



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

CITY OF PALACIOS CITY COUNCIL MEETING AGENDA

Notice is hereby given of a Regular Council Meeting of the Palacios City Council to be held July 26, 2016, 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:

REGULAR COUNCIL MEETING

CALL TO ORDER

INVOCATION – Councilmember Tran

PLEDGE OF ALLEGIANCE – Councilmember Crocker

PLEDGE TO TEXAS FLAG – Councilmember Crocker

PLEDGE TO PALACIOS FLAG – Councilmember Crocker

VISITOR / CITIZEN FORUM

PRESENTATIONS

1. Palacios as a Film Friendly Certified Community

ADMINISTRATIVE REPORTS

ITEMS TO BE CONSIDERED

1. Discuss and consider approving the Quarterly Investment Report.
2. Discuss and consider approving the Quarterly Financial Report.
3. Discuss and consider appointing Ron Conaway to the Zoning Board of Adjustments.
4. Discuss and consider appointing David McMurray to the Planning and Zoning Commission.
5. Discuss and consider action to approve the following consent agenda items:
 - a) Minutes of the June 28, 2016 Regular Council Meeting
 - b) Excuse the absence of Councilmember McGovern from the June 28, 2016 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)

Discuss Real Estate transaction (551.072)

Deliberation regarding prospective gifts or donation (551.073)

Discuss personnel matters (551.074)

Deliberation regarding security devices (551.076)

Discuss economic development negotiations (551.087)

ACTION ON EXECUTIVE SESSION:

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 26, 2016 agenda of items to be considered by the City Council was posted on the City Hall bulletin board by 5:00p.m. on July 22, 2016.

CALL TO ORDER

INVOCATION –Councilmember Tran

PLEDGE OF ALLEGIANCE – Councilmember Crocker

PLEDGE TO TEXAS FLAG – Councilmember Crocker

PLEDGE TO PALACIOS FLAG – Councilmember Crocker

VISITOR / CITIZEN FORUM

PRESENTATIONS

1. Palacios as a Film Friendly Certified Community

1. Discuss and consider approving the Quarterly Investment Report.

**CITY OF PALACIOS, TEXAS
QUARTERLY INVESTMENT REPORT
FOR THE QUARTER ENDED June 30, 2016**

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.

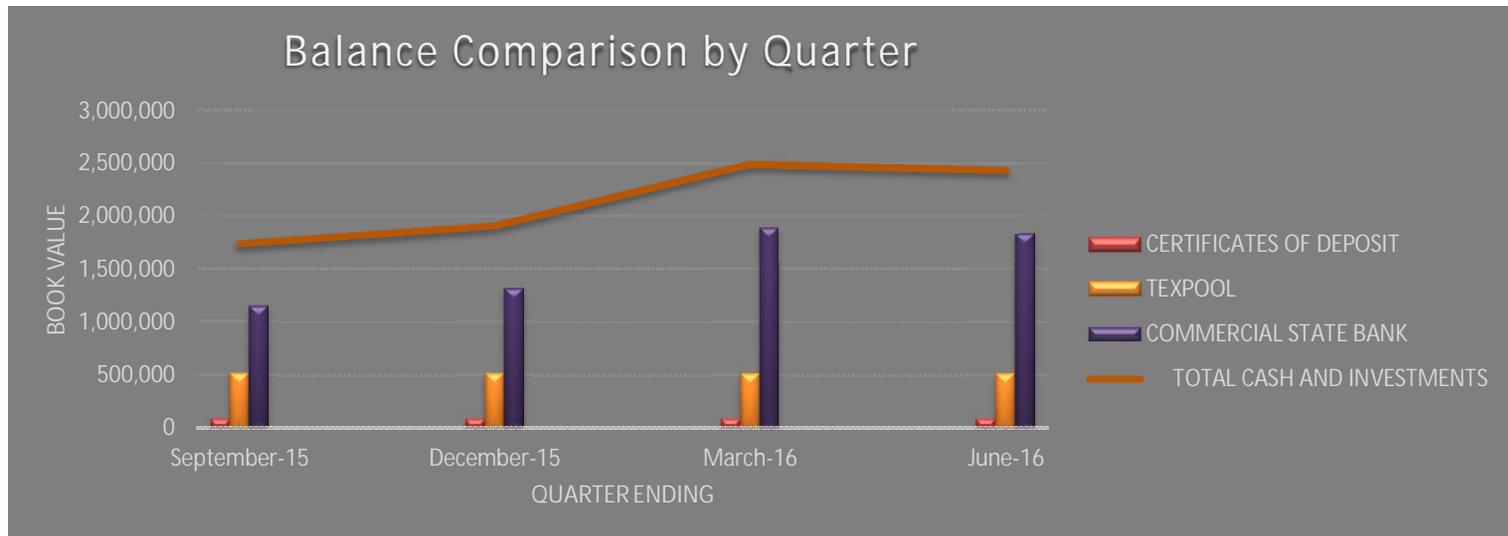
Investment Officer:  _____
Jackie Jones, City Treasurer

Date: _____

CITY OF PALACIOS, TEXAS
Quarterly Investment Report
As of June 30, 2016

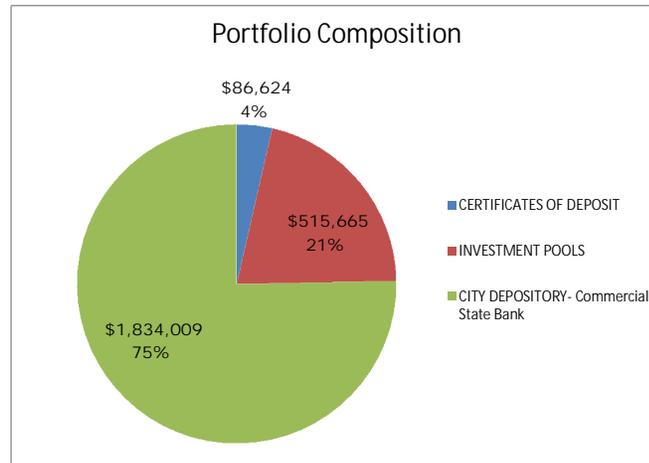
Balance Comparison by Quarter

INVESTMENT BALANCES BY TYPE	Book Value 9/30/2015	Book Value 12/31/2015	Book Value 3/31/2016	Book Value 6/30/2016
CERTIFICATES OF DEPOSIT	\$ 86,527	\$ 86,560	\$ 86,592	\$ 86,624
TEXPOOL	\$ 514,665	\$ 514,836	\$ 515,219	\$ 515,665
COMMERCIAL STATE BANK	\$ 1,143,606	\$ 1,312,419	\$ 1,893,128	\$ 1,834,009
TOTAL CASH AND INVESTMENTS	<u>\$ 1,744,799</u>	<u>\$ 1,913,815</u>	<u>\$ 2,494,939</u>	<u>\$ 2,436,298</u>



**CITY OF PALACIOS, TEXAS
INVESTMENTS OUTSTANDING AS OF JUNE 30, 2016**

Purchase Date	Description	Maturity Date	# Days to Maturity	Cost	Par Value	Coupon Yield	3/31/2016		Quarterly Activity			6/30/2016			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%	\$ 86,592	\$ 86,592	\$ -	\$ -	\$ 32	\$ 86,624	\$ -	\$ 86,624	-
							\$ 86,592	\$ 86,592	\$ -	\$ -	\$ 32	\$ 86,624	\$ -	\$ 86,624	
								3%						4%	OF TOTAL
INVESTMENT POOLS															
N/A	Texpool - Pooled	N/A	N/A		461,768	0.35%	\$ 461,369	\$ 461,369		\$ -	\$ 399	\$ 461,768	\$ -	\$ 461,768	
N/A	Texpool - Escrow Acct Beachside Dev	N/A	N/A		53,897	0.35%	53,850	53,850	-	-	47	53,897	-	53,897	
N/A	Texpool - CO 2011	N/A	N/A		-	0.35%	-	-	-	-	-	-	-	-	
							515,219	515,219	-	-	446	515,665	-	515,665	
								21%						21%	OF TOTAL
CITY DEPOSITORY- Commercial State Bank															
N/A	Pooled Cash Savings	N/A	N/A		1,677,843	0.24%	1,765,978	1,765,978	1,048,199	(1,137,398)	1,064	1,677,843	-	1,677,843	
N/A	Pooled Cash	N/A	N/A		149,077	0.00%	120,061	120,061	1,497,450	(1,468,434)	-	149,077	-	149,077	
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		-	0.00%	-	-	6,000	(6,000)	-	-	-	-	
N/A	Disaster Recovery Supp Rd 2.2	N/A	N/A		1,500	0.00%	1,500	1,500	-	-	-	1,500	-	1,500	
							1,893,128	1,893,128	2,551,649	(2,611,832)	1,064	1,834,009	-	1,834,009	
								76%						75%	OF TOTAL
TOTAL PORTFOLIO					\$ 2,431,150	0.24%	\$ 2,494,939	\$ 2,494,939	\$ 2,551,649	\$ (2,611,832)	\$ 1,542	\$ 2,436,298	\$ -	\$ 2,436,298	



2. Discuss and consider approving the Quarterly Financial Report.

City of Palacios
Financial Statement
As of June 30, 2016

General Fund

Percent of Year Complete 75%

Revenues	Budget	Y-T-D Actual	Percent of Budget
Property taxes	\$ 1,465,626	\$ 1,407,542	96%
Licenses & Permits	30,600	28,790	94%
Other Local Taxes	605,100	477,669	79%
Fines & Court Costs	75,000	67,160	90%
Miscellaneous	7,500	9,953	133%
Fund to Fund Transfers	150,600	112,950	75%
Leases & Contributions	107,900	102,885	95%
Recycling Revenues	8,900	8,725	98%
Park Reservation Fees	3,000	2,760	92%
Community Improv / Weedlots	47,690	42,184	88%
Total Revenues	\$ 2,501,916	\$ 2,260,618	90%

Expenditures

Council	\$ 28,550	\$ 18,849	66%
Elections	2,300	70	3%
Administration	544,080	347,612	64%
Legal	8,000	338	4%
Corporation Court	93,160	68,699	74%
Library	30,000	22,500	75%
Police Department	1,105,080	767,666	69%
Fire Department	48,920	40,953	84%
Recycle	15,270	11,657	76%
Swimming Pool	23,406	23,406	100%
Parks	138,480	125,960	91%
Streets	181,980	108,584	60%
Animal Control	7,400	3,223	44%
Special Items	275,290	187,263	68%
Total Expenditures	\$ 2,501,916	\$ 1,726,779	69%

**Revenue Over/ (Under)
Expenditures**

	\$ -	\$ 533,839
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Beginning Fund Balance

\$ 802,754

Ending Fund Balance

\$ 1,336,593

City of Palacios
Financial Statement
As of June 30, 2016

Water Fund

Percent of Year Complete 75%

Revenues	Budget	Y-T-D Actual	Percent of Budget
Water & Sewer	\$ 1,562,000	\$ 1,150,040	74%
Service & Penalty Charges	\$ 47,500	\$ 32,924	69%
Garbage	40,000	33,810	85%
Miscellaneous	26,515	22,896	86%
Total Revenues	\$ 1,676,015	\$ 1,239,671	74%
Expenditures			
Water Department	\$ 591,965	\$ 499,192	84%
Sewer	302,350	207,976	69%
Special Services	781,700	381,103	49%
Total Expenditures	\$ 1,676,015	\$ 1,088,270	65%
Revenue Over/ (Under) Expenditures	\$ -	\$ 151,401	
Beginning Fund Balance		\$ 483,563	
Ending Fund Balance		\$ 634,964	

City of Palacios
Financial Statement
As of June 30, 2016

Airport Fund

Percent of Year Complete 75%

Revenues	Budget	Y-T-D Actual	Percent of Budget
Fuel Sales	\$ 20,000	\$ 9,619	48%
Hangar Rent & Tiedowns	5,000	4,600	92%
PISD School Barn Lease	150	148	99%
Golf Assoc Lease	100	104	104%
Fixed Based Operator	-	-	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	-	14	
Misc Receipts	25	-	0%
TxDot Reimbursement	5,000	\$ 2,551	51%
Total Revenues	\$ 60,075	\$ 45,273	75%

Ependitures			
Airport	\$ 38,330	\$ 24,136	63%
Special Items	18,170	18,165	100%
Total Ependitures	\$ 56,500	\$ 42,302	75%

Revenue Over/ (Under)		
Expenditures	\$ 3,575	\$ 2,971

Beginning Operating Balance	\$ (11,902)
Ending Operating Balance	\$ (8,931)

Beginning Fund Balance Including Fuel Inventory	\$ 3,874
Ending Fund Balance Including Fuel Inventory	\$ 6,845

City of Palacios
 Financial Statement
 As of June 30, 2016

Equipment Fund

Percent of Year Complete 75%

	Budget	Y-T-D Actual	Percent of Budget
Revenues	\$ 207,000	\$ 155,290	75%
Expenditures	\$ 207,000	\$ 107,276	52%
Revenue Over/ (Under) Expenditures	\$ -	\$ 48,013	
Beginning Fund Balance		\$ (2,469)	
Ending Fund Balance		\$ 45,545	

City of Palacios
 Financial Statement
 As of June 30, 2016

Hotel/Motel Tax Fund

Percent of Year Complete

75%

	Budget	Y-T-D Actual	Percent of Budget
Revenues	\$ 21,600	\$ 20,615	95%
Expenditures	\$ 21,500	\$ 20,250	94%
Revenue Over/ (Under) Expenditures	\$ 100	\$ 365	
Beginning Fund Balance		\$ 55,284	
Ending Fund Balance		\$ 55,649	

City of Palacios
Financial Statement
As of June 30, 2016

Economic Development Fund

Percent of Year Complete 75%

	Budget	Y-T-D Actual	Percent of Budget
Revenues	\$ 169,300	\$ 135,473	80%
Expenditures	\$ 169,300	\$ 125,540	74%
Revenue Over/ (Under) Expenditures	\$ -	\$ 9,933	
Beginning Fund Balance		\$ 408,764	
Ending Fund Balance		\$ 418,697	



JOHN C. SARDELICH – Mayor
JOHNNY TRAN – Mayor Pro-Tem – Councilmember Place 1
JUDY CHAVEZ – Councilmember Place 2
MARY CROCKER – Councilmember Place 3
GLEN SMITH – Councilmember Place 4
ANDY ERDELT – Councilmember Place 5
TROY LEWIS – Councilmember Place 6

**CITY OF PALACIOS
CITY COUNCIL MEETING MINUTES
June 28, 2016**

REGULAR COUNCIL MEETING

CALL TO ORDER – Mayor Smith called the Regular Meeting to order at 7:00 p.m.
City Staff present: David Kocurek, Angela Flores, Chief Miles
Council Members Absent: Councilmember McGovern

INVOCATION – Councilmember Crocker
PLEDGE OF ALLEGIANCE – Councilmember Chavez
PLEDGE TO TEXAS FLAG – Councilmember Chavez
PLEDGE TO PALACIOS FLAG – Councilmember Chavez

VISITOR / CITIZEN FORUM - Chip Woolf suggested a member of the City be there to greet people to the city at land sales once they sign contracts as they were last weekend.
Councilmember Chavez praised City Manager, David Kocurek on the hiring of Angela Flores for City Secretary.

ADMINISTRATIVE REPORTS

1. HGAC Justice Assistance Grant Award- 105K was awarded for three police vehicles.
2. Public Works Director's Resignation- Jerry Higgins is leaving July 7th.
3. Pirate Festival Recap- Was a good event, numbers have not been received as of yet though.
4. Lion's Club 4th of July Fireworks- The show will start at 9:30 Monday night, Sunday Bingo 5-9pm and Monday reenactment at 6pm.
5. Poker in Palacios- July 9th- Recreation Center.

ITEMS TO BE CONSIDERED

1. Discuss and consider 2016 Budget Calendar. – City Treasurer, Jackie Jones.
Budget workshop will be held August 23rd. There must be two public hearings about tax rate. Jackie will update as she can.
2. Discuss and consider action to approve the following consent agenda items:
 - a) Minutes of the June 14, 2016 Regular Council Meeting
 - b) Excuse the absence of Councilmember Tran from the June 14, 2016 Council Meeting.

Councilmember Erdelt motioned to approve the consent agenda items.
Councilmember Chavez seconded.
There was no opposition.
With no opposition the motion carried.

EXECUTIVE SESSION- 7:19 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)
- Discuss Real Estate transaction (551.072)
- Deliberation regarding prospective gifts or donation (551.073)
- Discuss personnel matters (551.074)

A. Discuss candidates to fill the unexpired term Council Position #4- Four applications were returned for Position #4.

- Deliberation regarding security devices (551.076)
- Discuss economic development negotiations (551.087)

ACTION ON EXECUTIVE SESSION

1. Discuss and consider action to fill the unexpired term Council Position #4.- Angela Flores passed out forms and then tallied the votes awarding the majority of votes to Wayne Dodd.

ADJOURN

Councilmember Erdelt motioned to adjourn at 7:39 pm.

Councilmember Chavez seconded.

There was no opposition.

With no opposition, the motion carried.

Glen Smith, Mayor

Angela Flores, City Secretary

ADJOURN

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CERTIFICATION

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