

**NOTICE OF REGULAR MEETING
CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING**

NOTICE IS HEREBY GIVEN THAT THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS, WILL HOLD A REGULAR MEETING ON:

WEDNESDAY, MARCH 6, 2019
5:30 P.M. AT THE MUNICIPAL BUILDING,
CITY COUNCIL CHAMBERS, 2ND FLOOR
4601 PADRE BOULEVARD, SOUTH PADRE ISLAND, TEXAS

1. Call to order
2. Pledge of Allegiance and Texas Pledge
3. Public Comments and Announcements: *This is an opportunity for citizens to speak to Council relating to agenda or non-agenda items. Speakers are required to address Council at the podium and give their name before addressing their concerns. [Note: State law will not permit the City Council to discuss, debate or consider items that are not on the agenda. Citizen comments may be referred to City Staff or may be placed on the agenda of a future City Council meeting]*
4. Presentations and Proclamations:
5. Approve Consent Agenda:
 - a. Approve minutes of February 13, 2019 special meeting, February 19, 2019 City Council workshop and February 20, 2019 regular meeting. (S. Hill)
 - b. Approve invoices for payment. (Gimenez)
 - c. Approve Resolution No. 2019-11 to reflect Interim City Manager William "Randy" Smith or his designee as the grantee's authorized official for the Stonegarden Grant Program. (O'Carroll)
 - d. Approve the second and final reading of Ordinance 19-03 temporarily prohibiting the rental and/or leasing of motor-assisted scooters. (Ricco)
 - e. Approve the second and final reading of Ordinance No. 19-04 amending Chapter 18 (Golf Carts), Sec. 18-30 to include added language in Sec. 18-30(D)(8) to determine and control the acceptable level of noise that is emitted from golf carts. (Smith)
6. Presentation, discussion and action to approve the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2017-18 presented by Quentin Anderson with Carr, Riggs & Ingram. (Gimenez)
7. PUBLIC HEARING: to discuss rescinding the Special Use Permit for 1201 Padre Boulevard. (Bagley)
8. Discussion and action to rescind Special Use Permit for 1201 Padre Boulevard. (Bagley)

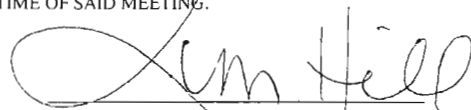
9. Discussion and action to accept and move forward with Public Works recommendations for sidewalk landscaping on Padre Boulevard and rescind the previous Council action. (Bagley)
10. Discussion and action to approve a Beach and Dune Permit to construct a 65-foot long, 6-foot wide private ADA ramp located at 2100 Gulf Boulevard. (B. Hill)
11. Discussion and action to approve budget amendment in the amount of \$26,718 to fund temporary toilet services to be placed on the beach from March 9, 2019 through September 2, 2019. (B. Hill)
12. Presentation of 2019 Racial Profile Report. (O'Carroll)
13. EXECUTIVE SESSION: PURSUANT TO SECTIONS 551.074, PERSONNEL MATTERS; TO DISCUSS:
 - a. City Manager Recruitment Process.
 - b. Recruitment, selection and hiring of CVB Director.
14. Discussion and possible action regarding City Manager recruitment process.
15. Discussion and possible action to authorize the City Manager to negotiate and enter into a contract with the finalist selected for the CVB Director position.
16. Adjourn.

WE RESERVE THE RIGHT TO GO INTO EXECUTIVE SESSION REGARDING ANY OF THE ITEMS POSTED ON THIS AGENDA, PURSUANT TO SECTIONS 551.071, CONSULTATION WITH ATTORNEY; 551.072, DELIBERATIONS ABOUT REAL PROPERTY; 551.073, DELIBERATIONS ABOUT GIFTS & DONATIONS; 551.074, PERSONNEL MATTERS; 551.076, DELIBERATIONS ABOUT SECURITY DEVICES; AND/OR 551.087, DISCUSS (1) COMMERCIAL OR FINANCIAL INFORMATION RECEIVED FROM A BUSINESS PROSPECT WITH WHICH THE CITY IS CONDUCTING NEGOTIATIONS, OR (2) FINANCIAL OR OTHER INCENTIVES TO THE BUSINESS PROJECT.

DATED THIS THE 1ST DAY OF MARCH 2019


Susan M. Hill, City Secretary

I, THE UNDERSIGNED AUTHORITY, DO HEREBY CERTIFY THAT THE ABOVE NOTICE OF MEETING OF THE GOVERNING BODY OF THE CITY OF SOUTH PADRE ISLAND, TEXAS IS A TRUE AND CORRECT COPY OF SAID NOTICE AND THAT I POSTED A TRUE AND CORRECT COPY OF SAID NOTICE ON THE BULLETIN BOARD AT CITY HALL/MUNICIPAL BUILDING ON **MARCH 1, 2019**, AT/OR BEFORE 5:00 P.M. AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING.


Susan M. Hill, City Secretary



THIS FACILITY IS WHEELCHAIR ACCESSIBLE, AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT BUILDING OFFICIAL, DAVID TRAVIS; ADA DESIGNATED RESPONSIBLE PARTY AT (956) 761-8103.

**CITY COUNCIL MEETING
CITY OF SOUTH PADRE ISLAND
CONSENT AGENDA**

MEETING DATE: March 6, 2019

ITEM DESCRIPTION

NOTE: All matters listed under Consent Agenda are considered routine by the City Council of the City of South Padre Island and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and considered separately.

Items to be considered are:

- a. Approve minutes of February 13, 2019 special meeting, February 19, 2019 City Council workshop and February 20, 2019 regular meeting. (S. Hill)
- b. Approve invoices for payment. (Gimenez)
- c. Approve Resolution No. 2019-11 to reflect Interim City Manager William "Randy" Smith or his designee as the grantee's authorized official for the Stonegarden Grant Program. (O'Carroll)
- d. Approve the second and final reading of Ordinance 19-03 temporarily prohibiting the rental and/or leasing of motor-assisted scooters. (Ricco)
- e. Approve the second and final reading of Ordinance No. 19-04 amending Chapter 18 (Golf Carts), Sec. 18-30 to include added language in Sec. 18-30(D)(8) to determine and control the acceptable level of noise that is emitted from golf carts. (Smith)

RECOMMENDATIONS/COMMENTS

Approve Consent Agenda

5-1

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2019

NAME & TITLE: Susan Hill, City Secretary

DEPARTMENT: City Manager's Office

ITEM

Approve the minutes of February 13, 2019 special meeting, February 19, 2019 City Council workshop and February 20, 2019 regular meeting.

ITEM BACKGROUND

BUDGET/FINANCIAL SUMMARY

COMPREHENSIVE PLAN GOAL

LEGAL REVIEW

Sent to Legal: YES: _____ NO: _____
Approved by Legal: YES: _____ NO: _____

Comments:

RECOMMENDATIONS/COMMENTS

Approve Minutes

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**MINUTES
CITY OF SOUTH PADRE ISLAND
CITY COUNCIL SPECIAL MEETING**

WEDNESDAY, FEBRUARY 13, 2019

I. CALL TO ORDER

The City Council Members of the City of South Padre Island, Texas held a Special Meeting on Wednesday, February 13, 2019 at the Municipal Complex Building, 2nd Floor, 4601 Padre Boulevard, South Padre Island, Texas. Mayor Stahl called the meeting to order at 3:00 p.m. A quorum was present: Mayor Dennis Stahl, Council Members Ken Medders, Jr., Kerry Schwartz and Eva-Jean Dalton. Absent were Council Members Joe Ricco and Alita Bagley.

City staff members present were Interim City Manager Randy Smith, Assistant City Manager Darla Jones, Chief Financial Officer Rodrigo Gimenez, Interim CVB Director Michael Flores, CVB Accountant Lori Moore and City Secretary Susan Hill.

II. PLEDGE OF ALLEGIANCE AND TEXAS PLEDGE

Mayor Stahl led the Pledge of Allegiance and Texas Pledge.

III. PUBLIC COMMENTS AND ANNOUNCEMENTS

Public comments and announcements were given at this time.

IV. DISCUSSION AND ACTION TO APPROVE A BUDGET AMENDMENT IN THE AMOUNT OF \$100,000 TO ALLOCATE FUNDS FOR THE 2019 SPRING BREAK MARKETING PUSH AND AUTHORIZE THE CITY MANAGER TO EXECUTE A CONTRACT AMENDMENT AND MEDIA AUTHORIZATION WITH THE ATKINS GROUP FOR SAME AMOUNT. (FLORES)

Council Member Schwartz made a motion to approve a budget amendment in the amount of \$100,000 to allocate funds for the 2019 Spring Break Marketing Push and authorized the City Manager to execute. Motion was seconded by Council Member Dalton, which carried unanimously.

V. ADJOURN.

There being no further business, Mayor Stahl adjourned the meeting at 3:19 p.m.

Susan M. Hill, City Secretary

APPROVED

Dennis Stahl, Mayor

**NOTICE OF WORKSHOP
CITY OF SOUTH PADRE ISLAND
CITY COUNCIL**

TUESDAY, FEBRUARY 19, 2019

I. CALL TO ORDER

The City Council Members of the City of South Padre Island, Texas held a Workshop on Tuesday, February 19, 2019 at the Municipal Complex Building, 2nd Floor, 4601 Padre Boulevard, South Padre Island, Texas. Mayor Stahl called the workshop to order at 3:00 p.m. A quorum was present: Mayor Dennis Stahl, Council Members Ken Medders, Jr., Kerry Schwartz, Joe Ricco and Eva-Jean Dalton. Absent was Council Member Alita Bagley.

City staff members present were Interim City Manager Randy Smith, Assistant City Manager Darla Jones, Chief Financial Officer Rodrigo Gimenez, Public Works Director Alex Sanchez, Administrative Services Director Wendi Delgado, Fire Chief Doug Fowler and City Secretary Susan Hill.

II. PLEDGE OF ALLEGIANCE AND TEXAS PLEDGE

Mayor Stahl led the Pledge of Allegiance and Texas Pledge.

III. PUBLIC COMMENTS AND ANNOUNCEMENTS

Public comments and announcements were given at this time.

IV. DISCUSSION REGARDING PADRE BOULEVARD RAISED MEDIANS, SIDEWALKS, BOARDWALK AND TRAFFIC SIGNAL PROJECT AND OTHER RELATED VENUE TAX PROJECTS.

Assistant City Manager Darla Jones and Tom Grant with Kimley-Horn and Associates went over the history and current work schedule regarding the PR100 (Padre Boulevard) Medians, Sidewalks and Boardwalks Project.

V. UPDATE ON COMPREHENSIVE PLAN.

Assistant City Manager Darla Jones gave a brief update on the Comprehensive Plan stating that the plan was close to completion and should be coming to the City Council for review and approval in the near future.

VI. ADJOURN.

There being no further discussion, Mayor Stahl adjourned the workshop at 5:01 p.m.

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**MINUTES
CITY OF SOUTH PADRE ISLAND
CITY COUNCIL REGULAR MEETING**

WEDNESDAY, FEBRUARY 20, 2019

I. CALL TO ORDER

The City Council Members of the City of South Padre Island, Texas held a Regular Meeting on Wednesday, February 20, 2019 at the Municipal Complex Building, 2nd Floor, 4601 Padre Boulevard, South Padre Island, Texas. Mayor Stahl called the meeting to order at 5:30 p.m. A full quorum was present: Mayor Dennis Stahl, Council Members Ken Medders, Jr., Kerry Schwartz, Joe Ricco and Eva-Jean Dalton. Council Member Bagley was out on an excused absence.

City staff members present were Interim City Manager Randy Smith, Assistant City Manager Darla Jones, Chief Financial Officer Rodrigo Gimenez, Public Works Director Alex Sanchez, Administrative Services Director Wendi Delgado, Fire Chief Doug Fowler, Transit Director Jesse Arriaga, Environmental Health Director Victor Baldovinos, Shoreline Management Director Brandon Hill, Interim Chief of Police Claudine O'Carroll, Interim CVB Director Michael Flores, Assistant Public Works Director Jon Wilson, Public Information Officer Angelique Soto and City Secretary Susan Hill.

II. PLEDGE OF ALLEGIANCE AND TEXAS PLEDGE

Mayor Stahl led the Pledge of Allegiance and the Texas Pledge.

III. PUBLIC COMMENTS AND ANNOUNCEMENTS

Public comments and announcements were given at this time.

IV. PRESENTATIONS AND PROCLAMATIONS

Mayor Stahl presented retiring Assistant City Manager with a plaque honoring her 29 years of public service.

V. APPROVE CONSENT AGENDA:

Mayor Stahl announced that Item 5e will be pulled to be considered separately.

Council Member Schwartz made a motion, seconded by Council Member Medders to approve Items 5a through 5d on the Consent Agenda. Motion carried unanimously.

Council Member Dalton made a motion to postpone Item 5e until two Council Members can meet with Cameron County Commissioners regarding the Cruise Ship Port of Call feasibility study and consulting services Interlocal Agreement. Council Member Ricco

seconded the motion. Motion passed on a 4 to 1 vote with Mayor Stahl casting a nay vote.

A. APPROVE MINUTES OF FEBRUARY 6, 2019 SPECIAL AND REGULAR MEETINGS. (S. HILL)

B. APPROVE INVOICES FOR PAYMENT. (GIMENEZ)

Invoices approved for payment were paid by General Fund checks numbered 143634 through 143765 and EFT payments totaling \$1,167,068.59.

C. APPROVE CHANGE ORDER NO. 3 FOR THE 2018 SIDE STREET IMPROVEMENT PROJECT, PHASE II. (SANCHEZ)

D. APPROVE RESOLUTION NO. 2019-09 AND AUTHORIZE THE INTERIM CITY MANAGER TO SIGN THE MULTIPLE USE AGREEMENT WITH TEXAS DEPARTMENT OF TRANSPORTATION (TXDOT) FOR THE USE OF TXDOT'S ROADWAY AND RIGHT-OF-WAY FOR LICENSE PLATE READERS. (O'CARROLL)

A true and correct copy of said Resolution was placed in the City's Resolution Book and entitled Resolution No. 2019-09, and, by reference hereto, included in these Minutes as if fully set out and spread upon the pages of the Minutes Book.

E. APPROVE FINAL PAYMENT IN THE AMOUNT OF \$26,000 AND AUTHORIZE THE MAYOR TO EXECUTE THE INTERLOCAL AGREEMENT WITH CAMERON COUNTY TO PROVIDE AND PERFORM A FEASIBILITY STUDY AND CONTINUED CONSULTING SERVICES FOR PURPOSES OF ANALYZING AND COORDINATING NECESSARY WORK FOR PRE-DEVELOPMENT OF NECESSARY INFRASTRUCTURE FOR A CRUISE SHIP PORT OF CALL SITE IN CAMERON COUNTY ON SOUTH PADRE ISLAND. (STAHL)

F. APPROVE EXCUSED ABSENCE FOR COUNCIL MEMBER ALITA BAGLEY FROM THE FEBRUARY 20, 2019 CITY COUNCIL MEETING.

VI. UPDATE ON GIRL SCOUT DAY FROM 2018. (DALTON)

An update was given by Girl Scout Troop Leader Tara Rios regarding the Girl Scout Day event held on November 9, 2019.

VII. DISCUSSION AND ACTION ON THE CITY OF SOUTH PADRE ISLAND SPONSORING SCOUT DAY FOR NOVEMBER 2019. (DALTON)

Council Member Dalton made a motion to sponsor Scout Day for November 2019 that will include both girl and boy scouts. Motion was seconded by Council Member Ricco. Motion passed unanimously.

VIII. **DISCUSSION AND POSSIBLE ACTION TO APPROVE A BUDGET AMENDMENT IN THE AMOUNT OF \$307,732 TO ALLOCATE GRANT FUNDING AWARDED BY THE VALLEY BAPTIST LEGACY FOUNDATION TO PURCHASE FIVE PHYSIO CONTROL LIFEPAK-15 MONITOR DEFIBRILLATORS AND 5 LUCAS DEVICES. (FOWLER)**

Council Member Ricco made a motion, seconded by Council Member Dalton to approve the budget amendment in the amount of \$307,732 allocating grant funds to purchase five defibrillators and lucas devices. Motion carried on a unanimous vote.

IX. **DISCUSSION AND ACTION ON PROCEEDING WITH THE PADRE BOULEVARD RAISED MEDIANS, SIDEWALKS, BOARDWALKS AND TRAFFIC SIGNAL PROJECT. (JONES)**

Mayor Stahl made a motion to proceed with the Padre Boulevard Raised Median Project with a request to Kimley-Horn to do an additional study on the feasibility of traffic lights at two locations. Motion was seconded by Council Member Schwartz. Motion passed on a 4 to 1 vote with Council Member Ricco casting a nay vote.

X. **UPDATE ON PR 100 (PADRE BOULEVARD) SIDEWALK IMPROVEMENTS. (DALTON/SANCHEZ)**

Public Works Director Alex Sanchez gave a brief update on the Padre Boulevard (PR100) Sidewalk improvement project and reminded Council that, as per the current contract, there will be no work allowed during the month of March.

XI. **DISCUSSION AND ACTION TO APPROVE \$99,600 FROM FACILITY PROJECT ALLOWANCE TO BE SPENT ON LANDSCAPING AT THE MULTI-MODAL TRANSIT FACILITY. (ARRIAGA)**

Mayor Stahl made a motion to approve the expenditure of \$99,600 for landscaping at the Multi-modal Transit Facility. Council Member Schwartz seconded the motion, which carried on a unanimous vote.

XII. **DISCUSSION AND ACTION TO AUTHORIZE THE TRANSIT DIRECTOR TO APPROVE UP TO \$49,999, AND IN NO CASE MORE THAN COMPETITIVE BIDDING LIMITS, IN CHANGE ORDERS FOR FACILITY CONSTRUCTION AT THE MULTI-MODAL TRANSIT FACILITY. (ARRIAGA)**

Mayor Stahl made a motion, seconded by Council Member Schwartz to authorize the Transit Director to approve up to \$49,999 in change orders for facility construction at the Multi-modal Transit Facility. Motion passed unanimously.

XIII. **DISCUSSION AND ACTION TO APPROVE LIST OF NAMES FOR THE MULTI-MODAL TRANSIT FACILITY WALL PLAQUE. (ARRIAGA)**

Mayor Stahl made a motion to approve the list of names for the wall plaques that will be placed on the Multi-modal Transit Facility. Council Member Ricco seconded the motion, which carried unanimously.

The following names were approved for the wall plaque: Mayor(s) Robert N. Pinkerton, Jr., Bharat R. Patel, Dennis W. Stahl; Mayor(s) Pro-tem JoAnn Evans, Alita Bagley, Alex Avalos, Paul Munarriz, Ken Medders, Jr.; Council Member(s) Richard R. Ridolfi, Courtney Hayden, Sam A. Listi, Robert A. Fudge, Julee LaMure, Theresa Metty, Ron Pitcock, Joseph M. Ricco, Eva-Jean Dalton, Kerry Schwartz; City Manager(s) Joni Clarke, William DiLiberio, Susan Guthrie; Assistant City Manager Darla Jones; Transit Director Jesse Arriaga; Architect Gignac Architects and Contractor Noble Texas Builders.

XIV. DISCUSSION AND ACTION TO APPROVE FIRST READING OF ORDINANCE NO. 19-03 TEMPORARILY PROHIBITING THE RENTAL AND/OR LEASING OF MOTOR-ASSISTED SCOOTERS. (RICCO)

Council Member Ricco made a motion, seconded by Council Member Schwartz to approve the first reading of Ordinance No. 19-03 temporarily prohibiting the rental and/or leasing of motor-assisted scooters. Motion passed on a unanimous vote.

XV. DISCUSSION AND ACTION TO APPROVE FIRST READING OF ORDINANCE NO. 19-04 AMENDING CHAPTER 18 (GOLF CARTS), SEC. 18-30 TO INCLUDE ADDED LANGUAGE IN SEC. 18-30(D)(8) TO DETERMINE AND CONTROL THE ACCEPTABLE LEVEL OF NOISE THAT IS EMITTED FROM GOLF CARTS. (SMITH)

Council Member Ricco made a motion to approve the first reading of Ordinance No. 19-04 amending Chapter 18 (Golf Carts) to include additional to control the level of noise (horn, music, etc.) that is emitted from golf carts. Council Member Schwartz seconded the motion, which carried unanimously.

XVI. DISCUSSION AND ACTION TO APPROVE A BEACH AND DUNE PERMIT FOR THE CONSTRUCTION OF A 316-FOOT LONG ADA COMPLIANT DUNE WALKOVER THAT WILL SERVE MULTIPLE CONDOMINIUM UNITS LOCATED AT 310 PADRE BOULEVARD. (B. HILL)

Mayor Stahl made a motion, seconded by Council Member Schwartz to approve a Beach and Dune Permit for the construction of a 316-foot long dune walkover located at 310 Padre Boulevard. Motion passed unanimously.

XVII. DISCUSSION AND ACTION TO APPROVE A JOINT LETTER OF INTENT FROM CAMERON COUNTY AND THE CITY OF SOUTH PADRE ISLAND TO THE U.S. ARMY CORPS. OF ENGINEERS FOR THE PLANNING ASSISTANCE OF STATES PROGRAM FOR THE CREATION OF A REGIONAL SEDIMENT MANAGEMENT PLAN; AND AUTHORIZE THE MAYOR TO EXECUTE THE LETTER. (B. HILL)

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Council Member Schwartz made a motion to approve a joint Letter of Intent to the U.S. Army Corps of Engineers for the creation of a Regional Sediment Management Plan and authorized the Mayor to execute. Motion was seconded by Council Member Dalton. Motion carried on a unanimous vote.

XVIII. DISCUSSION AND ACTION TO APPROVE AND PROCEED WITH THE VISITOR'S CENTER MAINTENANCE UPDATES. (FLORES)

Council Member Ricco made a motion, seconded by Council Member Schwartz to approve funds up to \$103,000 for the repairs needed at the Visitor's Center. Motion passed unanimously.

XIX. DISCUSSION AND ACTION TO REALLOCATE FUNDS FROM THE VISITOR'S CENTER REMODEL PROJECT TO GROUP MEETINGS AND BUSINESS IN THE AMOUNT OF \$150,000 (TABLED FROM THE FEBRUARY 6, 2019 COUNCIL MEETING). (FLORES)

Council Member Medders made a motion to reallocate \$150,000 from the Visitor's Center Remodel Project to Marketing and Convention Services to raise new group business and increase convention and meeting business. Council Member Dalton seconded the motion which carried on a unanimous vote.

XX. DISCUSSION AND POSSIBLE ACTION REGARDING IMPROVEMENTS TO LAGUNA BOULEVARD (TABLED FROM THE FEBRUARY 6, 2019 COUNCIL MEETING). (MEDDERS/SCHWARTZ)

Discussion held, no action taken.

XXI. DISCUSSION AND ACTION ON A REQUEST TO ALLOW A SIGN OVER AND ACROSS LAGUNA BOULEVARD NEAR PALM STREET. (JONES)

Mayor Stahl made a motion, seconded by Council Member Schwartz to ask staff to look into allowing a sign over Laguna Boulevard near Palm Street and to investigate another sign to be located north of that to encompass the whole entertainment district. Motion passed unanimously.

XXII. DISCUSSION AND POSSIBLE ACTION TO DIRECT THE CITY MANAGER TO CREATE A POLICY ESTABLISHING A FRAMEWORK FOR PROJECT EVALUATION, ASSESSMENT AND FEASIBILITY RELATED TO SMALLER CITY PROJECTS TO DETERMINE IF PROJECTS CAN BE ACCOMPLISHED IN-HOUSE (BY STAFF) AT A COST SAVINGS OR CONTRACTED OUT. (SCHWARTZ)

Council Member Schwartz made a motion to direct the City Manager to create a policy/committee to determine the feasibility of using in-house staffing versus contracting

out on smaller projects. Motion was seconded by Council Member Dalton, which carried on a unanimous vote.

XXIII. DISCUSSION AND POSSIBLE ACTION TO ADD ADDITIONAL HANDICAP PARKING SPACES AT BEACH ACCESS #4 NEAR PADRE GRAND. (MEDDERS)

Discussion held, no action taken.

XXIV. ACCEPTANCE OF RESIGNATION FROM MAYOR DENNIS STAHL. (STAHL)

Council Member Schwartz made a motion, seconded by Council Member Ricco to accept the resignation from Mayor Dennis Stahl. Motion carried unanimously.

XXV. DISCUSSION AND ACTION TO APPROVE ORDER OF SPECIAL ELECTION FOR MUNICIPALITIES FOR MAY 4, 2019 SPECIAL ELECTION TO FILL A VACANCY OF THE UNEXPIRED TERM OF MAYOR. (S. HILL)

Council Member Schwartz made a motion to approve the Order of Special Election for a May 4, 2019 Special Election to fill the vacancy of the unexpired term of Mayor. Council Member Ricco seconded the motion. Motion passed on a unanimous vote

XXVI. DISCUSSION AND ACTION TO APPROVE RESOLUTION NO. 2019-10 ESTABLISHING PROCEDURES FOR A SPECIAL ELECTION ON MAY 4, 2019 FOR THE PURPOSE OF ELECTING ONE (1) COUNCIL MEMBER TO FILL A VACANCY FOR THE UNEXPIRED TERM OF MAYOR (TERM TO EXPIRE ON NOVEMBER 3, 2020). (S. HILL)

Council Member Schwartz made a motion, seconded by Council Member Medders to approve Resolution No. 2019-10 establishing the procedures for a Special Election to be held on May 4, 2019 to fill the unexpired term of Mayor. Motion carried unanimously.

XXVIII. ADJOURN.

There being no further business, Mayor Stahl adjourned the meeting at 7:45 p.m.

Susan M. Hill, City Secretary

APPROVED

Dennis Stahl, Mayor

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2019

NAME & TITLE: Rodrigo Gimenez, Chief Financial Officer

DEPARTMENT: Finance Department

ITEM

Approve invoices for payment by General Fund checks numbered 143766 through 143878 and EFT payments totaling \$1,247,897.27.

ITEM BACKGROUND

BUDGET/FINANCIAL SUMMARY

COMPREHENSIVE PLAN GOAL

LEGAL REVIEW

Sent to Legal: YES: _____ NO: _____
Approved by Legal: YES: _____ NO: _____

Comments:

RECOMMENDATIONS/COMMENTS

Approve payments.

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: N/A NON-DEPARTMENTAL

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-002434	CINDY BOUDLOCHE	I-DWE201902146386	01 2469	DEBTORS WAGE :	CASE NO 16-10432	143769	1,513.02
VENDOR 01-002434 TOTALS							1,513.02
01-003185	OFFICE OF THE ATTY GEN	I-C10201902146386	01 2473	CHILD SUPPORT: A/N	2004094864B	000646	364.15
01-003185	OFFICE OF THE ATTY GEN	I-C13201902146386	01 2473	CHILD SUPPORT: A/N	0013262861	000646	182.31
01-003185	OFFICE OF THE ATTY GEN	I-C1C201902146386	01 2473	CHILD SUPPORT: ORDER NO	2015-DCL-56	000646	339.23
01-003185	OFFICE OF THE ATTY GEN	I-C1L201902146386	01 2473	CHILD SUPPORT: ORDER NO	2005063139E	000646	121.38
01-003185	OFFICE OF THE ATTY GEN	I-C1Q201902146386	01 2473	CHILD SUPPORT: CS	2014-DCL-08362	000646	191.54
01-003185	OFFICE OF THE ATTY GEN	I-C1R201902146386	01 2473	CHILD SUPPORT: ORDER NO	08-1471	000646	429.23
01-003185	OFFICE OF THE ATTY GEN	I-C21201902146386	01 2473	CHILD SUPPORT: A/N	0011549506	000646	369.23
01-003185	OFFICE OF THE ATTY GEN	I-C24201902146386	01 2473	CHILD SUPPORT: A/N	0011488748	000646	293.89
01-003185	OFFICE OF THE ATTY GEN	I-C51201902146386	01 2473	CHILD SUPPORT: A/N	0012375322	000646	294.33
01-003185	OFFICE OF THE ATTY GEN	I-C77201902146386	01 2473	CHILD SUPPORT: A/N	0010353126	000646	159.23
01-003185	OFFICE OF THE ATTY GEN	I-C82201902146386	01 2473	CHILD SUPPORT: ORDER #	2012-DCL-0866	000646	410.77
01-003185	OFFICE OF THE ATTY GEN	I-C91201902146386	01 2473	CHILD SUPPORT: AG	0012920905	000646	296.77
01-003185	OFFICE OF THE ATTY GEN	I-C93201902146386	01 2473	CHILD SUPPORT: ORDER #	99125207D	000646	101.54
01-003185	OFFICE OF THE ATTY GEN	I-C95201902146386	01 2473	CHILD SUPPORT: CASE #	0013025749	000646	420.00
VENDOR 01-003185 TOTALS							3,973.60
01-003444	CITIBANK	I-020319	01 2489	PURCHASING CA: JANUARY	2019 P CARD	143774	68,636.59
VENDOR 01-003444 TOTALS							68,636.59
01-006133	DEARBORN NATIONAL	I-022719	01 2465	VTL LIFE INSU: EMPLOYEE	PREMIUMS -V	143828	60.34
01-006133	DEARBORN NATIONAL	I-022719	01 48042	MISCELLANEOUS: EMPLOYEE	PREMIUMS -V	143828	0.01
VENDOR 01-006133 TOTALS							60.33
01-007001	ANA GARZA	I-C04201902146386	01 2473	CHILD SUPPORT: A/N	2003-03-1480-B	143781	194.88
VENDOR 01-007001 TOTALS							194.88
01-019222	S.P.I. FIREFIGHTERS AS	I-21919	01 2472	FIREFIGHTERS : ASSOCIATION	DUES 2/2	143797	377.00
VENDOR 01-019222 TOTALS							377.00
01-019327	SOUTH PADRE ISLAND PRO	I-021919	01 2487	POLICE DEPT A: ASSC DUES	2/20/19	000124	75.00
VENDOR 01-019327 TOTALS							75.00

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: N/A NON-DEPARTMENTAL

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-020057	TML MULTISTATE IEBP	I-022619	01 2461	TML MEDICAL	: MARCH 2019 MEDICAL P	000140	15,382.06
01-020057	TML MULTISTATE IEBP	I-022619	01 2484	VISION	: MARCH 2019 MEDICAL P	000140	513.00
						VENDOR 01-020057 TOTALS	15,895.06
01-020700	TRANSAMERICA WORKSITE	I-022119	01 2464	TRANSAMERICA	: FEB 2019 EMPLOYEE PR	143863	15.18
01-020700	TRANSAMERICA WORKSITE	I-022119	01 48042	MISCELLANEOUS	: FEB 2019 EMPLOYEE PR	143863	0.01
						VENDOR 01-020700 TOTALS	15.17
01-1	MORALES, THEODORE MARC	I-000201902266387	01 2424	MUN. COURT BO:	Bond Refund:43229A	143870	370.00
01-1	GIL ABREU, JOSE DANIEL	I-000201902266388	01 2424	MUN. COURT BO:	Bond Refund:43639A	143871	270.00
01-1	ZAPATA, JOSE ISRAEL	I-000201902266389	01 2424	MUN. COURT BO:	Bond Refund:43669A	143872	270.00
01-1	RODRIGUEZ, GUSTAVO EDW	I-000201902266390	01 2424	MUN. COURT BO:	Bond Refund:43774A	143873	370.00
01-1	LIZ MASI	I-022519	01 47046	ANIMAL/COMPOS:	LIZ MASI: REFUND OF	143874	20.00
						VENDOR 01-1 TOTALS	1,300.00
							DEPARTMENT NON-DEPARTMENTAL TOTAL: 92,040.65

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 511 CITY COUNCIL

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-019198	SHI-GOVERNMENT SOLUTIO	I-GB00315032	01 511-0550-033	JOE RICCO	: COUCNIL MEMBER IPAD	143854	963.26
01-019198	SHI-GOVERNMENT SOLUTIO	I-GB00315240	01 511-0550-033	JOE RICCO	: COUCNIL MEMBER IPAD	143854	92.55
						VENDOR 01-019198 TOTALS	1,055.81
01-020252	TEXAS FIRST GROUP REPL	I-CM1	01 511-0550-026	DENNIS STAHL	: MILEAGE, MEALS, LODG	143805	574.94
						VENDOR 01-020252 TOTALS	574.94
DEPARTMENT 511 CITY COUNCIL						TOTAL:	1,630.75

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 4

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 512 CITY MANAGERS OFFICE

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-002437	CITY OF HIDALGO	I-011	01 512-0102	LOCAL MEETING: 1	TABLE (6) 2019	RGV 143770	210.00
VENDOR 01-002437 TOTALS							210.00
01-008269	HILDA'S CLEANERS	I-860862	01 512-0120	CONSUMABLES	DRY CLEAN LOBBY TABL	143787	15.00
VENDOR 01-008269 TOTALS							15.00
01-020057	TML MULTISTATE IEBP	I-022619	01 512-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	2,139.20
VENDOR 01-020057 TOTALS							2,139.20
DEPARTMENT 512 CITY MANAGERS OFFICE						TOTAL:	2,364.20

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 5

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 513 FINANCE DEPARTMENT

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-019641	STAPLES CREDIT PLAN	I-2236232501	01 513-0101	OFFICE SUPPLI:	ENVELOPES, PAPER, PO	143802	279.42
01-019641	STAPLES CREDIT PLAN	I-2237004251	01 513-0101	OFFICE SUPPLI:	10-PK 2 PLY REGISTER	143802	22.49
						VENDOR 01-019641 TOTALS	301.91
01-020057	TML MULTISTATE IEBP	I-022619	01 513-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	3,010.61
						VENDOR 01-020057 TOTALS	3,010.61
						DEPARTMENT 513 FINANCE DEPARTMENT TOTAL:	3,312.52

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 6

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 514 PLANNING DEPARTMENT

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-020057	TML MULTISTATE IEBP	I-022619	01 514-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	520.54
						VENDOR 01-020057 TOTALS	520.54
01-1	DANIEL J.HORTERT SR.	I-22519	01 514-0550	TRAVEL EXPENS:	DANIEL J.HORTERT SR.	143875	1,124.21
						VENDOR 01-1 TOTALS	1,124.21
						DEPARTMENT 514 PLANNING DEPARTMENT TOTAL:	1,644.75

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 515 TECHNOLOGY DEPARTMENT

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-004089	DEPT OF INFO RESOURCES	I-18080600N-18	01 515-0501	COMMUNICATION:	TEX-AN CHARGES FOR A	143823	8.89
01-004089	DEPT OF INFO RESOURCES	I-19010601N	01 515-0501	COMMUNICATION:	TEX-AN CHARGES, JAN	143823	8.28
VENDOR 01-004089 TOTALS							17.17
01-007400	GRANICUS, INC.	I-108295	01 515-0415	SERVICE CONTR:	MEETINGS ON DEMAND	000137	6,961.57
VENDOR 01-007400 TOTALS							6,961.57
01-019182	SMARTCOM TELEPHONE.LLC	I-020119	01 515-0415	SERVICE CONTR:	PT 2 PT RADIO CONNEC	143796	223.08
VENDOR 01-019182 TOTALS							223.08
01-019356	SOUTHERN COMPUTER WARE	I-IN-000557182	01 515-0410	MACHINERY & E:	1- EHTERNET SWITCH -	143799	169.32
01-019356	SOUTHERN COMPUTER WARE	I-IN-000558131	01 515-0410	MACHINERY & E:	CID SURFACE PCS	143856	3,931.47
01-019356	SOUTHERN COMPUTER WARE	I-IN-000558136	01 515-0410	MACHINERY & E:	CID SURFACE PCS	143856	293.25
01-019356	SOUTHERN COMPUTER WARE	I-IN-000558546	01 515-0410	MACHINERY & E:	CID SURFACE PCS	143856	627.48
VENDOR 01-019356 TOTALS							5,021.52
01-019502	AT&T	I-020319	01 515-0501	COMMUNICATION:	956-761-2424	143801	1,028.49
01-019502	AT&T	I-20319	01 515-0501	COMMUNICATION:	761-2792	143801	39.13
01-019502	AT&T	I-21319	01 515-0501	COMMUNICATION:	761-2819	143801	151.57
VENDOR 01-019502 TOTALS							1,219.19
01-020057	TML MULTISTATE IEBP	I-022619	01 515-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	1,571.62
VENDOR 01-020057 TOTALS							1,571.62
01-020185	TIME WARNER CABLE	I-0024491021819	01 515-0415	SERVICE CONTR:	SERVICE @ CITY HALL	143859	1,203.29
01-020185	TIME WARNER CABLE	I-0213755021019	01 515-0415	SERVICE CONTR:	INTERNET SERV. 106 W	143860	313.27
VENDOR 01-020185 TOTALS							1,516.56
01-020644	T-MOBILE	I-021519	01 515-0501	COMMUNICATION:	DATA SERVICE	143862	1,458.47
VENDOR 01-020644 TOTALS							1,458.47

DEPARTMENT 515 TECHNOLOGY DEPARTMENT TOTAL: 17,989.18

REGULAR DEPARTMENT PAYMENT REPORT

VENDOR SET: 01 City of South Padre Island

FUND : 01 GENERAL FUND

DEPARTMENT: 516 HUMAN RESOURCES

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
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01-004048	DEER OAKS EAP SERVICES I-COSP119-02	01	516-0530	PROFESSIONAL	163 - FEB 2019 EAP SE 143821		146.70
VENDOR 01-004048 TOTALS							146.70
01-015010	OFFICE DEPOT	I-278339053001	01	516-0101	OFFICE SUPPLI: FLDRS FOR SPRING BRK 143845		39.99
VENDOR 01-015010 TOTALS							39.99
01-020057	TML MULTISTATE IEBP	I-022619	01	516-0081	GROUP INSURAN: MARCH 2019 MEDICAL P 000140		1,448.99
VENDOR 01-020057 TOTALS							1,448.99
01-022037	C.L. ANDERSON, JR. M.D I-659785		01	516-0530	PROFESSIONAL : DRUG SCREENINGS & PH 143866		195.00
VENDOR 01-022037 TOTALS							195.00
DEPARTMENT 516 HUMAN RESOURCES							1,830.68
TOTAL:							1,830.68

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 9

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 520 MUNICIPAL COURT

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-013178	CRYSTAL I. VASQUEZ	I-022519	01 520-0550	TRAVEL EXPENS:	MILEAGE FOR TRAINING	000144	60.72
VENDOR 01-013178 TOTALS							60.72
01-015010	OFFICE DEPOT	I-278339053001	01 520-0101	OFFICE SUPPLI:	ENVELOPES FOR MUN CR	143845	60.25
VENDOR 01-015010 TOTALS							60.25
01-020057	TML MULTISTATE IEBP	I-022619	01 520-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	1,041.08
VENDOR 01-020057 TOTALS							1,041.08
DEPARTMENT 520 MUNICIPAL COURT						TOTAL:	1,162.05

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 521 POLICE DEPARTMENT

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-007006	GT DISTRIBUTORS, INC.	I-INV0650922	01 521-0130	WEARING APPAR:	2-S/S SHIRTS FOR OF	143876	81.00
VENDOR 01-007006 TOTALS							81.00
01-011116	KUSTOM SIGNALS, INC.	I-560247	01 521-0530	PROFESSIONAL :	CHECK SKPR, ANTENNA	143789	200.52
01-011116	KUSTOM SIGNALS, INC.	I-560248	01 521-0530	PROFESSIONAL :	COMPLETE CHECK OF RP	143789	164.74
VENDOR 01-011116 TOTALS							365.26
01-016661	PRECISION DELTA CORP.	I-13539	01 521-0161	AMMUNITION & :	PD-AMMUNITION	143794	146.85
VENDOR 01-016661 TOTALS							146.85
01-018146	RIO GRANDE VALLEY COMM	I-2469-1	01 521-0551	DUES & MEMBER:	2-FT SUBSCRIPTIONS 2	143849	216.00
VENDOR 01-018146 TOTALS							216.00
01-020057	TML MULTISTATE IEBP	I-022619	01 521-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	18,404.48
VENDOR 01-020057 TOTALS							18,404.48
01-020826	TROY GILES REALTY, INC	I-625	01 521-0560	RENTAL :	BOAT SLIP RENTAL OCT	143864	3,600.00
VENDOR 01-020826 TOTALS							3,600.00
01-023058	WHATABURGER	I-12000781	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	143809	27.84
01-023058	WHATABURGER	I-12000791	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	143809	23.20
01-023058	WHATABURGER	I-1200081	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	143809	10.08
01-023058	WHATABURGER	I-1200082	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	143809	9.28
01-023058	WHATABURGER	I-1200083	01 521-0571	FOOD FOR PRIS:	PRISONER MEAL	143809	4.64
01-023058	WHATABURGER	I-1200084	01 521-0571	FOOD FOR PRIS:	PRISONER MEAL	143809	4.64
01-023058	WHATABURGER	I-1200167	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	143809	13.92
01-023058	WHATABURGER	I-1200168	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	143809	9.28
01-023058	WHATABURGER	I-1200169	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	143809	9.28
01-023058	WHATABURGER	I-1200170	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	143809	9.28
VENDOR 01-023058 TOTALS							121.44

DEPARTMENT 521 POLICE DEPARTMENT TOTAL: 22,935.03

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 522 FIRE DEPARTMENT

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-002073	REYNALDO BAZAN	I-021519	01 522-0550	TRAVEL EXPENS:	PER DIEM: NEW BRAUNF	143815	288.00
					VENDOR 01-002073 TOTALS		288.00
01-002145	BIO-OPS, LLC	I-17-9802	01 522-0415	SERVICE CONTR:	MONTHLY REGULATED ME	143816	30.00
					VENDOR 01-002145 TOTALS		30.00
01-002447	ASHLEY BOWEN	I-021919	01 522-0130	WEARING APPAR:	REIMBURSE SHOE PURCH	143771	150.00
					VENDOR 01-002447 TOTALS		150.00
01-004043	CHRISTOPHER DE LEON	I-021519	01 522-0550	TRAVEL EXPENS:	PER DIEM: NEW BRAUNF	143820	288.00
					VENDOR 01-004043 TOTALS		288.00
01-007075	GALLS, LLC	I-010481009	01 522-0150	MINOR TOOLS &:	4- SCBA MASK BAG RED	143877	71.27
01-007075	GALLS, LLC	I-011083288	01 522-0130	WEARING APPAR:	Polo shirts	143783	659.29
01-007075	GALLS, LLC	I-011098721	01 522-0130	WEARING APPAR:	30 BALLCAPS W/ EMBRO	143877	285.00
01-007075	GALLS, LLC	I-011734069	01 522-0130	WEARING APPAR:	Polo shirts	143783	532.96
01-007075	GALLS, LLC	I-011890856	01 522-0130	WEARING APPAR:	3- S/S POLO SHIRTS N	143877	135.96
01-007075	GALLS, LLC	I-011890906	01 522-0130	WEARING APPAR:	BOOTS, R NEGRETE	143877	130.98
01-007075	GALLS, LLC	I-011904708	01 522-0130	WEARING APPAR:	Polo shirts	143783	157.75
					VENDOR 01-007075 TOTALS		1,973.21
01-007084	LUIS C. GONZALEZ	I-021519	01 522-0550	TRAVEL EXPENS:	PER DIEM: NEW BRAUNF	143831	288.00
					VENDOR 01-007084 TOTALS		288.00
01-007600	GULF COAST PAPER CO. I	I-1631210	01 522-0160	LAUNDRY & JAN:	, 1 CS. TWLS	143785	21.14
01-007600	GULF COAST PAPER CO. I	I-1631210	01 522-0101	OFFICE SUPPLI:	2 CS COPY PAPER	143785	65.00
					VENDOR 01-007600 TOTALS		86.14
01-008117	RGVFFMA	I-1141	01 522-0513	TRAINING EXPE:	ANNUAL SCHOOL:VEHICL	143834	120.00
					VENDOR 01-008117 TOTALS		120.00

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 522 FIRE DEPARTMENT

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-008119	RESCUE TRAINING INTERN	I-022019	01 522-0513	TRAINING EXPE:	FAST I & II Training	143786	2,100.00
					VENDOR 01-008119 TOTALS		2,100.00
01-012133	LIFE - ASSIST, INC	I-899891	01 522-0114	MEDICAL SUPPL:	GAUZE DRNG, MAG.SUL	143836	326.66
					VENDOR 01-012133 TOTALS		326.66
01-013114	MATHESON TRI-GAS INC.	I-18376024	01 522-0114	MEDICAL SUPPL:	MISC. MEDICAL CYLIND	143791	424.40
					VENDOR 01-013114 TOTALS		424.40
01-013339	MICHAEL MOYER	I-022119	01 522-0130	WEARING APPAR:	REIMBURSE SHOE PURCH	143839	120.00
					VENDOR 01-013339 TOTALS		120.00
01-013506	METRO FIRE APPARATUS S	I-133311-1	01 522-0105	CHEMICALS	: 4- PHOS-CHEK CLASS A	143842	440.00
					VENDOR 01-013506 TOTALS		440.00
01-018146	RIO GRANDE VALLEY COMM	C-2469-C	01 522-0501	COMMUNICATION:	S/B PAID BY PD	143849	216.00
01-018146	RIO GRANDE VALLEY COMM	I-2469	01 522-0501	COMMUNICATION:	FULL TIME SUBSCRIPTI	143849	216.00
					VENDOR 01-018146 TOTALS		0.00
01-019010	SCUBA SHACK INC.	I-9641	01 522-0410	MACHINERY & E:	15- HYDRO SPI	143852	513.75
					VENDOR 01-019010 TOTALS		513.75
01-020057	TML MULTISTATE IEBP	I-022619	01 522-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	15,055.53
					VENDOR 01-020057 TOTALS		15,055.53
01-020823	SIMON TRUMAN	I-021519	01 522-0550	TRAVEL EXPENS:	PER DIEM. MAR 4-7, T	143878	288.00
					VENDOR 01-020823 TOTALS		288.00

DEPARTMENT 522 FIRE DEPARTMENT TOTAL: 22,491.69

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

PUND : 01 GENERAL FUND

DEPARTMENT: 532 HEALTH/CODE ENFORCEMENT

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001211	ALEX AVALOS PRINTING	I-21919	01 532-0118	PRINTING	: PRINTED 1000 CITATIO	143767	470.39
VENDOR 01-001211 TOTALS							470.39
01-004139	JARON R. BERMAN	I-2633	01 532-0545	LOT MOWING	: MOWING @ 107 E. RED	000135	30.00
VENDOR 01-004139 TOTALS							30.00
01-007126	JUAN GOMEZ JR.	I-020419	01 532-0545	LOT MOWING	: MOWING@ 201 W. MORNI	000122	40.00
VENDOR 01-007126 TOTALS							40.00
01-020057	TML MULTISTATE IEPP	I-022619	01 532-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	3,073.66
VENDOR 01-020057 TOTALS							3,073.66

DEPARTMENT 532 HEALTH/CODE ENFORCEMENT TOTAL: 3,614.05

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 540 FLEET MANAGEMENT

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-004042	DEFENDER SUPPLY LLC	I-23568	01 540-1007	MOTOR VEHICLE:	CNTR CONSOLE/PUSH BU	143819	1,175.10
VENDOR 01-004042 TOTALS							1,175.10
01-012091	CINTAS UNIFORM	I-538177091	01 540-0130	WEARING APPAR:	UNIFORMS,	143790	17.77
VENDOR 01-012091 TOTALS							17.77
01-018031	ALFREDO RAMOS	I-369	01 540-0420-02	REPAIRS & MAI:	DRIVERS MSTR WINDOW	000139	493.89
01-018031	ALFREDO RAMOS	I-370	01 540-0420-02	REPAIRS & MAI:	UPGRADE KIT, WINDOW	000139	457.98
01-018031	ALFREDO RAMOS	I-371	01 540-0420-02	REPAIRS & MAI:	LABOR CHRGE FOR WIND	000139	422.94
01-018031	ALFREDO RAMOS	I-372	01 540-0420-02	REPAIRS & MAI:	CLEAN/LUBE, AERIAL D	000139	500.00
01-018031	ALFREDO RAMOS	I-373	01 540-0420-02	REPAIRS & MAI:	PUMP CLEANUP & FLUSH	000139	250.00
01-018031	ALFREDO RAMOS	I-374	01 540-0420-02	REPAIRS & MAI:	FIRE PUMP SYSTEM FLU	000139	250.00
VENDOR 01-018031 TOTALS							2,374.81
01-019362	SKYDIVE SPI, LLC	I-21319	01 540-0130	WEARING APPAR:	SCREEN PRNT 63 SHIRT	143800	93.50
VENDOR 01-019362 TOTALS							93.50
01-020057	TML MULTISTATE IEBP	I-022619	01 540-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	1,041.08
VENDOR 01-020057 TOTALS							1,041.08
DEPARTMENT 540 FLEET MANAGEMENT TOTAL:							4,702.26

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REGULAR DEPARTMENT PAYMENT REPORT

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VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 541 BUILDING MAINTENANCE

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-007120	HELGESON PLUMBING, LLC	I-11842	01 541-0427	PLUMBING	: UNCLOG MAIN SEWER LI	143784	189.00
01-007120	HELGESON PLUMBING, LLC	I-11933	01 541-0427	PLUMBING	: UNCLOGGED MAIN SEWER	143784	189.00
						VENDOR 01-007120 TOTALS	378.00
01-012091	CINTAS UNIFORM	I-538177091	01 541-0160	LAUNDRY & JAN:	MATS, MOPS, ETC.	143790	185.46
01-012091	CINTAS UNIFORM	I-538177091	01 541-0130	WEARING APPAR:	UNIFORMS,	143790	17.77
						VENDOR 01-012091 TOTALS	203.23
01-013114	MATHESON TRI-GAS INC.	I-19081608	01 541-0415	SERVICE CONTR:	MISC. ACETYLENE, CYL	143838	243.30
						VENDOR 01-013114 TOTALS	243.30
01-019499	SOUTHWEST TEXAS EQUIPM	I-2310751	01 541-0415	SERVICE CONTR:	ICE MACHINE RENT MAR	143857	100.00
						VENDOR 01-019499 TOTALS	100.00
01-020016	TERMINIX	I-382947265	01 541-0415	SERVICE CONTR:	PEST CONTROL 4601 PA	143858	225.00
						VENDOR 01-020016 TOTALS	225.00
01-020057	TML MULTISTATE IEBP	I-022619	01 541-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	1,041.08
						VENDOR 01-020057 TOTALS	1,041.08
DEPARTMENT 541 BUILDING MAINTENANCE						TOTAL:	2,190.61

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 16

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 542 INSPECTIONS DIVISION

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-020057	TML MULTISTATE IEBP	I-022619	01 542-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	1,571.62
						VENDOR 01-020057 TOTALS	1,571.62
						DEPARTMENT 542 INSPECTIONS DIVISION TOTAL:	1,571.62

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 543 PUBLIC WORKS DEPARTMENT

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001303	AMERICAN PUBLIC WORKS	I-831600	01 543-0551	DUES & MEMBER:	MEMBERSHIP RENEWAL	143814	232.00
					VENDOR 01-001303 TOTALS		232.00
01-003704	CAMERON COUNTY	I-21519	01 543-0432	CAUSEWAY LIGH:	CAUSEWAY LTNG 1/7 -2	143776	142.48
					VENDOR 01-003704 TOTALS		142.48
01-006157	FRONTERA MATERIALS, IN	I-2191402	01 543-0416	STREETS & RIG:	14-TONS OF COLD MIX	143780	1,606.18
					VENDOR 01-006157 TOTALS		1,606.18
01-007007	ABEL GONZALES	I-021619	01 543-0416	STREETS & RIG:	MC-30 ROAD REPAIR	000121	825.00
					VENDOR 01-007007 TOTALS		825.00
01-012091	CINTAS UNIFORM	I-538177091	01 543-0130	WEARING APPAR:	UNIFORMS,	143790	147.04
					VENDOR 01-012091 TOTALS		147.04
01-013257	MAE POWER EQUIPMENT	I-836856	01 543-1004	MACHINERY & E:	PW-SCAG	143792	8,500.00
					VENDOR 01-013257 TOTALS		8,500.00
01-019362	SKYDIVE SPI, LLC	I-21319	01 543-0130	WEARING APPAR:	SCREEN PRNT 63 SHIRT	143800	327.30
					VENDOR 01-019362 TOTALS		327.30
01-020057	TML MULTISTATE IEBP	I-022619	01 543-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	8,781.10
					VENDOR 01-020057 TOTALS		8,781.10

DEPARTMENT 543 PUBLIC WORKS DEPARTMENT TOTAL: 20,561.10

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 570 GENERAL SERVICES

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L	ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001129	A & W OFFICE SUPPLY IN	I-630691-0	01	570-0101	OFFICE SUPPLI:	7-ROLLS BOND PAPER F	143812	110.67
VENDOR 01-001129 TOTALS								110.67
01-006034	FED EX	I-6-467-45360	01	570-0108	POSTAGE	: MISC. SHIPPING CHARG	143827	71.06
01-006034	FED EX	I-6-467-45360	01	570-0108	POSTAGE	: MISC. SHIPPING CHARG	143827	71.84
01-006034	FED EX	I-6-467-45360	01	570-0108	POSTAGE	: MISC. SHIPPING CHARG	143827	43.68
VENDOR 01-006034 TOTALS								186.58
01-012071	LAGUNA MADRE WATER DIS	I-020819-01	01	570-0581	WATER, SEWER, :	80 FT. E NEW CW IRR.	000123	513.63
01-012071	LAGUNA MADRE WATER DIS	I-020819-04	01	570-0581	WATER, SEWER, :	904 PADRE BLVD MDN I	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-05	01	570-0581	WATER, SEWER, :	1313 PADRE BLVD MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-06	01	570-0581	WATER, SEWER, :	911 PADRE BLVD MDN I	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-07	01	570-0581	WATER, SEWER, :	1201 PADRE BLVD 12/3	000123	13.19
01-012071	LAGUNA MADRE WATER DIS	I-020819-08	01	570-0581	WATER, SEWER, :	1612 PADRE BLVD MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-09	01	570-0581	WATER, SEWER, :	2000 PADRE BLVD MDN	000123	49.22
01-012071	LAGUNA MADRE WATER DIS	I-020819-10	01	570-0581	WATER, SEWER, :	2412 PADRE BLVD MDN	000123	13.19
01-012071	LAGUNA MADRE WATER DIS	I-020819-11	01	570-0581	WATER, SEWER, :	2700 PADRE BLVD MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-12	01	570-0581	WATER, SEWER, :	3000 PADRE BLVD MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-13	01	570-0581	WATER, SEWER, :	CRN PADRE & TARPON I	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-14	01	570-0581	WATER, SEWER, :	1400 PADRE BLVD MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-15	01	570-0581	WATER, SEWER, :	1612 GULF BLVD IRR	000123	13.19
01-012071	LAGUNA MADRE WATER DIS	I-020819-16	01	570-0581	WATER, SEWER, :	1800 GULF BLVD 12/31	000123	214.65
01-012071	LAGUNA MADRE WATER DIS	I-020819-17	01	570-0581	WATER, SEWER, :	2414 GULF BLVD IRR	000123	13.19
01-012071	LAGUNA MADRE WATER DIS	I-020819-18	01	570-0581	WATER, SEWER, :	CRN SW GULF & MARLIN	000123	114.10
01-012071	LAGUNA MADRE WATER DIS	I-020819-19	01	570-0581	WATER, SEWER, :	2712 PADRE BLVD IRR	000123	13.19
01-012071	LAGUNA MADRE WATER DIS	I-020819-20	01	570-0581	WATER, SEWER, :	CRN W. GULF & RED SN	000123	156.29
01-012071	LAGUNA MADRE WATER DIS	I-020819-21	01	570-0581	WATER, SEWER, :	3108 PADRE BLVD MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-22	01	570-0581	WATER, SEWER, :	3204 PADRE BLVD MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-23	01	570-0581	WATER, SEWER, :	3408 PADRE BLVD MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-24	01	570-0581	WATER, SEWER, :	3420 GULF BLVD ACCES	000123	78.62
01-012071	LAGUNA MADRE WATER DIS	I-020819-25	01	570-0581	WATER, SEWER, :	33704 PADRE BLVD MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-26	01	570-0581	WATER, SEWER, :	13 B/A MOONLIGHT CIR	000123	60.04
01-012071	LAGUNA MADRE WATER DIS	I-020819-28	01	570-0581	WATER, SEWER, :	106 W. RETAMA ST. F/	000123	50.25
01-012071	LAGUNA MADRE WATER DIS	I-020819-29	01	570-0581	WATER, SEWER, :	106 W. RETAMA ST.	000123	347.11
01-012071	LAGUNA MADRE WATER DIS	I-020819-30	01	570-0581	WATER, SEWER, :	5222 GULF BLVD IRR.	000123	13.19
01-012071	LAGUNA MADRE WATER DIS	I-020819-31	01	570-0581	WATER, SEWER, :	CRN NW GULF & CAPRIC	000123	892.25
01-012071	LAGUNA MADRE WATER DIS	I-020819-32	01	570-0581	WATER, SEWER, :	110 E. MORNINGSIDE D	000123	270.22
01-012071	LAGUNA MADRE WATER DIS	I-020819-33	01	570-0581	WATER, SEWER, :	5418 GULF BLVD BEACH	000123	13.19
01-012071	LAGUNA MADRE WATER DIS	I-020819-34	01	570-0581	WATER, SEWER, :	S SIDE OF CORONADO &	000123	51.67
01-012071	LAGUNA MADRE WATER DIS	I-020819-35	01	570-0581	WATER, SEWER, :	6100 PADRE BLVD 12/3	000123	51.13
01-012071	LAGUNA MADRE WATER DIS	I-020819-36	01	570-0581	WATER, SEWER, :	6100 PADRE BLVD IRR	000123	308.64
01-012071	LAGUNA MADRE WATER DIS	I-020819-39	01	570-0581	WATER, SEWER, :	108 W. HUISACHE	000123	51.13

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 570 GENERAL SERVICES

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-012071	LAGUNA MADRE WATER DIS	I-020819-40	01 570-0581	WATER, SEWER, :	3900 PADRE BLVD MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-41	01 570-0581	WATER, SEWER, :	4400 PADRE BLVD MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-42	01 570-0581	WATER, SEWER, :	4900 PADRE BLVD- MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-43	01 570-0581	WATER, SEWER, :	4380 GULF BLVD IRR	000123	39.56
01-012071	LAGUNA MADRE WATER DIS	I-020819-44	01 570-0581	WATER, SEWER, :	4501 PADRE BLVD	000123	74.59
01-012071	LAGUNA MADRE WATER DIS	I-020819-45	01 570-0581	WATER, SEWER, :	4501 PADRE BLVD	000123	94.18
01-012071	LAGUNA MADRE WATER DIS	I-020819-46	01 570-0581	WATER, SEWER, :	4501 PADRE BLVD	000123	871.15
01-012071	LAGUNA MADRE WATER DIS	I-020819-47	01 570-0581	WATER, SEWER, :	4501 PADRE BLVD	000123	298.46
01-012071	LAGUNA MADRE WATER DIS	I-020819-48	01 570-0581	WATER, SEWER, :	4601 PADRE BLVD F/L	000123	50.25
01-012071	LAGUNA MADRE WATER DIS	I-020819-49	01 570-0581	WATER, SEWER, :	4601 PADRE BLVD 12/3	000123	379.79
01-012071	LAGUNA MADRE WATER DIS	I-020819-50	01 570-0581	WATER, SEWER, :	4818 GULF BVLD -BEAC	000123	13.19
01-012071	LAGUNA MADRE WATER DIS	I-020819-51	01 570-0581	WATER, SEWER, :	5404 PADRE BLVD - MD	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-52	01 570-0581	WATER, SEWER, :	6001 PADRE BLVD MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-53	01 570-0581	WATER, SEWER, :	6410 PADRE BLVD MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-54	01 570-0581	WATER, SEWER, :	6900 PADRE BLVD -MDN	000123	24.80
01-012071	LAGUNA MADRE WATER DIS	I-020819-55	01 570-0581	WATER, SEWER, :	W SATURN & PADRE	000123	111.62
VENDOR 01-012071 TOTALS							5,705.27
01-013404	MOUNTAIN GLACIER, LLC	I-0301141498	01 570-0581	WATER, SEWER, :	BOTTLED WATER DEL. P	143841	13.50
01-013404	MOUNTAIN GLACIER, LLC	I-0301141500	01 570-0581	WATER, SEWER, :	BOTTLED WATER DEL CI	143841	81.00
01-013404	MOUNTAIN GLACIER, LLC	I-0301141508	01 570-0581	WATER, SEWER, :	BOTTLED WATER DEL.,	143841	9.00
VENDOR 01-013404 TOTALS							103.50
01-018154	REPUBLIC SERVICES #863	I-0863001606044	01 570-0581	WATER, SEWER, :	108 W. RETAMA, ONCAL	143850	2,233.58
VENDOR 01-018154 TOTALS							2,233.58
01-021095	UNITED PARCEL SERVICE	I-000034965X069-1	01 570-0108	POSTAGE	: SERVICE CHARGE	143808	53.80
VENDOR 01-021095 TOTALS							53.80
01-023900	XEROX CORPORATION	I-095917526	01 570-0510	RENTAL OF EQU:	INTEGRATED CONTRLR,	143869	108.48
01-023900	XEROX CORPORATION	I-095917529	01 570-0510	RENTAL OF EQU:	COPIER/PRINTER- FIRE	143869	261.84
01-023900	XEROX CORPORATION	I-095917531	01 570-0510	RENTAL OF EQU:	COPIER/PRINTER LEASE	143869	140.78
01-023900	XEROX CORPORATION	I-095917536	01 570-0510	RENTAL OF EQU:	COPIER LEASE: RECEPT	143869	155.90
VENDOR 01-023900 TOTALS							667.00
DEPARTMENT 570 GENERAL SERVICES TOTAL:							9,060.40

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 572 SPECIAL PROJECTS

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-011149	KIMLEY-HORN & ASSOCIAT	I-069234006-0119	01 572-0530	PROFESSIONAL :	COMPREHENSIVE PLAN	000138	2,350.00
						VENDOR 01-011149 TOTALS	2,350.00
						DEPARTMENT 572 SPECIAL PROJECTS TOTAL:	2,350.00
						VENDOR SET 01 GENERAL FUND TOTAL:	211,451.54

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 02 HOTEL/MOTEL TAX FUND

DEPARTMENT: 590 VISITORS BUREAU

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001239	JESUS ALVARADO	I-22219	02 590-1001	BUILDINGS & S:	VC INTERIOR PAINT UP	143813	4,500.00
VENDOR 01-001239 TOTALS							4,500.00
01-002893	BUGWORKS TERMITES & PES	I-74962	02 590-0415	SERVICE CONTR:	PEST CONTROL VC	143773	49.16
VENDOR 01-002893 TOTALS							49.16
01-004089	DEPT OF INFO RESOURCES	I-18080600N-18	02 590-0501	COMMUNICATION:	TEX-AN CHARGES FOR A	143823	7.11
01-004089	DEPT OF INFO RESOURCES	I-19010601N	02 590-0501	COMMUNICATION:	TEX-AN CHARGES, JAN	143823	5.39
VENDOR 01-004089 TOTALS							12.50
01-004257	DLJ COMMERCIAL ROOFING	I-2195-01	02 590-1001	BUILDINGS & S:	VISITOR CENTER ROOF	143824	9,927.50
01-004257	DLJ COMMERCIAL ROOFING	I-2195-02	02 590-1001	BUILDINGS & S:	VISITOR CENTER ROOF	143824	9,927.50
VENDOR 01-004257 TOTALS							19,855.00
01-007600	GULF COAST PAPER CO. I	I-1632545	02 590-0160	LAUNDRY & JAN:	ROLL TWLS, TISSUE,	143833	230.74
VENDOR 01-007600 TOTALS							230.74
01-009677	FRANCISCO JAVIER VARGA	I-1495	02 590-1001	BUILDINGS & S:	VC FLOOR REPAIR UPGR	143835	4,408.12
VENDOR 01-009677 TOTALS							4,408.12
01-012071	LAGUNA MADRE WATER DIS	I-020819-02	02 590-0581	WATER,SEWER &:	600 PADRE BLVD 12/31	000123	51.13
01-012071	LAGUNA MADRE WATER DIS	I-020819-03	02 590-0581	WATER,SEWER &:	600 PADRE BLVD 12/31	000123	55.55
VENDOR 01-012071 TOTALS							106.68
01-014237	DONNELLY HOLDINGS, LTD	I-829667	02 590-0415	SERVICE CONTR:	FILTER HVAC	143844	22.50
VENDOR 01-014237 TOTALS							22.50
01-020057	TML MULTISTATE IEBP	I-022619	02 590-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	1,561.62
VENDOR 01-020057 TOTALS							1,561.62

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REGULAR DEPARTMENT PAYMENT REPORT

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VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 02 HOTEL/MOTEL TAX FUND

DEPARTMENT: 590 VISITORS BUREAU

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-020185	TIME WARNER CABLE	I-0029235020419	02 590-0415	SERVICE CONTR:	RR2 ACCT 600 PADRE 2	143804	312.34
						VENDOR 01-020185 TOTALS	312.34
01-020602	TOUCAN GRAPHICS	I-26066	02 590-0101	OFFICE SUPPLI:	REORDER SPI MAPS	143806	660.00
						VENDOR 01-020602 TOTALS	660.00
01-021095	UNITED PARCEL SERVICE	I-0000648239059-1	02 590-0108	POSTAGE	: SERVICE CHARGE	143808	29.00
01-021095	UNITED PARCEL SERVICE	I-0000648239069	02 590-0108	POSTAGE	: SERVICE CHARGE	143808	29.00
01-021095	UNITED PARCEL SERVICE	I-0000648239079-1	02 590-0108	POSTAGE	: SERVICE CHARGE	143865	29.00
						VENDOR 01-021095 TOTALS	87.00

DEPARTMENT 590 VISITORS BUREAU TOTAL: 31,805.66

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 02 HOTEL/MOTEL TAX FUND

DEPARTMENT: 592 SALES & ADMINISTRATION

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-004089	DEPT OF INFO RESOURCES	I-18080600N-18	02 592-0501	COMMUNICATION:	TEX-AN CHARGES FOR A	143823	30.33
01-004089	DEPT OF INFO RESOURCES	I-19010601N	02 592-0501	COMMUNICATION:	TEX-AN CHARGES, JAN	143823	37.13
VENDOR 01-004089 TOTALS							67.46
01-006034	FED EX	I-6-467-98769	02 592-0108	POSTAGE	: MISC. SHIPPING CHARG	143827	601.86
VENDOR 01-006034 TOTALS							601.86
01-018164	EUGENE RIOS	I-020719	02 592-0550	TRAVEL EXPENS:	PER DIEM: TRIP TO DU	000125	192.00
01-018164	EUGENE RIOS	I-022019	02 592-0550	TRAVEL EXPENS:	MILEAGE REIMBURSEMEN	000145	354.38
VENDOR 01-018164 TOTALS							546.38
01-019144	SEARCHWIDE MINNESOTA L	I-13249	02 592-0530	PROFESSIONAL :	EXECUTIVE SEARCH	143853	11,600.00
VENDOR 01-019144 TOTALS							11,600.00
01-019220	SOURCE STRATEGIES INCO	I-F00002924	02 592-0551	DUES & MEMBER:	TX HOTEL FACTBOOK, N	143855	485.00
VENDOR 01-019220 TOTALS							485.00
01-020057	TML MULTISTATE IEBP	I-022619	02 592-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	2,642.70
VENDOR 01-020057 TOTALS							2,642.70
01-020602	TOUCAN GRAPHICS	I-26138	02 592-0230	STOCK - PROMO:	PRINTED 2500 MAPS	143861	269.00
01-020602	TOUCAN GRAPHICS	I-26139	02 592-0230	STOCK - PROMO:	PRINTED 2500 POSTCAR	143861	145.00
01-020602	TOUCAN GRAPHICS	I-26140	02 592-0230	STOCK - PROMO:	PRINTED 2500 BOOKMAR	143861	189.00
01-020602	TOUCAN GRAPHICS	I-26183	02 592-0101	OFFICE SUPPLI:	2- METAL NAME BADGES	143861	40.26
VENDOR 01-020602 TOTALS							643.26

DEPARTMENT 592 SALES & ADMINISTRATION TOTAL: 16,586.66

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 24

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 02 HOTEL/MOTEL TAX FUND

DEPARTMENT: 593 EVENTS MARKETING

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001344	THE ATKINS GROUP	I-INV-13871	02 593-8099	MISC. SPONSOR:	SPRING BREAK MKTG 20	000120	7,866.75
						VENDOR 01-001344 TOTALS	7,866.75
01-020057	TML MULTISTATE IEBP	I-022619	02 593-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	530.54
						VENDOR 01-020057 TOTALS	530.54
01-020602	TOUCAN GRAPHICS	I-25858	02 593-8060	ENTRANCE SIGN:	ART SER. SPI SURF A 143861		235.00
						VENDOR 01-020602 TOTALS	235.00

DEPARTMENT 593 EVENTS MARKETING TOTAL: 8,632.29

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 02 HOTEL/MOTEL TAX FUND

DEPARTMENT: 594 MARKETING

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001344	THE ATKINS GROUP	I-INV-13839	02 594-0530	PROFESSIONAL	: 2018/2019 PUBLIC REL	000120	8,000.00
01-001344	THE ATKINS GROUP	I-INV-13840	02 594-0537	PRODUCTION/CO:	CREATIVE & CONTENT S	000120	1,568.75
01-001344	THE ATKINS GROUP	I-INV-13841	02 594-0530	PROFESSIONAL	: 2018/2019 ACCOUNT SE	000120	13,500.00
01-001344	THE ATKINS GROUP	I-INV-13842	02 594-0537	PRODUCTION/CO:	PRODUCTION & EDITING	000120	5,381.25
01-001344	THE ATKINS GROUP	I-INV-13843	02 594-0530	PROFESSIONAL	: 2018/2019 ADVANCE AN	000120	2,066.67
01-001344	THE ATKINS GROUP	I-INV-13844	02 594-0530	PROFESSIONAL	: 2018/2019 SOCIAL MED	000120	1,000.00
01-001344	THE ATKINS GROUP	I-INV-13845	02 594-0559	CONTENT DEVEL:	WEBSITE MAINT & DIGI	000120	4,914.91
01-001344	THE ATKINS GROUP	I-INV-13846	02 594-0550	TRAVEL EXPENS:	TRAVEL EXP JAN 2019	000120	2,290.21
01-001344	THE ATKINS GROUP	I-INV-13847	02 594-0537	PRODUCTION/CO:	CREATIVE & CONTENT S	000120	3,287.50
01-001344	THE ATKINS GROUP	I-INV-13854	02 594-0537	PRODUCTION/CO:	CREATIVE & CONTENT S	000120	16,652.30
01-001344	THE ATKINS GROUP	I-INV-13869	02 594-0531	MEDIA PLACEME:	2018/2019 MEDIA RESE	000120	110,280.15
01-001344	THE ATKINS GROUP	I-INV-13870	02 594-0531	MEDIA PLACEME:	2018/2019 FALL INCRE	000120	146,427.82
VENDOR 01-001344 TOTALS							315,369.56
01-022252	VISA INTERNATIONAL SER I-190100-04550-A		02 594-0530	PROFESSIONAL	: V V T TOURISM SPENDI	143867	38,000.00
VENDOR 01-022252 TOTALS							38,000.00

DEPARTMENT 594 MARKETING TOTAL: 353,369.56

VENDOR SET 02 HOTEL/MOTEL TAX FUND TOTAL: 410,394.17

REGULAR DEPARTMENT PAYMENT REPORT

VENDOR SET: 01 City of South Padre Island
 FUND : 06 CONVENTION CENTER FUND
 DEPARTMENT: 565 CONVENTION CENTER OPER
 INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999
 PAY DATE RANGE: 2/21/2019 THRU 3/01/2019
 BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
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01-001210	AIR FILTER COMPANY	I-77753	06 565-0415	SERVICE CONTR:	HVAC FILTER SERVICE 000134		292.40
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VENDOR 01-001210 TOTALS							292.40
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01-002774	BROADCAST MUSIC, INC.	I-33927704	06 565-0530	PROFESSIONAL :	BMI SERV 10/01-12/31 143772		240.00
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VENDOR 01-002774 TOTALS							240.00
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01-003096	RODRIGO CANTU	I-022519	06 565-0104	FUELS & LUBRI:	REIMBURSE PURCHASE 0 143817		20.01
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VENDOR 01-003096 TOTALS							20.01
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01-003418	JAMES R. MATHEWS	I-0319	06 565-0415	SERVICE CONTR:	WATER TREATMENT MARC 143818		150.00
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VENDOR 01-003418 TOTALS							150.00
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01-004283	ECOLAB INC.	I-2539040	06 565-0415	SERVICE CONTR:	DISHMACHINE RENT 2/1 143825		155.50
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VENDOR 01-004283 TOTALS							155.50
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01-005512	EXPRESS SERVICES, INC.	I-21880592	06 565-0530	PROFESSIONAL :	TEMP LABOR; FEB 3, C 143779		390.72
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01-005512	EXPRESS SERVICES, INC.	I-21911744	06 565-0530	PROFESSIONAL :	TEMP LABOR CVB FEB 1 143779		100.64
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01-005512	EXPRESS SERVICES, INC.	I-21911745	06 565-0530	PROFESSIONAL :	TEMP LABOR FEB 10, 2 143779		260.48
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01-005512	EXPRESS SERVICES, INC.	I-21942825	06 565-0530	PROFESSIONAL :	TEMP LABOR CVB FEB 1 143826		301.92
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01-005512	EXPRESS SERVICES, INC.	I-21942826	06 565-0530	PROFESSIONAL :	TEMP LABOR AT CVB FE 143826		344.84
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VENDOR 01-005512 TOTALS							1,398.60
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01-006162	JUAN FLORES	I-0000712	06 565-0415	SERVICE CONTR:	LANDSCAPE SERVICE @ 000136		1,350.00
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VENDOR 01-006162 TOTALS							1,350.00
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01-007600	GULF COAST PAPER CO. I	I-1631278	06 565-0160	LAUNDRY & JAN:	TISSUE, TWLS, LINERS, 143785		499.32
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01-007600	GULF COAST PAPER CO. I	I-1634662	06 565-0160	LAUNDRY & JAN:	TOILET ST CVRS, TISS 143833		498.59
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VENDOR 01-007600 TOTALS							997.91
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01-011014	JUAN JOSE MORA	I-0963	06 565-0130	WEARING APPAR:	2-SHIRTS EMBROIDER L 143788		14.00
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VENDOR 01-011014 TOTALS							14.00
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VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 06 CONVENTION CENTER FUND

DEPARTMENT: 565 CONVENTION CENTER OPER

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-012071	LAGUNA MADRE WATER DIS	I-020819-37	06 565-0581	WATER, SEWER :	7355 PADRE BLVD	000123	1,483.10
01-012071	LAGUNA MADRE WATER DIS	I-020819-38	06 565-0581	WATER, SEWER :	7355 PADRE IRR	000123	3,148.08
						VENDOR 01-012071 TOTALS	4,631.18
01-016313	ARTURO PATINO S.	I-988658	06 565-0411	BUILDING & ST:	WELDING REPAIR ON 6	143847	380.00
						VENDOR 01-016313 TOTALS	380.00
01-018143	RAYMUNDO RIOS	I-022019	06 565-0081	GROUP INSURAN:	RETIREE HEALTH INSUR	143948	1,080.00
						VENDOR 01-018143 TOTALS	1,080.00
01-018154	REPUBLIC SERVICES #863	I-0863001605860	06 565-0581	WATER, SEWER :	7355 PADRE BLVD J F	143850	425.07
						VENDOR 01-018154 TOTALS	425.07
01-019502	AT&T	I-2319	06 565-0501	COMMUNICATION:	PHONE SERV. FEB 3-MA	143801	319.90
						VENDOR 01-019502 TOTALS	319.90
01-020057	TML MULTISTATE IEBP	I-022619	06 565-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	5,205.40
						VENDOR 01-020057 TOTALS	5,205.40
01-020602	TOUCAN GRAPHICS	I-26120	06 565-0101	OFFICE SUPPLI:	3- 18 X 24 AL. SIGNS	143806	58.50
						VENDOR 01-020602 TOTALS	58.50
01-020745	TRANE, A DIVISION OF A	I-39664730	06 565-0410	MACHINERY & E:	CHILLER REPAIR	143807	3,367.44
						VENDOR 01-020745 TOTALS	3,367.44
01-021102	UNIFIRST HOLDINGS, INC	I-8412112980	06 565-0130	WEARING APPAR:	UNIFORMS	000141	63.18
01-021102	UNIFIRST HOLDINGS, INC	I-8412112980	06 565-0160	LAUNDRY & JAN:	MATS, MOPS, ETC	000141	123.76
01-021102	UNIFIRST HOLDINGS, INC	I-8412113884	06 565-0130	WEARING APPAR:	UNIFORMS	000141	63.18
01-021102	UNIFIRST HOLDINGS, INC	I-8412113884	06 565-0160	LAUNDRY & JAN:	MATS, MOPS, ETC	000141	123.76
						VENDOR 01-021102 TOTALS	373.88

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 28

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 06 CONVENTION CENTER FUND

DEPARTMENT: 565 CONVENTION CENTER OPER

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-022255	ISAIAS VILLEGAS	I-558	06 565-0411	BUILDING & ST:	CVCB PARKING LOT: ST	143868	475.00
						VENDOR 01-022255 TOTALS	475.00

DEPARTMENT 565 CONVENTION CENTER OPER TOTAL: 20,934.79

VENDOR SET 06 CONVENTION CENTER FUND TOTAL: 20,934.79

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 29

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 09 PARKS, REC & BEAUTIF

DEPARTMENT: 572 GENERAL SERVICES

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-020057	TML MULTISTATE IEBP	I-022619	09 572-0081	GROUP INSURAN	MARCH 2019 MEDICAL P	000140	1,041.08
VENDOR 01-020057 TOTALS							1,041.08
DEPARTMENT 572 GENERAL SERVICES						TOTAL:	1,041.08
VENDOR SET 09 PARKS, REC & BEAUTIF						TOTAL:	1,041.08

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 30 TRANSPORTATION

DEPARTMENT: 591 SPI METRO

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L	ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001123	ADVANCE AUTO PARTS	I-6426905163408	30	591-0420	MOTOR VEHICLE: 4-	BALL JOINTS, UNIT	143811	223.76
01-001123	ADVANCE AUTO PARTS	I-6426905163409	30	591-0420	MOTOR VEHICLE: 4-	BALL JOINTS UNTI	143811	223.76
							VENDOR 01-001123 TOTALS	447.52
01-001161	AT&T	I-020819	30	591-0501	COMMUNICATION:	INTERNET SERV. FEB 8	143766	120.19
							VENDOR 01-001161 TOTALS	120.19
01-001359	JESUS ARRIAGA	I-13119	30	591-0550	TRAVEL EXPENS:	PER DIEM: TTA CONF &	000142	246.00
							VENDOR 01-001359 TOTALS	246.00
01-007113	G.F. GROUP, INC.	I-021219	30	591-0560	RENTAL	: RENT	143832	200.00
							VENDOR 01-007113 TOTALS	200.00
01-012071	LAGUNA MADRE WATER DIS	I-020819-27	30	591-0581	WTR/SWR/GARBA:	3401 PADRE BLVD-TRAN	000123	51.13
01-012071	LAGUNA MADRE WATER DIS	I-020819-49	30	591-0581	WTR/SWR/GARBA:	4601 PADRE BLVD 12/3	000123	43.32
01-012071	LAGUNA MADRE WATER DIS	I-020819-56	30	591-0581	WTR/SWR/GARBA:	330 PADRE BLVD -TRAN	000123	111.62
							VENDOR 01-012071 TOTALS	206.07
01-012091	CINTAS UNIFORM	I-538175037	30	591-0130	WEARING APPAR:	UNIFORMS FOR TRANSIT	143790	135.48
01-012091	CINTAS UNIFORM	I-538177090	30	591-0130	WEARING APPAR:	UNIFORMS FOR TRANSIT	143790	135.48
							VENDOR 01-012091 TOTALS	270.96
01-013081	RICHARD MARTINEZ	I-11019	30	591-0550	TRAVEL EXPENS:	PER DIEM; ROADEO IN	143837	120.00
							VENDOR 01-013081 TOTALS	120.00
01-013371	DIEGO MORENO	I-011019	30	591-0550	TRAVEL EXPENS:	PER DIEM: ROADEO EL	143840	120.00
							VENDOR 01-013371 TOTALS	120.00
01-013404	MOUNTAIN GLACIER, LLC	I-0301141497	30	591-0581	WTR/SWR/GARBA:	BOTTLED WATER DEL. T	143841	11.25
01-013404	MOUNTAIN GLACIER, LLC	I-0301141499	30	591-0581	WTR/SWR/GARBA:	BOTTLED WATER DEL. B	143841	15.00
							VENDOR 01-013404 TOTALS	26.25

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 30 TRANSPORTATION

DEPARTMENT: 591 SPI METRO

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L	ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-014101	NOBLE TEXAS BUILDERS	I-9	30	591-1001	BUILDINGS & S:	MULTI MODAL	143843	551,186.60
							VENDOR 01-014101 TOTALS	551,186.60
01-016186	LUIS ISRAEL PEREZ	I-2088-19	30	591-0420	MOTOR VEHICLE:	BUSES WASHED ,#38-41	143793	210.00
01-016186	LUIS ISRAEL PEREZ	I-2090-19	30	591-0420	MOTOR VEHICLE:	5 BUSES WASHED, #37-	143846	175.00
							VENDOR 01-016186 TOTALS	385.00
01-018052	RED BARN TIRE CENTER,	I-302505	30	591-0420	MOTOR VEHICLE:	TIRE ROTATION/ALIGNM	143795	141.50
							VENDOR 01-018052 TOTALS	141.50
01-018156	RIDE SYSTEMS, INC.	I-14296	30	591-0501	COMMUNICATION:	8 EA. MONTHLY PASSEN	143851	960.00
							VENDOR 01-018156 TOTALS	960.00
01-019311	SOUTHERN TIRE MART, LL	I-69074630	30	591-0420	MOTOR VEHICLE:	1- P265/70R17 TIRE F	143798	117.00
							VENDOR 01-019311 TOTALS	117.00
01-019502	AT&T	I-2032019	30	591-0501	COMMUNICATION:	PHONE SERV. FEB 3 -	143801	129.02
							VENDOR 01-019502 TOTALS	129.02
01-019991	RHONDA M. LUNSFORD	I-20190803	30	591-0130	WEARING APPAR:	5- CAPS EMBROIDERDED	143803	57.50
							VENDOR 01-019991 TOTALS	57.50
01-020057	TML MULTISTATE IEBP	I-022619	30	591-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	8,348.64
							VENDOR 01-020057 TOTALS	8,348.64
01-020602	TOUCAN GRAPHICS	I-26159	30	591-0533	MARKETING	: BROCHURES	143861	1,999.35
							VENDOR 01-020602 TOTALS	1,999.35
							DEPARTMENT 591 SPI METRO	TOTAL: 565,081.60
							VENDOR SET 30 TRANSPORTATION	TOTAL: 565,081.60

REGULAR DEPARTMENT PAYMENT REPORT

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VENDOR SET: 01 City of South Padre Island

FUND : 41 PADRE BLVD IMPROVEMENT

DEPARTMENT: 562 PUBLIC WORKS

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
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01-004050 TERRACON CONSULTANTS, I-TB70194	41	562-9075	CONSTRUCTION : GEOTECHNICAL SERVICE 143822			1,222.50
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VENDOR 01-004050 TOTALS 1,222.50

DEPARTMENT 562 PUBLIC WORKS TOTAL: 1,222.50

VENDOR SET 41 PADRE BLVD IMPROVEMENT TOTAL: 1,222.50

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 34

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 60 BEACH MAINTENANCE FUND

DEPARTMENT: 522 BEACH PATROL

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-020057	TML MULTISTATE IEBP	I-022619	60 522-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	650.67
						VENDOR 01-020057 TOTALS	650.67
						DEPARTMENT 522 BEACH PATROL	TOTAL: 650.67

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 35

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 60 BEACH MAINTENANCE FUND

DEPARTMENT: 532 ENVIRONMENTAL HEALTH

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-020057	TML MULTISTATE IEBP	I-022619	60 532-0081	GROUP INSURAN	MARCH 2019 MEDICAL P	000140	79.58
						VENDOR 01-020057 TOTALS	79.58
						DEPARTMENT 532 ENVIRONMENTAL HEALTH TOTAL:	79.58

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 60 BEACH MAINTENANCE FUND

DEPARTMENT: 560 BEACH MAINTENANCE

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L	ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001236	ALLTERRA CENTRAL, INC.	I-VRSI0002244	60	560-0551	DUES & MEMBER:	VRS-MEMBERSHIP RENEW	143768	171.24
							VENDOR 01-001236 TOTALS	171.24
01-003697	ANRIGE INC.	I-33885.2.15	60	560-0560	RENTAL	: Portable Restroom Re	143775	2,010.75
01-003697	ANRIGE INC.	I-33890.2.11	60	560-0560	RENTAL	: Portable Restroom Re	143775	1,340.50
01-003697	ANRIGE INC.	I-33891.2.15	60	560-0560	RENTAL	: Portable Restroom Re	143775	670.25
01-003697	ANRIGE INC.	I-33893.2.20	60	560-0560	RENTAL	: Portable Restroom Re	143775	2,010.75
01-003697	ANRIGE INC.	I-33894.2.9	60	560-0560	RENTAL	: Portable Restroom Re	143775	1,340.50
01-003697	ANRIGE INC.	I-33895.2.7	60	560-0560	RENTAL	: Portable Restroom Re	143775	1,340.50
01-003697	ANRIGE INC.	I-33897.2.9	60	560-0560	RENTAL	: Portable Restroom Re	143775	2,010.75
							VENDOR 01-003697 TOTALS	10,724.00
01-003853	COASTAL TRANSPLANTS, I	I-1653	60	560-0510	BEACH MAINTEN:	4,000 PLANTS DELIVER	143777	2,400.00
							VENDOR 01-003853 TOTALS	2,400.00
01-004037	DANA SAFETY SUPPLY INC	I-558440	60	560-0510	BEACH MAINTEN:	Horns for Tractos	143778	702.20
							VENDOR 01-004037 TOTALS	702.20
01-007048	GIDDY-UP DELIVERY SERV	I-545670	60	560-1004	MACHINERY AND:	DELIVERY OF PART FRO	143782	17.27
01-007048	GIDDY-UP DELIVERY SERV	I-548275	60	560-1004	MACHINERY AND:	DELIVERY OF PART FRO	143782	35.00
							VENDOR 01-007048 TOTALS	52.27
01-020057	TML MULTISTATE IEBP	I-022619	60	560-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	3,721.86
							VENDOR 01-020057 TOTALS	3,721.86
							DEPARTMENT 560 BEACH MAINTENANCE TOTAL:	17,771.57
							VENDOR SET 60 BEACH MAINTENANCE FUND TOTAL:	18,634.46

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 37

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 61 BEACH ACCESS FUND

DEPARTMENT: 543 PUBLIC WORKS

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-006239	FUDGE CONSULTING, PLLC	I-19-1903-01	61 543-9075-01	CONSTRUCTION	Windstorm inspection	143829	1,000.00
						VENDOR 01-006239 TOTALS	1,000.00
						DEPARTMENT 543 PUBLIC WORKS TOTAL:	1,000.00
						VENDOR SET 61 BEACH ACCESS FUND TOTAL:	1,000.00

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 38

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 62 BAY ACCESS FUND

DEPARTMENT: 560 SHORELINE

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-020057	TML MULTISTATE IEBP	I-022619	62 560-0081	GROUP INSURAN	MARCH 2019 MEDICAL P	000140	520.54
						VENDOR 01-020057 TOTALS	520.54
						DEPARTMENT 560 SHORELINE	TOTAL: 520.54
						VENDOR SET 62 BAY ACCESS FUND	TOTAL: 520.54

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 39

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 65 CAPITAL REPLACEMENT FUND

DEPARTMENT: 572 ** INVALID DEPT **

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-023137	WILLIS DEVELOPMENT LLC	I-1-2019	65 572-1001	BUILDINGS & S:	CTY HLL	143810	16,115.85
						VENDOR 01-023137 TOTALS	16,115.85
						DEPARTMENT 572 ** INVALID DEPT ** TOTAL:	16,115.85
						VENDOR SET 65 CAPITAL REPLACEMENT FUND TOTAL:	16,115.85

2/27/2019 10:49 PM

REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 40

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 80 ECONOMIC DEVELOPMENT CORP

DEPARTMENT: 580 EDC

INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999

PAY DATE RANGE: 2/21/2019 THRU 3/01/2019

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-012097	DARLA LAPEYRE	I-022219	80 580-0550	TRAVEL	: PER DIEM & MILEAGE-	000143	980.20
VENDOR 01-012097 TOTALS							980.20
01-020057	TML MULTISTATE IEBP	I-022619	80 580-0081	GROUP INSURAN:	MARCH 2019 MEDICAL P	000140	520.54
VENDOR 01-020057 TOTALS							520.54

DEPARTMENT 580 EDC TOTAL: 1,500.74

VENDOR SET 80 ECONOMIC DEVELOPMENT CORPTOTAL: 1,500.74

REPORT GRAND TOTAL: 1,247,897.27

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2019

NAME & TITLE: Claudine O'Carroll, Interim Chief of Police

DEPARTMENT: Police Department

ITEM

Approve Resolution No. 2019-11 to reflect Interim City Manager William "Randy" Smith or his designee as the grantee's authorized official for the Stonegarden Grant Program.

ITEM BACKGROUND

The Stone Garden Grant Program is to help sustain interagency law enforcement operations and enhance local law enforcement patrols to deter and interdict criminal activity. This grant operates under the Homeland Security Grant Program.

BUDGET/FINANCIAL SUMMARY

None

COMPREHENSIVE PLAN GOAL

6.J. Continue to support the needs of the Public Works, Police and Fire Department to ensure adequate protection of the population.

LEGAL REVIEW

Sent to Legal: YES: _____ NO: X
Approved by Legal: YES: _____ NO: X

RECOMMENDATIONS/COMMENTS

Staff recommends approval



RESOLUTION NO. 2019-11

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS,

WHEREAS, the City of South Padre Island finds it in the best interest of the citizens of South Padre Island, that the Stonegarden Grant Program be operated for the 2018-2019 year; and

WHEREAS, the City of South Padre Island agrees that in the event of loss or misuse of the Office of the Governor funds, the City of South Padre Island assures that the funds will be returned to the Office of the Governor in full; and

WHEREAS, the City of South Padre Island hereby designates the Interim City Manager as the grantee's authorized official on the Stonegarden Grant Program.

WHEREAS, the City of South Padre Island designates *Interim City Manager Randy Smith* as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter or terminate the grant on behalf of the City of South Padre Island; and

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of South Padre Island, Texas:

Section 1. That the City of South Padre Island approves submission of the grant application for the Stonegarden Grant Program to the Office of the Governor and designates Interim City Manager Randy Smith as the grantee's authorized official.

PASSED, APPROVED AND ADOPTED on this the 6th day of March, 2019.

CITY OF SOUTH PADRE ISLAND, TEXAS

Dennis Stahl, Mayor

ATTEST:

Susan M. Hill, City Secretary

5-13

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2019
NAME & TITLE: Joe Ricco, Council Member
DEPARTMENT: City Council

ITEM

Approve the second and final reading of Ordinance 19-03 temporarily prohibiting the rental and/or leasing of motor-assisted scooters.

ITEM BACKGROUND

Cities across the United States that do not prohibit motor-assisted scooters also known as “dockless scooters” are tasked with how to address citizen’s safety concerns due to scooters being dropped off overnight without warning.

Recently, Austin, Texas officials have had to figure out ways to deal with motor-assisted scooters that have ended up in Austin’s creeks and lakes, causing environmental and safety concerns.

In a story published on December 9, 2018, KVUE reported on a unique study on dockless scooter related injuries happening in Austin:

“According to our partners at the Austin American-Statesman, the study involves three epidemiologists with the U.S. Centers for Disease Control and Prevention. They’ll work with city leaders on analyzing 37 EMS calls and 68 injuries related to the dockless scooters that happened from September to November.”

“Josh Todd, a commander with Austin-Travis County EMS, said he’s been on multiple calls related to the scooters. “We’ve seen everything from minor aches and sprains and muscular-skeletal injuries, all the way up to very serious head injuries and inner cranial bleeding,””

In a related article published on February 1, 2019, titled “Police identify scooter rider killed after being struck by Uber driver in Downtown Austin” KVUE reported, “The victim was taken to a hospital and medics said his injuries were life threatening. He later died, Austin police said.”

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The 180 day temporary regulation prohibiting services will get the City through Spring Break, summer vacation season and the current legislative session, so the pending legislation can be monitored. The City Council finds that a temporary regulation prohibiting services that provide the use of motor-assisted scooters through the rental or leasing of such devices, in the corporate city limits, is in the interest of the health, safety and welfare of the City.

BUDGET/FINANCIAL SUMMARY

Police Officers and Code Enforcement Officers may be impacted

COMPREHENSIVE PLAN GOAL

Chapter II. Mobility

Goal 1: The City shall provide for the safe, efficient movement of people and goods.

LEGAL REVIEW

Sent to Legal: YES: X NO: _____
Approved by Legal: YES: X NO: _____

RECOMMENDATIONS/COMMENTS

Recommend approval.

ORDINANCE NO. 19-03

AN ORDINANCE OF THE CITY OF SOUTH PADRE ISLAND, TEXAS DEFINING MOTOR-ASSISTED SCOOTERS; ESTABLISHING TEMPORARY REGULATIONS PROHIBITING THE RENTAL AND/OR LEASING OF MOTOR-ASSISTED SCOOTERS; PROVIDING FOR PENALTY FOR VIOLATION; PROVIDING FOR CUMULATIVE AND CONFLICTS AND SEVERABILITY CLAUSES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Texas Transportation Code Section 551.352, (b) allows a municipality to prohibit the operation of a motor-assisted scooter on a street, highway, or sidewalk if the governing body of the municipality determines that the prohibition is necessary in the interest of safety; and

WHEREAS, the City Council is tasked with finding ways to improve the safety of pedestrians, bicyclists and vehicular traffic; and

WHEREAS, the reduction of additional equipment on sidewalks, bike lanes, and public streets is necessary to increase safety; and

WHEREAS, the City Council finds that it needs time to study the issues related to motor-assisted scooters and research state and federal laws that impact the development and implementation of regulations of motor-assisted scooters; and

WHEREAS, the City Council finds that Senate Bill 549 in the current Texas Legislative Session may impact the Council's decisions on the best method to regulate motor-assisted scooters; and

WHEREAS, the City Council finds that pursuant to the section 18.3 of the City Code of Ordinances the Mayor and/or the Chief of Police are empowered to make and enforce temporary regulations to cover emergency and special conditions; and

WHEREAS, the City Council finds that the influx of visitors during the Spring Break season and summer vacation season creates special conditions that would be detrimental and have a negative impact on the safety of the temporary increase in the number of pedestrians and other traffic on city streets, sidewalks and other roadways; and

WHEREAS, the City Council finds that a temporary regulations prohibiting services that provide the use of motor-assisted scooters through the rental or leasing of such devices in the corporate city limits is the interest of the health, safety and welfare of the City.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF SOUTH PADRE ISLAND, TEXAS.

Section one. Findings. The findings set out herein are found to be true and correct and are hereby adopted by the City Council and made a part of this Ordinance for all purposes.

Section two. Definitions. Chapter 18 Section 18-31, "Definitions" and Section 18-32 "Rental and/or Leasing of Motor-assisted Scooters Prohibited" of the South Padre Island Code of Ordinances is adopted to read as follows:

Sec. 18-31 Definitions:

(1) "Motor-assisted scooter":

(A) means a self-propelled device with:

- (i) at least two wheels in contact with the ground during operation;
- (ii) a braking system capable of stopping the device under typical operating conditions;
- (iii) a gas or electric motor not exceeding 40 cubic centimeters;
- (iv) a deck designed to allow a person to stand or sit while operating the device;
- and
- (v) the ability to be propelled by human power alone; and

(B) does not include:

- (i) a pocket bike or a minimotorbike.
- (ii) a moped or motorcycle;
- (iii) an electric bicycle or motor-driven cycle, as defined by Section 541.201 of the Texas Transportation Code, as amended;
- (iv) a motorized mobility device, as defined by Section 542.009 of the Texas Transportation Code, as amended;
- (v) an electric personal assistive mobility device, as defined by Section 551.201 of the Texas Transportation Code, as amended; or
- (vi) a neighborhood electric vehicle, as defined by Section 551.301 of the Texas Transportation Code, as amended.

Sec. 18-32 Rental and/or Leasing of Motor-assisted Scooter Temporarily Prohibited

The rental or leasing of motor-assisted scooters in the corporate city limits is temporarily prohibited. For purposes of this ordinance the rental or leasing of motor-assisted scooters means and service that displays, offers or places for rent on a public way or public property one or more motor-assisted scooters or similar personal transportation devices.

Section three. Temporary Regulations

The temporary regulation shall expire in 180 days from the date of adoption of this Ordinance and may be superseded in its entirety if the City Council adopts permanent regulations before the expiration of the temporary regulations.

Section four. Penalty. Violation of this ordinance shall be a Class C misdemeanor and upon conviction for such violation, the defendant shall be subject to a fine not less than \$1.00 and not more than \$500.00.

Section five. Cumulative and Conflicts. This Ordinance shall be cumulative of all provisions of ordinances of the City of South Padre Island, Texas, except where the provisions of the

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Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed. Any and all previous versions of this Ordinance to the extent that they are in conflict herewith are repealed.

Section six. Severability. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

Section seven. Publication. The City Secretary is authorized and directed to publish a caption of this ordinance.

Section eight. Effective Date. This Ordinance shall become effective immediately upon its passage, approval, and publication as provided by law.

PASSED AND APPROVED ON FIRST READING THIS THE 20th DAY OF February 2019.

PASSED AND APPROVED ON SECOND READING THIS THE 6th DAY OF March 2019.

Dennis Stahl, Mayor

ATTEST:

Susan Hill, City Secretary

5-18

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2019

NAME & TITLE: Randy Smith, Interim City Manager

DEPARTMENT: City Manager's Office

ITEM

Approve the second and final reading of Ordinance No. 19-04 amending Chapter 18 (Golf Carts), Sec. 18-30 to include added language in Sec. 18-30(D)(8) to determine and control the acceptable level of noise that is emitted from golf carts.

ITEM BACKGROUND

This will add language to control the level of noise (horn, music etc.) that is acceptable, emitting from the golf carts when stationary or in motion. The lowest decibel reading during night time hours accepted in the residential districts is 68 decibels. This amendment will control the noise emitted from golf carts to be no more than 68 decibels at a distance of twenty five feet from the golf cart.

BUDGET/FINANCIAL SUMMARY

N/A

COMPREHENSIVE PLAN GOAL

Comp plan goal 6.J. Continue to support the needs of the Police to ensure adequate protection of the population.

LEGAL REVIEW

Sent to Legal: YES: _____ NO: _____
Approved by Legal: YES: _____ NO: _____

RECOMMENDATIONS/COMMENTS

Approve Ordinance No. 19-04.

5-19

ORDINANCE NO. 19-04

AN ORDINANCE OF THE CITY OF SOUTH PADRE ISLAND, TEXAS AMENDING CHAPTER 18, TRAFFIC, SECTION 18-30, GOLF CARTS TO INCLUDE ADDED LANGUAGE IN SECTION 18-30(D)(8) TO DETERMIN AND CONTROL THE ACCEPTABLE LEVEL OF NOISE THAT IS EMITTED FROM GOLF CARTS; PROVIDING FOR PENALTY FOR VIOLATION; PROVIDING FOR CUMULATIVE AND CONFLICTS AND SEVERABILITY CLAUSES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the streets and other public roadways within the City, the Act entitled “Uniform Act Regulating Traffic on Highways” contained in Article 6701d, V.A.C.S. and the rules for safe driving issued by the State Department of Public Safety, shall be in full force and effect in the City; and

WHEREAS, the use of motorized carts, commonly referred to as golf carts, is permitted for the enjoyment of its residents and visitors in the city limits of South Padre Island; and

WHEREAS, the City Council is tasked with finding ways to reduce the noise level emitted from golf carts to an acceptable level, and

WHEREAS, the City Council finds that the provisions of this ordinance ae in the interest of the health, safety and welfare of the City.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF SOUTH PADRE ISLAND, TEXAS.

Section one. Chapter 18 Section 18-30(D) “Operation Regulations” is amended to include added language in Section 18-30(D)

Section two. Chapter 18 Section 18-30(D)(8) is hereby added to determine and control the acceptable level of noise that is emitted from golf carts during all operations. The highest decibel reading during night time hours accepted in the residential districts is 68 decibels at a distance of thirty feet from the golf cart. Sixty eight (68) decibels will be the highest level of noise permitted from golf cards during operation at all time and any location.

Section three. Penalty. Violation of this ordinance shall be a Class C misdemeanor and upon conviction for such violation, the defendant shall be subject to a fine not less than \$1.00 and not more than \$500.00.

Section four. Cumulative and Conflicts. This Ordinance shall be cumulative of all provisions of ordinances of the City of South Padre Island, Texas, except where the provisions of the Ordinance are in direct conflict with the provisions of such ordinances, in which event the

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conflicting provisions of such ordinances are hereby repealed. Any and all previous versions of this Ordinance to the extent that they are in conflict herewith are repealed.

Section five. Severability. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

Section six. Publication. The City Secretary is authorized and directed to publish a caption of this ordinance.

Section seven. Effective Date. This Ordinance shall become effective immediately upon its passage, approval, and publication as provided by law.

PASSED AND APPROVED ON FIRST READING THIS THE 20th DAY OF February 2019.

PASSED AND APPROVED ON SECOND READING THIS THE 6th DAY OF March 2019.

Dennis Stahl, Mayor

ATTEST:

Susan Hill, City Secretary

5-21

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2019

NAME & TITLE: Rodrigo Gimenez, Interim ACM/Chief Financial Officer

DEPARTMENT: Finance Department

ITEM

Presentation, discussion and action to approve the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2017-18 presented by Quentin Anderson with Carr, Riggs & Ingram.

ITEM BACKGROUND

Presentation of annual independent audit as required by Home Rule Charter.

BUDGET/FINANCIAL SUMMARY

N/A

COMPREHENSIVE PLAN GOAL

Chapter VII. Goal 1 Objective 1.1
The City should have great control over fiscal matters and public expenditures.

LEGAL REVIEW

Sent to Legal: YES: _____ NO: _____
Approved by Legal: YES: _____ NO: _____

Comments:

RECOMMENDATIONS/COMMENTS

Approve Comprehensive Annual Financial Report for Fiscal Year 2017-18.

Draft for Discussion

CITY OF SOUTH PADRE ISLAND, TEXAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2018



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Draft for Discussion



INTRODUCTORY SECTION



March 6, 2019

The Honorable Mayor, Council Members, and Citizens
of the City of South Padre Island, Texas:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the City of South Padre Island (City), Texas for the fiscal year that ended September 30, 2018. This report was prepared from the books and records of the City of South Padre Island, Texas and includes the financial activities of the primary government and its component unit. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the results of operations of the various funds of the City.

The goal of the independent audit, conducted by Carr, Riggs & Ingram, LLC, was to provide reasonable assurance that the financial statements of the City for the fiscal year ending September 30, 2018 were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors' report is included in this document.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

Known as the Tropical Tip of Texas, the City is a tourist oriented resort community. The white sandy beach of South Padre Island is known throughout the United States and is ranked as one of Texas' top 10 beaches. The City occupies approximately 2.5 square miles and serves a full-time residential population of approximately 2,888.

The Town of South Padre Island was incorporated in 1973, and became the City of South Padre Island when the Home Rule Charter was adopted in 2009. The City operates under the council-manager form of government. Policy making and legislative authority are vested in a governing council consisting of the Mayor and five Council Members. City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing heads of various departments. The Mayor and the Council Members serve three-year staggered terms and are elected at large.



MAJOR INITIATIVES

The City of South Padre Island continues to have a strong financial position with a AA+ general obligation bond rating, a six month operating reserve, positive growth in revenues, annual expenditures within budget, and excess reserves to fund capital projects. Furthermore, the City has undertaken several new initiatives to provide a safe and attractive environment and enhance the quality of service we deliver to the citizens and visitors of the City. These include business planning, DMAIC quality improvement processing, and the development of performance metrics. The City has accomplished a great deal this year by enhancing its marketing capabilities as a vacation destination, investing in infrastructure, and improving beach accesses, while maintaining one of the lower property tax rates in the state of Texas.

DMAIC Quality Improvement Processes

The City's ability to provide services in an effective and efficient manner is partly dependent on a reliable fleet of vehicles, other equipment, and buildings. During this current fiscal year, the City funded the first year of the replacement programs for computers and vehicles, as well as preventive maintenance for the City's buildings. These programs were developed through DMAIC processes, which is a data-driven improvement cycle used for improving, optimizing, and stabilizing processes. The DMAIC improvement cycle (Define, Measure, Analyze, Improve and Control) is the core tool to drive Six Sigma projects. The City will move on to its second year of embracing DMAIC quality improvement processing.

Infrastructure

The Public Works department has undertaken many projects this past year to improve infrastructure and beautify the City of South Padre Island. We are investing in infrastructure as well as projects that enhance our ability to market the Island as a premier vacation destination.

The Gulf Boulevard Reconstruction Project was completed in March of 2018 for a total cost of approximately \$3 million. The project encompassed new paving and improvements to pedestrian safety by relocating street parking to the west side of the street and providing wider walking areas as well as bicycle pathways. Traffic delineator posts were also installed for additional pedestrian safety. In addition, the renovation project also addressed a few side streets which included adding curbs and gutters to improve drainage, sidewalks, and new paving.

The City of South Padre Island's Padre Boulevard Sidewalk Improvement Project, which started in late May 2017, is well underway and Phases I, II and IV have been completed with Phase III currently on schedule. The project has improved the sidewalks on both sides of Padre Boulevard from Isla Blanca Park to the Convention Center, which is approximately 4.6 miles each way, totaling 9.2 miles. Thus far, 30 blocks on both sides of Padre Boulevard have been completed with sidewalks and brick pavers, designated areas have been landscaped, and irrigation systems were installed. The project is funded through the Texas Department of Transportation.

Work commenced in April of 2018 for the 2018 Street Reconstruction Project. This project consists of reconstructing eight side streets on the east side of Padre Boulevard as well as an additional three side streets on the bayside. Improvements include five-foot sidewalks, improved drainage and more than 200 additional public parking spaces. The project is scheduled to be completed within seven and a half months for a cost of approximately \$2 million.



The Transportation Department remains on track with the Multimodal Facility Project. The first phase of the project is complete and the second phase has commenced. The basic function of the facility is to be a “transfer station” between different modes of transportation. It serves as a point of transfer between Island Metro’s three different routes, enabling riders to wait for their transfers in a comfortable setting. The entire facility sits on property owned by the Texas Department of Transportation and is leased to the City for a fifty year period with extension options. It will house the South Padre Island Metro Bus System and the City’s Shoreline Department. A \$4.6 million grant, known by its acronym “TIGER” (Transportation Investment Generating Economic Recovery) was obtained in 2014 to fund the construction of the building. Construction began May of 2018 and as of September 30, 2018 approximately 40% of construction has been completed.

Beautification and Beaches

The City has successfully implemented local programs and campaigns to clean up litter, reduce and recycle waste, educate citizens and beautify and enhance the local community. This year, Keep Texas Beautiful, a statewide grassroots environmental health and community improvement organization, named South Padre Island a Gold Affiliate. The Gold Star recognition is the highest status any community affiliate can achieve.

The Shoreline Department accomplished several improvements to beach access points. To allow easier public access to our beach, several dune walkovers were enhanced. Beach walkovers located at Ocean Circle, Moonlight Circle, and Seaside Circle were part of the Coastal Management Program Grant that have been completed. Each walkover has been built with stronger, more durable materials and constructed with respect to the surrounding dune systems. The new walkovers will provide better accessibility to the beach, include more parking spaces, water fountains and bike racks, and ensuring ADA compliance. The height of the walkovers allows sand dunes to grow naturally without being blocked by the structures. Further, a number of smaller aesthetic improvements were conducted on the City’s public beach access points. These include low rope fencing to guide pedestrian traffic directly from parking areas to the beach, hand-made bike racks, and interpretive signage designed to engage the public with the City’s ongoing dune conservation and restoration programs.

Public Safety

The South Padre Island Police Department is a member of the United States Department of Homeland Security’s Border Enforcement Security Task Force. As a result of their actions, the department was awarded the International Association of Chiefs of Police’s Leadership in Homeland Security Award. This award recognizes single agencies and multi-agency collaborative efforts that have made meaningful contributions to both their communities and law enforcement as a whole.

The South Padre Island Police Department was awarded with numerous law enforcement grants this year. The department received funds for rifle resistant body armor as well as police department law enforcement operations. These grants enhance our efforts to further protect our community, reduce the number of crimes, and promote accountability, efficiency and effectiveness within the City.

In addition, the City made major investments in public safety during fiscal year 2017-2018. Such investments included the purchase of a new fire pumper truck and two new ambulances. The City utilized vacant space within City Hall to provide new offices for the Criminal Investigation Division of the Police Department. The room consists of multiple offices, a conference area, and an interrogation room.



Tourism

The South Padre Convention and Visitor's Bureau (CVB) works to generate tourism through leisure, group travel and meetings, and convention markets. As tourism is the City's primary economic engine, success is critical. This year, the CVB incorporated new technologies that apply rigorous analysis to produce broad and relevant insights to their marketing efforts. The goal is to determine which marketing efforts are most effective and result in visits to the Island. These improvements were part of a DMAIC project undertaken to improve marketing efforts. During 2017-2018 fiscal year, the CVB booked 30,069 group room nights, and the Visitors Information Center welcomed 40,595 guests from the United States, Mexico, Canada, and European countries.

The South Padre Convention and Visitor's Advisory Board produced, sponsored or directly supported more than 60 events on our sunny and sandy shores. Funding and sponsorship for these events increased occupancy, average daily rate and revenue per available room in almost every instance depending on the novelty of the event, time of the year conducted, along with several other factors. Events like the Sandcastle Days brought an estimated \$1.2 million in economic impact over a low-season weekend in October, according to a UTRGV special event study.

This year, the City partnered with local airports and airlines to gain additional flights into Harlingen and Brownsville. Four airlines have added flights to the Rio Grande Valley to their flight schedules, which will provide more than 94,900 new flight seats. This increased airlift will provide easy transport to South Padre Island via non-stop flights.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The City of South Padre Island is a tourist oriented resort community. The City has a high market value per capita due to the large number of resorts and vacation properties within the City compared with the limited year-round population. The Queen Isabella Causeway crossings are estimated to be eight million per year according to the Texas Department of Transportation. In the most recent Resort Market Analysis, an estimated 4.75 million visitors come to the Island annually. As a result of the City's dependence on tourism, visitor travel may reflect the swings in the national and state economy as well as the economy of northern Mexico. Despite the economic uncertainties, the City has experienced stability in revenue receipts in part due to impacts from the broad and diverse economy of the Rio Grande Valley. Increased property tax, hotel/motel tax, and sales tax receipts are key indicators of the strength of the City's economic position.

Long Term Financial Planning

Budgeting is an essential element of the financial planning, control and evaluation process of a municipal government. City officials remain committed to a policy of maintaining a six-month reserve level for all operating funds, creating strong budgetary flexibility. Multi-year budgeting provides a means of identifying the impact of implementing new programs and projects on future budgets. The Business Plan is the City's long range operations and capital plan. The plan includes all of the operating departments of the General Fund, Convention Centre, and Transit as well as the capital improvement funds of the City. The plan is reviewed and updated annually. The City has a strong financial position with an AA+ general obligation bond rating through Standard & Poor's, which is a reflection of strong financial practices. The excellent bond rating allows the City to issue bonds for major projects at an advantageous interest rate.



POLICIES AND PRACTICES

Internal Control

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP.

Single Audit

As a recipient of federal assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As part of the City's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year that ended September 30, 2018 identified no material weaknesses of the internal control or violations of applicable laws and regulations.

OTHER INFORMATION

Independent Audit

The City is incorporated under the Laws of the State of Texas and is required to have an annual audit and prepare annual financial statements. This audit was also designed to meet the requirements of the Federal Single Audit Act as amended and the requirements of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Padre Island for its comprehensive annual financial report for the fiscal year that ended September 30, 2017. This was the 28th consecutive year the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements. We are submitting it to the GFOA to determine its eligibility for another certificate.

Additionally, the City of South Padre Island was awarded the Distinguished Budget Presentation Award for the Fiscal Year beginning October 1, 2017. This was the 7th consecutive year the City has achieved this prestigious award. To receive the award, the Finance Department had to satisfy nationally recognized guidelines for effective budget presentation. The budget is ranked on how well it serves as a policy document, a financial plan, an operations guide, and a communications device. All four categories must be rated proficient. Additionally, fourteen mandatory criteria must be met.



Furthermore, the Texas Comptroller, Glenn Hegar, announced the City of South Padre Island achieved specific transparency goals through the Comptroller's Transparency Stars program. The City received a star in the area of Traditional Finances, which recognizes entities for their outstanding efforts in making their spending and revenue information available. Transparency Stars recognizes local government entities that provide easy online access to important financial data.

Acknowledgments

We would like to thank the Finance Department staff and the Department Directors for their diligent efforts in the preparation of the annual financial report. Furthermore, we would like to thank the Mayor and Council Members. It is their leadership and support of the City that helped make the preparation of this report possible.

Sincerely,

Randy Smith, Interim City Manager

Rodrigo Gimenez, Interim Assistant City Manager
and Chief Financial Officer

Draft for Discussion



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

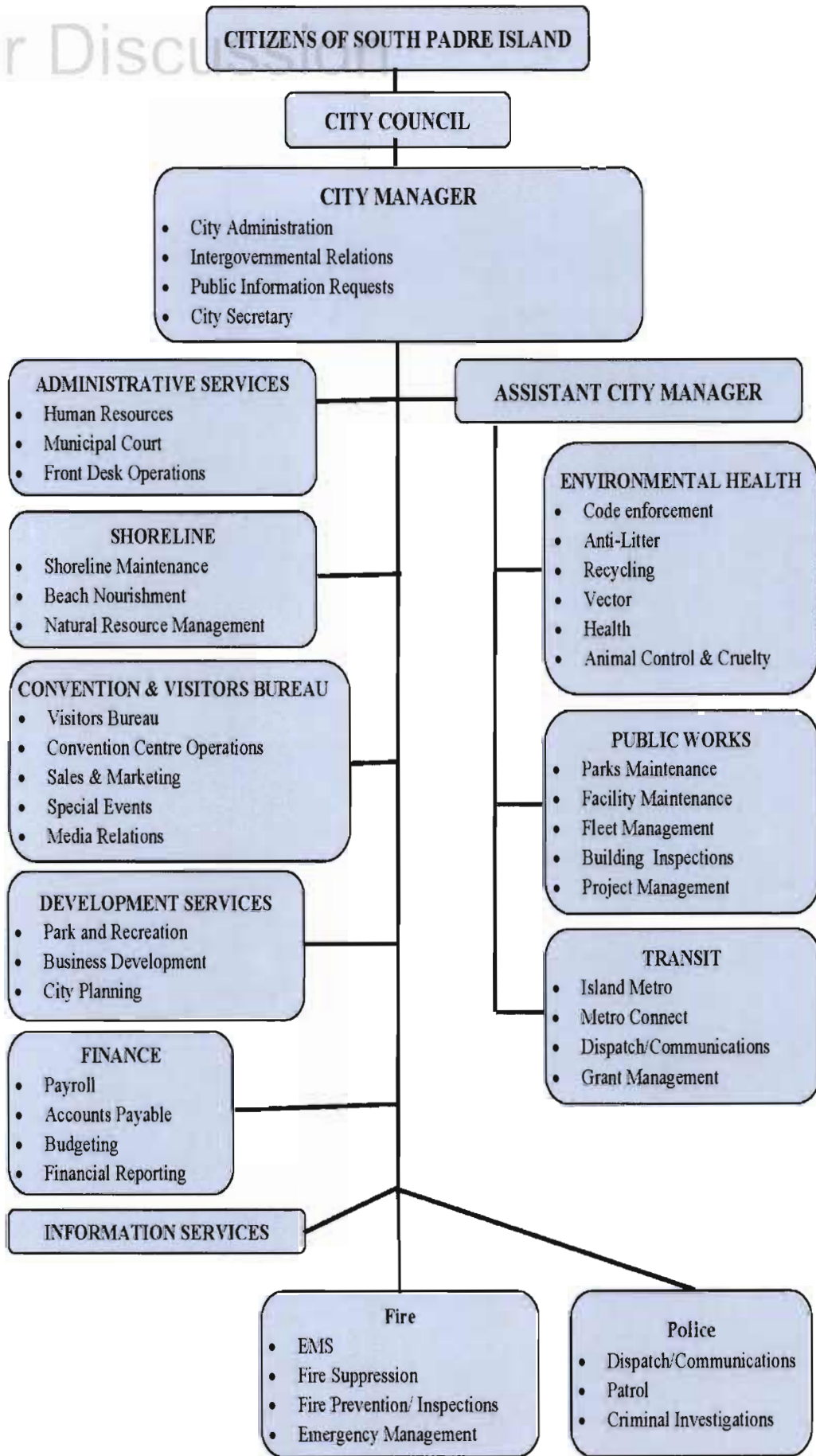
**City of South Padre Island
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO



ELECTED OFFICIALS

<u>NAME</u>	<u>TITLE</u>
DENNIS STAHL	MAYOR
RON PITCOCK	COUNCIL MEMBER, PLACE 2
KEN MEDDERS, JR.	COUNCIL MEMBER, PLACE 1
THERESA METTY	COUNCIL MEMBER, PLACE 3
ALITA BAGLEY	COUNCIL MEMBER, PLACE 4
PAUL MUNARRIZ	MAYOR PRO-TEM, PLACE 5

APPOINTED OFFICIALS

<u>NAME</u>	<u>TITLE</u>
SUSAN GUTHRIE	CITY MANAGER
DARLA A. JONES	ASSISTANT CITY MANAGER
RODRIGO GIMENEZ	CHIEF FINANCIAL OFFICER
KEITH ARNOLD	CONVENTION AND VISITORS BUREAU DIRECTOR
RANDY SMITH	POLICE CHIEF
DOUG FOWLER	FIRE CHIEF
CARLOS SANCHEZ	PUBLIC WORKS DIRECTOR
MARK SHELLARD	INFORMATION TECHNOLOGY DIRECTOR
WENDI DELGADO	ADMINISTRATIVE SERVICES DIRECTOR
CLIFFORD CROSS	PLANNING DIRECTOR
VICTOR BALDOVINOS	ENVIRONMENTAL HEALTH SERVICES DIRECTOR
BRANDON HILL	SHORELINE DIRECTOR
JESSE ARRIAGA	TRANSIT DIRECTOR
SUSAN HILL	CITY SECRETARY
DENTON, NAVARRO, ROCHA, BERNAL & ZECH	CITY ATTORNEY

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Draft for Discussion



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council
City of South Padre Island, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of South Padre Island, Texas as of and for the year ended September 30, 2018 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of South Padre Island, Texas, as of September 30, 2018 and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Pronouncement

As described in Note 19 to the financial statements, the City of South Padre Island, Texas adopted Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which resulted in a cumulative effect of change in accounting principle of \$(284,735) and \$(2,313) to the September 30, 2017 net position for governmental activities and the aggregate discretely presented component unit, respectively. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 17 through 26 and 66 through 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Padre Island's basic financial statements. The introductory section, the other supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2019, on our consideration of the City of South Padre Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of South Padre Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of South Padre Island's internal control over financial reporting and compliance.

Harlingen, Texas
March 6, 2019

Draft for Discussion

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As management of the City of South Padre Island (the City), we offer readers of the City's financial statements this narrative overview and analysis as of September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

Financial Highlights

- The assets and deferred outflows of the City of South Padre Island exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$47,961,791 (net position). Of this amount, \$4,958,764 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position for the City of South Padre Island increased by \$5,331,334 during the fiscal year from the results of current year activities.
- As of the close of the current fiscal year, the City of South Padre Island governmental funds reported combined ending fund balances of \$35,087,265. Approximately 21.5% of this amount, \$7,547,484 is available for spending at the government's discretion (unassigned fund balance). This unassigned fund balance exceeds the General Fund's required six month reserve (\$5,972,371 for 2018) established by the City Charter.
- At the end of the current fiscal year 78.2%, \$27,430,508 of the governmental funds fund balance was restricted and approximately 0.3%, \$109,273 was non-spendable.
- The City of South Padre Island's total bonded debt decreased by \$1,580,000 during the current fiscal year. This decrease is the result of payments made on bonded debt totaling \$1,580,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City of South Padre Island's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements, including information on individual funds.

Government-wide financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements are designed to provide readers with a broad overview of the City of South Padre Island's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets and long-term obligations. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the City's financial position should also be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (i.e. roads and drainage systems), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of South Padre Island include general government, public safety, public works, shoreline, transportation, community service, and convention and visitors bureau. There are no business-type activities of the City of South Padre Island.

The government-wide financial statements include not only the City of South Padre Island itself (known as the primary government), but also a legally separate Economic Development Corporation. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Fund financial statements. The fund financial statements are designed to report information about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The City of South Padre Island, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City are considered governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are reported in governmental funds, which focus on how cash and other financial assets can readily be converted to available resources and on the available balances left at year-end. This information may be useful in determining what financial resources are available in the near future to finance the City's programs. Other funds are referred to as non-major funds and are presented as summary data.

Because the focus of governmental fund level statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. In addition to the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance, separate statements are provided that reconcile between the government-wide and fund level statements.

The City of South Padre Island maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Hotel/Motel Fund, Transportation Grant Fund, Padre Blvd. Improvement Fund, and the Venue Tax Construction Fund all of which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Governmental Accounting Standard Board (GASB) released Statement 54 – “Fund Balance Reporting and Governmental Fund Type Definitions” on March 11, 2009, which was effective for the fiscal year ending September 30, 2011. This statement was intended to improve the usefulness of the amount reported in fund balance by providing more structured classifications. Previously, fund balance was classified as “reserved” or “unreserved”. GASB 54 has changed how fund balance is reported. The hierarchy of five possible classifications is as follows.

Non spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances include restricted, committed, assigned and unassigned based upon the hierarchy of spending constraints. **Restricted:** fund balances that are constrained by external parties, constitutional provisions or enabling legislation; **Committed:** fund balances that contain self-imposed constraints of the government from its highest level of decision making authority (the city council); **Assigned:** fund balances that contained self-imposed constraints of the government to be used for a particular purpose (the city manager has the authority to assign funds for specific purposes); and **Unassigned:** fund balance of the general fund that has not been constrained for any particular purpose.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, the City of South Padre Island adopts an annual appropriated budget for its General Fund, certain Special Revenue Funds, Capital Projects Funds and its Debt Service Fund. Budgetary comparison schedules have been presented as required supplementary information for the General Fund and major Special Revenue Funds. Budgetary comparison schedules have been presented as other supplementary information for certain Non-Major Special Revenue Funds, Capital Projects Funds and the Debt Service fund which have a legally adopted budget. This report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

Government-wide Financial Analysis

The following table reflects a summary of Net Position compared to the prior year (in thousands):

	<u>Total Governmental Activities 2018</u>	<u>Total Governmental Activities 2017</u>
<u>ASSETS</u>		
Current and other assets	\$38,284,904	\$36,130,314
Capital assets	<u>34,582,759</u>	<u>32,533,426</u>
Total assets	<u>72,867,663</u>	<u>68,663,740</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred outflows related to pension liabilities	877,010	2,014,505
Deferred outflows related to OPEB liabilities	36,915	-
Deferred amount on refunding	<u>163,494</u>	<u>186,851</u>
Total deferred outflows of resources	<u>1,077,419</u>	<u>2,201,356</u>
<u>LIABILITIES</u>		
Current liabilities	2,618,753	2,068,529
Non-current liabilities	<u>22,318,731</u>	<u>25,629,028</u>
	<u>24,937,484</u>	<u>27,697,557</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows related to pension liabilities	<u>1,045,807</u>	<u>252,347</u>
Total deferred inflows of resources	<u>1,045,807</u>	<u>252,347</u>
<u>NET POSITION</u>		
Net investment in capital assets	25,616,028	22,437,085
Restricted	17,386,999	15,101,328
Unrestricted	<u>4,958,764</u>	<u>5,376,779</u>
Total net position	<u>\$47,961,791</u>	<u>\$42,915,192</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of South Padre Island, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$47,961,791 at the close of the most recent fiscal year.

A large portion of the City's net position (53%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

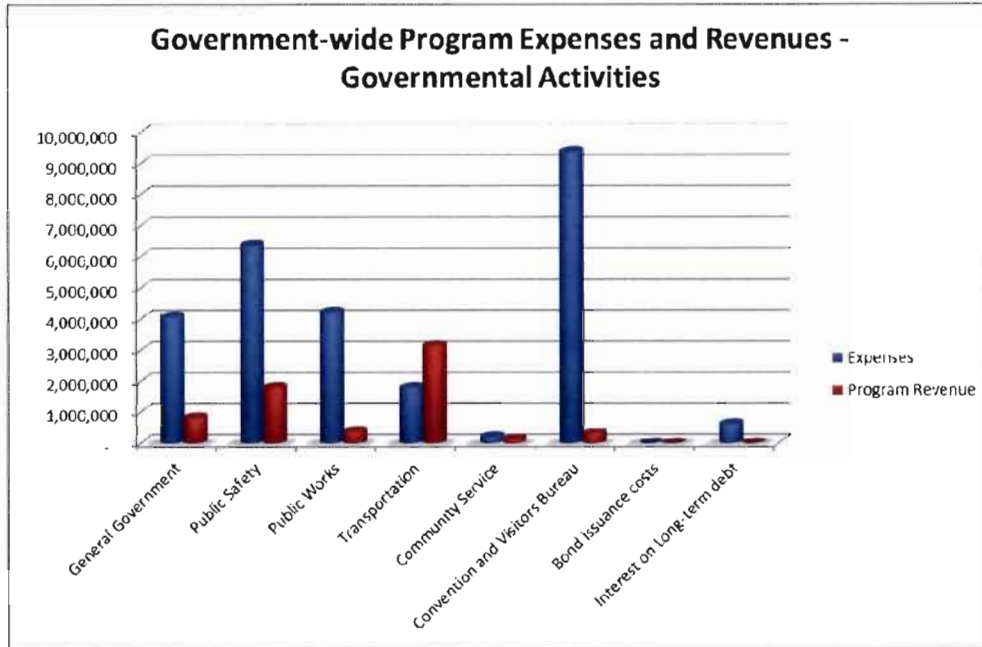
Changes in Net Position. Governmental activities increased the City's net position by \$5,331,334 from the beginning adjusted net position of \$42,630,457, as a result of current year activities. Total revenues increased approximately \$4.1 million. This includes increases in grants of 72% or \$1,588,201 mainly associated with additional federal funding awarded for the construction of a Transit Multimodal Facility. Additionally, EMS revenues experienced an increase of approximately 45% or \$165,805 contributing to an increase in charges for services.

In terms of general revenues, property tax collections increased mainly due to the adoption of the new tax rate for fiscal year 2017-18 which included funding for the preventive maintenance program for City's buildings. Sales tax and hotel motel taxes also contributed to the increases in general revenues. Sales tax collections increased by 4.78% or \$116,724 and state and local occupancy taxes increased by 10.95% or \$1,279,361 million. Finally, due to favorable market conditions and appropriate cash management practices, the City generated additional interest revenue in the amount of approximately \$366,775.

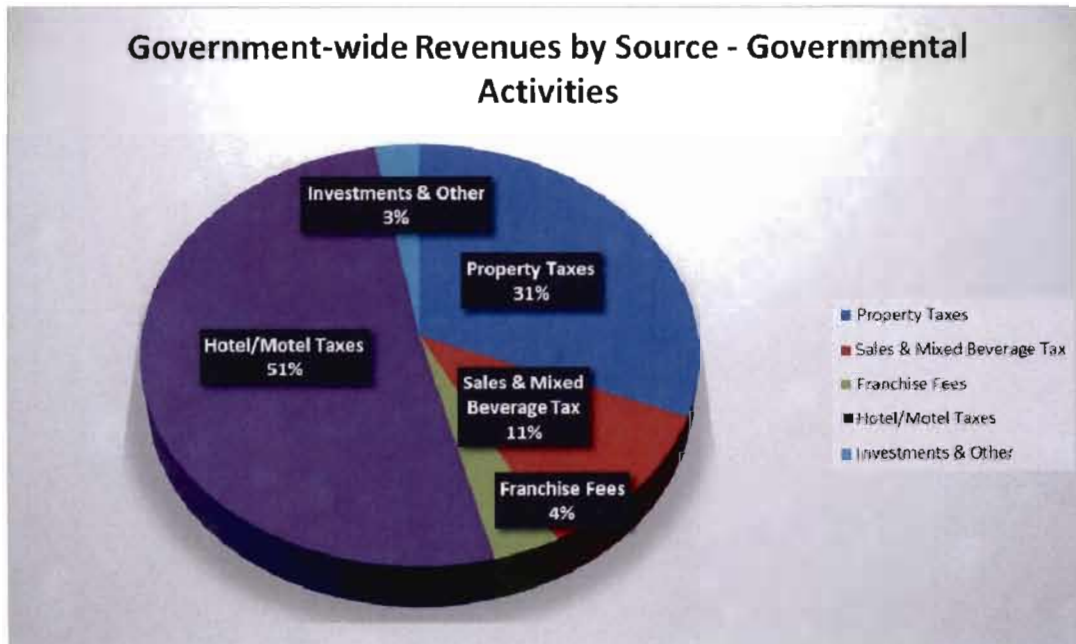
Expenses during the fiscal period increased by \$1,981,921 or 8%. This increase was mostly due to additional sales and marketing allocations in the Hotel Motel Fund for approximately \$1.4 million as well as depreciation of street projects completed last fiscal year that were in a construction in progress status in previous years.

	Total Governmental Activities <u>2018</u>	Total Governmental Activities <u>2017</u>
Program Revenues:		
Charges for Services	\$2,773,678	\$2,277,755
Operating Grants & Contributions	3,003,264	1,655,530
Capital Grants & Contributions	802,184	561,717
General Revenues:		
Property Tax	7,904,409	7,604,876
Sales Tax	2,556,853	2,440,129
Franchise Tax	885,011	882,469
Hotel Motel Tax	10,340,024	9,291,508
Hotel Motel Beach Mtn. Tax	2,619,316	2,388,471
Mixed Beverage Tax	339,170	335,422
Gain (loss) on Sale of Capital Assets	42,253	114,022
Interest & Other	671,562	293,772
Total Revenues	<u>31,937,724</u>	<u>27,845,671</u>
Program Expenses:		
General Government	4,073,602	4,194,171
Public Safety	6,363,761	6,041,026
Public Works/Shoreline	4,215,756	3,476,918
Transportation	1,794,636	1,813,049
Community Service	197,944	136,945
Convention and Visitors Bureau	9,379,337	8,158,210
Bond Issuance Costs	-	323,462
Interest On Long-Term Debt	581,354	480,688
Total Expenses	<u>26,606,390</u>	<u>24,624,469</u>
Increase (Decrease) In Net Position	5,331,334	3,221,202
Beginning Net Position	42,915,192	39,693,990
Prior Period Adjustment	(284,735)	-
Beginning Net Position, as restated	<u>42,630,457</u>	<u>39,693,990</u>
Ending Net Position	<u>\$47,961,791</u>	<u>\$42,915,192</u>

The chart below illustrates the City's governmental expense and revenues by function: general government; public safety; public works; transportation; community service, convention and visitor's bureau, bond issuance cost, and interest on long-term debt.



General revenues such as property taxes, sales taxes and franchise fees are not shown by program, but are used to support all governmental activities. Hotel Motel Taxes are the largest source of general governmental revenues, followed by Property Taxes and Sales & Franchise Taxes.



Financial Analysis of the Government's Funds

In comparison to the government-wide statements, the fund-level statements focus on the key funds of the City. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of South Padre Island's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of South Padre Island's governmental funds reported combined ending fund balances of \$35,087,265 an increase of \$1,190,533 in comparison with the prior year. Approximately 21.5%, or \$7,547,484 constitutes unassigned fund balance, which is available for spending at the government's discretion. The General Fund six month reserve required by city charter amounts to \$5,972,371 and is contained within the unassigned fund balance of the General Fund. The restricted funds are 78% or \$27,430,508 of the total fund balance. This portion is the amount of the fund that is subject to externally enforceable legal restrictions such as imposed by creditors, grantors, laws or regulations or imposed by law through constitutional provisions or enabling legislation. Approximately .3% or \$109,273 of the fund balance is nonspendable; in this case all of the \$109,273 consists of prepaid expenses.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,547,484 while total fund balance reached \$7,632,244. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 61.2% of total General Fund expenditures, while total fund balance represents 61.8% of that same amount.

The fund balance of the City's General Fund increased by \$256,288 during the current fiscal year.

Revenues increased by \$758,208 mainly due to increases in property taxes (\$309,411), EMS revenues (\$165,805) and sales tax (\$116,724). In comparison with last year, the total actual expenditures increased by approximately \$1,446,098. The increase is primarily due to additional law enforcement personnel costs (\$380,000), the purchase of a new fire engine rescue pumper (\$450,000) as well as the purchase of two new ambulances (\$216,000).

Non-property taxes for both the Hotel Motel and Convention Center funds, increased by approximately 8.8% or \$665,779 compared to last fiscal year. The Hotel Motel fund expenditures increased by \$1,396,641 due to enhancements in sales and marketing programs while the Convention Center Fund balance increased by \$697,384.

The Transportation Fund didn't have significant variances in fund balance. A total of \$3,355,229 was spent mainly on the capital expenditures related to the City's Multi-Modal facility.

The City issued Series 2017 Venue Hotel Occupancy Tax Revenue Bonds primarily to finance the cost of future infrastructure of the City approved at the election held on November 8, 2016. The bonds are collateralized by the pledged venue hotel occupancy tax revenues of the City and will be repaid over the next 30 years with final maturity in fiscal year 2047. The balance of the bond proceeds is reflected in the Venue Tax Construction Fund.

The Padre Blvd. Improvement Fund experienced a decrease in fund balance due to the street and sidewalk improvements during 2018. The project consisted of reconstructing eight side streets on the east side of Padre Boulevard as well as an additional three side streets on the bayside. Improvements include five-foot sidewalks as well as improved drainage.

General Fund budgetary highlights

The original budget of the General Fund was amended by ordinance five times during fiscal year 2017-2018. The City made major investments in public safety during fiscal year 2017-18. Amendments included the purchase of body cameras and rifle resistant body armor for police personnel, overtime and other expenditure associated with the Border Star program, installation of surveillance cameras and the addition of office space for the Police Department. Regarding Fire Department equipment, an amendment was made related to the purchase of a 2019 Ferrara Cinder Custom Pumper (fire truck) and the purchase of two ambulances. Furthermore, the City's ongoing effort to maintain transparency led to an amendment associated with the purchase of OpenGov Operational Performance Bundle, for reporting and analysis performance measures. Other relevant budget amendments made during fiscal year 2017-18 included the purchase of two recycling trailers for Environmental Health Services and additional contributions to Friends of Animal Rescue.

General Fund budget variances

During the year, revenues were \$336,124 higher than budgeted. This change can be primarily attributed to an increase of \$161,836 in sales tax, \$153,953 in EMS revenue, and \$97,317 in interest revenue.

Total expenditures were \$780,477 less than budgeted amount. All operating expenditures of the General Fund departments were under budget. For general government expenditures, savings in the amount of \$255,424 were materialized representing a reduction of 6% compared to what was budgeted. Additionally, for public safety departments had savings in the amount of approximately \$329,840 mainly due to vacant personnel positions in the Police department. Finally, Public Works had savings also related to personnel vacancies in different divisions.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental activities as of September 30, 2018 amounts to \$34,582,759 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, streets and construction in progress. Additional information on capital assets can be found in Note 7. Capital asset balances are as follows:

**Capital Assets, Net of Accumulated Depreciation
September 30**

	Total Governmental Activities <u>2018</u>	Total Governmental Activities <u>2017</u>
Land	\$1,497,793	\$1,497,793
Construction in progress	3,696,240	3,001,926
Buildings	14,855,954	15,926,795
Improvements	3,974,150	3,290,959
Furniture and equipment	2,181,624	1,787,671
Infrastructure	8,376,998	7,028,282
Total capital assets	<u>\$34,582,759</u>	<u>\$32,533,426</u>

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$18,750,000. The table below reflects the outstanding debt at the fiscal year end. Additional information can be found in Note 10. The City's outstanding general obligation bonds underlying rating is "AA+/Stable" by Standard and Poor's Rating Service and Aa2 Moody's rating.

**Outstanding Debt
September 30**

	Total Governmental Activities <u>2018</u>	Total Governmental Activities <u>2017</u>
General Obligation Bonds and Anticipation Notes	<u>\$18,750,000</u>	<u>\$20,330,000</u>
	<u>\$18,750,000</u>	<u>\$20,330,000</u>

The City of South Padre Island's total bonded debt decreased by \$1,580,000 during the current fiscal year. This change is the result of paying \$175,000 principal on the General Obligation 2011 series bonds, \$285,000 principal on the General Obligation Refunding 2012 series bonds, \$405,000 principal on the Tax Anticipation Note 2015, \$530,000 principal on the Tax Anticipation Note 2016, and \$185,000 principal on the 2017 Venue Hotel Occupancy Tax Revenue Bond.

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing the City's budget for the 2018-2019 fiscal year.

Certified property tax values for the City showed an increase in property values by approximately \$36.8 million, or 1.52% from the preceding year. The City Council adopted a tax rate of \$0.315640 cents per hundred which is split between \$0.250245 per hundred for maintenance and operations and \$0.065395 per hundred for the debt service fund and the retirement of the general obligation bonds.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, 4601 Padre Blvd., South Padre Island, Texas 78597.

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**BASIC FINANCIAL
STATEMENTS**

September 30, 2018

	Primary Government Total Governmental Activities	Component Unit
ASSETS		
Cash and cash equivalents	\$ 25,101,317	\$ 814,792
Cash and cash equivalents- restricted	646,633	769,647
Investments	8,194,824	-
Investments- restricted	-	22,826
Receivables, net	1,732,701	92,024
Due from other governments	2,500,156	-
Prepaid expenses	109,273	-
Loans receivable	-	35,114
Capital assets, net		
Non-depreciable assets	5,194,033	657,236
Depreciable assets	29,388,726	5,414,966
TOTAL ASSETS	72,867,663	7,806,605
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension liabilities	877,010	7,125
Deferred outflows related to OPEB	36,915	300
Deferred amount on refunding	163,494	163,590
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,077,419	171,015
LIABILITIES		
Accounts payable	2,122,557	-
Other liabilities	422,146	45,582
Unearned revenues	74,050	-
Non-current liabilities		
Net pension liability	1,030,786	7,927
OPEB liability	351,621	2,856
Due within one year	2,368,710	328,872
Due in more than one year	18,567,614	3,268,949
TOTAL LIABILITIES	24,937,484	3,654,186
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension liabilities	1,045,807	8,495
NET POSITION		
Net investment in capital assets	25,616,028	2,637,971
Restricted		
Debt service	1,104,146	792,473
Capital projects	418,858	-
Beach nourishment	2,719,847	-
Transportation	80,739	-
Beach maintenance	2,608,336	-
Municipal court	74,372	-
Criminal justice	19,450	-
Venue project	2,626,997	-
Parks and recreation	27,935	-
Hotel/motel taxes	7,706,319	-
Unrestricted	4,958,764	884,495
TOTAL NET POSITION	\$ 47,961,791	\$ 4,314,939

For the year ended September 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital and Contributions	Primary Government	
					Governmental Activities	Component Unit
Governmental activities:						
General government	\$ 4,073,602	\$ 660,501	\$ 163,625	\$ -	\$ (3,249,476)	
Public safety	6,363,761	1,778,641	22,070	-	(4,563,050)	
Public works	3,240,988	-	-	-	(3,240,988)	
Shoreline	974,768	-	-	377,471	(597,297)	
Transportation	1,794,636	-	2,817,569	324,713	1,347,646	
Community service	197,944	22,092	-	100,000	(75,852)	
Convention and visitors bureau	9,379,337	312,444	-	-	(9,066,893)	
Interest and fees on long-term debt	581,354	-	-	-	(581,354)	
Total governmental activities	26,606,390	2,773,678	3,003,264	802,184	(20,027,264)	
Component unit:						
Economic development services	670,724	-	-	-		(670,724)
Interest expense	84,647	-	-	-		(84,647)
Total component unit	\$ 755,371	\$ -	\$ -	\$ -		\$ (755,371)

General revenues:			
Property taxes, levied for general purposes	6,260,698	-	
Property taxes, levied for debt service	1,643,711	-	
Sales taxes	2,556,853	852,284	
Franchise taxes	885,011	-	
Hotel motel taxes	10,340,024	-	
Hotel motel beach maintenance taxes	2,619,316	-	
Mixed beverage taxes	339,170	-	
Unrestricted investment earnings	536,833	-	
Gain on disposal of capital assets	42,253	-	
Miscellaneous	134,729	19,619	
Total general revenues, special items, and transfers	25,358,598	871,903	
Change in net position	5,331,334	116,532	
Net position - beginning	42,915,192	4,200,720	
Prior period adjustment	(284,735)	(2,313)	
Net position- beginning, as adjusted	42,630,457	4,198,407	
Net position - ending	\$ 47,961,791	\$ 4,314,939	

The notes of the financial statements are an integral part of this statement.

City of South Padre Island, Texas
Balance Sheet
Governmental Funds

September 30, 2018

	General Fund	Hotel Motel Fund	Transportation Grant Fund	Venue Tax Construction Fund	Padre Blvd Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 1,348,294	\$ 3,886,643		\$ 8,946,229	\$ 1,852,598	\$ 9,067,553	\$ 25,101,317
Cash and cash equivalents- restricted	-	-	-	-	-	646,633	646,633
Investments	6,183,784	-	-	-	-	2,011,040	8,194,824
Receivables (net of allowance for uncollectibles)							
Property taxes	188,245	-	-	-	-	41,655	229,900
Accounts	853,489	387,953	-	-	-	261,359	1,502,801
Due from other governments	-	-	1,454,372	-	-	1,045,784	2,500,156
Due from other funds	2,093,100	-	-	-	-	-	2,093,100
Prepaid items	65,310	5,942	4,503	-	-	33,518	109,273
Total assets	\$10,732,222	\$4,280,538	\$ 1,458,875	\$ 8,946,229	\$ 1,852,598	\$ 13,107,542	\$ 40,378,004
LIABILITIES							
Accounts payable	\$ 2,122,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,122,557
Due to other funds	-	-	1,373,633	-	719,467	-	2,093,100
Other liabilities	320,654	-	-	-	-	-	320,654
Unearned revenues - other	12,240	-	-	-	-	61,810	74,050
Total liabilities	2,455,451	-	1,373,633	-	719,467	61,810	4,610,361
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	165,805	-	-	-	-	35,851	201,656
Unavailable revenue - other	478,722	-	-	-	-	-	478,722
Total deferred inflows of resources	644,527	-	-	-	-	35,851	680,378
FUND BALANCE							
Nonspendable	65,310	5,942	4,503	-	-	33,518	109,273
Restricted	19,450	4,274,596	80,739	8,946,229	1,133,131	12,976,363	27,430,508
Unassigned	7,547,484	-	-	-	-	-	7,547,484
Total fund balances	7,632,244	4,280,538	85,242	8,946,229	1,133,131	13,009,881	35,087,265
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
	\$10,732,222	\$4,280,538	\$ 1,458,875	\$ 8,946,229	\$ 1,852,598	\$ 13,107,542	\$ 40,378,004

The notes of the financial statements are an integral part of this statement.

City of South Padre Island, Texas
Reconciliation of the Balance Sheet of the Governmental Funds
To the Statement of Net Position

September 30, 2018

Fund balances of governmental funds	\$ 35,087,265
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	34,582,759
Some liabilities, including bonds payable (\$18,750,000 and premiums of \$823,354), and capital leases (\$355,698) are not due in the current period and, therefore, are not reported in the funds.	(19,929,052)
Deferred outflows of resources related to amounts deferred on refundings of long term debt and are not reported in the funds.	163,494
Liabilities for compensated absences are not due in the current period and therefore are not reported in the funds.	(1,007,272)
Certain amounts receivable for property taxes (\$201,656) and other revenues (\$478,722) but which do not represent current financial resources are deferred in the funds.	680,378
Liabilities for accrued interest on long-term debt are not due in the current period and therefore are not reported in the funds.	(101,492)
Included in the statement of net position non-current liabilities is the recognition of the City's net pension liability required by GASB 68 in the amount of (\$1,030,786), a deferred resource inflow in the amount of (\$1,045,807), and a deferred resource outflow in the amount of \$877,010. This resulted in a decrease in net position of \$(1,199,583).	(1,199,583)
Included in the noncurrent liabilities is the recognition of the City's net OPEB liability required by GASB 75 in the amount of \$(351,621) and a deferred resource outflow in the amount of \$36,915. This resulted in a decrease in net position by \$(314,706).	(314,706)
Net position of governmental activities	\$ 47,961,791

The notes of the financial statements are an integral part of this statement.

City of South Padre Island, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended September 30, 2018

	General Fund	Hotel Motel Fund	Transportation Grant Fund	Venue Tax Construction Funds	Padre Blvd Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 6,169,298	\$ -	\$ -	\$ -	\$ -	\$ 1,709,348	\$ 7,878,646
Nonproperty taxes	3,781,034	6,514,631	-	-	-	6,444,709	16,740,374
Fees and services	1,458,098	8,525	-	-	-	307,944	1,774,567
Fines and forfeitures	449,740	-	-	-	-	15,601	465,341
Licenses and permits	214,353	-	-	-	-	-	214,353
Intergovernmental	285,694	-	3,104,782	-	-	377,472	3,767,948
Miscellaneous	219,023	96,080	38,589	166,907	34,542	153,922	709,063
Total revenues	12,577,240	6,619,236	3,143,371	166,907	34,542	9,008,996	31,550,292
EXPENDITURES							
Current							
General government	3,559,367	-	-	-	-	109,316	3,668,683
Public safety	5,602,513	-	-	-	-	405,212	6,007,725
Public works	1,996,395	-	-	-	-	-	1,996,395
Shoreline	-	-	-	-	-	974,768	974,768
Transportation	-	-	1,620,754	-	-	-	1,620,754
Community service	-	-	-	-	-	73,096	73,096
Convention and visitors bureau	-	6,969,320	-	-	-	1,217,126	8,186,446
Capital outlay	957,964	22,350	1,734,475	350,109	1,268,735	1,067,490	5,401,123
Debt service							
Principal retirement - bonds	-	-	-	-	-	1,580,000	1,580,000
Principal retirement - capital lease	179,108	-	-	-	-	7,502	186,610
Interest	18,909	-	-	-	-	656,716	675,625
Administrative charges	26,132	-	-	-	-	7,027	33,159
Total expenditures	12,340,388	6,991,670	3,355,229	350,109	1,268,735	6,098,253	30,404,384
EXCESS (DEFICIENCY) OF REVENUES							
OVER (UNDER) EXPENDITURES	236,852	(372,434)	(211,858)	(183,202)	(1,234,193)	2,910,743	1,145,908
Other financing sources (uses)							
Sale of capital assets	26,566	-	14,190	-	-	3,869	44,625
Transfers in	435,073	-	101,532	-	-	863,472	1,400,077
Transfers out	(442,203)	-	-	-	-	(957,874)	(1,400,077)
Total other financing sources (uses)	19,436	-	115,722	-	-	(90,533)	44,625
Net change in fund balances	256,288	(372,434)	(96,136)	(183,202)	(1,234,193)	2,820,210	1,190,533
Fund balance -- beginning	7,375,956	4,652,972	181,378	9,129,431	2,367,324	10,189,671	33,896,732
Fund balance -- ending	\$ 7,632,244	\$ 4,280,538	\$ 85,242	\$ 8,946,229	\$ 1,133,131	\$ 13,009,881	\$ 35,087,265

The notes to the financial statements are an integral part of this statement.

City of South Padre Island, Texas
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Funds
To the Statement of Activities

For the Year Ended September 30, 2018

Net change in fund balances -total governmental funds	\$	1,190,533
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The effect of removing capital outlays \$5,401,123 and including depreciation (\$3,349,418), in the current period is to increase net position.</p>		
		2,051,705
<p>In the statement of activities, only the gain (loss) on the sale of assets is reported, whereas in the funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the assets sold.</p>		
		(2,372)
<p>Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		1,766,610
<p>The increase in compensated absences payable of (\$99,908) during the year is reported as an increase to expenditures in the statement of activities but not in the governmental funds. The amortization of bond premiums \$82,133 reduces interest expense in the statement of activities, and amortization of debt refunding related deferred outflows of resources of (\$23,357) is an expenditure in the statement of activities but not in the governmental funds. The net effect of including the amortization of deferred outflows of resources, bond premiums and the change in compensated absences is to decrease net position.</p>		
		(41,132)
<p>GASB 68 requires that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/17 caused the change in the ending net position to increase in the amount of \$799,057. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused a decrease in the change in net position totaling (\$742,011). The City's reported TMRS net pension expense had to be recorded. The pension expense decreased the change in net position by \$(74,918). The result of these changes is to decrease net position.</p>		
		(17,872)
<p>Some revenues and expenses reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds. The change in the balance of deferred inflows related to property taxes and other receivables was \$345,179 and interest expense decreased by \$68,654 in 2018. Recognition of these amounts in the statement of activities results in a decrease in the change in net position.</p>		
		413,833
<p>The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/17 caused the change in the ending net position to increase in the amount of \$10,546. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused a decrease in the change in net position totalling \$(10,037). The City's reported TMRS net OPEB expense had to be recorded. The net OPEB expense decreased net position by \$(30,480). The result of these changes is to decrease the change in net position by \$(29,971).</p>		
		(29,971)
<hr/> Change in net position of governmental activities		\$ 5,331,334

The notes to the financial statements are an integral part of this statement.

Draft for Discussion



**NOTES TO FINANCIAL
STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of South Padre Island, Texas (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

The City of South Padre Island, Texas (the City), created in 1973, operates under the direction of a Mayor and five Council Members, elected by the voters of the City. It provides judicial, law enforcement, fire protection, public improvements, building and zoning administration, tourism, general administrative and health services to the City. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Blended component units – Blended component units, although legally separate entities, are in substance part of the government's operations and so data from these units are combined with data of the primary government. The City of South Padre Island does not include any blended component units.

Discretely presented component unit – The discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City. Discretely presented component unit includes the following:

South Padre Island Economic Development Corporation (EDC): the seven-member board of directors, are appointed by the City Council. The EDC is authorized to administer the distribution of the proceeds of any development bonds issued and the proceeds of certain development sales taxes received on behalf of the City. The EDC's operational and capital budget must be approved by the Council Members of the City.

The financial statement information included in the component unit column in the government-wide financial statements and the component unit section included in the other supplementary information constitutes the EDC's annual financial report. Additional financial information can be obtained at:

South Padre Island Economic Development Corporation
6801 Padre Boulevard
South Padre Island, Texas 78597

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all the activities of the reporting entity. Generally, the effect of interfund activity has been eliminated from these statements.

Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which primarily rely on fees and charges. The City of South Padre Island, Texas does not include any business-type activities.

The statement of activities reflects the extent to which direct expenses of each function are offset by program revenues. *Direct expenses* are those that are attributable to a specific function and are clearly identifiable. *Program revenues* include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a specific function as well as grants and contributions that are restricted to meeting the operational or capital requirements of a specific function. Taxes and other items not appropriately included with program revenues are shown as *general revenues*.

In addition to and apart from the government-wide financial statements, fund financial statements are presented for the governmental funds. In each of these financial statements major funds are presented in separate columns.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, without regard to the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Restricted resources will be used before unrestricted resources when all requirements to relieve the restriction have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, consistent with accrual accounting. However, debt service expenditures, as well as those related to compensated absences and claims and judgments are recognized only when payment is due.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Basis of Presentation – Continued

The City reports the following fund types and related major governmental funds:

The *general fund* is the primary operating fund. It accounts for all of the financial resources of the general government, except those required to be accounted for in another fund.

The *special revenue funds* are used to account for the proceeds of specific revenue sources, other than for major capital projects, that are legally restricted to expenditure for specified purposes. The special revenue funds reported as major funds are:

Hotel/Motel Fund is used to account for local occupancy tax collections. This fund is used to account for that portion of collections used for tourism, advertising and promotion.

Transportation Grant Fund is used to account for proceeds from intergovernmental sources and expenditures associated with operational cost of the City's public transit system.

The *capital projects funds* are used to account for the acquisition or construction of capital assets. The capital projects funds reported as major funds are:

Venue Tax Construction Fund is used to account for bond proceeds received and expenditures associated with venue tax projects.

Padre Boulevard Improvement Fund is used to account for expenditures associated with improvements to Padre Boulevard and side streets.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital project funds), and the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government considers property taxes as available if they are collected within 60 days after year end. A 60-day availability period is also used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the State at year end on behalf of the City also are recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The City reports unearned revenue on its balance sheet/statement of net position. Unearned revenues arise when a potential revenue does not meet both the “*measurable*” and “*available*” criteria for recognition in the current period. Unearned revenues arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet/statement of net position and revenue is recognized.

New Accounting Standards Adopted

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB they provide. Statement 75 requires governments in all types to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability.

GASB Statement No. 85, *Omnibus 2017*. This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement establishes standards of accounting and financial reporting for in-substance defeasance transaction in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the purpose of extinguishing debt. This Statement also amends accounting and financial reporting requirements for prepaid insurance associated with debt that is extinguished, whether through a legal extinguishment or through an in substance defeasance, regardless of how the cash and other monetary assets were acquired. Finally, this Statement establishes an additional disclosure requirement related to debt that is defeased in substance, regardless of how the cash and other monetary assets were acquired. The City has determined that this statement does not impact the City.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*Recently Issued Accounting Pronouncements*

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended September 30, 2021.

*Assets, Deferred Inflows of Resources and Net Position, Liabilities, Deferred Outflows of Resources***a. Cash and Cash Equivalents**

Cash and cash equivalents include all demand deposits and short-term investments (inclusive of restricted assets) with maturity dates within ninety days of the date initially acquired.

b. Short-Term Interfund Receivables and Payables/Internal Balances

Short-term lending/borrowing between funds that result in amounts outstanding at the end of the fiscal year are referred to as "due to/from other funds". "Due to/from other funds" represent the current portion of interfund loans. With respect to the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances."

c. Prepaid Items

Expenditures made to third party vendors for goods and services that will benefit periods beyond September 30, 2018 are recorded as prepaid items, in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

d. Capital Assets

Capital assets, which includes property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Inflows of Resources and Net Position, Liabilities, Deferred Outflows of Resources - Continued

d. Capital Assets- continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Capital assets, which includes property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Gains or losses on dispositions of capital assets are included in income within the governmental activities column of the government-wide financial statements. In the governmental fund financial statements, only the proceeds from the disposition are reported.

Depreciation of capital assets used by funds categorized as governmental activities is not provided in the fund financial statements; however, it is included in the gross expense by function in the government-wide Statement of Activities. Capital assets, net of accumulated depreciation, are reported in the governmental activities column of the government-wide statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	10 – 40 years
Equipment	5 – 15 years
Infrastructure	15 – 40 years
Vehicles	3 – 7 years

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Inflows of Resources and Net Position, Liabilities, Deferred Outflows of Resources – Continued

e. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as non-current liabilities. No expenditure is reported for these amounts. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*, no accrual is recorded for compensated absences that are dependent on the performance of future services by employees or when payments are dependent on future events outside the control of the employer and employees. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement. Compensated absences are reported in the governmental funds only if they have matured.

City employees are granted varying amounts of vacation and sick leave. In the event of termination or retirement, an employee is reimbursed up to 30 days of accumulated vacation and up to 90 days of accumulated sick leave. Sick leave earned after October 1, 1997 will be reimbursed at 50 percent of the earned sick leave. Sick leave accumulated before October 1, 1997 will be reimbursed at 100 percent of the earned sick leave.

f. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense in the period incurred. Bond insurance costs are considered as prepaid items.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received on debt issuances are reported as other financing sources and discounts are reported as other financing uses. Issuance costs, whether or not withheld from debt proceeds, are reported as debt service expenditures.

g. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City’s Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City’s Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Inflows of Resources and Net Position, Liabilities, Deferred Outflows of Resources – Continued

h. Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Texas Municipal Retirement System (TMRS) Supplemental Death Benefit has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from the Supplemental Death Benefit's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. Information regarding the City's Total Net OPEB Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

h. Bond Discounts/Issue Costs

In governmental fund types, bond premiums, discounts and issuance costs are recognized in the current period.

i. Comparative Data

Partially comparative total data for the prior year have been presented in the government-wide financial statements.

j. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

k. Interfund Transfers

Transfers are used to 1) provide unrestricted revenues collected in the general fund to finance various programs accounted for in other funds, and 2) move revenues from the fund that the budget requires to collect them to the fund that the budget requires to expend them.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Inflows of Resources and Net Position, Liabilities, Deferred Outflows of Resources – Continued

I. Fund Balance Reporting

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories.

In addition to the nonspendable fund balance, GASB Statement No. 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. The responsibility to commit funds rests with the City Council Members. Committed amounts cannot be released without formal action from the council.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The responsibility to assign funds rests with the City Manager, as authorized by City Council. City policy delegates this authority for the sole purpose of reporting these amounts in the annual financial statements.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The City charter requires establishment of an operating reserve in the General Fund of no less than six months of operating expenditures, to be used for emergency appropriations. The estimated required fund balance to meet this at September 30, 2018 is \$5,972,371. Since the City's unassigned fund balance exceeds this amount at September 30, 2018, no additional appropriation is needed at this time in order to comply with this policy.

In the instance when restricted, committed, assigned or unassigned resources are available for use, it is the government's policy to use the highest level of restricted, committed or assigned resources first, then unassigned resources as they are needed.

m. Net Position

The City's net position is classified as follows:

Net investment in capital assets: consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any attributable to the acquisition, construction, or improvement of those assets.

Restricted: consists of net position that is subject to a legally enforceable restriction on their use.

Unrestricted: consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Inflows of Resources and Net Position, Liabilities, Deferred Outflows of Resources – Continued

n. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent the consumption of the City's net position that is applicable to a future reporting period. Deferred inflows of resources represent the City's acquisition of net position applicable to a future reporting period.

The City has an accounting loss on refunding bonds which is a deferred resource outflow and also has unavailable revenues from property taxes which are deferred resource inflows under this standard. The City also reports deferred outflows of resources and deferred inflows of resources related to pensions and OPEB amounts as further described in Note 15 and 16.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budgetary Information

In establishing budgetary data reflected in the financial statements, the City follows these procedures:

- a. The City Manager establishes the amount of estimated revenues and other resources available for appropriation for the succeeding budget year.
- b. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures by fund, function and activity and the means of financing them.
- c. Public hearings and workshops (including department heads) are conducted at the City Hall to obtain taxpayer and elected officials' comments.
- d. Prior to October 1, the budget is legally adopted by the City Council.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

1. Budgetary Information - Continued

e. Revisions that alter budgets at the department level within a fund must be approved by the Council Members. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types reflect these revisions. Actual expenditures and transfers may not legally exceed budget appropriations at the department level.

f. Formal budgetary integration is employed as a management control device during the year for the General, certain Special Revenue, Capital Projects and Debt Service Funds.

g. Annual appropriated budgets are adopted for the General, certain Special Revenue, Capital Projects and Debt Service Funds. All annual appropriations lapse at year-end to the extent they have not been expended or encumbered.

The City prepares its budget on a basis of accounting consistent with accounting principles generally accepted in the United States of America (GAAP). Budgets for the Debt Service fund are legally adopted on an annual basis.

During fiscal year 2018, various transfers of appropriations were made for the Governmental Funds. The original and final amended budget are presented in the Required Supplementary Information for the General Fund and major Special Revenue Funds (Hotel/Motel and Transportation Grant Funds), that have adopted a budget.

On or before the end of May of each year, all agencies of the City submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before October 1, the proposed budget is presented to the City Council for review. The City Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the City Council.

Expenditures may not legally exceed budgeted appropriations at the department level. During the year, several supplementary appropriations were necessary.

1. Expenditures over Appropriations

None noted.

NOTE 3: DEPOSITS AND INVESTMENTS

It is the City’s policy for deposits plus accrued interest thereon to be 102% secured by collateral valued at fair value, less the amount of the Federal Deposit Insurance Corporation insurance. During the year ended September 30, 2018 the City’s cash deposits were covered by federal deposit insurance or were secured by collateral held by the City’s agent in the City’s name pursuant to the City’s investment policy and its depository agreement.

Deposits and investments with investment maturities, including accrued interest, as of September 30, 2018 are as follows:

	Investment Maturities (in years)		Greater than 1 year
	Value	1 or less	
Primary Government			
Cash equivalents			
Money Markets	\$ 14,105,188	\$ 14,105,188	\$ -
	14,105,188	14,105,188	-
Investments			
TexPool	7,610	7,610	-
Texas Term	117,145	117,145	-
Certificates of deposit	8,070,069	8,070,069	-
	\$ 22,300,012	\$ 22,300,012	\$ -
Component Unit			
Investments			
TexPool	\$ 22,826	\$ 22,826	\$ -
	\$ 22,826	\$ 22,826	\$ -

A reconciliation of cash and investments follows:

	Primary Government	Component	Total
	Governmental	Units	
	Activities		
Cash and cash equivalents:			
Cash and cash equivalents	\$ 25,101,317	\$ 814,792	\$ 25,916,109
Cash- restricted	646,633	769,647	1,416,280
Total cash	25,747,950	1,584,439	27,332,389
Investments:			
Texas Term	117,145	22,826	139,971
TexPool	7,610	-	7,610
Certificates of deposit	8,070,069	-	8,070,069
Total investments	8,194,824	22,826	8,217,650
Total cash and investments	\$ 33,942,774	\$ 1,607,265	\$ 35,550,039

As of September 30, 2018 The City’s investments in certificates of deposit are valued at cost plus accrued interest.

See Note 10 for components of cash restrictions.

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment.

Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the cost of the City’s investments to market interest rate fluctuations is provided by the following table that shows the specific investments and their maturity:

Description	Rate	Amount	Maturity
Certificate of Deposit	2.00%	\$ 2,023,349	February 7, 2019
Certificate of Deposit	2.00%	505,837	February 12, 2019
Certificate of Deposit	2.20%	1,516,713	March 22, 2019
Certificate of Deposit	2.60%	2,013,130	June 19, 2019
Certificate of Deposit	2.60%	1,006,568	June 19, 2019
Certificate of Deposit	2.63%	1,004,472	July 26, 2019
Total Certificates of Deposit		\$ 8,070,069	

The investment policy states that operating funds and commingled pools shall not have an average maturity date exceeding one year from the date of purchase. Securities purchased for the purpose of making debt service payments shall not have a stated final maturity date which exceeds the debt service payment date. Securities for special projects or special fund portfolios should not have a stated final maturity date that exceeds the estimated project completion date.

Credit Risk

As of September 30, 2018 the investments in TexPool and Texas Term investment risk pools were rated AAAM and AAAf by Standard and Poor’s, respectively.

The City’s investment policy limits authorized investments to certain Texas government investments pools, obligations of or guaranteed by the U. S. and State of Texas and their agencies thereof, certificates of deposit of Texas banks and fully collateralized repurchase agreements.

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)***Public Funds Investment Pools***

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully-collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safekeep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters.

TEXAS Term is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity and competitive yield. The fund is rated AAAs by Standard and Poor's and maintains a maturity of 60 days to one year. The fund seeks to maintain a constant dollar objective and fulfills all requirements of the Texas Public Funds Investment Act for local government investment pools.

The City reports its local government investment pools at amortized cost as permitted by Section 150: *Investments* of the GASB Codification. In addition, the pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity fees or redemption gates.

NOTE 4: PROPERTY TAXES

The assessed value for the tax roll as of January 1, 2017 upon which the 2017 levy was based, was \$2,523,614,600. State statutes require that all assessments be made on one hundred percent (100%) of fair market value.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end.

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are levied as of October 1. The county appraisal district certifies the tax roll by July 25th. This tax roll is used by the City to adopt a tax rate by September 1st or soon thereafter. The tax bills are mailed on October 1st or soon thereafter and are due and payable upon receipt. The billings become delinquent as of February 1 of the following calendar year and penalties and interest may be assessed by the City.

NOTE 4: PROPERTY TAXES (Continued)

Taxes receivable in the General Fund includes uncollected tax levies since 1983. All real property taxes receivable less than twenty years old are considered collectible. All personal property taxes receivable less than ten years old are considered collectible. All revenues were deferred at the time the levies were recorded. The Texas Legislature enacted a provision during the 1992 legislative session which requires all liens attached to properties because of delinquent taxes to be removed after twenty years. Also, liens attached to personal property for delinquent taxes are required to be removed after ten years. This legislation became effective August 27, 1992.

The City is permitted by the Municipal Finance Law of Texas to levy taxes up to \$1.50 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental service and the payment of principal and interest on long-term debt for the year ended September 30, 2018 was \$.31564 per \$100.

The City Charter provides for taxes to become due on October 1st of the year of levy and shall be paid by January 31st of the following year. Liens for unpaid taxes go into effect on July 1st as the taxes become delinquent. Current tax collections for the year ended September 30, 2018 were 98.39 percent of the tax levy. In regards to the TIRZ fund, property taxes include a contribution from the County in the amount of \$39,663.

NOTE 5: RECEIVABLES

Receivables at September 30, 2018, consist of the following:

	Primary Government				
	General Fund	Hotel Motel Fund	Other Governmental Funds	Total Governmental Funds	Component Unit
Receivables					
Property Taxes	\$ 198,153	\$ -	\$ 43,847	\$ 242,000	\$ -
Accounts	1,284,818	387,953	261,359	1,934,130	92,024
Gross receivables	1,482,971	387,953	305,206	2,176,130	92,024
Less allowance for uncollectibles					
Property taxes	(9,908)	-	(2,192)	(12,100)	-
Accounts	(431,329)	-	-	(431,329)	-
	(441,237)	-	(2,192)	(443,429)	
Total receivables, net	\$ 1,041,734	\$ 387,953	\$ 303,014	\$ 1,732,701	\$ 92,024

As of September 30, 2018 the component unit had a loan receivable of \$35,114. The Revolving Loan Fund was granted to the EDC in 2011 at an amount of \$105,150 at a rate of 4% for 10 years.

NOTE 6: DUE FROM OTHER GOVERNMENTS

Due from other governments at September 30, 2018 consist of the following:

Primary Government

	Primary Government			
	Transportation	Other	Total	
	Grant Fund	Governmental Funds	Governmental Funds	
Texas State Comptroller - Occupancy Tax	\$ -	\$ 1,045,784	\$ 1,045,784	
State of Texas - Department of Transportation	1,454,372	-	1,454,372	
	\$ 1,454,372	\$ 1,045,784	\$ 2,500,156	

NOTE 7: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 is as follows:

Governmental Activities

	Beginning Balance October 01, 2017	Additions	Transfers	Retirements	Ending Balance September 30, 2018
Capital assets, not being depreciated:					
Land	\$ 1,497,793	\$ -	\$ -	\$ -	\$ 1,497,793
Constuction in progress	3,001,926	1,734,475	(1,040,161)	-	3,696,240
	4,499,719	1,734,475	(1,040,161)	-	5,194,033
Capital assets, being depreciated:					
Buildings	34,000,847	423,021	-	(9,855)	34,414,013
Improvements	6,620,578	704,394	339,951	-	7,664,923
Furniture and equipment	7,867,063	1,082,589	-	(411,113)	8,538,539
Infrastructure	13,991,044	1,456,644	700,210	-	16,147,898
	62,479,532	3,666,648	1,040,161	(420,968)	66,765,373
Less accumulated depreciation for:					
Buildings	(18,074,052)	(1,493,774)	-	9,768	(19,558,058)
Improvements	(3,329,619)	(361,154)	-	-	(3,690,773)
Furniture and equipment	(6,079,392)	(686,351)	-	408,828	(6,356,915)
Infrastructure	(6,962,762)	(808,139)	-	-	(7,770,901)
Total accumulated depreciation	(34,445,825)	(3,349,418)	-	418,596	(37,376,647)
Total capital assets, being depreciated, net	28,033,707	317,230	1,040,161	(2,372)	29,388,726
Governmental activities, capital assets, net	\$ 32,533,426	\$ 2,051,705	\$ -	\$ (2,372)	\$ 34,582,759

Depreciation is provided in the funds in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Buildings and improvements	10 – 40 years
Equipment	5 – 15 years
Infrastructure	15 – 40 years
Vehicles	3 – 7 years

NOTE 7: CAPITAL ASSETS (Continued)

Depreciation was charged to government functions as follows:

General government	\$ 295,725
Convention and visitors bureau	1,192,891
Community service	120,891
Public works	1,238,579
Public safety	332,296
Transportation	169,036
Total depreciation - governmental activities	\$ 3,349,418

Component Unit:

Activity for Economic Development Corporation is as follows:

	Beginning Balance October 1, 2017	Additions	Transfers	Retirements	Ending Balance September 30, 2018
Capital assets, not being depreciated:					
Land	\$ 657,236	\$ -	\$ -	\$ -	\$ 657,236
Constuction in progress	-	-	-	-	-
	657,236	-	-	-	657,236
Capital assets, being depreciated:					
Buildings	6,569,015	-	-	-	6,569,015
Improvements	375,000	-	-	-	375,000
Furniture and equipment	21,604	-	-	-	21,604
	6,965,619	-	-	-	6,965,619
Less accumulated depreciation					
Buildings	(1,270,627)	(136,147)	-	-	(1,406,774)
Improvements	(96,790)	(25,485)	-	-	(122,275)
Furniture and equipment	(21,604)	-	-	-	(21,604)
Total accumulated depreciation	(1,389,021)	(161,632)	-	-	(1,550,653)
Total capital assets, being depreciated, net	5,576,598	(161,632)	-	-	5,414,966
Governmental activities, capital assets, net	\$ 6,233,834	\$ (161,632)	\$ -	\$ -	\$ 6,072,202

NOTE 8: DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds defer revenue recognition in connection with resources that have been earned, but not yet received. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the fund financial statements was as follows:

	Unavailable
Governmental funds	
Delinquent property taxes receivable	\$ 201,656
Grants and other	478,722
Total deferred/inflows of resources for governmental funds	\$ 680,378

The component unit reported \$35,114 in unavailable revenue related to noncurrent receivables at September 30, 2018.

In governmental activities, deferred outflows of resources consist of \$163,494 of deferred charges on refundings of long-term debt and \$877,010 and \$36,915 of deferred charges related to pension liabilities and OPEB liabilities, respectively. Deferred inflows related to pensions are \$1,045,807 at September 30, 2018. In the component unit deferred outflows of resources consist of \$163,590 of deferred charges on refundings of long-term debt and \$7,125 and \$300 of deferred charges related to pension liabilities and OPEB liabilities, respectively. Deferred inflows related to pensions are \$8,495 at September 30, 2018 for the component unit.

NOTE 9: UNEARNED REVENUE

Unearned revenues principally consist of amounts for which the City has received funds in advanced for having completed the earning process and do not meet the definition of a deferred inflow of resources.

For the year ended September 30, 2018, \$74,050 of unearned revenues are reported in the government funds and in the statement of net position for amounts received for in advance of the City performing the related services.

NOTE 10: LONG-TERM DEBT

Primary Government

General Obligation Bonds

The City issues general obligation bonds and tax anticipation notes to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds and tax anticipation notes are direct obligations and pledge the full faith and credit of the City. These bonds and certificates generally are issued as 25-year serial bonds, with varying amounts of principal maturing each year. Tax anticipation notes pledge the ad valorem taxes collected by the City for the repayment of the obligation. General obligation bonds and tax anticipation notes currently outstanding are as follows:

NOTE 10: LONG-TERM DEBT (Continued)

1. Bonds

	Beginning Balance October 01, 2017	Additions	Reductions	Ending Balance September 30, 2018	Due In One Year
<i>General Government:</i>					
Series 2011 General Obligation Bond	\$ 3,150,000	\$ -	\$ (175,000)	\$ 2,975,000	\$ 180,000
Series 2012 General Obligation Refunding Bonds	2,565,000	-	(285,000)	2,280,000	300,000
Series 2015 Tax Anticipation Notes	2,160,000	-	(405,000)	1,755,000	415,000
Series 2016 Tax Anticipation Notes	3,370,000	-	(530,000)	2,840,000	540,000
Series 2017 Venue Hotel Occupancy Tax Revenue Bonds	9,085,000	-	(185,000)	8,900,000	185,000
Total bonds	\$ 20,330,000	\$ -	\$ (1,580,000)	\$ 18,750,000	\$ 1,620,000

The following table summarizes the restricted cash and investments as of September 30, 2018:

	Governmental Activities
Restricted	
Cash and cash equivalents	
Cash restricted for Venue Seasonal Reserve	\$ 129,276
Cash Restricted for Venue Debt Reserve	517,357
Total	\$ 646,633

Cash and cash equivalents of \$405,818 and \$363,829 are restricted for EDC Debt Service Reserve and EDC Debt Service fund, respectively. In addition, the EDC Debt Service fund reported \$22,826 in restricted investments.

The annual debt service requirements to maturity for bonds are as follows:

Year Ending September 30,	General Obligation Bonds		Tax Anticipation Notes		Venue Tax Revenue Bonds		Total		Principal & Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2019	480,000	168,775	955,000	124,425	185,000	321,138	1,620,000	614,338	2,234,338
2020	500,000	152,225	980,000	100,850	190,000	317,438	1,670,000	570,513	2,240,513
2021	510,000	135,150	1,010,000	71,525	195,000	313,638	1,715,000	520,313	2,235,313
2022	525,000	118,650	1,050,000	36,075	200,000	309,738	1,775,000	464,463	2,239,463
2023	545,000	102,338	600,000	9,000	205,000	303,738	1,350,000	415,076	1,765,076
2024-2028	1,870,000	300,450	-	-	1,115,000	1,422,990	2,985,000	1,723,440	4,708,440
2029-2033	825,000	50,300	-	-	1,325,000	1,206,940	2,150,000	1,257,240	3,407,240
2034-2038	-	-	-	-	1,630,000	911,339	1,630,000	911,339	2,541,339
2039-2043	-	-	-	-	1,995,000	543,575	1,995,000	543,575	2,538,575
2044-2047	-	-	-	-	1,860,000	165,725	1,860,000	165,725	2,025,725
	\$ 5,255,000	\$ 1,027,888	\$ 4,595,000	\$ 341,875	\$ 8,900,000	\$ 5,816,259	\$ 18,750,000	\$ 7,186,022	\$ 25,936,022

NOTE 10: LONG-TERM DEBT (Continued)

Component Unit

1. Revenue Bonds

	Beginning Balance October 01, 2017	Additions	Reductions	Ending Balance September 30, 2018	Due In One Year
2016 Series, Sales Tax Revenue Refunding Bond	\$ 3,440,000	\$ -	\$ (30,000)	\$ 3,410,000	\$ 310,000
2007 Series, Sales Tax Bond	265,000	-	(265,000)	-	-
Total Revenue Bond	\$ 3,705,000	\$ -	\$ (295,000)	\$ 3,410,000	\$ 310,000

The annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending	2016 Revenue Bonds		Total
	Principal	Interest	Principal & Interest
September 30,			
2019	310,000	83,750	393,750
2020	310,000	77,550	387,550
2021	320,000	71,250	391,250
2022	320,000	64,850	384,850
2023	335,000	58,300	393,300
2024-2028	1,815,000	155,725	1,970,725
	\$ 3,410,000	\$ 511,425	\$ 3,921,425

Primary Government

On April 20, 2005, the City issued 2005 Series General Obligation Bonds in order to construct and equip a new City Hall Complex, related parking and to pay costs of issuance. The bonds are collateralized by the levy and collection of ad valorem taxes and will be repaid over 20 years beginning in 2006. The bonds carry interest rates ranging from 3.5% to 4.625% with interest payment dates of March 1 and September 1.

During June 2011, the City issued Series 2011 General Obligation Bonds to construct and equip a new fire station. The bonds are collateralized by the full faith and credit of the government and will be repaid over the next 20 years. Principal is due annually, and interest payments at the rate of 3.00 – 4.00% are due March 1 and September 1.

In July 2015, the City issued Series 2015 Tax Anticipation Notes in the amount of \$2,905,000 to provide resources for the rebuilding and improvement of Gulf Boulevard. The tax notes were issued at a premium of \$202,263 and the cost of issuance was \$103,079. Principal payments are due annually starting in March of 2016. Interest is due in March and September annually until maturity on March 1, 2022.

During April of 2016, the City issued Series 2016 Tax Notes for \$3,890,000 primarily, but not limited, to finance the cost of improvements on Padre Boulevard. The tax notes are collateralized by the pledged tax revenues of the City and will be repaid over the next 7 years with final maturity in fiscal year end 2023. Principal is due annually, and interest payments at the rate of 2% - 3% are due on February 15 and August 15 of each fiscal year.

NOTE 10: LONG-TERM DEBT (Continued)

During June 2017, the City issued Series 2017 Venue Hotel Occupancy Tax Revenue Bonds primarily to finance the cost of future infrastructure of the City approved at the election held on November 8, 2016. The bonds are collateralized by the pledged venue hotel occupancy tax revenues of the City and will be repaid over the next 30 years with final maturity in fiscal year 2047. Principal is due annually, and interest payments at the rate of 2%-4% are due on February 1 and August 1 of each fiscal year.

Advance Refundings

In August 2012, the City issued Series 2012 General Obligation Refunding bonds in the amount of \$3,165,000 to provide resources to refund the majority of the City's 2005 Series General Obligation bonds and cover costs of issuance. As a result, \$2,985,000 of the Series 2005 bonds are considered to be defeased and the liability has been removed from the accounts of the City. The cost of issuance totaled \$103,287 on the Series 2012 bonds. Principal and interest payments are due annually on March 1 of each year until maturity on March 1, 2025.

The advance refunding was undertaken to reduce the City's interest payments. The advance refunding resulted in an economic gain (difference between the present value of the debt service payment of the refunded and refunding bonds) of \$201,901, and a gross savings of \$223,738. At September 30, 2017, the defeased portion of the 2005 Series General Obligation bonds had a balance of \$2,485,000.

The City does not have a legal debt limit mandated by law.

Capital Lease Obligations

In October 2010, the City entered into a lease-purchase agreement with Government Capital Corporation for the purchase of a Fire Ladder Truck. The lease was refinanced on November 16, 2016. Lease payments are due annually beginning November 16, 2017.

In September 2012, the City entered into a lease-purchase agreement with Motorola Solutions, Inc. for the purchase of a Police Radio and Communication System. Lease payments are due in seven annual installments beginning September of 2013.

In November of 2015, the City entered into a lease agreement with TYMCO, Inc. for the purchase of a Street Sweeper in the amount of \$144,335. Lease payments are due annually in October of each year beginning in October of 2015.

The following is a schedule of the future minimum lease payments under the capital lease together with the present value of the next minimum lease payments as of September 30, 2018:

Year ending September 30,	Fire Ladder Truck	Police Radio Equipment	TYMCO Street Sweeper	Total
2019	\$ 52,878	\$ 63,062	\$ 37,458	\$ 153,398
2020	52,878	63,062	-	115,940
2021	52,878	-	-	52,878
2022	52,878	-	-	52,878
Total minimum lease payment	211,512	126,124	37,458	375,094
Less the amount representing interest	(14,535)	(3,930)	(931)	(19,396)
Present value of net minimum lease payments	\$ 196,977	\$ 122,194	\$ 36,527	\$ 355,698

NOTE 10: LONG-TERM DEBT (Continued)

Changes in Long-term Liabilities for Governmental Activities

During the year ended September 30, 2018, the following changes occurred in liabilities reported as non-current liabilities.

	October 1, 2017	Additions	Reductions	September 30, 2018	Amount Due Within One Year
Compensated absences*	\$ 907,364	\$ 746,522	\$ (646,614)	\$ 1,007,272	\$ 523,773
Bonds payable	20,330,000	-	(1,580,000)	18,750,000	1,620,000
Premium on bond issuances	905,487	-	(82,133)	823,354	82,133
Capital leases	542,308	-	(186,610)	355,698	142,804
Net pension liability	2,943,869	-	(1,913,083)	1,030,786	-
Net OPEB liability	-	351,621	-	351,621	-
Total long-term debt	\$ 25,629,028	\$ 1,098,143	\$ (4,408,440)	\$ 22,318,731	\$ 2,368,710

**Compensated absences are generally liquidated by the fund in which the expenditure related to compensation is incurred.*

The City's other non-current liabilities including pension liabilities are liquidated in the fund where the liability was incurred. Thus, the most significant of these funds is the general fund which satisfies most liabilities for governmental activities.

Component Unit

During May 2016, the Economic Development Corporation ("EDC") issued Series 2016 Sales Tax Revenue Refunding Bonds in the amount of \$3,485,000 to provide resources to refund the majority of the EDC's 2007 Series Sales Tax Bonds and cover costs of issuance. As a result, \$3,440,000 of the Series 2007 bonds are considered to be defeased and the liability has been removed from the accounts of the EDC. The bonds were issued at a premium of \$225,384 and the cost of issuance totaled \$114,138. Principal is due annually on October 1 of each year until maturity on October 1, 2027. Interest is payable on April 1 and October 1 of each year until maturity at rates ranging from 2.00% - 4.00%. The bonds are secured by a lien and pledge of the sales tax revenues of the EDC.

During July 2007, the Economic Development Corporation ("EDC") issued Sales Tax Revenue Bond Series 2007 for the purpose of paying the costs of the acquisition and construction of land, buildings, equipment, facilities and improvements relating to a birding and nature center as a public facility, funding a debt service reserve fund and paying the costs of issuance. The bonds are collateralized and secured with a pledge of revenues derived from sales and use tax levied in the City of South Padre Island, as allocated to the EDC, and carry a term of 20 years, maturing September 30, 2028. The debt covenants require a debt service reserve fund sufficient to provide for the final principal and interest payment. The bonds carry an interest rate of 4.37% with interest payments due in March and September.

NOTE 10: LONG-TERM DEBT (Continued)

Changes in Long-term Liabilities for Component Units

	October 1, 2017	Additions	Reductions	September 30, 2018	Amount Due Within One Year
2007 Series, Sales Tax Bond	\$ 265,000	\$ -	\$ (265,000)	\$ -	\$ -
2016 Series, Sales Tax Revenue Refunding Bond	3,440,000	-	(30,000)	3,410,000	310,000
Premium on Bond Issuance	206,603	-	(18,782)	187,821	18,782
Net pension liability	23,466	-	(15,539)	7,927	-
Net OPEB liability	-	2,856	-	2,856	-
Total Long Term Debt	\$ 3,935,069	\$ 2,856	\$ (329,321)	\$ 3,608,604	\$ 328,782

NOTE 11: INTERFUND ASSETS/LIABILITIES

Due to/from other funds:

Payable Fund	Receivable Fund	
	General	Total Due From Other Funds
General Fund	\$ -	\$ -
Transporation Grant Fund	1,373,633	\$ 1,373,633
Padre Blvd Improvement Fund	719,467	\$ 719,467
Other Governmental Funds	-	-
Total due to other funds	\$ 2,093,100	\$ 2,093,100

The due to/from other funds primarily represent temporary short-term borrowings for working capital, which are intended to be satisfied soon after year end.

NOTE 12: TRANSFERS

Transfers are used to 1) provide unrestricted revenues collected in the general fund to finance various programs accounted for in other funds, and 2) move revenues from the fund that the budget requires to collect them to the fund that the budget requires to expend them.

Transfers out funds	Transfer In Funds				Total
	General Fund	Hotel Motel Fund	Transportation Grant Fund	Other Governmental Funds	
General	\$ -	\$ -	\$ 101,532	\$ 340,671	\$ 442,203
Other Governmental Funds	435,073	-	-	522,801	957,874
Total transfers	\$ 435,073	\$ -	\$ 101,532	\$ 863,472	\$ 1,400,077

NOTE 12: TRANSFERS (Continued)

Transfer between funds within the Component Units

Transfer Out Funds	Transfer In Funds	
	EDC Debt	Service Fund
Economic Development Corporation	\$	396,850

NOTE 13: COMMITMENTS AND CONTINGENT LIABILITIES

1. *Litigation*

The City is party to various legal proceedings generally incidental to its operations. Although the ultimate disposition of these proceedings are not presently determinable in the opinion of the City Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

2. *Grant Programs*

The City and component unit participate in a number of grant programs funded by State and Federal Agencies. These programs are subject to compliance audits by the grantor agencies or their representatives. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 14: RISK MANAGEMENT

The City is exposed to various uncertainties for losses related to intentional and unintentional torts; theft of, damage to and destruction of real and personal property; errors and omissions; catastrophes, medical and dental claims by employees; employee illnesses and injuries and pollution claims for which the City carries commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year. No negotiated settlements or jury awards have exceeded policy limits in any of the past three years. The City is a member of an intergovernmental risk pool. The risk pool is an interlocal non-assessable agency with present unreserved resources in excess of \$392,000,000 (as of September 30, 2018, the most recently audited financial statements completed for the risk pool). Reinsurance is provided by several A and A++ rated companies in amounts ranging from \$10,000,000 to \$100,000,000 depending on the type of insurance coverage. The City must promptly pay contributions to the risk pool as outlined by the coverage contracts, comply with underwriting standards and implement loss control recommendations deemed necessary by a risk pool representative due to an eminent high risk of loss situation. City management is not aware of any pending or alleged claims that could exceed the policy limits of the present insurance coverage.

NOTE 15: DEFINED BENEFIT PENSION PLANS

The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS and its Supplemental Death Benefits Fund; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P. O Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at www.TMRS.com.

A. Plan Description

The City of South Padre Island participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with TMRS act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the City and the EDC (component unit) as required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefits are calculated as if the sum of the employee's contributions, with interest, and the city-financing monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

NOTE 15: DEFINED BENEFIT PENSION PLANS (Continued)

B. Benefits Provided - continued

Employees covered by benefit terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	62
Inactive employees entitled to but not yet receiving benefits	89
Active employees	<u>171</u>
	322

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of South Padre Island were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of South Padre Island were 12.49% and 12.88% in calendar year 2017 and 2018, respectively. The City’s contributions to TMRS for the year ended September 30, 2018 were \$1,097,022, and were equal to the required contributions.

D. Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

NOTE 15: DEFINED BENEFIT PENSION PLANS (Continued)***Actuarial assumptions- continued***

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment of younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvement subject to the 3% floor.

The actuarial assumptions used in the December 31, 2017 valuation were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	4.15%
Real Return	10.0%	4.15%
Real Estate	10.0%	4.75%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	7.75%
Total	100.0%	

NOTE 15: DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Net Pension Liability

	City			EDC		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2016	\$ 31,455,209	\$ 28,511,340	\$ 2,943,869	\$ 250,903	\$ 227,437	\$ 23,466
Changes for the year:						
Service cost	1,489,634	-	1,489,634	12,100	-	12,100
Interest	2,133,501	-	2,133,501	17,330	-	17,330
Change in benefit terms	-	-	-	-	-	-
Difference between expected/actual experience	(4,377)	-	(4,377)	(36)	-	(36)
Changes of assumptions	-	-	-	-	-	-
Contributions - employer	-	1,026,795	(1,026,795)	-	8,340	(8,340)
Contributions - employee	-	575,466	(575,466)	-	4,674	(4,674)
Net investment income	-	3,951,093	(3,951,093)	-	32,094	(32,094)
Benefit payments, including refunds of employee contributions	(1,176,090)	(1,176,090)	-	(9,553)	(9,553)	-
Administrative expenses	-	(20,476)	20,476	-	(166)	166
Other charges	-	(1,037)	1,037	-	(9)	9
Net changes	2,442,668	4,355,751	(1,913,083)	19,841	35,380	(15,539)
Balance at December 31, 2017	\$ 33,897,877	\$ 32,867,091	\$ 1,030,786	\$ 270,744	\$ 262,817	\$ 7,927

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would have been if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 6,501,982	\$ 1,030,786	\$ (3,384,408)
EDC (component unit) net pension liability	52,814	7,927	(27,491)
City's net pension liability	\$ 6,554,796	\$ 1,038,713	\$ (3,411,899)

NOTE 15: DEFINED BENEFIT PENSION PLANS (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2018 the City and the EDC recognized combined pension expense in the amounts of \$1,101,711 and \$8,949, respectively. At September 30, 2018 the City and the EDC reported combined deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	City		EDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ 13,084	\$ 180,697	\$ 106	\$ 1,468
Changes in actuarial assumptions	64,869	-	528	-
Differences between projected and actual investment earnings (net of current year amortization)	-	865,110	-	7,027
Contributions subsequent to the measurement date	799,057	-	6,491	-
Total	\$ 877,010	\$1,045,807	\$ 7,125	\$ 8,495

The \$799,057 and \$6,491 in the City and EDC which are reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	City	EDC	Total
2019	\$ (43,233)	\$ (351)	\$ (43,584)
2020	(101,698)	(826)	(102,524)
2021	(418,682)	(3,401)	(422,083)
2022	(403,945)	(3,281)	(407,226)
2023	(296)	(2)	(298)
Thereafter	-	-	-

NOTE 16: OTHER POST EMPLOYMENT BENEFITS

Plan Description and Benefits

The City also participates in a single-employer, defined benefit group-term life insurance known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). This is a voluntary program in which the City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (“OPEB”) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

NOTE 16: OTHER POST EMPLOYMENT BENEFITS (Continued)

Employees covered by benefit terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	23
Active employees	<u>171</u>
	238

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees for the City of South Padre Island were required to contribute 0.03% of their annual gross earnings during the fiscal year. The contribution rates for the City of South Padre Island were 0.17% and 0.17% in calendar year 2017 and 2018, respectively. The City's contributions to the SDBF for the year ended September 30, 2018 were \$14,599, and were equal to the required contributions.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation date:	12/31/2017
Inflation	2.50%
Salary Increases	3.50% to 10.50%, including inflation
Discount rate*	3.31%
Retirees' share of benefit-related costs	\$-0-
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates- service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates- disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

*the discount rate was based on the Fidelity Index's "20-year Municipal GO AA Index" rate as of December 31, 2017.

NOTE 16: OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial assumptions- continued:

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period of December 31, 2010 to December 31, 2014.

Total OPEB Liability

The City's Total OPEB Liability was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

The following presents a summary of the changes in Total OPEB liability:

	City Increase (Decrease)	EDC Increase (Decrease)
	Total OPEB Liability (a)	Total OPEB Liability (a)
Balance at December 31, 2016	\$ 294,772	\$ 2,394
Changes for the year:		
Service cost	17,264	140
Interest	11,422	93
Change in benefit terms	-	-
Difference between expected/actual experience	-	-
Changes of assumptions	30,629	249
Contributions - employer	-	-
Contributions - employee	-	-
Net investment income	-	-
Benefit payments, including refunds of employee contributions	(2,466)	(20)
Administrative expenses	-	-
Other charges	-	-
Net changes	56,849	462
Balance at December 31, 2017	\$ 351,621	\$ 2,856

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.31%, as well as what the City's total OPEB liability would have been if it were calculated using a discount rate that is 1 percentage point lower (2.31%) or 1 percentage point higher (4.31%) than the current rate.

	1% Decrease in Discount Rate (2.31%)	Discount Rate (3.31%)	1% Increase in Discount Rate (4.31%)
City's total OPEB liability	\$ 431,736	\$ 351,621	\$ 290,390
EDC (component unit) total OPEB liability	3,507	2,856	2,359
City's total OPEB liability	\$ 435,243	\$ 354,477	\$ 292,749

NOTE 16: OTHER POST EMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources Related to OPEBs

For the year ended September 30, 2018 the City and the EDC recognized combined OPEB expense in the amounts of \$32,946 and \$268, respectively. At September 30, 2018 the City and the EDC reported combined deferred outflows of related to OPEB from the following sources:

	City	EDC
	Deferred Outflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ -	\$ -
Changes in actuarial assumptions	26,369	214
Contributions subsequent to the measurement date	10,546	86
Total	\$ 36,915	\$ 300

The \$10,546 and \$86 in the City and EDC which are reported as deferred outflows of resources related to OPEBs resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	City	EDC	Total
2019	\$ 4,260	\$ 35	\$ 4,295
2020	4,260	35	4,295
2021	4,260	35	4,295
2022	4,260	35	4,295
2023	4,260	35	4,295
Thereafter	5,067	41	5,108

NOTE 17: GASB STATEMENT NO. 54 FUND BALANCE REPORTING

Nonspendable – These funds were used for prepaid items.

Restricted – External parties have restricted these funds to be used for their intended purpose.

Unassigned – The unassigned fund balance has no constraints.

	General Fund	Hotel Motel Fund	Transportation Grant Fund	Venue Tax Construction Fund	Padre Blvd. Improvement Fund	Other Governmental Funds	Total Government Funds
Fund balance (deficit)							
Non-spendable							
Prepaid	\$ 65,310	\$ 5,942	\$ 4,503	\$ -	\$ -	\$ 33,518	\$ 109,273
Restricted							
Debt service	-	-	-	-	-	1,068,295	1,068,295
Capital projects	-	-	-	8,946,229	1,133,131	418,858	10,498,218
Beach nourishment	-	-	-	-	-	2,719,847	2,719,847
Transportation	-	-	80,739	-	-	-	80,739
Beach maintenance	-	-	-	-	-	2,608,336	2,608,336
Municipal court	-	-	-	-	-	74,372	74,372
Criminal justice	19,450	-	-	-	-	-	19,450
Venue project	-	-	-	-	-	2,626,997	2,626,997
Parks and recreation	-	-	-	-	-	27,935	27,935
Hotel/Motel tax	-	4,274,596	-	-	-	3,431,723	7,706,319
Unassigned	7,547,484	-	-	-	-	-	7,547,484
	\$7,632,244	\$ 4,280,538	\$ 85,242	\$ 8,946,229	\$ 1,133,131	\$ 13,009,881	\$35,087,265

NOTE 18: NET POSITION

Net position is composed of three categories: Net Investment in Capital Assets, Restricted and Unrestricted.

	Governmental Activities	Component Units
Net investment in capital assets:		
Capital assets, net of accumulated depreciation	\$ 34,582,759	\$ 6,072,202
Deferred outflows of resources - deferred amount on refunding	163,494	163,590
Less related liabilities (bonds, net of premium, and capital leases)	(19,929,052)	(3,597,821)
Restricted cash (unexpended bond proceeds)	10,798,827	-
Net investment in capital assets- total	25,616,028	2,637,971
Restricted net position consists of the following:		
Restricted for debt service	1,104,146	792,473
Restricted for capital projects	418,858	-
Restricted for beach nourishment	2,719,847	-
Restricted for transportation	80,739	-
Restricted for beach maintenance	2,608,336	-
Restricted for municipal court	74,372	-
Restricted for criminal justice	19,450	-
Restricted for venue project	2,626,997	-
Restricted for parks and recreation	27,935	-
Restricted for hotel/motel taxes	7,706,319	-
Restricted net position- total	17,386,999	792,473
Unrestricted net position	4,958,764	884,495
Total net position	\$ 47,961,791	\$ 4,314,939

NOTE 19: PRIOR PERIOD ADJUSTMENT

During fiscal year 2018, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. With GASB 75, the City must report their total OPEB liability under the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). The prior period adjustment totaled \$(284,735) and \$(2,313) for governmental activities and the aggregate discretely presented component unit, respectively. The prior period adjustment resulted in a restated beginning net position balance of \$42,630,457 and \$4,198,407 for governmental activities and the aggregate discretely presented component unit, respectively.

Draft for Discussion



**REQUIRED
SUPPLEMENTARY
INFORMATION**

City of South Padre Island, Texas
General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual

For the Year Ended September 30, 2018

	Budget		Actual	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property taxes - including penalty and interest	\$ 6,308,696	\$ 6,308,696	\$ 6,169,298	\$ (139,398)
Nonproperty taxes	3,606,828	3,606,828	3,781,034	174,206
Fees and services	945,243	1,297,521	1,458,098	160,577
Fines and forfeitures	450,000	450,000	449,740	(260)
Licenses and permits	175,250	175,250	214,353	39,103
Intergovernmental	57,625	315,474	285,694	(29,780)
Miscellaneous and program revenues	74,000	87,347	219,023	131,676
Total revenues	11,617,642	12,241,116	12,577,240	336,124
EXPENDITURES				
Current				
General government				
City council	20,000	20,000	10,239	9,761
City administration	611,572	632,673	622,282	10,391
Finance	427,693	430,193	423,637	6,556
Planning	173,046	173,046	157,219	15,827
Human Resources	301,382	303,382	267,665	35,717
Information services	506,154	536,185	522,186	13,999
Environmental health services	447,168	447,168	426,391	20,777
General services	892,381	892,381	846,414	45,967
Special projects	76,000	379,763	283,334	96,429
Total general government	3,455,396	3,814,791	3,559,367	255,424
Public safety				
Municipal court	219,380	219,380	178,583	40,797
Police	2,940,245	3,282,049	3,019,965	262,084
Fire	2,299,421	2,414,554	2,389,630	24,924
Emergency management	16,370	16,370	14,335	2,035
Total public safety	5,475,416	5,932,353	5,602,513	329,840
Public works				
Building maintenance	155,140	155,140	143,449	11,691
Inspections	192,383	192,383	191,852	531
Fleet Management	479,827	476,827	463,829	12,998
Public works	1,205,829	1,228,700	1,197,265	31,435
Total public works	2,033,179	2,053,050	1,996,395	56,655
Capital outlay	129,400	1,095,059	957,964	137,095
Debt service				
Principal retirement - capital lease	180,193	180,193	179,108	1,085
Interest and fees	20,000	45,419	45,041	378
Total debt service	200,193	225,612	224,149	1,463
Total expenditures	11,293,584	13,120,865	12,340,388	780,477

City of South Padre Island, Texas
General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual- Continued

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Sale of fixed asset	\$ -	\$ -	\$ 26,566	\$ 26,566
Transfers in	123,643	343,143	435,073	91,930
Transfers out	(442,854)	(440,354)	(442,203)	1,849
Total other financing sources (uses)	(319,211)	(97,211)	19,436	116,647
NET CHANGE IN FUND BALANCE	\$ 4,847	\$ (976,960)	256,288	\$ 1,233,248
Fund balance -- beginning			7,375,956	
Fund balance -- ending			\$ 7,632,244	

City of South Padre Island, Texas
Hotel/Motel Tax Fund Schedule of Revenues, Expenditures, and Changes in Fund
Balance- Budget and Actual

For the Year Ended September 30, 2018

	Budget		Actual	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Nonproperty taxes	\$ 5,889,329	\$ 5,889,329	\$ 6,514,631	\$ 625,302
Fees and services	7,000	7,000	8,525	1,525
Miscellaneous and program revenues	65,000	89,750	96,080	6,330
Total revenues	5,961,329	5,986,079	6,619,236	633,157
EXPENDITURES				
Current				
Convention and visitors bureau				
Visitors bureau	238,040	242,577	214,373	28,204
Sales and marketing	1,778,492	1,882,634	1,687,222	195,412
Events marketing	861,519	1,271,834	1,175,894	95,940
Marketing	2,990,000	3,911,000	3,891,831	19,169
Total convention and visitors bureau	5,868,051	7,308,045	6,969,320	338,725
Capital outlay	-	47,350	22,350	25,000
Total expenditures	5,868,051	7,355,395	6,991,670	363,725
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	93,278	(1,369,316)	(372,434)	996,882
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 93,278	\$(1,369,316)	(372,434)	\$ 996,882
Fund balance -- beginning			4,652,972	
Fund balance -- ending			\$ 4,280,538	

City of South Padre Island, Texas
Transportation Grant Fund Schedule of Revenues, Expenditures, and Changes in
Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 5,130,912	\$ 6,155,431	\$ 3,104,782	\$ (3,050,649)
Miscellaneous and program revenues	50,000	50,000	38,589	(11,411)
Total revenues	5,180,912	6,205,431	3,143,371	(3,062,060)
EXPENDITURES				
Current				
Transportation				
SPI metro	1,336,967	1,463,967	1,201,806	262,161
Metro connect	446,128	446,128	418,948	27,180
Total transportation	1,783,095	1,910,095	1,620,754	289,341
Capital outlay	3,500,000	4,472,519	1,734,475	2,738,044
Total expenditures	5,283,095	6,382,614	3,355,229	3,027,385
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(102,183)	(177,183)	(211,858)	(34,675)
OTHER FINANCING SOURCES (USES)				
Transfers in	102,183	99,683	101,532	1,849
Sale of capital asset	-	-	14,190	14,190
Total other financing sources (uses)	102,183	99,683	115,722	16,039
NET CHANGE IN FUND BALANCE	\$ -	\$ (77,500)	(96,136)	\$ (18,636)
Fund balance -- beginning			181,378	
Fund balance -- ending			\$ 85,242	

City of South Padre Island, Texas
Schedule of Changes in Net Pension Liability and Related Ratios
For Agent Multiple Employer Pension Plan
Texas Municipal Retirement System

For the Years Ended September 30,

	2018	2017	2016	2015
Total Pension Liability				
Service cost	\$ 1,501,734	\$ 1,362,970	\$ 1,328,713	\$ 1,221,450
Interest (on the total pension liability)	2,150,831	1,991,081	1,904,228	1,754,638
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(4,413)	20,476	(254,650)	(172,667)
Changes of assumptions	-	-	136,482	-
Benefit payments, including refunds of employee contributions	(1,185,643)	(968,845)	(706,482)	(733,635)
Net change in total pension liability	2,462,509	2,405,682	2,408,291	2,069,786
Total pension liability – beginning	31,706,112	29,300,430	26,892,139	24,822,353
Total pension liability – ending (a)	\$ 34,168,621	\$ 31,706,112	\$ 29,300,430	\$ 26,892,139
Plan Fiduciary Net Position				
Contributions – employer	\$ 1,035,135	\$ 950,341	\$ 941,947	\$ 920,340
Contributions – employee	580,140	533,900	521,648	516,630
Net investment income	3,983,187	1,788,988	37,906	1,352,871
Benefit payments, including refunds of employee contributions	(1,185,643)	(968,845)	(706,482)	(733,635)
Administrative expense	(20,642)	(20,192)	(23,085)	(14,122)
Other	(1,046)	(1,088)	(1,140)	(1,161)
Net change in plan fiduciary net position	4,391,131	2,283,104	770,794	2,040,923
Plan fiduciary net position – beginning	28,738,777	26,455,673	25,684,879	23,643,956
Plan fiduciary net position – ending (b)	33,129,908	28,738,777	26,455,673	25,684,879
Net pension liability – ending (a) – (b)	\$ 1,038,713	\$ 2,967,335	\$ 2,844,757	\$ 1,207,260
Plan fiduciary net position as a percentage of total pension liability	96.96%	90.64%	90.29%	95.51%
Covered employee payroll	\$ 8,287,714	\$ 7,627,140	\$ 7,452,122	\$ 7,380,428
Net pension liability as a percentage of covered employee payroll	12.53%	38.90%	38.17%	16.36%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

City of South Padre Island, Texas
Schedule of Contributions
For Agent Multiple Employer Pension Plan
Texas Municipal Retirement System

For the Years Ended September 30,

	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,097,022	\$ 1,009,664	\$ 952,539	\$ 926,892
Contributions in relation to actuarially determined contribution	(1,097,022)	(1,009,664)	(952,539)	(926,892)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 8,587,911	\$ 7,980,143	\$ 7,614,798	\$ 7,359,671
Contributions as a percentage of covered employee payroll	12.77%	12.65%	12.51%	12.59%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

City of South Padre Island, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios
Texas Municipal Retirement System

For the Year ended September 30,

	2018
Total OPEB Liability	
Service cost	\$ 17,404
Interest (on the total OPEB liability)	11,515
Changes of benefit terms	-
Difference between expected and actual experience	-
Change of assumptions	30,878
Benefit payments, including refunds of employee contributions	(2,486)
Net Change in Total OPEB Liability	57,311
Total OPEB Liability - Beginning	297,166
Total OPEB Liability - Ending (a)	\$ 354,477
 Covered Payroll	 \$ 8,287,714
 Total OPEB Liability as a Percentage of Covered Payroll	 4.28%

Notes to Schedule:

- (1) Schedule is intended to show 10 years. Additional years will be presented as the information becomes available.
- (2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.
- (3) Due to the SDBF being considered an unfunded OPEB plan under GASB Statement No. 75, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

City of South Padre Island, Texas
Notes to Schedule of Contributions
For Agent Multiple Employer Pension Plan
Texas Municipal Retirement System
For the Year Ended September 30, 2018

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	28 Years
Asset Valuation Method	10 Year Smoothed Market; 15% Soft Corridor
Inflation	2.5%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience – based table based on rates that are specific to the City’s plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 – 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information: There were no benefit changes during the year.

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

Stewardship, compliance, and accountability

1. Budgetary information

The Board adopts an “appropriated budget” on a basis consistent with GAAP for the general fund, certain special revenue funds and the debt service fund. The City is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for the general fund and major special revenue funds at the functional level of detail, as included herein.

In establishing budgetary data reflected in the financial statements, the City follows these procedures:

- a. The City Manager establishes the amount of estimated revenues and other resources available for appropriation for the succeeding budget year.
- b. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures by fund, function and activity and the means of financing them.
- c. Public hearings and workshops (including department heads) are conducted at the City Hall to obtain taxpayer and elected officials’ comments.
- d. Prior to October 1, the budget is legally adopted by the City Council.
- e. Revisions that alter budgets at the department level within a fund must be approved by the City Council. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types reflect these revisions. Actual expenditures and operating transfers may not legally exceed budget appropriations at the individual fund level.
- f. Formal budgetary integration is employed as a management control device during the year for the General, certain Special Revenue and Debt Service Funds.
- g. Annual appropriated budgets are adopted for the General, certain Special Revenue and Debt Service Funds. All annual appropriations lapse at year-end to the extent they have not been expended or encumbered.

Before October 1, the proposed budget is presented to the City Council for review. The City Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the City Council.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, several supplementary appropriations were necessary.

2. Expenditures over Appropriations

None noted.

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**OTHER SUPPLEMENTARY
INFORMATION**

Special revenue fund: **Venue Project Fund** was established to account for monies collected assessment of hotel/motel tax collected by the City for repayment of venue project. An appropriated budget is not adopted for this fund.

Special revenue fund: **Municipal Court Technology Fund** was established to account for monies collected on traffic fines. \$4.00 is collected on each ticket and is used specifically for technology improvements in the Municipal Court.

Special revenue fund: **Municipal Court Security Fund** was established to account for monies collected on traffic fines. \$3.00 is collected on each ticket and is used specifically for security needs in the Municipal Court.

Special revenue fund: **Convention Center Fund** is used to account for the portion of local occupancy tax collections used for Convention Centre operations.

Special revenue fund: **Criminal Justice Fund** is used to account for miscellaneous grant revenues that are received. An appropriated budget is not adopted for this fund.

Special revenue fund: **Parks and Recreation Fund** was established to account for funds set aside for upgrades to City parks.

Special revenue fund: **Tax Increment Reinvestment Zone (TIRZ)** fund was established by City Council to finance the cost of redevelopment and encourage development in an area that would otherwise not attract sufficient market development.

Special Revenue fund: **Beach Maintenance Fund** is used to clean and maintain the beach. The State of Texas sends the City 2% of the hotel/motel tax collected by the State for these efforts.

Special revenue fund: **Beach Nourishment Fund** was established to account for nourishment efforts on the beach and is primarily funded by Hotel Motel tax revenue.

Capital project fund: **Street Improvement Fund** is used to account for improvements on the streets of the City.

Capital project fund: **Capital Replacement Fund** was established to account for capital acquisitions needed which include fleet for police, fire, and public works.

Capital Project Fund: **Gulf Boulevard Rebuild Fund** is used to account for bond proceeds received and expenditures associated with rebuilding and expansion of Gulf Boulevard. An appropriated budget is not adopted for this fund.

Capital project fund: **Beach Access Fund** is used to account for projects to improve access to the beaches of the City.

Capital project fund: **Bay Access Fund** was established to account for projects to improve access to the Laguna Madre Bay.

The **Debt Service Fund** is used to account for the accumulation of resources for the payment of long-term debt principal and interest and related costs. An ad valorem tax rate and tax levy is required to be computed and levied, which will be sufficient to produce the money required to pay principal and interest as it comes due. A transfer from the Convention Centre fund is also made to support the debt for the Convention Centre.

City of South Padre Island, Texas
 Non-Major Governmental Funds
 Combining Balance Sheets

September 30, 2018

	Special Revenue Funds							
	Convention Center Fund	Venue Project Fund	Municipal Court Technology Fund	Municipal Court Security Fund	Criminal Justice Grant	Parks and Recreation Fund	TIRZ Fund	Beach Maintenance Fund
ASSETS								
Cash and cash equivalents	\$ 3,388,678	\$ 2,503,490	\$ 20,277	\$ 54,095	\$ -	\$ 27,935	\$ 142,897	\$ 558,080
Cash and cash equivalents- Restricted	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	1,004,472
Receivables (net of allowance)	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-
Accounts	104,855	123,507	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	1,045,784
Prepaid items	30,617	-	-	-	-	-	-	2,901
TOTAL ASSETS	\$ 3,524,150	\$ 2,626,997	\$ 20,277	\$ 54,095	\$ -	\$ 27,935	\$ 142,897	\$ 2,611,237
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenues	61,810	-	-	-	-	-	-	-
TOTAL LIABILITIES	61,810	-	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-
FUND BALANCE								
Nonspendable	30,617	-	-	-	-	-	-	2,901
Restricted	3,431,723	2,626,997	20,277	54,095	-	27,935	142,897	2,608,336
TOTAL FUND BALANCE	3,462,340	2,626,997	20,277	54,095	-	27,935	142,897	2,611,237
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 3,524,150	\$ 2,626,997	\$ 20,277	\$ 54,095	\$ -	\$ 27,935	\$ 142,897	\$ 2,611,237

Draft for Discussion

Capital Projects Funds							Total Non Major Governmental Funds	
Beach Nourishment Fund	Street Improvement Fund	Gulf Boulevard Rebuild Fund	Capital Replacement Fund	Beach Access Fund	Bay Access Fund	Total	Debt Service	Total Non Major Governmental Funds
\$ 1,682,484	\$ 13,348	\$ -	\$ 42,383	\$ 178,840	\$ 41,390	\$ 8,653,897	\$ 413,656	\$ 9,067,553
-	-	-	-	-	-	-	646,633	646,633
1,006,568	-	-	-	-	-	2,011,040	-	2,011,040
-	-	-	-	-	-	-	41,655	41,655
30,795	-	-	-	-	-	259,157	2,202	261,359
-	-	-	-	-	-	1,045,784	-	1,045,784
-	-	-	-	-	-	33,518	-	33,518
<u>\$ 2,719,847</u>	<u>\$ 13,348</u>	<u>\$ -</u>	<u>\$ 42,383</u>	<u>\$ 178,840</u>	<u>\$ 41,390</u>	<u>\$ 12,003,396</u>	<u>\$ 1,104,146</u>	<u>\$ 13,107,542</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	61,810	-	61,810
-	-	-	-	-	-	61,810	-	61,810
-	-	-	-	-	-	-	35,851	35,851
-	-	-	-	-	-	-	35,851	35,851
-	-	-	-	-	-	33,518	-	33,518
2,719,847	13,348	-	42,383	178,840	41,390	11,908,068	1,068,295	12,976,363
<u>2,719,847</u>	<u>13,348</u>	<u>-</u>	<u>42,383</u>	<u>178,840</u>	<u>41,390</u>	<u>11,941,586</u>	<u>1,068,295</u>	<u>13,009,881</u>
<u>\$ 2,719,847</u>	<u>\$ 13,348</u>	<u>\$ -</u>	<u>\$ 42,383</u>	<u>\$ 178,840</u>	<u>\$ 41,390</u>	<u>\$ 12,003,396</u>	<u>\$ 1,104,146</u>	<u>\$ 13,107,542</u>

City of South Padre Island, Texas
 Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended September 30, 2018

	Special Revenue Funds							
	Convention Center Fund	Venue Project Fund	Municipal Court Technology Fund	Municipal Court Security Fund	Criminal Justice Grant	Parks and Recreation Fund	TIRZ Fund	Beach Maintenance Fund
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,036	\$ -
Nonproperty taxes	1,759,401	2,065,992	-	-	-	-	-	2,102,221
Fees and services	303,919	-	-	-	-	4,025	-	-
Fines and forfeitures	-	-	8,915	6,686	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	377,472
Miscellaneous	40,917	20,209	275	691	-	3,250	1,737	25,037
Total revenues	2,104,237	2,086,201	9,190	7,377	-	7,275	73,773	2,504,730
Expenditures								
Current								
General government	-	2,280	-	-	-	-	1,000	82,097
Public safety	-	-	9,365	2,109	-	-	-	393,738
Public works	-	-	-	-	-	-	-	-
Shoreline	-	-	-	-	-	-	-	808,488
Community service	-	-	-	-	-	73,096	-	-
Convention and visitors bureau	1,217,126	-	-	-	-	-	-	-
Capital outlay	183,969	-	-	-	-	-	-	168,103
Debt service								
Principal - bonds	-	-	-	-	-	-	-	-
Principal - capital lease	4,176	-	-	-	-	-	-	3,326
Interest	348	-	-	-	-	-	-	330
Administrative charges	1,634	-	-	-	-	-	-	1,893
Total expenditures	1,407,253	2,280	9,365	2,109	-	73,096	1,000	1,457,975
EXCESS (DEFICIENCY) REVENUES OVER (UNDER) EXPENDITURES								
	696,984	2,083,921	(175)	5,268	-	(65,821)	72,773	1,046,755
Other financing sources (uses)								
Sale of capital assets	400	-	-	-	-	-	-	3,469
Transfers in	-	-	-	-	-	85,671	-	-
Transfers (out)	-	(437,004)	-	-	(3,644)	-	(50,000)	(247,726)
Total other financing sources (uses)	400	(437,004)	-	-	(3,644)	85,671	(50,000)	(244,257)
NET CHANGE IN FUND BALANCES	697,384	1,646,917	(175)	5,268	(3,644)	19,850	22,773	802,498
Fund balance, beginning of year	2,764,956	980,080	20,452	48,827	3,644	8,085	120,124	1,808,739
Fund balance, end of year	\$ 3,462,340	\$ 2,626,997	\$ 20,277	\$ 54,095	\$ -	\$ 27,935	\$ 142,897	\$ 2,611,237

Draft for Discussion

Beach Nourishment Fund	Street Improvement Fund	Gulf Boulevard Rebuild Fund	Capital Replacement Fund	Beach Access Fund	Bay Access Fund	Total	Debt Service	Total Non Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,036	\$ 1,637,312	\$ 1,709,348
517,095	-	-	-	-	-	6,444,709	-	6,444,709
-	-	-	-	-	-	307,944	-	307,944
-	-	-	-	-	-	15,601	-	15,601
-	-	-	-	-	-	377,472	-	377,472
35,903	1,028	-	-	3,319	745	133,111	20,811	153,922
552,998	1,028	-	-	3,319	745	7,350,873	1,658,123	9,008,996
-	-	-	23,939	-	-	109,316	-	109,316
-	-	-	-	-	-	405,212	-	405,212
-	-	-	-	-	-	-	-	-
126,063	-	-	-	4,658	35,559	974,768	-	974,768
-	-	-	-	-	-	73,096	-	73,096
-	-	-	-	-	-	1,217,126	-	1,217,126
-	-	12,661	212,809	489,948	-	1,067,490	-	1,067,490
-	-	-	-	-	-	-	1,580,000	1,580,000
-	-	-	-	-	-	7,502	-	7,502
-	-	-	-	-	-	678	656,038	656,716
-	-	-	-	-	-	3,527	3,500	7,027
126,063	-	12,661	236,748	494,606	35,559	3,858,715	2,239,538	6,098,253
426,935	1,028	(12,661)	(236,748)	(491,287)	(34,814)	3,492,158	(581,415)	2,910,743
-	-	-	-	-	-	3,869	-	3,869
-	-	-	255,000	-	35,797	376,468	487,004	863,472
-	(219,500)	-	-	-	-	(957,874)	-	(957,874)
-	(219,500)	-	255,000	-	35,797	(577,537)	487,004	(90,533)
426,935	(218,472)	(12,661)	18,252	(491,287)	983	2,914,621	(94,411)	2,820,210
2,292,912	231,820	12,661	24,131	670,127	40,407	9,026,965	1,162,706	10,189,671
\$ 2,719,847	\$ 13,348	\$ -	\$ 42,383	\$ 178,840	\$ 41,390	\$ 11,941,586	\$ 1,068,295	\$ 13,009,881

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,556,201	\$ 1,556,200	\$ 1,637,312	\$ 81,112
Miscellaneous and program revenues	-	-	20,811	20,811
Total revenues	1,556,201	1,556,200	1,658,123	101,923
EXPENDITURES				
Debt service				
Principal retirement	1,580,000	1,580,000	1,580,000	-
Interest	656,039	656,038	656,038	-
Administrative charges	3,000	3,000	3,500	(500)
Total expenditures	2,239,039	2,239,038	2,239,538	(500)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(682,838)	(682,838)	(581,415)	101,423
OTHER FINANCING SOURCES (USES)				
Transfers in	559,838	559,838	487,004	(72,834)
NET CHANGE IN FUND BALANCE	\$ (123,000)	\$ (123,000)	(94,411)	\$ 28,589
Fund balance -- beginning			1,162,706	
Fund balance -- ending			\$ 1,068,295	

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Nonproperty taxes	\$ 1,611,147	\$ 1,611,147	\$ 1,759,401	\$ 148,254
Fees and services	235,000	235,000	303,919	68,919
Miscellaneous and program revenues	-	-	40,917	40,917
Total revenues	1,846,147	1,846,147	2,104,237	258,090
EXPENDITURES				
Current				
Convention and visitors bureau	1,361,079	1,372,868	1,217,126	155,742
Total convention and visitors bureau	1,361,079	1,372,868	1,217,126	155,742
Capital outlay	219,420	219,420	183,969	35,451
Debt service				
Principal- capital lease	3,639	3,639	4,176	(537)
Interest	348	347	348	(1)
Administrative charges	94	1,728	1,634	94
Total expenditures	1,584,580	1,598,002	1,407,253	190,749
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	261,567	248,145	696,984	448,839
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	400	400
NET CHANGE IN FUND BALANCE	\$ 261,567	\$ 248,145	697,384	\$ 449,239
Fund balance -- beginning			2,764,956	
Fund balance -- ending			\$ 3,462,340	

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Budget			Variance
	Original	Final	Actual	Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 8,915	\$ (1,085)
Miscellaneous and program revenues	-	-	275	275
Total revenues	10,000	10,000	9,190	(810)
EXPENDITURES				
Current				
Public safety	9,993	9,993	9,365	628
Total expenditures	9,993	9,993	9,365	628
NET CHANGE IN FUND BALANCE	\$ 7	\$ 7	(175)	\$ (182)
Fund balance -- beginning			20,452	
Fund balance -- ending			\$ 20,277	

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$ 7,000	\$ 7,000	\$ 6,686	\$ (314)
Miscellaneous and program revenues	-	-	691	691
Total revenues	7,000	7,000	7,377	377
EXPENDITURES				
Current				
Public safety	6,348	6,348	2,109	4,239
Total expenditures	6,348	6,348	2,109	4,239
NET CHANGE IN FUND BALANCE	\$ 652	\$ 652	5,268	\$ 4,616
Fund balance -- beginning			48,827	
Fund balance -- ending			\$ 54,095	

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Fees & Services	\$ 2,000	\$ 2,000	\$ 4,025	\$ 2,025
Miscellaneous and program revenues	3,500	3,500	3,250	(250)
Total revenues	5,500	5,500	7,275	1,775
EXPENDITURES				
Current				
Community service	88,771	88,771	73,096	15,675
Total expenditures	88,771	88,771	73,096	15,675
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(83,271)	(83,271)	(65,821)	17,450
OTHER FINANCING SOURCES (USES)				
Transfers in	85,671	85,671	85,671	-
NET CHANGE IN FUND BALANCE	\$ 2,400	\$ 2,400	19,850	\$ 17,450
Fund balance -- beginning			8,085	
Fund balance -- ending			\$ 27,935	

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 70,871	\$ 70,871	\$ 72,036	\$ 1,165
Miscellaneous and program revenues	-	-	1,737	1,737
Total revenues	70,871	70,871	73,773	2,902
EXPENDITURES				
Current				
General government	3,000	3,000	1,000	2,000
Total expenditures	3,000	3,000	1,000	2,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	67,871	67,871	72,773	4,902
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(50,000)	(50,000)	(50,000)	-
NET CHANGE IN FUND BALANCE	\$ 17,871	\$ 17,871	22,773	\$ 4,902
Fund balance -- beginning			120,124	
Fund balance -- ending			\$ 142,897	

City of South Padre Island, Texas
 Beach Maintenance Fund
 Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Nonproperty taxes	\$ 1,875,119	\$ 1,875,119	\$ 2,102,221	\$ 227,102
Intergovernmental	-	-	377,472	377,472
Miscellaneous and program revenues	-	-	25,037	25,037
Total revenues	1,875,119	1,875,119	2,504,730	629,611
EXPENDITURES				
Current				
General government	104,127	104,127	82,097	22,030
Public safety	394,741	394,741	393,738	1,003
Shoreline	800,420	886,642	808,488	78,154
Capital outlay	80,000	191,808	168,103	23,705
Debt service				
Principal- capital lease	3,501	3,501	3,326	175
Interest	330	330	330	-
Administrative charges	90	1,893	1,893	-
Total expenditures	1,383,209	1,583,042	1,457,975	125,067
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	491,910	292,077	1,046,755	754,678
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	3,469	3,469
Transfers (out)	(155,797)	(155,797)	(247,726)	(91,929)
Total other financing sources (uses)	(155,797)	(155,797)	(244,257)	(88,460)
NET CHANGE IN FUND BALANCE	\$ 336,113	\$ 136,280	802,498	\$ 666,218
Fund balance -- beginning			1,808,739	
Fund balance -- ending			\$ 2,611,237	

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Nonproperty taxes	\$ 468,780	\$ 468,780	\$ 517,095	\$ 48,315
Miscellaneous and program revenues	-	-	35,903	35,903
Total revenues	468,780	468,780	552,998	84,218
EXPENDITURES				
Current				
Shoreline	60,000	226,000	126,063	99,937
Total expenditures	60,000	226,000	126,063	99,937
NET CHANGE IN FUND BALANCE	\$ 408,780	\$ 242,780	426,935	\$ 184,155
Fund balance -- beginning			2,292,912	
Fund balance -- ending			\$ 2,719,847	

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Miscellaneous and program revenues	\$ -	\$ -	\$ 34,542	\$ 34,542
Total revenues	-	-	34,542	34,542
EXPENDITURES				
Capital outlay	-	2,168,341	1,268,735	899,606
Total expenditures	-	2,168,341	1,268,735	899,606
NET CHANGE IN FUND BALANCE	\$ -	\$(2,168,341)	(1,234,193)	\$ 934,148
Fund balance -- beginning			2,367,324	
Fund balance -- ending			\$ 1,133,131	

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Miscellaneous and program revenues	\$ -	\$ -	\$ 1,028	\$ 1,028
Total revenues	-	-	1,028	1,028
EXPENDITURES				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	1,028	1,028
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(219,500)	(219,500)	-
Total other financing sources (uses)	-	(219,500)	(219,500)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (219,500)	(218,472)	\$ 1,028
Fund balance -- beginning			231,820	
Fund balance -- ending			\$ 13,348	

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Miscellaneous and program revenues	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current				
General government	-	-	23,939	(23,939)
Capital outlay	255,000	255,000	212,809	42,191
Total expenditures	255,000	255,000	236,748	18,252
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(255,000)	(255,000)	(236,748)	18,252
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	255,000	255,000	255,000	-
Total other financing sources (uses)	255,000	255,000	255,000	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	18,252	\$ 18,252
Fund balance -- beginning			24,131	
Fund balance -- ending			\$ 42,383	

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Miscellaneous and program revenues	\$ -	\$ -	\$ 3,319	\$ 3,319
Total revenues	-	-	3,319	3,319
EXPENDITURES				
Current				
Shoreline	-	17,646	4,658	12,988
Capital outlay	-	492,119	489,948	2,171
Total expenditures	-	509,765	494,606	15,159
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(509,765)	(491,287)	18,478
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (509,765)	(491,287)	\$ 18,478
Fund balance -- beginning			670,127	
Fund balance -- ending			\$ 178,840	

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended September 30, 2018

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Miscellaneous and program revenues	\$ -	\$ -	\$ 745	\$ 745
Total revenues	-	-	745	745
EXPENDITURES				
Current				
Shoreline	35,797	35,797	35,559	238
Total expenditures	35,797	35,797	35,559	238
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(35,797)	(35,797)	(34,814)	983
OTHER FINANCING SOURCES (USES)				
Transfers in	35,797	35,797	35,797	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	983	\$ 983
Fund balance -- beginning			40,407	
Fund balance -- ending			\$ 41,390	

South Padre Island Economic Development Corporation (EDC): The five-member board of directors is appointed by the City Council. The EDC is authorized to administer the distribution of the proceeds of any development bonds issued and the proceeds of certain development sales taxes received on behalf of the City. The EDC's operational and capital budget must be approved by the City Council.

City of South Padre Island, Texas
South Padre Island Economic Development Corporation
Discretely Presented Component Unit
Combining Balance Sheet

September 30, 2018

	Economic Development Corporation General Fund	EDC Debt Service Reserve Fund	EDC Debt Service Fund	Total Component Unit
ASSETS				
Cash and cash equivalents	\$ 814,792	\$ 405,818	\$ 363,829	\$ 1,584,439
Investments	-	-	22,826	22,826
Receivables	92,024	-	-	92,024
Loans receivable	35,114	-	-	35,114
Total assets	\$ 941,930	\$ 405,818	\$ 386,655	\$ 1,734,403
LIABILITIES				
Other liabilities	\$ 2,337	\$ -	\$ -	\$ 2,337
Total liabilities	2,337	-	-	2,337
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - noncurrent receivables	35,114	-	-	35,114
Total deferred inflows of resources	35,114	-	-	35,114
FUND BALANCE				
Restricted	-	405,818	386,655	792,473
Unassigned	904,479	-	-	904,479
Total fund balances	904,479	405,818	386,655	1,696,952
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 941,930	\$ 405,818	\$ 386,655	\$ 1,734,403

City of South Padre Island, Texas
 South Padre Island Economic Development Corporation
**Reconciliation of the Combining Balance Sheet of the Component Unit to the Statement
 of Net Position**

September 30, 2018

Fund balances of the component unit funds	\$	1,696,952
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Amounts reported for *governmental type activities* in the statement of net position are different because:

Capital assets used in governmental type activities are not financial resources and therefore are not reported in the funds.		6,072,202
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		35,114
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Long term liabilities, including bonds payable, and premiums are not due in the current period and therefore not reported in the funds.		(3,597,821)
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Deferred outflows of resources related to amounts deferred on refundings of long term debt and are not reported in the funds.		163,590
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Liabilities for accrued interest on long-term debt are not due in the current period and therefore are not reported in the funds.		(43,245)
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Included in the statement of net position non-current liabilities is the recognition of the EDC's portion of net pension liability required by GASB 68 in the amount of (\$7,927), a deferred resource inflow in the amount of (\$8,495), and a deferred resource outflow in the amount of \$7,125. This resulted in a decrease in net position of \$(9,297).		(9,297)
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Included in the noncurrent liabilities is the recognition of the EDC's portion of the net OPEB liability required by GASB 75 in the amount of \$(2,856) and a deferred resource outflow in the amount of \$300. This resulted in a decrease in net position by \$(2,556).		(2,556)
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Net position of governmental type activities	\$	4,314,939
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City of South Padre Island, Texas
South Padre Island Economic Development Corporation
Discretely Presented Component Unit
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended September 30, 2018

	Economic Development Corporation General Fund	EDC Debt Service Reserve Fund	EDC Debt Service Fund	Total Component Unit
REVENUES				
Sales taxes	\$ 852,284	\$ -	\$ -	\$ 852,284
Loan revenue	11,128	-	-	11,128
Miscellaneous and program revenues	11,017	5,255	3,347	19,619
Total revenues	874,429	5,255	3,347	883,031
EXPENDITURES				
Current				
Community service	508,705	-	-	508,705
Debt service				
Principal retirement	-	-	295,000	295,000
Interest expense	-	-	92,940	92,940
Administrative fees	-	-	400	400
Total expenditures	508,705	-	388,340	897,045
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	365,724	5,255	(384,993)	(14,014)
Other financing sources (uses)				
Transfers out	(396,850)	-	-	(396,850)
Transfers in	-	-	396,850	396,850
Total other financing sources (uses)	(396,850)	-	396,850	-
Net change in fund balances	(31,126)	5,255	11,857	(14,014)
Fund balance -- beginning	935,605	400,563	374,798	1,710,966
Fund balance -- ending	\$ 904,479	\$ 405,818	\$ 386,655	\$ 1,696,952

City of South Padre Island, Texas

South Padre Island Economic Development Corporation
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in
Fund Balance of the Component Unit Funds to the Statement of Activities

For the Year Ended September 30, 2018

Net change in fund balances --total component unit funds	\$ (14,014)
<p>Amounts reported for <i>governmental type activities</i> in the statement of activities are different because:</p>	
<p>Governmental type funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which current period depreciation (\$161,632) exceeded capital outlay of \$-0-</p>	(161,632)
<p>GASB 68 requires that certain expenditures be de-expended and recorded as deferred resource outflows. Contributions made after the measurement date of 12/31/17 caused the change in the ending net position to increase in the amount of \$6,491. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused a decrease in the change in net position totaling (\$6,027). The City's reported TMRS net pension expense had to be recorded. The pension expense decreased the change in net position by \$(608). The result of these changes is to decrease net position.</p>	(144)
<p>The amortization of bond premiums \$18,782 reduces interest expense in the statement of activities, and amortization of debt refunding related deferred outflows of resources of (\$16,359) is an expenditure in the statement of activities but not in the governmental funds. The net effect of including the amortization of deferred outflows of resources and bond premium is to decrease net position.</p>	2,423
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	295,000
<p>The change in accrued interest on long-term debt provides decreases in long-term liabilities in the statement of net position.</p>	6,270
<p>Governmental type funds report loans made to outside parties as expenditures. However, in government wide statements, it has no effect on the change in net position.</p>	(11,128)
<p>The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/17 caused the change in the ending net position to increase in the amount of \$86. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused a decrease in the change in net position totalling \$(81). The City's reported TMRS net OPEB expense had to be recorded. The net OPEB expense decreased net position by \$(248). The result of these changes is to decrease the change in net position by \$(243).</p>	(243)
Change in net position of governmental activities	\$ 116,532

Draft for Discussion

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Draft for Discussion



STATISTICAL SECTION



This part of the City of South Padre Island’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

CONTENTS

Financial Trends

Schedules 1-4

These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.

Revenue Capacity

Schedules 5-9

These schedules contain information to help the reader assess the government’s most significant local revenue sources, the property tax and the hotel-motel tax.

Debt Capacity

Schedules 10-13

These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

Demographic and Economic Information

Schedules 14-15

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.

Operating Information

Schedules 16-19

These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report related to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

Draft for Discussion

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Schedule 1
City of South Padre Island, Texas
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013*	2014**	2015	2016	2017***	2018
Governmental activities										
Net investment in capital assets	\$ 19,257,279	\$ 17,882,812	\$ 17,420,780	\$ 18,312,199	\$ 15,534,981	\$ 16,203,813	\$ 16,920,738	\$ 19,810,801	\$ 22,437,085	\$ 25,616,028
Restricted	308,130	5,034,471	4,700,307	6,079,979	9,364,342	11,858,921	13,800,147	14,397,545	15,101,328	17,388,999
Unrestricted	10,088,864	5,768,869	6,174,054	5,697,496	6,588,837	6,025,603	7,484,310	5,485,644	5,092,044	4,958,764
Total governmental activities net position	\$ 29,654,273	\$ 28,686,152	\$ 28,295,141	\$ 30,089,674	\$ 31,488,160	\$ 34,088,337	\$ 38,205,195	\$ 39,693,990	\$ 42,630,457	\$ 47,961,791

Note: * The City of South Padre Island first applied GASB Statement No. 63 and 65 in 2013, resulting in an adjustment to the beginning net position. None of the years prior to fiscal year end 2013 have been restated to reflect implementation of those standards.

**The City of South Padre Island implemented GASB Statement No. 68 in 2015, resulting in an adjustment to the beginning net position for fiscal year ended September 30, 2015; the effect of this prior period adjustment is reflected in the 2014 balance of net position in this schedule, but no other prior years have been adjusted to reflect implementation of this standard. A prior period adjustment made in 2015 affecting the 2014 balance of net investment in capital assets is also reflected in the 2014 amount.

*** The City of South Padre Island implemented GASB Statement No. 75 in 2018, resulting in an adjustment to the beginning net position for fiscal year ended September 30, 2017; the effect of this prior period adjustment is reflected in the 2017 balance of net position in this schedule, but no other prior years have been adjusted to reflect implementation of this standard.

Schedule 2
City of South Padre Island, Texas
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 3,680,425	\$ 4,244,372	\$ 3,916,708	\$ 3,262,899	\$ 3,616,084	\$ 3,403,281	\$ 3,549,479	\$ 3,693,337	\$ 4,194,171	\$ 4,073,602
Public safety	4,358,811	4,675,136	4,639,591	5,154,019	5,617,282	5,635,589	5,534,493	5,871,489	6,041,026	6,363,761
Public works/Shoreline	2,761,388	2,818,149	2,842,168	3,104,579	2,766,161	2,778,620	3,033,574	3,287,013	3,476,918	4,215,756
Transportation	647,664	899,298	1,103,616	1,275,542	1,898,136	1,547,923	1,639,747	1,698,124	1,813,049	1,794,636
Community service	832,168	40,494	820,784	119,300	621,036	135,357	47,101	1,519,768	136,945	197,944
Convention and visitors bureau	6,160,287	5,834,572	5,846,869	5,556,513	5,313,518	6,121,250	5,833,410	7,083,205	8,158,210	9,379,337
Interest on long-term debt	295,920	310,207	327,532	559,912	306,808	297,596	382,782	434,901	804,150	581,354
Total primary governmental activities expenses	18,736,663	18,822,228	19,497,268	19,032,764	20,139,025	19,919,616	20,020,586	23,587,837	24,624,469	26,606,390
Program Revenues										
Governmental activities:										
Charges for services:										
General government	28,222	27,973	222,573	218,276	156,108	277,881	453,066	472,715	747,718	660,501
Public safety	410,295	424,681	497,934	990,410	881,900	1,108,781	878,790	1,188,668	1,228,417	1,778,641
Public works	280,498	639,148	36,843	22,646	31,246	39,717	44,853	45,623	-	-
Transportation	30,000	74,500	30,000	52,250	30,000	-	-	-	-	-
Community service	337,470	300,690	-	-	-	-	-	-	-	22,092
Convention and visitors bureau	-	-	270,838	244,750	286,963	226,391	249,927	256,369	301,620	312,444
Operating grants and contributions	1,373,380	714,938	996,779	1,074,032	954,301	1,220,114	2,160,260	1,765,405	1,655,530	3,003,264
Capital grants and contributions	249,808	190,604	682,935	1,296,789	1,277,434	439,114	662,306	893,030	561,717	802,184
Total governmental activities program revenues	2,709,673	2,372,534	2,737,902	3,899,153	3,617,952	3,311,998	4,449,202	4,621,810	4,495,002	6,579,126
Net (Expense)/Revenue										
Total primary government net expense	(16,026,990)	(16,449,694)	(16,759,366)	(15,133,611)	(16,521,073)	(16,607,618)	(15,571,384)	(18,966,027)	(20,129,467)	(20,027,264)
General Revenues										
Property taxes	6,089,968	6,098,437	6,391,852	6,512,050	6,598,351	6,520,967	6,551,645	7,075,139	7,604,876	7,904,409
Sales & mixed beverage taxes	2,295,465	2,001,606	2,116,727	2,171,134	2,335,306	2,604,925	2,663,089	2,650,546	2,775,551	2,896,023
Franchise taxes	792,501	802,819	821,796	806,646	819,865	851,056	862,253	886,363	882,469	885,011
Hotel motel taxes	4,638,099	5,238,745	5,658,555	6,166,994	6,534,215	7,083,965	7,160,795	7,360,083	9,291,508	10,340,024
Hotel motel padre blvd. taxes	-	-	-	-	-	-	-	-	-	-
Hotel motel beach mtn. taxes	751,950	945,050	988,132	1,086,920	1,644,572	2,144,126	2,171,319	2,217,195	2,388,471	2,619,316
Unrestricted investment earnings	198,941	143,463	97,265	49,345	38,830	31,373	31,952	82,464	180,490	536,833
Sale of capital assets	14,234	16,810	(17,050)	4,545	-	56,072	58	48,779	114,022	42,253
Insurance recoveries	4,401,118	16,510	-	-	-	-	-	-	-	-
Miscellaneous	101,551	218,133	311,078	130,510	59,156	293,168	247,131	128,478	113,282	134,729
Total general revenues	19,283,827	15,481,573	16,368,355	16,928,144	18,030,295	19,585,652	19,688,242	20,449,047	23,350,669	25,358,598
Changes in Net Assets										
Total governmental activities	\$ 3,256,837	\$ (968,121)	\$ (391,011)	\$ 1,794,533	\$ 1,509,222	\$ 2,978,034	\$ 4,116,858	\$ 1,483,020	\$ 3,221,202	\$ 5,331,334

Source: Statement of Activities

Schedule 3
City of South Padre Island, Texas
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Pre GASB 54										
Reserved	\$ 35,092	\$ 31,623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	6,477,049	6,144,362	-	-	-	-	-	-	-	-
Total pre GASB 54	\$ 6,512,141	\$ 6,175,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Post GASB 54										
Nonspendable	\$ -	\$ -	\$ 45,959	\$ 21,542	\$ 55,701	\$ 57,868	\$ 56,321	\$ 58,086	\$ 57,138	\$ 65,310
Restricted	-	-	-	-	-	-	-	113,072	93,690	19,450
Unassigned	-	-	6,243,764	6,357,093	6,158,124	6,848,537	6,835,686	6,685,288	7,225,128	7,547,484
Total post GASB 54	\$ -	\$ -	\$ 6,289,723	\$ 6,378,635	\$ 6,213,825	\$ 6,906,405	\$ 6,892,007	\$ 6,856,446	\$ 7,375,956	\$ 7,632,244
All Other Governmental Funds										
Pre GASB 54										
Reserved	\$ 729,340	\$ 696,464	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	3,040,415	2,590,794	-	-	-	-	-	-	-	-
Capital projects funds	478,262	1,691,350	-	-	-	-	-	-	-	-
Total pre GASB 54	\$ 4,248,017	\$ 4,978,608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Post GASB 54										
Nonspendable	\$ -	\$ -	\$ 114,554	\$ 148,890	\$ 54,786	\$ 42,639	\$ 1,504,355	\$ 37,490	\$ 45,835	\$ 43,963
Restricted:										
Debt service	-	-	429,784	273,133	309,533	346,602	386,436	413,573	1,162,706	1,068,295
Capital projects	-	-	4,914,411	1,502,659	2,636,575	700,897	3,603,413	6,362,226	12,596,025	10,498,218
Beach nourishment	-	-	-	-	-	2,435,967	1,416,745	1,872,911	2,292,912	2,719,847
Transportation	-	-	154,277	235,999	287,934	301,277	320,366	231,280	179,071	80,739
Beach maintenance	-	-	78,887	264,395	790,655	1,382,753	2,050,584	2,260,996	1,808,674	2,608,336
Municipal court	-	-	43,562	48,913	53,594	63,068	72,385	61,026	69,279	74,372
Criminal justice	-	-	3,433	3,644	3,644	3,644	3,644	3,644	3,644	-
Venue project	-	-	-	-	-	-	-	-	980,080	2,626,997
Hurricane recovery	-	-	248,227	205,288	181,185	-	-	-	-	-
Parks and recreation	-	-	2,185	2,372	3,920	1,837	3,117	3,884	8,085	27,935
Hotel/motel tax	-	-	2,442,154	3,603,561	5,068,679	6,596,864	5,986,315	6,630,832	7,374,465	7,706,319
Unassigned	-	-	-	(172,892)	(7,167)	22,303	21,923	-	-	-
Total post GASB 54	\$ -	\$ -	\$ 8,431,474	\$ 6,115,962	\$ 9,383,338	\$ 11,897,851	\$ 15,369,283	\$ 17,877,862	\$ 26,520,776	\$ 27,455,021

Schedule 4
City of South Padre Island, Texas
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013
REVENUES					
Property taxes	\$6,115,209	\$6,042,754	\$6,407,899	\$6,572,035	\$6,666,348
Nonproperty taxes	8,478,004	8,988,221	9,585,210	10,231,694	11,333,958
Fees and services	353,545	529,702	411,771	847,528	786,089
Fines and forfeitures	295,990	379,684	424,124	517,776	455,300
Licenses and permits	322,645	557,605	222,292	191,105	150,583
Intergovernmental	1,056,767	905,542	1,679,714	2,202,888	2,231,734
Miscellaneous and program	981,229	361,596	408,344	179,856	158,989
Total revenues	17,603,389	17,765,104	19,139,354	20,742,882	21,783,001
EXPENDITURES					
General	3,124,195	3,801,677	3,441,451	2,912,655	3,204,508
Public safety	4,101,247	4,478,384	4,313,528	4,806,764	4,954,525
Public works & Shoreline	2,156,348	2,158,644	2,188,234	2,424,423	2,079,739
Transportation	552,966	782,525	957,492	1,078,641	1,104,987
Community service	832,168	40,494	820,784	119,300	418,152
Convention and visitors	5,532,594	4,653,373	4,972,074	4,740,409	5,313,518
Debt service					
Principal retirement	1,160,000	1,205,000	932,358	982,225	634,920
Interest	285,443	275,612	261,642	400,165	301,716
Bond issue costs	-	-	94,968	103,287	-
Administrative charges	-	-	2,736	800	(900)
Capital outlay	4,816,260	906,820	2,417,098	5,628,071	1,591,360
Total expenditures	22,561,221	18,302,529	20,402,365	23,196,740	19,602,525
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,957,832)	(537,425)	(1,263,011)	(2,453,858)	2,180,476
Other financing sources (uses)					
Sale of capital assets	14,989	85,350	25,933	4,771	22,777
Lease Proceeds	-	-	902,220	119,200	899,313
Proceeds from issuance of	-	830,000	3,800,000	3,165,000	-
Premium on issuance of bonds	-	-	101,462	289,990	-
Uses of debt refunding	-	-	-	(3,351,703)	-
Bond issue costs	-	-	-	-	-
Insurance Proceeds	4,401,118	16,510	-	-	-
Transfers out	(2,371,184)	(1,587,679)	(853,568)	(1,200,089)	(1,155,679)
Transfers in	2,371,184	1,587,679	853,568	1,200,089	1,155,679
Total other financing sources	4,416,107	931,860	4,829,615	227,258	922,090
Net change in fund balances	(\$541,725)	\$394,435	\$3,566,604	(\$2,226,600)	\$3,102,566
Debt service as a percentage of noncapital expenditures	8.15%	8.51%	6.64%	7.87%	5.20%

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2014	2015	2016	2017	2018
\$6,554,043	\$6,606,286	\$7,103,497	\$7,611,725	\$7,878,646
12,684,073	12,857,456	13,114,187	15,337,999	16,740,374
879,384	970,681	1,007,064	1,256,654	1,774,567
576,361	447,666	627,825	577,801	465,341
137,367	257,990	264,933	447,276	214,353
1,609,228	2,772,565	2,654,058	2,167,247	3,767,948
374,541	329,088	259,646	343,772	709,063
22,814,997	24,241,732	25,031,210	27,742,474	31,550,292
3,022,645	3,184,592	3,308,828	3,744,505	3,668,683
5,079,755	5,042,426	5,173,137	5,301,832	6,007,725
2,115,599	2,360,877	2,402,321	2,594,156	2,971,163
1,336,549	1,491,095	1,513,709	1,667,605	1,620,754
131,262	50,810	1,456,385	77,028	73,096
5,319,014	4,975,850	5,867,540	6,912,159	8,186,446
696,201	750,543	1,083,087	1,619,609	1,766,610
297,548	275,741	372,256	401,337	675,625
-	103,079	89,736	323,462	-
4,308	4,245	4,337	4,748	33,159
1,676,803	5,690,771	5,586,040	5,513,541	5,401,123
19,679,684	23,930,029	26,857,376	28,159,982	30,404,384
3,135,313	311,703	(1,826,166)	(417,508)	1,145,908
71,780	38,068	54,420	144,037	44,625
-	-	144,335	-	-
-	2,905,000	3,890,000	9,085,000	-
-	202,263	210,429	350,895	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(1,362,784)	(4,075,166)	(957,804)	(2,717,149)	(1,400,077)
1,362,784	4,075,166	957,804	2,717,149	1,400,077
71,780	3,145,331	4,299,184	9,579,932	44,625
\$3,207,093	\$3,457,034	\$2,473,018	\$9,162,424	\$1,190,533
5.52%	5.63%	6.84%	8.92%	9.77%

Schedule 5
City of South Padre Island, Texas
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Net Taxable Assessed Value		Less: Exempt Property & Homestead Cap	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2009	\$ 2,545,047,287	\$ 33,419,535	\$ 78,289,018	\$ 2,500,177,804	0.24561
2010	2,539,540,899	29,230,095	76,526,864	2,492,244,130	0.24561
2011	2,635,413,859	30,316,814	84,535,004	2,581,195,669	0.24561
2012	2,656,625,431	29,055,461	77,035,264	2,608,645,628	0.25040
2013	2,653,041,784	28,324,135	75,246,646	2,606,119,273	0.25270
2014	2,629,536,569	31,256,298	77,229,580	2,583,563,287	0.25438
2015	2,574,041,045	32,621,783	90,276,002	2,516,386,826	0.26275
2016	2,535,461,500	34,181,366	91,123,668	2,478,519,198	0.28564
2017	2,553,862,437	33,883,054	91,934,403	2,495,811,088	0.30564
2018	2,579,281,031	35,135,283	90,801,714	2,523,614,600	0.31564

Source: Cameron County Appraisal District

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

Schedule 6
 City of South Padre Island, Texas
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 Last Ten Fiscal Years

Fiscal Period	City of South Padre Island Direct Rates			Water Supply District No. 1	Point Isabel Cons. ISD	Cameron County	Texas Southmost College	South Texas ISD
	Maintenance & Operations Rate	Debt Service	Total Direct					
2009	0.218400	0.027210	0.245610	0.080820	1.061634	0.363191	0.161089	0.049200
2010	0.220310	0.025300	0.245610	0.080820	1.081634	0.364291	0.161924	0.049200
2011	0.220310	0.025300	0.245610	0.080820	1.081634	0.384291	0.162423	0.049200
2012	0.224355	0.026045	0.250400	0.080820	1.081634	0.384291	0.164026	0.049200
2013	0.223631	0.029070	0.252701	0.080820	1.081634	0.384291	0.162935	0.049200
2014	0.227828	0.026556	0.254384	0.080820	1.081634	0.384291	0.162935	0.049200
2015	0.235468	0.027286	0.262754	0.039260	1.081634	0.399291	0.164094	0.049200
2016	0.239110	0.046530	0.285640	0.044643	1.081634	0.399291	0.164094	0.049200
2017	0.239110	0.066530	0.305640	0.045020	1.081634	0.407743	0.158224	0.049200
2018	0.249640	0.066000	0.315640	0.043860	1.081634	0.410803	0.162407	0.049200

Source: Cameron County Appraisal District.

Draft for Discussion

Schedule 7
 City of South Padre Island, Texas
PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Ten Years Ago

Taxpayer	2018			2009		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
SPI Beach Water Resort Waterpark LLC	\$ 10,882,174	1	0.44%			
Agora USA LP	10,312,156	2	0.42%			
Peninsula Island Resort & Spa LLC	10,310,357	3	0.42%	\$ 9,601,770	3	0.39%
Bahia Mar Tower LLC	9,365,606	4	0.38%			
Sapphire VP LP	9,000,000	5	0.36%	62,483,163	1	2.57%
Affiliated Hospitality LLC	7,939,537	6	0.32%			
SPI Management Co.	6,700,888	7	0.27%			
AEP Texas Inc	6,424,700	8	0.26%			
SPI La Copa Ltd.	6,294,771	9	0.25%	7,652,111	6	0.31%
SPI Oleander Ltd.	6,284,227	10	0.25%	7,465,218	7	0.31%
ICS Management Company				11,212,212	2	0.46%
Sapphire VP LP (2)				8,763,485	4	0.36%
Shores Development Inc.				7,844,672	5	0.32%
Bayside Capital LLC.				7,081,722	8	0.29%
AEP Texas Central Co.				6,727,450	9	0.28%
SSPIBR, Ltd				6,770,780	8	0.28%
Brashear Clayton				1,501,130	10	0.06%
Total	\$ 83,514,416		3.37%	\$ 137,103,713		5.63%

Source: Cameron County Appraisal District

Schedule 8
 City of South Padre Island, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Tax Roll Year	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2009	2008	\$ 6,072,211	\$ 5,804,355	95.59%	\$ 258,122	\$ 6,062,477	99.84%
2010	2009	6,073,653	5,804,071	95.56%	263,924	6,067,995	99.91%
2011	2010	6,310,281	6,123,665	97.04%	177,463	6,301,128	99.85%
2012	2011	6,520,822	6,294,365	96.53%	210,628	6,504,993	99.76%
2013	2012	6,521,119	6,384,778	97.91%	131,196	6,515,974	99.92%
2014	2013	6,512,667	6,374,024	97.87%	132,521	6,506,545	99.91%
2015	2014	6,565,849	6,450,296	98.24%	109,186	6,559,482	99.90%
2016	2015	7,100,989	6,984,635	98.36%	109,161	7,093,796	99.90%
2017	2016	7,511,750	7,407,581	98.61%	85,033	7,492,614	99.75%
2018	2017	7,897,131	7,771,172	98.41%	-	7,771,172	98.41%

Source: Cameron County Tax Office

Schedule 9
 City of South Padre Island, Texas
TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Property Taxes	General Fund Sales & Mixed Beverage Tax	Franchise Tax	Local and State Hotel/Motel Tax	Total
2009	\$ 6,115,209	\$ 2,295,465	\$ 792,501	\$ 5,390,038	\$ 14,593,213
2010	6,042,754	2,001,606	802,819	6,183,796	15,030,975
2011	6,407,899	2,116,728	821,796	6,646,687	15,993,110
2012	6,572,035	2,171,133	806,646	7,253,914	16,803,728
2013	6,666,348	2,335,306	819,865	8,178,787	18,000,306
2014	6,554,043	2,604,925	851,056	9,228,091	19,238,115
2015	6,606,286	2,663,089	862,253	9,332,114	19,463,742
2016	7,103,497	2,650,546	886,363	9,577,278	20,217,684
2017	7,611,724	2,775,551	882,470	9,769,692	21,039,437
2018	7,878,646	2,896,023	885,011	10,852,466	22,512,146

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Schedule 10
City of South Padre Island, Texas
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income	Per Capita ¹
	General Obligation Bonds	Combination Tax & Revenue Refunding Bonds	Tax Anticipation Notes	Venue Hotel Occupancy Tax Revenue Bonds	Capital Leases			
2009	\$ 4,255,000	\$ 785,000	\$ 975,000	\$ -	\$ -	\$ 6,015,000	2.77%	\$ 1,019
2010	4,065,000	830,000	745,000	-	-	5,640,000	2.57%	956
2011	7,766,462	420,000	505,000	-	819,862	9,511,324	4.29%	1,612
2012	7,963,312	-	260,000	-	826,837	9,050,149	4.08%	1,534
2013	7,725,783	-	-	-	1,566,230	9,292,013	4.19%	1,575
2014	7,298,254	-	-	-	1,275,029	8,573,283	3.29%	1,453
2015	6,855,725	-	2,905,000	-	957,451	10,718,176	4.12%	1,817
2016	6,165,000	-	6,445,000	-	797,924	13,407,924	12.46%	4,643
2017	5,715,000	-	5,530,000	9,085,000	543,315	20,873,315	12.19%	7,228
2018	5,255,000	-	4,595,000	8,900,000	355,698	19,105,698	15.49%	6,616

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. The EDC is not included in the figures on this schedule.

¹ See Schedule 14 for personal income and population data.

Schedule 11
City of South Padre Island, Texas
RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Debt Service Restricted Net Assets	Net Bonded Debt	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2009	\$ 4,255,000	\$ 372,222	\$ 3,882,778	0.16%	\$ 721
2010	4,065,000	413,918	3,651,082	0.15%	689
2011	7,766,462	430,535	7,335,927	0.28%	1,316
2012	7,963,312	266,563	7,696,749	0.30%	1,350
2013	7,725,783	339,434	7,386,349	0.28%	1,309
2014	7,298,254	346,603	6,951,651	0.27%	1,237
2015	6,855,725	386,438	6,469,287	0.26%	1,162
2016	6,165,000	361,774	5,803,226	0.23%	2,135
2017	5,715,000	1,162,706	4,552,294	0.18%	1,979
2018	5,255,000	1,068,295	4,186,705	0.17%	1,820

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

1 See Schedule 5 for property value data.

2 See Schedule 14 for population data.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Cameron County	\$ 166,985,000	13.01%	\$ 21,724,749
Point Isabel Independent School District	14,825,000	68.10%	10,095,825
Laguna Madre Water District #1	14,355,000	72.90%	10,464,795
Texas Southmost College	42,580,000	19.75%	8,409,550
Subtotal, overlapping debt			50,694,919
*City direct debt	19,105,698	100.00%	19,105,698
Total direct and overlapping debt			\$ 69,800,617

Methodology for Deriving Overlapping Percentages:

1) Determine the estimated shared assessed valuation of taxable property within both the Overlapping Taxing Body(s) and your municipality;

2) Divide that shared value by the total assessed value of taxable property within the overlapping taxing body.

* Amount includes a combination of the City's bonded debt and captial lease debt.

Source: The Municipal Advisory Council of Texas

Fiscal Year	Gross Revenue (1)	Operating Expenditures (2)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	\$ 1,867,690	\$ 1,099,504	\$ 768,186	\$ 755,000	\$ 52,822	\$ 807,822	0.95
2010	1,191,421	1,212,721	(21,300)	830,000	41,122	871,122	(0.02)
2011	2,077,689	1,332,802	744,887	420,000	6,069	426,069	1.75
2012	2,284,146	1,320,451	963,695	-	-	-	-
2013	2,551,906	1,860,510	691,396	-	-	-	-
2014	3,208,757	1,939,326	1,269,431	-	-	-	-
2015	2,919,053	1,106,674	1,812,379	-	-	-	-
2016	1,979,972	1,253,283	726,689	-	-	-	-
2017	2,027,589	1,649,159	378,430	-	-	-	-
2018	2,104,637	1,223,284	881,353	-	-	-	-

(1) Convention Center Fund revenues, including interest.

(2) Convention Center Fund operating expenditures, exclusive of capital outlay & construction in progress.

Year	Estimated Population ¹	Personal Income	Per Capita Personal Income ²	Median Age ²	School Enrollment ³	Unemployment Rate ⁴
2009	5,900	\$ 217,090,500	\$ 36,795	57.7	2,520	8.3%
2010	5,900	219,780,900	37,251	58	2,507	10.9%
2011	5,900	221,592,200	37,558	58.1	2,544	12.4%
2012*	5,900	221,592,200	37,558	58.3	2,574	10.2%
2013*	5,900	221,592,200	37,558	58.7	2,588	10.1%
2014	5,900	260,809,500	44,205	59.2	2,480	8.0%
2015	5,900	260,048,400	44,076	60	2,518	6.6%
2016	2,888	107,650,200	37,275	58.7	2,463	7.5%
2017	2,888	171,215,080	59,285	60.5	2,396	5.5%
2018	2,888	123,303,160	42,695	60	2,314	5.7%

Source:

1 George Wm. Berry, Ph. D. Analysis 2008 was used for population data from 2009 until 2015. In 2016, the population data was obtained using the U.S. Census Bureau. In 2017 and 2018, ESRI Demographics Report was used to obtain population data.

2 The US. Census Bureau was used to obtain the data for 2009 through 2016. In 2017 and 2018, the information was obtained using a ESRI Demographics Report.

3 Point Isabel Independent School District was used to obtain school enrollment data.

4 Texas Workforce Commission: Information is for the entire Cameron County, as no data is available for the City only.

* 2012 and 2013 Personal Income is not available, thus data from 2011 was used for both years.

Employer	2018			2009		
	Number of Employees (Peak)	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment
Schlitterbahn Beach Water Park	1,211	1	27.26%	350	1	6.55%
City of South Padre Island	325	2	7.31%	170	5	3.18%
Sea Ranch Enterprises *	223	3	5.02%	100	8	1.87%
Isla Grand Resort	210	4	4.73%	204	3	3.82%
Louie's Backyard	170	5	3.83%	130	6	2.43%
Hilton Garden Inn	160	6	3.60%			
The Pearl Beach Resort	148	7	3.33%			
Blackbeard's Restaurant	142	8	3.20%	180	4	3.37%
Cameron Parks	87	9	1.96%			
Origins Recovery Center	79	10	1.78%			
La Quinta Inn & Suites				125	7	2.34%
Sheraton Fiesta Beach Resort				225	2	4.21%
Blue Marlin Supermarket				55	10	1.03%
Amberjack's Restaurant				85	9	1.59%
Total	2,755		62.02%	1,624		30.39%

Source: South Padre Island Economic Development Corporation

*Includes Sea Ranch, Pier 19, and Laguna Bob's, F&B

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
City Administration	6	6	4	4	4	4.4	4.25	4.25	5	5
Finance	4	5	5	5	5	5	4.9	4.9	5	6
Development Services *	2	2	1.75	1.75	2	2	2	2	3	2
Technology	2	2	3	3	3.25	3	2.95	2.8	3	3
Human Resources	1	2	3	3	3	3	3	3	3	3
Municipal Court	2	3	2	2	2	2	2	3	3	3
Police	39	39	39	38	38	38	37.95	37.75	36.75	37.75
Fire	21	21	21	27	27	27	26.75	26	26.75	26.75
Environmental Health Serv.	6	6	5	5	6	6	5.85	5.85	5.85	5.85
Fleet Management	2	2	2	2	2	2	2	2	2	2
Building Maintenance	3	3	3	3	3	3	3	3	3	2
Inspections	4	4	3	3	3	3	3	3	3	3
Public Works	18	18	19	19	18	19	18.85	17.85	19.85	19.85
Hotel Motel Fund										
Visitor's Center	2	2	2	2	2	3	3	3	3	3
Hotel Motel	13	9.5	9.5	9.5	8.75	9.5	9.5	9.5	10	10
Events Marketing	2	1	1	1	2	1	1	0.5	0	1
Convention Centre										
Convention Centre	13	13.5	11.5	10.5	12	10	11.2	10.35	11	10
Parks and Recreation										
Parks and Recreation	0	0	0	0	0	0	0	0	0	1
Transportation										
Island Metro	7	9	9.25	15.25	15	16.1	16.2	14.2	14	14
Metro Connect	0	0	0	0	0	4	3	4	7	7
Shoreline**										
Police	0	0	0	0	0	0	0.05	0.05	0	0.25
Fire	0	0	0	0	0	0	0.25	0	0	1.25
Environmental Health Serv.	0	0	0	0	0	0	0.15	0	0	0.15
Public Works	0	0	0	0	0	0	0.15	0	0	0.15
Beach Maintenance	0	4	4	4	4	4	6	7	7.6	7
Bay Access	0	0	0	0	0	0	0	0	1.2	1
Total Operating Budget FTE's	147	152	148	158	160	165	167	164	173	175

Source City of South Padre Island Annual Budget

Note: Full-time budgeted positions are shown

*Formerly Planning

**Formerly Beach Maintenance

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Physical arrests	952	1,002	1,199	1,454	1,258	1,246	1,246	1,403	1,367	1,430
Parking violations	1,643	2,123	1,897	1,138	724	1,435	793	647	420	217
Traffic violations	995	1,204	1,038	748	481	658	245	242	434	562
Number of commissioned police officers	29	28	28	28	29	28	28	27	27	30
Number of employees - police officers & civilians	40	39	38	38	39	38	38	37	37	40
Fire										
Number of calls answered	1,667	1,783	1,858	1,964	2,107	2,243	2,105	2,410	2,348	2,536
EMS calls	816	1,082	1,172	1,415	1,377	1,486	1,543	1,542	1,102	1,876
Inspections	475	369	490	327	288	150	166	76	162	194
Number of firefighters	18	18	20	26	26	26	25	25	26	27
Number of employees - firefighters & civilians	21	21	21	27	27	27	26	26	27	28
Streets										
Street resurfacing (square yards)	6,956	8,611	9,032	7,867	12,050	-	8,891	32,314	2,559	12,807
Sidewalk construction (square yards)	693	-	73	2,069	440	368	1,540	3,523	8,942	3,880

Source City Departments

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Schedule 18
City of South Padre Island, Texas
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
Development Services										
Streets (miles)	47.09	47.39	47.39	47.39	47.39	47.39	47.39	47.39	47.39	47.39
City Area (acres)	1,640	1,640	1,640	1,527	1,901	1,901	1,905	2,371	2,371	2,371
Parks and Recreation										
Playground	1	2	2	2	2	2	2	2	3	3
Parks	2	2	3	3	3	3	3	3	5	5
Municipal Beach (miles)	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Beach Accesses (developed)	18	18	19	19	19	19	20	23	23	27
Beach Accesses (undeveloped)	6	6	5	5	5	5	4	1	3	0
Transportation										
Transit - Minibuses	12	10	9	10	11	10	11	10	11	8

Note. In 2012, the City acquired mapping technology to more accurately calculate its square acreage.

Source: City Departments

Date of incorporation 1973

Fiscal year begins October 1st

Number of budgeted City employees 173

Geographical location: Southern tip of Texas on the Gulf of Mexico approximately 15 miles north of the Mexican border.

Temperature: 68.2 degrees average low temperature
80.4 degrees average high temperature

Source: City Staff
Source: www.weatherbase.com

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COMPLIANCE SECTION



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the City Honorable Mayor and
Members of the City Council
City of South Padre Island, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of South Padre Island, Texas, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise City of South Padre Island's basic financial statements, and have issued our report thereon dated March 6, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of South Padre Island, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of South Padre Island, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of South Padre Island, Texas' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Draft for Discussion

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of South Padre Island, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harlingen, Texas
March 6, 2019

Draft for Discussion

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and
Members of the City Council
City of South Padre Island, Texas

Report on Compliance for Each Major Federal Program

We have audited City of South Padre Island, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of South Padre Island, Texas' major federal programs for the year ended September 30, 2018. City of South Padre Island, Texas' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of City of South Padre Island, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of South Padre Island, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of South Padre Island, Texas' compliance.

Draft for Discussion

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Draft for Discussion **Opinion on Each Major Federal Program**

In our opinion, City of South Padre Island, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

Report on Internal Control Over Compliance

Management of City of South Padre Island, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of South Padre Island, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of South Padre Island, Texas' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Harlingen, Texas
March 6, 2019

Draft for Discussion

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Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

* Material weakness(es) identified? yes no

* Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

* Material weakness(es) identified? yes no

* Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance. yes no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
20.509	Formula Grants for Rural Areas

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II – Findings Relating to the Financial Statement Audit as Required to Be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Significant Deficiencies in Internal Control

None reported.

B. Compliance Findings

None reported.

Section III – Federal and State Award Findings and Questioned Costs

None reported.

PROGRAM DESCRIPTION

Not applicable

DESCRIPTION

There were no findings reported in the prior year.

City of South Padre Island, Texas
Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2018

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-through Entity Identifying Number	(4) Provided to Subrecipients	(5) Federal Expenditures
U.S. Department of Commerce				
Passed through Texas General Land Office				
Coastal Zone Management Administration Awards	11.419	NA14NOS4190139	\$ -	\$ 128,314
Coastal Zone Management Administration Awards	11.419	NA15NOS4190162		245,000
Total passed through Texas General Land Office				373,314
Total U.S. Department of Commerce				373,314
U.S. Department of Transportation				
Passed through Texas Department of Transportation				
Formula Grants for Rural Areas	20.509	RPT 1602	-	238,865
Formula Grants for Rural Areas	20.509	RPT 1702	-	750,781
Formula Grants for Rural Areas	20.509	RPT 1801	-	30,342
Formula Grants for Rural Areas	20.509	ICB 1801	-	700,000
				1,719,988
Passed through City of Brownsville, Texas				
Formula Grants for Rural Areas	20.509	ICB 1701	-	222,177
Total Formula Grants for Rural Areas				1,942,165
* Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ED 1701	-	40,645
* Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ED 1801	-	66,205
Total Transit Services Program Cluster				106,850
National Infrastructure Investments	20.933	TGR 1701	-	235,160
National Infrastructure Investments	20.933	RPT 1701	-	239,000
				474,160
Total passed through Texas Department of Transportation				2,300,998
Total U.S. Department of Transportation				2,523,175
U.S. Department of Health and Human Services				
Food and Drug Administration Research	93.103	G-SP-1611-07321	-	3,000
U.S. Department of Homeland Security				
Passed through Texas Department of Public Safety				
Homeland Security Grant Program	97.067	EMW-2015-SS-00080	-	6,563
Homeland Security Grant Program	97.067	EMW-2016-SS-00056	-	12,660
Homeland Security Grant Program	97.067	EMW-2017-SS-00005	-	23,748
Total passed through Texas Department of Public Safety				42,971
Total U.S. Department of Homeland Security				42,971
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 2,942,460

* Clustered Programs

The accompanying notes are an integral part of this schedule

NOTE 1- GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of City of South Padre Island, Texas, for the year ended September 30, 2018. The reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Financial accountability exists if a primary government appoints a voting majority of an organization's governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations with a separately elected governing Board, a governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the primary government.

In accordance with Governmental Accounting Standards Board requirements, the City has reviewed other entities and activities for possible inclusion in the reporting entity and determined that there are none; however, federal financial assistance passed through other governmental agencies is included on the schedule.

NOTE 2- MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The federal and state grant funds were accounted for in the Special Revenue Funds and within the General Fund. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. With the Governmental Fund type measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

NOTE 3- SUB-RECIPIENTS

During the year ended September 30, 2018, the City had no sub-recipients.

NOTE 4- FEDERAL LOANS AND LOAN GUARANTEES

During the year ended September 30, 2018, the City had no outstanding federal loans payable or loan guarantees.

NOTE 5- FEDERALLY FUNDED INSURANCE

During the year ended September 30, 2018, the City had no federally funded insurance.

NOTE 6- NONCASH AWARDS

During the year ended September 30, 2018, the City did not receive any non-cash federal awards.

NOTE 7- INDIRECT COST RATE

The City does not utilize the de minimus 10% indirect cost rate. Indirect costs, where applicable, are negotiated with the agency providing the grant award to the City.

Discussion with City Personnel: The results of the audit were discussed at an exit briefing with the following grantee personnel:

Rodrigo Gimenez, Finance Director
Susan Guthrie, City Manager

No exceptions were taken to the factual contents of the items contained in this report.



City of South Padre Island, Texas
Required Communications
March 6, 2019



Carr, Riggs & Ingram, LLC
402 East Tyler Avenue
Harlingen, TX 78550-9122

(956) 423-3765
(956) 428-7520 (fax)
CRIcpa.com

March 6, 2019

City Council and Management of
City of South Padre Island, Texas

Dear City Council and Management:

We are pleased to present the results of our audit of the financial statements of the City of South Padre Island, Texas for the year ended September 30, 2018.

This report to the City Council and management summarizes our audit, the report issued and various analyses and observations related to the City's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the City's fiscal year 2018 financial statements. We considered the City's current and emerging needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you, the City Council and Management, expect. We received the full support and assistance of the City of South Padre Island (collectively, the "City") personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the City's Council, management and others within the City and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me 956-423-3765 or ganderson@cricpa.com.

Very truly yours,

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

Quentin Anderson, CPA



Required Communications

As discussed with the management during our planning process and communicated to the City Council in our engagement letter to you dated September 18, 2018, our audit plan represented an approach responsive to the assessment of risk for the District. Specifically, we planned and performed our audit to:

- Perform audits in accordance with Auditing Standards Generally Accepted in the United States (GAAS), *Government Auditing Standards* (GAS) and the types of compliance requirements described in the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)
- Communicate directly with the City Council and management regarding the results of our procedures;
- Address with the City Council, and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the City Council and management; and
- Other audit-related projects as they arise and upon request.

Required Communications

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information the City of South Padre Island, Texas for the year ended September 30, 2018, and have issued our report thereon dated March 6, 2019. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Auditor's responsibility under Auditing Standards Generally Accepted in the United States (GAAS), Government Auditing Standards (GAS) and the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)</p>	<p>As stated in our engagement letter dated September 18, 2018, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP) and Government Auditing Standards issued by the Comptroller General of the United States and to report on the fairness of supplementary information as described in the engagement letter when considered in relation to the financial statements as a whole. Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the City and internal controls related to major federal programs, and an opinion on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have direct and material effect on each federal program in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance) and Audits of States, Local Governments, and Non-Profit Organizations. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p>Client's responsibility</p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p>Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."</p>
<p>Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the District and how they are disclosed.</i></p>	<p>The City has an overall risk that noncompliance with the requirements of laws or grant agreements could negatively impact the City. These items have been disclosed in the financial report.</p>
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</p> <ul style="list-style-type: none"> • <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i> • <i>The auditor should also discuss the auditor's judgment about the quality, not just the acceptability, of the District's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures.</i> <p><i>Critical accounting policies and practices applied by the District in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i></p>	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements.</p> <p>During fiscal year 2018, the City adopted GASB Statement No. 75, <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i>. The new standard establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures for postemployment benefits other than pensions. Adoption of this statement resulted in a prior period adjustment and recognition of the total OPEB liability at September 30, 2018, which is material to the financial statements.</p> <p>During fiscal year 2018, the City adopted GASB Statement No. 85, <i>Omnibus 2017</i>. The new standard establishes accounting and financial reporting requirements for blending component units, good will, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits).</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<ul style="list-style-type: none"> Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy. 	<p>During the fiscal year 2018, the City adopted GASB Statement No. 86, <i>Certain Debt Extinguishment Issues</i>. The new standard establishes accounting and financial reporting for in-substance defeasance transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the purpose of extinguishing debt.</p> <p>We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p>
<p>Significant difficulties encountered in the audit Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</p>	None.
<p>Disagreements with management Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditor's report. This does not include those that came about based on incomplete facts or preliminary information.</p>	None.
<p>Other findings or issues Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</p>	None.
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</p>	<p>We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of South Padre Island, Texas' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by the District, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board of Trustees about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	<p>Please see the following section titled "Summary of Audit Adjustments."</p>
<p>Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of South Padre Island's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p>Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.</p>
<p>Written representations <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	<p>See "Management Representation Letter" section.</p>
<p>Internal control deficiencies <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditor's attention during the audit.</i></p>	<p>No material weaknesses identified for communication to management.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Fraud and illegal acts <i>Fraud involving senior management, the District or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving senior management and any other illegal acts, unless clearly inconsequential.</i></p>	<p>We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.</p>
<p>Related parties <i>Any parties in interest in the District, prohibited transactions as defined by professional standards, and other reportable transactions.</i></p>	<p>No transactions with related parties were noted.</p>
<p>Other information in documents containing audited financial statements <i>The external auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p> <p>We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
	<p>The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.</p> <p>The introductory and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the introductory section.</p>

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the City's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The City may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Depreciation of Capital Assets	<p>Based on the audit procedures we performed with respect to the City's capital assets, we noted that the City estimates the useful lives of capital assets in accordance with all applicable standard and guidelines of GASB.</p> <p>The City follows the provisions of section 1400: <i>Reporting Capital Assets</i>, of the GASB Codification when reporting depreciation of its capital assets.</p>	X	Management's estimate of the useful lives of capital assets is based on the historical lives of similar assets and market prices.	We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements taken as a whole

**Accounting Policies, Judgments and Sensitive Estimates & CRI Comments
on Quality**

Net Pension Liability and Related Deferred Outflows and Deferred Inflows of Resources, including Actuarial estimates impacting the net pension liability and amounts disclosed pertaining to Other Post Employment Benefits (OPEB)	<p>Based on the audit procedures we performed with respect to the City's Texas Municipal Retirement System Pension liability, we noted that the City accounts for its net pension liability, pension costs, and related deferred outflows and deferred inflows in accordance with all applicable standards and guidelines of GASB.</p> <p>The City follows the provisions of section P20: <i>Reporting for Benefits Provided through Trusts that Meet Specified Criteria</i>, of the GASB Codification when reporting its OPEB net pension liability and related amounts.</p>	X	<p>The City relies on valuations from the Pension system's actuary for the estimated value of the City's net pension liability. The actuarial valuation is based on financial information, utilizing assumptions developed by management.</p>	<p>We evaluated the key factors and assumptions and information provided from the City to the Actuary which was used in developing the actuarial estimates, and reviewed that the actuarial assumptions were in accordance with applicable accounting guidelines and GASB, and determined that the City's policies are in accordance with all applicable accounting guidelines and GASB.</p>

**Accounting Policies, Judgments and Sensitive Estimates & CRI Comments
on Quality**

<p>Allowance for uncollectible property taxes and EMS fees</p>	<p>Management's estimate of the allowance for uncollectible property taxes and EMS fees is based on historical property tax revenues, and an analysis of the collectability of individual accounts. We have evaluated key factors and assumptions used to develop the allowance in determining that is reasonable in related to the financial statements.</p>	<p style="text-align: center;">X</p>	<p>The City relies on valuations based on historical information and collectability</p>	<p>Management's estimates are based on City policies and are in accordance with all applicable accounting guidelines.</p>
<p>Deferred charges on refunding</p>	<p>Deferred charges on refunding attributable to differences in the carrying value of refunding debt and its acquisition price are recorded and amortized over the shorter of the life of the refunded or refunding debt.</p> <p>The City follows the provisions of Section D20: <i>Debt Extinguishments and Trouble Debt Restructuring</i>, of the GASB Codification when reporting these deferred charges.</p>	<p style="text-align: center;">X</p>	<p>The City estimates the deferred charges on refunding using amounts reported in sources and uses of funds disclosed in official debt documents relating to carrying value of refunding debt and its acquisition price.</p>	<p>The City's policies are in accordance with all applicable accounting guidelines and GASB.</p>

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

Compensated Absences	<p>Liabilities for compensated absences attributable to services already rendered are accrued as employees earn the rights to those benefits.</p> <p>The City follows the provisions of Section C60: <i>Compensated Absences</i>, of the GASB Codification when reporting these liabilities.</p>	X	The City estimates the accrued liabilities for compensated absences using leave balances accrued at the end of the fiscal year multiplied by the pay rate in effect for each employee as of the end of the fiscal year.	The City's policies are in accordance with all applicable accounting guidelines and GASB.
Fair value of Investments for external investment pools	The City reports its local government investment pools at amortized cost as permitted by Section 150: <i>Investments</i> of the GASB Codification.	X	The City reports investments in external investment pools at amortized cost as permitted by section 150: <i>Investments</i> of the GASB Codification	Management's estimates are based on City policies and are in accordance with all applicable accounting guidelines.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of long term liabilities in Note 10 to the financial statements discloses the long term debt obligations of the City and the required payments the City will need to make in order to stay current on its debt obligations. This note contains information that can provide context for proper long term planning of the City's financial health.



Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the City and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the City or passed (uncorrected). During the fiscal year ended September 30, 2018, there were no adjustments that were corrected or passed (uncorrected), as a result of our audit procedures.

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the City's operating environment that has been identified as playing a significant role in the City's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

Management Representation Letter



March 6, 2019

Carr, Riggs & Ingram, LLC
402 E. Tyler
Harlingen, Texas 78550

This representation letter is provided in connection with your audit of the financial statements of the City of South Padre Island, Texas, which comprise the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information as of September 30, 2018, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 6, 2019, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 18, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component unit required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4601 Padre Boulevard • South Padre Island, Texas 78597 • 956.761.6456 • Fax 956.761.3888

Management Representation Letter

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- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 7) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 8) Guarantees, whether written or oral, under which the City of South Padre Island, Texas, is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 9) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the City of South Padre Island, Texas, from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of City of South Padre Island, Texas, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 10) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 11) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 12) We have no knowledge of any fraud or suspected fraud that affects the City of South Padre Island, Texas, and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 13) We have no knowledge of any allegations of fraud or suspected fraud affecting the City of South Padre Island, Texas,'s financial statements communicated by employees, former employees, regulators, or others.
- 14) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 15) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 16) There are no related party relationships or transactions including revenues, expenditures/expenses, loans, transfers, leasing arrangements and guarantees or amounts receivable from or payable to related parties.

Management Representation Letter

-3-

Government-specific

- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 19) The City of South Padre Island, Texas, has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 20) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 21) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 22) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 24) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 25) As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards, and preparation and completion of the necessary sections of the data collection form. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, Rodrigo Gimenez, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards, and preparation and completion of the necessary sections of the data collection form.
- 26) The City of South Padre Island, Texas, has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The City of South Padre Island, Texas, has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 29) The financial statements properly classify all funds and activities in accordance with **GASB Statement No. 34**.

Management Representation Letter

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- 30) All funds that meet the quantitative criteria in GASB§ Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 31) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 32) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 33) Provisions for uncollectible receivables have been properly identified and recorded.
- 34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 35) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 36) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 37) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 39) We have appropriately disclosed the City of South Padre Island, Texas,'s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 40) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 41) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 42) With respect to the other supplementary information on which an in-relation-to opinion is issued:
 - a) We acknowledge our responsibility for presenting the other supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the other supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the other supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the other supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Management Representation Letter

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43) With respect to federal award programs:

- a) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
- b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

Management Representation Letter

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- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- x) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- y) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Signature: _____
Title: _____

Signature: _____
Title: _____

**CITY COUNCIL MEETING
AGENDA REQUEST FORM
PUBLIC HEARING**

MEETING DATE: March 6, 2019

PUBLIC HEARING:

ITEM DESCRIPTION

Conduct Public Hearing to discuss rescinding the Special Use Permit for 1201 Padre Boulevard.

RECOMMENDATIONS/COMMENTS

1. The Mayor opens the Public Hearing by reading the caption from the City Council's agenda.
2. The Mayor asks if anyone is present to speak in favor of.
3. Once everyone in favor has spoken, the Mayor asks if anyone is present to speak in opposition to.
4. Once everyone in opposition has had an opportunity to speak, the Mayor will then close the Public Hearing.

Please keep in mind that the City Council will normally have discussion and action during the next item on the agenda. The Public Hearing is for the purpose of receiving comments from the public. It is not necessary for the Council Members to respond to the public at this time. If a member of the public raises a question, the members of the City Council should make note of it to address during the next discussion and action item after the Public Hearing has been closed.

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2019

NAME & TITLE: Alita Bagley, Council Member

DEPARTMENT: City Council

ITEM

Discussion and action to rescind Special Use Permit for 1201 Padre Blvd.

ITEM BACKGROUND

The city Council approved a Special Use Permit to applicant Doyle Wells with conditions. One condition being applicant will replace properties' current chain link fencing with vinyl fencing before January 1, 2019. Applicant has not, to date, met the conditional requirement, therefore the SUP is no longer in place.

BUDGET/FINANCIAL SUMMARY

None

LEGAL REVIEW

Sent to Legal: YES: _____ NO: _____
Approved by Legal: YES: _____ NO: _____

Comments:

RECOMMENDATIONS/COMMENTS

ORDINANCE NO. 19-____

AN ORDINANCE OF THE CITY OF SOUTH PADRE ISLAND, TEXAS, REPEALING ORDINANCE 18-17 THAT PROVIDED THE SPECIFIC USE PERMIT FOR OUTDOOR AMUSEMENT AT PADRE ISLAND UNSUBDIVIDED ABST 260 AND THEREBY REVOKING SAID SPECIFIC USE PERMIT DUE TO NON-COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS PROVIDED IN THE SPECIFIC USE PERMIT; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND AUTHORIZING PUBLICATION IN CAPTION FORM.

WHEREAS, the City Council of the City of South Padre Island (“City Council”), conducted a public hearing on May 16, 2018 wherein a request was made by Doyle Wells (the “Applicant”) to allow a Specific Use Permit for “Outdoor Amusement” operations on a tract of land zoned District “PBS” (Padre Boulevard South);

WHEREAS, the tracts of land subject to the Specific Use Permit are in the City of South Padre Island, Texas, being PADRE ISLAND UNSUBDIVIDED ABST 260 3.605 AC OUT OF 6.675 AC PT LT AN-7 BLK A, and being more particularly described in Exhibit “A” attached hereto and incorporated herein for all purposes (the “Property”);

WHEREAS, the City Council finds that Applicant has failed to construct a vinyl fence by January 1, 2019 as required by Ordinance 18-17 and therefore has failed to comply with the requirements of the Specific Use Permit granted therein; and

WHEREAS, Ordinance 18-17 provides that the Specific Use Permit as provided therein will be declared null and void upon, among other things, the failure to comply with any term of the ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS:

Section 1. The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

Section 2. The locations of the Specific Use Permit are referenced on the Zoning Map as shown on Exhibit “A”.

Section 3. On May 16, 2018 Applicant was granted a Specific Use Permit to allow operation of the identified outdoor amusement facility based upon the following conditions:

1. Expansion of current operations is limited to the addition of amusement amenities attached in Exhibit “B”;
2. The maximum number of rides that may be permitted on the property shall be 9, excluding

8-2

the Zip Line;

3. The applicant shall replace the chain link fencing with vinyl fencing by January 1, 2019;

- 4. The applicant shall ensure each amusement ride is inspected annually by a licensed amusement ride inspector, as registered by the Texas Department of Insurance;
- 5. Proper and on-going maintenance shall be performed to include removal of any visible rust and chipping paint;
- 6. This Specific Use Permit shall be retained with the property upon transfer of ownership;
- 7. In the event an amusement ride is replaced with another, the replacement ride shall not exceed the overall dimensions of the previous ride;

Section 4. Applicant has failed to comply with condition 3, noted in Section 3.

Section 5. This Specific Use Permit is hereby revoked due to failure to comply with the conditions set forth.

Section 6. This ordinance repeals all portions of any prior ordinances or parts of ordinances of the Code of Ordinances in conflict herewith.

Section 7. If for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance for it is the definite intent of this City Council that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

Section 8. This Ordinance shall become effective when published in caption form.

PASSED, APPROVED AND ADOPTED on First Reading, the ____ day of _____ 2019.

PASSED, APPROVED AND ADOPTED on Second Reading, the ____ day of _____ 2019.

ATTEST:

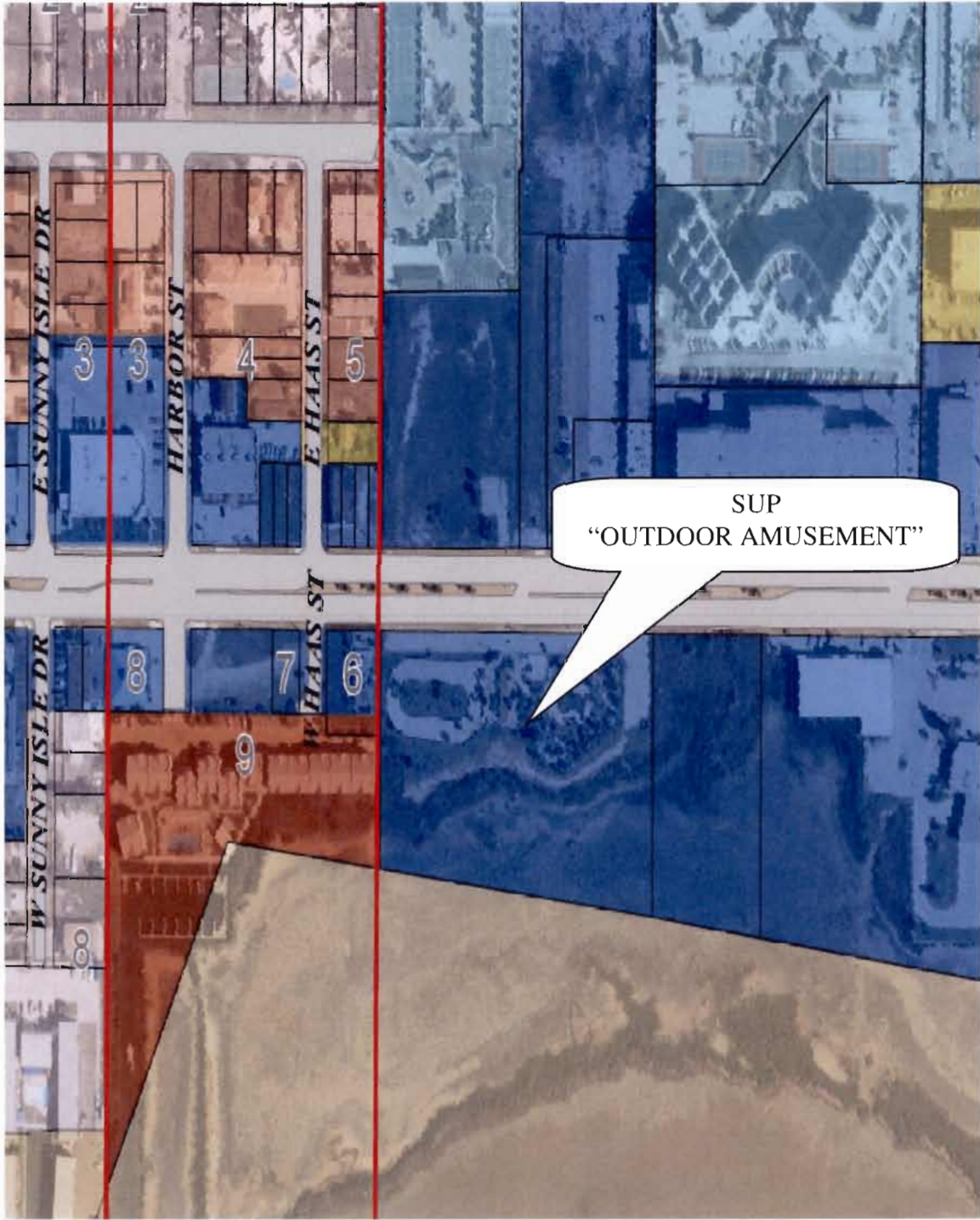
CITY OF SOUTH PADRE ISLAND,
TEXAS

SUSAN HILL, CITY SECRETARY

DENNIS STAHL, MAYOR

8.3

Exhibit "A"



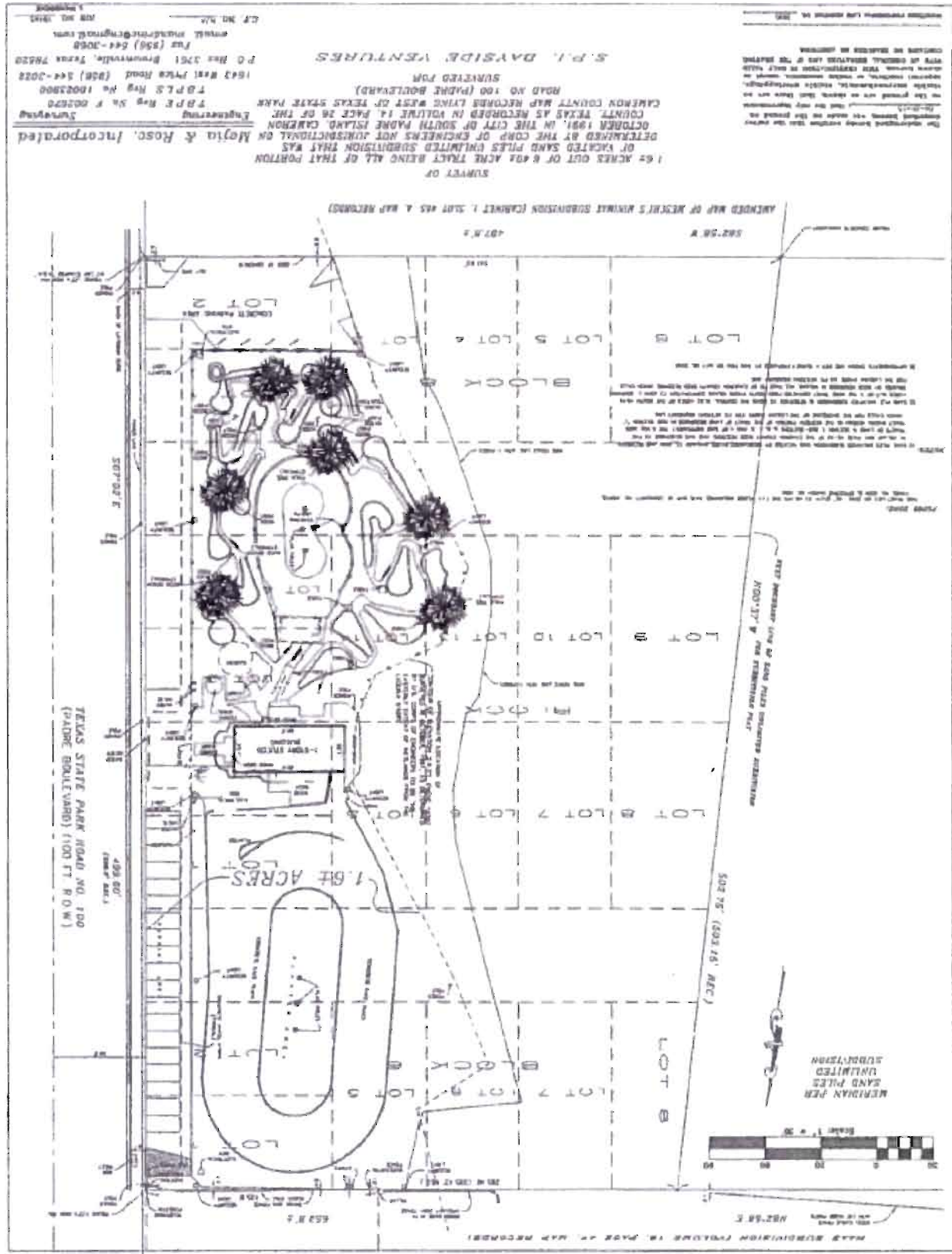


Exhibit "B"

Exhibit "B Cont."



Exhibit "B Cont."

Identified Ride #1



Identified Ride #2



Exhibit "B Cont."

Identified Ride #3



Identified Ride #4



Exhibit "B Cont."

Identified Ride #5



Identified Ride #6



Exhibit "B Cont."

Identified Ride #7



Identified Ride #8



MINUTES CITY OF SOUTH PADRE ISLAND CITY COUNCIL REGULAR MEETING
--

WEDNESDAY, MAY 16, 2018

I. CALL TO ORDER

The City Council Members of the City of South Padre Island, Texas held a Regular Meeting on Wednesday, May 16, 2018 at the Municipal Complex Building, 2nd Floor, 4601 Padre Boulevard, South Padre Island, Texas. Mayor Stahl called the meeting to order at 5:30 p.m. A full quorum was present: Council Member Ken Medders, Jr., Ron Pitcock, Theresa Metty, Alita Bagley and Paul Munarriz.

City staff members present were City Manager Susan Guthrie, Assistant City Manager Darla Jones, Police Chief Randy Smith, Public Works Director Alex Sanchez, Administrative Services Director Wendi Delgado, CVB Director Keith Arnold, Shoreline Management Director Brandon Hill, Planning Director Clifford Cross, Assistant Public Works Director Jon Wilson, Information Technology Director Mark Shellard, Director of Marketing, Research and Analytics Michael Flores, Public Information Officer Angelique Soto and City Secretary Susan Hill.

II. PLEDGE OF ALLEGIANCE

Mayor Stahl led the Pledge of Allegiance.

III. PUBLIC COMMENTS AND ANNOUNCEMENTS

Public comments and announcements were given at this time.

IV. PRESENTATIONS AND PROCLAMATIONS:

a. PRESENTATION: BIRD OF THE MONTH FOR MAY 2018

V. APPROVE CONSENT AGENDA:

Mayor Stahl announced that Item 5b will be pulled to be considered separately.

Council Member Munarriz made a motion, seconded by Council Member Pitcock to approve the Consent Agenda. Council Member Munarriz and Pitcock amended their motion to exclude Item 5b and approve Items 5a, 5c, 5d, 5e, 5f, 5g and 5h on the Consent Agenda. Motion carried unanimously.

Council Member Bagley made a motion to approve Item 5b on the Consent Agenda. Motion was seconded by Council Member Pitcock. Motion passed on a 5 to 1 vote with Council Member Medders casting a nay vote.

a. APPROVE MINUTES OF MAY 2, 2018 REGULAR MEETING. (S. HILL)

b. APPROVE INVOICES FOR PAYMENT. (GIMENEZ)

Invoices approved for payment were paid by General Fund checks numbered 141254 through 141364 and EFT payments totaling \$431,468.11.

c. ACCEPT THE LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL (LRGVDC) REGIONAL SOLID WASTE GRANT AND BUDGET AMENDMENT IN THE AMOUNT OF \$30,000 TO BE UTILIZED TO REPLACE TWO RECYCLING TRAILERS. (BALDOVINOS)

- d. **APPROVE A BUDGET AMENDMENT FOR INSURANCE PROCEEDS ASSOCIATED WITH DAMAGES TO THE SAND CASTLE STRUCTURE LOCATED AT 610 PADRE BOULEVARD IN THE AMOUNT OF \$24,750 TO BE UTILIZED FOR RENOVATION AND REPAIR; AND AWARD CONTRACT. (ARNOLD)**
- e. **APPROVE A BUDGET AMENDMENT TO ALLOCATE FUNDS FOR THE ARSON DOG PROGRAM IN THE AMOUNT OF \$3,096.30. (FOWLER)**
- f. **APPROVE THE DEED OF TRUST BETWEEN THE TEXAS DEPARTMENT OF TRANSPORTATION AND THE CITY OF SOUTH PADRE ISLAND FOR THE LAND ON WHICH THE MULTI MODAL FACILITY WILL BE CONSTRUCTED AND AUTHORIZE THE CITY MANAGER TO ENTER INTO THE AGREEMENT. (ARRIAGA)**
- g. **APPROVE SECOND AND FINAL READING OF ORDINANCE NO. 18-14 AMENDING CHAPTER 22, SECTION 22-3 PROVIDING FOR AMENDED TERMS, REVISING CHAIRPERSONS VOTING AUTHORITY AND CREATING THE POSITION OF VICE CHAIRMAN FOR THE SHORELINE TASK FORCE. (B. HILL)**

A true and correct copy of said Ordinance was placed in the City's Ordinance Book and entitled Ordinance No. 18-14, and, by reference hereto, included in these Minutes as if fully set out and spread upon the pages of the Minutes Book.

- h. **APPROVE SECOND AND FINAL READING OF ORDINANCE NO. 18-15 AMENDING SEC. 10-31; AMENDING SEC. 10-32 TO ADD AN ADDITIONAL SIX (6) MOBILE FOOD UNIT PERMITS FOR A TOTAL OF TWELVE (12) PERMITS ALLOWED AND ADD MOBILITY TO SECTION 10-32. (BALDOVINOS)**

A true and correct copy of said Ordinance was placed in the City's Ordinance Book and entitled Ordinance No. 18-15, and, by reference hereto, included in these Minutes as if fully set out and spread upon the pages of the Minutes Book.

- VI. **UPDATE REGARDING BROWNSVILLE/SOUTH PADRE ISLAND INTERNATIONAL AIRPORT NEW PASSENGER TERMINAL PROJECT. (ARNOLD)**

Bryant Walker, Director of the Brownsville/South Padre Island International Airport gave a presentation regarding the new Passenger Terminal Project stating construction will consist of two phases, Phase 1 - landside, Phase 2 – new passenger terminal building and airside.

- VII. **UPDATE ON THE SECOND CAUSEWAY FROM THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY (CCRMA) EXECUTIVE DIRECTOR, PETE SEPULVEDA. (LAPEYRE)**

Pete Sepulveda, Executive Director for the Cameron County Regional Mobility Authority (CCRMA) gave an update on the status of design, permitting and construction of the second causeway project.

- VIII. **PRESENTATION OF PRELIMINARY MASTER THOROUGHFARE PLAN BY KIMLEY-HORN. (JONES)**

Tom Grant from Kimley-Horn and Associates gave an overview of the preliminary Master Thoroughfare Plan which establishes a community's transportation policy direction and provides a long-term vision of the major street network necessary to meet future mobility needs.

IX. DISCUSSION AND ACTION TO APPROVE FIRST READING OF ORDINANCE NO. 18-16 AMENDING THE CITY'S FISCAL YEAR 2017-18 OPERATING BUDGET TO INCORPORATE PRIOR BUDGET AMENDMENTS AND BUDGET MODIFICATIONS FOR THE MONTH OF APRIL 2018. (GIMENEZ)

Council Member Metty made a motion, seconded by Council Member Munarriz to approve Ordinance No. 18-16 amending the City's Operating Budget to incorporate budget amendments and modifications previously approved during the month of April 2018. Motion carried on a 5 to 1 vote with Council Member Medders casting a nay vote.

X. PUBLIC HEARING: TO DISCUSS A SPECIFIC USE PERMIT TO ALLOW FOR THE EXPANSION AND OPERATION OF AN "OUTDOOR AMUSEMENT" PARK AT 1201 PADRE BOULEVARD. (CROSS)

At 6:46 p.m., Mayor Stahl opened the Public Hearing.

Proponents: None Opponents: None

Mayor Stahl closed the Public Hearing at 6:46 p.m.

XI. DISCUSSION AND ACTION TO APPROVE A SPECIFIC USE PERMIT TO ALLOW FOR THE EXPANSION AND OPERATION OF AN "OUTDOOR AMUSEMENT" PARK AT 1201 PADRE BOULEVARD; AND APPROVE FIRST READING OF ORDINANCE NO. 18-17 PROVIDING FOR A SPECIFIC USE PERMIT FOR OUTDOOR AMUSEMENT. (CROSS)

After much discussion regarding a Specific Use Permit to expand upon a legal non-conforming use with the addition of outdoor amusement rides at 1201 Padre Boulevard, Council Member Medders made a motion to table until next City Council meeting. Council Member Metty seconded the motion. Motion failed on a 2 to 4 vote with Council Members Medders and Metty casting an aye vote; and Mayor Stahl, Council Members Bagley, Munarriz, Pitcock casting a nay vote.

Council Member Pitcock made a motion, seconded by Council Member Munarriz to break for a recess to allow the City Manager to confer with the City Attorney via phone. Motion passed on a 5 to 1 vote with Council Member Metty casting a nay vote. Recess began at 7:40 p.m. At 8:05 p.m. Mayor Stahl reconvened the meeting.

City Manager Susan Guthrie gave a list of conditions that Council Members may want to include in a motion.

Council Member Pitcock made a motion to approve a Specific Use Permit allowing for the expansion and operation of an outdoor amusement park at 1201 Padre Boulevard and approve first reading of Ordinance No. 18-17 with the following conditions:

1. The maximum number of rides that may be permitted on the property shall be 9, including the Zip Line.
2. The applicant shall replace the chain link fencing with vinyl fencing by January 1, 2019.
3. The applicant shall ensure each amusement ride is inspected annually by a licensed amusement ride inspector, as registered by the Texas Department of Insurance.
4. Proper and on-going maintenance shall be performed to include removal of any visible rust and chipping paint.
5. This Specific Use Permit shall be retained with the property upon transfer of ownership.
6. In the event an amusement ride is replaced with another, the replacement ride shall not exceed the overall dimensions of the previous ride.

Motion was seconded by Council Member Munarriz. Motion died due to a tie vote with Council Members Pitcock, Munarriz and Mayor Stahl casting an aye vote; and Council Members Bagley, Metty and Medders casting a nay vote.

Mayor Stahl made a motion to approve the Specific Use Permit at 1201 Padre Boulevard and approve first reading of Ordinance No. 18-17 with the amended conditions:

1. The maximum number of rides that may be permitted on the property shall be 9. (Zip Line to be excluded)

Balance of this statement/motion to remain the same as previous motion with the exception of Item 6 (removed). Council Member Bagley seconded the motion, which carried on a unanimous vote.

City Manager Guthrie reiterated the motion with the following approved conditions:

1. The maximum number of rides that may be permitted on the property shall be 9.
2. The applicant shall replace the chain link fencing with vinyl fencing by January 1, 2019.
3. The applicant shall ensure each amusement ride is inspected annually by a licenses amusement ride inspector, as registered by the Texas Department of Insurance.
4. Proper and on-going maintenance shall be performed to include removal of any visible rust and chipping paint.
5. This Specific Use Permit shall be retained with the property upon transfer of ownership.
6. In the event an amusement ride is replaced with another, the replacement ride shall not exceed the overall dimensions of the previous ride.

XII. UPDATE ON THE TECHNOLOGY REPLACEMENT PLAN DMAIC BY THE INFORMATION TECHNOLOGY DEPARTMENT. (SHELLARD)

Information Technology Director Mark Shellard gave a short presentation on the Technology Replacement Plan stating that they are in the Control Phase of the DMAIC. Twenty (20) computers have been replaced so far this year and monitoring is in place to track detailed information about each computer.

XIII. UPDATE ON SHORELINE PROJECTS. (B. HILL)

Shoreline Director Brandon Hill gave an update on Shoreline projects which included the Shoreline Master Plan and Nearshore Berm Nourishment.

XIV. DISCUSSION AND ACTION TO ENTER INTO AN AGREEMENT BETWEEN THE UNITED STATES ARMY CORPS OF ENGINEERS (USACE), THE UNITED STATES GEOLOGICAL SURVEY (USGS) AND PARTRAC GEOMARINE INC. TO EXPLORE A PARTICLE TRACING SURVEY ON MATERIAL PLACED IN THE NEARSHORE BERM 2A/2B ASSOCIATED WITH THE CURRENT BUDM PROJECT UNDERWAY; AND A BUDGET ADJUSTMENT FOR \$135,000 FOR THE TRACER STUDY COST. (B. HILL)

Council Member Pitcock made a motion to enter into an agreement with the U.S. Army Corps of Engineers, U.S. Geological Survey and PARTRAC Geomarine for a Particle Tracing Survey; and approve budget adjustment in the amount of \$135,000 for the study. Council Member Munarriz seconded the motion, which passed on a unanimous vote.

XV. DISCUSSION AND ACTION TO APPROVE THE PURCHASE OF FOUR AIR HANDLERS FOR CITY HALL IN THE AMOUNT OF \$101,287 AS PART OF THE PREVENTATIVE MAINTENANCE RESERVE STUDY PROGRAM. (SANCHEZ)

Council Member Pitcock made a motion, seconded by Council Member Metty to approve the purchase of four air handlers in the amount of \$101,287. Motion carried unanimously.

XVI. DISCUSSION AND ACTION TO APPROVE RESOLUTION NO. 2018-14 REQUESTING THAT THE STATE OF TEXAS AND SPECIFICALLY THE TEXAS GENERAL LAND OFFICE ANNUALLY SET ASIDE A PORTION OF STATE GOMESA FUNDS FOR TEXAS COASTAL MUNICIPALITIES AND THEIR IMPLEMENTING ENTITIES WITHIN THE COASTAL ZONE, AS DEFINED IN THE TEXAS COASTAL MANAGEMENT PROGRAM. (B. HILL)

Council Member Bagley made a motion to approve Resolution No. 2018-14 requesting that the Texas General Land Office annually set aside a portion of state GOMESA funds for Texas coastal municipalities. Council Member Pitcock seconded the motion, which passed on a unanimous vote.

A true and correct copy of said Resolution was placed in the City's Resolution Book and entitled Resolution No. 2018-14, and, by reference hereto, included in these Minutes as if fully set out and spread upon the pages of the Minutes Book.

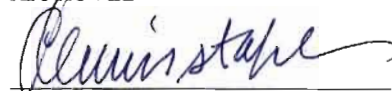
XVII. ADJOURN.

There being no further business, Mayor Stahl adjourned the meeting at 9:05 p.m.


Susan M. Hill, City Secretary



APPROVED


Dennis Stahl, Mayor

ORDINANCE NO. 18-17

AN ORDINANCE OF THE CITY OF SOUTH PADRE ISLAND, TEXAS, PROVIDING FOR A SPECIFIC USE PERMIT FOR OUTDOOR AMUSEMENT AT PADRE ISLAND UNSUBDIVIDED ABST 260; REFERRING TO THE SPECIFIC USE PERMIT BY MAKING A REFERENCE IN THE ZONING MAP OF THE CITY OF SOUTH PADRE ISLAND, TEXAS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR A PENALTY OF UP TO TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH VIOLATION; PROVIDING FOR SEVERABILITY; AND AUTHORIZING PUBLICATION IN CAPTION FORM.

WHEREAS, the City Council of the City of South Padre Island (“City Council”), conducted a public hearing wherein a request was made by Doyle Wells (the “Applicant”) to allow a Specific Use Permit for “Outdoor Amusement” operations on a tract of land zoned District “PBS” (Padre Boulevard South);

WHEREAS, the City Council has investigated and determined the City of South Padre Island, Texas (“City”) should refer to the Specific Use Permit by making a reference in the Zoning Map as provided herein and pursuant to a notice being duly posted according to law,

WHEREAS, the tracts of land subject to the Specific Use Permit are in the City of South Padre Island, Texas, being PADRE ISLAND UNSUBDIVIDED ABST 260 3.605 AC OUT OF 6.675 AC PT LT AN-7 BLK A , and being more particularly described in Exhibit “A” attached hereto and incorporated herein for all purposes (the “Property”);

WHEREAS, the City Council finds that Applicant has agreed to comply with all provisions of the ordinances of the City, including but not limited to the Zoning Ordinance, and has further agreed to comply with the additional restrictions set forth herein;

WHEREAS, the City Council has investigated and determined that it would be fair to accommodate the Outdoor Amusement operations by granting the Specific Use Permit;

WHEREAS, the Planning and Zoning Commission of the City and the City Council, in compliance with the laws of the State of Texas and the requirements of Sec. 20-18 of the City Code of Ordinances (Zoning) have given requisite notice by publication and otherwise, and holding due hearings and affording a full and fair hearing to all property owners generally and to all persons interested and situated in the affected area and in the vicinity thereof, and in the exercise of its legislative discretion have concluded that the Specific Use Permit should be referenced on the Zoning Map as required by Section 20-24 of the City Code of Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS:

Section 1. The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

Section 2. The locations of the Specific Use Permit are referenced on the Zoning Map as shown on Exhibit "A".

Section 3. Applicant is granted a Specific Use Permit to allow operation of the identified outdoor amusement facility based upon the following conditions;

1. Expansion of current operations is limited to the addition of amusement amenities attached in Exhibit "B";
2. The maximum number of rides that may be permitted on the property shall be 9, excluding the Zip Line;
3. The applicant shall replace the chain link fencing with vinyl fencing by January 1, 2019;
4. The applicant shall ensure each amusement ride is inspected annually by a licensed amusement ride inspector, as registered by the Texas Department of Insurance;
5. Proper and on-going maintenance shall be performed to include removal of any visible rust and chipping paint;
6. This Specific Use Permit shall be retained with the property upon transfer of ownership;
7. In the event an amusement ride is replaced with another, the replacement ride shall not exceed the overall dimensions of the previous ride;

Section 4. Applicant is granted a Specific Use Permit to allow operation of Outdoor Amusement operations subject to the aforementioned conditions.

Section 5. All terms of this Specific Use Permit shall be complied with prior to issuance of a certificate of occupancy and shall be maintained thereafter. This Specific Use Permit will be declared null and void if:

1. Any failure to comply with any term or condition of this Ordinance, as it exists or may be amended; or
2. This Specific Use Permit was obtained by fraud or deception.

Section 6. This ordinance repeals all portions of any prior ordinances or parts of ordinances of the Code of Ordinances in conflict herewith.

Section 7. Any violation of the above mentioned section of Chapter 20 of the Code of Ordinances of the City of South Padre Island may be punished by a fine not to exceed two thousand Dollars (\$2000.00) for each offense of for each day such offense shall continue and the penalty provisions of Sections of Section 21-2 of the Code of Ordinances is hereby adopted and incorporated for all purposes.

Section 8. If for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance for it is the definite intent of this City Council that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.


Section 9. This Ordinance shall become effective when published in caption form.

PASSED, APPROVED AND ADOPTED on First Reading, the 16th day of May 2018.

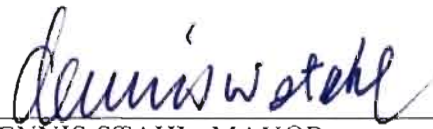
PASSED, APPROVED AND ADOPTED on Second Reading, the 6th day of June 2018.

ATTEST:

CITY OF SOUTH PADRE ISLAND,
TEXAS



SUSAN HILL, CITY SECRETARY



DENNIS STAHL, MAYOR



Exhibit "A"

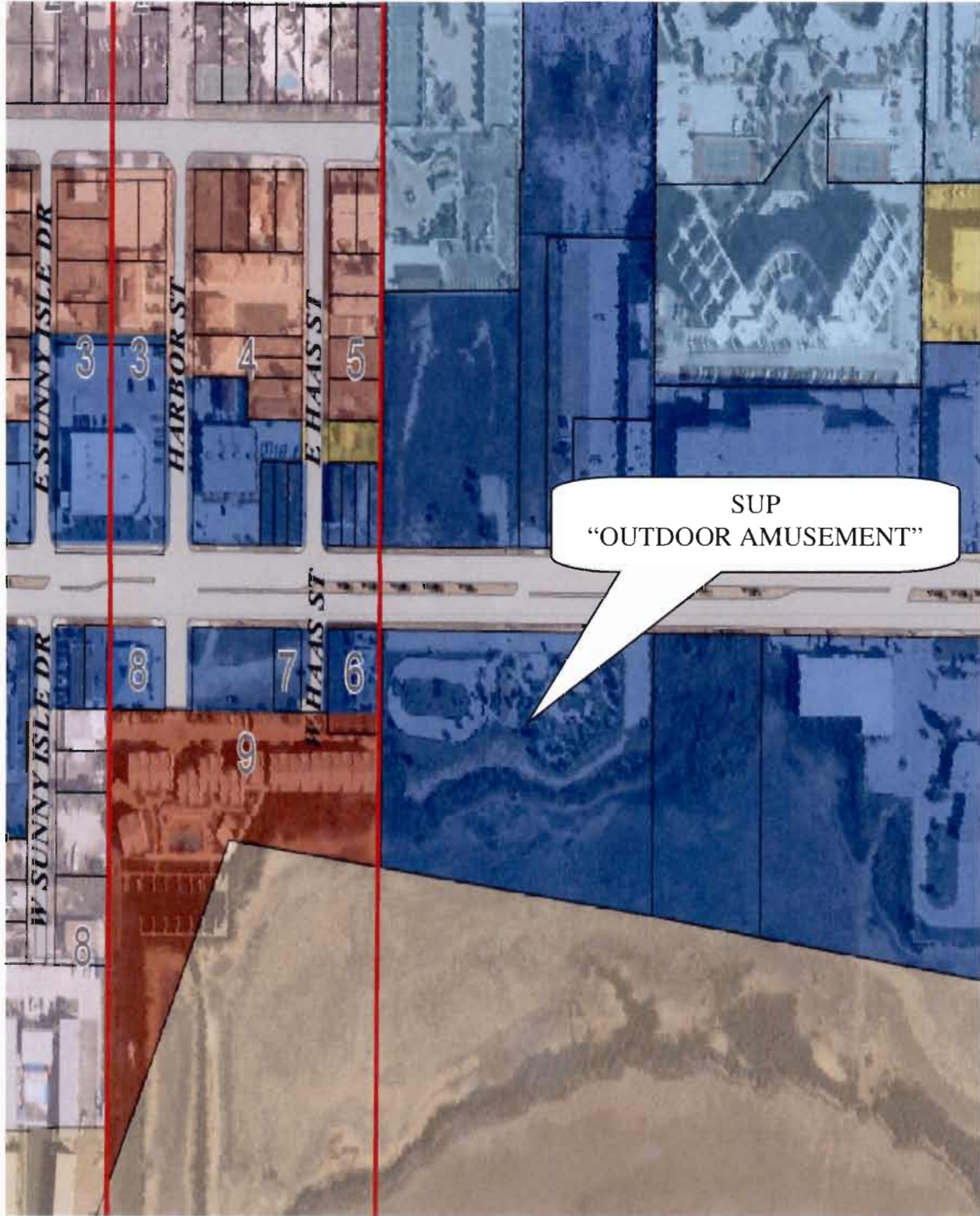
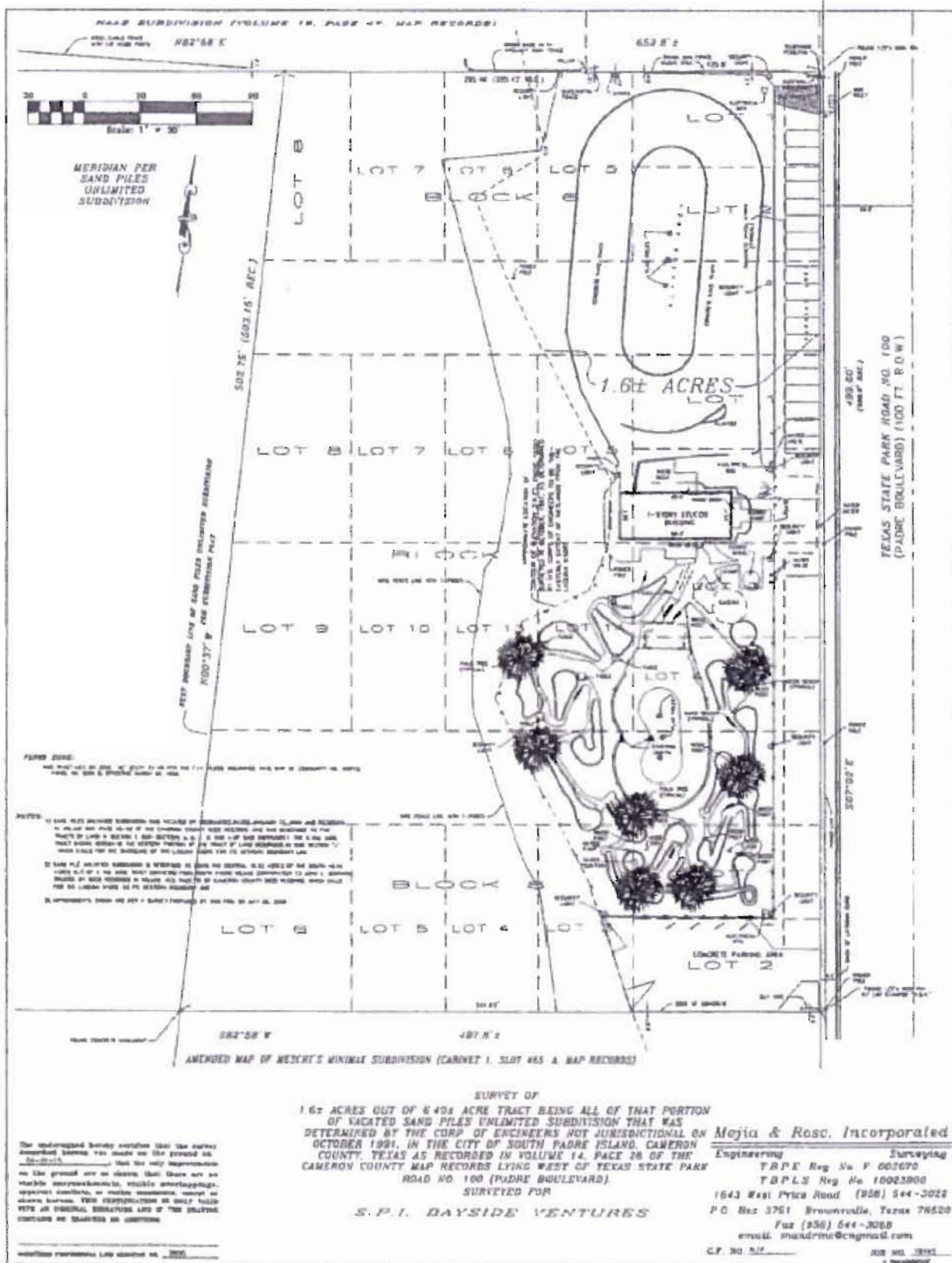


Exhibit "B"



8-20

Exhibit "B Cont."



8-21

Exhibit "B Cont."

Identified Ride #1

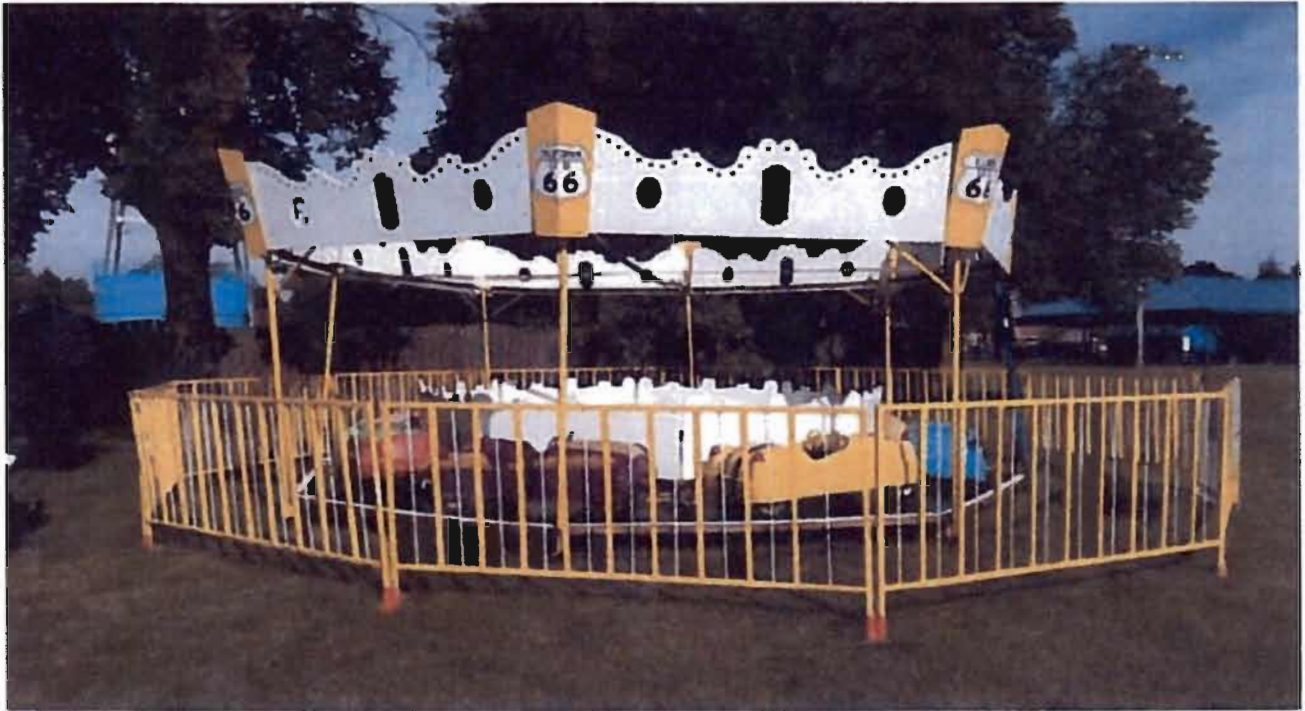


Identified Ride #2



Exhibit "B Cont."

Identified Ride #3



Identified Ride #4



8-23

Exhibit "B Cont."

Identified Ride #5



Identified Ride #6



Exhibit "B Cont."

Identified Ride #7



Identified Ride #8



**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2019

NAME & TITLE: Alita Bagley, Council Member

DEPARTMENT: City Council

ITEM

Discussion and action to accept and move forward with Pubic Works recommendations for sidewalk landscaping on Padre Boulevard and rescind previous Council action.

ITEM BACKGROUND

Numerous discussions have taken place concerning the landscaping along sidewalks on Padre Blvd. Public Works Director and staff, after much work brought forth a plan to City Council to allow for landscaping using turf and implemented a pilot project to demonstrate the hardiness and survival of using turf. It has now been shown this plan has proven to be successful.

City Council, on a 4 – 2 vote approved removing all existing plants and irrigation and replacing with concrete at a cost estimate \$386,000.00. Staffs recommendations to use the existing new irrigation and replacing plants with sod carried a cost estimate of \$183,000.00

Maintenance costs estimated to be \$20,000.00 per year including repairs, mowing, watering crew hours etc.

There are areas where Kimbley Horn has recommended adding concrete rather than grass due to heavy turn traffic, ease of access, etc. The cost estimate is for sod replacement plus additional recommended concrete areas \$234,000.00

Not only will directing Public Works to implement their recommended plan add to the beautification of Padre Blvd, it will allow the City Council to use the savings towards design and engineering of Laguna Blvd.

BUDGET/FINANCIAL SUMMARY

Balance of available funds	\$589,000	
Current adopted plan cost	\$386,000	bal \$ 203,000
Replace all with sod cost	\$183,000	bal \$ 406,000
Concrete/sod alternative	\$234,000	bal \$ 355,000

COMPREHENSIVE PLAN GOAL

2.2 The appearance of the transportation system, including street rights of way should contribute to the character of the City.

LEGAL REVIEW

Sent to Legal: YES: _____ NO: _____
Approved by Legal: YES: _____ NO: _____

Comments:

RECOMMENDATIONS/COMMENTS

Quote for CHANGE ORDER #6

Revision 2 01/29/2019 8:02AM Page 1

REIM CONSTRUCTION
9612 N STEWART RD
MISSION, TX 78573
migueljr@reimconstruction.com

Contact: MIGUEL RAMOS JR
Phone: (956) 580-2675
Fax: (956) 580-4032
Cell: (956) 208-2770

Bond: Not Included
Sales Tax: Not Included
Bid Date:

Quote To:

Phone:
Fax:
Email:

Quote is valid for 30 days.

Item	Description	Quantity	Unit	Unit Price	Extension
1310	REMOVE PLANTS	5,370.000	EA	2.800	15,036.00
1315	REMOVE DRIP LINES	27,283.000	SF	0.500	13,641.50
1325	REMOVE VALVE	27.000	EA	161.000	4,347.00
1330	CUT & CAPE MAIN IRRIGATION LINE	20.000	EA	70.000	1,400.00
1335	TAPE 4" BORE	24.000	EA	90.000	2,160.00
1350	COLOURED TEXTURED CONCRETE (4")	3,030.000	SY	115.500	349,965.00
				Total Quote: \$	386,549.50

9-3

Padre Blvd.

SIDEWALK IMPROVEMENT
MARCH 2019 UPDATE

GENERAL PROJECT INFORMATION

▶ REVISED PROJECT INFORMATION:

- ▶ TOTAL AREA STILL NEEDING TO BE IMPROVED: 3,030 SY or 27,270 SF - TxDOT Verified
- ▶ APPROXIMATE LENGTH: 2.58 MILES or 13,622 ft.
- ▶ 02-26-19: Took 10 min to cut 124 ft. -> 20 hours/week (Weed Eat & Mow)

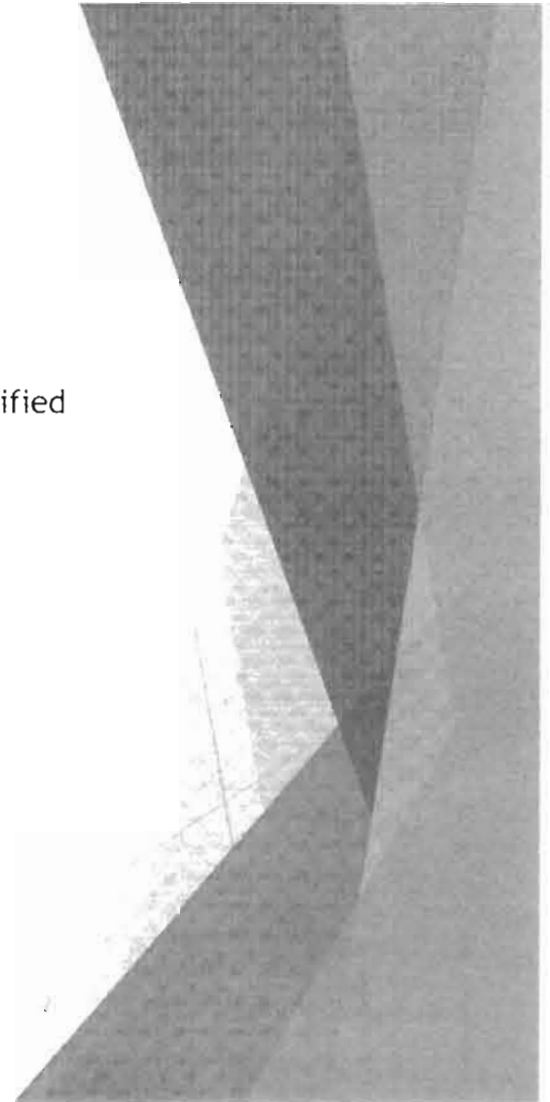
STAMPED CONCRETE



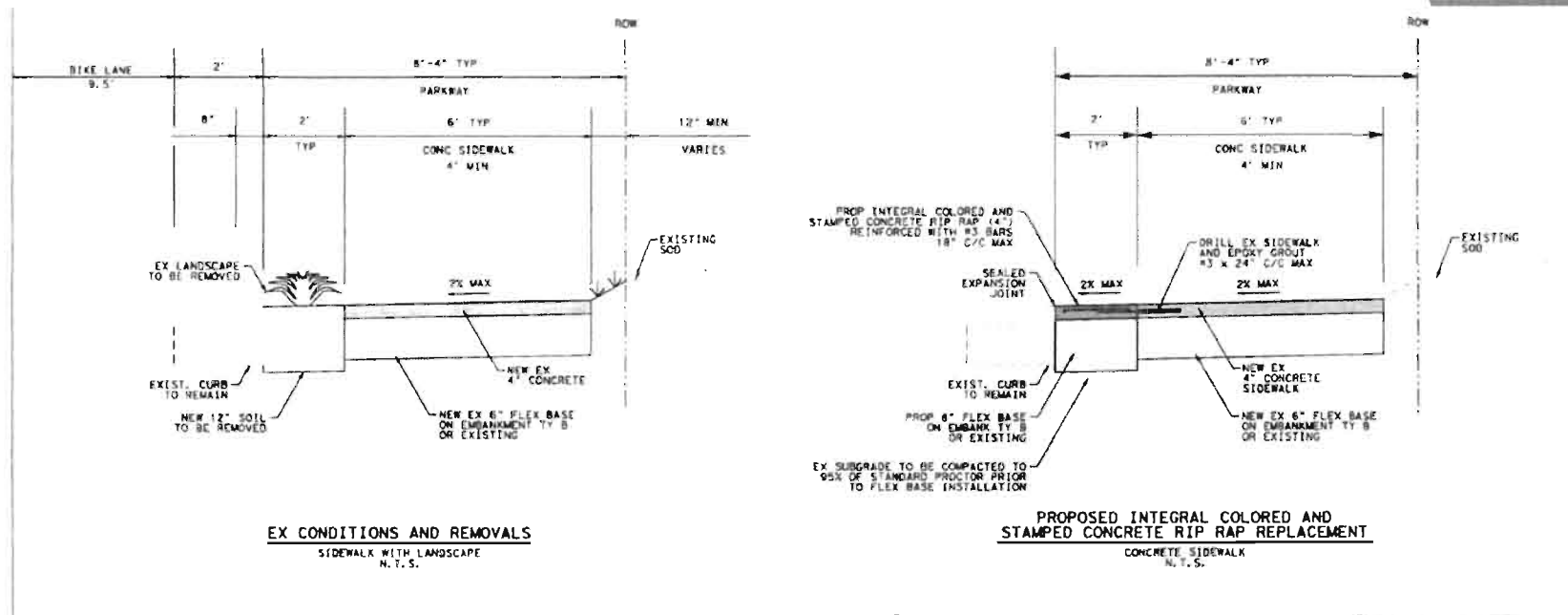
GRASS SOD



S-6



Stamped Concrete Option



- **Stamped Concrete Revise Total Cost: \$386,549.50 (Revised)**
- Including removal of plants, removal of drip lines and capping irrigation system.
- Water Meters will remain in place for medians landscaping currently being designed.

9-6

Alternative Option - GRASS

- ▶ Remove Plants - \$15,036 (REIM Quote)
- ▶ Grass Sod: $\$0.80/\text{SF} \times 27,270 \text{ sf} = \$21,816$
- ▶ Adjust Irrigation Drip Line = \$800.00 Estimate
- ▶ Remove 12" Soil = \$25,000 Estimate
- ▶ Subgrade Preparation = \$30,000
- ▶ Rip Rap Stone (3"-5") = \$52,000 Estimate
- ▶ Vegetation Barrier = \$8,000 Estimate
- ▶ Top Soil = \$30,300 Estimate
- ▶ **Grass Total Cost Estimate: \$182,952 with rock bedding**
- ▶ **NOTE: TXDOT will void warranty on Sidewalk ON THIS OPTION**



COLORED STAMPED CONCRETE & GRASS ALTERNATIVE

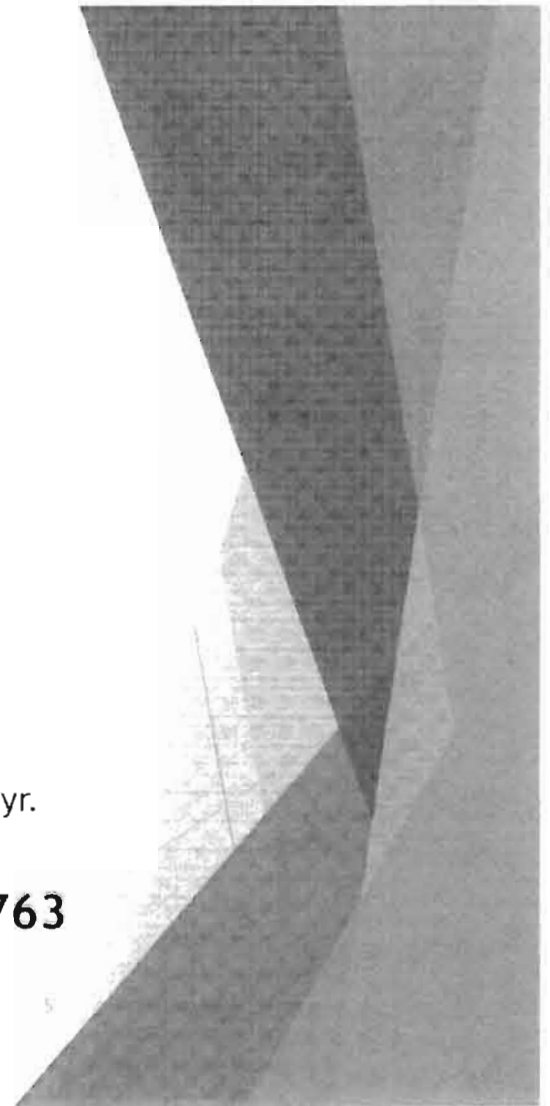
- ▶ COLORED STAMPED CONCRETE
 - ▶ \$127.57/SY
 - ▶ 760 SY
 - ▶ \$96,953.20
- ▶ GRASS
 - ▶ \$60.38/SY
 - ▶ 2,270 SY
 - ▶ \$137,062.60
- ▶ TOTAL ALTERNATIVE COST
 - ▶ \$234,015.80



GRASS MAINTENANCE

- ▶ Lawn Mower (Estimate 6 hour per week; average consumption 1 gal/hr.)
 - ▶ Gas: 312 gal/yr. @ \$2.50/gal = \$780/yr.
 - ▶ Maintenance (oil, spark plug, air filter, blade, etc.) = \$408/yr.
 - ▶ Total Yearly Cost = \$1188
- ▶ Edger (Estimate 12 hours per week; average consumption 1/8 gal/hr.)
 - ▶ Gas: 78 gal/yr. @ \$2.50/gal = \$195/yr.
 - ▶ Maintenance (oil, spark plug, string, etc.) = \$507/yr.
 - ▶ Total Yearly Cost = \$702
- ▶ Maintenance Crew (Done with existing Public Works Crew)
 - ▶ 20 hr./week or 1040 hr./yr. @ \$11.39/hr. = \$11,845.60 -> \$12,000
- ▶ Estimated Repairs (Approximately 10% of area is 2,727 sf/yr. @ \$0.30/sf): \$818/yr.
- ▶ Irrigation Cost: \$5,055/yr.
- ▶ **Total Estimated Yearly Maintenance Grand Total: \$19,763**

b-6



GRASS MAINTENANCE SCHEDULE BASIS

- ▶ Lawn Mower (312 hr.)
 - ▶ Cub Cadet 28in Wide Lawnmower - \$900/EA (1 every 3 years = \$300/yr.)
 - ▶ Oil Change: Every 50 hr. (6/yr. @ \$4.50 = \$27)
 - ▶ Spark Plugs: Every 100 hr. (3/yr. @ \$5.00 = \$15)
 - ▶ Air Filter: Every 100 hr. (3/yr. @ \$10.00 = \$30)
 - ▶ Blades: 3 per year (3/yr. @ \$12.00 = \$36)
 - ▶ Total = \$408
- ▶ Lawn Edging (624 hr.)
 - ▶ Echo 266 Weed Eater - \$300/EA
 - ▶ Oil Mixture 50:1 -> 2.56 oz./gal. (78 gal. of gas): 200 oz. (200/yr. @ \$0.50 = \$100)
 - ▶ Oil Change: Every 50 hr. (12/yr. @ \$4.50 = \$54)
 - ▶ Spark Plugs: Every 300 hr. (2/yr. @ \$5.00 = \$10)
 - ▶ Air Filter: Every 150 hr. (4/yr. @ \$2.00 = \$8)
 - ▶ String: 1 spools of 705 ft. per year (1/yr @ \$ = \$35)
 - ▶ Total = \$507

GRASS IRRIGATION ESTIMATE

Total Area: 3,030 SY or 27,270 SF

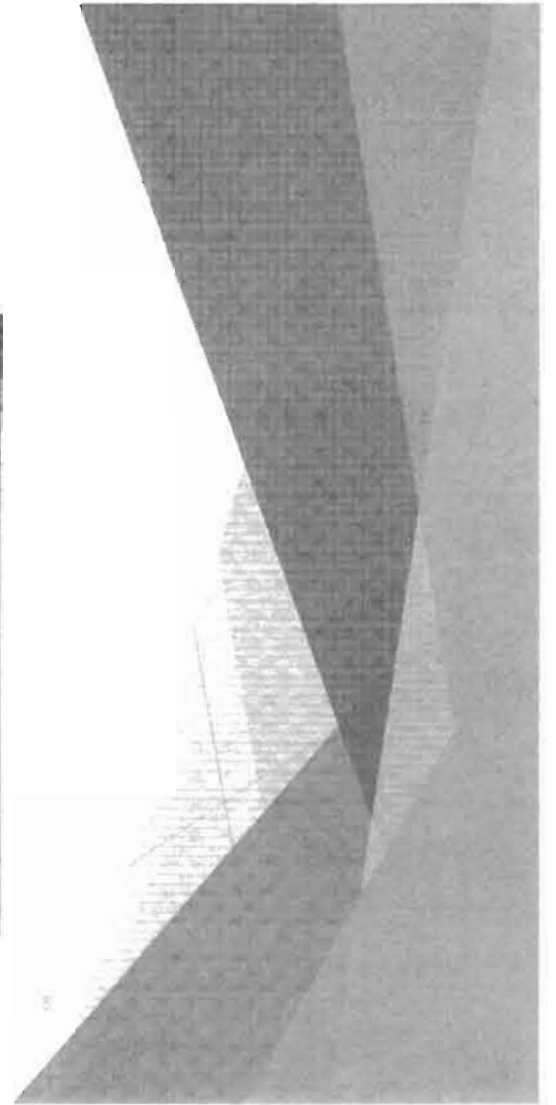
PADRE BLVD SIDEWALK LANDSCAPE 1" METERS 12 EA

MONTH	WEEKS	WEEKLY WATER REQ. (IN)	MONTHLY WATER REQ. (IN)	TOTAL MONTHLY RAIN (IN)	ESTIMATED IRRIGATION REQ. (IN)	GAL/SF	GAL REQ.	MIN. CHARGE	20,000 GAL @ 2.52	40,000 GAL @ 3.78	40,000+ @ 5.32	TARGET
							27,270.00 SF					
OCTOBER	4	1	4	3	1	0.623	16,989.21	\$276.84	\$40.32	\$0.00	\$0.00	\$317.16
NOVEMBER	5	0.75	3.75	1.5	2.25	1.40175	38,225.72	\$276.84	\$40.32	\$68.89	-\$9.44	\$376.61
DECEMBER	4	0.75	3	0.9	2.1	1.3083	35,677.34	\$276.84	\$40.32	\$59.26	-\$23.00	\$353.42
JANUARY	4	0.75	3	1	2	1.246	33,978.42	\$276.84	\$40.32	\$52.84	-\$32.03	\$337.96
FEBRUARY	4	0.75	3	1	2	1.246	33,978.42	\$276.84	\$40.32	\$52.84	-\$32.03	\$337.96
MARCH	5	1	5	1.1	3.9	2.4297	66,257.92	\$276.84	\$40.32	\$75.60	\$139.69	\$532.45
APRIL	4	1	4	1.45	2.55	1.58865	43,322.49	\$276.84	\$40.32	\$88.16	\$17.68	\$422.99
MAY	5	1.25	6.25	1.9	4.35	2.71005	73,903.06	\$276.84	\$40.32	\$75.60	\$180.36	\$573.12
JUNE	4	1.25	5	2	3	1.869	50,967.63	\$276.84	\$40.32	\$117.06	\$58.35	\$492.57
JULY	4	1.25	5	1.65	3.35	2.08705	56,913.85	\$276.84	\$40.32	\$75.60	\$89.98	\$482.74
AUGUST	5	1.25	6.25	2.15	4.1	2.5543	69,655.76	\$276.84	\$40.32	\$75.60	\$157.77	\$550.53
SEPTEMBER	4	1.1	4.4	4.1	0.3	0.1869	5,096.76	\$276.84	\$0.00	\$0.00	\$0.00	\$276.84
												\$5,054.37

➤ Total Grass Option: \$182,952 plus \$20,000 yearly maintenance

11-6

GRASS UPDATE 02-26-19



e1-b

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2019

NAME & TITLE: Brandon Hill, Shoreline Director

DEPARTMENT: Shoreline Department

ITEM

Discussion and action to approve a Beach and Dune Permit to construct a 65-foot long, 6-foot wide private ADA ramp located at 2100 Gulf Boulevard.

ITEM BACKGROUND

The applicant proposes the construction of a 65-foot long and 6-foot wide private ADA ramp that would connect to an existing pathway to the public beach.

BUDGET/FINANCIAL SUMMARY

None.

COMPREHENSIVE PLAN GOAL

Chapter III. Parks and Resources

GOAL 1: The City shall ensure protection and conservation of natural resources, such as beaches, dunes, wetlands, Laguna Madre waterfront and native flora and fauna, allowing for their sustainable use and enjoyment by future generations.

Objective 1.1 Beach and dunes shall be protected from both natural and artificial erosion.

LEGAL REVIEW

Sent to Legal: YES: _____ NO: X
Approved by Legal: YES: _____ NO: _____

RECOMMENDATIONS/COMMENTS

Staff recommends the approval.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 1, 2019

Via Electronic Mail

Brandon Hill
Director, Shoreline Management Department
City of South Padre Island
P.O. Box 3410
South Padre Island, Texas 78597-3410

Beachfront Construction Certificate & Dune Protection Permit in the City of South Padre Island

Site Address: 2100 Gulf Boulevard, South Padre Island
Legal Description: Padre Grand Condominiums, Lots 1-4, Block 19, Lot 5, Block 26, Padre Beach Section III
Lot Applicant: The Padre Grand HOA c/o H2O Construction
GLO ID No.: BDSPI-19-0022

Dear Mr. Hill:

The General Land Office (GLO) has reviewed the application materials for a dune protection permit and beachfront construction certificate for the above-referenced location. The applicant proposes the construction of a 65-foot long and 6-foot wide private ADA ramp to connect to an existing pathway to the public beach. According to the Bureau of Economic Geology, the area is accreting. Based on the information submitted to our office for review, we have the following comments:

- The applicant may not damage any dune vegetation or clear or remove any dune vegetation on either side of the ramp or pathway for the purpose of facilitating construction. When conducting retaining wall maintenance in the future, the applicant is prohibited from damaging dunes or dune vegetation without first obtaining a permit from the City of South Padre Island and mitigating for any damages to dunes and dune vegetation.
- Concrete may not be used to stabilize the base of the pilings for the ADA ramp.¹
- The deck of the ramp must be of sufficient elevation to allow for the growth of dune vegetation and the migration of dunes to the greatest extent practicable.²
- The proposed construction activities must minimize impacts on natural hydrology and not cause erosion of adjacent properties, critical dune areas, or the public beach.³

¹ 31 Tex. Admin. Code § 15.6(f)(3).

² 31 Tex. Admin. Code § 15.7(g)(3).

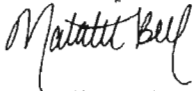
³ 31 Tex. Admin. Code § 15.6(g).

10-2

- The City must ensure the proposed construction is consistent with FEMA minimum requirements or with the FEMA-approved local ordinance.⁴

If you have any questions, please contact me by phone at (512) 463-0413 or by email at natalie.bell@glo.texas.gov.

Sincerely,



Natalie Bell
Manager, Beach Access & Dune Protection Program
Coastal Resources Division
Texas General Land Office

⁴ 31 Tex. Admin. Code § 15.6 (e)(3).

MEMORANDUM

TO: Shoreline Task Force
Natalie Bell, General Land Office
FROM: Brandon N. Hill, Shoreline Department Director
DATE: October 9, 2018
RE: 2100 Gulf Blvd. SPI, Texas, 78597

“New ADA Ramp for beach access 65 linear feet long with a 1/12 slope and 2 landings”

With consideration given to conformance with TAC regulations our preliminary determination is that:

1. The proposed activity will not reduce the size of the public beach. [TAC 15.5 (b)(1)]
2. The proposed activity does not appear to involve construction upon the public beach. [TAC 15.5 (c)(1)]
3. The proposed activity will not encroach upon the public beach. [TAC 15.5 (c)(1)]
4. The proposed activity will not close any existing public beach accesses within the area, nor will the construction close or prevent the use of any existing public beach parking spaces. [TAC 15.5 (d)(1)]

With consideration given to the City's *Dune Protection and Beach Renourishment and Access Plan* [B&D Ord. Section 22-10]:

1. The proposed activity may not result in the potential for increased flood damage to the subject property or adjacent properties.
2. The proposed activity will not result in run-off or drainage patterns that aggravate erosion on and off the site.
3. The proposed activity will cause no changes to the existing dune hydrology east of the Historic Building Line.
4. The proposed activity will not result in adverse effects on dune vegetation.
5. The proposed activity may increase the potential for washover or blowouts.

Due to the proximity of the Padre Grande to the City's Beach Access to the South, and the existing denuded trench that has been maintained along the Padre Grand retaining wall; and the potential to allow for a more connected dune system in front of this property, this is a perfect opportunity to minimize the duplicative dune cuts, through the combination of walkovers. This could be achieved by utilizing the denuded footprint directly in front of the retaining wall to place a raised walkover that would reach the Public Beach Access directly south of the Padre Grand.

The applicant has been made aware of this opportunity to minimize their impacted footprint and create a connected boardwalk taking advantage of the public access to the South. Connecting to the public access would not only minimize the impact to the dunes but also allow the cut that currently exists leading from their property to the public beach to heal decreasing the potential for washover and blowouts. This

MEMORANDUM

approach is recommended in the City of South Padre Island's Comprehensive Plan, Erosion Response Plan, Beach Management and Access Plan and has been championed by the Shoreline Taskforce and City Council.



The line of vegetation has been allowed to migrate closer to the property over the last several months, not reflected in this overhead shot.

City Staff recommends this application for approval however regrets that the property will not consider a clear opportunity to remove a cut through the City's dune system.

Brandon N. Hill



Beach & Dune Application

City of South Padre Island
 4601 Padre Blvd.
 South Padre Island, TX 78597
 Phone: (956) 761-3044
 Fax: (956) 761-3898

Site for Proposed Work	
Legal Description _____	Physical Address <u>2100 Gulf Blvd.</u>

Property Owner information	Applicant / Agent for Owner
Name <u>The Padre Grand Homeowner's Association</u>	Name <u>H2O Construction</u>
Mailing Address <u>2100 Gulf Blvd</u>	Mailing Address <u>P.O. Box 532845</u>
City <u>SPD</u> State <u>TX</u>	City <u>Houston</u> State <u>TX</u>
Zip <u>78597</u> Country _____	Zip <u>78553</u> Country _____
Phone Number <u>(956) 761-7290</u>	Phone Number <u>495-6253</u>
Fax Number _____	Fax Number _____
E-Mail Address <u>Thepadregrand@aol.com</u>	E-Mail Address <u>charby2176@aol.com</u>
I / We, owners of the above-mentioned property, authorize the applicant stated above, to act in my behalf in order to acquire a Beach and Dune permit for the construction proposed below. (owner initials here <u>Lara</u>)	
Owner(s) Signature(s) _____	Applicant Signature <u>[Signature]</u>
Date _____	Date <u>1/25/19</u>

Project Description
Describe with as much detail as possible the construction proposed. If more room is needed, please include an additional page. Include the number of habitable units, amenities, swimming pools, fences, kinds of fences, whether footings and/or retaining walls will be installed, and locations of proposed landscaping and parking.
<u>New ADA Ramp for beach access 65 linear feet long w/ a 1/12 slope and 2 landings (see attached)</u>
Total Square Footage of Footprint of Habitable Structure: <u>390</u>
Total Area of Impervious Surface (i.e. retaining walls, walkways, drives, patios, etc.): <u>N/A</u>
Percentage Impervious Surface [(impervious surface / habitable footprint) * 100]: <u>N/A</u>
Please Note: the percentage of impervious surface cannot exceed 5% in an eroding area.
Approximate Duration of Construction: <u>2 months</u>

10-6

Mitigation Plan

Describe the methods which you will use to avoid, minimize, mitigate and/or compensate for any adverse effects on dunes or dune vegetation.

Explanation / Other Information Water jet piles in lieu of driving them.

Financial Plan for Dune Mitigation:

If required by the City Council, a financial guarantee (irrevocable letter of credit or a performance bond, etc.) may be necessary to insure the mitigation of dunes/dune vegetation takes place as proposed and required of the applicant.

Type of Plan Submitted _____ Date of Submission _____

Checklist of Additional Required Application Information

An accurate map, plat or site plan showing:

- 1. Legal description of the property (lot, block, subdivision) and the immediately adjoining property
- 2. Location of all existing structures - including the habitable and inhabitable structures, swimming pools, decks, fences, parking areas, landscape areas, etc.
- 3. Location of the Historical Building Line on the subject property and the extension of the line on the properties immediately adjoining the subject property to the north and to the south.
- 4. Location and elevation of existing retaining walls - both on the subject property and those properties immediately adjoining the subject property to the north and to the south.
- 5. Location of proposed structure(s) - if proposing the construction of a retaining wall, please also include the proposed elevation of the retaining wall.
- 6. Location of proposed driveways, parking areas (showing the # of proposed parking spaces) and landscape areas.
- 7. Location of all existing and proposed beach access paths and/or dune walkovers.
- 8. Location and extent of any man-made vegetated mounds, restored dunes, fill activities, or any other pre-existing human modifications on the tract.
- 9. Topographical survey of the site identifying all elevations, existing contours of the project area (including dunes and scales) and the proposed contours of the final grade.

Other required application information:

- 1. A grading and layout plan showing proposed contours for the final grade.
- 2. The floor plan(s) and elevation(s) of the structure proposed to be constructed or expanded.
- 3. Photographs of the site which clearly show the current location of the vegetation line & existing dunes on the tract within the last 6 months.
- 4. Copy of the Flood Rate Map showing the location of the subject property (FEMA GOV - Map Search).
- 5. Copy of the Historical Erosion Rate Map as determined by the University of Texas at Austin, Bureau of Economic Geology (beg.utexas.edu).
- 6. Application Fee of \$180 for Staff Approved applications and \$300 for City Council Approved applications.

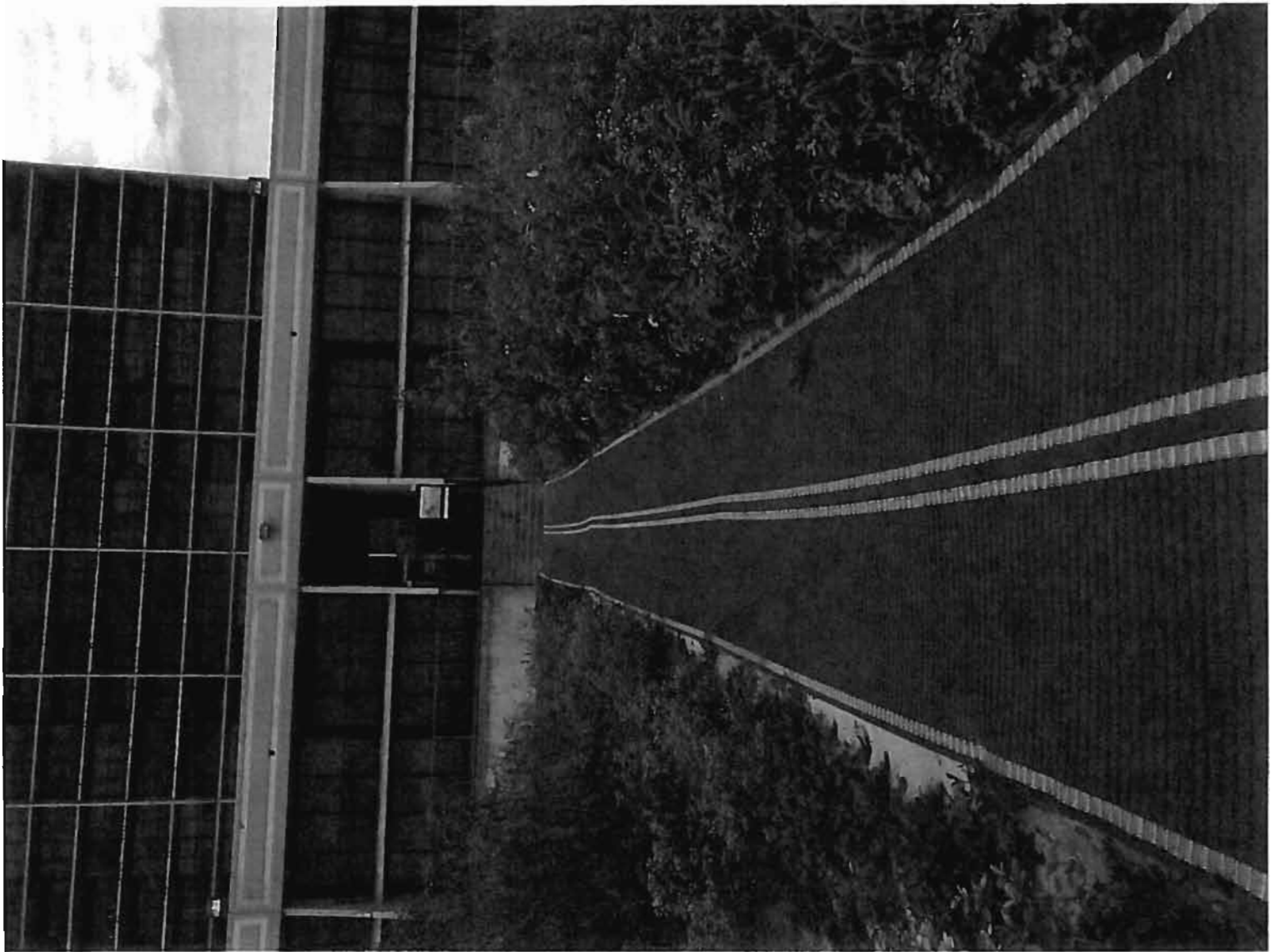
Your application is not complete unless all information requested above is submitted.

Application submissions require only three (3) copies of the complete information plus a digital copy.

10-7

8-01

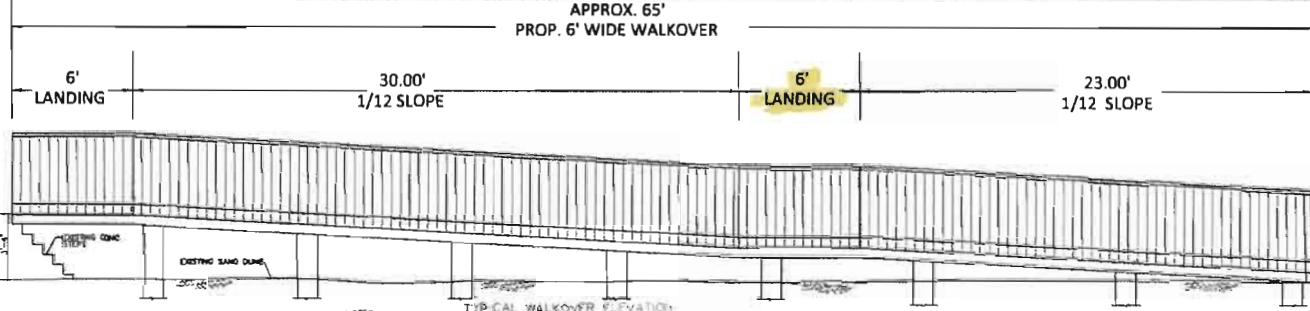
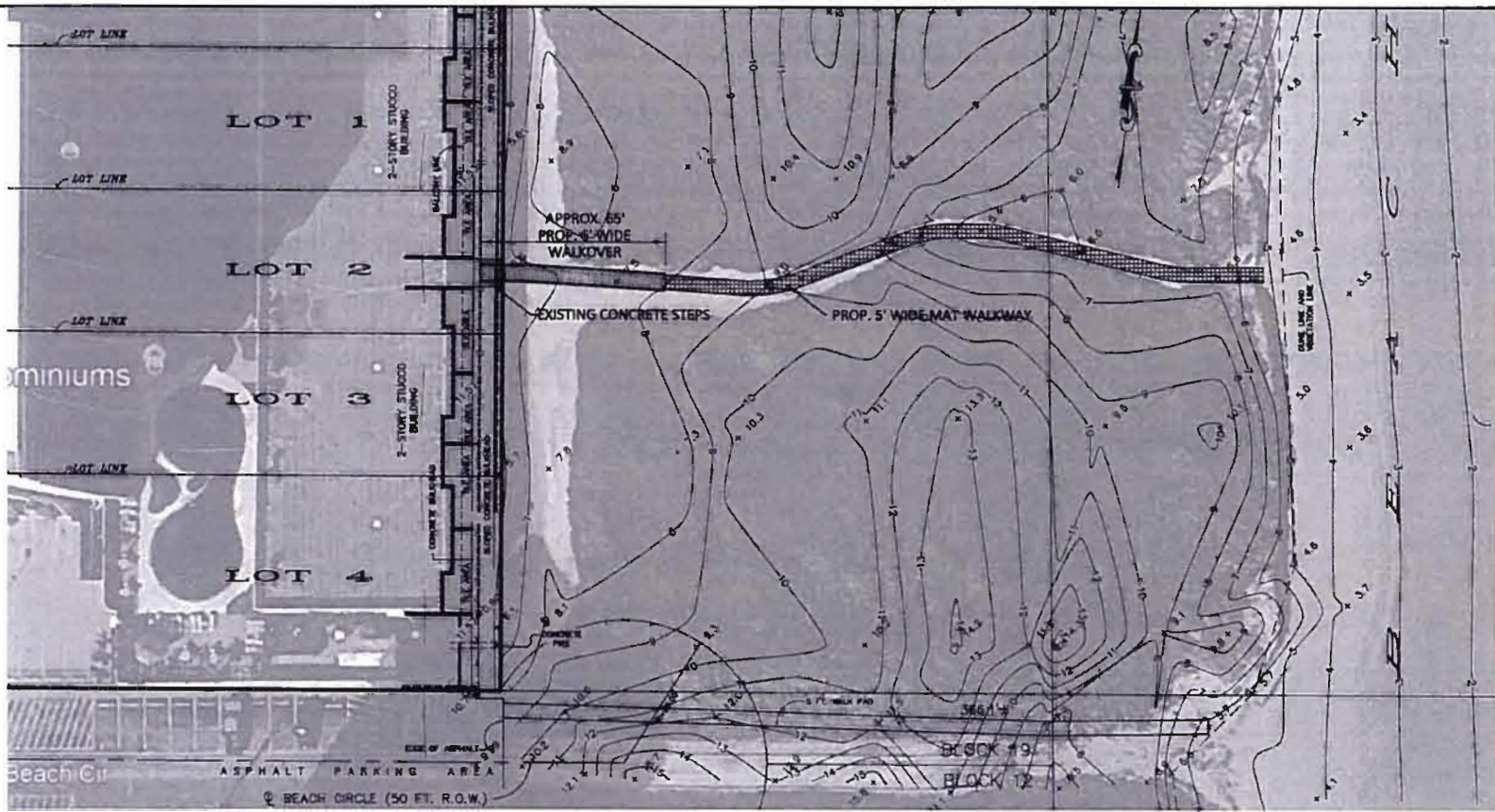




10-9



10-10



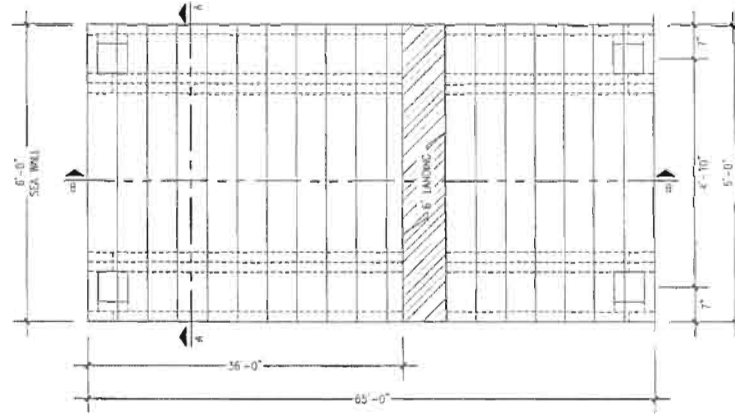
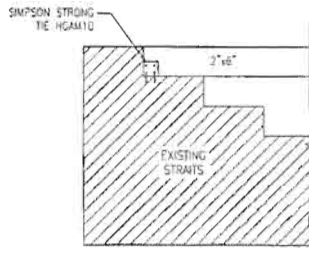
NOTES:
 1. WALKOVER CONSTRUCTION WILL MEET THE CITY OF SOUTH PADRE ISLAND BUILDING CODES.

**PROPOSED WALKOVER
 AT
 PADRE GRANDE CONDOMINIUMS**

11-01

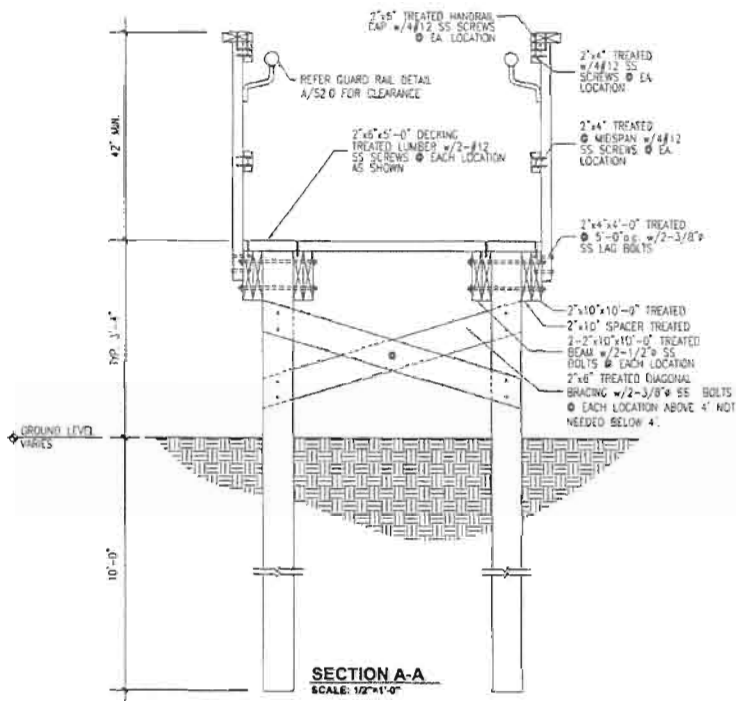
GENERAL NOTES

1. ALL WORK TO BE PERFORMED IN ACCORDANCE WITH CONTRACT DOCUMENTS, DRAWINGS AND SPECIFICATIONS.
2. ALL LUMBER: PRESSURE TREATED LUMBER O & CCA.
3. ALL POSTS IN SAND TO BE 1/2.5 SALT WATER TREATED.
4. THE WALK OVER CONSTRUCTION WILL MEET THE REQUIRED CODES FOR 2015 IBC AND 2012 TAS TOWN OF SOUTH PADRE ISLAND.
5. SLOPED WALKWAYS TO MEET ADA MAX 1:12 SLOPE.
6. HANDRAIL REQUIRED AT 1:12 SLOPED RAMP AT END OF BOARDWALK. END OF HANDRAIL TO BE CURVED INTO LAST POST.
7. BRACING ONLY NECESSARY FOR EXPOSED POST HEIGHT ABOVE 4'.
8. PRESERVATIVE RATING OF CCA O & B LB/C.U. FT. FOR ALL LUMBER ON THE BOARD WALK WITH THE EXCEPTION OF THE POST TO BE CCA O & B.
9. WALK OVER CONSTRUCTION WILL MEET THE CITY OF SOUTH PADRE ISLAND BUILDING CODES.
10. CONTRACTOR TO INSTALL PIERS BY WATER JETTING. ALL PIERS WILL BE FOUNDED 10" BELOW GRADE.
11. MARKINGS ON PIERS WILL BE VISIBLE.
12. 3'x6" LANDING AT 36" IN MID SECTION ALONG RAMP TO COMPLY WITH TAS 405 RAMPS.

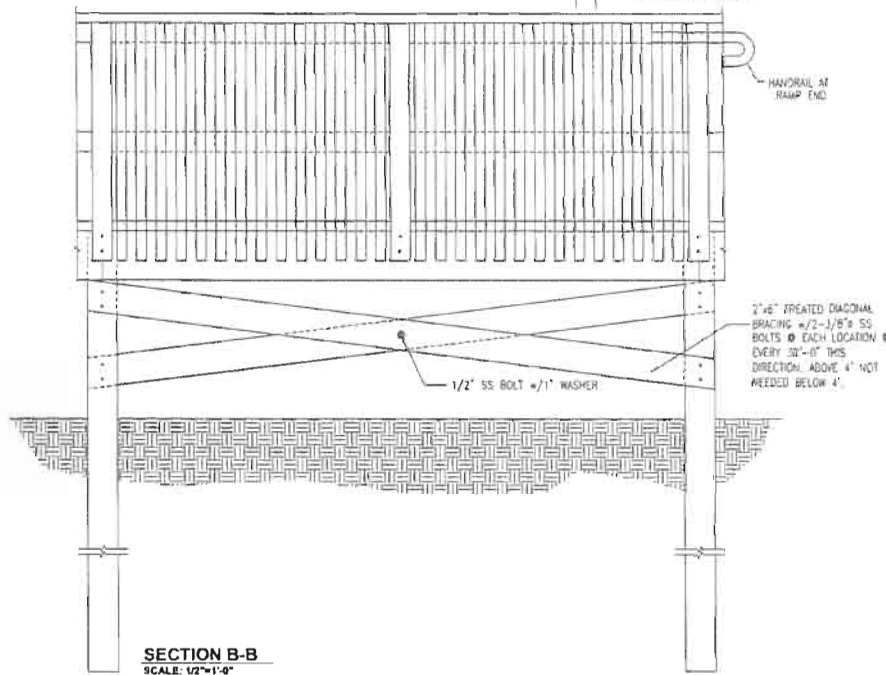


PLAN VIEW
SCALE: N.T.S.

2x2 SQUARE TREATED TIMBERS,
4" MAX SPACING O.C.
REFER SECTION
A-A FOR CONNECTION



SECTION A-A
SCALE: 1/2"=1'-0"



SECTION B-B
SCALE: 1/2"=1'-0"

PADRE GRAND CONDOMINIUMS

2100 GULF BLVD.
SOUTH PADRE ISLAND, TX

STRUCTURAL ENGINEER
CASA
ENGINEERING
Civil & Structural Association
14778 Arrow Point Rd. Suite 1
Houston, TX 77027
Phone 281-681-7922
www.casae.com

TEXAS REGISTERED ENGINEERING FIRM E-8483



THE SEAL OR PORTION OF THIS DOCUMENT WAS AUTHORIZED BY DAVID V. DAY, P.E. NO. 82808 ALTERATION OF A SEALED DOCUMENT WITHOUT PROPER NOTIFICATION TO THE RESPONSIBLE ENGINEER IS AN OFFENSE UNDER THE TEXAS ENGINEERING PRACTICE ACT.

NO.	DESCRIPTION	DATE

SPECS
S1.0 PLAN AND SECTION VIEWS
S2.0 PLAN AND SECTION VIEWS

PROJECT NO.	DESCRIPTION	DATE
183118-01		
DATE	10-25-2018	
DRAWN BY	MAI/MP/NC	
DESIGNED BY	DVD	

PLAN AND SECTION VIEWS

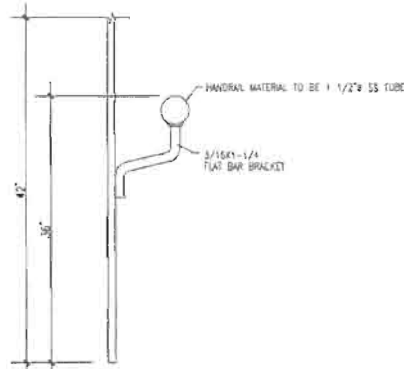
SHEET NO.

S1.0 OF 2

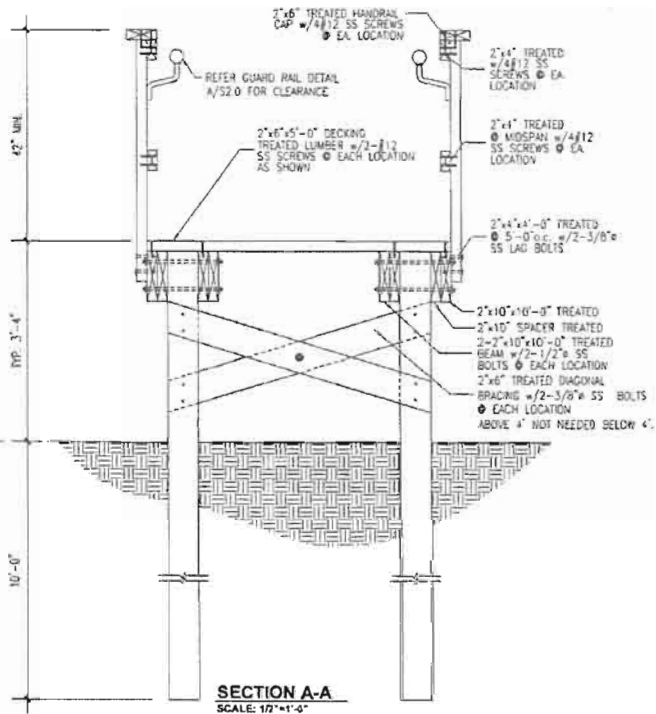
10-2

GENERAL NOTES

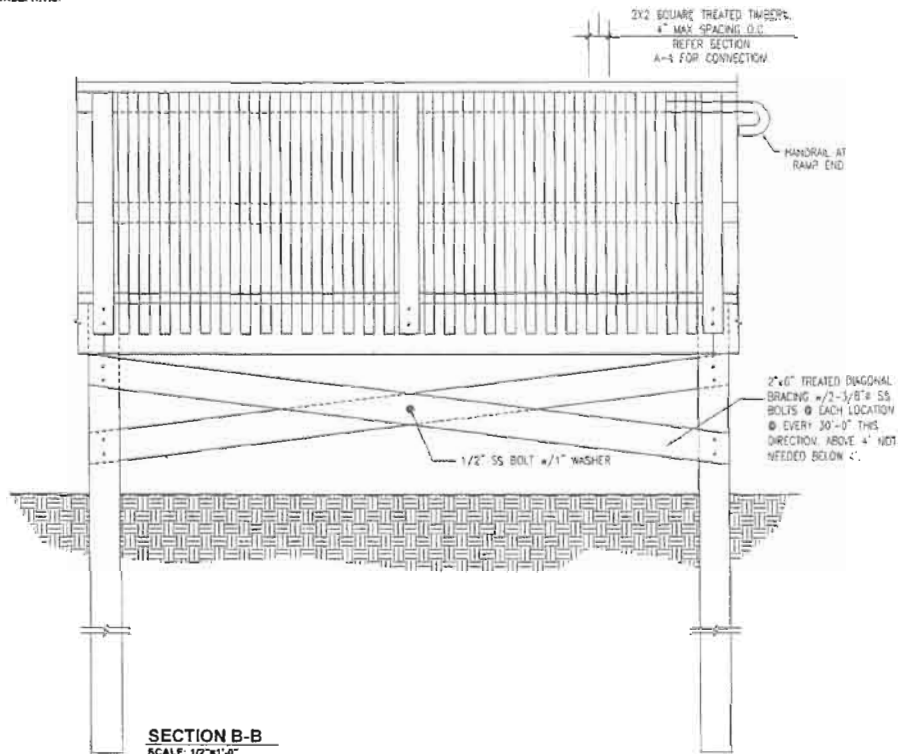
- ALL WORK TO BE PERFORMED IN ACCORDANCE WITH CONTRACT DOCUMENTS, DRAWINGS AND SPECIFICATIONS.
STRUCTURAL DESIGN LOAD: ASCE 7-10
LIVE LOAD: 100 PSF
DEAD LOAD, WEIGHT OF MATERIAL 10 PSF MIN.
- ALL LUMBER: PRESSURE TREATED LUMBER O.B. CCA.
- ALL POSTS IN SAND TO BE #2.5 SALT WATER TREATED
- THE WALK OVER CONSTRUCTION WILL MEET THE REQUIRED CODES FOR 2015 IBC AND 2012 TAS TOWN OF SOUTH PADRE ISLAND.
- SLOPED WALKWAYS TO MEET ADA MAX 1:12 SLOPE.
- HANDRAIL REQUIRED AT 1:12 SLOPED RAMP AT END OF BOARDWALK, END OF HANDRAIL TO BE CURVED INTO LAST POST.
- BRACING ONLY NECESSARY FOR EXPOSED POST HEIGHT ABOVE 4'.
- PRESERVATIVE RATING OF CCA 0.6 LB/CU. F.1. FOR ALL LUMBER ON THE BOARD WALK WITH THE EXCEPTION OF THE POST TO BE CCA 0.25
- WALK OVER CONSTRUCTION WILL MEET THE CITY OF SOUTH PADRE ISLAND BUILDING CODES
- CONTRACTOR TO INSTALL PIERS BY WATER JETTING. ALL PIERS WILL BE FOUNDED 10' BELOW GRADE.
- MARKINGS ON PIERS WILL BE VISIBLE.
- 5'X5' LANDING AT 36" IN MID SECTION ALONG RAMP TO COMPLY WITH TAG 425 RAMPS.



A GUARD RAIL SECTION
SCALE: N.T.S.



SECTION A-A
SCALE: 1/2"=1'-0"



SECTION B-B
SCALE: 1/2"=1'-0"

PADRE GRAND CONDOMINIUMS

2100 GULF BLVD.
SOUTH PADRE ISLAND, TX

STRUCTURAL ENGINEER
CASA ENGINEERING
Civil & Structural Associates
10775 Shoreline Rd. Suite 6
Houston, TX 77033
Phone: 281.628.7702
www.casae.com

TEXAS REGISTERED ENGINEERING FIRM 7-0248



THE SEAL OF THE PROFESSIONAL ENGINEER WAS AUTHORIZED BY DAVID V. DAY. NO. B2808. IN EXERCISE OF A SEALED DOCUMENT WITHOUT PROPER NOTIFICATION TO THE RESPONSIBLE ENGINEER IS AN OFFENSE UNDER THE TEXAS ENGINEERING PRACTICE ACT.

CONTRACTOR

WHERE
S1.0 PLAN AND SECTION VIEWS
S2.0 PLAN AND SECTION VIEWS

REVISION	DESCRIPTION	DATE

PROJECT NO.	183118-01
DATE	10-25-2018
DESIGNED BY	MAT/MP/NC
DRAWN BY	DVD

PLAN AND SECTION VIEWS

SHEET NO.

S2.0 OF 2

10-13

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2018

NAME & TITLE: Brandon N. Hill, Shoreline Director

DEPARTMENT: Shoreline Department

ITEM

Discussion and action to approve budget amendment in the amount of \$26,718 to fund temporary toilet services to be placed on the beach from March 9, 2019 through September 2, 2019.

ITEM BACKGROUND

The Restroom Facility subcommittee, Shoreline Task Force, and City Council approved of the placement of six temporary restroom facilities on the beach throughout summer. This proposal has been received from A-Clean PortoCo. The funds for the Spring break order had previously been budgeted for however due to the nature of the summer restroom placement, this expense had not been foreseen during last year’s budgeting process. In order to allow for these six restrooms to be paid for the Shoreline Department is requesting that additional funds be placed in the “Spring Break” line item.

BUDGET/FINANCIAL SUMMARY

Increase line item 60-560-9045 by \$26,718.
The current level of excess reserves in the beach maintenance funds is approximately \$1.6 million.

COMPREHENSIVE PLAN GOAL

Objective 1.1: Beach and dunes shall be protected from both natural and artificial erosion.
Policy 1.1.3: The City should actively engage in creating, preserving, and enhancing access to the beach.

LEGAL REVIEW

Sent to Legal: YES: _____ NO: X
Approved by Legal: YES: _____ NO: X

RECOMMENDATIONS/COMMENTS

City Staff recommends approval.



**INVITATION TO BID 2019-02-25
Temporary Toilet Services (summer)**

Proposals must be received before:

February 25, 2019
2:00 p.m. central time
City of South Padre Island
ATTN: City Secretary
4601 Padre Blvd.
South Padre Island, TX 78597

City of South Padre Island – City Secretary
4601 Padre Blvd • South Padre Island, TX 78597 • (956) 761-8109 • Fax (956) 761-3888
www.MySPI.org

11-2

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GENERAL

The City of South Padre Island seeks to enter into an agreement with a qualified Individual, Firm or Corporation (Proposer) with substantial and relevant experience and expertise to provide **Temporary Toilet Services**.

DEFINITIONS

The following definitions shall be used to identify terms throughout this Request for Proposal:

A. AGREEMENT/CONTRACT

A mutually binding legal document obligating the Firm to furnish the goods or services specified within this solicitation and obligating the City to pay for the goods as specified.

B. RESPONSE/OFFER

A complete, properly signed response to this solicitation that, if accepted, would bind the Respondent to perform the resulting contract.

C. RESPONDENT/OFFERER

The Individual, Firm or Corporation (Proposer) that considers themselves qualified to provide the products specified herein, and are interested in making an offer to provide the goods to the City.

D. CITY

The City of South Padre Island, located in Cameron County, Texas.

E. CITY COUNCIL

The elected officials of the City of South Padre Island, Texas, given the authority to exercise such powers and jurisdiction of all City business as conferred by the City Charter and State Constitution and Laws.

F. FIRM

The successful Proposer of this request for proposal.

G. PIGGYBACK CONTRACT

A contract or agreement that has been competitively solicited in accordance with State of Texas statutes, rules, policies and procedures and has been extended for the use of state and local agencies that have entered (or will) into an Interlocal Agreement with the City.

H. PURCHASE ORDER

A purchase order records the financial obligation of the City to pay for goods or services properly received; therefore, a purchase order is also required for all contracts with an expenditure of funds entered into by the City Manager or City Council.

I. REQUEST FOR PROPOSAL (RFP)

This Solicitation document issued by the City containing terms, conditions and specifications for the products to be procured.

J. VENDOR/CONTRACTOR

Person or business enterprise providing goods or services to the City as fulfillment of obligations arising from an agreement pursuant to this request for proposal.

NOTICE TO PROPOSERS

A. NOTICE

Sealed proposals are due at **2:00 p.m. on February 25, 2019** after which time all qualified responses will be opened and acknowledged at 4601 Padre Blvd, South Padre Island, Texas 78597. Proposals received after the specified deadline will be returned unopened.

Sealed proposals shall be clearly marked with the RFP number and title and addressed to the City of South Padre Island – City Secretary. Proposals shall be delivered using one of the following:

Hand-deliver to: 4601 Padre Blvd South Padre Island, TX 78597	Mail to: 4601 Padre Blvd. South Padre Island, TX 78597	Ship to (FedEx, UPS, DHL): 4601 Padre Blvd. South Padre Island, TX 78597
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Potential Respondents may receive notice of solicitations from the City of South Padre Island from a variety of channels. Approved methods of dissemination include: City of South Padre Island website or the City of South Padre Island City Secretary. The receipt of solicitations through any other means may result in the receipt of incomplete specifications or addenda which could ultimately render your proposal non-compliant. City of South Padre Island accepts no responsibility for the receipt or notification of solicitations through any other source.

B. QUESTIONS and INQUIRIES

Questions and inquiries about this Solicitation shall be submitted in writing to the following individual:
Brandon Hill
Shoreline Director
bhill@myspi.org

The deadline for written questions is **February 18, 2019 at @ 2:00 p.m.** central time. This deadline has been established in order to provide adequate time for City staff to prepare responses to questions from Proposers to the best of their ability in advance of the Pre-Proposal Conference meeting.

Proposers shall not attempt to contact City Council members, City staff or Management directly during the pre-proposal or post-proposal period. The City intends to respond to all appropriate questions or concerns; however, the City reserves the right to decline to respond to any question or concern. All material modifications, clarifications or interpretations will be incorporated into an addendum which will be publically posted. All addenda issued prior to the due date and time for responses are incorporated into the RFP and must be acknowledged in the Proposal response. Only written information provided shall be binding. Oral or other interpretations shall not be binding and are held without legal effect.

C. SCHEDULE OF IMPORTANT DATES

The City will generally comply with the following schedule for the selection process, subject to changes necessary to ensure fairness and to accommodate unanticipated events:

Release RFP		February 11, 2019
Deadline for Questions and Inquiries	2:00 PM CST	February 18, 2019
Proposals Closing Date and Time	2:00 PM CST	February 25, 2019

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D. CERTIFICATION

This Solicitation includes a certification page. Respondent must:

1. Furnish complete name, mailing address, telephone number and email of the individual duly authorized to execute contractual documents on behalf of the Respondent.
2. Furnish name of individual(s), along with respective telephone numbers and email addresses, who will be responsible for answering all questions.
3. Certify that they have not conspired with any other potential Respondents in any manner to attempt to control competitive pricing.
4. Certify that they are duly qualified, capable and otherwise bondable business entity not in receivership or contemplating same, and has not filed bankruptcy.

E. EXCEPTIONS

Any deviations from terms, conditions or specifications contained herein must be clearly indicated in the Response to this Solicitation in writing at or before the due date and time. Any deviations or exceptions are subject to review by the City and may deem the Response disqualified or non-responsive. If no exceptions are stated, it will be understood that all general terms and conditions and specific requirements will be complied with, without exception.

F. DISCLOSURE OF INTERESTED PARTIES

Contracting hereunder may require compliance with §2252.908 Texas Government Code/Disclosure of Interested Parties for contracts that (1) require an action or vote by the City Council before the contract may be signed; or (2) has a value of at least \$1 million. The law provides that a governmental entity may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity at the time the business entity submits the signed contract to the governmental entity or state agency.

The process as implemented by the Texas Ethics Commission ("TEC") is as follows:

1. The disclosure of interested parties must be performed using the Texas Ethics Commission's electronic filing application listing each interested party of which the business entity is aware on Form 1295, obtaining a certification of filing number for this form from the TEC, and printing a copy of it to submit to the City.
2. The copy of Form 1295 submitted to the City must contain the unique certification number from the TEC. The form must be filed with the City pursuant to §2252.908 Texas Government Code, "at the time the business entity submits the signed contract" to the City.

The City, in turn, will submit a copy of the disclosure form to the TEC not later than the 30th day after the date the City receives the disclosure of interested parties from the business entity.

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STANDARD TERMS and CONDITIONS

A. ADDENDA

If it becomes necessary to revise any part of this proposal, prior to the due date and time, a written addendum will be provided to all known interested Respondents. The City is not bound by any oral representations, clarifications, or changes made in the written specification by the City's employees, unless such clarification of change is provided to Respondents in written addendum form from the City.

Addenda will be transmitted to all that are known to have received a copy of the request for proposal and specifications. However, it shall be the sole responsibility of the Respondent to verify issuance of any addenda and to check all avenues of document availability prior to the opening date and time. Respondent shall provide written acknowledgment of all addenda.

B. ADVERTISING and PUBLICITY

Firm shall not advertise or otherwise publicize, without the City's prior written consent, the fact that the City has entered into the Agreement, except to the extent required by applicable law.

C. ASSIGNMENTS

The Agreement shall be binding upon and inure to the benefit of the City and the Firm, and their respective successors and assignees, provided however, that no right or interest in the Agreement shall be assigned and no obligation shall be delegated by the Firm without the prior written consent of the City. Any attempted assignment or delegation by the Firm shall be void unless made in conformity with this Paragraph. The Agreement is not intended to confer any rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there is no third party beneficiaries to the Agreement.

D. BUSINESS PRACTICES

Minority business enterprises and/or historically underutilized businesses will be afforded full opportunity to submit proposals in response to this invitation and will not be discriminated against on the grounds of race, color, creed, sex, or national origin in consideration for an award.

E. CANCELLATION or TERMINATION

1. Termination For Cause:

In the event of default by the Firm, the City shall have the right to terminate the Agreement for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Firm, within such ten (10) day period cures such default, or provides evidence sufficient to prove to the City's satisfaction that such default does not, in fact, exist. In addition to any other remedies available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses incurred by the City as a result of the Firm's default, including without limitation, cost of cover, reasonable attorneys' fees, court costs and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of default by the Firm, the City may remove the Firm from the City's Vendor List and any Offer submitted by the Firm may be disqualified for up to three (3) years. All rights and remedies under the Agreement are cumulative and not exclusive of any other right or remedy provided by law.

2. Termination Without Cause:

The City shall have the right to terminate the Agreement, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Firm shall promptly cease all further work pursuant to the Agreement, with such exceptions, if any, specified in the notice of termination. The City shall pay the Firm, to the extent of funds appropriated or otherwise legally available for such purposes, for all products actually delivered and obligations incurred prior to the date of termination in accordance with the terms hereof.

3. Non-Appropriation:

The resulting Agreement is a commitment of the City's current revenues only. It is understood and agreed that the City shall have the right to terminate the Agreement if, for any reason, funds are not appropriated to continue this Agreement.

4. Cancellation:

The City reserves the right to cancel the Agreement for default for all or any part of the delivered portion of the deliverables if the Firm breaches any term hereof including warranties, or becomes insolvent or commits acts of bankruptcy. Such right of cancellation is in addition to and not in lieu of any remedies which the City may have in law or in equity.

F. CLAIMS

If a claim, demand, suit or other action is asserted against the Firm which arises under or concerns the Agreement, or which could have a material adverse effect on the Firm's ability to perform thereunder, the Firm shall give written notice to the City within ten (10) calendar days after receipt of notice by the Firm. Such notice to the City shall state the date of notification of any such claim, demand, suit or other action; the names and address of the claimant(s); the basis thereof; and the name of each person against whom such claim is asserted. Such notice shall be delivered to the City Manager, 4601 Padre Blvd, South Padre Island, TX 78597.

G. CODES, PERMITS, LICENSES

Firm shall comply with all federal, state and local standards, codes and ordinances, as well as other authorities that have jurisdiction pertaining to the products delivered and their application. None of the terms or provisions of the specification shall be construed as waiving any rules, regulations or requirements of these authorities. Firm shall be responsible for obtaining all necessary permits, certificates and/or licenses to fulfill contractual obligations to the City.

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H. COLLUSION

Advanced disclosures of any information to any particular Respondent which gives that particular Respondent any advantage over any other interested Respondent in advance of the opening of bids, whether in response to advertising or an informal request for proposals, made or permitted by a member of the governing body or an employee or representative thereof, will cause to void all responses to that particular solicitation or request.

I. COMMUNICATION

To insure the proper and fair evaluation of this Proposal, the City prohibits ex parte communication (e.g., unsolicited) initiated by the Respondent to the City Official or Employee evaluating or considering the Responses prior to the time an award has been made. Communication between Respondents and the City will be initiated by the appropriate City Official or Employee in order to obtain information or clarification needed to develop a proper and accurate evaluation of the Proposal(s). Ex parte communication may be grounds for disqualifying the offending Respondent from consideration or award, or any future Solicitation.

Unless otherwise specified, all requests for clarification or questions regarding a Solicitation must be directed as provided herein.

J. CONFIDENTIALITY

In order to provide the deliverables to the City, Firm may require access to certain of the City's and/or its licensors' confidential information (including, but not limited to, inventions, employee information, trade secrets, confidential know-how, confidential business information and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Firm acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors, and any unauthorized use, disclosure, dissemination or other release of the Confidential Information will substantially injure the City and/or its licensors. The Firm (including its employees, subcontractors, agents or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate or otherwise use the Confidential Information without the prior written consent of the City, or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or as a result of an order of any court or other governmental authority with proper jurisdiction, provided the Firm promptly notifies the City prior to disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Firm agrees to use protective measures no less stringent than the Firm uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

K. DEFAULT

Firm shall be in default under the Agreement if the Firm (a) fails to fully, timely and faithfully perform any of its material obligations under the Agreement, (b) fails to fully, timely and faithfully perform any of its material obligations under any agreement Firm has with the City, (c) fails to timely pay any fees or taxes owed to the City, (d) becomes insolvent or seeks relief under the bankruptcy laws of the United States, or (e) makes a material misrepresentation in Respondent's Proposal, or in any report or deliverable required to be submitted by Firm to the City.

A Firm who abandons or defaults the work on the Agreement and causes the City to purchase the products elsewhere may be charged the difference in cost of products, if any, and may not be considered in the re-advertisement of the service and may be rejected as an irresponsible bidder and

not considered in future Solicitations for the same type of commodity unless the scope of work is significantly modified.

L. DELAYS

The City may delay scheduled deliveries or other due dates by written notice to the Firm if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Agreement, the City and the Firm shall negotiate an equitable adjustment for costs incurred by the Firm in the Agreement price and execute an amendment to the Agreement. The Firm must assert its right to an adjustment within ten (10) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution Process specified herein. However, nothing in this provision shall excuse the Firm from delaying the deliveries as notified.

M. DISCLOSURE

At the due date and time there will be no disclosure of contents of any Proposal to competing Proposers, and all Proposals will be kept confidential during the negotiation process. Except for trade secrets and confidential information which the Firm identifies as proprietary, all Proposals will be open for public inspection after the contract award.

N. DISCLOSURE OF PENDING LITIGATION:

Each Respondent shall include in its proposal a complete disclosure of any material civil or criminal litigation or pending investigation which involves the Respondent or in which the Respondent has been judged guilty.

O. DISPUTE RESOLUTION

If either the Firm or the City has a claim, dispute or other matter in question for breach of duty, obligations, services rendered or any warranty that arises under this Agreement, the parties shall first attempt to resolve the matter through this dispute resolution process. The disputing party shall notify the other party in writing as soon as practicable after discovering the claim, dispute or breach. The notice shall state the nature of the dispute and list the party's specific reasons for such dispute. Within ten (10) business days of receipt of the notice, both parties shall make a good faith effort, in person or through generally accepted means, to resolve any claim, dispute, breach or other matter in question that may arise out of, or in connection with, this Agreement. If the parties fail to resolve the dispute within sixty (60) days of the date of receipt of the notice of the dispute, then the parties may submit the matter to non-binding mediation upon written consent of authorized representatives of both parties in accordance with the Arbitration Rules of the American Arbitration Association or other applicable rules governing mediation then in effect. If the parties cannot resolve the dispute through mediation, then either party shall have the right to exercise any and all remedies available under law regarding the dispute.

P. FORCE MAJEURE

Neither party shall be liable for any default or delay in the performance of its obligations under this Agreement if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond reasonable control. In the event of default or delay in performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

Q. FRAUD

Fraudulent statements by the Respondent in the Proposal or in any report or deliverable required to be submitted by the Firm to the City shall be grounds for termination of the Agreement for cause by the City and may result in legal action.

R. GRATUITIES

The City may, by written notice to the Firm, cancel the Agreement without liability if it is determined by the City that gratuities were offered or given by the Firm or any agent or representative of the Firm to any officer or employee of the City with the intent of securing the Agreement or securing favorable treatment with respect to awarding or amending or the making of any determinations with respect to performance of the Agreement. In the event the Agreement is cancelled by the City pursuant to this Section, the City shall be entitled, in addition to any other rights and remedies, to recover the benefits or payments to the Firm, as a result of the gratuities.

S. INDEPENDENT CONTRACTOR

Nothing in this Request for Proposal is intended to be construed as creating an employer/employee relationship, a partnership or joint venture. The Firm's services shall be those of an independent contractor. The Firm agrees and understands that the Agreement does not grant any rights or privileges established for employees of the City. Firm shall not be within protection or coverage of the City's Worker Compensation Insurance, Health Insurance, Liability Insurance or any other insurance that the City, from time to time, may have in force.

T. INDEMNITY

FIRM SHALL INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS, AND LIABILITY OF EVERY KIND, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES, FOR INJURY TO OR DEATH OF ANY PERSON OR FOR DAMAGE TO ANY PROPERTY ARISING OUT OF OR IN CONNECTION WITH THE WORK DONE BY THE CONTRACTOR UNDER THIS CONTRACT. SUCH INDEMNITY SHALL APPLY REGARDLESS OF WHETHER THE CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS, OR LIABILITY ARISE IN WHOLE OR IN PART FROM THE NEGLIGENCE OF THE CITY, ANY OTHER PARTY INDEMNIFIED HEREUNDER, THE CONTRACTOR, OR ANY THIRD PARTY.

U. INFRINGEMENT

Firm represents and warrants to the City that: (a) Firm shall provide the City good and indefeasible title to the deliverables and (b) the deliverables supplied by the Firm in accordance with the specifications of the Agreement shall not infringe, directly or contributory, any patent, trademark, copyright, trade secret or any other intellectual property right of any kind of any third party; that no claims have been made by an person or entity with respect to the ownership or operation of the deliverables and the Firm does not know of any basis for any such claims. Firm shall, at its sole expense, defend, indemnify and hold the City harmless from and against all liability, damages and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (a) any claim that the City exercises anywhere in the world of the rights associated with the City's ownership, and if applicable, license rights, and its use of the deliverable infringes the intellectual property rights of any third party; or (b) Firm's breach of any of the Firm's representations or warranties stated in this Agreement. In the event of any such claim, the City shall have the right to monitor such claim or, at its option, engage its own separate counsel to act as co-counsel on the City's behalf. Further, Firm agrees that the City's specifications regarding the deliverables shall in no way diminish Firm's warranties or obligations under this Paragraph, and the City makes no warranty that the products, development or delivery of such deliverables will not impact such warranties of Firm.

V. INSURANCE REQUIREMENTS

Upon request, Firm shall provide a copy of its insurance policies to the City.

W. INTERLOCAL AGREEMENT

Other governmental entities may be extended the opportunity to purchase from Solicitations awarded by the City, with the consent and agreement of the successful Firm(s) and the City. Such consent and agreement shall be conclusively inferred from lack of exception to this clause in Firm's Response. However, all parties indicate their understanding and all parties hereby expressly agree that the City is not an agent of, partner to or representative of those outside agencies or entities and that the City is not obligated or liable for any action or debts that arise out of such independently negotiated piggyback procurements.

X. INTERPRETATION

The Agreement is intended by both parties as the final, complete and exclusive statement of the terms of their Agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Agreement. Although the Agreement may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner fair to both parties, reading no provision more strictly against one party of the other. Whenever a term defined by the Uniform Commercial Code (the "UCC"), as enacted by the State of Texas, is used in the Agreement, the UCC definition shall control unless otherwise defined in the Agreement.

Y. INVALIDITY

The invalidity, illegality or unenforceability of any provision of the Agreement shall in no way affect the validity or enforceability of any other portion or provision of the Agreement. Any void provision shall be deemed severed from the Agreement and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain the particular portion or provision held to be void. The parties further agree to reform the Agreement to replace the stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent the entire Agreement from being void should a provision which is the essence of the Agreement be determined to be void.

Z. LIABILITY

Any person, firm or corporation party to the Agreement shall be liable for all damages incurred while in the performance of the Agreement. Firm assumes full responsibility for the terms contained herein and hereby releases, relinquishes, and discharges the City, its officers, agents and employees from all claims, demands and causes of action of any nature including the cost of defense thereof, for any injury to, including death of, any person whether that person be a third party, supplier or an employee of either of the parties hereto, and any loss of or damage to property, whether the same be that of either of the parties, caused by or alleged to have been caused by, arising out of or in connection with the issuance of the Agreement to the Firm and the negligence of the Firm, whether or not said claims, demands and causes of action in whole or in part are covered by insurance. Certificates of insurance may be required for, but not limited to, Commercial General Liability, Business Auto Liability, Workers Compensation and Professional Liability Insurance.

AA. LIENS

Firm shall defend, indemnify and hold the City harmless from and against any and all liens and encumbrances for all products delivered under this Agreement. At the City's request, the Firm or its subcontractors shall provide a proper release of all liens or satisfactory evidence of freedom from liens shall be delivered to the City.

BB. MANAGEMENT

Should there be a change in ownership or management, the Agreement may be canceled unless a mutual Agreement is reached with the new owner to continue the Agreement with its present terms, conditions and pricing. The Agreement is nontransferable by either party.

CC. NOTICES

Unless otherwise specified, all notices, requests or other communications required or appropriate to be given under the Agreement shall be in writing and deemed delivered three (3) business days after postmarked if sent by US Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, fax, or other commercially accepted means. Notices to the Firm shall be sent to the address specified in the Firm's proposal or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to: City of South Padre Island, 4601 Padre Blvd., South Padre Island, TX 78597 and marked to the attention of the City Manager.

DD. OVERCHARGES

Firm hereby assigns to the City any and all claims for overcharges associated with this Agreement which arise under the antitrust laws of the United States, 15 USCA Section 1 et seq., and/or which arise under the antitrust laws of the State of Texas, *Business and Commerce Code Ann.*, Section 15.01, et seq.

EE. PAYMENT TERMS

1. Tax Exempt Status:

The City is exempt from all federal excise, state and local taxes unless otherwise stated in this document. The City claims exemption from all sales and/or use taxes under Texas Tax Code §151.309, as amended. Texas Limited Sales Tax Exemption Certificates are furnished upon request. Firm will not charge for such taxes. If billed, the City will not remit payment until a corrected invoice is received.

2. Invoicing Requirements:

Unless otherwise specified, all invoices shall be submitted to City of South Padre Island, Accounts Payable, 4601 Padre Island, South Padre Island, TX 78597, and issued as required by the Purchase Order or Agreement. ***Each invoice must reference the unique Purchase Order number, and include the Firm's complete name and remit to address.*** If applicable, transportation and delivery charges must be itemized on the each invoice.

3. Payment Terms:

All payments will be processed in accordance with Texas Prompt Payment Act, *Texas Government Code*, Subtitle F, Chapter 2251. The City will pay Firm within thirty days after acceptance of goods or services delivered, or the day of receipt of a correct invoice, whichever is later. The Firm may charge a late fee (fee shall not be greater than that permitted under the Texas Prompt Payment Act) for payments not made in accordance with this prompt payment policy; however, the policy does not apply to payments made by the City in the event: (a) there is a bona fide dispute between the City and Firm concerning the goods or services delivered, that causes the payment to be late; (b) the terms of a federal agreement, grant, regulation or statute prevents the City

from making a timely payment with Federal funds; (c) there is a bona fide dispute between the Firm and a subcontractor and its suppliers concerning deliveries made, which caused the payment to be late; or (d) the invoice is not mailed to the City in strict accordance with instructions on the Purchase Order or Agreement, or other such contractual agreement.

4. Right To Audit:

The Firm agrees that the representatives of the City shall have access to, and the rights to audit, examine, or reproduce, any and all records of the Firm related to the performance under this Agreement. The Firm shall retain all such records for a period of four (4) years after final payment on this Agreement or until all audit and litigation matters that the City has brought to the attention of the Firm are resolved, whichever is longer. The Firm agrees to refund to the City any overpayments disclosed by any such audit.

5. Firm Pricing:

The price shall remain firm for the duration of the Agreement, or any extension period, unless expressly approved in writing. No separate line item charges shall be permitted for any extraneous charges. Firm further certifies that the cost proposal has been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other Respondent or with any competitor.

6. Price Warranty:

The Firm warrants the prices quoted are not materially higher than the Firm's current prices on orders by others for like deliverables under similar terms of purchase. In addition to any other remedy available, the City may deduct from any amounts owed to the Firm, or otherwise recover, any amounts paid for items materially in excess of the Firm's current prices on orders by others for like deliverables under similar terms of purchase.

7. Travel Expenses:

All travel, lodging and/or per diem expenses associated with providing the products specified must be included in the original Proposal. All travel expenses are subject to review by the City and documentation of actual itemized expenses may be requested. No reimbursement will be made without prior authorization, or for expenses not actually incurred. Airline fares in excess of coach or economy will not be reimbursed.

FF. PERSONAL INTEREST

No employee or City Council Member of the City may have any financial interest, directly or indirectly, in any proposed or existing agreement, purchase, work, sale or service to, for, with or by the City.

GG. PRIORITY OF DOCUMENTS

In the event there are inconsistencies between the general provisions and special (or other) terms and conditions contained herein, the latter will take precedence.

HH. PROHIBITED FIRMS

The City of South Padre Island prohibits conducting business with Firms under the following conditions:

1. Respondents who have failed to comply with their state contracts and have been debarred from doing business with the State of Texas.
2. Respondent who boycott Israel. By signing and submitting this bid, Respondent certifies that:
 - a. Respondent does not boycott Israel; and
 - b. Respondent will not boycott Israel during the term of the agreement.

II. PUBLIC INFORMATION

All Responses are subject to release as public information unless the Response or specific parts of the Response can be shown to be exempt from the Texas Public Information Act. Respondents are advised

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to consult with their legal counsel regarding disclosure issues and take the appropriate precautions to safeguard trade secrets or any other proprietary information. The City assumes no obligation or responsibility for asserting legal arguments on behalf of potential Respondents.

If a Respondent believes that a Response or parts of a Response are confidential, then the Respondent shall so specify. The Respondent shall stamp in bold red letters the term "**CONFIDENTIAL**" on that part of the Response, which the Respondent believes to be confidential. Vague and general claims as to confidentiality shall not be accepted. All Responses and parts of Responses that are not marked as confidential will be automatically considered public information.

JJ. REIMBURSEMENTS

There is no expressed or implied obligation for the City of South Padre Island to reimburse responding firms for any expenses incurred in preparing proposals in response to this Request for Proposal and the City will not reimburse responding firms for these expenses, nor will the City pay any subsequent costs associated with the provision of additional information or presentation, or to procure a contract for these goods or services.

A. REPRESENTATIONS and RESPONSIBILITIES

By submitting a proposal in response to this RFP, Proposer represents that it has carefully read and understands all elements of this RFP; has familiarized itself with all federal, state, and local laws, ordinances, and rules and regulations that in any manner may affect the cost, progress, or performance of the work; and has full knowledge of the scope, nature, quality and quantity of services to be performed.

By submitting a proposal in response to this RFP, the Proposer represents that it has not relied exclusively upon any technical details in place or under consideration for implementation by the City, but has supplemented this information through due diligence research and that the Proposer sufficiently understands the issues relative to the indicated requirements.

The failure or omission of Proposer to receive or examine any form, instrument, addendum, or other documents or to acquaint itself with existing conditions or other details shall in no way relieve any Proposer from any obligations with respect to its proposal or to the contract.

KK. RESERVATIONS

The City reserves the right to request clarification or additional information specific to any response after all Responses have been received and the solicitation due date has passed. Additionally, the City reserves the right to accept or reject all or part of any Response, waive any formalities or technical inconsistencies, delete any portion of the Scope of Work, or terminate the Solicitation when deemed to be in City's best interest.

LL. RESPONSES BECOME PROPERTY OF THE CITY

Submissions received in response to this Request for Proposal become the sole property of the City.

MM. RIGHT TO ASSURANCES

In the event the City, in good faith, has reason to question the intent of the Firm to perform, the City may demand written assurances of the intent to perform. In the event no written assurance is given within the time specified, the City may treat this failure as an anticipatory repudiation of the Agreement.

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NN. SEVERABILITY

The invalidity or unenforceability of any provision herein shall not affect the validity or enforceability of any other provision.

OO. SURVIVABILITY OF OBLIGATIONS

All provisions of the Agreement that impose continuing obligations on the parties, including but not limited to the warranty, indemnity and confidentiality obligations of the parties, shall survive the expiration or termination of the Agreement.

PP. FIRM'S OBLIGATION

Firm shall fully and timely provide all deliverables described in this Solicitation, Firm's response must be in strict accordance with the terms, covenants and conditions of the Agreement and all applicable federal, state and local laws, rules and regulations.

QQ. VENUE

This Agreement is made under and shall be governed by the laws of the State of Texas, including when applicable, the UCC as adopted in Texas, VTCA, *Business & Commerce Code*, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. This Agreement is fully performable in South Padre Island, Texas, and the venue for any action related to this Agreement shall be South Padre Island, Texas. All issues arising from this Agreement shall be resolved in the courts of Cameron County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or the ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein and does not waive the City's defense of sovereign immunity.

RR. WAIVER

No claim or right arising out of a breach of the Agreement can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Firm or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Agreement, or an express or implied acceptance of any other existing or future default(s), whether of similar or different character.

SS. WITHDRAWAL

Respondents may request withdrawal of a sealed Proposal prior to the scheduled opening time, provided the request for withdrawal is submitted to the City in writing.

CURRENT CIRCUMSTANCES

CURRENT CIRCUMSTANCES

The City of South Padre Island experience an extreme increase in population during Spring Break and Semana Santa. The Beaches and bay-facing entertainment district are the largest draws of crowds, which require greater numbers of sanitation stations and portable restroom facilities than normally exist. The Island presents a unique challenge due to the potential for high winds, flooding and need for units to be installed on the beach.

SCOPE OF WORK

The City of South Padre Island seeks temporary toilets to supplement existing public restrooms throughout the summer. The City invites bids to the following technical specifications: portable toilet units (referred to as "port-a-potties" or "port-a-johns"); each unit must contain at minimum toilet, and hand sanitizer dispenser. Every bid must include delivery, installation, securing/strapping down and removal of unit as well as documented daily service log and proof of insurance throughout duration of product placement. Responses to this invitation must itemize the rental charge for each unit, the cost for daily janitorial service, and charges for any maintenance and repair. See the charts below for the number and configuration of units.

Units must be installed and ready for use on the start date and removed on the end date.

A. Summer (March 8 – September 3)

	Handicap Units
ON-BEACH PLACEMENT	
Good Hope #21	2
Aquarius #18	2
Beach Cr. #4	2

SUBMISSION REQUIREMENTS

The City will not accept oral proposals, or proposals received by telephone or FAX machine. Proposals must be prepared simply and economically, providing a straightforward, concise description of Proposer's ability to meet all requirements and specifications of this RFP. Emphasis should be focused on completeness, clarity of content and responsiveness to all requirements and specifications of this RFP.

The proposal must be submitted in hard copy. Proposer shall submit 1 original and 1 copy of the entire proposal, plus 1 digital copy (on CD, DVD or thumb drive).

The City of South Padre Island requires comprehensive responses to every section within this RFP. To facilitate the review of the responses, Respondents shall follow the described format. The intent of the proposal format is to expedite review and evaluation. It is not the intent to constrain Proposers with regard to content, but to assure that the specific requirements set forth in this RFP are addressed in a uniform manner amenable to review.

TAB A Company BACKGROUND

1. Briefly introduce your Company including the number of years in business
2. Provide a summary of the administration, organization and staffing of your Firm, including multiple offices, if applicable
3. Include the same for any associate firm or sub-consultant

TAB B PROJECT EXPERIENCE and QUALIFICATIONS

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1. Describe at least three (3) projects that are complementary in nature to this project. References for each project should be included (preferably other City, town or local governments in Texas that the proposer has provided services to).
2. Describe the experience of the Firm in the last thirty-six (36) months in performing services of similar scope and size.

TAB C METHODOLOGY and TECHNICAL APPROACH

1. Provide a narrative description of the Company's plan to accomplish the work and services to be provided to the City. The Company must show the capability to deploy and recover their units under inclement circumstances. Some units will be on the beach and the Company will be expected to properly respond to high winds, waters and storm events as well as regularly service the units under such conditions.
2. Clearly acknowledge your understanding of the scope of work, including a detailed approach to completing this project in a phase by phase fashion, including the time frame expected to complete each phase and staff assignments for each phase of the project.
3. Provide suggestions and ideas for completing this project in an efficient, effective and innovative manner.
4. Clearly distinguish the Company's duties and responsibilities and those of the City. Absence of this distinction shall mean the Company is assuming full responsibility for all tasks.

TAB D COST PROPOSAL

1. Provide a detailed cost proposal broken down by task or phase. The City may elect to complete any combination of tasks or phases. Indicate any cost savings available by completing one or more or any combination of tasks or phases.
2. Travel and other reimbursable fees must be estimated and submitted separately from professional fees.

TAB F CERTIFICATION and ACKNOWLEDGEMENT PAGE

EVALUATION and SELECTION PROCESS

The City has attempted to provide a comprehensive statement of requirements through this RFP for the work contemplated. Written proposals must present Proposer's qualifications and understanding of the work to be performed. Proposers are asked to address each evaluation criteria and to be specific in presenting their qualifications. Proposals must be as thorough and detailed as possible so that the City may properly evaluate capabilities to provide the requested goods or services.

Selection may be made of one or more Proposers deemed to be fully qualified and best suited among those submitting proposals. The City reserves the right to award based on the responses received or to negotiate with any or all of the Proposers selected. Price shall be considered, but shall not be the sole determining factor. The City shall select the Proposer which, in the City's opinion, has made the Proposal most beneficial to the City for award. Should the City determine in writing and in its sole discretion that only one Proposer is fully qualified or that one Proposer is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Proposer. The executed Agreement will incorporate all the requirements, terms and conditions of the solicitation and the Proposer's proposal as negotiated.

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The City has established specific, weighted criteria for selection. This section presents the evaluation criteria, description, and relative weight assigned to each (100 points maximum). The City will evaluate each Proposer's responses to the requirements contained in this RFP.

Clarity and Quality of Proposal

Pass/Fail

Firms must provide comprehensive responses to every section within this RFP in the described format. It is not the intent of the City to constrain Firms with regard to content, but to assure that the specific requirements set forth in this RFP are addressed in a uniform manner amenable to review and evaluation. Failure to do so may result in your Proposal being disqualified from further review and consideration.

Firm Background	10 points
Project Experience and Qualifications	30 points
Methodology and Technical Approach	40 points
Cost Proposal	20 points
TOTAL POINTS AVAILABLE	100 POINTS

By submission of a proposal, Proposer acknowledges acceptance of the evaluation process, the evaluation criteria, scope of work, approach and methodology, and all other terms and conditions set forth in this RFP. Further, Firms acknowledge that subjective judgements must be made by the City during this process.

The City makes no guarantees or representations that any award will be made and reserves the right to cancel this solicitation for any reason, including:

- Reject any and all proposals received as a result of this RFP.
- Waive or decline to waive any informality and any irregularities in any proposal or responses received.
- Negotiate changes in the Scope of Work or services to be provided.
- Withhold the award of contract(s).
- Select Proposer(s) it deems to be most qualified to fulfill the needs of the City. Proposer(s) with the lowest priced proposal(s) will not necessarily be selected, since a number of criteria other than price are important in the determination of the most acceptable proposal(s).
- Terminate the RFP process.

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CERTIFICATION and ACKNOWLEDGMENT

The undersigned affirms that they are duly authorized to submit this Proposal, that this Proposal has not been prepared in collusion with any other Respondent, and that the contents of this Proposal have not been communicated to any other Respondent prior to the official opening. To the extent this Contract is considered a Contract for goods or services subject to § 2270.002 Texas Government Code, Respondent certifies that it: i) does not boycott Israel; and ii) will not boycott Israel during the term of the Agreement.

Signed By: Nancy Perez Title: President

Typed Name: Nancy Perez Company Name: A Clean Portoco

Phone No.: (956) 230-1370 Fax No.: (956) 230-1450

Email: acp@portoco.com

Bid Address: P.O. Box 531607 Harlingen TX 78553
P.O. Box or Street City State Zip

Order Address: _____
P.O. Box or Street City State Zip

Remit Address: P.O. Box 531607 Harlingen TX 78553
P.O. Box or Street City State Zip

Federal Tax ID No.: 74-2793390

DUNS No.: 029142648

Date: 2/21/2019



A CLEAN PORTOCO
 "One Call Does It All!"
 1-800-499-4226

A CLEAN PORTOCO

Special Event Quotation

Comfort Stations Portable Toilets Handwash Facilities

Rio Grande Valley Laredo San Antonio Austin



www.portoco.com

P.O. Box 531607
 Harlingen, Tx 78552

- ❖ Portable
- ❖ Comfort Stations /
- ❖ Fencing / Crowd

Qty	Description	Unit Price	Line Total
Summer 2019'			
36	6 Handicap Accessible Unit (includes handsani dispenser)	\$ 185.00	\$ 6,660.00
6	Delivery (one time fee)-includes tie down	\$ 25.00	\$ 150.00
6	Pick UP (one time fee)-includes tie down	\$ 25.00	\$ 150.00
1068	Services to be performed from 3/9-9/2 Daily) includes refill of handsani	\$ 18.50	\$ 19,758.00
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
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		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	

DWC	\$ -
Subtotal	\$ 26,718.00
Sales Tax	0.000%
Total	\$ 26,718.00

Signature and Date : _____

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A CLEAN PORTOCO

Portable Toilets– Fencing – Storage Containers–
Comfort Station Trailers – Shower Trailers

A CLEAN PORTOCO

"One Call Does It All!"

*P.O. Box 531607 Harlingen, Texas 78553 (956) 230-1370 Fax (956) 230-1450 www.Portoco.com
Rio Grande Valley Laredo Austin San Antonio*

- A. A Clean Portoco has been in business for the past 24 years. Our Operations Manager has been with us for 17 years, and our Supervisors have been with us for over 10 years as well as many of our current service drivers. Our staff has the experience and professionalism needed to provide the services in the time frame and ensure the quality needed to complete the task at hand.
- B. We have been the service Leader for South Padre Island during Spring Break and many other events held here in SPI for over 20 years and have perfected the way we do things over the years. A Clean Portoco, was also just awarded the contract for Cameron County where we are currently servicing all the units at the beach access points and boat ramps.
- C. A Clean Portoco currently has the contract with SPI to service the current 20 handicap toilets at the different access points and has 2 dedicated drivers to take care of all services on a daily basis. We place 2 rolls of toilet paper in each unit after each and every service. Also we ensure that all our trucks are equipped with pressure washers so that they can be washed down after each service leaving them clean and sanitized.

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2019

NAME & TITLE: Claudine O'Carroll, Interim Chief

DEPARTMENT: Police Department

ITEM

Presentation of 2019 Racial Profile Report.

ITEM BACKGROUND

This is an annual report mandated by HB1074 to collect police contact data for the purpose of identifying and responding to concerns regarding racial profiling practices.

BUDGET/FINANCIAL SUMMARY

None

COMPREHENSIVE PLAN GOAL

Chapter VIII, Goal 3 Objective 3.2 Policy 3.2.1: The South Padre Island Police Department should employ training, technology and management strategies to improve data accuracy in criminal activity reporting and record keeping.

LEGAL REVIEW

Sent to Legal: YES: _____ NO: XX
Approved by Legal: YES: _____ NO: XX

Comments:

RECOMMENDATIONS/COMMENTS

Presentation only.

Racial Profiling Report | Full report

Agency Name: South Padre Island PD
Reporting Date: 02/27/2019
TCOLE Agency Number: 61215
Chief Administrator: Claudine O'Carroll
Agency Contact Information:
Phone: 9567615454
Email: jherrera@myspi.org
Mailing Address: 4601 Padre Blvd.

This Agency filed a full report

South Padre Island PD has adopted a detailed written policy on racial profiling. Our policy:

- 1.) clearly defines acts constituting racial profiling;
- 2.) strictly prohibit peace officers employed by the South Padre Island PD from engaging in racial profiling;
- 3.) implements a process by which an individual may file a complaint with the South Padre Island PD if the individual believes that a peace officer employed by the South Padre Island PD has engaged in racial profiling with respect to the individual;
- 4.) provides public education relating to the agency's complaint process;
- 5.) requires appropriate corrective action to be taken against a peace officer employed by the South Padre Island PD who, after an investigation, is shown to have engaged in racial profiling in violation of the South Padre Island PD's policy adopted under this article;
- 6.) require collection of information relating to motor vehicle stops in which a citation is issued and to arrests made as a result of those stops, including information relating to:
 - a.) the race or ethnicity of the individual detained;
 - b.) whether a search was conducted and, if so, whether the individual detained consented to the search; and
 - c.) whether the peace officer knew the race or ethnicity of the individual detained before

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7.) require the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision(6) to:

a.) the Commission on Law Enforcement; and

b.) the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

Executed by: Claudine O'Carroll

Chief Administrator

South Padre Island PD

Date: 02/27/2019

Total stops: 2054

Gender

Female: 546

Male: 1508

Race or ethnicity

Black: 96

Asian/Pacific Islander: 20

White: 770

Hispanic/Latino: 1162

Alaska Native/American Indian: 6

Was race or ethnicity known prior to stop?

Yes: 78

No: 1976

Reason for stop?

Violation of law: 1208

Pre existing knowledge: 32

Moving traffic violation: 766

Vehicle traffic violation: 48

Street address or approximate location of the stop

City street: 1324

US highway: 42

State highway: 248

County road: 3

Private property or other: 368

Was a search conducted?

Yes: 1033

No: 1021

Reason for Search?

Consent: 11

Contraband: 13

Probable cause: 78

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Was Contraband discovered?

Yes: 86

No: 947

Description of contraband

Drugs: 66

Currency:

Weapons: 3

Alcohol: 10

Stolen property: 6

Other: 4

Result of the stop

Verbal warning: 8

Written warning: 223

Citation: 585

Written warning and arrest: 0

Citation and arrest: 3

Arrest: 1235

Arrest based on

Violation of Penal Code: 1109

Violation of Traffic Law: 26

Violation of City Ordinance: 3

Outstanding Warrant 92

Was physical force resulting in bodily injury used during stop

Yes: 5

No: 2049

Submitted electronically to the



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The Texas Commission on Law Enforcement

**CITY COUNCIL MEETING
CITY OF SOUTH PADRE ISLAND
EXECUTIVE SESSION
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2019

EXECUTIVE SESSION

ITEM DESCRIPTION

Pursuant to TEXAS GOVERNMENT CODE, 551.074 Personnel Matters; an Executive Session will be held to discuss:

- a. City Manager Recruitment Process.
- b. Recruitment, selection and hiring of CVB Director.

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2019

NAME & TITLE: City Council

DEPARTMENT: City Council

ITEM

Discussion and possible action regarding City Manager recruitment process.

ITEM BACKGROUND

BUDGET/FINANCIAL SUMMARY

COMPREHENSIVE PLAN GOAL

LEGAL REVIEW

Sent to Legal: YES: _____ NO: _____
Approved by Legal: YES: _____ NO: _____

Comments:

RECOMMENDATIONS/COMMENTS

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 6, 2019

NAME & TITLE: City Council

DEPARTMENT: City Council

ITEM

Discussion and possible action to authorize the City Manager to negotiate and enter into a contract with the finalist selected for the CVB Director position.

ITEM BACKGROUND

BUDGET/FINANCIAL SUMMARY

COMPREHENSIVE PLAN GOAL

LEGAL REVIEW

Sent to Legal: YES: _____ NO: _____
Approved by Legal: YES: _____ NO: _____

Comments:

RECOMMENDATIONS/COMMENTS