
CITY COUNCIL AGENDA

Notice is hereby given that the Rockport City Council will hold a special meeting on Tuesday, September 20, 2016, at 6:30 p.m. The meeting will be held at Rockport City Hall, 622 E. Market, Rockport, Texas. The matters to be discussed and acted upon are as follows:

Opening Agenda

1. Call meeting to order.
2. Pledge of Allegiance.
3. Citizens to be heard.

At this time, comments will be taken from the audience on any subject matter that is not on the agenda. To address the Council, please sign the speaker's card located on the table outside the Council Chamber and deliver to the City Secretary before the meeting begins. Please limit comments to three (3) minutes. In accordance with the Open Meetings Act, Council may not discuss or take action on any item that has not been posted on the agenda.

Consent Agenda

All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

4. Deliberate and act on approval of Council Regular Meeting Minutes of September 13, 2016.
5. Deliberate and act on approval of City of Rockport holiday observance schedule for 2017.
6. Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Friends of the Fulton Mansion State Historical Site.
7. Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Texas Maritime Museum.
8. Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport Center for the Arts.
9. Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport-Fulton Chamber of Commerce.
10. Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport-Fulton Chamber of Commerce for the 2015 SeaFair Celebration.
11. Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport-Fulton Chamber of Commerce for the 2016 HummerBird Celebration.

12. Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport-Fulton Chamber of Commerce for the 2017 Veterans' Memorial Wall Traveling Exhibit.
13. Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Aransas County Council on Aging for the 2016 Bountiful Bowl Pottery Fair.
14. Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport Yacht Club for the 2016 Nautical Flea Market.
15. Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport Rotary Club/Rockport Center for the Arts for the 2016 Film Fest.
16. Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Aransas County Education Foundation for the 2015 Shopping Tournament.
17. Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Friends of the History Center for Aransas County for the 2017 Tour of Historic Homes.
18. Deliberate and act on approval of 2016-2017 Property Tax Assessment/Collection Agreement with Aransas County.

Regular Agenda

19. Deliberate and act to adopt, on first and only reading, an Ordinance of the City of Rockport, Texas, adopting a budget and appropriating resources for Fiscal 2016-2017, beginning October 1, 2016, and ending September 30, 2017; in accordance with existing statutory requirements; repealing all conflicting ordinances, containing a severability clause; and providing for an effective date.
20. Deliberate and act on second reading of an Ordinance of the City of Rockport approving the assessment and renditions for the 2016 taxable property as submitted by the Appraisal District; levying a tax rate for \$100.0 valuation for the City of Rockport, Aransas County, Texas, for the Tax Year 2016 of \$0.233912 for the purposes of maintenance and operation, \$0.155371 for the payment of principal and interest on debt of the City for a total tax rate of \$0.389283; and providing an effective date.
21. Deliberate and act to ratify the property tax increase reflecting in the 2016-2017 Annual Budget and Capital Improvement Plan.
22. Reports from Council.
At this time, the City Council will report/update on all committee assignments, which may include the following: Aransas Pathways Steering Committee; Building and Standards Commission; Coastal Bend Bays and Estuaries Program; Coastal Bend Council of Government; Environmental Committee for Water Issues; Park & Leisure Services Advisory Board; Planning & Zoning Commission; Rockport Heritage District Board; Rockport-Fulton Chamber of Commerce; Aransas County Storm Water Management Advisory Committee; Swimming Pool Operations Advisory Committee; Tourism Development Council; Tree & Landscape Committee; YMCA Development Committee; Texas Maritime Museum, Fulton Mansion, Rockport Center for the Arts, Aransas County, Aransas County Independent School District, Aransas County Navigation District, Town of Fulton, and Texas Municipal League. No formal action can be taken on these items at this time.

Executive Session

City Council will hold an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:

23. Section 551.071(1)(A) and Section 551.071(2) Consultation with Attorney: Pending or contemplated litigation: (A) Bay Education Center, and (B) Texaz Construction and AZ Southwest Properties.
24. Section 551.071(2) Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter.
25. Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.

Open Session

City Council will reconvene into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any actions necessary related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

26. Adjournment.

Special Accommodations

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 the City Secretary's office at (361) 729-2213, ext. 225 or FAX (361) 790-5966 or email citysec@cityofrockport.com for further information. Braille is not available. The City of Rockport reserves the right to convene into executive session under Government Code §§ 551.071-551.074 and 551.086.

Certification

I certify that the above notice of meeting was posted on the bulletin board at City Hall, 622 E. Market Street, Rockport, Texas on Friday, September 16, 2016, by 5:00 p.m. and on the City's website at www.cityofrockport.com. I further certify that the following News Media were properly notified of this meeting as stated above: *The Rockport Pilot*, *Coastal Bend Herald*, and *Corpus Christi Caller Times*.


Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 4

Deliberate and act on approval of Council Regular Meeting Minutes of September 13, 2106.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: Please see the accompanying minutes of the regular meeting of September 13, 2016.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Staff recommends Council approve the Minutes, as presented.

CITY OF ROCKPORT

MINUTES

CITY COUNCIL REGULAR MEETING 6:30 p.m., Tuesday, September 13, 2016 Rockport City Hall, 622 East Market Street

On the 13th day of September 2016, the City Council of the City of Rockport, Aransas County, Texas, convened in Regular Session at 6:30 p.m., at the regular meeting place in City Hall, and notice of meeting giving time, place, date and subject was posted as described in V.T.C.A., Government Code § 551.041.

CITY COUNCIL MEMBERS PRESENT

Mayor Charles J. Wax
Mayor Pro-Tem Pat Rios, Ward 3
Council Member J. D. Villa, Ward 2
Council Member Rusty Day, Ward 1
Council Member Barbara Gurtner, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

PLANNING & ZONING COMMISSION MEMBERS PRESENT

Edward Bellion
Brian Olsen
Shawn M. Johnston
Graham Wilson
W. Kent Howard
Ruth Davis

STAFF MEMBERS PRESENT

City Manager Kevin Carruth
City Attorney Terry Baiamonte
City Secretary Teresa Valdez
Community Planner Amanda Torres
Police Chief Tim Jayroe
Public Works Director Mike Donoho
Parks & Leisure Services Director Rick Martinez
Finance Director Patty Howard

ELECTED OFFICIALS PRESENT

Opening Agenda

1. Call to Order.

With a quorum of the Council Members present, the Regular Meeting of the Rockport City Council was called to order by Mayor Wax at 6:30 p.m. on Tuesday, September 13, 2016, in the Council Chambers of the Rockport City Hall, 622 E. Market Street, Rockport, Texas.

2. Pledge of Allegiance.

Rockport Veterans led the Pledge of Allegiance to the U.S. flag.

3. Presentation of Proclamation declaring September 16, 2016, as “National POW/MIA Day” in Rockport.

Mayor Wax proclaimed September 16, 2016, as POW/MIA Recognition Day in Rockport, Texas. Mayor Wax presented the Proclamation to Aransas County Veterans Service Officer Mike Kuertz and several Rockport Veterans.

4. Citizens to be heard.

At this time comments will be taken from the audience on any subject matter that is not on the agenda. To address the Council, please sign the speaker’s card located on the table outside the Council Chamber and deliver to the City Secretary before the meeting begins. Please limit comments to three (3) minutes. In accordance with the Open Meetings Act, Council may not discuss or take any action on any item that has not been posted on the agenda.

There were no citizen comments.

Consent Agenda

All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

5. Deliberate and act on approval of Council Workshop Meeting Minutes and Regular Meeting Minutes of August 23, 2016.

6. Deliberate and act on a Resolution amending Resolution No. 2016-08 by revising the certification list and pay table.

Mayor Wax called for requests to remove any item from the Consent Agenda for separate discussion. There being no requests, Mayor Wax called for a motion.

MOTION: Council Member Villa moved to adopt the Consent Agenda Items as presented. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

Public Hearing

7. Call to Order – Rockport Planning & Zoning Commission.

With a quorum of the Rockport Planning & Zoning Commission present, the meeting of the Rockport Planning & Zoning Commission was called to order at 6:35 p.m. on Tuesday, September 13, 2016, in the Council Chambers of the Rockport City Hall, 622 E. Market Street, Rockport, Texas.

- 8. Conduct a Joint Public Hearing with the Planning & Zoning Commission to consider a request to rezone property located at 2201 State Highway 35 Bypass; also known as Lot 44 (west 100' x 49'), Block 1, West Terrace Unit 2, Rockport, Aransas County, Texas, currently zoned R-1 (1st Single Family Dwelling District) to B-1 (General Business District) to allow development of a utility trailer sales lot.**

Mayor Wax opened the Joint Public Hearing at 6:35 p.m.

Property owner Travis Kelly addressed the Council. Mr. Kelly stated he plans to sell and service utility trailers.

Mayor Wax stated the Planning & Zoning Commission will consider this request at their meeting on Monday, September 19, 2016 at 5:30 p.m.

Mayor Wax closed the Joint Public Hearing at 6:38 p.m.

- 9. Adjourn – Rockport Planning & Zoning Commission.**

At 6:38 p.m., the Rockport Planning & Zoning Commission adjourned.

- 10. Conduct the second public hearing for City of Rockport 2016 Property Tax Rate for taxpayers to have an opportunity to express their views on the increase, the City of Rockport will adopt the budget and tax rate for Fiscal Year 2016-2017 on September 20, 2016, at 6:30 p.m. at City Hall located at 622 E. Market Street, Rockport, Texas.**

At 6:38 p.m., Mayor Wax opened the public hearing.

There were no public comments.

At 6:39 p.m., Mayor Wax closed the public hearing.

Regular Agenda

- 11. Deliberate and act on first reading of an Ordinance of the City of Rockport, approving the assessment and renditions for the 2016 taxable property as submitted by the Appraisal District; levying a tax rate for \$100.00 valuation for the City of Rockport, Aransas County, Texas, for the Tax Year 2016 of \$0.233912 for the purposes of Maintenance and Operation, \$0.155371 for the payment of Principal and Interest on debt of the City for a total tax rate of \$0.389283; and providing an effective date.**

MOTION: Council Member Villa moved to approve the first reading of an Ordinance of the City of Rockport, approving the assessment and renditions for the 2016 taxable property as submitted by the Appraisal District; levying a tax rate for \$100.00 valuation for the City of Rockport, Aransas County, Texas, for the Tax Year 2016 of \$0.233912 for the purposes of Maintenance and Operation, \$0.155371 for the payment of Principal and Interest on debt of the City for a total tax rate of \$0.389283; and providing an effective date. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

12. Deliberate and act on Texas Municipal League Intergovernmental Employee Benefits Pool Retiree Options.

City Manager Kevin Carruth said that there are two classes of retirees eligible to participate in the City's medical insurance: Pre sixty-five retirees and post sixty-five retirees. Mr. Carruth explained the following to Council:

- **Pre Sixty-Five** (not eligible for Medicare) **Retirees** – In the past, Council has approved the same medical plan that is offered to our active employees at a cost to the City of 195% of the active employee contribution. In 2012, council voted to equally split any future increases with our retirees. City currently has 13 Pre Sixty-Five Retirees.
- **Post Sixty-Five** (eligible for Medicare) **Retirees** – In 2009, Council adopted Ordinance No. 1458, “freezing” the City contribution to Post Sixty-Five Retirees at \$268.08 for a medical supplement plan. In Plan Year 2015-16 our Post Sixty-Five Retirees contributed \$35.62 per month for their plan. City currently has 23 Post Sixty-Five Retirees.

Pre Sixty-Five Retirees- TML is offering the option of continuing with the 195% of active employee contribution plan, or the choice of 4 retiree pool plans.

	<u>Platinum</u>	<u>Gold</u>	<u>Silver</u>	<u>Bronze</u>	<u>195% Plan</u>
Cost	\$1,298.90	\$1,253.62	\$1,212.24	\$1,165.28	\$1,083.22
Benefit %	90/10%	80/20%	70/30%	60/40%	80/20%
Deductible	\$1,000	\$1,250	\$1,500	\$1,750	\$200

Post Sixty-Five Retirees – TML is offering a choice of 2 Medicare supplement plans, 2 stand-alone Medicare Part D plans and 2 Medicare Advantage HMO plans that are available in designated geographic areas - if retirees live in specific county areas (Aransas County not included).

	HMO/1	HMO/2	Plan F	Plan K	RX/1	RX/2
Cost	\$307.76	N/A	\$234.71	\$134.11	\$222.85	\$84.26

Council chose Medical Plan F and Prescription Option 2 last year for a total of \$303.70. The City pays \$268.08 and retiree pays \$35.62. TML is increasing the rates on the Post Sixty-Five plans this year. The new rate is \$318.97 and the retiree will pay \$50.89.

Mr. Carruth stated that staff recommends Council maintain the current coverage by adopting the 195% Plan for pre sixty-five retirees, and Plan F and prescription option 2 for post sixty-five retirees.

MOTION: Mayor Wax moved that the City maintain the current coverage by adopting the 195% Plan for pre-sixty-five retirees, and Plan F and prescription Option 2 for post sixty-five retirees. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

13. Deliberate and act on selection of auditing firm to provide independent financial audit services, including preparation of the City's consolidated annual financial report, for the fiscal year ending September 30, 2016, and authorizing the Mayor to negotiate and execute all necessary documents.

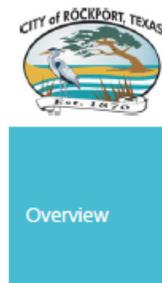
Finance Director Patty Howard addressed the Council. Ms. Howard stated there were four proposals received by the City from firms to provide independent financial audit services, and a summary of the responses is included in the Agenda packet. Ms. Howard said staff is recommending Council select Collier, Johnson & Woods, P.C. to provide independent financial audit services, including preparation of the City’s consolidated annual financial report, for the fiscal year ending September 30, 2016, and authorize the Mayor to negotiate and execute all necessary documents. Ms. Howard introduced F. John Shepherd, CPA with Collier, Johnson & Woods.

Discussion was held among Council and Mr. Shepherd regarding audit services that Collier, Johnson & Woods had provided to other municipalities.

MOTION: Mayor Pro-Tem Rios moved to select Collier, Johnson & Woods, P.C. to provide independent financial audit services, including preparation of the City’s consolidated annual financial report, for the fiscal year ending September 30, 2016, and authorizing the Mayor to negotiate and execute all necessary documents. Council Member Gurtner seconded the motion. Motion carried unanimously.

14. Deliberate and act to select areas for annexation and authorize staff to prepare service plans, schedule public hearings, and draft annexation ordinance.

Community Planner Amanda Torres addressed the Council. Ms. Torres stated that following the August Council Workshop staff was directed to make revisions to the previously presented proposed annexation areas. Ms. Torres gave a PowerPoint presentation on the proposed annexation areas:



- Three areas of focus for FY 2016-17:
 - Market Street 5000 ft. corridor – Scenario 1a
 - Bypass Hwy 35 from Eighteenth St. to FM 188 (approximately)
 - Bypass Hwy 35 from Alexander Dr. to Griffith Dr. (approximately)



**TLGC
Annexation Area
Allocation Policy**

Sec. 43-055. MAXIMUM AMOUNT OF ANNEXATION EACH YEAR.:

- (a) In a calendar year, a municipality may not annex a total area greater than 30 percent of the incorporated area of the municipality as of January 1 of that year, plus any amount of area carried over to that year under Subsection (b). In determining the total area annexed in a calendar year, an area annexed for limited purposes is included, but an annexed area is not included if it is:
 - (1) annexed at the request of a majority of the qualified voters of the area and the owners of at least 50 percent of the land in the area;
 - (2) owned by the municipality, a county, the state, or the federal government and used for a public purpose;
 - (3) annexed at the request of at least a majority of the qualified voters of the area; or
 - (4) annexed at the request of the owners of the area.
- (b) If a municipality fails to annex in a calendar year the entire 30 percent amount permitted under Subsection (a), the municipality may carry over the unused allocation for use in subsequent calendar years.
- (c) A municipality carrying over an allocation may not annex in a calendar year a total area greater than 30 percent of the incorporated area of the municipality as of January 1 of that year.



**Area 1a:
Market Street
Corridor
(Modified)**



**Area 1a:
Land Use
and Market
Valuation**

- Estimated Population: 183
- Land Use and Associated Market Valuation: 70.5 acres total

Property Types	Count	Value	Acres	\$
Total Single-Family Units	65	23,5105	4.870	230,000.00
Total Multi-Family Units	1	0,9077		220,580.00
Total Commercial Properties	24	32,8801	5.885	440,000.00
Total Unimproved Properties	21	13,6982		837,020.00

- Statistical Market Valuation:
 - Total Market Valuation: \$25,894,450.00
 - Average Value (including exempt property): \$107,137.39
 - Median Value (including): \$64,940.00
 - Average Value (excluding exempt property): \$148,485.48
 - Median Value (excluding): \$94,150.00
 - Average Homestead Value: \$113,444.00
 - 25 Properties are homesteaded
- # of Building Permits since 2003: 15



Risk Areas on FM 1069/Market St.



URS | City of Rockport Economic Development Dept



**Area 1a:
Existing
Infrastructure**

Street Conditions: Good
Chipseal
No curb and gutter

Streets:

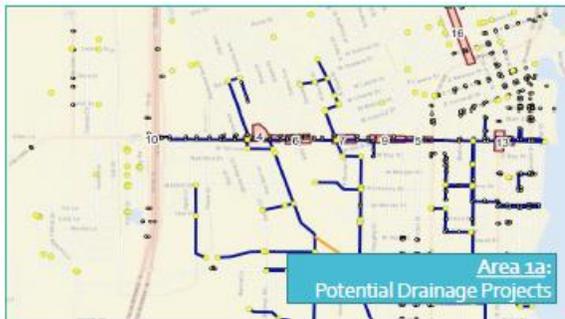
Street	From	To	Length	Width
West Terrace Blvd	Raven	Redbird	2057	20
Seagull	West Terrace Blvd	Market	225	18
Ibis	West Terrace Blvd	Market	225	18
Kelly Ln	Market	End	700	18
Stuart	Laurel	Market	730	18
Rose	Market	Oriole	1740	20
Hickory	Market	Apple	1040	18
Oak	Apple	Market	963	18
Pine	Market	Apple	838	20
Redwood	Apple	Market	740	20
Apple	Redwood	Hickory	955	18
		Footage	7055	
		Miles	4.33	



**Area 1a:
Cost of
Maintenance**

- Capital Costs: Any capital costs are already incorporated into budgeted CIP projects. No current drainage projects.
- Maintenance and Operations:

Miles of Street		1.33
Cost per mile	X \$	10,962.77
Annual cost for street	\$	14,548.48
Annual cost for St Light Elec	\$	2,522.41
Add to Operating Budget	\$	17,070.89
- Installation of street lights: 15 \$ 15,000.00





Area 1a: Potential Drainage Projects

4.3.3 Project 3 - Market Street (FM 1088) at SH 35 Rainfall, History, and Relief

The project requires upgrading the upper Bobby Allen ditch system to carry more than currently handles the storm water system at Market Street. Improvements include installing a 24" RCP Bypass Manhole (MH) to the upper ditch, flow indicating the ditch south to Corpus Christi Bay. Several changes to combine flows with the downstream Tractor Avenue ditch. The Manhole Flow from 2009 recommended a concrete hand-ditch on this section; however, the ditch can be designed and constructed to carry the water to the concrete lining, using three bands for additional cross-sectional capacity. The project is the first step in resolving the flooding from Rain Areas 4, 5, and 18. However, the downstream improvements will be completed as Project 5 located below.

Item	Description	Ques	Ques Unit	Unit Price	Total
1	24" RCP	1,170	4,171 LF	\$320.00	\$1,344,720.00
2	24" RCP	115	4,148 LF	\$400.00	\$46,180.00
3	24" RCP	300	238 LF	\$770.00	\$182,100.00
4	24" RCP	300	1,000 LF	\$600.00	\$180,000.00
5	ORCA Trunk Protection	1,170	3,628 LF	\$2.00	\$7,256.00
6	ORCA Trunk Protection	1,170	3,628 LF	\$2.00	\$7,256.00
7	Hand-ditch (As Required)	2,720	2,720 LF	\$15.00	\$40,800.00
8	Ditch Improvements (B-7)	4,454	4,473 LF	\$33.00	\$147,489.00
9	Ditch Improvements (B-7)	650	644 LF	\$33.00	\$21,372.00
10	Concrete Hand-ditch	1	1 EA	\$10,000.00	\$10,000.00
11	Construction and Hand-ditch	1	1 EA	\$2,000.00	\$2,000.00
12	Misc. Utility Adjustments	1	1 EA	\$12,000.00	\$12,000.00
13	Demolition - Arched Culvert	1	1 EA	\$100,000.00	\$100,000.00
14	Demolition and Debris Removal	450	475 SF	\$60.00	\$28,500.00
15	Demolition - Arched Culvert	240	240 SF	\$40.00	\$9,600.00
16	Regrade Existing Road Surface	1	1 EA	\$10,000.00	\$10,000.00
17	Hand-ditch - Hand-ditch	12,000	12,000 SF	\$2.00	\$24,000.00
18	Maintenance - Warning	1	1 EA	\$10,000.00	\$10,000.00
19	Pollution Prevention	1	1 EA	\$50,000.00	\$50,000.00
PROJECT 3 SUBTOTAL:					\$1,916,917.00
Engineering & Construction (20%)					\$383,383.40
PROJECT 3 TOTAL:					\$2,300,300.40



Area 1a: Potential Drainage Projects

4.3.4 Project 4 - Market Street (FM 1088) at SH 35 Business

This project is proposed to alleviate the flooding on Market Street, just west of SH 35 Business. The recommended improvements include upgrading the storm water system from Area Street from Market Street to the Manney Street cutoff. This change upgrade will eliminate the flooding of Rain Area 5.

Item	Description	Ques	Ques Unit	Unit Price	Total
1	24" RCP	1,471	1,545 LF	\$80.00	\$117,680.00
2	42" RCP	1,117	1,183 LF	\$160.00	\$189,280.00
3	ORCA Trunk Protection	2,588	2,728 LF	\$2.00	\$5,456.00
4	Demolition (As Required)	2,588	2,728 LF	\$25.00	\$68,200.00
5	Post-holes / Utility Joints	17	17 EA	\$5,000.00	\$85,000.00
6	Hand-ditch (As Required)	1	1 EA	\$5,000.00	\$5,000.00
7	Hand-ditch	2	2 EA	\$10,000.00	\$20,000.00
8	Demolition and Hand-ditch	1	1 EA	\$5,000.00	\$5,000.00
9	Permitting and Debris Removal	1,712	1,819 SF	\$48.00	\$87,108.00
10	Regrade Existing Road Surface	1	1 EA	\$5,000.00	\$5,000.00
11	Misc. Utility Adjustments	1	1 EA	\$10,000.00	\$10,000.00
12	Pollution Prevention	1	1 EA	\$20,000.00	\$20,000.00
13	Warning - Hand-ditch	1	1 EA	\$20,000.00	\$20,000.00
PROJECT 4 SUBTOTAL:					\$609,772.00
Engineering & Construction (20%)					\$121,954.40
PROJECT 4 TOTAL:					\$731,726.40



Area 1a: Potential Drainage Projects

4.3.3 Project 3 - Market Street (FM 1088) at Market and 18th St

This project includes upgrading the upper Tractor ditch system (on Tractor Street) from Market to Corpus Christi, then upgrading the Tractor ditch from Corpus Christi to handle the combined flow from the flows as well as the Bobby Allen ditch. Therefore, the recommended plan is to dedicate funds to upgrading this system when the funds become available separately. The proposed improvements will eliminate flooding of Rain Areas 1 and 9.

Item	Description	Ques	Ques Unit	Unit Price	Total
1	24" RCP	1,000	1,151 LF	\$375.00	\$431,125.00
2	24" RCP	450	475 LF	\$375.00	\$176,625.00
3	24" RCP	900	975 LF	\$375.00	\$363,750.00
4	24" RCP	700	775 LF	\$240.00	\$186,000.00
5	ORCA Trunk Protection	2,820	2,820 LF	\$2.00	\$5,640.00
6	Demolition (As Required)	2,820	2,820 LF	\$15.00	\$42,300.00
7	Concrete Hand-ditch	11	11 EA	\$10,000.00	\$110,000.00
8	Construction and Hand-ditch	9	9 EA	\$20,000.00	\$180,000.00
9	Hand-ditch (As Required)	2	2 EA	\$5,000.00	\$10,000.00
10	Hand-ditch (As Required)	9	9 EA	\$20,000.00	\$180,000.00
11	Ditch Improvements (B-7)	1,800	1,800 LF	\$18.00	\$32,400.00
12	Ditch Improvements (B-7)	2,000	1,900 LF	\$18.00	\$34,200.00
13	Ditch Improvements (B-7)	4,000	4,000 LF	\$18.00	\$72,000.00
14	Demolition and Hand-ditch	1	1 EA	\$10,000.00	\$10,000.00
15	Permitting and Debris Removal	900	975 SF	\$48.00	\$46,800.00
16	Demolition - Hand-ditch	170	187 SF	\$48.00	\$8,976.00
17	Misc. Utility Adjustments	1	1 EA	\$10,000.00	\$10,000.00
18	Demolition - Hand-ditch	14,000	14,000 SF	\$2.00	\$28,000.00
19	Maintenance - Warning	1	1 EA	\$10,000.00	\$10,000.00
20	Pollution Prevention	1	1 EA	\$10,000.00	\$10,000.00
PROJECT 3 SUBTOTAL:					\$1,451,214.00
Engineering & Construction (20%)					\$290,242.80
PROJECT 3 TOTAL:					\$1,741,456.80



Area 2: Project 35 - 18th St to FM 188



Area 2: Land Use and Market Valuation

- Estimated Population: 30
- Land Use and Associated Market Valuation: 1,205,028 acres total

Property Type	Count	Value	Acres	%
Total Single-Family Units	12	26,295	951,580.00	
Total Multi-Family Units	0	0	0	
Total Commercial Properties	70	160,511	7,236,510.00	
Total Unimproved Properties	18	226,612	1,754,510.00	

- Statistical Market Valuation:
 - Total Market Valuation: \$15,859,120.00
 - Average Value (including exempt property): \$133,900.01
 - Median Value (including): \$19,120.00
 - Average Value (excluding exempt property): \$19,867.02
 - Median Value (excluding): \$19,900.00
 - Average Homestead Value: \$191,500.00
 - 0 properties are homesteaded
- # of Building Permits since 2009: 0



Area 2: Existing Infrastructure

- Streets: Bypass 35 and FM 188 are TxDOT maintained and in good condition.
- Streetsights: Any streetsights in this area would be TxDOT-maintained.
- NO WASTEWATER OR NATURAL GAS IN THIS AREA



Area 2: Cost of Maintenance

- Capital Costs: No City capital projects of record exist at this time. Further asset inventory and analysis needed to determine cost. No current drainage projects.
- Maintenance and Operations: There are no roads or streets to maintain at this time.
- Human Resources: One full-time Maintenance Technician would be required at an annual base salary of \$27,355.00 plus benefits.



Area 3:
Bypass 35 –
Alexander Dr.
to Griffith Dr.



Area 3:
Land Use
and Market
Valuation

- Estimated Population: 40
 - Land Use and Associated Market Valuation: 185.6192 acres total
- | Property Type | Count | Val. Use | Area | \$ |
|-----------------------------|-------|----------|--------------|----|
| Total Single-Family Units | 16 | 33,4402 | 2,038,230.00 | |
| Total Multi-Family Units | 0 | 0 | 0 | |
| Total Commercial Properties | 5 | 30,161 | 3,599,300.00 | |
| Total Unimproved Properties | 27 | 113,018 | 1,110,880.00 | |
- Statistical Market Valuation:
 - Total Market Valuation: \$5,648,520.00
 - Average Value: \$127,677.29
 - Median Value: \$62,930.00
 - No tax-exempt property in the area.
 - Average Homestead Value: \$200,626.15
 - 33 properties are homesteaded
 - # of Building Permits since 2007: 7



Area 3:
Existing
Infrastructure

• Streets:

Street	From	To	Length	Width
Corpus Christi	Sunset	Griffith	1200	32
Griffith	Corpus Christi	Bypass	2430	34
St. Francis	Griffith	Alexander	2004	30
Alexander	St. Francis	Holly	1237	32
Holly	Alexander	Bypass	2425	32
		Footage	9226	
		Mile	5.8	

• Street Condition(s): Good

- Chipseal
- No curb and gutter



Area 3:
Existing
Infrastructure

• NOWASTEWATERINTHIS AREA



Area 3:
Cost of
Maintenance

- Capital Costs: Any capital costs are already incorporated into budgeted CIP projects. No current drainage projects.
- Maintenance and Operations:

Miles of Street	Cost per mile	Annual cost for street	Annual cost for St Light Disc	Add to Operating Budget
5.8	\$ 16,950.77	\$ 98,013.99	\$ 3,473.79	\$ 101,487.78
- Human Resources: One full-time Maintenance Technician would be required at an annual base salary of \$27,352.00 plus benefits.



**Proposed
Annexation
Summary**

Annexation Profile Summary

Category	Area 3			Total
	Market Street Scenario 1a remodified	Area 2 Bypass 35/10th PM 188	Area 3 Bypass 35/Alexander Griffith	
Population	183	30	40	253
Acres	70.50	1,205.03	385.82	1,461.35
Housing Units	80	12	16	108
Net Revenue/Expense	\$ (246,212,221.5)	\$ 1,031,731.5	\$ (77,474,751.5)	\$ (222,655,241.5)

Annexation Profile Summary

Category	Area 3			Total
	Market Street Scenario 1a remodified	Area 2 Bypass 35/10th PM 188	Area 3 Bypass 35/Alexander Griffith	
Population & Cost				
Population	183	30	40	253
Acres	70.50	1,205.03	385.82	1,461.35
Demographic Data				
Single Family	80	12	16	108
Multi-Family	0	0	0	0
Commercial	20	70	9	99
Unimproved	73	18	27	118
Property Valuation				
Total Market Valuation	\$ 11,882,200.00	\$ 18,882,232.00	\$ 6,688,512.00	\$ 37,452,944.00
Average Value (including exempt)	\$ 148,487.00	\$ 158,487.00	\$ 127,677.00	
Median Value (including exempt)	\$ 66,260.00	\$ 23,850.00	\$ 42,810.00	
Average Homestead Value	\$ 121,444.00	\$ 111,130.00	\$ 136,438.00	
Unimproved	29	0	7	36
Other Revenue				
Current Street Miles	3.53	0	1.8	5.33
Annual Street Maintenance Cost	\$ 16,948.00	\$ 0	\$ 18,513.00	\$ 35,461.00
New Streetlights	39	0	0	39
Streetlight Installation Cost	\$ 10,000.00	\$ 0	\$ 0	\$ 10,000.00
Streetlight Electrical Cost	\$ 3,923.00	\$ 0	\$ 4,114.00	\$ 8,037.00
Total Annual Revenue	\$ 10,000.00	\$ 0	\$ 22,627.00	\$ 32,627.00
Total Annual CIP Revenue	\$ 10,000.00	\$ 0	\$ 22,627.00	\$ 32,627.00
Salaries				
New Police Labor Hours - Patrol	1,581.00	1,042.36	1,042.36	4,365.72
New Police Labor Hours - C/D	1,588.87	699.35	699.35	3,377.57
New Police Labor Hours - Admin	693.15	348.47	348.47	1,389.67
New Building Inspection Hours	823.00	0	0	823.00

Area 1	Area 2	Area 3	Total
Police	20,000.00	20,000.00	40,000.00
Fire	10,000.00	10,000.00	20,000.00
Public Works	5,000.00	5,000.00	10,000.00
Water	2,500.00	2,500.00	5,000.00
Sanitation	1,250.00	1,250.00	2,500.00
Administration	1,250.00	1,250.00	2,500.00
Public Safety	1,250.00	1,250.00	2,500.00
Police (2)	40,000.00	40,000.00	80,000.00
Police (3)	60,000.00	60,000.00	120,000.00
Police (4)	80,000.00	80,000.00	160,000.00
Police (5)	100,000.00	100,000.00	200,000.00
Police (6)	120,000.00	120,000.00	240,000.00
Police (7)	140,000.00	140,000.00	280,000.00
Police (8)	160,000.00	160,000.00	320,000.00
Police (9)	180,000.00	180,000.00	360,000.00
Police (10)	200,000.00	200,000.00	400,000.00
Police (11)	220,000.00	220,000.00	440,000.00
Police (12)	240,000.00	240,000.00	480,000.00
Police (13)	260,000.00	260,000.00	520,000.00
Police (14)	280,000.00	280,000.00	560,000.00
Police (15)	300,000.00	300,000.00	600,000.00
Police (16)	320,000.00	320,000.00	640,000.00
Police (17)	340,000.00	340,000.00	680,000.00
Police (18)	360,000.00	360,000.00	720,000.00
Police (19)	380,000.00	380,000.00	760,000.00
Police (20)	400,000.00	400,000.00	800,000.00
Police (21)	420,000.00	420,000.00	840,000.00
Police (22)	440,000.00	440,000.00	880,000.00
Police (23)	460,000.00	460,000.00	920,000.00
Police (24)	480,000.00	480,000.00	960,000.00
Police (25)	500,000.00	500,000.00	1,000,000.00
Police (26)	520,000.00	520,000.00	1,040,000.00
Police (27)	540,000.00	540,000.00	1,080,000.00
Police (28)	560,000.00	560,000.00	1,120,000.00
Police (29)	580,000.00	580,000.00	1,160,000.00
Police (30)	600,000.00	600,000.00	1,200,000.00
Police (31)	620,000.00	620,000.00	1,240,000.00
Police (32)	640,000.00	640,000.00	1,280,000.00
Police (33)	660,000.00	660,000.00	1,320,000.00
Police (34)	680,000.00	680,000.00	1,360,000.00
Police (35)	700,000.00	700,000.00	1,400,000.00
Police (36)	720,000.00	720,000.00	1,440,000.00
Police (37)	740,000.00	740,000.00	1,480,000.00
Police (38)	760,000.00	760,000.00	1,520,000.00
Police (39)	780,000.00	780,000.00	1,560,000.00
Police (40)	800,000.00	800,000.00	1,600,000.00
Police (41)	820,000.00	820,000.00	1,640,000.00
Police (42)	840,000.00	840,000.00	1,680,000.00
Police (43)	860,000.00	860,000.00	1,720,000.00
Police (44)	880,000.00	880,000.00	1,760,000.00
Police (45)	900,000.00	900,000.00	1,800,000.00
Police (46)	920,000.00	920,000.00	1,840,000.00
Police (47)	940,000.00	940,000.00	1,880,000.00
Police (48)	960,000.00	960,000.00	1,920,000.00
Police (49)	980,000.00	980,000.00	1,960,000.00
Police (50)	1,000,000.00	1,000,000.00	2,000,000.00
Police (51)	1,020,000.00	1,020,000.00	2,040,000.00
Police (52)	1,040,000.00	1,040,000.00	2,080,000.00
Police (53)	1,060,000.00	1,060,000.00	2,120,000.00
Police (54)	1,080,000.00	1,080,000.00	2,160,000.00
Police (55)	1,100,000.00	1,100,000.00	2,200,000.00
Police (56)	1,120,000.00	1,120,000.00	2,240,000.00
Police (57)	1,140,000.00	1,140,000.00	2,280,000.00
Police (58)	1,160,000.00	1,160,000.00	2,320,000.00
Police (59)	1,180,000.00	1,180,000.00	2,360,000.00
Police (60)	1,200,000.00	1,200,000.00	2,400,000.00
Police (61)	1,220,000.00	1,220,000.00	2,440,000.00
Police (62)	1,240,000.00	1,240,000.00	2,480,000.00
Police (63)	1,260,000.00	1,260,000.00	2,520,000.00
Police (64)	1,280,000.00	1,280,000.00	2,560,000.00
Police (65)	1,300,000.00	1,300,000.00	2,600,000.00
Police (66)	1,320,000.00	1,320,000.00	2,640,000.00
Police (67)	1,340,000.00	1,340,000.00	2,680,000.00
Police (68)	1,360,000.00	1,360,000.00	2,720,000.00
Police (69)	1,380,000.00	1,380,000.00	2,760,000.00
Police (70)	1,400,000.00	1,400,000.00	2,800,000.00
Police (71)	1,420,000.00	1,420,000.00	2,840,000.00
Police (72)	1,440,000.00	1,440,000.00	2,880,000.00
Police (73)	1,460,000.00	1,460,000.00	2,920,000.00
Police (74)	1,480,000.00	1,480,000.00	2,960,000.00
Police (75)	1,500,000.00	1,500,000.00	3,000,000.00
Police (76)	1,520,000.00	1,520,000.00	3,040,000.00
Police (77)	1,540,000.00	1,540,000.00	3,080,000.00
Police (78)	1,560,000.00	1,560,000.00	3,120,000.00
Police (79)	1,580,000.00	1,580,000.00	3,160,000.00
Police (80)	1,600,000.00	1,600,000.00	3,200,000.00
Police (81)	1,620,000.00	1,620,000.00	3,240,000.00
Police (82)	1,640,000.00	1,640,000.00	3,280,000.00
Police (83)	1,660,000.00	1,660,000.00	3,320,000.00
Police (84)	1,680,000.00	1,680,000.00	3,360,000.00
Police (85)	1,700,000.00	1,700,000.00	3,400,000.00
Police (86)	1,720,000.00	1,720,000.00	3,440,000.00
Police (87)	1,740,000.00	1,740,000.00	3,480,000.00
Police (88)	1,760,000.00	1,760,000.00	3,520,000.00
Police (89)	1,780,000.00	1,780,000.00	3,560,000.00
Police (90)	1,800,000.00	1,800,000.00	3,600,000.00
Police (91)	1,820,000.00	1,820,000.00	3,640,000.00
Police (92)	1,840,000.00	1,840,000.00	3,680,000.00
Police (93)	1,860,000.00	1,860,000.00	3,720,000.00
Police (94)	1,880,000.00	1,880,000.00	3,760,000.00
Police (95)	1,900,000.00	1,900,000.00	3,800,000.00
Police (96)	1,920,000.00	1,920,000.00	3,840,000.00
Police (97)	1,940,000.00	1,940,000.00	3,880,000.00
Police (98)	1,960,000.00	1,960,000.00	3,920,000.00
Police (99)	1,980,000.00	1,980,000.00	3,960,000.00
Police (100)	2,000,000.00	2,000,000.00	4,000,000.00
Police (101)	2,020,000.00	2,020,000.00	4,040,000.00
Police (102)	2,040,000.00	2,040,000.00	4,080,000.00
Police (103)	2,060,000.00	2,060,000.00	4,120,000.00
Police (104)	2,080,000.00	2,080,000.00	4,160,000.00
Police (105)	2,100,000.00	2,100,000.00	4,200,000.00
Police (106)	2,120,000.00	2,120,000.00	4,240,000.00
Police (107)	2,140,000.00	2,140,000.00	4,280,000.00
Police (108)	2,160,000.00	2,160,000.00	4,320,000.00
Police (109)	2,180,000.00	2,180,000.00	4,360,000.00
Police (110)	2,200,000.00	2,200,000.00	4,400,000.00
Police (111)	2,220,000.00	2,220,000.00	4,440,000.00
Police (112)	2,240,000.00	2,240,000.00	4,480,000.00
Police (113)	2,260,000.00	2,260,000.00	4,520,000.00
Police (114)	2,280,000.00	2,280,000.00	4,560,000.00
Police (115)	2,300,000.00	2,300,000.00	4,600,000.00
Police (116)	2,320,000.00	2,320,000.00	4,640,000.00
Police (117)	2,340,000.00	2,340,000.00	4,680,000.00
Police (118)	2,360,000.00	2,360,000.00	4,720,000.00
Police (119)	2,380,000.00	2,380,000.00	4,760,000.00
Police (120)	2,400,000.00	2,400,000.00	4,800,000.00
Police (121)	2,420,000.00	2,420,000.00	4,840,000.00
Police (122)	2,440,000.00	2,440,000.00	4,880,000.00
Police (123)	2,460,000.00	2,460,000.00	4,920,000.00
Police (124)	2,480,000.00	2,480,000.00	4,960,000.00
Police (125)	2,500,000.00	2,500,000.00	5,000,000.00
Police (126)	2,520,000.00	2,520,000.00	5,040,000.00
Police (127)	2,540,000.00	2,540,000.00	5,080,000.00
Police (128)	2,560,000.00	2,560,000.00	5,120,000.00
Police (129)	2,580,000.00	2,580,000.00	5,160,000.00
Police (130)	2,600,000.00	2,600,000.00	5,200,000.00
Police (131)	2,620,000.00	2,620,000.00	5,240,000.00
Police (132)	2,640,000.00	2,640,000.00	5,280,000.00
Police (133)	2,660,000.00	2,660,000.00	5,320,000.00
Police (134)	2,680,000.00	2,680,000.00	5,360,000.00
Police (135)	2,700,000.00	2,700,000.00	5,400,000.00
Police (136)	2,720,000.00	2,720,000.00	5,440,000.00
Police (137)	2,740,000.00	2,740,000.00	5,480,000.00
Police (138)	2,760,000.00	2,760,000.00	5,520,000.00
Police (139)	2,780,000.00	2,780,000.00	5,560,000.00
Police (140)	2,800,000.00	2,800,000.00	5,600,000.00
Police (141)	2,820,000.00	2,820,000.00	5,640,000.00
Police (142)	2,840,000.00	2,840,000.00	5,680,000.00
Police (143)	2,860,000.00	2,860,000.00	5,720,000.00
Police (144)	2,880,000.00	2,880,000.00	5,760,000.00
Police (145)	2,900,000.00	2,900,000.00	5,800,000.00
Police (146)	2,920,000.00	2,920,000.00	5,840,000.00
Police (147)	2,940,000.00	2,940,000.00	5,880,000.00
Police (148)	2,960,000.00	2,960,000.00	5,920,000.00
Police (149)	2,980,000.00	2,980,000.00	5,960,000.00
Police (150)	3,000,000.00	3,000,000.00	6,000,000.00
Police (151)	3,020,000.00	3,020,000.00	6,040,000.00
Police (152)	3,040,000.00	3,040,000.00	6,080,000.00
Police (153)	3,060,000.00	3,060,000.00	6,120,000.00
Police (154)	3,080,000.00	3,080,000.00	6,160,000.00
Police (155)	3,100,000.00	3,100,000.00	6,200,000.00
Police (156)	3,120,000.00	3,120,000.00	6,240,000.00
Police (157)	3,140,000.00	3,140,000.00	6,280,000.00
Police (158)	3,160,000.00	3,160,000.00	6,320,000.00
Police (159)	3,180,000.00	3,180,000.00	6,360,000.00
Police (160)	3,200,000.00	3,200,000.00	6,400,000.00
Police (161)	3,220,000.00	3,220,000.00	6,440,000.00
Police (162)	3,240,000.00	3,240,000.00	6,480,000.00
Police (163)	3,260,000.00	3,260,000.00	6,520,000.00
Police (164)	3,280,000.00	3,280,000.00	6,560,000.00
Police (165)	3,300,000.00	3,300,000.00	6,600,000.00
Police (166)	3,320,000.00	3,320,000.00	6,640,000.00
Police (167)	3,340,000.00	3,340,000.00	6,680,000.00
Police (168)	3,360,000.00	3,360,000.00	6,720,000.00
Police (169)	3,380,000.00	3,380,000.00	6,760,000.00
Police (170)	3,400,000.00	3,400,000.00	6,800,000.00
Police (171)	3,420,000.00	3,420,0	

15. Reports from Council.

At this time, the City Council will report/update on all committee assignments, which may include the following: Aransas Pathways Steering Committee, Building and Standards Commission; Coastal Bend Bays and Estuaries Program; Coastal Bend Council of Government; Environmental Committee for Water Issues; Parks & Leisure Services Advisory Board; Planning Zoning Commission; Rockport Heritage Board; Rockport-Fulton Chamber of Commerce; Aransas County Storm Water Management Advisory Committee; Swimming Pool Operations Advisory Committee; Tourism Development Council; Tree & Landscape Committee; YMCA Development Committee; Texas Maritime Museum; Fulton Mansion; Rockport Center for the Arts; Aransas County; Aransas County Independent School District; Aransas County Navigation District; Town of Fulton; and Texas Municipal League. No formal action can be taken on these items at this time.

Mayor Wax stated on Saturday September 10, 2016, at 6:00 p.m. at the History Center, the City received an award for being a “Steward of Nature” from the Friends of the History Center for Aransas County. Mayor Wax presented the award to Rick Martinez, Director of the Parks & Leisure Services Department.

Mayor Wax announced that the HummerBird event begins this weekend.

Council Member Day reported that the downtown committee working on the route for the Christmas parade has identified most of the costs involved and they are very minor. Council Member Day said they are gathering volunteers and working with TxDOT and the City to collect enough of the needed barricades.

Mayor Wax asked when Council Member Day expects the information to be brought to Council for consideration.

Council Member Day stated they want to first work out the parade route.

Mayor Pro-Tem Rios informed the Council that the first groin at Key Allegro has been completed and the second groin should be completed by the end of this week. Mayor Pro-Tem Rios stated that the Key Allegro Homeowners Association would like to know the status of the bridge repair and they have offered to give input and fund enhancements.

Council Member Gurtner announced that the Keep Aransas County Beautiful group has scheduled a clean-up for Saturday, September 24, 2016, beginning at 8:00 a.m. Council Member Gurtner said there will be hotdogs served at 11:00 a.m.

Council Member Villa suggested the City contact the Justice of Peace regarding persons required to do community service.

Executive Session

City Council will hold an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:

16. Section 551.071(1)(A) Consultation with Attorney on pending or contemplated litigation: (A) Bay Education Center, (B) Texaz Construction and AZ Southwest Properties.

- 17. Section 551.071(2) Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter.**
- 18. Section 551.072 Deliberation regarding real property – deliberate the purchase, exchange, lease, or value of real property: 40-foot wide portion of Young Street lying between Blocks 100 & 109, Manning Addition, and also a portion of Third Street lying between Blocks 100 & 101, Manning Addition.**
- 19. Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.**

At 7:24 p.m., Mayor Wax convened the Rockport City Council into an executive session pursuant to provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in Section 551.071910(A) Consultation with Attorney on pending or contemplated litigation: (A) Bay Education Center, (B) Texaz Construction and AZ Southwest Properties; Section 551.071(2) Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter; Section 551.072 Deliberation regarding real property – deliberate the purchase, exchange, lease, or value of real property: 40-foot wide portion of Young Street lying between Blocks 100 & 109, Manning Addition, and also a portion of Third Street lying between Blocks 100 & 101, Manning Addition; and Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.

Open Session

City Council will reconvene into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any actions necessary related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

At 7:48 p.m., Mayor Wax reconvened the Rockport City Council into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any necessary actions related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

MOTION: Mayor Wax moved that Council authorize the Mayor to negotiate and finalize a 380 Agreement for Project Cardinal which is Ace Hardware. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

20. Adjournment

At 7:49 p.m., Council Member Villa moved to adjourn. Motion was seconded by Mayor Pro-Tem Rios. Motion carried unanimously.

APPROVED:

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 5

Deliberate and act on approval of City of Rockport holiday observance schedule for 2017.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: Employees historically have been granted 11 paid holidays per year. Those holidays and their proposed dates of observance in calendar year 2017 include:

Holiday	Day of Week	Date
New Year's Day Holiday	Monday	January 2
Good Friday	Friday	April 14
Memorial Day	Monday	May 29
Independence Day	Tuesday	July 4
Labor Day	Monday	September 4
Veterans Day Holiday	Friday	November 10
Thanksgiving Day	Thursday	November 23
Day After Thanksgiving	Friday	November 24
Christmas Day	Monday	December 25
Christmas Day Holiday	Tuesday	December 26
New Year's Eve Holiday	Friday	December 29

FISCAL ANALYSIS: The holiday schedule is budget neutral. This is the same number of holidays as has been authorized for the past many years so there will be no additional lost productivity.

RECOMMENDATION: Staff recommends that Council approve the 2017 Employee Holiday schedule, as presented.

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 6

Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Friends of the Fulton Mansion State Historical Site.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: At the Special City Council Workshop held on June 7, 2016, Marsha Hendrix, representing the Fulton Mansion State Historic Site presented their Fiscal Year 2016-2017 budget request to the City Council. Budget deliberations were held through the summer to finalize the City's Fiscal Year 2016-2017 Budget, with formal adoption scheduled for the September 20, 2016, City Council Meeting. The proposed Agreement remains the same as the previous year. See the accompanying agreement for additional details.

FISCAL ANALYSIS: Budget account 6602009. Disbursement of funds will be made according to Section 6 of the Agreement.

STAFF RECOMMENDATION: Staff recommends approval of the Fiscal Year 2016-2017 agreement with the Friends of the Fulton Mansion State Historical Site in the amount of \$30,000.00 or \$7,500.00 per quarter, as presented.

**CITY OF ROCKPORT
AND
FRIENDS OF THE FULTON MANSION STATE HISTORIC SITE**

**An Agreement Concerning the Use of
Funds from the Hotel Occupancy Tax**

STATE OF TEXAS §
 §
COUNTY OF ARANSAS §

This Agreement is made by and between the City of Rockport, a Texas home rule municipal corporation, hereinafter called “City,” and Friends of the Fulton Mansion State Historic Site, a private non-profit association, hereinafter called “Friends,” acting by and through its duly elected officers.

SECTION 1. LEGAL AUTHORITY

The City collects a local hotel occupancy tax as authorized by Chapter 351 of the Texas Tax Code (“Act”). Pursuant to the Act, the City expends funds collected for the purpose of advertising with any media outlet that is outside 75 miles of the City of Rockport (Resolution No. 09-15) and encouraging growth of tourism and convention/hotel activity in the City as outlined in Chapter 94, Article IV, Hotel Occupancy Tax of the City of Rockport Code of Ordinances (“Code”).

SECTION 2. TERM OF AGREEMENT

This Agreement shall become effective on October 1, 2016 and terminate on September 30, 2017.

SECTION 3. SERVICES TO BE PROVIDED

As authorized under the Act, the City hereby agrees to pay to the Friends ***THIRTY THOUSAND DOLLARS (\$30,000.00)*** of the money actually received by the City from local hotel occupancy tax. Subject to the terms and conditions herein, Friends agrees to expend such funds received for advertising and promoting tourism for the out-of-town visitor market from which the hotel industry within the City derives direct tourist income benefits.

SECTION 4. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that Friends is engaged as an independent contractor and is not an officer, agent or employee of the City.

SECTION 5. MANAGEMENT OF FUNDS

5.1 The Friends shall maintain a separate financial account of the hotel occupancy tax funds received from the City and may not commingle the funds with any other account. It is understood and agreed by and between the parties that, upon budget approval by the City,

a fiduciary duty is created in the Friends with respect to expenditure of the revenue provided.

- 5.2 The Friends shall maintain complete and accurate financial records of each receipt and expenditure of the hotel occupancy funds and upon request of the City Council or other person shall make the records available for inspection and review during normal business hours in accordance with the provisions of the Texas Public Information Act (Texas Government Code, Chapter 552).
- 5.3 Hotel occupancy funds may be spent by the Friends for day-to-day operations including supplies, salaries, office rental, travel expenses, and other administrative costs, only if such expenditures that have been previously budgeted and approved by the City in advance and shown to be directly related to promotion of tourism and the hotel industry. (See Exhibit "A".)
- 5.4 The Friends shall submit an annual report of activities and provide therein a projected line item budget to the City Council for approval that will include itemized personnel costs by singular job descriptions and capital outlay expenses if any. Such report and budget shall be provided no later than June 1st of each year for the next fiscal year.

The budget shall provide a complete financial plan and shall contain the following:

- (1) A budget message explanatory of the tourism/promotional activity contracted, which message shall contain an outline of the plan of the activity and, in the following years, set forth the reasons for the salient changes from the previous year (as applicable) and any major budgetary revisions. Any subsequent budgetary revision exceeding 25% of any line item, or 10% of the entire budget, will require City Council approval. All items of expenses shall contain detailed narratives as to the basis of the expenditure.
 - (2) A consolidated statement of anticipated receipts and expenditures for all funds.
 - (3) Anticipated revenues shall be placed in parallel columns and display therein the:
 - a) Actual amount for the last completed year;
 - b) Estimated amount for the current fiscal year;
 - c) Proposed amount for the ensuing fiscal year.
 - (4) Planned expenditures shall be placed in parallel columns opposite the various items of expenditures and display the:
 - a) Actual amount of such items of expenditures for the last completed fiscal year;
 - b) Estimated amount for the current fiscal year; and
 - c) The proposed amount for the ensuing fiscal year.
- 5.5 Fiscal quarterly financial reports, on a form prescribed by the City (See Exhibit "B"), are required to be submitted to the City Secretary no later than thirty (30) days after the end

of each fiscal quarter. These reports shall identify a budget comparison of the hotel occupancy funds received by agreement and the uses thereof as defined in the overall budget. It shall show the amount budgeted for the fiscal year by category item and the actual expenditures of such within the fiscal year quarter being reported. In addition, all administrative expenses shall be reported in detail comparing the current fiscal year expenses projection, the current fiscal year actual expenses and the percent of the fiscal year projection.

- 5.6 The Friends shall upon request submit an audited financial report to the City, showing in detail the disbursement and use of hotel occupancy funds paid to the Friends pursuant to this Agreement, no later than sixty (60) days after the end of each fiscal year of this Agreement. In addition, the City reserves the right to request an annual audited financial statement reflecting the financial position of the entire Friends for the duration of this Agreement. The Friends agree to provide a current audit (current defined as no later than the last fiscal year), such copy to be delivered within twenty (20) days upon receiving a request from the City Manager or Mayor.

SECTION 6. TRANSFER OF FUNDS

Upon compliance with all conditions precedent, the City Secretary shall remit to the Friends ***THIRTY THOUSAND DOLLARS (\$30,000.00)*** of the hotel occupancy tax receipts in four (4) quarterly payments of ***SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500.00)*** each. The Friends shall receive its first quarterly payment on about the effective date hereof or the date of final execution of this Agreement, whichever is later. Each quarterly payment thereafter shall be made to the Friends within ten (10) business days after receipt of the required quarterly report, but not sooner than the 31st day after the end of each calendar quarter, and after approval of said report by the City Council. The City Council may not approve any quarterly report or portion thereof if it determines that any reported expense in the reporting quarter was an improper use of funds or outside the authorized use of hotel occupancy tax, and may reduce subsequent quarterly payments by the amount determined improper or unauthorized.

SECTION 7. FORCE MAJEURE – SUFFICIENT FUNDS NOT AVAILABLE

The City's obligation to make quarterly payments to the Friends pursuant to this Agreement is contingent upon anticipated receipt of a minimal amount of hotel occupancy tax from the collecting entities within the City. Based upon this anticipated, budgeted income, the total dollar figure to be paid to the Friends pursuant to this Agreement was determined. Other agreements have also been made by the City with local organizations, providing for disbursement of a portion of hotel occupancy tax funds collected. Should it happen, by act of nature or other means outside the control of the City, that the actual hotel occupancy tax funds received are less than the anticipated and budgeted funds, then in that event the City, upon prior notice to the Friends, may unilaterally reduce the payment(s) to be made pursuant to this Agreement. Unless otherwise agreed by the City, any reduction in payments pursuant hereto shall be made from the final (fourth) quarter payment. The City shall reduce the actual payment pro rata by a percentage of the amount obligated as it relates to the total hotel occupancy tax dollars actually received.

SECTION 8. RETURN OF FUNDS UPON TERMINATION OF CONTRACT

Should this Agreement be terminated by either party hereto or by its own terms, and unless express agreement is otherwise made, the Friends shall remit and return to the City, with a final accounting thereof, all unused and unspent hotel occupancy tax funds in its possession, within thirty (30) days from the date of such termination.

SECTION 9. INDEMNIFICATION

The Friends agree to indemnify the City, its officers, agents, and employees, from any and all claims, losses, causes of action and damages, suits, and liability of every kind, including all expenses of litigation, courts costs and attorney fees, for injury to or death of any person, or for damage to any property arising from or in connection with the operations or actions of the Friends, its officers, agents and employees carried out in furtherance of this Agreement.

SECTION 10. INSURANCE

The Friends shall maintain a comprehensive general liability insurance policy, with an insurance company or companies authorized to do business in the State of Texas, which shall include bodily injury, property damage, contractual and automobile liability coverage with a minimum of not less than \$500,000.00. In addition, workers' compensation insurance coverage shall be provided by the Friends in accordance with State law.

SECTION 11. TERMINATION

If either party materially breaches this Agreement, the other party may terminate the Agreement by providing thirty (30) days' written notice to the defaulting party. Should a dispute arise regarding the existence of a material breach, either party may request that the issue be presented to a licensed mediator.

SECTION 12. NON-RENEWAL

It is understood and agreed that the Friends are not entitled to any right of automatic renewal of this Agreement for the ensuing year, or years, since such option under the Act rests exclusively with the City Council.

SECTION 13. NOTICE

All communications required by this Agreement between the City and the Friends shall be in writing and addressed to the attention of the City Manager, 622 E. Market Street, Rockport, TX 78382 or to the Friends of the Fulton Mansion State Historical Site Board President, 317 Fulton Beach Road, Rockport, TX 78382.

SECTION 14. COMPLIANCE WITH LAWS

In performing its duties under this Agreement, the Friends shall at all times comply with the City of Rockport Code and all the State of Texas Acts. (See Sections 1 & 5.)

SECTION 15. PROHIBITION AGAINST DISCRIMINATION

In the performance of this Agreement, the Friends shall not discriminate against any employee or applicant for employment because of an individual's race, color, religion, national origin, sex, or mental or physical disability. Proven breach of this provision may be regarded as a material breach of this Agreement allowing for termination.

SECTION 16. CONTROLLING LAW

It is understood and agreed that in the event any provision of this Agreement is inconsistent with the requirements of the Act, or any other applicable State law, the requirements of the law will control and supersede the terms set forth herein.

SECTION 17. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties, relative to the Hotel Occupancy Tax funds made the basis hereof.

IN WITNESS WHEREOF, the parties have herein unto set their hands on duplicate originals, in the City of Rockport, Aransas County, Texas on this ____ day of _____ 2016.

CITY OF ROCKPORT

**FRIENDS OF THE FULTON MANSION
STATE HISTORIC SITE**

Charles J. Wax, Mayor

Mrs. Sterling Heller, Board President

ATTEST:

ATTEST:

Teresa Valdez, City Secretary

Marsha Hendrix, Ph.D., Site Manager

EXHIBIT "A"

CATEGORY	GRANT AMOUNT
Operations of the Center for weekend and summer "Visitor Service Interns"	\$10,000.00
Additional visitor services support and tour guides in the Mansion	\$20,000.00
TOTAL	\$30,000.00

EXHIBIT "B"

HOT FUNDING EXPENSE REPORT FY 2016-2017

Description of Expense	Approved Budget	1st Quarter Expenses	2nd Quarter Expenses	3rd Quarter Expenses	4th Quarter Expenses	TOTAL
TOTAL REQUESTED						

Description of Administrative Expenses	Current Fiscal Year Administrative Expenses Projection	Fiscal Year Administrative Actual Expenses	Percentage of Fiscal Year Projections
TOTALS			

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 7

Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Texas Maritime Museum.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: At the Special City Council Workshop held on June 7, 2016, Kathy Roberts-Douglass, Chief Executive Officer of the Texas Maritime Museum presented their Fiscal Year 2016-2017 budget request to the City Council. Budget deliberations were held through the summer to finalize the City's Fiscal Year 2016-2017 Budget, with formal adoption scheduled for the September 20, 2016, City Council Meeting. The proposed Agreement remains the same as the previous year. See the accompanying agreement for additional details.

FISCAL ANALYSIS: Budget account 6602002. Disbursement of funds will be made according to Section 6 of the Agreement.

STAFF RECOMMENDATION: Staff recommends Council approve the Fiscal Year 2016-2017 Agreement with the Texas Maritime Museum in the amount of \$80,000.00 or \$20,000.00 per quarter, as presented.

**CITY OF ROCKPORT
AND
TEXAS MARITIME MUSEUM**

**An Agreement Concerning the Use of
Funds from the Hotel Occupancy Tax**

STATE OF TEXAS §
 §
COUNTY OF ARANSAS §

This Agreement is made by and between the City of Rockport, a Texas home rule municipal corporation, hereinafter called “City,” and the Texas Maritime Museum, a private non-profit association, hereinafter called “Museum,” acting by and through its duly elected officers.

SECTION 1. LEGAL AUTHORITY

The City collects a local hotel occupancy tax as authorized by Chapter 351 of the Texas Tax Code (“Act”). Pursuant to the Act, the City expends funds collected for the purpose of advertising with any media outlet that is outside 75 miles of the City of Rockport (Resolution No. 09-15) and encouraging growth of tourism and convention/hotel activity in the City as outlined in Chapter 94, Article IV, Hotel Occupancy Tax of the City of Rockport Code of Ordinances (“Code”).

SECTION 2. TERM OF AGREEMENT

This Agreement shall become effective on October 1, 2016 and terminate on September 30, 2017.

SECTION 3. SERVICES TO BE PROVIDED

As authorized under the Act, the City hereby agrees to pay to the Museum ***EIGHTY THOUSAND DOLLARS (80,000.00)*** of the money actually received by the City from local hotel occupancy tax. Subject to the terms and conditions herein, the Museum agrees to expend such funds received for advertising and promoting tourism for the out-of-town visitor market from which the hotel industry within the City derives direct tourist income benefits.

SECTION 4. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that the Museum is engaged as an independent contractor and is not an officer, agent or employee of the City.

SECTION 5. MANAGEMENT OF FUNDS

5.1 The Museum shall maintain a separate financial account of the hotel occupancy tax funds received from the City and may not commingle the funds with any other account. It is understood and agreed by and between the parties that, upon budget approval by the City,

a fiduciary duty is created in the Museum with respect to expenditure of the revenue provided.

- 5.2 The Museum shall maintain complete and accurate financial records of each receipt and expenditure of the hotel occupancy funds and upon request of the City Council or other person, shall make the records available for inspection and review during normal business hours in accordance with the provisions of the Texas Public Information Act (Texas Government Code, Chapter 552).
- 5.3 Hotel occupancy funds may be spent by the Museum for day-to-day operations including supplies, salaries, office rental, travel expenses, and other administrative costs, only if such expenditures have been previously budgeted and approved by the City in advance and shown to be directly related to promotion of tourism and the hotel industry. (See Exhibit "A".)
- 5.4 The Museum shall submit an annual report of activities and provide therein a projected line item budget to the City Council for approval that will include itemized personnel costs by singular job descriptions and capital outlay expenses if any. Such report and budget shall be provided no later than June 1st of each year for the next fiscal year.

The budget shall provide a complete financial plan and shall contain the following:

- (1) A budget message explanatory of the tourism/promotional activity contracted, which message shall contain an outline of the plan of the activity and, in the following years, set forth the reasons for the salient changes from the previous year (as applicable) and any major budgetary revisions. Any subsequent budgetary revision exceeding 25% of any line item, or 10% of the entire budget, or \$10,000.00 will require City Council approval. All items of expenses shall contain detailed narratives as to the basis of the expenditure.
- (2) A consolidated statement of anticipated receipts and expenditures for all funds.
- (3) Anticipated revenues shall be placed in parallel columns and display therein the:
 - a) Actual amount for the last completed year;
 - b) Estimated amount for the current fiscal year;
 - c) Proposed amount for the ensuing fiscal year.
- (4) Planned expenditures shall be placed in parallel columns opposite the various items of expenditures and display the:
 - a) Actual amount of such items of expenditures for the last completed fiscal year;
 - b) Estimated amount for the current fiscal year; and
 - c) Proposed amount for the ensuing fiscal year.

- 5.5 Fiscal quarterly financial reports, on a form prescribed by the City (See Exhibit "B"), are required to be submitted to the City Secretary no later than thirty (30) days after the end of each fiscal quarter. These reports shall identify a budget comparison of the hotel occupancy funds received by agreement and the uses thereof as defined in the overall budget. It shall show the amount budgeted for the fiscal year by category item and the actual expenditures of such within the fiscal year quarter being reported. In addition, all administrative expenses shall be reported in detail comparing the current fiscal year expenses projection, the current fiscal year actual expenses and the percent of the fiscal year projection.
- 5.6 The Museum shall upon request submit an audited financial report to the City, showing in detail the disbursement and use of hotel occupancy funds paid to the Museum pursuant to this Agreement, no later than sixty (60) days after the end of each fiscal year of this Agreement. In addition, the City reserves the right to request an annual audited financial statement reflecting the financial position of the entire Museum for the duration of this Agreement. The Museum agrees to provide a current audit (current defined as no later than the last fiscal year), such copy to be delivered within twenty (20) days upon receiving a request from the City Manager or Mayor.

SECTION 6. TRANSFER OF FUNDS

Upon compliance with all conditions precedent, the City Secretary shall remit to the Museum ***EIGHTY THOUSAND DOLLARS (\$80,000.00)*** of the hotel occupancy tax receipts in four (4) quarterly payments of ***TWENTY THOUSAND DOLLARS (\$20,000.00)*** each. The Museum shall receive its first quarterly payment on the effective date hereof or the date of final execution of this Agreement, whichever is later. Each quarterly payment thereafter shall be made to the Museum within ten (10) business days after receipt of the required quarterly report, but not sooner than the 31st day after the end of each calendar quarter, and after approval of said report by the City Council. The City Council may not approve any quarterly report or portion thereof if it determines that any reported expense in the reporting quarter was an improper use of funds or outside the authorized use of hotel occupancy tax, and may reduce subsequent quarterly payments by the amount determined improper or unauthorized.

SECTION 7. FORCE MAJEURE – SUFFICIENT FUNDS NOT AVAILABLE

The City's obligation to make quarterly payments to the Museum pursuant to this Agreement is contingent upon anticipated receipt of a minimal amount of hotel occupancy tax from the collecting entities within the City. Based upon this anticipated, budgeted income, the total dollar figure to be paid to the Museum pursuant to this Agreement was determined. Other agreements have also been made by the City with local organizations, providing for disbursement of a portion of hotel occupancy tax funds collected. Should it happen, by act of nature or other means outside the control of the City, that the actual hotel occupancy tax funds received are less than the anticipated and budgeted funds, then in that event the City, upon prior notice to the Museum, may unilaterally reduce the payment(s) to be made pursuant to this Agreement. Unless otherwise agreed by the City, any reduction in payments pursuant hereto shall be made from the final (fourth) quarter payment. The City shall reduce the actual payment pro rata by a percentage of the amount obligated as it relates to the total hotel occupancy tax dollars actually received.

SECTION 8. RETURN OF FUNDS UPON TERMINATION OF CONTRACT

Should this Agreement be terminated by either party hereto or by its own terms, and unless express agreement is otherwise made, the Museum shall remit and return to the City, with a final accounting thereof, all unused and unspent hotel occupancy tax funds in its possession, within thirty (30) days from the date of such termination.

SECTION 9. INDEMNIFICATION

The Museum agrees to indemnify the City, its officers, agents, and employees, from any and all claims, losses, causes of action and damages, suits, and liability of every kind, including all expenses of litigation, courts costs and attorney fees, for injury to or death of any person, or for damage to any property arising from or in connection with the operations or actions of the Museum, its officers, agents and employees carried out in furtherance of this Agreement.

SECTION 10. INSURANCE

The Museum shall maintain a comprehensive general liability insurance policy, with an insurance company or companies authorized to do business in the State of Texas, which shall include bodily injury, property damage, contractual and automobile liability coverage with a minimum of not less than \$500,000.00. In addition, workers' compensation insurance coverage shall be provided by the Museum in accordance with state law.

SECTION 11. TERMINATION

If either party materially breaches this Agreement, the other party may terminate the Agreement by providing thirty (30) days' written notice to the defaulting party. Should a dispute arise regarding the existence of a material breach, either party may request that the issue be presented to a licensed mediator.

SECTION 12. NON-RENEWAL

It is understood and agreed that the Museum is not entitled to any right of automatic renewal of this Agreement for the ensuing year, or years, since such option under the Act rests exclusively with the City Council.

SECTION 13. NOTICE

All communications required by this Agreement between the City and the Museum shall be in writing and addressed to the attention of the City Manager, 622 E. Market Street, Rockport, TX 78382 or to the President of the Texas Maritime Museum, 1202 Navigation Circle, Rockport, TX 78382.

SECTION 14. COMPLIANCE WITH LAWS

In performing its duties under this Agreement, the Museum shall at all times comply with the City of Rockport Code and all the State of Texas Acts. (See Sections 1 & 5.)

SECTION 15. PROHIBITION AGAINST DISCRIMINATION

In the performance of this Agreement, the Museum shall not discriminate against any employee or applicant for employment because of an individual's race, color, religion, national origin, sex, or mental or physical disability. Proven breach of this provision may be regarded as a material breach of this Agreement allowing for termination.

SECTION 16. CONTROLLING LAW

It is understood and agreed that in the event any provision of this Agreement is inconsistent with the requirements of the Act, or any other applicable state law, the requirements of the law will control and supersede the terms set forth herein.

SECTION 17. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties relative to the hotel occupancy tax funds made the basis hereof.

IN WITNESS WHEREOF, the parties have herein unto set their hands on duplicate originals, in the City of Rockport, Aransas County, Texas, on this ____ day of _____ 2016.

CITY OF ROCKPORT

TEXAS MARITIME MUSEUM

Charles J. Wax, Mayor

Jad Smith, President

ATTEST:

ATTEST:

Teresa Valdez, City Secretary

Kathy Roberts-Douglas, Chief Executive Officer

EXHIBIT "A"

CATEGORY	REQUESTED FY 15-16	GRANT AMOUNT FY 15-16
Advertising	\$26,000.00	
Curatorial	\$5,000.00	
Salaries	\$29,000.00	
Education	\$7,000.00	
Office Supplies	\$7,000.00	
Website Maintenance	\$6,000.00	
TOTAL	\$80,000.00	\$80,000.00

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 8

Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport Center for the Arts.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: At the Special City Council Workshop held on June 7, 2016, Luis Purón, Executive Director of the Rockport Center for the Arts presented their Fiscal Year 2016-2017 budget request to the City Council. Budget deliberations were held through the summer to finalize the City's Fiscal Year 2016-2017 Budget, with formal adoption scheduled for the September 20, 2016, City Council Meeting. The proposed Agreement remains the same as the previous year.

See the accompanying agreement for additional details.

FISCAL ANALYSIS: Budget account 6602040. Disbursement of funds will be made in accordance with Section 6 of the Agreement.

STAFF RECOMMENDATION: Staff recommends Council approve the Fiscal Year 2016-2017 Agreement with the Rockport Center for the Arts in the amount of \$124,500.00 or \$31,125.00 per quarter, as presented.

**CITY OF ROCKPORT
AND
ROCKPORT CENTER FOR THE ARTS**

**An Agreement Concerning the Use of
Funds from the Hotel Occupancy Tax**

STATE OF TEXAS §
 §
COUNTY OF ARANSAS §

This Agreement is made by and between the City of Rockport, a Texas home rule municipal corporation, hereinafter called "City," and the Rockport Center for the Arts, a private non-profit association, hereinafter called "RCA," acting by and through its duly elected officers.

SECTION 1. LEGAL AUTHORITY

The City collects a local hotel occupancy tax as authorized by Chapter 351 of the Texas Tax Code ("Act"). Pursuant to the Act, the City expends funds collected for the purpose of advertising with any media outlet that is outside 75 miles of the City of Rockport (Resolution No. 09-15) and encouraging growth of tourism and convention/hotel activity in the City as outlined in Chapter 94, Article IV, Hotel Occupancy Tax of the City of Rockport Code of Ordinances ("Code").

SECTION 2. TERM OF AGREEMENT

This Agreement shall become effective on October 1, 2016 and terminate on September 30, 2017.

SECTION 3. SERVICES TO BE PROVIDED

As authorized under the Act, the City hereby agrees to pay to RCA ***ONE HUNDRED TWENTY-FOUR THOUSAND FIVE HUNDRED DOLLARS (\$124,500.00)*** of the money actually received by the City from local hotel occupancy tax. Subject to the terms and conditions herein, RCA agrees to expend such funds received for advertising and promoting tourism for the out-of-town visitor market from which the hotel industry within the City derives direct tourist income benefits.

SECTION 4. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that RCA is engaged as an independent contractor and is not an officer, agent or employee of the City.

SECTION 5. MANAGEMENT OF FUNDS

5.1 RCA shall maintain a separate financial account of the hotel occupancy tax funds received from the City and may not commingle the funds with any other account. It is understood

and agreed by and between the parties that, upon budget approval by the City, a fiduciary duty is created in RCA with respect to expenditure of the revenue provided.

- 5.2 RCA shall maintain complete and accurate financial records of each receipt and expenditure of the hotel occupancy funds and upon request of the City Council or other person, shall make the records available for inspection and review during normal business hours in accordance with the provisions of the Texas Public Information Act (Texas Government Code, Chapter 552).
- 5.3 Hotel occupancy funds may be spent by RCA for day-to-day operations including supplies, salaries, office rental, travel expenses, and other administrative costs, only if such expenditures have been previously budgeted and approved by the City in advance and shown to be directly related to promotion of tourism and the hotel industry. (See Exhibit "A".)
- 5.4 RCA shall submit an annual report of activities and provide therein a projected line item budget to the City Council for approval that will include itemized personnel costs by singular job descriptions and capital outlay expenses if any. Such report and budget shall be provided no later than June 1st of each year for the next fiscal year.

The budget shall provide a complete financial plan and shall contain the following:

- (1) A budget message, explanatory of the tourism/promotional activity contracted, which message shall contain an outline of the plan of the activity and, in the following years, set forth the reasons for the salient changes from the previous year (as applicable) and any major budgetary revisions. Any subsequent budgetary revision exceeding 25% of any line item, or 10% of the entire budget, or \$10,000.00 will require City Council approval. All items of expenses shall contain detailed narratives as to the basis of the expenditure.
 - (2) A consolidated statement of anticipated receipts and expenditures for all funds.
 - (3) Anticipated revenues shall be placed in parallel columns and display therein the:
 - a) Actual amount for the last completed year;
 - b) Estimated amount for the current fiscal year;
 - c) Proposed amount for the ensuing fiscal year.
 - (4) Planned expenditures shall be placed in parallel columns opposite the various items of expenditures and display the:
 - a) Actual amount of such items of expenditures for the last completed fiscal year;
 - b) Estimated amount for the current fiscal year; and
 - c) Proposed amount for the ensuing fiscal year.
- 5.5 Fiscal quarterly financial reports, on a form prescribed by the City (See Exhibit "B"), are required to be submitted to the City Secretary no later than thirty (30) days after the end

of each fiscal quarter. These reports shall identify a budget comparison of the hotel occupancy funds received by agreement and the uses thereof as defined in the overall budget. It shall show the amount budgeted for the fiscal year by category item and the actual expenditures of such within the fiscal year quarter being reported. In addition, all administrative expenses shall be reported in detail comparing the current fiscal year expenses projection, the current fiscal year actual expenses and the percent of the fiscal year projection.

- 5.6 RCA shall upon request submit an audited financial report to the City, showing in detail the disbursement and use of hotel occupancy funds paid to the RCA pursuant to this Agreement, no later than sixty (60) days after the end of each fiscal year of this Agreement. In addition, the City reserves the right to request an annual audited financial statement reflecting the financial position of the entire RCA for the duration of this Agreement. RCA agrees to provide a current audit (current defined as no later than the last fiscal year), such copy to be delivered within twenty (20) days upon receiving a request from the City Manager or Mayor.

SECTION 6. TRANSFER OF FUNDS

Upon compliance with all conditions precedent, the City Secretary shall remit to RCA ***ONE HUNDRED TWENTY-FOUR THOUSAND FIVE HUNDRED DOLLARS (\$124,500.00)*** of the hotel occupancy tax receipts in four (4) quarterly payments of ***THIRTY-ONE THOUSAND ONE HUNDRED TWENTY-FIVE DOLLARS (\$31,125.00)*** each. RCA shall receive its first quarterly payment on the effective date hereof or the date of final execution of this Agreement, whichever is later. Each quarterly payment thereafter shall be made to RCA within ten (10) business days after receipt of the required quarterly report, but not sooner than the 31st day after the end of each calendar quarter, and after approval of said report by the City Council. The City Council may not approve any quarterly report or portion thereof if it determines that any reported expense in the reporting quarter was an improper use of funds or outside the authorized use of hotel occupancy tax, and may reduce subsequent quarterly payments by the amount determined improper or unauthorized.

SECTION 7. FORCE MAJEURE – SUFFICIENT FUNDS NOT AVAILABLE

The City's obligation to make quarterly payments to RCA pursuant to this Agreement is contingent upon anticipated receipt of minimal amount of hotel occupancy tax from the collecting entities within the City. Based upon this anticipated, budgeted income, the total dollar figure to be paid to RCA pursuant to this Agreement was determined. Other agreements have also been made by the City with local organizations, providing for disbursement of a portion of hotel occupancy tax funds collected. Should it happen, by act of nature or other means outside the control of the City, that the actual hotel occupancy tax funds received are less than the anticipated and budgeted funds, then in that event the City, upon prior notice to RCA may unilaterally reduce the payment(s) to be made pursuant to this Agreement. Unless otherwise agreed by the City, any reduction in payments pursuant hereto shall be made from the final (fourth) quarter payment. The City shall reduce the actual payment pro rata by a percentage of the amount obligated as it relates to the total hotel occupancy tax dollars actually received.

SECTION 8. RETURN OF FUNDS UPON TERMINATION OF CONTRACT

Should this Agreement be terminated by either party hereto or by its own terms, and unless express agreement is otherwise made, RCA shall remit and return to the City, with a final accounting thereof, all unused and unspent hotel occupancy tax funds in its possession, within thirty (30) days from the date of such termination.

SECTION 9. INDEMNIFICATION

RCA agrees to indemnify the City, its officers, agents, and employees, from any and all claims, losses, causes of action and damages, suits, and liability of every kind, including all expenses of litigation, courts costs and attorney fees, for injury to or death of any person, or for damage to any property arising from or in connection with the operations or actions of RCA, its officers, agents and employees carried out in furtherance of this Agreement.

SECTION 10. INSURANCE

RCA shall maintain a comprehensive general liability insurance policy, with an insurance company or companies authorized to do business in the State of Texas, which shall include bodily injury, property damage, contractual and automobile liability coverage with a minimum of not less than \$500,000.00. In addition, workers' compensation insurance coverage shall be provided by RCA in accordance with state law.

SECTION 11. TERMINATION

If either party materially breaches this Agreement, the other party may terminate the Agreement by providing thirty (30) days' written notice to the defaulting party. Should a dispute arise regarding the existence of a material breach, either party may request that the issue be presented to a licensed mediator.

SECTION 12. NON-RENEWAL

It is understood and agreed that RCA is not entitled to any right of automatic renewal of this Agreement for the ensuing year, or years, since such option under the Act rests exclusively with the City Council.

SECTION 13. NOTICE

All communications required by this Agreement between the City and RCA shall be in writing and addressed to the attention of the City Manager, 622 E. Market Street, Rockport, TX 78382 or to the President of Rockport Center for the Arts, 902 Navigation Circle, Rockport, TX 78382.

SECTION 14. COMPLIANCE WITH LAWS

In performing its duties under this Agreement, RCA shall at all times comply with the City of Rockport Code and all the State of Texas Acts. (See Sections 1 & 5.)

SECTION 15. PROHIBITION AGAINST DISCRIMINATION

In the performance of this Agreement, RCA shall not discriminate against any employee or applicant for employment because of an individual's race, color, religion, national origin, sex, or mental or physical disability. Proven breach of this provision may be regarded as a material breach of this Agreement allowing for termination.

SECTION 16. CONTROLLING LAW

It is understood and agreed that in the event any provision of this Agreement is inconsistent with the requirements of the Act, or any other applicable state law, the requirements of the law will control and supersede the terms set forth herein.

SECTION 17. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties, relative to the hotel occupancy tax funds made the basis hereof.

IN WITNESS WHEREOF, the parties have herein unto set their hands on duplicate originals, in the City of Rockport, Aransas County, Texas on this ____ day of _____ 2016.

CITY OF ROCKPORT

ROCKPORT CENTER FOR THE ARTS

Charles J. Wax, Mayor

Terry E. Baiamonte, President

ATTEST:

ATTEST:

Teresa Valdez, City Secretary

Luis Purón, Executive Director

EXHIBIT "A"

CATEGORY	AMOUNT REQUESTED	GRANT AMOUNT
Advertising	\$29,000.00	
Art Festival	\$29,000.00	
Tour of Homes	\$9,500.00	
Exhibitions	\$30,000.00	
Workshops & Classes	\$14,000.00	
Sculpture Garden	\$13,000.00	
TOTAL	\$124,500.00	\$124,500.00

EXHIBIT "B"

HOT FUNDING EXPENSE REPORT FY 2016-2017

Description of Expense	Approved Budget	1 st Quarter Expenses	2 nd Quarter Expenses	3 rd Quarter Expenses	4 th Quarter Expenses	TOTAL
TOTAL REQUESTED						

Description of Administrative Expenses	Current Fiscal Year Administrative Expenses Projection	Fiscal Year Administrative Actual Expenses	Percentage of Fiscal Year Projections
TOTALS			

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 9

Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport-Fulton Chamber of Commerce.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: At the Special City Council Workshop held on June 7, 2016, Sandy Jumper Director of Tourism & Events of the Rockport-Fulton Chamber of Commerce, presented their Fiscal Year 2016-2017 budget request to the City Council. Budget deliberations were held through the summer to finalize the City's Fiscal Year 2016-2017 Budget, with formal adoption scheduled for the September 20, 2016, City Council Meeting. The proposed Agreement remains the same as the previous year. See the accompanying agreement for additional details.

FISCAL ANALYSIS: Budget account 6602001. Disbursement of funds will be made according to Section 6 of the Agreement.

STAFF RECOMMENDATION: Staff recommends Council approve the Fiscal Year 2016-2017 Agreement with the Rockport-Fulton Chamber of Commerce in the amount of \$327,000.00 or \$81,750.00 per quarter, as presented.

**CITY OF ROCKPORT
AND
ROCKPORT-FULTON CHAMBER OF COMMERCE**

**An Agreement Concerning the Use of
Funds from the Hotel Occupancy Tax**

**STATE OF TEXAS §
 §
COUNTY OF ARANSAS §**

This Agreement is made by and between the City of Rockport, a Texas home rule municipal corporation, hereinafter called "City," and the Rockport-Fulton Chamber of Commerce, a private non-profit association, hereinafter called "Chamber," acting by and through its duly elected officers.

SECTION 1. LEGAL AUTHORITY

The City collects a local hotel occupancy tax as authorized by Chapter 351 of the Texas Tax Code ("Act"). Pursuant to the Act, the City expends funds collected for the purpose of advertising with any media outlet that is outside 75 miles of the City of Rockport (Resolution No. 09-15) and encouraging growth of tourism and convention/hotel activity in the City as outlined in Chapter 94, Article IV, Hotel Occupancy Tax of the City of Rockport Code of Ordinances ("Code").

SECTION 2. TERM OF AGREEMENT

This Agreement shall become effective on October 1, 2016 and terminate on September 30, 2017.

SECTION 3. SERVICES TO BE PROVIDED

- 3.1 As authorized under the Act, the City hereby agrees to pay to the Chamber ***THREE HUNDRED TWENTY-SEVEN THOUSAND DOLLARS (\$327,000.00)*** of the money actually received by the City from local hotel occupancy tax. Subject to the terms and conditions herein, the Chamber agrees to expend such funds received for advertising and promoting tourism for the out-of-town visitor market from which the hotel industry within the City derives direct tourist income benefits.
- 3.2 The Chamber agrees to conduct a continuing program of advertising and promotion for the purpose of attracting visitors, tourists, and conventions to the City by publishing and distributing brochures and community information packets, by advertising in various, appropriate tourist publications and general media publications, by representing the City at travel shows and other such events, by participating with state and regional agencies in tourist development programs of benefit to the City, and by using all appropriate means to increase the traveling public's awareness of the resort and recreational advantages of the City. The Chamber shall distribute information on all local accommodation establishments

that pay hotel occupancy taxes to the City via an accommodation guide to be updated by the Chamber annually.

SECTION 4. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that the Chamber is engaged as an independent contractor and is not an officer, agent or employee of the City.

SECTION 5. MANAGEMENT OF FUNDS

- 5.1 The Chamber shall maintain a separate financial account of the hotel occupancy tax funds received from the City and may not commingle the funds with any other account. It is understood and agreed by and between the parties that, upon budget approval by the City, a fiduciary duty is created in the Chamber with respect to expenditure of the revenue provided.
- 5.2 The Chamber shall maintain complete and accurate financial records of each receipt and expenditure of the hotel occupancy funds and upon request of the City Council or other person, shall make the records available for inspection and review during normal business hours in accordance with the provisions of the Texas Public Information Act (Texas Government Code, Chapter 552).
- 5.3 Hotel occupancy funds may be spent by the Chamber for day-to-day operations including supplies, salaries, office rental, travel expenses, and other administrative costs, only if such expenditures have been previously budgeted and approved by the City in advance and shown to be directly related to promotion of tourism and the hotel industry. (See Exhibit "A".)
- 5.4 The Chamber shall submit an annual report of activities and provide therein a projected line item budget to the City Council for approval that will include itemized personnel costs by singular job descriptions and capital outlay expenses if any. Such report and budget shall be provided no later than June 1st of each year for the next fiscal year.

The budget shall provide a complete financial plan and shall contain the following:

- (1) A budget message explanatory of the tourism/promotional activity contracted, which message shall contain an outline of the plan of the activity and, in the following years, set forth the reasons for the salient changes from the previous year (as applicable) and any major budgetary revisions. Any subsequent budgetary revision exceeding 25% of any line item, or 10% of the entire budget, or \$10,000.00 will require City Council approval. All items of expenses shall contain detailed narratives as to the basis of the expenditure.
- (2) A consolidated statement of anticipated receipts and expenditures for all funds.
- (3) Anticipated revenues shall be placed in parallel columns and display therein the:

- a) Actual amount for the last completed year;
- b) Estimated amount for the current fiscal year;
- c) Proposed amount for the ensuing fiscal year.

(4) Planned expenditures shall be placed in parallel columns opposite the various items of expenditures and display the:

- a) Actual amount of such items of expenditures for the last completed fiscal year;
- b) Estimated amount for the current fiscal year; and
- c) Proposed amount for the ensuing fiscal year.

5.5 Fiscal quarterly financial reports, on a form prescribed by the City (See Exhibit "B"), are required to be submitted to the City Secretary no later than sixty (60) days after the end of each fiscal quarter. These reports shall identify a budget comparison of the hotel occupancy funds received by agreement and the uses thereof as defined in the overall budget. It shall show the amount budgeted for the fiscal year by category item and the actual expenditures of such within the fiscal year quarter being reported. In addition, all administrative expenses shall be reported in detail comparing the current fiscal year expenses projection, the current fiscal year actual expenses and the percent of the fiscal year projection.

5.6 The Chamber shall upon request submit an audited financial report to the City, showing in detail the disbursement and use of hotel occupancy funds paid to the Chamber pursuant to this Agreement, no later than sixty (60) days after the end of each fiscal year of this Agreement. In addition, the City reserves the right to request an annual audited financial statement reflecting the financial position of the entire Chamber for the duration of this Agreement. The Chamber agrees to provide a current audit (current defined as no later than the last fiscal year), such copy to be delivered within twenty (20) days upon receiving a request from the City Manager or Mayor.

SECTION 6. TRANSFER OF FUNDS

Upon compliance with all conditions precedent, the City Secretary shall remit to the Chamber **THREE HUNDRED TWENTY-SEVEN THOUSAND DOLLARS (\$327,000.00)** of the hotel occupancy tax receipts in four (4) quarterly payments of **EIGHTY THOUSAND DOLLARS (\$81,750.00)** each. The Chamber shall receive its first quarterly payment on the effective date hereof or the date of final execution of this Agreement, whichever is later. Each quarterly payment thereafter shall be made to the Chamber within ten (10) business days after receipt of the required quarterly report, but not sooner than the 31st day after the end of each calendar quarter, and after approval of said report by the City Council. The City Council may not approve any quarterly report or portion thereof if it determines that any reported expense in the reporting quarter was an improper use of funds or outside the authorized use of hotel occupancy tax, and may reduce subsequent quarterly payments by the amount determined improper or unauthorized.

SECTION 7. FORCE MAJEURE – SUFFICIENT FUNDS NOT AVAILABLE

The City's obligation to make quarterly payments to the Chamber pursuant to this Agreement is contingent upon anticipated receipt of a minimal amount of hotel occupancy tax from the collecting entities within the City. Based upon this anticipated, budgeted income, the total dollar figure to be paid to the Chamber pursuant to this Agreement was determined. Other agreements have also been made by the City with local organizations, providing for disbursement of a portion of hotel occupancy tax funds collected. Should it happen, by act of nature or other means outside the control of the City, that the actual hotel occupancy tax funds received are less than the anticipated and budgeted funds, the City, upon prior notice to the Chamber, may unilaterally reduce the payment(s) to be made pursuant to this Agreement. Unless otherwise agreed by the City, any reduction in payments pursuant hereto shall be made from the final (fourth) quarter payment. The City shall reduce the actual payment pro rata by a percentage of the amount obligated as it relates to the total hotel occupancy tax dollars actually received.

SECTION 8. RETURN OF FUNDS UPON TERMINATION OF CONTRACT

Should this Agreement be terminated by either party hereto or by its own terms, and unless express agreement is otherwise made, the Chamber shall remit and return to the City, with a final accounting thereof, all unused and unspent hotel occupancy tax funds in its possession, within thirty (30) days from the date of such termination.

SECTION 9. INDEMNIFICATION

The Chamber agrees to indemnify the City, its officers, agents, and employees, from any and all claims, losses, causes of action and damages, suits, and liability of every kind, including all expenses of litigation, courts costs and attorney fees, for injury to or death of any person, or for damage to any property arising from or in connection with the operations or actions of the Chamber, its officers, agents and employees carried out in furtherance of this Agreement.

SECTION 10. INSURANCE

The Chamber shall maintain a comprehensive general liability insurance policy, with an insurance company or companies authorized to do business in the State of Texas, which shall include bodily injury, property damage, contractual and automobile liability coverage with a minimum of not less than \$500,000.00. In addition, workers' compensation insurance coverage shall be provided by the Chamber in accordance with state law.

SECTION 11. TERMINATION

If either party materially breaches this Agreement, the other party may terminate the Agreement by providing thirty (30) days' written notice to the defaulting party. Should a dispute arise regarding the existence of a material breach, either party may request that the issue be presented to a licensed mediator.

SECTION 12. NON-RENEWAL

It is understood and agreed that the Chamber is not entitled to any right of automatic renewal of this Agreement for the ensuing year, or years, since such option under the Act rests exclusively with the City Council.

SECTION 13. NOTICE

All communications required by this Agreement between the City and the Chamber shall be in writing and addressed to the attention of the City Manager, 622 E. Market Street, Rockport, TX 78382 or to the President of the Rockport-Fulton Chamber of Commerce, 319 Broadway, Rockport, TX 78382.

SECTION 14. COMPLIANCE WITH LAWS

In performing its duties under this Agreement, the Chamber shall at all times comply with the City of Rockport Code and all the State of Texas Acts. (See Sections 1 & 5.)

SECTION 15. PROHIBITION AGAINST DISCRIMINATION

In the performance of this Agreement, the Chamber shall not discriminate against any employee or applicant for employment because of an individual's race, color, religion, national origin, sex, or mental or physical disability. Proven breach of this provision may be regarded as a material breach of this Agreement allowing for termination.

SECTION 16. CONTROLLING LAW

It is understood and agreed that in the event any provision of this Agreement is inconsistent with the requirements of the Act, or any other applicable state law, the requirements of the law will control and supersede the terms set forth herein.

SECTION 17. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties relative to the hotel occupancy tax funds made the basis hereof.

IN WITNESS WHEREOF, the parties have herein unto set their hands on duplicate originals, in the City of Rockport, Aransas County, Texas, on this ____ day of _____ 2016.

CITY OF ROCKPORT

**ROCKPORT-FULTON CHAMBER
OF COMMERCE**

Charles J. Wax, Mayor

Rick McKinney, Chair of the Board

ATTEST:

ATTEST:

Teresa Valdez, City Secretary

Diane Probst, President/Chief Executive Officer

2016-17 Proposed Budget

<u>Revenues</u>						
Rockport	330,000.00					
Fulton	90,000.00					
County	55,000.00					
	\$475,000.00					
<u>Expenses</u>						
Accounting	2,800.00		Annual Audit			
Administrative Services	80,100.00		Chamber Admin – less than 20% of budget			
Advertising & Promotion	345,000.00		See detail on Media Selection Sheet			
Contract Services	1,500.00		Miscellaneous			
Conference Fees	3,850.00		Staff conferences related to tourism			
Dues & Subscriptions	2,000.00		State and regional organization partners			
Event Funding Assistance	3,000.00		Spring Fling Media Event			
Food, Beverage & Meals	2,500.00		Groups, Greeters, Sponsorships, etc.			
Maintenance & Repairs	4,000.00		Repair equip., Ipad sign in			
Mileage & Travel	4,200.00		Trade Shows, staff conferences, etc.			
Postage & Freight	7,000.00		Reader Response Bulk Mailings			
Printing & Publication	11,000.00		Gen. Brochure, 51 TT, Bags, Map Pads			
Prizes, Gifts & Awards	500.00		Basket Promotion Items, MBA Challenge			
Rentals & Fees	1,250.00		Booth Rentals, Meeting Coordinators			
Supplies	2,800.00		Promotion giveaway items, banners, etc.			
Telephone	2,500.00		800#, Tourism lines, Internet Service			
Web Site Maintenance	1,000.00		Development of New site, monthly updates, etc. for first year			
	\$475,000.00					

EXHIBIT "B"

HOT FUNDING EXPENSE REPORT FY 2016-2017

Description of Expense	Approved Budget	1st Quarter Expenses	2nd Quarter Expenses	3rd Quarter Expenses	4th Quarter Expenses	TOTAL
TOTAL REQUESTED						

Description of Administrative Expenses	Current Fiscal Year Administrative Expenses Projection	Fiscal Year Administrative Actual Expenses	Percentage of Fiscal Year Projections
TOTALS			

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 10

Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport-Fulton Chamber of Commerce for the 2016 SeaFair Celebration.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: At the Special City Council Workshop held on June 7, 2015, Sandy Jumper, Director of Tourism and Events for Rockport-Fulton Chamber of Commerce, presented their Fiscal Year 2016-2017 budget request to the City Council. Budget deliberations were held through the summer to finalize the City's Fiscal Year 2016-2017 Budget, with formal adoption scheduled for the September 20, 2016, City Council Meeting. The proposed Agreement remains the same as the previous year. See the accompanying agreement for additional details.

FISCAL ANALYSIS: Budget account 6602047. Disbursement of funds will be made upon submittal of Fiscal Year 2016-2017 HOT Funding Expense Report and subsequent approval by the City Council.

STAFF RECOMMENDATION: Staff recommends Council approve the Fiscal Year 2016-2017 Agreement with the Rockport-Fulton Chamber of Commerce for the 2016 SeaFair Celebration in the amount of \$1,500.00, as presented.

**CITY OF ROCKPORT
AND
ROCKPORT-FULTON CHAMBER OF COMMERCE**

**An Agreement Concerning the Use of
Funds from the Hotel Occupancy Tax
Single-Sum Payment
Seafair Committee 2016**

STATE OF TEXAS §
 §
COUNTY OF ARANSAS §

This Agreement is made by and between the City of Rockport, a Texas home rule municipal corporation, hereinafter called "City," and Rockport-Fulton Chamber of Commerce, Seafair Committee, hereinafter called "Recipient."

SECTION 1. LEGAL AUTHORITY

The City collects a local hotel occupancy tax as authorized by Chapter 351 of the Texas Tax Code ("Act"). Pursuant to the Act, the City expends funds collected for the purpose of advertising with any media outlet that is outside 75 miles of the City of Rockport (Resolution No. 09-15) and encouraging the growth of tourism and convention and hotel activity in the City as codified in Chapter 94, Article IV, Hotel Occupancy Tax of the City of Rockport Code of Ordinances ("Code"). The City may, by contract, allow Recipient to expend hotel occupancy taxes for such purposes.

SECTION 2. TERM OF AGREEMENT

Conditioned upon City Council approval, this Agreement shall become effective on the date signed by Recipient. This Agreement shall continue until Recipient has fulfilled all obligations to account for proper expenditure of hotel occupancy tax funds.

SECTION 3. SERVICES TO BE PROVIDED

The City hereby agrees to pay to Recipient, from money actually received by the City from local hotel occupancy tax, the sum of **FIFTEEN HUNDRED DOLLARS (\$1,500.00)**. Subject to the terms and conditions hereof, Recipient agrees to expend such funds received for advertising and promoting tourism for the out-of-town visitor market from which the hotel industry within the City derives direct tourist income benefits from the Seafair Festival.

SECTION 4. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that Recipient is engaged as an independent contractor and is not an officer, agent or employee of the City.

SECTION 5. MANAGEMENT OF FUNDS

- 5.1 It is understood and agreed by and between the parties that a fiduciary duty is created in the Recipient with respect to expenditure of the revenue provided.
- 5.2 The Recipient shall maintain complete and accurate financial records of each receipt and expenditure of the hotel occupancy funds and, upon request of the City Council or other person, shall make the records available for inspection and review during normal business hours, in accordance with the provisions of the Texas Public Information Act (Texas Government Code, Chapter 552).
- 5.3 Hotel occupancy funds may be spent by the Recipient for only those expenditures that have been previously approved by the City in advance and shown to be directly related to the promotion of tourism and the hotel industry. (See Exhibit "A".)
- 5.4 Recipient shall prepare and file with the City Secretary a financial report, on a form prescribed by the City (See Exhibit "B"), no later than 30 days after the event for which hotel occupancy tax funds were held and/or spent by the Recipient. This report shall identify a budget comparison of the hotel occupancy funds received by contract and the uses thereof as defined in the overall budget. It shall show the amount budgeted by category item and the actual expenditures of such.
- 5.5 The City may request an annual audited financial statement reflecting the financial position of the Recipient for the period of time this Agreement is in effect. The Recipient agrees to provide a current audit (current defined as no later than the last calendar year), such copy to be delivered within twenty (20) days upon receiving a request from the City Manager or Mayor.

SECTION 6. TRANSFER OF FUNDS

Upon compliance with all conditions precedent, the City Secretary shall remit to the Recipient hotel occupancy tax receipts as follows: **Lump-sum payment - \$1,500.00.**

SECTION 7. FORCE MAJEURE – SUFFICIENT FUNDS NOT AVAILABLE

The City's obligation to make payment to Recipient pursuant to this Agreement is contingent upon anticipated receipt of a minimal amount of hotel occupancy tax from the collecting entities within the City. The dollar figure to be paid to the Recipient was based in part upon this anticipated, budgeted income. Recipient understands that other agreements have also been made by the City, providing for disbursement by third parties of a portion of hotel occupancy tax funds collected. Should it happen, by act of nature or other means outside the control of the City, that the actual hotel occupancy tax funds received are less than the anticipated and budgeted funds, the City may, after notice to the Recipient, reduce the total obligated payment should the governing body determine that such action is necessary to fund any other third-party agreement(s).

SECTION 8. RETURN OF FUNDS UPON TERMINATION OF CONTRACT

Should this Agreement be terminated, the Recipient shall remit and return to the City, with a final accounting thereof, all unused and unspent hotel occupancy tax funds in its possession, within thirty (30) days from the date of such termination.

SECTION 9. INDEMNIFICATION

The Recipient agrees to indemnify the City, its officers, agents, and employees, from any and all claims, losses, causes of action and damages, suits and liability of every kind, including all expenses of litigation, courts costs and attorney fees, for injury to or death or any person, or for damage to any property arising from or in connection with the operations or actions of the Recipient, its officers, agents and employees carried out in furtherance of this Agreement.

SECTION 10. TERMINATION

If Recipient is in breach of this Agreement, the City may terminate the Agreement by providing ten (10) days' written notice to Recipient to cure the breach. If the breach is not cured within the time provided, the City Manager or Mayor may immediately declare Agreement terminated.

SECTION 11. NON-RENEWAL

It is understood and agreed that the Recipient is not entitled to any right of automatic renewal of this Agreement for the ensuing year, or years, since such option under the Act rests exclusively with the City Council.

SECTION 12. NOTICE

All communications required by this Agreement between the City and the Recipient shall be in writing and addressed to the attention of the City Manager, 622 E. Market Street, Rockport, TX 78382 or to the Recipient at Rockport-Fulton Chamber of Commerce, Seafair Committee, Attn: Eric Heller, Chair, 319 Broadway, Rockport, TX 78382.

SECTION 13. COMPLIANCE WITH LAWS

In performing its duties under this Agreement, the Recipient shall at all times comply with the City of Rockport Code and all the State of Texas Acts. (See Section 1.)

SECTION 14. PROHIBITION AGAINST DISCRIMINATION

In the performance of this Agreement, the Recipient shall not discriminate against any employee or applicant for employment because of an individual's race, color, religion, national origin, sex, or mental or physical disability. Violation of this provision may be regarded as a material breach of this Agreement.

SECTION 15. CONTROLLING LAW

It is understood and agreed that in the event any provision of this Agreement is inconsistent with the requirements of the Act, or any other applicable state law, the requirements of the law will control and supersede the terms set forth herein.

SECTION 16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties, relative to the hotel occupancy tax funds made the basis hereof.

IN WITNESS WHEREOF, the parties have herein unto set their hands on duplicate originals, in the City of Rockport, Aransas County, Texas on this ____ day of _____ 2016.

CITY OF ROCKPORT

**ROCKPORT-FULTON CHAMBER
OF COMMERCE**

Charles J. Wax, Mayor

Eric Heller, Seafair Committee Chair

ATTEST:

ATTEST:

Teresa Valdez, City Secretary

Diane Probst, President/Chief Executive Officer

EXHIBIT "A"

	AMOUNT COMMITTED TO EACH MEDIA OUTLET	GRANT AMOUNT
Paid Advertising	\$12,000.00	
Newspaper Advertising	\$2,000.00	
TV Advertising	\$2,000.00	
Radio Advertising	\$500.00	
Press Releases to Media	\$6,000.00	
Direct Mailing to out of town recipients	\$1,000.00	
TOTAL		\$1,500.00

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 11

Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport-Fulton Chamber of Commerce for the 2017 HummerBird Celebration.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: At the Special City Council Workshop held on June 7, 2016, Sandy Jumper, Director of Tourism and Events for Rockport-Fulton Chamber of Commerce, presented their Fiscal Year 2016-2017 budget request to the City Council. Budget deliberations were held through the summer to finalize the City's Fiscal Year 2016-2017 Budget, with formal adoption scheduled for the September 20, 2016, City Council Meeting. The proposed Agreement remains the same as the previous year. See the accompanying agreement for additional details.

FISCAL ANALYSIS: Budget account 6602048. Disbursement of funds will be made upon submittal of Fiscal Year 2016-20167HOT Funding Expense Report and subsequent approval by the City Council.

STAFF RECOMMENDATION: Staff recommends Council approve Fiscal Year 2016-2017 Agreement with the Rockport-Fulton Chamber of Commerce for the 2017 HummerBird Celebration in the amount of \$1,500.00, as presented.

**CITY OF ROCKPORT
AND
ROCKPORT-FULTON CHAMBER OF COMMERCE**

**An Agreement Concerning the Use of
Funds from the Hotel Occupancy Tax
Single-Sum Payment
HummerBird Committee 2017**

**STATE OF TEXAS §
 §
COUNTY OF ARANSAS §**

This Agreement is made by and between the City of Rockport, a Texas home rule municipal corporation, hereinafter called “City,” and Rockport-Fulton Chamber of Commerce, HummerBird Committee, hereinafter called “Recipient.”

SECTION 1. LEGAL AUTHORITY

The City collects a local hotel occupancy tax as authorized by Chapter 351 of the Texas Tax Code (“Act”). Pursuant to the Act, the City expends funds collected for the purpose of advertising with any media outlet that is outside 75 miles of the City of Rockport (Resolution No. 09-15) and encouraging the growth of tourism and convention and hotel activity in the City as codified in Chapter 94, Article IV, Hotel Occupancy Tax of the City of Rockport Code of Ordinances (“Code”). The City may, by contract, allow Recipient to expend hotel occupancy taxes for such purposes.

SECTION 2. TERM OF AGREEMENT

Conditioned upon City Council approval, this Agreement shall become effective on the date signed by Recipient. This Agreement shall continue until Recipient has fulfilled all obligations to account for proper expenditure of hotel occupancy tax funds.

SECTION 3. SERVICES TO BE PROVIDED

The City hereby agrees to pay to Recipient, from money actually received by the City from local hotel occupancy tax, the sum of ***FIFTEEN HUNDRED DOLLARS (\$1,500.00)***. Subject to the terms and conditions hereof, Recipient agrees to expend such funds received for advertising and promoting tourism for the out-of-town visitor market from which the hotel industry within the City derives direct tourist income benefits from the HummerBird Celebration.

SECTION 4. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that Recipient is engaged as an independent contractor and is not an officer, agent or employee of the City.

SECTION 5. MANAGEMENT OF FUNDS

- 5.1 It is understood and agreed by and between the parties that a fiduciary duty is created in the Recipient with respect to expenditure of the revenue provided.
- 5.2 The Recipient shall maintain complete and accurate financial records of each receipt and expenditure of the hotel occupancy funds and, upon request of the City Council or other person, shall make the records available for inspection and review during normal business hours, in accordance with the provisions of the Texas Public Information Act (Texas Government Code, Chapter 552).
- 5.3 Hotel occupancy funds may be spent by the Recipient for only those expenditures that have been previously approved by the City in advance and shown to be directly related to the promotion of tourism and the hotel industry. (See Exhibit "A".)
- 5.4 Recipient shall prepare and file with the City Secretary a financial report, on a form prescribed by the City (See Exhibit "B"), no later than 30 days after the event for which hotel occupancy tax funds were spent by the Recipient. This report shall identify a budget comparison of the hotel occupancy funds received by contract and the uses thereof as defined in the overall budget. It shall show the amount budgeted by category item and the actual expenditures of such.
- 5.5 The City may request an annual audited financial statement reflecting the financial position of the Recipient for the period of time this Agreement is in effect. The Recipient agrees to provide a current audit (current defined as no later than the last calendar year), such copy to be delivered within twenty (20) days upon receiving a request from the City Manager or Mayor.

SECTION 6. TRANSFER OF FUNDS

Upon compliance with all conditions precedent, the City Secretary shall remit to the Recipient hotel occupancy tax receipts as follows: **Lump-sum payment - \$1,500.00.**

SECTION 7. FORCE MAJEURE – SUFFICIENT FUNDS NOT AVAILABLE

The City's obligation to make payment to Recipient pursuant to this Agreement is contingent upon anticipated receipt of a minimal amount of hotel occupancy tax from the collecting entities within the City. The dollar figure to be paid to the Recipient was based in part upon this anticipated, budgeted income. Recipient understands that other agreements have also been made by the City, providing for disbursement by third parties of a portion of hotel occupancy tax funds collected. Should it happen, by act of nature or other means outside the control of the City, that the actual hotel occupancy tax funds received are less than the anticipated and budgeted funds, the City may, after notice to the Recipient, reduce the total obligated payment should the governing body determine that such action is necessary to fund any other third-party agreement(s).

SECTION 8. RETURN OF FUNDS UPON TERMINATION OF CONTRACT

Should this Agreement be terminated, the Recipient shall remit and return to the City, with a final accounting thereof, all unused and unspent hotel occupancy tax funds in its possession, within thirty (30) days from the date of such termination.

SECTION 9. INDEMNIFICATION

The Recipient agrees to indemnify the City, its officers, agents, and employees, from any and all claims, losses, causes of action and damages, suits and liability of every kind, including all expenses of litigation, courts costs and attorney fees, for injury to or death of any person, or for damage to any property arising from or in connection with the operations or actions of the Recipient, its officers, agents and employees carried out in furtherance of this Agreement.

SECTION 10. TERMINATION

If Recipient is in breach of this Agreement, the City may terminate the Agreement by providing ten (10) days' written notice to Recipient to cure the breach. If the breach is not cured within the time provided, the City Manager or Mayor may immediately declare Agreement terminated.

SECTION 11. NON-RENEWAL

It is understood and agreed that the Recipient is not entitled to any right of automatic renewal of this Agreement for the ensuing year, or years, since such option under the Act rests exclusively with the City Council.

SECTION 12. NOTICE

All communications required by this Agreement between the City and the Recipient shall be in writing and addressed to the attention of the City Manager, 622 E. Market Street, Rockport, TX 78382 or to the Recipient at Rockport-Fulton Chamber of Commerce, HummerBird Committee, Attn: Chairperson, 319 Broadway, Rockport, TX 78382.

SECTION 13. COMPLIANCE WITH LAWS

In performing its duties under this Agreement, the Recipient shall at all times comply with the City of Rockport Code and all the State of Texas Acts. (See Section 1.)

SECTION 14. PROHIBITION AGAINST DISCRIMINATION

In the performance of this Agreement, the Recipient shall not discriminate against any employee or applicant for employment because of an individual's race, color, religion, national origin, sex, or mental or physical disability. Violation of this provision may be regarded as a material breach of this Agreement.

SECTION 15. CONTROLLING LAW

It is understood and agreed that in the event any provision of this Agreement is inconsistent with the requirements of the Act, or any other applicable state law, the requirements of the law will control and supersede the terms set forth herein.

SECTION 16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties, relative to the hotel occupancy tax funds made the basis hereof.

IN WITNESS WHEREOF, the parties have herein unto set their hands on duplicate originals, in the City of Rockport, Aransas County, Texas on this ____ day of _____ 2016.

CITY OF ROCKPORT

**ROCKPORT-FULTON CHAMBER
OF COMMERCE**

Charles J. Wax, Mayor

HummerBird Committee
Chairperson

ATTEST:

ATTEST:

Teresa Valdez, City Secretary

Diane Probst, President/Chief Executive Officer

EXHIBIT "A"

	AMOUNT COMMITTED TO EACH MEDIA OUTLET	GRANT AMOUNT
Paid Advertising	\$5984.00	
Press Releases to Media	\$100.00	
Direct Mailing to out of town recipients	\$1,000.00	
TOTAL		\$1,500.00

EXHIBIT "B"

HOT FUNDING EXPENSE REPORT FY 2016-2017		
Description of Expense	Approved Budget	Amount of Expense
TOTAL REIMBURSEMENT REQUEST		

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 12

Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport-Fulton Chamber of Commerce for the 2017 Veterans' Memorial Wall Traveling Exhibit.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: At the Special City Council Workshop held on June 7, 2016, Diane Probst, President & Chief Executive Officer for Rockport-Fulton Chamber of Commerce, presented their Fiscal Year 2016-2017 budget request to the City Council. Budget deliberations were held through the summer to finalize the City's Fiscal Year 2016-2017 Budget, with formal adoption scheduled for the September 20, 2016, City Council Meeting. The proposed Agreement contains the same contractual information as the requirements for the Rockport-Fulton Chamber of Commerce HummerBird and SeaFair events. See the accompanying agreement for additional details.

FISCAL ANALYSIS: Budget account 6602057. Disbursement of funds will be made upon submittal of Fiscal Year 2016-2017 HOT Funding Expense Report and subsequent approval by the City Council.

STAFF RECOMMENDATION: Staff recommends Council approve the Fiscal Year 2016-2016 Agreement with the Rockport-Fulton Chamber of Commerce for the 2017 Veterans' Memorial Wall Traveling Exhibit, in the amount of \$1,500.00, as presented.

**CITY OF ROCKPORT
AND
ROCKPORT-FULTON CHAMBER OF COMMERCE**

**An Agreement Concerning the Use of
Funds from the Hotel Occupancy Tax
Single-Sum Payment
Veterans' Memorial Wall Traveling Exhibit 2017**

STATE OF TEXAS §
 §
COUNTY OF ARANSAS §

This Agreement is made by and between the City of Rockport, a Texas home rule municipal corporation, hereinafter called "City," and Rockport-Fulton Chamber of Commerce, hereinafter called "Recipient."

SECTION 1. LEGAL AUTHORITY

The City collects a local hotel occupancy tax as authorized by Chapter 351 of the Texas Tax Code ("Act"). Pursuant to the Act, the City expends funds collected for the purpose of advertising with any media outlet that is outside 75 miles of the City of Rockport (Resolution No. 09-15) and encouraging the growth of tourism and convention and hotel activity in the City as codified in Chapter 94, Article IV, Hotel Occupancy Tax of the City of Rockport Code of Ordinances ("Code"). The City may, by contract, allow Recipient to expend hotel occupancy taxes for such purposes.

SECTION 2. TERM OF AGREEMENT

Conditioned upon City Council approval, this Agreement shall become effective on the date signed by Recipient. This Agreement shall continue until Recipient has fulfilled all obligations to account for proper expenditure of hotel occupancy tax funds.

SECTION 3. SERVICES TO BE PROVIDED

The City hereby agrees to pay to Recipient, from money actually received by the City from local hotel occupancy tax, the sum of **FIFTEEN HUNDRED DOLLARS (\$1,500.00)**. Subject to the terms and conditions hereof, Recipient agrees to expend such funds received for advertising and promoting tourism for the out-of-town visitor market from which the hotel industry within the City derives direct tourist income benefits from the Veterans' Memorial Wall Traveling Exhibit.

SECTION 4. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that Recipient is engaged as an independent contractor and is not an officer, agent or employee of the City.

SECTION 5. MANAGEMENT OF FUNDS

- 5.1 It is understood and agreed by and between the parties that a fiduciary duty is created in the Recipient with respect to expenditure of the revenue provided.
- 5.2 The Recipient shall maintain complete and accurate financial records of each receipt and expenditure of the hotel occupancy funds and, upon request of the City Council or other person, shall make the records available for inspection and review during normal business hours, in accordance with the provisions of the Texas Public Information Act (Texas Government Code, Chapter 552).
- 5.3 Hotel occupancy funds may be spent by the Recipient for only those expenditures that have been previously approved by the City in advance and shown to be directly related to the promotion of tourism and the hotel industry. (See Exhibit "A".)
- 5.4 Recipient shall prepare and file with the City Secretary a financial report, on a form prescribed by the City (See Exhibit "B"), no later than 30 days after the event for which hotel occupancy tax funds were held and/or spent by the Recipient. This report shall identify a budget comparison of the hotel occupancy funds received by contract and the uses thereof as defined in the overall budget. It shall show the amount budgeted by category item and the actual expenditures of such.
- 5.5 The City may request an annual audited financial statement reflecting the financial position of the Recipient for the period of time this Agreement is in effect. The Recipient agrees to provide a current audit (current defined as no later than the last calendar year), such copy to be delivered within twenty (20) days upon receiving a request from the City Manager or Mayor.

SECTION 6. TRANSFER OF FUNDS

Upon compliance with all conditions precedent, the City Secretary shall remit to the Recipient hotel occupancy tax receipts as follows: **Lump-sum payment - \$1,500.00.**

SECTION 7. FORCE MAJEURE – SUFFICIENT FUNDS NOT AVAILABLE

The City's obligation to make payment to Recipient pursuant to this Agreement is contingent upon anticipated receipt of a minimal amount of hotel occupancy tax from the collecting entities within the City. The dollar figure to be paid to the Recipient was based in part upon this anticipated, budgeted income. Recipient understands that other agreements have also been made by the City, providing for disbursement by third parties of a portion of hotel occupancy tax funds collected. Should it happen, by act of nature or other means outside the control of the City, that the actual hotel occupancy tax funds received are less than the anticipated and budgeted funds, the City may, after notice to the Recipient, reduce the total obligated payment should the governing body determine that such action is necessary to fund any other third-party agreement(s).

SECTION 8. RETURN OF FUNDS UPON TERMINATION OF CONTRACT

Should this Agreement be terminated, the Recipient shall remit and return to the City, with a final accounting thereof, all unused and unspent hotel occupancy tax funds in its possession, within thirty (30) days from the date of such termination.

SECTION 9. INDEMNIFICATION

The Recipient agrees to indemnify the City, its officers, agents, and employees, from any and all claims, losses, causes of action and damages, suits and liability of every kind, including all expenses of litigation, courts costs and attorney fees, for injury to or death or any person, or for damage to any property arising from or in connection with the operations or actions of the Recipient, its officers, agents and employees carried out in furtherance of this Agreement.

SECTION 10. TERMINATION

If Recipient is in breach of this Agreement, the City may terminate the Agreement by providing ten (10) days' written notice to Recipient to cure the breach. If the breach is not cured within the time provided, the City Manager or Mayor may immediately declare Agreement terminated.

SECTION 11. NON-RENEWAL

It is understood and agreed that the Recipient is not entitled to any right of automatic renewal of this Agreement for the ensuing year, or years, since such option under the Act rests exclusively with the City Council.

SECTION 12. NOTICE

All communications required by this Agreement between the City and the Recipient shall be in writing and addressed to the attention of the City Manager, 622 E. Market Street, Rockport, TX 78382 or to the Recipient at Rockport-Fulton Chamber of Commerce, 319 Broadway, Rockport, TX 78382.

SECTION 13. COMPLIANCE WITH LAWS

In performing its duties under this Agreement, the Recipient shall at all times comply with the City of Rockport Code and all the State of Texas Acts. (See Section 1.)

SECTION 14. PROHIBITION AGAINST DISCRIMINATION

In the performance of this Agreement, the Recipient shall not discriminate against any employee or applicant for employment because of an individual's race, color, religion, national origin, sex, or mental or physical disability. Violation of this provision may be regarded as a material breach of this Agreement.

SECTION 15. CONTROLLING LAW

It is understood and agreed that in the event any provision of this Agreement is inconsistent with the requirements of the Act, or any other applicable state law, the requirements of the law will control and supersede the terms set forth herein.

SECTION 16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties, relative to the hotel occupancy tax funds made the basis hereof.

IN WITNESS WHEREOF, the parties have herein unto set their hands on duplicate originals, in the City of Rockport, Aransas County, Texas on this ____ day of _____ 2016.

CITY OF ROCKPORT

**ROCKPORT-FULTON CHAMBER
OF COMMERCE**

Charles J. Wax, Mayor

Diane Probst, President/Chief Executive Officer

ATTEST:

ATTEST:

Teresa Valdez, City Secretary

(print name), _____
(title)

EXHIBIT "A"

	AMOUNT COMMITTED TO EACH MEDIA OUTLET	GRANT AMOUNT
Paid Advertising	\$1,500.00	
TOTAL		\$1,500.00

EXHIBIT "B"

HOT FUNDING EXPENSE REPORT FY 2016-2017

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 13

Deliberate and act on Fiscal year 2016-2017 Hotel Occupancy Tax Agreement with the Aransas County Council on Aging for the 2017 Bountiful Bowl Pottery Fair.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: At the Special City Council Workshop held on June 7, 2016, the Aransas County Council on Aging application requesting funding from Hotel Occupancy Tax for Fiscal Year 2016-2017 was received by the City Council. Budget deliberations were held through the summer to finalize the City's Fiscal Year 2016-2017 Budget, with formal adoption scheduled for the September 20, 2016, City Council Meeting. The proposed Agreement remains the same as the previous year. See the accompanying agreement for additional details.

FISCAL ANALYSIS: Budget account 6602043. Disbursement of these funds will be made upon submittal of Fiscal Year 2016-2017 HOT Funding Expense Report and subsequent approval by the City Council.

STAFF RECOMMENDATION: Staff recommends Council approve the Fiscal Year 2016-2017 Agreement with the Aransas County Council on Aging for the Bountiful Bowl Pottery Fair in the amount of \$1,500.00, as presented.

**CITY OF ROCKPORT
AND
ARANSAS COUNTY COUNCIL ON AGING**

**An Agreement Concerning the Use of
Funds from the Hotel Occupancy Tax
Single-Sum Payment
Bountiful Bowl Pottery Fair**

STATE OF TEXAS §
 §
COUNTY OF ARANSAS §

This Agreement is made by and between the City of Rockport, a Texas home rule municipal corporation, hereinafter called “City,” and Aransas County Council on Aging, hereinafter called “Recipient”.

SECTION 1. LEGAL AUTHORITY

The City collects a local hotel occupancy tax as authorized by Chapter 351 of the Texas Tax Code (“Act”). Pursuant to the Act, the City expends funds collected for the purpose of advertising with any media outlet that is outside 75 miles of the City of Rockport (Resolution No. 09-15) and encouraging the growth of tourism and convention and hotel activity in the City as codified in Chapter 94, Article IV, Hotel Occupancy Tax of the City of Rockport Code of Ordinances (“Code”). The City may, by contract, allow Recipient to expend hotel occupancy taxes for such purposes.

SECTION 2. TERM OF AGREEMENT

Conditioned upon City Council approval, this Agreement shall become effective on the date signed by Recipient. This Agreement shall continue until Recipient has fulfilled all obligations to account for proper expenditure of hotel occupancy tax funds.

SECTION 3. SERVICES TO BE PROVIDED

The City hereby agrees to pay to Recipient, from money actually received by the City from local hotel occupancy tax, the sum of **FIFTEEN HUNDRED DOLLARS (\$1,500.00)**. Subject to the terms and conditions hereof, Recipient agrees to expend such funds received for advertising and promoting tourism for the out-of-town visitor market from which the hotel industry within the City derives direct tourist income benefits from the Bountiful Bowl Pottery Fair.

SECTION 4. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that Recipient is engaged as an independent contractor and is not an officer, agent or employee of the City.

SECTION 5. MANAGEMENT OF FUNDS

- 5.1 It is understood and agreed by and between the parties that a fiduciary duty is created in the Recipient with respect to expenditure of the revenue provided.
- 5.2 The Recipient shall maintain complete and accurate financial records of each receipt and expenditure of the hotel occupancy funds and, upon request of the City Council or other person, shall make the records available for inspection and review during normal business hours, in accordance with the provisions of the Texas Public Information Act (Texas Government Code, Chapter 552).
- 5.3 Hotel occupancy funds may be spent by the Recipient for only those expenditures that have been previously approved by the City in advance and shown to be directly related to the promotion of tourism and the hotel industry. (See Exhibit "A".)
- 5.4 Recipient shall prepare and file with the City Secretary a financial report, on a form prescribed by the City (See Exhibit "B"), no later than 30 days after the event for which hotel occupancy tax funds were spent by the Recipient. This report shall identify a budget comparison of the hotel occupancy funds received by contract and the uses thereof as defined in the overall budget. It shall show the amount budgeted by category item and the actual expenditures of such.
- 5.5 The City may request an annual audited financial statement reflecting the financial position of the Recipient for the period of time this Agreement is in effect. The Recipient agrees to provide a current audit (current defined as no later than the last calendar year), such copy to be delivered within twenty (20) days upon receiving a request from the City Manager or Mayor.

SECTION 6. TRANSFER OF FUNDS

Upon compliance with all conditions precedent, the City Secretary shall remit to the Recipient hotel occupancy tax receipts as follows: **Lump-sum payment - \$1,500.00.**

SECTION 7. FORCE MAJEURE – SUFFICIENT FUNDS NOT AVAILABLE

The City's obligation to make payment to Recipient pursuant to this Agreement is contingent upon anticipated receipt of a minimal amount of hotel occupancy tax from the collecting entities within the City. The dollar figure to be paid to the Recipient was based in part upon this anticipated, budgeted income. Recipient understands that other agreements have also been made by the City, providing for disbursement by third parties of a portion of hotel occupancy tax funds collected. Should it happen, by act of nature or other means outside the control of the City, that the actual hotel occupancy tax funds received are less than the anticipated and budgeted funds, the City may, after notice to the Recipient, reduce the total obligated payment should the governing body determine that such action is necessary to fund any other third-party agreement(s).

SECTION 8. RETURN OF FUNDS UPON TERMINATION OF CONTRACT

Should this Agreement be terminated, the Recipient shall remit and return to the City, with a final accounting thereof, all unused and unspent hotel occupancy tax funds in its possession, within thirty (30) days from the date of such termination.

SECTION 9. INDEMNIFICATION

The Recipient agrees to indemnify the City, its officers, agents, and employees, from any and all claims, losses, causes of action and damages, suits and liability of every kind, including all expenses of litigation, courts costs and attorney fees, for injury to or death or any person, or for damage to any property arising from or in connection with the operations or actions of the Recipient, its officers, agents and employees carried out in furtherance of this Agreement.

SECTION 10. TERMINATION

If Recipient is in breach of this Agreement, the City may terminate the Agreement by providing ten (10) days' written notice to Recipient to cure the breach. If the breach is not cured within the time provided, the City Manager or Mayor may immediately declare Agreement terminated.

SECTION 11. NON-RENEWAL

It is understood and agreed that the Recipient is not entitled to any right of automatic renewal of this Agreement for the ensuing year, or years, since such option under the Act rests exclusively with the City Council.

SECTION 12. NOTICE

All communications required by this Agreement between the City and the Recipient shall be in writing and addressed to the attention of the City Manager, 622 E. Market Street, Rockport, TX 78382 or to the Recipient at Aransas County Council on Aging, Attn: Mary Ellen Nies, 912 S. Church Street, Rockport, TX 78382.

SECTION 13. COMPLIANCE WITH LAWS

In performing its duties under this Agreement, the Recipient shall at all times comply with the City of Rockport Code and all the State of Texas Acts. (See Section 1.)

SECTION 14. PROHIBITION AGAINST DISCRIMINATION

In the performance of this Agreement, the Recipient shall not discriminate against any employee or applicant for employment because of an individual's race, color, religion, national origin, sex, or mental or physical disability. Violation of this provision may be regarded as a material breach of this Agreement.

It is understood and agreed that in the event any provision of this Agreement is inconsistent with the requirements of the Act, or any other applicable state law, the requirements of the law will control and supersede the terms set forth herein.

SECTION 16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties, relative to the hotel occupancy tax funds made the basis hereof.

IN WITNESS WHEREOF, the parties have herein unto set their hands on duplicate originals, in the City of Rockport, Aransas County, Texas on this ____ day of _____ 2016.

CITY OF ROCKPORT

ARANSAS COUNTY COUNCIL ON AGING

Charles J. Wax, Mayor

Janie Ellis, Board President

ATTEST:

ATTEST:

Teresa Valdez, City Secretary

Mary Ellen Nies, Executive Director

EXHIBIT "A"

CATEGORY	GRANT AMOUNT
Printing Brochures & Flyers	\$1,500.00
TOTAL	\$1,500.00

EXHIBIT "B"

HOT FUNDING EXPENSE REPORT FY 2016-2017		
Description of Expense	Approved Budget	Amount of Expense
TOTAL REIMBURSEMENT REQUEST		

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 14

Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport Yacht Club for the 2017 Nautical Flea Market.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: At the Special City Council Workshop held on June 7, 2016, Ann Lockwood, Co-Chair of the Nautical Flea Market, and Scott McCain, Vice Commodore of the Rockport Yacht Club, presented their Fiscal Year 2016-2017 budget request to the City Council. Budget deliberations were held through the summer to finalize the City's Fiscal Year 2016-2017 Budget, with formal adoption scheduled for the September 20, 2016, City Council Meeting. The proposed Agreement remains the same as the previous year. See the accompanying agreement for additional details.

FISCAL ANALYSIS: Budget account 6602044. Disbursement of these funds will be made upon submittal of Fiscal Year 2016-2017 HOT Funding Expense Report and subsequent approval by the City Council.

STAFF RECOMMENDATION: Staff recommends Council approve the Fiscal Year 2016-2017 Agreement with the Rockport Yacht Club in the amount of \$2,500.00, as presented.

**CITY OF ROCKPORT
AND
ROCKPORT YACHT CLUB, INC.**

**An Agreement Concerning the Use of
Funds from the Hotel Occupancy Tax
Single-Sum Payment
Nautical Flea Market 2017**

**STATE OF TEXAS §
 §
COUNTY OF ARANSAS §**

This Agreement is made by and between the City of Rockport, a Texas home rule municipal corporation, hereinafter called “City,” and Rockport Yacht Club hereinafter called “Recipient.”

SECTION 1. LEGAL AUTHORITY

The City collects a local hotel occupancy tax as authorized by Chapter 351 of the Texas Tax Code (“Act”). Pursuant to the Act, the City expends funds collected for the purpose of advertising with any media outlet that is outside 75 miles of the City of Rockport (Resolution No. 09-15) and encouraging the growth of tourism and convention and hotel activity in the City as codified in Chapter 94, Article IV, Hotel Occupancy Tax of the City of Rockport Code of Ordinances (“Code”). The City may, by contract, allow Recipient to expend hotel occupancy taxes for such purposes.

SECTION 2. TERM OF AGREEMENT

Conditioned upon City Council approval, this Agreement shall become effective on the date signed by Recipient. This Agreement shall continue until Recipient has fulfilled all obligations to account for proper expenditure of hotel occupancy tax funds.

SECTION 3. SERVICES TO BE PROVIDED

The City hereby agrees to pay to Recipient, from money actually received by the City from local hotel occupancy tax, the sum of ***TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00)***. Subject to the terms and conditions hereof, Recipient agrees to expend such funds received for advertising and promoting tourism for the out-of-town visitor market from which the hotel industry within the City derives direct tourist income benefits from the Nautical Flea Market.

SECTION 4. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that Recipient is engaged as an independent contractor and is not an officer, agent or employee of the City.

SECTION 5. MANAGEMENT OF FUNDS

- 5.1 It is understood and agreed by and between the parties that a fiduciary duty is created in the Recipient with respect to expenditure of the revenue provided.
- 5.2 The Recipient shall maintain complete and accurate financial records of each receipt and expenditure of the hotel occupancy funds and, upon request of the City Council or other person, shall make the records available for inspection and review during normal business hours, in accordance with the provisions of the Texas Public Information Act (Texas Government Code, Chapter 552).
- 5.3 Hotel occupancy funds may be spent by the Recipient for only those expenditures that have been previously approved by the City in advance and shown to be directly related to the promotion of tourism and the hotel industry. (See Exhibit "A".)
- 5.4 Recipient shall prepare and file with the City Secretary a financial report, on a form prescribed by the City (See Exhibit "B"), no later than 30 days after the event for which hotel occupancy tax funds were spent by the Recipient. This report shall identify a budget comparison of the hotel occupancy funds received by contract and the uses thereof as defined in the overall budget. It shall show the amount budgeted by category item and the actual expenditures of such.
- 5.5 The City may request an annual audited financial statement reflecting the financial position of the Recipient for the period of time this Agreement is in effect. The Recipient agrees to provide a current audit (current defined as no later than the last calendar year), such copy to be delivered within twenty (20) days upon receiving a request from the City Manager or Mayor.

SECTION 6. TRANSFER OF FUNDS

Upon compliance with all conditions precedent, the City Secretary shall remit to the Recipient hotel occupancy tax receipts as follows: **Lump-sum payment - \$2,500.00.**

SECTION 7. FORCE MAJEURE – SUFFICIENT FUNDS NOT AVAILABLE

The City's obligation to make payment to Recipient pursuant to this Agreement is contingent upon anticipated receipt of a minimal amount of hotel occupancy tax from the collecting entities within the City. The dollar figure to be paid to the Recipient was based in part upon this anticipated, budgeted income. Recipient understands that other agreements have also been made by the City, providing for disbursement by third parties of a portion of hotel occupancy tax funds collected. Should it happen, by act of nature or other means outside the control of the City, that the actual hotel occupancy tax funds received are less than the anticipated and budgeted funds, the City may, after notice to the Recipient, reduce the total obligated payment should the governing body determine that such action is necessary to fund any other third-party agreement(s).

SECTION 8. RETURN OF FUNDS UPON TERMINATION OF CONTRACT

Should this Agreement be terminated, the Recipient shall remit and return to the City, with a final accounting thereof, all unused and unspent hotel occupancy tax funds in its possession, within thirty (30) days from the date of such termination.

SECTION 9. INDEMNIFICATION

The Recipient agrees to indemnify the City, its officers, agents, and employees, from any and all claims, losses, causes of action and damages, suits and liability of every kind, including all expenses of litigation, courts costs and attorney fees, for injury to or death of any person, or for damage to any property arising from or in connection with the operations or actions of the Recipient, its officers, agents and employees carried out in furtherance of this Agreement.

SECTION 10. TERMINATION

If Recipient is in breach of this Agreement, the City may terminate the Agreement by providing ten (10) days' written notice to Recipient to cure the breach. If the breach is not cured within the time provided, the City Manager or Mayor may immediately declare Agreement terminated.

SECTION 11. NON-RENEWAL

It is understood and agreed that the Recipient is not entitled to any right of automatic renewal of this Agreement for the ensuing year, or years, since such option under the Act rests exclusively with the City Council.

SECTION 12. NOTICE

All communications required by this Agreement between the City and the Recipient shall be in writing and addressed to the attention of the City Manager, 622 E. Market Street, Rockport, TX 78382 or to the Recipient at Rockport Yacht Club, Inc., Attn: Commodore, 722 Navigation Circle, Rockport, TX 78382.

SECTION 13. COMPLIANCE WITH LAWS

In performing its duties under this Agreement, the Recipient shall at all times comply with the City of Rockport Code and all the State of Texas Acts. (See Section 1.)

SECTION 14. PROHIBITION AGAINST DISCRIMINATION

In the performance of this Agreement, the Recipient shall not discriminate against any employee or applicant for employment because of an individual's race, color, religion, national origin, sex, or mental or physical disability. Violation of this provision may be regarded as a material breach of this Agreement.

SECTION 15. CONTROLLING LAW

It is understood and agreed that in the event any provision of this Agreement is inconsistent with the requirements of the Act, or any other applicable state law, the requirements of the law will control and supersede the terms set forth herein.

SECTION 16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties, relative to the hotel occupancy tax funds made the basis hereof.

IN WITNESS WHEREOF, the parties have herein unto set their hands on duplicate originals, in the City of Rockport, Aransas County, Texas on this ____ day of _____ 2016.

CITY OF ROCKPORT**ROCKPORT YACHT CLUB, INC.**

Charles J. Wax, Mayor

Commodore

ATTEST:**ATTEST:**

Teresa Valdez, City Secretary

Director of Public Relations

EXHIBIT "A"

CATEGORY	AMOUNT COMMITTED TO EACH MEDIA OUTLET	GRANT AMOUNT
Paid Advertising	\$5700.00	
Newspaper Advertising	\$1400.00	
TV Advertising	\$2000.00	
Press Releases to Media	\$150.00	
Direct Mailing to out-of- town recipients	\$ 500.00	
Other Advertising	\$ 150.00	
Radio Advertising	\$1500.00	
TOTAL		\$2500.00

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 15

Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Rockport Rotary Club/Rockport Center for the Arts for the 2017 Film Fest.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: At the Special City Council Workshop held on June 7, 2016, Elena Rodriguez, Rockport Center for the Arts Creative and Managing Director, and Kathy David, President of the Rockport Rotary Club, presented their Fiscal Year 2016-2017 budget request to the City Council. Budget deliberations were held through the summer to finalize the City's Fiscal Year 2016-2017 Budget, with formal adoption scheduled for the September 20, 2016, City Council Meeting. The proposed Agreement remains the same as the previous year. See the accompanying agreement for additional details.

FISCAL ANALYSIS: Budget account 6602053. Disbursement of these funds will be made upon submittal of Fiscal Year 2016-2017 HOT Funding Expense Report and subsequent approval by the City Council.

STAFF RECOMMENDATION: Staff recommends Council approve the Fiscal Year 2016-2017 Agreement with the Rockport Rotary Club/Rockport Center for the Arts for the 2017 Film Fest in the amount of \$3,000.00, as presented.

**CITY OF ROCKPORT
AND
ROCKPORT ROTARY CLUB & ROCKPORT CENTER FOR THE ARTS**

**An Agreement Concerning Use of
Funds from the Hotel Occupancy Tax
Single-Sum Payment
Rockport Film Festival 2017**

STATE OF TEXAS §
 §
COUNTY OF ARANSAS §

This Agreement is made by and between the City of Rockport, a Texas home rule municipal corporation, hereinafter called “City,” and Rockport Rotary Club & Rockport Center for the Arts, hereinafter called “Recipient.”

SECTION 1. LEGAL AUTHORITY

The City collects a local hotel occupancy tax as authorized by Chapter 351 of the Texas Tax Code (“Act”). Pursuant to the Act, the City expends funds collected for the purpose of advertising with any media outlet that is outside 75 miles of the City of Rockport (Resolution No. 09-15) and encouraging the growth of tourism and convention and hotel activity in the City as codified in Chapter 94, Article IV, Hotel Occupancy Tax of the City of Rockport Code of Ordinances (“Code”). The City may, by contract, allow Recipient to expend hotel occupancy taxes for such purposes.

SECTION 2. TERM OF AGREEMENT

Conditioned upon City Council approval, this Agreement shall become effective on the date signed by Recipient. This Agreement shall continue until Recipient has fulfilled all obligations to account for proper expenditure of hotel occupancy tax funds.

SECTION 3. SERVICES TO BE PROVIDED

The City hereby agrees to pay to Recipient, from money actually received by the City from local hotel occupancy tax, the sum of **THREE THOUSAND DOLLARS (\$3,000.00)**. Subject to the terms and conditions hereof, Recipient agrees to expend such funds received for advertising and promoting tourism for the out-of-town visitor market from which the hotel industry within the City derives direct tourist income benefits from the Rockport Film Festival.

SECTION 4. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that Recipient is engaged as an independent contractor and is not an officer, agent or employee of the City.

SECTION 5. MANAGEMENT OF FUNDS

- 5.1 It is understood and agreed by and between the parties that a fiduciary duty is created in the Recipient with respect to expenditure of the revenue provided.
- 5.2 The Recipient shall maintain complete and accurate financial records of each receipt and expenditure of the hotel occupancy funds and, upon request of the City Council or other person, shall make the records available for inspection and review during normal business hours, in accordance with the provisions of the Texas Public Information Act (Texas Government Code, Chapter 552).
- 5.3 Hotel occupancy funds may be spent by the Recipient for only those expenditures that have been previously approved by the City in advance and shown to be directly related to promotion of tourism and the hotel industry. (See Exhibit "A".)
- 5.4 Recipient shall prepare and file with the City Secretary a financial report, on form prescribed by the City (See Exhibit "B"), no later than 30 days after the event for which hotel occupancy tax funds were spent by the Recipient. This report shall identify a budget comparison of the hotel occupancy funds received by contract and the uses thereof as defined in the overall budget. It shall show the amount budgeted by category item and the actual expenditures of such.
- 5.5 The City may request an annual audited financial statement reflecting the financial position of the Recipient for the period of time this Agreement is in effect. The Recipient agrees to provide a current audit (current defined as no later than the last calendar year), such copy to be delivered within twenty (20) days upon receiving a request from the City Manager or Mayor.

SECTION 6. TRANSFER OF FUNDS

Upon compliance with all conditions precedent, the City Secretary shall remit to the Recipient hotel occupancy tax receipts as follows: **Lump-sum payment - \$3,000.00.**

SECTION 7. FORCE MAJEURE – SUFFICIENT FUNDS NOT AVAILABLE

The City's obligation to make payment to Recipient pursuant to this Agreement is contingent upon anticipated receipt of a minimal amount of hotel occupancy tax from the collecting entities within the City. The dollar figure to be paid to the Recipient is based in part upon this anticipated, budgeted income. Recipient understands that other agreements have also been made by the City, providing for disbursement by third parties of a portion of hotel occupancy tax funds collected. Should it happen, by act of nature or other means outside the control of the City, that the actual hotel occupancy tax funds received are less than the anticipated and budgeted funds, the City may, after notice to the Recipient, reduce the total obligated payment should the governing body determine that such action is necessary to fund any other third-party agreement(s).

SECTION 8. RETURN OF FUNDS UPON TERMINATION OF CONTRACT

Should this Agreement be terminated, the Recipient shall remit and return to the City, with a final accounting thereof, all unused and unspent hotel occupancy tax funds in its possession, within thirty (30) days from the date of such termination.

SECTION 9. INDEMNIFICATION

The Recipient agrees to indemnify the City, its officers, agents, and employees, from any and all claims, losses, causes of action and damages, suits and liability of every kind, including all expenses of litigation, courts costs and attorney fees, for injury to or death of any person, or for damage to any property arising from or in connection with the operations or actions of the Recipient, its officers, agents and employees carried out in furtherance of this Agreement.

SECTION 10. TERMINATION

If Recipient is in breach of this Agreement, the City may terminate the Agreement by providing ten (10) days' written notice to Recipient to cure the breach. If the breach is not cured within the time provided, the City Manager or Mayor may immediately declare the Agreement terminated.

SECTION 11. NON-RENEWAL

It is understood and agreed that the Recipient is not entitled to any right of automatic renewal of this Agreement for the ensuing year, or years, since such option under the Act rests exclusively with the City Council.

SECTION 12. NOTICE

All communications required by this Agreement between the City and the Recipient shall be in writing and addressed to the attention of the City Manager, 622 E. Market Street, Rockport, TX 78382, or to the Recipient at Rockport Rotary Club/Rockport Center for the Arts, Rockport Film Festival Committee, Attn: Luis Purón, Treasurer, 902 Navigation Circle, Rockport, TX 78382.

SECTION 13. COMPLIANCE WITH LAWS

In performing its duties under this Agreement, the Recipient shall at all times comply with the City of Rockport Code and all the State of Texas Acts. (See Section 1.)

SECTION 14. PROHIBITION AGAINST DISCRIMINATION

In performance of this Agreement, the Recipient shall not discriminate against any employee or applicant for employment because of an individual's race, color, religion, national

origin, sex, or mental or physical disability. Violation of this provision may be regarded as a material breach of this Agreement.

SECTION 15. CONTROLLING LAW

It is understood and agreed that in the event any provision of this Agreement is inconsistent with the requirements of the Act, or any other applicable state law, the requirements of the law will control and supersede the terms set forth herein.

SECTION 16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties relative to the hotel occupancy tax funds made the basis hereof.

IN WITNESS WHEREOF, the parties have herein unto set their hands on duplicate originals, in the City of Rockport, Aransas County, Texas on this ____ day of _____ 2016.

CITY OF ROCKPORT

ROCKPORT FILM FESTIVAL

Charles J. Wax, Mayor

_____,Chairperson

ATTEST:

ATTEST:

Teresa Valdez, City Secretary

Luis Purón, Treasurer

EXHIBIT "A"

CATEGORY	GRANT AMOUNT
Social media, radio, online ads, printing	\$3,000.00
TOTAL	\$3,000.00

EXHIBIT "B"

HOT FUNDING EXPENSE REPORT FY 2016-2017		
Description of Expense	Approved Budget	Amount of Expense
TOTAL REIMBURSEMENT REQUEST		

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 16

Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Aransas County Education Foundation for the 2016 Shopping Tournament.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: At the Special City Council Workshop held on June 7, 2016, Cindy Duck and Paula Dean, representing Aransas County Independent School District Education Foundation, presented their Fiscal Year 2016-2017 budget request to the City Council. Budget deliberations were held through the summer to finalize the City's Fiscal Year 2016-2017 Budget, with formal adoption scheduled for the September 20, 2016, City Council Meeting. The proposed Agreement remains the same as the previous year. See the accompanying agreement for additional details.

FISCAL ANALYSIS: Budget account 6602060. Disbursement of these funds will be made upon submittal of Fiscal Year 2016-2017 HOT Funding Expense Report and subsequent approval by the City Council.

STAFF RECOMMENDATION: Staff recommends Council approve the Fiscal Year 2016-2017 Agreement with the Aransas County Independent School District Education Foundation in the amount of \$5,000.00, as presented.

**CITY OF ROCKPORT
AND
ARANSAS COUNTY EDUCATION FOUNDATION &
ARANSAS COUNTY INDEPENDENT SCHOOL DISTRICT**

**An Agreement Concerning the Use of
Funds from the Hotel Occupancy Tax
Single-Sum Payment
Rockport-Fulton Shopping Tournament 2016**

**STATE OF TEXAS §
 §
COUNTY OF ARANSAS §**

This Agreement is made by and between the City of Rockport, a Texas home rule municipal corporation, hereinafter called “City,” and Aransas County Education Foundation & Aransas County Independent School District, hereinafter called “Recipient.”

SECTION 1. LEGAL AUTHORITY

The City collects a local hotel occupancy tax as authorized by Chapter 351 of the Texas Tax Code (“Act”). Pursuant to the Act, the City expends funds collected for the purpose of advertising with any media outlet that is outside 75 miles of the City of Rockport (Resolution No. 09-15) and encouraging the growth of tourism and convention and hotel activity in the City as codified in Chapter 94, Article IV, Hotel Occupancy Tax of the City of Rockport Code of Ordinances (“Code”). The City may, by contract, allow Recipient to expend hotel occupancy taxes for such purposes.

SECTION 2. TERM OF AGREEMENT

Conditioned upon City Council approval, this Agreement shall become effective on the date signed by Recipient. This Agreement shall continue until Recipient has fulfilled all obligations to account for proper expenditure of hotel occupancy tax funds.

SECTION 3. SERVICES TO BE PROVIDED

The City hereby agrees to pay to Recipient, from money actually received by the City from local hotel occupancy tax, the sum of **FIVE THOUSAND DOLLARS (\$5,000.00)**. Subject to the terms and conditions hereof, Recipient agrees to expend such funds received for advertising and promoting tourism for the out-of-town visitor market from which the hotel industry within the City derives direct tourist income benefits from the Rockport-Fulton Shopping Tournament.

SECTION 4. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that Recipient is engaged as an independent contractor and is not an officer, agent or employee of the City.

SECTION 5. MANAGEMENT OF FUNDS

- 5.1 It is understood and agreed by and between the parties that a fiduciary duty is created in the Recipient with respect to expenditure of the revenue provided.
- 5.2 The Recipient shall maintain complete and accurate financial records of each receipt and expenditure of the hotel occupancy funds and, upon request of the City Council or other person, shall make the records available for inspection and review during normal business hours, in accordance with the provisions of the Texas Public Information Act (Texas Government Code, Chapter 552).
- 5.3 Hotel occupancy funds may be spent by the Recipient for only those expenditures that have been previously approved by the City in advance and shown to be directly related to the promotion of tourism and the hotel industry. (See Exhibit "A".)
- 5.4 Recipient shall prepare and file with the City Secretary a financial report, on a form prescribed by the City (See Exhibit "B"), no later than 30 days after the event for which hotel occupancy tax funds were spent by the Recipient. This report shall identify a budget comparison of the hotel occupancy funds received by contract and the uses thereof as defined in the overall budget. It shall show the amount budgeted by category item and the actual expenditures of such.
- 5.5 The City may request an annual audited financial statement reflecting the financial position of the Recipient for the period of time this Agreement is in effect. The Recipient agrees to provide a current audit (current defined as no later than the last calendar year), such copy to be delivered within twenty (20) days upon receiving a request from the City Manager or Mayor.

SECTION 6. TRANSFER OF FUNDS

Upon compliance with all conditions precedent, the City Secretary shall remit to the Recipient hotel occupancy tax receipts as follows: **Lump-sum payment - \$5,000.00.**

SECTION 7. FORCE MAJEURE – SUFFICIENT FUNDS NOT AVAILABLE

The City's obligation to make payment to Recipient pursuant to this Agreement is contingent upon anticipated receipt of a minimal amount of hotel occupancy tax from the collecting entities within the City. The dollar figure to be paid to the Recipient was based in part upon this anticipated, budgeted income. Recipient understands that other agreements have also been made by the City, providing for disbursement by third parties of a portion of hotel occupancy tax funds collected. Should it happen, by act of nature or other means outside the control of the

City, that the actual hotel occupancy tax funds received are less than the anticipated and budgeted funds, the City may, after notice to the Recipient, reduce the total obligated payment should the governing body determine that such action is necessary to fund any other third-party agreement(s).

SECTION 8. RETURN OF FUNDS UPON TERMINATION OF CONTRACT

Should this Agreement be terminated, the Recipient shall remit and return to the City, with a final accounting thereof, all unused and unspent hotel occupancy tax funds in its possession, within thirty (30) days from the date of such termination.

SECTION 9. INDEMNIFICATION

The Recipient agrees to indemnify the City, its officers, agents, and employees, from any and all claims, losses, causes of action and damages, suits and liability of every kind, including all expenses of litigation, courts costs and attorney fees, for injury to or death or any person, or for damage to any property arising from or in connection with the operations or actions of the Recipient, its officers, agents and employees carried out in furtherance of this Agreement.

SECTION 10. TERMINATION

If Recipient is in breach of this Agreement, the City may terminate the Agreement by providing ten (10) days' written notice to Recipient to cure the breach. If the breach is not cured within the time provided, the City Manager or Mayor may immediately declare Agreement terminated.

SECTION 11. NON-RENEWAL

It is understood and agreed that the Recipient is not entitled to any right of automatic renewal of this Agreement for the ensuing year, or years, since such option under the Act rests exclusively with the City Council.

SECTION 12. NOTICE

All communications required by this Agreement between the City and the Recipient shall be in writing and addressed to the attention of the City Manager, 622 E. Market Street, Rockport, TX 78382 or to the Recipient at Aransas County Education Foundation/ACISD, Attn: President Paula Dean, P.O. Box 195, Rockport, TX 78381.

SECTION 13. COMPLIANCE WITH LAWS

In performing its duties under this Agreement, the Recipient shall at all times comply with the City of Rockport Code and all the State of Texas Acts. (See Section 1.)

SECTION 14. PROHIBITION AGAINST DISCRIMINATION

In the performance of this Agreement, the Recipient shall not discriminate against any employee or applicant for employment because of an individual's race, color, religion, national origin, sex, or mental or physical disability. Violation of this provision may be regarded as a material breach of this Agreement.

SECTION 15. CONTROLLING LAW

It is understood and agreed that in the event any provision of this Agreement is inconsistent with the requirements of the Act, or any other applicable state law, the requirements of the law will control and supersede the terms set forth herein.

SECTION 16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties, relative to the hotel occupancy tax funds made the basis hereof.

IN WITNESS WHEREOF, the parties have herein unto set their hands on duplicate originals, in the City of Rockport, Aransas County, Texas on this ____ day of _____ 2016.

CITY OF ROCKPORT

**ARANSAS COUNTY EDUCATION
FOUNDATION & ARANSAS COUNTY
INDEPENDENT SCHOOL DISTRICT**

Charles J. Wax, Mayor

Paula Dean, President

ATTEST:

ATTEST:

Teresa Valdez, City Secretary

Suzanne Ransleben, Executive Director

EXHIBIT "A"

CATEGORY	GRANT AMOUNT
Advertising	\$5,000.00
TOTAL	\$5,000.00

EXHIBIT "B"

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 17

Deliberate and act on Fiscal Year 2016-2017 Hotel Occupancy Tax Agreement with the Friends of the History Center for Aransas County for the 2017 Tour of Historic Homes.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: At the Special City Council Workshop held on June 7, 2016, Kam Wagert, Chair of the Friends of the History Center Tour of Homes, presented their Fiscal Year 2016-2017 budget request to the City Council. Budget deliberations were held through the summer to finalize the City's Fiscal Year 2016-2017 Budget, with formal adoption scheduled for the September 20, 2016, City Council Meeting. The proposed Agreement contains the same contractual terms as the agreements for the other events that receive HOT funding. See the accompanying agreement for additional details.

FISCAL ANALYSIS: Budget account 6602056. Disbursement of these funds will be made upon submittal of Fiscal Year 2016-2017 HOT Funding Expense Report and subsequent approval by the City Council.

STAFF RECOMMENDATION: Staff recommends Council approve the Fiscal Year 2016-2017 Agreement with the Friends of the History Center for Aransas County in the amount of \$2,500.00, as presented.

**CITY OF ROCKPORT
AND
FRIENDS OF THE HISTORY CENTER FOR ARANSAS COUNTY**

**An Agreement Concerning Use of
Funds from the Hotel Occupancy Tax
Single-Sum Payment
Tour of Historic Homes 2017**

**STATE OF TEXAS §
 §
COUNTY OF ARANSAS §**

This Agreement is made by and between the City of Rockport, a Texas home rule municipal corporation, hereinafter called "City," and Friends of the History Center for Aransas County, hereinafter called "Recipient."

SECTION 1. LEGAL AUTHORITY

The City collects a local hotel occupancy tax as authorized by Chapter 351 of the Texas Tax Code ("Act"). Pursuant to the Act, the City expends funds collected for the purpose of advertising with any media outlet that is outside 75 miles of the City of Rockport (Resolution No. 09-15) and encouraging the growth of tourism and convention and hotel activity in the City as codified in Chapter 94, Article IV, Hotel Occupancy Tax of the City of Rockport Code of Ordinances ("Code"). The City may, by contract, allow Recipient to expend hotel occupancy taxes for such purposes.

SECTION 2. TERM OF AGREEMENT

Conditioned upon City Council approval, this Agreement shall become effective on the date signed by Recipient. This Agreement shall continue until Recipient has fulfilled all obligations to account for proper expenditure of hotel occupancy tax funds.

SECTION 3. SERVICES TO BE PROVIDED

The City hereby agrees to pay to Recipient, from money actually received by the City from local hotel occupancy tax, the sum of ***TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00)***. Subject to the terms and conditions hereof, Recipient agrees to expend such funds received for advertising and promoting tourism for the out-of-town visitor market from which the hotel industry within the City derives direct tourist income benefits from the Rockport Film Festival.

SECTION 4. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that Recipient is engaged as an independent contractor and is not an officer, agent or employee of the City.

SECTION 5. MANAGEMENT OF FUNDS

- 5.1 It is understood and agreed by and between the parties that a fiduciary duty is created in the Recipient with respect to expenditure of the revenue provided.
- 5.2 The Recipient shall maintain complete and accurate financial records of each receipt and expenditure of the hotel occupancy funds and, upon request of the City Council or other person, shall make the records available for inspection and review during normal business hours, in accordance with the provisions of the Texas Public Information Act (Texas Government Code, Chapter 552).
- 5.3 Hotel occupancy funds may be spent by the Recipient for only those expenditures that have been previously approved by the City in advance and shown to be directly related to promotion of tourism and the hotel industry. (See Exhibit "A".)
- 5.4 Recipient shall prepare and file with the City Secretary a financial report, on form prescribed by the City (See Exhibit "B"), no later than 30 days after the event for which hotel occupancy tax funds were spent by the Recipient. This report shall identify a budget comparison of the hotel occupancy funds received by contract and the uses thereof as defined in the overall budget. It shall show the amount budgeted by category item and the actual expenditures of such.
- 5.5 The City may request an annual audited financial statement reflecting the financial position of the Recipient for the period of time this Agreement is in effect. The Recipient agrees to provide a current audit (current defined as no later than the last calendar year), such copy to be delivered within twenty (20) days upon receiving a request from the City Manager or Mayor.

SECTION 6. TRANSFER OF FUNDS

Upon compliance with all conditions precedent, the City Secretary shall remit to the Recipient hotel occupancy tax receipts as follows: **Lump-sum payment - \$2,500.00.**

SECTION 7. FORCE MAJEURE – SUFFICIENT FUNDS NOT AVAILABLE

The City's obligation to make payment to Recipient pursuant to this Agreement is contingent upon anticipated receipt of a minimal amount of hotel occupancy tax from the collecting entities within the City. The dollar figure to be paid to the Recipient is based in part upon this anticipated, budgeted income. Recipient understands that other agreements have also been made by the City, providing for disbursement by third parties of a portion of hotel occupancy tax funds collected. Should it happen, by act of nature or other means outside the control of the City, that the actual hotel occupancy tax funds received are less than the anticipated and budgeted funds, the City may, after notice to the Recipient, reduce the total obligated payment should the governing body determine that such action is necessary to fund any other third-party agreement(s).

SECTION 8. RETURN OF FUNDS UPON TERMINATION OF CONTRACT

Should this Agreement be terminated, the Recipient shall remit and return to the City, with a final accounting thereof, all unused and unspent hotel occupancy tax funds in its possession, within thirty (30) days from the date of such termination.

SECTION 9. INDEMNIFICATION

The Recipient agrees to indemnify the City, its officers, agents, and employees, from any and all claims, losses, causes of action and damages, suits and liability of every kind, including all expenses of litigation, courts costs and attorney fees, for injury to or death of any person, or for damage to any property arising from or in connection with the operations or actions of the Recipient, its officers, agents and employees carried out in furtherance of this Agreement.

SECTION 10. TERMINATION

If Recipient is in breach of this Agreement, the City may terminate the Agreement by providing ten (10) days' written notice to Recipient to cure the breach. If the breach is not cured within the time provided, the City Manager or Mayor may immediately declare the Agreement terminated.

SECTION 11. NON-RENEWAL

It is understood and agreed that the Recipient is not entitled to any right of automatic renewal of this Agreement for the ensuing year, or years, since such option under the Act rests exclusively with the City Council.

SECTION 12. NOTICE

All communications required by this Agreement between the City and the Recipient shall be in writing and addressed to the attention of the City Manager, 622 E. Market Street, Rockport, TX 78382, or to the Recipient at Friends of the History Center, ATTN: Kam Wagert, Chair of Tour Committee, P.O. Box 106, Fulton, TX 78358.

SECTION 13. COMPLIANCE WITH LAWS

In performing its duties under this Agreement, the Recipient shall at all times comply with the City of Rockport Code and all the State of Texas Acts. (See Section 1.)

SECTION 14. PROHIBITION AGAINST DISCRIMINATION

In performance of this Agreement, the Recipient shall not discriminate against any employee or applicant for employment because of an individual's race, color, religion, national origin, sex, or mental or physical disability. Violation of this provision may be regarded as a material breach of this Agreement.

SECTION 15. CONTROLLING LAW

It is understood and agreed that in the event any provision of this Agreement is inconsistent with the requirements of the Act, or any other applicable state law, the requirements of the law will control and supersede the terms set forth herein.

SECTION 16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties relative to the hotel occupancy tax funds made the basis hereof.

IN WITNESS WHEREOF, the parties have herein unto set their hands on duplicate originals, in the City of Rockport, Aransas County, Texas on this ____ day of _____ 2016.

CITY OF ROCKPORT

**FRIENDS OF THE HISTORY
CENTER FOR ARANSAS COUNTY**

Charles J. Wax, Mayor

Kam Wagert, Chair of Tour Committee

ATTEST:

ATTEST:

Teresa Valdez, City Secretary

_____, _____
(print name) (title)

EXHIBIT "A"

CATEGORY	GRANT AMOUNT
Paid advertising	\$2,500.00
TOTAL	\$2,500.00

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 18

Deliberate and act on approval of 2016-2017 Property Tax Assessment/Collection Agreement with Aransas County.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: The Texas Property Tax Code authorizes the County's Tax Assessor-Collector to act as the Tax Assessor-Collector for cities. In an effort to save tax dollars, the City contracts with the Aransas County Tax Assessor-Collector to perform all tax collection duties, including:

1. Preparation and mailing of all tax statements;
2. Providing monthly collection reports as well as daily & weekly reports upon request;
3. Prepare tax certificates;
4. Develop and maintain both current and delinquent tax rolls; and
5. Develop and maintain such other records and forms as are necessary or required by law or State rules and regulations.

The Contract remains the same as in the previous years with the exception of verbiage changes requested by the Aransas County Attorney's office. The table below shows the costs for previous years and the proposed cost for Fiscal Year 2016-2017.

<u>Tax Year</u>	<u>Amount</u>
2011-2012	\$10,014.47
2012-2013	\$10,204.98
2013-2014	\$10,870.78
2014-2015	\$10,387.34
2015-2016	\$10,529.44
2016-2017	\$12,182.94

Please see the accompanying budget and redlined version of the agreement for more information.

FISCAL ANALYSIS: Total amount \$12,182.94 is to be paid in monthly payments beginning with \$1,015.19 due by October 1, 2016, and \$1,015.25 due by the first of each month thereafter. The 15.7 percent increase over last year is primarily due to higher personnel costs.

RECOMMENDATION: Staff recommends Council approve the 2016-2017 Property Tax Assessment/Collection Agreement, as presented.

COST OF COLLECTING 2016 TAXES FROM SEPTEMBER 1, 2016 - AUGUST 31, 2017					
		TOTAL TAX	COUNTY	THIS YEAR	LAST
		COLLECTION	COLLECTION	CHARGE TO	YEAR
		2015/2016	ONLY	OTHER	CHARGE TO
				ENTITIES	ENTITIES
SUPPLIES:					
TAX ROLL FORMS & BINDERS					
STATEMENTS/RECEIPTS					
DELINQUENT NOTICES					
COMPUTER PAPER/RIBBONS					
ENVELOPES					
TOTAL COST OF SUPPLIES		4,000.00	2,000.00	2,000.00	1,200.00
OTHER CHARGES:					
FREIGHT				-	-
POSTAGE		10,000.00	8,000.00	2,000.00	2,000.00
TELEPHONE FOR COMPUTER		3,300.00	3,300.00	-	-
BOND PREMIUMS		173.00	123.00	50.00	125.00
DATA PROCESSING		19,900.00	14,590.00	5,310.00	5,152.00
RENTAL OF EQUIPMENT		-	-	-	-
MISC REPAIR & MAINTENANCE		1,144.00	922.00	222.00	-
ADVERTISING & LEGALS		1,000.00	1,000.00	-	400.00
CONFERENCES/SCHOOLS		4,500.00	3,000.00	1,500.00	1,500.00
MISCELLANEOUS SUPPLIES				-	-
BANK CHARGES				-	-
RECORDS MANAGEMENT				-	-
EQUIPMENT				-	-
COMPUTER CONVERSION-4th OF 5 YRS		22,046.00	22,046.00	-	-
TOTAL COST OF CHARGES:		62,063.00	52,981.00	9,082.00	9,177.00
PERSONNEL & BENEFITS:					
SALARY (TAX A/C)		36,942.00	36,942.00	-	-
SALARIES (ALL DEPUTIES)		161,367.00	80,684.00	80,683.00	73,966.00
TRAVEL (BOOKKEEPER & A/C)		1,600.00	1,000.00	600.00	600.00
TOTAL COST OF PERSONNEL:		199,909.00	118,626.00	81,283.00	74,566.00
TOTAL COST OF COLLECTION		265,972.00	173,607.00	92,365.00	84,943.00
ESTIMATED SHARE BASED					
ON % OF 2015 LEVY					
PRO-RATA SHARE:	Apr-16		TOTALS		
ARANSAS COUNTY	PARCELS				
COUNTY ROAD & FLOOD	29522				
ARANSAS CO NAVIGATION	29522		4.22	\$ 3,897.80	\$3,646.91
ARANSAS CO ISD	25814		81.10	\$ 74,908.02	\$69,505.31
CITY OF ROCKPORT	8951		13.19	\$ 12,182.94	\$10,529.44
TOWN OF FULTON	1862		1.15	\$ 1,062.20	\$982.55
ARANSAS CO MUD #1	411		0.34	\$ 314.04	\$278.79
TOTAL	125604		100.00	\$ 92,365.00	\$84,943.00

2016 - 2017
PROPERTY TAX
ASSESSMENT/COLLECTION AGREEMENT

STATE OF TEXAS

COUNTY OF ARANSAS

Whereas, the CITY OF ROCKPORT and the COMMISSIONERS' COURT OF ARANSAS COUNTY (HEREAFTER called ARANSAS COUNTY) have the power and authority with reference according to the terms and provisions of Article 4413, (32c), Vernon's Texas Civil Statutes, as amended, Chapter 791 of The Government Code of The State of Texas and Section 6.24, of The Texas Property Tax Code, to authorize the ARANSAS COUNTY TAX ASSESSOR-COLLECTOR to act as the Tax Assessor/Collector for the CITY OF ROCKPORT;

Now, therefore, for the consideration hereinafter expressed and the mutual conditions hereof, it is mutually agreed by and between the CITY OF ROCKPORT, a political subdivision duly organized and existing under the laws of the State of Texas, and ARANSAS COUNTY, as follows:

1. Under the provisions of Article 4413 (32c), Vernon's Texas Civil Statutes, as amended, and Section 6.24, Texas Property Tax Code, the Aransas County Tax Assessor/Collector shall serve as Tax Assessor/Collector for the CITY OF ROCKPORT for ad valorem tax purposes as herein provided. The Aransas County Tax Assessor/Collector shall perform for the CITY OF ROCKPORT all necessary duties as authorized by said statutes, and the CITY OF ROCKPORT does hereby expressly authorize the Aransas County Tax Assessor/Collector to do and perform all acts necessary and proper to assess and collect taxes for the CITY OF ROCKPORT.
2. The Aransas County Tax Assessor/Collector shall prepare and mail all tax statements; provide monthly collection reports as well as daily and weekly reports upon request to the CITY OF ROCKPORT; prepare tax certificates; develop and maintain both current and delinquent tax rolls; and develop and maintain such other records and forms as are necessary or required by law or State rules and regulations. The Aransas County Tax Assessor/Collector shall develop and maintain written policies and procedures of its operations, to make available to the CITY OF ROCKPORT full information about the operation of the Aransas County Tax Assessor/Collector's office and to promptly furnish written reports of all financial information affecting it, with specific regard to assessment and collections.
3. The CITY OF ROCKPORT hereby agrees and expressly authorizes ARANSAS COUNTY to contract with private legal counsel for the collection of delinquent taxes, the form of such contract to be approved by the CITY OF ROCKPORT. The CITY OF ROCKPORT further agrees that such fee as is allowed by law and provided in the contract with legal counsel will be held by ARANSAS COUNTY Tax Assessor-Collector out of the CITY OF ROCKPORT'S daily deposit. The Aransas County Tax Assessor/Collector will submit payment directly to legal counsel when preparing CITY OF ROCKPORT'S monthly tax report. A copy of the payment will be submitted with the monthly tax report.

4. The CITY OF ROCKPORT shall reimburse ARANSAS COUNTY for the actual cost of providing the services under this agreement from the CITY OF ROCKPORT'S current revenues for the fiscal year, beginning September 1, 2016 and ending August 31, 2017. The CITY OF ROCKPORT shall pay ARANSAS COUNTY \$12,182.94 as an operating budget for the described fiscal year, to be paid as provided for on Addendum A to this agreement. If the actual costs of assessing and collecting exceed the amounts provided for in this agreement, the CITY OF ROCKPORT further agrees to pay ARANSAS COUNTY an amount equal to such excess, provided such excess is due to cost overruns not in violation of the responsibilities as outlined in this agreement. The CITY OF ROCKPORT further agrees to bear the costs associated with the re-mailing of tax notices due to a change by the CITY OF ROCKPORT in their tax rate or allowable discount provisions. In addition, the CITY OF ROCKPORT agrees to pay the cost of reprocessing and mailing tax notices if the CITY OF ROCKPORT suffers a rollback or other modification of their tax rate as provided in Section 26.08 of the Texas Property Tax Code or any other required modifications resulting from law changes made by the Texas Legislature.
5. Aransas County Tax Assessor/Collector will agree to sign a bond, conditional on faithful performance of duties, payable to CITY OF ROCKPORT. Said bond will be ordered by, approved by and paid for by the CITY OF ROCKPORT in an amount determined by the CITY OF ROCKPORT as stated in Texas Property Tax Code 6.29(b).
6. The Aransas County Tax Assessor/Collector shall make payment of taxes collected into such depositories as are selected by the CITY OF ROCKPORT (See Addendum A). Such payment shall be made on a daily basis except for payments that are made by credit card payment. Credit card payments are not available for several days after the payment is posted to credit card; therefore, no taxes collected by credit card payments shall be deposited until the credit card payment has been irrevocably deposited into the Aransas County Tax Assessor/Collector's tax account maintained for the purpose. A "deposit of tax money" itemization form will be completed to show the distribution of money collected. This itemization will be forwarded to the CITY OF ROCKPORT after each deposit. The Aransas County Tax Assessor/Collector shall have no access to the tax money once deposited to the CITY OF ROCKPORT'S depositories.
7. The CITY OF ROCKPORT acknowledges that the Aransas County Tax Assessor/Collector is paying out funds on a daily basis, based upon payment to Aransas County Tax Assessor/Collector, which is usually in the form of a personal or business check and not in the form of a cashier's check. In the event that any check is returned by Aransas County Tax Assessor/Collector's depository for any reason whatsoever, including but not limited to, Insufficient Funds, Forgery, Refer to Maker, Account Closed, or any other reason, the CITY OF ROCKPORT WILL IMMEDIATELY REFUND TO Aransas County Tax Assessor/Collector the amount of the daily deposit represented by the returned check. Any tax payments deposited to the CITY OF ROCKPORT account whose source of payment was by credit card shall be IMMEDIATELY REFUNDED TO THE Aransas County Tax Assessor/Collector by the CITY OF ROCKPORT in the event that the credit card payment is disputed, canceled, refuted or withdrawn by any person, firm or entity for any reason whatsoever.

- 8. a. Refunds resulting from corrections to the appraisal rolls, pursuant to §26.15 of the Property Tax Code, ~~(as currently amended)~~, such as homestead exemptions, over 65 exemptions, disabled exemptions, clerical errors and court-ordered value changes, shall not be submitted for approval to the CITY OF ROCKPORT. Tax Assessor-Collector shall refund the property owner the difference between the tax paid and the tax legally due. All refunds will be held from the CITY OF ROCKPORT'S daily deposits and an itemized list of all refunds, with pertinent data, will be submitted with the daily deposit record.
 - b. ~~Refund requests, pursuant to §31.11 of the Property Tax Code (as currently amended), resulting from erroneous payment,~~ refund requests will be submitted to the Aransas County Auditor to determine if payment was excessive or erroneous. If County Auditor determines payment was excessive or erroneous, the tax collector shall refund the amount of the overpayment or erroneous payment from available current tax collections. However, if the total of refund amount exceeds \$2,500.00, the tax assessor-collector shall submit the refund request to the Commissioner's Court of Aransas County for their determination of an excessive or erroneous payment and approval prior to processing refund.
9. This agreement by and between ARANSAS COUNTY and the CITY OF ROCKPORT shall be in effect from September 1, 2016 through August 31, 2017. Should the CITY OF ROCKPORT elect not to continue with an assessment/collection agreement with ARANSAS COUNTY for the following fiscal year beginning September, 2017, the CITY OF ROCKPORT agrees to provide written notice to ARANSAS COUNTY four months prior to the end of this agreement so as to prevent expenditures for the upcoming fiscal year.

10. DEFINITIONS

For the purposes of this agreement, the terms "ASSESSMENT" and "COLLECTION" shall mean all steps necessary to effect such functions including, but not limited to: calculation of tax; preparation of current and delinquent tax rolls; pro-ration of taxes; correction of clerical errors in tax rolls; collection of current liabilities; collection of delinquent taxes; and calculation of an effective tax rate required by Section 26.04 of the Texas Property Tax Code.

IN WITNESS WHEREOF, these presents are executed by authority of the governing bodies of the respective parties hereto. EXECUTED IN ROCKPORT, TEXAS.

COUNTY JUDGE, ARANSAS COUNTY

CITY OF ROCKPORT, MAYOR

SIGNED IN DUPLICATE ON THIS _____
DAY OF _____,
2016.

SIGNED IN DUPLICATE ON THIS _____
DAY OF _____,
2016.

ARANSAS CO. TAX ASSESSOR/COLLECTOR

SIGNED IN DUPLICATE ON THIS _____
DAY OF _____, 2016.

ADDENDUM A

4-A Operating Budget Payment Schedule:

TOTAL AMOUNT DUE: \$ 12,182.94

\$ 1,015.19 due by October 1, 2016
\$ 1,015.25 due by November 1, 2016
\$ 1,015.25 due by December 1, 2016
\$ 1,015.25 due by January 1, 2017
\$ 1,015.25 due by February 1, 2017
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\$ 1,015.25 due by May 1, 2017
\$ 1,015.25 due by June 1, 2017
\$ 1,015.25 due by July 1, 2017
\$ 1,015.25 due by August 1, 2017
\$ 1,015.25 due by September 1, 2017

6-A CITY OF ROCKPORT'S depository shall be two accounts:

Maintenance & Operation money shall be deposited in account
450-000-038-8 at Wells Fargo Bank Texas, N.A., Rockport, TX.

Interest & Sinking money shall be deposited in account 450-000-204-6
at Wells Fargo Bank Texas, N.A., Rockport, TX.

2016 - 2017
PROPERTY TAX
ASSESSMENT/COLLECTION AGREEMENT

STATE OF TEXAS

COUNTY OF ARANSAS

Whereas, the CITY OF ROCKPORT and ARANSAS COUNTY have the power and authority according to the terms and provisions of Chapter 791 of The Government Code of The State of Texas and Section 6.24 of The Texas Property Tax Code, to authorize the ARANSAS COUNTY TAX ASSESSOR-COLLECTOR to act as the Tax Assessor/Collector for the CITY OF ROCKPORT;

Now, therefore, for the consideration hereinafter expressed and the mutual conditions hereof, it is mutually agreed by and between the CITY OF ROCKPORT, a political subdivision duly organized and existing under the laws of the State of Texas, and ARANSAS COUNTY, as follows:

1. The Aransas County Tax Assessor/Collector shall serve as Tax Assessor/Collector for the CITY OF ROCKPORT for ad valorem tax purposes as herein provided. The Aransas County Tax Assessor/Collector shall perform for the CITY OF ROCKPORT all necessary duties as authorized by said statutes, and the CITY OF ROCKPORT does hereby expressly authorize the Aransas County Tax Assessor/Collector to do and perform all acts necessary and proper to assess and collect taxes for the CITY OF ROCKPORT.
2. The Aransas County Tax Assessor/Collector shall prepare and mail all tax statements; provide monthly collection reports as well as daily and weekly reports upon request to the CITY OF ROCKPORT; prepare tax certificates; develop and maintain both current and delinquent tax rolls; and develop and maintain such other records and forms as are necessary or required by law or State rules and regulations. The Aransas County Tax Assessor/Collector shall develop and maintain written policies and procedures of its operations, to make available to the CITY OF ROCKPORT full information about the operation of the Aransas County Tax Assessor/Collector's office and to promptly furnish written reports of all financial information affecting it, with specific regard to assessment and collections.
3. The CITY OF ROCKPORT hereby agrees and expressly authorizes ARANSAS COUNTY to contract with private legal counsel for the collection of delinquent taxes, the form of such contract to be approved by the CITY OF ROCKPORT. The CITY OF ROCKPORT further agrees that such fee as is allowed by law and provided in the contract with legal counsel will be held by ARANSAS COUNTY Tax Assessor-Collector out of the CITY OF ROCKPORT'S daily deposit. The Aransas County Tax Assessor/Collector will submit payment directly to legal counsel when preparing CITY OF ROCKPORT'S monthly tax report. A copy of the payment will be submitted with the monthly tax report.

4. The CITY OF ROCKPORT shall reimburse ARANSAS COUNTY for the actual cost of providing the services under this agreement from the CITY OF ROCKPORT'S current revenues for the fiscal year, beginning September 1, 2016 and ending August 31, 2017. The CITY OF ROCKPORT shall pay ARANSAS COUNTY \$12,182.94 as an operating budget for the described fiscal year, to be paid as provided for on Addendum A to this agreement. If the actual costs of assessing and collecting exceed the amounts provided for in this agreement, the CITY OF ROCKPORT further agrees to pay ARANSAS COUNTY an amount equal to such excess, provided such excess is due to cost overruns not in violation of the responsibilities as outlined in this agreement. The CITY OF ROCKPORT further agrees to bear the costs associated with the re-mailing of tax notices due to a change by the CITY OF ROCKPORT in their tax rate or allowable discount provisions. In addition, the CITY OF ROCKPORT agrees to pay the cost of reprocessing and mailing tax notices if the CITY OF ROCKPORT suffers a rollback or other modification of their tax rate as provided in Section 26.08 of the Texas Property Tax Code or any other required modifications resulting from law changes made by the Texas Legislature.
5. Aransas County Tax Assessor/Collector will agree to sign a bond, conditional on faithful performance of duties, payable to CITY OF ROCKPORT. Said bond will be ordered by, approved by and paid for by the CITY OF ROCKPORT in an amount determined by the CITY OF ROCKPORT as stated in Texas Property Tax Code 6.29(b).
6. The Aransas County Tax Assessor/Collector shall make payment of taxes collected into such depositories as are selected by the CITY OF ROCKPORT (See Addendum A). Such payment shall be made on a daily basis except for payments that are made by credit card payment. Credit card payments are not available for several days after the payment is posted to credit card; therefore, no taxes collected by credit card payments shall be deposited until the credit card payment has been irrevocably deposited into the Aransas County Tax Assessor/Collector's tax account maintained for the purpose. A "deposit of tax money" itemization form will be completed to show the distribution of money collected. This itemization will be forwarded to the CITY OF ROCKPORT after each deposit. The Aransas County Tax Assessor/Collector shall have no access to the tax money once deposited to the CITY OF ROCKPORT'S depositories.
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- 9. This agreement by and between ARANSAS COUNTY and the CITY OF ROCKPORT shall be in effect from September 1, 2016 through August 31, 2017. Should the CITY OF ROCKPORT elect not to continue with an assessment/collection agreement with ARANSAS COUNTY for the following fiscal year beginning September, 2017, the CITY OF ROCKPORT agrees to provide written notice to ARANSAS COUNTY four months prior to the end of this agreement so as to prevent expenditures for the upcoming fiscal year.

10. DEFINITIONS

For the purposes of this agreement, the terms "ASSESSMENT" and "COLLECTION" shall mean all steps necessary to effect such functions including, but not limited to: calculation of tax; preparation of current and delinquent tax rolls; pro-ration of taxes; correction of clerical errors in tax rolls; collection of current liabilities; collection of delinquent taxes; and calculation of an effective tax rate required by Section 26.04 of the Texas Property Tax Code.

IN WITNESS WHEREOF, these presents are executed by authority of the governing bodies of the respective parties hereto. EXECUTED IN ROCKPORT, TEXAS.

COUNTY JUDGE, ARANSAS COUNTY

CITY OF ROCKPORT, MAYOR

SIGNED IN DUPLICATE ON THIS _____
DAY OF _____,
2016.

SIGNED IN DUPLICATE ON THIS _____
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2016.

ARANSAS CO. TAX ASSESSOR/COLLECTOR

SIGNED IN DUPLICATE ON THIS _____
DAY OF _____, 2016.

ADDENDUM A

4-A Operating Budget Payment Schedule:

TOTAL AMOUNT DUE: \$ 12,182.94

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Interest & Sinking money shall be deposited in account 450-000-204-6
at Wells Fargo Bank Texas, N.A., Rockport, TX.

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 19

Deliberate and act to adopt, on first and only reading, an Ordinance of the City of Rockport adopting a budget and appropriating resources for Fiscal Year 2016-2017, beginning October 1, 2016, and ending September 30, 2017; in accordance with existing statutory requirements; repealing all conflicting ordinances; containing a severability clause; and providing for an effective date.

SUBMITTED BY: Patty Howard, Finance Director

APPROVED FOR AGENDA: PKC

BACKGROUND: Section 7.03 (2) of the City Charter states: “The City Council shall make available in the City offices a general summary of the proposed budget and a notice stating: a) the times and places where copies of the message and budget are available for inspection by the public; and b) the time and place, applicable to current laws, for a public hearing on the budget.”

The budget was filed with the City Secretary on August 8, 2016, and presented to Council on August 9, 2016. The required public hearing was published and held on August 23, 2016.

The Rockport Home-Rule Charter, Section 7.02 states: “On or before the first regular scheduled meeting in August of each year, the City Manager shall submit to the City Council a proposed budget for the ensuing fiscal year and budget message. The City Council shall review the proposed budget and make any appropriate changes prior to publishing the final budget.”

Section 7.03 (3) c) of the Charter states: “The City Council shall adopt or amend the budget by ordinance on one (1) reading. Adoption of the budget shall constitute appropriation of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.”

FISCAL ANALYSIS: Exhibit “A” of the attached Ordinance records the appropriations that Council has adopted for the Fiscal Year beginning October 1, 2016, and ending September 30, 20167

RECOMMENDATION: Staff recommends adoption, on first and only reading, of an ordinance adopting an approving the City of Rockport Annual Budget and Capital Improvement Program for the Fiscal Year beginning October 1, 2016, and ending September 30, 2017, as presented

Note: At the first and only reading of the Ordinance, state statute requires a roll call vote be taken and recorded by the City Secretary.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ROCKPORT, TEXAS, ADOPTING A BUDGET AND APPROPRIATING RESOURCES FOR FISCAL YEAR 2016-2017, BEGINNING OCTOBER 1, 2016, AND ENDING SEPTEMBER 30, 2017; IN ACCORDANCE WITH EXISTING STATUTORY REQUIREMENTS; REPEALING ALL CONFLICTING ORDINANCES; CONTAINING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Manager and staff have prepared and filed with the City Secretary a proposed budget for the operation of the City during Fiscal Year 2016-2017; and

WHEREAS, the City Manager of the City of Rockport has submitted to the Mayor and Council a proposed budget of the revenues and expenditures/expenses of conducting the affairs of said City and providing a complete financial plan for Fiscal Year beginning October 1, 2016, and ending September 30, 2017; and

WHEREAS, the City Council on August 23, 2016, conducted a public hearing to receive input from citizens of the City concerning the content of the budget, and for which notices were duly posted in *The Rockport Pilot*; and

WHEREAS, the City has acknowledged that this budget will raise more property taxes than last year's budget by \$391,222.00 or 9.02%, and of that amount \$62,369.00 is tax revenue to be raised from new property added to the tax roll this year; and

WHEREAS, the City Council having considered the proposed budget at length, and having provided input in its preparation, has determined that the proposed budget and the revenues and expenditures contained therein are in the best interest of the City and, therefore, the Council desires to approve and adopt the budget by formal action.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS, THAT:

Section 1: The proposed budget for the fiscal year beginning October 1, 2016, and ending September 30, 2017, as submitted to the City Council by the City Manager, which budget is attached hereto as Exhibit "A," for all purposes is hereby approved and adopted as the City's as the City's budget of all revenue and expenditures/expenses of the City of Rockport, Texas for Fiscal Year 2016-2017; and

Section 2: In accordance with Section 7.05 of the Charter of the City of Rockport, Texas, the Capital Improvement Program is included in the budget; and

Section 2: The sum of Thirty Million, Nine Hundred Forty Thousand, Forty Nine Dollars (\$30,940,049.00) is hereby appropriated for the City's FY 2016-2017 budget. Further, these funds are for payment of operating, capital, and debt service expenses associated with the

operation and administration of the City, according to the various purposes and intents described in the FY 2016-2017 budget document.

Section 3: Should any paragraph, sentence, subdivision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this Ordinance, as a whole or any part or provision thereof, other than the part or parts adjudged to be invalid, illegal, or unconstitutional.

Section 4: This Ordinance shall be in full force and effect from and after its adoption by the City Council, pursuant to applicable State and local laws and the City Charter.

Section 5: All other ordinances and Code provisions that are in conflict herewith are hereby repealed, but only to the extent of any such conflict or inconsistency.

PASSED, APPROVED and ADOPTED on this the 20th day of September 2016, by roll call vote as follows:

FOR MOTION:

AGAINST MOTION:

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

EXHIBIT "A"

Fund Title	Estimated Fund Balance 9/30/2015	Total Revenues	Total Expenditures	Estimated Fund Balance 9/30/2016
General Fund	3,588,569	8,806,385	8,787,203	3,607,751
Enterprise Funds				
Utility System	6,076,430	10,320,286	10,335,514	6,061,202
Sanitation	0	1,831,032	1,795,231	35,801
Natural Gas Distribution	1,324,385	2,347,437	2,231,681	1,440,141
Community Aquatic/Skate Center	0	367,949	367,949	0
Total	7,400,815	14,866,704	14,730,375	7,537,144
Special Revenue Funds				
Municipal Court Technology	16,780	12,000	6,203	22,577
Utility Surcharge	0	167,490	167,490	0
Bay Education Center Operations	0	51,500	51,500	0
Municipal Court Juvenile Case Mgr	0	15,000	15,000	0
Fleet Operation & Maintenance	-82,079	491,350	732,930	-323,659
Hotel Occupancy Tax	438,175	875,000	801,344	511,831
City/County Communications	0	791,696	791,696	0
Total	372,876	2,404,036	2,566,163	210,749
Debt Service Funds				
Interest and Sinking	307,252	2,291,710	2,238,980	359,982
Utility Debt Service	512,333	1,936,079	1,937,754	510,658
Total	528,104	4,227,789	4,176,734	870,640
Vehicle & Equip. Replcmnt Fund				
General	359,485	256,200	170,000	445,685
Utility	195,909	157,935	30,000	323,844
Total	555,394	414,135	200,000	769,529
Capital Improvement Projects				
General CIP	437,126	0	0	437,126
Utility CIP	388,537	221,000	500,000	109,537
Total	825,663	221,000	500,000	546,663
GRAND TOTAL	13,271,421	30,940,049	28,874,776	13,542,476

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 20

Deliberate and act on second reading of an Ordinance of the City of Rockport Approving the Assessment and Renditions for the 2016 Taxable Property as Submitted by the Appraisal District; Levying a Tax Rate for \$100.00 Valuation for the City of Rockport, Aransas County, Texas for the Tax Year 2016 of \$0.233912 for the Purposes of Maintenance and Operation, \$0.155371 for the Payment of Principal and Interest on Debt of the City for a Total Tax Rate Of \$0.389283; and Providing an Effective Date.

SUBMITTED BY: Finance Director Patty Howard

APPROVED FOR AGENDA: PKC

BACKGROUND: Over the course of two budget workshops, City Council determined that an 8.00 percent effective increase in the maintenance and operation portion of *ad valorem* tax is necessary after adopting the effective tax rate for the previous several years and absorbing the rising costs of operations. The effective rate calculated for the City of Rockport is \$0.360758/\$100 and the rollback rate (8 percent above the M & O portion of the rate) is \$0.389283/\$100. The proposed tax rate is a 9.02% increase over the total tax rate (M & O and I & S combined). This Ordinance will adopt a 2016 Property Tax Rate of \$0.389283/\$100. The maintenance and operation portion of the rate is \$0.233912/\$100 and the portion used for payment of principal and interest on debt is \$0.155371/\$100.

State law requires a taxing unit's governing body to vote on any increase in the effective tax rate by a record vote. The governing body is also required to schedule two public hearings on the proposed tax rate increase. The City of Rockport conducted two public hearing on the proposed tax rate increase on August 23, 2016, and September 13, 2016. Nobody spoke in favor or against the proposed tax rate.

There have been no changes in format or content of the Ordinance since the first reading on September 13, 2016.

FISCAL ANALYSIS: For several years prior to 2012, the City adopted the effective tax rate, i.e. a tax rate that brings in the same amount of revenue as the previous year. Because of the effect of inflation, this has resulted in an effective decrease in resources available to provide essential services. The accompanying tax rate analysis shows several scenarios as well as the net effect of each on taxpayers.

STAFF RECOMMENDATION: Staff recommends Council approve second reading the Ordinance setting the 2016 Property Tax Rate at the rate of \$.389283/\$100 with the Maintenance and Operation portion of the tax rate being \$0.233912 and the Interest and Sinking portion being \$0.155371.



NOTICE OF VOTE ON TAX REVENUE INCREASE

The City of Rockport conducted public hearings on August 23, 2016 and September 13, 2016 on a proposal to increase the total tax revenues of the City of Rockport from properties on the tax roll in the preceding year by 9.02 percent.

The total tax revenue proposed to be raised last year at last year's tax rate of \$0.364858 for each \$100 of taxable value was \$4,279,945.

The total tax revenue proposed to be raised this year at the proposed tax rate of \$0.389283 for each \$100 of taxable value, excluding tax revenue to be raised from new property added to the tax roll this year, is \$4,664,465.

The total tax revenue proposed to be raised this year at the proposed tax rate of \$0.389283 for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll this year, is \$4,726,834.

The City Council of the City of Rockport is scheduled to vote on the tax rate that will result in that tax increase at a public meeting to be held on September 20, 2016 at City Hall, 622 E. Market Street, Rockport, TX at 6:30 p.m.

ORDINANCE NO. _____

AN ORDINANCE APPROVING THE ASSESSMENT AND RENDITIONS FOR THE 2016 TAXABLE PROPERTY AS SUBMITTED BY THE APPRAISAL DISTRICT; LEVYING A TAX RATE FOR \$100.00 VALUATION FOR THE CITY OF ROCKPORT, ARANSAS COUNTY, TEXAS FOR THE TAX YEAR 2016 OF \$0.233912 FOR THE PURPOSE OF MAINTENANCE AND OPERATION, \$0.155371 FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON DEBT OF THE CITY FOR A TOTAL TAX RATE OF \$0.389283; PROVIDING FOR A LIEN ON ALL REAL AND PERSONAL PROPERTY TO SECURE PAYMENT OF TAXES DUE THEREON; CONTAINING A SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES AND PARTS THEREOF IN CONFLICT HEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of Rockport, Texas has on this date by way of separate Ordinance, duly approved and adopted a Budget for the operation for the City for Fiscal Year 2016-2017 (FY 2016-2017); and

WHEREAS, the aforesaid Ordinance anticipates and required the levy of an *ad valorem tax* on all taxable property in the City of Rockport; and

WHEREAS, the Chief Appraiser of Aransas County Tax Appraisal District has prepared and certified the appraisal roll for the City of Rockport, Texas, that roll being that portion of the approved appraisal roll of the Aransas County Tax Appraisal District which lists property taxable by the City of Rockport, Texas; and

WHEREAS, it is necessary to levy such an *ad valorem tax* at a given rate to generate revenues sufficient to meet the projected expenses of the City for FY 2016-2017; and

WHEREAS, the City has fully and timely complied with all notice and other requirements relative to the adoption of a tax rate for FY 2016-2017.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS, THAT:

Section 1: There is hereby levied for the FY 2016-2017 upon all real property situated within the corporate limits of the City of Rockport, Texas, and upon all personal property which was owned within the corporate limits of the City of Rockport, Texas, on January 1, 2016, except so much thereof as may be exempt by the Constitution or laws of the State of Texas, a total tax of \$0.389283 on each \$100 of assessed valuation on all taxable property, which total tax herein so levied shall consist and be comprised of the following components:

a) An *ad valorem* tax rate of \$0.233912 on each \$100 of assessed valuation of all taxable property is hereby levied for general City purposes and to pay the current operating expenses of the City of Rockport, Texas, for the fiscal year ending September 30, 2017, which tax, when collected shall be appropriated to and for the credit of the General Fund of the City of Rockport, Texas.

b) An *ad valorem* tax rate of \$0.155371 on each \$100 of assessed valuation of taxable property is hereby levied for the purpose of creating an Interest and Sinking Fund with which to pay the interest and principal of the valid bonded indebtedness, and related fees of the City of Rockport, now outstanding and such tax, when collected, shall be appropriated and deposited in and to the credit of the general Debt Service Fund of the City of Rockport, Texas, for the fiscal year ending September 30, 2017.

Section 2: The City of Rockport shall have lien on all taxable property located in the City of Rockport to secure the payment of taxes, penalty, and interest, and all costs of collection, assessed and levied hereby.

Section 3: Taxes are payable in Rockport, Texas at the Office of the Tax Assessor Collector of Aransas County, Texas. The City shall have available all the rights and remedies provided by Law for the enforcement of the collection of taxes levied under this Ordinance.

Section 4: The tax roll presented to the City Council, together with any supplements thereto, are hereby accepted and approved.

Section 5: Should any paragraph, sentence, provision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this Ordinance, as a whole or any part or provision thereof, other than the part or parts adjudged to be invalid, illegal, or unconstitutional.

Section 6: This Ordinance shall be in full force and effect from and after its adoption by the City Council and publication of its caption as the Law and the City Charter provide in such cases.

Section 7: All other ordinances and Code provisions in conflict herewith are hereby repealed, but only to the extent of any such conflict or inconsistency and all other provisions of the Rockport City Code not in conflict herewith shall remain in full force and effect.

Section 8: The repeal of any ordinance or parts thereof by the enactment of this Ordinance, shall not be construed as abandoning any action now pending under or by virtue of such ordinance; nor shall it have the effect of discontinuing, abating, modifying or altering any penalty accruing or to accrue, nor as affecting any rights of the City under any section or provision of any ordinances at the time of passage of this Ordinance.

APPROVED on first reading on the 13th day of September 2016, by roll call vote as follows:

FOR MOTION: Mayor Charles J. Wax, Mayor Pro-Tem Patrick Rios, Council Member Rusty Day, Council Member J.D. Villa and Council Member Barbara Gurtner

AGAINST MOTION: None

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

APPROVED, PASSED and ADOPTED on second and final reading, this 20th day of September 2016 by roll call vote as follows:

FOR MOTION:

AGAINST MOTION:

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Special Meeting: Tuesday, September 20, 2016

AGENDA ITEM: 21

Deliberate and act to ratify the property tax increase reflected in the 2016-2017 Annual Budget and Capital Improvement Program.

SUBMITTED BY: Patty Howard, Finance Director

APPROVED FOR AGENDA: PKC

BACKGROUND: H.B. No. 3195 set requirements for any budget adopted after September 1, 2007. Section 102.007, Local Government Code is amended adding Subsection (c): “Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code, or other law.”

The vote will ratify the property tax increase reflected in the 2016-2017 Annual Budget and Capital Improvement Program as required by H.B. No. 3195.

The required public hearing was held on August 23, 2016. The proposed Budget was filed with the City Secretary on August 8, 2016.

RECOMMENDATION: Staff recommends Council ratify the property tax increase reflected in the 2016-2017 Annual Budget and Capital Improvement Program, as presented.