



CITY OF HEARNE
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Hearne Economic Development Corporation – Type A

August 30, 2017

Request to be added to Hearne City Council Agenda

SUBJECT: Deliberation and possible action: Approval of HEDC-A funds to support the City’s participation for a Community Development Block Grant originally reviewed during our Type A meeting, August 28, 2017 to upgrade the City’s Well No. 4 (POW well). The total project cost is estimated to be \$335,655. The City’s share above base cost is \$96,655. HEDC-A recommends the reimbursement to the City’s for this \$96,655 additional cost for well improvements.

1. BACKGROUND/HISTORY

The City staff routinely applies each round of the State’s Community Development Block Grant to improve the City’s infrastructure. Originally, our 2016-2017 grant base amount was approved at \$239,000. Allowing some modification to the original application, the City will be able to improve Well No. 4 (POW well) to include a 75,000 gallon above ground storage tank and add a Variable Frequency Drive (VFD) to the pump. These features plus the base upgrades will help to increase the City capability to provide a safe, efficient and adequate public water supply.

2. RECOMMENDATION

- Approve the requested fund allocation of \$96.655 to reimburse the City’s share for funding project upon completion of improvements/CDB grant.
- Approve Memorandum of Understanding (MOU) between the City administration and Type A Board regarding this reimbursement agreement contingent on review/acceptance by City Attorney. (attached)

Memorandum of Understanding

Between

City of Hearne, Hearne Texas

and

Hearne Economic Development Corporation – Type A

This Memorandum of Understanding (MOU) sets for the terms and understanding between the City of Hearne and the Hearne Economic Development Corporation – Type A to provide reimbursement to the City's share (\$96,655) of the 2016-2017 Community Development Block Grant

Background

The HEDC-A is governed by a Board of volunteers appointed by the Hearne City Council. The Board is required to adhere to the Texas Open Meetings Act regarding record-keeping and has a fiduciary responsibility for the records and accountability of Type A Sales Tax revenues collected for the specific purposes outlined in Texas Local Government Code, Chapters 501, 504 & 505.

Pursuant to City Ordinance No. 2015-10-07, the City Council of the City of Hearne recognized Section 504.171 of the Texas Local Government Code and authorized the HEDC- A Board to undertake projects that the HEDC- B Corporation may undertake.

Purpose

This MOU will designate \$96,655 in Type A funding to be paid by the City of Hearne as reimbursement for expenditures required for the CDBG City Water Well No. 4 (POW) improvements from HEDC-A funds at the completion of the project. The project includes the addition of a 75,000-gallon above ground storage tank and Variable Frequency Drive to the pump among other necessary upgrades.

Funding

The HEDC-A Board shall recommend up to \$96,655 from the HEDC-A funds to be reimbursed to the City of Hearne's General Fund at the completion and acceptance of the each phase of project by the CDBG manager.

Duration

This MOU shall become effective September 1, 2017 upon review and acceptance by the City Attorney and subsequent approval by the City Council. After approval and upon signature by the authorized officials from the City of Hearne and the Hearne Economic Development Corporation – Type A, this MOU will remain in effect until October 1, 2021 or earlier upon completion of project..

City of Hearne, Hearne Texas

**Hearne Economic Development
Corporation – Type A**

**John Naron,
City Manager**

**Cathy Lazarus,
Board of Directors**

Date: _____

Date: _____

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEARNE, TEXAS
APPROVING FUNDING BY THE CITY OF HEARNE ECONOMIC DEVELOPMENT
CORPORATION ("TYPE A BOARD") IN THE AMOUNT OF \$96,655.00 TO ASSIST
THE CITY WITH THE CDBG GRANT TO IMPROVE THE P.O.W. WELL (WELL #4).**

WHEREAS, on May 4, 1996, the voters of the City of Hearne authorized the City of Hearne to adopt a one-half cent sales and use tax to pay for the costs of projects authorized by section 4B, Article 5190.6, V.T.C.S., as amended; and

WHEREAS, the City of Hearne Economic Development Corporation ("Type A Board") was established to oversee the expenditures of tax monies, and bylaws were established for the operation of the Type A Board; and

WHEREAS, the Type A Board has determined that the CDBG grant will improve water infrastructure in the Hearne Industrial Park and could be a major factor in attracting manufacturing and other business to the area; and

WHEREAS, the Type A Board met on August 28, 2017 and took formal action to support and fund the additional \$96,655.00 needed for the CDBG grant to improve the P.O.W. Well (Well #4)

WHEREAS, the Type A Board has determined to proceed with the CDBG grant to improve the P.O.W. Well (Well #4), subject to City Council approval of same in accordance with the law; and

WHEREAS, the City Council finds that additional funds needed to start the CDBG Grant are needed and that the project will benefit future residents and business; and

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

Section 1. That the facts and matters set forth in the preamble of this resolution are hereby found to be true and correct.

Section 2. That the funding through the Type A Board sales tax revenue to fund the additional \$96,655.00 needed to fund the CDBG project to improve the P.O.W. well to be an authorized project of the Type A Board, and is hereby approved by the City Council of the City of Hearne, Texas.

PASSED AND APPROVED this _____ day of _____ 2017.

City of Hearne, Texas

By: _____
Mayor, Ruben Gomez

Attest:

Linda Pecina, City Secretary