



HORIZON CITY

Incorporated 1988

**AGENDA
PUBLIC MEETING
SPECIAL CITY COUNCIL MEETING
THE TOWN OF HORIZON CITY, TEXAS
Tuesday, August 6, 2024, 6:00 PM**

Notice is hereby given that a Special City Council Meeting of the Town of Horizon City, Texas will be held on **Tuesday, August 6, 2024 at 6:00 PM** at City Council Chambers Room, 15001 Darrington Road, Horizon City, TX 79928, at which time the following will be discussed and considered:

- 1. Call to order; Pledge of Allegiance; Establishment of Quorum**
- 2. Open Forum:**

CONSENT AGENDA

All matters listed under the CONSENT AGENDA are considered routine and will be enacted in one motion. There will be no separate discussion of these items unless a member(s) of the City Council requests one or more items be removed from the CONSENT AGENDA to the REGULAR AGENDA for separate discussion and action prior to the City Council's vote to adopt the CONSENT AGENDA.

- 3. Approval of Minutes from:** **3**
Mayor/City Clerk
The July 9, 2024 Regular City Council meeting.

- 4. Request to Excuse Absent Council Members:**

- 5. Approval of Consent Agenda Items:**

REGULAR AGENDA

- 6. Discussion and Action:** **7**
Mayor/CIP Manager
Resolution authorizing the Mayor to sign an agreement with Exigo for construction management services for Municipal Facilities Ph. 1 in an amount not to exceed \$350,000.00.

- 7. Discussion and Action:** **12**
Mayor/CIP Manager
On a resolution authorizing Mayor to sign the Interlocal Agreement between the Horizon Regional Municipal Utility District ("HRMUD") and the Town of Horizon City ("City") for reimbursement of actual design expenses in connection with the construction of a sewer service line to be installed as part of the City's Municipal Facilities Phase I Project in form and substance substantially similar to the document attached to this Resolution.

- 8. Discussion and Action:** **20**
Mayor/EDC Executive Director
On a Resolution approving the Horizon City Economic Development Corporation's FY 2024- 2025 budget.

- 9. Discussion and Action:** **41**
Mayor/Finance Director
Regarding the arbitrage study completed by Hilltop Securities and authorizing payment of the required Yield Reduction Payments by the Town of Horizon City.

- 10. Discussion and Action:**
Mayor/Finance Director
Workshop on the proposed FY 2024 - 2025 Budget.

- 11. Executive Session**

The City Council of the Town of Horizon City reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices,) and 551.086 (Economic Development).

Adjournment:

Motion to Adjournment: _____ 2nd _____

Dated this Friday, 8/2/24

By: _____
Elvia Schuller, City Clerk

I, the undersigned authority, hereby certify that the above notice of the Special City Council Meeting of the Town of Horizon City, Texas is a correct copy of this notice, and that I posted this notice at least seventy-two (72) hours preceding the scheduled meeting at the City Hall Bulletin Boards of the Town of Horizon City, Texas on this Friday, 8/2/24 by 5:00 p.m.

Agenda Removed: _____ Time _____ By _____

In compliance with the Americans with Disabilities Act, the Town of Horizon City will provide for reasonable accommodations for persons attending meetings. Requests for auxiliary aids and services must be made 48 hours prior to this meeting by calling the City Clerk at (915) 852-1046.

**MINUTES
AGENDA
PUBLIC MEETING
REGULAR CITY COUNCIL MEETING
THE TOWN OF HORIZON CITY, TEXAS
Tuesday, July 9, 2024, 6:00 PM**

Notice is hereby given that a Regular City Council Meeting of the Town of Horizon City, Texas was held on **Tuesday, July 9, 2024 at 6:00 PM**, at City Council Chambers Room, 15001 Darrington Road, Horizon City, TX 79928, at which time the following was discussed and considered:

1. Call to order; Pledge of Allegiance; Establishment of Quorum

Meeting called to order at 6:00 pm. City Council members Ruben Mendoza, Scott Quiroz and Mayor Andres Renteria were absent. Councilman Rafael Padilla Jr. presided over the meeting. Quorum Established.

2. Open Forum:

Horizon City resident, David Miller and Horizon City Pickleball Association President Carol Hambric spoke regarding a request for a pickleball court.

CONSENT AGENDA

All matters listed under the CONSENT AGENDA are considered routine and will be enacted in one motion. There will be no separate discussion of these items unless a member(s) of the City Council requests one or more items be removed from the CONSENT AGENDA to the REGULAR AGENDA for separate discussion and action prior to the City Council's vote to adopt the CONSENT AGENDA.

3. Approval of Minutes from:

Mayor/City Clerk
June 11, 2024, Regular City Council meeting.

4. Discussion and Action:

Mayor/Public Works Director
On the award of Solicitation No. 2024-003 PW Thayer Pease Pond #1 Rehabilitation to R & L Mimbela Enterprises, LLC as the lowest responsive, responsible bidder, in the amount of \$45,625.00.

5. Discussion and Action:

Mayor/Chief Planner
Regarding a resolution authorizing the Mayor to sign all documentation necessary to grant a second extension to the substantial completion dates for the Horizon Crossing Unit Three and Horizon Town Center Unit Four Subdivision Improvements from May 31, 2024, to December 02, 2024.

6. Discussion and Action:

Mayor/Chief Planner
Regarding a Motion reaffirming approval of Final Plat application for Horizon Crossing Unit Three (Case No. SUB002492-2021), legally described as being a portion of C.D. Survey No. 321, Town of Horizon City, El Paso County, Texas. Containing 19.469+/- acres. Application submitted by Applicant/Representative Conde Inc.

7. Discussion and Action:

Mayor/Chief Vargas
To ratify the resolution approving the 2023 Stonegarden Grant that was approved on April 9, 2024 correcting the name of the grant from HS-Homeland Security to Operation Stonegarden FY 2023.

8. **Request to Excuse Absent Council Members:**

9. **Approval of Consent Agenda Items:**

Chief Planner, Art Rubio addressed Councilwoman Pat Randleed's inquiry regarding the need for an extension on item # 5.

A motion was made by Councilman Miller and seconded by Councilwoman Urrutia to excuse absent Council Members, Mendoza, Quiroz and Renteria and approve the remainder of the consent agenda. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

REGULAR AGENDA

10. **Discussion and Action:**

Mayor/Chief Planner

On the **Preliminary & Final Subdivision Plat** applications for **Bain Office (Case No. SUC24-0001)**, legally described as Tracts 10 & 10A, Section 43, and Tracts 13A & 13A1, Section 42, Block 78, Township 3, T.&P. R.R. Co. Surveys, and A Portion of Lot 4, Block 2, Texland, Town of Horizon City, El Paso County, Texas. Containing 4.314 acres ±. Application submitted by CIRE3 Architects LLC.

Chief Planner, Art Rubio spoke regarding this item.

A motion was made by Councilman Miller and seconded by Councilwoman Randleel to approve the **Preliminary & Final Subdivision Plat** applications for **Bain Office (Case No. SUC24-0001)**. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

11. **Discussion and Action:**

Mayor/Chief Planner

On the Final Subdivision Plat application for Rancho Desierto Bello Unit 14 (Case No. SDO24-0001) to reaffirm approval and allow recording of the plat prior to the completion of all required improvements secured by sufficient bond. The subject property is legally described as a Portion of Leigh Clark Survey No. 297, Town of Horizon City, El Paso County, Texas. Containing 18.708 acres ±. Application submitted by TRE & Associates, LLC.

Chief Planner, Art Rubio spoke regarding this item.

A motion was made by Councilman Miller and seconded by Councilwoman Urrutia to approve the Final Subdivision Plat application for Rancho Desierto Bello Unit 14 (Case No. SDO24-0001) to reaffirm approval and allow recording of the plat prior to the completion of all required improvements secured by sufficient bond. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

12. **Discussion and Action:**

Mayor/CIP Manager

On an update on the Capital Improvement Program.

CIP Manager, Terry Quezada spoke regarding this item.

A motion was made by Councilman Miller and seconded by Councilwoman Urrutia to accept the report as presented. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

13. Discussion and Action:

Mayor/CIP Manager

Regarding a Resolution to correct the award of solicitation 2023-101 for Municipal Facilities Phase 1 project to Dantex General Contractors, Inc. that was approved on June 11, 2024 for \$8,318,442.00 to include alternate items and increase the total bid amount to \$9,070,442.00. The amount erroneously posted on the agenda was \$8,318,442.00 and did include the sum necessary to pay for the 4 alternates approved by the council.

CIP Manager, Terry Quezada spoke regarding this item. City Clerk, Elvia Schuller corrected a typo on the last sentence of this item to read “and did NOT include”.

A motion was made by Councilwoman Urrutia and seconded by Councilwoman Randleel to approve the Resolution to correct the award of solicitation 2023-101 for Municipal Facilities Phase 1 project to Dantex General Contractors, Inc. that was approved on June 11, 2024 for \$8,318,442.00 to include alternate items and increase the total bid amount to \$9,070,442.00. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

14. Discussion and Action:

Mayor/Finance Director

On setting the dates for the budget workshop, hearings on the City budget and tax rate and authorizing the Mayor to publish the proposed tax rate based on the filed budget. The recommended date for the budget workshop is August 6, 2024. The date for the Budget Hearing is August 27, 2024 and the Tax Rate Public Hearing is September 10, 2024. All budget related meetings are scheduled to be held at 6:00 pm.

Finance Director, Lily Gaytan spoke regarding this item.

A motion was made by Councilman Miller and seconded by Councilwoman Urrutia to approve the recommended dates for the budget workshop, hearings on the City budget and tax rate and authorizing the Mayor to publish the proposed tax rate based on the filed budget. The recommended date for the budget workshop is August 6, 2024. The date for the Budget Hearing is August 27, 2024 and the Tax Rate Public Hearing is September 10, 2024. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

15. Discussion and Action:

Mayor/Public Works Director

On a Resolution authorizing the Mayor to execute a reimbursement agreement with Dynamix Auto Body Shop, LLC for the construction of a driveway.

CIP Manager, Terry Quezada spoke regarding this item.

A motion was made by Councilman Miller and seconded by Councilwoman Urrutia to approve the Resolution authorizing the Mayor to execute a reimbursement agreement with Dynamix Auto Body Shop, LLC for the construction of a driveway. The CITY CLERK polled the Council: MILLER – Aye; QUIROZ – Absent; ORTEGA – Aye; RANDLEEL – Aye; URRUTIA – Aye; PADILLA – Aye; MENDOZA – Absent. Motion passed.

16. Executive Session

The City Council of the Town of Horizon City reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices,) and 551.086 (Economic Development).

ADJOURNMENT

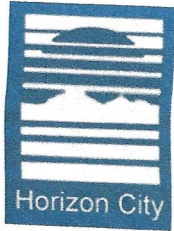
A motion was made by Councilwoman Randleel and seconded by Councilman Miller to adjourn at 6:29 PM.

Approved this ____ day of _____, 20__.

Attest:

Elvia Schuller, City Clerk

Andres Renteria, Mayor



**TOWN OF HORIZON CITY
MEMORANDUM**

Date: August 5, 2024
To: Honorable Mayor and Members of City Council
From: Teresa Quezada, CIP Manager
SUBJECT: Resolution authorizing the Mayor to sign an agreement with Exigo for construction management services for Municipal Facilities Ph. 1 in an amount not to exceed \$350,000.00.

[Handwritten signature and date: Teresa Quezada 8/5/2024]

The attached resolution authorizes an agreement with Exigo Architecture for construction management services for the Municipal Facilities Ph. 1 project for an amount not to exceed \$350,000. Construction management services for this project include:

- Materials testing
- Inspection Services throughout the project construction phase to include specialized inspections for:
 - Architectural elements;
 - Landscaping;
 - Structural elements;
 - Mechanical systems
 - Plumbing systems;
 - Electrical systems;
 - IT systems.
- Construction administration services to include review of documents and questions posed by the contractor.
- Software system to facilitate construction management tasks.

Staff recommends approval.

June 18, 2024

Teresa Quezada, Ph.D., CNU-A
CIP Manager / Planning Department
Horizon City Town
14999 Darrington Rd.
Horizon City, Texas 79928

Re: Municipal Facilities Building

Dear Ms. Quezada:

It is great pleasure to hear the Town of Horizon is moving forward with the construction of the Municipal Facilities Phase I. As per our recent teleconferences and correspondence, the project will be built as per the finalized and approved construction documents prepared by Exigo Architecture, dated December 4, 2020. These plans were based on International Building Code 2015. If the Town of Horizon, adopts 2021 IBC prior to the issuance of a building permit, we will have to re-submit for building permit.

As per your request, we are hereby submitting our fee proposal for Construction Management Services (Owner Representative). We understand the Town does not have the staffing capabilities to manage the construction, and perform inspections (other than Fire). Hence, we are including Civil, Landscape, Structural, Mechanical, Plumbing, Electrical and Architectural Inspections to be performed during construction.

This proposal is based on 16 months of construction, and a project delivery process of Sealed Bid Proposal. The proposed scope of work is as follows:

1. Pre-Construction:

- a. Review Bid Documents
- b. Assist Purchasing Department in Receiving Bids
- c. Manage the Bid Selection Process
- d. Provide General Contractor recommendation
- e. Review Construction Contract
- f. Assist Town of Horizon in executing contract
- g. Prepare Pre-Construction Meeting with General Contractor
- h. Provide processes and procedures during construction
- i. Review GC safety plan.
- j. Discuss Pay application, change orders process
- k. Review General Contractor's construction schedule
- l. Review Procedure to process RFI's, ASI's, COP, and CO

2. Construction:

- a. Provide part-time (4 hours) daily on-site project representative
- b. Participate on weekly Construction meetings
- c. Review Contractors weekly meeting minutes
- d. Review laboratory and material testing
- e. Review contractors daily logs
- f. Review daily safety log
- g. Review Project Schedule
- h. Review Payment Application
- i. Coordinate Building Inspections for all trades

architecture • interiors
planning • project management

211 N. Florence Suite 204
El Paso, Texas 79901
www.exigoarch.com
phone 915.533.0323
fax 915.533.0332

- j. Provide Daily Progress Reports
 - k. Provide Monthly Progress Reports
 - l. Track Submittal Log
 - m. Track Shop Drawings Log
 - n. Track RFI Log
 - o. Track ASI Log
 - p. Track CO Log
 - q. Prepare punch list
 - r. Coordinate processing of substantial completion
 - s. Review Contractors provided As-built drawings
 - t. Confirm punch list completion
 - u. Materials testing
3. Post Construction:
- a. Coordinate Move-in Logistics
 - b. Review Contractors O&M manuals
 - c. Coordinate Owner Training Session
 - d. Review Summary Report
4. Inspections. Inspections for the following trades prior to continuing with subsequent construction phases:
- a. Architectural Inspections
 - b. Civil Inspections
 - c. Landscaping Inspections
 - d. Structural Inspections
 - e. Mechanical Inspection
 - f. Plumbing Inspection
 - g. Electrical Inspection
 - h. AV/IT Inspection
5. Exclusions:
- a. Field Surveying
 - b. Commissioning

Our fee breakdown including the consultant fees.

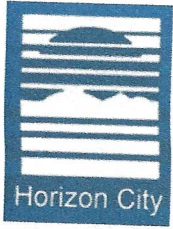
	Task	Consultant	
	Architectural	Exigo	\$175,385.00
*	Civil	GRV	\$11,194.00
	Landscaping	Greenway Studio	\$5,625.00
	Structural Engineering	JTA Engineering	\$15,500.00
	Mechanical/Plumbing Engineering	Fluid Systems	\$5,850.00
	Electrical Engineering	Alpha Engineering	\$6,210.00
	Materials Testing	Terracon	\$72,969.00
*	AV/IT	Dorney Securities	\$6,000.00
	Reimbursable Expenses (Milage)		\$6,437.00
	Reimbursable Expense (PM Software Autodesk Build-3 Years)	Total	\$15,000.00
		Total	\$320,170.00

*Allowance

Thanks for the opportunity and look forward in participating in bringing this project to fruition and continue working with the Town of Horizon

Sincerely;


Eugenio Mesta AIA, CNU-A



**TOWN OF HORIZON CITY
MEMORANDUM**

Date: August 5, 2024

To: Honorable Mayor and Members of City Council

From: Teresa Quezada, CIP Manager

SUBJECT: On a resolution authorizing Mayor to sign the Interlocal Agreement between the Horizon Regional Municipal Utility District ("HRMUD") and the Town of Horizon City ("City") for reimbursement of actual design expenses in connection with the construction of a sewer service line to be installed as part of the City's Municipal Facilities Phase I Project in form and substance substantially similar to the document attached to this Resolution.

Teresa Quezada
8/5/2024

As part of the construction and Horizon Regional Municipal Utility District (HRMUD) new service coordination on the Municipal Facilities Project Phase 1, it was determined that the sewer service line to provide service to the new facility must be connected to the HRMUD sewer line located on the northbound lanes of N. Darrington Rd. To provide the connection, staff requested that the HRMUD through their engineer develop the design of the new service line. Once the design for the new service line is completed, the Town proposes to forward the design to TXDOT for inclusion in the construction of N. Darrington Rd.

Proceeding this way maintains consistency in the design of the water and sewer infrastructure on N. Darrington Rd. and manages the construction and contractors on the site.

The HRMUD Board of Directors has authorized their engineer, TRE and Associates, to proceed with the design of the sewer line subject to City Council approval of an interlocal agreement. The attached resolution and agreement contain the major points of agreement to include the cost for design and management during the construction phase of the service connection line. The cost is \$12,000.

The agreement will be forwarded to the HRMUD for their review, concurrence and approval at their next Board meeting.

Staff recommends approval.

RESOLUTION

That the Mayor is authorized to sign the Interlocal Agreement between **the Horizon Regional Municipal Utility District (“HRMUD”)** and the **Town of Horizon City (“City”)** for reimbursement of actual design expenses in connection with the construction of a sewer service line to be installed as part of the City’s Municipal Facilities Phase I Project in form and substance substantially similar to the document attached to this Resolution.

PASSED AND APPROVED THE _____ DAY OF AUGUST 2024.

TOWN OF HORIZON CITY

**By: _____
Andres Renteria, Mayor**

ATTEST:

**By: _____
Elvia Schuller, City Clerk**

APPROVED AS TO FORM:

**By: _____
Sylvia Borunda Firth
Assistant City Attorney**

INTERLOCAL AGREEMENT

BETWEEN THE HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT AND THE TOWN OF HORIZON CITY FOR REIMBURSEMENT OF ACTUAL DESIGN EXPENSES IN CONNECTION WITH THE CONSTRUCTION OF A SEWER SERVICE LINE TO BE INSTALLED AS PART OF THE TOWN OF HORIZON CITY MUNICIPAL FACILITIES PHASE 1 PROJECT

THIS INTERLOCAL AGREEMENT (“Agreement”) is made and entered into by and between **HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**, a political subdivision of the State of Texas operating pursuant to Chapters 49 and 54 of the Texas Water Code, (“District”), and **THE TOWN OF HORIZON CITY**, a municipal corporation and political subdivision of the State of Texas (“City”) (the District and the City sometimes hereinafter referred to as the “Parties”), effective as of the last date signed and dated below (the “Effective Date”).

RECITALS

WHEREAS, this Agreement is entered into pursuant to the Texas Government Code Section 791.001 et seq., Interlocal Cooperation Act, as more fully set forth in this Agreement;

WHEREAS, the City has awarded a construction contract for its Municipal Facilities Phase 1 Project which requires a connection with sanitary sewer lines owned and operated by the District;

WHEREAS, the connection requires design to cross N. Darrington Rd;

WHEREAS, N. Darrington Rd. is under reconstruction through an Advance Funding Agreement between the City and the Texas Department of Transportation (TXDOT) and TXDOT is managing the construction of the project;

WHEREAS, the District developed the design for the District’s infrastructure that was co-bid with the N. Darrington Rd. project;

WHEREAS, the parties wish to work collaboratively with respect to the extension of the sanitary sewer service line that will serve the Municipal Facilities Phase 1 Project and which crosses N. Darrington Rd.;

WHEREAS, the Parties are in agreement that having the District design the extension of the sanitary sewer service line across N. Darrington Rd. is expeditious for both the Municipal Facilities Phase 1 and N. Darrington Reconstruction project;

WHEREAS, the City proposes to reimburse the District for the actual cost of the design for the sanitary sewer line extension across N. Darrington;

WHEREAS, the City proposes to reimburse TXDOT for the construction of the sanitary sewer line extension across N. Darrington; and

WHEREAS, this Agreement is an appropriate mechanism for the establishment of the processes and procedures between the City and the District relating to the development and construction of infrastructure in the Town of Horizon City that affect both Parties.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties acting by and through their respective governing bodies, having determined that it is in the public interest to enter into this Agreement, agree as follows:

IV. GOVERNMENTAL FUNCTIONS AND BENEFITS

4.01 Interlocal Cooperation. This Agreement is entered into pursuant to the Texas Government Code Section 791.001 et seq., Interlocal Cooperation Act (the “Act”), and the City and the District are each political subdivisions fully authorized by the Act to enter into this Agreement.

4.02 District Responsibilities: The District will design, or caused to be designed, the sewer line necessary to connect the city owned facilities being constructed as part of the Municipal Facilities Phase 1 Project and will provide all the design documents to TXDOT so its contractor can install the sewer line as part of the N. Darrington Road Project. The design provided by the District will be in accordance with all District and TXDOT standards and will be sufficient to support the proposed uses of the Municipal Facilities Phase 1 Project.

During the construction of the sewer line, the District **will provide contract management services and** coordinate with TXDOT and the contractor engaged to construct the project to ensure the construction is completed in accordance with the District and TXDOT standards.

Upon completion of construction, the line shall become District property and all future maintenance and repair shall become the responsibility of the District.

4.03 City Responsibilities. The City will coordinate with the District, TXDOT and the contractor to facilitate the use of the design provided by the District to enable the construction of the sewer line by TXDOT’s contractor as part of the N. Darrington Project.

The City will reimburse the District **the sum of \$8,500.0, actual cost of designing the sewer line and \$3,500.00 for contract management services** upon completion of the construction and transfer ownership of the line to the District.

4.04 Current Revenues; Fair Compensation. All payment and furtherance of the objectives of the Agreement shall be paid from current revenues of the City and the District, as those payments are allocated under this Agreement. The amounts and services exchanged between the City and the District are amounts that fairly compensate both entities for the level of effort required to carry out the design services.

V. TERM

5.01 Term. This agreement shall commence on the Effective Date and will expire on the date the City reimburses the District for the expenses incurred in connection with the subject sewer line.

VI. DEFAULT AND REMEDIES

6.01 Condition of Default. If either Party fails to perform any of its obligations under this Agreement when due or called for, and such failure has not been cured within thirty (30) days after written notice from the non-defaulting Party of such failure, then the nonperforming Party shall be in default hereunder.

6.02 Remedies.

A. In the event that such default is not cured, the non-defaulting party may, by all legal and equitable means, require the defaulting party and any appropriate official of the defaulting Party (acting solely in his or her official capacity) to remedy any default under, and carry out the provisions of this Agreement, including specifically the use and filing of mandamus proceeding in any court of competent jurisdiction in El Paso County, Texas.

B. All such remedies may be exercised concurrently, whenever, and as often as the need therefore arises. Waiver of any breach does not constitute any continuing waiver or a waiver of any subsequent breach of this Agreement.

VII. MISCELLANEOUS PROVISIONS

7.01 No Partnership. It is expressly understood and agreed that each Party shall operate as an independent contractor in each and every respect hereunder and not as an agent, representative or employee of the other. The Parties further agree that nothing in this Agreement will be construed as the creation of a partnership or joint enterprise between the City and the District. Each Party will be responsible for its own actions in providing services or undertaking activities

pursuant to this Agreement and shall not be liable for any civil liability that may arise from the furnishing of services or the activities undertaken by the other Party.

7.02 Force Majeure. It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war; civil commotion; acts of God; governmental restrictions, regulations, or interferences; fires; strikes; lockouts, national disasters; riots; material or labor restrictions; or any other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed.

7.03 Governmental Functions. The Parties expressly agree that, in all things relating to this Agreement, each party is performing governmental functions, as defined by the Tort Claims Act.

7.04 Venue; Governing Law. If any action, whether real or asserted, at law or in equity, arises on the basis of any provision of this Agreement, venue for such action shall lie in state courts located in El Paso County, Texas. This Agreement shall be construed in accordance with the laws of the State of Texas.

7.05 Paragraph Headings and Captions. Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

7.06 Notice. All notices required or permitted under this Agreement may be given to a party personally, by facsimile, or by mail, addressed to such party at the address stated below or to such other address as one party may from time to time notify the other in writing. Any notice so given shall be deemed to have been received when deposited in the United States mail so addressed with postage prepaid. Notice by overnight express delivery service shall be deemed effective one (1) business day after deposit with the express delivery service. Notice by personal delivery shall be deemed effective at the time of personal delivery. Notice may also be given by means of electronic facsimile transmission ("fax"); provided, however, that in order for a fax notice to be deemed effective, the party giving notice of fax shall provide a hard copy of the faxed notice thereafter to the other party pursuant to one of the methods of hard copy delivery specified in this section. For purposes of notice, demand, request reply, or payment the address shall be:

City: Town of Horizon City
Attention: Mayor
14999 Darrington Road
Horizon City, Texas 79928
FAX: (915) 852-1005

Copy to: Town of Horizon City

Attention: Development Services Director/Planning Director
14999 Darrington Road
Horizon City, Texas 79928
FAX: (915) 852-1005

District: Horizon Regional Municipal Utility District
Attention: General Manager
14100 Horizon Blvd.
Horizon City, Texas 79928
FAX: (915) 852-3908

Each Party shall have the right to designate a different address within the United States of America by giving in conformity with the Section.

7.07 Independent Agreements. The termination of this Agreement pursuant to a right herein shall not affect the obligations of any Party with regards to any other agreement between them, nor shall it affect the operation and application of the ordinances of the City.

7.08 Interpretation. In the event of any dispute over the meaning or application of any provision of this Agreement, this Agreement shall be interpreted fairly and reasonably, and neither more strongly for or against any party, regardless of the actual drafter of this Agreement.

7.09 No Third-Party Beneficiaries. The provisions and conditions of this Agreement are solely for the benefit of the City and the District and any lawful assign or successor of the District and are not intended to create any rights, contractual or otherwise, to any other person or entity.

7.10 Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

7.11 Entire Agreement. This Agreement contains the entire agreement of the parties. This Agreement can be amended or assigned only by written agreement signed by the Parties.

7.12 Counterparts. This Agreement may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

7.13 Binding Effect. This Agreement is binding upon the respective heirs, executors, administrators, personal representatives, successors and assigns of the Parties.

7.14 Counting Days. If any of the deadlines set forth herein end on a Saturday, Sunday or legal holiday, such deadline shall automatically be extended to the next day which is not a

Saturday, Sunday or legal holiday. The term "business days" as used herein shall mean all days which are not a Saturday, Sunday or legal holiday.

(Signatures Continued On Next Page)

**HORIZON REGIONAL MUNICIPAL
UTILITY DISTRICT**

By: _____
Bob Jarvis, President

Dated: _____

TOWN OF HORIZON CITY

By: _____
Andres Rentería, Mayor

Dated: _____



HEDC Activity Report & Budget Approval Request

Town of Horizon City Council

August 6, 2024

2020 Horizon City Comprehensive & Strategic Plan

ED Goal #2 : Establish public/private partnerships to assist in growth and investment

HEDC: FY 2025 Budget Approval Request

Request

That the Horizon City Council approve of the HEDC's Fiscal Year 2025 Budget.

Staff Recommends Approval



Horizon City : The Horizon BIZ (Business Innovation Zone)

Goal: Establish Centralized HC Business Support Offices



MARKETING FOR YOUR BUSINESS
HORIZON CITY AREA

SPEAKER:
MARIBEL FLORES
PV & HEDC

FREE WORKSHOP IN SPANISH
TECHNIQUES TO LEARN HOW TO PROMOTE YOUR BUSINESS

> **AUGUST 8TH, 2024**

> **HEDC 287 S. DARRINGTON RD. SUITE 1, HORIZON CITY, TX 79928**

> **6:00 PM - 8:00 PM**

WE WILL HAVE INFORMATION TABLES ABOUT LOANS AND GRANTS

ORGANIZED BY:




LIMITED CAPACITY
For more information and registration contact:
Economic Development Program PV & HEDC
 ☎ (915) 929-7137 ☎ (915) 603-1596 ☎ (915) 803-2172

Next HEDC Coaching Session

On **August 8th, 2024**, The HEDC and Project Vida will conduct our next local business training event.

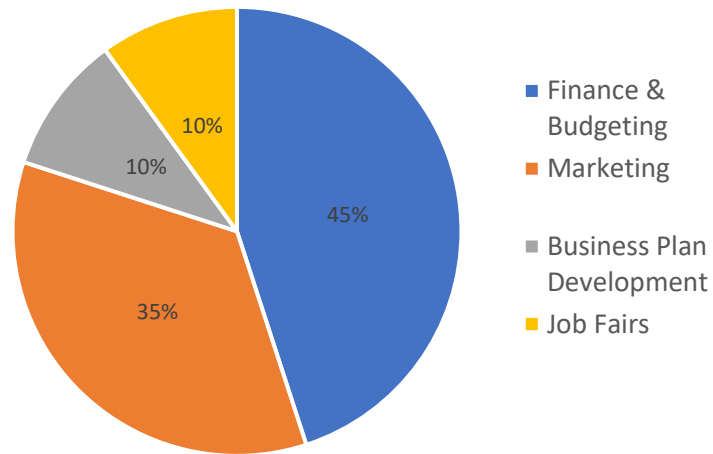
Trainers will provide a **2-hour detailed training session on business marketing** with additional presenters providing information on access to **low interest loans** and small business **human resource services**.

- **Maribel Flores – PV**
- **Hector Enriquez – T&T**
- **Tania Bustillos - PV**

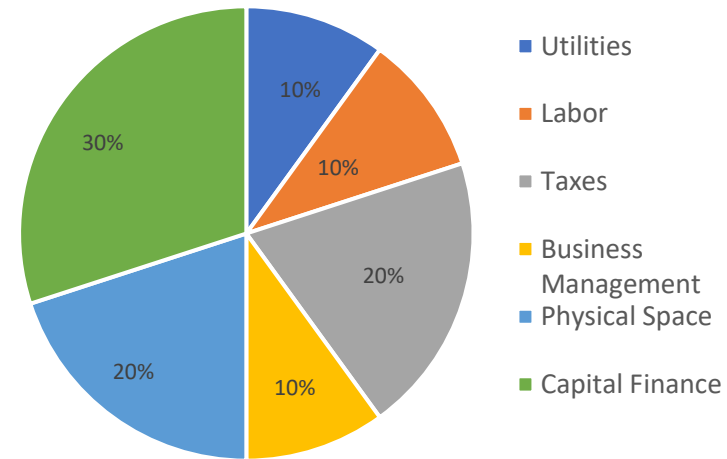
Additional **mixer event** held after the session.

Horizon City : Horizon Business Survey 2024

Trainings and Workshops Requested



Current Key Issues



Horizon City: Facility Development

Goal: Encourage Preferred Redevelopment

Project Pawling Oxbow

Developer is in the process of connecting the water lines and will begin vertical construction within months.

Description

- Development of a Twenty-Five Thousand sq. ft. (25,000 sq. ft) office flex warehouse, plus two office condos measuring **Two Thousand Five Hundred square feet (2,500 sq. ft) each.**
- Agreement signed on **10.23.23**

Minimum Capital Expenditures - \$3,167,000.00

Term - Six (6) Years from the Date of Execution



Horizon City : Charging and Fueling Infrastructure Discretionary Grant

Goal: Support Integration of Emerging Technology

The HEDC is working in **partnership with UTEP** to apply for a **US Department of Transportation** grant to fund the installation of **Level II and Level III EV chargers** across Horizon City. Last year's recipient received **\$15 million** for the installation of roughly 350 EV chargers.

- HEDC staff has identified **30 sites across the city** for preliminary, tentative consideration.
- EV Chargers will be **held by City for 5 years**
- **Revenue will be captured** by the City
- After 5th Year, the **city can keep, sell or share** chargers with private partners.
- Grant Due in **Q1 of 2025**



Horizon City : La Nogalera - New Construction

Background: La Nogalera

La Nogalera Group is a consolidated company dedicated to the acquisition, processing and sales of Pecan Nuts.

- Exports to five continents, including more than 25 countries
- Shells more than 103 million pounds a year and are recognized as a leader in the pecan industry, with the latest shelling technology and passionate team members always striving for excellence.



Horizon City Project Details

- Will invest \$15 million to construct a 100,000 sq. ft. facility.
- Net zero, on-site energy generation
- Construction expected to start in Q4 2024



Horizon City : Business Retention and Expansion

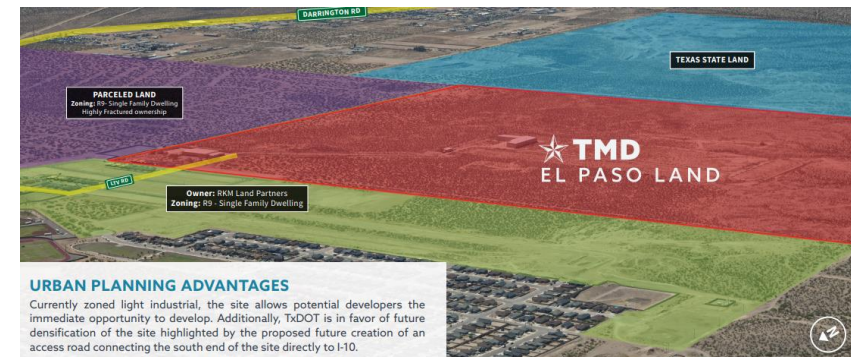
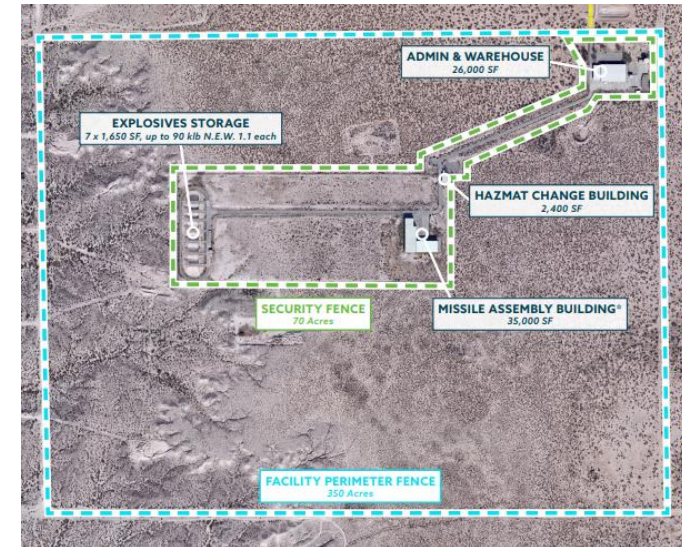


Horizon City: Land Development

Goal: Create Shovel-Ready Parcels

Background: HEDC staff is now working with Keller Williams to market, represent and transfer property within a **350-acre parcel** located at the southernmost end of the city.

- HEDC and HC leadership have **met with EP County leadership** to lock in support for the creation of a second point of access at southeastern portion of the of property.
- EP County have provided unofficial letter proposing secured **County impact funding** in support of HC infrastructure plan.
- Must be reviewed and approved by the by El Paso Commissioners' Court.
- **Currently under consideration for purchase by a major developer. Due diligence period.**



Horizon City: TOD Real Estate Acquisition

Goal: Facilitate the Expansion of New Commercial Development

Strategy

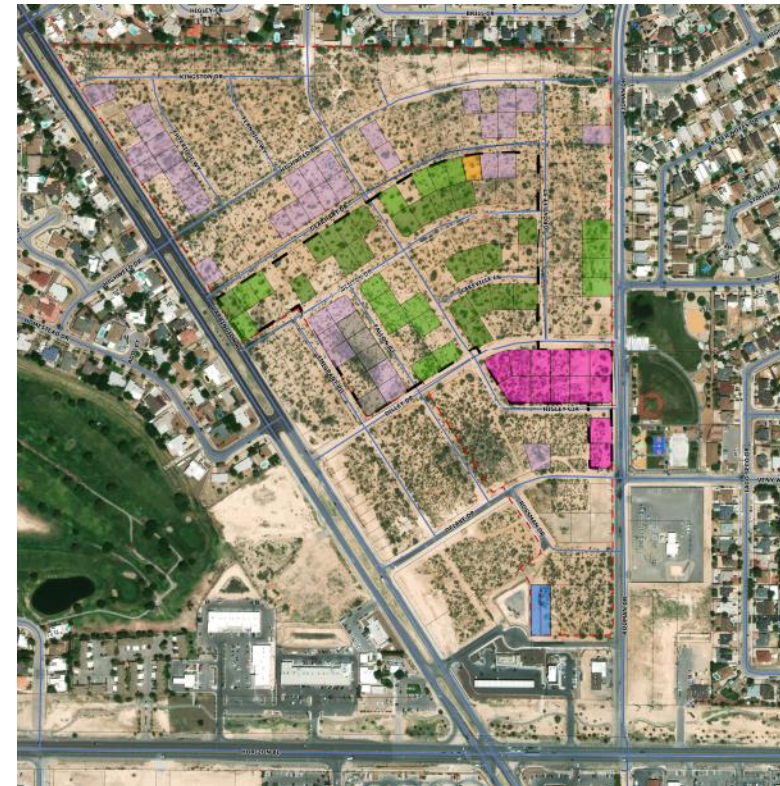
Purchase parcels to accumulate and combine lots.

Action

- Negotiations with major TOD land-owner has been finalized and land purchase contracts are now under legal review.
- Multiple parcels will be purchased, pending leadership approval.

The HEDC is the **lead on the recruitment, coordination and negotiations** with private owners on behalf of the Town of Horizon City.

The **HEDC is the lead** on the promotion and adoption of a **Hotel Occupancy Tax Policy**.



Horizon City: Additional Projects on the Horizon

Boutique TOD Hotel Development

Multi-story boutique hotel to accommodate visitors and event/dining guests. 2 to 3-acre site needed. **Met with landowners and developer on prospective site on 7.19.24.**

“Whether you're here for business or leisure, our meticulously designed accommodations cater to your every need, ensuring a memorable stay.”

HZ Venturez – Land Annexation

HEDC is working with the private owners of large parcels adjacent to Horizon City to annex their properties into the City. **Scheduling Texas GLO meeting for February 2025.**

Family Adventure Park

HEDC is lead coordinator with a large family entertainment venue to activate a Horizon City facility. **Ownership is reviewing local property purchase options.**

“The ultimate indoor adventure park where kids of all ages (and kids at heart) can explore thrilling attractions, challenge their body and mind!”

Sport Training Facility

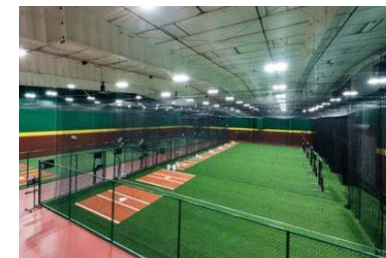
HEDC is driving the site selection process for the development of a baseball-oriented family sports training facility in Horizon City. **Company is currently awaiting final corporate office approval.**

“The nation’s leading baseball and softball training academy franchise and the world’s top baseball and softball brands have teamed up to create an exciting new partnership.”

Horizon City Brewery & Restaurant

HEDC is the lead coordinator for the establishment of large local brewery and restaurant. Will become company’s main production site, for export. **Ownership is finalizing financing and site selection.**

“Ultra modern Brewery and Kitchen Space that combines the human component of artistic integrity with the mathematical precision of innovative technology.”

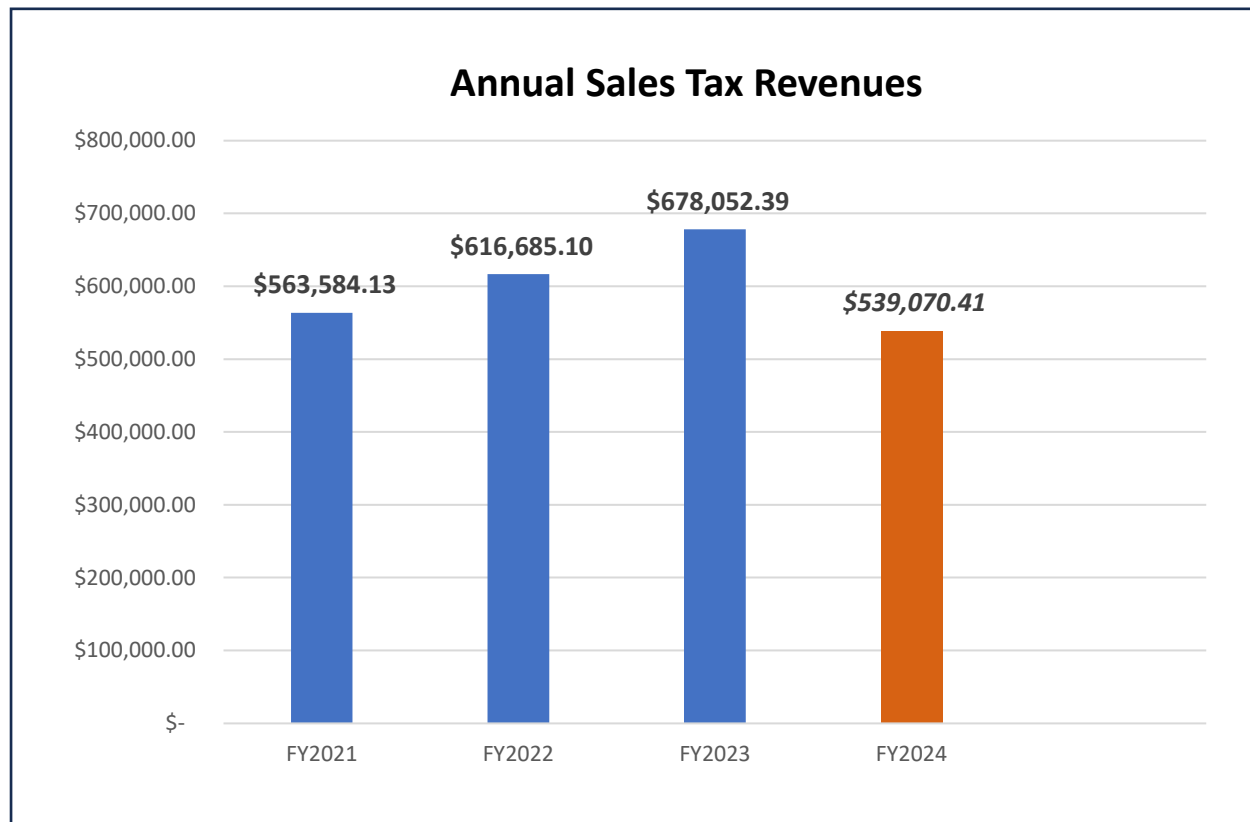


HEDC FY 2025

Budget Approval Request

Horizon City : Key Success Metrics

Goal: Support Increased Economic Activity in Horizon City



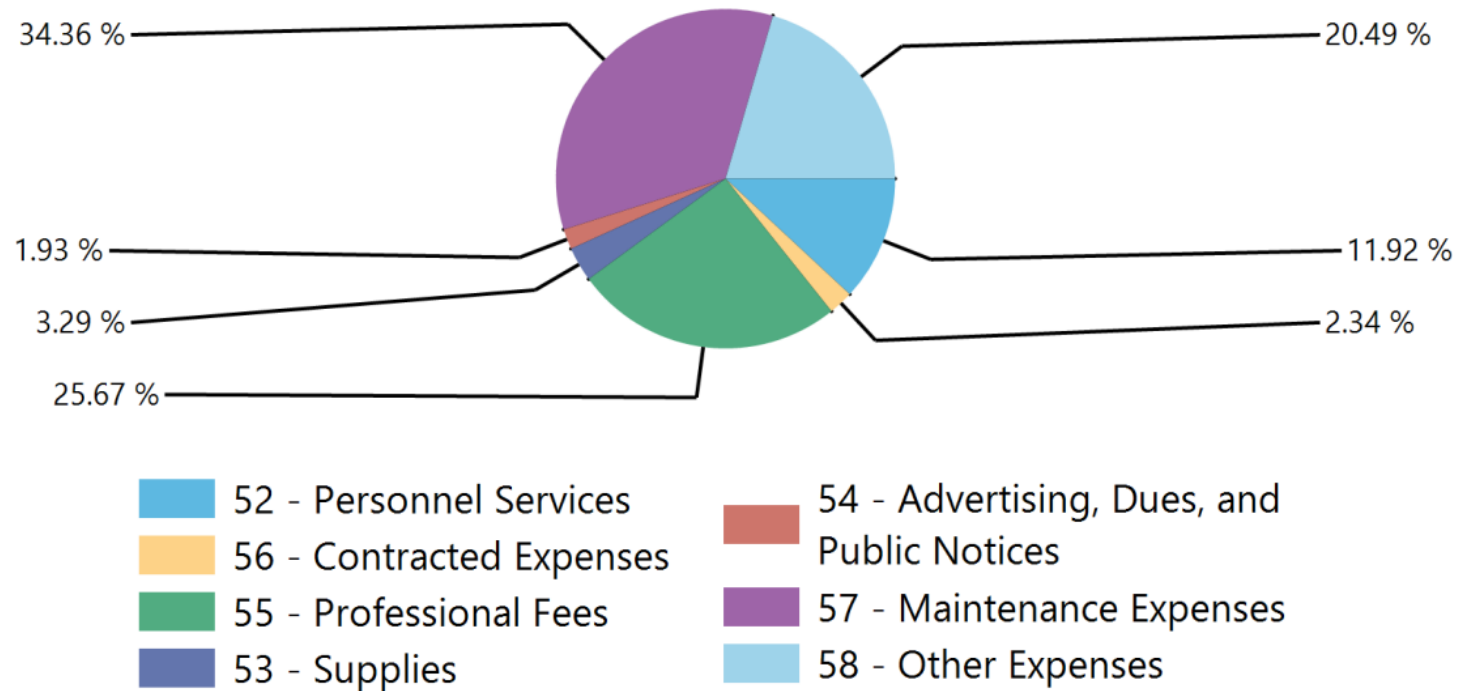
Key Points

- Sales tax revenue **increased 20.31%** from 2021 to 2023.
- **Increase** over year, as of May 2024 (11.6%), is **above the average** rate of 9.49%.
- **2024** is on track to be the **most successful** sales tax capture year.

Source: Tyler Technologies & Texas Comptroller : May 2024

HEDC: FY 2025 Budget Approval Request

Administrative Expenses



Note: Staff salaries and benefits not included in the chart

HEDC: FY 2025 Budget Approval Request

Administrative Expenses: HEDC Staff Salaries and Benefits

Total Administrative Costs - HEDC Staff	
Salaries	\$ 250,949
Payroll Taxes	\$ 19,629
Retirement Benefits	\$ 14,472
Group Health	\$ 22,509
Workman's Compensation	\$ 580
Unemployment	\$ 63
Total	\$ 308,202

HEDC: FY 2025 Budget Approval Request

2025 Administrative Budget Proposal

Object	Changes	Percent Change	2024 Amount	2025 Amount
Expenses				
5010-Salaries	Not used this year		250,949	-
5030-Payroll Taxes	Not used this year		19,629	-
5040-Retirement Benefits	Not used this year		14,472	-
5050-Group Health	Not used this year		22,509	-
5070-Training	Unchanged	0.00 %	8,500	8,500
5080-Travel	Unchanged	0.00 %	18,850	18,850
5090-Unemployment Taxes-Texas	Not used this year		63	-
5180-Appraisal Fees	Unchanged	0.00 %	1,800	1,800
5200-City Attorney	Increased	3.00 %	17,707	18,238
5210-Janitorial Supplies	Unchanged	0.00 %	1,071	1,071
5220-Materials & Supplies	Unchanged	0.00 %	1,326	1,326
5240-Postage	Unchanged	0.00 %	204	204
5250-Office Supplies	Unchanged	0.00 %	2,000	2,000
5260-Furniture & Equipment < \$2,500	Unchanged	0.00 %	3,000	3,000
5320-Dues	Unchanged	0.00 %	4,187	4,187

HEDC: FY 2025 Budget Approval Request

2025 Administrative Budget Proposal

Object	Changes	Percent Change	2024 Amount	2025 Amount
5330-Publications & Subscriptions	Unchanged	0.00 %	264	264
5350-Insurance - Workmen's Comp	Not used this year		580	-
5410-Contract Labor	Unchanged	0.00 %	41,000	41,000
5510-Electricity	Increased	5.29 %	1,890	1,990
5520-Gas - Natural	Increased	4.54 %	2,205	2,305
5530-Gasoline, Oil	Unchanged	0.00 %	5,700	5,700
5540-Maintenance - Bldg	Unchanged	0.00 %	2,730	2,730
5550-Maintenance - Equipment	Unchanged	0.00 %	561	561
5570-Waste Disposal	New this year		-	1,944
5571-Water	Increased	356.51 %	561	2,561
5590-Telephone & Communications	Unchanged	0.00 %	7,779	7,779
5620-Rents - Building	Unchanged	0.00 %	49,200	49,200
5640-Software Licensing & Maintenance Fees	Unchanged	0.00 %	4,500	4,500
5710-Miscellaneous Expense	Unchanged	0.00 %	800	800
5720-Public Relations	Unchanged	0.00 %	43,350	43,350
5735-Investor Relations	Unchanged	0.00 %	3,121	3,121
5790-Employee Appreciation	Unchanged	0.00 %	150	150
5810-Other Contracted Services	Unchanged	0.00 %	3,600	3,600
Total Expenses		56.81 %	534,258	230,731

HEDC: FY 2025 Budget Approval Request

2025 Capital Budget Proposal

Objects	Comments	<u>Object Subtotals</u>	<u>2025 Budget</u>
Expenses			
60 - Equipment			
6040-Computers and Related Equipment			2,700
Total			<u>2,700</u>
70 - Special Projects			
7010-Projects - EDC	ARMS	10,000	
7010-Projects - EDC	Borderplex	10,000	
7010-Projects - EDC	Incentives/Retail Initiatives	90,000	
7010-Projects - EDC	New Office Construction - Reserve	80,000	
7010-Projects - EDC	New Office Furnishing - Reserve	12,264	
7010-Projects - EDC	New Office Purchase - Reserve	<u>618,640</u>	
			<u>820,904</u>
Total			<u>820,904</u>
Total Expenses			<u>823,604</u>
Net Total			<u><u>(823,604)</u></u>

HEDC: FY 2025 Budget Approval Request

2025 Total Budget Proposal

Total FY 2025 Budget Summary	
Capital Budget	\$ 110,000
Administration Budget -- Not Including Staff	\$ 230,731
Administration - Staff Salaries & Benefits <i>(Estimates)</i>	\$ 308,202
Total	\$ 648,933

Additional Capital Budget <i>(One-Time Reserve Draw)</i>	\$ 710,904
Total	\$ 1,359,837

HEDC: FY 2025 Budget Approval Request

Request

That the Horizon City Council approve of the HEDC's Fiscal Year 2025 Budget.

Staff Recommends Approval



QUESTIONS?



Brian Helming
Managing Director

July 29, 2024

Ms. Lily Gaytan
Finance Director
Town of Horizon City, Texas
14999 Darrington Road
Horizon City, TX 79928

\$11,830,000
Town of Horizon City, Texas
Combination Tax and Revenue Certificates of Obligation,
Series 2019

In accordance with the terms of the “Agreement for Arbitrage Rebate Compliance Services” for the above-captioned obligations (the “Obligations”), we have completed the determination of the **yield reduction amount** as defined in Section 148(f)(2) of the Internal Revenue Code of 1986, as amended.

The computation of the yield reduction amount, included in this report, covers the investment of gross proceeds from June 11, 2022 (the "End of the Temporary Period") through June, 11, 2024 (the "Installment Computation Date"). The period from the End of the Temporary Period to the Installment Computation Date is hereinafter referred to as the “Yield Reduction Payment Period.”

In order to determine the yield reduction amount for the Yield Reduction Payment Period, we were provided with all the information regarding the issuance of the Obligations and the investment of the gross proceeds, as well as other information as deemed necessary under the circumstances. We did not perform any procedures to test the accuracy of the information provided to us. Certain information and definitions used in preparing the attached schedules are described in the Summary of Computational Information.

Based upon the computations included in this report, the yield restriction amount for the above-defined Yield Reduction Payment Period is summarized as follows:

Summary of Yield Restriction Amount:

Actual Interest Earnings	\$ 488,001.50
Allowable Interest Earnings at Materially Higher Bond Yield	\$ 307,172.40
Cumulative Yield Reduction Payment	\$ 180,829.10
100% Installment Amount pursuant to §1.148-3(f)	\$ 180,829.10

Payment Due Date:

Monday, August 12, 2024

The yield reduction amount was determined using the provisions of the 1993 Treasury Regulations Section 1.148 [T.D. 8476]. These regulations may be revised or replaced and, accordingly, the computations contained in this report may be subject to modification in order to comply with the revised regulations, if any, when issued. The terms of our engagement are such that we have no obligation to update the results of this report for events occurring or information coming to our attention subsequent to the date of this report.

We appreciate this opportunity to serve you. If you have any questions regarding the computations contained in this report, please do not hesitate to contact us.

Sincerely,

Hilltop Securities Asset Management, LLC



Brian Helming

SUMMARY OF COMPUTATIONAL INFORMATION

TOWN OF HORIZON CITY, TEXAS

COMPUTATIONAL INFORMATION:

1. The following information was used to compute the debt service requirements and yield on the Obligations for the Computation Period:

Dated Date:	May 1, 2019
Delivery Date:	June 11, 2019
Interest Accrual Date:	June 11, 2019
First Coupon Date:	February 15, 2020

2. Principal amounts, interest rates, and reoffering prices are as shown in the section entitled "Computation of Yield on the Obligations." The target used for computing the yield on the Obligations was as follows:

Issue price to the public	\$13,246,004.70
Less Bond Insurance Premium	<u>(30,646.64)</u>
Target	<u><u>\$13,215,358.06</u></u>

3. Computations of yield are based upon a 360-day year and semiannual compounding.
4. The yield used in computing the Yield Reduction Payment was the yield on the Obligations, increased by one-eighth of one percent (the "Materially Higher Yield").
5. Pursuant to Treasury Regulation §1.148-4(b)(3), if a fixed yield bond is subject to optional early redemption and is issued at an issue price that exceeds the stated redemption price at maturity by more than one-fourth of one percent multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date for the bond, the yield on the issue containing the bond is computed by treating the bond as redeemed at its stated redemption price on the optional redemption date that would produce the lowest yield.
6. The value of any fixed rate investments outstanding on the Computation Date was determined by calculating the present value of future receipts on the Computation Date using the purchased yield on the investments. The value of variable rate investments outstanding on the Computation Date was determined by using the investment's fair market value on that date. Premiums and discounts from the purchase of securities are treated as an adjustment to actual interest earned when the investment matures or is sold. Gains and losses from the sale of securities are treated as an adjustment to actual interest earned during the Computation Period.

SUMMARY OF COMPUTATIONAL INFORMATION (continued)

TOWN OF HORIZON CITY, TEXAS

7. The purchase price of investments is assumed to be at their fair market value, representing an arm's-length transaction which did not result in an abusive arbitrage device by reducing the rebate amount required to be paid to the United States. The purchase price is also assumed to exclude all costs which are not qualified administrative costs.
8. The Town used a portion (the "Reimbursement Amount") from the proceeds of the sale of the Bonds as a reimbursement allocation pursuant to Treasury Regulation §1.150-2. The Town reimbursed \$362,497.00 of sale proceeds on delivery of the Obligations.
9. The Town maintains a common Debt Service Fund for all outstanding General Obligation issues. For each bond year in which the balance in the fund is depleted to an amount not exceeding the greater of (a) earnings on the fund for the immediately preceding bond year; or (b) one-twelfth of the principal and interest payments on the issue for the immediately preceding bond year, the fund will be treated as a bona fide debt service fund pursuant to Treasury Regulation §1.148-1(b). Through the computation date, the debt service fund has satisfied the depletion requirements in each bond year and has been excluded from the computation of rebatable arbitrage pursuant to IRC §148(f)(4)(A)(ii).
10. Pursuant to Treasury Regulation §1.148-2(a), certain proceeds qualified for an original temporary period and could be invested in higher yielding investments without causing bonds in the issue to be arbitrage bonds. At the end of the temporary period, these proceeds will be restricted to a yield materially higher than the yield on the bonds, or will qualify for a yield reduction payment in accordance with Treasury Regulation §1.148-5(c). Through the Computation Period, these proceeds are yielding higher than the yield on the bonds.
11. Through the computation date, the cumulative yield of all restricted investments has exceeded the yield on the Obligations. As a result, the restricted investments allocable to gross proceeds of the Obligations are generating a yield restriction liability.
12. Under IRC §148(e), a bond of an issue is not an arbitrage bond solely because of the investment in higher yielding investments of gross proceeds of the issue in an amount not exceeding the lesser of 5% of the sale proceeds of the issue or \$100,000. The portion of the yield restricted amount that is not in excess of \$100,000 qualifies for the minor portion and was not included in calculating the yield restriction liability.

Pursuant to Treasury Regulation §1.148-2(e)(6) investment proceeds qualify for a one-year temporary period beginning on the date of receipt.

SUMMARY OF COMPUTATIONAL INFORMATION (continued)

TOWN OF HORIZON CITY, TEXAS

DEFINITIONS

13. **Yield:** That yield, which, when used in computing the present worth of all payments of principal and interest to be paid on an obligation during the Computation Period, produces an amount equal to, in the case of the Obligations, the initial offering price to the public, and in the case of the investments, the fair market value on the date the investment becomes a nonpurpose investment.
14. **Allowable Earnings:** The amount, which would have been earned if all investments had been invested at a rate equal to the yield on the Obligations.
15. **Excess Earnings:** The excess of actual investment earnings over the allowable earnings.
16. **Yield Reduction Payment:** Cumulative excess earnings, plus cumulative interest earnings thereon, of yield restricted investments.
17. **Materially Higher Yield:** Pursuant to Treasury Regulation §1.148-2(d), the yield on investments is materially higher than the yield on the issue to which the investments are allocated if the yield on the investments over the term of the issue exceeds the yield on the issue by an amount in excess of the applicable definition of materially higher set forth below:

General rule for purpose and nonpurpose investments: For purpose and nonpurpose investments, materially higher means one-eighth of 1 percentage point.

\$11,830,000
Town of Horizon City, Texas
Combination Tax and Revenue
Certificates of Obligation, Series 2019

Rebate Computation for the Period
June 11, 2019 to June 11, 2024

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Summary of Taxable Transactions	25
Calculation of Actual and Allowable Earnings	30
Investment Recap	35



Brian Helming
Managing Director

July 29, 2024

Ms. Lily Gaytan
Finance Director
Town of Horizon City, Texas
14999 Darrington Road
Horizon City, TX 79928-

\$11,830,000
Town of Horizon City, Texas
Combination Tax and Revenue Certificates of Obligation,
Series 2019

Dear Lily:

Enclosed is a copy of the arbitrage rebate report for the above-captioned bond issue for the installment computation period ending June 11, 2024. As the enclosed report indicates, there is no liability to the Internal Revenue Service related to this bond issue during this installment computation period. Under the reporting rules, there is no requirement to file documents with the Internal Revenue Service since no liability exists for this issue.

If you have any questions, please do not hesitate to contact me at 1-800-678-3792 or directly at (214) 953-8716.

Sincerely,

A handwritten signature in blue ink that reads "Brian Helming". The signature is written in a cursive, flowing style.

Brian Helming



Brian Helming
Managing Director

July 29, 2024

Ms. Lily Gaytan
Finance Director
Town of Horizon City, Texas
14999 Darrington Road
Horizon City, TX 79928-

\$11,830,000
Town of Horizon City, Texas
Combination Tax and Revenue Certificates of Obligation,
Series 2019

In accordance with the terms of the “Agreement for Arbitrage Rebate Compliance Services” for the above-captioned obligations (the “Obligations”), we have completed the determination of the **rebate amount** as defined in Section 148(f)(2) of the Internal Revenue Code of 1986, as amended.

The computation of the rebate amount, included in this report, covers the investment of gross proceeds from June 11, 2019 (the delivery date of the Obligations) through June 11, 2024 (the “Installment Computation Date”). The period from the delivery date of the Obligations to the Installment Computation Date is hereinafter referred to as the “Installment Computation Period.”

In order to determine the rebate amount for the Installment Computation Period, we were provided with all the information regarding the issuance of the Obligations and the investment of the gross proceeds, as well as other information as deemed necessary under the circumstances. We did not perform any procedures to test the accuracy of the information provided to us. Certain information and definitions used in preparing the attached schedules are described in the Summary of Computational Information.

Based upon the computations included in this report, the rebate amount for the above-defined Installment Computation Period is summarized as follows:

Summary of Rebatable Arbitrage:

Actual Interest Earnings	\$ 746,946.83
Allowable Interest Earnings at Bond Yield	<u>\$ 1,078,233.64</u>
Cumulative Rebatable Arbitrage (net of allowable rebate credits)	<u>\$(331,286.81)</u>
90% Installment Amount pursuant to §1.148-3(f)	<u>\$ 0.00</u>

The rebate amount was determined using the provisions of the 1993 Treasury Regulations Section 1.148 [T.D. 8476]. These regulations may be revised or replaced and, accordingly, the computations contained in this report may be subject to modification in order to comply with the revised regulations, if any, when issued. The terms of our engagement are such that we have no obligation to update the results of this report for events occurring or information coming to our attention subsequent to the date of this report.

We appreciate this opportunity to serve you. If you have any questions regarding the computations contained in this report, please do not hesitate to contact us.

Sincerely,

Hilltop Securities Asset Management, LLC



Brian Helming

SUMMARY OF COMPUTATIONAL INFORMATION

TOWN OF HORIZON CITY, TEXAS

COMPUTATIONAL INFORMATION:

1. The following information was used to compute the debt service requirements and yield on the Obligations for the Computation Period:

Dated Date:	May 1, 2019
Delivery Date:	June 11, 2019
Interest Accrual Date:	June 11, 2019
First Coupon Date:	February 15, 2020

2. Principal amounts, interest rates, and reoffering prices are as shown in the section entitled "Computation of Yield on the Obligations." The target used for computing the yield on the Obligations was as follows:

Issue price to the public	\$13,246,004.70
Less Bond Insurance Premium	<u>(30,646.64)</u>
Target	<u><u>\$13,215,358.06</u></u>

3. Computations of yield are based upon a 360-day year and semiannual compounding.
4. Pursuant to Treasury Regulation §1.148-4(b)(3), if a fixed yield bond is subject to optional early redemption and is issued at an issue price that exceeds the stated redemption price at maturity by more than one-fourth of one percent multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date for the bond, the yield on the issue containing the bond is computed by treating the bond as redeemed at its stated redemption price on the optional redemption date that would produce the lowest yield.
5. The value of any fixed rate investments outstanding on the Computation Date was determined by calculating the present value of future receipts on the Computation Date using the purchased yield on the investments. The value of variable rate investments outstanding on the Computation Date was determined by using the investment's fair market value on that date. Premiums and discounts from the purchase of securities are treated as an adjustment to actual interest earned when the investment matures or is sold. Gains and losses from the sale of securities are treated as an adjustment to actual interest earned during the Computation Period.
6. The purchase price of investments is assumed to be at their fair market value, representing an arm's-length transaction which did not result in an abusive arbitrage device by reducing the rebate amount required to be paid to the United States. The purchase price is also assumed to exclude all costs which are not qualified administrative costs.

SUMMARY OF COMPUTATIONAL INFORMATION (continued)

TOWN OF HORIZON CITY, TEXAS

7. The Town used a portion (the “Reimbursement Amount”) from the proceeds of the sale of the Bonds as a reimbursement allocation pursuant to Treasury Regulation §1.150-2. The Town reimbursed \$362,497.00 of sale proceeds on delivery of the Obligations.
8. The Town maintains a common Debt Service Fund for all outstanding General Obligation issues. For each bond year in which the balance in the fund is depleted to an amount not exceeding the greater of (a) earnings on the fund for the immediately preceding bond year; or (b) one-twelfth of the principal and interest payments on the issue for the immediately preceding bond year, the fund will be treated as a bona fide debt service fund pursuant to Treasury Regulation §1.148-1(b). Through the computation date, the debt service fund has satisfied the depletion requirements in each bond year and has been excluded from the computation of rebatable arbitrage pursuant to IRC §148(f)(4)(A)(ii).
9. Pursuant to Treasury Regulation §1.148-2(a), certain proceeds qualified for an original temporary period and could be invested in higher yielding investments without causing bonds in the issue to be arbitrage bonds. At the end of the temporary period, these proceeds will be restricted to a yield materially higher than the yield on the bonds, or will qualify for a yield reduction payment in accordance with Treasury Regulation §1.148-5(c). Through the Computation Period, these proceeds are yielding higher than the yield on the bonds. A separate Yield Reduction Report has been prepared for the yield restricted investments.
10. Through the computation date, the cumulative yield of all restricted investments has exceeded the yield on the Obligations. As a result, the restricted investments allocable to gross proceeds of the Obligations are generating a yield restriction liability.
11. Under IRC §148(e), a bond of an issue is not an arbitrage bond solely because of the investment in higher yielding investments of gross proceeds of the issue in an amount not exceeding the lesser of 5% of the sale proceeds of the issue or \$100,000. The portion of the yield restricted amount that is not in excess of \$100,000 qualifies for the minor portion and was not included in calculating the yield restriction liability.

Pursuant to Treasury Regulation §1.148-2(e)(6) investment proceeds qualify for a one-year temporary period beginning on the date of receipt.

DEFINITIONS

12. **Yield:** That yield, which, when used in computing the present worth of all payments of principal and interest to be paid on an obligation during the Computation Period, produces an amount equal to, in the case of the Obligations, the initial offering price to the public, and in the case of the investments, the fair market value on the date the investment becomes a nonpurpose investment.

SUMMARY OF COMPUTATIONAL INFORMATION (continued)

TOWN OF HORIZON CITY, TEXAS

13. **Allowable Earnings:** The amount, which would have been earned if all investments had been invested at a rate equal to the yield on the Obligations.
14. **Excess Earnings:** The excess of actual investment earnings over the allowable earnings.
15. **Rebatable Arbitrage:** Cumulative excess earnings, plus cumulative interest earnings thereon.