



GLEN SMITH – Mayor
 JOHNNY TRAN – Councilmember Place 1
 JUDY CHAVEZ – Councilmember Place 2
 MARY CROCKER – Councilmember Place 3
 TROY LEWIS – Councilmember Place 4
 ANDY ERDELT – Councilmember Place 5
 STEPHEN MCGOVERN – Councilmember Place 6

**CITY OF PALACIOS
 CITY COUNCIL BUDGET WORKSHOP &
 REGULAR MEETING
 AGENDA**

Notice is hereby given of a Regular Council Meeting of the Palacios City Council to be held July 25, 2017, beginning at 7:00 p.m. in the Council Chambers of City Hall, 311 Henderson Avenue, Palacios, TX, for the purpose of considering the following items:

BUDGET WORKSHOP 6PM

REGULAR COUNCIL MEETING

CALL TO ORDER

INVOCATION – Councilmember Tran

PLEDGE OF ALLEGIANCE – Councilmember Chavez

PLEDGE TO TEXAS FLAG – Councilmember Chavez

PLEDGE TO PALACIOS FLAG – Councilmember Chavez

VISITOR / CITIZEN FORUM

ADMINISTRATIVE REPORTS

1. New Playgrounds- Ribbon Cutting 9:30AM, East Bay pirate ship

ITEMS TO BE CONSIDERED

1. Discuss and consider reappointment of Robert Garrett to the Planning Commission for a 2-year term.
2. Discuss and consider reappointment of Leonard Lamar to the Planning Commission for a 2-year term.
3. Discuss and consider accepting the Quarterly Financial Report
4. Discuss and consider accepting the Quarterly Investment Report
5. Discuss and consider action to approve the following consent agenda items:
 - a) Minutes of the July 11, 2017 Regular Council Meeting

EXECUTIVE SESSION

In accordance with Chapter 551, Government Code, (Open Meetings Law) the Council May go into Executive (closed) session in order to:

Consult with its attorney (551.071)

- a. Consult with attorney about Pavilion project.

Discuss Real Estate transaction (551.072)

Deliberation regarding prospective gifts or donation (551.073)

Discuss personnel matters (551.074)

- b. Discuss City Manager's Annual Review

Deliberation regarding security devices (551.076)

Discuss economic development negotiations (551.087)

ACTION ON EXECUTIVE SESSION:

- a. Consult with attorney about Pavilion project
- b. Discuss City Manager's Annual Review

ADJOURN

In compliance with the Americans with Disabilities Act, the City of Palacios will provide for reasonable accommodations for persons attending public meetings. To better serve attendees, requests should be received 24 hours prior to the meeting. Please contact City Hall, at 361.972.3605.

CERTIFICATION

I certify that a copy of the July 25, 2017 agenda of items to be considered by the City Council was posted on the City Hall bulletin board by 5:00p.m. on July 21, 2017.

BUDGET WORKSHOP 6PM

REGULAR COUNCIL MEETING

CALL TO ORDER

INVOCATION – Councilmember Tran

PLEDGE OF ALLEGIANCE – Councilmember Chavez

PLEDGE TO TEXAS FLAG – Councilmember Chavez

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VISITOR / CITIZEN FORUM

ADMINISTRATIVE REPORTS

1. New Playgrounds- Ribbon Cutting 9:30AM, East Bay pirate ship

1. Discuss and consider reappointment of Robert Garrett to the Planning Commission for a 2-year term.

2. Discuss and consider reappointment of Leonard Lamar to the Planning Commission for a 2-year term.

3. Discuss and consider accepting the Quarterly Financial Report

City of Palacios
Financial Statement
As o June 30, 2017

General Fund

Percent of Year Complete 75%

Revenues	Budget	Y-T-D Actual	Percent of Budget
Property taxes	\$ 1,500,300	\$ 1,422,470	95%
Licenses & Permits	32,600	26,908	83%
Other Local Taxes	609,600	450,712	74%
Fines & Court Costs	80,000	87,732	110%
Miscellaneous	20,000	27,120	136%
Fund to FundTransfers	150,600	112,950	75%
Leases & Contributions	148,400	126,986	86%
Recycling Revenues	8,900	12,547	141%
Park Reservation Fees	3,000	3,590	120%
Community Improv / Weedlots	38,250	46,822	122%
Total Revenues	\$ 2,591,650	\$ 2,317,839	89%

Expenditures

Council	\$ 28,550	\$ 19,534	68%
Elections	2,300	2,114	92%
Administation	556,080	421,880	76%
Legal	8,000	2,835	35%
Corporation Court	96,460	73,788	76%
Library	30,000	15,000	50%
Police Department	1,074,640	801,040	75%
Fire Department	46,000	41,346	90%
Recycle	15,670	14,010	89%
Swimming Pool	22,000	14,481	66%
Parks	176,500	132,225	75%
Streets	225,500	402,578	179%
Animal Control	32,600	22,609	69%
Special Items	277,350	296,903	107%
Total Expenditures	\$ 2,591,650	\$ 2,260,345	87%

Revenue Over/ (Under)

Expenditures	\$ -	\$ 57,494	
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Beginning Fund Balance	\$ 937,495
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Ending Fund Balance	\$ 994,989
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City of Palacios
 Financial Statement
 As o June 30, 2017

Water Fund

Percent of Year Complete 75%

Revenues	Budget	Y-T-D Actual	Percent of Budget
Water & Sewer	\$ 1,615,000	\$ 1,141,779	71%
Service & Penalty Charges	\$ 47,500	\$ 39,637	83%
Garbage	40,000	33,998	85%
Miscellaneous	19,500	18,519	95%
Total Revenues	\$ 1,722,000	\$ 1,233,933	72%
Expenditures			
Water Department	\$ 596,100	\$ 458,136	77%
Sewer	303,050	225,459	74%
Special Items	822,850	444,912	54%
Total Expenditures	\$ 1,722,000	\$ 1,128,508	66%
Revenue Over/ (Under) Expenditures	\$ -	\$ 105,425	
Beginning Fund Balance		\$ 465,460	
Ending Fund Balance		\$ 570,885	

City of Palacios
Financial Statement
As of June 30, 2017

Airport Fund

Percent of Year Complete 75%

Revenues	Budget	Y-T-D Actual	Percent of Budget
Fuel Sales	\$ 20,000	\$ 7,791	39%
Hangar Rent & Tiedowns	6,300	4,550	72%
PISD School Barn Lease	150	148	99%
Golf Assoc Lease	100	104	104%
Fixed Based Operator	-	1,400	0%
T Hangar Lease	6,000	4,500	75%
Farming Lease	1,900	1,800	95%
Grazing Lease	21,900	21,938	100%
Interest Income	-	17	
Misc Receipts	25	-	0%
Insurance Proceeds		6,878	
TxDot Reimbursement	5,000	\$ 6,451	129%
Total Revenues	\$ 61,375	\$ 55,576	91%

Expenditures

Airport	\$ 40,375	\$ 33,681	83%
Special Items	21,000	14,753	70%
Total Expenditures	\$ 61,375	\$ 48,434	79%

Revenue Over/ (Under)

Expenditures \$ - \$ 7,142

Beginning Operating Balance \$ (1,748)

Ending Operating Balance \$ 5,394

Beginning Fund Balance Including Fuel Inventory \$ 7,372

Ending Fund Balance Including Fuel Inventory \$ 14,513

City of Palacios
 Financial Statement
 As o June 30, 2017

Equipment Fund

Percent of Year Complete 75%

	Budget	Y-T-D Actual	Percent of Budget
Revenues	\$ 207,000	\$ 155,306	75%
Expenditures	\$ 207,000	\$ 105,491	51%
Revenue Over/ (Under) Expenditures	\$ -	\$ 49,815	
Beginning Fund Balance		\$ 11,372	
Ending Fund Balance		\$ 61,187	

City of Palacios
 Financial Statement
 As o June 30, 2017

Hotel/Motel Tax Fund

Percent of Year Complete

75%

	Budget	Y-T-D Actual	Percent of Budget
Revenues	\$ 28,100	\$ 22,764	81%
Expenditures	\$ 28,000	\$ 21,135	75%
Revenue Over/ (Under) Expenditures	\$ 100	\$ 1,629	
Beginning Fund Balance		\$ 71,761	
Ending Fund Balance		\$ 73,390	

City of Palacios
 Financial Statement
 As o June 30, 2017

Economic Development Fund

Percent of Year Complete 75%

	Budget	Y-T-D Actual	Percent of Budget
Revenues	\$ 169,300	\$ 134,226	79%
Expenditures	\$ 169,300	\$ 113,718	67%
Revenue Over/ (Under) Expenditures	\$ -	\$ 20,508	
Beginning Fund Balance		\$ 436,766	
Ending Fund Balance		\$ 457,274	

4. Discuss and consider accepting the Quarterly Investment Report

**CITY OF PALACIOS, TEXAS
QUARTERLY INVESTMENT REPORT
FOR THE QUARTER ENDED JUNE 30, 2017**

The investment portfolio detailed in the attached report includes all investment transactions made during the above referenced period. The investment portfolio and all related transactions comply with the investment policy of the City of Palacios, Texas and the Public Funds Investment Act of the State of Texas.

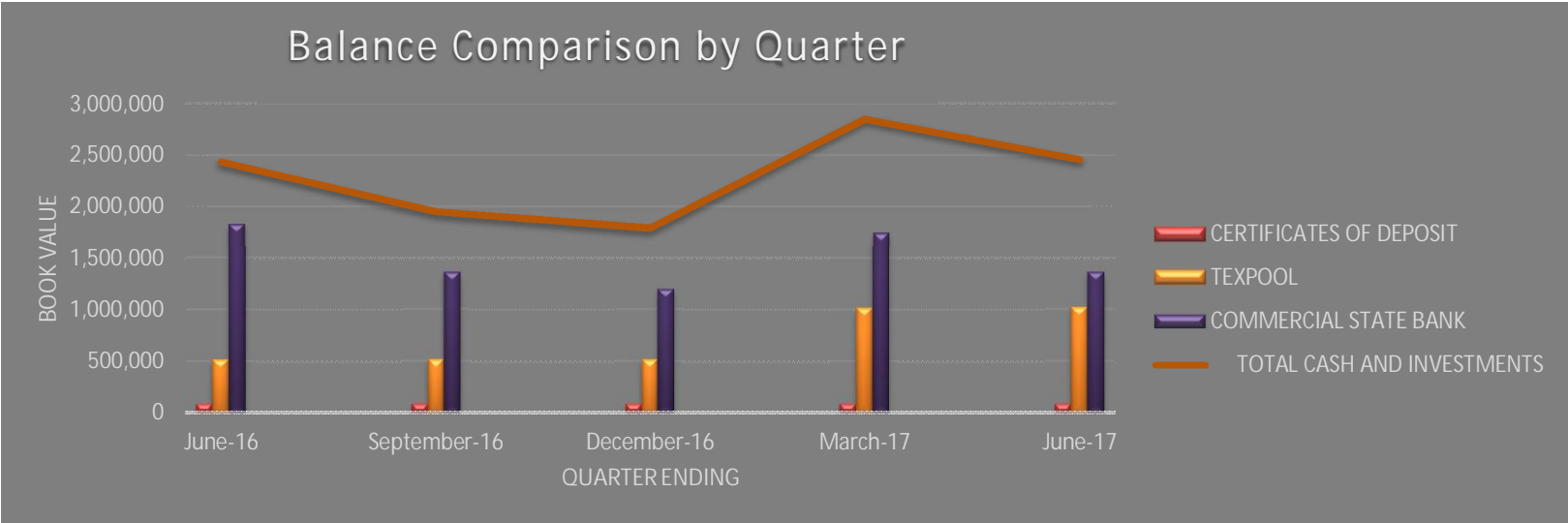
Investment Officer:  _____
Jackie Miller, City Treasurer

Date: _____

**CITY OF PALACIOS, TEXAS
Quarterly Investment Report
As of June 30, 2017**

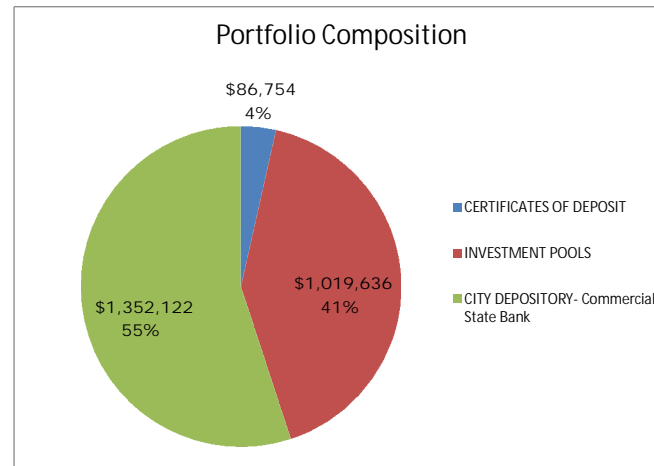
Balance Comparison by Quarter

INVESTMENT BALANCES BY TYPE	Book Value 6/30/2016	Book Value 9/30/2016	Book Value 12/31/2016	Book Value 3/31/2017	Book Value 6/30/2017
CERTIFICATES OF DEPOSIT	\$ 86,624	\$ 86,657	\$ 86,690	\$ 86,723	\$ 86,754
TEXPOOL	\$ 515,665	\$ 516,143	\$ 516,680	\$ 1,017,637	\$ 1,019,636
COMMERCIAL STATE BANK	\$ 1,834,009	\$ 1,352,762	\$ 1,190,444	\$ 1,748,939	\$ 1,352,122
TOTAL CASH AND INVESTMENTS	\$ 2,436,298	\$ 1,955,562	\$ 1,793,815	\$ 2,853,299	\$ 2,458,513



**CITY OF PALACIOS, TEXAS
INVESTMENTS OUTSTANDING AS OF JUNE 30, 2017**

Purchase Date	Description	Maturity Date	# Days to Maturity	Cost	Par Value	Coupon Yield	3/31/2017		Quarterly Activity			6/30/2017			Unrealized Gain/Loss
							Book Value	Market Value	Purchases	Maturities	Interest	Book Value	Market Price	Market Value	
CERTIFICATES OF DEPOSIT															
	Commercial State Bank	5/5/2017	365	\$ 86,624	\$ 86,278	0.15%	\$ 86,723	\$ 86,723	\$ -	\$ -	\$ 32	\$ 86,754	\$ -	\$ 86,754	-
							\$ 86,723	\$ 86,723	\$ -	\$ -	\$ 32	\$ 86,754	\$ -	\$ 86,754	
								3%						4%	OF TOTAL
INVESTMENT POOLS															
N/A	Texpool - Pooled	N/A	N/A		965,450	0.79%	\$ 963,557	\$ 963,557	\$ -	\$ -	\$ 1,893	\$ 965,450	\$ -	\$ 965,450	
N/A	Texpool - Escrow Acct Beachside Dev	N/A	N/A		54,187	0.79%	54,080	54,080	-	-	106	54,187	-	54,187	
							-	-	-	-	-	-	-	-	
							1,017,637	1,017,637	-	-	1,999	1,019,636	-	1,019,636	
								36%						41%	OF TOTAL
CITY DEPOSITORY- Commercial State Bank															
N/A	Pooled Cash Savings	N/A	N/A		1,162,746	0.24%	1,560,048	1,560,048	1,129,039	(1,527,116)	775	1,162,746	-	1,162,746	
N/A	Pooled Cash	N/A	N/A		166,650	0.00%	181,802	181,802	1,525,843	(1,540,994)	-	166,650	-	166,650	
N/A	Police Dept Drug Seized Funds	N/A	N/A		4,802	0.00%	4,802	4,802	-	-	-	4,802	-	4,802	
N/A	City Escrow Fund	N/A	N/A		787	0.00%	787	787	-	-	-	787	-	787	
N/A	TDHCA Home Program	N/A	N/A		-	0.00%	-	-	-	-	-	-	-	-	
N/A	TCDP	N/A	N/A		15,637	0.00%	-	-	38,033	(22,396)	-	15,637	-	15,637	
N/A	Disaster Recovery Supp Rd 2.2	N/A	N/A		1,500	0.00%	1,500	1,500	-	-	-	1,500	-	1,500	
							1,748,939	1,748,939	2,692,915	(3,090,507)	775	1,352,122	-	1,352,122	
								61%						55%	OF TOTAL
TOTAL PORTFOLIO					\$ 2,453,235	0.45%	\$ 2,853,299	\$ 2,853,299	\$ 2,692,915	\$ (3,090,507)	\$ 2,805	\$ 2,458,513	\$ -	\$ 2,458,513	



5. Discuss and consider action to approve the following consent agenda items:

a) Minutes of the July 11, 2017 Regular Council Meeting



GLEN SMITH – Mayor
JOHNNY TRAN –Councilmember Place 1
JUDY CHAVEZ – Councilmember Place 2
MARY CROCKER – Councilmember Place 3
TROY LEWIS – Councilmember Place 4
ANDY ERDELT – Councilmember Place 5
STEPHEN MCGOVERN – Councilmember Place 6

**CITY OF PALACIOS
CITY COUNCIL REGULAR MEETING AGENDA
JULY 11, 2017**

REGULAR COUNCIL MEETING

CALL TO ORDER

INVOCATION –Mayor Smith

PLEDGE OF ALLEGIANCE – Councilmember Tran

PLEDGE TO TEXAS FLAG – Coucilmember Tran

PLEDGE TO PALACIOS FLAG – Councilmember Tran

VISITOR / CITIZEN FORUM- Patricia Loving- voiced her delight that a Charter Review would be done soon. Chip Woolf- says that due to the recent rain storms there have been many properties flooding including his two commercial store fronts. He stresses that drainage be looked at and budgeted for.

ADMINISTRATIVE REPORTS

1. Lion’s Club 4th of July Celebration- Was successful. Chief Miles did a great job on crowd control and there was no issues besides the usual parking.
2. Chamber of Commerce Poker in Palacios- Was a successful event. Many out of towners came to participate.

ITEMS TO BE CONSIDERED

1. Discuss and consider action to approve the FY 2017-2018 Budget Calendar- Jackie Miller Councilmember Lewis motioned to approve the Budget Calendar Councilmember McGovern seconded
There was no opposition
With no opposition, the motion carried
2. Discuss and consider action to approve the following consent agenda items:
 - a) Minutes of the June 13, 2017 Regular Council Meeting
Mayor Smith Motioned to approve the Consent Agenda
Councilmember Tran Seconded

There was no opposition
 With no opposition, the motion carried

EXECUTIVE SESSION 7:15 PM

In accordance with Chapter 551, Government Code, (Open Meetings Law) the Council
 May go into Executive (closed) session in order to:

Consult with its attorney (551.071)

- a. Consultation with attorney pertaining to Pavilion Contract

Discuss Real Estate transaction (551.072)

Deliberation regarding prospective gifts or donation (551.073)

Discuss personnel matters (551.074)

- b. Discuss Charter Review Commission

Deliberation regarding security devices (551.076)

Discuss economic development negotiations (551.087)

ACTION ON EXECUTIVE SESSION: 7:49 PM

- a. Consultation with attorney pertaining to Pavilion Contract-

- b. Discuss Charter Review Commission- Wayne Dodd, Paul Smith, Ryan West, Ron Conaway and John Sardelich were chosen to be on the Charter Review Commission

ADJOURN 7:53 PM

Councilmember Erdelt motioned to adjourn the meeting

Councilmember Tran seconded

There was no opposition

With no opposition, the motion carried

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CERTIFICATION

I certify that a copy of the June 27, 2017 agenda of items to be considered by the City Council was posted on the City Hall bulletin board by 5:00p.m. on June 23, 2017.

EXECUTIVE SESSION

In accordance with Chapter 551, Government Code, (Open Meetings Law) the Council May go into Executive (closed) session in order to:

Consult with its attorney (551.071)

- a. Consult with attorney about Pavilion project.

Discuss Real Estate transaction (551.072)

Deliberation regarding prospective gifts or donation (551.073)

Discuss personnel matters (551.074)

- b. Discuss City Manager's Annual Review

Deliberation regarding security devices (551.076)

Discuss economic development negotiations (551.087)

ACTION ON EXECUTIVE SESSION:

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- b. Discuss City Manager's Annual Review

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