

SPECIAL MEETING

CITY COMMISSION

HARLINGEN, TEXAS

September 17, 2019

A Special Meeting of the Harlingen Elective Commission was held Tuesday, September 17, 2019 at 5:30 p.m., City Hall, Town Hall Meeting Room, 2<sup>nd</sup> Floor, 118 E. Tyler Street, Harlingen, Texas. Those in attendance were:

MAYOR and COMMISSIONERS

Chris Boswell, Mayor  
Michael Mezmar, Mayor Pro-Tem, District 3  
Richard Uribe, City Commissioner, District 1  
Frank Puente, City Commissioner, District 2  
Ruben De La Rosa, City Commissioner, District 4  
Victor Leal, City Commissioner, District 5

STAFF PRESENT

Dan Serna, City Manager  
Amanda C. Elizondo, City Secretary  
Ricardo Navarro, City Attorney

Mayor Boswell called the meeting to order and announced the meeting was duly posted according to state law. The following proceedings were held:

1) Gavel Open Meeting

Mayor Chris Boswell recited the Pledge of Allegiance and welcomed those in attendance.

2) Citizen Communication / Input

The following citizen's signed up for Citizen Communication regarding the following agenda items.

- Juan Ortega - address, 2401 Ailani Circle, Harlingen, TX - (5, 6)
- Minerva Simpson - address, 15701 Perkins Rd. Harlingen, TX - (2)
- Ron Lozano - address, 2410 Riverside Dr. Harlingen, TX - (4, 5, 6)
- Robert Leftwich - address, 909 E. Parkwood, Harlingen, TX - (4, 5, 6)
- Juan V. Garcia - address, 5718 Wild Persimmon, Harlingen, TX - (4, 5, 6)
- Jesus Aguilera - address, 1314 Oak Court, Harlingen, TX - (4, 5, 6)
- Rosanna Aguilera - address, 1314 Oak Court, Harlingen, TX - (4, 5, 6)
- Raymond Reyes - address, 706 Nantucket Drive, Harlingen, TX - (4, 5, 6)
- Kathleen Sheldon - address, 1609 E. Van Buren, Harlingen, TX - (4, 5, 6)
- Senovio Martinez - address, 909 N. 26<sup>th</sup> St. Harlingen, TX

3) Second reading to approve an Ordinance by record vote adopting the City of Harlingen's Budget for Fiscal Year 2019-2020.

Elvia Trevino, Finance Director, stated this is the second reading of the ordinance adopting the Proposed Budget 2019-2020. Total proposed revenues \$77,585,220 and total proposed expenditures \$79,247,357. A record vote is required to approve this item. She recommended approval of the ordinance.

Ric Navarro, City Attorney, read the caption of the ordinance.

Motion was made by Commissioner Uribe and seconded by Commissioner De La Rosa to approve the ordinance adopting the City of Harlingen's Budget for Fiscal Year 2019-2020 by record vote.

The motion carried as follows: FOR: Mayor Pro-Tem Mezmar, Commissioners: Uribe, De La Rosa, and Leal. AGAINST: Commissioner Puente. (VOTE 4-1)

For the record, the caption of ordinance read as follows:

ORDINANCE NO. 2019 -22

AN ORDINANCE ADOPTING THE REVENUE AND EXPENDITURE BUDGET FOR THE CITY OF HARLINGEN, TEXAS, FOR THE FISCAL YEAR OCT. 1, 2019 THROUGH SEPT. 30, 2020 IN THE AMOUNT OF \$77,585,220 AND \$79,247,357 RESPECTIVELY; PROVIDING FOR PUBLICATION OF THE CAPTION OF THIS ORDINANCE AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING.

4) Consideration and appropriate action on a resolution ratifying the property tax increase reflected in the adopted budget for Fiscal Year 2019-2020, and related matters.

Mrs. Trevino stated the City's Budget for Fiscal Year 2019-2020 requires an increase in property taxes. A separate vote from the budget is required to ratify the property tax increase.

Motion was made by Commissioner Uribe and seconded by Commissioner De La Rosa to approve the resolution ratifying the property tax increase reflected in the adopted budget for Fiscal Year 2019-2020 and related matters.

Dan Serna, City Manager, stated this item does not require a record vote.

Mayor Boswell asked if anyone in audience would like to be recognized to speak for or against this item.

Robert Leftwich opposed the proposed tax increase and stated the budget that is being used for the super park from 4B money should be utilized for the drainage projects. Harlingen does not need a super park. There are sufficient funds in the budget that can be reallocated to do these things. A Harlingen resident that has flood insurance did a claim through their insurance company after the flood in June, 2019 and their insurance premium increased from \$750 to \$2,879 per year. With these types of increases, people are being affected and it will affect the real estate business and people to qualify for homes. These increases are worse than the increase of the taxes. I ask for you to relook at the budget and make necessary changes instead of increasing the taxes.

Mayor Boswell also recognized Ron Lozano.

Ron Lozano asked Ric Navarro, City Attorney, if the tax increase rate was tied into the budget and asked if it was 9.81%

Mr. Navarro responded that the question being asked is for the next item and the tax rate amount is mentioned in the ordinance.

Mayor Boswell asked if anyone else wanted to comment on this item.

There being no additional comments from the audience, Mayor Boswell entertained a vote and it carried unanimously.

5) Second reading to approve an ordinance by record vote adopting the 2019 Ad Valorem Tax Rate for Maintenance and Operation for Fiscal Year 2019-2020.

Mrs. Trevino stated a record vote is required to approve the second reading of the ordinance adopting the Ad Valorem Tax Rate for Maintenance and Operation, proposed at \$0.518100 per \$100 valuation. Combined with the Interest and Sinking Fund Rate the total ad valorem tax rate is \$0.630000, which is 9.81% above the effective tax rate. She recommended approval of the ordinance.

Ric Navarro, City Attorney read the caption of the ordinance.

A motion was made by Mayor Pro-Tem Mezmar as follows: "I move to adopt an ad valorem tax rate for maintenance and operations of \$0.518100 for each \$100 assessed." This motion was seconded by Commissioner Uribe.

Mayor Boswell asked if there was any discussion.

Mayor Boswell stated the following meetings had been held announcing the initiation of the proposed budget and tax rate increase for FY 2019-2020.

- Two (2) Budget Workshops held on July 11<sup>th</sup> & 19<sup>th</sup>, 2019 to discuss the proposed budget for Fiscal Year 2019-2020;
- Special Meeting of July 24<sup>th</sup>, 2019 to discuss the proposed desired tax rate for FY 2019-2020;
- Regular Meeting of August 7<sup>th</sup>, 2019 – public hearings to solicit comments from the public on the proposed budget and tax rate of \$0.630000 for FY 2019-2020;
- Regular Meeting of August 21<sup>st</sup>, 2019 – second public hearing to solicit comments from the public on the proposed tax rate of \$0.630000;
- Regular Meeting of September 4<sup>th</sup>, 2019 to adopt the first readings of the ordinance to the budget and tax rate (M&O & I&S) for FY 2019-2020; and
- Special Meeting of September 17<sup>th</sup>, 2019 adopting the second and final reading of the budget and tax rate (M&O & I&S) ordinances for FY 2019-2020.

A total of seven (7) meetings have been held in regards to the tax rate increase. One (1) of the special meetings did not have a public hearing or a required discussion on the item and Robert Leftwich, Yolanda Schoffiett and Minerva Simpson to speak on the tax rate increase even though there was no public hearing on the item. On the course of these seven (7) meetings on my count a total of 15 individuals spoke opposing the tax rate increase. At those meeting along with the one tonight, a lot of false statements have been made. Despite of all the media coverage, I have not received a single phone call, emails or outreached, from any other people other than the 15 people that have spoken multiple times. Nobody from the health care industry, retail industry, hotel arena, chamber board members, or other individuals have called regarding this issue. Other individuals that I spoke to and have reached out to me are in support of the tax rate increase and know why we have to do this. The reason they support the tax rate is because they understand the process and that the tax rate increase is required to improve city services and upgrade equipment. Just in one (1) drainage project alone that is coming up this year will cost more than the tax rate increase. The tax rate increase will generate \$1.4 million and our match on the drainage project is \$1.7 million. We will be doing more drainage projects this year and next year because we do have a fund balance available. To continue doing these kinds of improvements in on our City, these the kinds of changes and increases we need to make. This might not solve all the problems, but it is going to allow us to step up on some of the projects. The City has not increase the tax rate in the last 14 years. Even at the tax rate of \$0.630000, it is like 10 to 15% less than cities in Cameron County and less than the cities in Hidalgo County.

Mayor Boswell entertained a record vote on Item No. 5.

Motion carried as follows: FOR: Mayor Pro-Tem Mezmar, Commissioners: Uribe, De La Rosa, and Leal. AGAINST: Commissioner Puente. (VOTE 4-1)

A motion was made by Mayor Pro-Tem Mezmar as follows: "I move that the property tax rate be increased by the adoption of a tax rate of \$0.630000 for each \$100 assessed, which is effectively a 9.81% increase in the tax rate." The motion was seconded by Commissioner Uribe.

Mayor Boswell called for a record vote and it carried as follow: FOR: Mayor Pro-Tem Mezmar, Commissioners: Uribe, De La Rosa, and Leal. AGAINST: Commissioner Puente. (VOTE 4-1)

For the record, the caption of the ordinance read as follows:

ORDINANCE NO. 2019 -23

AN ORDINANCE FIXING THE AD VALOREM TAX RATE FOR MAINTENANCE AND OPERATIONS FOR THE CITY OF HARLINGEN, TEXAS FOR THE CALENDAR YEAR 2019 AT \$0.518100 PER ONE HUNDRED DOLLARS (\$100.00) VALUATION, TOGETHER WITH THE AD VALOREM TAX RATE FOR INTEREST AND SINKING PAYMENTS, FOR A TOTAL PROPOSED TAX RATE OF \$0.630000; PROVIDING FOR PUBLICATION AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING.

ATTEST: /s/ Amanda C. Elizondo, City Secretary

City Of Harlingen  
/s/Chris Boswell, Mayor

6) Second reading to approve an ordinance by record vote adopting the 2019 Ad Valorem Tax Rate for the Interest and Sinking Fund for Fiscal Year 2019-2020.

Mrs. Trevino stated a record vote is required to approve the second reading of the ordinance adopting the 2019 Ad Valorem Tax Rate for the Interest and Sinking Fund proposed at \$0.111900 per \$100 valuation. Combined with the Maintenance and Operation Rate; it totals to the proposed tax rate of \$0.630000, which is 9.81% above the effective tax rate. She recommended approval of the ordinance.

Ric Navarro, City Attorney read the caption of the ordinance.

A motion was made by Mayor Pro-Tem Mezmar as follows: I move to adopt an Ad Valorem Tax Rate for Interest and Sinking of \$0.111900 for each \$100 assessed." Commissioner Uribe seconded the motion.

Mayor Boswell asked if there was any discussion on this item and recognized Robert Leftwich.

Robert Leftwich stated the 4B Corporation obviously does not represent the majority of the City according to the Mayor's diagnosis. However, no retail people or developers were mentioned by Mayor Boswell stating they had been affected by the floods, because those are the people that are benefitting and getting our money. The people's homes that were flooded are the ones speaking out and having to pay the bill. I think you all should reconsider the budget. We have the highest paid City Manager in the Valley and it is ridiculous. It is not the Public Safety Departments.

Mayor Boswell announced that residents need to comment only on the item that is being discussed and not on a different subject.

JV Garcia, citizen, stated that he is one of the 14 persons Mayor Boswell mentioned previously about being liars and making up false stories. He is representing over 100 people that attended the Town Hall meetings and at this moment, they cannot be here because they are dealing with the recovery of the floods.

Mayor Boswell stated citizens are to speak on the item that is being discussed. He asked if anyone else would like to be recognized to speak on the tax rate for the Interest and Sinking Fund to pay off the City's debt.

Ron Lozano, citizen, stated they were opposing the tax rate. At the last, meeting there was a 40 minute presentation regarding drainage which would create a debt. There is a raining day fund and it has more than enough money. The City does not need to raise taxes on the residents because there are funds available.

Mayor Boswell asked if anyone else would like to speak for or against the item that being discussed. There being none, he asked for a record vote on Item No. 6.

The record vote carried as follows: FOR: Mayor Pro-Tem Mezmar, Commissioners: Uribe, Puente, De La Rosa, and Leal. AGAINST: None. (VOTE 5-0)

A motion was made by Mayor Pro-Tem Mezmar as follows: "I move that the property tax rate be increased by the adoption of a tax rate of \$0.630000 for each \$100 assessed, which is effectively a 9.81% increase in the tax rate." The motion was seconded by Commissioner Uribe.

The record vote carried as follow: FOR: Mayor Pro-Tem Mezmar, Commissioners: Uribe, Puente, De La Rosa, and Leal. AGAINST: None. (VOTE 5-0).

For the record, the caption of the ordinance read as follows:

ORDINANCE NO. 2019 -24

AN ORDINANCE FIXING THE AD VALOREM TAX RATE FOR INTEREST AND SINKING PAYMENTS FOR THE CITY OF HARLINGEN, TEXAS FOR THE CALENDAR YEAR 2019 AT \$0.111900 PER ONE HUNDRED DOLLARS (\$100.00) VALUATION, TOGETHER WITH THE AD VALOREM TAX RATE FOR MAINTENANCE AND OPERATIONS, FOR A TOTAL PROPOSED TAX RATE OF \$0.630000; PROVIDING FOR PUBLICATION AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING.

ATTEST: /s/ Amanda C. Elizondo, City Secretary

City Of Harlingen  
/s/Chris Boswell, Mayor

Adjournment

There being no further business to discuss, Mayor Boswell adjourned the meeting.

CITY OF HARLINGEN

  
Chris Boswell, Mayor

ATTEST:

  
Amanda C. Elizondo, City Secretary