



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

**CITY OF PALACIOS
 CITY COUNCIL REGULAR MEETING AGENDA
 May 28, 2019**

Notice is hereby given of a Regular Council Meeting of the Palacios City Council to be held May 28, 2019, 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 Tran

PLEDGE OF ALLEGIANCE – Councilmember Dodd

PLEDGE TO TEXAS FLAG – Councilmember Dodd

PLEDGE TO PALACIOS FLAG – Councilmember Dodd

VISITOR / CITIZEN FORUM

ADMINISTRATIVE REPORTS

1. City Manager's Monthly Report April 2019
2. Palacios Community HUB Golf Tournament Fundraiser – Saturday June 15, 2019
3. Grantworks personnel will begin conducting a door to door survey for the CDBG Harvey DR project beginning in June 2019.

ITEMS TO BE CONSIDERED

1. Discuss and consider approving on first reading Ordinance 2019-O-2 the City of Palacios Budget Amendment for 2018-2019.
2. Discuss and consider adopting Resolution 2019-R-10 adopting an investment policy and providing for the effective date thereof
3. Discuss and consider adopting Resolution 2019-R-13 suspending the June 5, 2019 effective date of AEP Texas Inc.'s requested rate change to permit the city time to study the request and to establish reasonable rates; approving cooperation with the cities served by AEP Texas and authorizing intervention in AEP Texas Inc.'s requested rate change proceedings before the commission; and approving other appeal related actions;
4. Discuss and consider approving on first reading Ordinance 2019-O-3 to annex the property located at 1210 Mosier Drive, Palacios, Texas 77465.
5. Discuss and consider accepting the resignation of Charles Lobstein from the Airport Board

6. Discuss and consider accepting the resignation of Debbie Morris from the PEDC Board
7. Discuss and consider approving the appointment of Leland Singer to replace Debbie Morris on the PEDC board until the term expires 12/31/19.
8. Discuss and consider approving the appointment of Scott Tran to replace Donny Tran on the PEDC board until the term expires 12/31/20.
9. Discuss and consider approving the City's contribution up to \$53,000 for the county's Hurricane Ike CDBG-DR grant (Wastewater Treatment Plant Main Lift Station Mechanical Bar Screen Project)
10. Discuss and consider approving the removal of Tammy McDonald as an authorized representative for TexPool
11. Discuss and consider directing the City Manager to obtain an appraisal for Lots 7,8,9 on Main Street
12. Discuss and consider action to approve the following consent agenda items:
 - Minutes of the April 23, 2019 Regular Council Meeting
 - Minutes of the May 14, 2019 Regular Council Meeting
 - Approve the absence of Councilmember McGovern from the May 14, 2019 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)

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)

1. Consult with its attorney under section 551.071 to discuss pending lawsuits
2. Discuss City Treasurer's position

ACTION ON EXECUTIVE SESSION:

1. Discuss and consider settlement of pending lawsuits
2. Discuss and consider employment agreement with City Treasurer

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 May 28, 2019 agenda of items to be considered by the City Council was posted on the City Hall bulletin board by 5:00 p.m. on May 24, 2019.

Clissa Mills

Clissa Mills, City Secretary



City Manager's
MONTHLY REPORT
APRIL 2019

HURICANE HARVEY

- Closing out FEMA damage projects
- Grantworks is preparing to survey community for Harvey CDBG-DR project applications for the City.

ADMINISTRATION

- Contractor working on IKE CDBG-DR grant to rehabilitate Lift Stations.
- Working with GLO to submit application to fund the match for generators through CDBG-DR Program.
- TxDOT Aviation Department for Palacios Airport Improvements Grant to repair Runway 13-31, taxiways, and terminal apron; Engineer is submitting Final Engineering Report for review.
- Closing out H-GAC Recycle Center Expansion Project Grant.
- Opened bids for the sidewalk project utilizing the Downtown Revitalization Grant from Texas Department of Agriculture; Rejected bids and advertising again in May.
- Rebuild Texas Grant approved for emergency generator for City Hall.

PUBLIC WORKS

- Work Orders Completed: 10 water leaks, 19 animal calls, 7 sewer stoppage calls, 20 miscellaneous work orders, cleaned 1,000 feet of ditches, resetting culverts and cleaning out existing culverts; repaired potholes; 107 total calls for service.
- Mowed RR Park and other city properties, water plants, and 14 lift stations.
- Continue hauling of demo material at the Luther Hotel

AIRPORT

- Mowed and sprayed around buildings, runways, and hangers

POLICE

- Calls for Service 390
- Citations 74 Warnings 99 issued, and 8 arrests
- Cases Assigned 8, Cases Closed 52
- Traffic accidents 6

FIRE

- Fire Department is submitted several grants for new Fire Station.
- Fire Department is completing the construction plans for new Fire Station.

2019 TxCDBG Survey Questionnaire

Interviewers Name: _____

Place:

City of Palacios (citywide)

County Name:

Matagorda

Region:

H-GAC 16

Respondent's Information:

Street Address: _____ Zip Code: _____ Phone: _____

Contact Attempts:

(Circle)

First Attempt: Date: _____ Time: _____ A.M. P.M. (Circle ONE)

Second Attempt: Date: _____ Time: _____ A.M. P.M. Response Non-Response Vacancy

1. Including yourself, how many people usually live in this unit? _____

2. Including yourself, how many people in your family usually live in this unit? _____

3. Do any other families live in this unit? (Circle) Yes No

If yes, please complete an additional questionnaire for each family that lives in this unit. (Note: Do not include yourself as a member of another family or families.) Compare your family's 2018 annual adjusted gross income, or your family's 2019 monthly / weekly income calculated on an annual basis, to the income eligibility figures listed below for your County.

4. Family Size: _____ Males: _____ Females: _____

Extremely Low: at or below 30% AMFI

Family Size	1	2	3	4	5	6	7	8	9	10	11	12
Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BETWEEN:	\$12,490	\$16,910	\$21,330	\$25,750	\$30,170	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Very Low Income: 31% - 50% AMFI

Family Size	1	2	3	4	5	6	7	8	9	10	11	12
Income	\$12,491	\$16,911	\$21,331	\$25,751	\$30,171	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BETWEEN:	\$20,550	\$23,500	\$26,450	\$29,350	\$31,700	\$34,050	\$36,400	\$38,750	\$41,090	\$43,438	\$45,786	\$48,134

Low Income: 51% - 80% AMFI

Family Size	1	2	3	4	5	6	7	8	9	10	11	12
Income	\$20,551	\$23,501	\$26,451	\$29,351	\$31,701	\$34,051	\$36,401	\$38,751	\$41,091	\$43,439	\$45,787	\$48,135
BETWEEN:	\$32,900	\$37,600	\$42,300	\$46,950	\$50,750	\$54,500	\$58,250	\$62,000	\$65,730	\$69,486	\$73,242	\$76,998

Non-Low-and-Moderate Income: Greater than 80% AMFI

Family Size	1	2	3	4	5	6	7	8	9	10	11	12
Income	>	>	>	>	>	>	>	>	>	>	>	>
MORE than:	\$32,901	\$37,601	\$42,301	\$46,951	\$50,751	\$54,501	\$58,251	\$62,001	\$65,731	\$69,487	\$73,243	\$76,999

Race	Hispanic	Non-Hispanic
White		
Black African American		
Black African American and White		
Asian		
Asian and White		
Native Hawaiian/Other Pacific Islander		
American Indian/Alaskan Native		
American Indian/Alaskan Native and Black African American		
American Indian/Alaskan Native and White		
Other Multi-Racial		

TO BE COMPLETED BY ADMINISTRATIVE STAFF

Questionnaire Number: _____

Substituted In For: _____

Substituted Out For: _____

NOTE: Failure to correctly complete this survey (e.g. selection of an incorrect income level for family size identified) may result in its disqualification from the survey or be considered a "Non-Response". See TxCDBG Survey Methodology for specific information.

CITY OF PALACIOS

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

WWW.CITYOFPALACIOS.ORG



Cư dân thưa Palacios,

Là một phần của thành phố Palacios nỗ lực để bảo đảm nguồn tài trợ cấp để cải thiện hệ thống thoát nước, đại diện của GrantWorks, Inc sẽ trong cộng đồng thực hiện một cuộc khảo sát của cư dân khu vực. Chúng tôi yêu cầu bạn hợp tác với đội khảo sát Grantworks như vậy rằng họ có thể thu thập thông tin cần thiết cho CDBG cộng đồng phát triển khối tài trợ thông qua các văn phòng đất nói chung.

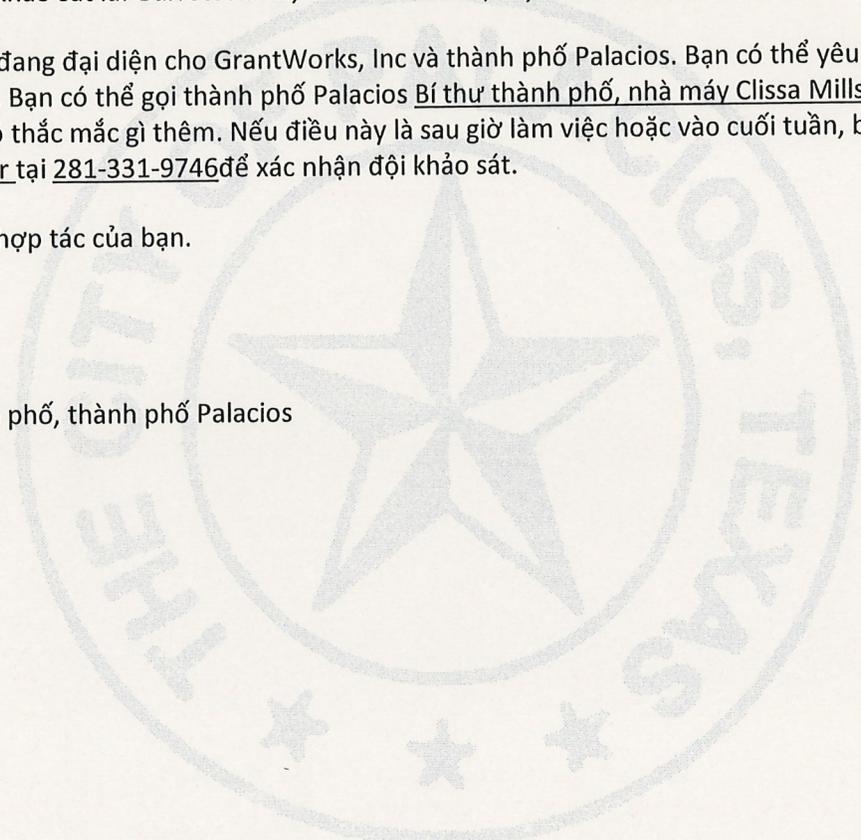
Tên gọi của các khảo sát là: *Garrett Hines, Will Hernandez, Bryce Gossett và Kirk Dibbens.*

Những quý ông đang đại diện cho GrantWorks, Inc và thành phố Palacios. Bạn có thể yêu cầu họ để xác định chính thức. Bạn có thể gọi thành phố Palacios Bí thư thành phố, nhà máy Clissa Mills tại 361-972-3605 nếu bạn có thắc mắc gì thêm. Nếu điều này là sau giờ làm việc hoặc vào cuối tuần, bạn có thể gọi City Manager tại 281-331-9746 để xác nhận đội khảo sát.

Cảm ơn bạn đã hợp tác của bạn.

Trân trọng

David Kocurek
Quản đốc thành phố, thành phố Palacios



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Dear Palacios Resident,

As part of the City of Palacios's efforts to secure grant funding for sewer improvements, representatives of GrantWorks, Inc. will be in the community performing a survey of area residents. We request that you cooperate with the Grantworks survey team so that they can gather the needed information for a CDBG Community Development Block Grant through the General Land Office.

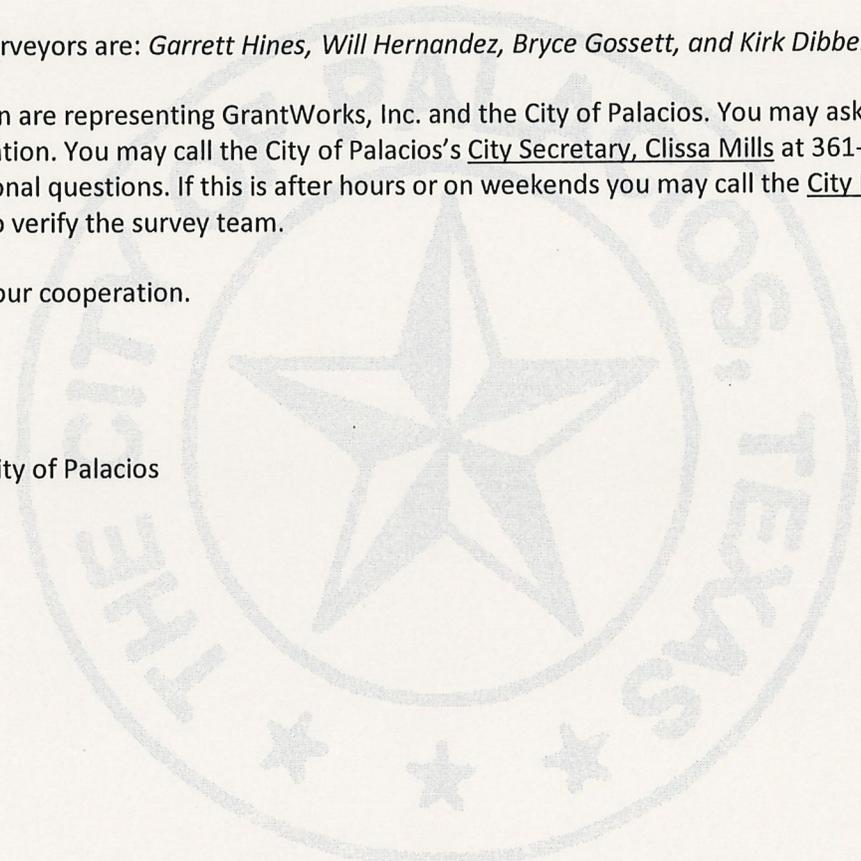
Names of the surveyors are: *Garrett Hines, Will Hernandez, Bryce Gossett, and Kirk Dibbens.*

These gentlemen are representing GrantWorks, Inc. and the City of Palacios. You may ask them for formal identification. You may call the City of Palacios's City Secretary, Clissa Mills at 361-972-3605 if you have additional questions. If this is after hours or on weekends you may call the City Manager at 281-331-9746 to verify the survey team.

Thank you for your cooperation.

Sincerely,

David Kocurek
City Manager, City of Palacios



CITY OF PALACIOS

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



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Estimado Residentes de Palacios,

Como parte de los esfuerzos de la ciudad de Palacios para asegurar becas veca para mejorar el alcantarilla, representantes de Grantworks, Inc. estarán en la comunidad realizando una encuesta a los residentes del área. Le pedimos que coopere con el equipo de encuesta de Grantworks para que puedan recopilar la información necesaria para una Beca de Desarrollo Comunitario (CDBG) a través de la Oficina de Tierras en General.

Los nombres de los encuestadores son: Garrett Hines, Will Hernandez, Bryce Gossett y Kirk Dibbens.

Estos señores representan a Grantworks, la ciudad de nc. y la Palacios. Pueden solicitarles una identificación formal. Pueden llamar a la secretaria de la ciudad, Clissa Mills al 361-972-3605 si tiene preguntas adicionales. Si es después de las horas de trabajo o los fines de semana, puede llamar al Gerente de la ciudad al 281-331-9746 para verificar el equipo de encuesta.

Gracias por su cooperación.

Sinceramente,

David Kocurek
City Manager, City of Palacios

ORDINANCE NO 2019-O-2

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

WHEREAS, the City Council has determined that there is a need to adjust certain line items in the 2018-2019 budget due to changed circumstances; and

WHEREAS, the budget requires amendment to reallocate funds due to unforeseen changes in revenue and 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, 2018, and ending September 30, 2019, of the different departments and purposes of the City of Palacios is amended to read as follows as to the listed line items:

GENERAL FUND

		Increase	Decrease
REVENUES			
Bldg/Moving/Plumb/Perm		7,000.00	
Miscellaneous		1,000.00	
Insurance Proceeds		585.00	
Recycling Grant		208,580.00	
Grant Revenue		105,500.00	
Capital Lease Proceeds		297,992.50	
		Dr.	Cr.
Elections			
Office Supplies	01-11-05060	-1,500.00	
Contractual Services	01-11-05300	-500.00	
Administration			
Supplies	01-12-05050		1,000.00
Office Supplies	01-12-05060	2,000.00	
Maint-Building	01-12-05160	2,000.00	
Office Equipment	01-12-05500		3,000.00
Health Insurance	01-12-05710	3,000.00	

				7,000.00	4,000.00
Municipal Court					
Travel-Training-Dues	01-16-05310	1,000.00			
Police Dept.					
Personnel Related Costs	01-20-05025		500.00		
				0.00	500.00
Fire Department					
				0.00	0.00
Recycle Center					
Tools	01-35-05052		25.00		
Contractual Services	01-35-05300		3,840.00		
Tire Disposal	01-35-05304		600.00		
Capital Outlay	01-35-05530		175,000.00		
Swimming Pool					
Repairs & Maint	01-40-05206		5,250.00		
Parks					
Supplies	01-42-05050		11,500.00		
Maint Building & Facilities	01-42-05160	3,000.00			
				3,000.00	11,500.00
Streets					
Street Signs & Repairs	01-43-05170		500.00		
Pipes & Culverts	01-43-05190	2,000.00			
Other-Capital Outlay	01-43-05530	10,000.00			
				12,000.00	500.00
Animal Control					
Salaries	01-55-05000	200.00			
Chemicals	01-55-05070		600.00		

Telephone	01-55-05250	50.00		
Electricity	01-55-05260	350.00		
Special Items				
Misc Expenses - Rebuild Texas	01-70-05430		100,000.00	
Prop, GL, Wind Insurance	01-70-05750		38,000.00	
		<u>642,257.50</u>	<u>339,815.00</u>	302,442.50

WATER FUND

Sewer Department

Personnel Related Costs	02-23-05025		300.00	
Special Items				
Prop, GI, Wind Insurance	02-25-05750		12,000.00	
		<u>0.00</u>	<u>12,300.00</u>	-12,300.00

AIRPORT FUND

Revenue

TXDOT Reimbursement		129,000.00		
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Airport Expense

Maint-Mach-Tools	04-41-05120		300.00	
Contractual Services	04-41-05300		20,000.00	
		<u>129,000.00</u>	<u>20,300.00</u>	108,700.00

PALACIOS EDC

Capital Outlay	28-28-05530		305,000.00	
Heavy Equip Parts & Supplies	05-51-05035	8,000.00		

TCDP

Revenue

CMP Grant Revenue	32-04864	41,330.00		
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Expenses

Payments to Contractors	32-32-05464	15,300.00
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49,330.00 320,300.00

**EQUIPMENT
REPLACEMENT**

Motor Vehicles	43-45-05520	24,000.00
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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 14th day of May, 2019.

CITY OF PALACIOS, TEXAS

Glen Smith, Mayor

ATTEST:

CLISSA MILLS, City Secretary

APPROVED AS TO FORM:

RANDALL B. STRONG, City Attorney

BUDGET ADJUSTMENT JUSTIFICATION FORM

1. We have collected more in Bldg/Moving/Plumb/Perm (01 04040) than anticipated and are increasing the revenues for this line item from \$23,000.00 to \$30,000.00. An increase of \$7,000.00.
2. We have collected more in Miscellaneous (01 04710) than anticipated and are increasing the revenues for this line item from \$3,500.00 to \$4,500.00. An increase of \$1,000.00.
3. We have collected more in Insurance Proceeds (01 04712) than anticipated and are increasing the revenues for this line item from \$0.00 to \$585.00. An increase of \$585.00.
4. We have collected more in Recycling Grant (01 04825) than anticipated and are increasing the revenues for this line item from \$9,300.00 to \$217,880.00. An increase of \$208,580.00.
5. We have collected more in Grant Revenue (01 04952) than anticipated (included the Rebuild Texas Grant) and are increasing the revenues for this line item from \$0.00 to \$105,500.00. An increase of \$105,500.00.
6. We have collected more in Capital Lease Proceeds (01 04981) due to the sale of land to the Economic Development Corporation and are increasing our revenues for this line item from \$0.00 to \$297,992.50. An increase of \$297,992.50.
7. We have collected more in TXDOT Reimbursement (04 04860) than anticipated and are increasing our revenues for this line item from \$5,000.00 to \$134,000.00. An increase of \$129,000.00.
8. We have collected more in CMP Grant Revenue (32 04864) than anticipated and are increasing our revenues for this line item from \$0.00 to \$41,330.00. An increase of \$41,330.00.
9. The budget was \$2,500.00 for Supplies in City Hall Administration (01 12-05050). We are getting close to the budgeted amount to in order to have enough money over the next six months, we are increasing the budget by \$1,000.00 for a total budget of \$3,500.00.
10. The budget was \$1,000.00 for Office Equipment in City Hall Administration (01 12-05500). Due to having to purchase a new printer the budget is over. We are increasing the budget by \$3,000.00 for a total budget of \$4,000.00.

11. The budget was \$500.00 for Personnel Related Costs in the Police Department (01 20-05025) and has been exceeded so we are increasing the budget by \$500.00 for a total budget of \$1,000.00.
12. There was no budget for Tools in the Recycle Center (01 35-05052). However a tool was needed so we are increasing the budget by \$25.00 for a total budget of \$25.00.
13. There was no budget for Contractual Services in the Recycle Center (01 35-05300). A grant is being done and part of the invoices are coming from Contractual Services and being reimbursed by the money listed in #4 above. Therefore, we are increasing the budget by \$3,840.00 for a total budget of \$3,840.00.
14. The budget was \$600.00 for Tire and Used Oil Disposal in the Recycle Center (01 35-05304). We have expended the budget and are increasing the budget by \$600.00 for a total budget of \$1,200.00.
15. There was no budget for Capital Outlay in the Recycle Center (01 35-05530). However, we received a grant for Expansion of the Recycle Center and the money is being reimbursed by the money listed in #4 above. Therefore, we are increasing the budget by \$175,000.00 for a total budget of \$175,000.00.
16. The budget was \$5,000.00 for Supplies in Parks (01 42-05050). We are getting close to reaching that budget. In order to have enough money for the remainder of the year and to cover the purchase of new picnic tables we are increasing the budget by \$11,500.00 for a total budget of \$16,500.00.
17. The budget was \$5,000.00 for Street Sign and Repairs in Streets (01 43-05170) and we are getting close to reaching the budget. We are increasing the budget by \$500.00 for a total budget of \$5,500.00 to have enough money for the remainder of the year.
18. The budget for Misc. Expenses was \$0.00 (01 70-05430). We received a Rebuild Texas Grant and are increasing the budget by \$100,000.00 for a total budget of \$100,000.00.
19. The budget was \$85,000.00 for Prop, GL, Wind Insurance for Fund 01 (01 70-05750). We have exceeded that budget due to increases in insurance. Some of this money will be reimbursed to us by FOEC and the Library. We are increasing the budget by \$23,000.00 for a total budget of \$123,000.00.
20. The budget for Personnel Related Costs for Sewer Department (02 23-05025) was \$200.00 which has been exceeded. We are increasing the budget by \$300.00 for a total budget of \$500.00.

21. The budget for Prop, GL, Wind Insurance for Water Department (02 25-05750) was \$23,000.00 which has been exceeded due to increase in insurance premiums. We are increasing the budget by \$12,000.00 for a total budget of \$35,000.00.
22. The budget for Maint-Mach-Tools-Impl for the Airport (04 41-05120) was \$800.00. We are getting close to expending the budget so in order to have enough money for the remainder of the year, we are increasing the budget by \$300.00 for a total budget of \$1,100.00
23. The budget for Contractual Services for the Airport (04 41-05300) was \$12,000.00 which will be expended due to a grant for the Airport and the money is being reimbursed by the money listed in #7. We are increasing the budget by \$20,000.00 for a total budget of \$32,000.00.
24. The budget for Capital Outlay in the Economic Development (28 28-05530) was \$5,000.00. They purchased land from the City of Palacios in which the money came from the Economic Development money in Texpool. We are increasing the budget by \$305,000.00 for a total budget of \$310,000.00.
25. There was no budget for Payments to Contractors for the Pavilion Project (32 32-05464). There were a couple of closeout bills to pay which were reimbursed by the money received in #8. We are increasing the budget by \$15,300.00 for a total budget of \$15,300.00.
26. The budget for Motor Vehicles in the Equipment Replacement (43 45-05520) was \$49,000.00. We have exceeded that budget but some of the money will be reimbursed by money received in #4. We are increasing the budget by \$24,000.00 for a total budget of \$73,000.00.
27. The budget for Office Supplies in Elections (01 11-05060) was \$1,500.00. We did not have an election this year so we are decreasing the budget by \$1,500.00 for a total budget of \$0.00.
28. The budget for Contractual Services in Elections (01 11-05300) was \$500.00. We did not have an election this year so we are decreasing the budget by \$500.00 for a total budget of \$0.00.
29. The budget for Repairs and Maintenance to the Swimming Pool (01 40-05206) was \$20,000.00. We have already paid our yearly bill and it was less than expected. We are decreasing the budget by \$5,250.00 for a total budget of \$14,750.00.
30. The budget for Office Supplies in Administration (01 12-05060) was \$5,000.00. We are lowering the budget by \$2,000.00 in order to cover part of our match for the Rebuild Texas Grant for a total budget of \$3,000.00

31. The budget for Maint-Building in Administration (01 12-05160) was \$5,000.00. We are lowering the budget by \$2,000.00 in order to cover part of our match for the Rebuild Texas Grant for a total budget of \$3,000.00
32. The budget for Health Insurance in Administration (01 12-05710) was \$69,750.00. We are lowering the budget by \$3,000.00 in order to cover part of our match for the Rebuild Texas Grant for a total budget of \$66,750.00
33. The budget for Travel-Training-Dues in Court Administration (01 16-05310) was \$2,000.00. We are lowering the budget by \$1,000.00 in order to cover part of our match for the Rebuild Texas Grant for a total budget of \$1,000.00
34. The budget for Repairs and Maintenance in Swimming Pool (01 40-05206) was \$17,000.00. We are lowering the budget by \$2,000.00 in order to cover part of our match for the Rebuild Texas Grant for a total budget of \$15,000.00
35. The budget for Maint Building & Facilities in Parks (01 42-05160) was \$4,000.00. We are lowering the budget by \$3,000.00 in order to cover part of our match for the Rebuild Texas Grant for a total budget of \$1,000.00
36. The budget for Pipe & Culverts in Streets (01 43-05190) was \$6,000.00. We are lowering the budget by \$2,000.00 in order to cover part of our match for the Rebuild Texas Grant for a total budget of \$4,000.00
37. The budget for Other-Capital Outlay in Sewer (01 43-05530) was \$20,000.00. We are lowering the budget by \$10,000.00 in order to cover the picnic tables for the Parks for a total budget of \$10,000.00

RESOLUTION NO. 2019-R-10

A RESOLUTION OF THE CITY OF PALACIOS, TEXAS, ADOPTING AN INVESTMENT POLICY AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, Texas Municipalities are required to review their investment policies not less than annually pursuant to Chapter 2256 of the Texas Government Code, also known as the Public Funds Investment Act; and

WHEREAS, the administration has submitted to City Council for its review the City's investment policy and any recommended changes, and such policy and recommendations are attached hereto; and

WHEREAS, City Council has reviewed the attached policy and determined it should be approved as the City's investment policy; **NOW THEREFORE**,

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

SECTION 1. That the City of Palacios Investment Policy, a copy of which is attached hereto as Exhibit "A" is hereby approved and adopted as the investment policy of the City of Palacios.

SECTION 2. This Resolution shall become effective immediately after its approval and adoption.

PASSED, APPROVED AND ADOPTED on this 14th day of May, 2019.

CITY OF PALACIOS, TEXAS

GLEN SMITH, Mayor

CLISSA MILLS, City Secretary

CITY OF PALACIOS, TEXAS

INVESTMENT POLICY

I. POLICY STATEMENT

It is the policy of the City of Palacios that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the City and conforming to all applicable state statutes governing the investment of public funds.

It is the intent of the City to be in complete compliance with local law and the Texas Public Funds Investment Act (the Act), Chapter 2256 of the Texas Government Code. The earnings from investments will be used in a manner that best serves the interest of the City.

II. SCOPE

This investment policy applies to all the financial assets and funds of the City. The City merges its funds into one pooled investment fund for investment purposes to provide efficiency and maximum investment opportunity. These funds are defined in the City's Comprehensive Annual Financial Report (CAFR).

And any new funds created by the City unless specifically exempted by the City Council and this policy.

III. OBJECTIVES AND STRATEGY

It is the policy of the City that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety, liquidity, diversification and yield. Investments are to be chosen in a manner which promotes diversity by market sector, credit and maturity. The choice of high-grade government investments and high-grade, money market instruments are designed to assure the marketability of those requirements. The maximum weighted average maturity of the overall portfolio may not exceed one (1) year.

Safety of Principal

Safety of principal is the foremost object of the City. Investments of the City shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Liquidity

The City's investment portfolio will be based on a cash flow analysis of needs and will remain sufficiently liquid to enable and meet all operating requirements which might be reasonably anticipated.

Diversification

Diversification of the portfolio will include diversification by maturity and market sector.

Yield

The City's investment portfolio shall be designed with the objective of attaining a market rate of return, taking into account the City's risk constraints and the cash flow needs of the portfolio. "Market rate of return" may be defined as the average yield of the current 91 Day U.S. Treasury Bill.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability/flow. The City shall maintain a comprehensive cash management program which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services.

IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the "Act"). The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public funds deposits. All investments will be made in accordance with these statutes.

V. DELEGATION OF INVESTMENT AUTHORITY

The City Treasurer acting on behalf of the City is designated as the Investment Officer of the City and is responsible for investment management decisions and activities. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff. The Investment Officer may designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer is not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and the procedures established.

The City Treasurer and designated staff person, if applicable, shall attend at least one investment training session within 12 months after taking such position. The City Treasurer and designated staff person, if applicable, shall attend eight hours of training every two years thereafter, with the first such two-year period beginning on the first day of the City fiscal year after the year in which the Investment Officer takes the initial training.

VI. PRUDENCE

The standard of prudence to be used in the investment function shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. This standard states;

“Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived.”

Limitation of Personal Liability

The investment Officer and those delegated investment authority under this Policy, when acting in accordance with the written procedures and this Policy and in accord with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio provided that deviations from expectations for a specific security’s credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

VII. INTERNAL CONTROLS

The Investment Officer shall establish a system of written internal controls which will be reviewed annually with the independent auditor of the City. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the City. Cash flow forecasting is designed to protect and sustain cash flow requirements of the City.

Any security requiring a minimum rating by the Public Funds Investment Act and this Policy shall not be authorized during the time that the security does not hold at least the minimum rating. The Investment Officer will monitor, on at least a weekly basis, the credit rating and should that rating fall below accepted levels; the Investment Officer will immediately advise the City Manager of the loss of rating and the possible loss of principal. The City Manager and Investment Officer shall take all prudent measures consistent with this policy to liquidate any investment that does not have at least the minimum required rating.

The Investment Officer shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the City based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer shall immediately liquidate any brokered CD in an amount above the FDIC insurance level.

VIII. AUTHORIZED INVESTMENTS

Acceptable investments under this policy shall be limited to the instruments listed below and as further defined and described by the Public Funds Investment Act.

- A. Obligations of the United States Government, its agencies and instrumentalities, and government sponsoring enterprises, not to exceed two years to stated maturity, excluding collateralized mortgage obligations (CMOs);
- B. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas, not to exceed one year to stated maturity, guaranteed or insured by the FDIC or its successor or as collateralized by this policy;
- C. Commercial paper rated A-1/P-1 or the equivalent by at least two nationally recognized rating agencies not to exceed 180 days to stated maturity;
- D. Repurchase agreement and reverse repurchase agreements as defined by the Public Funds Investment Act, not to exceed 180 days to stated maturity, provided an executed PSA Master Repurchase Agreement is on file with the City and the counterparty bank or primary dealer;
- E. SEC registered money market mutual funds as defined by the Act.
- F. AAA-rated, constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act;
- G. FDIC insured brokered certificates of deposit securities from a bank in any US state, delivered versus payment, to the City's safekeeping agent, not to exceed one year to maturity invested through either 1) a broker that has its main office or a branch office in Texas and is selected from the list adopted by the City pursuant to Texas Government Code Section 2256.025; or a depository institution that has its main office or branch office in Texas and has been selected by the City pursuant to this policy. Before purchase, the Investment Officer must verify the FDIC status of the bank on fdic.gov (bankfind) to assure that the bank is FDIC insured; and,

No additional security will be eligible for investment by the City until this policy has been amended and the amended version approved by the City Council. *Exceptions* to investment maturities may be approved by council in order to meet debt service requirements

Competitive Bidding Requirement

All securities, including certificates of deposit, will be purchased or sold after three (3) offers/bids are taken to verify that the City is receiving fair market value/price for the investment.

Delivery versus Payment

All security transactions, including collateral for repurchase agreements, entered into by the City, shall be conducted on a delivery versus payment (DVP) basis. Funds shall not be released until receipt of the security by the City's approved custodian.

IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The City Council will review the list of authorized broker/dealers annually. The Investment Officer will obtain and maintain information on each broker/dealer.

Securities broker/dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve as primary dealers or regional broker/dealers who report to and are audited by Finra and the SEC and meet other criteria as determined by the Investment Officer. A list of no more than five (5) authorized broker/dealers will be established and maintained. The firms on the list must supply the following documents to be maintained by the Finance Department:

- audited financial statement for the most recent period,
- proof of certification by the National Association of Securities Dealers (NASD),
- proof of current registration with the State Securities Commission, and

Every broker/dealer and bank with which the City transacts business will be provided a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the investment program. A representative of the firm will be required to return a signed certification stating the Policy has been received and reviewed and that controls are in place to assure that only authorized securities are sold to the City.

X. DIVERSIFICATION AND MATURITY LIMITATIONS

It is the policy of the City to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

Security Type	Max % of Portfolio
US Obligations	not to exceed 80%
US Agencies/Instrumentalities	not to exceed 80%
-MB Securities	not to exceed 50%
Certificates of Deposits	not to exceed 40%
Commercial Paper	not to exceed 25%
Repurchase Agreements	not to exceed 40%
Money Market Funds	100%
Local Government Investment Pools	100%

The Investment Officer shall be required to diversify maturities. The Investment Officer, to the extent possible, will attempt to match investment with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk.

Unless matched to a specific requirement, the Investment Officer may not invest more than 20% of the portfolio for a period greater than one (1) year.

XI. SAFEKEEPING AND COLLATERALIZATION

The laws of the State and prudent treasury management require that all purchased securities be bought on a delivery versus payment (DVP) basis and be held in safekeeping by either the City, an independent third party financial institution, or the City's designated depository.

All safekeeping arrangements shall be designated by the Investment Officer and an agreement of the terms executed in writing. The third party custodian shall be required to issue safekeeping receipts to the City listing each specific security, rate, description, maturity, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the City or pledged to the City.

All securities pledged to the City for time or demand deposits shall be held by an independent third party bank doing business in Texas. The safekeeping bank may not be within the same holding company as the bank where the securities are pledged. The bank is responsible for monitoring collateral.

Collateralization

Collateralization shall be required on all deposits including certificates of deposit over the FDIC insurance coverage of \$250,000, and repurchase agreements. In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level required will be 102% of the market value of time and demand deposits plus any certificates of deposits at all times. The bank will be responsible for

monitoring and maintaining collateral margins on a daily basis. Collateral will be held by an independent third party safekeeping agent.

XII. PERFORMANCE EVALUATION AND REPORTING

The Investment Officer shall submit quarterly reports to the City Council and Mayor containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program and consistent with statutory requirements.

XIII. DEPOSITORIES

The City shall designate one banking institution through a formal request for proposal (RFP) in accordance with the Texas Local Government Code Chapter 105, subchapter B as its central banking services provider at least every five years. This institution will be used for normal banking services including disbursements, collections, and safekeeping securities. The depository/collateral agreement will be executed in compliance with the Financial Institutions Resource and Recovery Act (FIRREA) and approved by the bank board or loan committee by resolution. Other banking institutions from which the City may purchase certificates of deposit will also be designated after they provide their latest audited financial statements to the City.

XIV. INVESTMENT POLICY ADOPTION BY CITY

The City's investment policy shall be adopted by the City Council. The policy and strategies shall be reviewed on an annual basis by the Council. A written resolution approving said review and changes to the policy from the review will be passed and recorded by the Council.

GLEN SMITH, MAYOR
CITY OF PALACIOS, TEXAS

ATTEST:

Clissa Mills, City Secretary

RESOLUTION NO. 2019-R-13

RESOLUTION OF THE CITY OF PALACIOS SUSPENDING THE JUNE 5, 2019 EFFECTIVE DATE OF AEP TEXAS INC.'S REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH THE CITIES SERVED BY AEP TEXAS AND AUTHORIZING INTERVENTION IN AEP TEXAS INC.'S REQUESTED RATE CHANGE PROCEEDINGS BEFORE THE COMMISSION; HIRING LLOYD GOSSELINK ATTORNEYS AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL

WHEREAS, on or about May 1, 2019, AEP Texas Inc. ("AEP Texas" or "Company"), pursuant to Public Utility Regulatory Act ("PURA") §§ 33.001 and 36.001 filed with the City of Palacios ("City") a Statement of Intent to change electric delivery rates in all municipalities exercising original jurisdiction within its service area, effective June 5, 2019; and

WHEREAS, the City is an electric utility customer of AEP Texas and a regulatory authority with an interest in the rates and charges of AEP Texas; and

WHEREAS, the City is a member of the Cities Served by AEP Texas ("Cities"), a membership of similarly situated cities served by AEP that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in AEP Texas' service area; and

WHEREAS, PURA § 36.108 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days after the date the rate change would otherwise be effective; and

WHEREAS, the City retains its rights as a city with original jurisdiction including the right to suspend the application; and

WHEREAS, PURA § 33.023 provides that costs incurred by Cities in ratemaking activities are to be reimbursed by the regulated utility; and

WHEREAS, the City's consultants and attorneys recommend that the City suspend the application for further review.

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

SECTION 1. That the June 5, 2019, effective date of the rate request submitted by AEP Texas on or about May 1, 2019, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.

SECTION 2. That the City joins other Cities Served by AEP Texas in this proceeding and, subject to the right to terminate employment at any time, hereby authorizes the hiring of Thomas Brocato of Lloyd Gosselink Rochelle and Townsend, P.C, and consultants to review the Company's filing, negotiate with the Company, make recommendations regarding reasonable rates and to direct any necessary administrative proceedings or court litigation associated with an appeal of city action.

SECTION 3. That the City shall work with Cities Served by AEP Texas in the review and evaluation of whether the proposed rates are appropriate, fair, just, and reasonable; and, intervene as a necessary party in the Public Utility Commission of Texas' consideration of AEP Texas' rate filing in Docket No. 49494 as it affects the customers in the unincorporated areas of AEP Texas' service territory.

SECTION 4. That the City's reasonable rate case expenses shall be reimbursed by AEP Texas.

SECTION 5. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

SECTION 6. A copy of this Resolution shall be sent to AEP Texas, care of Jennifer Frederick, American Electric Power Company, 400 West 15th Street, Suite 1520, Austin, Texas 78701 (jffrederick@aep.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

PASSED AND APPROVED this 28th day of May 2019.

MAYOR

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

ORDINANCE NO. 2019-O-3

AN ORDINANCE OF THE CITY OF PALACIOS, TEXAS ANNEXING 9.31 ACRES AND 1.06 ACRES, MORE OR LESS, OF LAND IN MATAGORDA COUNTY ADJACENT AND CONTIGUOUS TO THE CITY, ALONG MOSIER DRIVE, AND OUT OF THE J. C. CARRINGTON SUBDIVISION; APPROVING A SERVICE PLAN FOR THE ANNEXED AREA; MAKING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Palacios, Texas is a home-rule municipality authorized by State law and Charter to annex territory lying adjacent and contiguous to the City;

WHEREAS, the City received a request from the owners to annex certain property within the extraterritorial jurisdiction of the City and adjacent to the present City limits, as described in Exhibit "A" to this ordinance;

WHEREAS, the City Council, in compliance with TEX. LOC. GOV. CODE CH. 43, instituted the proceedings for annexation of the property;

WHEREAS, the City Council heard and considered information with respect to the merits of such annexation and has decided to annex the area;

WHEREAS, the City Council has complied with all notice and hearing requirements of state law and the City Charter that apply to the adoption of an annexation ordinance;

WHEREAS, the City intends to provide services to the property to be annexed according to the Service Plan attached hereto as Exhibit "B"; **NOW THEREFORE**,

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

SECTION 1: That all of the above premises and findings of fact are found to be true and correct and are incorporated into the body of this ordinance as if copied herein in their entirety.

SECTION 2: That the property described in the attached Exhibit "A" (hereinafter referred to as the "Annexed Property") is hereby annexed into the corporate limits of the City of Palacios.

SECTION 3: That the Service Plan submitted herewith is hereby approved as part of this Ordinance, made a part hereof and attached hereto as Exhibit "B".

SECTION 4: That the future owners and inhabitants of the Annexed Property shall be entitled to all of the rights and privileges of the City as set forth in the Service Plan attached hereto as Exhibit "B", and are further bound by all acts, ordinances, and all other legal action now in full force and effect and all those which may be hereafter adopted.

SECTION 5: That the official map and boundaries of the City, heretofore adopted and amended be and hereby are amended so as to include the Annexed Property as part of the City of Palacios.

SECTION 6: That if any provision of this ordinance or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

SECTION 7: That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the TEXAS LOCAL GOVERNMENT CODE.

SECTION 8: That it is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, TEX. GOV. CODE, Chapter 551.

PASSED AND APPROVED on first reading this ____ day of _____, 2019.

PASSED APPROVED AND ADOPTED on second and final reading this ____ day of _____, 2019.

CITY OF PALACIOS, TEXAS

GLEN SMITH Mayor

ATTEST:

CLISSA MILLS, City Secretary

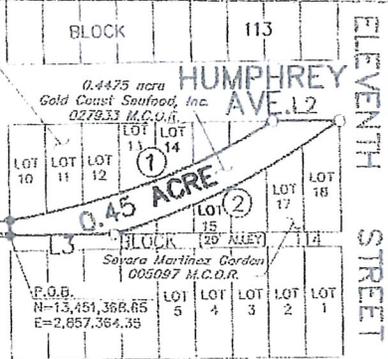
APPROVED AS TO FORM:

RANDALL B. STRONG, City Attorney
...palacios\annexation\1210 mosier drive

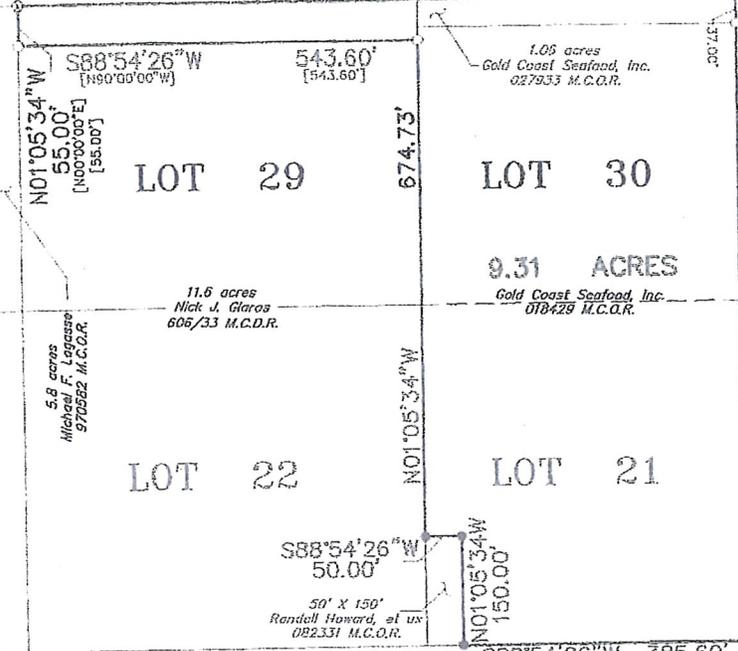
COURSES & DISTANCES		
LINE	BEARING	DISTANCE
L1	N01°05'34"W	20.15' [20.15']
L2	N88°54'26"E	90.37' [90.37']
L3	S88°54'26"W	142.13' [142.13']

L. D. Dandrick
173/332 M.C.D.R.

P.O.B.
N=13,451,370.54
E=2,657,302.59



COLLINS DRIVE [979.20'] N88°54'26"E 979.20'



MOORE AVENUE

- ① CURVE DATA
 DELTA= 23°01'52"
 RADIUS= 957.64' [957.64']
 LONG CH.= N69°03'15"E
 382.35'
- ② CURVE DATA
 DELTA= 19°34'05"
 RADIUS= 1007.63' [1007.64']
 LONG CH.= S62°55'52"W
 342.47'

0.45 ACRE SURVEY
 BEING A PART OF LOTS 10-18 OF
 THE PALACIOS TOWNSITE
 VOLUME 14, PAGE 374 OF THE
 MATAGORDA CO. DEED RECORDS
 AND A 9.31 ACRE SURVEY
 BEING A PART OF LOTS 21, 29 & 30 OF THE
 J. C. CARRINGTON SUBDIVISION OF THE
 SOUTHEAST 1/4 OF SECTION 7 OF THE
 TEXAS RICE DEVELOPMENT CO. SUBDIVISION
 VOLUME 17, PAGE 215 OF THE
 MATAGORDA CO. DEED RECORDS
 THOMAS DASHER SURVEY
 ABSTRACT NO. 146
 MATAGORDA COUNTY, TEXAS
 BEING THE SAME PROPERTY DESCRIBED IN CORRECTION
 WARRANTY DEED DATED NOVEMBER 7, 2001 FROM EUNICE
 GLAROS PAPPADAS TO GOLD COAST SEAFOOD, INC.,
 RECORDED IN FILE NO. 018429 OF THE OFFICIAL RECORDS
 OF MATAGORDA COUNTY, TEXAS AND THE SAME PROPERTY
 DESCRIBED AS 1.06 ACRES IN EXHIBIT "A" AND 0.4475
 ACRE IN EXHIBIT "B" OF DEED WITHOUT WARRANTIES
 DATED NOVEMBER 12, 2002 FROM MATAGORDA COUNTY
 NAVIGATION DISTRICT NO. 1 TO GOLD COAST SEAFOOD,
 INC., RECORDED IN FILE NO. 027933 OF THE OFFICIAL
 RECORDS OF MATAGORDA COUNTY, TEXAS.

LEGEND

- EXISTING 5/8" IRON ROD
- ⊙ EXISTING RAILROAD RAIL
- SET 5/8" IRON ROD WITH PLASTIC CAP
- M.C.D.R. MATAGORDA COUNTY DEED RECORDS
- M.C.O.R. MATAGORDA COUNTY OFFICIAL RECORDS
- P.O.B. POINT OF BEGINNING
- [] PLAT OR DEED CALL

NOTE: THE BEARINGS AND COORDINATES SHOWN HEREON ARE
 TEXAS STATE PLANE SOUTH CENTRAL ZONE NAD'83 GRID.

I, HENRY A. DANYSH, REGISTERED PROFESSIONAL LAND
 SURVEYOR, DO HEREBY CERTIFY THAT THE PLAT SHOWN HEREON
 AND A PROPERTY DESCRIPTION PREPARED REPRESENTS THE
 RESULT OF A SURVEY MADE ON THE GROUND UNDER MY
 DIRECTION ON OCTOBER 31, 2017.

G & W ENGINEERS, INC.
 HENRY A. DANYSH
 REGISTERED PROFESSIONAL
 LAND SURVEYOR NO. 5088



G & W ENGINEERS, INC.

ENGINEERING SURVEYING PLANNING
 205 W. LIVE OAK STREET
 PORT LAVACA, TEXAS 77979
 TBPLS FIRM NO.: 10022100
 (361) 552-4509; PORT LAVACA
 (979) 323-7100; BAY CITY

DRAWN BY: I.E.L. RECOM'D BY: H.A.D. DATE: OCTOBER 30, 2017 SCALE: 1" = 200' JOB NO.: 7745 001 DRAWING NO.: 7745 -001

EXHIBIT A

PROPERTY DESCRIPTION
9.31 ACRES

STATE OF TEXAS }
COUNTY OF MATAGORDA }

All of that certain tract or parcel containing 9.31 acres situated in the Thomas Dasher Survey, Abstract No. 146 of Matagorda County, Texas and being a part of Lots 21, 29 and 30 of the J. C. Carrington Subdivision of the Southeast Quarter of Section 7 of the Texas Rice Development Company Subdivision relative to the Plat recorded in Volume 17, Page 215 of the Deed Records of Matagorda County, Texas and being the same property described in Correction Warranty Deed dated November 7, 2001 from Eunice Glaros Pappadas to Gold Coast Seafood, Inc., recorded in File No. 018429 of the Official Records of Matagorda County, Texas and also the same property described as 1.06 acres in Exhibit "A" of Deed without Warranties dated November 12, 2002 from Matagorda County Navigation District No. 1 to Gold Coast Seafood, Inc., recorded in File No. 027933 of the Official Records of Matagorda County, Texas. This 9.31 acres is more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap (N=13,451,370.54; E=2,857,302.59) set at the intersection of the South line of Collins Drive with the West line of Twelfth Street and at the Northeast corner of the above referenced 1.06 acre tract for the Northeast corner of this 9.31 acres being described;

THENCE South 01° 05' 34" East, with the West line of Twelfth Street and the East line of the said 1.06 acre tract and the East line of the above referenced Lots 30 and 21, passing an existing 5/8 inch iron rod located on line at the Southeast corner of the said 1.06 acre tract at a distance of 37.00 feet [deed call = 37.00 feet] and continuing a total distance of 879.73 feet to a 5/8 inch iron rod with plastic cap set at the intersection of the West line of Twelfth Street with the North line of Mosier Street and at the Southeast corner of the said Lot 21 for the Southeast corner of this 9.31 acres being described;

THENCE South 88° 54' 26" West, with the North line of Mosier Street and the South line of the said Lot 21, a distance of 385.60 feet to a 5/8 inch iron rod with plastic cap set at the Southeast corner of a 50' X 150' tract described in deed recorded in File No. 082331 of the Official Records of Matagorda County, Texas for the lower Southwest corner of this 9.31 acres being described;

THENCE North 01° 05' 34" West, with the East line of the said 50' X 150' tract, a distance of 150.00 feet to a 5/8 inch iron rod with plastic cap set at the Northeast corner of the said 50' X 150' tract for an interior corner of this 9.31 acres being described;

EXHIBIT A

PROPERTY DESCRIPTION
9.31 ACRES

(continued)

THENCE South 88° 54' 26" West, with the North line of the said 50' X 150' tract, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap set in the common line between Lots 21 and 22 of the above referenced subdivision and at the Northwest corner of the said 50' X 150' tract for the upper Southwest corner of this 9.31 acres being described;

THENCE North 01° 05' 34" West, with the East line of said Lots 21 and 29 and the West line of the said Lots 21 and 30, a distance of 674.73 feet to an existing 5/8 inch iron rod located at a corner of the said 1.06 acre tract for an interior corner of this 9.31 acres being described;

THENCE South 88° 54' 26" West [deed call = North 90° 00' 00" West], crossing the said Lot 29 with the South line of the 1.06 acre tract, a distance of 543.60 feet [deed call = 543.60 feet] to an existing 5/8 inch iron rod located in the common line between Lots 28 and 29 of the said subdivision and at the Southwest corner of the said 1.06 acre tract for the lower Northwest corner of this 9.31 acres being described;

THENCE North 01° 05' 34" West [deed call = North 00° 00' 00" East], with the common line between the said Lots 28 and 29 and the West line of the said 1.06 acre tract, a distance of 55.00 feet [deed call = 55.00 feet] to an existing railroad rail located in the South line of Collins Drive and at the Northwest corner of the said 1.06 acre tract for the upper Northwest corner of this 9.31 acres being described;

THENCE North 88° 54' 26" East [deed call = South 90° 00' 00" East], with the South line of Collins Drive and the North line of the said 1.06 acre tract, a distance of 979.20 feet [deed call = 979.20 feet] to the PLACE OF BEGINNING, containing within these metes and bounds 9.31 acres.

The bearings and coordinates recited herein are Texas State Plane South Central Zone NAD'83 Grid. This property description and a plat were prepared from a survey made on the ground under my direction on October 31, 2017.


G & W ENGINEERS, INC.
TBPLS Firm No. 10022100
Henry A. Danysh
Registered Professional
Land Surveyor, No. 5088



Page Two

EXHIBIT B

Water and Wastewater services are already provided for the property being annexed.

CITY OF PALACIOS

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

WWW.CITYOFPALACIOS.ORG



May 15, 2019

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

Re: DRS 220112, GLO 12-485-000-6657
Palacios Waste Water Treatment Plant Main Lift Station Mechanical Bar Screen Project

Dear Sir:

Bids were received on the referenced project on May 9, 2019 and the lowest total bid including the add alternate was \$1,078,790. The total construction funds awarded from the grant were \$1,025,862.40. Staff recommends that the County award the project and the City would cover any construction cost over the grant amount not to exceed \$53,000 for construction pending approval by City Council at the May 28, 2019 Council meeting.

Sincerely,

A handwritten signature in black ink that reads "Glen Smith". The signature is written in a cursive, flowing style.

Glen Smith, Mayor
City of Palacios



Authorized Representative Deletion/Update Form

Please complete this form to delete Authorized Representative(s) of the Participant.

*Required Fields

1. Participant Information

Participant Name* City of Palacios Location Number* 1719183 Effective Date* 05282019

2. Deletions

Please print the name(s) of the individual(s) to be deleted:

As Authorized Representative(s):

- Tammy McDonald
-
-

As Inquiry Only Representative(s):

- Tammy McDonald
-
-

3. Primary Contact

If the person being deleted is the Primary Contact, please complete all fields in this section for the TexPool Authorized Representative that will be the new Primary Contact. The Primary Contact is the individual who will receive the daily transaction confirmations, monthly statements, monthly newsletter, TexPool Updates, and other TexPool mailings.

Name David Koorek Title City Manager
Telephone Number 3619723605 Fax Number 3619726555 Email Address dkoorek@cityofpalacios.org

4. Inquiry Only

If the person being deleted is an Inquiry Only Representative, please complete all fields in this section if you wish to add another individual in this capacity. Please note: Inquiry Only Representatives cannot perform transactions.

Name Cathryn Gafford Title Asst. Treasurer
Telephone Number 3619723605 Fax Number 3619726555 Email Address cgafford@cityofpalacios.org

5. Approvals

Please enter the name of two individuals who are currently Authorized Representatives and who authorize the deletion(s) of the individual(s) above.
Note: This authorization must be executed by a current Authorized Representative of the Participant as set forth in the duly enacted Resolution of the Participant, which is on file with TexPool.

Authorized Representative Signature*

David Kocurek

Printed Name*

City Manager

Title*

05/28/2019

Date*

3619723605

Telephone Number

Authorized Representative Signature*

Glen Smith

Printed Name*

Mayor

Title*

05/28/2019

Date*

3619723605

Telephone Number

6. Mailing Instructions

The completed Authorized Representative Deletion/Update Form can be faxed to TexPool Participant Services at 1-866-839-3291, and mailed to:

TexPool Participant Services
1001 Texas Avenue, Suite 1400
Houston, TX 77002



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

**CITY OF PALACIOS
CITY COUNCIL REGULAR MEETING MINUTES
April 23, 2019**

REGULAR COUNCIL MEETING 7PM

- CALL TO ORDER** – Mayor Glen Smith at 7:00 pm
- INVOCATION** – Councilmember Schulman
- PLEDGE OF ALLEGIANCE** – Councilmember Lewis
- PLEDGE TO TEXAS FLAG** – Councilmember Lewis
- PLEDGE TO PALACIOS FLAG** – Councilmember Lewis

VISITOR / CITIZEN FORUM

1. Chip Woolf discussed the Pavilion Report and the Quarterly Financial Statement
2. Patricia Loving discussed the Pavilion budget
3. Mike Ferdinand said he has an item to be placed on the next agenda

ADMINISTRATIVE REPORTS

1. Spring Clean Up Day is April 27, 2019, 8am to 1pm
2. LaBelle Day by the Bay – April 27, 2019 at Palacios Pavilion
3. Beachside Development Lot Sale – April 27, 2019
4. Open house and Bin Day at the Recycle Center was held on Thursday, April 18, 2019
5. Reception and Oath of Office for New Council Members at 6:30 pm at next council meeting on Tuesday, May 14, 2019
6. City Manager’s Monthly Report March 2019
7. Palacios Pavilion Quarterly Report

ITEMS TO BE CONSIDERED

1. Discuss and consider action to approve the City of Palacios Quarterly Investment Report as of March 31, 2019
 Councilmember Tran motioned to accept the City of Palacios Quarterly Investment Report as of March 31, 2019
 Councilmember McGovern seconded
 There was no opposition
 With no opposition, the motion carried

2. Discuss and consider action to approve the City of Palacios Quarterly Financial Statement as of March 31, 2019
Councilmember Tran motioned to accept the City of Palacios Quarterly Financial Statement as of March 31, 2019
Councilmember Erdelt seconded
There was no opposition
With no opposition, the motion carried
3. Discuss and consider action to approve the complaint Procedures for the CDBG-DR Program
Councilmember McGovern motioned to approve the complaint Procedures for the CDBG-DR Program
Councilmember Tran seconded
There was no opposition
With no opposition, the motion carried
4. Discuss and consider action to approve the City of Palacios Procurement Policies and Procedures for Federal Grants
Mayor Smith motioned to approve the City of Palacios Procurement Policies and Procedures for Federal Grants
Councilmember Erdelt seconded
There was no opposition
With no opposition, the motion carried
5. Discuss and consider adopting Resolution 2019-R-11 approving and adopting a fraud prevention and detection policy for the city and providing for the effective date thereof
Councilmember McGovern motioned to adopt Resolution 2019-R-11 approving and adopting a fraud prevention and detection policy for the city and providing for the effective date thereof
Councilmember Lewis seconded
There was no opposition
With no opposition, the motion carried
6. Discuss and consider adopting Resolution 2019-R-12 approving and reaffirming a funds balance policy for the city in accordance with GASB Statement 54 Requirements; and providing for the effective date thereof
Councilmember Tran motioned to adopt Resolution 2019-R-12 approving and reaffirming a funds balance policy for the city in accordance with GASB Statement 54 Requirements; and providing for the effective date thereof
Councilmember Crocker seconded
There was no opposition
With no opposition, the motion carried
7. Discuss and consider accepting the resignation of Donnie Tran from the Palacios Economic Development Corporation Board
Councilmember McGovern motioned to accept the resignation of Donnie Tran from the Palacios Economic Development Corporation Board
Councilmember Lewis seconded
There was no opposition
With no opposition, the motion carried
8. Discuss and consider action to approve the following consent agenda items:
Minutes of the April 9, 2019 Regular Council Meeting
Councilmember Tran motioned to approve the minutes from the April 9, 2019 regular council meeting

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

ADJOURN

Councilmember Lewis motioned to adjourn the meeting at 7:45pm
Councilmember Tran seconded
There was no opposition
With no opposition, the motion carried

Glen Smith, Mayor

Clissa Mills, City Secretary



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

**CITY OF PALACIOS
CITY COUNCIL REGULAR MEETING MINUTES
May 14, 2019**

RECEPTION 6:30 PM

A reception was held for newly elected City Council Members and outgoing members.

REGULAR COUNCIL MEETING 7PM

- CALL TO ORDER** – Mayor Glen Smith at 7:00 pm
- INVOCATION** – Councilmember Erdelt
- PLEDGE OF ALLEGIANCE** – Councilmember Crocker
- PLEDGE TO TEXAS FLAG** – Councilmember Crocker
- PLEDGE TO PALACIOS FLAG** – Councilmember Crocker

VISITOR / CITIZEN FORUM

1. Chip Woolf discussed last year’s audit and the rebid for the sidewalk grant.
2. Patricia Loving discussed the street repairs needed on Harrison Street.

PROCLAMATION – Proclaim the week of May 12-18th, 2019 as National Law Enforcement week

PROCLAMATION – Proclaim the week of May 19-25th, 2019 as National Public Works week

ADMINISTRATIVE REPORTS

1. Boys & Girls Club Denim & Diamonds Dinner/Dance at Beneath the Oaks on Thursday, May 16, 2019
2. 8th Annual Memorial commemoration BBQ Kickoff and Kickball Tournament on May 24-25th, 2019
3. Palacios Community HUB Golf Tournament Fundraiser – Saturday June 15, 2019

ITEMS TO BE CONSIDERED

1. Issue Certificate of Election and Administer the Oath of Office to Mary Crocker for City Council Position 3, Troy Lewis for City Council Position 4, and Wayne Dodd for City Council Position 5

- City Secretary, Clissa Mills administered the Oath of Office to Mary Crocker for City Council Position 3, Troy Lewis for City Council Position 4, and Wayne Dodd for City Council Position 5
2. Discuss and consider action to accept the City of Palacios Budget Calendar Fiscal Year 2019-2020
Councilmember Lewis motioned to accept the City of Palacios Budget Calendar Fiscal Year 2019-2020
Councilmember Tran seconded
There was no opposition
With no opposition, the motion carried
 3. Discuss and consider adopting Resolution 2019-R-15 budget adjustments for 2018-2019 budget.
Mayor Glen Smith tabled Resolution 2019-R-15 budget adjustments for 2018-2019 budget because it should be an Ordinance
 4. Discuss and consider action to approve updates to the City of Palacios Personnel Policy regarding accrual rates for sick leave and vacation leave
Councilmember Tran motioned to approve updates to the City of Palacios Personnel Policy regarding accrual rates for sick leave and vacation leave
Councilmember Crocker seconded
There was no opposition
With no opposition, the motion carried
 5. Discuss and consider adopting Resolution 2019-R-10 adopting an investment policy and providing for the effective date thereof
Councilmember Lewis motioned to table Resolution 2019-R-10 adopting an investment policy and providing for the effective date thereof
Councilmember Crocker seconded
There was no opposition
With no opposition, the motion carried
 6. Discuss and consider adopting Resolution 2019-R-14 accepting the grant from Rebuild Texas in the amount of \$85,000.00 for a generator at city hall.
Councilmember Schulman motioned to adopt Resolution 2019-R-14 accepting the grant from Rebuild Texas in the amount of 485,000 for a generator at city hall.
Councilmember Tran seconded
There was no opposition
With no opposition, the motion carried
 7. Reject bids for Downtown Revitalization Project and approve to re-advertise for bids for the Downtown Revitalization Project.
Mayor Glen Smith motioned to reject the bids for Downtown Revitalization Project and approve to re-advertise for bids for the Downtown Revitalization Project
Councilmember Crocker seconded
There was no opposition
With no opposition, the motion carried

EXECUTIVE SESSION

In accordance with Chapter 551, Government Code, (Open Meetings Law) the Council May go into Executive (closed) session in order to:
Consult with its attorney (551.071)
Discuss Real Estate transaction (551.072)

Deliberation regarding prospective gifts or donation (551.073)

Discuss personnel matters (551.074)

Deliberation regarding security devices (551.076)

Discuss economic development negotiations (551.087)

ADJOURN

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

Councilmember Tran seconded

There was no opposition

With no opposition, the motion carried

Glen Smith, Mayor

Clissa Mills, City Secretary