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**CITY OF PALACIOS
REGULAR CITY COUNCIL MEETING**

AGENDA

**THURSDAY, MAY 25, 2023
6:00PM**

REGULAR CITY COUNCIL MEETING

**City of Palacios Council Chambers
311 Henderson
Palacios, Texas 77465**

CALL TO ORDER:

- a. Quorum Call.
- b. Invocation. Councilmember Margie Wier.
- c. Pledge of Allegiance to the United States Flag.
- d. Pledge of Allegiance to the Texas Flag.
- e. Pledge of Allegiance to the Palacios Flag.

ANNOUNCEMENTS:

With respect to items not listed on this agenda, Council Members may announce community events or announce community recognitions.

1. Mayor's Announcements
2. Council Member's Announcements

CITIZEN COMMUNICATION FORUM:

The public is invited to address the City Council and speak on any matter. Please note Council Members may not deliberate on topics not included on this agenda. The presentation shall be no longer than three (3) minutes.

PRESENTATIONS

- **Palacios Paddling Trail** Presented by Barbara Shepler and Dr. Bonnie Benson
- **TIRZ 101** Presented by David Pettit (via ZOOM)
- **Update on Meter Project** Presented by Greg Smith with Performance Services

DISCUSSION AND ACTION ITEMS

1. **Minutes** Discuss and approve the regular council meeting minutes of May 11, 2023. *Presented by Mayor Gardner*
2. **Appoint Mayor Pro Tem** Discuss and approve appointing a Mayor Pro Tem to serve until the next general election. *Presented by Mayor Gardner*
3. **April Financials and Bills Paid** Discuss and approve financials and bills paid for the month of April 2023. *Presented by Maria Ayala*
4. **Second First Reading of Game Room Ordinance No. 2023-O-09** Discuss and approve second first reading of Ordinance No. 2023-O-09 an ordinance of the city of Palacios, Texas, placing location requirements for game rooms and amusement redemption machines; providing a penalty; and providing an effective date. *Presented by Police Chief, Tobie Bias*
5. **Ratify Agreement for On-Call Mechanic Services** Discuss and ratify an agreement between the City of Palacios, and K3 Mechanic Services to provide regular maintenance and repair services for the City of Palacios for a term of one year. *Presented by Public Works Director, Ryan Adams, and Police Chief, Tobie Bias*
6. **Resolution 2023-R-16 HOME Program** Discuss and approve a resolution to allow the City of Palacios to apply for the HOME Program which allows cities to administer a program that would build new homes for citizens with condemned or nearly condemned homes and mobile homes. *Presented by Grant Administrator, Tammy McDonald*
7. **Audit FY 2021-2022** Discuss and approve audit for FY 2021-2022. *Presented by Harrison Waldrop & Uherek L.L.P.*

ADJOURNMENT

AGENDA NOTICES:

Action by Council Authorized: The City Council may vote and act upon any item within this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, pursuant to and in accordance with Texas Government Code Section 551.071, to seek the advice of its attorney about pending or contemplated litigation, settlement offer or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body if considered necessary and legally justified under the Open Meetings Act. The City Attorney may appear in person or appear in executive session by conference call in accordance with applicable state law.

Attendance By Other Elected or Appointed Officials: It is anticipated that members of other city boards, commissions, and committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions, and committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions, and committees of the City, whose members may be in attendance. The members of the boards, commissions, and committees may participate in discussions on the same items listed on the agenda, which occur at the meeting. Still, such in attendance will not take any action unless such item and action are expressly provided for on the agenda for that board, commission, or committee subject to the Texas Open Meetings Act.

Executive Sessions Authorized: This agenda has been reviewed and approved by the City's legal counsel, and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally addressed in the closed portion of the meeting considering public views of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c). The meeting is conducted by all participants in reliance on this opinion.

Certification of Posting: This is to certify that the above notice of a Regular Called Council Meeting was posted on the front bulletin board of the City Hall of the City of Palacios, Texas, on **Friday MAY 19, 2023, before 6:00 PM**. If you have any questions concerning the above items, please contact City Manager Cynthia Raleigh at (361) 972-3605. This Notice was posted under the Texas Open Meeting Act (TEXAS GOVERNMENT CODE, Chapter 551) and recent guidelines from the Texas Attorney General.

Posting of Agenda Packet: The posting of the agenda packet on the City's website is for transparency and convenience of the public. All documents such as ordinances and resolutions are presented in draft form in the packet and are presented to City Council for use in their deliberations at the council meeting. It is not the intent of the City Administration or City Council to consider the draft documents as adopted or not subject to revision. All draft documents discussed at duly called city council meetings will be revised pursuant to action taken at the meeting and the final form of such adopted documents are subject to review by the public through the public information act.

Aleisha C. Galvan
Aleisha C. Galvan, City Secretary

This facility is accessible in accordance with the Americans with Disabilities Act. Accessible parking spaces are available. If you require special assistance or have a request for sign interpretative services or other services, please call 361-972-3605 at least 24 hours before the meeting.

The next regular City Council meeting will
be held on JUNE 08, 2023, at 6:00 p.m.

CITY OF PALACIOS, TEXAS
REGULAR CITY COUNCIL MEETING

MINUTES

May 11, 2023

REGULAR CITY COUNCIL MEETING

A regular City Council meeting was held by the City Council of the City of Palacios on May 11, 2023, at 6:00 p.m., in Council Chambers located at 311 Henderson, Palacios, Texas 77465.

CALL TO ORDER

Mayor Jim Gardner called the City Council meeting to order at 6:00PM.

CERTIFICATION OF A QUORUM

Mayor Jim Gardner certified a quorum was present.

ATTENDANCE ROLL CALL

*Mayor, Jim Gardner, Present
Councilmember Place 6, Donna Schulman, Present
Councilmember Place 5, Raylynn Samora, Present
Councilmember, Place 4, Troy Lewis, Present
Councilmember Place 3, Chip Woolf, Present
Councilmember, Place 2, Sharon Trainor, Present
Councilmember Place 1, Larry Glenn, Present*

CITY STAFF IN ATTENDANCE:

*Cynthia Raleigh, City Manager
Aleigha Galvan, City Secretary
Anne Marie Odefey, City Attorney
Tammy McDonald, HR / Finance
Maria Ayala, Office Manager / Finance Director
Tobie Bias, Palacios Police Chief
Stuart Foley, Animal Care Services
Manuel Guevara, Public Works Foreman
Peggy Georgi, Solid Waste Compliance Coordinator*

INVOCATION & PLEDGES

Councilmember Schulman led the Council, Staff, and Citizens in prayer and pledges to the U.S., Texas, and Palacios Flags.

ACTION ITEMS

- **Resolution No. 2023-R-13 to Canvass Votes for May 6th Special and General Election and Declare Candidates Elected** Discuss and approve a resolution of the City Council of the City of Palacios, Matagorda County, Texas, Canvassing the Returns and Declaring the Results of the General Election and Special Election of the City of Palacios held May 6, 2023, for the Purpose of Generally Electing the City Council Members for Place Nos. 3, 4, and 5, for Two Year Terms Ending in May 2025 and Specially Electing the City Council Member for Place 6 for the Term of One Year Ending in May 2024. *Presented by Mayor Gardner. Councilmember Glenn made a motion to approve Resolution No. 2023-R-13 canvassing the votes of the May 6th General and Special Elections. Councilmember Lewis seconded the motion. Motion passed unanimously. See Attachments “A”, “B”, and “C”.*

CEREMONIES

- **Oaths of Office for New Council Members** *City Secretary, Aleigha Galvan. City Secretary administered Oaths of Office to newly elected councilmembers; Donna Harvey-Schulman, Jason Hink, Margie Wier, and Chip Woolf.*

Councilmembers Lewis and Samora stepped down from the dais, and Councilmembers Wier and Hink took their places.

ANNOUNCEMENTS:

- **Mayor’s Announcements** ~ *Mayor Gardner spoke about various events going around in town, and notified the public that the City of Palacios would be accepting applications for the Planning and Zoning Commission and the Zoning Board of Adjustments.*
- **Council Members Announcements** ~ *None*

CITIZEN COMMUNICATION FORUM:

None

PRESENTATIONS:

- **Recycle Center Update** *Peggy Georgi and Zoe Killian with Keep Texas Beautiful/ Recycling. Zoe Killian discussed the positive production the Recycling Center has done over the years, and presented a certificate to Peggy Georgi for her hard work.*
- **Lion’s Club 4th of July** *Roberta Breiden. Breiden discussed plans for the 2024 Lion’s Club 4th of July Celebration at East Bay Park and all the hard work that goes into the celebration. She requested more participation from Council and the public.*
- **City Manager Update** *City Manager, Cynthia Raleigh. Raleigh discussed upcoming projects within the City and informed Council on the status of current and completed projects as well.*

DISCUSSION AND ACTION ITEMS:

1. **Minutes** Discuss and approve the regular meeting minutes of April 27, 2023. *Presented by Mayor Gardner. Councilmember Schulman made a motion to accept the regular meeting*

minutes of the April 27th meeting. Councilmember Glenn seconded the motion. Motion passed unanimously.

- 2. Appoint Airport Board Chair** Discuss and approve appointment of Chairman for the Airport Board. *Presented by Mayor Gardner. Mayor Gardner appointed Gary George as Airport Chairman. Councilmember Glenn made a motion to ratify the appointment. Councilmember Schulman seconded the motion. Motion passed unanimously.*
- 3. Resolution No. 2023-R-14 Transportation Alternatives Grant** Discuss and approve HR/Grant Manager to apply for Transportation Alternatives Grant Second Phase, to add sidewalks/ bike paths from one side of town to the other. *Presented by HR/Grant Manager, Tammy McDonald. Councilmember Glenn made a motion to approve Resolution No. 2023-R-14 as written. Councilmember Woolf seconded the motion. Motion passed unanimously.*
- 4. Ad Hoc Code Committee** Discuss and approve adding Thomas Chando to the Ad Hoc Code Committee. *Presented by Councilmember Chip Woolf. Councilmember Woolf made a motion to add Tom Chando to the Ad Hoc Code Committee. Councilmember Glenn Seconded the motion. Motion passed unanimously.*
- 5. Establishing and Audit/Finance Committee** Discuss and approve establishing a committee to be a part of the budgeting process for the City of Palacios choosing three councilmembers to sit on the committee. *Presented by City Manager, Cynthia Raleigh. Council Member Hink made a motion per Article 1.04 Boards, Commissions, and Committees to appoint Chip Woolf, Donna Schulman, and Larry Glenn to the Finance/ Audit Committee. The terms of office to expire on May 1, 2024. He further moved that the Mayor appoint the Chair of the committee to be Chip Woolf, and after the appointment, the City Manager to write a charge list of duties to be provided to the committee before their first meeting. Motion seconded by Councilmember Wier. Motion passed unanimously.*
- 6. Resolution No. 2023-R-18 AEP Texas Distribution Cost Recovery Factor Filing** Discuss and approve a Resolution to join other local communities in challenging the proposed AEP rate increase for cost recovery. *Presented by City Manager, Cynthia Raleigh. Item died for a lack of a motion. NO ACTION.*
- 7. Ratify Agreement for On-Call Mechanic Services** Discuss and ratify an agreement between the City of Palacios, and K3 Mechanic Services to provide regular maintenance and repair services for the City of Palacios for a term of one year. *Presented by Police Chief, Tobie Bias and Public Works Director, Ryan Adams. THIS ITEM WAS PULLED FROM THE AGENDA, AND TO BE PLACED ON THE FOLLOWING COUNCIL MEETING 5/25/23.*

EXECUTIVE SESSION

- Texas Government Code § 551.072, to deliberate the purchase, exchange, lease, or value of real property interests, due to the fact that deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third party. *Council recessed into Executive/Closed Session at 7:06PM.*

RECONVENE OPEN SESSION

- City Council shall reconvene in Open Session and may discuss, consider, and take possible action on any item listed above that was considered and discussed in Executive/Closed Session (If necessary). *Council reconvened into Open/Regular Session at 7:13pm and took no action.*

ADJOURNMENT

Meeting Adjourned by Mayor Gardner at 7:14 PM.

Jim Gardner, MAYOR

ATTEST:

Aleighta Galvan, CITY SECRETARY

CANVASS OF SPECIAL ELECTION

I, Jim Gardner, Mayor
(name) (office)

of City of Palacios, Texas, met with the City Council
(political subdivision holding election) (body acting as canvassing board)

sitting as the canvassing board to canvass the special election of May 6, 2023
on May 11, 2023 at City of Palacios, Texas.

I certify that the figures on the tally sheets correspond with the figures on the returns.

Witness my hand this 11 day of May, 2023.


Presiding Officer of Canvassing Authority

Attachment "A"

CANVASS OF GENERAL ELECTION

I, Jim Gardner, Mayor
(name) (office)
of City of Palacios, Texas, met with the City Council
(political subdivision holding election) (body acting as canvassing board)
sitting as the canvassing board to canvass the general election of May 6, 2023
on May 11, 2023 at City of Palacios, Texas.

I certify that the figures on the tally sheets correspond with the figures on the returns.

Witness my hand this 11 day of May, 2023.


Presiding Officer of Canvassing Authority

Cumulative Results Report
 ELECTION NIGHT
 Run Time: 7:55 PM
 Run Date: 05/06/2023

MATAGORDA COUNTY, TEXAS

GENERAL ELECTION

5/6/2023

Page 1

Unofficial Results
 Registered Voters:
 3115 of 21033 = 14.81%
 Precincts Reporting:
 27 of 27 = 100.00%

Palacios ISD Trustee Position 5 - Vote for none or one

Choice	Party	Absentee Voting	Early Voting	Election Day Voting	Total
Ron Laws		2 66.67%	111 29.44%	82 38.86%	195 32.99%
Becky Aguilera		1 33.33%	266 70.56%	129 61.14%	396 67.01%
Cast Votes:		3 100.00%	377 100.00%	211 100.00%	591 100.00%
Undervotes:		0	6	2	8
Overvotes:		0	0	0	0

Palacios ISD Trustee Position 6 - Vote for none or one

Choice	Party	Absentee Voting	Early Voting	Election Day Voting	Total
Haley Eggenmeyer Garcia		2 100.00%	282 75.00%	149 69.95%	433 73.27%
Fabian Maniquin		0 0.00%	94 25.00%	64 30.05%	158 26.73%
Cast Votes:		2 100.00%	376 100.00%	213 100.00%	591 100.00%
Undervotes:		1	7	0	8
Overvotes:		0	0	0	0

Palacios ISD Trustee Position 7 - Vote for none or one

Choice	Party	Absentee Voting	Early Voting	Election Day Voting	Total
Marcos C. Aparicio		2 100.00%	346 100.00%	197 100.00%	545 100.00%
Cast Votes:		2 100.00%	346 100.00%	197 100.00%	545 100.00%
Undervotes:		1	37	16	54
Overvotes:		0	0	0	0

City of Bay City Council Position 1 - Vote for none or one

Choice	Party	Absentee Voting	Early Voting	Election Day Voting	Total
Benjamin Flores		1 33.33%	539 71.68%	190 63.12%	730 69.13%
Floyce Brown		2 66.67%	213 28.32%	111 36.88%	326 30.87%
Cast Votes:		3 100.00%	752 100.00%	301 100.00%	1,056 100.00%
Undervotes:		1	37	12	50
Overvotes:		0	0	0	0

City of Bay City Council Position 2 - Vote for none or one

Choice	Party	Absentee Voting	Early Voting	Election Day Voting	Total
Jim Foise		4 100.00%	632 100.00%	231 100.00%	867 100.00%
Cast Votes:		4 100.00%	632 100.00%	231 100.00%	867 100.00%
Undervotes:		0	157	82	239
Overvotes:		0	0	0	0

Attachment "C"

Cumulative Results Report
 ELECTION NIGHT
 Run Time: 7:55 PM
 Run Date: 05/06/2023

MATAGORDA COUNTY, TEXAS

GENERAL ELECTION

5/6/2023

Page 2

Unofficial Results
 Registered Voters: 115 of 2103 = 14.81%
 Precincts Reporting: 27 of 27 = 100.00%

City of Palacios Council, Position 3 - Vote for none or one

Choice	Party	Absentee Voting	Early Voting	Election Day Voting	Total
Chip Woolf		2 100.00%	190 100.00%	88 100.00%	280 100.00%
	Cast Votes:	2 100.00%	190 100.00%	88 100.00%	280 100.00%
	Undervotes:	1	70	33	104
	Overvotes:	0	0	0	0

City of Palacios Council, Position 4 - Vote for none or one

Choice	Party	Absentee Voting	Early Voting	Election Day Voting	Total
Margie Weier		2 100.00%	190 100.00%	92 100.00%	284 100.00%
	Cast Votes:	2 100.00%	190 100.00%	92 100.00%	284 100.00%
	Undervotes:	1	70	29	100
	Overvotes:	0	0	0	0

City of Palacios Council, Position 5 - Vote for none or one

Choice	Party	Absentee Voting	Early Voting	Election Day Voting	Total
Roy Barnett		1 50.00%	74 30.20%	45 38.46%	120 32.97%
Jasen Hink		1 50.00%	171 69.80%	72 61.54%	244 67.03%
	Cast Votes:	2 100.00%	245 100.00%	117 100.00%	364 100.00%
	Undervotes:	1	15	4	20
	Overvotes:	0	0	0	0

City of Palacios Council, Position 6 - Unexpired Term - Vote for none or one

Choice	Party	Absentee Voting	Early Voting	Election Day Voting	Total
Joe Monk		1 33.33%	54 21.43%	35 29.41%	90 24.06%
Deana Harvey-Schulman		2 66.67%	198 78.57%	84 70.59%	284 75.94%
	Cast Votes:	3 100.00%	252 100.00%	119 100.00%	374 100.00%
	Undervotes:	0	8	2	10
	Overvotes:	0	0	0	0

Port of Bay City Proposition A

Choice	Party	Absentee Voting	Early Voting	Election Day Voting	Total
FOR		6 27.27%	275 14.62%	105 17.52%	386 15.43%
AGAINST		16 72.73%	1,608 85.38%	499 82.48%	2,121 84.57%
	Cast Votes:	22 100.00%	1,881 100.00%	605 100.00%	2,508 100.00%
	Undervotes:	0	4	5	9
	Overvotes:	0	0	0	0

Cumulative Results Report
ELECTION NIGHT
Run Time 7:55 PM
Run Date 05/06/2023

MATAGORDA COUNTY, TEXAS

GENERAL ELECTION

5/6/2023

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*** End of report ***

Unofficial Results
Registered Voters
2115 of 21033 = 14.81%
Precincts Reporting
27 of 27 = 100.00%

CITY COUNCIL MEMORANDUM

City Council Meeting:

Department: Police Department

Subject: Game Room Location Restrictions

BACKGROUND

Having specific knowledge and expertise in dealing with the operations of Game Rooms, I know and can attest that these businesses increase crime in the areas where they are located. Game Rooms often serve as a hub for narcotics activity and have shown to increase calls for service in the areas of assaults, thefts, and burglaries. Game Rooms are often the targets of robberies due to the large amounts of cash retained during the hours of operations. The businesses cannot operate legally, within the gaming laws of the State of Texas, and be a profitable business. Any area that the city allows to have a Game Room would see an increase of foot, bicycle, and vehicle traffic during all hours of operations.

GOAL

The goal of restricting the locations Game Rooms might be allowed to operate in the City of Palacios is to prevent a loss of quality of life for residents who might live in an area a Game Room is placed and therefor be subjected to the increased criminal activities. To prevent Game Rooms from being located near parks, churches, and schools, whereas the Game Room would bring a greater volume of foot, bicycle and vehicle traffic to the area and increase the potential for an accident to injure a child or resident.

FISCAL IMPACT

There is no fiscal impact to the city.

RECOMMENDATION

Accept the ordinance as written.

ATTACHMENT

Ordinance to properly establish location restrictions on potential Game Rooms in the City of Palacios.

ORDINANCE NO. 2023-O-09

AN ORDINANCE OF THE CITY OF PALACIOS, TEXAS, PLACING LOCATION REQUIREMENTS FOR GAME ROOMS AND AMUSEMENT REDEMPTION MACHINES; PROVIDING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council finds that Game Rooms, as a category of commercial uses, are associated with secondary effects including but not limited to personal and property crimes, gambling offenses, weapon offenses, illicit narcotics and drug trafficking, negative impacts on surrounding properties, urban blight, and litter.

WHEREAS, there is a desire to keep Game Rooms and Amusement Redemption Machines (hereinafter “Game Rooms” collectively) a safe distance from residences, churches, schools, child-care facilities, hospitals, registered businesses, parks and or playgrounds; and

WHEREAS, the City Council desires to provide the highest quality of life for citizens and visitor to the City of Palacios; and

WHEREAS, the City Council deems that each of the foregoing negative secondary effects constitutes a harm, which the City of Palacios, has a substantial government interest in preventing and/or abating. This substantial government interest in preventing secondary effects, which is the City of Palacios’ rationale for these regulations, exists independent of any comparative analysis between the legal game rooms and illicit game rooms. The City of Palacios interests in regulating game rooms extend to preventing future secondary effects of either current or future game rooms that may locate in the City of Palacios.

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF PALACIOS, TEXAS:

Section 1. The findings set forth in the preamble to this Ordinance are hereby found to be true and correct and are hereby approved and adopted.

Section 2. The Code of Ordinances of the City of Palacios, Texas, Chapter 4, Business Regulations, is hereby amended to add Article 4.11 Location Requirements for Game Rooms and Amusement Redemption Machines, to read as follows:

Sec. 4.11 Location Requirements for Game Rooms and Amusement Machines

(a) Definitions. The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

(1) Amusement redemption machine. A recreational machine that provides the user with an opportunity to receive something of value other than a right of replay.

(2) Game room. A Game room is defined as any business establishment in which at least 25% of the public floor area is devoted to coin-operated machines used for recreation and amusement purposes.

(3) Game room owner. A person or entity which has an ownership interest in a game room.

(4) Operational machine. An amusement redemption machine that is ready to be played and that is or appears to be accessible to the public.

(b) A structure housing a Game Room hereafter located within the City shall be located at least five hundred (500) feet from any residence boundary line, or any structure used as a residence; from a church, public or denominational school, hospital, licensed child-care facility, hotel, motel, park, playground (public),

playfield, stadium (public), institution of religious, charitable, or philanthropic nature, registered business; and from any other structure housing a Game Room.

(c) Distance requirements are to be measured in a straight line in all directions from the structure housing the Game Room to any residentially zoned district boundary line, to any structure used as a residence; from a church, public or denominational school, hospital, licensed child-care facility, hotel, motel, park, playground (public), playfield, stadium (public), institution of religious, charitable, or philanthropic nature, registered business; and from any other structure housing a Game Room.

(d) The measurement to a structure shall be taken from the farthest point that a structure extends in the direction of the measurement, including overhanging roofs and all other projections or portions of such structure,

(e) Should a Game Room be located in conjunction with other buildings in a manner where said game Room is clearly separated from the other portions of the structure (for example a Game Room in a shopping center), measurements shall be taken from the boundaries of the space occupied by the Game Room.

(f) Should a Game Room be located in a manner where said Game Room is situated above the ground level of a multistory structure and is clearly separated from other activities within the structure, the Game Room measurements shall be taken from the boundaries of the space occupied by the Game Room, thence to the nearest point of egress (elevator or stairs), thence to the nearest ground floor exit, thence in a straight line in all directions to any structure used as a residence; from a church, public or denominational school, hospital, licensed child-care facility, hotel, motel, park, playground (public), playfield, stadium (public), institution of religious, charitable, or philanthropic nature, registered business; and from any other structure housing a Game Room.

(g) Any violation of this section shall be punishable by a fine of up to \$500.00 per day. Each day shall be a separate violation.

Section 3. This ordinance shall be in full force and effect from and after its passage and publication as required by law.

FIRST READING APPROVED AND ADOPTED this _____ day of _____, 2023.

ATTEST:

APPROVED BY:

Aleigha Galvan, City Secretary

Jim Gardner, MAYOR

RECORD OF VOTE

Council Member:	Voted Aye	Voted No	Absent
Jim Gardner, Mayor	_____	_____	_____
Larry Glenn	_____	_____	_____
Sharon Trainor	_____	_____	_____

Chip Woolf	_____	_____	_____
Margie Wier	_____	_____	_____
Jason Hink	_____	_____	_____
Donna Harvey-Schulman	_____	_____	_____

SECOND AND FINAL READING APPROVED AND ADOPTED this _____ day of _____, 2023.

ATTEST:

APPROVED BY:

Aleigha Galvan, City Secretary

Jim Gardner, MAYOR

APPROVED AS TO FORM AND CONTENT:

Anne Marie Odefey, City Attorney

RECORD OF VOTE

Council Member:	Voted Aye	Voted No	Absent
Jim Gardner, Mayor	_____	_____	_____
Larry Glenn	_____	_____	_____
Sharon Trainor	_____	_____	_____
Chip Woolf	_____	_____	_____
Margie Wier	_____	_____	_____
Jason Hink	_____	_____	_____
Donna Harvey-Schulman	_____	_____	_____

CITY COUNCIL MEMORANDUM

City Council Meeting: May 25, 2023
Department: Police and Public Works
Subject: Ratify Agreement with K3 Mechanic Services

BACKGROUND

After the retirement notice of Larry Glenn who cared for our fleet for over 27 years, the city released a request for qualifications for an on-call mechanic who could maintain, repair, and/or assess-send out repairs of vehicles and equipment.

We received one response, which was from K3 Mechanic Services who is a mobile mechanic and will work on our equipment and vehicles on-site. K3 carries a \$1M liability insurance policy and provides their own tools and equipment for the work to be completed. The city will provide oil, filters, and other fluids necessary for routine maintenance. For major repairs that can be performed by K3, a parts list will be provided, and the city will purchase the necessary items. If a repair cannot be handled on-site, K3 will recommend a mechanic or company that can provide the proper service needed.

The Public Works Director and Chief of Police have interviewed, tested, and reviewed credentials with K3 and feel that he is the best option for the position based on his experience, availability, and location.

K3 is a registered DBA business in the state of Texas and will complete all proper forms to become a registered business in the City of Palacios.

GOALS

To properly maintain, repair, and care for our fleet of vehicles and equipment.

FISCAL IMPACT

A flat rate of \$70.00 per SCHEDULED standard oil change (minor service).

Major and unscheduled maintenance as required by vehicle and equipment needs will be billed on a case-by-case basis with a MINIMUM of \$100 initial diagnostic fee and \$100.00 per hour labor fee thereafter.

City Management will review and pre-approve all work to be performed to ensure that the decision is fiscally responsible for the city and its vehicles. If in-house items such as windshield wipers, blinker lights, etc can be done by staff, it will be to avoid additional costs.

Historical expenditures for auto repair and maintenance:

2020	\$10,404
2021	\$14,582
2022	\$16,493

2023 \$3,794 ytd

We are within budgetary constraints for maintenance for both Public Works and Police vehicles.

K3 does not presently provide vehicle inspection service, this service will need to be outsourced. We understand this was part of the initial bid package, but we are willing to negotiate this service until K3 becomes certified.

RECOMMENDATION

Staff recommends ratifying the agreement for one year with K3 Mechanic Services.

ATTACHMENT

Agreement with Exhibit

MAINTENANCE AND REPAIR AGREEMENT

Agreement made this ____ day of May, 2023, between City of Palacios, Texas, a home rule municipality ("Owner"), and Dustin Krouse d/b/a K3 Mechanic Services ("Garage Operator") and collectively the "Parties."

RECITALS

A. Owner is the Owner and operator of a fleet of vehicles depicted on Exhibit "A" used in Owner's business, which vehicles require regular maintenance and repair. Any rental vehicles are not subject to this Agreement.

B. Garage Operator is the Owner and operator of an automotive repair business and is willing to perform maintenance and repair services for Owner.

In consideration of the matters described above, and of the mutual benefits and obligations set forth in this agreement, the Parties agree as follows:

1. Services.

Garage Operator shall perform all necessary repairs and maintenance on the vehicles owned by Owner to Owner's satisfaction, and Owner shall pay to Garage Operator for those services as follows:

- A. For scheduled minor service, a flat rate of \$120.00, plus parts, or if just an oil change the charge will be \$70.00.
- B. For scheduled major service, by approved quote.
- C. For Tires and batteries, by approved quote.
- D. For unscheduled service, by quotation, with a minimum of \$100.00 diagnostic fee.
- E. Mechanic time in quotes shall be billed at \$100.00 per hour.

Parts shall be billed at cost. Garage Operator shall purchase all parts from local part houses such as Napa, O'Reilly, etc. at the most advantageous rate. For standard parts, Owner may stock parts with Garage Owner for replacement. If parts are unavailable locally or are at such an inflated price as to be unreasonable, Garage Operator shall endeavor to purchase parts at the most economical rate for the situation as approved by quote. Quotes for service shall be prepared based upon the Chilton labor and flat rate manuals.

Minor service includes such things as wiper blades, oil filters, and bulbs and shall be included in the flat rate for service. Parts will be billed at cost.

Except as provided herein, Garage Operator shall not perform any work without prior written approval from Owner.

2. Scheduled Maintenance.

A. A regular maintenance of Owner's vehicles shall be performed by Garage Operator according to a schedule to be made by Garage Operator and approved by Owner, in addition to any other similar services required that come to the attention of Garage Operator. Garage Operator shall perform all regularly scheduled minor and major services to all vehicles and equipment as outlined in this Agreement according to the manufacture's guidelines. Owner shall provide vehicles and equipment within 125 miles of needed service as advised by Garage Operator and within 10 hours for equipment as advised by Garage Operator.

B. Garage Operator shall perform Minor Service within one (1) working day from delivery if parts are in stock and any scheduled major service as provided in quote.

C. Owner shall notify Garage Operator in writing via email or text when a non-scheduled service is needed. Garage Operator will schedule a time providing a diagnostic service and schedule the work with Owner.

D. Garage Operator shall be available to Owner for emergent same-day services but shall be subject to \$150 per hour rate with a two (2) hour minimum. Emergency hours are between 6:00 p.m. CDT and 7:00 a.m. CDT, Monday through Friday and all day Saturday and Sunday.

E. Garage Operator provides mobile repair and maintenance services. On-site delivery and/or availability locations shall be predetermined between the Parties. Owner agrees to provide all vehicles or equipment to Garage Operator at an accessible and safe location agreed upon in advance. Vehicles and equipment shall be made available with a minimum of one quarter (1/4) tank of fuel. Keys shall be provided via a secure lock box for key access.

3. Priority of Work.

Garage Operator shall repair any vehicles of Owner delivered to Garage Operator for that purpose in a good, quality manner, and shall give those repairs priority over other work being done by Garage Operator when requested to do so by Owner.

4. Records.

Garage Operator agrees to keep records of all services performed for each vehicle.

5. Payment.

Garage Owner shall submit billing for the prior month by the 10th of the following month. Owner shall pay to Garage Operator within thirty (30) days.

6. Warranty.

A. Garage Operator shall provide a limited warranty to Owner for the repairs performed under the terms of this Agreement. Following the conclusion of maintenance and repairs, Garage Operator shall warranty such labor for maintenance and repairs for one-hundred and twenty (120) days. In the event Owner desires to make a claim under this warranty, Garage Operator warrants, that at his cost and expense, he will make any repairs made in connection with this Agreement that are found to be defective, excluding the cost of parts and materials. Garage Operator reserves the right to claim that the defective work was as a result of Owner neglect, operator error and/or age or condition of the vehicle. Garage Operator shall inform Owner of the same prior to performing any repair.

B. In the event a vehicle is under a manufacturer's warranty, several auto/equipment makers demand that only OEM components be used for any type of repair. Use of unauthorized components might breach a vehicle or equipment's warranty. In consideration of the risk, Garage Operator shall not use any non-OEM parts for repairs unless those parts are approved for use by Owner. It is advisable for Owner to take the risk into account when choosing parts for necessary repairs. While Owner has the right to select which parts should be used for the repairs, Garage Operator also reserves the right to evaluate the consequences of their usage and refuse to make repairs with those parts if they are considered inadequate or unsafe.

7. Insurance.

Garage Operator shall maintain commercial general liability insurance in a minimum amount of \$1,000,000.00 and shall name Owner as additional insured with (a) waiver of subrogation and (b) advanced written notice of cancellation.

8. Term.

This agreement shall be for a period of one (1) year and shall be automatically renewed each subsequent year. Either party may terminate this agreement with thirty (30) days advanced written notice.

9. Governing law.

This agreement shall be governed by, construed, and enforced in accordance with the laws of Texas.

10. Notice.

Notices provided herein shall be given as follows:

Dustin Krouse

Palacios, TX
77465

City of Palacios
311 Henderson St.
Palacios, TX 77465

Email:

Email: craleigh@cityofpalacios.org
radams@cityofpalacios.org
tbias@cityofpalacios.org

Mobile phone for text:

Mobile phone for text:
Cynthia Raleigh: 361-404-9909
Ryan Adams:
Tobie Bias:

Dustin Krouse d/b/a K3 Mechanic Services

City of Palacios, Texas

By: _____
Dustin Krouse

By: _____
Cynthia Raleigh, City Manager

Exhibit A

Police Department Vehicles

○ Chevy 1500 Quad Cab	3GCPCNEC1JG223540	2018
○ Dodge Ram 1500 Quad Cab	1C6RD6KT1C5221676	2012
○ Chevy Malibu	1G1ZC5ST1HF225662	2017
○ Chevy 1500 Quad Cab	3GCPCNEC7HG261641	2017
○ Chevy 1500 Quad Cab	1GCPCNEC3HG256842	2017
○ Dodge Charger	2C3CDXAT2KH685320	2019
○ Dodge Charger	2C3CDXAT6KH685319	2019
○ Ford Explorer	1FM5K8AB2LGC63077	2020
○ Chevy HHR	3GNBAADB2AS524260	2010
○ Dodge Ram 1500 Quad Cab 4x4	1C6RR7XT4MS561390	2021
○ Dodge Ram 1500 Quad Cab 4x4	1C6RR7XT6MS561391	2021

Public Works Vehicles and Equipment

- 2015 FORD F-250
LP: 1334111
- 2018 FORD L F-150
LP: 1410576
- 2018 FORD F-150
LP:1456590
- 2020 FORD F-150
LP: 1420439
- 2004 GMC SIERRA
LP: NPG7434
- 2004 FORD F-150 XL
LP:1361769
- 2022 FORD F-150
LP: 1437614
- 1999 DODGE RAMP 2500
LP: 140435
- 2020 FORD F-150
LP: 142035
- 2019 FREIGHTLINER 108SD
LP: 1420449
- 1996 GMC TOP KICK
LP: 707965
- 2010 FORD F750 XLT SUPER DUTY
LP: 1088316
- GRADALL XL 3100
- JOHN DEERE 870/3TN84-RIK
- JOHN DEERE 6110M
ALAMO SAMURAI 25' BOOM
- SUPER X-ONE 940056
- SUPER Z 941146
- KUBOTA ZG227 SFZG-F222
- KUBOTA (MOWER)
- BOBCAT E20 (EXCAVATOR)

Recycle Center

- Toyota Forklift PTA51061
- Ford Transit Connect Van 1420430

CITY COUNCIL MEMORANDUM

City Council Meeting: May 25, 2023
Department: HR/Grant Manager
Subject: HOME Program Application

BACKGROUND

The HOME Program allows cities to administer a program that will build new homes for citizens with condemned or nearly condemned homes. This will also allow individuals with mobile homes to build a new home.

GOALS

The goal of this program is to have livable housing for all individuals. The City of Palacios will pre-screen, review deeds, and review income statements of possible applicants before submitting their application. The final determination would be made by the granting authority and not the City of Palacios.

FISCAL IMPACT

Contractors are pre-arranged with the granting authority and housing prices are agreed upon with the granting authority. Most homes are \$150,000 to \$175,000 for either a 3 bedroom and 2 bath home or a 4 bedroom and 2 bath home. The City would be responsible for \$6,000 per home. The City is allowed to use permitting fees, costs of culverts and installation by our staff, etc. to offset the \$6,000. Therefore, the City will not be out a total monetary cost of \$6,000 per home.

The HR/Grant Manager will be responsible for pre-screening all citizens interested in this application. The HR/Grant Manager has agreed to work nights and weekends, as needed, in order to advance this program.

RECOMMENDATION

Staff recommends that the city move forward with applying for the HOME program and allowing our citizens to receive new homes.

ATTACHMENT

See attached Resolution 2023-R-16.

RESOLUTION 2023-R-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALACIOS, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS HOME INVESTMENT PARTNERSHIPS PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR PARTICIPATION IN THE HOME PROGRAM HRA/PWD/DISASTER RESERVATION SYSTEM; AND AUTHORIZING THE MAYOR OR CITY MANAGER TO ACT AS THE CITY'S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE HOME PROGRAM RESERVATION SYSTEM.

WHEREAS, the CITY Council of the CITY of PALACIOS desires to develop a viable community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low/moderate income; and

WHEREAS, certain conditions exist which represent a threat to the public health and safety; and

WHEREAS, it is necessary and in the best interest of the CITY of PALACIOS to apply for participation in the HOME Program Reservation System;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PALACIOS, TEXAS;

1. That a request to the Home Investment Partnerships Program for participation in the HOME Program Reservation System, (HRA, PWD, Disaster) is authorized to be filed on behalf of the City with the Texas Department of Housing and Community Affairs.
2. That the CITY directs and designates the MAYOR OR CITY MANAGER as the CITY'S Chief Executive Officers and Authorized Representatives to act in all matters in connection with this application and the CITY'S participation in the HOME Program (HRA/ PWD/Disaster), including execution of the City's HOME Reservation System Participant Agreement.
3. That it be stated that the CITY of PALACIOS is committing to matching funds, if applicable, consisting of waived fees, in-kind services, and cash as a contribution toward the activities of this HOME project in the amount required in 10 TAC, Chapter 23, rules at the time a reservation is made and approved in the system. The CITY OF PALACIOS will be obligated to match funds per each home based on the CITY'S current population of 4395 per the 2020 census report. The CITY of PALACIOS will be obligated to match funds per home based on 4% of hard cost construction up to \$150,000.00, or the amount of hard cost construction allowed by Texas Department of Housing and Community Affairs, which is an approximate match of \$6000.00 per home based on hard cost construction of \$150,000.00 per home.
4. That it is to be stated that the City of PALACIOS is committing \$40,000 in unencumbered cash reserves, per application, to the project/s to facilitate the administration of the program/s during the TDHCA disbursement process. These cash reserves are not to be permanently invested in the HOME project but are to be used for short term deficits that are reimbursed by HOME program funds.
5. That the CITY discuss and approve THE AFFIRMATIVE FAIR HOUSING MARKETING PLAN and Waitlist Policy as required for participation with the Texas Department of Housing and Community Affairs (TDHCA) Home HRA Reservation Program. This Affirmative Fair Housing Marketing Plan and Waitlist Policy shall be amended from time to time.

Passed and approved this ____ day of _____, 2023.

Jim Gardner, Mayor
City of Palacios

Aleighta Galvan, City Secretary
City of Palacios

City of PALACIOS

Affirmative Fair Housing Marketing Plan

MAY 2023

I. Affirmative Fair Housing Marketing Plan in accordance with 10TAC 20.9

The City of PALACIOS and its representatives shall adopt the affirmative marketing procedures and requirements as specified in accordance with 10TAC 20.9

II. Policy on Nondiscrimination and Accessibility

With respect to the treatment of applicants, the City and its representatives will not discriminate against any individual or family because of race, color, national origin, religion, gender, disability, familial status or presence of children in a household.

III. Training

1. The City of PALACIOS and its representatives shall provide staff with all relevant regulations and Fair Housing provisions. All HOME Program staff shall be required to follow the procedures and policies adopted by The City of PALACIOS.
2. Training shall include reviewing marketing, outreach, data collection, reporting, and record keeping in order to make sure the Least likely to apply population is being reached effectively. The City of PALACIOS staff shall annually receive instruction regarding fair housing laws and the Development's Affirmative Marketing Plan.
3. Appropriate staff will take webinars/fair housing training classes from time to time as deemed necessary per changing of rules/new staff members/new tools implemented.
4. Review HOME applications to insure that the least likely to apply populations are getting the information and revise any advertising/information sources to better reach the intended population.

IV. Marketing and Outreach

1. All advertising shall display the Equal Housing Opportunity logo or the phrase "Equal Housing Opportunity."

2. Special marketing outreach consideration will be given to the following underserved populations per TDHCA Region 6 findings of Least likely to apply populations:
 - a. Race: White, Asian
 - b. Ethnicity: None
 - c. Other Groups: Persons with disabilities, Households with children
3. Upon changes to the population determined to be least likely to apply, the methods of outreach will be updated to include these populations.
4. Marketing shall include the use of newspapers of general circulation (The Palacios Beacon is the city's main newspaper) distribution is in the City of PALACIOS and Matagorda County and the City of PALACIOS representatives will place notices in newspapers, specialized publications, and newsletters to reach potential residents. Applications, notices, and all publications will include a Fair Housing and Equal Opportunity Logo, and the Accessibility Logo. Community media advertisement of the projects will be through the following newspaper:

THE PALACIOS BEACON

5. The City of PALACIOS and or representatives will contact local civic and community organizations representative of the ethnic and cultural diversity of the area to inform them about the HOME program and how it may be able to assist homeowners in the community. Groups representing Persons with Disabilities, Asian and white and Households with Children, will also be contacted. Where necessary, The City of PALACIOS may publish its marketing materials in multiple languages in order to better reach potential applicants in the area with language limitations.

To further inform the groups least likely to apply for the available HOME Program housing, the following local organizations will be contacted with HOME Program housing information.

Name of Organization	Population Served
a. City of Palacios Chamber of Commerce serving the City of Palacios and surrounding areas. 420 Main Street Palacios, Texas 77465 361-972-2615	Persons with Disabilities, White, Asian and households with children.
b. VFW City of Palacios #2467 200 Commerce, Palacios Texas 77465	Persons with Disabilities, white and Asian

<p>c. Palacios Library 326 Main Palacios Texas 77465 361-972-3234</p>	<p>Persons with Disabilities, white, Asian, and households with children.</p>
<p>d. Chinese Mission of First Baptist Church 506 N. Main Belton, Texas 76513 Chapel of Assumption, Vietnamese Apostolate 100 Vietnam Street PALACIOS, Texas 77465</p>	<p>Asian Americans, households with children</p>
<p>e. First Baptist Church of Palacios 202 Main PALACIOS, Texas 77465 361-972-5486</p>	<p>Asian Americans, Persons with disabilities and households with children</p>

6. Other neighborhood-based, nonprofit housing agencies that maintain waiting lists or make referrals for below market rate housing will be contacted.

Agency Name	Address	Telephone #
Housing Authority the City of Palacios 45 Seashell Blvd, Palacios, TX 77465		361-972-3721

V. Race and Ethnic Data Collection and Reporting

1. Any family who asks shall receive a HOME application package containing all information and documents needed to apply for the HOME Program. The application is also offered in Spanish. The application contains a demographics and special needs page to be completed.
2. The City of PALACIOS's HOME program Administrator will serve as coordinator for the marketing of The City of PALACIOS HOME Program as well as oversee the application process. Regular reports to the City Council, which will include the number of applications received for The HOME program, the status of each application and which homes are moving forward and possible will be funded along with construction updates in regards to on-going HOME Program projects.

VI. Compliance Assessment

1. The City of PALACIOS will review the Affirmative Marketing Plan every Three (3) years or as needed per TDHCA requirements and update as needed to ensure compliance.
2. The City of PALACIOS will annually assess the success of affirmative marketing actions for The HOME Program. If the demographic data of the applicants and residents vary significantly from the jurisdiction's population data, advertising efforts and outreach will be targeted to underrepresented groups in an attempt to balance the applicants and residents with the demographics of the jurisdiction.

VII. Record Keeping

1. The City of PALACIOS shall establish and maintain an Affirmative Marketing file to hold advertisements, flyers, and other public information documents to demonstrate that the appropriate logo and language have been used. Additionally, the City of PALACIOS shall keep records of its activities in implementing the affirmative marketing plan, including other community outreach efforts and its annual analysis.
2. The City of PALACIOS shall keep up-to-date records based on census data, applications, and surveys about community residents, applicants, residents of the project, and records about application selections.

3. The City of PALACIOS shall provide HUD and HOME staff access to any pertinent books, documents, papers or other records of their HOME-assisted properties, as necessary, for determining compliance with civil rights and nondiscrimination requirements.
4. The City of PALACIOS will adopt a waitlist for HOME program applications that comply with HOME program rules. Please see Waitlist policy attached.

CITY OF PALACIOS HOME Program Waitlist Policy

The City of PALACIOS will begin accepting homeowner applications for at least 30 days. Following a minimum of 30-days for application submission, a neutral random selection process will be used to prioritize the applications. The name of each applicant will be assigned a number and each number will be written on a slip of paper and placed in a container. The slips of paper will then be drawn, and this will be the order in which the applicants will be served. There will also be, from time to time, consideration for homeowners with the greatest need. If all applications received during the application period can be served and funding is available, applicants will then be served on a first-come first-serve basis.

HOME program requires that one in every four households be at or below 30% area median family income. If one of the first 4 homes does not fall under the 30% area median family income, the City will go down the list and the first qualified applicant with under 30% area median family income will move forward.