



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

**CITY OF PALACIOS  
 CITY COUNCIL REGULAR MEETING AGENDA  
 June 12, 2018**

Notice is hereby given of a Regular Council Meeting of the Palacios City Council to be held June 12, 2018, 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 7:00 PM**

**CALL TO ORDER**

**INVOCATION** – Councilmember Schulman

**PLEDGE OF ALLEGIANCE** – Councilmember Erdelt

**PLEDGE TO TEXAS FLAG** – Councilmember Erdelt

**PLEDGE TO PALACIOS FLAG** – Councilmember Erdelt

**VISITOR / CITIZEN FORUM**

**ADMINISTRATIVE REPORTS**

1. ZBA report – Andy Erdelt
2. Discuss Liaisons to Commissions and Boards
3. Zoning Commission Report - Robert Garrett
4. Downtown Revitalization Grant – Project Implementation Schedule

**ITEMS TO BE CONSIDERED**

1. Discuss and consider approving on second reading Ordinance 2018-O-2 amending the garbage collection rates.
2. Discuss and consider approving on first reading Ordinance 2018-O-3 revising budgeted line items which shall supersede all previously adopted ordinances and amendments
3. Discuss and consider approving the Order Declaring Amendment of City Charter

4. Discuss and consider accepting the Annual Financial Audit Proposal for the year ending September 30, 2018 for the City of Palacios submitted by Harrison, Waldrop & Uherek, LLP
5. Review and consider action to approve the Application for Appointment to Board or Commission by Judith Chavez for the Planning and Zoning Commission (to replace Robert Turner)
6. Review and consider action to approve the amended Pavilion Policies and Procedures
7. Discuss and consider action to approve the Fee schedule for the Pavilion Rentals
8. Review and consider action to approve the Tax Abatement Agreement with Stuart Lynn
9. Discuss and consider action to approve the following consent agenda items:  
Minutes of the May 22, 2018 Regular Council Meeting

### **EXECUTIVE SESSION**

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

Consult with its attorney (551.071)

1. Discussion of pending lawsuit

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)

Council to Re-Convene in Open session for Official Action:

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

- a. Discuss and consider action concerning pending lawsuit

### **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 June 12, 2018 agenda of items to be considered by the City Council was posted on the City Hall bulletin board by 5:00 p.m. on June 8, 2018.



Clissa Mills, City Secretary

## Zoning Board of Adjustments

Name	Address	Ph.#	Alt. #	Email
Ron Laws (chair)	222 Welch	979-240-4413	972-5900	ron@txcoastalproperties.net
Jeff Booth	407 East Bay Blvd.	361-404-2193	972-2213	
Barney Aparicio	2307 East Bayshore	361-403-7123	361-403-7124	noraaparicio@aol.com
Robert Reynolds	611 4th	361-218-8267		palaciosreynolds@hotmail.com
Ron Conaway	1724 Gray	832-595-1706		ronconaway@gmail.com
Andy Erdelt	Council	Liaison		

## Planning & Zoning Commission

Name	Address	Ph.#	Alt. #	Email
Robert Garrett (chair)	510 S.Bay	979-532-0797	979-533-0808	<a href="mailto:rlgarrett@hotmail.com">rlgarrett@hotmail.com</a>
Wayne Dodd	1711 E. Bayshore	361-920-6513		<a href="mailto:wdodd@outriggergrill.com">wdodd@outriggergrill.com</a>
Patricia Loving	201 E.Texas	361-972-6185	512-517-2644	<a href="mailto:thelovings@live.com">thelovings@live.com</a>
Leonard Lamar	45 Seashell #462	972-0540	972-0540	
Troy Lewis	Council Liaison	361-655-3515		<a href="mailto:Judyc45@msn.com">Judyc45@msn.com</a>

## Airport Committee

Name	Address	Ph.#	Alt.#	Email	Exp
John Sardelich (chair)	400 E.Craymer	979-240-8160			
Robert Garrett	510 S.Bay Blvd.	979-532-0797		<a href="mailto:rlgarrett@hotmail.com">rlgarrett@hotmail.com</a>	
Larry Glenn	PO Box 623	361-550-6168		<a href="mailto:larryeglenn@ymail.com">larryeglenn@ymail.com</a>	
Michael Flores	525 Porpoise	512-497-9905			
Charles Lobstein		713-213-3932			
Steve McGovern	Council Liaison				

## Housing Authority Commission

Name	Address	Ph.#	Alt.#	Email	Exp
Troy Lewis	109 Morton	361-972-6452		<a href="mailto:onmorton@aol.com">onmorton@aol.com</a>	
Carolyn White	408 ½ Johnson	361-894-1236			
Troy Smith	45 Seashell Blvd. #201	972-6452			
Paula Whitney	317 E. Bay Blvd.	972-0317			
Kelly Schneider	695 Riverside	648-7289			
Leonard Lamar (chair)	1111 2 <sup>nd</sup>	361-972-0540			
Mary Crocker	Council Liaison				

Parks & Recreation Committee

Name	Address	Ph.#	Alt.#	Email	Exp.
Mark Rusk	101 1 <sup>st</sup>	972-2781		<a href="mailto:Marker55@gmail.com">Marker55@gmail.com</a>	
Cynthia Garrett	510 S.Bay	979-532- 0797			
Carol Carney	316 Matagorda	972-6254		<a href="mailto:ccarney@warpspeed1.net">ccarney@warpspeed1.net</a>	
Johnny Tran	Council Liason	404-1170		<a href="mailto:perrin6797@gmail.com">perrin6797@gmail.com</a>	

**PALACIOS BEAUTIFICATION & PAVILION COMMITTEE BOARD**

<p>Joe C. Kana  <b>President</b>          Commissioner, Palacios Seawall Commission          504 Mertie Avenue          Palacios, Texas 77465          361.920-0182  <a href="mailto:jkana504@yahoo.com">jkana504@yahoo.com</a></p>	<p>Debbie Morris  <b>Treasurer</b>          Retired Director, Matagorda County Navigation          District No. 1          P. O. Box 88          Palacios, TX 77465          361.920-6212  <a href="mailto:debbiegmorris@gmail.com">debbiegmorris@gmail.com</a></p>
<p>Judy Chavez  <b>Committee Secretary</b>          1700 Ruthven          Palacios, TX 77465          361-655-3515  <a href="mailto:judyc45@msn.com">judyc45@msn.com</a></p>	<p>James Gibson, Commissioner          Matagorda County Precinct 3          P.O. Box 395          Palacios, TX 77465          361-972-3948  <a href="mailto:pct3@co.matagorda.tx.us">pct3@co.matagorda.tx.us</a></p>
<p>Mark Rusk, Hewlett Packard Enterprise          103 First St.          Palacios, TX 77465          512-775-9009  <a href="mailto:marker55@gmail.com">marker55@gmail.com</a></p>	<p>Leland Singer, Retired          501 E Bay Blvd.          Palacios, TX 77465          361-550-1426  <a href="mailto:augustbird1@aol.com">augustbird1@aol.com</a></p>
<p>Charlotte Tucker, ReMax Texas Coastal Properties          409 Mertie Avenue          Palacios, TX 77465          979-241-8615  <a href="mailto:pretucker@exede.net">pretucker@exede.net</a></p>	<p>City Management Representative:          David Kocurek, City Manager, City of Palacios          Palacios City Hall          311 Henderson          Palacios, TX 77465          361-972-3605  <a href="mailto:dkocurek@cityofpalacios.org">dkocurek@cityofpalacios.org</a></p>

**EXHIBIT C**

**PROJECT IMPLEMENTATION SCHEDULE**

**CITY OF PALACIOS**

CONTRACT START DATE

March 1, 2018

CONTRACT END DATE

February 29, 2020

**If Contractor fails to meet milestones in accordance with this schedule, the Department will withhold payments to Contractor until such milestone has been completed.**

Activity To Be Completed by Date Specified:		Milestone Date
Procurement of Professional Services Completed	Month 2	5/1/2018
4-Month Conference Call / Meeting Completed <sup>(1)</sup>	Month 4	7/1/2018
Plans and Specifications Completed	Month 6	9/1/2018
Plans and Specifications Submitted for Approval (as required <sup>1</sup> )	Month 6	9/1/2018
Environmental Review Completed	Month 6	9/1/2018
Clearance of Pre-Construction Special Conditions	Month 8	11/1/2018
Wage Rate 10-Day Confirmation	Month 8	11/1/2018
Construction Contract Awarded & Executed	Month 9	12/1/2018
Construction - 50% TxCDBG project complete	Month 14	5/1/2019
Construction - 75% TxCDBG project complete	Month 17	8/1/2019
Construction - 90% TxCDBG project complete	Month 19	10/1/2019
Construction & Final Inspections Completed	Month 20	11/1/2019
End Date of Contract	Month 24	2/29/2020
Close-out documents submitted to Department (60 days after End Date)	Month 26	4/29/2020

<sup>(1)</sup> See TxCDBG Project Implementation Manual

**ORDINANCE NO. 2018-O-2**

AN ORDINANCE AMENDING APPENDIX "A" ARTICLE A13.04 "SOLID WASTE", DIVISION 3. "RATES AND CHARGES", OF THE CODE OF ORDINANCES OF THE CITY OF PALACIOS, TEXAS TO CHANGE THE RATES FOR SOLID WASTE GARBAGE COLLECTION; CONTAINING A SAVINGS CLAUSE; REPEALING INCONSISTENT ORDINANCES; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, the contract currently in effect for garbage collection allows for an annual adjustment based on the CPI-U; and

WHEREAS, the adjustment proposed by the current contractor is 3.54% and will take effect on July 1, 2018; NOW THEREFORE,

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

SECTION 1: That **Section A13.04.071(a)(1) Residential rate, (a)(2) Senior citizens rate, and (a)(4) Commercial bins matrix rates** of Appendix "A" of the Code of Ordinances of the City of Palacios, Texas is hereby amended to read as follows:

Article A13.04 Solid Waste  
Division 3. Rates and Charges

**Sec. A13.04.071 General Regulations**

**(a) Garbage collection fees.**

- (1) **Residential rate.** \$23.52 per month for a 95 gallon Poly Cart. Additional Poly Carts are available for \$7.95 each, up to five (5) total carts. The Residential rate is restricted to single family residences, duplexes, and residences with no more than two (2) total livable structures at one (1) service address.
- (2) **Senior Citizens rate.** \$14.53 per month for a 60-gallon polycarts. Service is restricted to one (1) cart.
- (3) **Commercial hand collection rate.** \$33.17 per month for a 95 gallon polycarts. Additional poly carts are available for \$7.95 each, up to two (2) total carts. The commercial hand collection rate is restricted to commercial accounts and accounts with more than two (2) total livable structures at one (1) service address.
- (4) **Commercial bins matrix rates.** The commercial bins matrix rates are established from the Exhibit B of the city's franchise agreement with its garbage collection provider.
- (5) All customers will be assessed a \$25.00 penalty fee for any stolen or damaged poly carts due to negligence or abuse.

**(b)** Loose brush collection rate is established as \$22.72 per cubic yard.

(c) Construction/demolition debris collection rate is established as \$ 39.76 per cubic yard.

That Section A13.04.071(a)(6) **Commercial rates** of Appendix “B” of the Code of Ordinances of the City of Palacios, Texas is to hereby read as follows:

Article A13.04 Solid Waste  
Division 3. Rates and Charges

**Sec. A13.04.071 General Regulations**

(a) **Garbage collection fees.**

(6) **2018 Commercial rate schedule:**

<b>LIFTS PER WEEK</b>				
<b>CONTAINER SIZE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>EXTRA LIFTS</b>
<b>3 CUBIC YARD</b>	<b>\$105.87</b>	<b>\$161.17</b>		<b>\$75.00</b>
<b>4 CUBIC YARD</b>	<b>\$119.99</b>	<b>\$187.06</b>	<b>\$276.46</b>	<b>\$75.00</b>
<b>6 CUBIC YARD</b>	<b>\$131.77</b>	<b>\$229.40</b>		<b>\$75.00</b>
<b>8 CUBIC YARD</b>	<b>\$149.41</b>	<b>\$237.65</b>	<b>\$331.76</b>	<b>\$75.00</b>

**SECTION 2:**

If any provisions, section, exception, subsection, paragraph, sentence, clause or phrase of this ordinance or the application of same to any person or set of circumstances, shall for any reason be held unconstitutional, void or invalid, such invalidity shall not affect the validity of the remaining provisions of this ordinance or their application to other persons or sets of circumstances and to this end all provisions of this ordinance are declared to be severable.

**SECTION 3:**

All ordinances or parts of ordinances inconsistent with the terms of this ordinance are hereby repealed; provided however, that such repeal shall be only to the extent of such inconsistency and in all other respects this ordinance shall be cumulative of other ordinances regulating and governing the subject matter covered by this ordinance.

SECTION 4:

This Ordinance shall become effective after its approval and adoption upon second and final reading.

PASSED AND APPROVED on first reading this 22nd day of May, 2018.

PASSED, APPROVED AND ADOPTED on second and final reading this 12<sup>th</sup> day of June, 2018.

CITY OF PALACIOS, TEXAS

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GLEN SMITH, Mayor

ATTEST:

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CLISSA MILLS, City Secretary

APPROVED AS TO FORM:

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Randall B. Strong  
City Attorney

**CITY OF PALACIOUS  
SOLID WASTE SCHEDULE  
EFFECTIVE 2018**

**Rate Increase of 3.54%**

*The following tabs show the CPI Increase of 2.44%, and Fuel Surcharge Increase of 1.10%*

**2016**

Resi Cart service 2xWeek                   \$ 22.72 per month  
Resi Cart service 2xWeek extra cart       \$ 14.03 per month

**2018**

Resi Cart service 2xWeek                   \$ 23.52 per month  
Resi Cart service 2xWeek extra cart       \$ 14.53 per month

**COMMERCIAL RATE SCHEDULE**

**2016**

CONTAINER SIZE	Lifts Per Week						Extra-Lifts
	1	2	3	4	5	6	
2 Cubic Yd	\$ -	\$ -					
3 Cubic Yd	\$ 102.25	\$ 155.66					
4 Cubic Yd	\$ 115.89	\$ 180.66	\$ 267.01				
6 Cubic Yd	\$ 127.26	\$ 221.56					
8 Cubic Yd	\$ 144.30	\$ 229.52	\$ 320.42				

**COMMERCIAL RATE SCHEDULE**

**2018**

CONTAINER SIZE	Lifts Per Week						Extra-Lifts
	1	2	3	4	5	6	
2 Cubic Yd	\$ -	\$ -					
3 Cubic Yd	\$ 105.87	\$ 161.17					
4 Cubic Yd	\$ 119.99	\$ 187.06	\$ 276.46				
6 Cubic Yd	\$ 131.77	\$ 229.40					
8 Cubic Yd	\$ 149.41	\$ 237.65	\$ 331.76				

**ORDINANCE NO 2018-O- 3**

AN ORDINANCE OF THE CITY OF PALACIOS, TEXAS REVISING  
BUDGETED LINE ITEMS WHICH SHALL SUPERSEDE ALL PREVIOUSLY  
ADOPTED ORDINANCES AND AMENDMENTS

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WHEREAS, the City Council has determined that there is a need to adjust certain line items in the 2017-2018 budget due to changed circumstances; and

WHEREAS, the budget requires amendment to reallocate funds due to unforeseen changes in expenditures; NOW THEREFORE:

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

SECTION 1. That the appropriation for the fiscal year beginning October 1, 2017, and ending September 30, 2018, of the different departments and purposes of the City of Palacios is amended to read as follows as to the listed line items:

**Department Budget Line Item Transfer**

Date of Request: 6/12/2018
Requested by: Tammy McDonald
Department: Multiple

Transfer to Line Item				
Line item Description	Account Number	Current FY 18 Budget	Amount Increased	New Line Item Budget
Contractual Services - Police	01 20-05300	\$1,500.00	\$3,500.00	\$5,000.00
Operating Transfers - TCDP	29 04260	\$0.00	\$55,647.00	\$55,647.00
Donations Police Department - Police	01 04150	\$0.00	\$260.00	\$260.00
Recycle Stationary Equipment - Recycle	01 35-01520	\$0.00	\$2,000.00	\$2,000.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00

**Total Increased**  
\$61,407.00

<b>Transfer from Line Item</b>
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Line item Description	Account Number	Current FY 18 Budget	Amount Decreased	New Line Item Budget
Maint - Computer Software/System - Police	01 20-05135	\$28,500.00	\$3,500.00	\$25,000.00
Transfer Out - Water CDBG Match	02 25-05772	\$52,500.00	\$52,500.00	\$0.00
Other Capital Outlay - Water	02 22-05530	\$10,000.00	\$3,147.00	\$6,853.00
Reimburse Sane - Police	01 04311	\$2,000.00	\$260.00	\$1,740.00
Contractual Services - Equipment	05 51-05300	\$4,000.00	\$2,000.00	\$2,000.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00

**\$61,407.00 Total Decreased**

SECTION 2. That the budget amendments above be made in accordance with the Budget of the City Manager as revised by the City Council, and 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. If any provisions, section, exception, subsection, paragraph, sentence, clause or phrase of this ordinance or the application of same to any person or set of circumstances, shall for any reason be held unconstitutional, void or invalid, such invalidity shall not affect the validity of the remaining provisions of this ordinance or their application to other persons or sets of circumstances and to this end all provisions of this ordinance are declared to be severable.

SECTION 4. All ordinances or parts of ordinances inconsistent with the terms of this ordinance are hereby repealed; provided however, that such repeal shall be only to the extent of such inconsistency and in all other respects this ordinance shall be cumulative of other ordinances regulating and governing the subject matter covered by this ordinance.

SECTION 5. 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.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Palacios, Texas upon one reading this 12<sup>th</sup> day of June, 2018.

CITY OF PALACIOS, TEXAS

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

ATTEST:

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CLISSA MILLS, City Secretary

APPROVED AS TO FORM:

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RANDALL B. STRONG, City Attorney

## **BUDGET ADJUSTMENT JUSTIFICATION FORM**

1. Prisoner transport was needed from another state to Palacios. This was unforeseeable and not budgeted in the original budget. The invoice was paid out of Contractual Services for the Police Department (01 20-05300). This has put 01 20-05300 over on the budget. Therefore, it is requested that we move money from Maintenance – Computer Software/System (01 20-05135) which has money in it to cover the prisoner transport. This means we would transfer \$3,500.00 from 01 20-05135 into 01 20-05300.
  
2. The budget allowed from \$52,500.00 for a Transfer Out – Water – CDBG Match (02 25-05772). The total invoice was \$55,647.00 and paid out of Operating Transfers – TCDP (29 04260). This was the Ike Grant that went through Matagorda County. The additional invoiced amount over the original budgeted amount will come out of Other Capital Outlay – Water (02 22-05530) which has money in it to cover the difference. In order to cover what was paid, we need to adjust the budget. This means we need to transfer the original \$52,500.00 from 02 25-05772 and an additional \$3,147.00 from 02 22-05530 into 29 04260.
  
3. An invoice for \$360.00 was paid for National Night Out T-Shirts from Donations Police Department (01 04150). However, only a \$100.00 donation was received to cover this expense. Reimburse Sane – Police account (01 04311) has \$2,000.00 budgeted but no money has been invoiced to this account. Therefore, we need to transfer \$260.00 from 01 04311 to 01 04150
  
4. The Recycle Stationary Equipment (01 35-01520) was not budgeted. We have paid two invoices out of this account. Contractual Services – Equipment (05 51-05300) was budgeted for \$4,000.00. We need to split that budget and move \$2,000.00 from 05 51-05300 to 01 35-01520 in order to cover current payments and any payments for the rest of the budget year.

### Department Budget Line Item Transfer

Date of Request: 6/12/2018
Requested by: Tammy McDonald
Department: Multiple

Transfer to Line Item				
Line item Description	Account Number	Current FY 18 Budget	Amount Increased	New Line Item Budget
Contractual Services - Police	01 20-05300	\$1,500.00	\$3,500.00	\$5,000.00
Operating Transfers - TCDP	29 04260	\$0.00	\$55,647.00	\$55,647.00
Donations Police Department - Police	01 04150	\$0.00	\$260.00	\$260.00
Recycle Stationary Equipment - Recycle	01 35-01520	\$0.00	\$2,000.00	\$2,000.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
<b>\$61,407.00</b>			<b>Total Increased</b>	

Transfer from Line Item				
Line item Description	Account Number	Current FY 18 Budget	Amount Decreased	New Line Item Budget
Maint - Computer Software/System - Police	01 20-05135	\$28,500.00	\$3,500.00	\$25,000.00
Transfer Out - Water CDBG Match	02 25-05772	\$52,500.00	\$52,500.00	\$0.00
Other Capital Outlay - Water	02 22-05530	\$10,000.00	\$3,147.00	\$6,853.00
Reimburse Sane - Police	01 04311	\$2,000.00	\$260.00	\$1,740.00
Contractual Services - Equipment	05 51-05300	\$4,000.00	\$2,000.00	\$2,000.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
<b>\$61,407.00</b>			<b>Total Decreased</b>	
Net transfers			<u>0.00</u>	

**Justification for line item transfer:** (Net transfers = 0.00)

Adj #1 Prisoner Transport not budgeted for  
 Adj #2 lke share of money for CDBG  
 Adj #3 Police Department T Shirts for National Night Out  
 Adj #4 Recycle Equipment Repairs not budgeted for

Approved by: \_\_\_\_\_  
City Manager Date

Entered in system: \_\_\_\_\_  
Finance Department Date

# CITY OF PALACIOS

P. O. Box 845 ★ PALACIOS, TEXAS 77465  
PHONE (361) 972-3605 ★ FAX (361) 972-6555



WWW.CITYOFPALACIOS.ORG

July 26, 2017

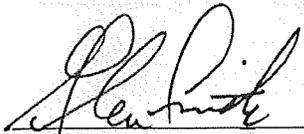
Honorable Nate McDonald, County Judge  
Matagorda County  
1700 7th St., Room 301  
Bay City, TX 77414

Re: DRS 220112-22016.3-1  
Palacios Wastewater Collection System Lift Station Rehabilitation

Dear Sir:

Bids were received on the referenced project on June 27, 2017 and the lowest responsive bid was \$57,860 more than the grant amount of \$185,500 for construction. The City recommends that the County award the project and the City would cover any construction cost over the grant amount not to exceed \$60,000 for construction.

Sincerely,



Glen Smith, Mayor  
City of Palacios

STATE OF TEXAS

CITY OF PALACIOS

COUNTY OF MATAGORDA

ORDER DECLARING AMENDMENT OF CITY CHARTER

WHEREAS, the City Council of the City of Palacios ("City Council") by resolution ordered an election to be held in the City on May 5, 2018 (the "Election"), on the PROPOSITIONS TO AMEND THE CITY CHARTER hereinafter stated; and

WHEREAS, the City Council has investigated all matters pertaining to the Election, including the ordering, giving notice, officers, holding and making returns of the Election as provided by law; and

WHEREAS, the election officers, who held the Election, have duly completed the returns of the result thereof, and the returns have been duly delivered to City Council; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Order was adopted was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551 of the Texas Government Code;

THEREFORE, IT IS HEREBY ORDERED BY THE CITY COUNCIL OF THE CITY OF PALACIOS:

1. That City Council officially finds and determines that the Election was duly ordered, that proper notice of the Election was duly given, that proper election officers were duly appointed prior to the Election, that the Election was duly held, that the City of Palacios has complied with the Texas Election Code, that due returns of the result of the Election have been made and delivered, and that City Council has duly canvassed the returns, all in accordance with law and the Resolution calling the Election.

2. That City Council officially finds and determines that the following votes were cast at the Election, on the submitted PROPOSITIONS by the resident, qualified electors of the City, who voted at the Election:

PROPOSITION A - Shall Section 3.17 be amended to state:

The City Council shall cause all general ordinances of the City to be compiled and printed in code form. For the purpose of this section, general ordinances shall be deemed to be those ordinances of a permanent nature, which affect the residents of the City at large. Every general ordinance enacted subsequent to the original codification required above shall be enacted as an amendment to the code. After the original codification, the City Council shall have the power to cause all general ordinances to be recodified and reprinted whenever in its discretion such is deemed desirable. When adopted by the City Council, the printed codes of general ordinances contemplated by this section shall be known and cited officially as "Code of Ordinances of the City of Palacios" and shall be in full force and effect without the necessity of such codes or any part thereof being published in any newspaper, unless otherwise required by Law. The caption, descriptive clause, and other formal parts of the ordinances of the City may be omitted without affecting the validity of such ordinances when they are published as a code. Copies of the code shall be furnished to the City Officers, placed in any city library for free reference, placed on the city website for viewing and printing, and made available for purchase by the public at a reasonable price. Amendments to the code shall also be made available for purchase by the public as they become available.

FOR 156 AGAINST 55

PROPOSITION B - Shall Sections 4.01 (d)(1) and 4.01 (d)(9) be amended to state:

(d)(1) be responsible for the administration of all affairs of the City;

(d)(9) ensure that the City staff is comprised of appropriately qualified people by following the personnel practices listed below:

Position descriptions for department directors and senior staff will be prepared by the City Manager, compared with those of cities of similar size, and approved by City Council. Position descriptions will be updated biannually.

Annually, salaries for department directors and senior staff will be compared with salaries of cities of similar size and a recommendation will be made to City Council regarding adjustment of current salary levels.

Job vacancies will be posted internally, with appropriate professional organizations, on the City's website and in local newspapers.

Vacancies for department directors and senior staff will be filled by:

conducting a job search;  
updating the salary requirements and job descriptions;  
interviewing qualified candidates;  
conducting a background check of the candidates; and  
selection based on qualifications, strengths and weaknesses of the candidates and determination of the order of preference of the candidates;  
and

FOR 171 AGAINST 35

PROPOSITION C - Shall Section 5.02 be amended to state:

(a) The Municipal Court shall be presided over by a Judge who is a qualified voter in Commissioner Court Precinct 3 in Matagorda County. The Judge of said court shall be appointed by Council to serve for a term of two years. The Judge shall receive such salary as may be fixed by Council.

(b) The Council may appoint such Associate or Alternate Judges of said court as shall be deemed necessary and appropriate by said Council. Associate or Alternate Judges shall be appointed for terms and shall possess the same qualifications as are required for the presiding Judge of said court. Associate Judges shall receive such salary as may be fixed by Council.

(c) Municipal Court Judge(s) may be removed from office in accordance with State Law.

FOR 191 AGAINST 24

PROPOSITION D - Shall Sections 6.02(f) and 6.02(g) be amended and/or added to state:

(f) The budget shall be so arranged as to show comparative figures for actual and estimated income and expenditures of the current fiscal year and actual income and expenditures of the preceding fiscal year, compared to the estimate for the budgeted year.

(g) such other information required by State Law and/or City Council.

FOR 187 AGAINST 19

PROPOSITION E - Shall Sections 7.04 and 7.06 be amended to state:

7.04 Filing for Office

Any person having the qualifications required by this Charter for holding office as a member of the City Council who desires to become a candidate for election to the City Council shall file an application to that effect, in writing, with the City

Secretary within the time prescribed by Law. The application must provide information required by the Texas Election Code. The City Council shall investigate the qualifications of the candidates.

Section 7.06 Conducting and Canvassing Elections

The returns of each City election shall be delivered to the City Secretary by the election judges. The City Council shall canvass the returns and declare the official results of the election in the manner and within the time periods provided by State Law. Returns of each City election shall be recorded in the minutes of the City Council.

FOR 182 AGAINST 26

PROPOSITION F - Shall Section 10.03(a) be amended to state:

The Commission shall hold, at a minimum, quarterly meetings and report to the City Council annually;

FOR 194 AGAINST 15

PROPOSITION G - Shall Section 11.01 be amended to state:

No member of the City Council, officer, Boards/Committee Members, or employee of the City shall personally engage in any business with the City nor shall have any financial interest, direct, or indirect, in any commercial entity doing business with the City, or in the sale of any land, commodity, or service to the City, without making disclosure thereof. Any willful violation of this section shall constitute malfeasance in office, and any such member of City Council or City officer of [or] employee guilty thereof shall thereby forfeit his/her office, position, or employment. Any violation of this section with the express or implied knowledge of the person or entity doing business with the City shall render the contract voidable by the City Council.

FOR 196 AGAINST 21

3. That City Council officially finds, determines and declares the results of the Election to be that the PROPOSITIONS A, B, C, D, E, F, and G so submitted to a vote each received and carried a favorable majority vote, and the PROPOSITIONS are hereby adopted.
4. The City Secretary of the City of Palacios is hereby directed, not later than the third day after the date of this Order, to provide a certified copy of this Order to the Texas Secretary of State.
5. This Order shall become effective immediately after its approval and adoption by City Council.

PASSED AND APPROVED this \_\_\_\_th day of May, 2018.

CITY OF PALACIOS, TEXAS

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

ATTEST:

\_\_\_\_\_  
CLISSA MILLS, City Secretary

...ordmae/elections/order approving charter amendments 2018

Firm Name	Standard Attested Audit Price	Estimated Hours Spent on Non-Attest Items
Harrison, Waldrop, & Uherek LLP	\$24,600.00	240

*Yammy McDonald*

HARRISON, WALDROP & UHEREK, L.L.P.

**HWU**

CERTIFIED PUBLIC ACCOUNTANTS  
101 S. MAIN, SUITE 400  
VICTORIA, TEXAS 77901-8142

STEPHEN W. VAN MANEN, CPA  
DENNIS C. CIHAL, CPA  
ERIC L. KUCERA, CPA  
CLAYTON P. VAN PELT, CPA  
ROBERT W. SCHAAR, CPA  
MELISSA M. TERRY, CPA

VOICE: (361) 573-3255  
FAX: (361) 573-9631

**FAX TRANSMITTAL COVER SHEET**

Date: JUNE 4, 2018 Time of Day: 10:00 AM Faxed By: AAD

To: DAVID KOCUREK, CITY MANAGER Fax No.: 361-972-6555

From: STEPHEN W. VAN MANEN, CPA = HARRISON, WALDROP & UHEREK, LLP

We are sending 13 page(s) including this cover sheet. If you do not receive all pages, please call (361) 573-3255 as soon as possible.

Message or Comment:

PROPOSAL FOR CITY OF PALACIOS, TEXAS FOR THE YEAR ENDED SEPTEMBER 30, 2018

**CONFIDENTIALITY NOTICE**

The information contained in this message may be privileged and confidential information and is intended for the use and benefit only of the individual or entity named above. The rules imposed by IRS Circular 230 require us to state that, unless it is expressly stated above or in an attachment hereto, any opinions expressed with respect to a significant tax issue are not intended or written by the practitioner to be used, and cannot be used by the recipient, for the purpose of avoiding penalties that may be imposed on the recipient or any other person who may examine this correspondence in connection with a Federal tax matter. If the reader of this message is not the intended recipient, you are hereby notified that any unauthorized review, use, disclosure, dissemination, distribution, or copying of this facsimile, or any of its contents, is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone and return the confidential facsimile via U.S. Mail.

MEMBERS OF  
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
REV. 11/02 SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Proposal for

**CITY OF PALACIOS, TEXAS**

*Annual Financial Audit  
For the Year Ended September 30, 2018*

Submitted by

**HARRISON, WALDROP & UHEREK, L.L.P.**

Certified Public Accountants

101 South Main, Suite 400

Victoria, Texas 77901

(361) 573-3255

Stephen W. Van Manen, CPA.

June 2, 2018

Proposal for  
**CITY OF PALACIOS, TEXAS**  
*Independent Audit Services*  
*For the Fiscal Year Ending September 30, 2018*

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**HARRISON, WALDROP & UHEREK, L.L.P.****HWU**CERTIFIED PUBLIC ACCOUNTANTS  
101 S. MAIN, SUITE 400  
VICTORIA, TEXAS 77901-8142STEPHEN W. VAN MANEN, CPA  
DENNIS C. CIHAL, CPA  
ERIC L. KUCERA, CPA  
CLAYTON P. VAN PELT, CPA  
ROBERT W. SCHAAR, CPA  
MELISSA M. TERRY, CPA(361) 573-3255  
FAX: (361) 573-9531

June 2, 2018

David Kocurek  
City Manager  
City of Palacios  
311 Henderson  
Palacios, TX 77465

Dear Mr. Kocurek:

It is our pleasure to present to the City of Palacios, Texas this proposal for auditing services for the fiscal year ending September 30, 2018. We have reviewed the "Request for Proposals" document you issued and we understand the requirements contained therein as well as the extent of services that will be necessary to meet your requirements. A detailed explanation of our understanding of the work to be performed can be found in the "Scope of Services and Proposed Work Schedule" section of this proposal. Information about our firm and the individuals anticipated to be assigned to the engagement can be found in the "Profile and Qualifications" section.

Any questions about the content of our response should be directed to the following individual:

Stephen W. Van Manen, CPA  
Audit Partner  
Harrison, Waldrop & Uherek, LLP  
101 South Main Street, Suite 400  
Victoria, Texas 77901  
Phone: 361-573-3255  
Email: vanmanen@hwullp.com

Again, it is our pleasure to submit this proposal to you for auditing services.

Sincerely,

*Harrison, Waldrop & Uherek, LLP*HARRISON, WALDROP & UHEREK, LLP  
Certified Public Accountants

## Profile and Qualifications

Harrison, Waldrop & Uherek, L.L.P., Certified Public Accountants ("HWU"), is a local certified public accounting firm located in Victoria, Texas. We presently have six partners, eight professional staff, and four administrative staff employees. The professional staff consists of five individuals who work on attest engagements and prepare various types of federal tax returns and three individuals whose responsibilities are limited to income tax related services. Along with each of the partners, three of the members of the professional staff are Certified Public Accountants. HWU does not currently designate members of our professional staff with titles such as manager, supervisor, or senior. HWU is currently in compliance with all registration and permit requirements to engage in the practice of public accounting in the State of Texas.

HWU was founded in 1950 and is a service oriented, professional firm. Since our founding, we have sought to constantly provide our clients with the best auditing, accounting, tax and management advisory services. We offer these services throughout South Central Texas. It is our belief that a major reason for our firm's growth has been our constant commitment to the concept of establishing an ongoing personal communication link with our clients. We know that what we do is vital to our client's business success, and we constantly endeavor to advise our clients on the best ways to utilize and act on the information we provide. Our philosophy and practice is to blend the technical and the practical in each engagement.

Our firm is independent with respect to the City of Palacios, Texas (the "City") as defined by the U.S. General Accountability Office's Government Auditing Standards as to relationships between the City and its management and members of the firm, and with regard to any other work performed by the firm for the City.

HWU is well qualified to perform the proposed engagements. We have performed audits of governmental entities for over 30 years. We are currently engaged to audit various cities during 2013. In addition to cities, we also perform audits for area counties, school districts, and special purpose governments.

All of the partners and professional staff at the firm are duly licensed to practice public accounting in the State of Texas. Our firm is an Equal Employment Opportunity Employer.

Two of the firm's partners are currently members of the Government Finance Officers Association ("GFOA") Special Review Committee. The Special Review Committee is the Committee responsible for determining compliance with the reporting standards to qualify for the GFOA Certificate of Achievement for Excellence in Financial Reporting. Stephen W. Van Manen has been a member of the committee for the past twenty-nine years and Melissa M. Terry has been a member of the committee for over seventeen years. We believe that our participation in this endeavor has assisted the firm in being able to stay abreast of the latest developments in financial reporting and at the same time provided us with a variety of reporting options.

The following governmental entities, in which HWU currently audit, receive the GFOA Certificate of Achievement for Excellence in Financial Reporting:

- City of Victoria
- City of Wharton
- City of Port Lavaca
- City of Bay City
- County of DeWitt

To ensure professional excellence in our auditing and accounting practices, our firm voluntarily subjected itself in 1987 to a review of its auditing and accounting practice. Our review was conducted in conformity with standards for peer reviews promulgated by the peer review committee of the private companies' practice section of the American Institute of Certified Public Accountants Division for Certified Public Accountants. Our peer reviews are conducted every three years by well-known and respected accounting firms. Our last peer review was conducted in December 2014, and we received a "passed" rating with no deficiencies. A copy of the report issued at that time is included in this proposal. Our most recent review included reviews of governmental entities. No letter of comments was received in connection with our last review.

There have been no circumstances of any disciplinary action taken or pending in the last five years and there is no litigation pending involving our firm.

Annually our audit staff receives more continuing education hours than what is required by both the AICPA and the GAO. The type of continuing education received is from a variety of formats, correspondence, web-view, and live presentations. There is no particular university that is a major source of new staff. We seek to hire the best candidates, regardless of the university attended.

It is currently anticipated that the engagement team for the proposed engagement will consist of three members of our staff: Stephen W. Van Manen, and Melissa M. Terry. Each of these individuals will be involved in performing fieldwork for the audits and will work on a full-time basis until the engagement is successfully completed. A brief summary of each individual's education and experience follows below:

Mr. Stephen Van Manen, CPA (Engagement Partner)

Mr. Van Manen supervise the audit engagement. As such, he will be available for consultation on all audit issues. He has thirty three years of audit experience and he oversees the firm's audit practice. He holds a BBA degree in Accounting from Sam Houston State University. He became licensed as a CPA in 1981, and has been a partner in our firm since 1986. He specializes in performing and reviewing governmental audits. Mr. Van Manen is a member of the Texas Society of Certified Public Accountants and the American Institute of Certified Public Accountants. He has obtained approximately 75 hours of continuing education in the area of governmental auditing, accounting and financial reporting in the past three years.

Ms. Melissa M. Terry, CPA (Partner)

Ms. Terry will work on the engagement. Ms. Terry has a BBA degree in Accounting from Texas A & M University. In 1996 she joined HWU as a member of the audit staff, became licensed as a CPA in 2000, and was named a partner in 2005. She specializes in performing and reviewing governmental audits. Ms. Terry is also a member of the Texas Society of Certified Public Accountants and the American Institute of Certified Public Accountants. She has obtained over 75 hours of continuing education in the past three years involving governmental accounting and auditing.

Both of the partners listed above will be available to assist the City in any matters that may arise. There is not a formal policy on rotation of audit staff assigned to specific engagements, but practical experience has dictated that rotation of certain staff has, and will continue to be performed. We will inform the City Treasurer as soon as possible in the event that one of the proposed auditors becomes unavailable to work on the engagement.

## Approach to Audit

Our approach to the audit will be conducted in four broad phases - planning, systems evaluation, testing and reporting. This approach places heavy emphasis on a thorough analysis and evaluation of the system of internal controls of the City in order to (a) minimize the audit work in activities which have strong internal controls and (b) concentrate the audit effort in those activities which have less effective internal controls. Throughout the audit we will hold periodic progress meetings to keep the City informed of any new developments.

The following general description illustrates the manner in which we will accomplish each phase.

### Planning

The planning phase will lay the foundation for the direction that the audit will take. In this phase we will:

- Expand our understanding of the City's operating environment;
- Review the City's flow of transactions through the computer system;
- Conduct an analytical review;
- Identify major areas of audit concern and define the major audit objectives; and
- Discuss financial statement format, preparation of work paper schedules by the City's staff, designation of the City's audit liaison and determination of clerical staff available for pulling invoices, making photo copies, etc.
- We anticipate obtaining the following documents and assistance from the City's staff: A working trial balance for each of the City's funds; copies of year-end bank reconciliations; copies of all applications, amendments, quarterly and final reports for all federal and state grant programs; a reconciled capital asset inventory listing; a detail of payable and receivable balances at year-end; and other requested documents including vendor invoices, payroll files, bank statements, etc.

### Systems Evaluation

Having established the audit framework in the planning phase, we will then determine the extent to which we can rely upon the existing internal controls and accounting systems to produce reliable and timely financial data. During the system evaluation, we will perform formal risk assessment procedures which include the following:

- Internal control systems review, including review of data processing;
- Identification of internal control strengths and weaknesses; and
- Development of tailored audit program.

**Testing**

The audit tests to be performed will consist of compliance and substantive procedures that are appropriate to meet the audit objective identified in the planning and systems evaluation phases of the engagement. Sample sizes will be dependent on the results of the initial analytical review procedures that will be performed. It is not anticipated that formal statistical sampling will be employed in the test work.

We do not anticipate the use of EDP software in the testing phase of the engagement.

The analytical procedures to be used are basically a fluctuation analysis based on information on an annual basis. These procedures will be performed during our interim fieldwork and final fieldwork procedures.

Our testing of laws and regulations will be limited to areas that are required to be tested, primarily in the Uniform Guidance. The various sample sizes to be tested are dependent on a variety of factors and the type(s) of programs that are selected for compliance tests, if necessary.

An audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements of major programs. However, should we become aware of conditions which lead to the belief that material errors, defalcations or other irregularities may exist, we will discuss this with you immediately.

**Reporting**

At the completion of the audit, we expect to be in a position to meet the time requirements as set out in the request for proposal. The audit will be addressed to the Mayor and Council of the City.

If the Council would decide to extend the contract to subsequent years, our audit approach would be basically the same except that our internal control evaluation would require less audit time.

## Scope of Services and Proposed Work Schedule

It is our understanding that the proposed audits will cover information contained in the basic financial statements of the City. The purpose of our audits will be to express an opinion as to whether these financial statements, present fairly, in all material respects, the financial position, changes in financial position, and cash flows of the City's governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of and for the year ended September 30, 2018. We will not audit any required supplementary information or supplementary information included with the basic financial statements, but we will apply procedures necessary to enable us to report on this information as required by SAS No. 29.

We understand that the audit is to be performed in accordance with all professional standards governing audits of and financial statements issued by governmental entities. These standards include *Statements on Auditing Standards* (SAS) and various audit and accounting guides issued by the AICPA and accounting statements issued by the Governmental Accounting Standards Board (GASB). The audit will also be performed in accordance with *Government Auditing Standards* applicable to financial statement audits as promulgated by the Government Accountability Office (GAO) and the reporting and auditing requirements of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), if applicable. If we become aware that the City is subject to an audit requirement that is not encompassed in the agreed upon terms of our engagement, we will, as required by SAS No. 74, communicate this fact to management so that appropriate measures may be taken.

The following schedule presents our current estimate of approximate dates for the various portions of the current year's engagement assuming that we are selected to perform the City's audit for the year ending September 30, 2018.

- September 2018: Interim fieldwork conference between HWU audit staff and the City Treasurer or other City personnel.
- November 2018: Interim fieldwork procedures consisting of internal control and fraud risk assessments, analytical review, federal and state program audit requirement determination and testwork, and transaction testing in selected areas. At the conclusion of the interim fieldwork procedures, a conference between the HWU audit staff and the City Treasurer or other City personnel will be held. HWU will provide the City with an audit plan including a list of schedules to be prepared by the City staff and a list of all audit confirmations that will be needed for the audit.
- December 2018: Final fieldwork procedures including testing of selected asset, liability and equity accounts, and completion of transaction testing and federal and state compliance procedures. Conferences will be held at the onset of fieldwork, as the work progresses, and at the end of fieldwork. The exit conference will be held with the City Treasurer or other City personnel to discuss findings during the audit and anticipated reporting issues.
- January 2018: In-office review of audit documentation and submission of proposed audit adjusting entries to City personnel. Drafting of basic financial statements and accompanying information.
- January 2018: Submission of draft financial statements to City Treasurer.
- February 2018: Submission of audited financial statements and related reports to City Council.

## Fees and Compensation

Harrison, Waldrop and Uherek, L.L.P. estimates that it will take approximately 240 hours of staff time to complete the engagement for the 2018 fiscal year. Hours in future years should be about the same, notwithstanding additional time required to implement any procedures necessary to comply with additional professional standards and reporting requirements not currently effective.

Our estimate for the number of hours by classification and phase of the audit is as follows:

	Managing Partner	Partner	Audit Staff	Clerical Staff	Total
Planning	10	5	-	-	15
System Evaluation	15	10	5	-	30
Testing	45	40	30	-	115
Reporting	40	10	5	25	80
Total Audit Hours	<u>110</u>	<u>65</u>	<u>40</u>	<u>25</u>	<u>240</u>

Estimated fees for the 2018 audit engagement are shown in the table below. Actual fees to be billed will be subject to the terms stated in the engagement letter and will be billed as the work progresses. Fees and hours quoted below are based upon the anticipated level of assistance from City personnel listed in the RFP and are not inclusive of the fees for the additional procedures performed in accordance with the Uniform Guidance. If a Single Audit is required the estimated fee for this service will be \$3,600.

Partners	175 hours at \$115	\$20,125
Audit staff	40 hours at \$90	3,600
Clerical staff (In-office)	25 hours at \$35	<u>875</u>
		<u>\$24,600</u>

The above estimates for the aforementioned fiscal year audits are based on anticipated cooperation from the City personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Additional work will be charged at our standard governmental hourly rates as follows:

Partner	\$115/hour
Staff	\$90/hour

**Other Information**

# FARRIS & FARRIS, CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

Paul W. FARRIS, CPA  
DEBRA E. FARRIS, CPA

18484 Leopard St., #A-30-A  
Corpus Christi, TX 78410  
(861) 341-0656  
Fax (861) 341-0658  
farriscpa@aol.com

## System Review Report

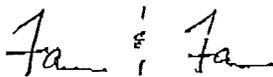
December 4, 2014

To the Partners  
Harrison, Waldrop and Uherek LLP  
and the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Harrison, Waldrop and Uherek LLP (the firm) in effect for the year ended June 30, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included audits of employee benefit plans and engagements performed under the Government Auditing Standards.

In our opinion, the system of quality control for the accounting and auditing practice of Harrison, Waldrop and Uherek LLP in effect for the year ended June 30, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Harrison, Waldrop and Uherek LLP received a peer review rating of pass.



Farris & Farris, CPA's

## References

Following is a partial listing of governmental entities, to whom HWU has provided auditing services:

<u>Name of Entity</u>	<u>Years of Service</u>	<u>Contact</u>
City of Victoria	30+yrs.	Mr. Gilbert Reyna (361) 485-3099
City of Lockhart	5+yrs.	Mr. Jeff Hinson (512) 398-3461
City of Port Lavaca	10+yrs.	Ms. Sandra Mason (361) 552-9793
City of Wharton	10+yrs.	Ms. Joan Andel (979) 532-2491
City of Edna	10+yrs.	Mr. Don Doering (361) 782-3122
City of Cuero	20+yrs.	Ms. Connie Hawes (361) 275-6114
City of Bay City	5+yrs.	Ms. Scotty Jones (979) 245-7597



## Application for Appointment to Board or Commission

**Personal Information**

Application Date: 4-18-18

Name: Judith Chavez

Mailing Address: P.O. Box 11 Palacios, TX 77465

Primary Phone: 361-755-3515 Secondary Phone: —

Email: judyC45@msn.com

**Business Information** (if retired or unemployed, write N/A)

Profession: Volunteer

Business Name: Community

Business Address: City of Palacios

**For which Board or Commission are you applying:**

Airport

Parks & Recreation

Planning & Zoning Commission

Zoning Board of Adjustments

Streets & Drainage Committee

Have you served on a City-appointed Board or Commission before? If so, which ones and for how long?

Palacios Housing Authority 10 yrs / Matagorda County  
City Council - 6 yrs Appraisal Review Board  
2 yrs

Why are you interested in serving on this board or commission?

I am familiar with this area as having been  
the liason for the City Council.

What will make you a good board or commission member? List any special knowledge, skill set, education and experience.

Having Served the City of Palacios in different  
Capacities for over 20 years I am confident  
I can bring the knowledge ~~learned~~ gained to continue to  
be of aide with fair decisions and discretion.

PLEASE READ CAREFULLY: I understand that there are requirements for making public any conflicts of interest I may have in service with this board or commission. I understand that in compliance with Chapter 552, Vernon's Texas Codes Annotated, (Open Records Law), information provided on this application may be available to the public upon request and will be kept on file for at least two years. I understand that the board I am applying for has attendance requirements and I may be subject to removal for excessive absences

Signature Judith Chaw Date 4-18-18

Please return application to:

Clissa Mills, City Secretary  
P.O. Box 845 (311 Henderson)  
Palacios, TX 77465

Phone: 361-972-3605  
Fax: 361-972-6555  
Email: [cmills@cityofpalacios.org](mailto:cmills@cityofpalacios.org)



## **Welcome to the Palacios Pavilion!**

### **Policies and Procedures**

#### **RESERVATIONS:**

**Initial** \_\_\_\_\_

Reservations are booked on a first come-first served basis and can be made up to 2 years in advance of the rental date. Reservations are considered confirmed when rental deposit fees are received and a rental agreement is signed by both the renter and the Pavilion Coordinator. No verbal agreements will be honored.

Payments for deposits and rental fees may be made only in the form of cash, money orders, or checks. Checks and money orders should be made payable to "City of Palacios — Pavilion" and mailed to P. O. Box 845, Palacios, TX 77465 or paid in person at City Hall, 311 Henderson St. Returned checks will be charged a \$50.00 fee and the rental may be subject to cancellation.

Partial payments for a minimum of 50% of the rental fee are accepted when the full deposit is paid sixty (60) days before the event and the remaining balance is due, in full, thirty (30) days prior to the event. The Pavilion exercises the right to create a wait list for the date of your event. If full payment is not paid in full at least thirty (30) days prior to the event, the rental will be moved to the next person on the wait list, your deposit forfeited and you will be notified.

- If the event is cancelled less than 24 hours prior to the scheduled event, no deposit or payment will be refunded.
- If the event is cancelled less than thirty (30) days prior to the event, no deposit will be refunded; however, 50% of the rental fee will be refunded.
- If the event is cancelled more than thirty (30) days prior to the event, no deposit will be refunded; however, 75% of the rental fee will be refunded.

A \$75.00 charge will be assessed and paid in full prior to renter changing any rental date to another day, which must be agreed upon by the Pavilion Coordinator.

Repeat renters may roll over a deposit from one year to another date provided the date is available, and the rental fee is paid in full at least thirty (30) days prior to the event. If the rental fee is not paid in full at least thirty (30) days prior to the event, the date will be opened for rental and the deposit fee will be forfeited.

#### **USE OF SPACE:**

**Initial** \_\_\_\_\_

The MAXIMUM number of persons allowed on the upper floor of the Pavilion at any one time is 175 including the exterior deck. Rental of the Pavilion includes the use of the upper and lower floor areas including: the main room, catering kitchen, restrooms/dressing areas and upper outside deck, lower deck restrooms and open space. Renters have no access to the storage area on the

upper floor. No animals are allowed on the upper floor of the Pavilion. **The Pavilion is a smoke-free/tobacco-free ADA facility. E-cigarettes or vape devices are not allowed for use on Pavilion property.**

Kitchen is CATERING ONLY (NO COOKING) and includes: serving window to main room, ice machine, food warmer, refrigerator, stainless prep tables/ sinks and dumb waiter for transporting items from below. Coolers are allowed in the kitchen area only. Fire extinguishers are available throughout the Pavilion, including the kitchen.

No golf carts are allowed on Pavilion premises. Wheelchairs are available for renter's use and must be placed in the storage room when done.

Renters must participate in a walk-through of the premises with the Pavilion Coordinator within 24 hours after the event. **The facility must be left clean and in the same condition as it was prior to the event.** A refund of the deposit fee, less any deductions for cleaning or damage, will be mailed to the renter within thirty (30) days after the event. Misuse of the Pavilion, including any non-compliance with the Pavilion rules included in this document, could result in forfeiture of your deposit and denial of any future use.

**TRASH DISPOSAL:**

**Initial** \_\_\_\_\_

Large trash cans are available for use. Renter is required to provide 42-gallon contractor grade trash can liners for their use in these cans. A dumpster is available for renter's use only and all trash generated by the event should be taken out of the Pavilion and placed in the dumpster. Any large decorative items to be disposed of should be removed from the premises by the renter and NOT placed in the dumpster.

**SECURITY:**

**Initial** \_\_\_\_\_

If alcohol is served or consumed, one (1) security guard must be present at the event at all times. If more than 100 persons attend any event, two (2) security guards are required to be present at all times during the event. The bar should be confined to one specific spot, pre-arranged with the Pavilion Coordinator. The security agreement or contract with an approved security company or law enforcement officers providing security must be provided to the Pavilion Coordinator at least five (5) business days before the event. If at any time the required security guard(s) is not present, the event will be cancelled immediately and all guests will be asked to immediately vacate the Pavilion and the security deposit and rental fee will be forfeited. A Security Contract is available for renter's use.

**LIABILITY:**

**Initial** \_\_\_\_\_

The Pavilion is not responsible for any personal property left in the Pavilion, or on Pavilion property, before, during or after an event. The Pavilion is not responsible for any lost or stolen items. We reserve the right to remove all personal property from the building at the end of the rental event period. Should property or trash be left behind for Pavilion staff to remove or dispose of, the security deposit will be forfeited.

The renter agrees to defend, indemnify and hold harmless the City, its employees and agents from any and all claims, causes of action, costs and liabilities of every kind and nature whatsoever, directly or indirectly resulting from or caused by the use of occupying of the Pavilion by the renter, renter's guests, invitees, vendors or licensees.

Should a situation arise that results in the Pavilion Coordinator or other assigned employee to be present at the Pavilion before or after the agreed hours of the event, a \$50/hour fee will be assessed to the renter.

**2018 RATES FOR PAVILION USE**

<b>Usage Period</b>	<b>*Rental Fee</b>	<b>Refundable Cleaning/Damage/Security Deposit</b>
Friday (12 hours)	\$650.00	\$250.00*
Friday & Saturday (12 hours/day)	\$1,000.00	\$250.00/day*
Friday (6 hours) & Saturday (12 hours)	\$800.00	\$250.00/day*
Saturday only (12 hours)	\$650.00	\$250.00/day*
Sunday only (12 hours)	\$500.00	\$250.00*
Saturday & Sunday (12 hours/day)	\$1,000.00	\$250.00/day*
Friday, Sat & Sunday (12 hours/day)	\$1,400.00	\$250.00/day*
Monday thru Thursday (6 hours after 4pm)	\$200.00	\$250.00/day*
Monday thru Thursday (3 hours prior to 4pm)	\$150.00	\$100.00/day*
Holidays (see Exhibit A)	\$1000.00	\$250.00

IRS-designated non-profit organizations may be eligible for \$100.00 discount on weekend rates and \$50.00 discount on weekday rates (must provide a copy of IRS designation letter).

**\*NOTE: If alcoholic beverages will be served or consumed at the event, the deposit will be \$500.00.**

\*Rental rates are subject to change.

**EVENT PLANNING:**

**Initial \_\_\_\_\_**

Tables and chairs are for inside use only. A \$25.00 penalty will be assessed for each chair or table removed from the Pavilion's upper floor interior. Chairs should be folded and stacked on the tables by the renter after the event.

Decorations may not be placed on any exit sign marked "Emergency." No decorations may be hung from the ceilings of the Pavilion. No decorations are allowed on the walls or doors of the Pavilion. **TAPE OF ANY KIND, TACKS, PUSH PINS OR NAILS ARE NOT ALLOWED FOR USE IN THE PAVILION.**

No burning candles or fireworks are allowed. The Pavilion encourages the use of battery operated candles.

**Unauthorized use of décor or use of candles/fireworks will result in the forfeiture of the security deposit and will prohibit future use of the Pavilion.**

**CATERING KITCHEN, VENDORS AND DELIVERIES:** Initial \_\_\_\_

The Pavilion Coordinator will not provide keys to vendors/caterers or delivery personnel, nor will the coordinator accept or sign for any deliveries. The renter must be present for all deliveries/vendors/caterers to be admitted to the site. The renter may cater their own event or hire a caterer. Renters who use caterers are encouraged to arrange for one (1) site visit for the renter, caterer and Pavilion Coordinator prior to the event. If the renter or caterer leaves the kitchen or lower level area unclean, including loose debris, the security deposit will be forfeited. No open flame cooking is allowed on the upper floor of the Pavilion. An approved warmer with "sterno" cans may be used.

Deliveries from vendors may only be made during the time period of the rental. Vendors must adhere to all parking regulations and may not drive on any surface except a driveway or marked parking space. Any misuse of the property or Pavilion will result in the vendor being permanently barred from serving at the Pavilion on the day of the event or in the future.

**SALES AND CONCESSIONS:** Initial \_\_\_\_

Renters must have written permission from the Pavilion Coordinator to provide sales or concessions during an event. All vendors must comply with the rules in this document or they will not be permitted on Pavilion property in the future.

**ALCOHOLIC BEVERAGES:** Initial \_\_\_\_

**Alcoholic beverages are allowed on the Pavilion property in non-glass containers ONLY.** Kegs and frozen drink machines must remain in the catering kitchen or on the lower deck and are not permitted outside the catering kitchen on the upper floor of the Pavilion.

If the renter is providing alcoholic beverages to be sold at a cash bar, the renter is responsible for obtaining a Temporary Alcoholic Beverage Permit from the Texas Alcoholic Beverage Commission for however many days the event is held. A copy is required to be furnished to the Pavilion Coordinator prior to the beginning of the event. Failure to provide the copy of the permit will result in the renter being UNABLE to sell alcoholic beverages at the event.

Minors attending events where alcoholic beverages are being sold must be accompanied by their parent, guardian or adult spouse or they will be asked to leave the premises. The Pavilion Coordinator has the right and authority to ask anyone in attendance to show proof of identity and, additionally, has the right and authority to search all bags/purses/totes/containers of any kind.

**ADVERTISING, MARKETING & SIGNAGE:** Initial \_\_\_\_

The Pavilion reserves the right to photograph events and decorations for marketing purposes unless renter declines, in writing, to the City. The Pavilion may feature an event marked "private" or

"public" on signage located on the Pavilion property. No signs, banners or other advertising may be posted by the renter without written permission from the Pavilion Coordinator.

**CONDUCT:**

**Initial \_\_\_\_\_**

Any and all persons whose conduct is disorderly or disruptive in any manner, including, without limitation of any of the following inappropriate behaviors, may be escorted from the Pavilion property by the Pavilion Coordinator or their authorized representative, including law enforcement and/or security:

- Offensive gestures, displays, abusive/indecent or profane language
- Excessive noise
- Fighting, assault, threats against another person
- Vandalism
- Intoxication
- Nudity/indecent exposure

**HOLD HARMLESS:**

**Initial \_\_\_\_\_**

The City of Palacios shall not be liable or responsible for, and shall be saved and held harmless by \_\_\_\_\_ and \_\_\_\_\_ from and against any and all claims and damages of every kind, injury to or death of any person or persons and for damages to or loss of property, arising out of or attributed, directly or indirectly, to the operations or performance under this Contract.

I, \_\_\_\_\_, on behalf of \_\_\_\_\_, fully understand the requirements of the Pavilion Policies & Procedures and agree to adhere to them as a condition of my rental of the Palacios Pavilion. On the Application for Rental, I agree to not misrepresent the purposes for which I am renting the Pavilion or the maximum number of persons who I have stated will be in attendance.

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

Printed Name: \_\_\_\_\_

Witness: \_\_\_\_\_

Printed Name: \_\_\_\_\_

HOLIDAY SCHEDULE FOR 2018

Exhibit A

New Years Day	January 1	1 Monday
Martin Luther King Day	3rd Monday of January	15 Monday
Presidents Day	3rd Monday of February	19 Monday
Good Friday	Friday Before Easter	30-Mar Friday
Memorial Day	Last Monday in May	28 Monday
Independence Day	July 4	4 Wednesday
Labor Day	1st Monday in September	3 Monday
Columbus Day	2nd Monday in October	8 Monday
Veteran's Day	November 11	12 Monday
Thanksgiving Day	4th Thursday in November	22 Thursday
Thanksgiving Friday	Friday after Thanksgiving	23 Friday
Christmas Eve	December 24	24 Monday
Christmas Day	December 25	25 Tuesday

**TAX ABATEMENT**

**AGREEMENT STATE OF**

**TEXAS**

**I KNOW ALL BY THESE PRESENTS:**

The Palacios City Council, in the County of Matagorda, State of Texas (the "City"), and Stuart Lynn who will be constructing Capital Improvements in Palacios, Texas (hereinafter referred as the "Applicant"), enter into this Tax Abatement agreement (the "Agreement") as follows:

**RECITALS**

WHEREAS, the Property Redevelopment and Tax Abatement Act, section 312.001 et seq., Texas Tax Code, as amended, (the "Act") authorizes the City to create a reinvestment zone for residential tax abatement or commercial and industrial business tax abatement purposes; and

WHEREAS, the Palacios City Council has adopted an Ordinance establishing guidelines and criteria governing tax abatement and electing to become eligible to participate in tax abatement pursuant to the requirements of the Act, which Ordinance is incorporated herein by reference thereto for all purposes; and

WHEREAS, the Palacios City Council on the 26th day of September 2013, did enact and adopt an Ordinance designating a certain area as a Reinvestment Zone (the "Zone"), all pursuant to the Act, which Ordinance is incorporated herein by reference thereto for all purposes; and

WHEREAS, the Palacios City Council finds that the terms of the Agreement and the property subject to this Agreement meet the applicable guidelines and criteria governing tax abatement previously adopted and recorded at Volume 35, page 117 et seq. of the Palacios City Council Minutes of Palacios, Texas and subsequently re-adopted as required; and

WHEREAS, the Applicant will use the taxable real property located in the Zone (the "Property") for commercial business; and

WHEREAS, the City and the Applicant desire to enter into this Agreement to exempt from taxation a part of the increase in the value of the Property over its value during the term of this Agreement as hereinafter set forth, all pursuant to: (i) the Act; (ii) Ordinance; (iii) the Comprehensive Policy Statement on Tax Abatement; and (iv) the terms and conditions herein set forth and contained;

NOW, THEREFORE, and in consideration of the mutual covenants and agreements herein contained, the City and the Applicant agree as follows:

1. **Incorporation of Recitals.** The determinations recited and declared in the preambles to the Agreement are hereby restated, repeated and incorporated herein as part of this Agreement.
2. **Term.** Whereby the Applicant intends to construct, build or expand on the Property a commercial or residential building, with permanent fixtures, to be used for business. The eligibility for the tax abatement provided by this Agreement begins with the 2019 tax year and ends with the 2024 tax year.
3. **Improvements.** In order to obtain any tax abatement under this Agreement, the Applicant agrees (i) to construct Capital Improvement within the Zone, substantially as more particularly described in Metes and Bounds Survey Exhibit "A"; (the foregoing Capital Improvements are collectively referred to hereinafter as the "Improvement").
4. **Abatement of Real Property Taxes.** The City agrees to exempt from taxation all or such parts of the increase in the value of the Property by virtue of the improvements over its value in the year in which this Agreement is executed, as specified and in accordance with the Provisions of Exhibit "B" Guidelines and Criteria for Granting Tax Abatements, and such exemption shall include any addition, change, or modification to the improvements after substantial completion due to casualty loss or otherwise. Provided however, that the abatement of taxes and exemption granted by this Agreement shall pertain only to the Property, the Improvements and other permanent fixtures within the Zone, and shall not include trade fixtures, inventory, or other personal property.
5. **Access to Property.** The Applicant agrees that the City shall, at reasonable times and upon reasonable notice, have access to the Property and the Applicant authorizes employees and agents of the City to inspect the Property to ensure that the Improvements are being made in accordance with the terms and conditions of this Agreement and utilized in accordance with this Agreement.
6. **Recapture of Property Taxes.** The Applicant agrees that should it fail to construct and install (or cause to be constructed or installed), or maintain the Improvements in accordance with the terms of this Agreement, then the City shall have the right, in addition to any other available remedy, to recapture all property tax revenue lost as a result of such breach of this Agreement. The City shall notify the Applicant, in writing, of default(s) by the Applicant in complying with the terms and provisions of this Agreement. The Applicant shall promptly reimburse the City for all city tax revenue lost as a result of the breach and the City may, without further notice to the Applicant, immediately cause all tax abatement to cease on the Property subject to this Agreement. Failure on the part of the City to exercise any right contained in this Agreement shall not constitute a waiver of any right in the event of any subsequent default, and no waiver shall be effective unless in writing, executed by the City, and the Applicant.
7. **Miscellaneous.**
  - a. **Assignment.** No party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party.
  - b. **Modifications.** At any time before the expiration of the term of this Agreement, this Agreement may be modified by the joint action of the parties hereto to include other

provisions that could have been included in the original agreement. Any such modification shall be in writing and signed by all the parties hereto and made by the same procedure by which the original agreement was approved and executed. In no event, may this Agreement be modified so as to extend the term of this Agreement beyond five (5) years from the effective date of this Agreement.

- c. **Notices.** Any notices required or desired to be given to any party hereto shall be deemed to be delivered: (i) on the date of delivery, if hand delivered; (ii) one (1) day after sending, if sent by overnight courier; or (iii) if sent by mail, three (3) days after the same is posted in a U.S. mail receptacle, postage prepaid, to the address of the applicable party set out below such party's signature herein below. Any party hereto may change such party's address for notice to another address within the United States of America, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.
  
- d. **Severability.** If any term or provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected hereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable. The City expressly disclaims any warranty or representation as to the legality or enforceability of this Agreement and the Applicant expressly disclaims the existence of any such warranty or representation.
  
- e. **Governing Law.** This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas and the Act in particular.
  
- f. **Paragraph Headings: Construction.** The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. All parties have participated in the negotiation and preparation of this Agreement so that this Agreement shall not be construed either more or less strongly against or for any party.
  
- g. **Complete Agreement.** This Agreement contains the entire agreement among the parties and supersedes any and all prior understandings and agreements between the parties hereto relating to the subject matter hereof.
  
- h. **Binding Effect.** Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.
  
- i. **Counterparts.** This Agreement has been executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

- j. **Exhibits.** All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.
- k. **Relationship of Parties.** Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties.

EXECUTED this the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

**THE CITY OF PALACIOS, TEXAS:**

By: \_\_\_\_\_  
Mayor City of Palacios

**Address for Notice:**

Mayor Glen Smith  
P.O. Box 845  
Palacios, Texas 77465  
(361) 972-3605

**With Copy To:**

City Attorney

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

**Address for Notice:**

\_\_\_\_\_  
\_\_\_\_\_

(SEAL)

I, Clissa Mills, City Secretary for Palacios, Texas certify that the above is a true and correct copy of Agreement on file in the City Hall of Palacios, Texas and that I, as City Secretary of Palacios, Texas, have legal custody of such writing.

\_\_\_\_\_

City Secretary

Palacios, Texas



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

## CITY OF PALACIOS CITY COUNCIL REGULAR MEETING MINUTES May 22, 2018

**CALL TO ORDER** – Mayor Glen Smith at 7pm  
**INVOCATION** – Councilmember Lewis  
**PLEDGE OF ALLEGIANCE** – Councilmember Chavez  
**PLEDGE TO TEXAS FLAG** – Councilmember Chavez  
**PLEDGE TO PALACIOS FLAG** – Councilmember Chavez

**VISITOR / CITIZEN FORUM** – No visitors spoke at the forum.

### ADMINISTRATIVE REPORTS

1. Pavilion – Grand Opening was a success
2. Downtown Revitalization Grant
3. City Manager’s Report for April 2018

### ITEMS TO BE CONSIDERED

1. Discuss and consider action to approve the following consent agenda items:
  - a) Minutes of the May 8, 2018 Regular Council Meeting
  - b) Excuse the absence of Councilmember Lewis and Councilmember McGovern on May 8, 2018 Regular Council Meeting
  - c) Minutes of the May 15, 2018 Special Council Meeting
  - d) Excuse the absence of Councilmember Tran and Councilmember Crocker on May 15, 2018 Special Council Meeting

Councilmember Lewis motioned to approve the minutes of the May 8, 2018 regular council meeting, excuse the absence of Councilmember Lewis and Councilmember McGovern at the May 8, 2018 regular council meeting, approve the minutes of the May 15, 2018 Special Council Meeting, and excuse the absence of Councilmember Tran and Councilmember Crocker on May 15, 2018 Special Council meeting.  
 Councilmember Chavez seconded  
 There was no opposition  
 With no opposition, the motion carried
2. The City Secretary, Clissa Mills, issued Certificates of Election and administered the Oath

of Office to elected Mayor Glen Smith, Johnny Tran for City Council Position 1, Donna Harvey Schulman for City Council Position 2, and Stephen McGovern for City Council Position 6

3. Discuss and consider approving a Tax Abatement Agreement between the City of Palacios and Stuart Lynn for the property located at Lot 359, Beachside (3019 Palm Coast Lane)  
Councilmember Erdelt motioned to approve a Tax Abatement Agreement between the City of Palacios and Stuart Lynn for the property located at Lot 359, Beachside (3019 Palm Coast Lane)  
Councilmember McGovern seconded  
There was no opposition  
With no opposition, the motion carried
4. Discuss and consider approving the budget calendar for Fiscal Year 2018-2019  
Councilmember Crocker motioned to approve the budget calendar for Fiscal Year 2018-2019  
Councilmember Tran seconded  
There was no opposition  
With no opposition, the motion carried
5. Discuss and consider approving the first reading Ordinance 2018-O-2 amending the garbage collection rates.  
Councilmember Tran motioned to approve the first reading Ordinance 2018-O-2 amending the garbage collection rates.  
Councilmember Lewis 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) – City Manager annual review

Deliberation regarding security devices (551.076)

Discuss economic development negotiations (551.087)

#### **ADJOURN**

Councilmember Tran motioned to adjourn the meeting at 7:35 pm

Councilmember McGovern seconded

There was no opposition

With no opposition, the motion carried

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Glen Smith, Mayor

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Clissa Mills, City Secretary