent with the prior year, continue to exist. The City required a significant number of audit adjustments to present materially accurate financial statements. Specifically: • The internal service fund lacked approximately nine months of financial activity postings, resulting in incomplete financial information. • Numerous posting errors were identified across multiple funds. • The General Fund incurred over expenditures, as reflected by negative budget variances in Exhibit G-1. • The General Fund reported a significant loss in Exhibit C-3. • The loss on the sale of a component unit was not recorded.
Cause:	The deficiencies are attributable to inadequate internal control procedures over financial reporting, including a lack of timely posting of financial activity, insufficient review and reconciliation processes, inadequate monitoring of budget-to-actual results, and weaknesses in identifying and recording significant or non-routine transactions.
Effect:	As a result of these deficiencies, the financial statements were not materially accurate prior to audit adjustments, there is an increased risk that material misstatements may not be prevented, or detected and corrected, on a timely basis, and management relies on the audit process to identify and correct errors. These conditions indicate a reasonable possibility of material misstatement and, therefore, constitute a material weakness in internal control over financial reporting.
Recommendation:	We recommend the City strengthen its internal controls over financial reporting by ensuring all financial activity is recorded timely and completely, implementing formal review and reconciliation procedures, monitoring budget-to-actual variances on a regular basis, establishing procedures to identify and properly record significant and non-routine transactions, and enhancing year-end closing processes to reduce reliance on audit adjustments.
Views of Responsible Officials:	See management's corrective action plan.

SECTION II – FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

NONE

**CITY OF PHARR, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Reference Number: 2024-001

Finding Title: Monthly Account Analysis and Year-End Closing

Status: Not Corrected (Repeated as Finding 2025-01)

Controls over timely financial reporting and year-end closing were not operating effectively. The financial statements were not closed timely, and the general ledger required numerous audit adjustments and reclassifications. Key processes, including reconciliations, recording of transactions, and preparation of schedules, were not performed timely. The City also overspent in certain budgeted functions, resulting in operating losses.

This finding has not been corrected and continues in the current year, as reflected in Finding 2025-001. Deficiencies in financial reporting processes, including delays in recording activity, inadequate review procedures, and reliance on audit adjustments, remain.

Corrective action has not been fully implemented

**CITY OF PHARR, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Corrective Action for Financial Statement Findings

Reference Number 2025-001 Financial Reporting and Internal Control Deficiencies

Corrective Action: Management agrees with the finding and will implement corrective actions to improve financial reporting processes, including strengthening review procedures, ensuring timely posting of transactions, and improving oversight of financial activity.

Name of contact person: Jamison Merrick – Finance Director

Contact: Jamison.merrick@pharr-tx.gov

CITY OF PHARR, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal ALN Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
<u>Passed through the Office of the Governor - Criminal Justice Division</u>			
Human Trafficking Liaison Grant	16.575	15POVC-23-GG-00468-ASSI	45,000
Crime Victims Liaison Grant	16.575	15POVC-23-GG-00468-ASSI	89,832
BulletProof Vest Partnership Program	16.607		34,647
Public Safety Partnership and Community Policing Grants	16.710	15JCOP521GG03396UHPX	308,692
Total Passed through the Office of the Governor - Criminal Justice Division			478,171
<u>Other U.S. Department of Justice</u>			
Equitable Sharing Program - US Marshal Service (SO)	16.922	112SA1599	67,232
Total Other U.S. Department of Justice			67,232
TOTAL U.S. DEPARTMENT OF JUSTICE			545,403
U.S. DEPARTMENT OF HOMELAND SECURITY			
<u>Passed through the Office of the Governor-Homeland Security Grants Division</u>			
Operation Stonegarden Grant Program	97.067	EMW 2023-SS-00025	325,566
Total Passed through the Office of the Governor-Homeland Security Grants Division			325,566
<u>Passed through the Office of the Governor-Homeland Security Grants Division-Federal Emergency Management Agency</u>			
Staffing for Adequate Fire and Emergency Response (SAFER) 2019	97.083	EMW-2019-FF-01465	17,672
Total Passed through the Office of the Governor-Homeland Security Grants Division-Federal Emergency Management Agency			17,672
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			343,238
U.S. DEPARTMENT OF TRANSPORTATION			
<u>Pass through the Texas Department of Transportation</u>			
Highway Planning and Construction	20.205		612,927
STEP - Commercial Motor Vehicle (CMV)	20.600	2023-PharrPD-S CMV-00043	13,431
STEP - Comprehensive Grant	20.600	2023-PharrPD-S-1YG-00137	14,540
Click it or Ticket	20.616	2023-PharrPD-CIOT-00053	4,145
Total Passed through the Texas Department of Transportation			645,042
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			645,042
U.S. DEPARTMENT OF TREASURY			
<u>Passed through the Texas Division of Emergency Management</u>			
Coronavirus Relief Fund	21.019	746001875	726,504
Total Passed through the Texas Division of Emergency Management			726,504
TOTAL U.S. DEPARTMENT OF TREASURY			726,504
U.S. ENVIRONMENTAL PROTECTION AGENCY			
<u>Passed through the Texas Water Development Board</u>			
Clean Water State Revolving Fund	66.468		1,500
Total Passed through the Texas Water Development Board			1,500
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			1,500
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<u>Passed through the Texas Department of Agriculture</u>			
Community Development Block Grant - CDBG FY 17/18	14.218	B-18-MC-48-0507	340,146
Community Development Block Grant - CDBG FY 18/19	14.218	B-19-MC-48-0507	146,349
Community Development Block Grant - CDBG FY 19/20	14.218	B-20-MC-48-0507	281,744
Community Development Block Grant - CDBG FY 20/21	14.218	B-21-MC-48-0507	249,879
Community Development Block Grant - CDBG FY 21/22	14.218	B-22-MC-48-0507	536,095
Community Development Block Grant - CDBG FY 22/23	14.218	B-23-MC-48-0507	360,174
Community Development Block Grant - CDBG FY 23/24	14.218	B-24-MC-48-0507	535,845
Community Development Block Grant - CDBG FY 24/25	14.218	B-25-MC-48-0507	373,879
Total Passed through the Texas Department of Agriculture			2,824,112
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			2,824,112
U.S. DEPARTMENT OF AGRICULTURE			
<u>Direct Program</u>			
Urban & Community Forestry Program (Inflation Reduction Act)	10.664	CO-24-188	365,791
TOTAL U.S. DEPARTMENT OF AGRICULTURE			365,791
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 5,451,589

CITY OF PHARR, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

STATE GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Pass-Through Entity Identifying Number	State Expenditures
TEXAS OFFICE OF THE GOVERNOR		
<u>Passed through Office of the Governor - Homeland Security Grant Division</u>		
BD-Operation Lone Star Grant Program	2024-BD-ST-0001	152,526
BF-Border Zone Fire Department (BZFD)	2025-BF-ST-0001	82,500
BL-Local Border Security Program (LBSP)	2025-BL-ST-0016	189,985
<i>Total Passed through Office of the Governor - Homeland Security Grant Division</i>		<u>425,012</u>
<u>Passed through Office of the Attorney General-Grants Division</u>		
Victim Corrdinator & Liaison Grant - (VCLG)	C-00039	47,667
<i>Total Passed through Office of the Attorney General - Grants Division</i>		<u>47,667</u>
<u>Passed through Office of the Attorney General-Criminal Justice Division</u>		
BG-Rifle Resistant Body Armor Grant Program (BAGP)	2025-BG-ST-0025	21,025
<i>Total Passed through Office of the Attorney General - Criminal Justice Division</i>		<u>21,025</u>
TOTAL TEXAS OFFICE OF THE GOVERNOR		<u>493,703</u>
TEXAS DEPARTMENT OF STATE HEALTH SERVICES		
<u>Direct Program</u>		
Alzheimer's Disease and Related Dementias	HH5001445500001	108,915
TOTAL TEXAS DEPARTMENT STATE HEALTH SERVICES		<u>108,915</u>
TEXAS DEPARTMENT OF MOTOR VEHICLES		
<u>Pass through Texas Homeland Security State Administrative Agency</u>		
South Texas Auto Theft Enforcement Task Force	N/A	67,816
TOTAL TEXAS DEPARTMENT OF MOTOR VEHICLES		<u>67,816</u>
METHODIST HEALTHCARE MINISTRIES		
<u>Direct Program</u>		
Methodist Healthcare Ministries Grant	N/A	\$ 557,067
TOTAL METHODIST HEALTHCARE MINISTRIES		<u>557,067</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 1,227,501</u>
TOTAL FEDERAL AND STATE AWARDS		<u>\$ 6,679,090</u>

CITY OF PHARR, TEXAS
NOTES TO THE SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Basis of Presentation:

The accompanying Schedule of Expenditures of Federal and State Awards (Schedule) presents the activity of all the federal and state award activity of the City of Pharr, Texas, under programs of the federal government and the State of Texas for the year ended September 30, 2025. 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) and the *Texas Grant Management Standards*. The City's reporting entity is defined in Note I.B. to the City's basic financial statements. All federal and State awards received directly from Federal and State agencies and federal and state awards passed through state agencies are included on the Schedule. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or changes in net position of City of Pharr, Texas.

Summary of Significant Accounting Policies:

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.

Indirect Cost Rate:

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

Relationship to Federal Financial Status Reports:

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



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 9.A.

DATE SUBMITTED: March 26, 2026

MEETING DATE: April 6, 2026

FROM: Ruben Rosales, Public Utilities
Director

DEPARTMENT: Public Utilities

DIRECTOR: Ruben Rosales

Agenda Item: Consideration and action, if any, on the purchase of a Rotary Fan Press from A-Square Water Treatment, LLC out of Leakey, Texas (The Interlocal Purchasing System (TIPS) # 250104). **This item supports IF - Infrastructure.**

Classification: Regular

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

Issue: Compliance Issue, after many years of wear and tear the equipment has broken down and is beyond repair due to obsolete parts. This equipment is needed to get our Waste Water Treatment Plant back in compliance with the state (TCEQ) after last inspection. Staff is recommending to purchase rotary fan press in the amount of \$1,700,000.00 utilizing TIPS No. 250104 (Project No. 2526-60-583-P08-01)

Fiscal Consideration: Cost has been budgeted for this equipment to be purchased.

Staff Recommendation: To purchase needed equipment

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Ruben Rosales
Ruben Rosales
Maritza Magallan
Melanie Cano
Ricardo Rodriguez
Jamison Merrick
City Management Office

Created/Initiated - 03/26/2026
Approved - 03/26/2026
Approved - 03/26/2026
Approved - 03/27/2026
Approved - 03/27/2026
Approved - 03/30/2026
Final Approval - 03/30/2026



A-Squared Water Treatment, LLC
3206 East Richardson Rd.
Edinburg Texas 78542
Phone: 956-566-5032
The Interlocal Purchasing System (TIPS)
#250104

Attn: City of Pharr
Project: City of Pharr WWTP Sludge Press.
Contact: Ruben Rosales

Date: 3-16-2026
Quote No. JA-2506027.0R1
Page: 1 of 2

Pursuant to your inquiry as referenced above, we are pleased to submit our proposal for your kind consideration. We appreciate your confidence in **A-Squared Water Treatment, LLC** to supply the best equipment and service available in the industry today.

ROTARY FAN PRESS-ONLY EQUIPMENT SCOPE OF SUPPLY

1. One (1) RFP2.0-48Q– 48" quad channel 2.0 Rotary Fan Press, 7.5 hp direct gear drive system, epoxy coated carbon steel housings and base.
2. Eight (8) 2205 duplex stainless steel tapered slotted filter screens with stainless steel support wheels.
3. Four (4) Dewatering channel mixing elements, 0.25 hp gearbox/channel.
4. Four (4) Inlet pressure sensors.
5. One (1) Wash manifold assembly with electronic solenoid valves (2 per channel).
6. Four (4) Stainless steel cake discharge chutes.
7. One (1) PVC Sch. 80 filtrate collection piping assembly.
8. Four (4) Pneumatic gate control, plant air supplied by others.
9. One (1) Pneumatic sludge by-pass control valve.
10. Two (2) Hardcopies & one (1) electronic copy of operational/maintenance manual.
11. One (1) Enclosed press drive VFD, four (4) 2.0 motor starters and Interconnections of Press junction box to main control panel (main control supplied by others).
12. One (1) Standard limited workmanship warranty.
13. One (1) RFP skid platform, epoxy coated carbon steel welded construction. Anchor bolts to be provided by Others.
14. One (1) In-line static mixer.
15. One (1) PVC Sch. 80 sludge retention manifold with clear site tube cleanout and sludge sampler.
16. One (1) Endress & Hauser sludge feed magnetic flow meter, model: Promag W 400.
17. One (1) Boerger sludge feed pump (rotary lobe), model: PL300, with VFD, & 10 hp gear drive, direct coupled on common base.
18. One (1) Prime Blend emulsion (only) polymer feed/blend system with injection rings, and integrated controls.
19. One (1) Process control package (semi-unattended operation) for system as listed in this proposal.



A-Squared Water Treatment, LLC
3206 East Richardson Rd.
Edinburg Texas 78542
Phone: 956-566-5032
The Interlocal Purchasing System (TIPS)
#250104

Page 2

- 20. One (1) Hoffman 304 SS Central operator panel, with touch screen controls, Allen Bradley Panel View Plus 7 HMI, 1 ten-inch (10") display, Allen Bradley PLC, lamps and main disconnect power. System to include operation of associated dewatering equipment as listed in this scope of supply, 480 volt/3 phase/60 hertz (unless specified otherwise), NEMA 4X rated enclosure.
- 21. One (1) Integration of system with Central Control Panel, utilities, and others.
- 22. One (1) Macerator
- 23. One (1) Conveyor System
- 24. Start-up included.

Net Price: \$1,700,000.00

Freight Included

We look forward to working with you on this and any future projects. If you have any questions or thoughts, please do not hesitate to call.

Sincerely,
Jesse Aguirre
Owner
M: 956.566.5032
jesse@a2watertreatment.com

EMAIL PO & VENDOR QUOTE TO: TIPSPO@TIPS-USA.COM
PO AND QUOTE MUST REFERENCE VENDOR TIPS CONTRACT NUMBER
ATTACH PO AS A PDF - ONLY ONE PO (WITH QUOTE) PER ATTACHMENT

Notice:

Many Vendors utilize specific warranties, subscription agreements, license agreements, EULA's, etc. ("Supplemental Agreements") when you purchase specific goods or services from that Vendor. Since the Supplemental Agreements do not necessarily apply to every Member, every jurisdiction, or every purchase, TIPS does NOT now negotiate the terms of those agreements on Members' behalf. If you are required to sign such a supplementary agreement by the TIPS Vendor, TIPS strongly encourages Members not to proceed with a purchase until they have carefully reviewed and negotiated all applicable Supplemental Agreements. TIPS recommends you work with your entity's legal counsel to ensure compliance with the legal requirements of your entity and your jurisdiction.

[TIPS Member PO Process](#)

OVERVIEW

DUE DILIGENCE

CONTACTS

PRINT PROFILE

PrintVENDOR **A-Squared Water Treatment LLC**

PO BOX 433 SAN JUAN TX,78589

WEBSITE a2watertreatment.comSERVICE/PRODUCTS
DESCRIPTION Water and Wastewater equipment distributorCONTRACT: **25010401** **Trades, Labor, and Materials (NON-JOC)**End Date: Apr-30-2030 **EDGAR COMPLIANCE:** [View Doc.](#)



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 9.B.

DATE SUBMITTED: March 26, 2026

MEETING DATE: April 6, 2026

FROM: Rogelio Jr. Martinez, IT Assistant
Director

DEPARTMENT: IT

DIRECTOR: Jose Pena

Agenda Item: Consideration and action, if any, on the purchase of fiber and supplies for Pharr Connect from Graybar, Inc, out of Fort Worth, Texas for an amount not to exceed \$724,872.02 (OMNIA Cooperative Contract #EV2370). **This item supports IF - Infrastructure.**

Classification: Regular

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

Issue: The City of Pharr is needing to purchase additional inventory for internally identified construction projects to continue to extend Pharr Connect footprint within the City. Some projects are mobile home parks, MDU apartment buildings and to have material in stock for subdivision developments. Project No. 2526-01-518-P09-01

Fiscal Consideration: \$724,872.02

Staff Recommendation: Staff Recommends Approval

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Rogelio Jr. Martinez

Created/Initiated - 03/26/2026

Jose Pena

Approved - 03/26/2026

Maritza Magallan

Approved - 03/27/2026

Hilda Pedraza

Approved - 03/27/2026

Ricardo Rodriguez

Approved - 03/27/2026

Jamison Merrick

Approved - 03/30/2026

City Management Office

Final Approval - 03/30/2026



OMNIA



Graybar

Electrical, Lighting, Data Communications and Security

OMNIA Partners works to connect members to collective buying power. Graybar's contracts provides agencies with cost-saving solutions for any data/communication, networking, wireless, security, electrical and lighting needs. When organizations choose the Graybar cooperative contract through OMNIA Partners, they will receive savings and value that go beyond costs. This contract allows your organization to maximize savings on the products you need while reducing procurement time.



The Bronze Partnership Excellence Award is a testament to the commendable dedication of our valued suppliers. This esteemed medallion is presented to those who have demonstrated a steadfast commitment to our partnership.

Click Your Industry

Education | Government

Nonprofit

Corporate | Enterprise

Private Equity

Public Sector

K-12 Education

Higher Education

State & Local Government

OMNIA Partners works to connect the public sector to collective buying power. Our Graybar cooperative contract provides public sector agencies with cost-saving solutions for any data/communication, networking, wireless, security, electrical and lighting needs. When organizations choose the Graybar cooperative contract through OMNIA Partners, they will receive savings and value that go beyond costs. This cooperative contract allows your organization to maximize savings on the products you need while reducing procurement time.

- **Electrical, Lighting, Data Communications and Security Products and Related Products, Services and Solutions**

City of Kansas City, MO | EV2370

VIEW CONTRACT
DOCUMENTATION

CONTACT US



Serving State & Local Government, Education, Special Districts, and Non-Profits

Graybar is the awarded supplier of electrical, lighting, data communications and security products and related products, services and solutions through OMNIA Partners, Public Sector, the nation's largest and most experienced cooperative purchasing organization dedicated to public sector procurement.

CONTRACT # EV2370

Electrical, Lighting, Data/Communication, Broadband & Utility,
Networking, Wireless, Security and Related MRO Supplies,
Service Solutions to Support Products

Why OMNIA Partners, Public Sector, through Graybar?

We are a leading distributor of electrical, lighting, data/communications, networking, security and related MRO products. With 300+ locations across North America, Graybar is a local distributor backed by the strength of a FORTUNE 500 company.

The Graybar-OMNIA Partners, Public Sector Program:

- Satisfies solicitation requirements
- Lead public agency managed contracts
- No cost to participate
- Contracts allow your organization to maximize savings on the products you need while reducing procurement time.
- Ensures accurate contract pricing, terms and agency specific requirements.

Eligible Agencies

- State Agencies, Counties, Cities, Towns and Villages
- Special Districts, Water, MUDs, Transportation, Airports
- Public and Private Higher Education
 - Colleges, Universities, Technical Schools
- Public and Private K-12
 - School Districts, Charter Schools and Other
- Non-Profits: Churches, Education, Healthcare and Other
- Tribal Organizations

Value Added Services

A complete and comprehensive offering of value added services to support the products included in our contract. Services may include, but not limited to: assessment, repair, renovation, installation, testing, inventory, emergency, recovery, training and other related services that may be offered through Graybar.

eCommerce - Inventory Management

Connect with Graybar through Graybar.com, private marketplaces or PunchOut. Graybar supports our customer's eProcurement initiatives by interfacing with a variety of ERP systems, software providers and marketplaces. We make it easy for customers to find products, place orders, check on transactions and much more - 24/7.

Customer Focus

Graybar has developed an unmatched selection of value added services and solutions to support the products we distribute daily. We are committed to satisfying our customers through delivery of consistent, reliable and quality service.

Graybar Financial Services

Graybar Financial Services® (GFS) can provide states, local governments and educational institutions financing for products covered in our contract and related services, whether for volume purchases, projects, or otherwise.

How to Register

Simply register at www.omniapartners.com/publicsector.

Registration does not obligate you to purchase through the program, but it does introduce you to a wide range of products and services at outstanding prices.

Graybar Program Managers

Rob Rhoads, East • (202) 445-8992 • rob.rhoads@graybar.com
Jeff Peskusi, Central • (833) 640-4305 • jeff.peskusi@graybar.com
Sergio Velazquez, West • (330) 939-8486 • sergio.velazquez@graybar.com

1-800-GRAYBAR • omniapartners@graybar.com
graybar.com/omniapartners • omniapartners.com/graybar

Graybar Contract Documentation

U.S. Communities, National IPA, & NCPA are wholly-owned subsidiaries of OMNIA Partners, dba OMNIA Partners, Public Sector. All public sector participants already registered with National IPA, U.S. Communities, or NCPA continue to have access to all contracts, with certain exceptions, in the portfolio and do not need to re-

register to use a legacy National IPA, legacy U.S. Communities, legacy NCPA, or new OMNIA Partners contract. U.S. Communities, National IPA, and NCPA remain separate legal entities and lead agency contracts completed under each brand are effective and available for use through the contract's approved term. In the event we believe re-registration is necessary for any reason, OMNIA Partners will let you know.

Electrical, Lighting, Data Communications and Security Products and Related Products, Services and Solutions

City of Kansas City, MO

Contract Number: EV2370

Initial Term: February 1, 2018 through January 31, 2023

Renewal Options: Option to renew for three (3) additional two-year periods through January 31, 2029

RENEWED THROUGH January 31, 2029

Executive Summary

- [Executive Summary](#)
- [Pricing](#)
- [Uniform Guidance](#)
- [Due Diligence](#)

Master Agreement Documents

- [EV2370 Master Agreement Graybar](#)
- [New Jersey Disclosure](#)
- [Notice of Intent to Renew](#)
- [Contract Renewal](#)
- [Contract Amendment 1](#)
- [Contract Amendment 2](#)

Solicitation Process

- [EV2370 RFP](#)
- [EV2370 RFP Postings](#)



5001 Aspen Grove Drive
Franklin, TN 37067

info@omniapartners.com
(866) 875-3299

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4601 CAMBRIDGE RD
FORT WORTH TX 76155-2233
Phone: 817-213-1300
Fax: 817-213-1373

To: CITY OF PHARR
118 S CAGE BLVD
PHARR TX 78577-4810

Attn: Jose Pena
Phone: 956-702-5300
Email: troy.densel@graybar.com
Fax: 956-702-5318

Date: 03/06/2026
Project Name: EE,SL,BV,WH,PRE
GB Quote #: 2001758679
Purchase Order Nbr:
Release Nbr:
Additional Ref#:
Revision Nbr:
Valid From: 03/06/2026
Valid To: 03/31/2026
Contact: Troy A Densel
Email: Troy.Densel@graybar.com

Proposal

We appreciate your request and take pleasure in responding as follows

- Notes:** All orders under the OMNIA purchasing co-operative, contract # EV2370
- + Please reference Graybar Quote # in all correspondence.
 - + If an order needs to be tax exempt, please include that in your email and attach tax exempt form.
 - + Graybar Quote number must be on all Purchase Orders to obtain this pricing.
 - + Our Customer Service Team contact numbers are 817-213-1500 (phone) and 817-213-1509 (fax) to assist you with your order.
 - + Orders received for a different bill of materials and/or different quantities from those quoted may result in increased sale price = s and/or increased lead times.
 - + ANY RETURNS MUST HAVE PRIOR AUTHORIZATION AND ARE SUBJECT TO RESTOCKING CHARGES INCLUDING RETURN FREIGHT CHARGES.
 - + Non-cancel, Non-returnable.
 - + SHIPPING POINT, FREIGHT ALLOWED FOR COMPLETE BILL OF MATERIALS SHIPPING TO A SINGLE LOCATION ON A SINGLE PO. Freight for expedited = delivery, partial shipments, lift gates or any other special requiremen t deviating from standard ground will be PP&A.
 - + Due to Force Majeure, and other market conditions, pricing and availability can change without any given notice, regardless of quo = te validity dates.
 - + All prices and totals in this quotation are exclusive of additional costs due to any duties, tariffs or other government-imposed s = urcharges.
 - + Please note the industry shipping standard for reels of fiber is -0/+10%. All factory shipments may ship within tolerance.

Item	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
200	2	CORNING OPTICAL	MOB-0444TD10 0FW-P	MULTIPRT TERMNL 4 PORT 100FT TONE CBL	\$127.29	1	\$254.58



GB Part#:25068533

[MFR SPEC SHEET](#)

Ship From:Backorder ZONE-STAFFORD,TX

Item Note: * AVL: 4-5 WEEKS ARO

Customer Part#:25068533

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To: CITY OF PHARR
118 S CAGE BLVD
PHARR TX 78577-4810
Attn: Jose Pena

Date: 03/06/2026
Project Name: EE,SL,BV,WH,PRE
GB Quote #: 2001758679

Proposal

We appreciate your request and take pleasure in responding as follows

Item	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
300	3	CORNING OPTICAL	MOB-0444TD20 0FW-P	MULTIPRT TERMNL 4 PORT 200FT TONE CBL	\$150.22	1	\$450.66



GB Part#:25068535

[MFR SPEC SHEET](#)

Ship From:Backorder ZONE-STAFFORD,TX

Item Note: * AVL: 4-5 WEEKS ARO

500	3	CORNING OPTICAL	MOB-0444TD30 0FW-P	MULTIPRT TERMNL 4 PORT 300FT TONE CBL	\$174.50	1	\$523.50
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GB Part#:25068537

[MFR SPEC SHEET](#)

Ship From:Backorder ZONE-STAFFORD,TX

Item Note: * AVL: 4-5 WEEKS ARO

Customer Part#:25068537

600	41	CORNING OPTICAL	MOB-0444TD35 0FW-P	MULTIPRT TERMNL 4 PORT 350FT TONE CBL	\$185.29	1	\$7,596.89
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GB Part#:25068538

[MFR SPEC SHEET](#)

Ship From:Backorder ZONE-STAFFORD,TX

Item Note: * AVL: 4-5 WEEKS ARO

700	39	CORNING OPTICAL	MOB-0444TD50 0FW-P	TERM OPTSHETH ADVAN 4PT 500FT	\$220.35	1	\$8,593.65
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GB Part#:25074689

[MFR SPEC SHEET](#)

Ship From:Backorder ZONE-STAFFORD,TX

Item Note: * AVL: 4-5 WEEKS ARO

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

This Graybar quote is based on the terms of sale in the EV2370 Master Agreement which can be found by clicking the link found at https://www.omniapartners.com/suppliers-files/E-J/Graybar/Contract_Documents/EV2370/EV2370_Graybar_MAD_2017_12_20.pdf

To: CITY OF PHARR
118 S CAGE BLVD
PHARR TX 78577-4810
Attn: Jose Pena

Date: 03/06/2026
Project Name: EE,SL,BV,WH,PRE
GB Quote #: 2001758679

Proposal

We appreciate your request and take pleasure in responding as follows

Item	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
 800	3	CORNING OPTICAL	MOB-0444TD70 0FW-P	MULTIPRT TERMNL 4 PORT 700FT TONE CBL	\$274.19	1	\$822.57
GB Part#: 25274135 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL: 4-5 WEEKS ARO							
 900	43	CORNING OPTICAL	MOB-0444TD75 0FW-P	MULTIPOINT TERMINAL 4-PORT 750FT TONE CBL	\$287.67	1	\$12,369.81
GB Part#: 25760671 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL: 4-5 WEEKS ARO							
 1000	20	CORNING OPTICAL	MOB-0844TD25 0FW-P	TERM OPTSHETH ADVAN 8PT 250FT	\$253.01	1	\$5,060.20
GB Part#: 25074693 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL: 4-5 WEEKS ARO							
 1100	28	CORNING OPTICAL	MOB-0844TD30 0FW-P	MULTIPRT TERMNL 8 PORT 300FT TONE CBL	\$270.67	1	\$7,578.76
GB Part#: 25085478 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL: 4-5 WEEKS ARO							

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

This Graybar quote is based on the terms of sale in the EV2370 Master Agreement which can be found by clicking the link found at https://www.omniapartners.com/suppliers-files/E-J/Graybar/Contract_Documents/EV2370/EV2370_Graybar_MAD_2017_12_20.pdf

To: CITY OF PHARR
118 S CAGE BLVD
PHARR TX 78577-4810
Attn: Jose Pena

Date: 03/06/2026
Project Name: EE,SL,BV,WH,PRE
GB Quote #: 2001758679

Proposal

We appreciate your request and take pleasure in responding as follows

Item	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
 1200	35	CORNING OPTICAL	MOB-0844TD35 0FW-P	TERM OPTSHETH ADVAN 8PT 350FT	\$285.67	1	\$9,998.45
GB Part#: 25074694 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL: 4-5 WEEKS ARO							
 1300	54	CORNING OPTICAL	MOB-0844TD50 0FW-P	MULTIPRT TERMNL 8 PORT 500FT TONE CBL	\$333.31	1	\$17,998.74
GB Part#: 25085480 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL: 4-5 WEEKS ARO							
 1400	12	CORNING OPTICAL	MOB-0844TD70 0FW-P	MULTIPORT	\$403.92	1	\$4,847.04
GB Part#: 25866006 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL: 4-5 WEEKS ARO							
 1500	43	CORNING OPTICAL	MOB-0844TD75 0FW-P	MULTIPRT TERMNL 8 PORT 750FT TONE CBL	\$421.57	1	\$18,127.51
GB Part#: 26378015 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL: 4-5 WEEKS ARO							

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To: CITY OF PHARR
118 S CAGE BLVD
PHARR TX 78577-4810
Attn: Jose Pena

Date: 03/06/2026
Project Name: EE,SL,BV,WH,PRE
GB Quote #: 2001758679

Proposal

We appreciate your request and take pleasure in responding as follows

Item	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
 1600	38	CORNING OPTICAL	MOB-0844TDA0 0FW-P	MULTIPORT TERMINAL 8 PORT PLASTIC	\$509.82	1	\$19,373.16
GB Part#: 25821638 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL: 4-5 WEEKS ARO							
 1700	2	CORNING OPTICAL	MOB-0844TD20 0FW-P	TERM OPTSHETH ADVAN 8PT 200FT	\$238.03	1	\$476.06
GB Part#: 25074692 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL: 4-5 WEEKS ARO							
1800	20000	CORNING OPTICAL	S-OP-12-LA-A -3U-BK-SIC-6 -B-FAB-CUT REEL	012ZUC-T4F22D 20	\$0.58	1	\$11,600.00
GB Part#: 26659105 MFR SPEC SHEET Ship From: Stock ZONE-STAFFORD,TX							
 1900	3133	CORNING OPTICAL	S-OP-24-LA-A -3U-BK-SIC-B -FAB-CUT REEL	024ZUC-T4F22D 20	\$0.66	1	\$2,067.78
GB Part#: 25899541 MFR SPEC SHEET Ship From: Stock ZONE-STAFFORD,TX							

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To: CITY OF PHARR
118 S CAGE BLVD
PHARR TX 78577-4810
Attn: Jose Pena

Date: 03/06/2026
Project Name: EE,SL,BV,WH,PRE
GB Quote #: 2001758679

Proposal

We appreciate your request and take pleasure in responding as follows

Item	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
1950	20000	CORNING OPTICAL	S-OP-48-LA-A -3U-BK-SIC-B -FAB-CUT REEL	048ZUC-T4F22D 20	\$0.79	1	\$15,800.00
 GB Part#: 25899543 MFR SPEC SHEET Ship From: Stock ZONE-STAFFORD,TX							
2000	29800	CORNING OPTICAL	S-OP-96-LA-A -3U-BK-SIC-B -CUT REEL	096ZUC-T4122D 20	\$1.32	1	\$39,336.00
GB Part#: 26435290 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX							
2100	21476	CORNING OPTICAL	S-OP-144-LA-A -3U-BK-SIC-CUT REEL	144ZUC-T4122D 20	\$1.97	1	\$42,307.72
GB Part#: 25852572 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX							
2200	40000	CORNING OPTICAL	S-OP-288-LA-A -3U-BK-SIC-CUT REEL	288ZUC-T4122D 20	\$3.37	1	\$134,800.00
GB Part#: 25852574 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX							
2275	20000	UNITED POLY SYSTEMS	D075ID11ORNN NNST09610000	* 3/4IN SDR11 ORG	\$0.25	1	\$5,000.00
GB Part#: D075ID11ORNNNNST09610000 Ship From: Drop Ship-Factory ***Item Note:*** * 10K REELS AVL: FACTORY STOCK							

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To: CITY OF PHARR
118 S CAGE BLVD
PHARR TX 78577-4810
Attn: Jose Pena

Date: 03/06/2026
Project Name: EE,SL,BV,WH,PRE
GB Quote #: 2001758679

Proposal

We appreciate your request and take pleasure in responding as follows

Item	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
2300	25500	BLUE DIAMOND INDUSTR	BDI133OR-T10 -SG	HDPE-1.25 SDR11 ORNGE GLIDE+TAPE850 0SR96	\$0.41	1	\$10,455.00

GB Part#:26516235

Ship From:Backorder ZONE-STAFFORD,TX

Item Note: * AVL: GRAYBAR STOCK

2410	86000	UNITED POLY SYSTEMS	D125ID11ORNN NNST096-8000	HDPE-1.25-SDR 11-ORG-8000SR 96	\$0.41	1	\$35,260.00
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GB Part#:26724915

Ship From:Drop Ship-Factory

Item Note: * AVL: 5 WEEKS ARO.

2500	12000	UNITED POLY SYSTEMS	D20005AORNN2 NSTS	HDPE-2.00SDR1 3.5-ORG-4000S R96#1130TAPE	\$0.95	1	\$11,400.00
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GB Part#:26516645

[MFR SPEC SHEET](#)

Ship From:Backorder ZONE-STAFFORD,TX

Item Note: * AVL: GRAYBAR STOCK

2610	46000	UNITED POLY SYSTEMS	D200ID11ORNN NNST102	* 2 IN SDR11 ORANGE	\$0.95	1	\$43,700.00
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GB Part#:D200ID11ORNNNNST102

Ship From:Drop Ship-Factory

Item Note: * AVL: 5 WEEKS ARO.

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To: CITY OF PHARR
118 S CAGE BLVD
PHARR TX 78577-4810
Attn: Jose Pena

Date: 03/06/2026
Project Name: EE,SL,BV,WH,PRE
GB Quote #: 2001758679

Proposal

We appreciate your request and take pleasure in responding as follows

Item	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
 2700	400	DURA-LINE	20005096	CLEAR-LOCK COUPLER 1.25 ORG 1.660 OD CLR	\$6.08	1	\$2,432.00
GB Part#: 26509060 Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL:GRAYBAR STOCK							
 2800	300	DURA-LINE	20005097	CO CLEAR-LOCK 2.00 ORG 2.375 OD CLEAR	\$9.46	1	\$2,838.00
GB Part#: 26521369 Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL:GRAYBAR STOCK							
2900	646	UTLITY PLASTICS	UP1000-GL-FI BER	10IN RND FLOWR POT FIBER NO LOCK NO EMS	\$16.82	1	\$10,865.72
GB Part#: 26594096 MFR SPEC SHEET Ship From: Stock ZONE-STAFFORD,TX ***Item Note:*** * AVL:GRAYBAR STOCK							
3000	504	UTLITY PLASTICS	UP1520-GL-F	* 15x20x12 HDPE HAND HOLE	\$55.94	1	\$28,193.76
GB Part#: UP1520-GL-F Ship From: Drop Ship-Factory ***Item Note:*** * 56 TO THE PALLET							

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To: CITY OF PHARR
118 S CAGE BLVD
PHARR TX 78577-4810
Attn: Jose Pena

Date: 03/06/2026
Project Name: EE,SL,BV,WH,PRE
GB Quote #: 2001758679

Proposal

We appreciate your request and take pleasure in responding as follows

	Item	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
	3100	140	HUBBELL INC	PG1730CA0012	COMMUNICATION S CVR	\$160.76	1	\$22,506.40
GB Part#: 94056616 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX Customer Part#: 94056616								
	3150	140	HUBBELL INC	PG1730BA30-P UB	BOX W/NO BASE 30INCH S	\$358.53	1	\$50,194.20
GB Part#: 25698082 Ship From: Stock ZONE-STAFFORD,TX ***Item Note:*** * Hubbell 17x30x30 Original SKU. Qty 160 In stock, TX Customer Part#: 25698082								
	3300	14	HUBBELL INC	PG3048BA36	30x48x36 PG STACKABLE BX WO BASE	\$510.36	1	\$7,145.04
GB Part#: 95004816 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX Customer Part#: 95004816								
	3400	20	COMMSCOPE	FOSC-ACC-D-T RAY-48-KIT	579575-000	\$37.34	1	\$746.80
GB Part#: 97107627 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL:GRAYBAR STOCK								
	3500	135	COMMSCOPE	FOSC450-D6-6 -NT-0-D6V	931866-000	\$457.05	1	\$61,701.75
GB Part#: 22110916 MFR SPEC SHEET Ship From: Backorder ZONE-STAFFORD,TX ***Item Note:*** * AVL:GRAYBAR STOCK Customer Part#: 22110916								

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To: CITY OF PHARR
118 S CAGE BLVD
PHARR TX 78577-4810
Attn: Jose Pena

Date: 03/06/2026
Project Name: EE,SL,BV,WH,PRE
GB Quote #: 2001758679

Proposal

We appreciate your request and take pleasure in responding as follows

Item	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
 3600	9	COMMScope	FOSC-ACC-C-T RAY-24	RH0202-000	\$22.83	1	\$205.47
GB Part#: 25194322 MFR SPEC SHEET Ship From: Stock ZONE-STAFFORD,TX ***Item Note:*** * AVL:GRAYBAR STOCK							
 3700	150	COMMScope	FOSC450-C6-6 -NT-0-C6V	J1945R-000	\$322.59	1	\$48,388.50
GB Part#: 25237103 MFR SPEC SHEET Ship From: Backorder DT SERVICE CENTER ***Item Note:*** * AVL:GRAYBAR STOCK							
 3800	16	COMMScope	FOSC-ACC-D-T RAY-72-KIT	915167-000	\$34.80	1	\$556.80
GB Part#: 97107631 MFR SPEC SHEET Ship From: Stock ZONE-STAFFORD,TX ***Item Note:*** * AVL:GRAYBAR STOCK							
						Customer Part#: 97107631	
 3850	100	COMMScope	FOSC-ACC-B-T RAY-24-KIT	863927-000	\$19.49	1	\$1,949.00
GB Part#: 22081943 MFR SPEC SHEET Ship From: Stock ZONE-STAFFORD,TX							
						Customer Part#: 22081943	

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To: CITY OF PHARR
118 S CAGE BLVD
PHARR TX 78577-4810
Attn: Jose Pena

Date: 03/06/2026
Project Name: EE,SL,BV,WH,PRE
GB Quote #: 2001758679

Proposal

We appreciate your request and take pleasure in responding as follows

Item	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
3900	100	PRECISION REEL CABLE	PF1X02PLC-25 0B-250B-1.5	1X2PLC SMSPLITTER STLTUBE NO CONN	\$20.68	1	\$2,068.00



GB Part#:26487648

[MFR SPEC SHEET](#)

Ship From:Backorder ZONE-STAFFORD,TX

Item Note: * AVL: 2 WEEKS ARO

4200	5	COMMSCOPE	760245276	BUDI-FM-TS248 -US00	\$1,089.58	1	\$5,447.90
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GB Part#:26651485

[MFR SPEC SHEET](#)

Ship From:Reship-Factory

4300	20	COMMSCOPE	760237241	BUDI-FS-TS224 -US00	\$328.64	1	\$6,572.80
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GB Part#:26140904

[MFR SPEC SHEET](#)

Ship From:Reship-Factory

4400	20000	CORNING OPTICAL	S-OP-12-TD-G -3E-BK-SIC-C UT REEL	012EB1-14100A 20	\$363.09	1000	\$7,261.80
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GB Part#:25373306

Ship From:Stock ZONE-AUSTELL,GA

Customer Part#:25373306

Total in USD (Tax not included): \$724,872.02

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To: CITY OF PHARR
118 S CAGE BLVD
PHARR TX 78577-4810
Attn: Jose Pena

Date: 03/06/2026
Project Name: EE,SL,BV,WH,P
GB Quote #: 2001758679

Proposal

We appreciate your request and take pleasure in responding as follows

Item	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
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Signed:_____

This Graybar quote is based on the terms of sale in the EV2370 Master Agreement which can be found by clicking the link found at https://www.omniapartners.com/suppliers-files/E-J/Graybar/Contract_Documents/EV2370/EV2370_Graybar_MAD_2017_12_20.pdf



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 10.A.

DATE SUBMITTED: March 25, 2026

MEETING DATE: April 6, 2026

FROM: Patrizia Longoria, City Engineer

DEPARTMENT: Engineering

DIRECTOR: Patrizia Longoria

Agenda Item: Consideration and action, if any, awarding contract to The Sign Depot for the design, engineering, and installation of a lighted monument sign (BuyBoard Contract No. 777-25). **This item supports QL - Quality of Life.**

Classification: Regular

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

Issue: Staff selected The Sign Depot from Pharr Texas from the co-op list for the design, engineering, and installation of a lighted LED monument sign. The proposed sign will be installed at the southeast corner of Jackson Road and US Business 83. (Project No. 2526-01-528-S26-01)

Fiscal Consideration: \$124,995.00

Staff Recommendation: Staff recommends the award of the contract to The Sign Depot for the design, engineering, and installation of a monument sign at the southeast corner of Jackson Road and US Business 83.

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Patrizia Longoria

Created/Initiated - 03/25/2026

Patrizia Longoria

Approved - 03/25/2026

Maritza Magallan

Approved - 03/26/2026

Ricardo Rodriguez

Approved - 03/26/2026

Jamison Merrick

Approved - 03/26/2026

City Management Office

Final Approval - 03/26/2026



105 E. Interstate 2 Suite F
Pharr, TX 78577
(956) 687-7446

Estimate

EST-18935

www.thesigndepot.com

Payment Terms: Net 30

Created Date: 2/25/2026

DESCRIPTION: 40' HIGH LED DOUBLE SIDED LIGHTED MONUMENT SIGN

Bill To: CITY OF PHARR
118 S. CAGE ST.
PHARR, TX 78577
US

Pickup At: The Sign Depot
105 E. Interstate 2 Suite F
Pharr, TX 78577
US

Requested By: JONATHAN FLORES
Email: jonathan.flores@pharr-tx.gov
Work Phone: (956) 402-4100
Tax ID: TBD

Salesperson: Yida Landeros
Email: sales@thesigndepot.com
Work Phone: 9566877446

NO.	Product Summary	QTY	UNIT PRICE	AMOUNT
1	40' HIGH LED DOUBLE SIDED LIGHTED MONUMENT SIGN	1	\$124,995.00	\$124,995.00
1.1	Miscellaneous (V) - 40' HIGH LED DOUBLE SIDED LIGHTED MONUMENT SIGN Part Qty: 1 Text: SIGN TO SHOWCASE CITY NAME, CITY SEAL, AND AVOCADO BLUE AND YELLOW PRIMARY COLORS TO BE INSTALLED ON CORNER OF JACKSON AND BUSINESS 83 Notes: CITY RESPONSIBLE FOR PROVIDING ELECTRICAL SOURCE FOR STRUCTURE ENGINEERING AND CITY PERMITS INCLUDED ANY DESIGN UPDATES WILL INCUR AN ADDITIONAL FEE			

This estimate is only valid for 30 days.

Subtotal:	\$124,995.00
Taxes:	\$0.00
Grand Total:	\$124,995.00
Deposit Required:	\$62,497.50

There will be a 3.50% credit or debit card processing fee.

Signature: _____ **Date:** _____



Vendor Contract Information Summary

Vendor	Sign Depot USA, LLC
Contact	Yida Landeros
Phone	(956) 687-7446
Email	sales@thesigndepot.com
Vendor Website	www.thesigndepot.com
TIN	20-3774187
Address Line 1	105 E. Interstate 2 Ste F.
Vendor City	Pharr
Vendor Zip	78577
Vendor State	TX
Vendor Country	USA
Delivery Days	10
Freight Terms	FOB Destination
Payment Terms	Net 30 days with Purchase Order provided.
Shipping Terms	Freight prepaid by vendor and added to invoice
Ship Via	Prepaid/Add to Invoice
Designated Dealer	No
EDGAR Received	Yes
Service-disabled Veteran Owned	No
Minority Owned	Yes
Women Owned	No
Certificate Number	1203774187800
Certifying Agency	Texas Historically Underutilized Business
National	No
No Foreign Terrorist Orgs	Yes
No Israel Boycott	Yes
MWBE	Yes
ESCs	1, 2, 4, 5, 13, 20
States	Texas
Contract Name	Scoreboards, Signage, Digital Display Products, and Installation Services
Contract No.	777-25
Effective	10/01/2025
Expiration	09/30/2028
Accepts RFQs	Yes



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 10.B.

DATE SUBMITTED: March 19, 2026

MEETING DATE: April 6, 2026

FROM: Patrizia Longoria, City Engineer

DEPARTMENT: Engineering

DIRECTOR: Patrizia Longoria

Agenda Item: Consideration and action, if any, authorizing City Manager to amend contract with Javier Hinojosa Engineering for professional engineering services for the design and project administration of the South Regional Detention Facility and Drainage Improvement Project. **This item supports IF - Infrastructure.**

Classification: Regular

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

Issue: The City of Pharr is requesting authorization of the City Commission approving the City Manager to amend the Professional Engineering Services of the South Regional Detention Facility and Drainage Improvements.
(Project No. 2425-01-528-S32-823-A)

Fiscal Consideration: \$20,000

Staff Recommendation: Staff recommends approval of the contract amendment

Alternatives: n/a

Exclude Material from Public Packet? No

Reason: n/a

ROUTING:

Patrizia Longoria
Patrizia Longoria
Maritza Magallan
Ricardo Rodriguez
Jamison Merrick
City Management Office

Created/Initiated - 03/19/2026
Approved - 03/19/2026
Approved - 03/20/2026
Approved - 03/20/2026
Approved - 03/20/2026
Final Approval - 03/20/2026

JAVIER HINOJOSA ENGINEERING/Consulting Engineers

416 E. Dove Avenue • McAllen, Texas 78504

Tel: (956) 668-1588

javier@javierhinojosaeng.com

TBPELS FIRM NO. F-1295

February 23, 2026

Mr. Jose G. Reyes, P.E., Utility Engineer
City of Pharr
801 E. Sam Houston
Pharr, Texas 78577

Re: South Regional Detention Facility – Proposal for Redesign

Dear Jose,

As per your request, this letter will serve as our Proposal for the required Civil Engineering Services required for the redesign of the South Regional Detention Facility. This detention facility area is approximately 20.57 acres and has previously been excavated by a private contractor. Our services will be to redesign the detention facility based on the new elevations. The services will include the necessary surveying and design for this work. Also included will be the design of two pilot channels through the detention facility that will outfall south into the County's drainage ditch. Our fee for this work will be a fixed fee of \$20,000.00. We stand ready to proceed with this project at the approval of this proposal. If you have any questions or require further information, please feel free to contact me at your convenience.

Sincerely,

JAVIER HINOJOSA ENGINEERING

A handwritten signature in blue ink, appearing to read 'Javier Hinojosa', is written over the printed name.

Javier Hinojosa, P.E.



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 10.C.

DATE SUBMITTED: March 26, 2026

MEETING DATE: April 6, 2026

FROM: Patrizia Longoria, City Engineer

DEPARTMENT: Engineering

DIRECTOR: Patrizia Longoria

Agenda Item: Consideration and Action, if any, authorizing City Manager to amend contract with J&R Engineering for professional water and wastewater engineering services related to the Sanitary Sewer Collection System Elimination Project for Lift Stations 26 and 30 (Amendment No. 2). **This item supports IF - Infrastructure.**

Classification: Regular

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

Issue: The current design for the Sanitary Sewer Collection System Elimination Project for Lift Stations 26 and 30 requires a sewer line design adjustment along Anaya Road. (Project No. 1920-01-528-S003-001)

Fiscal Consideration: Original Contract \$718,000

Amendment No. 1 \$75,000

Amendment No. 2 \$284,254.98

Revised Contract \$1,077,254.95

Staff Recommendation: Staff recommend approval of amendment No. 2 in the amount of \$284,540.98 with J&R Engineering for Professional Water and Wastewater Engineering Services related to the Sanitary Sewer Collection System Elimination Project for LS 26 & 30 for a revised contact amount of \$1,077,254.95.

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Patrizia Longoria

Created/Initiated - 03/26/2026

Patrizia Longoria

Approved - 03/26/2026

Maritza Magallan

Approved - 03/27/2026

Ricardo Rodriguez

Approved - 03/27/2026

Jamison Merrick

Approved - 03/30/2026

City Management Office

Final Approval - 03/30/2026

EXHIBIT A

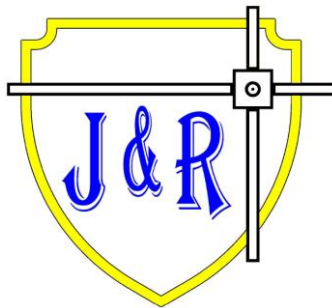
CITY OF PHARR

October 12, 2025

Sanitary Sewer Collection System Elimination Project for Lift Station No. 36 and
Lift Station No. 42; Amendment to Anaya Rd (sewer line and roadway
reconstruction)

SCOPE OF WORK

Prepared by:
J&R Engineering, LLC
Firm No. 12509



Consultant-Engineers
Established in 2010

Land Development-Civil Engineering-Water & Wastewater
Storm Drainage-Construction Management-Transportation

PROJECT DESCRIPTION

Project entails the elimination of two lifts stations (LS No. 36-Anaya & LS No. 42- Hi-line Rd), to include new installation of main of sanitary sewer gravity line from Dicker Rd & Veterans Rd Intersection to Hi-Line Rd and Main Drainage Canal, with alternate sanitary sewer alignment and roadway reconstruction at Anaya Rd between Veterans Rd and Cage Blvd respectively. Approximately 5,500 Linear feet of a 22' Roadway will be reconstruction to include driveways to existing adjacent properties. A portion of 36" & 24" gravity sewer line within proposed Project limits will be design on alternate alignment between Veterans Rd.(I Rd) and Cage Blvd (US 281) Canal along Anaya Rd.

The proposed design relocation alignment of approximately 2,800 linear feet of 36" sanitary sewer gravity line and 2,700 linear feet of 24" sanitary sewer sanitary sewer gravity line will avoid potential Right of Way encroachments and potential land purchase from adjacent properties along this corridor.

Proposed alignments and approximate lengths of proposed sanitary sewer collection system are as follows:

- Proposed 36" Sanitary sewer gravity line from Dicker Rd. & Veterans Rd. (I Rd) South to Anaya Rd then West to Drainage Main Canal. (Approx. 8,100 LF)
- Proposed 24" Sanitary sewer gravity line Main Drainage Canal at Anaya Rd. (Between Veterans Rd (I Rd) and Cage Blvd. (US 281) to West ROW of Cage Blvd. (US 281). (Approx. 2,630 LF)
- Proposed 18" Sanitary sewer Gravity line along Main Drainage Canal between Anaya Rd. and Hi-Line Rd. (2,830 LF)

Alignment option reflected on Attachment A of this document

Proposed Sanitary Collection system alignment would be on existing City Right-of-Way. There would be reconstruction of streets along Anaya Rd. , also there will be directional boring utilized to minimize impact to streets, sidewalks, driveway and other existing utilities.

Task 1-PLANNING

Task 1.1 -Planning

Pre-Design Meeting

J&R Engineering, LLC (J&R) will attend pre-design meeting with the City of Pharr (CITY) at the location of project to confirm the scope of work, review contractual responsibilities and confirm project goals, and clarify any questions.

Alignment Evaluation and Selection

J&R in agreement with the CITY will conduct an alignment evaluation and will proposed a viable option. Based on Current Sanitary Sewer Master Plan, J&R will identify best alternative alignment and will elaborate with CITY the advantages and disadvantages. J&R will prepare a summary of finding and will recommend prefer and viable alignment option. The CITY will approve and finalize the preferred.

J&R will work with the City in determining most advantageous location for SS Gravity Lines.

TASK 2-DESIGN SURVEY

Task 2.1 Mapping/Surveying

Once the route of the proposed sanitary sewer collection system is selected and finalized, J&R will contact known utilities and the Texas One-Call system to have all the existing utilities along the selected route identified, located, and marked by each of the respective utilities.

Once all utilities along the final selected route have been marked by Texas One-Call, J&R will perform any additional field surveys within and outside of the anticipated project limits as necessary for the design of the project. The field survey will locate the markings for the underground utility alignments along with the readily visible utilities at the surface (manholes, valves, poles, pedestals) or overhead (lines), and will collect topographic data along the selected sanitary sewer collection system route. The field survey will also locate sufficient property corners or other monumentation to establish the rights-of-way, easement boundaries, and relevant property lines.

J&R will use the data gathered during the utility investigation and field survey to develop the base plan to indicate locations of the existing topography, improvements, existing utilities, and property boundaries . The topographic features shown and labeled on the base plan shall include, edge of pavement, pavement type, pavement markings, curb, gutter, sidewalks and concrete flatwork, fences, gates, retaining walls, bridges, driveways, parking lots, buildings, traffic lights, traffic signs and other signage, trees and large shrubs (with type and diameter}, delineated landscaped areas, areas containing visible irrigation systems, utility poles and towers, overhead electric and telephone lines, telephone boxes, underground utility conduits, manholes, sewer

services and cleanouts, mains, valve boxes, fire hydrants, water meters, drainage channels, culverts, storm sewers, junction boxes, and storm drain inlets. The type, size, alignment, depth or invert, grades, flow direction, and top elevations of the underground features shall be noted as applicable on the base plan map. To the extent that is practical, J&R will confirm the field survey data with all obtained map and record plan documents.

In addition, the right-of-way within the project limits along the selected route will be located and labeled on the base plan. All plat information if readily available and lot/block numbers, and names of streets/roads and channels shall be shown on map. J&R will utilize background drawings provided by the CITY for our base plan. The base plan will show parcel information along the selected route. J&R will do its due diligence to verify the right-of-way line by searching for property pins and tie-in fence corner s. However, boundary resolution is not included as part of this project.

TASK 3 -DESIGN

Task 3.1 Preliminary Design (30%)

Construction Plans

J&R will prepare a 30% construction plan set for review and approval by the CITY. The plan set shall consist principally of the plan & profile sheets which will give the preliminary horizontal alignment as well as a preliminary vertical alignment in profile. The profile shall show the vertical location of underground features that cross the proposed alignments and the profile of parallel underground features that are in immediate proximity and thus may impact construction activities

Maps and Plans of Record

J&R will procure utility maps and/or plans of record from the respective utility surveyors, the CITY, and other appropriate agencies to assist with the mapping of horizontal and vertical location of existing utilities.

J&R will also obtain record drawings from Hidalgo Count Drainage District No. 1 and Hidalgo County Irrigation District No. 2 to identify existing rights-of-way and easements.

J&R will also obtain parcel maps and ownership information along the selected proposed route and for the existing lift station within the project limits. Such parcel information shall include information generally available through the county tax Appraisal office. The scope of parcel investigation does not include any title search

Once the route of the proposed sewer main is selected and finalized, J&R will initiate all mapping and survey work as outlined in **Task 2 Design Survey** Upon completion of this task, the end result is a base map that will be used to develop our design efforts.

Detailed Layout of Project

Within the route selected in the Route Evaluation and Selection, J&R shall select the optimal pipeline alignment based on engineering judgment and an effort to minimize local traffic disruptions, utility and other conflicts, and costs. The main purpose of Phase A Design is to review the proposed alignment with field survey data to determine areas of potential conflicts.

Opinion of Probable Construction Cost

A preliminary construction pay items shall be determined, their approximate quantities calculated, and their expected unit price estimated to establish an opinion of probable construction cost.

Task 3.2 Intermediate Design (Phase B) – 60%

Construction Plans

J&R will prepare a 60% construction plan set for review and approval by the CITY. The plan set shall consist principally of the plan & profile sheets which will give the horizontal alignment as well as a vertical alignment in profile. The profile shall show the vertical location of underground features that cross the proposed alignments and the profile of parallel underground features that are in immediate proximity and thus may impact construction activities. This Task will include roadway reconstruction plans for Anaya Rd. and recommend Traffic Control Plans based on TxDOT TCP Standards.

The construction plan set will also include the standard sheets such as the cover sheet, an index sheet, general notes, preliminary erosion control plan, and anticipated typical construction details.

Specifications

J&R will prepare a full set of draft construction specifications for project. J&R will incorporate the CITY's comments into the final set during the Final Design Phase.

Easements

J&R understands that it is the CITY's preference that the proposed route alignment maintains the proposed sanitary sewer collection system within CITY Right-of-Way. However, the need for any new easements, temporary construction easements and/or right-of-way for the sanitary sewer collection system may arise will be coordinated with the CITY.

All engineering and/or survey work that may become necessary or desired for the acquisition of temporary easements, permanent easements, or rights-of-way is outside our Scope of Work. Engineer shall submit a proposal for any additional engineering and/or survey work, the preparation of metes and bounds documents, or the preparation of survey plats for Client's consideration.

J&R will submit 60% Construction Plans and Specifications. After the CITY has fully review the 60% Construction Plan Set, J&R will formally address the CITY's written comments and

incorporated them in the final design Phase.

Three sets of copies- Plans and Specifications, either full set or half-size will be submitted or as required by the CITY.

Task 3.3 Final Design - 90% & 100%

Construction Plans

J&R will prepare the final design construction plan set for review and approval by the CITY. To include in the 90 % complete drawings will have proposed resolution to any previous areas of conflict with existing improvements

Specifications

A complete set of final construction specifications for the project will be prepared. J&R will as well incorporate the CITY's comments as part of completing the final design phase.

Engineer's Opinion of Probable Construction Costs

Based on the final design plan set, construction pay items shall be confirmed, quantities re-calculated, and unit price established to determine an opinion of final probable construction cost.

Easements

Refer to Intermediate Design Phase " Easements".

100% Submittal

J&R will submit 100% Construction Plans and Specifications. After the CITY has fully reviewed the 100% Construction Plan set, J&R will formally address the CITY's written comments and incorporate them in the final Bid Package.

Copies of the 100% construction plan set shall be submitted to the CITY.

Task 3.4 Bidding & Contracting Awarding

This task will include the following activities:

1. Finalize the front end and legal bidding documents, including General Conditions, General Requirements, bid form, bonds and instructions to bidders. The City's General Conditions document will be incorporated into our bid documents.
2. The Engineer will assist the City in developing the language to be included in the advertising ad. However, the City will provide advertising and distributing bid documents.
3. Prepare final technical specifications and final construction drawings consistent with the bidding documents and specifications.
4. Update the opinion of probable construction cost.

Bid Conferences

J&R will attend one (1) pre-bid conference to be held in Pharr, Texas.

Bid Packages

Bids will be issued by the Engineer electronically on USB format (pdf files). It is J&R's understanding that the CITY utilizes an online advertising portal to download bidding documents.

Awarding of Contract

J&R will be present at the bid opening. J&R will review each bid to determine the presence of any ambiguities or significant irregularities in each bid and prepare bid tabulation of all accepted bids. References will be checked for the low Bidder to confirm that Contractor is competent and capable of completing the project. Based on our findings, J&R will recommend to the City award of the project to the most responsive, responsible and best Bid received; in accordance with TWDB and/or City.

The following assumptions are included:

- The design documents will be prepared for one construction contract.
- No complex combination or complex add/deduct format is required .
- The City of Pharr Standard front-end specification documents will be used, with required front-end TWDB Specification.
- ENGINEER General Requirements (Division 1) and technical specifications will be used.
- All drawings will be of half-size (defined as 11" x 17"). Individual full-size drawings will be made available as required for clarity.

TASK 4 - CONSTRUCTION ENGINEERING/MANAGEMENT

Task 4.1 Services During Construction

Construction Staking

J&R shall include sufficient horizontal and vertical benchmarks to allow the Contractor to provide his own staking to install the sanitary sewer collection system and all other appurtenances.

Construction Observation

J&R will make weekly site visits to observe the installation and confirm progress on the project. J&R will also attend all TWDB Monthly Progress Meetings. A field inspection report will be provided to the CITY after each field inspection.

Construction Management

J&R will attend one (1) pre-construction meeting to be held in Pharr, Texas.

J&R will review all technical cut sheets, shop drawings & submittals to confirm that they are in agreement with the plans and appropriate specification.

J&R will review all monthly Contractor Pay Requests and confirm the Contractor's quantities or approximate percentages of completion J&R will forward the Contractor's Pay Requests to the CITY with any comments and a recommendation .

Change Orders and Field Alterations

J&R will review all requests for change orders or field alterations, provide recommendations to the CITY and prepare the appropriate revised plans, documents, specifications, and/or exhibits.

Final Project Acceptance

J&R will attend meeting on the project site at the time of substantial completion to review the contractor's work and to prepare a list of items to be addressed by the Contractor before the final walk through. J&R will attend final walk through with the CITY, TWDB, and the Contractor before final acceptance of the work by the CITY.

J&R will submit “As Builds” Plans to the CITY once project has been accepted.

ADDITIONAL SERVICES

Administrative Assistance

J&R will assist the CITY with TWDB coordination through the duration of the project. This will include preparing the necessary paperwork, addressing comments in coordination with the city engineer.

Any items requested by Owner that are not outlined in the above scope work be considered additional services and would be provided as requested and authorized by the Owner.

EXHIBIT B

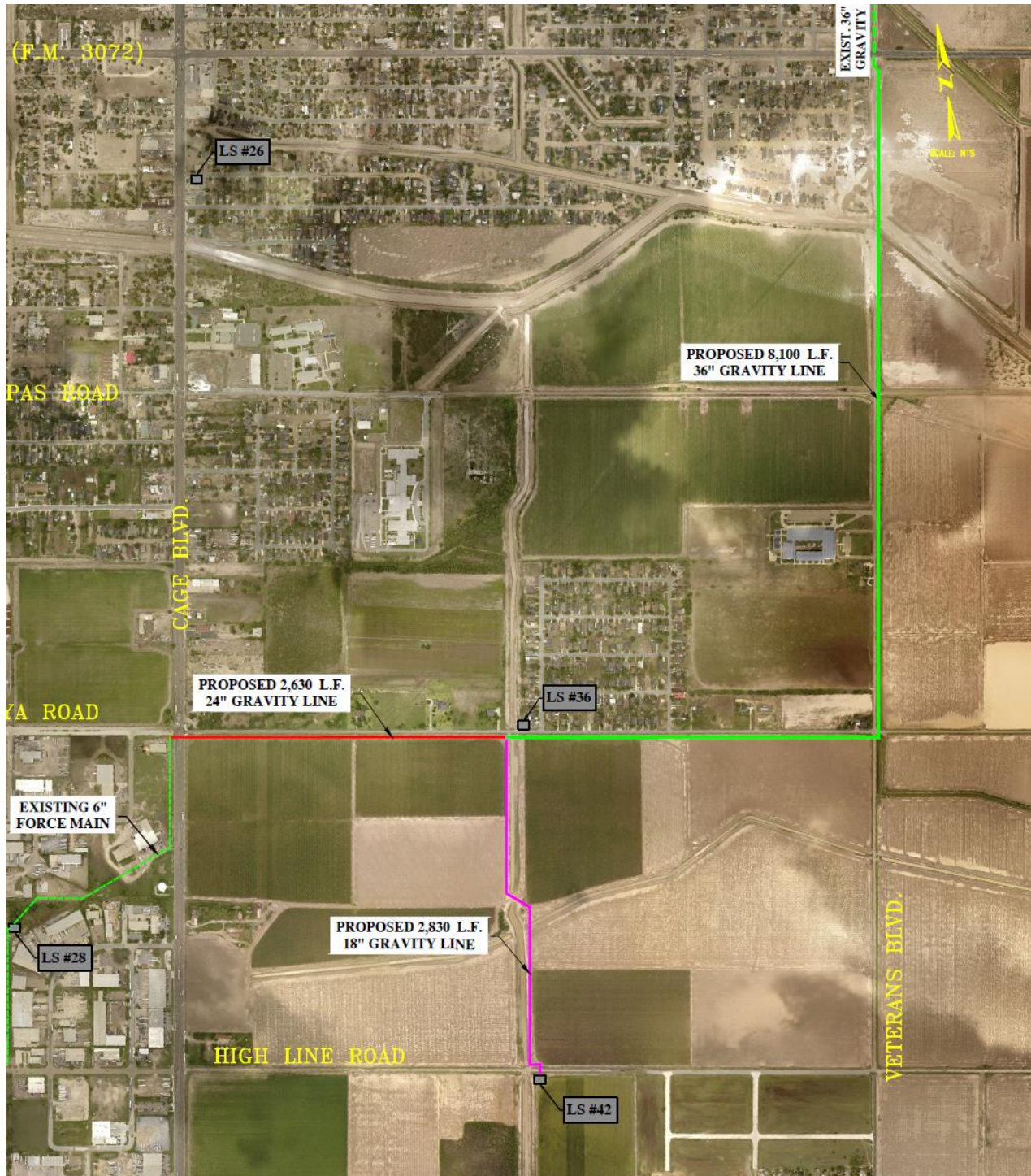
Task No.	Task Description	Activities	Start	End
	Notice to Proceed/Task Order	--	11/8/2025	--
1	Planning	Project Evaluation		
		Alignment Recommendations	11/8/2025	11/22/2025
2&3.1	Preliminary Engineering	Design Survey & 30% Design Package		
		Field Survey (Mapping)	11/22/2025	12/2/2025
		30% Design Package	12/2/2025	1/10/2026
		OWNER Review of Final Design Package {30%}	1/10/2026	1/18/2026
3.2-3.3	Intermediate & Final Design Phase	Develop Design; Complete Bidding Documents; Complete Final Plans and Specifications.		
		60% Final Design Package	1/19/2026	3/1/2026
		OWNER Review of Final Design Package (60%)	3/1/2026	3/8/2026
		90% Final Design Package	3/8/2026	4/20/2026
		OWNER Review of Final Design Package {90%}	4/20/2026	4/31/2026
		100% Final Design Package	5/1/2026	5/14/2026
		OWNER Review of Final Design Package	5/14/2026	5/22/2026
		Address Final Owner Comments	5/22/2026	6/10/2026
3.4	Bidding Phase Services	TWDB Review,Advertising, Bid Phase, Selection		
		TWDB Review	4/10/2026	5/15/2026
		Advertise/Bid Date	5/15/2026	-
		Contractor Selection/ Execute Contract	-	7/20/2026
4	Construction Period	Construction, Substantial Completion, Final Completion		
		Construction Start Date	9/1/2026	-
		Substantial Completion	-	3/1/2029
		Final Completion	-	5/14/2029
*Assume TWDB Final Commitment has been Completed				

EXHIBIT-C

Engineering Fee

TOTAL PROJECT ESTIMATE AND ENGINEERING FEE FOR Sanitary Sewer Collection System Elimination Project for Lift Station No. 36 and Lift Station No. 42	
SANITARY SEWER COLLECTION SYSTEM.....	Lift Station Project- Eliminate LS 36 and LS 42; and Anaya Rd. Reconstruction
LIMITS.....	Proximities between Dicker Rd. and Las Milpas Rd & between S. Jackson and Veterans Blvd.
EXISTING COLLECTION SYSTEM.....	LS 36 & LS 42 with series of Sanitary Sewer Gravity Lines and Force Mains
PROPOSED COLLECTION SYSTEM.....	36", 24", 18" Gravity Sanitary Sewer Lines Eliminate LS 36 & 42 Lift Stations
PROPOSED EASEMENTS WIDTHS.....	City ROW
OVERALL ESTIMATED CONSTRUCTION COST.....	\$9,587,233
ANAYA RD PORTION CONSTRUCTION COST.....	\$4,441,484
LENGTH.....	Approx. 13,900 LF of Sanitary Sewer Gravity Line and Elimination of two Lift Stations
ESTIMATED PROJECT COSTS	
TASK 1-PLANNING	
Task 1.1 Planning -Anaya Alignment	\$ 15,000.00
TASK 2-DESIGN SURVEYING	
Task 2.1 Mapping /Surveying	\$ 6,000.00
TASK 3-PROJECT DESIGN (30%)	
Task 3.1 Preliminary Design	\$ 82,000.00
TASK 3-PROJECT DESIGN (60%)	
Task 3.2 Intermediate Design	\$ 82,000.00
TASK 3- PROJECT DESIGN (90% & 100%)	
Task 3.3 Final Design	\$ 86,000.00
TASK 4-CONSTRUCTION ENGINEERING	
Task 4.1 Services During Construction	\$ 13,254.98
PROPOSED ENGINEERING FEE FOR WORK AUTHORIZATION	
	\$ 284,254.98

ATTACHMENT A



ATTACHMENT B

J&R ENGINEERING, LLC

PROBABLE CONSTRUCTION COST ESTIMATE

Sanitary Sewer Collection System Far South Elimination Project & Anaya Reconstruction
Pharr, Texas

ITEM NO.	ITEM DESCRIPTION	EST. QUANTITY	UNIT	UNIT PRICE	TOTAL COST
1	Right of Way Preparation	1	LS	\$ 50,000.00	\$ 50,000.00
2	Construction Staking	1	LS	\$ 25,000.00	\$ 25,000.00
3	Clearing & Grubbing for 15-20' Utility Easement along project	130	STA	\$ 1,000.00	\$ 130,000.00
4	Work Zone Traffic Control	18	MO	\$ 3,000.00	\$ 54,000.00
WASTEWATER COLLECTION IMPROVEMENTS					
5	8-inch Sanitary sewer, PVC SDR 26, 10-15' deep, including trenching, dewatering, gravel bedding and backfill, complete in place.	100	LF	\$ 80.00	\$ 8,000.00
9	10-inch Sanitary sewer, PVC SDR 26, 10-15' deep, including trenching, dewatering, gravel bedding and backfill, complete in place.	118	LF	\$ 100.00	\$ 11,800.00
7	12-inch Sanitary sewer, PVC SDR 26, 10-15' deep, including trenching, dewatering, gravel bedding and backfill, complete in place.	150	LF	\$ 120.00	\$ 18,000.00
8	18-inch Sanitary sewer, PVC SDR 26, 20-25' deep, including trenching, dewatering, gravel bedding and backfill, complete in place.	67	LF	\$ 250.00	\$ 16,750.00
9	18-inch Sanitary sewer, PVC SDR 26, 20-25' deep, including trenching, dewatering, gravel bedding and backfill, complete in place.	2763	LF	\$ 375.00	\$ 1,036,125.00
10	24-inch Sanitary sewer, PVC SDR 26, ' deep 25-30', including trenching, dewatering, gravel bedding and backfill, complete in place.	2,621	LF	\$ 450.00	\$ 1,179,450.00
11	36-inch Sanitary sewer, PVC SDR 26, 25-35' deep, including trenching, dewatering, gravel bedding and backfill, complete in place.	8,148	LF	\$ 520.00	\$ 4,236,960.00
12	18-inch Dia. Steel Casing and bore with 10-inch carrier pipe	60	LF	\$ 400.00	\$ 24,000.00
13	21-inch Dia. Steel Casing and bore with 12-inch carrier pipe	70	LF	\$ 475.00	\$ 33,250.00
14	30-inch Dia. Steel Casing and Bore with 18-inch carrier pipe	197	LF	\$ 550.00	\$ 108,350.00
15	36-inch Dia. Steel Casing and Bore with 24-inch carrier pipe	127	LF	\$ 600.00	\$ 76,200.00
16	48-inch Dia. Steel Casing and Bore with 36-inch carrier pipe	338	LF	\$ 650.00	\$ 219,700.00
17	72-inch Fiberglass Manholes, 25'-30' Depth, w/trenching, Dewatering and Backfill	5	EA	\$ 50,000.00	\$ 250,000.00
18	72-inch Fiberglass Manholes, 25'-30' Depth, w/trenching, Dewatering and Backfill with Drop Structure	6	EA	\$ 42,000.00	\$ 252,000.00
19	72-inch Fiberglass Manholes, 30'-35' Depth, w/trenching, Dewatering and Backfill	7	EA	\$ 50,000.00	\$ 350,000.00
20	72-inch Fiberglass Manholes, 30'-35' Depth, w/trenching, Dewatering and Backfill with Drop Structure	1	EA	\$ 75,000.00	\$ 75,000.00
21	60-inch Fiberglass Manholes, 20'-25' Depth, w/trenching, Dewatering and Backfill	5	EA	\$ 25,000.00	\$ 125,000.00
22	60-inch Fiberglass Manholes, 25'-30' Depth, w/trenching, Dewatering and Backfill with Drop Structure	5	EA	\$ 35,000.00	\$ 175,000.00
23	60-inch Fiberglass Manholes, 25'-30' Depth, w/trenching, Dewatering and Backfill	3	EA	\$ 30,000.00	\$ 90,000.00
24	48-inch Fiberglass Manholes, 15'-20' Depth, w/trenching, Dewatering and Backfill	1	EA	\$ 15,000.00	\$ 15,000.00
25	Manhole Vent	14	EA	\$ 1,500.00	\$ 21,000.00
26	36" SDR 26 line tie-in to Existing 72" MH (30'-35' Depth)	1	EA	\$ 10,000.00	\$ 10,000.00
27	36" SDR 26 line tie-in to Existing 8" SS line & Plug 15-inch SS line (Existing MH to be removed STA 38+19)	1	EA	\$ 12,000.00	\$ 12,000.00
28	6" dia. Forcemain tie-in to MH#23	1	EA	\$ 3,500.00	\$ 3,500.00
29	12" SDR 26-Stub - 3-Cap (15'-20' Depth)	3	EA	\$ 2,500.00	\$ 7,500.00
30	15" SDR 26-Stub - 2-Cap (15'-20' Depth)	1	EA	\$ 3,000.00	\$ 3,000.00
31	18" SDR 26 Plug & 1-Cap (Hi-line Rd.)	1	EA	\$ 3,500.00	\$ 3,500.00
32	24" SDR 26-Stub - 1-Cap (20'-25' Depth)	1	EA	\$ 4,000.00	\$ 4,000.00
33	36" SDR 26-Stub - 2-Caps (30'-35' Depth)	2	EA	\$ 5,000.00	\$ 10,000.00
34	Demolish Existing Lift Station and Backfill (Hauling and Disposal of Material Inclusive)	2	EA	\$ 20,000.00	\$ 40,000.00
35	Trench Safety	13,719	LF	\$ 12.00	\$ 164,628.00
36	Erosion Control	18	MO	\$ 3,000.00	\$ 54,000.00
STREETS					
1	Roadway Excavation & Grading	13500	SY	\$ 3.00	\$ 40,500.00
2	8" Compacted Caliche/w prime Coat	13500	SY	\$ 8.00	\$ 108,000.00
3	6" Subgrade Lime Treatment(5% if required)	14700	SY	\$ 5.00	\$ 73,500.00
4	Lime 6% (if required)	200	TONS	\$ 200.00	\$ 40,000.00
5	2" HMA(Cy D)	13500	SY	\$ 17.50	\$ 236,250.00
6	Prime Coat MC-30	2700	Gal	\$ 5.00	\$ 13,500.00
9	SW3P	1	LS	\$ 3,000.00	\$ 3,000.00
11	Roadway demolition, hauling and dispose	1	LS	\$ 25,000.00	\$ 25,000.00
12	Striping & Signage	1	LS	\$ 15,000.00	\$ 15,000.00
STORM DRAINAGE					
1	18" Drainage Pipe (RCP)(Rubber Gasket)	480	LF	\$ 50.00	\$ 24,000.00
4	24" RCP- SET	40	EA	\$ 2,500.00	\$ 100,000.00
5	Erosion Control	1	LS	\$ 10,000.00	\$ 10,000.00
6	Sand Bedding	480	LF	\$ 4.00	\$ 1,920.00
7	Gravel Bedding	480	LF	\$ 8.00	\$ 3,840.00
				Overall Total Estimate	\$ 9,587,223.00

ATTACHMENT C

J&R ENGINEERING, LLC

PROBABLE CONSTRUCTION COST ESTIMATE

Sanitary Sewer Collection System Far South Elimination Project & Anaya Reconstruction

ANAYA SS and RDWY SECTION

Pharr, Texas

ITEM NO.	ITEM DESCRIPTION	EST. QUANTITY	UNIT	UNIT PRICE	TOTAL COST
1	Right of Way Preparation	1	LS	\$ 10,000.00	\$ 10,000.00
2	Construction Staking	1	LS	\$ 7,500.00	\$ 7,500.00
3	Clearing & Grubbing for 15-20' Utility Easement along project	56	STA	\$ 1,000.00	\$ 56,000.00
4	Work Zone Traffic Control	6	MO	\$ 3,000.00	\$ 18,000.00
WASTEWATER COLLECTION IMPROVEMENTS					
5	10-inch Sanitary sewer, PVC SDR 26, 10-15' deep, including trenching, dewatering, gravel bedding and backfill, complete in place.	85	LF	\$ 100.00	\$ 8,500.00
6	24-inch Sanitary sewer, PVC SDR 26, ' deep 25-30', including trenching, dewatering, gravel bedding and backfill, complete in place.	2,621	LF	\$ 450.00	\$ 1,179,450.00
7	36-inch Sanitary sewer, PVC SDR 26, 25-35' deep, including trenching, dewatering, gravel bedding and backfill, complete in place.	2,999	LF	\$ 520.00	\$ 1,559,480.00
8	18-inch Dia. Steel Casing and bore with 10-inch carrier pipe	60	LF	\$ 400.00	\$ 24,000.00
9	36-inch Dia. Steel Casing and Bore with 24-inch carrier pipe	127	LF	\$ 600.00	\$ 76,200.00
10	48-inch Dia. Steel Casing and Bore with 36-inch carrier pipe	150	LF	\$ 650.00	\$ 97,500.00
11	72-inch Fiberglass Manholes, 25'-30' Depth, w/trenching, Dewatering and Backfill	8	EA	\$ 50,000.00	\$ 400,000.00
12	60-inch Fiberglass Manholes, 25'-30' Depth, w/trenching, Dewatering and Backfill	6	EA	\$ 30,000.00	\$ 180,000.00
13	Manhole Vent	5	EA	\$ 1,500.00	\$ 7,500.00
14	6" dia. Forcemain tie-in to MH#23	1	EA	\$ 3,500.00	\$ 3,500.00
15	24" SDR 26-Stub - 1-Cap (20'-25' Depth)	1	EA	\$ 4,000.00	\$ 4,000.00
16	36" SDR 26-Stub - 2-Caps (30'-35' Depth)	2	EA	\$ 5,000.00	\$ 10,000.00
17	Demolish Existing Lift Station and Backfill (Hauling and Disposal of Material Inclusive)	1	EA	\$ 20,000.00	\$ 20,000.00
18	Trench Safety	5,612	LF	\$ 12.00	\$ 67,344.00
19	Erosion Control	6	MO	\$ 3,000.00	\$ 18,000.00
STREETS					
20	Roadway Excavation & Grading	13500	SY	\$ 3.00	\$ 40,500.00
21	8" Compacted Caliche/w prime Coat	13500	SY	\$ 8.00	\$ 108,000.00
22	6" Subgrade Lime Treatment(5% if required)	14700	SY	\$ 5.00	\$ 73,500.00
23	Lime 6% (if required)	200	TONS	\$ 200.00	\$ 40,000.00
24	2" HMAc(Ty D)	13500	SY	\$ 17.50	\$ 236,250.00
25	Prime Coat MC-30	2700	Gal	\$ 5.00	\$ 13,500.00
26	SW3P	1	LS	\$ 3,000.00	\$ 3,000.00
27	Roadway demolition, hauling and dispose	1	LS	\$ 25,000.00	\$ 25,000.00
28	Striping & Signage	1	LS	\$ 15,000.00	\$ 15,000.00
STORM DRAINAGE					
29	18" Drainage Pipe (RCP)(Rubber Gasket)	480	LF	\$ 50.00	\$ 24,000.00
30	24" RCP- SET	40	EA	\$ 2,500.00	\$ 100,000.00
31	Erosion Control	1	LS	\$ 10,000.00	\$ 10,000.00
32	Sand Bedding	480	LF	\$ 4.00	\$ 1,920.00
33	Gravel Bedding	480	LF	\$ 8.00	\$ 3,840.00
				Overall Total Estimate	\$ 4,441,484.00
				Engineering (6.5%)	\$ 284,254.98

**PROJECT AGREEMENT FOR
PROFESSIONAL ENGINEERING SERVICES**

AMENDMENT NO. 2

The Contract between **J&R Engineering, LLC** and the **City of Pharr** which was executed by the parties on **November 19, 2019** for the **Sanitary Sewer Collection System Elimination Project for Lift Stations No. 26 & 30 Improvements Project**, is hereby amended by mutual agreement as follows:

- A. Modification to Section 1 – Scope of Work – Additional Scope of Work (See Attached Exhibit A)
- B. Modification to Section 5 – Professional Service Fee – Increase to Fee
Add the following fees:
 - a. Task 1 Planning: \$15,000.00
 - b. Task 2 Design Survey: \$6,000.00
 - c. Task 3 Design (30%, 60%, 90%, & 100%): \$250,000.00
 - d. Task 4 Construction Engineering/Management: \$13,254.98

This amendment adds **\$284,254.98** to the contract and the maximum total payable under the entire contract, including all amendments, is changed from \$ 793,000.00 to **\$1,077,254.98.**

All other terms and conditions of the existing contract not changed by this Amendment shall remain in full force and effect.

APPROVAL OF AMENDMENT NO. 2

**J&R Engineering, LLC,
1209 S. 10th St.
Ste A539
McAllen, Texas 78501**

Robert Salinas, PE

ENGINEERING FIRM

By: John S. Sal.
Signature

Roberto Salinas, PE
ENGINEER

SIGNED on this the 31 day of October, 2025.

Dr. Johnathan B. Flores
City Manager
City of Pharr, Texas

SIGNED on this the _____ day of _____, 20____.



AGENDA MEMORANDUM



BOARD: BOARD OF COMMISSIONERS

AGENDA ITEM #: 10.D.

DATE SUBMITTED: March 27, 2026

MEETING DATE: April 6, 2026

FROM: Patrizia Longoria, City Engineer

DEPARTMENT: Engineering

DIRECTOR: Patrizia Longoria

Agenda Item: Consideration and action, if any, authorizing City Manager to amend contract with R. Gutierrez for professional engineering services for the Tri-City Sidewalk Improvements Project — Phase II. **This item supports IF - Infrastructure.**

Classification: Regular

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

Issue: The PSJA Tri-City Pedestrian Improvements Project — Phase II consists of improving pedestrian enhancements and promotes active living, improves safety, provides access to major destinations and ultimately improves mobility and creates access in underserved communities.

This amendment will adjust the overall proposed design.

Project No. 1920-01-528-S013-001

Fiscal Consideration: Original Contract \$286,800.00

Amendment No. \$36,283

Revised Contract \$323,083

Staff Recommendation: Staff Recommends authorizing the City Manager to amend the contract with R. Gutierrez for the professional services for the Tri-City Sidewalk Improvements Project — Phase II to the revised amount of \$323,083.00.

Alternatives: N/A

Exclude Material from Public Packet? No

Reason: N/A

ROUTING:

Patrizia Longoria

Created/Initiated - 03/27/2026

Patrizia Longoria

Approved - 03/27/2026

Maritza Magallan

Approved - 03/27/2026

Ricardo Rodriguez

Approved - 03/27/2026

Jamison Merrick

Approved - 03/30/2026

City Management Office

Final Approval - 03/30/2026

NO.	TASK AND DESCRIPTION	Principal	Project Manager	Engineer-In-Training	Sr. Design Tech	Design Tech	Construction Inspector	R.P.L.S.	3 Man Survey Crew	Clerical	TOTAL MANHOURS
1	Eliminate Unneeded Plan Sheets										
	Eliminate plan sheets detailing sidewalk construction pertaining to San Juan and Alamo Schools and Eldora Road In Pharr.	1	2		8					2	13
1	SUBTOTAL - ELIMINATE UNEEDED PLAN SHEETS	1	2	-	8	-	-		-	2	13
											13
2	Update Standard Sheets to Current Standards										
	Review and update standard plan sheets with the latest standards.	1	2		4					2	9
2	SUBTOTAL - UPDATE STANDRD SHEETS TO CURRENT STANDARDS	1	2	-	4	-	-	-	-	2	9
3	Update Estimate and Quantity Sheets to Include only Pharr Sidewalks										
	Revise Estimate & Quantity plan sheets to include only Pharr Sidewalks and eliminate Eldora Road sidewalks	1	1	8						1	11
3	SUBTOTAL - UPDATE E&Q SHEETS TO INCLUDE ONLY PHARR SIDEWALKS	1	1	8	-	-	-	-	-	1	11
4	Revise Specifications to the current TxDOT Specs										
	Review the project technical specifications to use only the latest specifications according to TxDOT's new Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges and updated as needed.	1	4	8						2	15
4	SUBTOTAL - REVISE SPECIFICATIONS TO CURRENT TxDOT SPECS	1	4	8	-	-	-	-	-	2	15
5	Update project cost estimate using TxDOT's latest average bid prices										
	Update project cost estimate using TxDOT's latest average bid prices	1	2	4						2	9
5	SUBTOTAL - UPDATE PROJECT COST ESTIMATE	1	2	4	-	-	-	-	-	2	9
6	Preparation of Construction Specifications and Estimate										
	Prepare project specs using TxDOT's latest list of standard specifications and special specifications	2	8	16						2	28
6	SUBTOTAL - PREPARATION OF SPECS & ESTIMATE SERVICES	2	8	16	-	-	-	-	-	2	28
	Construction Administration (Approx 120 Days)										
	Visit project construction site on a regular basis to check on contractor's progress and to verify pay application quantities	16	32	16			120			16	200
	SUBTOTAL - CONSTRUCTION ADMINISTRATION SERVICES	16	32	16	-	-	120	-	-	16	200
	TOTAL PROJECT MANHOURS	23	51	52	12	-	120	-	-	27	285

PLANS REVISION FEE ESTIMATE
TRI-CITY SIDEWALK IMPROVEMENTS PROJECT - PHASE 2

1/19/2026

DIRECT LABOR:	Estimated Hours		Hourly Rate	Estimated Cost	Totals
(PROFESSIONAL SERVICES)					
Principal	23		\$120.20	\$2,765	
Project Manager	51		\$60.10	\$3,065	
Engineer-In-Training	52		\$26.93	\$1,400	
Sr. Design Tech	12		\$32.70	\$392	
Design Tech	0		\$26.45	\$0	
Construction Inspector	120		\$25.00	\$3,000	
R.P.L.S.	0		\$53.85	\$0	
3 Man Survey Crew	0		\$60.00	\$0	
Clerical	27		\$28.85	\$779	
Sub-Total:	285				\$11,401
INDIRECT COSTS:	Rate		x Base =	Estimated Cost	
Overhead Cost	1.51		\$11,401	\$17,216	
Profit	0.15		\$28,618	\$4,293	
Indirect Cost Total:					21,509
PROFESSIONAL SERVICES FEE TOTAL:					32,910
OTHER DIRECT COSTS:	Quantity	Unit	x Rate =	Estimated Cost	
Turnstone Fees:					
Surveying Supplies	1	LS	\$253.00	\$253	
Mileage (20 Miles)	5200	Mi	\$0.60	\$3,120	
Other Direct Cost Total:					3,373
PROJECT FEE TOTAL:					36,283