



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 PUBLIC HEARING & REGULAR MEETING AGENDA**

Notice is hereby given of a Regular Council Meeting of the Palacios City Council to be held September 12, 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:

### **REGULAR COUNCIL MEETING**

#### **CALL TO ORDER**

**INVOCATION** – Councilmember Erdelt

**PLEDGE OF ALLEGIANCE** – Councilmember McGovern

**PLEDGE TO TEXAS FLAG** – Councilmember McGovern

**PLEDGE TO PALACIOS FLAG** – Councilmember McGovern

#### **SECOND PUBLIC HEARING ON BUDGET**

#### **SECOND PUBLIC HEARING ON TAX RATE**

#### **VISITOR / CITIZEN FORUM**

#### **PROCLAMATIONS**

1. Patriots Day
2. POW/MIA

#### **ADMINISTRATIVE REPORTS**

1. Hurricane Harvey update
2. Postpone Committee vacancies selection

#### **ITEMS TO BE CONSIDERED**

1. Discuss and consider action to approve Ordinance 2017 -O-4 adopting the City of Palacios Budget for Fiscal Year 2017-2018.
2. Discuss and consider action to ratify the proposed property tax increase as reflected in the City of Palacios Budget for Fiscal Year 2017-2018.
3. Discuss and consider action to approve Ordinance 2017-O-5 adopting the Ad Valorem Tax Rate of for 2017.

4. Discuss and consider awarding contract for engineering services for the 2017 Downtown Revitalization Fund and give the Mayor or his designee the power to sign the contract.
5. Discuss and consider approving a Debris Removal contract for the Hurricane Harvey Clean Up efforts
6. Discuss and consider approving a Debris monitoring firm for the Hurricane Harvey Clean Up efforts
7. Discuss and consider future use of the Friends of Elder Citizens building on 312 Main
8. Discuss and consider approving the 2018 RAMP Grant
9. Discuss and consider action to approve the following consent agenda items:
  - a) Minutes of the August 22, 2017 Regular Council Meeting
  - b) Minutes of the August 29, 2017 Special 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)

Deliberation regarding security devices (551.076)

Discuss economic development negotiations (551.087)

### **ACTION ON EXECUTIVE SESSION:**

- a. Consult with attorney about Pavilion project

### **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 September 12, 2017 agenda of items to be considered by the City Council was posted on the City Hall bulletin board by 5:00p.m. on September 8, 2017.

**REGULAR COUNCIL MEETING**

**CALL TO ORDER**

**INVOCATION** – Councilmember Erdelt

**PLEDGE OF ALLEGIANCE** – Councilmember McGovern

**PLEDGE TO TEXAS FLAG** – Councilmember McGovern

**PLEDGE TO PALACIOS FLAG** – Councilmember McGovern

**SECOND PUBLIC HEARING ON BUDGET**

**SECOND PUBLIC HEARING ON TAX RATE**

**VISITOR / CITIZEN FORUM**

**PROCLAMATIONS**

1. Patriots Day
2. POW/MIA

## 1. Patriots Day

sixteen years ago, the United States of America suffered an unprecedented national tragedy; and

**WHEREAS**, on that fateful September morning, we were reminded that the great strength of America is found in the hearts and souls of its citizens,

**WHEREAS**, in observance of the 11th anniversary of the September 11th attacks on America which killed citizens from 92 different countries we hereby pay tribute to those lost and injured on 9/11,

**WHEREAS**, the President of the United States on September 11, 2009, issued the Patriot Day Proclamation of Service and Remembrance,

**NOW, THEREFORE**, I, Glen Smith, Mayor of the City of Palacios, on behalf of the Palacios City Council, do hereby proclaim

September 11, 2017

as

**PATRIOT DAY AND NATIONAL DAY OF SERVICE AND  
REMEMBERANCE**

and encourage all citizens to join in remembering those who gave of themselves on September 11, 2001.

**IN WITNESS THEREOF**, I have hereunto set my hand and caused the Seal of the City of Palacios to be affixed, this 12th day of September in the year two thousand seventeen.

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**Glen Smith, Mayor**  
**ATTEST:**

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**Angela Flores, City Secretary**



## 2. POW/MIA

Today and every day, we express our sincerest gratitude to service members, veterans, military families, and all others who place themselves in harm's way to defend the virtues of our great Nation; and

**WHEREAS**, In honor of the men and women who have courageously served their country, the United States Congress established the third Friday in the month of September as National POW/MIA Recognition Day; and

**NOW, THEREFORE**, I, Glen Smith, Mayor of the City of Palacios, by the authority invested in me, hereby proclaim

**September 12, 2017 as**

**"POW/MIA Recognition Day"**

in the City of Palacios, and encourage all of its citizens to join others across the Nation in honoring all current and former American POW and MIA, and their families by flying the POW/MIA Flag and conducting appropriate ceremonies and activities in honor of these heroes.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused to be affixed the seal of the City of Palacios, Texas.  
Done at City Hall of Palacios, this 12th day of September 2017.

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**Glen Smith, Mayor**  
**ATTEST:**

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**Angela Flores, City Secretary**

**ADMINISTRATIVE REPORTS**

1. Hurricane Harvey update
2. Postpone Committee vacancies selection

CITY OF PALACIOS, TEXAS

ANNUAL BUDGET 2017 - 2018

APPROPRIATION ORDINANCE

ORDINANCE NO. 2017-O-4

AN ORDINANCE SETTING FORTH AN ITEMIZED ESTIMATE OF THE EXPENSES OF CONDUCTING EACH DEPARTMENT, DIVISION, AND OFFICE OF THE MUNICIPAL GOVERNMENT OF THE CITY OF PALACIOS, TEXAS, FOR THE ENSUING FISCAL YEAR, AND APPROPRIATING MONEY FOR THE VARIOUS FUNDS AND PURPOSES OF SUCH ESTIMATE: APPROPRIATING MONEY TO PAY INTEREST AND PRINCIPAL, SINKING FUND REQUIREMENTS ON ALL OUTSTANDING INDEBTEDNESS, PROVIDING FOR PUBLIC HEARING OF THIS ORDINANCE BEFORE THE ENTIRE CITY COUNCIL SITTING AS A COMMITTEE OF THE WHOLE AND PROVIDING A SAVINGS CLAUSE FOR THE REPEAL OF ALL ORDINANCES AND APPROPRIATIONS IN CONFLICT WITH THE PROVISIONS OF THIS ORDINANCE, AND FOR THE PUBLICATION AND FINAL PASSAGE THEREOF.

BE IT ORDAINED BY THE CITY COUNCIL OF PALACIOS, TEXAS,

SECTION 1.

That the appropriation for the ensuing fiscal year beginning October 1, 2017, and ending September 30, 2018, of the different departments and purposes of the City of Palacios be fixed and determined as follows:

I. GENERAL FUND

Mayor and City Council	28,550.00
Elections	2,300.00
Administration	583,380.00
Legal	8,000.00
Corporation Court	99,580.00
Library	30,000.00
Police	1,126,840.00
Fire	45,000.00
Recycle Center	16,550.00
Pool	20,000.00
Parks	178,000.00
Streets	270,000.00
Animal Control	33,700.00
Special Items	274,100.00
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II. WATER/SEWER FUND

The Water/Sewer Fund shall be provided with such revenues as may be secured from the sale of water and other sources as shown by other ordinances heretofore passed. Such money shall be used to meet the requirements of that fund as provided in the Budget of the City Manager, which includes the total Water/Sewer fund appropriations of \$1,722,000.00.

CITY OF PALACIOS, TEXAS

ANNUAL BUDGET 2017-2018

APPROPRIATION ORDINANCE

III. AIRPORT FUND

The Airport Fund shall be provided with such revenues as may be secured from the various sources included in the budget of the City Manager and such money shall be used to meet the requirements of that fund as provided by the Budget of the City Manager, which includes a total Airport appropriation of \$61,375.00.

IV. EQUIPMENT FUND

The Equipment Fund shall be established as an internal service fund and be provided with such revenues as may be secured from the various sources included in the budget of the City Manager and such money shall be used to meet the requirements of that fund as provided by the Budget of the City Manager, which includes a total Equipment Fund appropriation of \$157,000.00.

V. DEBT SERVICE FUND

The Debt Service Fund shall be provided with such revenues as may be secured from property taxes. Such money shall be used to meet the debt service requirements as provided in the Budget of the City Manager, which includes the total Debt Service Fund appropriations of \$21,880.00.

VI. HOTEL/MOTEL TAX FUND

The Hotel/Motel Tax Fund shall be provided with such revenues as may be secured from the various sources included in the budget of the City Manager and such money shall be used to meet the requirements of that fund as provided by the Budget of the City Manager, which includes a total Hotel/Motel Fund appropriation of \$28,100.00.

VII. ECONOMIC DEVELOPMENT FUND

The Economic Development Fund shall be provided with such revenues as may be secured from the various sources included in the budget of the City Manager and such money shall be used to meet the requirements of that fund as provided by the Budget of the City Manager, which includes a total Economic Development Fund appropriation of \$169,300.00.

VIII. EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund shall be established as an internal service fund and be provided with such revenues as may be secured from the various sources included in the budget of the City Manager and such money shall be used to meet the requirements of that fund as provided by the Budget of the City Manager, which includes a total Equipment Replacement Fund appropriation of \$50,000.00.

SECTION 2.

That the distribution and division of the above-named appropriation be made in accordance with the Budget of the City Manager as revised by the City Council, in accordance with the provisions in the State of Texas and adopted by the City Council, which Budget is made a part of this ordinance by reference thereto and shall be considered in connection with the expenditure of the above appropriations.

CITY OF PALACIOS, TEXAS

ANNUAL BUDGET 2016 - 2017

APPROPRIATION ORDINANCE

SECTION 3.

That the City Council of the City of Palacios sat as a committee of the whole in the Council Chambers at the City Hall in the City of Palacios on the 12<sup>th</sup> day of September 2017 at 7:00 P.M. to hear any complaints, suggestions or observation that any citizens, taxpayer or party interested, may desire to make, with reference to any or all provisions of this ordinance, and such committee continued its deliberations until the public had been given full opportunity to be heard.

SECTION 4.

That then after the public hearing for which provision has been made in the preceding Section, this Ordinance shall be published.

SECTION 5.

That should any part, portion, section or part of this Ordinance be declared invalid or inoperative or void for any reason by Court of competent jurisdiction, such decision, opinion of judgment shall in no way affect the remaining portion, part, section, or parts of sections of this Ordinance which provisions shall be, remain, and continue to be in full force and effect.

SECTION 6.

That all Ordinances and appropriations for which provision has heretofore been made are hereby expressly repealed if in conflict with provisions of this Ordinance.

SECTION 7.

That this Ordinance shall take effect and be in full force and effect from and after that date of its passage and publication as required by the laws of the State of Texas.

ADOPTED BY THE CITY COUNCIL of the City of Palacios, Texas on this 12<sup>th</sup> day of September, 2017.

SIGNED:

\_\_\_\_\_  
Glen Smith, Mayor

ATTEST:

\_\_\_\_\_  
Angela Flores, City Secretary

2. Discuss and consider action to ratify the proposed property tax increase as reflected in the City of Palacios Bu

Items to be Considered #2

Mayor and Council,

During tonight's meeting, Items to be Considered #2, there is certain language requirements that need to be followed for the motion.

The motion to ratify the tax rate must be made in the following form:

"I move that the property tax rate be increased by the adoption of a tax rate of 0.85351, which is effectively a 7.24% increase in the tax rate."

**ORDINANCE NO. 2017-O-5**

AN ORDINANCE FIXING THE TAX RATE FOR THE CITY OF PALACIOS FOR THE YEAR 2017; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF

WHEREAS, the City of Palacios has complied with all notice and hearing requirements established by state law and its charter, and City Council has determined the tax rate established herein is needed to generate the revenue needed to fund the adopted budget for the 2017-2018 Fiscal year; NOW THEREFORE;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PALACIOS:

SECTION 1: That there is hereby levied for the year 2017 on all property situated, and on all property owned, within the limits of the City of Palacios on the first day of January of the current year, except so much thereof as may be exempted by the laws of this state or of the United States, as follows:

FIRST: An ad valorem tax for Maintenance and Operations of and at the rate of Eighty-Four Cents (84.000) on the One Hundred and No/One Hundred (\$100.00) Dollars valuation thereof, estimated in lawful money of the United States, for the General Fund of the said City;

SECOND: An ad valorem tax for Debt Service of and at the rate of One and Three Hundred Fifty-One Thousand Cents (1.351) on the One Hundred and No/One Hundred (\$100.00) Dollars valuation thereof, estimated in lawful money of the United States, for the General Fund of the said City;

TOTAL TAX RATE adopted for the year 2017 being Eighty Five and Three Hundred Fifty One Thousand Cents (85.351) per \$100 valuation for the City of Palacios;

SECTION 2: As provided by TEX. TAX CODE.§ 26.05(b), City Council further finds that

**THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.**

**THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.24 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00.**

SECTION 3: This Ordinance shall become effective immediately after its approval and adoption by City Council.

PASSED, APPROVED AND ADOPTED on this 12<sup>th</sup> day of September, 2017.

CITY OF PALACIOS, TEXAS

\_\_\_\_\_  
GLEN SMITH, Mayor

ATTEST:

\_\_\_\_\_  
ANGELA FLORES, City Secretary

4. Discuss and consider awarding contract for engineering services for the 2017 Downtown Revitalization



5. Discuss and consider approving a Debris Removal contract for the Hurricane Harvey Clean Up efforts

6. Discuss and consider approving a Debris monitoring firm for the Hurricane Harvey Clean Up efforts

7. Discuss and consider future use of the Friends of Elder Citizens building on 312 Main

## 8. Discuss and consider approving the 2018 RAMP Grant

**TEXAS DEPARTMENT OF TRANSPORTATION  
GRANT FOR ROUTINE AIRPORT MAINTENANCE PROGRAM  
(State Assisted Airport Routine Maintenance)**

**TxDOT Project ID.: M1813PALC**

**Part I - Identification of the Project**

TO: The City of Palacios, Texas

FROM: The State of Texas, acting through the Texas Department of Transportation

This Grant is made between the Texas Department of Transportation, (hereinafter referred to as the "State"), on behalf of the State of Texas, and the City of Palacios, Texas, (hereinafter referred to as the "Sponsor").

This Grant Agreement is entered into between the State and the Sponsor shown above, under the authority granted and in compliance with the provisions of the Transportation Code Chapter 21.

The project is for **airport maintenance** at the PALACIOS - PALACIOS MUNI Airport.

**Part II - Offer of Financial Assistance**

1. For the purposes of this Grant, the annual routine maintenance project cost, Amount A, is estimated as found on Attachment A, Scope of Services, attached hereto and made a part of this grant agreement.

State financial assistance granted will be used solely and exclusively for airport maintenance and other incidental items as approved by the State. Actual work to be performed under this agreement is found on Attachment A, Scope of Services. State financial assistance, Amount B, will be for fifty percent (50%) of the eligible project costs for this project or \$50,000.00, whichever is less, per fiscal year and subject to availability of state appropriations.

Scope of Services, Attachment A, of this Grant, may be amended, subject to availability of state funds, to include additional approved airport maintenance work. Scope amendments require submittal of an Amended Scope of Services, Attachment A.

Services will not be accomplished by the State until receipt of Sponsor's share of project costs.

**Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.**

Work shall be accomplished by August 31, 2018, unless otherwise approved by the State.

2. The State shall determine fair and eligible project costs for work scope. Sponsor's share of estimated project costs, Amount C, shall be as found on Attachment A and any amendments.

It is mutually understood and agreed that if, during the term of this agreement, the State determines that there is an overrun in the estimated annual routine maintenance costs, the State may increase the grant to cover the amount of the overrun within the above stated percentages and subject to the maximum amount of state funding.

The State will not authorize expenditures in excess of the dollar amounts identified in this Agreement and any amendments, without the consent of the Sponsor.

3. Sponsor, by accepting this Grant certifies and, upon request, shall furnish proof to the State that it has sufficient funds to meet its share of the costs. The Sponsor grants to the State the right to audit any books and records of the Sponsor to verify expended funds.

Upon execution of this Agreement and written demand by the State, the Sponsor's financial obligation (Amount C) shall be due in cash and payable in full to the State. State may request the Sponsor's financial obligation in partial payments. Should the Sponsor fail to pay their obligation, either in whole or in part, within 30 days of written demand, the State may exercise its rights under Paragraph V-3. Likewise, should the State be unwilling or unable to pay its obligation in a timely manner, the failure to pay shall be considered a breach and the Sponsor may exercise any rights and remedies it has at law or equity.

The State shall reimburse or credit the Sponsor, at the financial closure of the project, any excess funds provided by the Sponsor which exceed Sponsor's share (Amount C).

4. The Sponsor specifically agrees that it shall pay any project costs which exceed the amount of financial participation agreed to by the State. It is further agreed that the Sponsor will reimburse the State for any payment or payments made by the State which are in excess of the percentage of financial assistance (Amount B) as stated in Paragraph II-1.

5. Scope of Services may be accomplished by State contracts or through local contracts of the Sponsor as determined appropriate by the State. All locally contracted work must be approved by the State for scope and reasonable cost. Reimbursement requests for locally contracted work shall be submitted on forms provided by the State and shall include copies of the invoices for materials or services. Payment shall be made for no more than 50% of allowable charges.

The State will not participate in funding for force account work conducted by the Sponsor.

6. This Grant shall terminate upon completion of the scope of services.

### **Part III - Sponsor Responsibilities**

1. In accepting this Grant, if applicable, the Sponsor guarantees that:
  - a. it will, in the operation of the facility, comply with all applicable state and federal laws, rules, regulations, procedures, covenants and assurances required by the State in connection with this Grant; and
  - b. the Airport or navigational facility which is the subject of this Grant shall be controlled by the Sponsor for a period of at least 20 years; and
  - c. consistent with safety and security requirements, it shall make the airport or air navigational facility available to all types, kinds and classes of aeronautical use without discrimination between such types, kinds and classes and shall provide adequate public access during the period of this Grant; and
  - d. it shall not grant or permit anyone to exercise an exclusive right for the conduct of aeronautical activity on or about an airport landing area. Aeronautical activities include, but are not limited to scheduled airline flights, charter flights, flight instruction, aircraft sales, rental and repair, sale of aviation petroleum products and aerial applications. The landing area consists of runways or landing strips, taxiways, parking aprons, roads, airport lighting and navigational aids; and
  - e. it shall not enter into any agreement nor permit any aircraft to gain direct ground access to the sponsor's airport from private property adjacent to or in the immediate area of the airport. Further, Sponsor shall not allow aircraft direct ground access to private property. Sponsor shall be subject to this prohibition, commonly known as a "through-the-fence operation," unless an exception is granted in writing by the State due to extreme circumstances; and

- f. it shall not permit non-aeronautical use of airport facilities without prior approval of the State; and
- g. the Sponsor shall submit to the State annual statements of airport revenues and expenses when requested; and
- h. all fees collected for the use of the airport shall be reasonable and nondiscriminatory. The proceeds from such fees shall be used solely for the development, operation and maintenance of the airport or navigational facility; and
- i. an Airport Fund shall be established by resolution, order or ordinance in the treasury of the Sponsor, or evidence of the prior creation of an existing airport fund or properly executed copy of the resolution, order, or ordinance creating such a fund, shall be submitted to the State. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole. All fees, charges, rents, and money from any source derived from airport operations must be deposited in the Airport Fund and shall not be diverted to the general revenue fund or an other revenue fund of the Sponsor. All expenditures from the Airport Fund shall be solely for airport purposes. Sponsor shall be ineligible for a subsequent grant or loan by the State unless, prior to such subsequent grant or loan, Sponsor has complied with the requirements of this subparagraph; and
- j. the Sponsor shall operate runway lighting at least at low intensity from sunset to sunrise; and
- k. insofar as it is reasonable and within its power, Sponsor shall adopt and enforce zoning regulations to restrict the height of structures and use of land adjacent to or in the immediate vicinity of the airport to heights and activities compatible with normal airport operations as provided in Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Sponsor shall also acquire and retain aviation easements or other property interests in or rights to use of land or airspace, unless sponsor can show that acquisition and retention of such interest will be impractical or will result in undue hardship to Sponsor. Sponsor shall be ineligible for a subsequent grant or loan by the State unless Sponsor has, prior to subsequent approval of a grant or loan, adopted and passed an airport hazard zoning ordinance or order approved by the State.
- l. mowing services will not be eligible for state financial assistance. Sponsor will be responsible for 100% of any mowing services.

2. The Sponsor, to the extent of its legal authority to do so, shall save harmless the State, the State's agents, employees or contractors from all claims and liability due to activities of the Sponsor, the Sponsor's agents or employees performed under this agreement. The Sponsor, to the extent of its legal authority to do so, shall also save harmless the State, the State's agents, employees or contractors from any and all expenses, including attorney fees which might be incurred by the State in litigation or otherwise resisting claim or liabilities which might be imposed on the State as the result of those activities by the Sponsor, the Sponsor's agents or employees.
3. The Sponsor's acceptance of this Offer and ratification and adoption of this Grant shall be evidenced by execution of this Grant by the Sponsor. The Grant shall comprise a contract, constituting the obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the project and the operation and maintenance of the airport.

If it becomes unreasonable or impractical to complete the project, the State may void this agreement and release the Sponsor from any further obligation of project costs.

4. Upon entering into this Grant, Sponsor agrees to name an individual, as the Sponsor's Authorized Representative, who shall be the State's contact with regard to this project. The Representative shall receive all correspondence and documents associated with this grant and shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor, and coordinate schedule for work items as required.
5. By the acceptance of grant funds for the maintenance of eligible airport buildings, the Sponsor certifies that the buildings are owned by the Sponsor. The buildings may be leased but if the lease agreement specifies that the lessee is responsible for the upkeep and repairs of the building no state funds shall be used for that purpose.
6. Sponsor shall request reimbursement of eligible project costs on forms provided by the State. All reimbursement requests are required to include a copy of the invoices for the materials or services. The reimbursement request will be submitted no more than once a month.
7. The Sponsor's acceptance of this Agreement shall comprise a Grant Agreement, as provided by the Transportation Code, Chapter 21, constituting the contractual obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the airport maintenance and compliance with the assurances and conditions as provided. Such Grant Agreement shall become effective upon the State's written Notice to Proceed issued following execution of this agreement.



#### **Part IV - Nomination of the Agent**

1. The Sponsor designates the State as the party to receive and disburse all funds used, or to be used, in payment of the costs of the project, or in reimbursement to either of the parties for costs incurred.
2. The State shall, for all purposes in connection with the project identified above, be the Agent of the Sponsor. The Sponsor grants the State a power of attorney to act as its agent to perform the following services:
  - a. accept, receive, and deposit with the State any and all project funds granted, allowed, and paid or made available by the Sponsor, the State of Texas, or any other entity;
  - b. enter into contracts as necessary for execution of scope of services;
  - c. if State enters into a contract as Agent: exercise supervision and direction of the project work as the State reasonably finds appropriate. Where there is an irreconcilable conflict or difference of opinion, judgment, order or direction between the State and the Sponsor or any service provider, the State shall issue a written order which shall prevail and be controlling;
  - d. receive, review, approve and pay invoices and payment requests for services and materials supplied in accordance with the State approved contracts;
  - e. obtain an audit as may be required by state regulations; the State Auditor may conduct an audit or investigation of any entity receiving funds from TxDOT directly under this contract or indirectly through a subcontract under this contract. Acceptance of funds directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.
  - f. reimburse sponsor for approved contract maintenance costs no more than once a month.

#### **Part V - Recitals**

1. This Grant is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party.
2. It is the intent of this grant to not supplant local funds normally utilized for airport maintenance, and that any state financial assistance offered under this grant be in addition to those local funds normally dedicated for airport maintenance.

3. This Grant is subject to the applicable provisions of the Transportation Code, Chapters 21 and 22, and the Airport Zoning Act, Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Failure to comply with the terms of this Grant or with the rules and statutes shall be considered a breach of this contract and will allow the State to pursue the remedies for breach as stated below.
  - a. Of primary importance to the State is compliance with the terms and conditions of this Grant. If, however, after all reasonable attempts to require compliance have failed, the State finds that the Sponsor is unwilling and/or unable to comply with any of the terms of this Grant, the State, may pursue any of the following remedies: (1) require a refund of any financial assistance money expended pursuant to this Grant, (2) deny Sponsor's future requests for aid, (3) request the Attorney General to bring suit seeking reimbursement of any financial assistance money expended on the project pursuant to this Grant, provided however, these remedies shall not limit the State's authority to enforce its rules, regulations or orders as otherwise provided by law, (4) declare this Grant null and void, or (5) any other remedy available at law or in equity.
  - b. Venue for resolution by a court of competent jurisdiction of any dispute arising under the terms of this Grant, or for enforcement of any of the provisions of this Grant, is specifically set by Grant of the parties in Travis County, Texas.
4. The State reserves the right to amend or withdraw this Grant at any time prior to acceptance by the Sponsor. The acceptance period cannot be greater than 30 days after issuance unless extended by the State.
5. This Grant constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.
6. All commitments by the Sponsor and the State are subject to constitutional and statutory limitations and restrictions binding upon the Sponsor and the State (including Sections 5 and 7 of Article 11 of the Texas Constitution, if applicable) and to the availability of funds which lawfully may be applied.

**Part VI - Acceptances**

**Sponsor**

The City of Palacios, Texas, does ratify and adopt all statements, representations, warranties, covenants, agreements, and all terms and conditions of this Grant.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
The City of Palacios, Texas  
Sponsor

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Sponsor Signature

\_\_\_\_\_  
Witness Title

\_\_\_\_\_  
Sponsor Title

**Certificate of Attorney**

I, \_\_\_\_\_, acting as attorney for the City of Palacios, Texas, do certify that I have fully examined the Grant and the proceedings taken by the Sponsor relating to the acceptance of the Grant, and find that the manner of acceptance and execution of the Grant by the Sponsor, is in accordance with the laws of the State of Texas.

Dated at \_\_\_\_\_, Texas, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Attorney's Signature

\_\_\_\_\_  
Witness Title

**Acceptance of the State**

Executed by and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs and grants heretofore approved and authorized by the Texas Transportation Commission.

STATE OF TEXAS

TEXAS DEPARTMENT OF TRANSPORTATION

By: \_\_\_\_\_

Date: \_\_\_\_\_

Attachment A

**Scope of Services**  
**TxDOT Project ID: M1813PALC**

<b>Eligible Scope Item</b>	<b>Estimated Costs Amount A</b>	<b>State Share Amount B</b>	<b>Sponsor Share Amount C</b>
<b>GENERAL MAINTENANCE</b>	\$20,000.00	\$10,000.00	\$10,000.00
<b>TOTAL</b>	\$20,000.00	\$10,000.00	\$10,000.00

Accepted By: The City of Palacios, Texas

\_\_\_\_\_  
Signature

Title: \_\_\_\_\_

Date: \_\_\_\_\_

GENERAL MAINTENANCE: As needed, Sponsor may contract for services / purchase materials for routine maintenance / improvement of airport pavements, signage, drainage, AWOS systems, approach aids, lighting systems, utility infrastructure, fencing, herbicide / application, sponsor owned and operated fuel systems, hangars, terminal buildings and security systems; professional services for environmental compliance, approved project design. Special projects to be determined and added by amendment.

**Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.**

**CERTIFICATION OF AIRPORT FUND**

TxDOT Project ID: M1813PALC

The City of Palacios does certify that an Airport Fund has been established for the Sponsor, and that all fees, charges, rents, and money from any source derived from airport operations will be deposited for the benefit of the Airport Fund and will not be diverted for other general revenue fund expenditures or any other special fund of the Sponsor and that all expenditures from the Fund will be solely for airport purposes. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole.

The City of Palacios, Texas  
\_\_\_\_\_  
(Sponsor)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Certification of State Single Audit Requirements**

I, \_\_\_\_\_, do certify that the City of Palacios, Texas,  
(Designated Representative)

will comply with all requirements of the State of Texas Single Audit Act if the City of Palacios, Texas, spends or receives more than the threshold amount in any grant funding sources during the most recently audited fiscal year. And in following those requirements, the City of Palacios, Texas, will submit the report to the audit division of the Texas Department of Transportation. If your entity did not meet the threshold in grant receivables or expenditures, please submit a letter indicating that your entity is not required to have a State Single Audit performed for the most recent audited fiscal year.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**DESIGNATION OF SPONSOR'S AUTHORIZED REPRESENTATIVE**

TxDOT Project ID: M1813PALC

The City of Palacios, Texas, designates, \_\_\_\_\_  
(Name, Title)

as the Sponsor's authorized representative, who shall receive all correspondence and documents associated with this grant and who shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor.

\_\_\_\_\_  
The City of Palacios, Texas  
(Sponsor)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**DESIGNATED REPRESENTATIVE**

Mailing Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Overnight Mailing Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

a) Minutes of the August 22, 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 PUBLIC HEARING  
REGULAR MEETING MINUTES  
AUGUST 22, 2017**

**REGULAR COUNCIL MEETING**

**CALL TO ORDER**

**INVOCATION** – Councilmember Crocker

**PLEDGE OF ALLEGIANCE** – Councilmember Lewis

**PLEDGE TO TEXAS FLAG** – Councilmember Lewis

**PLEDGE TO PALACIOS FLAG** – Councilmember Lewis

**COUNCILMEMBERS ABSENT:** Mayor Smith

**CITY STAFF PRESENT:** David Kocurek, Angela Flores, Jackie Jones, Chief Miles

**PUBLIC HEARING ON TAX RATE-7:03PM-7:20PM**

**VISITOR / CITIZEN FORUM-** Patricia Loving said that Harrison Road has a slow water leak in road. Ken Smith came to report that in January a leak was reported, by February nothing was done. He spoke to Public Works and the leak was finally clamped, but continued to leak. He then spoke to David Kocurek on phone and the leak was patched when it should have been replaced, so it continued to leak. End of June Kocurek finally said would be replaced.

**ADMINISTRATIVE REPORTS**

1. Current Committee/Board Vacancies
2. 2017 Palacios Fish Fest
3. Cannonball Regatta

**ITEMS TO BE CONSIDERED**

1. Discuss and consider approving the award of a small purchase construction contract for valve replacement work related to the City's TxCDBG #7215359 Water Improvements Project  
Councilmember McGovern motioned to approve the award  
Councilmember Lewis seconded  
There was no opposition  
With no opposition, the motion carried
2. Discuss and consider accepting Robert Garrett's resignation from the Airport Committee  
Councilmember Lewis motioned to accept the resignation  
Councilmember Chavez seconded  
There was no opposition  
With no opposition, the motion carried
3. Discuss and consider accepting Resolution 2017-R-7 Texas Rifle-Resistant Body Armour  
Councilmember Erdelt motioned to accept the Resolution  
Councilmember McGovern seconded  
There was no opposition  
With no opposition, the motion carried
4. Discuss and consider action to approve the following consent agenda items:
  - a) Minutes of the August 8, 2017 Regular Council Meeting  
Councilmember Lewis motioned to approve Consent Agenda  
Councilmember Crocker seconded  
There was no opposition  
With no opposition, the motion carried.



**EXECUTIVE SESSION 7:42 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)

Deliberation regarding security devices (551.076)

Discuss economic development negotiations (551.087)

**ACTION ON EXECUTIVE SESSION-**

- a. Consultation with attorney pertaining to Pavilion Contract- Termination letters will be send to architect, bond company and contractor.

**ADJOURN 8:03 PM**

Councilmember Crocker motioned to adjourn the meeting

Councilmember Erdelt seconded

There was no opposition

With no opposition, the motion carried.

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Glen Smith, Mayor

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Angela Flores, City Secretary



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 MINUTES  
AUGUST 29, 2017**

**SPECIAL COUNCIL MEETING**

**CALL TO ORDER**

**INVOCATION** – Councilmember Lewis

**PLEDGE OF ALLEGIANCE** – Councilmember Tran

**PLEDGE TO TEXAS FLAG** – Councilmember Tran

**PLEDGE TO PALACIOS FLAG** – Councilmember Tran

**COUNCILMEMBERS ABSENT:** Mayor Smith, Chavez, Erdelt, McGovern

**CITY STAFF PRESENT:** David Kocurek, Angela Flores, Jackie Jones, Officer Dierlam

**SECOND PUBLIC HEARING ON TAX RATE 6:06PM-6:09PM**

**VISITOR / CITIZEN FORUM-** Mary Crocker thought the City did an amazing job. Troy Lewis thanked Paul Saustrup, Carlos Duran and Tran’s for cooking for the town. Johnny Tran thanked the City for their professionalism and dedication of all the City staff.

**ADMINISTRATIVE REPORTS**

1. Hurricane Harvey Update- “Dodged a bullet” -David Kocurek, 90% of homes have electric, Hospital is running, water system is 100% and never lost pressure
2. Palacios Employee Health Screening- Employees will be paid to register, schedule and complete a health screening

**ITEMS TO BE CONSIDERED**

1. Discuss and consider awarding engineering services for the 2017 Downtown Revitalization Fund and give the Mayor or his designee the power to sign the contract.  
TABLED
2. Discuss and consider action to approve the following consent agenda items:
  - a) Minutes of the August 22, 2017 Regular Council Meeting  
TABLED

**EXECUTIVE SESSION 8:07 PM- NONE**

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)

1. 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)

Deliberation regarding security devices (551.076)

Discuss economic development negotiations (551.087)

**ACTION ON EXECUTIVE SESSION- NONE**

1. Consultation with attorney pertaining to Pavilion Contract-

**ADJOURN 6:29 PM**

Councilmember Crocker motioned to adjourn the meeting

Councilmember Lewis seconded

There was no opposition

With no opposition, the motion carried.

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Glen Smith, Mayor

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Angela Flores, City Secretary

**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)

b. 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)

Deliberation regarding security devices (551.076)

Discuss economic development negotiations (551.087)

**ACTION ON EXECUTIVE SESSION:**

- b. Consult with attorney about Pavilion project

**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 September 12, 2017 agenda of items to be considered by the City Council was posted on the City Hall bulletin board by 5:00p.m. on September 8, 2017.