

**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 7, 2018
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
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 21, 2018 Regular meeting. (S. Hill)
 - b. Approve invoices for payment. (Gimenez)
 - c. Approve and ratify Memorandum of Understanding with the Brownsville Navigation District for the use of their Long Range Acoustic Device (LRAD) during Spring Break 2018. (Smith)
 - d. Approve Drug and Alcohol Policy Addendum as directed by the Texas Department of Transportation to reflect the recent changes to 49 CRF Part 40. (Delgado)
 - e. Approve excused absence request for Mayor Dennis Stahl from the March 7, 2018 City Council meeting. (Stahl)
6. Presentation, discussion and action to approve the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2016-17 presented by Quentin Anderson with Carr, Riggs & Ingram. (Gimenez)
7. Discussion and action on first reading of Ordinance No. 18-10 Amending the City's fiscal year 2017-18 operating budget to incorporate prior budget amendments and budget modifications from February 1, 2018 to February 28, 2018. (Gimenez)
8. Discussion and action to approve the official name of Beach Access #24. (B. Hill)
9. Discussion and possible action to recommend the approval of a Beach and Dune Permit to construct an 8-foot wide 280-foot long dune walkover within the footprint of existing

beach access pathway located at Regency Condominiums, 1816 Gulf Boulevard. (B. Hill)

10. Discussion and possible action to recommend the approval of a Beach and Dune Permit to construct a concrete paver slab on top of existing impervious cover at existing habitable structure located at 5812A Gulf Boulevard. (B. Hill)
11. Discussion and action to award the 2018 Street Reconstruction project to the low bidder, REIM Construction, Inc. in the amount of \$1,444,900.90; and approve a budget amendment for the same amount. (A. Sanchez)
12. Discussion and action to approve Visa Vue Travel (VVT) Subscription agreement in the amount of \$43,500; and approve budget amendment for the same amount from CVB excess reserves. (Arnold)
13. Discussion and action to approve GDS Transportation agreement for the Valley International Airport shuttle service to/from South Padre Island; and authorize the City Manager to execute the agreement. (Arnold)
14. Discussion and action to approve agreement with Arrivalist in the amount of \$67,500 and approve budget amendment for the same amount from CVB excess reserves. (Arnold)
15. Presentation of 2017 Racial Profile Report. (Smith)
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 2ND DAY OF MARCH 2018


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 2, 2018**, 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 7, 2018

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 21, 2018 Regular meeting. (S. Hill)
- b. Approve invoices for payment. (Gimenez)
- c. Approve and ratify Memorandum of Understanding with the Brownsville Navigation District for the use of their Long Range Acoustic Device (LRAD) during Spring Break 2018. (Smith)
- d. Approve Drug and Alcohol Policy Addendum as directed by the Texas Department of Transportation to reflect the recent changes to 49 CRF Part 40. (Delgado)
- e. Approve excused absence request for Mayor Dennis Stahl from the March 7, 2018 City Council meeting. (Stahl)

RECOMMENDATIONS/COMMENTS

Approve Consent Agenda

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

MEETING DATE: March 7, 2018

NAME & TITLE: Susan Hill, City Secretary

DEPARTMENT: City Manager's Office

ITEM

Approve minutes of February 21, 2018 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

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

WEDNESDAY, FEBRUARY 21, 2018

I. CALL TO ORDER

The City Council Members of the City of South Padre Island, Texas held a Regular Meeting on Wednesday, February 21, 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, Chief Financial Officer Rodrigo Gimenez, Public Works Director Alex Sanchez, Administrative Services Director Wendi Delgado, CVB Director Keith Arnold, Fire Chief Doug Fowler, Transit Director Jesse Arriaga, Environmental Health Director Victor Baldovinos, Shoreline Management Director Brandon Hill, Planning Director Clifford Cross, Assistant Public Works Director Jon Wilson, Information Technology Director Mark Shellard, Public Information Officer Angelique Soto, Parks and Recreation Manager Anne Payne 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. PROCLAMATION: NATIONAL SKIP THE STRAW DAY**
- b. PRESENTATION: BIRD OF THE MONTH**

V. APPROVE CONSENT AGENDA:

Council Member Pitcock made a motion, seconded by Council Member Munarriz to approve the Consent Agenda. Motion carried unanimously.

- A. APPROVE MINUTES OF FEBRUARY 7, 2018 REGULAR MEETING. (S. HILL)**
- B. APPROVE INVOICES FOR PAYMENT. (GIMENEZ)**

Invoices approved for payment were paid by General Fund checks numbered 140457 through 140617 and EFT payments totaling \$699,523.60.

C. APPROVE RESOLUTION NO. 2018-08 IN SUPPORT OF TEMPORARY CLOSURE OF THE QUEEN ISABELLA BRIDGE AND HIGHWAY 100 FOR THE 2018 FITREC 10K COLOR RUN ON MAY 29, 2018. (PAYNE)

A true and correct copy of said Resolution was placed in the City's Resolution Book and entitled Resolution No. 2018-08, and, by reference hereto, included in these Minutes as if fully set out and spread upon the pages of the Minutes Book.

D. APPROVE BUDGET AMENDMENT IN THE AMOUNT OF \$12,620 TO PAY \$5,120 FOR CAUSEWAY LIGHT REPAIRS PERFORMED BY AUSTIN TRAFFIC SIGNAL CONSTRUCTION COMPANY, INC. IN 2016 AND ESTIMATED \$7,500 FOR REPAIR OF 26 LIGHTS THIS FISCAL YEAR. (SANCHEZ)

E. APPROVE SECOND AND FINAL READING OF ORDINANCE NO. 18-07 ABANDONING A UTILITY EASEMENT LOCATED ON BAYFRONT SUBDIVISION LOT 1A. (JONES)

A true and correct copy of said Ordinance was placed in the City's Ordinance Book and entitled Ordinance No. 18-07, and, by reference hereto, included in these Minutes as if fully set out and spread upon the pages of the Minutes Book.

F. APPROVE SECOND AND FINAL READING OF ORDINANCE NO. 18-08 AMENDING THE CITY'S FISCAL YEAR 2017-2018 OPERATING BUDGET TO INCLUDE BUDGET AMENDMENTS AND MODIFICATIONS MADE FROM OCTOBER 1, 2017 THROUGH JANUARY 31, 2018. (GIMENEZ)

A true and correct copy of said Ordinance was placed in the City's Ordinance Book and entitled Ordinance No. 18-08, and, by reference hereto, included in these Minutes as if fully set out and spread upon the pages of the Minutes Book.

G. APPROVE SECOND AND FINAL READING OF ORDINANCE NO. 18-09 AMENDING CHAPTER 2, SEC. 2-36 CHANGING THE NAME OF THE DEVELOPMENT DEPARTMENT TO PLANNING DEPARTMENT. (DELGADO)

A true and correct copy of said Ordinance was placed in the City's Ordinance Book and entitled Ordinance No. 18-09, and, by reference hereto, included in these Minutes as if fully set out and spread upon the pages of the Minutes Book.

VI. INTRODUCTION OF NEW CITY STAFF MEMBERS AND RECENTLY PROMOTED STAFF MEMBERS TO THE CITY COUNCIL AND COMMUNITY. (GUTHRIE)

City Manager Susan Guthrie introduce new City staff members hired after October 1, 2017, along with recently promoted staff members, which consisted of:

New Hires:

Ana Mayra Nunez, CVB Sales and Services Assistant
Mary Ann Guillen, CVB Administrative Assistant/Receptionist
Diego Moreno, Transit Vehicle Operator
Reynaldo Bazan, Firefighter/Paramedic
Jose Trevino, Jr., Firefighter/Paramedic
Simon Truman, Firefighter/Paramedic
Christopher Green, Deputy Court Clerk
Clifford Cross, Planning Director
Delilah Betancourt, Police Officer
Cesar Garcia, Police Officer
Lisa Perez, Police Officer
Andres Barrera, Part-time Police Officer
Richard DeLeon, Part-time Police Officer
Jacob Losoya, Part-time Police Officer
David Laird, Part-time Police Officer
Vanessa Reyna, Part-time Police Officer

Promotions:

Julianna Barron, City Manager's Office Management Executive Assistant
Crystal Vasquez, Municipal Court Administrator
Araceli Sanchez, Human Resources Manager
Wendy Saldana, Human Resource Associate I/Training Coordinator
Joseph Gonzalez, Police Detective

VII. DISCUSSION AND POSSIBLE ACTION TO APPROVE A BUDGET AMENDMENT TO PURCHASE A NEW CUSTOM RESCUE PUMPER FROM HALL BUICK GMC IN THE AMOUNT OF \$431,470 WITH A CONTINGENCY OF \$18,530 (TOTAL EXPENDITURE NOT TO EXCEED \$450,000). (FOWLER)

Council Member Bagley made a motion, seconded by Council Member Metty to approve budget amendment not to exceed \$450,000 to purchase a new custom Rescue Pumper. Motion carried on a unanimous vote.

VIII. DISCUSSION AND ACTION TO APPROVE A BUDGET AMENDMENT IN THE AMOUNT OF \$75,000 FOR THE CONSTRUCTION OF MOONLIGHT CIRCLE BEACH AND DUNE WALKOVER, MOONLIGHT CIRCLE MITIGATION AND OCEAN CIRCLE MITIGATION AND OTHER FUTURE BEACH ACCESS CAPITAL PROJECTS. (B. HILL)

Council Member Munarriz made a motion to approve a budget amendment in the amount of \$75,000 for the construction of Moonlight Circle Beach and dune Walkover and mitigation on Moonlight and Ocean Circle and future beach access capital projects. Motion was seconded by Council Member Pitcock, which passed unanimously.

IX. DISCUSSION AND ACTION TO APPROVE A BUDGET AMENDMENT IN THE AMOUNT OF \$22,900 AND ALLOW THE CITY MANAGER TO ENTER INTO MEMORANDUMS OF UNDERSTANDING (MOU'S) WITH LOS FRESNOS EMS, WILLACY COUNTY EMS, INTERCITY AMBULANCE, TRANSCARE MEDICARE TRANSPORT AND THE WESLACO FIRE DEPARTMENT FOR THE PROVISION OF MOBILE INTENSIVE CARE UNIT (MICU) AMBULANCES DURING SPRING BREAK. (FOWLER)

Council Member Munarriz made a motion, seconded by Council Member Metty to approve budget amendment in the amount of \$22,900 for additional ambulances and AmBus during Spring Break/Texas Week; and authorize the City Manager to enter into Memorandum of Understanding with participating agencies. Motion carried on a unanimous vote.

X. DISCUSSION AND ACTION TO APPOINT A MEMBER TO FILL A VACANCY THAT EXPIRES ON DECEMBER 31, 2018 ON THE SHORELINE TASK FORCE. (B. HILL)

Council Member Metty made a motion to table the appointment to fill a vacancy on the Shoreline Task Force. Motion was seconded by Council Member Pitcock, which passed on a 5 to 1 vote with Council Member Bagley casting a nay vote.

XI. DISCUSSION AND POSSIBLE ACTION TO CONSIDER RESCHEDULING OR CANCELLING THE MARCH 7, 2018 REGULAR CITY COUNCIL MEETING DUE TO TRAVEL/BUSINESS COMMITMENTS. (STAHL)

Discussion held, no action taken.

XII. EXECUTIVE SESSION: PURSUANT TO SECTIONS 551.072, DELIBERATIONS ABOUT REAL PROPERTY; 551.087, DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT; TO DISCUSS:

- a. DISCUSSION REGARDING LEASE ASSOCIATED WITH WIND SPORTING VENUE.**
- b. DISCUSSION REGARDING ECONOMIC DEVELOPMENT VENTURE ASSOCIATED WITH CRUISE LINES.**

At 6:23 p.m., Council Member Bagley made a motion, seconded by Council Member Munarriz to go into Executive Session. Motion carried unanimously.

At 7:16 p.m., the City Council reconvened into open session.

XIII. DISCUSSION AND POSSIBLE ACTION REGARDING LEASE ASSOCIATED WITH WIND SPORTING VENUE.

Council Member Bagley made a motion to direct the City Manager and Mayor to continue to explore negotiations in the development of a wind sporting venue. Council Member Munarriz seconded the motion. Motion carried on a unanimous vote.

XIV. DISCUSSION AND POSSIBLE ACTION REGARDING ECONOMIC DEVELOPMENT VENTURE ASSOCIATED WITH CRUISE LINES.

Council Member Pitcock made a motion, seconded by Council Member Metty to continue economic development venture associated with cruise lines Phase I and allow the Mayor and City Manager to continue with this project. Motion passed unanimously.

XV. ADJOURN.

There being no further business, Mayor Stahl adjourned the meeting at 7:17 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 7, 2018

NAME & TITLE: Rodrigo Gimenez, Chief Financial Officer

DEPARTMENT: Finance

ITEM

Approve invoices for payment by General Fund checks numbered 140618 through 140735 and EFT payments totaling \$715,643.73.

ITEM BACKGROUND

BUDGET/FINANCIAL SUMMARY

COMPREHENSIVE PLAN GOAL

LEGAL REVIEW

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

Comments:

RECOMMENDATIONS/COMMENTS

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND: 01 GENERAL FUND

DEPARTMENT: N/A NON-DEPARTMENTAL

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

PAY DATE RANGE: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001017	AIR EVAC LIFETEAM	I-22018	01 2488	AIR EVAC LIFE:	FEB 2018 EMPLOYEE CO	140618	186.00
VENDOR 01-001017 TOTALS							186.00
01-002434	CINDY BOUDLOCHE	I-DWD201802166242	01 2469	DEBTORS WAGE :	CASE NO 14-10370	140622	542.31
01-002434	CINDY BOUDLOCHE	I-DWE201802166242	01 2469	DEBTORS WAGE :	CASE NO 16-10432	140623	1,483.85
VENDOR 01-002434 TOTALS							2,026.16
01-003035	CALIFORNIA STATE DISBU	I-C1P201802166242	01 2473	CHILD SUPPORT:	CS 0370020351331	140626	391.15
VENDOR 01-003035 TOTALS							391.15
01-003185	OFFICE OF THE ATTY GEN	I-C10201802166242	01 2473	CHILD SUPPORT:	A/N 2004094864B	000000	364.15
01-003185	OFFICE OF THE ATTY GEN	I-C13201802166242	01 2473	CHILD SUPPORT:	A/N 0013262861	000000	106.15
01-003185	OFFICE OF THE ATTY GEN	I-C1C201802166242	01 2473	CHILD SUPPORT:	ORDER NO 2015-DCL-56	000000	339.23
01-003185	OFFICE OF THE ATTY GEN	I-C1L201802166242	01 2473	CHILD SUPPORT:	ORDER NO 2005063139E	000000	121.38
01-003185	OFFICE OF THE ATTY GEN	I-C1N201802166242	01 2473	CHILD SUPPORT:	ORDER # 2012-DCL-186	000000	230.77
01-003185	OFFICE OF THE ATTY GEN	I-C1Q201802166242	01 2473	CHILD SUPPORT:	CS 2014-DCL-08362	000000	191.54
01-003185	OFFICE OF THE ATTY GEN	I-C1R201802166242	01 2473	CHILD SUPPORT:	ORDER NO 08-1471	000000	429.23
01-003185	OFFICE OF THE ATTY GEN	I-C21201802166242	01 2473	CHILD SUPPORT:	A/N 0011549506	000000	369.23
01-003185	OFFICE OF THE ATTY GEN	I-C24201802166242	01 2473	CHILD SUPPORT:	A/N 0011488748	000000	293.89
01-003185	OFFICE OF THE ATTY GEN	I-C2C201802166242	01 2473	CHILD SUPPORT:	ORDER NO: 2017-DCL-0	000000	208.15
01-003185	OFFICE OF THE ATTY GEN	I-C2F201802166242	01 2473	CHILD SUPPORT:	ORDER ID 2012-DCL-44	000000	400.15
01-003185	OFFICE OF THE ATTY GEN	I-C51201802166242	01 2473	CHILD SUPPORT:	A/N 0012375322	000000	294.33
01-003185	OFFICE OF THE ATTY GEN	I-C59201802166242	01 2473	CHILD SUPPORT:	#0009529310	000000	162.46
01-003185	OFFICE OF THE ATTY GEN	I-C67201802166242	01 2473	CHILD SUPPORT:	ORDER NO 2012-DCL-00	000000	151.38
01-003185	OFFICE OF THE ATTY GEN	I-C77201802166242	01 2473	CHILD SUPPORT:	A/N 0010353126	000000	159.23
01-003185	OFFICE OF THE ATTY GEN	I-C82201802166242	01 2473	CHILD SUPPORT:	ORDER #2012-DCL-0866	000000	348.92
01-003185	OFFICE OF THE ATTY GEN	I-C91201802166242	01 2473	CHILD SUPPORT:	AG 0012920905	000000	296.77
01-003185	OFFICE OF THE ATTY GEN	I-C93201802166242	01 2473	CHILD SUPPORT:	ORDER # 99125207D	000000	101.54
01-003185	OFFICE OF THE ATTY GEN	I-C95201802166242	01 2473	CHILD SUPPORT:	CASE #0013025749	000000	420.00
VENDOR 01-003185 TOTALS							4,988.50
01-003444	CITIBANK	I-020318	01 2489	PURCHASING CA:	JAN 2018 P CARD PURC	140628	63,056.12
VENDOR 01-003444 TOTALS							63,056.12
01-006163	AMERICAN GENERAL LIFE	I-22018	01 2485	AMERICAN GENE:	EMPLOYEE SALARY ALLO	140636	307.92
VENDOR 01-006163 TOTALS							307.92

3/01/2018 11:00 AM

REGULAR DEPARTMENT PAYMENT REPORT

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-007001	ANA GARZA	I-C04201802166242	01 2473	CHILD SUPPORT:	A/N 2003-03-1480-B	140637	194.88
					VENDOR 01-007001	TOTALS	194.88
01-019222	S.P.I. FIREFIGHTERS AS	I-022018	01 2472	FIREFIGHTERS :	ASSOCIATION DUES, FE 140660		361.00
					VENDOR 01-019222	TOTALS	361.00
01-019327	SOUTH PADRE ISLAND PRO	I-022018	01 2487	POLICE DEPT A:	ASSOCIATION DUES FEB 999999		105.00
					VENDOR 01-019327	TOTALS	105.00
01-020700	TRANSAMERICA WORKSITE	I-022318	01 2464	TRANSAMERICA :	FEB, 2018 EMPLOYEE P 140732		15.18
01-020700	TRANSAMERICA WORKSITE	I-022318	01 48042	MISCELLANEOUS:	FEB. 2018 EMPLOYEE P 140732		0.01-
					VENDOR 01-020700	TOTALS	15.17

DEPARTMENT	NON-DEPARTMENTAL	TOTAL:	71,631.90
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3/01/2018 11:00 AM

REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 3

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-016021	PCM-G	I-022495540101	01 511-0550-021	ALITA BAGLEY	: COUNCIL MEMBER IPAD	140715	969.25
VENDOR 01-016021 TOTALS							969.25
01-019527	DENNIS STAHL	I-021518	01 511-0550-026	DENNIS STAHL	: PER DIEM, FEB 22-23, 999999		96.00
01-019527	DENNIS STAHL	I-021518-1	01 511-0550-026	DENNIS STAHL	: MILEAGE REIMBURSEMEN 999999		28.89
01-019527	DENNIS STAHL	I-022718	01 511-0550-026	DENNIS STAHL	: PER DIEM, FT LAUDERD 999999		318.00
01-019527	DENNIS STAHL	I-022818-1	01 511-0550-026	DENNIS STAHL	: MILEAGE ALLOWANCE:SP 999999		28.89
VENDOR 01-019527 TOTALS							471.78
01-020602	TOUCAN GRAPHICS	I-23813	01 511-0550-021	ALITA BAGLEY	: ALITA BAGLEY, SUSAN	140670	36.34
01-020602	TOUCAN GRAPHICS	I-23813	01 511-0550-026	DENNIS STAHL	: DENNIS STAHL	140670	18.16
01-020602	TOUCAN GRAPHICS	I-23813	01 511-0550-028	THERESA METTY	: THERESA METTY	140670	18.16
01-020602	TOUCAN GRAPHICS	I-23813	01 511-0550-029	PAUL MUNARRIZ	: PAUL MUNNARRIZ	140670	18.16
01-020602	TOUCAN GRAPHICS	I-23813	01 511-0550-030	RON PITCOCK	: RON PITCOCK	140670	18.16
01-020602	TOUCAN GRAPHICS	I-23813	01 511-0550-031	KEN MEDDERS	: KEN MEDDERS	140670	18.16
VENDOR 01-020602 TOTALS							127.14
DEPARTMENT 511 CITY COUNCIL						TOTAL:	1,568.17

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 512 CITY MANAGERS OFFICE

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

PAY DATE RANGE: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-002830	THE BROWNSVILLE HERALD	I-021618	01 512-0107	BOOKS & PERIO	1 YR SUBSCRIPTION, C	140624	156.00
VENDOR 01-002830 TOTALS							156.00
01-007609	SUSAN GUTHRIE	I-021518	01 512-0550	TRAVEL EXPENS	PER DIEM: FEB 22-23	999999	96.00
01-007609	SUSAN GUTHRIE	I-022718	01 512-0550	TRAVEL EXPENS	PER DIEM, FT LAUDERD	999999	318.00
VENDOR 01-007609 TOTALS							414.00
01-012085	LRGVDC	I-020118	01 512-0551	DUES & MEMBER	DUES AND MEMBERSHIP	140645	517.00
01-012085	LRGVDC	I-021618	01 512-0551	DUES & MEMBER	PRO RATE REGIONAL CO	140709	51.71
VENDOR 01-012085 TOTALS							568.71
01-015010	OFFICE DEPOT	I-989184020001	01 512-0101	OFFICE SUPPLI	PENS, DE MRKS, MISC.	140653	47.31
01-015010	OFFICE DEPOT	I-989184233001	01 512-0101	OFFICE SUPPLI	1 PK DRYERASE MARKER	140653	6.99
01-015010	OFFICE DEPOT	I-989706128001	01 512-0101	OFFICE SUPPLI	TAB PKTS, 3-CS PAPER	140653	6.96
01-015010	OFFICE DEPOT	I-991887408001	01 512-0101	OFFICE SUPPLI	MISC. BINDERS, ,FLDR	140653	66.10
VENDOR 01-015010 TOTALS							127.36
01-018509	SAM'S CLUB DIRECT	I-20918	01 512-0551	DUES & MEMBER	MEMBERSHIP FEE: J. B	140721	15.00
VENDOR 01-018509 TOTALS							15.00
01-020074	TCMA-REGION 10	I-022818	01 512-0551	DUES & MEMBER	REGISTRATION TCMA SO	140728	50.00
VENDOR 01-020074 TOTALS							50.00
01-020602	TOUCAN GRAPHICS	I-23799	01 512-0101	OFFICE SUPPLI	500 BUSINESS CARDS,	140670	39.00
VENDOR 01-020602 TOTALS							39.00
DEPARTMENT 512 CITY MANAGERS OFFICE						TOTAL:	1,370.07

3/01/2018 11:00 AM

REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 5

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 515 TECHNOLOGY DEPARTMENT

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

PAY DATE RANGE: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-004020	EMERGENCY REPORTING	I-2017_7989	01 515-0415	SERVICE CONTR:	INSPECTER APP-LEVEL	140630	360.00
VENDOR 01-004020 TOTALS							360.00
01-019198	SHI-GOVERNMENT SOLUTIO	I-GB00268485	01 515-0410	MACHINERY & E:	22-ELECTRONIC HP CAR	140659	1,715.78
01-019198	SHI-GOVERNMENT SOLUTIO	I-GB00269517	01 515-0150	MINOR TOOLS &:	2-AXIS COMPANION SWI	140723	148.42
VENDOR 01-019198 TOTALS							1,864.20
01-019502	AT&T	I-20318	01 515-0501	COMMUNICATION:	AT&T FAX & LAND LINE	140662	144.20
01-019502	AT&T	I-2318	01 515-0501	COMMUNICATION:	AT&T FAX & LAND LINE	140662	1,034.70
01-019502	AT&T	I-232018	01 515-0501	COMMUNICATION:	AT&T FAX & LAND LINE	140662	35.75
VENDOR 01-019502 TOTALS							1,214.65
01-019539	STW, INC.	I-25077	01 515-0415	SERVICE CONTR:	PERFORMANCE MEASURES	140664	17,653.00
VENDOR 01-019539 TOTALS							17,653.00
01-020185	TIME WARNER CABLE	I-0024491021818	01 515-0415	SERVICE CONTR:	SERVICE @ CITY HALL	140730	1,194.48
01-020185	TIME WARNER CABLE	I-0213755021018	01 515-0415	SERVICE CONTR:	SERVICE AT FIRE DEPT	140730	311.86
VENDOR 01-020185 TOTALS							1,506.34

DEPARTMENT 515 TECHNOLOGY DEPARTMENT TOTAL: 22,598.19

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 6

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 516 HUMAN RESOURCES

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

PAY DATE RANGE: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-004048	DEER OAKS EAP SERVICES	I-COSPI18-02	01 516-0530	PROFESSIONAL	FEB 2018 EAP SERVICE	140631	139.50
VENDOR 01-004048 TOTALS							139.50
01-019243	MEDICAL ASSOCIATES OF	I-021518	01 516-0530	PROFESSIONAL	PRE-EMPLOYMENT DRUG	140724	300.00
01-019243	MEDICAL ASSOCIATES OF	I-022118	01 516-0530	PROFESSIONAL	PRE-EMPLOYMENT DRUG	140724	175.00
01-019243	MEDICAL ASSOCIATES OF	I-21518	01 516-0530	PROFESSIONAL	PRE-EMPLOYMENT DRUG	140724	195.00
VENDOR 01-019243 TOTALS							670.00
01-1	LIGHTHOUSE SERVICES, I	I-16375	01 516-0101	OFFICE SUPPLI:	LIGHTHOUSE SERVICES,	140686	128.00
VENDOR 01-1 TOTALS							128.00
DEPARTMENT 516 HUMAN RESOURCES						TOTAL:	937.50

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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# 520 MUNICIPAL COURT

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

PAY DATE RANGE# 2/22/2018 THRU 3/02/2018

BUDGET TO USE# CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-003444	CITIBANK	I-020318	01 520-0513		TRAINING EXPE: TXMUN CRT CREDIT	140628	200.00-
						VENDOR 01-003444 TOTALS	200.00-
01-004101	STUART J. DIAMOND	I-22618	01 520-0530		PROFESSIONAL : PROSECUTOR SVCS	999999	1,335.00
						VENDOR 01-004101 TOTALS	1,335.00
01-013410	MUNICIPAL SERVICES BUR	I-686982	01 520-0531		WARRANT COLLE: JAN MUNICIPAL COLLEC	140714	45.07
						VENDOR 01-013410 TOTALS	45.07
						DEPARTMENT 520 MUNICIPAL COURT TOTAL#	1,180.07

VENDOR SET: 01 City of South Padre Islan

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 521 POLICE DEPARTMENT

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

PAY DATE RANGE: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-003107	VICTOR CARRANZA	I-22718	01 521-0513	TRAINING EXPE:	REIMBURSE FEE FOR FA	140696	150.00
VENDOR 01-003107 TOTALS							150.00
01-007006	GT DISTRIBUTORS, INC.	I-INV0648124	01 521-0130	WEARING APPAR:	PF ELBECO UNIFORMS	140638	1,761.65
01-007006	GT DISTRIBUTORS, INC.	I-INV0648553	01 521-0130	WEARING APPAR:	2- UNIFORM POLO NAVY	140699	91.95
01-007006	GT DISTRIBUTORS, INC.	I-INV0649179	01 521-0130	WEARING APPAR:	PF ELBECO UNIFORMS	140699	328.00
01-007006	GT DISTRIBUTORS, INC.	I-INV0649647	01 521-0130	WEARING APPAR:	PF ELBECO UNIFORMS	140699	41.50
VENDOR 01-007006 TOTALS							2,223.10
01-016372	PMAM CORPORATION	I-20170925	01 521-0551	DUES & MEMBER:	PMAM SAAS HUMAN CAPI	140655	750.00
VENDOR 01-016372 TOTALS							750.00
01-016661	PRECISION DELTA CORP.	I-10953	01 521-0161	AMMUNITION & :	PD-AMMO S&W, WINCHEST	140657	466.00
VENDOR 01-016661 TOTALS							466.00
01-023058	WHATABURGER	I-1082996	01 521-0571	FOOD FOR PRIS:	PRISONER MEAL	140675	4.39
01-023058	WHATABURGER	I-1121255	01 521-0571	FOOD FOR PRIS:	4 PRISONER MEALS	140675	17.56
01-023058	WHATABURGER	I-1121259	01 521-0571	FOOD FOR PRIS:	2-PRISONER MEALS	140675	8.78
01-023058	WHATABURGER	I-1121260	01 521-0571	FOOD FOR PRIS:	PRISONER MEAL	140675	4.39
01-023058	WHATABURGER	I-1121261	01 521-0571	FOOD FOR PRIS:	3-PRISONER MEALS	140675	6.59
01-023058	WHATABURGER	I-1121262	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	140675	12.68
01-023058	WHATABURGER	I-1121263	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	140675	13.17
01-023058	WHATABURGER	I-1121264	01 521-0571	FOOD FOR PRIS:	2-PRISONER MEALS	140675	8.78
01-023058	WHATABURGER	I-1121265	01 521-0571	FOOD FOR PRIS:	PRISONER MEAL	140675	4.39
01-023058	WHATABURGER	I-1121266	01 521-0571	FOOD FOR PRIS:	PRISONER MEAL	140675	4.39
01-023058	WHATABURGER	I-1121267	01 521-0571	FOOD FOR PRIS:	PRISONER MEAL	140675	4.39
01-023058	WHATABURGER	I-1121268	01 521-0571	FOOD FOR PRIS:	PRISONER MEAL	140675	4.39
01-023058	WHATABURGER	I-1121269	01 521-0571	FOOD FOR PRIS:	PRISONER MEAL	140675	4.39
01-023058	WHATABURGER	I-1121270	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	140675	13.17
01-023058	WHATABURGER	I-1121271	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	140675	13.17
01-023058	WHATABURGER	I-1121272	01 521-0571	FOOD FOR PRIS:	PRISONR MEALS	140675	13.17
01-023058	WHATABURGER	I-1121273	01 521-0571	FOOD FOR PRIS:	PRISONRE MEAL	140675	4.39
01-023058	WHATABURGER	I-1121275	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	140675	6.59
01-023058	WHATABURGER	I-1121276	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	140675	8.78
01-023058	WHATABURGER	I-1121277	01 521-0571	FOOD FOR PRIS:	PRISONER MEAL	140675	4.39
01-023058	WHATABURGER	I-1121278	01 521-0571	FOOD FOR PRIS:	PRISONER MEAL	140675	4.39
01-023058	WHATABURGER	I-1121279	01 521-0571	FOOD FOR PRIS:	PRISONER MEALS	140675	8.78
01-023058	WHATABURGER	I-1121280	01 521-0571	FOOD FOR PRIS:	PRISONER MEAL	140675	4.39

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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: 521 POLICE DEPARTMENT

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

PAY DATE RANGE: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-023058	WHATABURGER	I-1121281	01 521-0571	FOOD FOR PRIS	PRISONER MEALS	140675	8.78
01-023058	WHATABURGER	I-1121282	01 521-0571	FOOD FOR PRIS	PRISONER MEALS	140675	8.78
01-023058	WHATABURGER	I-1121283	01 521-0571	FOOD FOR PRIS	PRISONER MEAL	140675	4.39
01-023058	WHATABURGER	I-1121284	01 521-0571	FOOD FOR PRIS	PRISONER MEAL	140675	4.39
01-023058	WHATABURGER	I-1121285	01 521-0571	FOOD FOR PRIS	PRISONER MEAL	140675	4.39
01-023058	WHATABURGER	I-1121286	01 521-0571	FOOD FOR PRIS	PRISONER MEAL	140675	4.79
01-023058	WHATABURGER	I-1121287	01 521-0571	FOOD FOR PRIS	PRISONER MEAL	140675	6.09
01-023058	WHATABURGER	I-1121353	01 521-0571	FOOD FOR PRIS	PRISONER MEALS	140675	8.78
						VENDOR 01-023058 TOTALS	229.90
01-1	ALERT	I-012778	01 521-0415	SERVICE CONTR:	ALERT:MISC: RADAR CE	140683	280.00
01-1	GULF DATA PRODUCTS	I-107439	01 521-0101	OFFICE SUPPLI:	GULF DATA PRODUCTS:	140735	105.95
						VENDOR 01-1 TOTALS	385.95
						DEPARTMENT 521 POLICE DEPARTMENT TOTAL:	4,204.95

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REGULAR DEPARTMENT PAYMENT REPORT

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001217	ALAMO DOOR SYSTEMS, IN	I-136916	01 522-0411	BUILDING & ST	REPAIR OF DOOR AT FI	140693	167.40
					VENDOR 01-001217 TOTALS		167.40
01-003444	CITIBANK	I-020318	01 522-0170	DORM AND KITC	SEARS.COM CREDIT	140628	143.67-
					VENDOR 01-003444 TOTALS		143.67-
01-006720	GABRIEL IVAN MAJERA	I-844223	01 522-0411	BUILDING & ST	RESETN LIMITS & ADD	140698	75.00
					VENDOR 01-006720 TOTALS		75.00
01-006988	OZIEL GARCIA	I-021618	01 522-0513	TRAINING EXPE	REIMBURSE CCERTIFICA	999999	174.34
					VENDOR 01-006988 TOTALS		174.34
01-007075	GALLS, LLC	I-009253013	01 522-0130	WEARING APPAR	1- POLY/CTN RIPSTOP	140639	48.90
					VENDOR 01-007075 TOTALS		48.90
01-008117	RGVFFMA	I-18-139	01 522-0513	TRAINING EXPE	69TH ANNUAL FIRE & P	140642	205.00
					VENDOR 01-008117 TOTALS		205.00
01-013506	METRO FIRE APPARATUS S	I-118543-1	01 522-0117	SAFETY SUPPLI	MISC, BUNKER GEAR	140650	10,724.00
					VENDOR 01-013506 TOTALS		10,724.00
01-015010	OFFICE DEPOT	I-107041109001	01 522-0101	OFFICE SUPPLI	BUS. CARD HLDR, LAM	140653	49.40
01-015010	OFFICE DEPOT	I-107042274001	01 522-0101	OFFICE SUPPLI	1 BX SHEET PROTECTOR	140653	29.99
01-015010	OFFICE DEPOT	I-9880023384001	01 522-0101	OFFICE SUPPLI	4-PK LTR FOLDERS DIV	140653	34.16
					VENDOR 01-015010 TOTALS		113.55
01-016651	PORT ISABEL ROTARY CLU	I-387-1	01 522-1001	BUILDINGS & S	FLAG PROG FIRE STATI	140656	200.00
					VENDOR 01-016651 TOTALS		200.00

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REGULAR DEPARTMENT PAYMENT REPORT

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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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-018069	REX CLEANERS	I-4807	01 522-0130	WEARING APPAR:	ALT 3 PR PANTS, JERE	140658	24.00
VENDOR 01-018069 TOTALS							24.00
01-020058	LESLIE A. DAVILA	I-15370	01 522-0415	SERVICE CONTR:	MISC. FIRE EXTG RECH	140666	165.00
VENDOR 01-020058 TOTALS							165.00
01-020602	TOUCAN GRAPHICS	I-23805	01 522-0420	MOTOR VEHICLE:	CUSTOM CAR MAGNETS,	140670	56.00
VENDOR 01-020602 TOTALS							56.00
01-020823	SIMON TRUMAN	I-022218	01 522-0130	WEARING APPAR:	REIMBURSE PURCHASE O	140733	150.00
VENDOR 01-020823 TOTALS							150.00
01-024001	RICHARD J. YBARRA, M.D	I-7387	01 522-0530	PROFESSIONAL :	Medical Director Fee	140680	1,000.00
VENDOR 01-024001 TOTALS							1,000.00
01-1	PADRE GETAWAYS	I-021618	01 522-9045	SPRING BREAK :	PADRE GETAWAYS; ADD'	140684	117.00
VENDOR 01-1 TOTALS							117.00
DEPARTMENT 522 FIRE DEPARTMENT						TOTAL:	13,076.52

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 12

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 01 GENERAL FUND

DEPARTMENT: 532 HEALTH/CODE ENFORCEMENT

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

PAY DATE RANGE: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001211	ALEX AVALOS PRINTING	I-21518	01 532-0118	PRINTING	: PRINTED 500 HEALTH P	140619	333.75
01-001211	ALEX AVALOS PRINTING	I-21719	01 532-0118	PRINTING	: 80 ORDINANCE CARDS,	140619	60.00
VENDOR 01-001211 TOTALS							393.75
01-006162	JUAN FLORES	I-386574	01 532-0545	LOT MOWING	: MOWING AT 124 E. LAN	999999	348.00
VENDOR 01-006162 TOTALS							348.00
01-011014	KARINA'S DESIGN	I-0172	01 532-0118	PRINTING	: PAINTING SERVICE	140644	20.00
VENDOR 01-011014 TOTALS							20.00
01-018509	SAM'S CLUB DIRECT	I-002341-18	01 532-0150	MINOR TOOLS &	: METAL STORAGE CABINE	140721	199.98
VENDOR 01-018509 TOTALS							199.98
DEPARTMENT 532 HEALTH/CODE ENFORCEMENT TOTAL:							961.73

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 13

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-012091	CINTAS UNIFORM	I-538819647	01 540-0130	WEARING APPAR:	UNIFORMS, MATS, MOPS	140646	15.57
01-012091	CINTAS UNIFORM	I-538821681	01 540-0130	WEARING APPAR:	UNIFORMS, MATS, MOPS,	140646	14.65
01-012091	CINTAS UNIFORM	I-538823687	01 540-0130	WEARING APPAR:	UNIFORMS, MATS, MOPS,	140710	15.57
						VENDOR 01-012091 TOTALS	45.79
01-013114	MATHESON TRI-GAS INC.	I-16949388	01 540-0410	MACHINERY & E:	MISC. ACETYLENE CYLI	140647	215.40
						VENDOR 01-013114 TOTALS	215.40
01-013257	MAE POWER EQUIPMENT	I-761827	01 540-1004	MACHINERY & E:	PW SCAG CHEETAH	140711	9,250.00
						VENDOR 01-013257 TOTALS	9,250.00
01-015999	OMAR OLGUIN	I-SPIF002	01 540-0420-01	REPAIRS & MAI:	COLOR VINYL GRAPHICS	140654	325.00
						VENDOR 01-015999 TOTALS	325.00
01-019023	TRUCKERS EQUIPMENT INC	I-1339283	01 540-0420-03	REPAIRS & MAI:	ALUMINUM MAGNUM FLAT	140722	11,439.40
						VENDOR 01-019023 TOTALS	11,439.40
01-020203	TIPTON MOTORS, INC	I-244936	01 540-0420-07	REPAIRS & MAI:	REBUILT TRANSMISSION	140668	5,800.77
						VENDOR 01-020203 TOTALS	5,800.77
01-024193	STEVEN CLINT ZARATE	I-20180035	01 540-0420-03	REPAIRS & MAI:	7 - 5# ABC FIRE EXTG	140682	455.00
						VENDOR 01-024193 TOTALS	455.00
01-1	3 KINGS LLC	I-524267	01 540-0420-07	REPAIRS & MAI:	3 KINGS LLC:REMOVE/R	140688	127.00
						VENDOR 01-1 TOTALS	127.00
						DEPARTMENT 540 FLEET MANAGEMENT TOTAL:	27,658.36

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 14

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001277	AAA LOCKSMITH	I-3150	01 541-0411	BUILDINGS & S;	REKEY, COURT, JURY RO	140620	60.00
VENDOR 01-001277 TOTALS							60.00
01-012091	CINTAS UNIFORM	I-538819647	01 541-0160	LAUNDRY & JAN;	UNIFORMS, MATS, MOPS	140646	152.23
01-012091	CINTAS UNIFORM	I-538819647	01 541-0130	WEARING APPAR:	UNIFORMS, MATS, MOPS	140646	16.92
01-012091	CINTAS UNIFORM	I-538821681	01 541-0160	LAUNDRY & JAN:	UNIFORMS, MATS, MOPS,	140646	152.23
01-012091	CINTAS UNIFORM	I-538821681	01 541-0130	WEARING APPAR:	UNIFORMS, MATS, MOPS,	140646	16.92
01-012091	CINTAS UNIFORM	I-538823687	01 541-0160	LAUNDRY & JAN;	UNIFORMS, MATS, MOPS,	140710	152.23
01-012091	CINTAS UNIFORM	I-538823687	01 541-0130	WEARING APPAR:	UNIFORMS, MATS, MOPS,	140710	16.92
VENDOR 01-012091 TOTALS							507.45
01-019499	SOUTHWEST TEXAS EQUIPM	I-2084843	01 541-0415	SERVICE CONTR:	ICE MACHINE RENT FOR	140661	100.00
VENDOR 01-019499 TOTALS							100.00
01-020016	TERMINIX	I-372855804	01 541-0415	SERVICE CONTR:	PEST CONTROL CITY H	140665	225.00
01-020016	TERMINIX	I-372917811	01 541-0415	SERVICE CONTR:	PEST CONTROL 4501 PA	140727	50.00
VENDOR 01-020016 TOTALS							275.00
DEPARTMENT 541 BUILDING MAINTENANCE						TOTAL:	942.45

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 15

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001211	ALEX AVALOS PRINTING	I-022218	01 542-0101	OFFICE SUPPLI	500 INSP. REPORTS PR	140692	115.70
						VENDOR 01-001211 TOTALS	115.70
						DEPARTMENT 542 INSPECTIONS DIVISION TOTAL:	115.70

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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: 543 PUBLIC WORKS DEPARTMENT

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

PAY DATE RANGE: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-007399	GRAINGER	I-9697557974	01 543-0117	SAFETY SUPPLI	BIOHZ. SPILL KIT, M FL	140640	223.78
						VENDOR 01-007399 TOTALS	223.78
01-012091	CINTAS UNIFORM	I-538819647	01 543-0130	WEARING APPAR	UNIFORMS, MATS, MOPS	140646	144.47
01-012091	CINTAS UNIFORM	I-538821681	01 543-0130	WEARING APPAR	UNIFORMS, MATS, MOPS,	140646	145.39
01-012091	CINTAS UNIFORM	I-538823687	01 543-0130	WEARING APPAR	UNIFORMS, MATS, MOPS,	140710	144.47
						VENDOR 01-012091 TOTALS	434.33
01-016600	PT ISABEL/SO PADRE PRE	I-022718	01 543-0107	BOOKS & PERIO	1 YR. SUBSCRIPTION,	140718	22.00
						VENDOR 01-016600 TOTALS	22.00
01-020602	TOUCAN GRAPHICS	I-23820	01 543-0112	SIGNS	1 2- VINYL NAME SLIDER	140670	18.00
						VENDOR 01-020602 TOTALS	18.00
01-1	R GALVAN PLUMBING, LLC	I-1180215591	01 543-0416	STREETS & RIG	R GALVAN PLUMBING, L	140689	250.00
						VENDOR 01-1 TOTALS	250.00
						DEPARTMENT 543 PUBLIC WORKS DEPARTMENT TOTAL:	948.11

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-003000	CAMERON APPRAISAL DIST	I-000000058600015	01 570-9015	C.C. APPRAISA:	2ND QTR 2018 ASSESSM	140694	23,424.50
VENDOR 01-003000 TOTALS							23,424.50
01-004133	DENTON NAVARRO ROCHA B	I-23392	01 570-9030	LEGAL SERVICE:	PROF. SERVICE DEC 20	140632	2,770.50
VENDOR 01-004133 TOTALS							2,770.50
01-013404	MOUNTAIN GLACIER, LLC	I-0300961710	01 570-0581	WATER, SEWER, :	BOTTLED WATER DEL. P	140712	34.00
01-013404	MOUNTAIN GLACIER, LLC	I-0300978794	01 570-0581	WATER, SEWER, :	BOTTLED WATER DEL. P	140712	38.25
01-013404	MOUNTAIN GLACIER, LLC	I-0301041091	01 570-0581	WATER, SEWER, :	BOTTLED WATER DEL. C	140712	80.75
01-013404	MOUNTAIN GLACIER, LLC	I-0301041092	01 570-0581	WATER, SEWER, :	COOLER RENT MARCH CO	140712	2.00
01-013404	MOUNTAIN GLACIER, LLC	I-0301041097	01 570-0581	WATER, SEWER, :	BOTTLED WATER DEL. P	140712	21.25
VENDOR 01-013404 TOTALS							176.25
01-015010	OFFICE DEPOT	I-989706128001	01 570-0101	OFFICE SUPPLI:	TAB PKTS, 3-CS PAPER	140653	94.47
VENDOR 01-015010 TOTALS							94.47
01-018154	REPUBLIC SERVICES #863	I-0863001433119	01 570-0581	WATER, SEWER, :	108 W. RETAMA ON CAL	140720	1,438.81
VENDOR 01-018154 TOTALS							1,438.81
01-022033	VALLEY VIEW CONSULTING	I-2312	01 570-9025	INVESTMENT AD:	INVESTMENT ADV. SERV	140674	5,914.18
VENDOR 01-022033 TOTALS							5,914.18
DEPARTMENT 570 GENERAL SERVICES						TOTAL:	33,818.71

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 18

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-002101	DOUGLAS G, MAYER ESTAT	I-021818	01 572-9179	HOLIDAY LIGHT	STORAGE # 307 RENTAL	140621	172.00
						VENDOR 01-002101 TOTALS	172.00
01-016651	PORT ISABEL ROTARY CLU	I-386-1	01 572-0558	SPECIAL EVENT	FLAG PROGRAM 26 FLGS	140656	650.00
						VENDOR 01-016651 TOTALS	650.00
01-023137	WILLIS DEVELOPMENT LLC	I-00000167-18	01 572-1001	BUILDINGS & S	PD FEDERAL FOR BUILD	140678	4,000.00
						VENDOR 01-023137 TOTALS	4,000.00
						DEPARTMENT 572 SPECIAL PROJECTS TOTAL:	4,822.00
						VENDOR SET 01 GENERAL FUND TOTAL:	185,834.43

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REGULAR DEPARTMENT PAYMENT REPORT

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VENDOR SET: 01 City of South Padre Island

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-002893	BUGWORKS TERMITE & PES	I-67446	02 590-0415	SERVICE CONTR	PEST CONTROL VC	140625	50.68
VENDOR 01-002893 TOTALS							50.68
01-007600	GULF COAST PAPER CO. I	I-1452143	02 590-0160	LAUNDRY & JAN	CAN LINERS, ROLL TWL	140641	114.62
VENDOR 01-007600 TOTALS							114.62
01-013404	MOUNTAIN GLACIER, LLC	I-0301038723	02 590-0101	OFFICE SUPPLI	BOTTLED WATER DEL. V	140648	17.00
VENDOR 01-013404 TOTALS							17.00
01-014237	DONNELLY HOLDINGS, LTD	I-827702	02 590-0415	SERVICE CONTR	FILTER REPLACEMENT V	140652	22.50
VENDOR 01-014237 TOTALS							22.50
01-018509	SAM'S CLUB DIRECT	I-003004	02 590-0160	LAUNDRY & JAN	LYSOL, WIPES, PAPER	140721	76.56
VENDOR 01-018509 TOTALS							76.56
01-020355	TK LAWN CARE	I-555	02 590-0412	LANDSCAPE	LANDSCAPE VC	140669	770.00
VENDOR 01-020355 TOTALS							770.00
01-021095	UNITED PARCEL SERVICE	I-0000648239068-1	02 590-0108	POSTAGE	SERVICE CHARGES,, VI	140673	27.00
01-021095	UNITED PARCEL SERVICE	I-0000648239078-1	02 590-0108	POSTAGE	SERVICE CHARGE CVB	140734	27.00
VENDOR 01-021095 TOTALS							54.00
DEPARTMENT 590 VISITORS BUREAU						TOTAL:	1,105.36

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 20

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-004133	DENTON NAVARRO ROCHA B	I-23392	02 592-0530	PROFESSIONAL	PROF. SERVICE DEC 20	140632	394.50
					VENDOR 01-004133 TOTALS		394.50
01-009092	WALTER B. BARNARD	I-2017-18	02 592-0530	PROFESSIONAL	LEAD PROGAM MEETINGS	140643	6,700.00
					VENDOR 01-009092 TOTALS		6,700.00
01-013426	MUNI SERVICES, LLC	I-INV06-001909	02 592-0530	PROFESSIONAL	HOTADMIN-FY2017/18	140649	5,502.00
					VENDOR 01-013426 TOTALS		5,502.00
01-014041	NATIONAL SIGNS PLAZAS, I-	13618	02 592-0530	PROFESSIONAL	WAYFINDING SIGN PROG	140651	50,000.00
					VENDOR 01-014041 TOTALS		50,000.00
01-020086	TEXAS SOCIETY OF ASSOC	I-89.084	02 592-0553	TRADE SHOW FE	TSAE TRADESHOW	140729	2,500.00
					VENDOR 01-020086 TOTALS		2,500.00
01-020104	SCOTT MCGEHEE	I-168	02 592-0108	POSTAGE	FOLLOW UP POST CARD/	140667	1,130.27
					VENDOR 01-020104 TOTALS		1,130.27
01-020617	TOWELS OUTLET	I-149863	02 592-0230	STOCK - PROMO:	IAVM GIVEAWAYS	140672	2,471.30
					VENDOR 01-020617 TOTALS		2,471.30
01-023900	XEROX CORPORATION	I-092226663	02 592-0415	SERVICE CONTR:	CC COPIER LEASE FOR	140679	288.65
					VENDOR 01-023900 TOTALS		288.65
DEPARTMENT 592 SALES & ADMINISTRATION TOTAL:							68,986.72

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 21

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-004146	DOS GUYS PRODUCTIONS..	I-2218	02 593-8099	MISC. SPONSOR:	2018 SPI TRIATHLON	140633	2,625.00
						VENDOR 01-004146 TOTALS	2,625.00
01-016040	ANDREW P. HANCOCK	I-22318	02 593-8099	MISC. SPONSOR:	REBUILD SANDCASTLE	140716	8,000.00
						VENDOR 01-016040 TOTALS	8,000.00
01-019355	SPI WAHOO CLASSIC, INC	I-2018-1	02 593-8099	MISC. SPONSOR:	2018 SPI WAHOO FISHI	140725	18,750.00
						VENDOR 01-019355 TOTALS	18,750.00
01-020602	TOUCAN GRAPHICS	I-23603	02 593-8060	ENTRANCE SIGN:	ART SERVICE & BANNER	140731	205.00
01-020602	TOUCAN GRAPHICS	I-23773	02 593-8060	ENTRANCE SIGN:	ART SERV. & BANNER,	140670	320.00
01-020602	TOUCAN GRAPHICS	I-23793	02 593-8060	ENTRANCE SIGN:	ART SERV. & BANNERS S	140670	470.00
						VENDOR 01-020602 TOTALS	995.00
DEPARTMENT 593						EVENTS MARKETING	TOTAL: 30,370.00

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 02 HOTEL/MOTEL TAX FUND

DEPARTMENT: 594 MARKETING

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

PAY DATE RANGE: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001344	THE ATKINS GROUP	I-INV-12202	02 594-0531	MEDIA PLACEME	RGV MEDIA AMENDMENT	999999	25,085.63
01-001344	THE ATKINS GROUP	I-INV-12203	02 594-0531	MEDIA PLACEME	2017/18 MEDIA RESEAR	999999	128,644.95
01-001344	THE ATKINS GROUP	I-INV-12217	02 594-0550	TRAVEL EXPENS	TRAVEL EXP. FY TRAVE	999999	2,787.00
01-001344	THE ATKINS GROUP	I-INV-12219	02 594-0530	PROFESSIONAL	2017/2018 PUBLIC REL	999999	8,000.00
01-001344	THE ATKINS GROUP	I-INV-12221	02 594-0530	PROFESSIONAL	2017/18 PRODUCTION &	999999	2,900.00
01-001344	THE ATKINS GROUP	I-INV-12222	02 594-0537	PRODUCTION/CO	CREATIVE & CONTENT S	999999	1,341.25
01-001344	THE ATKINS GROUP	I-INV-12245	02 594-0559	CONTENT DEVEL	FY 18	999999	1,837.50
01-001344	THE ATKINS GROUP	I-INV-12246	02 594-0559	CONTENT DEVEL	FY 18	999999	5,742.59
01-001344	THE ATKINS GROUP	I-INV-12248	02 594-0537	PRODUCTION/CO	CREATIVE & CONTENT S	999999	6,846.25
01-001344	THE ATKINS GROUP	I-INV-12250	02 594-0530	PROFESSIONAL	2017/18 ACCOUNT SERV	999999	13,500.00
01-001344	THE ATKINS GROUP	I-INV-12251	02 594-0530	PROFESSIONAL	2017/18 PUBLIC RELA	999999	3,500.00
VENDOR 01-001344 TOTALS							200,185.17
01-024119	YOUNG STRATEGIES, INC.	I-2018108	02 594-0530	PROFESSIONAL	RESEARCH PROJECT FY1	140681	9,950.00
VENDOR 01-024119 TOTALS							9,950.00
DEPARTMENT 594 MARKETING						TOTAL:	210,135.17
VENDOR SET 02 HOTEL/MOTEL TAX FUND						TOTAL:	310,597.25

VENDOR SET: 01 City of South Padre Islan
 FUND : 06 CONVENTION CENTER FUND
 DEPARTMENT: 565 CONVENTION CENTER OPER
 INVOICE DATE RANGE: 1/01/1998 THRU 99/99/9999
 PAY DATE RANGE: 2/22/2018 THRU 3/02/2018
 BUDGET TO USE: CB-CURRENT BUDGET

BANK: OPER

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001210	AIR FILTER COMPANY	I-75172	06 565-0415	SERVICE CONTR:	HVAC FILTER SERVICE	999999	292.40
01-001210	AIR FILTER COMPANY	I-75175	06 565-0415	SERVICE CONTR:	HVAC FILTER SERVICE	999999	1,574.00
						VENDOR 01-001210 TOTALS	1,866.40
01-004283	ECOLAB INC.	I-8538042	06 565-0415	SERVICE CONTR:	1- 4 X 1 GAL. DELIME	140634	76.91
01-004283	ECOLAB INC.	I-8575646	06 565-0415	SERVICE CONTR:	DISHMACHINE RENT 2/1	140634	152.67
						VENDOR 01-004283 TOTALS	229.58
01-005512	EXPRESS SERVICES, INC.	I-20173846	06 565-0530	PROFESSIONAL :	TEMP.LABOR, CVB FEB	140635	504.68
01-005512	EXPRESS SERVICES, INC.	I-20208239	06 565-0530	PROFESSIONAL :	TEMP LABOR FEB 18, 2	140697	130.24
						VENDOR 01-005512 TOTALS	634.92
01-006162	JUAN FLORES	I-0000621	06 565-0412	LANDSCAPE MAI:	2- FICUS TREES CUT &	999999	450.00
						VENDOR 01-006162 TOTALS	450.00
01-007600	GULF COAST PAPER CO. I	I-1452674	06 565-0160	LAUNDRY & JAN:	TISSUE, CAN LINERS,	140641	134.70
01-007600	GULF COAST PAPER CO. I	I-1453601	06 565-0160	LAUNDRY & JAN:	ROLL TWLS, TISSUE, M	140641	496.09
01-007600	GULF COAST PAPER CO. I	I-1453603	06 565-0160	LAUNDRY & JAN:	1 CS FOAMY WASHROOM	140641	30.27
01-007600	GULF COAST PAPER CO. I	I-1456526	06 565-0160	LAUNDRY & JAN:	FLTR,GSKT,SQUEEGE, E	140703	430.60
01-007600	GULF COAST PAPER CO. I	I-1456528	06 565-0410	MACHINERY & E:	BLADE KIT, ETC.FLOOR	140703	256.95
01-007600	GULF COAST PAPER CO, I	I-1458536	06 565-0160	LAUNDRY & JAN:	ROLL TWLS, TISSUE, M	140703	219.55
						VENDOR 01-007600 TOTALS	1,568.16
01-013404	MOUNTAIN GLACIER, LLC	I-0301038728	06 565-0103	CONSUMABLES :	WATER DEL. AND COOLE	140648	40.00
						VENDOR 01-013404 TOTALS	40.00
01-016021	PCM-G	I-R15748000101	06 565-0180	INFORMATION T:	ADOBE ACROBAT FOR DI	140715	311.00
						VENDOR 01-016021 TOTALS	311.00
01-016610	PPG ARCHITECTURAL COAT	I-967399041734	06 565-0411	BUILDING & ST:	NEUTRAL TINT RESIN A	140719	580.00
						VENDOR 01-016610 TOTALS	580.00

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REGULAR DEPARTMENT PAYMENT REPORT

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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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-018509	SAM'S CLUB DIRECT	I-000480	06 565-0176	CONCESSION SU:	MISC. KITCHEN SPPLS, 140721		294.02
01-018509	SAM'S CLUB DIRECT	I-000480	06 565-0113	BATTERIES	: MISC. KITCHEN SPPLS, 140721		257.74
01-018509	SAM'S CLUB DIRECT	I-000480	06 565-0103	CONSUMABLES	: MISC. KITCHEN SPPLS, 140721		23.74
01-018509	SAM'S CLUB DIRECT	I-000480	06 565-0160	LAUNDRY & JAN:	MISC. KITCHEN SPPLS, 140721		70.54
01-018509	SAM'S CLUB DIRECT	I-000480	06 565-0101	OFFICE SUPPLI:	MISC. KITCHEN SPPLS, 140721		9.48
						VENDOR 01-018509 TOTALS	655.52
01-019198	SHI-GOVERNMENT SOLUTIO	I-GB00269228	06 565-0410	MACHINERY & E:	BLDG SECUTITY 140723		1,155.81
						VENDOR 01-019198 TOTALS	1,155.81
01-021102	UNIFIRST HOLDINGS, INC	I-8412067654	06 565-0130	WEARING APPAR:	UNIFORMS, MOPS, MATS 999999		60.06
01-021102	UNIFIRST HOLDINGS, INC	I-8412067654	06 565-0160	LAUNDRY & JAN:	UNIFORMS, MOPS, MATS 999999		125.78
01-021102	UNIFIRST HOLDINGS, INC	I-8412068525	06 565-0130	WEARING APPAR:	UNIFORMS, MATS, MOPS 999999		60.06
01-021102	UNIFIRST HOLDINGS, INC	I-8412068525	06 565-0160	LAUNDRY & JAN:	UNIFORMS, MATS, MOPS 999999		124.78
						VENDOR 01-021102 TOTALS	370.68
						DEPARTMENT 565 CONVENTION CENTER OPER TOTAL:	7,862.07
						VENDOR SET 06 CONVENTION CENTER FUND TOTAL:	7,862.07

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 25

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 08 FORFEITED PROPERTY FUND

DEPARTMENT: 521 POLICE DEPARTMENT

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

PAY DATE RANGE: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-023137	WILLIS DEVELOPMENT LLC	I-00000167-18	08 521-1001	BUILDINGS & S:	PD STATE FOR BUILDING	140678	4,808.38
01-023137	WILLIS DEVELOPMENT LLC	I-00000167-18	08 521-1001-01	BUILDINGS & S:	PD FEDERAL FOR BUILD	140678	20,413.50
						VENDOR 01-023137 TOTALS	25,221.88
						DEPARTMENT 521 POLICE DEPARTMENT TOTAL:	25,221.88
						VENDOR SET 08 FORFEITED PROPERTY FUND TOTAL:	25,221.88

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 26

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-009694	TENA JERGER	I-1016	09 572-0540	ADVERTISING	DESIGN/LAYOUT MARCH	140708	50.00
VENDOR 01-009694 TOTALS							50.00
01-016154	TOVE ANNE PAYNE	I-22618	09 572-0101	OFFICE SUPPLI:	REIMBURSE COPIES OF	999999	21.08
VENDOR 01-016154 TOTALS							21.08
01-016651	PORT ISABEL ROTARY CLU	I-384-1	09 572-9185	COMMUNITY EVE:	FLAG PROG. CITY HALL	140656	1,250.00
01-016651	PORT ISABEL ROTARY CLU	I-385-1	09 572-9185	COMMUNITY EVE:	FLAG PROGRM CITY HAL	140656	525.00
VENDOR 01-016651 TOTALS							1,775.00
01-019528	CHARLOTTE BARKER-STANT	I-02162018	09 572-9185	COMMUNITY EVE:	FEBRUARY 2018 FITNES	140663	500.00
VENDOR 01-019528 TOTALS							500.00
01-020602	TOUCAN GRAPHICS	I-23495	09 572-0540	ADVERTISING	PRINTED MISC. PICKLE	140670	78.50
VENDOR 01-020602 TOTALS							78.50
DEPARTMENT 572 GENERAL SERVICES						TOTAL:	2,424.58
VENDOR SET 09 PARKS, REC & BEAUTIF						TOTAL:	2,424.58

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REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 27

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001129	A & W OFFICE SUPPLY IN	I-614814-0	30 591-0101	OFFICE SUPPLI:	COFFEE,SUGAR, CRMR,	140690	109.58
					VENDOR 01-001129 TOTALS		109.58
01-001161	AT&T	I-020818	30 591-0501	COMMUNICATION:	INTERNET & STATIC IP	140691	112.07
					VENDOR 01-001161 TOTALS		112.07
01-003103	ADVANCE AUTO PARTS	I-7915-198737	30 591-0420	MOTOR VEHICLE:	36 OIL FLTRS, 12, 5W	140627	108.60
01-003103	ADVANCE AUTO PARTS	I-7915-199002	30 591-0420	MOTOR VEHICLE:	12-ATF, 1 TRANS FLTR	140627	300.96
01-003103	ADVANCE AUTO PARTS	I-7915-199193	30 591-0420	MOTOR VEHICLE:	BELT TENSIONER, ISLE	140627	61.88
01-003103	ADVANCE AUTO PARTS	I-7915-199346	30 591-0420	MOTOR VEHICLE:	2-BATTERIES, UNIT 41	140695	213.04
01-003103	ADVANCE AUTO PARTS	I-7915-199603	30 591-0420	MOTOR VEHICLE:	REMGF GEAR BOX, UNIT	140695	106.31
01-003103	ADVANCE AUTO PARTS	I-7915-199653	30 591-0420	MOTOR VEHICLE:	18- ANTIFREEZE FOR I	140695	256.32
01-003103	ADVANCE AUTO PARTS	I-7915-199655	30 591-0420	MOTOR VEHICLE:	18- XTREME BLUE DEG.	140695	49.50
					VENDOR 01-003103 TOTALS		1,096.61
01-003869	CREATIVE BUS SALES	I-22811894	30 591-0420	MOTOR VEHICLE:	WHEEL COVER INSERTS	140629	945.53
					VENDOR 01-003869 TOTALS		945.53
01-007048	GIDDY-UP DELIVERY SERV	I-527623	30 591-0108	POSTAGE	: DELIVER PART FROM AN	140700	35.00
					VENDOR 01-007048 TOTALS		35.00
01-007113	G.F. GROUP, INC.	I-022818	30 591-0560	RENTAL	: RENT	140701	2,200.00
					VENDOR 01-007113 TOTALS		2,200.00
01-012091	CINTAS UNIFORM	I-538819646	30 591-0130	WEARING APPAR:	UNIFORMS TRANSIT DRI	140646	140.22
01-012091	CINTAS UNIFORM	I-538821680	30 591-0130	WEARING APPAR:	UNIFORMS FOR TRANSIT	140710	140.22
					VENDOR 01-012091 TOTALS		280.44
01-013404	MOUNTAIN GLACIER, LLC	I-0301016336	30 591-0581	WTR/SWR/GARBA:	BOTTLED WATER DEL. B	140712	22.50
01-013404	MOUNTAIN GLACIER, LLC	I-0301037054	30 591-0581	WTR/SWR/GARBA:	BOTTLED WATER DEL. B	140648	18.75
01-013404	MOUNTAIN GLACIER, LLC	I-0301041084	30 591-0581	WTR/SWR/GARBA:	BOTTLED WATER DEL. T	140712	11.25
01-013404	MOUNTAIN GLACIER, LLC	I-0301041090	30 591-0581	WTR/SWR/GARBA:	BOTTLED WATER DEL. B	140712	22.50
					VENDOR 01-013404 TOTALS		75.00

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REGULAR DEPARTMENT PAYMENT REPORT

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-016009	RUBEN PADILLA	I-021418	30 591-0551	DUE & MEMBERS:	REIMBURSE MEDICAL DO	999999	82.00
VENDOR 01-016009 TOTALS							82.00
01-016186	LUIS ISRAEL PEREZ	I-3054	30 591-0420	MOTOR VEHICLE:	5 UNITS WASHED, 36,	140717	175.00
01-016186	LUIS ISRAEL PEREZ	I-3055	30 591-0420	MOTOR VEHICLE:	8 UNITS WASHED, #36	140717	280.00
VENDOR 01-016186 TOTALS							455.00
01-019502	AT&T	I-02032018	30 591-0501	COMMUNICATION:	SERVICE FEB 3 - MARC	140726	106.92
VENDOR 01-019502 TOTALS							106.92
DEPARTMENT 591 SPI METRO						TOTAL:	5,498.15

3/01/2018 11:00 AM

REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 29

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 30 TRANSPORTATION

DEPARTMENT: 595 METRO CONNECT

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

PAY DATE RANGE: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-012091	CINTAS UNIFORM	I-538819646	30 595-0130	WEARING APPAR:	UNIFORMS TRANSIT DRI	140646	46.24
01-012091	CINTAS UNIFORM	I-538821680	30 595-0130	WEARING APPAR:	UNIFORMS FOR TRANSIT	140710	46.24
						VENDOR 01-012091 TOTALS	92.48
01-016186	LUIS ISRAEL PEREZ	I-3053	30 595-0420	MOTOR VEHICLE:	2 UNITS WASHED #406,	140717	70.00
01-016186	LUIS ISRAEL PEREZ	I-3056	30 595-0420	MOTOR VEHICLE:	3- UNITS WASHED # 40	140717	105.00
						VENDOR 01-016186 TOTALS	175.00
						DEPARTMENT 595 METRO CONNECT TOTAL:	267.48
						VENDOR SET 30 TRANSPORTATION TOTAL:	5,765.63

3/01/2018 11:00 AM

REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 30

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND: 57 VENUE TAX CONSTRUCTION

DEPARTMENT: 597 ** INVALID DEPT **

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

PAY DATE RANGE: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-011149	KIMLEY-HORN & ASSOCIAT	I-069234003-1117	57 597-0530	PROFESSIONAL	: PADRE BLVD PH 2 MEDI	999999	20,437.80
01-011149	KIMLEY-HORN & ASSOCIAT	I-069234003-1217	57 597-0530	PROFESSIONAL	: PADRE BLVD PH 2 MEDI	999999	11,383.90
01-011149	KIMLEY-HORN & ASSOCIAT	I-069234005-1217	57 597-0530	PROFESSIONAL	: SPI PR 100 BW/SW THR	999999	9,760.00
						VENDOR 01-011149 TOTALS	41,581.70

DEPARTMENT 597 ** INVALID DEPT ** TOTAL: 41,581.70

VENDOR SET 57 VENUE TAX CONSTRUCTION TOTAL: 41,581.70

3/01/2018 11:00 AM

REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 31

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-001211	ALEX AVALOS PRINTING	I-21918	60 532-0118	PRINTING	1000 NOTICE OF VIOLA	140619	208.00
						VENDOR 01-001211 TOTALS	208.00
01-018509	SAM'S CLUB DIRECT	I-007885	60 532-0150	MINOR TOOLS &	WATER, GATORADE, PEN	140721	167.08
						VENDOR 01-018509 TOTALS	167.08
						DEPARTMENT 532 ENVIRONMENTAL HEALTH TOTAL:	375.08

3/01/2018 11:00 AM

REGULAR DEPARTMENT PAYMENT REPORT

VENDOR SET# 01 City of South Padre Island

FUND # 60 BEACH MAINTENANCE FUND

DEPARTMENT# 560 BEACH MAINTENANCE

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

PAY DATE RANGE# 2/22/2018 THRU 3/02/2018

BUDGET TO USE# CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-004133	DENTON NAVARRO ROCHA B	I-23392	60 560-0530	PROFESSIONAL	PROF. SERVICE DEC 20	140632	111.00
VENDOR 01-004133 TOTALS							111.00
01-008179	HDR ENGINEERING INC.	I-1200102612	60 560-0530	PROFESSIONAL	HDR GOMA GRANT	140704	3,122.60
VENDOR 01-008179 TOTALS							3,122.60
01-009162	JIMENEZ ENGINEERING SO	I-1310	60 560-0530	PROFESSIONAL	As/Built and Topo	140705	3,723.00
01-009162	JIMENEZ ENGINEERING SO	I-1311	60 560-0530	PROFESSIONAL	As built Topo and pl	140706	3,723.00
01-009162	JIMENEZ ENGINEERING SO	I-1312	60 560-0530	PROFESSIONAL	Fial Survey and As-b	140707	3,723.00
VENDOR 01-009162 TOTALS							11,169.00
01-017998	PETER ALBERT RAVELLA	I-16	60 560-0530	PROFESSIONAL	PROF. SERVICES JAN +	999999	2,963.90
VENDOR 01-017998 TOTALS							2,963.90
01-020604	GUADALUPE TORRES	I-21318	60 560-0112	SIGNS	White planters and s	140671	3,009.00
VENDOR 01-020604 TOTALS							3,009.00
DEPARTMENT 560 BEACH MAINTENANCE TOTAL:							20,375.50
VENDOR SET 60 BEACH MAINTENANCE FUND TOTAL:							20,750.58

3/01/2018 11:00 AM

REGULAR DEPARTMENT PAYMENT REPORT

PAGE# 33

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: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-007155	GONZALEZ DE LA GARZA & I-5		61 543-9075-01	CONSTRUCTION :	OCEAN CIRCLE BEACH A	140702	81,506.44
01-007155	GONZALEZ DE LA GARZA & I-6		61 543-9075-01	CONSTRUCTION .:	CONSTRUCTION OF BEAC	140702	23,482.31
						VENDOR 01-007155 TOTALS	104,988.75
						DEPARTMENT 543 PUBLIC WORKS	TOTAL: 104,988.75
						VENDOR SET 61 BEACH ACCESS FUND	TOTAL: 104,988.75

3/01/2018 11:00 AM

REGULAR DEPARTMENT PAYMENT REPORT

PAGE# 34

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# 2/22/2018 THRU 3/02/2018

BUDGET TO USE# CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-1	JAIME VILLARREAL	I-022018	65 572-1001	BUILDINGS & S:	JAIME VILLARREAL:PUM	140685	450.00
				VENDOR 01-1	TOTALS		450.00

DEPARTMENT 572 ** INVALID DEPT ** TOTAL# 450.00

VENDOR SET 65 CAPITAL REPLACEMENT FUND TOTAL# 450.00

3/01/2018 11:00 AM

REGULAR DEPARTMENT PAYMENT REPORT

PAGE: 35

VENDOR SET: 01 City of South Padre Island

BANK: OPER

FUND : 80 ECONOMIC DEVELOPMENT CORP

DEPARTMENT: 580 EDC

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

PAY DATE RANGE: 2/22/2018 THRU 3/02/2018

BUDGET TO USE: CB-CURRENT BUDGET

VENDOR	NAME	ITEM #	G/L ACCOUNT	NAME	DESCRIPTION	CHECK #	AMOUNT
01-012097	DARLA LAPEYRE	I-021518	80 580-0550	TRAVEL	: MILEAGE	999999	38.70
01-012097	DARLA LAPEYRE	I-021518	80 580-0102	LOCAL MEETING	: MEAL	999999	38.21
						VENDOR 01-012097 TOTALS	76.91
01-016139	JAY LEWIS	I-12.7.17.04	80 580-9178	DESIGNATED PR:	EDC: FINAL PAYMENT O	999999	10,000.00
						VENDOR 01-016139 TOTALS	10,000.00
01-019502	AT&T	I-02318	80 580-0501	COMMUNICATION:	EDC: FAX LINE FEB 3 -	140662	59.43
						VENDOR 01-019502 TOTALS	59.43
01-1	THOMAS BAINTE	I-21318	80 580-0550	TRAVEL	: THOMAS BAINTE:MILEA	140687	30.52
						VENDOR 01-1 TOTALS	30.52
						DEPARTMENT 580 EDC TOTAL:	10,166.86
						VENDOR SET 80 ECONOMIC DEVELOPMENT CORP TOTAL:	10,166.86
						REPORT GRAND TOTAL:	715,643.73

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

MEETING DATE: March 7, 2018

NAME & TITLE: Randy Smith, Chief of Police

DEPARTMENT: Police

ITEM

Approve and ratify Memorandum of Understanding with the Brownsville Navigation District for the use of their Long Range Acoustic Device (LRAD) during Spring Break 2018.

ITEM BACKGROUND

LRAD's (Long Range Acoustic Device) omnidirectional 'One Voice' systems combine warning sirens and highly intelligible voice broadcasts to provide advanced mass notification and public address solutions. The device focuses sound in a 15 to 30 degree beam in front of the device and generates messages that are clearly heard from close range to over 5,500 meters away. It is clearly heard inside vehicles and buildings and limits the gap between P.A. systems and bullhorns. LRAD safely creates standoff and safety zones and supports the resolution of uncertain situations, alleviating the use of force.

BUDGET/FINANCIAL SUMMARY

No impact.

COMPREHENSIVE PLAN GOAL

N/A

LEGAL REVIEW

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

RECOMMENDATIONS/COMMENTS

MEMORANDUM OF UNDERSTANDING
BETWEEN BROWNSVILLE NAVIGATION DISTRICT
AND
THE CITY OF SOUTH PADRE ISLAND

1. **Parties.** This Memorandum of Understanding (hereinafter referred to as "MOU") is made and entered into by and between the Brownsville Navigation District of Cameron County, Texas ("Brownsville Navigation District"), whose address is 2993 N. Indiana. Ste. B, Brownsville, TX 78521, and the City of South Padre Island, whose address is 4601 Padre Blvd., South Padre Island, TX. 78597.

2. **Purpose.** The purpose of this MOU is to establish the terms and conditions under which the Brownsville Navigation District will lend their 'Long Range Acoustic Device' (LRAD) to the City of South Padre Island during the month of March for a period of time known as 'Spring Break' to be used as a mass notification and emergency warning system for incident management of large crowds or gatherings.

3. **Term of MOU.** This MOU shall begin on March 01, 2018 and shall end on March 30, 2018 (the "Term"). This MOU may be terminated, without cause, by either party upon two days written notice, which notice shall be delivered by hand or by certified mail to the address listed above.

4. **Responsibilities of the City of South Padre Island.** The City of South Padre Island agrees to house the LRAD device in a controlled access area within a City of South Padre building. The City of South Padre Island also agrees to identify several key personnel from within the agency who will receive instruction and training from the Brownsville Navigation District on the safe and effective operation of the LRAD. The City of South Padre Island also agrees to pick up the equipment at the Port of Brownsville and return it to the same location and in the same condition on or before the 30th day of March 2018. The City of South Padre Island shall operate the LRAD in strict compliance with the terms of the owner's manual and the training and instruction provided by the Brownsville Navigation District.

5. **Responsibilities of the Brownsville Navigation District.** The Brownsville Navigation District agrees to lend the City of South Padre Island the Long Range Acoustic Device (LRAD) during the Term of this Agreement. The Brownsville Navigation District also agrees to provide key personnel training and instruction for the safe and effective operation of the LRAD.

6. **Indemnity**

The City of South Padre Island agrees, to the extent authorized by law, to defend and indemnify Brownsville Navigation District and to hold Brownsville Navigation District harmless from any and all losses, claims, demands, and causes of action (including costs and attorney's fees) for damages to property or injury to or death of persons which may in any way result from, grow out of, or arise in connection with the exercise by the City of South Padre Island of any of the rights herein granted.

"Losses" means all liabilities, losses, damages, injuries, harm, diminution in value, expense, expenditure and disbursement of every nature (including, without limitation, costs of investigation, travel expense, value of time expended by personnel), fines, fees, and expenses of litigation (including without limitation reasonable attorney's fees incident to any of the foregoing), costs, and costs of court.

The City of South Padre Island is bound, to the extent authorized by law, on request of the Brownsville Navigation District, to defend actions or proceedings brought against the Brownsville Navigation District with respect to the matters embraced by the paragraph, but the Brownsville Navigation District has the right to conduct such defenses, at the expense of the City of South Padre Island as authorized by law, if the Brownsville Navigation District chooses to do so.

7. **General Provisions**

A. Amendments. Either party may request changes to this MOU. Any changes, modifications, revisions or amendments to this MOU which are mutually agreed upon by and between the parties to this MOU shall be incorporated by written instrument, and effective when executed and signed by all parties to this MOU.

B. Applicable Law. The construction, interpretation and enforcement of this MOU shall be governed by the laws of the State of Texas. The courts of the State of Texas shall have jurisdiction over any action arising out of this MOU and over the parties, and the venue shall be Cameron County, Texas. __

C. No Assignment. The City of South Padre Island shall not assign this MOU or its rights under this MOU to any party without the prior written consent of the Brownsville Navigation District.

D. Entirety of Agreement. This MOU, consisting of 4 pages, represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations and agreements, whether written or oral.

E. Severability. Should any portion of this MOU be judicially determined to be illegal or unenforceable, the remainder of the MOU shall continue in full force and effect, and either party may renegotiate the terms affected by the severance.

F. Sovereign Immunity. The City of South Padre Island and the Brownsville Navigation District of Cameron County, Texas and their respective governing bodies do not waive their sovereign immunity by entering into this MOU, and each fully retains all immunities and defenses provided by law with respect to any action based on or occurring as a result of this MOU.

G. Third Party Beneficiary Rights. The parties do not intend to create in any other individual or entity the status of a third-party beneficiary, and this MOU shall not be construed so as to create such status. The rights, duties and obligations contained in this MOU shall operate only between the parties to this MOU and shall inure solely to the benefit of the parties to this MOU. The provisions of this MOU are intended only to assist the parties in determining and performing their obligations under this MOU. The parties to this MOU intend and expressly agree that only parties signatory to this MOU shall have any legal or equitable right to seek to enforce this MOU, to seek any remedy arising out of a party's performance or failure to perform any term or condition of this MOU, or to bring an action for the breach of this MOU.

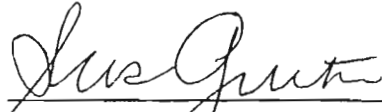
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8. **Signatures.** In witness whereof, the parties to this MOU through their duly authorized representatives have executed this MOU on the days and dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this MOU as set forth herein.

The effective date of this MOU is the date of the signature last affixed to this page.

CITY OF SOUTH PADRE ISLAND



Susan Guthrie, City Manager

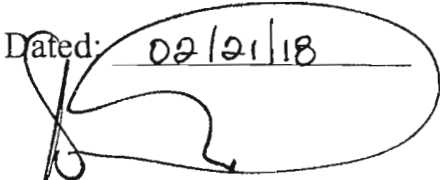
Dated: 2/20/18

**BROWNSVILLE NAVIGATION DISTRICT
OF CAMERON COUNTY, TEXAS**



John Wood, Chairman

Dated: 02/21/18



Attested by the Secretary of the Board

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

MEETING DATE: March 7, 2018

NAME & TITLE: Wendi Delgado, Administrative Services Director

DEPARTMENT: Administrative Services

ITEM

Approve Drug and Alcohol Policy Addendum as directed by the Texas Department of Transportation to reflect the recent changes to 49 CRF Part 40.

ITEM BACKGROUND

The United States Department of Transportation (USDOT) – Office of Drug and Alcohol Policy and Compliance (ODAPC) has issued an update to USDOT’s drug and alcohol testing regulation 49 CFR Part 40. The new regulation has been revised and the changes went into effect on January 1st, 2018. Therefore, the City of South Padre Island’s Drug and Alcohol testing policy has been amended to reflect the appropriate changes.

See attached Addendum.

BUDGET/FINANCIAL SUMMARY

N/A

COMPREHENSIVE PLAN GOAL

Chapter 2, Goal 1, Policy 1.1.2: Reliable, convenient, and highly accessible public transportation system should be arranged. Complementary options include taxicabs, pedicabs, and water taxis.

LEGAL REVIEW

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

RECOMMENDATIONS/COMMENTS

Staff recommends approval of this item.

DRUG AND ALCOHOL POLICY ADDENDUM

EFFECTIVE: JANUARY 1, 2018

The United States Department of Transportation (USDOT) – Office of Drug and Alcohol Policy and Compliance (ODAPC) has issued an update to USDOT's drug and alcohol testing regulation (49 CFR Part 40). The new regulation has been revised and the changes (summarized below) will become effective on January 1, 2018. Therefore, the City of South Padre Island drug and alcohol testing policy is amended as follows:

1. CHANGES TO THE DRUG TESTING PANEL

- a. Four new opioids added to the drug testing panel –
 - i. The USDOT drug test remains a “5-panel” drug test; however, the list of opioids for which are tested will expand from three to seven opioids.
 - ii. The “opioid” category will continue to test for codeine, morphine, and heroin; however, the “opioid” testing panel will now be expanded to include four (4) new semi-synthetic opioids:
 1. (1) Hydrocodone, (2) Hydromorphone, (3) Oxycodone, and (4) Oxymorphone.
 2. Common brand names for these semi-synthetic opioids include, but may not be limited to: OxyContin®, Percodan®, Percocet®, Vicodin®, Lortab®, Norco®, Dilaudid®, Exalgo®.
- b. ‘MDA’ will be tested as an initial test analyte
- c. ‘MDEA’ will no longer be tested for under the “amphetamines” category.

2. BLIND SPECIMEN TESTING

- a. The USDOT no longer requires blind specimens to be submitted to laboratories.

3. ADDITIONS TO THE LIST OF “FATAL FLAWS”

- a. The following three circumstances have been added to the list of “fatal flaws”:
 - i. No CCF received by the laboratory with the urine specimen.
 - ii. In cases where a specimen has been collected, there was no specimen submitted with the CCF to the laboratory.
 - iii. Two separate collections are performed using one CCF.

4. MRO VERIFICATION OF PRESCRIPTIONS

- a. When a tested employee is taking a prescribed medication, after verifying the prescription and immediately notifying the employer of a verified negative result, the MRO must then (after notifying the employee) wait five (5) business days to be contacted by the employee's prescribing physician before notifying the employer of a medical qualification issue or significant safety risk.
 - i. Specifically, in cases where an MRO verifies a prescription is consistent with the Controlled Substances Act, but that the MRO has still made a determination that the prescription may disqualify the employee under other USDOT medical qualification requirements, or that the prescription poses a significant safety-risk, the MRO must advise the employee that they will have five (5) business days from the date the MRO reports the verified negative result to the employer for the employee to have their prescribing physician contact the MRO. The prescribing physician will need to contact the MRO to assist the MRO in determining if the medication can be changed to one that does not make the employee medically unqualified or does not pose a significant safety risk. If in the MRO's reasonable medical judgment, a medical qualification issue or a significant safety risk still remains after the MRO communicates with the employee's prescribing physician, or after five (5) business days, whichever is shorter, the MRO must communicate this issue to the employer consistent with 49 CFR Part 40.327.

5. DEFINITIONS

- a. The term "***DOT, the Department, DOT Agency***"
 - i. Modified to encompass all DOT agencies, including, but not limited to, FAA, FRA, FMCSA, FTA, PHMSA, NHTSA, Office of the Secretary (OST), and any designee of a DOT agency.
 - ii. For the purposes of testing under 49 CFR Part 40, the USCG (in the Department of Homeland Security) is considered to be a DOT agency for drug testing purposes.
- b. The term "***Opiate***" is replaced with the term "***Opioid***" in all points of reference.
- c. The definition of "***Alcohol Screening Device (ASD)***" is modified to include reference to the list of approved devices as listed on ODAPC's website.

- d. The definition of “**Evidential Breath Testing Device (EBT)**” is modified to include reference to the list of approved devices as listed on ODAPC’s website.
- e. The definition of “**Substance Abuse Professional (SAP)**” will be modified to include reference to ODAPC’s website. The fully revised definition includes:
 - i. A licensed physician (medical doctor or doctor of osteopathy) or licensed or certified psychologist, social worker, employee assistance professional, state-licensed or certified marriage and family therapist, or drug and alcohol counselor (certified by an organization listed at <https://www.transportation.gov/odapc/sap>) with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol related disorders.

NOTE: The revisions listed in this addendum include only those revisions to 49 CFR Part 40 which may be referenced in our drug & alcohol testing policy. A list of all the revisions made to 49 CFR Part 40 can be found at <https://www.transportation.gov/odapc>.

Addendum Authorization Date: March 7th, 2018

Authorized Official (Printed Name): Dennis Stahl, Mayor

Signature: _____

5-17

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

MEETING DATE: March 7, 2018

NAME & TITLE: Dennis Stahl, Mayor

DEPARTMENT: City Council

ITEM

Approve excused absence request for Mayor Dennis Stahl from the March 7, 2018 City Council Meeting.

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 7, 2018

NAME & TITLE: Rodrigo Gimenez, Chief Financial Officer

DEPARTMENT: Finance

ITEM

Presentation, discussion and action to approve the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2016-17 presented by Quentin Anderson with Carr, Riggs & Ingram.

ITEM BACKGROUND

BUDGET/FINANCIAL SUMMARY

COMPREHENSIVE PLAN GOAL

LEGAL REVIEW

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

Comments:

RECOMMENDATIONS/COMMENTS

6-1

CITY OF SOUTH PADRE ISLAND, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2017



City of South Padre Island, Texas
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INTRODUCTORY SECTION



March 1, 2018

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, 2017. 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 units. 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, 2017 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 auditor's 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 is known throughout the United States and is ranked as one of America's top 10 beaches. The City occupies approximately 2.5 square miles and serves a full-time residential population of approximately 2,816.

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

In the last year, our staff has undertaken several new initiatives to enhance the quality of service we deliver to the citizens and visitors of South Padre Island. These included business planning, DMAIC quality improvement processes, and development of performance metrics. DMAIC is a strategy used to improve processes. Its name is an acronym for the five phases that make up the process: Define, Measure, Analyze, Improve and Control. It is an integral part of a Six Sigma initiative, but it can be implemented as a standalone quality improvement tool or as part of other process improvement initiatives. The DMAICs completed in the fiscal year were Preventative Maintenance/Reserve Funding, Fleet Maintenance, Beach Parking, Ticket Writers, and a Computer Replacement Program.

As City facilities age, it is critically important that preventative maintenance is done to extend the life of the asset. In early 2017, City staff undertook a DMAIC project to assess the current condition of City buildings and parks. First, each major component of the buildings and parks were rated A through E. Those rated D or E were in immediate need of repair. Next, staff developed a budget that would address immediate repairs. To validate the staff work, an expert was hired to fully assess all City facilities and to develop a preventative maintenance schedule for the next 25 years. A reserve study was developed to ensure the City has the funds available to make needed repairs on schedule.

The City's ability to provide services in an effective and efficient manner is partly dependent on a fleet of vehicles and other equipment that are reliable. A DMAIC project was completed this year creating a methodology for ranking the condition and life expectancy of vehicles in the City's fleet. They were rated from one to five, with one being best. A complete inventory and two-pronged approach to determine condition was utilized to create a priority replacement plan. The plan also addressed preventative maintenance, tracking and disposal of obsolete vehicles. By the end of the 2017-2018 fiscal year, the City is scheduled to have the entire fleet comprised of vehicles rated two or better.

We are investing in infrastructure as well as projects that enhance our ability to market the Island as a premier vacation destination. These projects include sidewalk and street improvements as well as boat ramps, beach access and a windsporting facility. In November 2016, voters approved the adoption of a 2% Venue Tax on hotel and short-term rental stays to fund venue projects. Bonds have been issued to fund the first phase of the projects. Preliminary work has begun to develop a kayak trail and windsporting facility.

The Padre Boulevard Sidewalk Improvement Project began in May 2017. The approximately 4.6 mile project will improve the sidewalks on both sides of Padre Boulevard from Isla Blanca Park to the Convention Centre, and is estimated to be completed within 14 months. The long-awaited completion of Gulf Boulevard construction was achieved with improvements stretching from East Sunset to East Haas Street, for a total of 2.5 miles. The City included hardscape crosswalks and landscaping that beautify in addition to improving safety. The west side of the boulevard now includes sidewalks and parking spaces, while the east side has a designated walking and bicycle path.

John L. Tompkins Park, the City's newest park, opened in the fall of 2016 with a large parking area, two nautical themed playgrounds, basketball courts, wide walking paths and restroom facilities. In 2017, this park was further improved with picnic tables, new playground equipment, benches, trash cans and a pet station. A skate park addition is in the works for 2018.

In 2017, Butterfly Park was completely replanted with many varieties of native plants, a public art installation was added, and it achieved designation as a Monarch Waystation. This park provides resources necessary for Monarch Butterflies to produce successive generations and sustain their migration. It also has a covered picnic area with beautiful views of the Gulf of Mexico.



The City of South Padre Island was awarded the Gulf of Mexico Alliance (GOMA) Coastal Resilience Grant in 2017. The grant will provide funding for the City to create a Shoreline Master Plan. The Master Plan will develop strategies to increase public access to new ecotourism sites, expand public education programming and further develop Island resiliency. The plan will also identify strategies to preserve key aquatic habitats, such as wetlands and mangroves, which provide protection from sea level rise and storm surge.

To allow easier public access to our beach, several dune walkovers were enhanced. The Pearl Beach Access and Seaside Circle Walkovers were completed in 2017 allowing easier access to the beach and ensuring ADA compliance. Construction is now complete on two other walkovers at Moonlight Circle and Ocean Circle.

The Queen Isabella Causeway Boardwalk connects the walking trail adjacent to Padre Boulevard. It also allows pedestrians to continue walking without crossing the road. The Boardwalk, originally built in 1999, was repaired and reopened in 2017. Repairs were made to 24 pilings and guardrails and new gates have been installed.

South Padre Island Police Officers participated in a series of specialized SWAT, Active Shooter, and Sharpshooter training courses in 2017. This has assisted officers in the creation of a regional SWAT response team with other local enforcement agencies. Also, the Police Department introduced Breta as the newest K-9 officer. Breta is a two-year-old female German Shepard detection dog that is trained to use her senses to identify substances such as illegal drugs. The K-9 and handler are partners trained to work both patrol and detection tasks in law enforcement.

Enhancing Public Safety through advanced technology, such as drones and body cameras, has not only become a larger part of daily law enforcement work, it has blossomed into a multi-department, City-wide program. The South Padre Island Robotics Integration Team is comprised of eight staff members with four of them being certified. Possible uses of this technology include fire scene inspections, disaster site monitoring, SWAT operations, search and rescue operations, missing persons, contamination tracking, maritime rescue, crowd surveillance, terrain modeling, and much more. The City also implemented a new emergency notification system to communicate with residents. The system is web-based, allowing the City to message residents and visitors any time of day or night using text, voice or email alerts.

The South Padre Convention and Visitor's Advisory Board produced, sponsored or directly supported more than 25 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.

The South Padre Convention and Visitor's Bureau (CVB) also completed its third consecutive year hosting a major annual conference that was formerly held in San Antonio for 34 consecutive years. It was estimated to bring \$2.5 million in revenue to South Padre Island over three years, boasted over 550 attendees and filled five island hotels during a mid-week, off-season time of year. Another major conference was hosted for the first time in 2017. This new conference invited over 625 attendees over a five-day, off-season week and utilized approximately 1,750 total room nights across four island hotels. These two conferences combined to fill the entire 45,000 square foot convention center and utilized more than 3,000 combined room nights on South Padre Island. Hosting these conferences allows the City of South Padre Island to showcase its meetings and conference hospitality capabilities with an efficient mix of local business support, hotel amenities and hands-on CVB convention service packages.



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 Five-Year Financial 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, 2017 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 2 CFR part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards- the "Uniform Guidance."

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, 2016. This was the 27th 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, 2016. This was the sixth 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.

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. Also, 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,


Susan Guthrie, City Manager


Rodrigo Gimenez, Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

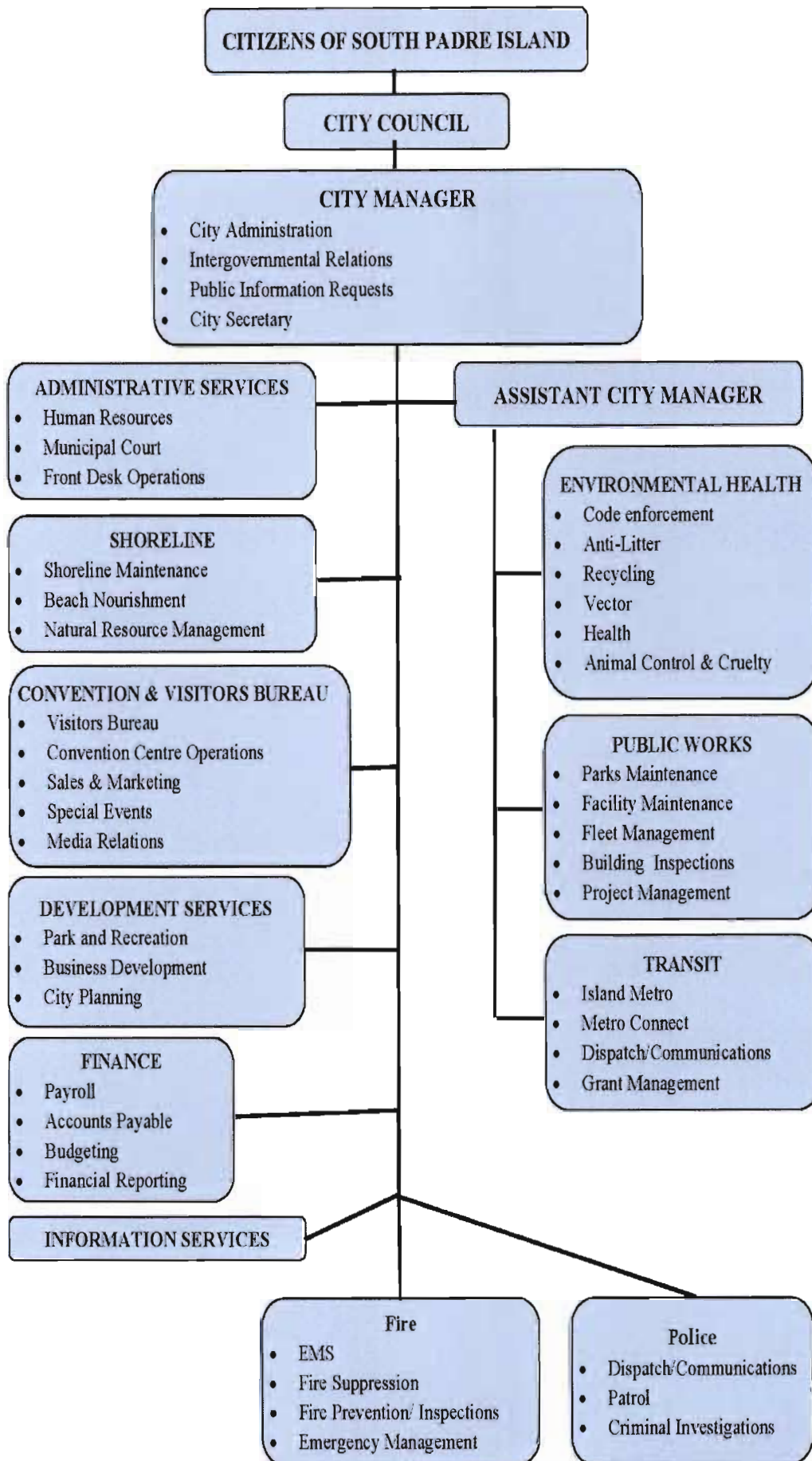
**City of South Padre Island
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO



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City of South Padre Island, Texas
List of Principal Officials
September 30, 2017

ELECTED OFFICIALS

NAME	TITLE
BARRY PATEL	MAYOR , COUNCIL MEMBER
RON PITCOCK	COUNCIL MEMBER
DENNIS STAHL	COUNCIL MEMBER
THERESA METTY	COUNCIL MEMBER
PAUL MUNARRIZ	COUNCIL MEMBER
ALITA BAGLEY	MAYOR PRO-TEM, COUNCIL MEMBER

APPOINTED OFFICIALS

NAME	TITLE
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
VICTOR BALDOVINOS	ENVIRONMENTAL HEALTH SERVICES DIRECTOR
BRANDON HILL	SHORELINE DIRECTOR
JESSE ARRIAGA	TRANSIT DIRECTOR
SUSAN HILL	CITY SECRETARY
VACANT	CITY ATTORNEY
SUNGMAN KIM	DEVELOPMENT SERVICES DIRECTOR
EDMUND CYGANIEWICZ	MUNICIPAL COURT JUDGE

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FINANCIAL SECTION



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

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

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, 2017 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, 2017 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.

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 15 through 24 and 62 through 69 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 1, 2018, 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 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 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.

Cary Riggs & Ingram, L.L.C.

Harlingen, Texas
March 1, 2018

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City of South Padre Island, Texas Management's Discussion and Analysis

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, 2017. 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 1-5 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 \$42,915,192 (net position). Of this amount, \$5,376,779 (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 \$3,221,202 during the fiscal year.
- As of the close of the current fiscal year, the City of South Padre Island governmental funds reported combined ending fund balances of \$33,896,732. Approximately 21% of this amount, \$7,225,128 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 (\$5,721,718 for 2017) established by the City Charter.
- At the end of the current fiscal year 78%, \$26,568,631 of the governmental funds fund balance was restricted and approximately 0.3%, \$102,973 was non-spendable.
- The City of South Padre Island's total bonded debt increased by \$7,720,000 during the current fiscal year. This increase is the result of a \$9,085,000 Venue Hotel Occupancy Tax Revenue bonds issued to finance a portion of the venue projects approved at the election held on November 8, 2016, net of payments made on bonded debt totaling \$1,365,000.

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.



City of South Padre Island, Texas Management's Discussion and Analysis

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.

City of South Padre Island, Texas Management's Discussion and Analysis

The City of South Padre Island maintains 21 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 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.

**City of South Padre Island, Texas
Management's Discussion and Analysis**

Government-wide Financial Analysis

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

	<u>Total Governmental Activities 2017</u>	<u>Total Governmental Activities 2016</u>
<u>ASSETS</u>		
Current and other assets	\$36,130,314	\$26,750,440
Capital assets	32,533,426	30,101,564
Total assets	<u>68,663,740</u>	<u>56,852,004</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred outflows related to pension liabilities	2,014,505	2,373,525
Deferred amount on refunding	186,851	210,208
Total deferred outflows of resources	<u>2,201,356</u>	<u>2,583,733</u>
<u>LIABILITIES</u>		
Current liabilities	2,068,529	1,746,453
Non-current liabilities	25,629,028	17,672,814
	<u>27,697,557</u>	<u>19,419,267</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows related to pension liabilities	252,347	322,480
Total deferred inflows of resources	<u>252,347</u>	<u>322,480</u>
<u>NET POSITION</u>		
Net investment in capital assets	22,437,085	19,810,801
Restricted	15,101,328	14,397,545
Unrestricted	5,376,779	5,485,644
Total net position	<u>\$42,915,192</u>	<u>\$39,693,990</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 \$42,915,192 at the close of the most recent fiscal year.

A large portion of the City's net position (52%) 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.

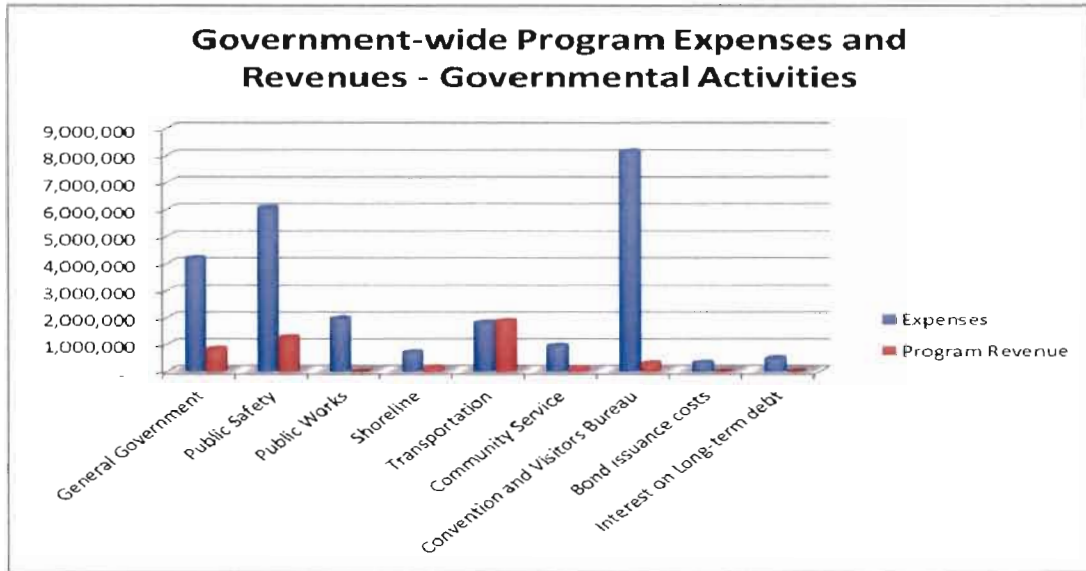
City of South Padre Island, Texas
Management's Discussion and Analysis

Changes in Net Position. Governmental activities increased the City's net position by \$3,221,202. Total revenues increased approximately \$2.7 million. This includes increases in property tax of 7% or \$529,737 due to an increase of the I&S rate to pay for the Series 2016 Tax Notes as well as increases in hotel motel tax of approximately \$2.1 million mainly due to the adoption of a new 2% venue hotel occupancy tax. Expenses during the fiscal period increased by \$1,036,632 or 4%. This increase was mostly due to additional sales and marketing allocations in the Hotel Motel fund.

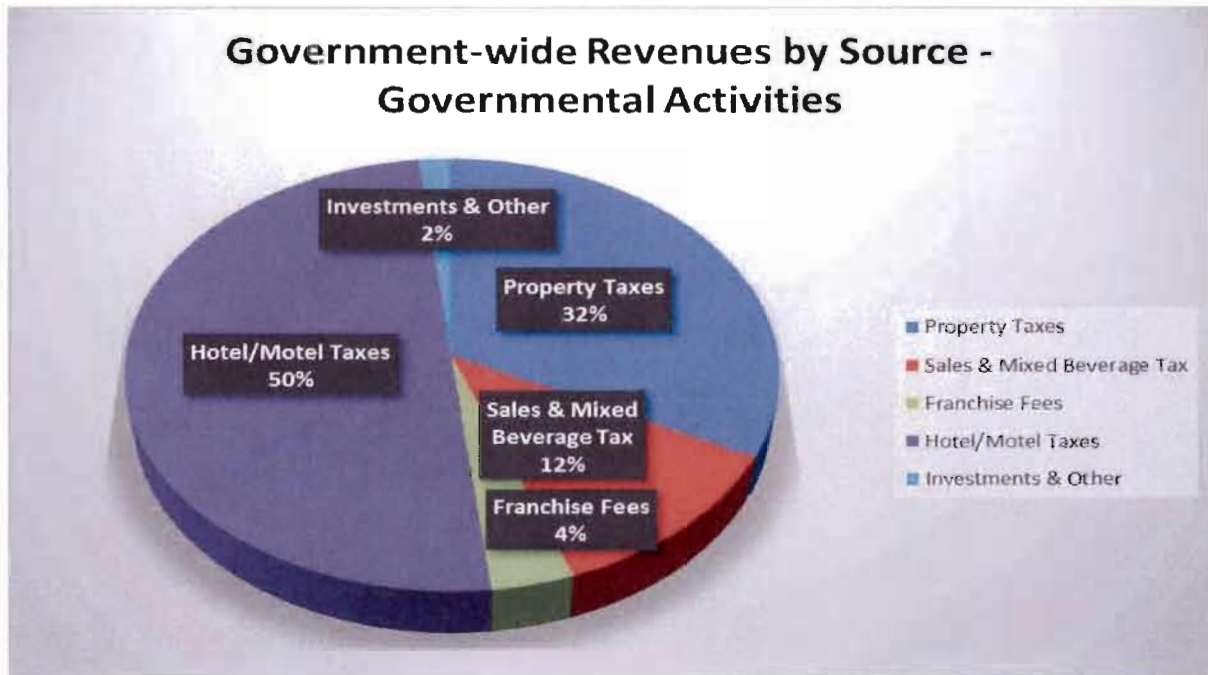
	<u>Total Governmental Activities 2017</u>	<u>Total Governmental Activities 2016</u>
Program Revenues:		
Charges for Services	\$2,277,755	\$1,963,375
Operating Grants & Contributions	1,655,530	1,765,405
Capital Grants & Contributions	561,717	893,030
General Revenues:		
Property Tax	7,604,876	7,075,139
Sales Tax	2,440,129	2,318,969
Franchise Tax	882,469	886,363
Hotel Motel Tax	9,291,508	7,360,083
Hotel Motel Beach Mtn. Tax	2,388,471	2,217,195
Mixed Beverage Tax	335,422	331,577
Gain (loss) on Sale of Capital Assets	114,022	48,779
Interest & Other	293,772	210,942
Total Revenues	<u>27,845,671</u>	<u>25,070,857</u>
Program Expenses:		
General Government	4,194,171	3,693,337
Public Safety	6,041,026	5,871,489
Public Works/Shoreline	3,476,918	3,287,013
Transportation	1,813,049	1,698,124
Community Service	136,945	1,519,768
Convention and Visitors Bureau	8,158,210	7,083,205
Bond Issuance costs	323,462	89,736
Interest on long-term debt	480,688	345,165
Total Expenses	<u>24,624,469</u>	<u>23,587,837</u>
Increase (decrease) in net position	3,221,202	1,483,020
Beginning Net Position	<u>39,693,990</u>	<u>38,210,970</u>
Ending Net Position	<u>\$42,915,192</u>	<u>\$39,693,990</u>

City of South Padre Island, Texas Management's Discussion and Analysis

The chart below illustrates the City's governmental expense and revenues by function: general government; public safety; public works; transportation; community service 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.





City of South Padre Island, Texas Management's Discussion and Analysis

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 \$33,896,732 an increase of \$9,162,424 in comparison with the prior year. Approximately 21%, or \$7,225,128 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 \$5,721,718 and is contained within the unassigned fund balance of the General Fund. The restricted funds are 78% or \$26,568,631 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 \$102,973 of the fund balance is nonspendable; in this case all of the \$102,973 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 \$7,225,128 while total fund balance reached \$7,375,956. 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 66% of total general fund expenditures, while total fund balance represents 68% of that same amount.

The fund balance of the City's General Fund increased by \$519,510 during the current fiscal year:

In comparison with last year, the total actual expenditures decreased by approximately \$663,558. The decrease is primarily due to majority of Tompkins Park development during the previous fiscal year. Revenues slightly increased by \$161,436 mainly due to increases in fees and services as well as permits offset by a decrease in intergovernmental revenues.

Non-property taxes for both the Hotel Motel and Convention Centre funds, increased by approximately 3% or \$244,133 compared to last fiscal year. The Hotel Motel fund expenditures increased by \$980,772 due to enhancements in sales and marketing programs while the Convention Centre fund balance increased by \$378,431.

The Transportation fund didn't have significant variances in fund balance. A total of \$342,994 was spent mainly on the purchase of three new buses for the transit program.

City of South Padre Island, Texas Management's Discussion and Analysis

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.

General Fund budgetary highlights

The original budget of the General Fund was amended 50 times during fiscal year 2016-2017. Some of the projects approved included the following: Phase II of Tompkins Park was approved for \$137,065 which included plans for a skate park, improvements were made to Butterfly Park for \$15,000, Environmental Health Services Department purchased a truck and ULV equipment for \$47,500, the Fire Department purchased emergency extraction equipment for \$24,000 as well as a new A/C unit for the fire station for \$25,000, the Police Department purchase body armor, drones and drone training for \$46,785 and costs related to the Causeway boardwalk repairs were approved in the amount of \$77,600.

General Fund budget variances

During the year, revenues were \$305,561 higher than budgeted. This change can be primarily attributed to an increase of \$248,576 in licenses and permits due to new developments in the City.

Total expenditures were \$993,852 less than what was budgeted. All operating expenditures of the general fund departments were under budget. For general government expenditures, savings in the amount of \$286,026 were materialized mainly due to vacant positions as well as cost reductions related in technology services. Additionally, the Police and Public Works departments had savings in the amount of approximately \$345,927 also due to vacant personnel positions. Finally, the General Fund has other savings in other areas such as fuel in the Fleet department and balances associated with park developments.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental activities as of September 30, 2017 amounts to \$32,533,426 (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:

**City of South Padre Island, Texas
Management's Discussion and Analysis**

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

	Total Governmental Activities <u>2017</u>	Total Governmental Activities <u>2016</u>
Land	\$1,497,793	\$1,497,793
Construction in progress	3,001,926	4,135,268
Buildings	15,926,795	17,030,185
Improvements	3,290,959	2,096,254
Furniture and equipment	1,787,671	1,921,057
Infrastructure	<u>7,028,282</u>	<u>3,421,007</u>
Total net position	<u>\$32,533,426</u>	<u>\$30,101,564</u>

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$20,330,000. 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>2017</u>	Total Governmental Activities <u>2016</u>
General Obligation Bonds and Anticipation Notes	<u>\$20,330,000</u>	<u>\$12,610,000</u>
	<u>\$20,330,000</u>	<u>\$12,610,000</u>

The City of South Padre Island's total bonded debt increased by \$7,720,000 during the current fiscal year. This change is the result of paying \$170,000 principal on the General Obligation 2011 series bonds, \$280,000 principal on the General Obligation Refunding 2012 series bonds, \$395,000 principal on the Tax Anticipation Note 2015, \$520,000 principal on the Tax Note 2016 and the issuance of a Venue Tax Revenue Bond in the amount of \$9,085,000.



City of South Padre Island, Texas Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing the City's budget for the 2017-2018 fiscal year.

Certified property tax values for the City showed a slight increase in market value by approximately \$1.4 million, or 0.06% from the preceding year. The City Council adopted a tax rate of \$0.315640 cents per hundred which is split between \$0.249640 per hundred for maintenance and operations and \$0.066000 per hundred for the debt service fund and the retirement of the general obligation bonds. The adopted tax rate includes an increase of \$0.01 cents per hundred to fund building preventive maintenance.

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.



**BASIC FINANCIAL
STATEMENTS**

City of South Padre Island, Texas Statement of Net Position

September 30, 2017

	Primary Government Total	
	Governmental Activities	Component Unit
ASSETS		
Cash and cash equivalents	\$ 25,682,649	\$ 1,267,981
Cash and cash equivalents- restricted	638,207	-
Investments	6,659,570	22,478
Receivables, net	1,302,270	78,262
Due from other governments	1,744,645	-
Prepaid expenses	102,973	344,515
Loans receivable	-	46,242
Capital assets, net		
Non-depreciable assets	4,499,719	657,236
Depreciable assets	28,033,707	5,576,598
TOTAL ASSETS	68,663,740	7,993,312
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension liabilities	2,014,505	16,363
Deferred amount on refunding	186,851	179,949
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,201,356	196,312
LIABILITIES		
Accounts payable	1,487,065	-
Other liabilities	474,895	51,785
Unearned revenues	106,569	-
Non-current liabilities		
Net pension liability	2,943,869	23,466
Due within one year	2,329,896	313,782
Due in more than one year	20,355,263	3,597,821
TOTAL LIABILITIES	27,697,557	3,986,854
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension liabilities	252,347	2,050
NET POSITION		
Net investment in capital assets	22,437,085	2,502,180
Restricted		
Debt service	1,192,158	430,846
Capital projects	1,099,270	-
Beach nourishment	2,292,912	-
Transportation	179,071	-
Beach maintenance	1,808,674	-
Municipal court	69,279	-
Criminal justice	97,334	-
Venue project	980,080	-
Parks and recreation	8,085	-
Hotel/motel taxes	7,374,465	-
Unrestricted	5,376,779	1,267,694
TOTAL NET POSITION	\$ 42,915,192	\$ 4,200,720

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

City of South Padre Island, Texas Statement of Activities

For the year ended September 30, 2017

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	\$ 4,194,171	\$ 747,718	\$ 83,568	\$ -	\$ (3,362,885)	
Public safety	6,041,026	1,228,417	22,095	-	(4,790,514)	
Public works	2,772,637	-	-	-	(2,772,637)	
Shoreline	704,281	-	-	137,004	(567,277)	
Transportation	1,813,049	-	1,549,867	324,713	61,531	
Community service	136,945	-	-	100,000	(36,945)	
Convention and visitors bureau	8,158,210	301,620	-	-	(7,856,590)	
Bond issuance costs	323,462	-	-	-	(323,462)	
Interest and fees on long-term debt	480,688	-	-	-	(480,688)	
Total governmental activities	24,624,469	2,277,755	1,655,530	561,717	(20,129,467)	
Component unit:						
Economic development	541,464	-	-	-	(541,464)	
Interest expense	138,294	-	-	-	(138,294)	
Total component unit	\$ 679,758	\$ -	\$ -	\$ -	\$ (679,758)	

General revenues:

Property taxes, levied for general purposes	5,880,544	-
Property taxes, levied for debt service	1,724,332	-
Sales taxes	2,440,129	813,376
Franchise taxes	882,469	-
Hotel motel taxes	9,291,508	-
Hotel motel beach maintenance taxes	2,388,471	-
Mixed beverage taxes	335,422	-
Unrestricted investment earnings	180,490	-
Gain on disposal of capital assets	114,022	-
Miscellaneous	113,282	9,188
Total general revenues, special items, and transfers	23,350,669	822,564
Change in net position	3,221,202	142,806
Net position - beginning	39,693,990	4,057,914
Net position - ending	\$ 42,915,192	\$ 4,200,720

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

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City of South Padre Island, Texas
Balance Sheet
Governmental Funds

September 30, 2017

	General Fund	Hotel Motel Fund	Transportation Grant Fund	Venue Tax Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,312,567	\$ 4,344,258	\$ -	\$ 9,116,998	\$ 9,908,826	\$ 25,682,649
Cash and cash equivalents- restricted	-	-	-	-	638,207	638,207
Investments	5,657,105	-	-	-	1,002,465	6,659,570
Receivables (net of allowance for uncollectibles)						
Property taxes	179,855	-	-	-	37,813	217,668
Accounts	569,526	294,459	-	12,433	208,184	1,084,602
Due from other governments	-	-	811,917	-	932,728	1,744,645
Due from other funds	771,374	-	-	-	7,086	778,460
Prepaid items	57,138	14,255	2,307	-	29,273	102,973
Total assets	\$ 9,547,565	\$ 4,652,972	\$ 814,224	\$ 9,129,431	\$ 12,764,582	\$ 36,908,774
LIABILITIES						
Accounts payable	\$ 1,487,065	\$ -	\$ -	\$ -	\$ -	\$ 1,487,065
Due to other funds	7,086	-	632,846	-	138,528	778,460
Other liabilities	304,749	-	-	-	-	304,749
Unearned revenues - other	66,962	-	-	-	39,607	106,569
Total liabilities	1,865,862	-	632,846	-	178,135	2,676,843
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	146,441	-	-	-	29,452	175,893
Unavailable revenue - other	159,306	-	-	-	-	159,306
Total deferred inflows of resources	305,747	-	-	-	29,452	335,199
FUND BALANCE						
Nonspendable	57,138	14,255	2,307	-	29,273	102,973
Restricted	93,690	4,638,717	179,071	9,129,431	12,527,722	26,588,631
Unassigned	7,225,128	-	-	-	-	7,225,128
Total fund balances	7,375,956	4,652,972	181,378	9,129,431	12,556,995	33,896,732
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 9,547,565	\$ 4,652,972	\$ 814,224	\$ 9,129,431	\$ 12,764,582	\$ 36,908,774

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, 2017

Fund balances of governmental funds	\$ 33,896,732
<p>Amounts reported for <i>governmental activities</i> in the statement of net position are different because:</p>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	32,533,426
Some liabilities, including bonds payable (\$20,330,000 and premiums of \$905,487), and capital leases (\$542,308) are not due in the current period and, therefore, are not reported in the funds.	(21,777,795)
Deferred outflows of resources related to amounts deferred on refundings of long term debt and are not reported in the funds.	186,851
Liabilities for compensated absences are not due in the current period and therefore are not reported in the funds.	(907,364)
Certain amounts receivable for property taxes (\$175,893) and other revenues (\$159,306) but which do not represent current financial resources are deferred in the funds.	335,199
Liabilities for accrued interest on long-term debt are not due in the current period and therefore are not reported in the funds.	(170,146)
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 (\$2,943,869), a deferred resource inflow in the amount of (\$252,347), and a deferred resource outflow in the amount of \$2,014,505. This resulted in a decrease in net position of \$1,181,711.	(1,181,711)
Net position of governmental activities	\$ 42,915,192

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, 2017

	General Fund	Hotel Motel Fund	Transportation Grant Fund	Venue Tax Construction Funds	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 5,859,887	\$ -	\$ -	\$ -	\$ 1,751,838	\$ 7,611,725
Nonproperty taxes	3,658,020	5,897,663	-	-	5,782,316	15,337,999
Fees and services	955,034	8,228	-	-	293,392	1,256,654
Fines and forfeitures	556,656	-	-	-	21,145	577,801
Licenses and permits	447,276	-	-	-	-	447,276
Intergovernmental	205,663	-	1,824,580	-	137,004	2,167,247
Miscellaneous	136,496	62,685	49,722	16,998	77,871	343,772
Total revenues	11,819,032	5,968,576	1,874,302	16,998	8,063,566	27,742,474
EXPENDITURES						
Current						
General government	3,431,768	-	-	-	312,737	3,744,505
Public safety	4,972,810	-	-	-	329,022	5,301,832
Public works	1,889,875	-	-	-	-	1,889,875
Shoreline	-	-	-	-	704,281	704,281
Transportation	-	-	1,667,605	-	-	1,667,605
Community service	-	-	-	-	77,028	77,028
Convention and visitors bureau	-	5,587,918	-	-	1,323,234	6,911,152
Capital outlay	321,578	7,111	342,994	-	4,841,858	5,513,541
Debt service						
Principal retirement - bonds	-	-	-	-	1,365,000	1,365,000
Principal retirement - capital lease	243,659	-	-	-	11,957	255,616
Interest	32,898	-	-	-	368,439	401,337
Bond issue costs	-	-	-	323,462	-	323,462
Administrative charges	1,702	-	-	-	3,046	4,748
Total expenditures	10,894,290	5,595,029	2,010,599	323,462	9,336,602	28,159,982
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						
	924,742	373,547	(136,297)	(306,464)	(1,273,036)	(417,508)
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	144,037	144,037
Issuance of debt	-	-	-	9,085,000	-	9,085,000
Premium on issuance of debt	-	-	-	350,895	-	350,895
Transfers in	222,872	-	84,088	-	2,410,189	2,717,149
Transfers out	(628,104)	-	-	-	(2,089,045)	(2,717,149)
Total other financing sources (uses)	(405,232)	-	84,088	9,435,895	465,181	9,579,932
Net change in fund balances	519,510	373,547	(52,209)	9,129,431	(807,855)	9,162,424
Fund balance -- beginning	6,856,446	4,279,425	233,587	-	13,364,850	24,734,308
Fund balance -- ending	\$ 7,375,956	\$ 4,652,972	\$ 181,378	\$ 9,129,431	\$ 12,556,995	\$ 33,896,732

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, 2017

Net change in fund balances -total governmental funds	\$ 9,162,424
<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 \$5,513,541 and including depreciation (\$3,051,664), in the current period is to increase net position.</p>	2,461,877
<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>	(30,015)
<p>Governmental funds report the issuance of debt as an other financing source, but in governmental activities the issuance of debt is recorded as a long term liability. The effect of removing the bond proceeds of \$9,085,000 and bond premium of \$350,895 from the statement of activities change in net position is to decrease the overall change in net position.</p>	(9,435,895)
<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>	1,620,616
<p>The increase in compensated absences payable of (\$61,900) 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 \$42,555 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>	(42,702)
<p>GASB 68 requires that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/16 caused the change in the ending net position to increase in the amount of \$742,011. 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 (\$685,051). The City's reported TMR5 net pension expense had to be recorded. The pension expense decreased the change in net position by \$(467,437). The result of these changes is to decrease net position.</p>	(410,477)
<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 (\$10,825) and interest expense increased by (\$93,801) in 2017. Recognition of these amounts in the statement of activities results in a decrease in the change in net position.</p>	(104,626)
Change in net position of governmental activities	\$ 3,221,202

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



**NOTES TO FINANCIAL
STATEMENTS**

City of South Padre Island, Texas
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): of the seven-member board of directors, five are appointed by the City Council and two are appointed by the board itself. 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



City of South Padre Island, Texas
Notes to Financial Statements

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.

City of South Padre Island, Texas
Notes to Financial Statements

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 fund reported as a major fund is:

Venue Tax Construction Fund is used to account for bond proceeds received and expenditures associated with future infrastructure of the City.

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.



City of South Padre Island, Texas
Notes to Financial Statements

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. 77, Tax Abatement Disclosures, applies to financial reports of all state and local governmental entities, addresses the reduction of tax revenues resulting from an agreement between a government and an individual in which the government forgoes tax revenues and the individual promises to take specific action as a result of the agreement that contributes to the economic development to benefit the government or citizens of the government, and relates to agreements entered into by the reporting government or agreements entered into by other governments that reduce the reporting government’s tax revenues. In fiscal year 2017, the City did not have tax abatement agreements that require disclosures in the financial statements.

Recently Issued Accounting Pronouncements

In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal years beginning after June 15, 2017. The objective of GASB Statement No. 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. GASB Statement No. 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures. GASB Statement No. 75 also identified the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition GASB Statement No. 75 addresses the recognition and disclosure requirements for employers with liabilities to a defined benefit other postemployment benefits plan and for employers whose employees are provided with defined contribution other postemployment benefits. Management is evaluating the effects that the full implementation of GASB Statement No. 75 will have on its financial statements for the year ended September 30, 2018.

City of South Padre Island, Texas
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements- continued

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, 2017 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.

City of South Padre Island, Texas
Notes to Financial Statements

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

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

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 of South Padre Island, Texas
Notes to Financial Statements

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- continued

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.

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.

City of South Padre Island, Texas
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

l. 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, 2017 is \$5,721,718. Since the City's unassigned fund balance exceeds this amount at September 30, 2017, 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.

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City of South Padre Island, Texas
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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."

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 as further described in Note 15.

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.

City of South Padre Island, Texas
Notes to Financial Statements

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 2017, 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.

City of South Padre Island, Texas
Notes to Financial Statements

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, 2017 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, 2017 are as follows:

	Investment Maturities (in years)		Greater than 1 year
	Value	1 or less	
Primary Government			
Cash equivalents			
Money Markets	\$ 12,847,434	\$ 12,847,434	\$ -
	12,847,434	12,847,434	-
Investments			
TexPool	7,494	7,494	-
Texas Term	115,322	115,322	-
Certificates of deposit	6,536,754	6,536,754	-
	\$ 19,507,004	\$ 19,507,004	\$ -
Component Unit			
TexPool	\$ 22,478	\$ 22,478	\$ -
	\$ 22,478	\$ 22,478	\$ -

A reconciliation of cash and investments follows:

	Primary Governmental	Component Units	Total
	Activities		
Cash and cash equivalents:			
Cash and cash equivalents	\$ 25,682,649	\$ 1,267,981	\$ 26,950,630
Cash- restricted	638,207	-	638,207
Total cash	26,320,856	1,267,981	27,588,837
Investments:			
Texas Term	115,322	22,478	137,800
TexPool	7,494	-	7,494
Certificates of deposit	6,536,754	-	6,536,754
Total investments	6,659,570	22,478	6,682,048
Total cash and investments	\$ 32,980,426	\$ 1,290,459	\$ 34,270,885

As of September 30, 2017 The City's investments in certificates of deposit are valued at cost plus accrued interest.

See Note 10 for components of cash restrictions.

City of South Padre Island, Texas
Notes to Financial Statements

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	0.96%	\$ 507,917	February 12, 2018
Certificate of Deposit	1.05%	2,012,229	February 7, 2018
Certificate of Deposit	1.35%	1,006,825	March 22, 2018
Certificate of Deposit	1.45%	2,007,318	June 20, 2018
Certificate of Deposit	1.45%	1,002,465	July 27, 2018
Total Certificates of Deposit		\$ 6,536,754	

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, 2017 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.

City of South Padre Island, Texas
Notes to Financial Statements

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 AA+ 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, 2016 upon which the 2016 levy was based, was \$2,495,811,088. 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.

City of South Padre Island, Texas
Notes to Financial Statements

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, 2017 was \$.305640 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, 2017 were 98.39 percent of the tax levy.

NOTE 5: RECEIVABLES

Receivables at September 30, 2017, consist of the following:

	Primary Government					
	General Fund	Hotel Motel Fund	Venue Tax Construction Fund	Other Governmental Funds	Total Governmental Funds	Component Unit
Receivables						
Property Taxes	\$ 189,321	\$ -	\$ -	\$ 39,804	\$ 229,125	\$ -
Accounts	569,526	294,459	12,433	208,184	1,084,602	78,262
Gross receivables	758,847	294,459	12,433	247,988	1,313,727	78,262
Less allowance for uncollectibles	(9,466)	-	-	(1,991)	(11,457)	-
Total receivables, net	\$ 749,381	\$ 294,459	\$ 12,433	\$ 245,997	\$ 1,302,270	\$ 78,262

As of September 30, 2017 the component unit had a loan receivable of \$46,242. 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.

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City of South Padre Island, Texas
Notes to Financial Statements

NOTE 6: DUE FROM OTHER GOVERNMENTS

Due from other governments at September 30, 2017 consist of the following:

Primary Government

	Primary Government		
	Transportation	Other	Total
	Grant Fund	Governmental Funds	Governmental Funds
Texas State Comptroller - Occupancy Tax	\$ -	\$ 932,728	\$ 932,728
State of Texas - Department of Transportation	811,917	-	811,917
	\$ 811,917	\$ 932,728	\$ 1,744,645

NOTE 7: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 is as follows:

Governmental Activities

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
	October 01, 2016				September 30, 2017
Capital assets, not being depreciated:					
Land	\$ 1,497,793	\$ -	\$ -	\$ -	\$ 1,497,793
Construction in progress	4,135,268	460,258	(1,593,600)	-	3,001,926
	5,633,061	460,258	(1,593,600)	-	4,499,719
Capital assets, being depreciated:					
Buildings	33,574,369	426,478	-	-	34,000,847
Improvements	5,194,074	569,214	857,290	-	6,620,578
Furniture and equipment	7,777,762	725,107	-	(635,806)	7,867,063
Infrastructure	9,922,250	3,332,484	736,310	-	13,991,044
	56,468,455	5,053,283	1,593,600	(635,806)	62,479,532
Less: accumulated depreciation for:					
Buildings	(16,544,184)	(1,529,868)	-	-	(18,074,052)
Improvements	(3,097,820)	(231,799)	-	-	(3,329,619)
Furniture and equipment	(5,856,705)	(828,478)	-	605,791	(6,079,392)
Infrastructure	(6,501,243)	(461,519)	-	-	(6,962,762)
Total accumulated depreciation	(31,999,952)	(3,051,664)	-	605,791	(34,445,825)
Total capital assets, being depreciated, net	24,468,503	2,001,619	1,593,600	(30,015)	28,033,707
Governmental activities, capital assets, net	\$ 30,101,564	\$ 2,461,877	\$ -	\$ (30,015)	\$ 32,533,426

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

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City of South Padre Island, Texas
Notes to Financial Statements

NOTE 7: CAPITAL ASSETS (Continued)

Depreciation was charged to government functions as follows:

General government	\$ 308,092
Convention and visitors bureau	1,247,058
Community service	25,971
Public works	831,165
Public safety	535,515
Transportation	103,863
Total depreciation - governmental activities	\$ 3,051,664

Component Unit:

Activity for Economic Development Corporation is as follows:

	Beginning Balance October 1, 2016	Additions	Transfers	Retirements	Ending Balance September 30, 2017
Capital assets, not being depreciated:					
Land	\$ 657,236	\$ -	\$ -	\$ -	\$ 657,236
Construction 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	(1,134,480)	(136,147)	-	-	(1,270,627)
Improvements	(71,305)	(25,485)	-	-	(96,790)
Furniture and equipment	(21,604)	-	-	-	(21,604)
Total accumulated depreciation	(1,227,389)	(161,632)	-	-	(1,389,021)
Total capital assets, being depreciated, net	5,738,230	(161,632)	-	-	5,576,598
Governmental activities, capital assets, net	\$ 6,395,466	\$ (161,632)	\$ -	\$ -	\$ 6,233,834

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City of South Padre Island, Texas
Notes to Financial Statements

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	\$ 175,893
Grants and other	159,306
Total deferred/inflows of resources for governmental funds	\$ 335,199

The component unit reported \$46,242 in unavailable revenue related to noncurrent receivables at September 30, 2017.

In governmental activities, deferred outflows of resources consist of \$186,851 of deferred charges on refundings of long-term debt and \$2,014,505 of deferred charges related to pension liabilities. Deferred inflows related to pensions are \$252,347 at September 30, 2017. In the component unit deferred outflows of resources consist of \$179,949 of deferred charges on refundings of long-term debt and \$16,363 of deferred charges related to pension liabilities. Deferred inflows related to pensions are \$2,050 at September 30, 2017 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, 2017, \$106,569 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:

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City of South Padre Island, Texas
Notes to Financial Statements

NOTE 10: LONG-TERM DEBT (Continued)

1. Bonds

	Beginning Balance October 01, 2016	Additions	Reductions	Ending Balance September 30, 2017	Due In One Year
<i>General Government:</i>					
Series 2011 General Obligation Bond	\$ 3,320,000	\$ -	\$ (170,000)	\$ 3,150,000	\$ 175,000
Series 2012 General Obligation Refunding Bonds	2,845,000	-	(280,000)	2,565,000	285,000
Series 2015 Tax Anticipation Notes	2,555,000	-	(395,000)	2,160,000	405,000
Series 2016 Tax Anticipation Notes	3,890,000	-	(520,000)	3,370,000	530,000
Series 2017 Venue Hotel Occupancy Tax Revenue Bonds	-	9,085,000	-	9,085,000	185,000
Total bonds	\$ 12,610,000	\$ 9,085,000	\$ (1,365,000)	\$ 20,330,000	\$ 1,580,000

The following table summarizes the restricted cash and investments as of September 30, 2017:

Governmental Activities	
Restricted	
Cash and cash equivalents	
Cash restricted for Venue Seasonal Reserve	\$ 127,550
Cash Restricted for Venue Debt Reserve	510,657
Total	\$ 638,207

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	
2018	\$ 460,000	\$ 183,775	\$ 935,000	\$ 147,425	\$ 185,000	\$ 324,838	\$ 1,580,000	\$ 656,038	\$ 2,236,038
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
2023-2027	2,160,000	364,688	600,000	9,000	1,085,000	1,455,540	3,845,000	1,829,228	5,674,228
2028-2032	1,080,000	88,400	-	-	1,275,000	1,257,940	2,355,000	1,346,340	3,701,340
2033-2037	-	-	-	-	1,560,000	976,927	1,560,000	976,927	2,536,927
2038-2042	-	-	-	-	1,925,000	618,200	1,925,000	618,200	2,543,200
2043-2047	-	-	-	-	2,285,000	245,700	2,285,000	\$ 245,700	2,530,700
	\$ 5,715,000	\$ 1,211,663	\$ 5,530,000	\$ 489,300	\$ 9,085,000	\$ 6,141,097	\$ 20,330,000	\$ 7,842,060	\$ 28,172,060

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City of South Padre Island, Texas
Notes to Financial Statements

NOTE 10: LONG-TERM DEBT (Continued)

Component Unit

1. Revenue Bonds

	Beginning Balance October 01, 2016	Additions	Reductions	Ending Balance September 30, 2017	Due In One Year
2016 Series, Sales Tax Revenue Refunding Bond	\$ 3,485,000	\$ -	\$ (45,000)	\$ 3,440,000	\$ 30,000
2007 Series, Sales Tax Bond	515,000	-	(250,000)	265,000	265,000
Total Revenue Bond	\$ 4,000,000	\$ -	\$ (295,000)	\$ 3,705,000	\$ 295,000

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

Year Ending	2007 Revenue Bonds		2016 Revenue Bonds		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal & Interest
September 30,							
2018	\$ 265,000	\$ 5,790	\$ 30,000	\$ 87,150	\$ 295,000	\$ 92,940	\$ 387,940
2019	-	-	310,000	83,750	310,000	83,750	393,750
2020	-	-	310,000	77,550	310,000	77,550	387,550
2021	-	-	320,000	71,250	320,000	71,250	391,250
2022	-	-	320,000	64,850	320,000	64,850	384,850
2023-2027	-	-	1,760,000	206,225	1,760,000	206,225	1,966,225
2028-2032	-	-	390,000	7,800	390,000	7,800	397,800
	\$ 265,000	\$ 5,790	\$ 3,440,000	\$ 598,575	\$ 3,705,000	\$ 604,365	\$ 4,309,365

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 bonds 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 to finance the cost of improvements on Padre Boulevard. The bonds 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.

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City of South Padre Island, Texas
Notes to Financial Statements

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 \$2,740,000.

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.

On October 10, 2012 the City entered into a master lease agreement with Merchants Automotive Group, Inc. for the purchase of a variety of vehicles for the City. The total vehicles acquired under capital leases with Merchants Automotive Group, Inc. as of September 30, 2013 was \$378,581. Lease payments are due annually beginning in June of 2013.

In May 2013, the City entered into a lease-purchase agreement with Merchants Automotive Group, Inc. for the purchase of an ambulance. Lease payments are due annually beginning May 2014.

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.

City of South Padre Island, Texas
Notes to Financial Statements

NOTE 10: LONG-TERM DEBT (Continued)

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, 2017:

Year ending September 30,	Fire Ladder Truck	Ambulance Merchants Automotive	Police Radio Equipment	Vehicles Merchants Automotive	TYMCO Street Sweeper	Total
2018	\$ 52,878	\$ 20,132	\$ 63,062	\$ 34,666	\$ 37,458	\$ 208,196
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	264,390	20,132	189,186	34,666	74,916	583,290
Less the amount representing interest	(21,600)	(1,943)	(11,730)	(2,938)	(2,771)	(40,982)
Present value of net minimum lease payments	\$ 242,790	\$ 18,189	\$ 177,456	\$ 31,728	\$ 72,145	\$ 542,308

Changes in Long-term Liabilities for Governmental Activities

During the year ended September 30, 2017, the following changes occurred in liabilities reported as non-current liabilities.

	October 1, 2016	Additions	Reductions	September 30, 2017	Amount Due Within One Year
Compensated absences*	\$ 845,464	\$ 685,961	\$ (624,061)	\$ 907,364	\$ 494,038
Bonds payable	12,610,000	9,085,000	(1,365,000)	20,330,000	1,580,000
Premium on bond issuances	597,147	350,895	(42,555)	905,487	67,249
Capital leases	797,924	-	(255,616)	542,308	188,609
Net pension liability	2,822,279	121,590	-	2,943,869	-
Total long-term debt	\$ 17,672,814	\$ 10,243,446	\$ (2,287,232)	\$ 25,629,028	\$ 2,329,896

*Compensated absences are generally liquidated by the General Fund.

The City's other non-current liabilities including pension liabilities are liquidated in the fund where the liability was incurred. Thus, the general fund 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.

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City of South Padre Island, Texas
Notes to Financial Statements

NOTE 10: LONG-TERM DEBT (Continued)

Changes in Long-term Liabilities for Component Units

	October 1, 2016	Additions	Reductions	September 30, 2017	Amount Due Within One Year
2007 Series, Sales Tax Bond	\$ 515,000	\$ -	\$ (250,000)	\$ 265,000	\$ 265,000
2016 Series, Sales Tax Revenue Refunding Bond	3,485,000	-	(45,000)	3,440,000	30,000
Premium on Bond Issuance	225,385	-	(18,782)	206,603	18,782
Net pension liability	22,478	988	-	23,466	-
Total Long Term Debt	\$ 4,247,863	\$ 988	\$ (313,782)	\$ 3,935,069	\$ 313,782

NOTE 11: INTERFUND ASSETS/LIABILITIES

Due to/from other funds:

Due to/from other fund:

<u>Payable Fund</u>	<u>Receivable Fund</u>		<u>Total Due From Other Funds</u>
	<u>General</u>	<u>Other Governmental Funds</u>	
General Fund	\$ -	\$ 7,086	\$ 7,086
Transporation Grant Fund	632,846	-	632,846
Other Governmental Funds	138,528	-	138,528
Total due to other funds	\$ 771,374	\$ 7,086	\$ 778,460

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.

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City of South Padre Island, Texas
Notes to Financial Statements

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	Transportation Grant Fund	Other Governmental Funds	
General	\$ -	\$ 84,088	\$ 544,016	\$ 628,104
Other Governmental Funds	222,872	-	1,866,173	2,089,045
Total transfers	\$ 222,872	\$ 84,088	\$ 2,410,189	\$ 2,717,149

Transfer between funds within the Component Units

Transfer Out Funds	Transfer In Funds
	EDC Debt Service Fund
Economic Development Corporation	\$ 394,031

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.

City of South Padre Island, Texas
Notes to Financial Statements

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, 2017, 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 860 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.

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City of South Padre Island, Texas
Notes to Financial Statements

NOTE 15: DEFINED BENEFIT PENSION PLANS (Continued)

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.

Employees covered by benefit terms

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	86
Active employees	<u>163</u>
	303

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 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 12.63% and 12.66% in calendar year 2016 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2017 were \$1,009,664, and were equal to the required contributions.

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City of South Padre Island, Texas
Notes to Financial Statements

NOTE 15: DEFINED BENEFIT PENSION PLANS (Continued)

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016, 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, 2016 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

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 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through 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.

City of South Padre Island, Texas
Notes to Financial Statements

NOTE 15: DEFINED BENEFIT PENSION PLANS (Continued)

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%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	100.0%	

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.

City of South Padre Island, Texas
Notes to Financial Statements

NOTE 15: DEFINED BENEFIT PENSION PLANS (Continued)

Net Pension Liability

	City Increase (Decrease)			EDC Increase (Decrease)		
	Total Pension Liability	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, 2015	\$ 29,068,910	\$ 26,246,631	\$ 2,822,279	\$ 231,520	\$ 209,042	\$ 22,478
Changes for the year:						
Service cost	1,351,988	-	1,351,988	10,981	-	10,981
Interest	1,975,039	-	1,975,039	16,043	-	16,043
Change in benefit terms	-	-	-	-	-	-
Difference between expected/actual experience	20,311	-	20,311	165	-	165
Changes of assumptions	-	-	-	-	-	-
Contributions - employer	-	942,684	(942,684)	-	7,657	(7,657)
Contributions - employee	-	529,598	(529,598)	-	4,302	(4,302)
Net investment income	-	1,774,574	(1,774,574)	-	14,414	(14,414)
Benefit payments, including refunds of						
employee contributions	(961,039)	(961,039)	-	(7,806)	(7,806)	-
Administrative expenses	-	(20,029)	20,029	-	(163)	163
Other charges	-	(1,079)	1,079	-	(9)	9
Net changes	2,386,299	2,264,709	121,590	19,383	18,395	988
Balance at December 31, 2016	\$ 31,455,209	\$ 28,511,340	\$ 2,943,869	\$ 250,903	\$ 227,437	\$ 23,466

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	\$ 8,096,172	\$ 2,943,869	\$ (1,211,506)
EDC (component unit) net pension liability	65,763	23,466	(9,841)
City's net pension liability	\$ 8,161,935	\$ 2,967,335	\$ (1,221,347)

City of South Padre Island, Texas
Notes to Financial Statements

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, 2017 the City and the EDC recognized combined pension expense in the amounts of \$1,411,142 and \$10,433, respectively. At September 30, 2017 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)	\$ 16,697	\$ 249,784	\$ 136	\$ 2,029
Changes in actuarial assumptions	88,374	-	718	-
Differences between projected and actual investment earnings (net of current year amortization)	1,167,422	2,563	9,483	21
Contributions subsequent to the measurement date	742,011	-	6,027	-
Total	\$ 2,014,505	\$ 252,347	\$ 16,363	\$ 2,050

The \$742,011 and \$6,027 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, 2018. 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
2018	\$ 362,954	\$ 2,948	\$ 365,902
2019	362,955	2,948	365,903
2020	304,490	2,473	306,963
2021	(12,495)	(101)	(12,596)
2022	2,243	18	2,261
Thereafter	-	-	-

NOTE 16: OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City also participates in the cost sharing multiple-employer benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). 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.

Benefits

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); retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB.

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City of South Padre Island, Texas
Notes to Financial Statements

NOTE 16: OTHER POST EMPLOYMENT BENEFITS (Continued)

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.

The City's contributions to the TMRS SDBF for the years ended 2015, 2016 and 2017 were \$1,448, \$1,523 and \$1,596, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates
(RETIREE – only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2015	0.02%	0.02%	100.0%
2016	0.02%	0.02%	100.0%
2017	0.02%	0.02%	100.0%

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	Other Governmental Funds	Total Government Funds
Fund balance (deficit)						
Non-spendable						
Prepaid	\$ 57,138	\$ 9,255	\$ 2,307	\$ -	\$ 29,273	\$ 97,973
Restricted						
Debt service	-	-	-	-	1,162,706	1,162,706
Capital projects	-	-	-	9,129,431	1,099,270	10,228,701
Beach nourishment	-	-	-	-	2,292,912	2,292,912
Transportation	-	-	179,071	-	-	179,071
Padre Blvd Improvement	-	-	-	-	2,367,324	2,367,324
Beach maintenance	-	-	-	-	1,808,674	1,808,674
Municipal court	-	-	-	-	69,279	69,279
Criminal justice	93,690	-	-	-	3,644	97,334
Venue project	-	-	-	-	980,080	980,080
Hurricane recovery	-	-	-	-	-	-
Parks and recreation	-	-	-	-	8,085	8,085
Hotel/Motel tax	-	4,643,717	-	-	2,735,748	7,379,465
Unassigned	7,225,128	-	-	-	-	7,225,128
	\$ 7,375,956	\$ 4,652,972	\$ 181,378	\$ 9,129,431	\$ 12,556,995	\$ 33,896,732

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City of South Padre Island, Texas
Notes to Financial Statements

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	\$ 32,533,426	\$ 6,233,834
Deferred outflows of resources - deferred amount on refunding	186,851	179,949
Less related liabilities (bonds, net of premium, and capital leases)	(21,777,795)	(3,911,603)
Restricted cash (unexpended bond proceeds)	11,494,603	-
Net investment in capital assets- total	22,437,085	2,502,180
Restricted net position consists of the following:		
Restricted for debt service	1,192,158	430,846
Restricted for capital projects	1,099,270	-
Restricted for beach nourishment	2,292,912	-
Restricted for transportation	179,071	-
Restricted for beach maintenance	1,808,674	-
Restricted for municipal court	69,279	-
Restricted for criminal justice	97,334	-
Restricted for venue project	980,080	-
Restricted for parks and recreation	8,085	-
Restricted for hotel/motel taxes	7,379,465	-
Restricted net position- total	15,106,328	430,846
Unrestricted net position	5,371,779	1,267,694
Total net position	\$ 42,915,192	\$ 4,200,720



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, 2017

	Budget		Actual	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property taxes - including penalty and interest	\$ 6,093,999	\$ 6,093,999	\$ 5,859,887	\$ (234,112)
Nonproperty taxes	3,572,294	3,572,294	3,658,020	85,726
Fees and services	716,563	832,327	955,034	122,707
Fines and forfeitures	461,600	461,600	556,656	95,056
Licenses and permits	198,700	198,700	447,276	248,576
Intergovernmental	135,000	276,185	205,663	(70,522)
Miscellaneous and program revenues	63,500	78,366	136,496	58,130
Total revenues	11,241,656	11,513,471	11,819,032	305,561
EXPENDITURES				
Current				
General government				
City council	20,000	12,000	1,706	10,294
City administration	793,013	853,498	782,773	70,725
Finance	353,097	353,097	345,901	7,196
Planning	238,583	238,583	221,302	17,281
Information services	500,350	579,043	489,465	89,578
Environmental health services	432,759	442,909	422,084	20,825
General services	905,764	946,264	920,415	25,849
Special projects	242,000	292,400	248,122	44,278
Total general government	3,485,566	3,717,794	3,431,768	286,026
Public safety				
Municipal court	206,438	206,438	183,954	22,484
Police	2,763,919	2,862,005	2,611,950	250,055
Fire	2,247,997	2,257,522	2,166,579	90,943
Emergency management	18,530	28,930	10,327	18,603
Total public safety	5,236,884	5,354,895	4,972,810	382,085
Public works				
Building maintenance	211,041	216,994	190,365	26,629
Inspections	197,309	197,309	193,496	3,813
Fleet Management	515,123	490,123	440,353	49,770
Public works	1,158,733	1,161,533	1,065,661	95,872
Total public works	2,082,206	2,065,959	1,889,875	176,084
Capital outlay				
	35,000	471,235	321,578	149,657
Debt service				
Principal retirement - capital lease	289,659	243,659	243,659	-
Interest and fees	43,780	34,600	34,600	-
Total debt service	333,439	278,259	278,259	-
Total expenditures	11,173,095	11,888,142	10,894,290	993,852
EXCESS OF REVENUES OVER EXPENDITURES	68,561	(374,671)	924,742	1,299,413

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, 2017

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 120,000	\$ 120,000	\$ 222,872	\$ 102,872
Transfers out	(145,645)	(662,327)	(628,104)	34,223
Total other financing sources (uses)	(25,645)	(542,327)	(405,232)	137,095
NET CHANGE IN FUND BALANCE	\$ 42,916	\$ (916,998)	519,510	\$ 1,436,508
Fund balance -- beginning			6,856,446	
Fund balance -- ending			\$ 7,375,956	

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, 2017

	Budget		Actual	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Nonproperty taxes	\$ 5,324,623	\$ 5,324,623	\$ 5,897,663	\$ 573,040
Fees and services	7,000	7,000	8,228	1,228
Miscellaneous and program revenues	50,000	50,000	62,685	12,685
Total revenues	5,381,623	5,381,623	5,968,576	586,953
EXPENDITURES				
Current				
Convention and visitors bureau				
Visitors bureau	216,883	220,274	214,521	5,753
Sales and marketing	1,561,322	1,586,046	1,462,738	123,308
Events marketing	803,418	919,182	834,394	84,788
Marketing	2,800,000	3,150,000	3,076,265	73,735
Total convention and visitors bureau	5,381,623	5,875,502	5,587,918	287,584
Capital outlay				
	-	7,111	7,111	-
Total expenditures	5,381,623	5,882,613	5,595,029	287,584
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	-	(500,990)	373,547	874,537
OTHER FINANCING SOURCES (USES)				
Transfers out				
	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (500,990)	373,547	\$ 874,537
Fund balance -- beginning			4,279,425	
Fund balance -- ending			\$ 4,652,972	

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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, 2017

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 5,416,657	\$ 5,689,555	\$ 1,824,580	\$ (3,864,975)
Miscellaneous and program revenues	50,000	50,000	49,722	(278)
Total revenues	5,466,657	5,739,555	1,874,302	(3,865,253)
EXPENDITURES				
Current				
Transportation				
SPI metro	1,370,379	1,479,379	1,285,496	193,883
Metro connect	445,642	445,642	382,109	63,533
Total transportation	1,816,021	1,925,021	1,667,605	257,416
Capital outlay	3,755,000	3,918,898	342,994	3,575,904
Total expenditures	5,571,021	5,843,919	2,010,599	3,833,320
EXCESS (DEFICIENCY) OF REVENUES OVER				
EXPENDITURES	(104,364)	(104,364)	(136,297)	(31,933)
OTHER FINANCING SOURCES (USES)				
Transfers in	115,713	115,713	84,088	(31,625)
NET CHANGE IN FUND BALANCE	\$ 11,349	\$ 11,349	(52,209)	\$ (63,558)
Fund balance -- beginning			233,587	
Fund balance -- ending			\$ 181,378	

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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,

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

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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,

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

**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, 2017**

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	25 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.

City of South Padre Island, Texas
Notes to the Required Supplementary Information
For the Year Ended September 30, 2017

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**



City of South Padre Island, Texas Non-Major Governmental Fund Statements and Schedules

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.

Special revenue fund: **Hurricane Recovery Fund** was established to account for hurricane preparedness and cost associated with preparing for hurricane threats. An appropriated budget is not adopted for this fund.

Capital project fund: **Padre Blvd Improvement Fund** is used to account for bond proceeds received and expenditures associated with improvements to Padre Boulevard

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, 2017

	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	\$ 2,690,150	\$ 885,176	\$ 20,452	\$ 48,827	\$ 3,644	\$ 8,085	\$ 120,124	\$ -
Cash and cash equivalents- Restricted investments	-	-	-	-	-	-	-	1,002,465
Receivables (net of allowance)								
Taxes	-	-	-	-	-	-	-	-
Accounts	85,205	94,904	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	932,728
Due from other funds	-	-	-	-	-	-	-	-
Prepaid items	29,208	-	-	-	-	-	-	65
TOTAL ASSETS	\$ 2,804,563	\$ 980,080	\$ 20,452	\$ 48,827	\$ 3,644	\$ 8,085	\$ 120,124	\$ 1,935,258
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	126,519
Unearned revenues	39,607	-	-	-	-	-	-	-
TOTAL LIABILITIES	39,607	-	-	-	-	-	-	126,519
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-
FUND BALANCE								
Nonspendable	29,208	-	-	-	-	-	-	65
Restricted	2,735,748	980,080	20,452	48,827	3,644	8,085	120,124	1,808,674
TOTAL FUND BALANCE	2,764,956	980,080	20,452	48,827	3,644	8,085	120,124	1,808,739
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 2,804,563	\$ 980,080	\$ 20,452	\$ 48,827	\$ 3,644	\$ 8,085	\$ 120,124	\$ 1,935,258

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Capital Projects Funds										
Beach Nourishment Fund	Hurricane Recovery Fund	Padre Blvd Improvement 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
\$ 2,269,183	\$ -	\$ 2,377,605	\$ 231,820	\$ 14,389	\$ 24,131	\$ 663,041	\$ 40,407	\$ 9,397,034	\$ 511,792	\$ 9,908,826
-	-	-	-	-	-	-	-	-	638,207	638,207
-	-	-	-	-	-	-	-	1,002,465	-	1,002,465
-	-	-	-	-	-	-	-	-	37,813	37,813
23,729	-	-	-	-	-	-	-	203,838	4,316	208,184
-	-	-	-	-	-	-	-	932,728	-	932,728
-	-	-	-	-	-	7,086	-	7,086	-	7,086
-	-	-	-	-	-	-	-	29,273	-	29,273
<u>\$ 2,292,912</u>	<u>\$ -</u>	<u>\$ 2,377,605</u>	<u>\$ 231,820</u>	<u>\$ 14,389</u>	<u>\$ 24,131</u>	<u>\$ 670,127</u>	<u>\$ 40,407</u>	<u>\$ 11,572,424</u>	<u>\$ 1,192,158</u>	<u>\$ 12,764,582</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	10,281	-	1,728	-	-	-	138,528	-	138,528
-	-	-	-	-	-	-	-	39,607	-	39,607
-	-	10,281	-	1,728	-	-	-	178,135	-	178,135
-	-	-	-	-	-	-	-	-	29,452	29,452
-	-	-	-	-	-	-	-	-	29,452	29,452
-	-	-	-	-	-	-	-	29,273	-	29,273
<u>2,292,912</u>	<u>-</u>	<u>2,367,324</u>	<u>231,820</u>	<u>12,661</u>	<u>24,131</u>	<u>670,127</u>	<u>40,407</u>	<u>11,365,016</u>	<u>1,162,706</u>	<u>12,527,722</u>
<u>2,292,912</u>	<u>-</u>	<u>2,367,324</u>	<u>231,820</u>	<u>12,661</u>	<u>24,131</u>	<u>670,127</u>	<u>40,407</u>	<u>11,394,289</u>	<u>1,162,706</u>	<u>12,556,995</u>
<u>\$ 2,292,912</u>	<u>\$ -</u>	<u>\$ 2,377,605</u>	<u>\$ 231,820</u>	<u>\$ 14,389</u>	<u>\$ 24,131</u>	<u>\$ 670,127</u>	<u>\$ 40,407</u>	<u>\$ 11,572,424</u>	<u>\$ 1,192,158</u>	<u>\$ 12,764,582</u>

6-85

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, 2017

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,412	\$ -
Nonproperty taxes	1,706,553	1,687,292	-	-	-	-	-	1,913,208
Fees and services	293,392	-	-	-	-	-	-	-
Fines and forfeitures	-	-	12,083	9,062	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	137,004
Miscellaneous	15,180	2,920	95	237	-	275	670	8,772
Total revenues	2,015,125	1,690,212	12,178	9,299	-	275	33,082	2,058,984
Expenditures								
Current								
General government	-	-	-	-	-	-	20,000	60,041
Public safety	-	-	8,296	4,928	-	-	-	315,798
Shoreline	-	-	-	-	-	-	-	655,486
Community service	-	-	-	-	-	11,074	-	-
Convention and visitors bureau	1,323,234	-	-	-	-	-	-	-
Capital outlay	319,004	-	-	-	-	-	-	153,179
Debt service								
Principal - bonds	-	-	-	-	-	-	-	-
Principal - capital lease	6,256	-	-	-	-	-	-	5,701
Interest	522	-	-	-	-	-	-	567
Administrative charges	142	-	-	-	-	-	-	154
Total expenditures	1,649,158	-	8,296	4,928	-	11,074	20,000	1,190,926
EXCESS (DEFICIENCY) REVENUES OVER (UNDER) EXPENDITURES								
	365,967	1,690,212	3,882	4,371	-	(10,799)	13,082	868,058
Other financing sources (uses)								
Sale of capital assets	12,464	-	-	-	-	-	-	8,533
Transfers in	-	-	-	-	-	15,000	-	-
Transfers (out)	-	(710,132)	-	-	-	-	(50,000)	(1,328,913)
Total other financing sources (uses)	12,464	(710,132)	-	-	-	15,000	(50,000)	(1,320,380)
NET CHANGE IN FUND BALANCES	378,431	980,080	3,882	4,371	-	4,201	(36,918)	(452,322)
Fund balance, beginning of year	2,386,525	-	16,570	44,456	3,644	3,884	157,042	2,261,061
Fund balance, end of year	\$ 2,764,956	\$ 980,080	\$ 20,452	\$ 48,827	\$ 3,644	\$ 8,085	\$ 120,124	\$ 1,808,739

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Capital Projects Funds										Total
Beach Nourishment Fund	Hurricane Recovery Fund	Padre Blvd Improvement 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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,412	\$ 1,719,426	\$ 1,751,838
475,263	-	-	-	-	-	-	-	5,782,316	-	5,782,316
-	-	-	-	-	-	-	-	293,392	-	293,392
-	-	-	-	-	-	-	-	21,145	-	21,145
-	-	-	-	-	-	-	-	137,004	-	137,004
10,692	-	23,868	1,628	4,545	-	4,066	247	73,195	4,676	77,871
485,955	-	23,868	1,628	4,545	-	4,066	247	6,339,464	1,724,102	8,063,566
-	107,499	125,197	-	-	-	-	-	312,737	-	312,737
-	-	-	-	-	-	-	-	329,022	-	329,022
-	-	-	-	-	-	-	48,795	704,281	-	704,281
65,954	-	-	-	-	-	-	-	77,028	-	77,028
-	-	-	-	-	-	-	-	1,323,234	-	1,323,234
-	-	1,035,447	332,835	2,216,751	97,006	687,636	-	4,841,858	-	4,841,858
-	-	-	-	-	-	-	-	-	1,365,000	1,365,000
-	-	-	-	-	-	-	-	11,957	-	11,957
-	-	-	-	-	-	-	-	1,089	367,350	368,439
-	-	-	-	-	-	-	-	296	2,750	3,046
65,954	107,499	1,160,644	332,835	2,216,751	97,006	687,636	48,795	7,601,502	1,735,100	9,336,602
420,001	(107,499)	(1,136,776)	(331,207)	(2,212,206)	(97,006)	(683,570)	(48,548)	(1,262,038)	(10,998)	(1,273,036)
-	-	-	85,000	-	38,040	-	-	144,037	-	144,037
-	107,499	-	331,014	-	82,000	1,054,726	59,819	1,650,058	760,131	2,410,189
-	-	-	-	-	-	-	-	(2,089,045)	-	(2,089,045)
-	107,499	-	416,014	-	120,040	1,054,726	59,819	(294,950)	760,131	465,181
420,001	-	(1,136,776)	84,807	(2,212,206)	23,034	371,156	11,271	(1,556,988)	749,133	(807,855)
1,872,911	-	3,504,100	147,013	2,224,867	1,097	298,971	29,136	12,951,277	413,573	13,364,850
\$ 2,292,912	\$ -	\$ 2,367,324	\$ 231,820	\$ 12,661	\$ 24,131	\$ 670,127	\$ 40,407	\$ 11,394,289	\$ 1,162,706	\$ 12,556,995

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City of South Padre Island, Texas
Debt Service Fund

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

For the Year Ended September 30, 2017

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,562,350	\$ 1,562,350	\$ 1,719,426	\$ 157,076
Miscellaneous and program revenues	-	-	4,676	4,676
Total revenues	1,562,350	1,562,350	1,724,102	161,752
EXPENDITURES				
Debt service				
Principal retirement	1,365,000	1,365,000	1,365,000	-
Interest	367,350	367,350	367,350	-
Administrative charges	3,000	3,000	2,750	250
Total expenditures	1,735,350	1,735,350	1,735,100	250
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(173,000)	(173,000)	(10,998)	162,002
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	760,131	-
NET CHANGE IN FUND BALANCE	\$ (123,000)	\$ (123,000)	749,133	\$ 872,133
Fund balance -- beginning			413,573	
Fund balance -- ending			\$ 1,162,706	

City of South Padre Island, Texas
Convention Center Fund
Special Revenue Fund

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

For the Year Ended September 30, 2017

	Budget			Variance Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Nonproperty taxes	\$ 2,112,762	\$ 2,112,762	\$ 1,706,553	\$ (406,209)
Fees and services	240,000	240,000	293,392	53,392
Miscellaneous and program revenues	-	-	15,180	15,180
Total revenues	2,352,762	2,352,762	2,015,125	(337,637)
EXPENDITURES				
Current				
Convention and visitors bureau	1,351,324	1,490,324	1,323,234	167,090
Total convention and visitors bureau	1,351,324	1,490,324	1,323,234	167,090
Capital outlay	200,000	393,349	319,004	74,345
Debt service				
Principal- capital lease	5,249	5,249	6,256	(1,007)
Interest	522	522	522	-
Administrative charges	142	142	142	-
Total expenditures	1,557,237	1,889,586	1,649,158	240,428
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	795,525	463,176	365,967	(97,209)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	12,464	12,464
NET CHANGE IN FUND BALANCE	\$ 795,525	\$ 463,176	378,431	\$ (84,745)
Fund balance -- beginning			2,386,525	
Fund balance -- ending			\$ 2,764,956	

**City of South Padre Island, Texas
Municipal Court Technology Fund
Special Revenue Fund**

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

For the Year Ended September 30, 2017

	Budget			Variance Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	\$ 8,087	\$ 8,087	\$ 12,083	\$ 3,996
Miscellaneous and program revenues	-	-	95	95
Total revenues	8,087	8,087	12,178	4,091
EXPENDITURES				
Current				
Public safety	8,144	8,144	8,296	(152)
Total expenditures	8,144	8,144	8,296	(152)
NET CHANGE IN FUND BALANCE	\$ (57)	\$ (57)	3,882	\$ 3,939
Fund balance -- beginning			16,570	
Fund balance -- ending			\$ 20,452	

City of South Padre Island, Texas
Municipal Court Security Fund
Special Revenue Fund

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

For the Year Ended September 30, 2017

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 9,062	\$ 4,062
Miscellaneous and program revenues	-	-	237	237
Total revenues	5,000	5,000	9,299	4,299
EXPENDITURES				
Current				
Public safety	8,968	8,968	4,928	4,040
Total expenditures	8,968	8,968	4,928	4,040
NET CHANGE IN FUND BALANCE	\$ (3,968)	\$ (3,968)	4,371	\$ 8,339
Fund balance -- beginning			44,456	
Fund balance -- ending			\$ 48,827	

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City of South Padre Island, Texas
Parks and Recreation Fund
Special Revenue Fund

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

For the Year Ended September 30, 2017

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Miscellaneous and program revenues	\$ -	\$ -	\$ 275	\$ 275
Total revenues	-	-	275	275
EXPENDITURES				
Current				
Community service	15,000	15,000	11,074	3,926
Total expenditures	15,000	15,000	11,074	3,926
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,000)	(15,000)	(10,799)	4,201
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	15,000	15,000	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	4,201	\$ 4,201
Fund balance -- beginning			3,884	
Fund balance -- ending			\$ 8,085	

6-92

City of South Padre Island, Texas
TIRZ Fund
Special Revenue Fund

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

For the Year Ended September 30, 2017

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 41,620	\$ 41,620	\$ 32,412	\$ (9,208)
Miscellaneous and program revenues	38,825	38,825	670	(38,155)
Total revenues	80,445	80,445	33,082	(47,363)
EXPENDITURES				
Current				
General government	-	-	20,000	(20,000)
Total expenditures	-	-	20,000	(20,000)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	80,445	80,445	13,082	(67,363)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(50,000)	(50,000)	(50,000)	-
NET CHANGE IN FUND BALANCE	\$ 30,445	\$ 30,445	(36,918)	\$ (67,363)
Fund balance -- beginning			157,042	
Fund balance -- ending			\$ 120,124	

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, 2017

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Nonproperty taxes	\$ 1,762,934	\$ 1,762,934	\$ 1,913,208	\$ 150,274
Intergovernmental	-	300,000	137,004	(162,996)
Miscellaneous and program revenues	-	-	8,772	8,772
Total revenues	1,762,934	2,062,934	2,058,984	(3,950)
EXPENDITURES				
Current				
General government	58,044	102,378	60,041	42,337
Public safety	291,464	323,275	315,798	7,477
Shoreline	700,217	755,592	655,486	100,106
Capital outlay	18,000	158,511	153,179	5,332
Debt service				
Principal- capital lease	5,702	5,702	5,701	1
Interest	567	567	567	-
Administrative charges	154	154	154	-
Total expenditures	1,074,148	1,346,179	1,190,926	155,253
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	688,786	716,755	868,058	151,303
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	8,533	8,533
Transfers (out)	(164,887)	(1,245,042)	(1,328,913)	(83,871)
Total other financing sources (uses)	(164,887)	(1,245,042)	(1,320,380)	(75,338)
NET CHANGE IN FUND BALANCE	\$ 523,899	\$ (528,287)	(452,322)	\$ 75,965
Fund balance -- beginning			2,261,061	
Fund balance -- ending			\$ 1,808,739	

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

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

For the Year Ended September 30, 2017

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Nonproperty taxes	\$ 460,325	\$ 460,325	\$ 475,263	\$ 14,938
Miscellaneous and program revenues	-	-	10,692	10,692
Total revenues	460,325	460,325	485,955	25,630
EXPENDITURES				
Current				
Community service	60,000	135,000	65,954	69,046
Total expenditures	60,000	135,000	65,954	69,046
NET CHANGE IN FUND BALANCE	\$ 400,325	\$ 325,325	420,001	\$ 94,676
Fund balance -- beginning			1,872,911	
Fund balance -- ending			\$ 2,292,912	

6-95

City of South Padre Island, Texas
Padre Blvd Improvement Fund
Capital Projects Fund

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

For the Year Ended September 30, 2017

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Miscellaneous and program revenues	\$ -	\$ -	\$ 23,868	\$ 23,868
Total revenues	-	-	23,868	23,868
EXPENDITURES				
Current				
General government	-	125,198	125,197	1
Capital outlay	-	874,010	1,035,447	(161,437)
Total expenditures	-	999,208	1,160,644	(161,436)
NET CHANGE IN FUND BALANCE	\$ -	\$ (999,208)	(1,136,776)	\$ (137,568)
Fund balance -- beginning			3,504,100	
Fund balance -- ending			\$ 2,367,324	

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City of South Padre Island, Texas
Street Improvement Fund
Capital Projects Fund

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

For the Year Ended September 30, 2017

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Miscellaneous and program revenues	\$ -	\$ -	\$ 1,628	\$ 1,628
Total revenues	-	-	1,628	1,628
EXPENDITURES				
Capital outlay	-	416,014	332,835	83,179
Total expenditures	-	416,014	332,835	83,179
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(416,014)	(331,207)	84,807
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	85,000	85,000	-
Transfers in	-	331,014	331,014	-
Total other financing sources (uses)	-	416,014	416,014	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	84,807	\$ 84,807
Fund balance -- beginning			147,013	
Fund balance -- ending			\$ 231,820	

6-97

City of South Padre Island, Texas
Capital Replacement Fund
Capital Projects Fund

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

For the Year Ended September 30, 2017

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Miscellaneous and program revenues	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Capital outlay	-	82,000	97,006	(15,006)
Total expenditures	-	82,000	97,006	(15,006)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(82,000)	(97,006)	(15,006)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	38,040	38,040
Transfers in	-	82,000	82,000	-
Total other financing sources (uses)	-	82,000	120,040	38,040
NET CHANGE IN FUND BALANCE	\$ -	\$ -	23,034	\$ 23,034
Fund balance -- beginning			1,097	
Fund balance -- ending			\$ 24,131	

City of South Padre Island, Texas
Beach Access Fund
Capital Projects Fund

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

For the Year Ended September 30, 2017

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Miscellaneous and program revenues	\$ -	\$ -	\$ 4,066	\$ 4,066
Total revenues	-	-	4,066	4,066
EXPENDITURES				
Capital outlay	-	1,054,726	687,636	367,090
Total expenditures	-	1,054,726	687,636	367,090
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,054,726)	(683,570)	371,156
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,054,726	1,054,726	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	371,156	\$ 371,156
Fund balance -- beginning			298,971	
Fund balance -- ending			\$ 670,127	

6-99

City of South Padre Island, Texas
Bay Access Fund
Capital Projects Fund

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

For the Year Ended September 30, 2017

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
REVENUES				
Miscellaneous and program revenues	\$ -	\$ -	\$ 247	\$ 247
Total revenues	-	-	247	247
EXPENDITURES				
Current				
Shoreline	59,819	59,819	48,795	11,024
Total expenditures	59,819	59,819	48,795	11,024
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(59,819)	(59,819)	(48,548)	11,271
OTHER FINANCING SOURCES (USES)				
Transfers in	59,819	59,819	59,819	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	11,271	\$ 11,271
Fund balance -- beginning			29,136	
Fund balance -- ending			\$ 40,407	

6-100



**City of South Padre Island, Texas
Component Unit**

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, 2017

	Economic Development Corporation General Fund	EDC Debt Service Reserve Fund	EDC Debt Service Fund	Total Component Unit
ASSETS				
Cash and cash equivalents	\$ 859,613	\$ 400,563	\$ 7,805	\$ 1,267,981
Investments	-	-	22,478	22,478
Receivables	78,262	-	-	78,262
Prepaid items	-	-	344,515	344,515
Loans receivable	46,242	-	-	46,242
Total assets	\$ 984,117	\$ 400,563	\$ 374,798	\$ 1,759,478
LIABILITIES				
Other liabilities	\$ 2,270	\$ -	\$ -	\$ 2,270
Total liabilities	2,270	-	-	2,270
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - noncurrent receivables	46,242	-	-	46,242
Total deferred inflows of resources	46,242	-	-	46,242
FUND BALANCE				
Nonspendable	-	-	344,515	344,515
Restricted	-	400,563	30,283	430,846
Unassigned	935,605	-	-	935,605
Total fund balances	935,605	400,563	374,798	1,710,966
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 984,117	\$ 400,563	\$ 374,798	\$ 1,759,478

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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, 2017

Fund balances of the component unit funds	\$ 1,710,966
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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.	
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6,233,834

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	
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46,242

Long term liabilities, including bonds payable, and premiums are not due in the current period and therefore not reported in the	
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(3,911,603)

Deferred outflows of resources related to amounts deferred on refundings of long term debt and are not reported in the funds.	
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179,949

Liabilities for accrued interest on long-term debt are not due in the current period and therefore are not reported in the funds.	
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(49,515)

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 (\$23,466), a deferred resource inflow in the amount of (\$2,050), and a deferred resource outflow in the amount of \$16,363. This resulted in a decrease in net position of \$9,153.	
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(9,153)

Net position of governmental type activities	\$ 4,200,720
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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, 2017

	Economic Development Corporation General Fund	EDC Debt Service Reserve Fund	EDC Debt Service Fund	Total Component Unit
REVENUES				
Sales taxes	\$ 813,376	\$ -	\$ -	\$ 813,376
Loan revenue	10,693	-	-	10,693
Miscellaneous and program revenues	5,998	2,105	1,085	9,188
Total revenues	830,067	2,105	1,085	833,257
EXPENDITURES				
Current				
Community service	376,858	-	-	376,858
Debt service				
Principal retirement	-	-	295,000	295,000
Interest expense	-	-	91,202	91,202
Bond issuance costs	-	-	-	-
Advance refunding escrow	-	-	-	-
Total expenditures	376,858	-	386,202	763,060
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	453,209	2,105	(385,117)	70,197
Other financing sources (uses)				
Transfers out	(394,031)	-	-	(394,031)
Transfers in	-	-	394,031	394,031
Total other financing sources (uses)	(394,031)	-	394,031	-
Net change in fund balances	59,178	2,105	8,914	70,197
Fund balance -- beginning	876,427	398,458	365,884	1,640,769
Fund balance -- ending	\$ 935,605	\$ 400,563	\$ 374,798	\$ 1,710,966

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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, 2017

Net change in fund balances --total component unit funds \$ 70,197

Amounts reported for *governmental type activities* in the statement of activities are different because:

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-. (161,632)

GASB 68 requires that certain expenditures be de-expended and recorded as deferred resource outflows. Contributions made after the measurement date of 12/31/15 caused the change in the ending net position to increase in the amount of \$6,027. 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 (\$11,697). The City's reported TMRS net pension expense had to be recorded. The pension expense decreased the change in net position by \$2,696. The result of these changes is to decrease net position. (2,974)

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. 2,423

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 295,000

The change in accrued interest on long-term debt provides decreases in long-term liabilities in the statement of net position. (49,515)

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. (10,693)

Change in net position of governmental activities \$ 142,806

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STATISTICAL SECTION

**City of South Padre Island, Texas
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.

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

	2008	2009	2010	2011	2012	2013*	2014**	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 15,236,797	\$ 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
Restricted	1,000,669	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
Unrestricted	10,159,970	10,088,864	5,768,869	6,174,054	5,697,496	6,588,837	6,025,603	7,484,310	5,485,644	5,376,779
Total governmental activities net position	\$ 26,397,436	\$ 29,654,273	\$ 28,686,152	\$ 28,295,141	\$ 30,089,674	\$ 31,488,160	\$ 34,088,337	\$ 38,205,195	\$ 39,693,990	\$ 42,915,192

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.

Schedule 2
City of South Padre Island, Texas
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 3,668,745	\$ 3,680,425	\$ 4,244,372	\$ 3,916,708	\$ 3,262,899	\$ 3,616,084	\$ 3,403,281	\$ 3,549,479	\$ 3,693,337	\$ 4,196,171
Public safety	4,106,050	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
Public works/Shoreline	2,090,705	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
Transportation	1,129,802	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
Community service	528,546	832,168	40,494	820,784	119,300	621,036	135,357	47,101	1,519,768	136,945
Convention and visitors bureau	6,324,100	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
Interest on long-term debt	340,220	295,920	310,207	327,532	559,912	306,808	297,596	382,782	434,901	804,150
Total primary governmental activities expenses	18,188,168	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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	30,642	28,222	27,873	222,573	218,276	156,108	277,881	453,066	472,715	747,718
Public safety	219,209	410,295	424,681	497,934	990,410	891,900	1,108,782	878,790	1,188,668	1,228,417
Public works	579,974	280,498	639,148	36,843	72,646	31,746	39,717	44,853	45,623	-
Transportation	27,302	30,000	74,500	30,000	52,250	30,000	-	-	-	-
Community service	275,347	337,470	300,690	-	-	-	-	-	-	-
Convention and visitors bureau	-	-	-	270,838	244,750	286,963	226,391	249,927	256,369	301,820
Operating grants and contributions	843,668	1,373,380	714,938	996,779	1,074,032	954,301	1,220,114	2,160,260	1,765,405	1,655,530
Capital grants and contributions	234,310	249,808	190,604	682,935	1,296,789	1,277,434	439,114	662,306	893,030	561,717
Total governmental activities program revenues	2,160,452	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
Net (Expense)/Revenue										
Total primary government net expense	(16,027,716)	(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)
General revenues										
Property taxes	5,483,386	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
Sales & Mixed Beverage taxes	1,965,363	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
Franchise taxes	792,992	792,501	802,819	821,796	806,646	819,865	851,056	862,253	886,363	882,469
Hotel/motel taxes	4,610,239	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
Hotel/motel padre Blvd. taxes	-	-	-	-	-	-	-	-	-	-
Hotel/motel beach mtn. taxes	630,474	751,950	945,050	988,132	1,086,920	1,644,572	2,144,126	2,177,319	2,217,195	2,388,471
Unrestricted investment earnings	546,491	196,941	143,463	97,265	49,345	38,830	31,373	31,952	82,464	180,490
Sale of fixed assets	1,485,785	14,234	16,810	(17,050)	4,545	-	56,072	58	48,779	114,022
Insurance recoveries	-	4,401,118	16,510	-	-	-	-	-	-	-
Miscellaneous	79,056	101,551	218,133	311,078	130,510	59,156	292,168	247,131	128,478	113,282
Total general revenues	15,593,786	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
Changes in Net Assets										
Total governmental activities	\$ (433,930)	\$ 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

Source: Statement of Activities

Note: The City of South Padre Island first applied GASB Statement No. 34 in fiscal year 2004; therefore, government-wide financial information for years prior to fiscal year 2004 is not available.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Pre GASB 54										
Reserved	\$ 37,321	\$ 35,092	\$ 31,623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	5,768,180	6,477,049	6,144,362	-	-	-	-	-	-	-
Total pre GASB 54	\$ 5,805,501	\$ 6,512,141	\$ 6,175,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Post GASB 54										
Nonspendable	\$ -	\$ -	\$ -	\$ 45,959	\$ 21,542	\$ 55,701	\$ 57,868	\$ 56,321	\$ 58,086	\$ 57,138
Restricted	-	-	-	-	-	-	-	-	113,072	93,690
Unassigned	-	-	-	6,243,764	6,357,093	6,158,124	6,848,537	6,835,686	6,685,288	7,225,128
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
All Other Governmental Funds										
Pre GASB 54										
Reserved	\$ 766,366	\$ 729,340	\$ 696,464	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	681,831	3,040,415	2,590,794	-	-	-	-	-	-	-
Capital projects funds	4,048,185	478,262	1,691,350	-	-	-	-	-	-	-
Total pre GASB 54	\$ 5,496,382	\$ 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
Restricted:										
Debt service	-	-	-	429,784	273,133	309,533	346,602	386,436	413,573	1,162,706
Capital projects	-	-	-	4,914,411	1,502,659	2,636,575	700,897	3,603,413	6,362,226	12,596,025
Beach nourishment	-	-	-	-	-	-	2,435,967	1,416,745	1,872,911	2,292,912
Transportation	-	-	-	154,277	235,999	287,934	301,277	320,366	231,280	179,071
Beach maintenance	-	-	-	78,887	264,395	790,655	1,382,753	2,050,584	2,260,996	1,808,674
Municipal court	-	-	-	43,562	48,913	53,594	63,068	72,385	61,026	69,279
Criminal justice	-	-	-	3,433	3,644	3,644	3,644	3,644	3,644	3,644
Venue project	-	-	-	-	-	-	-	-	-	980,080
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
Hotel/motel tax	-	-	-	2,442,154	3,603,561	5,068,679	6,596,864	5,986,315	6,630,832	7,374,465
Unassigned	-	-	-	-	(172,892)	(7167.00)	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

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

	2008	2009	2010	2011	2012
REVENUES					
Property taxes	\$5,393,449	\$6,115,209	\$6,042,754	\$6,407,899	\$6,572,035
Nonproperty taxes	7,999,068	8,478,004	8,988,221	9,585,210	10,231,694
Fees and services	298,189	353,545	529,702	411,771	847,528
Fines and forfeitures	219,209	295,990	379,684	424,124	517,776
Licenses and permits	573,866	322,645	557,605	222,292	191,105
Intergovernmental	1,077,978	1,056,767	905,542	1,679,714	2,202,888
Miscellaneous and program	616,757	981,229	361,596	408,344	179,856
Total revenues	16,178,516	17,603,389	17,765,104	19,139,354	20,742,882
EXPENDITURES					
General	4,084,721	3,124,195	3,801,677	3,441,451	2,912,655
Public safety	3,822,108	4,101,247	4,478,384	4,313,528	4,806,764
Public works	1,484,580	2,156,348	2,158,644	2,188,234	2,424,423
Transportation	1,063,572	552,966	782,525	957,492	1,078,641
Community service	326,736	832,168	40,494	820,784	119,300
Convention and visitors	5,114,147	5,532,594	4,653,373	4,972,074	4,740,409
Debt service					
Principal retirement	1,110,000	1,160,000	1,205,000	932,358	982,225
Interest	329,243	285,443	275,612	261,642	400,165
Bond Issue Costs	-	-	-	94,968	103,287
Administrative charges	500	-	-	2,736	800
Capital outlay	3,211,465	4,816,260	906,820	2,417,098	5,628,071
Total expenditures	20,547,072	22,561,221	18,302,529	20,402,365	23,196,740
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,368,556)	(4,957,832)	(537,425)	(1,263,011)	(2,453,858)
Other financing sources (uses)					
Sale of fixed assets	1,485,785	14,989	85,350	25,933	4,771
Lease Proceeds	-	-	-	902,220	119,200
Proceeds from issuance of bonds	1,000,000	-	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	(2,209,420)	(2,371,184)	(1,587,679)	(853,568)	(1,200,089)
Transfers in	2,209,420	2,371,184	1,587,679	853,568	1,200,089
Total other financing sources and	2,485,785	4,416,107	931,860	4,829,615	227,258
Net change in fund balances	(\$1,882,771)	(\$541,725)	\$394,435	\$3,566,604	(\$2,226,600)
Debt service as a percentage of noncapital expenditures	8.30%	8.15%	8.51%	6.64%	7.87%

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2013	2014	2015	2016	2017
\$6,666,348	\$6,554,043	\$6,606,286	\$7,103,497	\$7,611,725
11,333,958	12,684,073	12,857,456	13,114,187	15,337,999
786,089	879,384	970,681	1,007,064	1,256,654
455,300	576,361	447,666	627,825	577,801
150,583	137,367	257,990	264,933	447,276
2,231,734	1,609,228	2,772,565	2,654,058	2,167,247
158,989	374,541	329,088	259,646	343,772
<u>21,783,001</u>	<u>22,814,997</u>	<u>24,241,732</u>	<u>25,031,210</u>	<u>27,742,474</u>
3,204,508	3,022,645	3,184,592	3,308,828	3,744,505
4,954,525	5,079,755	5,042,426	5,173,137	5,301,832
2,079,739	2,115,599	2,360,877	2,402,321	2,594,156
1,104,987	1,336,549	1,491,095	1,513,709	1,667,605
418,152	131,262	50,810	1,456,385	77,028
5,313,518	5,319,014	4,975,850	5,867,540	6,912,159
634,920	696,201	750,543	1,083,087	1,619,609
301,716	297,548	275,741	372,256	401,337
-	-	103,079	89,736	323,462
(900)	4,308	4,245	4,337	4,748
1,591,360	1,676,803	5,690,771	5,586,040	5,513,541
<u>19,602,525</u>	<u>19,679,684</u>	<u>23,930,029</u>	<u>26,857,376</u>	<u>28,159,982</u>
2,180,476	3,135,313	311,703	(1,826,166)	(417,508)
22,777	71,780	38,068	54,420	144,037
899,313	-	-	144,335	-
-	-	2,905,000	3,890,000	9,085,000
-	-	202,263	210,429	350,895
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(1,155,679)	(1,362,784)	(4,075,166)	(957,804)	(2,717,149)
1,155,679	1,362,784	4,075,166	957,804	2,717,149
<u>922,090</u>	<u>71,780</u>	<u>3,145,331</u>	<u>4,299,184</u>	<u>9,579,932</u>
<u>\$3,102,566</u>	<u>\$3,207,093</u>	<u>\$3,457,034</u>	<u>\$2,473,018</u>	<u>\$9,162,424</u>
5.20%	5.52%	5.63%	6.84%	8.92%

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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			
2008	\$ 2,305,658,543	\$ 34,289,547	\$ 71,535,213	\$ 2,268,412,877	0.24561
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

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.

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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					
2008	0.216810	0.028800	0.245610	0.080820	1.061634	0.353191	0.161089	0.049200
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

Source: Cameron County Appraisal District.

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

Taxpayer	2017			2008		
	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%			
Peninsula Island Resort & Spa LLC	10,346,917	2	0.42%	\$ 10,169,586	4	0.41%
Agora USA LP	10,312,156	3	0.42%			
Sapphire VP LP	9,000,000	4	0.36%	34,674,915	1	1.39%
Bahia Mar Tower LLC	7,361,990	5	0.30%			
Affiliated Hospitality LLC	6,689,867	6	0.27%			
SPI Management Co.	6,674,218	7	0.27%			
ICS Management Company	6,513,887	8	0.26%	11,963,869	3	0.48%
SPI La Copa Ltd.	6,294,771	9	0.25%	7,659,200	5	0.31%
SkipJack Properties LLC	6,070,836	10	0.24%			
Laguna Bay Trust				7,049,451	8	0.27%
SSPIBR, Ltd				6,770,780	9	0.27%
AEP Texas Central Co.				6,727,450	10	0.27%
Bayside Capital LLC.				7,089,491	7	0.28%
Shores Development Inc.				12,999,214	2	0.52%
SPI Oleander Ltd.				7,472,989	6	0.30%
Total	\$ 80,146,816		3.23%	\$ 112,576,945		4.50%

Source: Cameron County Appraisal District

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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
2008	2007	\$ 5,479,052	\$ 5,215,751	95.19%	\$ 248,464	\$ 5,464,215	99.73%
2009	2008	6,072,211	5,804,355	95.59%	258,085	6,062,440	99.84%
2010	2009	6,073,653	5,804,071	95.56%	263,796	6,067,867	99.90%
2011	2010	6,310,281	6,123,665	97.04%	177,329	6,300,994	99.85%
2012	2011	6,520,822	6,294,365	96.53%	210,530	6,504,895	99.76%
2013	2012	6,521,119	6,384,778	97.91%	130,223	6,515,001	99.91%
2014	2013	6,512,667	6,374,024	97.87%	130,952	6,504,976	99.88%
2015	2014	6,565,849	6,450,296	98.24%	105,122	6,555,418	99.84%
2016	2015	7,100,989	6,984,635	98.36%	95,186	7,079,821	99.70%
2017	2016	7,511,750	7,407,581	98.61%	-	7,407,581	98.61%

Source: Cameron County Tax Office

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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
2008	\$ 5,393,449	\$ 1,965,363	\$ 792,992	\$ 5,240,713	\$ 13,392,517
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

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			
2008	\$ 4,440,000	\$ 1,540,000	\$ 1,195,000	\$ -	\$ -	\$ 7,175,000	3.49%	1,258
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

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements EDC not included.

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)
2008	\$ 4,440,000	\$ 364,509	\$ 4,075,491	0.18%	778
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

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

Schedule 12
City of South Padre Island, Texas
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
Last Ten Fiscal Years

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Cameron County	\$ 156,795,000	13.92%	\$ 21,825,864
Point Isabel Independent School District	15,785,000	67.95%	10,725,908
Laguna Madre Water District #1	15,190,000	73.90%	11,225,410
Texas Southmost College	46,230,000	21.03%	9,722,169
Subtotal, overlapping debt			53,499,351
City direct debt	20,330,000	100.00%	20,330,000
Total direct and overlapping debt			\$ 73,829,351

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.

Source: The Municipal Advisory of Texas

Schedule 13
City of South Padre Island, Texas
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Operating Expenditures (2)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	\$ 1,881,284	\$ 1,045,290	\$ 835,994	\$ 725,000	\$ 82,025	\$ 807,025	1.04
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	-	-	-	-

(1) Convention Center Fund revenues, including interest.

(2) Convention Center Fund operating expenditures, exclusive of capital outlay & CIP.

Schedule 14
City of South Padre Island, Texas
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Year	Estimated Population 1	Personal Income	Per Capita Personal Income 2	Median Age 2	School Enrollment 3	Unemployment Rate 4
2008	5,705	\$ 205,665,250	\$ 36,050	57.2	2,418	8.2%
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%

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, ESRI Demographics Report.

2 US. Census Bureau. In 2017, the information was obtained using a ESRI Demographics Report.

3 Point Isabel Independent School District

4 Texas Workforce Commission: Information is for entire Cameron County as no data is available on city only

* 2012 and 2013 Personal Income is not available

Schedule 15
City of South Padre Island, Texas
PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago

Employer	2017			2008		
	Number of Employees (Peak)	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment
Schlitterbahn Beach Water Park	1,232	1	27.73%	350	1	4.87%
City of South Padre Island	310	2	6.98%	170	5	2.36%
Isla Grand Resort	205	5	4.61%	230	2	3.20%
Louie's Backyard	180	4	4.05%	150	6	2.09%
Sea Ranch Enterprises *	176	6	3.96%	75	8	1.04%
Hilton Garden Inn	160	7	3.60%			
The Pearl Beach Resort	148	3	3.33%			
Blackbeard's Restaurant	142	8	3.20%	212	4	2.95%
La Quinta Inn & Suites	134	9	3.02%			
Origins Recovery Center	113	10	2.54%			
Sheraton Fiesta Beach Resort				225	3	3.13%
Radisson Resort						
Blue Marlin Supermarket				55	9	0.76%
Amberjack's Restaurant				100	7	1.39%
Cameron Parks				43	10	0.60%
Total	2,800		63.02%	1,610		22.39%

Source: South Padre Island Economic Development Corporation

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

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Schedule 16
 City of South Padre Island, Texas

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAM
 Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
City Administration	5	6	6	4	4	4	4.4	4.25	4.25	5
Finance	5	4	5	5	5	5	5	4.9	4.9	5
Development Services *	2	2	2	1.75	1.75	2	2	2	2	3
Technology	2	2	2	3	3	3.25	3	2.95	2.8	3
Human Resources	0	1	2	3	3	3	3	3	3	3
Municipal Court	2	2	3	2	2	2	2	2	3	3
Police	34	39	39	39	38	38	38	37.95	37.75	36.75
Fire	18	21	21	21	27	27	27	26.75	26	26.75
Environmental Health Serv	4	6	6	5	5	6	6	5.85	5.85	5.85
Fleet Management	0	2	2	2	2	2	2	2	2	2
Building Maintenance	0	3	3	3	3	3	3	3	3	3
Inspections	4	4	4	3	3	3	3	3	3	3
Public Works	22	18	18	19	19	18	19	18.85	17.85	19.85
Hotel/Motel Fund										
Visitor's Center	2	2	2	2	2	2	3	3	3	3
Hotel/Motel	13	13	9.5	9.5	9.5	8.75	9.5	9.5	9.5	10
Events Marketing	2	2	1	1	1	2	1	1	0.5	0
Convention Centre										
Convention Centre	13	13	13.5	11.5	10.5	12	10	11.2	10.35	11
Transportation										
Island Metro	7	7	9	9.25	15.25	15	16.1	16.2	14.2	14
Metro Connect	0	0	0	0	0	0	4	3	4	7
Shoreline**										
Police	0	0	0	0	0	0	0	0.05	0.05	0
Fire	0	0	0	0	0	0	0	0.25	0	0
Environmental Health Serv	0	0	0	0	0	0	0	0.15	0	0
Public Works	0	0	0	0	0	0	0	0.15	0	0
Beach Maintenance	0	0	4	4	4	4	4	6	7	7.6
Bay Access	0	0	0	0	0	0	0	0	0	1.2
Total Operating Budget FTE's	135	147	152	148	158	160	165	167	164	173

Source: City of South Padre Island Annual Budget
 Note: Full-time budgeted positions are shown
 *Formerly Planning
 **Formerly Beach Maintenance

Schedule 17
City of South Padre Island, Texas
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Physical arrests	727	952	1,002	1,199	1,454	1,258	1,246	1,246	1,403	1,367
Parking violations	514	1,643	2,123	1,897	1,138	724	1,435	793	647	420
Traffic violations	942	995	1,204	1,038	748	481	658	245	242	434
Number of commissioned police officers	26	29	28	28	28	29	28	28	27	27
Number of employees - police officers & civilians	36	40	39	38	38	39	38	38	37	37
Fire										
Number of calls answered	1,420	1,667	1,783	1,858	1,964	2,107	2,243	2,105	2,410	2,348
EMS calls	838	816	1,082	1,172	1,415	1,377	1,486	1,543	1,542	1,102
Inspections	219	475	369	490	327	288	150	166	76	162
Number of firefighters	18	18	18	20	26	26	26	25	25	26
Number of employees - firefighters & civilians	21	21	21	21	27	27	27	26	26	27
Streets										
Street resurfacing (square yards)	16,837	6,956	8,611	9,032	7,867	12,050	-	8,891	32,314	2,559
Sidewalk construction (square yards)	220	693	-	73	2,069	440	368	1,540	3,523	8,942

Source: City Departments

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	47.09	47.39	47.39	47.39	47.39	47.39	47.39	47.39	47.39
City area (acres)	1640	1640	1640	1640	1527	1901	1901	1905	2371	2371
Parks and recreation										
Playground	1	1	2	2	2	2	2	2	2	3
Parks	2	2	2	3	3	3	3	3	3	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	18	19	19	19	19	20	23	23
Beach accesses (undeveloped)	6	6	6	5	5	5	5	4	1	3
Transportation										
Transit - minibuses	8	12	10	9	10	11	10	11	10	11

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

Source: City Departments

Schedule 19
City of South Padre Island, Texas
MISCELLANESOUS STATISTICAL DATA

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



COMPLIANCE SECTION



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**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, 2017, 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 1, 2018.

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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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.

Carr, Riggs & Ingram, L.L.C.

Harlingen, Texas
March 1, 2018

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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, 2017. 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.

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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, 2017.

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.

Carr, Riggs & Ingram, L.L.C.

Harlingen, Texas
March 1, 2018

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**City of South Padre Island, Texas
Schedule of Findings and Questioned Costs**

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>
20.513	Transit Services Programs Cluster
20.933	National Infrastructure Investments

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

Auditee qualified as low-risk auditee? yes no



**City of South Padre Island, Texas
Schedule of Findings and Questioned Costs- Continued**

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.



**City of South Padre Island, Texas
Schedule of Findings and Questioned Costs
Summary Schedule of Prior Audit Findings**

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, 2017

(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	\$ -	\$ 137,004
Total passed through Texas General Land Office				137,004
Total U.S. Department of Commerce				137,004
U.S. Department of Transportation				
Passed through Texas Department of Transportation				
Formula Grants for Rural Areas	20.509	RPT 1602 (21) 013	-	513,294
Formula Grants for Rural Areas	20.509	ICB 1601 (29) 36/38	-	202,240
				715,534
* Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ED 1602	-	102,509
* Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ED 1701	-	110,993
Total Transit Services Program Cluster				213,502
* Bus and Bus Facilities Formula Program	20.526	TAP 1501	-	68,640
* Bus and Bus Facilities Formula Program	20.526	BBF 1701	-	16,713
Total Federal Transit Cluster				85,353
National Infrastructure Investments	20.933	TGR 1701 (21) 043	-	228,000
Total passed through Texas Department of Transportation			-	1,242,389
Total U.S. Department of Transportation			-	1,242,389
U.S. Department of Health and Human Services				
Food and Drug Administration Research				
Food and Drug Administration Research	93.103	G-SP-1410-01778	-	3,000
Food and Drug Administration Research	93.103	G-SP-1509-02653	-	30,000
Total U.S. Department of Health and Human Services			-	33,000
U.S. Department of Homeland Security				
Passed through Texas Department of Public Safety				
Homeland Security Grant Program	97.067	2015CO6122	-	19,470
Total passed through Texas General Land Office				
Total U.S. Department of Homeland Security			-	19,470
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 1,431,863

* Clustered Programs

The accompanying notes are an integral part of this schedule

City of South Padre Island, Texas
Notes on Accounting Policies for Federal Awards
For the Year Ended September 30, 2017

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, 2017. 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, 2017, the City had no sub-recipients.



City of South Padre Island, Texas
Notes on Accounting Policies for Federal Awards- Continued
For the Year Ended September 30, 2017

NOTE 4- FEDERAL LOANS AND LOAN GUARANTEES

During the year ended September 30, 2017, the City had no outstanding federal loans payable or loan guarantees.

NOTE 5- FEDERALLY FUNDED INSURANCE

During the year ended September 30, 2017, the City had no federally funded insurance.

NOTE 6- NONCASH AWARDS

During the year ended September 30, 2017, 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.



**City of South Padre Island, Texas
Exit Conference**

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.



Required Communications
March 1, 2018

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Carr, Riggs & Ingram, LLC
402 East Tyler Avenue
Harlingen, TX 78550-9122
(956) 423-3765
(956) 428-7520 (fax)
CRlcpa.com

March 1, 2018

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 2017 financial statements of the City of South Padre Island, Texas.

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 2017 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, Texas (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 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,

Quentin Anderson, CPA

Required Communications

As discussed with the management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the City. 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 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of South Padre Island, Texas for the year ended September 30, 2017, and have issued our report thereon dated March 1, 2018. 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 August 8, 2017, 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. 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. 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>
<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>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<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. 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> • <i>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.</i> 	<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>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	None.
<p>Disagreements with management <i>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.</i></p>	None.
<p>Other findings or issues <i>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.</i></p>	None.
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></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>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>	Please see the following section titled "Summary of Audit Adjustments."

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<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>	None.
<p>Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	None of which we are aware.
<p>Written representations <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	See "Management Representation Letter" section.
<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>	See "Internal Control Matters" section.
<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>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
<p>Related parties <i>Any parties in interest in the District, prohibited transactions as defined by professional standards, and other reportable transactions.</i></p>	No transactions with related parties were noted.
<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>

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Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
	<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> <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>

Summary of Audit Adjustments

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

Summary of Audit Adjustments

<p>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>	<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>	<p>X</p>	<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>
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Summary of Audit Adjustments

Allowance for uncollectible property taxes and EMS fees	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.	X	The City relies on valuations based on historical information and collectability	Management's estimates are based on City policies and are in accordance with all applicable accounting guidelines.
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.

The financial statement disclosures are neutral, consistent, and clear.



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, 2017, 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 District's operating environment that has been identified as playing a significant role in the District'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 1, 2018

Carr, Riggs & Ingram, LLC
402 East Tyler
Harlingen, Texas 78550

This representation letter is provided in connection with your audit(s) 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 units, each major fund, and the aggregate remaining fund information as of September 30, 2017, 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 1, 2018, 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 August 8, 2017, 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 units 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.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

"A Certified Retirement Community"

Management Representation Letter

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- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) 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.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) 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 from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) 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.
- 12) 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.
- 13) We have no knowledge of any fraud or suspected fraud that affects the City 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.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- 15) 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.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

Management Representation Letter

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Government-specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) 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.
- 20) The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) 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.
- 22) 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.
- 23) We have identified and disclosed to you all instances, which 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.
- 24) 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.
- 25) 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.
- 26) As part of your audit, you assisted with preparation of the financial statements and related notes, schedule of expenditures of federal awards and assisted with the 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, 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 data collection form.
- 27) The City 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.
- 28) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) 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.

Management Representation Letter

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- 30) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
- 31) All funds that meet the quantitative criteria in GASBS 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.
- 32) 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.
- 33) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 34) Provisions for uncollectible receivables have been properly identified and recorded.
- 35) 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.
- 36) 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.
- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 38) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 40) We have appropriately disclosed the City'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.
- 41) 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.
- 42) 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.
- 43) With respect to the supplementary information on which an in-relation-to opinion is issued:
 - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the 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 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.

Management Representation Letter

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- b) If the 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 auditors' report thereon.
- 44) 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 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 auditors' 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.

Management Representation Letter

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- 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 auditors' report.
- 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 auditors' 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) [and OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, if applicable].
- 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 auditors' 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 auditors' 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.

Management Representation Letter

-7-

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: CEO

Signature: 
Title: city manager

March 1, 2018

City Council and Management
City of South Padre Island, Texas

Except as discussed in the following paragraph, in planning and performing our audit of the financial statements of the City of South Padre Island, Texas (the "City") as of and for the year ended September 30, 2018, in accordance with auditing standards generally accepted in the United States of America ("GAAS"), we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of issuing our reports on the financial statements, but not for the purpose of expressing opinions on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

During our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. We included the accompanying chart of internal control recommendations for management's consideration. This letter does not affect our report, dated March 1, 2018, on the financial statements of the City of South Padre Island, Texas.

This communication is intended solely for the information and use the City Council and Management and others within the City of South Padre Island, Texas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Internal Control Matters

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
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CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
None	IP	IT General Controls	During our review of the City's IT general controls we noted that the City's IT Department does not conduct a formal risk assessment associated with IT controls over financial reporting.	We recommend that the City implement a formal process to evaluate risk affecting the City's IT systems that are associated with accounting and other financial reporting objectives.	Formal procedures will be adopted and incorporated in a policy to be developed by the IT department. This policy will address risks associated with City's IT systems, backup and data retention procedures as well as testing of data recovery related to financial data.
None	IP	IT General Controls	During our review of the City's IT backup and recovery process, we noted there is currently no formal backup or data retention policy specifying how often backups are to be performed, how long they are to be retained, and where the backup media is stored.	We recommend that the City adopt a formal policy addressing the City's IT backup and data retention procedures to include specifics of how often backups are to be performed, how long they are to be retained, and the storage of such backups.	Formal procedures will be adopted and incorporated in a policy to be developed by the IT department. This policy will address risks associated with City's IT systems, backup and data retention procedures as well as testing of data recovery related to financial data.

Internal Control Matters

None	IP	IT General Controls	During our review of IT general controls we noted that application data and file server recovery procedures are not tested to ensure data integrity and recovery.	We recommend the City implement a process for periodically testing the integrity of data recovery to ensure financial data backups can successfully be recovered.	Formal procedures will be adopted and incorporated in a policy to be developed by the IT department. This policy will address risks associated with City's IT systems, backup and data retention procedures as well as testing of data recovery related to financial data
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6-16-17

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

MEETING DATE: March 7, 2018

NAME & TITLE: Rodrigo Gimenez, Chief Financial Officer

DEPARTMENT: Finance

ITEM

Discussion and action on first reading to adopt Ordinance 18-10 amending the city's fiscal year 2017-18 operating budget to incorporate prior budget amendments and budget modifications from February 1, 2018 to February 28, 2018.

ITEM BACKGROUND

The City of South Padre Island Home Rule Charter (section 5.07 (a)) establishes that supplemental appropriations should be approved by resolution/ordinance.

The document attached summarizes the budget amendments already approved by City Council during the month of February, which must be formally adopted through an ordinance.

BUDGET/FINANCIAL SUMMARY

Adoption of budget amendments approved in the month of February.

COMPREHENSIVE PLAN GOAL

LEGAL REVIEW

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

Comments:

RECOMMENDATIONS/COMMENTS

Staff recommends approval of ordinance amending the 2017-18 budget.

ORDINANCE NO. 18-10

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS; AMENDING THE CITY'S FISCAL YEAR 2017 - 2018 OPERATING BUDGET.

WHEREAS, pursuant to Ordinance 17-11, the City of South Padre Island (the "**City**") adopted the budget for the City for the fiscal year 2017 - 2018 (the "**Budget**"), which provides funding for the City's operations throughout said fiscal year; and

WHEREAS, the City needs to adjust the Budget for municipal purposes; and

WHEREAS, City staff has recommended that the City Council of the City adjust the Budget as provided for herein; and

WHEREAS, the City Council of the City has determined that it is in the best interests of the City to adjust the Budget as provided for herein.

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

Section 1. The City's Budget is hereby adjusted as follows:

- Increase General Fund revenues by \$22,900
- Increase General Fund expenditures by \$530,625.16
- Increase Hotel Motel Fund expenditures by \$22,900
- Increase Beach Access Fund expenditures by \$75,000

Section 2. This Ordinance repeals all portions of any prior ordinances or parts of ordinances of the Code of Ordinances in conflict herewith and shall not be codified.

Section 3. 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 4. This Ordinance shall become effective immediately.

PASSED, APPROVED AND ADOPTED on First Reading, this 7th day of March 2018.
PASSED, APPROVED AND ADOPTED on Second Reading, this 4th day of April 2018.

ATTEST:

CITY OF SOUTH PADRE ISLAND, TEXAS

Susan Hill, City Secretary

Dennis Stahl, Mayor

	General Fund	HOT	Beach Access Fund
Revenues			
MOUs EMS Springbreak	\$ 22,900.00		
Total Revenues	\$ 22,900.00	\$ -	\$ -
Expenditures			
DashBoard	\$ 17,543.00		
iNet Security & Surveillance	\$ 25,562.16		
SPI Connect	\$ 2,000.00		
MOUs EMS Springbreak	\$ 22,900.00	\$ 22,900.00	
Rescue Pumper GMC	\$ 450,000.00		
Causeway Lights	\$ 12,620.00		
Moonlight & Ocean			\$ 75,000.00
Total Expenditures	\$ 530,625.16	\$ 22,900.00	\$ 75,000.00

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

MEETING DATE: March 7, 2018

NAME & TITLE: Brandon Hill, Shoreline Director

DEPARTMENT: Shoreline Department

ITEM

Discussion and action to approve the official name of Beach Access # 24.

ITEM BACKGROUND

Beach Access 24 is at the northern end of Gulf Boulevard next to Park Shores Condominiums. It has never been officially named. The Shoreline Task Force met on Monday, February 26 and recommends naming it "Sunset."

Shoreline staff has been upgrading and improving our beach access signage and by having an official name, we can create signage for more visible access.

BUDGET/FINANCIAL SUMMARY

None

COMPREHENSIVE PLAN GOAL

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

Approve the naming of Beach Access #24 as Sunset Beach Access.

8-1

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

MEETING DATE: March 7, 2018

NAME & TITLE: Brandon Hill, Shoreline Director

DEPARTMENT: Shoreline department

ITEM

Discussion and possible action to recommend the approval of a Beach and Dune Permit to construct an 8-foot wide 280-foot long dune walkover within the footprint of existing beach access pathway located at Regency Condominiums, 1816 Gulf Boulevard.

ITEM BACKGROUND

Regency condominiums is applying for a Beach and Dune permit for the construction of an elevated, 280 ft. beach access walkover.

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: X

RECOMMENDATIONS/COMMENTS

Staff recommends approval.

9-1



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 8, 2018

Via Electronic Mail

Brandon Hill
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: 1816 Gulf Boulevard, South Padre Island
Legal Description: Lots 1-5, Block 4, Padre Beach Section I
Lot Applicant: Regency Condominiums c/o Mickey Furcron
GLO ID No.: BDSPI-18-0015

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 an 8-foot wide, 280-foot long dune walkover within the footprint of an existing beach access pathway. According to the Bureau of Economic Geology, the area is accreting.

Based on the materials forwarded to our office for review, we have the following comments:

- The applicant may not damage any dune vegetation or clear or remove any vegetation on either side of the pathway for the purpose of facilitating construction.
- Concrete may not be used to stabilize the base of the pilings.¹
- The applicant is proposing an 8-foot wide dune walkover, which is not consistent with GLO guidelines that suggest a maximum width of six feet for a heavily used dune walkover.
- The applicant must avoid and minimize impacts to dunes and dune vegetation by keeping the construction in the existing footpath.² Should there be any temporary adverse effects to dunes and dune vegetation not identified in the permit application, the applicant is required to submit a mitigation plan that includes a detailed description of the methods that will be used to avoid, minimize, mitigate, and/or compensate for any adverse effects on dunes and dune vegetation.³

¹ 31 Tex. Admin. Code § 15.6(f)(3).

² 31 Tex. Admin. Code § 15.4(f)(3).

³ 31 Tex. Admin. Code § 15.3(s)(4)(A)(xii).

- The seaward terminus of the walkway should be restricted to the most landward point of the public beach⁴ and should ensure that the walkover will not interfere with or otherwise restrict public use of the beach at normal high tides.⁵
- The deck of the walkway must be of sufficient elevation to allow for the growth of dune vegetation and the migration of dunes to the greatest extent practicable.⁶
- The proposed dune walkover should be constructed to allow rain and sand to pass through the decking. The GLO recommends placing the slats that form the deck of the walkover at least ½-inch apart.
- The walkway height above the dunes should be at least one to one and a half times its width (three feet minimum) to allow sunlight to reach vegetation underneath.
- Construction of the proposed dune walkover should conform to the GLO's guidelines provided in the Dune Protection and Improvement Manual for the Texas Gulf Coast, and can be found on the GLO website at: <http://www.glo.texas.gov/coast/coastal-management/forms/files/dune-protection-manual-gpb.pdf>

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
Beach Access & Dune Protection Program
Coastal Resources Division
Texas General Land Office

⁴ 31 Tex. Admin. Code § 15.7(g)(1).

⁵ 31 Tex. Admin. Code § 15.7(g)(2).

⁶ 31 Tex. Admin. Code § 15.7(g)(3).

MEMORANDUM

TO: Shoreline Task Force
Natalie Bell, General Land Office

FROM: Brandon N. Hill, Shoreline Director

DATE: January 30, 2018

RE: Beach and Dune Permit for Regency Condominiums 1816 Gulf Boulevard South Padre Island Texas

The enclosed application materials present Regency condominiums is applying for a Beach and Dune permit for the construction of an elevated, 280 ft. long, 8 foot wide, 3 foot tall beach access walkover.

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 will 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 result in no adverse effects on dune complexes of vegetation.
5. The proposed activity will not significantly increase the potential for washover or blowouts.



Brandon N. Hill



Beach & Dune Application

City of South Padre Island
 4801 Padre Blvd.
 South Padre Island, TX 78597
 Phone: (956) 761-3044
 Fax: (956) 761-3898

Site for Proposed Work	
Legal Description	Lots 1-5 Block 4 Padre Beach Section I South Padre Island, TX. Cameron County
Physical Address	1816 Gulf Blvd

Property Owner Information	Applicant / Agent for Owner
Name: <u>Regency Condominiums</u>	Name: <u>Mickey Furcron</u>
Mailing Address: <u>1816 Gulf Blvd.</u>	Mailing Address: <u>4800 Padre Blvd.</u>
City: <u>South Padre Island</u> State: <u>TX.</u>	City: <u>South Padre Island</u> State: <u>TX</u>
Zip: <u>78597</u> Country: <u>Cameron</u>	Zip: <u>78597</u> Country: <u>Cameron</u>
Phone Number: <u>956-761-6961</u>	Phone Number: <u>956-761-6961</u>
Fax Number: <u>956-761-6966</u>	Fax Number: <u>956-761-6961</u>
E-Mail Address: <u>mickey@furcronrealtors.com</u>	E-Mail Address: <u>mickey@furcronrealtors.com</u>
<p>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)</p>	
Owner(s) Signature(s): <u>[Signature]</u>	Applicant Signature: <u>[Signature]</u>
Date: <u>January 16, 2018</u>	Date: <u>January 14, 2018</u>
<u>Larry Kelinec - President</u>	<u>Mickey Furcron Property Manager</u>

Project Description	
<p>Describe with as much as 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.</p>	
<p><u>Build an elevated dune walkover following existing walk path currently in place. Dune walkover is approximately 280 feet long, 6 feet wide</u></p>	
Total Square Footage of Footprint of Habitable Structure:	<u>1680 (6' x 280')</u>
Total Area of Impervious Surface (i.e. retaining walls, walkways, drives, patios, etc.)	<u>0</u>
Percentage Impervious Surface [(impervious surface / habitable footprint) * 100]	<u>0</u>
<p>Please Note: the percentage of impervious surface cannot exceed 5% in an eroding area.</p>	
Approximate Duration of Construction:	<u>8 weeks</u>

Impacts to Beach / Dune System

Answer each question as completely as possible in narrative form.

1. What damage will this proposed construction have on the dune vegetation located at the project site?

No damage to dune vegetation whatsoever.
 The proposed construction will impact 5 % of the dune vegetation site. (An explanation of the "impact" will be required.)
 The proposed construction will require the removal and relocation of _____ % of the dune vegetation on site. (The submission of a mitigation plan will be required.)

Explanation / Other Information:
 The proposed workover will follow existing foot path so there will be minimal damage to the dune vegetation.

2. How will the proposed construction alter the dune size/shape of the project site?

No change to dune size/shape whatsoever.
 The proposed construction will change _____ % of the size/shape of dunes on site. (Details will be required.)
 The proposed construction will require the removal and relocation of _____ % of the dunes on site. (The submission of a mitigation plan will be required.)

Explanation / Other Information:

3. How will the proposed construction change the hydrology of the dunes at the project site?

No change to dune hydrology whatsoever.
 The proposed construction will impact dune hydrology on site. (Details will be required.)

Explanation / Other Information:

4. Describe alternatives to the proposed construction or method of construction which will cause fewer or no adverse effects on dunes and dune vegetation.

The current proposal already provides minimum adverse effect.

5. Describe alternatives to the proposed construction or method of construction which will cause fewer or no adverse impairment to beach access.

This proposal improves beach access with elevated walkway and this proposal will improve the dune not impair it.

Drainage

Describe the impact that the proposed construction will have on the natural drainage pattern on the site and adjacent lots.

No change in the drainage on site.
 The proposed construction will change the grading and the drainage on the subject property. (An explanation will be required detailing where the water will drain.)

Explanation / Other Information:

Financial Plan for the Removal of All Hard Structures

All properties which are allowed to build retaining walls on that property are allowed to do so with the condition that a financial plan for the removal of the retaining wall is submitted to the Public Works Department of the City of South Padre Island. Removal of the retaining wall at the owner's expense may be required. Once the retaining wall comes into regular contact with waves action for twenty (20) out of thirty (30) consecutive days. The City accepts the submission of a Retaining Wall Covenant, or other financial guarantees including the removal of the retaining wall if the required conditions are met.

Type of Plan Submitted: N/A
 Date Submitted: N/A

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: Construction will be by hand to minimize any disturbance of existing dune vegetation.

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: To be determined Date of Submission: Regency has no problem complying if required.

Checklist of Additional Required Application Information

An accurate map, plat or site plan showing:

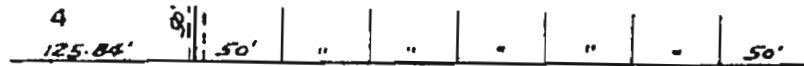
- 1 Legal description of the property (lot, block, subdivision) and the immediately adjoining property
- 2 Location of all existing structures - including the habitable and inhabitable structures, swimming pools, decks, fences, parking areas, landscape areas, etc
- 3 Location of the Historical Building 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 N/A
- 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 N/A
- 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:

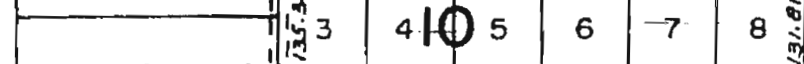
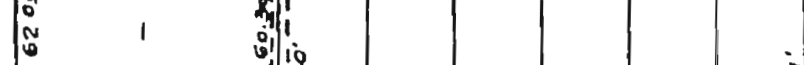
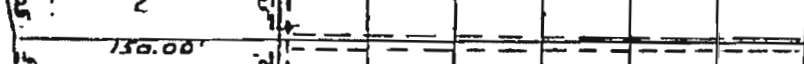
- 1. A grading and layout plan showing proposed contours for the final grade No change
- 2 The floor plan(s) and elevation(s) of the structure proposed to be constructed or expanded.
- 3. Photographs of the site which clearly show the current location of the vegetation line & existing dunes on the tract 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.

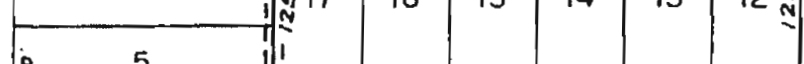
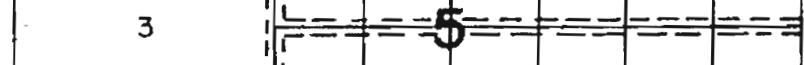
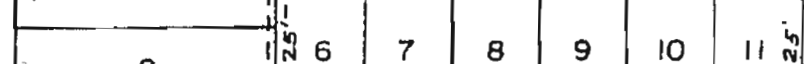
Application submissions require only three (3) copies of the complete information plus a digital copy.



STREET



STREET



PALM STREET

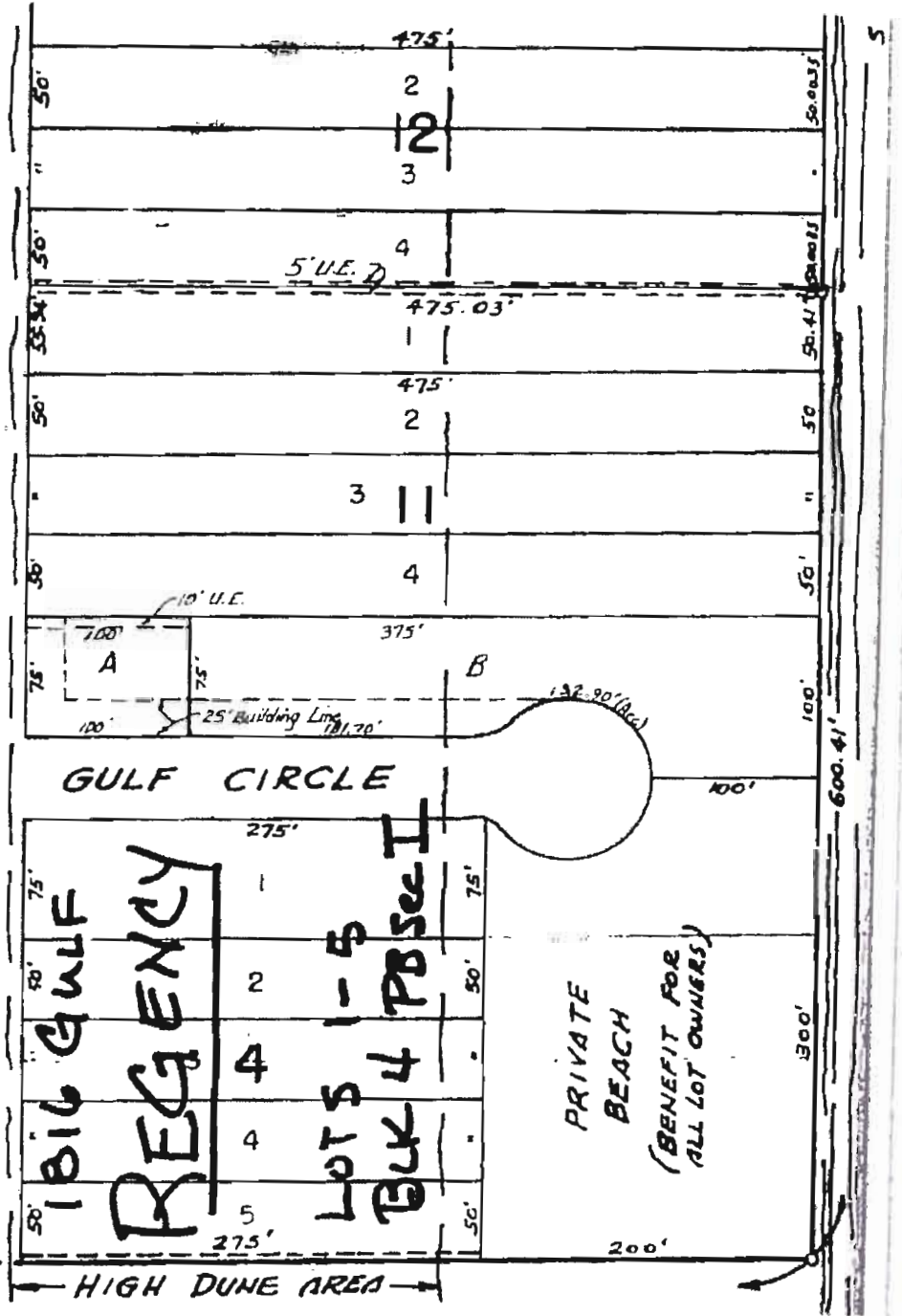


1961.19'

75.01

GULF

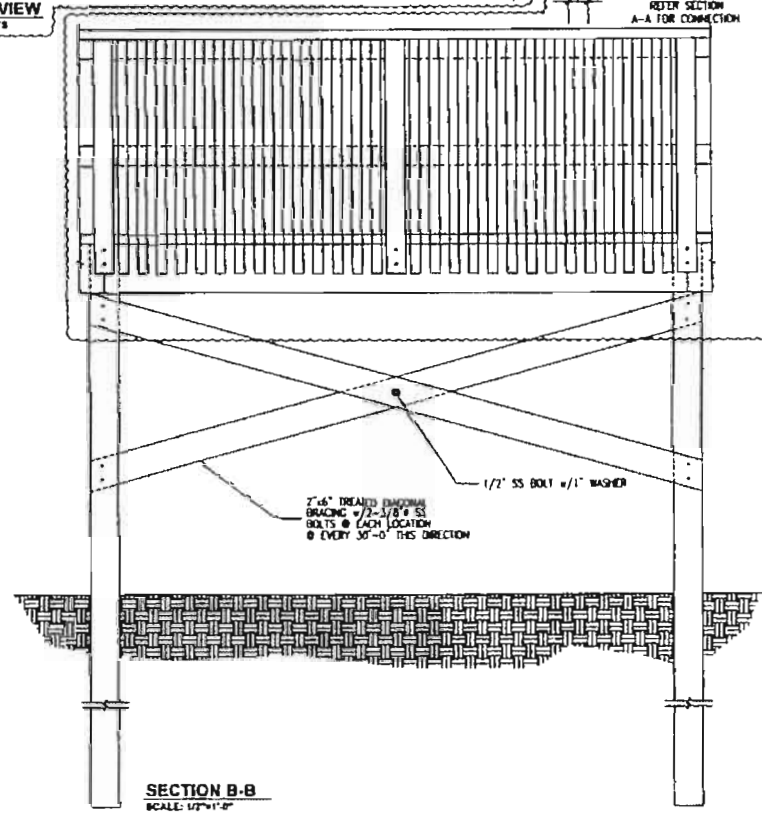
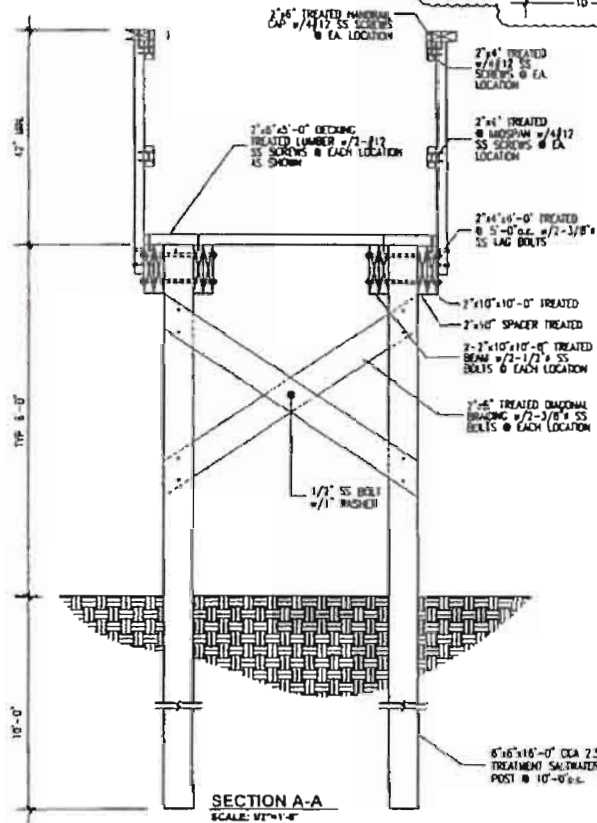
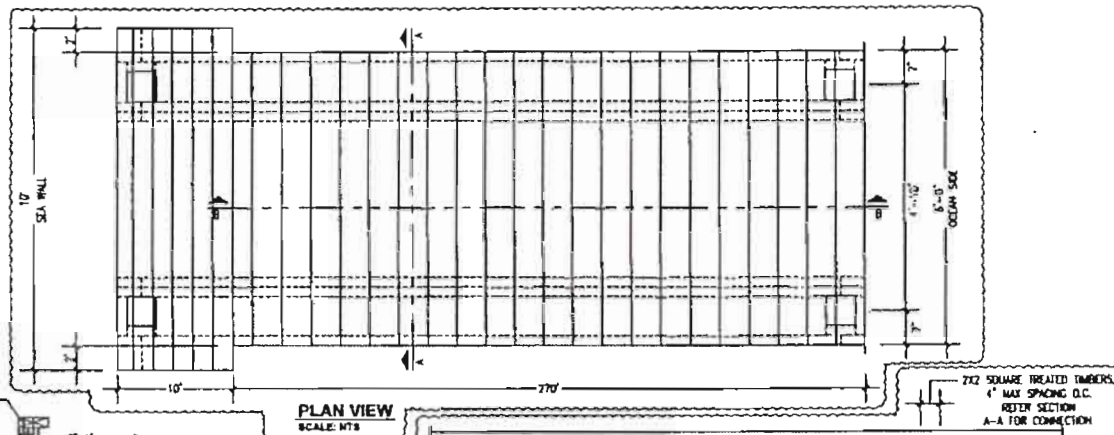
75'



9-9

GENERAL NOTES

1. 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 MATERIALS 10 PSF MIN.
2. ALL LUMBER: PRESSURE TREATED LUMBER.
3. ALL POSTS IN SAND TO BE #2.5 SALT WATER TREATED.
4. THE WALK OVER CONSTRUCTION WILL MEET THE REQUIRED CODES FOR TOWN OF SOUTH PADRE ISLAND.
5. SLOPED WALKWAYS TO MEET ADA MAX 5% SLOPE.
6. 12" WIDE X 10' LONG COMING OUT FROM SEA WALL AND 6" WIDE FOR REMAINING DECK.



REGENCY CONDOMINIUMS
3900 GULF BLVD.
SOUTH PADRE ISLAND, TX

STRUCTURE ENGINEER
CASA
ENGINEERING LLC
CIVIL AND STRUCTURAL ASSOCIATES
1117 N. STUART PLACE, RD. Suite C
HAWLANDEN TX 78032 (956) 29-7900
www.casae.com
TEXAS REGISTERED ENGINEERING FIRM 7-8182



THE SEAL APPEARING ON THIS DOCUMENT WAS AWARDED BY DAVID V. DAY, P.E. NO OTHER ALTERATION OF A SEALED DOCUMENT WITHOUT PROPER PERMISSION TO THE RESPONSIBLE ENGINEER IS AN OFFENSE UNDER THE TEXAS ENGINEERING PRACTICE ACT.

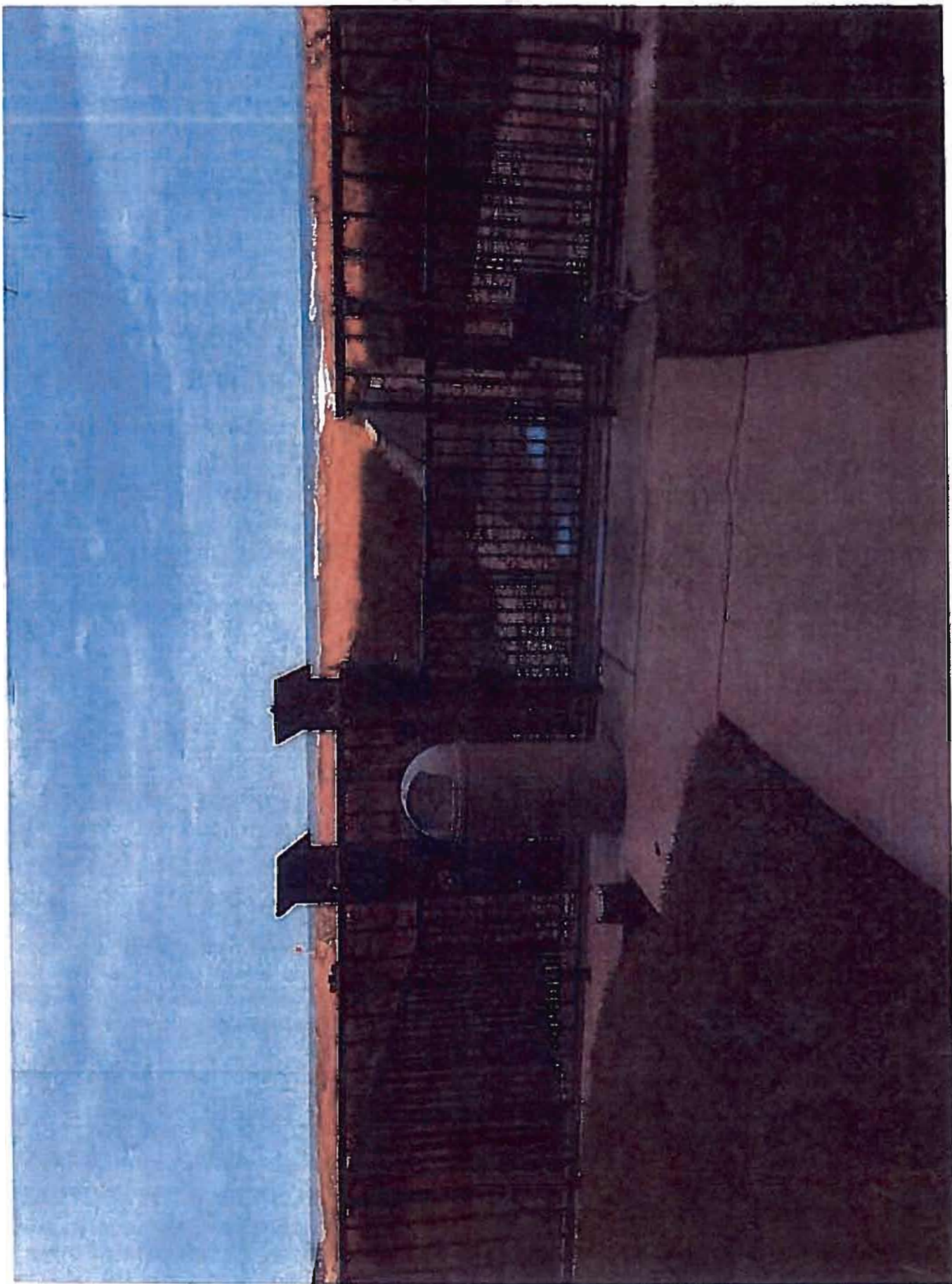
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PROJECT NO: 159008-01
DRAWN BY: MAT
CHECKED BY: DVD

REVISION DESCRIPTION DATE
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1-REV HOLED HOLES ON S1.0 01/23/18
1-REV CHECKED DIMENSIONS ON PLAN VIEW 01/23/18

REVISION DESCRIPTION DATE
PROJECT NO: 159008-01
DATE: 01/23/2018
DRAWN BY: MAT
CHECKED BY: DVD

PLAN AND SECTION VIEWS
SHEET NO:
S1.0 OF 1

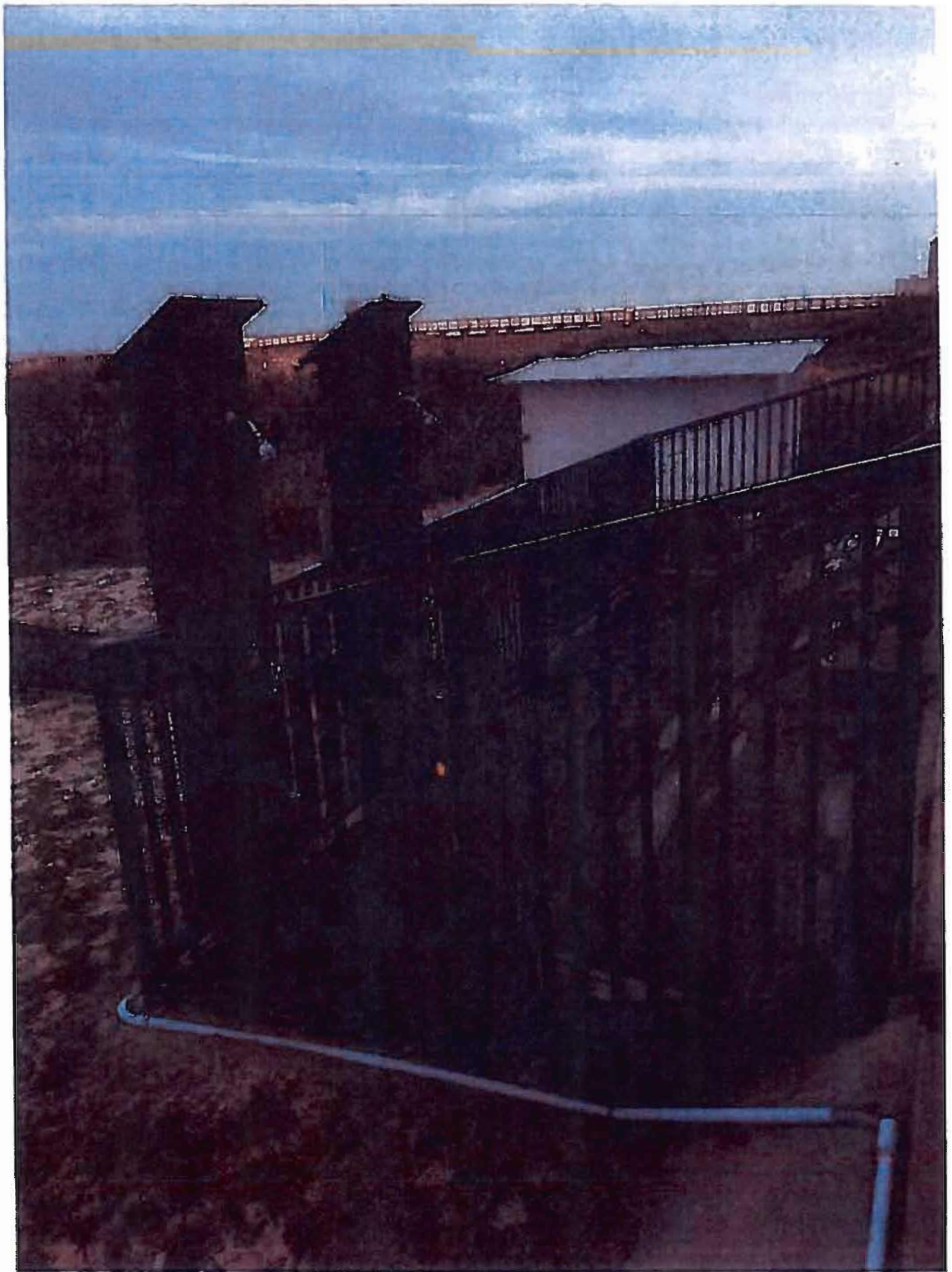
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2-18



9-13



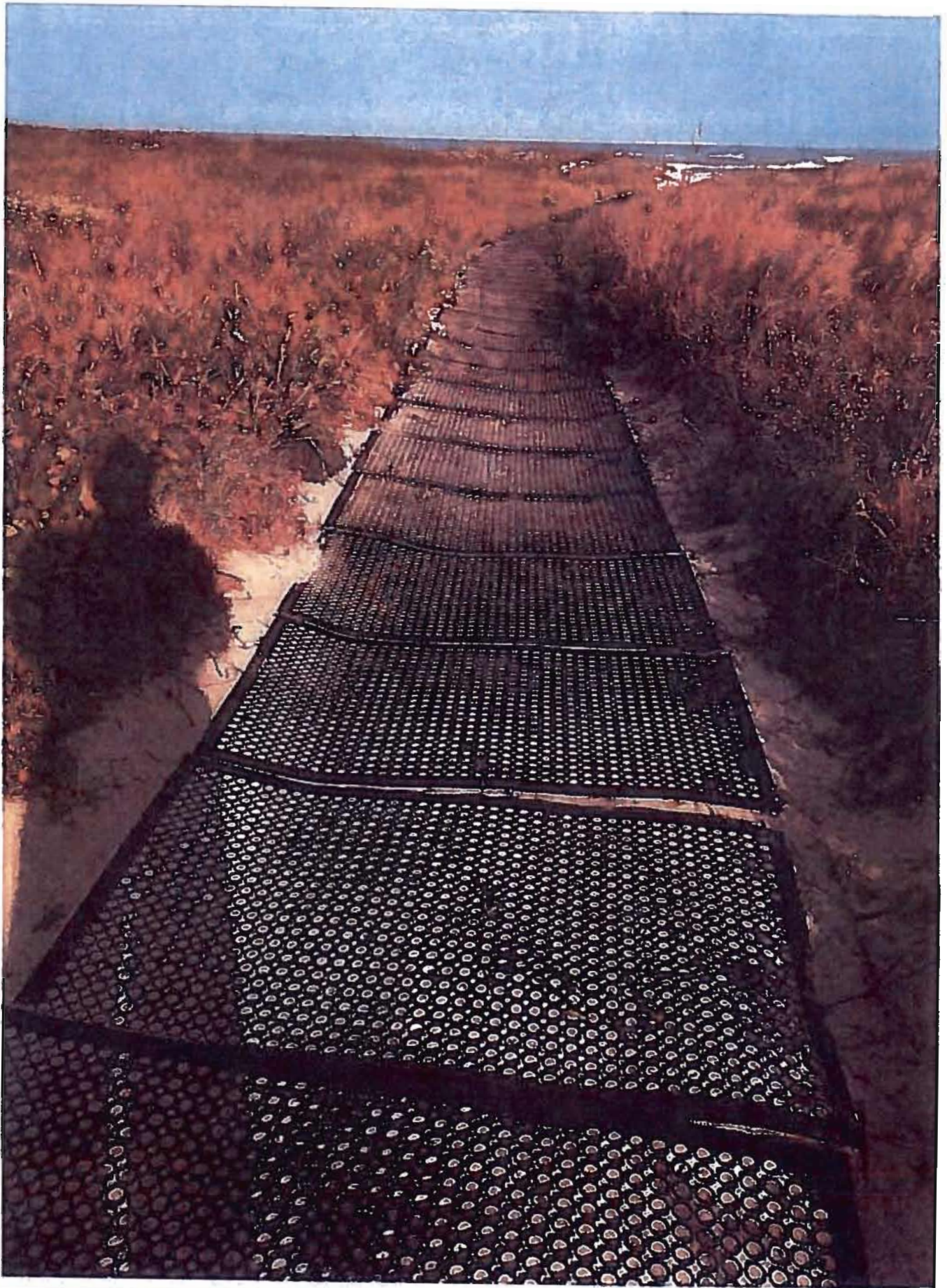
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91-6



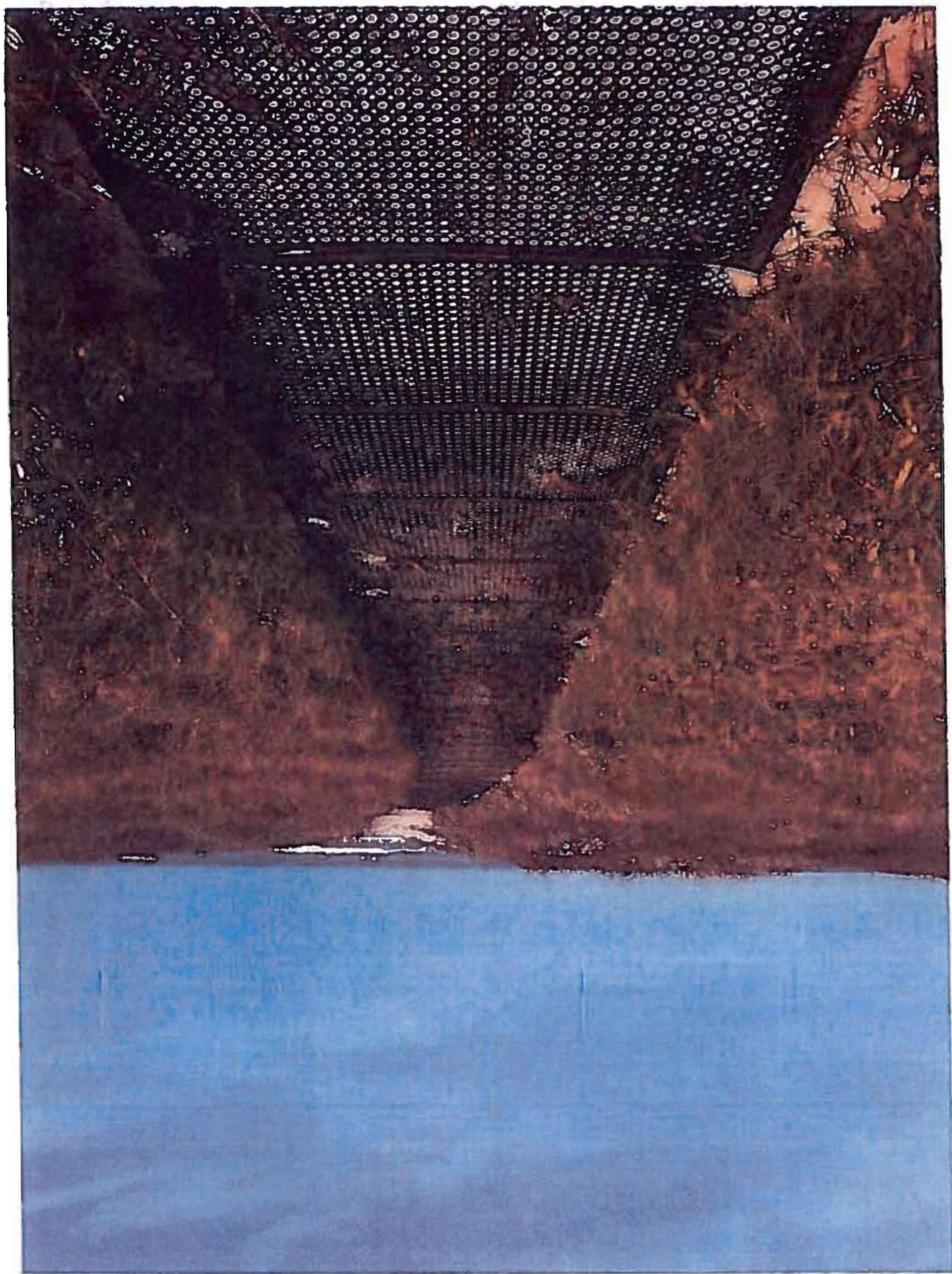
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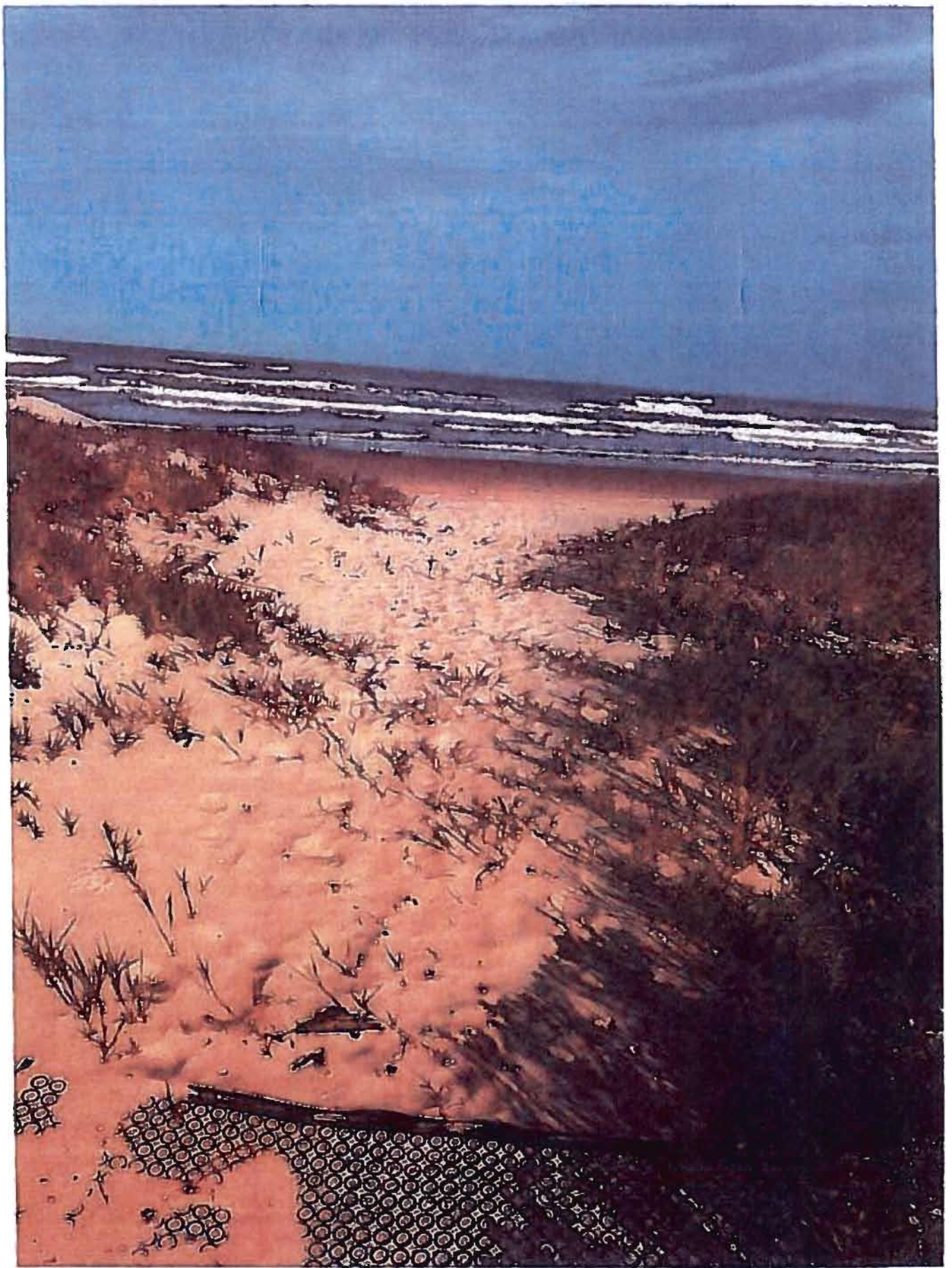


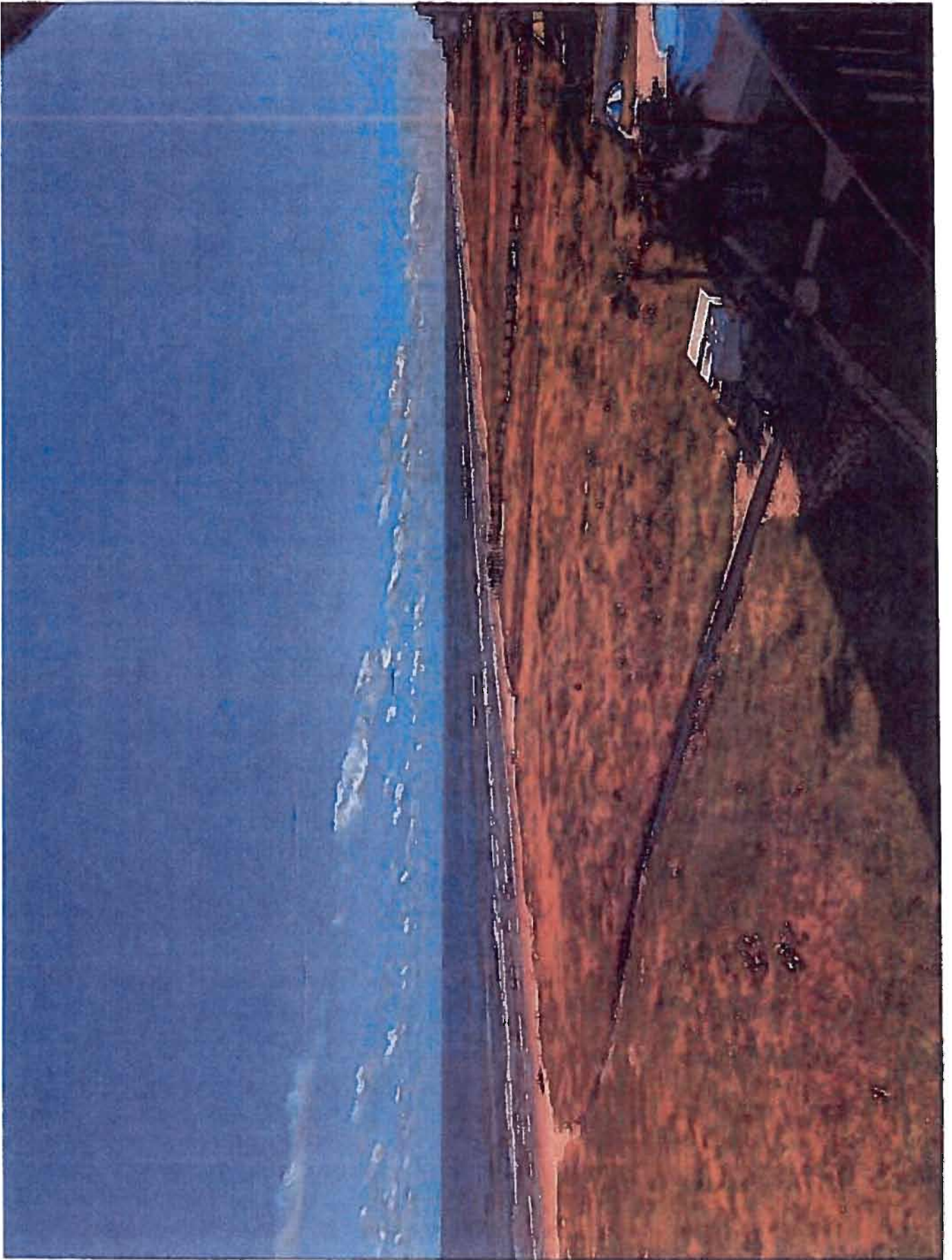


9-17

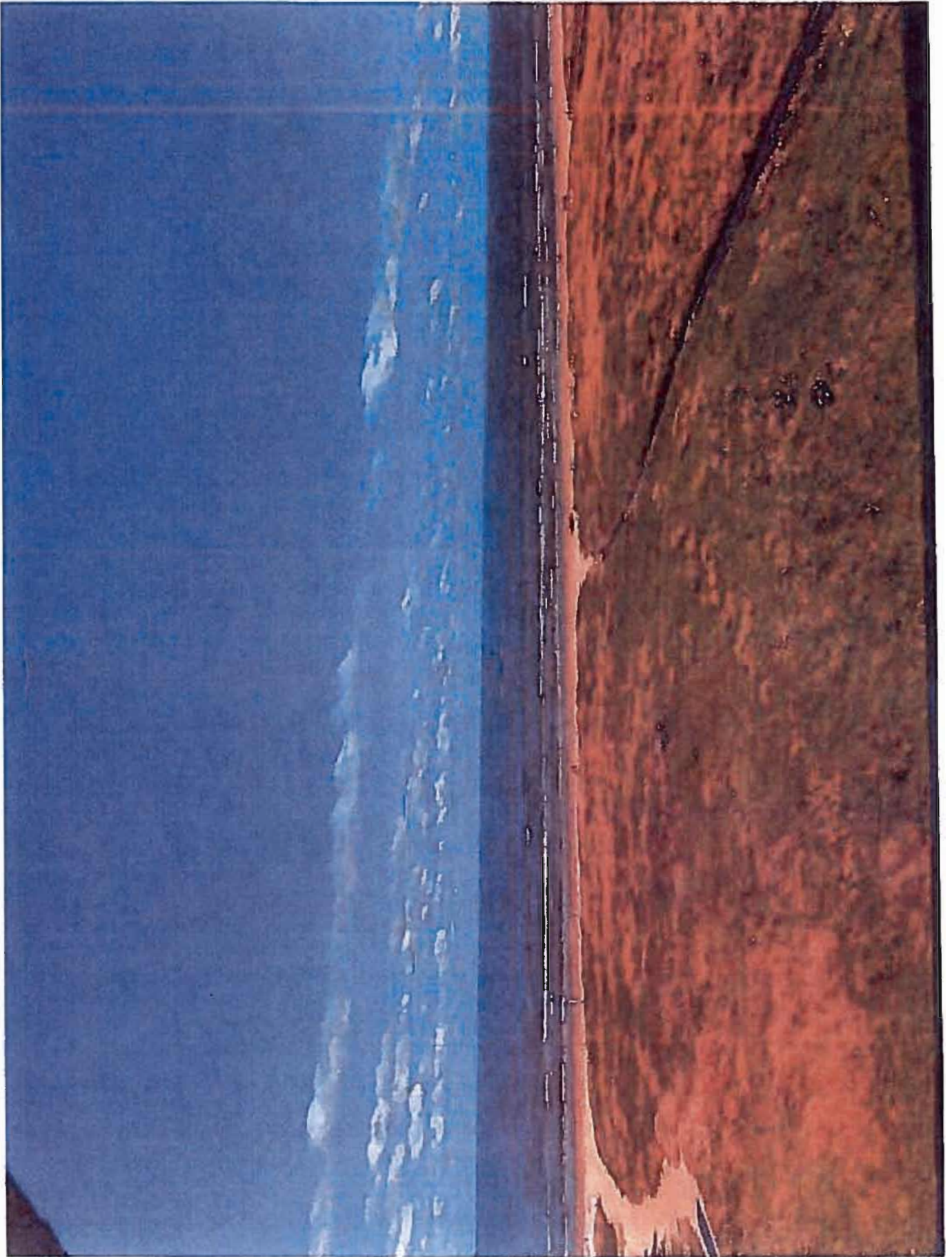
81-6







02-6





February 20, 2017

Brandon Hill
Shoreline Management Department
City of South Padre Island
PO Box 3410
South Padre Island, TX 78597

Reference: Application for Dune Walkover- GLO ID- BDSPI-18-0015
1816 Gulf Blvd- Regency Condominiums
South Padre Island, TX 78597

Dear Brandon,

Thank you for providing me a copy of the February 8, 2018 Texas General Land Office response letter to the referenced application, and for meeting with me on February 15, 2018 to review and discuss that letter from Natalie Bell.

As I stated in our meeting, I don't think we have any issues with the points raised by the Texas General Land Office and in fact offer the following:

-We agree to take every measure possible to not damage, clear, or remove any dune vegetation on either side of the pathway for the purposes of facilitating construction.

-We totally understand and agree that concrete is not allowed for stabilizing the dune walkover support posts.

-We will modify our design and resubmit our drawings to show the width of the walkover to be a maximum width of 6 feet. (Revised drawings included.)

-Aside from the fact that we agree to the first point, we will avoid and minimize impacts to the dunes and dune vegetation by keeping the construction within the existing footpath. However, we agree to submit a mitigation plan that includes a detailed description of the methods that will be used to avoid, minimize, mitigate, and or compensate for any adverse effects on dunes and dune vegetation, in the event there is any temporary adverse effects to the dunes or dune vegetation not identified in the permit application.

-We agree that the Regency walkover will terminate short of the most landward point of the public beach and that the walkover will not interfere with or otherwise restrict public use of the beach at normal high tides.

SALES * RENTAL * PROPERTY MANAGEMENT

4800 Padre Blvd, South Padre Island, TX 78597

FurcronRealtors.com • Furcron.com • 956-761-6961 • 956-761-6966 Fax • 1-800-892-6278

9-24



Page 2

Brandon Hill- GLO letter response- Regency

-The deck of the walkway will be of sufficient elevation to allow for growth of dune vegetation and the migration of dunes to the greatest extent practicable.

-The slats on the walkway will conform to the recommended minimum spacing of 1/2 inch apart.

-The height of the walkover will be a minimum of 6 feet except the section beginning at the sea wall to gradually ramp up to the 6 foot elevation and maintain the elevation up to the portion that ramps down to the end of the walkover. The proposed walkover will be ADA compliant and therefore ramp down to zero elevation at the terminus point of the walkover.

-The contractor is aware of the GLO construction guidelines and those guidelines will be followed to construct the walkover.

We will modify our drawings to reflect the change in width, change in height, and submit those revised drawings along with the modifications to the application that also reflects the changes to our original application.

I think I have addressed all the points covered in the Texas General Land Office comment letter referenced above. However, if there is anything I have overlooked, please let me know so that I can address it.

Sincerely,
Furcron Property Management Co. Inc.

Mickey Furcron
Principal Broker/Owner & Regency Property Manager

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4800 Padre Blvd, South Padre Island, TX 78597

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9-25

REVISED

Item No. 9

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

MEETING DATE: March 7, 2018

NAME & TITLE: Brandon Hill, Shoreline Director

DEPARTMENT: Shoreline Department

ITEM

Discussion and possible action to recommend the approval of a Beach and Dune Permit to construct a six foot wide 280-foot long dune walkover within the footprint of an existing beach access footpath located at Regency Condominiums, 1816 Gulf Boulevard.

ITEM BACKGROUND

Regency condominiums is applying for a Beach and Dune permit for the construction of an elevated, 280 ft. beach access walkover.

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: X

RECOMMENDATIONS/COMMENTS

Shoreline Staff recommends approval of the Beach and Dune Permit Application.

9-1



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 10, 2018

Via Electronic Mail

Brandon Hill
Shoreline Management Department
City of South Padre Island
4601 Padre Blvd.
South Padre Island, Texas 78597-3410

Beachfront Construction Certificate & Dune Protection Permit in the City of South Padre Island

Site Address: 5812 A Gulf Boulevard, South Padre Island
Legal Description: Lot 4A, Block 191. Padre Beach Section XII. Fiesta Isles
Lot Applicant: Hyun Ju Nelson
GLO ID No.: BDSPI-18-0022

Dear Mr. Hill:

The General Land Office has reviewed the application for a beachfront construction certificate and dune protection permit for the above-referenced location. The applicant proposes to construct a concrete paver slab on top of existing impervious cover at an existing habitable structure. The proposed construction is located landward of the Historic Building Line (HBL). According to the Bureau of Economic Geology, the proposed construction is located in an area that is considered stable.

Based on the materials forwarded to our office for review, we have the following comments:

- The property owner identified in the permit application is not consistent with the Cameron County Central Appraisal District (CAD) records. The City must ensure the legal owner of the property has authorized the proposed construction prior to issuing the beachfront construction certificate and dune protection permit.

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
Beach Access & Dune Protection Program
Coastal Resources Division
Texas General Land Office

16-2

MEMORANDUM

TO: Shoreline Task Force
Natalie Bell, General Land Office

FROM: Brandon N. Hill, Director of Shoreline Management

DATE: February 6, 2018

RE: Preliminary determination on proposed construction at 5812 A Gulf Blvd. South Padre Island Texas

The enclosed application materials present plans for the construction a cement slab 3' x 6' x 18" at deepest (space on a slope). Requesting level slab as base for 2 AC condenser units. Cement slab would be replaced with pavers thus going from about 16 sq. ft. of concrete to 18 sq. ft. The goal is to improve paver grading to minimize water collection.

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 will 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 result in no adverse effects on dune complexes of vegetation.
5. The proposed activity will not significantly increase the potential for washover or blowouts.



Brandon N. Hill

Preliminary Determination

10-3



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 <u>Lot 4 (A), block 191, Padre Beach, section XII, Fiesta Isles subdivis</u>	Physical Address <u>5812 A Gulf Blvd. SP.</u>

Property Owner Information	Applicant / Agent for Owner
Name <u>Hyun Ju Nelson</u>	Name <u>Hyun Ju Nelson</u>
Mailing Address <u>6009 Nacahuita Lane</u>	Mailing Address <u>6009 Nacahuita Lane</u>
City <u>Harlingen</u> State <u>Texas</u>	City <u>Harlingen</u> State <u>Texas</u>
Zip <u>78552</u> Country <u>United States</u>	Zip <u>78552</u> Country <u>United States</u>
Phone Number <u>5,854,557,155</u>	Phone Number <u>5,854,557,155</u>
Fax Number _____	Fax Number _____
E-Mail Address _____	E-Mail Address _____
<p>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 _____)</p>	
Owner(s) Signature(s) <u>Hyun Ju Nelson</u>	Applicant Signature <u>Hyun Ju Nelson</u>
Date <u>Jan 11, 2018</u>	Date <u>Jan 11, 2018</u>

Project Description
<p>Describe with as much as 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.</p>
<p>On streetside of unit, there is a SW corner pocket of space which would be ideal for a cement slab 3' x 6' x 18inches at deepest(space on a slope). Requesting level slab as base for 2 AC condenser units. Currently one unit is on a second story platform which is dripping and staining the wall and paver below. The second unit is sitting on a 4' x 4' cement slab in the narrow walkway. That slab has settled and tends to collect significant amount of water after rain or use of water hose. Once the AC unit on sunken slab is moved, the slab would be replaced with pavers thus going from about 16 sq ft of concrete to 18sq ft for a difference of 2 sq ft addition only. The AC condensers would also be behind a fence, improving the curve appeal of the unit. Goal is to also improve the paver grading to minimize water collection as noted currently- picture submitted of a 6 ft section of walk-way with stagnant water sitting between the building and solid cinder block/stucco fence.</p>
<p>Total Square Footage of Footprint of Habitable Structure: <u>2200</u></p>
<p>Total Area of Impervious Surface (i.e. retaining walls, walkways, drives, patios, etc.) <u>18 sq ft for new cement slab preexistent 7' x 20' tiled patio pavers for driveway/walkway</u></p>
<p>Percentage Impervious Surface [(impervious surface / habitable footprint)* 100]: <u>7% BUT no change from preexisting granted since sum addition is 2 sq ft</u></p>
<p>Please Note: the percentage of impervious surface cannot exceed 5% in an eroding area.</p>
<p>Approximate Duration of Construction: <u>one week to set the new concrete and remove old concrete/ replace with pavers</u></p>

10-4

Financial Plan for the Removal of All Hard Structures

All properties which are allowed to build retaining walls on their property are allowed to do so with the condition that a financial plan for the removal of the retaining wall is submitted to the Public Works Department of the City of South Padre Island. Removal of the retaining wall at the owner's expense may be required if/once the retaining wall comes into regular contact with wave action for twenty (20) out of thirty (30) consecutive days. The City accepts the submission of a Retaining Wall Covenant, or other financial guarantee, insuring the removal of the retaining wall if the required conditions are met.

Type of Plan Submitted: small volume, contained trailer/tarp cover. Photo on file w/ building permit Date Submitted _____

Drainage

Describe the impact that the proposed construction will have on the natural drainage pattern on the site and adjacent lots.

- No change in the drainage on site
- The proposed construction will change the grading and the drainage on the subject property. (An explanation will be required detailing where the water will drain.)

Explanation / Other Information: current 6 ft length of walkway closer to Gulf side drains very slowly. Once cement removed and replaced with paver, grade for absorption and drain towards street side.

Impacts to Beach / Dune System

Answer each question as completely as possible in narrative form.

1. What damage will this proposed construction have on the dune vegetation located at the project site?

- No damage to dune vegetation whatsoever
- The proposed construction will impact _____% of the dune vegetation site. (An explanation of the "impact" will be required.)
- The proposed construction will require the removal and relocation of _____% of the dune vegetation on site. (The submission of a mitigation plan will be required.)

Explanation / Other Information: _____

2. How will the proposed construction alter the dune size/shape at the project site?

- No change to dune size/shape whatsoever
- The proposed construction will change _____% of the size/shape of dunes on site. (Details will be required.)
- The proposed construction will require the removal and relocation of _____% of the dunes on site. (The submission of a mitigation plan will be required.)

Explanation / Other Information: _____

3. How will the proposed construction change the hydrology of the dunes at the project site?

- No change to dune hydrology whatsoever
- The proposed construction will impact dune hydrology on site. (Details will be required.)

Explanation / Other Information: _____

4. Describe alternatives to the proposed construction or method of construction which will cause fewer or no adverse effects on dunes and dune vegetation.

n/a

5. Describe alternatives to the proposed construction or method of construction which will cause fewer or no adverse impairment to beach access.

n/a

10-5

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: n/a

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.



ART SALINAS
ENGINEERING & SURVEYING

1524 DOVE AVENUE,

McALLEN, TEXAS 78504

PH: (956) 618-5565

FAX: (956) 618-5540

LOT 4-C

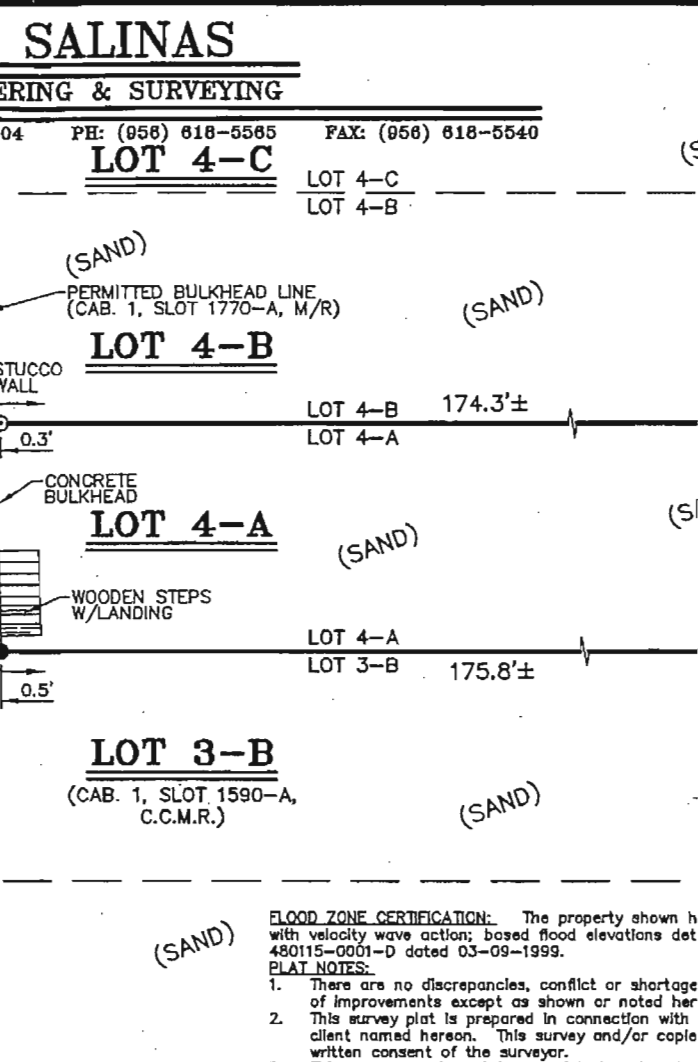
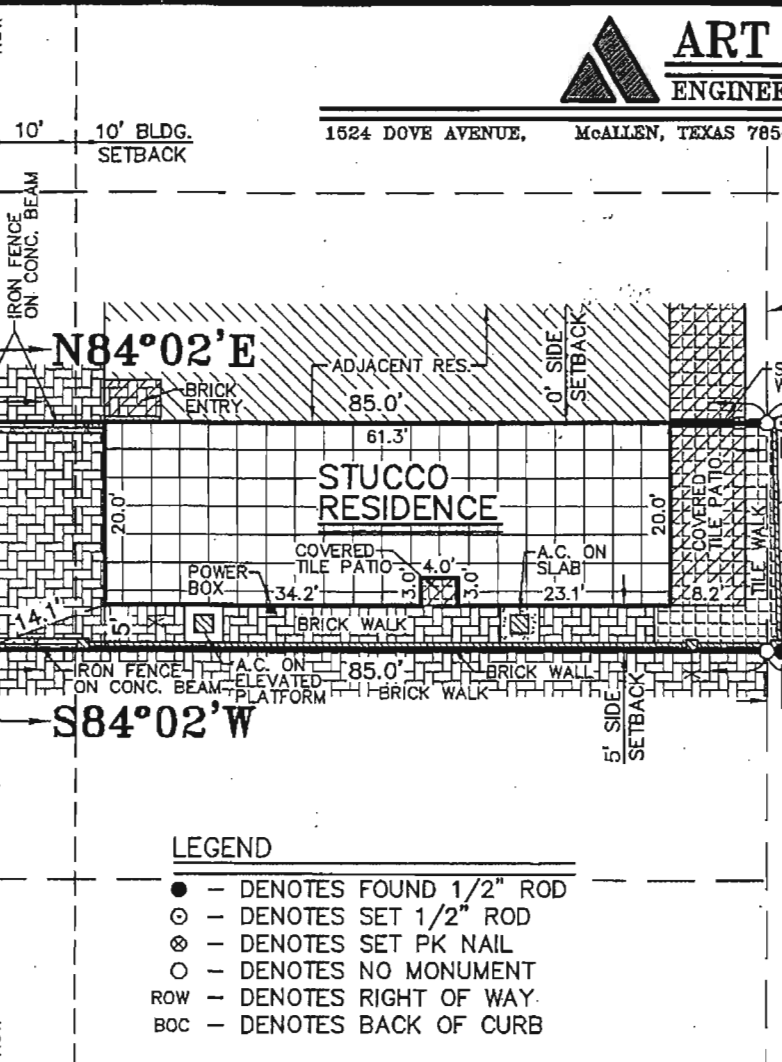
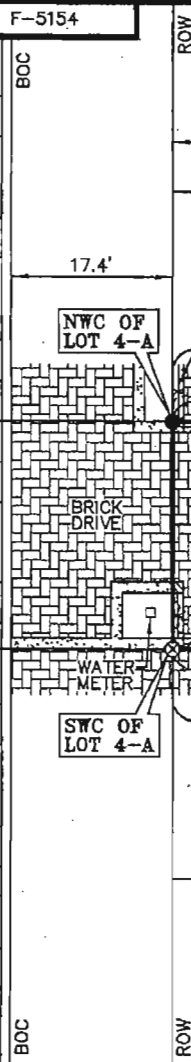
LOT 4-C

LOT 4-B



N05°52'W
25.0'

GULF BLVD.
(CAB. 1, SLOT 1770-A, C.C.M.R.)



LEGEND

- - DENOTES FOUND 1/2" ROD
- ⊙ - DENOTES SET 1/2" ROD
- ⊗ - DENOTES SET PK NAIL
- - DENOTES NO MONUMENT
- ROW - DENOTES RIGHT OF WAY
- BOC - DENOTES BACK OF CURB

FLOOD ZONE CERTIFICATION: The property shown h with velocity wave action; based flood elevations det 48015-G001-D dated 03-09-1999.

- PLAT NOTES:**
1. There are no discrepancies, conflict or shortage of improvements except as shown or noted her
 2. This survey plat is prepared in connection with client named hereon. This survey and/or copie written consent of the surveyor.
 3. This survey must contain an original seal and s the "The Professional Land Surveying Practices
 4. This is a standard survey and does not include Statutory rights in favor of Laguna Madre Water (Blanket)
 5. Easements in favor of Laguna Madre Water Dist
 6. The right of public, individually and collectively, and the line of mean high tide and/or line of high tide, line of mean low tide or line of vege Court of competent jurisdiction. (Blanket)
 7. Party Wall Agreement dated May 28, 2000, filed Corporation, recorded in Volume 6321, Page 1, Covenant of Financial Assurance and Lien for R Custom Homes, Inc., and the Town of South P Cameron County, Texas.
 8. Easement and right of way dated September 27 and wife, Lois A. Fleischhacker to Central Power Records of Cameron County, Texas. (Blanket)
 9. Subject to any oil, gas and mineral lease of re Bearing Basis: "W. line of Lot 4A, Resubdivisi Subdivision"
 10. BORROWERS: Hyun Ju Nelson and Cynthia Anna

THIS IS TO CERTIFY THAT I HAVE, THIS DATE, PREPARED A SURVEY ON THE PROPERTY WHICH IS LOCATED AT 5812-A GULF BLVD., in SOUTH PADRE ISLAND, TEXAS, DESCRIBED AS FOLLOWS:
LOT FOUR "A" (4-A), BEING A RESUBDIVISION OF LOT FOUR (4), BLOCK ONE HUNDRED NINETY-ONE (191), PADRE BEACH SECTION XII, FIESTA ISLES SUBDIVISION, CAMERON COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN CABINET 1, SLOT 1770-A, MAP RECORDS OF CAMERON COUNTY, TEXAS.

17-51940	08-10-17	08-24-17
Job No.	Survey Date	Revised Date

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[Signature]

[Signature]
[Signature]



Registered Professional Land Surveyor No. 4802

6-01

ELEVATION CERTIFICATE

FEDERAL EMERGENCY MANAGEMENT AGENCY NATIONAL FLOOD INSURANCE PROGRAM

O.M.B. No 3067-0077
Expires May 31, 1993

ATTENTION: Use of this certificate does not provide a waiver of the flood insurance purchase requirement. This form is used only to provide elevation information necessary to ensure compliance with applicable community floodplain management ordinances, to determine the proper insurance premium rate, and/or to support a request for a Letter of Map Amendment or Revision (LOMA or LOMR). Instructions for completing this form can be found on the following pages.

SECTION A PROPERTY INFORMATION	FOR INSURANCE COMPANY USE
BUILDING OWNER'S NAME CLAYTON CUSTOM HOMES	POLICY NUMBER
STREET ADDRESS (including Apt., Unit, Suite and/or Bldg. Number) OR P.O. ROUTE AND BOX NUMBER 5812 A GULF BLVD.	COMPANY NAIC NUMBER
OTHER DESCRIPTION (Lot and Block Numbers, etc.)	
CITY SOUTH PADRE ISLAND	STATE TX
	ZIP CODE 78597

SECTION B FLOOD INSURANCE RATE MAP (FIRM) INFORMATION

Provide the following from the proper FIRM (See Instructions):

1. COMMUNITY NUMBER 480115	2. PANEL NUMBER 0001	3. SUFFIX D	4. DATE OF FIRM INDEX March 9, 1999	5. FIRM ZONE VE	6. BASE FLOOD ELEVATION (in AO Zones, use depth) 13
--------------------------------------	--------------------------------	-----------------------	---	---------------------------	--

7. Indicate the elevation datum system used on the FIRM for Base Flood Elevations (BFE): NGVD '29 Other (describe on back)
8. For Zones A or V, where no BFE is provided on the FIRM, and the community has established a BFE for this building site, indicate the community's BFE: feet NGVD (or other FIRM datum—see Section B, Item 7).

SECTION C BUILDING ELEVATION INFORMATION

1. Using the Elevation Certificate Instructions, indicate the diagram number from the diagrams found on Pages 5 and 6 that best describes the subject building's reference level 1.
- 2(a). FIRM Zones A1-A30, AE, AH, and A (with BFE). The top of the reference level floor from the selected diagram is at an elevation of feet NGVD (or other FIRM datum—see Section B, Item 7).
- (b). FIRM Zones V1-V30, VE, and V (with BFE). The bottom of the lowest horizontal structural member of the reference level from the selected diagram, is at an elevation of feet NGVD (or other FIRM datum—see Section B, Item 7).
- (c). FIRM Zone A (without BFE). The floor used as the reference level from the selected diagram is feet above or below (check one) the highest grade adjacent to the building.
- (d). FIRM Zone AO. The floor used as the reference level from the selected diagram is feet above or below (check one) the highest grade adjacent to the building. If no flood depth number is available, is the building's lowest floor (reference level) elevated in accordance with the community's floodplain management ordinance? Yes No Unknown
3. Indicate the elevation datum system used in determining the above reference level elevations: NGVD '29 Other (describe under Comments on Page 2). (NOTE: If the elevation datum used in measuring the elevations is different than that used on the FIRM [see Section B, Item 7], then convert the elevations to the datum system used on the FIRM and show the conversion equation under Comments on Page 2.)
4. Elevation reference mark used appears on FIRM: Yes No (See Instructions on Page 4)
5. The reference level elevation is based on: actual construction construction drawings
(NOTE: Use of construction drawings is only valid if the building does not yet have the reference level floor in place, in which case this certificate will only be valid for the building during the course of construction. A post-construction Elevation Certificate will be required once construction is complete.)
6. The elevation of the lowest grade immediately adjacent to the building is: feet NGVD (or other FIRM datum—see Section B, Item 7).

SECTION D COMMUNITY INFORMATION

1. If the community official responsible for verifying building elevations specifies that the reference level indicated in Section C, Item 1 is not the "lowest floor" as defined in the community's floodplain management ordinance, the elevation of the building's "lowest floor" as defined by the ordinance is: feet NGVD (or other FIRM datum—see Section B, Item 7).
2. Date of the start of construction or substantial improvement 4-10-00

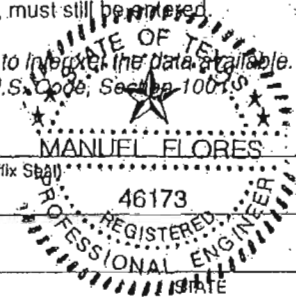
SECTION E CERTIFICATION

This certification is to be signed by a land surveyor, engineer, or architect who is authorized by state or local law to certify elevation information when the elevation information for Zones A1-A30, AE, AH, A (with BFE), V1-V30, VE, and V (with BFE) is required. Community officials who are authorized by local law or ordinance to provide floodplain management information, may also sign the certification. In the case of Zones AO and A (without a FEMA or community issued BFE), a building official, a property owner, or an owner's representative may also sign the certification.

Reference level diagrams 6, 7 and 8 - Distinguishing Features-If the certifier is unable to certify to breakaway/non-breakaway wall, enclosure size, location of servicing equipment, area use, wall openings, or unfinished area Feature(s), then list the Feature(s) not included in the certification under Comments below. The diagram number, Section C, Item 1, must still be entered.

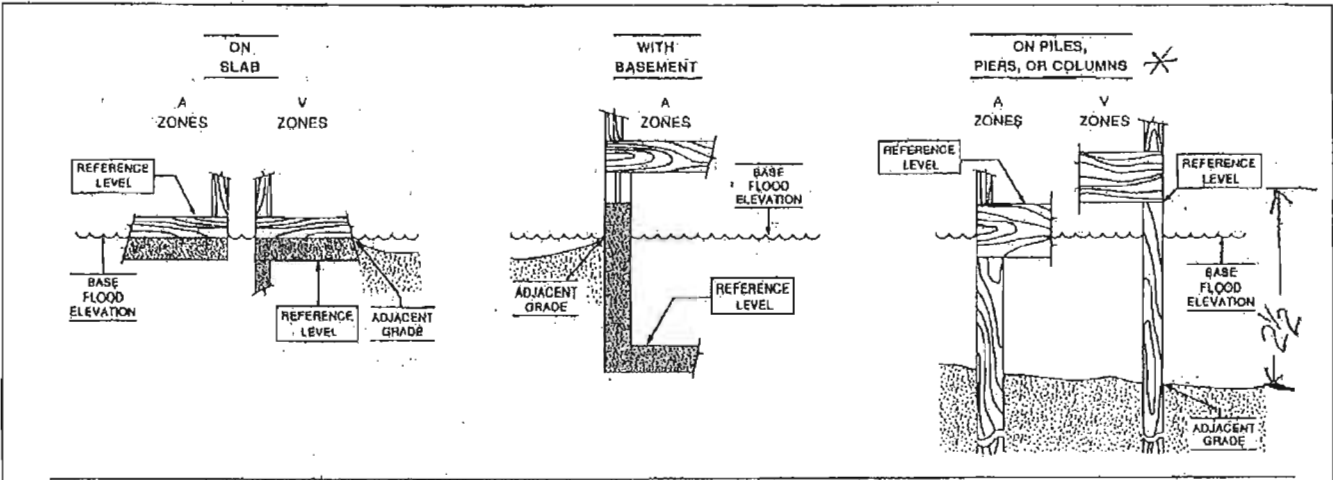
I certify that the information in Sections B and C on this certificate represents my best efforts to investigate the data available. I understand that any false statement may be punishable by fine or imprisonment under 18 U.S. Code, Section 1001.

CERTIFIER'S NAME	LICENSE NUMBER (or Affix Seal)		
MANUEL FLORES	46173		
TITLE	COMPANY NAME		
ENGINEER	FRESNO SYSTEM SERVICES		
ADDRESS	CITY	STATE	ZIP
P. O. BOX 889	LOS FRESNOS	TX	78566
SIGNATURE	DATE	PHONE	
<i>[Signature]</i>	4-10-00	(956) 2334687	



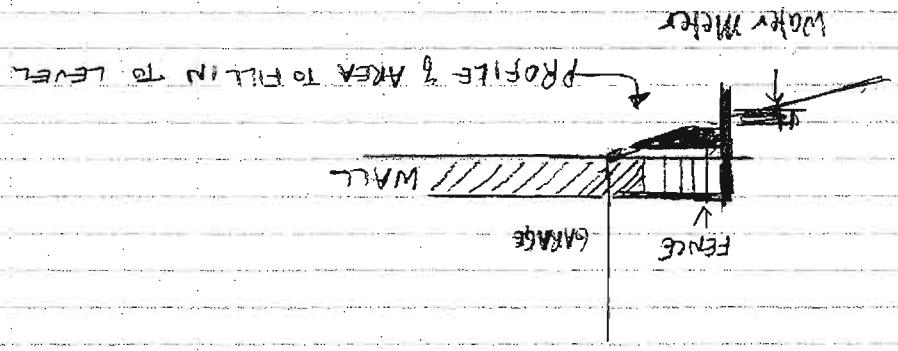
Copies should be made of this Certificate for: 1) community official, 2) insurance agent/company, and 3) building owner.

COMMENTS:



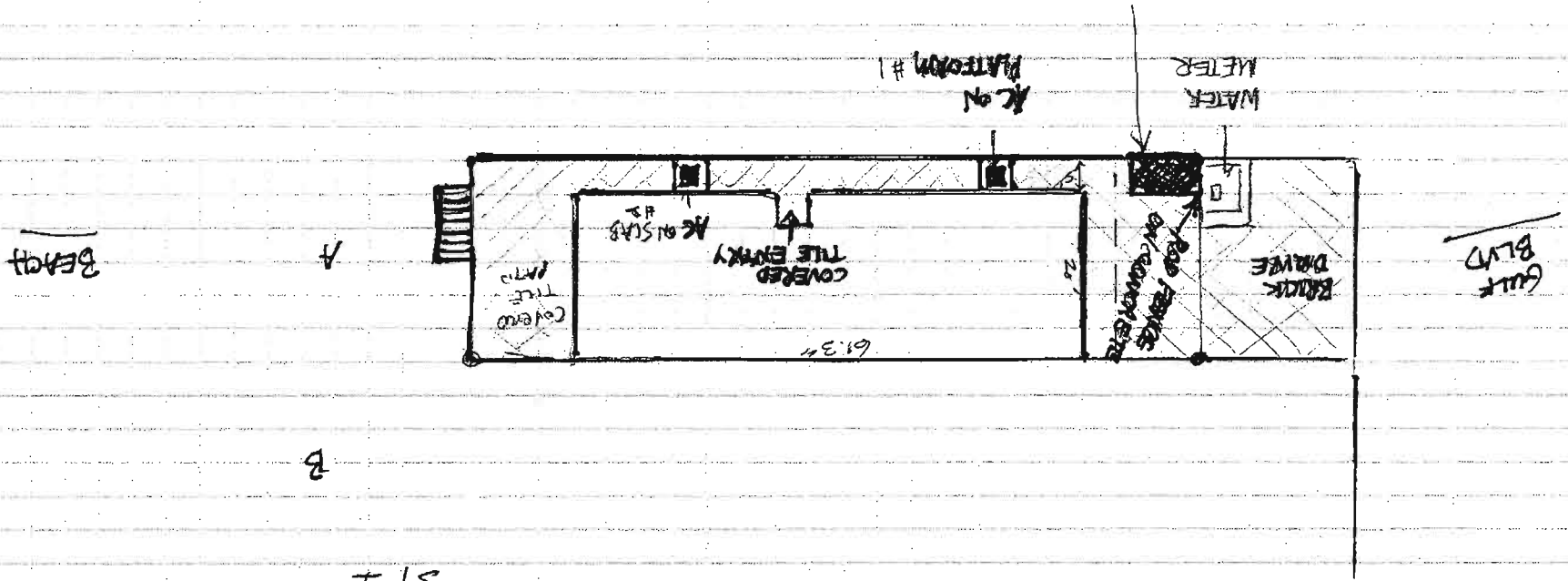
The diagrams above illustrate the points at which the elevations should be measured in A Zones and V Zones. Elevations for all A Zones should be measured at the top of the reference level floor. Elevations for all V Zones should be measured at the bottom of the lowest horizontal structural member.

10-9



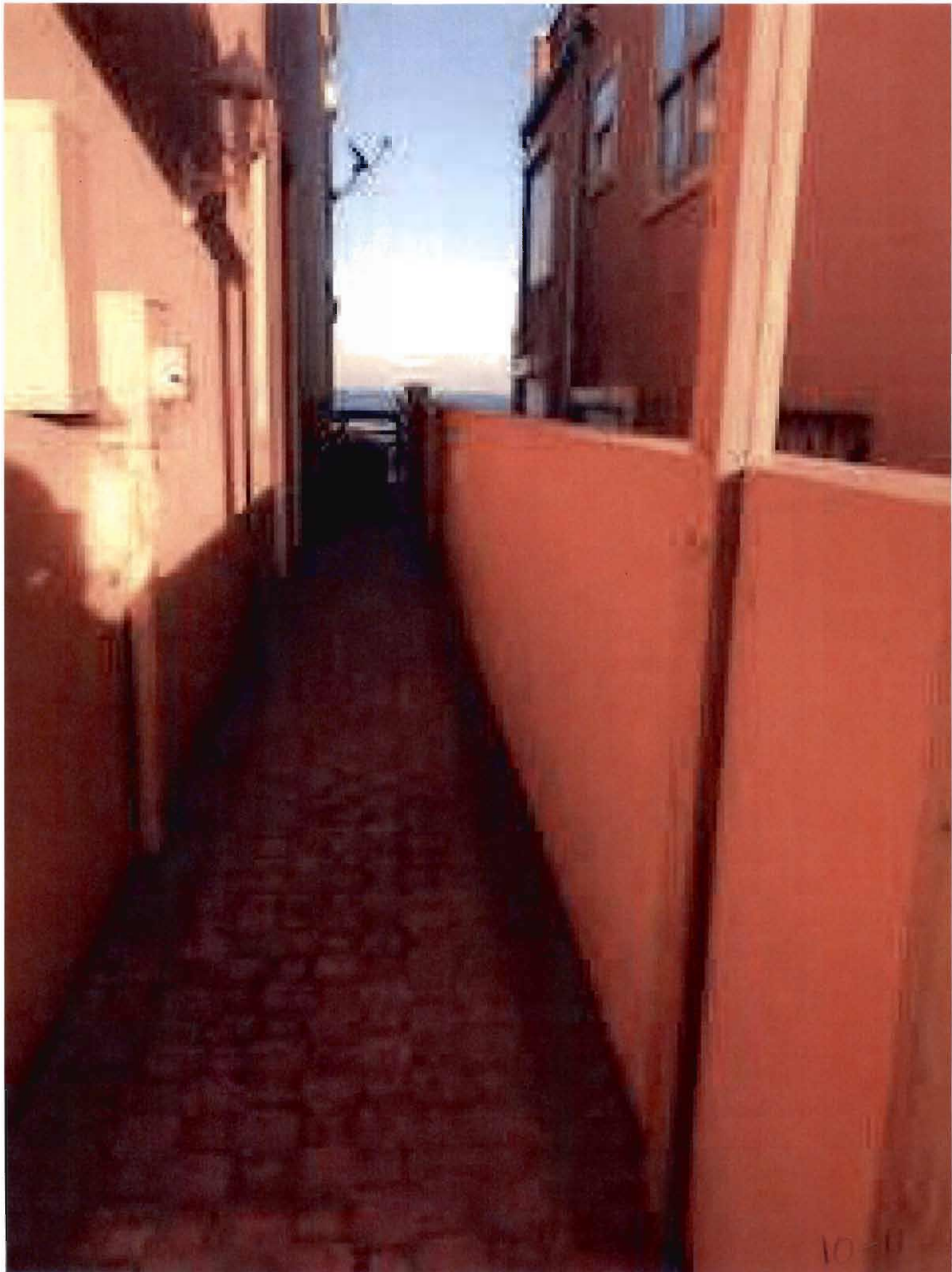
6' x 3' x 18" or deeper

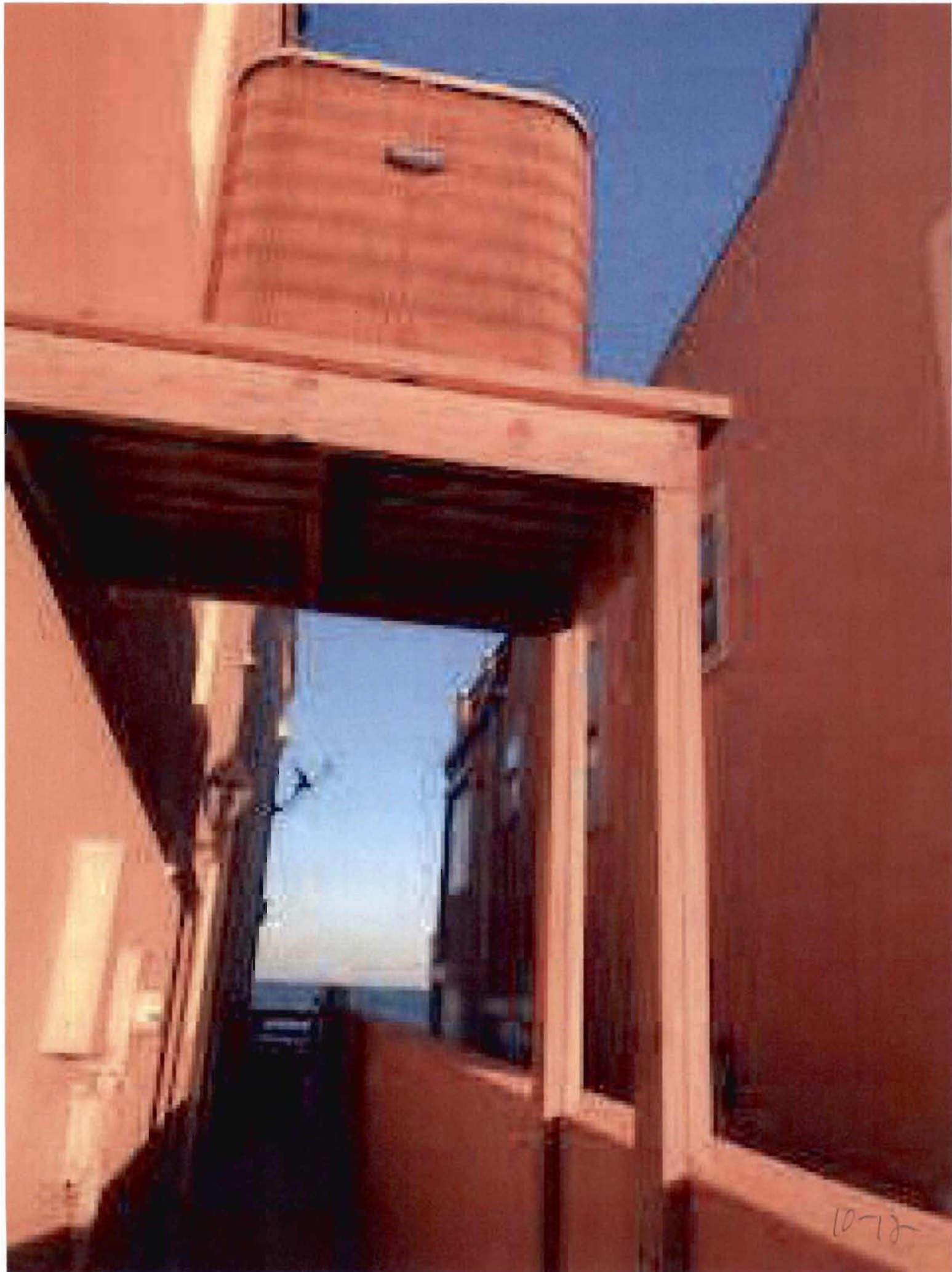
* Proposed concrete slabs to hold the 2 AC units

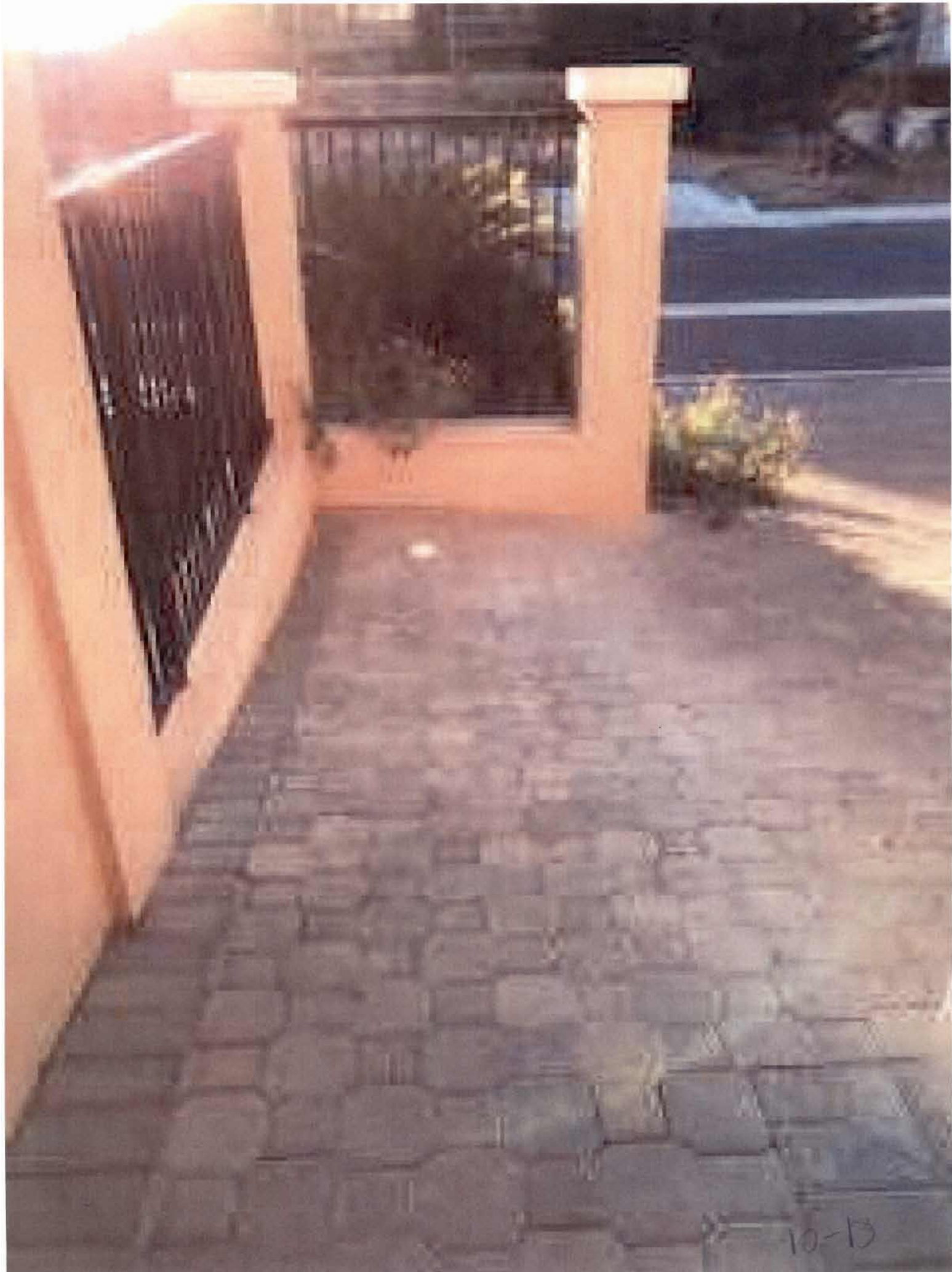


5812 A GULF BLVD
SFI

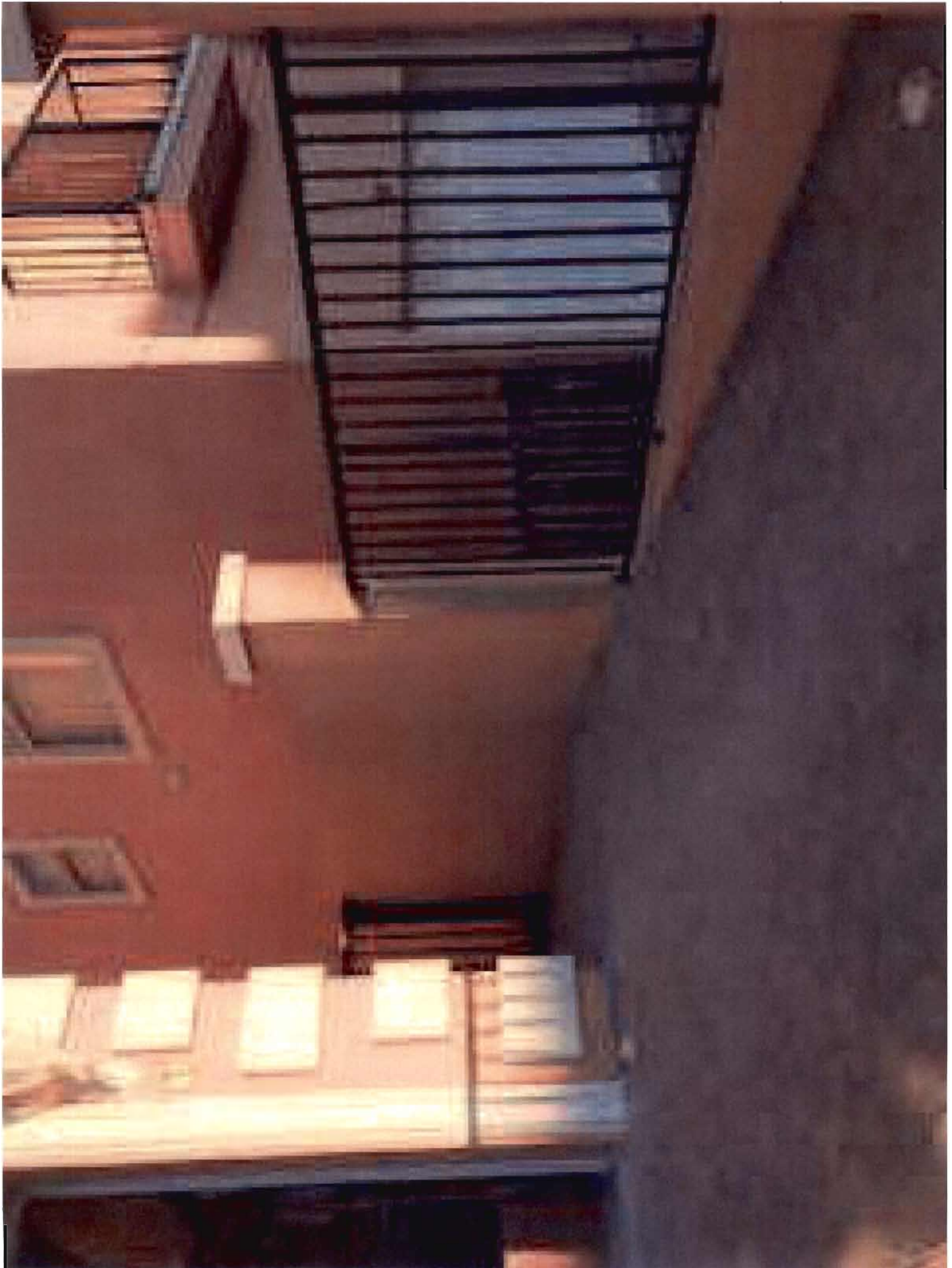
10-10



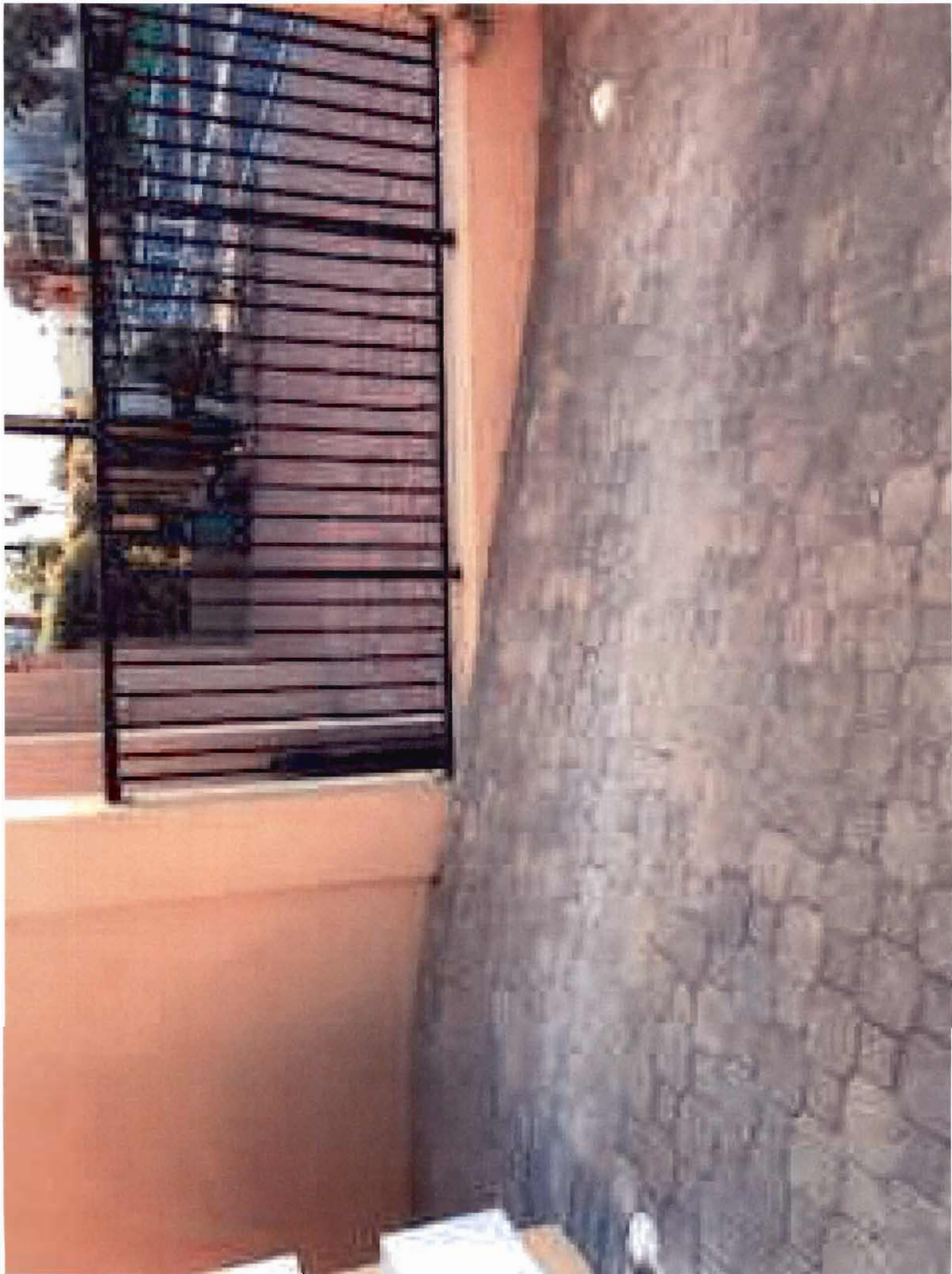


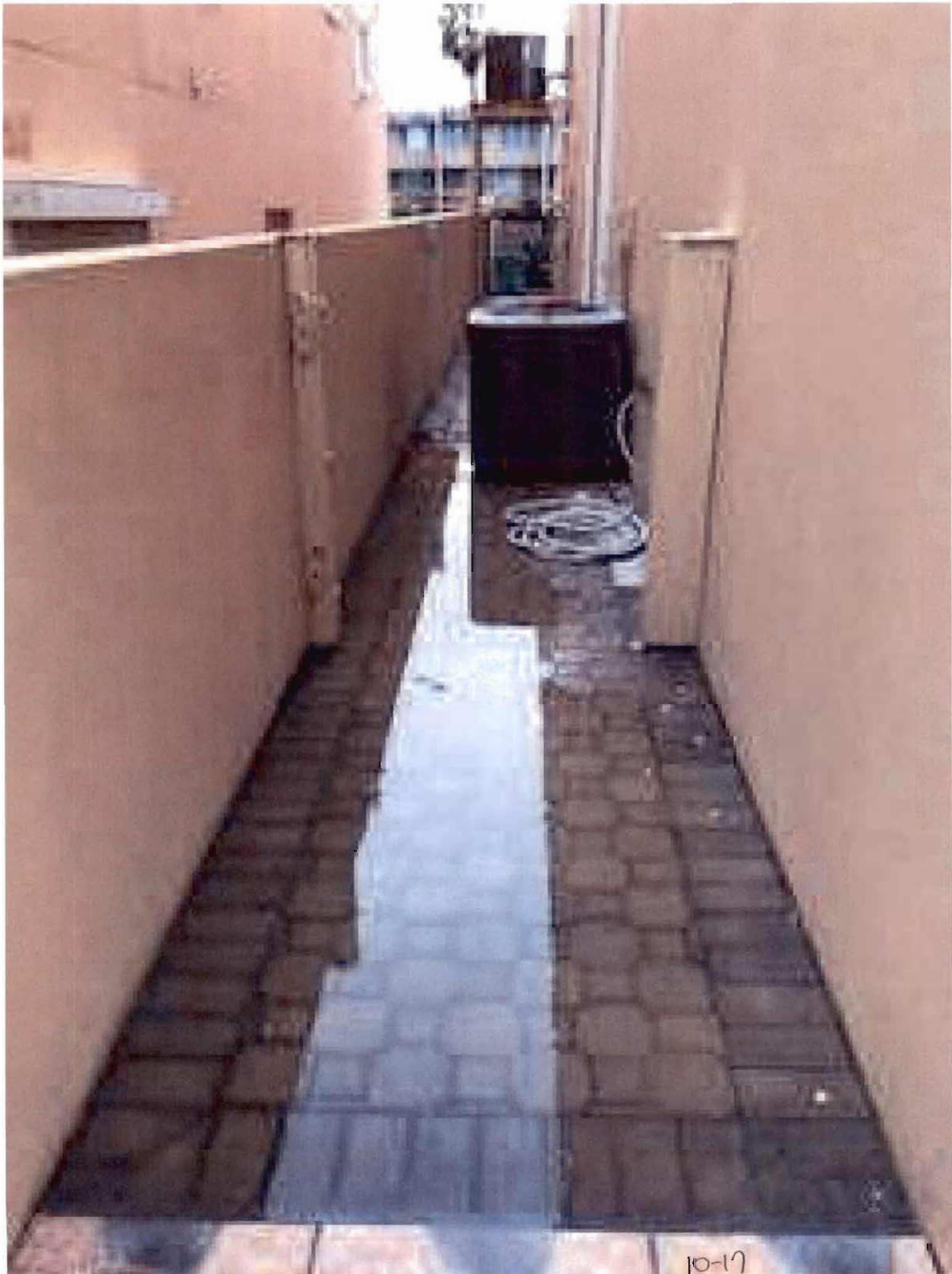


10-13









10-17

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

MEETING DATE: March 7, 2018

NAME & TITLE: C. Alejandro Sanchez, P.E., CFM. - Public Works Director

DEPARTMENT: Public Works

ITEM

Discussion and action to award the 2018 Street Reconstruction project to the low bidder, REIM Construction, Inc. in the amount of \$1,444,900.90 and approve a budget amendment for the same amount.

ITEM BACKGROUND

The project consists of improving eight side street on the East side of Padre Boulevard. The streets are East Verna Jean Drive, East Polaris Drive, East Jupiter Lane, East Venus Lane, East Lantana Street, East Atol Street, East Sunny Isle and East White Sands Street. The improvements will include widening the streets from a minimum width of 32 feet back-of-curb to back-of-curb (B-B) to a maximum width of 40 feet and a sidewalk will be installed on one side of each of the streets.

By widening these streets, there will be approximately 262 parking spaces added to the public rights-of-way.

This project was advertised in the Port Isabel Press on February 1 and February 8, 2018. An optional pre-bid meeting was held on February 12, 2018, with a bid opening on February 16, 2018. There were four total bids submitted and REIM was the low bidder. The bids have been reviewed by the project engineer, Kimley-Horn and all documentation is in order.

BUDGET/FINANCIAL SUMMARY

Increase line item 41-562-9075
The balance on the 2016 Padre Boulevard Tax Notes is approximately \$2.2 million.

COMPREHENSIVE PLAN GOAL

- Goal 1: The City shall provide for the safe, efficient movement of people and goods.
- Goal 2: Plan in advance for efficient network.
- Goal 3: Ensure suitable street infrastructure commensurate with traffic demand and volumes.

LEGAL REVIEW

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

Comments:

RECOMMENDATIONS/COMMENTS

Recommend to accept the bid in the amount of \$1,444,900.90 and award the contract to the lowest bidder, REIM Construction, Inc.

February 21, 2018

Mr. Alejandro Sanchez., P.E., CFM
City of South Padre Island Public Works Director
4601 Padre Blvd
South Padre Island, TX 78597

**Re: *Bid Award Recommendation for
2018 Street Reconstructions***

Dear Mr. Sanchez,

Kimley-Horn and Associates, Inc. has reviewed the four (4) bids submitted on February 16, 2018. The low bid of \$1,444,900.90 was submitted by REIM Construction, Inc. Please find the attached copy of the tabulation of bids showing a comparison between all bids and the engineer's opinion of probable construction costs.

The REIM Construction Inc. bid is \$78,934.32 less than the next lowest bid and approximately 12.2% under the engineer's opinion of probable construction costs.

REIM has provided a 5% bid bond and completed/submitted the Statement of Bidder's Qualifications in accordance with the bid document requirements. Kimley-Horn and Associates, Inc. has contacted REIM Construction, Inc.'s references, and feedback has been positive.

Kimley-Horn and Associates, Inc. recommends that the City of South Padre Island accept the bid of \$1,444,900.90 and award REIM Construction, Inc. the contract for the 2018 Street Reconstructions Project.

Please contact me if you have any questions.

Very truly yours,

KIMLEY-HORN AND ASSOCIATES, INC.



Brian Boecker, P.E.
Project Manager

PROJEC 2018 Street Reconstructions

CITY: South Padre Island

BID TABS COMPARISON **Kimley** **Horn**

		ENGINEER OPCC			RFIM CONSTRUCTION, INC. 9612 STEWART RD MISSION, TX 78571			GB1 PAVING LLC P.O. BOX 5136 RODWINVILLE, TX 78073			RDH SITT AND CONCRETE, LLC 3800 CLAY ST. SUITE D PALMVIEW, TX 78072			FOREMOST PAVING, INC 22610 N FM 88 ELISA, TX 78542				
15	Adjust Mobilization	Es	1	\$ 750.00	\$ 750.00	\$ 354.00	\$ 654.00	\$ 354.00	\$ 450.00	\$ 450.00	\$ 350.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 400.00	\$ 400.00	\$ 400.00	
16	Clearing, Grubbing, Demolition and Removal of Existing Roadways and Driveways	L.S.	1	\$ 12,000.00	\$ 12,000.00	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	
17	Finishing Slopes and Revegetate	L.S.	1	\$ 6,000.00	\$ 6,000.00	\$ 3,160.00	\$ 3,160.00	\$ 3,160.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
18	Saw Cutting Existing Asphalt	L.F.	81	\$ 4.00	\$ 324.00	\$ 1.50	\$ 121.50	\$ 121.50	\$ 1.25	\$ 101.25	\$ 101.25	\$ 7.00	\$ 567.00	\$ 567.00	\$ 4.00	\$ 324.00	\$ 324.00	
19	Saw Cutting Existing Concrete	L.F.	463	\$ 4.00	\$ 1,852.00	\$ 2.00	\$ 926.00	\$ 926.00	\$ 1.50	\$ 694.50	\$ 694.50	\$ 7.00	\$ 3,241.00	\$ 3,241.00	\$ 5.00	\$ 2,317.50	\$ 2,317.50	
20	Remove Existing Sign	Pa	8	\$ 100.00	\$ 800.00	\$ 39.00	\$ 312.00	\$ 312.00	\$ 1.50	\$ 12.00	\$ 12.00	\$ 100.00	\$ 800.00	\$ 800.00	\$ 100.00	\$ 800.00	\$ 800.00	
21	Mobilization and Storage	L.S.	1	\$ 10,000.00	\$ 10,000.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00	
				JUPITER LAKE TOTAL			JUPITER LAKE TOTAL			JUPITER LAKE TOTAL			JUPITER LAKE TOTAL			JUPITER LAKE TOTAL		
				\$ 223,744.00			\$ 191,840.05			\$ 202,673.02			\$ 228,049.60			\$ 249,825.00		
VINUS LANE																		
1	2" Thick H.M.A.C. Type D	S.Y.	3019	\$ 14.00	\$ 42,268.00	\$ 10.75	\$ 32,454.25	\$ 32,454.25	\$ 12.99	\$ 39,236.81	\$ 39,236.81	\$ 12.00	\$ 36,228.00	\$ 36,228.00	\$ 13.00	\$ 39,247.00	\$ 39,247.00	
2	6" Crushed Limestone Base	S.Y.	3019	\$ 12.00	\$ 36,228.00	\$ 9.20	\$ 27,774.80	\$ 27,774.80	\$ 12.75	\$ 38,492.25	\$ 38,492.25	\$ 11.70	\$ 35,132.30	\$ 35,132.30	\$ 14.00	\$ 42,268.00	\$ 42,268.00	
3	8" Cement Stabilized Subgrade	S.Y.	3641	\$ 5.00	\$ 18,205.00	\$ 1.90	\$ 6,917.90	\$ 6,917.90	\$ 3.25	\$ 11,833.25	\$ 11,833.25	\$ 5.00	\$ 18,205.00	\$ 18,205.00	\$ 5.50	\$ 20,023.50	\$ 20,023.50	
4	6" Concrete Paving	S.Y.	85	\$ 10.25	\$ 871.25	\$ 5.75	\$ 488.50	\$ 488.50	\$ 6.00	\$ 510.00	\$ 510.00	\$ 4.00	\$ 340.00	\$ 340.00	\$ 7.00	\$ 595.00	\$ 595.00	
5	Prime Coat (MC-10)	Gal	604	\$ 5.00	\$ 3,020.00	\$ 1.60	\$ 974.40	\$ 974.40	\$ 5.00	\$ 3,020.00	\$ 3,020.00	\$ 6.00	\$ 3,624.00	\$ 3,624.00	\$ 5.00	\$ 3,020.00	\$ 3,020.00	
6	Cement	Ton	59	\$ 185.00	\$ 9,735.00	\$ 180.00	\$ 10,620.00	\$ 10,620.00	\$ 149.00	\$ 8,764.00	\$ 8,764.00	\$ 250.00	\$ 14,750.00	\$ 14,750.00	\$ 160.00	\$ 9,480.00	\$ 9,480.00	
7	Concrete Residential Driveways	S.Y.	686	\$ 95.00	\$ 64,730.00	\$ 49.00	\$ 33,614.00	\$ 33,614.00	\$ 64.00	\$ 43,840.00	\$ 43,840.00	\$ 55.00	\$ 37,810.00	\$ 37,810.00	\$ 64.00	\$ 64,730.00	\$ 64,730.00	
8	Concrete Curb and Gutter (Type II)	L.F.	637	\$ 10.00	\$ 6,370.00	\$ 19.25	\$ 12,361.25	\$ 12,361.25	\$ 13.00	\$ 8,281.00	\$ 8,281.00	\$ 20.00	\$ 12,740.00	\$ 12,740.00	\$ 11.00	\$ 7,007.00	\$ 7,007.00	
9	Concrete Sidewalk	L.F.	1234	\$ 36.00	\$ 44,424.00	\$ 12.75	\$ 15,802.50	\$ 15,802.50	\$ 13.25	\$ 16,338.00	\$ 16,338.00	\$ 20.00	\$ 24,680.00	\$ 24,680.00	\$ 20.00	\$ 24,680.00	\$ 24,680.00	
10	Stamped Concrete Decal	S.Y.	190	\$ 49.00	\$ 9,310.00	\$ 45.00	\$ 8,550.00	\$ 8,550.00	\$ 41.00	\$ 7,791.00	\$ 7,791.00	\$ 40.00	\$ 7,600.00	\$ 7,600.00	\$ 50.00	\$ 9,500.00	\$ 9,500.00	
11	Stamped Concrete Decal	Pa	15	\$ 250.00	\$ 3,750.00	\$ 40.00	\$ 600.00	\$ 600.00	\$ 120.00	\$ 1,800.00	\$ 1,800.00	\$ 200.00	\$ 3,000.00	\$ 3,000.00	\$ 275.00	\$ 4,125.00	\$ 4,125.00	
12	Clearing, Grubbing, Demolition and Removal of Existing Roadways and Driveways	L.S.	1	\$ 12,000.00	\$ 12,000.00	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	
13	Finishing Slopes and Revegetate	L.S.	1	\$ 6,000.00	\$ 6,000.00	\$ 3,160.00	\$ 3,160.00	\$ 3,160.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
14	Saw Cutting Existing Asphalt	L.F.	531	\$ 4.00	\$ 2,124.00	\$ 1.50	\$ 796.50	\$ 796.50	\$ 1.25	\$ 663.75	\$ 663.75	\$ 7.00	\$ 3,717.00	\$ 3,717.00	\$ 4.00	\$ 2,124.00	\$ 2,124.00	
15	Saw Cutting Existing Concrete	L.F.	524	\$ 4.00	\$ 2,096.00	\$ 2.00	\$ 1,048.00	\$ 1,048.00	\$ 1.50	\$ 786.00	\$ 786.00	\$ 7.00	\$ 3,668.00	\$ 3,668.00	\$ 5.00	\$ 2,618.00	\$ 2,618.00	
16	Relocate Small Sign	Pa	1	\$ 250.00	\$ 250.00	\$ 119.00	\$ 119.00	\$ 119.00	\$ 80.00	\$ 80.00	\$ 80.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 200.00	\$ 200.00	\$ 200.00	
17	Remove Existing Sign	Pa	2	\$ 100.00	\$ 200.00	\$ 50.00	\$ 114.00	\$ 114.00	\$ 2.00	\$ 4.00	\$ 4.00	\$ 100.00	\$ 200.00	\$ 200.00	\$ 750.00	\$ 1,500.00	\$ 1,500.00	
18	Mobilization and Storage	L.S.	1	\$ 10,000.00	\$ 10,000.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00	
				VINUS LANE TOTAL			VINUS LANE TOTAL			VINUS LANE TOTAL			VINUS LANE TOTAL			VINUS LANE TOTAL		
				\$ 215,461.25			\$ 188,063.68			\$ 190,579.06			\$ 225,804.30			\$ 249,593.50		
LANTANA STREET																		
1	2" Thick H.M.A.C. Type D	S.Y.	3000	\$ 14.00	\$ 42,000.00	\$ 10.75	\$ 32,250.00	\$ 32,250.00	\$ 12.99	\$ 39,970.80	\$ 39,970.80	\$ 12.00	\$ 36,000.00	\$ 36,000.00	\$ 13.00	\$ 39,000.00	\$ 39,000.00	
2	6" Crushed Limestone Base	S.Y.	3000	\$ 12.00	\$ 36,000.00	\$ 9.20	\$ 27,600.00	\$ 27,600.00	\$ 12.75	\$ 38,250.00	\$ 38,250.00	\$ 11.70	\$ 35,100.00	\$ 35,100.00	\$ 14.00	\$ 42,000.00	\$ 42,000.00	
3	8" Cement Stabilized Subgrade	S.Y.	3638	\$ 5.00	\$ 18,190.00	\$ 1.90	\$ 6,917.20	\$ 6,917.20	\$ 3.25	\$ 11,823.50	\$ 11,823.50	\$ 5.00	\$ 18,190.00	\$ 18,190.00	\$ 5.50	\$ 20,009.00	\$ 20,009.00	
4	Prime Coat (MC-10)	Gal	600	\$ 5.00	\$ 3,000.00	\$ 1.60	\$ 960.00	\$ 960.00	\$ 5.00	\$ 3,000.00	\$ 3,000.00	\$ 6.00	\$ 3,600.00	\$ 3,600.00	\$ 5.00	\$ 3,000.00	\$ 3,000.00	
5	Cement	Ton	59	\$ 185.00	\$ 9,735.00	\$ 180.00	\$ 10,620.00	\$ 10,620.00	\$ 149.00	\$ 8,764.00	\$ 8,764.00	\$ 250.00	\$ 14,750.00	\$ 14,750.00	\$ 160.00	\$ 9,480.00	\$ 9,480.00	
6	Concrete Residential Driveways	S.Y.	1085	\$ 95.00	\$ 102,975.00	\$ 49.00	\$ 53,165.00	\$ 53,165.00	\$ 64.00	\$ 69,396.00	\$ 69,396.00	\$ 55.00	\$ 59,525.00	\$ 59,525.00	\$ 64.00	\$ 102,975.00	\$ 102,975.00	
7	Concrete Valley Gutter	L.F.	1206	\$ 10.00	\$ 12,060.00	\$ 19.25	\$ 23,211.50	\$ 23,211.50	\$ 13.00	\$ 15,678.00	\$ 15,678.00	\$ 20.00	\$ 24,120.00	\$ 24,120.00	\$ 11.00	\$ 13,266.00	\$ 13,266.00	
8	Concrete Curb and Gutter (Type II)	L.F.	708	\$ 10.00	\$ 7,080.00	\$ 12.75	\$ 9,030.00	\$ 9,030.00	\$ 13.25	\$ 9,381.00	\$ 9,381.00	\$ 20.00	\$ 14,160.00	\$ 14,160.00	\$ 20.00	\$ 14,160.00	\$ 14,160.00	
9	Concrete Sidewalk	S.Y.	308	\$ 45.00	\$ 13,860.00	\$ 15.00	\$ 4,620.00	\$ 4,620.00	\$ 11.00	\$ 3,387.00	\$ 3,387.00	\$ 40.00	\$ 12,320.00	\$ 12,320.00	\$ 40.00	\$ 12,320.00	\$ 12,320.00	
10	Stamped Concrete Decal	Pa	15	\$ 250.00	\$ 3,750.00	\$ 40.00	\$ 600.00	\$ 600.00	\$ 120.00	\$ 1,800.00	\$ 1,800.00	\$ 200.00	\$ 3,000.00	\$ 3,000.00	\$ 275.00	\$ 4,125.00	\$ 4,125.00	
11	Adjust Valve & Chassis	Ta	2	\$ 250.00	\$ 500.00	\$ 135.00	\$ 270.00	\$ 270.00	\$ 150.00	\$ 300.00	\$ 300.00	\$ 245.00	\$ 490.00	\$ 490.00	\$ 400.00	\$ 800.00	\$ 800.00	
12	Clearing, Grubbing, Demolition and Removal of Existing Roadways and Driveways	L.S.	1	\$ 12,000.00	\$ 12,000.00	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	
13	Finishing Slopes and Revegetate	L.S.	1	\$ 6,000.00	\$ 6,000.00	\$ 3,160.00	\$ 3,160.00	\$ 3,160.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
14	Saw Cutting Existing Asphalt	L.F.	190	\$ 4.00	\$ 760.00	\$ 1.50	\$ 285.00	\$ 285.00	\$ 1.25	\$ 237.50	\$ 237.50	\$ 7.00	\$ 1,330.00	\$ 1,330.00	\$ 4.00	\$ 760.00	\$ 760.00	
15	Saw Cutting Existing Concrete	L.F.	795	\$ 4.00	\$ 3,180.00	\$ 2.00	\$ 1,590.00	\$ 1,590.00	\$ 1.50	\$ 1,192.50	\$ 1,192.50	\$ 7.00	\$ 5,565.00	\$ 5,565.00	\$ 5.00	\$ 3,975.00	\$ 3,975.00	
16	Remove Existing Sign	Pa	4	\$ 100.00	\$ 400.00	\$ 50.00	\$ 234.00	\$ 234.00	\$ 2.00	\$ 8.00	\$ 8.00	\$ 100.00	\$ 400.00	\$ 400.00	\$ 100.00	\$ 400.00	\$ 400.00	
17	Mobilization and Storage	L.S.	1	\$ 10,000.00	\$ 10,000.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00	
				LANTANA STREET TOTAL			LANTANA STREET TOTAL			LANTANA STREET TOTAL			LANTANA STREET TOTAL			LANTANA STREET TOTAL		
				\$ 238,824.00			\$ 216,972.70			\$ 221,770.00			\$ 246,360.00			\$ 266,425.00		
ATOL STREET																		
1	2" Thick H.M.A.C. Type D	S.Y.	4017	\$ 14.00	\$ 56,238.00	\$ 10.75	\$ 43,127.25	\$ 43,127.25	\$ 12.99	\$ 52,190.88	\$ 52,190.88	\$ 12.00	\$ 48,204.00	\$ 48,204.00	\$ 13.00	\$ 52,221.00	\$ 52,221.00	
2	6" Crushed Limestone Base	S.Y.	4017	\$ 12.00	\$ 48,204.00	\$ 9.20	\$ 37,155.60	\$ 37,155.60	\$ 12.75	\$ 51,166.25	\$ 51,166.25	\$ 11.70	\$ 47,198.80	\$ 47,198.80	\$ 14.00	\$ 56,238.00	\$ 56,238.00	
3	8" Cement Stabilized Subgrade	S.Y.	3664	\$ 5.00	\$ 18,320.00	\$ 1.90	\$ 6,961.60	\$ 6,961.60	\$ 3.25	\$ 11,908.00	\$ 11,908.00	\$ 5.00	\$ 18,320.00	\$ 18,320.00	\$ 5.50	\$ 20,152.00	\$ 20,152.00	
4	Prime Coat (MC-10)	Gal	604	\$ 5.00	\$ 3,020.00	\$ 1.60	\$ 974.40	\$ 974.40	\$ 5.00	\$ 3,020.00	\$ 3,020.00	\$ 6.00	\$ 3,624.00	\$ 3,624.00	\$ 5.00	\$ 3,020.00	\$ 3,020.00	
5	Cement	Ton	59	\$ 185.00	\$ 9,735.00	\$ 180.00	\$ 10,620.00	\$ 10,620.00	\$ 149.00	\$ 8,764.00	\$ 8,764.00	\$ 250.00	\$ 14,750.00	\$ 14,750.00	\$ 160.00	\$ 9,480.00	\$ 9,480.00	
6	Concrete Residential Driveways																	

CITY: South Padre Island



BID TABS COMPARISON

SUNNY 827	DESCRIPTION	ENGINEER OFFICE		HEM CONSTRUCTION, INC.		G&P PAVING LLC		HIGH SITE AND CONCRETE, LLC		FORNOST PAVING, INC.	
		U.S.	I	U.S.	I	U.S.	I	U.S.	I	U.S.	I
1	Cleaning, Grubbing, Patching and Removal of Existing Roadway and Driveways	12,000.00	21,984.00	20,800.00	49,330.00	28,300.00	12,500.00	12,000.00	20,000.00	20,000.00	20,000.00
2	8" Crushed Limestone Base	6,000.00	18,672.00	2,400.00	3,200.00	2,000.00	2,000.00	6,000.00	6,000.00	6,000.00	6,000.00
3	8" Cement Stabilized Subgrade	4,000.00	9,256.00	1,600.00	3,500.00	1,200.00	1,200.00	4,000.00	4,000.00	4,000.00	4,000.00
4	Prime Coat (MC-80)	5,000.00	1,584.00	1,400.00	1,232.00	1,100.00	1,100.00	5,000.00	5,000.00	5,000.00	5,000.00
5	Cement	165,000.00	4,896.00	180,000.00	5,400.00	160,000.00	4,200.00	250,000.00	250,000.00	250,000.00	250,000.00
6	Concrete Residential Driveways	65,000.00	12,464.00	49,000.00	13,573.00	33,000.00	15,868.00	45,000.00	45,000.00	45,000.00	45,000.00
7	Concrete Valley Curb	30,000.00	6,096.00	19,000.00	7,888.25	13,000.00	4,951.00	20,000.00	20,000.00	20,000.00	20,000.00
8	Concrete Curb and Gutter (Type II)	30,000.00	6,096.00	19,000.00	7,888.25	13,000.00	4,951.00	20,000.00	20,000.00	20,000.00	20,000.00
9	Concrete Slabwalk	24,000.00	4,800.00	15,000.00	3,600.00	12,000.00	2,400.00	20,000.00	20,000.00	20,000.00	20,000.00
10	Stamped Concrete Deck	65,000.00	12,464.00	49,000.00	13,573.00	33,000.00	15,868.00	45,000.00	45,000.00	45,000.00	45,000.00
11	Stamping Concrete Detail	2,000.00	400.00	1,000.00	200.00	800.00	160.00	2,000.00	2,000.00	2,000.00	2,000.00
12	Aluminum Fender & Channel	3,000.00	1,200.00	1,200.00	480.00	900.00	360.00	3,000.00	3,000.00	3,000.00	3,000.00
13	Aluminum Fender & Channel	2,000.00	800.00	800.00	320.00	600.00	240.00	2,000.00	2,000.00	2,000.00	2,000.00
14	Cleaning, Grubbing, Demolition and Removal of Existing Roadway and Driveways	8,000.00	18,672.00	3,200.00	4,000.00	2,800.00	2,800.00	8,000.00	8,000.00	8,000.00	8,000.00
15	8" Crushed Limestone Base	4,000.00	11,520.00	1,600.00	2,000.00	1,400.00	1,400.00	4,000.00	4,000.00	4,000.00	4,000.00
16	8" Cement Stabilized Subgrade	4,000.00	9,256.00	1,600.00	3,500.00	1,200.00	1,200.00	4,000.00	4,000.00	4,000.00	4,000.00
17	Prime Coat (MC-80)	5,000.00	1,584.00	1,400.00	1,232.00	1,100.00	1,100.00	5,000.00	5,000.00	5,000.00	5,000.00
18	Cement	165,000.00	4,896.00	180,000.00	5,400.00	160,000.00	4,200.00	250,000.00	250,000.00	250,000.00	250,000.00
19	Concrete Residential Driveways	65,000.00	12,464.00	49,000.00	13,573.00	33,000.00	15,868.00	45,000.00	45,000.00	45,000.00	45,000.00
20	Concrete Valley Curb	30,000.00	6,096.00	19,000.00	7,888.25	13,000.00	4,951.00	20,000.00	20,000.00	20,000.00	20,000.00
21	Concrete Curb and Gutter (Type II)	30,000.00	6,096.00	19,000.00	7,888.25	13,000.00	4,951.00	20,000.00	20,000.00	20,000.00	20,000.00
22	Concrete Slabwalk	24,000.00	4,800.00	15,000.00	3,600.00	12,000.00	2,400.00	20,000.00	20,000.00	20,000.00	20,000.00
23	Stamped Concrete Deck	65,000.00	12,464.00	49,000.00	13,573.00	33,000.00	15,868.00	45,000.00	45,000.00	45,000.00	45,000.00
24	Stamping Concrete Detail	2,000.00	400.00	1,000.00	200.00	800.00	160.00	2,000.00	2,000.00	2,000.00	2,000.00
25	Aluminum Fender & Channel	3,000.00	1,200.00	1,200.00	480.00	900.00	360.00	3,000.00	3,000.00	3,000.00	3,000.00
26	Aluminum Fender & Channel	2,000.00	800.00	800.00	320.00	600.00	240.00	2,000.00	2,000.00	2,000.00	2,000.00
27	Cleaning, Grubbing, Demolition and Removal of Existing Roadway and Driveways	5,000.00	11,520.00	2,000.00	2,500.00	1,800.00	1,800.00	5,000.00	5,000.00	5,000.00	5,000.00
28	8" Crushed Limestone Base	2,000.00	5,760.00	800.00	1,000.00	600.00	600.00	2,000.00	2,000.00	2,000.00	2,000.00
29	8" Cement Stabilized Subgrade	2,000.00	5,760.00	800.00	1,000.00	600.00	600.00	2,000.00	2,000.00	2,000.00	2,000.00
30	Prime Coat (MC-80)	2,000.00	614.40	600.00	518.40	500.00	500.00	2,000.00	2,000.00	2,000.00	2,000.00
31	Cement	65,000.00	1,920.00	60,000.00	1,800.00	55,000.00	1,650.00	70,000.00	70,000.00	70,000.00	70,000.00
32	Concrete Residential Driveways	25,000.00	5,232.00	19,000.00	6,168.00	14,000.00	5,600.00	25,000.00	25,000.00	25,000.00	25,000.00
33	Concrete Valley Curb	10,000.00	2,038.40	6,000.00	7,888.25	4,000.00	1,951.00	10,000.00	10,000.00	10,000.00	10,000.00
34	Concrete Curb and Gutter (Type II)	10,000.00	2,038.40	6,000.00	7,888.25	4,000.00	1,951.00	10,000.00	10,000.00	10,000.00	10,000.00
35	Concrete Slabwalk	8,000.00	1,616.00	5,000.00	3,600.00	4,000.00	800.00	8,000.00	8,000.00	8,000.00	8,000.00
36	Stamped Concrete Deck	25,000.00	5,232.00	19,000.00	6,168.00	14,000.00	5,600.00	25,000.00	25,000.00	25,000.00	25,000.00
37	Stamping Concrete Detail	2,000.00	400.00	1,000.00	200.00	800.00	160.00	2,000.00	2,000.00	2,000.00	2,000.00
38	Aluminum Fender & Channel	3,000.00	1,200.00	1,200.00	480.00	900.00	360.00	3,000.00	3,000.00	3,000.00	3,000.00
39	Aluminum Fender & Channel	2,000.00	800.00	800.00	320.00	600.00	240.00	2,000.00	2,000.00	2,000.00	2,000.00
40	Cleaning, Grubbing, Demolition and Removal of Existing Roadway and Driveways	5,000.00	11,520.00	2,000.00	2,500.00	1,800.00	1,800.00	5,000.00	5,000.00	5,000.00	5,000.00
41	8" Crushed Limestone Base	2,000.00	5,760.00	800.00	1,000.00	600.00	600.00	2,000.00	2,000.00	2,000.00	2,000.00
42	8" Cement Stabilized Subgrade	2,000.00	5,760.00	800.00	1,000.00	600.00	600.00	2,000.00	2,000.00	2,000.00	2,000.00
43	Prime Coat (MC-80)	2,000.00	614.40	600.00	518.40	500.00	500.00	2,000.00	2,000.00	2,000.00	2,000.00
44	Cement	65,000.00	1,920.00	60,000.00	1,800.00	55,000.00	1,650.00	70,000.00	70,000.00	70,000.00	70,000.00
45	Concrete Residential Driveways	25,000.00	5,232.00	19,000.00	6,168.00	14,000.00	5,600.00	25,000.00	25,000.00	25,000.00	25,000.00
46	Concrete Valley Curb	10,000.00	2,038.40	6,000.00	7,888.25	4,000.00	1,951.00	10,000.00	10,000.00	10,000.00	10,000.00
47	Concrete Curb and Gutter (Type II)	10,000.00	2,038.40	6,000.00	7,888.25	4,000.00	1,951.00	10,000.00	10,000.00	10,000.00	10,000.00
48	Concrete Slabwalk	8,000.00	1,616.00	5,000.00	3,600.00	4,000.00	800.00	8,000.00	8,000.00	8,000.00	8,000.00
49	Stamped Concrete Deck	25,000.00	5,232.00	19,000.00	6,168.00	14,000.00	5,600.00	25,000.00	25,000.00	25,000.00	25,000.00
50	Stamping Concrete Detail	2,000.00	400.00	1,000.00	200.00	800.00	160.00	2,000.00	2,000.00	2,000.00	2,000.00
51	Aluminum Fender & Channel	3,000.00	1,200.00	1,200.00	480.00	900.00	360.00	3,000.00	3,000.00	3,000.00	3,000.00
52	Aluminum Fender & Channel	2,000.00	800.00	800.00	320.00	600.00	240.00	2,000.00	2,000.00	2,000.00	2,000.00
53	Cleaning, Grubbing, Demolition and Removal of Existing Roadway and Driveways	5,000.00	11,520.00	2,000.00	2,500.00	1,800.00	1,800.00	5,000.00	5,000.00	5,000.00	5,000.00
54	8" Crushed Limestone Base	2,000.00	5,760.00	800.00	1,000.00	600.00	600.00	2,000.00	2,000.00	2,000.00	2,000.00
55	8" Cement Stabilized Subgrade	2,000.00	5,760.00	800.00	1,000.00	600.00	600.00	2,000.00	2,000.00	2,000.00	2,000.00
56	Prime Coat (MC-80)	2,000.00	614.40	600.00	518.40	500.00	500.00	2,000.00	2,000.00	2,000.00	2,000.00
57	Cement	65,000.00	1,920.00	60,000.00	1,800.00	55,000.00	1,650.00	70,000.00	70,000.00	70,000.00	70,000.00
58	Concrete Residential Driveways	25,000.00	5,232.00	19,000.00	6,168.00	14,000.00	5,600.00	25,000.00	25,000.00	25,000.00	25,000.00
59	Concrete Valley Curb	10,000.00	2,038.40	6,000.00	7,888.25	4,000.00	1,951.00	10,000.00	10,000.00	10,000.00	10,000.00
60	Concrete Curb and Gutter (Type II)	10,000.00	2,038.40	6,000.00	7,888.25	4,000.00	1,951.00	10,000.00	10,000.00	10,000.00	10,000.00
61	Concrete Slabwalk	8,000.00	1,616.00	5,000.00	3,600.00	4,000.00	800.00	8,000.00	8,000.00	8,000.00	8,000.00
62	Stamped Concrete Deck	25,000.00	5,232.00	19,000.00	6,168.00	14,000.00	5,600.00	25,000.00	25,000.00	25,000.00	25,000.00
63	Stamping Concrete Detail	2,000.00	400.00	1,000.00	200.00	800.00	160.00	2,000.00	2,000.00	2,000.00	2,000.00
64	Aluminum Fender & Channel	3,000.00	1,200.00	1,200.00	480.00	900.00	360.00	3,000.00	3,000.00	3,000.00	3,000.00
65	Aluminum Fender & Channel	2,000.00	800.00	800.00	320.00	600.00	240.00	2,000.00	2,000.00	2,000.00	2,000.00
66	Cleaning, Grubbing, Demolition and Removal of Existing Roadway and Driveways	5,000.00	11,520.00	2,000.00	2,500.00	1,800.00	1,800.00	5,000.00	5,000.00	5,000.00	5,000.00
67	8" Crushed Limestone Base	2,000.00	5,760.00	800.00	1,000.00	600.00	600.00	2,000.00	2,000.00	2,000.00	2,000.00
68	8" Cement Stabilized Subgrade	2,000.00	5,760.00	800.00	1,000.00	600.00	600.00	2,000.00	2,000.00	2,000.00	2,000.00
69	Prime Coat (MC-80)	2,000.00	614.40	600.00	518.40	500.00	500.00	2,000.00	2,000.00	2,000.00	2,000.00
70	Cement	65,000.00	1,920.00	60,000.00	1,800.00	55,000.00	1,650.00	70,000.00	70,000.00	70,000.00	70,000.00
71	Concrete Residential Driveways	25,000.00	5,232.00	19,000.00	6,168.00	14,000.00	5,600.00	25,000.00	25,000.00	25,000.00	25,000.00
72	Concrete Valley Curb	10,000.00	2,038.40	6,000.0							

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

MEETING DATE: March 7, 2018

NAME & TITLE: Keith Arnold, CVB Director

DEPARTMENT: Convention and Visitors Bureau

ITEM

Discussion and action to approve Visa Vue Travel (VVT) Subscription agreement in the amount of \$43,500 and approve budget amendment for the same amount from CVB excess reserves.

ITEM BACKGROUND

Stand-alone Visa Vue Travel (VVT) Subscription Price = International (\$17,500) and Domestic (\$26,000) packages for a total of \$43,500. VVT will provide the SPI tourism industry with unique insights into the spending and behavior of international and domestic visitors. This system offers powerful reporting packages and customized geography definitions that map our destination footprint.

BUDGET/FINANCIAL SUMMARY

Increase line item 02-594-0530 by \$43,500.
The current level of CVB excess reserves is approximately \$2.7 million

COMPREHENSIVE PLAN GOAL

Chapter VI, Goal 2, Policy 2.1.1, Strategy 2.1.1.2: The City shall establish marketing strategies to make the City a highly competitive destination for regional, national, and international visitors.

LEGAL REVIEW

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

RECOMMENDATIONS/COMMENTS

Approve Visa Vue Travel Subscription and budget amendment.

**VisaVue Travel Reporting Service Subscription Agreement
(Single Subscriber 2018)**

THIS SUBSCRIPTION AGREEMENT is by and between Visa U.S.A. Inc., a Delaware corporation ("Visa"), having its mailing address at P.O. Box 8999, San Francisco, California, 94128, (phone: 650-432-3200; fax: 650-432-8510); and the City of South Padre Island, a Texas Municipality ("Subscriber"), having an office and its principal place of business at 4601 Padre Blvd, South Padre Island, Texas 78597 (phone: 956-761-6456)

WITNESSETH:

WHEREAS, Visa is offering to Subscriber, a proprietary VisaVue Travel Reporting Service that compiles aggregate depersonalized Visa cardholder transaction data for selected market segments of international visitors to or domestic travelers within the United States, to generate state and regional reports (the "Service"); and

WHEREAS, Subscriber desires to subscribe to the Service for its own use to review and analyze this aggregate depersonalized Visa cardholder transaction data for international visitors to or domestic travelers within the United States, including cardholder count, transaction count, aggregate United States dollar transaction amount and average ticket count, on the terms and conditions set forth in this Agreement (as defined in Section 2(a)).

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises hereinafter set forth, it is agreed:

1. DESCRIPTION AND LIMITATIONS ON USE.

(a) Visa will provide Subscriber with a subscription to the reports containing Service data set forth in Exhibit A hereto ("VisaVue Travel Reports") for Subscriber's own use. Subscriber will select the VisaVue Travel Reports it requests for itself by completing the Master Subscription and Pricing Form set forth in Exhibit B hereto. Subscriber will pay Visa for the Service in accordance with the pricing terms and conditions set forth in such Exhibit B. Subscriber agrees that Visa may adjust the pricing of the Service for any Renewal Term (as defined in Section 5).

(b) Subscriber understands and agrees that the Service is provided solely for Subscriber's use in developing its marketing strategies and plans with respect to travel and tourism activities within the Subscriber's State solely for use in developing their own travel and tourism marketing strategies and plans.

(c) Subscriber agrees with respect to its own use of the Service:

(i) (A) not to disclose Service data to any third parties, including but not limited to partners, vendors or other payment card systems, even if Service data is aggregated or combined with other source data for analytical purposes, and (B) to retain the VisaVue Travel Reports it purchases for its own use in its possession at all times;

provided, however, that Subscriber may use its own statistical conclusions drawn from Service data in Subscriber's advertising, press releases or other marketing efforts so long as the following conditions are satisfied:

(1) each Subscriber conclusion or claim drawn from Service data is true, correct and not misleading;

(2) each Subscriber conclusion or claim specifically identifies Visa as a source of the data on which the conclusions are based with the following attribution footnote: "[Subscriber's] estimate is based on and extrapolated from aggregate card usage data provided by VisaVue® *Travel* for the period of [insert applicable time period] and incorporates data from other independent research sources.";

(3) Subscriber presents its conclusions, claims and modified Service data for distribution to third parties in any one or more of the approved Information Distribution Templates and in accordance with the guidelines all as set forth in Exhibit E hereto; and

(4) Service data is not specifically referenced in such advertising, press releases or other marketing efforts, except as required by applicable law for claims substantiation.

(ii) not to attempt to disaggregate Service data in an attempt to determine the performance or behaviors of any individual cardholder or specific Subscriber competitor.

(iii) to obtain in advance of any engagement the agreement in writing of any third party vendor engaged by Subscriber for data aggregation or analysis purposes that (A) such vendor's processes will not permit the results of such aggregation, analysis or other vendor service to be accessed in any manner that would reveal or otherwise identify the Service data; (B) such vendor will not retain, transfer or otherwise disclose the Service data in any manner or through any medium, and (C) such vendor will destroy or return to Subscriber all Service data upon completion of any specific task included as part of the service provided to Subscriber by such vendor.

(iv) that Service data is provided by Visa on an "as is" basis without any warranties of any kind, express or implied, including, without limitation, the implied warranties of merchantability, fitness for a particular purpose, and/or non-infringement. The Service data is a sample set of aggregated depersonalized Visa cardholder transaction data for selected market segments across Visa's Visanet global transaction processing network and Visa makes no warranties (A) as to the accuracy of the data, (B) that the Service data reflects Visa cardholder spending patterns for relevant market segments taken as a whole, or (C) as to the validity of the statistical approaches used in Visa's data aggregation.

(v) that the Service does not link individual cardholders, households or account numbers to any individual transaction or group of transactions.

(d) Subscriber hereby grants Visa, without attribution or cost, all rights necessary for Visa to use any and all suggestions or ideas generated by Subscriber personnel for improvement of the Service and to implement any such suggestions or ideas in future versions of the Service, or any other service, as it is made available to Subscriber and/or to any other party.

(c) Visa expressly reserves the right to terminate this Agreement immediately if Visa determines, in its sole discretion, that misuse of the Service has occurred in breach of this Agreement.

(f) Visa will use commercially reasonable efforts to deliver the VisaVue Travel Reports on schedule, provided, however, that Visa shall not be liable to Subscriber for any damages caused by late or misdelivered VisaVue Travel Reports. Subscriber's sole remedy for late or mis-delivered VisaVue Travel Reports will be Visa's delivery of the current VisaVue Travel Report as soon as is reasonably practical after Visa learns of any such late or mis-delivered VisaVue Travel Report.

(g) Visa reserves the right to change the content, format, medium, access requirements and/or form of delivery of the Service at any time. Visa will make a reasonable effort to notify Subscriber in writing of any anticipated change to the Service that may reasonably have a material adverse effect on the Service.

2. INDEMNIFICATION.

(a) Where permitted by applicable law, Subscriber shall, at its sole expense, indemnify, defend and hold Visa and its directors, officers, employees, agents and affiliates (collectively, "Indemnified Visa Parties") harmless from and against all claims, suits, actions, damages, settlements, losses, liabilities, costs and expenses, including without limitation reasonable attorneys' fees, arising out of or in connection with: (a) a breach of this Agreement by Subscriber and/or any of its personnel; (b) the negligence or intentional misconduct of Subscriber and/or any of its personnel; (c) a breach by Subscriber of its obligations under the Secondary Subscriber Agreement.

(b) Subscriber agrees that, due to the unique nature of Confidential Information (as defined in Section 6), the unauthorized disclosure or use of Confidential Information will cause irreparable harm and significant injury to the Visa Indemnified Parties, the extent of which will be difficult to ascertain and for which there will be no adequate remedy at law. Accordingly, Subscriber agrees that Visa, in addition to any other available remedies, shall have the right to an immediate injunction and other equitable relief enjoining any breach or threatened breach of this Agreement by Subscriber, without the necessity of posting any bond or other security. Subscriber shall notify Visa in writing immediately upon Subscriber's becoming aware of any such breach or threatened breach.

3. LIMITATION OF LIABILITY.

IN NO EVENT SHALL VISA BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL OR EXEMPLARY DAMAGES ARISING IN CONNECTION WITH THIS AGREEMENT AND/OR ITS SUBJECT MATTER, REGARDLESS OF THE THEORY OF LIABILITY GIVING RISE TO SUCH DAMAGES, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE, AND REGARDLESS OF WHETHER SUCH PARTY WAS ADVISED OR AWARE OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL VISA'S LIABILITY UNDER THIS AGREEMENT EXCEED AN AMOUNT EQUAL TO TWELVE (12) MONTHS OF FEES FOR THE SERVICE PURSUANT TO THIS AGREEMENT.

4. TERM AND TERMINATION.

(a) This Agreement shall (i) become effective as of the date it is fully executed by the parties, (ii) continue in full force and effect until Sep 30, 2018 ("Initial Term") and (iii) automatically renew for additional term(s) of one (1) year ("Renewal Term", together with the Initial Term, the "Term"). Subscriber may Opt Out of this automatic renewal process at the end of each current "Renewal Term by notifying Visa in writing (email accepted) that they do not wish to automatically renew.

(b) Subscriber may terminate this Agreement upon thirty (30) days prior written notice if: (i) Visa breaches this Agreement and fails to cure the breach within such thirty (30) day period; or (ii) Visa modifies or otherwise changes the Service, as permitted in Section 1(g), and Subscriber objects in writing within thirty (30) days of Subscriber's receipt of written notice from Visa of such modification or change.

(c) Visa may terminate this Agreement immediately upon written notice if: (i) Subscriber or a Secondary Subscriber misuses the Service in breach of this Agreement or the Secondary Subscriber Agreement, (ii) a change in applicable law makes termination appropriate in Visa's sole discretion. Visa may terminate this Agreement upon thirty (30) days prior written notice for any reason or no reason.

(d) Visa shall have no obligation to refund to Subscriber any fees paid for the Service, except and solely in the case of termination of this Agreement pursuant to Section 5(b)(ii) or Section 5(c)(ii). All Visa refund obligations pursuant to this Section 5(d) shall be calculated as set forth in Exhibit C.

5. CONFIDENTIALITY, PUBLICITY.

(a) The term "Confidential Information" shall mean: this Agreement and all proprietary information, data, trade secrets, business information and other information of any kind whatsoever which (a) Visa discloses, in writing, orally or visually, to Subscriber, or to which Subscriber has access, in connection with the negotiation and performance of this Agreement, and (b) relates to (i) Visa or any Visa Affiliate (as defined in Section 9), (ii) other customers of Visa or any Visa Affiliate, or (iii) third-party vendors or licensors who have made confidential or proprietary information available to Visa.

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(b) Subscriber hereby agrees on behalf of itself and its representatives and subcontractors, that Confidential Information will not be disclosed or made available to any person for any reason whatsoever, other than on a “need to know basis” and then only to: (a) its representatives; (b) subcontractors and other third-parties specifically permitted under this Agreement, provided that all such persons are subject to a confidentiality agreement which shall be no less restrictive than the provisions of this Section 6; (c) employees with a need to know who are obligated to hold such information confidential, and (d) as required by law or as otherwise permitted by this Agreement, either during the term or after the termination of this Agreement. Prior to any disclosure of Confidential Information as required by law, Subscriber shall (i) notify Visa of any actual or threatened legal compulsion of disclosure, and any actual legal obligation of disclosure immediately upon becoming so obligated, and (ii) cooperate with Visa’s reasonable, lawful efforts to resist, limit or delay disclosure.

(c) The obligations of confidentiality in this Section 6 shall not apply to any information which Subscriber rightfully has in its possession when disclosed to it by Visa, information which Subscriber independently develops, information which is or becomes known to the public other than by breach of this Section 6 or information rightfully received by Subscriber from a third party without the obligation of confidentiality.

(d) All media releases, public announcements and public disclosures by either party, or their representatives, relating to this Agreement or the name or logo of Subscriber or Visa, including, without limitation, promotional or marketing material, but not including any disclosure required by legal, accounting or regulatory requirements beyond the reasonable control of the releasing party, shall be coordinated with and approved by the other party in writing prior to the release thereof as provided herein. Each party shall obtain prior written approval from the other parties for any news releases, press advisories and interviews relating to the Service; provided that this restriction shall apply to Visa only to the extent that Subscriber is specifically identified in such disclosure. Each party shall review all submissions and notify the other parties in writing within five (5) business days of its approval, which shall not be unreasonably withheld. Subscriber acknowledges and agrees, subject to approval of copy, that Visa may announce Subscriber’s participation in the Service.

6. CHOICE OF LAW AND FORUM.

This Agreement shall be interpreted according to the internal laws of the State of California, and not its conflict of law provisions. The parties hereby submit to the jurisdiction of the courts in the State of California.

7. NOTICE.

Notice to each party under this Agreement shall be sent to the respective address or facsimile number shown above unless a written change of address or facsimile number is received by the notifying party. If notice is sent to an address, it shall be deemed validly sent upon deposit via registered mail or via an express courier service, and shall be deemed received five (5) days after the date of such deposit. If notice is sent by facsimile, it shall be deemed

validly sent upon the sending facsimile machine's confirmation that the transmission was completed, and shall be deemed received one (1) day after the date of such confirmation.

8. MISCELLANEOUS.

Except as expressly indicated herein, this Agreement and its attached Exhibits, which are incorporated herein by reference, and the Secondary Subscriber Agreement represent the entire agreement between the parties relating to the subject matter hereof. In the event of a conflict between the terms of this Agreement and the terms of the Secondary Subscriber Agreement, the terms of this Agreement shall control. No modification or waiver of this Agreement or the Exhibits hereto shall be binding unless it is in writing and signed by both parties. If a court of competent jurisdiction finds any provision of this Agreement invalid, illegal or unenforceable, the parties shall omit it from the Agreement to the extent required. The remaining terms shall remain in full force and effect. Each party agrees that it will not assign, sell, transfer, delegate, or otherwise dispose of, whether voluntarily or involuntarily, any right or obligation under this Agreement, without the consent of the other party, which consent shall not unreasonably withheld; provided that Visa may assign this Agreement to any a subsidiary, parent, joint venture, partner, or any other entity which, in whole or in part, is owned by, owns, or has a common owner with Visa, Visa Inc., Visa International Service Association, Visa Canada Inc. or Inovant LLC (each a "Visa Affiliate"). Subject to the foregoing limits on assignment and delegation, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. Sections 1, 3, 4, 6, 7, 8 and 9 shall survive termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

VISA U.S.A. INC.	_____ ("SUBSCRIBER")
By _____	By _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

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Exhibit A – VisaVue Travel Reporting Service Subscription

Key Terms and Conditions of VisaVue Travel Reporting Service Subscription

Report Delivery: VVT reports are generally distributed within 45 days following the end of each calendar quarter or year. Depending on the report package selected, during the Term, Visa will deliver to VVT Subscriber the selected VisaVue Travel Reports specified on the Master Subscription and Pricing Form as spreadsheet file format via email to the individual or individuals (not to exceed three) designated by VVT Subscriber to Visa in writing as the recipients of the VisaVue Travel Reports

Report Data: The VisaVue Travel Reports will present the aggregate number of cardholders, number of transactions, sales volume, and average ticket amount, as further set forth below. VisaVue Travel Reports will include no personally identifiable cardholder, issuer or merchant information and will not identify individual cardholder, issuer or merchant patterns. “Average Ticket” is a specific data figure and will be reported in the aggregate, as a simple average.

-International Reporting Option-

Enhanced will contain a prior-year summary benchmark report and the most recent twelve (12) months of Service data, segmented by calendar quarter and will contain a breakdown of consumer and business payment cards. Four (4) VisaVue Travel Reports will be provided: Top CVB Overview; DMO Summary by Originating Country; DMO Market Segment Summary by Originating Country and DMO Merchant Category Code (MCC) Summary by Originating Country.

-Domestic USA Reporting Option-

Enhanced - will contain a prior-year summary benchmark report and the most recent twelve (12) months of Service data, segmented Monthly as well as by calendar quarter and will contain a breakdown of consumer and business payment cards. Reports are very similar to International reporting, but are based upon ZIP-defined lists of domestic USA origin rather than the country-level in the International reporting. Summary dashboard graphics containing trend and period-over-period changes are part of package. Four (4) VisaVue Travel Reports will be provided: Top DMO Comparison Overview Report; DMO Summary by Originating US ZIP defined region; DMO Market Segment Summary by Originating US ZIP-defined region and DMO Merchant Category Code (MCC) Summary by Originating US ZIP-Defined region.

Exhibit B – Master Subscription and Pricing Form

VisaVue Travel Reporting Service Subscription Pricing

Report Pricing:

Pricing for VisaVue Travel Reports is set forth below. Concurrent with the execution of this Agreement, on or about Feb of each year Visa will provide the prior year Benchmark reports. This shall constitute a delivery of 50% of the contracted data. Visa will also invoice Subscriber for the annual package price for the VisaVue Travel Reports selected and VVT Subscriber shall pay such amount within thirty (30) days of receipt of such invoice. Upon receipt of payment, Visa will immediately provide the subscription year 1st Q reports, as described in Exhibit A and/or B above and selected in the package pricing below. Visa will then provide the remaining 3 quarters of subscription year data as they become available, delivering each quarter’s data after public release of Visa’s quarterly earnings results (approximately 5-6 weeks after calendar close of each quarter).

Combined International/Domestic Package discount: In addition to internal volume-based discounting for additional reporting definitions, Subscribers who purchase both International and Domestic options will receive an additional discount on Domestic pricing as described below.

Determining Package Pricing:

As part of execution of agreement, VVT Subscriber will complete this section to indicate what type of package they are purchasing, per the attached pricing terms.

2018 VisaVue Travel Pricing			
Select desired State Primary subscription <i>Check/initial Appropriate Column</i>			X
	International Only	Domestic Only	Combined Discounted Total
DMO Primary Subscription*	\$17,500	\$26,000	\$43,500
DMO Secondary Subscriptions*	\$ 2,310	\$ 3,500	\$ 5,060

If South Padre Island elects to purchase additional historical (2015/2016) data, it will be offered at 50% of above rates.

*Primary Subscriptions includes 5 Regions/DMO definitions in total. Secondary price quoted is for a single additional geographic regions defined at the ZIP code level.

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Local Exclusion Options:

Standard VVT Domestic reports for local DMO's include reporting on ALL visitors to a ZIP defined destination geography. If a Client destination is within a standard MSA, it is easy to look at the "home MSA" line in any report to subtract out spending from "local" cardholders. If a customer prefers a more specific ZIP-based exclusion, Visa can optionally run reports using the destination ZIP codes as a filter to eliminate spend from all cardholders identified as residing in "local" ZIP codes. However, it should be noted that this practice may eliminate legitimate local "day-tripper" spending at attractions.

For domestic reports check one:

- Standard -Use MSA in reports to identify/ subtract out "local" spenders (no extra cost)
- Use "home" zipcode list exclusion instead of standard " (no extra cost)**
- Get both Standard and zip code exclusion reports – Add 50% to base pricing

*

** Selection will use the exact same ZIP list as provided to identify destination geography. Any different exclusion list will be priced separately.

Exhibit E – Approved Information Distribution Templates and Guidelines
VisaVue Product Office to Provide

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

MEETING DATE: March 6, 2018
NAME & TITLE: Keith Arnold, CVB Director
DEPARTMENT: Convention and Visitor Bureau

ITEM

Discussion and action to approve GDS Transportation agreement for the Valley International Airport Shuttle Service to/from South Padre Island and authorize the City Manager to execute the agreement.

ITEM BACKGROUND

The City of South Padre Island and GDS Transportation entered into an agreement for shuttle services on November 1, 2017.

BUDGET/FINANCIAL SUMMARY

These expenditures (and revenues from ticket sales) are split between the GDS and the City.

The CVB has budgeted \$90,000 for the 2017/18 fiscal year for the operations of this shuttle service. Line item 02-592-0534.

COMPREHENSIVE PLAN GOAL

Chapter II, Goal 1, Policy 1.1.2, Strategy 1.1.2.2: Expand transit opportunities within the Valley, to and from the Island, to form a network of transit routes, focusing especially on connections with area airports.

LEGAL REVIEW

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

RECOMMENDATIONS/COMMENTS

Approve one year agreement.

CVB VISITOR TRANSPORT AGREEMENT

This CVB VISITORS TRANSPORTATION AGREEMENT ("Agreement") is made as of November 1, 2017 (the "Effective Date"), by and between GDS Transport, LLC, a Texas limited liability company doing business as Platinum Transportation (the "Company"), and the City of South Padre Island, Texas, Convention and Visitors Bureau (the "CVB").

RECITALS

A. The Company's costs have risen, necessitating a rate increase that the CVB does not want charged to the visitors.

B. The CVB has determined that it is in the best interest of the CVB and the City of South Padre Island, Texas, to incentivize the Company to continue to provide services to the Airport, and has agreed to pay the Company its incremental, per-ride cost increase attributable to the shuttle services, in accordance with the terms and conditions of this agreement.

AGREEMENT

In consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Consideration.** In order to assure continued high quality and reliable visitor transportation to and from the Airport the CVB agrees to pay the Company its per-trip incremental cost increase for each passenger, based on the number of passengers per trip, as follows:

	1 passenger	2 passengers	3 or more Passengers
New one-way rate	\$50.00/person	\$45.00/person	\$40.00/person
Less current one-way rate	<u>\$35.00/person</u>	<u>\$35.00/person</u>	<u>\$35.00/person</u>
Per-trip incremental cost increase	<u>\$15.00/person</u>	<u>\$10.00/person</u>	<u>\$5.00/person</u>

2. **Operations.** In addition to the consideration set forth above, the parties agree to the following operational directives:

- a. The Company shall continue to provide services for every arriving flight with "Platinum Transportation" branded vehicles;
- b. The Company will continue to provide service and will modify to meet customer demands during peak seasons.
- c. Payment for shuttle services shall be due from passengers at the time of service;
- d. Reservations from passengers will be accepted, but are not required;
- e. Round trip reservations will be not accepted; round trips require two one-way trips;
- f. Walk-up reservations for transportation to South Padre Island will be accepted until 8:00 PM;
- g. Passengers requiring pick up from South Padre Island must make reservations at least 24 hours in advance; and

h. Maximum wait time for shuttles shall not exceed one hour.

3. **Payment.** The CVB agrees to compensate the Company on a monthly basis as a reimbursement for the per-passenger rates set forth in Section 1 above. Payment shall be due to the Company within thirty (30) days of invoicing.

4. **Books and Records.** The Company shall maintain appropriate and accurate books of account and records relating to transportation services provided, and such books of account and records shall be accessible for inspection by representatives (including the auditors) of the CVB at any time during normal business hours.

5. **Term.** This Agreement shall commence on the Effective Date for a year period. The City of South Padre Island shall have the right and option to renew the term of this contract for two (2) additional one-year periods by given written notice to GDS Transport, LLC.

6. **Notices.** All notices, requests, demands and other communications required or permitted under this Agreement shall be submitted in writing via email to City Manager Susan Guthrie at sguthrie@MySpi.org or by mail at 4601 Padre Blvd., South Padre Island, TX 78597.

7. **Binding Nature of Agreement; Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, personal representatives, successors and assigns as provided in this Agreement.

8. **Entire Agreement.** This Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing.

9. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

10. **Termination Provision.**

1. City Termination for Convenience. Under this paragraph, the City may terminate this Contract during its term at any time for the City's own convenience where the Contractor is not in default by giving written notice to Contractor. If the City terminates this Contract under this paragraph, the City will pay the Contractor for all services rendered in accordance with this Contract to the date of termination.

2. Termination for Default. Either party to this Contract may terminate this Contract as provided in this paragraph if the other party fails to comply with its terms. The party alleging the default shall give the other party written notice of the default citing the terms of the Contract that have been breached and what action the defaulting party must take to cure the default. If the party in default fails to cure the default as specified in the notice, the party giving the notice of default may terminate this Contract by written notice to the other party, specifying the date of termination. Termination of this Contract under this paragraph does not affect the right of either party to seek remedies for breach of the Contract as allowed by law, including any damages or costs suffered by either party. However, this provision is not intended to and does not act as a waiver of the City's sovereign immunity.

11. Liability and Indemnity. Contractor shall indemnify, hold harmless and defend the City, its officers, agents, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, attorneys' fees and any and all other costs or fees (whether resulting from constitutional law, tort, contract, or property law, or raised pursuant to local, state or federal statutory provision), arising out of the performance of the Contract and/or arising out of a willful or negligent act or omission of the Contractor, its officers, agents, and employees. It is understood and agreed that the Contractor and any employee or subcontractor of the Contractor shall not be considered an employee of the City. The Contractor shall not be within the protection or coverage of the City's workers' compensation insurance, health insurance, liability insurance or any other insurance that the City from time to time may have in force and effect. The City specifically reserves the right to reject any and all of Contractor's employees, representatives or subcontractors and/or their employees for any cause, should the presence of any such person on City property or their interaction with City employees be found not to be in the best interest of the City, be found to be harassing to any City employee or third person, or is found to interfere with the effective and efficient operation of the City or the City's workplace.

Before commencing work under this Agreement, Contractor shall obtain and maintain the liability insurance provided for below throughout the term of the Agreement. Contractor shall provide evidence of such insurance to the City. Such documentation shall meet the requirements noted in Exhibit "A". (City's requirements)

Contractor shall maintain the following limits and types of insurance:

Workers Compensation Insurance: Contractor shall carry and maintain during the term of this Agreement, workers compensation and employers liability insurance meeting the requirements of the State of Texas on all the Contractor's employees carrying out the work involved in this contract.

General Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, general liability insurance on a per occurrence basis with limits of liability not less than **\$1,000,000** for each occurrence and for fire damage. For Bodily Injury and Property Damage, coverage shall be no less than **\$1,000,000**. As a minimum, coverage for Premises, Operations, Products and Completed Operations shall be **\$1,000,000**. This coverage shall protect the public or any person from injury or property damages sustained by reason of the Contractor or its employees carrying out the work involved in this Agreement.

Automobile Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, automobile liability insurance with either a combined limit of at least **\$500,000** per occurrence for bodily injury and property damage or split limits of at least **\$250,000** for bodily injury per person per occurrence and **\$250,000** for property damage per occurrence. Coverage shall include all owned, hired, and non-owned motor vehicles used in the performance of this contract by the Contractor or its employees.

Excess/Umbrella Liability Insurance: (as applicable) Contractor shall carry and maintain during the term of this Agreement, excess/umbrella liability insurance. The general aggregate shall be no less than **\$1,000,000**.

Subcontractor: In the case of any work sublet, the Contractor shall require subcontractor and independent contractors working under the direction of either the Contractor or a subcontractor to carry and maintain the same workers compensation and liability insurance required of the Contractor.

Qualifying Insurance: The insurance required by this Agreement shall be written by non-assessable insurance company licensed to do business in the State of Texas and currently rated A or better by the A.M. Best Companies. All policies shall be written on a "per occurrence basis" and not a "claims made" form. City shall be listed as an additional insured.

Evidence of such insurance shall be attached as Exhibit "A".

12. Liens. Contractor agrees to and shall indemnify and hold harmless the City against any and all liens and encumbrances for all labor, goods and services which may be provided under or as a result of this Contract. At the City's request, the Contractor and all subcontractors shall provide a proper release of any and all liens, or satisfactory evidence of freedom from all liens shall be delivered to the City.

13. Confidentiality. Any provision of this Contract that attempts to prevent the City's disclosure of information that is subject to disclosure under federal of Texas law or regulation, court or administrative decision or ruling, regardless of the source is invalid. (Chapter 552, Texas Government Code).

14. Tax Exemption. The City is not liable to Contractor for any federal, state or local taxes for which the City is not liable by law, including state and local sales and use taxes (Section 151.309 and Title 3, Texas Tax Code) and federal excise tax (Subtitle D of the Internal Revenue Code). Accordingly, those taxes may not be added to any item purchased for consumption by the City. Fuel purchased for resale shall include Federal Excise Tax under IRC Section 4081 and Texas Motor Fuel Tax if required under the Texas Tax Code Chapter 162. Texas limited sales tax exemption certificates will be furnished upon request. Contractor shall not charge for said taxes on purchases for consumption by the City. If billed, the City will remit payment less sales tax.

15. Assignment. The Contractor shall not assign this Contract without the prior written consent of the City.

16. Law, Venue and Limitations. This Contract is governed by the laws of the State of Texas and a lawsuit may only be prosecuted on this Contract in a court of competent jurisdiction located in or having jurisdiction in Cameron County, Texas.

17. Entire Contract. This Contract represents the entire Contract between the City and the Contractor and supersedes all prior negotiations, representations, or contracts, either written or oral. This Contract may be amended only by written instrument signed by both parties.

18. Independent Contractor. Contractor shall perform the work under this Contract as an independent contractor and not as an employee of the City. The City has no right to supervise, direct, or control the Contractor or Contractor's officers or employees in the means, method, or details of the work to be performed by Contractor under this Contract. The City and Contractor agree that the work performed under this Contract is not inherently dangerous, that Contractor will perform the work in a workmanlike manner, and that Contractor will take proper care and precautions to insure the safety of Contractor's officers and employees.

19. Dispute Resolution Procedures. The Contractor and City desire an expeditious means to resolve any disputes that may arise between them regarding this Contract. If either party disputes any matter in relation to this Contract, the parties agree to try in good faith, before bringing any legal action, to settle the dispute by submitting the matter to mediation before a third party who will be selected by agreement of the parties. The parties will each pay one-half of the mediator's fees.

20. Severability. If a court finds or rules that any part of this Contract is invalid or unlawful, the remainder of the Contract continues to be binding on the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

GDS TRANSPORT, LLC d/b/a
PLATINUM TRANSPORTATION

By: _____

Name: _____

Title: _____

CITY OF SOUTH PADRE ISLAND, TEXAS
CONVENTION AND VISITORS BUREAU

By: _____

Name: _____

Title: _____

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

MEETING DATE: March 7, 2018
NAME & TITLE: Keith Arnold, CVB Director
DEPARTMENT: Convention & Visitors Bureau

ITEM

Discussion and action to approve agreement with Arrivalist in the amount of \$67,500 and approve budget amendment for the same amount from CVB excess reserves.

ITEM BACKGROUND

Arrivalist technology will measure the marketing effectiveness of all digital advertising for South Padre Island. It will also provide analytics showing traveler behavior to track length of stay, time spent at points of interest within the city and travel and time-to-arrival booking patterns. Year 1: April 1, 2018-September 20,2018 = \$67,500 (\$57,500 prorated base fee plus \$10,000 for points of interest set up fee and 10 points of interest in the city). Year 2: October 1, 2018-September 20, 2019 = \$115,000.

BUDGET/FINANCIAL SUMMARY

Increase line item 02-594-0530 by \$67,500.
The current level of CVB excess reserves is approximately \$2.7 million.

COMPREHENSIVE PLAN GOAL

Chapter VI, Goal 2, Policy 2.1.1, Strategy 2.1.1.2: The City shall establish marketing strategies to make the City a highly competitive destination for regional, national, and international visitors.

LEGAL REVIEW

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

RECOMMENDATIONS/COMMENTS

Approve contract and budget amendment.

Letter of Agreement between Arrivalist and South Padre Island Convention & Visitors Bureau

This letter of agreement ("**Agreement**") is entered into between South Padre Island Convention & Visitors Bureau, a Texas corporation with a principal place of business located at 7355 Padre Boulevard, South Padre Island, Texas 78597 ("**Destination Marketer**"), and Arrivalist Co., a Delaware corporation, with a principal place of business located at P.O. BOX 230199, New York, NY 10023 ("**Arrivalist**"). Arrivalist and Agency may be referred to in this Agreement individually as a "**Party**" or collectively as "**Parties**."

1. Term

The term of this Agreement shall begin April 1, 2018 and end on September 30, 2019 ("**Term**"). Under the term there are two years to this agreement. Year 1 is April 1, 2018 – September 30, 2018. Year 2 is October 1, 2018 – September 30, 2019. Any provision of this Agreement, which contemplates performance or observance subsequent to termination or expiration of the Agreement will survive termination or expiration of this Agreement and continue in full force and effect.

2. Services and Arrivalist Obligations

During the Term, Arrivalist will use its proprietary technology ("**Arrivalist Technology**") to provide to Destination Marketer the following service: a) anonymously monitor the arrival in South Padre Island, ("**Destination**") of Internet users who have been exposed to Destination Marketer's online media on one or more of Internet users' devices (e.g., computer or mobile phone) ("**Monitoring Services**"). Arrivalist will also anonymously measure the arrival of Internet users who have not been exposed to Destination Marketer's online media ("**Visitation Services**") (together with the Monitoring Services, the "**Services**").

The Services will provide Destination Marketer with access to a reporting interface that analyzes which of the Destination Marketer's online media was viewed by Internet users before arriving at Destination and in what order, in what timeframe and from what origin location.

- **Arrivalist Technology.** The Arrivalist Technology, and any and all intellectual property related thereto, shall remain the exclusive property of Arrivalist, and Arrivalist reserves all right, title and interest in the Arrivalist Technology and related intellectual property. To the extent Destination Marketer needs to use the Arrivalist Technology to give effect to this Agreement, it shall do so only with the approval of Arrivalist and solely in connection with the Services provided by Arrivalist and as described in this Agreement. If any license of the Arrivalist Technology becomes necessary to give effect to this Agreement such license shall be limited to the purpose of this Agreement, and shall be non-exclusive, non-transferable, non-sublicensable, non-assignable, and revocable. Destination Marketer expressly agrees not to disclose, disassemble, decompile, decrypt, extract, reverse engineer or modify the Arrivalist Technology or otherwise attempt to derive its source code or any algorithm, process, methods, techniques, or procedure contained within the Arrivalist Technology.
- **Technology Used for the Services.** Arrivalist may use different advertising technology providers in addition to its own technology and media outlets including, without limitation Destination Marketer's website, Destination Marketer's advertising vendors and other outlets to monitor arrivals in Destination. The Services may not be used in connection with Destination Marketers' purchases of advertising inventory (display, video or mobile) on open exchanges (also referred to as public exchanges) for ads targeting consumers located in or traveling from the member states of the European Union.
- **Timing of Reporting.** Reporting of arrivals monitored by the Arrivalist Technology begin approximately 45-60 days following the first distribution of Destination Marketer's advertising that contain Destination Marketer's Codes (the "**Launch Date**"). "Codes" is used herein generically, and shall include, without limitation, pixels, scripts or any other technique to be developed.
- **Review and Changes to Destination Marketer's Privacy Policy Addressing Advertising Practices in the U.S.** Arrivalist shall have the right, but not the obligation, to review and make recommendations to the privacy policy governing Destination Marketer's site(s) to accommodate the data collection and use practices involved in using Arrivalist Technology for advertising practices in the United States.

- **Monitoring Services and Rates.** The specifics of the Monitoring Services and rates are set forth in **Appendix A**, attached hereto and made an integral and binding part hereof.

3. *Obligations of Destination Marketer*

Destination Marketer shall:

- **Imbed Arrivalist Pixels in Media.** Destination Marketer will make best efforts to place Arrivalist pixels and impression tracking code on all its owned and paid media that Destination Marketer will utilize in connection with the Arrivalist Technology and do so in a timely matter. Destination Marketer agrees to notify Arrivalist of any instances where pixels or impression tracking code may not be deployed as well.
- **Placement of Arrivalist Pixels or Scripts on Destination Marketer Site(s).** Allow Arrivalist to place tracking pixels or scripts on pages on Destination Marketer's site(s) so that the Arrivalist Technology may identify Internet users who have been exposed to or have interacted with Destination Marketer online advertising. Placement of Arrivalist's pixels/scripts shall not be unreasonably delayed.
- **Make Arrivalist-Recommended Edits to Privacy Policy.** Destination Marketer will make any reasonable Arrivalist-recommended changes to the Destination Marketer's privacy policy (as set forth in Section 2 above), including placement of Arrivalist "opt-out" language in its privacy policy and newsletter emails. Destination Marketer represents and warrants that (i) its privacy policy discloses all collection and use of Internet users' information so that such disclosed practices include Destination Marketer's use of Arrivalist Technology, and (ii) it will abide by its privacy policy, and honor Internet users' marketing preferences.
- **Feedback.** Make time available for at least one thirty (30) minute call or meeting every thirty (30) days to gather feedback on reporting and campaign status.
- **Payment.** Unless otherwise provided in **Appendices**, pay all setup fees upon execution of this Agreement within thirty (30) days of the invoice date. In the event **Appendices** provide for third party media purchases by Arrivalist on behalf of Destination Marketer, such third-party media shall be pre-paid by Destination Marketer. Billing information to be filled out on page five of this agreement.
- **Use of Reporting Data.** The Arrivalist Reporting data provided in the Arrivalist Dashboard was designed to be used by Destination Marketer for the purpose of optimizing its marketing campaigns or reporting on the effectiveness of its marketing to stakeholders and partners.
- **Ownership and Use of Cookies.** Destination Marketer acknowledges that Arrivalist uses cookies in order to provide the Services. Any and all cookies (or other information or technology achieving a similar or competitive function, whether currently in existence or not) used by Arrivalist in performing the Services shall remain the property of Arrivalist.

4. *General Provisions*

- A. **Publicity.** Each Party grants to the other Party a limited license to include the name and trademarks of the other Party on its website and in its marketing materials for the sole and limited purpose of publicizing the Services and Arrivalist Technology. Neither Party shall make any defamatory or derogatory statements concerning the other Party or the Services provided herein.
- B. **Confidentiality.** In connection with the implementation of this Agreement, each party may have access to or receive disclosure of Confidential Information of the other party. "Confidential Information" means information relating specifically to the other party's business, technology, marketing objectives and plans, or pricing and any other information, in any form, furnished or made available directly or indirectly by one party to the other that is marked confidential, restricted, or with a similar designation. Each party shall keep any such Confidential Information of the other party in confidence and not disclose it to any third party without the prior written consent of the other party. Each party shall use the Confidential Information of the other party solely for purposes provided in this Agreement. All information furnished by one party to the other party shall be and remain the property of the furnishing party. Each party shall cause its employees and subcontractors to comply with the terms in this provision. The confidentiality obligations herein shall not apply to information that: (i) is already known to a party prior to disclosure by the other party; (ii) is or becomes available to the public through no breach of this subsection by the other party; (iii) is rightfully received by the other party from a third party without a duty of confidentiality; (iv) is independently developed by a party; or (v) is required to be disclosed by law, regulation, or court order, provided that the disclosing party shall use

- reasonable efforts to notify the other party prior to disclosure. Either party may disclose this Agreement or Confidential Information of the other party without obtaining the other party's written consent if, in the opinion of such party's attorneys, such disclosure is required by subpoena, court order, or otherwise required by law. If a party receives or is subject to a subpoena, court order, or other legal process requiring disclosure of this Agreement or Confidential Information of the other party, such party shall notify the other party promptly thereof, in order to give the other party, the opportunity to seek a protective order or other legally acceptable protection to, as applicable, limit the disclosure of this Agreement and or the other party's Confidential Information.
- C. **Aggregate Data.** Arrivalist collects aggregate data that is not personally-identifiable including, without limitation, end user usage and behavioral data related to the Services ("Aggregate Data"). Destination Marketer shall own all right, title and interest in and to any data deliverables, *provided* that Arrivalist shall retain ownership of all right, title and interest in and to: (i) any materials created prior to, or independent of, this Agreement; (ii) any underlying data that are not specifically collected for Destination Marketer; or (iii) any analytical approaches used by Arrivalist to prepare the data deliverables (each, "Arrivalist Portion"). The Arrivalist Portion shall remain the exclusive property of Arrivalist, and Destination Marketer shall have the non-exclusive, non-assignable and non-transferable license to use the Arrivalist Portion for Destination Marketer's internal business purposes. Arrivalist warrants that it shall not sell Destination Marketer's info or data under any circumstances. Any use of the data by Arrivalist shall be limited to internal use and for the sole purpose of improving Arrivalist's methodology.
- D. **Relationship Between Parties.** Each party shall be and act as an independent contractor and not as partner, joint venturer, or agent of the other and shall not bind nor attempt to bind the other to any contract unless expressly agreed otherwise in writing.
- E. **Assignment.** Neither Party shall have any right or ability to assign, transfer, or sublicense any obligations or benefit under this Agreement without the written consent of the other party (and any such attempt shall be void), except that either party may (without consent) assign and transfer this Agreement and its rights and obligations hereunder to any successor to substantially all of its business to which this Agreement relates.
- F. **Choice of Law.** This Agreement shall be governed by the laws of the State of New York without regard to the conflict of the laws provisions thereof.
- G. **Dispute Resolution.** The Parties agree that any and all disputes, claims or controversies arising out of or related to this Agreement, including any claims under any statute or regulation shall be submitted to final and binding arbitration by one arbitrator. Unless the Parties agree otherwise, any arbitration will take place in the State of New York, New York County, and will be administered by, and pursuant to the rules of, the American Arbitration Association. The prevailing Party shall be entitled to all its costs and reasonable attorney fees incurred.
- H. **Validity.** If any portion of this Agreement is illegal or unenforceable, such portion(s) shall be limited or eliminated to the minimum extent necessary such that the balance of this Agreement shall remain in full force and effect and enforceable.
- I. **Entire Agreement.** This Agreement contains the entire understanding of the parties regarding the subject matter of this Agreement and can only be modified or waived by a subsequent written agreement signed by both parties.
- J. **Force Majeure.** Neither party shall be liable to the other party for any failure or delay in performance caused by acts of God, fires, floods, strikes, whether legal or illegal, water damage, riots, epidemics or any other causes beyond such party's reasonable control, and such failure or delay will not constitute a breach of this Agreement.
- K. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Execution of a facsimile or email copy shall have the same force and effect as execution of an original, and a facsimile or email signature shall be deemed an original and valid signature.
- L. **Indemnification.** Destination Marketer will defend, indemnify and hold harmless Arrivalist from and against any claims, actions, demands, losses, judgments, fines or expenses (including, without limitation, reasonable attorneys' fees) arising out of any actual or alleged claim due to a breach or alleged breach by Destination Marketer of any of its obligations under this Agreement.
- M. **Notices.** All notices under this Agreement shall be in writing, and shall be deemed given when mailed, faxed or sent via electronic mail to the address, fax number or email address appearing in this Agreement.



Arrivalist Co
P.O. BOX 230199
New York, NY 10023
info@arrivalist.com
+1 646 964 5221

- N. **No Warranty.** EACH PARTY DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND/OR IMPLIED WARRANTIES ARISING FROM ANY COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE IN TRADE.
- O. **Limitation of Liability.** NEITHER PARTY WILL BE LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT, UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR (A) ANY INDIRECT, INCIDENTAL, EXEMPLARY, SPECIAL, RELIANCE OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS OR (B) ANY AMOUNTS, IN THE AGGREGATE, IN EXCESS OF ONE MONTH OF SERVICE PROVIDED PURSUANT TO THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. DESTINATION MARKETER ACKNOWLEDGES THAT THE FEES PAID REFLECT THE ALLOCATION OF RISK SET FORTH IN THIS AGREEMENT AND THAT ARRIVALIST WOULD NOT ENTER INTO THIS AGREEMENT WITHOUT THESE LIMITATIONS.
- P. **Notices.** All notices and other communications which are required to be given by the Agreement or which are otherwise made pursuant to the Agreement will be in writing and delivered either by hand, certified or registered U.S. mail, overnight courier, confirmed email or confirmed facsimile, addressed in the case of Agency to the address provided above, and in the case of Arrivalist to Cree Lawson, Arrivalist, P.O. BOX 230199, New York, NY, 10023 or via facsimile to 917 677 8222 or email at cree@arrivalist.com.

IN WITNESS WHEREOF, Arrivalist and Agency have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ARRIVALIST CO.

South Padre Convention & Visitors Bureau

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

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Arrivalist Co
P.O. BOX 230199
New York, NY 10023
info@arrivalist.com
+1 646 964 5221

Billing Information

First Name: _____

Billing Address Line 1: _____

Last Name: _____

Billing Address line 2: _____

Phone Number: _____

City: _____ State: _____ Zip Code: _____

Fax Number: _____

Email Address: _____

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APPENDIX A – MONITORING SERVICES

Arrivalist will provide training to the Destination Marketer up to 8 hours.

Arrivalist will commit to providing regularly scheduled status calls up to once a month until the end of the term.

Term: April 1, 2018 - September 30, 2019

- Year 1: April 1, 2018 – September 30, 2018
- Year 2: October 1, 2018 – September 30, 2019

Advanced Arrival Monitoring platform measuring arrivals into the South Padre Island area plus 10 Arrival Zones within the destination.

The first 2 custom reports are included in the total fees. Each additional custom report is \$250 per report. A custom report, or custom data request is a non-standard data request that cannot be pulled from our reports directly and requires one of our analysts to write a data query for.

POI reports will include 3 reports that shows users / trips that visited those POIs.

- Trips by POI - The number of trips to a POI during a given time frame.
- Trips by POI over Time -- Showing the daily number of trips to your selected POIs.
- POI Cross Visits – Shows how many users visited certain POIs during the same trip.

Year 1: April 1, 2018 – September 30, 2018: \$57,500

Year 2: October 1, 2018 – September 30, 2019: \$115,000

Arrival Zones: \$5,000 set-up fee plus 10 Arrival Zones at \$500 each: \$10,000

Additional Arrival Zones can be added for \$500 per hotel/attraction, with a minimum commitment of 10 additional arrival zones added each time.

Total Fees for Year 1: \$182,500

Arrivalist will invoice upon execution of this agreement and Destination Marketer will remit payment within thirty (30) days of receipt of invoice.

Year 1 and Arrival Zones/POI's will be invoiced at signing of agreement.

Year 2 will be invoiced on or around October 1, 2018

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

MEETING DATE: March 7, 2018

NAME & TITLE: Randy Smith, Chief of Police

DEPARTMENT: Police

ITEM

Presentation of 2017 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: X
Approved by Legal: YES: _____ NO: X

Comments:

RECOMMENDATIONS/COMMENTS

Recommend approval.

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Racial Profiling Report | Tier one

Agency Name: South Padre Island Police Department
Reporting Date: 02/13/2018
TCOLE Agency Number: 61215
Chief Administrator: William R. Smith
Agency Contact Information:
Phone: 956-761-5454
Email: jherrera@myspi.org
Mailing Address: 4601 Padre Blvd.
South Padre Island Texas 78597

This Agency claims partial racial profiling report exemption because:

Our vehicles that conduct motor vehicle stops are equipped with video and audio equipment and we maintain videos for 90 days.

Certification to This Report 2.132 (Tier 1), Partial Exemption

Article 2.132(b) CCP Law Enforcement Policy on Racial Profiling

South Padre Island Police Department has adopted a detailed written policy on racial profiling. Our policy:

- 1.) clearly defines acts constituting racial profiling;
- 2.) strictly prohibits peace officers employed by the South Padre Island Police Department from engaging in racial profiling;
- 3.) implements a process by which an individual may file a complaint with the South Padre Island Police Department if the individual believes that a peace officer employed by the South Padre Island Police Department 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 Police Department who, after an investigation, is shown to have engaged in racial profiling in violation of the South Padre Island Police Department's policy adopted under this article;
- 6.) require collection of information relating to motor vehicle stops in which a citation is

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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 detaining that individual; and

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: William R. Smith

Chief Administrator

South Padre Island Police Department

Date: 02/13/2018

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South Padre Island Police Department Motor Vehicle Racial Profiling Information

Total stops: 1355

Number of motor vehicle stops

Citation only: 455

Arrest only: 92

Both: 808

Race or ethnicity

African: 73

Asian: 5

Caucasian: 1087

Hispanic: 189

Middle eastern: 0

Native american: 1

Was race known ethnicity known prior to stop?

Yes: 1

No: 1354

Was a search conducted

Yes: 107

No: 1248

Was search consented?

Yes: 5

No: 102

Submitted electronically to the



The Texas Commission on Law Enforcement

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