



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 REGULAR MEETING AGENDA**

Notice is hereby given of a Public Hearing at the Regular Council Meeting of the Palacios City Council to be held September 13, 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 Erdelt

**PLEDGE OF ALLEGIANCE** – Councilmember Dodd

**PLEDGE TO TEXAS FLAG** – Councilmember Dodd

**PLEDGE TO PALACIOS FLAG** – Councilmember Dodd

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

#### **PRESENTATION**

1. Claude Manning- update on hospital

#### **PROCLAMATION**

1. Classes of 1948-1986
2. Patriot Day and National Day of Service & Remembrance

#### **PUBLIC HEARING**

1. Proposed Budget 2016-2017
2. Conduct public hearing to solicit input regarding participation in the Texas Community Development Block Grant Program.

#### **ADMINISTRATIVE REPORTS**

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

1. Discuss and consider action to approve Ordinance 2016-O-6 adopting the City of Palacios Budget for Fiscal Year 2016-2017.
2. Discuss and consider action to ratify the proposed property tax increase as reflected in the City of Palacios Budget for Fiscal Year 2016-2017.
3. Discuss and consider action to approve Ordinance 2016-O-7 adopting the Ad Valorem Tax Rate of \$0.8400 per \$100 valuation for 2016.

4. Discuss and consider action to approve the 2017 Routine Airport Maintenance Grant for the Palacios Municipal Airport. TxDOT Project Number M1613PALC.
5. Discuss and consider action to approve the following consent agenda items:
  - a) Minutes of the August 30, 2016 Regular Council Meeting
  - b) Excuse the absence of Johnny Tran from the August 30, 2016 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 September 13, 2016 agenda of items to be considered by the City Council was posted on the City Hall bulletin board by 5:00p.m. on September 9, 2016.

**REGULAR COUNCIL MEETING**

**CALL TO ORDER**

**INVOCATION** –Councilmember Erdelt

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# City of Palacios Fiscal Year 2016-2017 Budget Cover Page

This budget will raise more revenue from property taxes than last year's budget by an amount of \$18,683, which is a 1.48 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$11,387.

The members of the governing body voted on the budget as follows:

**FOR:**

**AGAINST:**

**PRESENT** and not voting:

**ABSENT:**

## Property Tax Rate Comparison

	<b>2016-2017</b>	<b>2015-2016</b>
Property Tax Rate:	\$0.84000/100	\$0.84000/100
Effective Tax Rate:	\$0.83460/100	\$0.81661/100
Effective Maintenance & Operations Tax Rate:	\$0.83289/100	\$0.79632/100
Rollback Tax Rate:	\$0.90803/100	\$0.86827/100
Debt Rate:	\$0.00000/100	\$0.00000/100

Total debt obligation for City of Palacios secured by property taxes: \$0

**City Manager's  
Budget Message  
For the  
2016-2017 Fiscal Year**

**Budget Goals**

The Budget Goals for the 2016-2017 Fiscal year will be to increase unreserved cash balances for all funds including General, Water, Equipment, and Airport Funds. This year's budget is projected to maintain cash balances to match the City's goal of maintaining a minimum unassigned cash balance in the General Fund of fifteen percent (15%) of the subsequent year's budgeted expenditures and outgoing transfers. We will have to closely monitor cash flow and expenditures on a monthly basis to prevent each fund from dipping into their respective unreserved cash balances. Major goals included in this budget are to continue water and wastewater infrastructure projects, street and drainage improvements, and beautification of the City.

**Financial Policies**

During the 2012-3013 budget year, Council adopted a Fund Balance Policy to protect fund balances as required by Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*. By applying this policy to all of the city's funds, staff will continue to be as conservative as possible, while expending funds to provide and improve necessary services.

In addition to adopting a Fund Balance Policy, Council adopted a Fraud Policy, Cash Receipts Policy, Fixed Assets Policy, and an Investment Policy to provide direction for city staff to manage monies and budgets.

**SIGNIFICANT CHANGES in EXPENDITURES**

**General Fund**

Revenues from all sources in the fund are projected to be higher than this year's current budgeted revenues by \$89,734. The fund has a projected increase in expenditures of \$89,734 in total expenditures. The 2016-17 expenditures increased 3.587 percent over last year's budget.

In the Special Items department, the line item for a 75% reimbursement of the taxes collected on the Beachside Subdivision is offset in the tax revenue section of the General Fund. It is important to note that reimbursements are only made from this line item when taxes from the Beachside Subdivision are paid. The total developer reimbursement as of July 31, 2016 is \$489,053.

### **Debt Service Fund**

Tax Notes, Series 2008 is paid off.

### **Water Fund**

Revenues in the Water Fund are projected to increase by \$45,985 due to increasing the estimated water and sewer revenues in their respective accounts. Budgeted revenues are estimated at \$1.72 million. The fund has a projected increase in expenditures of \$45,985 from this year's current budget.

The 2011 Series Certificate of Obligation principal and interest are \$308,250 for the budget year 2016-2017.

We will make our fourth payment in the amount of \$88,500 towards the capital lease for the new water meters.

This year's budget includes participating in the CDBG Program. The City will match \$52,500 toward the program.

### **Airport Fund**

The city replaced the fuel pump and performed other maintenance at the Airport. Depending on revenues, minor rehabilitation and maintenance of airport facilities are planned for the budget year.

### **Equipment Fund**

The amount transferred into this fund by the other departments remained the same at \$207,000. The capital lease for the dump truck will be paid off in December of 2016. The capital lease payment for the dump truck and gradall is \$15,320. The fluctuation in the cost of fuel and maintenance repairs continues to require close monitoring to preserve the balance in this fund. Being that this is an Internal Service Fund, increased operating costs burdens the General, Water, and Airport funds that transfer monies to support this fund. This budget includes the purchase of vehicles for the police department and water department.

### **Other Major Changes**

The city did not experience an increase for the employee insurance benefits. Property, General Liability, Flood, and Windstorm insurances budgeted amounts increased by 10 percent. Workman's Compensation remained the same from last years' budget.

## **FINANCIAL CONDITION**

### **General Fund**

The financial condition of the city's General Fund is sound. Sales Tax revenues for the current budget year have leveled off to approximately \$600,000 total per year.

Reserves allocated in the Restricted Fund Balance for use on future projects are budgeted at \$50,000 for street rehabilitation. At the beginning of the 2016-2017 budget year, the reserve balance will be \$100,000 for a Fire Station, \$10,000 for Swimming Pool Repairs, \$10,000 for Park Restrooms, and \$15,000 for Emergency Preparedness.

The 2015-2016 General Fund's approximate ending cash balance is expected to be \$615,000 at the beginning of this fiscal year. The restricted cash balance of \$185,000 will leave unrestricted cash balance of \$430,000.

### **Water Fund**

The financial condition of the city's Water Fund is improving due to the payoff of the 2004 bond in the amount of \$151,355. The unreserved cash balance at the beginning of the 2016-2017 budget year is projected to be \$143,000.

### **Airport Fund**

The financial condition of the city's Airport Fund needs to be closely monitored. The continued lack of interest in new leases and landing activity has reduced the fund balance. For years expenditures have exceeded revenues. The fund balance at the beginning of the 2016-2017 budget year is projected to be \$5,800.

### **Equipment Fund**

The financial status of this internal service fund is solvent due to the support by the other major funds. Any increase or decrease in needed funding will continue to be reflected by an increase or decrease in expenditures from the other major funds. The financial policy of this fund is generally to have revenues and expenditures match with a goal of building the unreserved cash balance to \$20,000 to offset the fluctuations in fuel costs and repairs. The goal is to eliminate additional transfers to the Internal Service Fund when expenditures exceed revenues. The unreserved cash balance at the beginning of the 2016-2017 budget year is projected to be \$8,500.

## **Departments**

The City provides services to the citizens and visitors of Palacios through a departmental structure including Administration, Police, Municipal Court, and Public Works.

### **Administration**

The Administration department currently consists of five employees including the office of the city manager, city secretary, code enforcement officer, finance, and utility billing.

The City Manager's duties are spelled out in the City Charter. In summary, the City Manager is employed by the City Council, and is responsible for managing the day-to-day affairs of the City. This includes the management of the City workforce, and the development, presentation, and monitoring of the City budget. The City Manager's office is responsible for ensuring timely and accurate responses to complaints and information requests from the public and City Council. The City Secretary's office posts all required notices to the public, prepares agendas and keeps minutes of all City Council, Boards, Commissions meetings, and public hearings and the custodian of all public records. Anyone wanting to request public information must submit the request in writing.

The Building and Inspections department oversees permits and inspections that are required by the City of Palacios' Code of Ordinances providing safe construction with sound materials for new commercial and home construction including major remodeling and repairs. Once construction has begun, inspections are necessary throughout the construction process to assure compliance with safety standards and City regulations.

The Finance Department is responsible for providing fiscal control and guidance for all financial transactions of the City. In addition, Finance is responsible for complying with all applicable local, state and federal requirements. Utility billing is responsible for cash receipts and receivables of revenues from utility services provided by the City.

In addition, the utility building clerk coordinates all sanitation activities with outside providers to ensure services are received at a reasonable cost.

### **Police**

The Police department staff consists of 15 full-time and 11 part-time employees. The department has 6 full-time patrol officers and 7 part-time patrol officers. The department has three divisions including an administration, crime investigations, and patrol division. The department provides a variety of services to improve the public safety and quality of life for its citizens and visitors of Palacios.

### **Municipal Court**

The Municipal Court consists of a Judge and 2 associate judges, court clerk, and one part-time warrant officer. The department is responsible for processing and recording all traffic violation and other misdemeanor charges. The Court compiles statistical reports for the Texas Judicial Council and reports all moving violations to the Texas Department of Public safety.

## **Public Works**

The Public Works department includes the street, water, sewer, parks, airport, recycling center, and animal control divisions. The department currently has 10 full-time employees. The department is responsible for all water and sewer infrastructure repairs, maintenance of streets and parks, manage the airport and recycling center, and perform animal control functions for the city.

## **Summary**

The major challenge of the City of Palacios is to increase current services to its citizens while decreasing operating costs through efficiencies, management of individual departments, and accountability of its employees. Our plan is to improve all services to the citizens of Palacios by making water and sewer infrastructure improvements, joining with the other entities in making improvements to the city's parks, and additional street and drainage improvements.

Sincerely,

A handwritten signature in cursive script that reads "David Kocurek". The signature is written in black ink and is positioned above a horizontal line.

David Kocurek  
City Manager  
City of Palacios

**CITY OF PALACIOS  
OUTSTANDING BOND INDEBTEDNESS**

**2016-2017 Budget**

Certificates of Obligation, Series 2011 were issued on February 22, 2011 for the funding of water and wastewater infrastructure improvements. Such improvements were for the drilling of a new water well, new main line construction between the two elevated tanks, replacement of old water mains, and rehabilitation of structures at the wastewater treatment plant.

The original issue is \$3,580,000.00 in Principal and \$ 1,720,583.33 in Interest. The interest rate for this bond varies from 2% to 4.375 %. The final maturity date of the issue is August 15, 2031. A Principal amount of \$190,000.00 and Interest amount of \$118,250 for a total of \$308,250 will be paid for Fiscal Year 2016-2017. The issuance was structured with interest only payments for the first two years to allow a buildup of reserves for the first principal payment.

The issuance of the Certificates of Obligation was handled by Victor Quiroga, Jr. of Frost Bank in San Antonio, Texas.



David Kocurek  
City Manager

**CAPITAL EXPENDITURES  
FOR THE  
2016-2017  
FISCAL YEAR**

The following is a summary of Capital Expenditures for the City of Palacios. These amounts are reflected in the 2016-2017 budget.

**General Fund**

The Streets Department is proposing a Capital Expenditure of \$75,000 this budget year for street projects. An allocation of \$15,000.00 has been designated for related services to support these projects. An allocation of \$60,000.00 has been designated for reconstruction material and culverts for street repairs and drainage projects. An allocation of \$50,000 has been designated for the street reconstruction program. These funds will be transferred to the restricted fund at the end of each year to fund the program. The Fire Department is proposing an allocation of \$10,000 for the new Fire Station.

A restricted fund has been established for the General Fund. The restricted reserve beginning balances as of October 1, 2016 for the Fire Station is \$100,000, Street Rehabilitation is \$50,000, Swimming Pool Repairs is \$10,000, Park Restrooms is \$10,000, and for Emergency Preparedness is \$15,000 for a total restricted fund balance of \$185,000.

These items will be financed through General Fund revenues such as property tax, sales tax, and franchise taxes.

**Water Fund**

The City of Palacios will utilize participate in the Community Development Block Grant Program to replace deteriorated water lines with the City's match of \$52,500.

**Airport Fund**

No capital expenditures are scheduled for 2016-2017 budget.

**Equipment Fund**

The Equipment Fund is proposing a Capital Expenditure of \$30,000.00 for replacement of one public works vehicle and implementing a vehicle replacement fund for future purchases. These expenditure items will be financed through the Equipment Fund revenue, which is funded by the General, Water, and Airport Funds.

David Kocurek  
City Manager

CITY OF PALACIOS  
2016 - 2017 ANNUAL BUDGET

GENERAL FUND

SUMMARY OF RESTRICTED FUND BALANCE

	ADOPTED BUDGET 2015-2016	ACTUAL RESTRICTED 2015-2016	PROPOSED BUDGET 2016-2017
FIRE STATION	\$0	\$0	\$10,000
STREET REHABILITATION	\$50,000	\$50,000	\$50,000
SAFE TO SCHOOL BRIDGE	\$0	\$0	\$0
SWIMMING POOL	\$0	\$0	\$0
REWARD FUND	\$0	\$0	\$0
PARKS RESTROOM	\$0	\$0	\$0
LEGAL	\$0	\$0	\$0
CITY SERVICE FACILITIES	\$0	\$0	\$0
ANIMAL SHELTER	\$0	\$0	\$0
DRAINAGE FUND	\$0	\$0	\$0
COUNCIL CONTINGENCY	\$0	\$0	\$0
EMERGENCY PREPAREDNESS	\$0	\$0	\$0
PAVILION ROOF	\$0	\$0	\$0
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	\$50,000	\$50,000	\$60,000

RESTRICTED FUND HISTORY BALANCES

	ENDING BALANCE 2015-2016	BEGINNING BALANCE 2016-2017
FIRE STATION	\$90,000	\$100,000
STREET REHABILITATION	\$0	\$50,000
SAFE TO SCHOOL BRIDGE	\$0	\$0
SWIMMING POOL	\$10,000	\$10,000
REWARD FUND	\$0	\$0
PARKS RESTROOM	\$10,000	\$10,000
LEGAL	\$0	\$0
CITY SERVICE FACILITIES	\$0	\$0
ANIMAL SHELTER	\$0	\$0
DRAINAGE FUND	\$0	\$0
EMERGENCY PREPAREDNESS	\$15,000	\$15,000
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	\$125,000	\$185,000

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND

REVENUES	2013-2014 ACTUAL	2014-2015 ACTUAL	(----- 2015-2016 -----)			(----- 2016-2017 -----)	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-04020 TAXES	1,221,753	1,252,461	1,345,300	1,320,363	0	1,375,300	
01-04021 TAXES DELINQUENT	61,378	68,843	70,326	90,708	0	65,000	
01-04022 PENALTY & INTEREST	53,544	50,608	50,000	83,989	0	60,000	
01-04023 OTHER FEES	3,185	505	3,000	2,060	0	3,000	
01-04030 PLAT FEES	125	300	300	0	0	300	
01-04040 BLDG/MOVING/PLUMB/PERM.	21,230	16,282	16,000	20,519	0	18,000	
01-04050 DOG LICENSES	290	365	300	320	0	300	
01-04051 ANIMAL CONTROL FEES	2,970	3,730	3,000	2,495	0	3,000	
01-04055 MH & RV LICENSE FEES	8,270	11,920	8,000	5,025	0	8,000	
01-04060 FRANCHISE TAXES	143,170	155,123	145,000	116,827	0	150,000	
01-04065 INTERNET CONTRACT	3,750	3,000	3,500	3,000	0	3,500	
01-04070 SALES TAX	341,861	311,937	300,000	268,458	0	300,000	
01-04071 PROP TAX REDUCT SALES TAX	171,197	155,951	150,000	134,229	0	150,000	
01-04072 MIXED BEVERAGE TAX	4,552	5,319	6,500	5,988	0	6,000	
01-04074 BINGO TAX	25	0	100	78	0	100	
01-04080 FINES & COURT COSTS	76,538	94,742	75,000	72,841	0	80,000	
01-04120 SALE-LABOR & MATERIAL	4,827	8,676	7,500	10,869	0	7,000	
01-04150 DONATIONS POLICE DEPT	0	499	0	1,137	0	0	
01-04200 CHAMBER CONTRACT	0	0	0	4,768	0	13,000	
01-04210 WATER FUND TRANSFERS	150,600	150,600	150,600	125,500	0	150,600	
01-04260 OPERATING TRANSFERS IN	2	0	0	0	0	0	
01-04265 HOTEL/MOTEL & EDC ADMIN	5,000	8,000	8,000	8,000	0	8,000	
01-04306 RENT - CITY HALL PLAZA	13,830	13,828	14,600	11,525	0	15,000	
01-04310 LEOSE	1,744	1,289	2,000	1,338	0	2,000	
01-04311 REIMBURS SANE	0	4,676	1,500	2,105	0	2,000	
01-04316 DOCK RENTAL	2,400	2,400	2,400	2,400	0	2,400	
01-04550 GARBAGE RETAINAGE	0	0	0	0	0	40,000	
01-04700 INTEREST INCOME	1,526	969	1,500	1,829	0	1,500	
01-04710 MISC. RECEIPTS	2,310	6,926	2,500	858	0	2,500	
01-04712 INSURANCE PROCEEDS	0	62,273	0	0	0	0	
01-04720 SEAWALL MAINTENANCE CONTRAC	65,377	50,000	50,000	50,000	0	50,000	
01-04730 INSURANCE REIMBURSEMENT	20,774	24,783	25,400	26,235	0	25,000	
01-04735 ABANDON VEHICLE PROCEEDS	100	0	0	0	0	0	
01-04800 SALE OF RECYCLABLE MATERIAL	6,806	7,398	8,000	8,302	0	8,000	
01-04801 RECYCLE TRAILER LEASE	1,073	673	900	820	0	900	
01-04804 RESERVATION FEES FOR PARK	2,790	3,665	3,000	3,335	0	3,000	
01-04805 PARK IMPROVEMENT REIMBURS	24,121	0	0	0	0	0	
01-04820 TRULL FOUNDATION DONATION	0	0	0	7,600	0	0	
01-04830 BOYS & GIRLS CLUB GRANT	0	0	47,190	40,167	0	37,750	
01-04950 POLICE GRANT PROCEEDS	0	1,276	0	3,899	0	0	
01-04962 WEED LOTS/DEMOLITIONS	3,637	8,240	500	0	0	500	
<b>TOTAL REVENUES</b>	<b>2,420,756</b>	<b>2,487,255</b>	<b>2,501,916</b>	<b>2,437,583</b>	<b>0</b>	<b>2,591,650</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
 10-MAYOR AND CITY COUNCIL

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-10-05000 SALARIES & WAGES	20,400	20,600	20,400	16,600	0	20,400	
01-10-05021 CELL PHONE ALLOWANCE	1,200	1,200	1,200	1,000	0	1,200	
01-10-05060 OFFICE SUPPLIES	0	193	200	62	0	200	
01-10-05130 MAINT-OFFICE EQUIPMENT	0	69	800	30	0	800	
01-10-05300 CONTRACTUAL SERVICES	1,944	779	1,000	25	0	1,000	
01-10-05310 TRAVEL-TRAINING	2,342	2,713	2,000	1,467	0	2,000	
01-10-05315 SUBSCRIPTIONS & MEMBERSHP D	0	1,223	1,200	0	0	1,200	
01-10-05700 SOCIAL SECURITY	1,652	1,668	1,650	1,346	0	1,650	
01-10-05744 WORKER'S COMPENSATION	28	53	100	55	0	100	
<b>TOTAL 10-MAYOR AND CITY COUNCIL</b>	<b>27,568</b>	<b>28,497</b>	<b>28,550</b>	<b>20,586</b>	<b>0</b>	<b>28,550</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
 11-ELECTIONS

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-11-05060 OFFICE SUPPLIES	1,494	0	1,500	70	0	1,500	
01-11-05300 CONTRACTUAL SERVICES	850	0	800	0	0	800	
<b>TOTAL 11-ELECTIONS</b>	<b>2,343</b>	<b>0</b>	<b>2,300</b>	<b>70</b>	<b>0</b>	<b>2,300</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
 12-ADMINISTRATION

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-12-05000 SALARIES & WAGES	197,624	230,379	289,000	224,978	0	289,000	
01-12-05010 OVERTIME	805	0	1,000	23	0	1,000	
01-12-05020 AUTO ALLOWANCE	6,000	6,000	6,000	5,000	0	6,000	
01-12-05021 CELL PHONE ALLOWANCE	1,380	2,430	2,900	2,317	0	2,900	
01-12-05025 PERSONNEL RELATED COSTS	375	330	500	0	0	200	
01-12-05050 SUPPLIES	2,529	2,459	2,000	2,256	0	2,500	
01-12-05060 OFFICE SUPPLIES	7,151	5,849	6,000	4,351	0	6,000	
01-12-05130 MAINT-OFFICE EQUIPMENT	8,067	7,017	8,400	4,551	0	6,500	
01-12-05135 MAINT-COMP SOFTWARE/SYSTEM	20,991	16,851	20,300	15,623	0	21,000	
01-12-05150 MAINT-HEAT & AIR COND.	245	268	1,000	0	0	1,000	
01-12-05160 MAINT- BUILDINGS	10,404	37,974	2,000	848	0	4,000	
01-12-05250 TELEPHONE	5,345	5,631	5,500	4,728	0	6,000	
01-12-05260 ELECTRICITY	3,426	3,684	3,300	2,529	0	3,300	
01-12-05270 GAS	426	470	480	330	0	480	
01-12-05300 CONTRACTUAL SERVICES	37,220	21,460	10,000	1,324	0	5,000	
01-12-05301 DRUG TESTING SERVICES	1,444	2,662	2,500	2,232	0	2,500	
01-12-05304 APPRAISAL DISTR. & TAX COLL	0	26,125	26,500	14,498	0	28,500	
01-12-05305 AUDIT SERVICES	10,750	10,750	11,000	11,000	0	22,500	
01-12-05310 TRAVEL-TRAINING	6,202	5,912	7,500	911	0	8,000	
01-12-05315 SUBSCRIPTIONS & DUES	1,880	2,892	3,000	2,962	0	3,500	
01-12-05500 OFFICE EQUIPMENT	0	0	2,300	2,247	0	2,000	
01-12-05530 CAPITAL OUTLAY	0	10,000	0	0	0	0	
01-12-05700 SOCIAL SECURITY	15,753	18,145	22,500	18,070	0	23,800	
01-12-05710 HEALTH INSURANCE	34,509	43,259	60,200	39,177	0	60,200	
01-12-05740 RETIREMENT	32,464	37,809	49,000	37,046	0	49,000	
01-12-05744 WORKER'S COMPENSATION	982	994	1,200	979	0	1,200	
<b>TOTAL 12-ADMINISTRATION</b>	<b>405,972</b>	<b>499,351</b>	<b>544,080</b>	<b>397,978</b>	<b>0</b>	<b>556,080</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
 15-LEGAL

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-15-05300 CONTRACTUAL SERVICES	4,253	2,543	8,000	338	0	8,000	
TOTAL 15-LEGAL	4,253	2,543	8,000	338	0	8,000	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
 16-CORPORATION COURT

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-16-05000 SALARIES & WAGES	63,957	66,884	66,000	55,723	0	68,000	
01-16-05010 OVERTIME	0	0	200	0	0	200	
01-16-05021 CELL PHONE ALLOWANCE	480	480	480	400	0	480	
01-16-05060 OFFICE SUPPLIES	281	184	300	295	0	300	
01-16-05135 MAINT-COMP SOFTWARE/SYSTEM	4,402	6,227	5,000	5,164	0	5,500	
01-16-05250 TELEPHONE	43	99	80	58	0	80	
01-16-05300 CONTRACTUAL SERVICES	60	222	500	216	0	500	
01-16-05310 TRAVEL-TRAINING-DUES	619	1,967	2,000	1,936	0	2,000	
01-16-05700 SOCIAL SECURITY	4,887	5,109	5,000	4,386	0	5,300	
01-16-05710 HEALTH INSURANCE	6,943	7,150	7,400	6,137	0	7,400	
01-16-05740 RETIREMENT	5,625	6,233	6,000	5,302	0	6,500	
01-16-05744 WORKER'S COMPENSTATION	164	186	200	199	0	200	
<b>TOTAL 16-CORPORATION COURT</b>	<b>87,461</b>	<b>94,742</b>	<b>93,160</b>	<b>79,816</b>	<b>0</b>	<b>96,460</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
 17-LIBRARY

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	(----- 2015-2016 -----)			(----- 2016-2017 -----)	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-17-05300 CONTRACTUAL SERVICES	30,000	30,000	30,000	22,500	0	30,000	_____
TOTAL 17-LIBRARY	30,000	30,000	30,000	22,500	0	30,000	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
 20-POLICE

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-20-05000 SALARIES & WAGES	731,741	761,595	700,000	579,756	0	675,000	
01-20-05010 OVERTIME	17,625	23,255	17,000	17,949	0	17,000	
01-20-05021 CELL PHONE ALLOWANCE	8,660	8,020	9,600	7,643	0	7,700	
01-20-05025 PERSONNEL RELATED COSTS	882	2,264	1,000	906	0	1,000	
01-20-05050 SUPPLIES	3,678	5,203	3,500	2,305	0	3,500	
01-20-05055 GUNS & AMMUNITION	1,500	864	1,500	1,035	0	2,500	
01-20-05060 OFFICE SUPPLIES	3,788	5,768	5,000	1,940	0	5,000	
01-20-05080 CLOTHING	3,046	3,732	2,800	1,330	0	3,000	
01-20-05130 MAINT- OFFICE EQUIP.	6,126	7,310	7,400	4,132	0	7,400	
01-20-05135 MAINT-COMP SOFTWARE/SYSTEM	26,983	28,978	27,200	13,274	0	28,560	
01-20-05140 MAINT. RADIOS-RADAR	403	2,825	1,200	0	0	1,200	
01-20-05160 MAINT-BUILDINGS	1,303	211	800	0	0	800	
01-20-05215 INVESTIGATIVE EXPENSE	1,051	4,193	2,100	4,782	0	600	
01-20-05250 TELEPHONE	8,719	9,550	7,600	8,456	0	7,600	
01-20-05260 ELECTRICITY	4,131	4,238	5,000	3,687	0	5,000	
01-20-05270 Gas	573	487	480	355	0	480	
01-20-05275 INTERNET	3,230	1,704	1,800	1,495	0	1,800	
01-20-05300 CONTRACTUAL SERVICES	1,016	729	1,500	191	0	1,500	
01-20-05310 TRAVEL-TRAINING	2,628	3,260	5,000	2,043	0	5,600	
01-20-05315 SUBSCRIPTIONS & DUES	1,729	1,784	1,900	680	0	1,900	
01-20-05320 SUPPORT OF PRISONERS	329	277	500	166	0	500	
01-20-05700 SOCIAL SECURITY	58,072	60,570	55,000	46,917	0	54,000	
01-20-05710 HEALTH INSURANCE	100,022	101,780	118,000	82,533	0	118,000	
01-20-05740 RETIREMENT	108,717	120,332	112,000	93,302	0	108,000	
01-20-05744 WORKER'S COMPENSATION	15,547	14,823	17,200	17,170	0	17,000	
<b>TOTAL 20-POLICE</b>	<b>1,111,497</b>	<b>1,173,756</b>	<b>1,105,080</b>	<b>892,047</b>	<b>0</b>	<b>1,074,640</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
 30-FIRE

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-30-05030 VEHICLE SUPPLIES	934	626	1,000	703	0	1,000	
01-30-05050 SUPPLIES	4,276	41	1,000	0	0	0	
01-30-05070 CHEMICALS	0	0	200	0	0	0	
01-30-05080 CLOTHING	0	0	8,920	8,918	0	9,000	
01-30-05090 FIRE SUPPLIES	2,926	268	1,500	648	0	1,500	
01-30-05110 FIRE TRUCK REPAIRS	125	0	500	0	0	6,000	
01-30-05160 MAINT. - BUILDINGS	269	0	0	0	0	1,000	
01-30-05250 TELEPHONE	1,169	1,346	1,100	1,061	0	1,000	
01-30-05260 ELECTRICITY	1,238	1,470	1,500	941	0	1,500	
01-30-05270 GAS	338	373	400	315	0	400	
01-30-05300 CONTRACTUAL SERVICES	925	1,540	9,200	9,197	0	1,000	
01-30-05310 TRAVEL-TRAINING-DUES	0	0	800	0	0	0	
01-30-05510 INSTRUMENT/APPARATUS	1,745	0	2,200	1,819	0	3,000	
01-30-05740 RETIREMENT	20,434	19,317	20,000	17,025	0	20,000	
01-30-05744 WORKERS COMP	480	548	600	568	0	600	
<b>TOTAL 30-FIRE</b>	<b>34,859</b>	<b>25,528</b>	<b>48,920</b>	<b>41,196</b>	<b>0</b>	<b>46,000</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
 35-RECYCLE CENTER

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	(----- 2015-2016 -----)			(----- 2016-2017 -----)	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-35-05000 SALARIES & WAGES	21,822	9,180	8,800	7,254	0	8,800	
01-35-05021 CELL PHONE ALLOWANCE	678	0	0	0	0	0	
01-35-05050 SUPPLIES	1,168	755	800	490	0	800	
01-35-05060 OFFICE SUPPLIES	0	25	50	91	0	100	
01-35-05160 MAINT-BUILDINGS	183	689	610	609	0	820	
01-35-05250 TELEPHONE	748	783	700	587	0	700	
01-35-05260 ELECTRICITY	794	904	800	736	0	800	
01-35-05300 CONTRACTUAL SERVICES	2,809	709	600	1,033	0	0	
01-35-05304 TIRE & USED OIL DISPOSAL	0	732	360	755	0	600	
01-35-05310 TRAVEL-TRAINING	1,024	837	350	71	0	750	
01-35-05700 SOCIAL SECURITY	1,726	692	700	565	0	700	
01-35-05710 HEALTH INSURANCE	6,891	0	0	0	0	0	
01-35-05740 RETIREMENT	3,740	1,576	1,500	1,282	0	1,600	
01-35-05744 WORKER'S COMPENSATION	822	0	0	0	0	0	
<b>TOTAL 35-RECYCLE CENTER</b>	<b>42,404</b>	<b>16,883</b>	<b>15,270</b>	<b>13,473</b>	<b>0</b>	<b>15,670</b>	

CITY OF PALACIOS  
PROPOSED BUDGET WORKSHEET  
AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
40-SWIMMING POOL

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-40-05206 REPAIRS & MAINTENANCE	17,993	20,689	23,406	23,406	0	22,000	
TOTAL 40-SWIMMING POOL	17,993	20,689	23,406	23,406	0	22,000	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
 42-PARKS

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-42-05000 SALARIES & WAGES	28,820	14,775	29,150	22,066	0	52,500	
01-42-05010 OVERTIME	20	179	500	403	0	500	
01-42-05050 SUPPLIES	9,868	8,069	6,000	5,144	0	6,000	
01-42-05070 CHEMICALS	140	0	0	0	0	200	
01-42-05080 CLOTHING	164	306	400	294	0	600	
01-42-05160 MAINT BUILDING & FACILITIES	0	5,103	3,500	11,225	0	3,000	
01-42-05260 ELECTRICITY	19,453	12,334	16,000	5,617	0	16,000	
01-42-05300 CONTRACTUAL SERVICES	86,556	82,061	67,000	61,846	0	67,000	
01-42-05530 CAPITAL OUTLAY	39,281	0	0	27,435	0	0	
01-42-05700 SOCIAL SECURITY	2,232	1,144	2,230	1,745	0	4,200	
01-42-05710 HEALTH INSURANCE	5,767	3,530	7,400	3,974	0	14,800	
01-42-05740 RETIREMENT	4,754	2,568	4,800	3,912	0	9,700	
01-42-05744 WORKER'S COMPENSATION	1,531	1,386	1,500	1,481	0	2,000	
<b>TOTAL 42-PARKS</b>	<b>198,586</b>	<b>131,453</b>	<b>138,480</b>	<b>145,142</b>	<b>0</b>	<b>176,500</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
 43-STREETS

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-43-05000 SALARIES & WAGES	22,678	14,775	29,150	15,481	0	35,000	
01-43-05010 OVERTIME	148	200	500	156	0	500	
01-43-05050 SUPPLIES	18,712	4,274	2,500	922	0	2,500	
01-43-05052 TOOLS	739	512	500	357	0	500	
01-43-05070 CHEMICALS	1,513	2,904	2,500	419	0	2,500	
01-43-05080 CLOTHING	156	0	0	0	0	400	
01-43-05140 MAINT. RADIOS	0	0	100	0	0	100	
01-43-05170 STREET SIGNS & REPAIRS	0	6,559	2,500	3,249	0	5,000	
01-43-05180 RECONSTRUCTION MATERIAL	28,889	24,174	20,000	42,476	0	42,700	
01-43-05190 PIPE & CULVERTS	17,587	5,305	10,000	8,165	0	15,000	
01-43-05260 ELECTRICITY	38,912	45,002	40,000	32,785	0	40,000	
01-43-05300 CONTRACTUAL SERVICES	34,311	1,644	10,000	51,057	0	15,000	
01-43-05310 TRAVEL-TRAINING-DUES	25	0	100	84	0	0	
01-43-05530 OTHER-CAPITAL OUTLAY	0	0	50,000	0	0	50,000	
01-43-05700 SOCIAL SECURITY	1,772	1,146	2,230	1,222	0	2,700	
01-43-05710 HEALTH INSURANCE	5,767	3,530	7,100	3,974	0	7,400	
01-43-05740 RETIREMENT	3,765	2,572	4,800	2,747	0	6,200	
<b>TOTAL 43-STREETS</b>	<b>174,973</b>	<b>112,596</b>	<b>181,980</b>	<b>163,093</b>	<b>0</b>	<b>225,500</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
 55-ANIMAL CONTROL

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-55-05000 SALARIES	0	0	0	0	0	16,200	
01-55-05010 OVERTIME	0	0	0	0	0	500	
01-55-05050 SUPPLIES	880	612	1,500	640	0	1,500	
01-55-05051 DOG/CAT FOOD	1,212	714	700	614	0	700	
01-55-05052 TOOLS	78	0	200	0	0	200	
01-55-05070 CHEMICALS	4,181	0	1,500	0	0	1,500	
01-55-05160 MAINT BUILDING	0	1,471	0	0	0	1,000	
01-55-05250 TELEPHONE	701	771	800	675	0	800	
01-55-05260 ELECTRICITY	1,265	1,346	1,200	1,009	0	1,200	
01-55-05300 CONTRACTUAL SERVICES	635	724	1,000	1,177	0	0	
01-55-05304 RABIES VACCINATIONS	0	0	0	0	0	500	
01-55-05310 TRAVEL-TRAINING-DUES	436	50	500	104	0	500	
01-55-05700 SOCIAL SECURITY	0	0	0	0	0	1,300	
01-55-05710 HEALTH INSURANCE	0	0	0	0	0	3,700	
01-55-05740 RETIREMENT	0	0	0	0	0	3,000	
<b>TOTAL 55-ANIMAL CONTROL</b>	<b>9,388</b>	<b>5,688</b>	<b>7,400</b>	<b>4,220</b>	<b>0</b>	<b>32,600</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

01 -GENERAL FUND  
 70-SPECIAL ITEMS

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
01-70-05732 UNEMPLOYMENT	10,247	1,323	4,000	5,841	0	4,000	
01-70-05750 PROP, GL, WIND INSURANCE	70,463	85,323	79,100	79,082	0	90,000	
01-70-05760 COMMUNITY IMPROV.	798	2,535	1,000	560	0	1,000	
01-70-05770 TRANSFERS TO EQUIPMENT FD	70,000	72,000	82,000	68,334	0	82,000	
01-70-05771 OPERATING TRANSFER OUT	91,889	76,356	0	0	0	0	
01-70-05780 MAYOR'S CONTINGENCY	6,674	1,996	5,000	789	0	5,000	
01-70-05785 HOSPITAL ASSISTANCE	10,000	10,000	10,000	10,000	0	10,000	
01-70-05787 DEVELOPMENT AGREEMENT REBAT	0	0	50,000	59,783	0	50,000	
01-70-05830 BOYS & GIRLS CLUB EXPENSES	0	0	44,190	38,144	0	35,350	
<b>TOTAL 70-SPECIAL ITEMS</b>	<b>260,071</b>	<b>249,533</b>	<b>275,290</b>	<b>262,533</b>	<b>0</b>	<b>277,350</b>	
<b>TOTAL EXPENDITURES</b>	<b>2,407,368</b>	<b>2,391,259</b>	<b>2,501,916</b>	<b>2,066,397</b>	<b>0</b>	<b>2,591,650</b>	
<b>REVENUE OVER/(UNDER) EXPENDITURES</b>	<b>13,388</b>	<b>95,996</b>	<b>0</b>	<b>371,186</b>	<b>0</b>	<b>0</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

02 -WATER FUND

REVENUES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
02-04120 SALE - LABOR AND MATERIAL	8,190	6,700	9,515	9,446	0	7,000	
02-04200 GENERAL FUND TRANSFERS	91,889	76,356	0	0	0	0	
02-04500 WATER REVENUES	884,489	857,821	850,000	686,628	0	855,000	
02-04501 SEWER REVENUES	795,673	762,178	712,000	611,323	0	760,000	
02-04504 PENALTY CHARGES	39,230	34,253	35,000	26,508	0	35,000	
02-04508 BRUSH/HEAVY PICK-UP	560	1,034	0	483	0	0	
02-04510 WATER TAPS	4,300	3,000	3,000	6,600	0	4,000	
02-04520 SEWER TAPS	2,000	5,750	10,500	11,973	0	5,000	
02-04530 SERVICE CHARGES	12,088	12,259	12,500	9,826	0	12,500	
02-04601 GARBAGE RETAINAGE	41,460	43,803	40,000	37,044	0	40,000	
02-04700 INTEREST INCOME	1,114	861	1,000	757	0	1,000	
02-04710 MISC. RECEIPTS	2,213	1,863	2,300	546	0	2,300	
02-04730 INSURANCE REIMBURSEMENT	136	202	200	0	0	200	
02-04980 CASH OVER/SHORT	70	( 18)	0	( 6)	0	0	
<b>TOTAL REVENUES</b>	<b>1,883,413</b>	<b>1,806,061</b>	<b>1,676,015</b>	<b>1,401,128</b>	<b>0</b>	<b>1,722,000</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

02 -WATER FUND  
 WATER DEPARTMENT

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
02-22-05000 SALARIES & WAGES	248,873	253,574	236,500	234,182	0	236,500	
02-22-05010 OVERTIME	31,998	20,676	30,000	8,982	0	30,000	
02-22-05021 CELL PHONE ALLOWANCE	1,200	1,200	1,200	1,200	0	1,200	
02-22-05025 PERSONNEL RELATED COSTS	219	0	450	83	0	450	
02-22-05050 SUPPLIES	79,035	59,225	40,000	38,422	0	50,000	
02-22-05052 TOOLS	2,718	1,732	2,000	2,722	0	2,000	
02-22-05060 UTILITY OFFICE SUPPLIES	579	529	2,000	1,766	0	2,000	
02-22-05070 CHEMICALS	8,349	3,024	6,000	1,855	0	6,000	
02-22-05080 CLOTHING	1,215	1,851	1,500	1,351	0	1,500	
02-22-05122 STATIONARY EQUIPMENT	7,016	5,355	7,000	5,768	0	10,000	
02-22-05130 MAINT.OFFICE EQUIPMENT	141	0	0	0	0	0	
02-22-05135 MAINT-COMP SOFTWARE/SYSTEM	9,521	11,071	11,000	10,455	0	12,050	
02-22-05140 MAINT. RADIOS	0	0	300	0	0	300	
02-22-05160 MAINT-BUILDINGS	227	247	1,200	1,444	0	1,200	
02-22-05230 WATER SAMPLES & TESTING	7,673	3,699	5,000	1,163	0	4,000	
02-22-05240 INSPECTION & PERMIT FEES	4,839	3,683	4,015	5,914	0	4,000	
02-22-05250 TELEPHONE	3,426	3,843	3,600	1,946	0	3,600	
02-22-05260 ELECTRICITY	43,190	49,204	40,000	34,307	0	40,000	
02-22-05300 CONTRACTUAL SERVICES	30,326	12,511	20,000	79,756	0	25,000	
02-22-05302 BUILDING LEASE	9,600	9,600	9,600	8,800	0	9,600	
02-22-05303 STATEMENT PRINT/MAIL SERVIC	14,877	13,072	15,000	10,605	0	15,000	
02-22-05305 AUDIT FEES	10,750	10,750	11,000	11,000	0	0	
02-22-05310 TRAVEL-TRAINING-DUES	1,162	132	2,500	2,352	0	1,000	
02-22-05510 INSTRUMENTS/APPARATUS	8,875	0	5,000	2,388	0	7,000	
02-22-05530 OTHER-CAPITAL OUTLAY	0	0	10,000	0	0	10,000	
02-22-05700 SOCIAL SECURITY	21,127	21,338	20,500	18,833	0	20,500	
02-22-05710 HEALTH INSURANCE	47,130	50,054	51,600	44,182	0	48,200	
02-22-05740 RETIREMENT	44,846	47,362	46,500	43,001	0	46,500	
02-22-05744 WORKER'S COMPENSATION	6,705	7,350	8,500	8,471	0	8,500	
<b>TOTAL WATER DEPARTMENT</b>	<b>645,617</b>	<b>591,082</b>	<b>591,965</b>	<b>580,950</b>	<b>0</b>	<b>596,100</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

02 -WATER FUND  
 SEWER DEPARTMENT

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	(----- 2015-2016 -----)			(----- 2016-2017 -----)	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
02-23-05000 SALARIES & WAGES	33,966	48,961	54,200	27,288	0	32,000	
02-23-05010 OVERTIME	8,229	5,950	10,000	2,006	0	10,000	
02-23-05025 PERSONNEL RELATED COSTS	0	360	200	0	0	200	
02-23-05050 SUPPLIES	13,743	25,985	15,000	14,865	0	15,000	
02-23-05052 TOOLS	611	1,406	500	540	0	500	
02-23-05070 CHEMICALS	9,947	13,375	15,000	9,529	0	15,000	
02-23-05080 CLOTHING	193	700	600	248	0	600	
02-23-05120 STATIONARY EQUIP MAINT	12,457	20,791	21,000	21,137	0	26,650	
02-23-05140 MAINT. RADIOS	0	0	200	0	0	200	
02-23-05160 MAINT-BUILDINGS	775	0	1,000	0	0	1,000	
02-23-05230 WATER SAMPLES & TESTING	6,734	7,422	6,500	5,342	0	7,000	
02-23-05240 INSPECTION & PERMIT FEES	7,588	4,793	4,500	4,426	0	4,500	
02-23-05250 TELEPHONE	1,118	696	600	517	0	600	
02-23-05260 ELECTRICITY	90,367	87,719	80,000	59,574	0	80,000	
02-23-05300 CONTRACTUAL SERVICES	78,801	65,082	60,000	68,589	0	70,000	
02-23-05310 TRAVEL-TRAINING-DUES	0	0	500	490	0	1,000	
02-23-05530 OTHER-CAPITAL OUTLAY	0	0	0	0	0	20,000	
02-23-05700 SOCIAL SECURITY	3,189	4,211	5,000	2,365	0	3,000	
02-23-05710 HEALTH INSURANCE	6,929	7,803	14,700	6,741	0	7,400	
02-23-05740 RETIREMENT	6,794	9,468	11,200	5,309	0	6,800	
02-23-05744 WORKER'S COMPENSATION	645	1,518	1,650	1,623	0	1,600	
<b>TOTAL SEWER DEPARTMENT</b>	<b>282,086</b>	<b>306,242</b>	<b>302,350</b>	<b>230,588</b>	<b>0</b>	<b>303,050</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

02 -WATER FUND  
 SPECIAL SERVICES DEPARTM

DEPARTMENTAL EXPENDITURES	2013-2014		2015-2016			2016-2017	
	ACTUAL	ACTUAL	CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
02-25-05220 PRINCIPAL EXPENSE - BONDS	0	0	185,000	185,000	0	190,000	
02-25-05230 INTEREST EXPENSE - BONDS	133,516	127,738	123,800	123,800	0	118,250	
02-25-05336 CAPITAL LEASE	(1)	0	88,500	88,234	0	88,500	
02-25-05726 GARBAGE RETAINAGE TRANSFER	0	0	0	0	0	40,000	
02-25-05730 GENERAL FUND CONTRIBUTION	150,600	150,600	150,600	125,500	0	150,600	
02-25-05732 UNEMPLOYMENT	0	0	3,000	0	0	3,000	
02-25-05750 PROP, GL, WIND INSURANCE	18,754	20,272	21,800	21,769	0	23,500	
02-25-05765 HAZARD MITIGATION MATCH	0	2,066	31,000	2,250	0	31,000	
02-25-05770 TRANSFER TO EQUIPMENT FND	135,000	135,000	125,000	104,167	0	125,000	
02-25-05772 CDBG MATCH	0	3,325	52,500	0	0	52,500	
02-25-05782 TRANSFERS OUT	31,225	0	0	0	0	0	
02-25-05800 FEE PAYMENTS	900	500	500	500	0	500	
02-25-05812 INTEREST EXPENSE	16,321	5,778	0	0	0	0	
02-25-05875 DEPRECIATION EXPENSE	0	715,679	0	0	0	0	
<b>TOTAL SPECIAL SERVICES DEPARTM</b>	<b>486,316</b>	<b>1,160,957</b>	<b>781,700</b>	<b>651,220</b>	<b>0</b>	<b>822,850</b>	
<b>TOTAL EXPENDITURES</b>	<b>1,414,020</b>	<b>2,058,281</b>	<b>1,676,015</b>	<b>1,462,758</b>	<b>0</b>	<b>1,722,000</b>	
<b>REVENUE OVER/(UNDER) EXPENDITURES</b>	<b>469,393</b>	<b>( 252,220)</b>	<b>0</b>	<b>( 61,629)</b>	<b>0</b>	<b>0</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

04 -AIRPORT FUND

REVENUES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
04-04122 FUEL SALES	20,920	28,236	20,000	10,789	0	20,000	
04-04306 HANGAR RENTAL & TIEDOWNS	5,900	5,800	5,000	5,125	0	6,300	
04-04320 PISD SCHOOL BARN LEASE	148	148	150	148	0	150	
04-04330 GOLF ASSOC LEASE	104	104	100	104	0	100	
04-04350 T HANGAR LEASE	5,875	6,050	6,000	5,000	0	6,000	
04-04370 FARMING LEASE	1,900	1,800	1,900	1,800	0	1,900	
04-04390 GRAZING LEASE	21,938	21,938	21,900	21,938	0	21,900	
04-04700 INTEREST INCOME	1	11	0	14	0	0	
04-04704 MINERAL LEASE	10,000	0	0	0	0	0	
04-04710 MISC. RECEIPTS	91	20	25	45	0	25	
04-04860 TXDOT REIMBURSEMENT	6,358	6,941	5,000	2,551	0	5,000	
<b>TOTAL REVENUES</b>	<b>73,234</b>	<b>71,047</b>	<b>60,075</b>	<b>47,513</b>	<b>0</b>	<b>61,375</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

04 -AIRPORT FUND  
 AIRPORT DEPARTMENT

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
04-41-05050 SUPPLIES	689	1,256	1,000	635	0	500	
04-41-05070 CHEMICALS	0	1,954	0	0	0	0	
04-41-05100 AVIATION FUEL & OIL	19,613	35,063	15,430	6,281	0	18,000	
04-41-05120 MAINT-MACH-TOOLS-IMPL	0	300	1,000	2,862	0	800	
04-41-05160 MAINT-BUILDINGS	800	0	100	39	0	275	
04-41-05250 TELEPHONE	1,368	1,345	1,300	1,183	0	1,300	
04-41-05260 ELECTRICITY	10,626	6,671	7,500	2,768	0	7,500	
04-41-05300 CONTRACTUAL SERVICES	20,437	21,936	12,000	11,976	0	12,000	
04-41-05310 TRAVEL-TRAINING- DUES	37	0	0	0	0	0	
04-41-05530 CAPITAL OUTLAY	12,322	0	0	0	0	0	
04-41-05875 DEPRECIATION EXPENSE	0	46,149	0	0	0	0	
<b>TOTAL AIRPORT DEPARTMENT</b>	<b>65,891</b>	<b>114,675</b>	<b>38,330</b>	<b>25,745</b>	<b>0</b>	<b>40,375</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

04 -AIRPORT FUND  
 SPECIAL ITEMS DEPARTMENT

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	(----- 2015-2016 -----)			(----- 2016-2017 -----)	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
04-44-05750 PROP, GL, WIND INSURANCE	14,040	14,549	18,170	18,165	0	21,000	_____
04-44-05770 EQUIPMENT FUND TRANSFERS	1,500	0	0	0	0	0	_____
<b>TOTAL SPECIAL ITEMS DEPARTMENT</b>	<b>15,540</b>	<b>14,549</b>	<b>18,170</b>	<b>18,165</b>	<b>0</b>	<b>21,000</b>	
<b>TOTAL EXPENDITURES</b>	<b>81,431</b>	<b>129,225</b>	<b>56,500</b>	<b>43,911</b>	<b>0</b>	<b>61,375</b>	=====
<b>REVENUE OVER/(UNDER) EXPENDITURES</b>	<b>( 8,197)</b>	<b>( 58,178)</b>	<b>3,575</b>	<b>3,602</b>	<b>0</b>	<b>0</b>	=====

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

05 -EQUIPMENT FUND

REVENUES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
05-04200 GENERAL FUND TRANSFERS	70,000	72,000	82,000	68,334	0	82,000	
05-04210 WATER FUND TRANSFERS	135,000	135,000	125,000	104,167	0	125,000	
05-04230 AIRPORT FUND TRANSFERS	1,500	0	0	0	0	0	
05-04700 INTEREST INCOME	3	7	0	39	0	0	
<b>TOTAL REVENUES</b>	<b>206,503</b>	<b>207,007</b>	<b>207,000</b>	<b>172,539</b>	<b>0</b>	<b>207,000</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

05 -EQUIPMENT FUND  
 EQUIPMENT DEPARTMENT

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
05-51-05030 VEHICLE PARTS	0	3,271	5,000	1,261	0	5,000	
05-51-05035 HEAVY EQUIP PARTS & SUPPLIE	2,000	3,759	7,000	7,793	0	6,000	
05-51-05040 FUEL & OIL	111,128	81,535	95,500	43,666	0	90,000	
05-51-05050 SUPPLIES	11,259	1,233	1,300	2,103	0	1,000	
05-51-05052 TOOLS	124	0	0	0	0	0	
05-51-05110 VEHICLE REPAIR & MAINT	0	0	0	0	0	36,000	
05-51-05125 HEAVY EQUIP REPAIR & MAINT	0	2,871	5,900	7,516	0	4,700	
05-51-05140 MAINT-RADIOS & RADAR	592	86	0	0	0	0	
05-51-05300 CONTRACTUAL SERVICES	37,661	44,930	34,000	37,210	0	5,000	
05-51-05336 CAPITAL LEASE - PRINCIPAL	4,019	2,749	29,300	26,408	0	29,300	
05-51-05530 CAPITAL OUTLAY	0	0	30,000	21,626	0	30,000	
05-51-05875 DEPRECIATION EXPENSE	0	57,498	0	0	0	0	
<b>TOTAL EQUIPMENT DEPARTMENT</b>	<b>166,782</b>	<b>197,932</b>	<b>208,000</b>	<b>147,582</b>	<b>0</b>	<b>207,000</b>	
<b>TOTAL EXPENDITURES</b>	<b>166,782</b>	<b>197,932</b>	<b>208,000</b>	<b>147,582</b>	<b>0</b>	<b>207,000</b>	
<b>REVENUE OVER/(UNDER) EXPENDITURES</b>	<b>39,721</b>	<b>9,074</b>	<b>( 1,000)</b>	<b>24,957</b>	<b>0</b>	<b>0</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

26 -HOTEL/MOTEL TAX FUND

REVENUES	2013-2014 ACTUAL	2014-2015 ACTUAL	(----- 2015-2016 -----)			(----- 2016-2017 -----)	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
26-04071 HOTEL TAX REVENUE	39,340	28,532	21,500	30,350	0	28,000	_____
26-04700 INTEREST INCOME	70	93	100	86	0	100	_____
<b>TOTAL REVENUES</b>	<b>39,410</b>	<b>28,625</b>	<b>21,600</b>	<b>30,437</b>	<b>0</b>	<b>28,100</b>	<b>=====</b>

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

26 -HOTEL/MOTEL TAX FUND  
 HOTEL/MOTEL TAX FUND

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	(----- 2015-2016 -----)			(----- 2016-2017 -----)	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
26-26-05306 PROMOTIONAL EXP/TOURISM	14,040	13,000	18,600	18,000	0	25,000	=====
26-26-05307 ADMIN. EXPENSE TO CITY	0	2,000	2,000	2,000	0	2,000	=====
26-26-05310 TRAVEL, TRAINING, DUES	0	0	1,000	250	0	1,000	=====
<b>TOTAL HOTEL/MOTEL TAX FUND</b>	<b>14,040</b>	<b>15,000</b>	<b>21,600</b>	<b>20,250</b>	<b>0</b>	<b>28,000</b>	
<b>TOTAL EXPENDITURES</b>	<b>14,040</b>	<b>15,000</b>	<b>21,600</b>	<b>20,250</b>	<b>0</b>	<b>28,000</b>	=====
<b>REVENUE OVER/(UNDER) EXPENDITURES</b>	<b>25,370</b>	<b>13,625</b>	<b>0</b>	<b>10,187</b>	<b>0</b>	<b>100</b>	=====

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

28 -ECONOMIC DEVELOPMENT CORP

REVENUES	2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016			2016-2017	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
28-04073 ECONOMIC DEVELOPMENT TAX	171,019	155,963	150,000	134,229	0	150,000	
28-04200 CHAMBER CONTRACT	10,570	7,893	12,000	10,960	0	12,000	
28-04300 RENT & REIMBURS C. OF COMME	0	3,600	4,800	3,600	0	4,800	
28-04700 INTEREST INCOME	1,256	811	1,000	666	0	1,000	
28-04710 MISC. RECEIPTS	0	1,500	1,500	1,500	0	1,500	
<b>TOTAL REVENUES</b>	<b>182,845</b>	<b>169,767</b>	<b>169,300</b>	<b>150,956</b>	<b>0</b>	<b>169,300</b>	

CITY OF PALACIOS  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JULY 31ST, 2016

28 -ECONOMIC DEVELOPMENT CORP  
 ECONOMIC DEVELOPMENT COR

DEPARTMENTAL EXPENDITURES	2013-2014 ACTUAL	2014-2015 ACTUAL	(----- 2015-2016 -----)			(----- 2016-2017 -----)	
			CURRENT BUDGET	YEAR-TO-DATE ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	APPROVED BUDGET
28-28-05000 SALARIES AND WAGES	33,509	35,470	35,300	28,443	0	35,300	
28-28-05060 OFFICE SUPPLIES	579	324	700	184	0	700	
28-28-05130 MAINT. OFFICE EQUIPMENT	4,768	4,809	5,000	4,032	0	5,000	
28-28-05135 MAINT-COMP SOFTWARE/SYSTEM	335	835	1,000	860	0	1,000	
28-28-05160 MAINTENANCE OF BUILDING	851	0	1,000	417	0	4,500	
28-28-05250 TELEPHONE	1,673	1,658	1,800	1,445	0	1,800	
28-28-05260 ELECTRICITY	2,372	2,932	2,500	1,982	0	3,000	
28-28-05300 CONTRACTUAL SERVICES	0	26,260	20,000	46,925	0	20,000	
28-28-05302 BUILDING LEASE	4,200	4,200	4,200	3,850	0	4,200	
28-28-05306 PROMOTIONAL EXPENSES	1,412	748	4,000	30	0	4,000	
28-28-05307 ADMIN EXPENSE TO CITY	5,000	6,000	6,000	6,000	0	6,000	
28-28-05310 TRAVEL, TRAINING	2,157	1,815	2,000	550	0	2,000	
28-28-05315 DUES & MEMBERSHIPS	30	820	1,000	555	0	1,000	
28-28-05370 CONTRACTS	64,750	40,000	35,000	26,250	0	35,000	
28-28-05400 GRANTS	20,258	22,401	25,500	2,500	0	23,500	
28-28-05410 BUILDERS INCENTIVES	3,123	0	10,000	0	0	10,000	
28-28-05500 OFFICE EQUIPMENT	1,312	841	4,000	1,804	0	2,000	
28-28-05700 SOCIAL SECURITY	2,556	2,571	2,800	2,241	0	2,800	
28-28-05710 HEALTH INSURANCE	555	925	1,100	793	0	1,100	
28-28-05740 RETIREMENT	5,442	5,772	6,100	5,026	0	6,100	
28-28-05744 WORKMANS COMP	96	109	200	116	0	200	
28-28-05750 INSURANCE--PROPERTY	53	0	100	61	0	100	
<b>TOTAL ECONOMIC DEVELOPMENT COR</b>	<b>155,029</b>	<b>158,490</b>	<b>169,300</b>	<b>134,064</b>	<b>0</b>	<b>169,300</b>	
<b>TOTAL EXPENDITURES</b>	<b>155,029</b>	<b>158,490</b>	<b>169,300</b>	<b>134,064</b>	<b>0</b>	<b>169,300</b>	
<b>REVENUE OVER/(UNDER) EXPENDITURES</b>	<b>27,817</b>	<b>11,277</b>	<b>0</b>	<b>16,891</b>	<b>0</b>	<b>0</b>	

**ADMINISTRATIVE REPORTS**

CITY OF PALACIOS, TEXAS

ANNUAL BUDGET 2016 - 2017

APPROPRIATION ORDINANCE

ORDINANCE NO. 2016-O-6

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, 2016, and ending September 30, 2017, 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	556,080.00
Legal	8,000.00
Corporation Court	96,460.00
Library	30,000.00
Police	1,074,640.00
Fire	46,000.00
Recycle Center	15,670.00
Pool	22,000.00
Parks	176,500.00
Streets	225,500.00
Animal Control	32,600.00
Special Items	277,350.00
	-----
	2,591,650.00

CITY OF PALACIOS, TEXAS

ANNUAL BUDGET 2016 - 2017

APPROPRIATION ORDINANCE

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.

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 \$207,000.00.

V. 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.

VI. 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.

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.

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 13<sup>th</sup> day of September 2016 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.

CITY OF PALACIOS, TEXAS

ANNUAL BUDGET 2016 - 2017

APPROPRIATION ORDINANCE

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 this 13<sup>th</sup> day of September, 2016.

SIGNED:

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

ATTEST:

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

## Budget & Tax Rate Item #2

Mayor and Council,

During tonight's meeting, Budget & Tax Rate Item #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 0.84000, which is effectively a .65 percent increase in the tax rate.”**

Thank you,

Jackie Jones

City Treasurer

**ORDINANCE NO. 2016-O-7**

AN ORDINANCE FIXING THE TAX RATE FOR THE CITY OF PALACIOS FOR THE YEAR 2016; 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 2016-2017 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 2016 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:

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;

TOTAL TAX RATE adopted for the year 2016 being Eighty Four Cents (84.00) 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 .85 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 13<sup>th</sup> day of September, 2016.

CITY OF PALACIOS, TEXAS

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

ATTEST:

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

**TEXAS DEPARTMENT OF TRANSPORTATION  
GRANT FOR ROUTINE AIRPORT MAINTENANCE PROGRAM**

**(State Assisted Airport Routine Maintenance)**

**TxDOT Project ID: M1713PALC**

**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 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 Municipal 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, 2017, 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 a 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 any 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 approval of a 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: M1713PALC**

<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
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
<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: M1713PALC

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 will comply with all  
(Designated Representative)

requirements of the State of Texas Single Audit Act if the City of Palacios 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 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: M1713PALC

The City of Palacios 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/Fax Number: \_\_\_\_\_

\_\_\_\_\_  
Email address: \_\_\_\_\_

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

a) Minutes of the August 30, 2016 Regular Council Meeting

b) Excuse the absence of Johnny Tran from the August 30, 2016 Meeting



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  
August 30, 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, Jackie Miller, Chief Miles

**INVOCATION** – Councilmember Dodd

**PLEDGE OF ALLEGIANCE** – Councilmember McGovern

**PLEDGE TO TEXAS FLAG** – Councilmember McGovern

**PLEDGE TO PALACIOS FLAG** – Councilmember McGovern

**VISITOR / CITIZEN FORUM**

Patricia Loving mentioned her big pot holes on Harrison Rd. She also stated that she had concerns over Action Item 4 with cost increases and people with low incomes. She thinks we should have a minimum payment that people can pay to keep their water on. Water shouldn't be shut off in such a small town.

**PUBLIC HEARING- 7:07 PM**

1. Second Public Hearing on the proposed property tax of 0.84000 per \$100.
2. On September 13, 2016 at 7:00 PM at Council Chambers, the City Council will adopt the 2016 tax rate. - Patricia Loving thanked the staff for budget, thinks it's fair. She had concerns about age of police vehicles and that we should put away for those.

Public Hearing adjourned at 7:09 PM.

**ADMINISTRATIVE REPORTS-**

David Kocurek said that the sailing regatta had a great turnout. We had praise on our new beach and the Yacht Club thanks city staff for helping.

**ITEMS TO BE CONSIDERED**

1. Discuss and consider action to approve Second Reading of Resolution 2016-R-16 authorizing the Palacios Economic Development Corporation to expend \$13,000 for the Palacios Pavilion Project.  
Councilmember Crocker motioned to approve the Second Reading of 2016-R-16.  
Councilmember McGovern seconded.  
There was no opposition.  
With no opposition the motion carried.
2. Discuss and consider a vote for the election of Places 6-9 of the Board of Trustees for the Texas Municipal League Intergovernmental Risk Pool.  
Boardmember Jung was voted with 4/6 majority vote.  
Boardmember Wax was voted with a 6/6 majority vote.  
Boardmember Gardner was voted with a 4/6 majority vote.  
Boardmember Garza was voted with a 6/6 majority vote for Place 9.
3. Discuss and consider approval to solicit engineering and grant administration services for the Program Year 2016 Texas Capital Fund Downtown Revitalization Program for application and implementation.  
Councilmember Crocker motioned to approve solicitation of engineering and grant administration services.  
Councilmember Dodd seconded.  
There was no opposition.  
With no opposition the motion carried.
4. Discuss and consider revising the City's utilities service policy.  
Councilmember McGovern motion to approve the new policy with the suggested changes.  
Councilmember Crocker seconded.

There was no opposition.

With no opposition the motion carried.

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

- a) Minutes of the August 23, 2016 Regular Council Meeting

Councilmember Erdelt motioned to approve Consent Agenda.

Councilmember Chavez seconded.

There was no opposition.

With no opposition the motion carried.

**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**

Councilmember Dodd 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**

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 13, 2016 agenda of items to be considered by the City Council was posted on the City Hall bulletin board by 5:00p.m. on September 9, 2016.