
CITY COUNCIL AGENDA

Notice is hereby given that the Rockport City Council will hold a regular meeting on Tuesday, February 24, 2015, 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 which 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 City Council Regular Meeting Minutes of February 10, 2015.
5. Deliberate and act on Intergovernmental Cooperation Agreement between the City of Rockport and the County of Aransas for Roads.

Regular Agenda

6. Deliberate and act on Resolution opposing Senate Bill 343 and any other legislation which would erode the authority of a home rule municipality.
7. Deliberate and act on a Resolution opposing a revenue cap and legislative interference with local services.
8. Deliberate and act on presentation of Fiscal Year 2013-2014 City of Rockport Comprehensive Annual Financial Report.
9. Deliberate and act on first reading of an Ordinance amending Article 4 of the City of Rockport Zoning Ordinance Number 1027 by changing the zoning of land located at 1903 Mathis Street; also known as parts of Lots 5-13, 1.525 acres, Block 103, Manning Addition, out of the John Kettle Survey A-91-92, Rockport, Aransas County, Texas, from R-2 (2nd Single Family Dwelling District) to B-1 (General Business District).
10. Deliberate and act on first reading of an Ordinance amending Article 4 of the City of Rockport Zoning Ordinance Number 1027 by changing the zoning of land located at 1124 Patton Street; also known as 1130-1150 Patton Street, 0.801 acre, out of the TT Williamson

Survey A-221, Rockport, Aransas County, Texas, from R-1 (1st Single Family Dwelling District) to R-2 (2nd Single Family Dwelling District).

11. Hear and deliberate on presentation of City of Rockport Police Department 2014 Racial Profiling Report.

12. Reports from Council and Staff

At this time, the City Council will report/update on all committee assignments which may include the following: County Storm Water Committee; Community Park, Park & Leisure Advisory Board, Chamber of Commerce, Coastal Bend Council of Governments, Coast Bend Bays & Estuaries, 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. Staff reports include the following: Building & Development – bi-weekly code enforcement, pending development report; Accounting & Finance – update on liens collection, financial and investment information, monthly financial reports; Police Department – grant update, quarterly police reports, Fulton law enforcement; Public Works – Building Maintenance, Construction Updates; Park & Leisure Services – grant updates, park projects; Municipal Court; Administration – interlocal agreements, public information, website, compressed natural gas fueling station, and hotel occupancy report. 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:

13. Section 551.071(1)(A) and Section 551.071(2) Consultation with Attorney: 1) Pending or contemplated litigation; and 2) Jail Services Agreement.

14. Section 551.072 Deliberation about Real Property: Acquisition of property for public purpose – Project Ibis.

15. Section 551.076 Deliberations Regarding Security Devices or Security Audits: Closed Meeting.

16. Section 551.074 Personnel Matters - City Secretary evaluation.

Open Session

17. 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.

18. Adjournment.

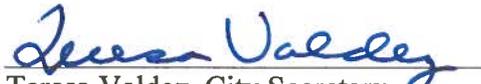
Special Accommodations

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, February 20, 2015, 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
Regular Meeting: Tuesday, February 24, 2015

AGENDA ITEM: 4

Deliberate and act on approval of City Regular Meeting Minutes of February 10, 2015.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: Please see the accompanying minutes of the Regular Meeting of February 10, 2015.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Staff recommends approval of the Minutes, as presented.

CITY OF ROCKPORT

MINUTES

CITY COUNCIL REGULAR MEETING 6:30 p.m., Tuesday, February 10, 2015 Rockport City Hall, 622 East Market Street

On the 10th day of February 2015, 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 Rusty Day, Ward 1
Council Member J. D. Villa, Ward 2
Council Member Barbara Gurtner, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

PLANNING & ZONING COMMISSION MEMBERS PRESENT

Edward Bellion
Shawn Johnston
Graham Wilson
Brian Olsen
Frank Lynch

STAFF MEMBERS PRESENT

City Manager Kevin Carruth
City Attorney Terry Baiamonte
City Secretary Teresa Valdez
Police Chief Tim Jayroe
Public Works Director Mike Donoho
Finance Director Patty Howard
Parks & Leisure Services Director Tom Staley

ELECTED OFFICIALS

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, February 10, 2015, in the Council Chambers of the Rockport City Hall, 622 E. Market Street, Rockport, Texas.

2. Pledge of Allegiance.

Council Member Villa led the 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 any action on any item that has not been posted on the agenda.

Carlos Lopez also known as Charles Kote of 1105 Highway 35 South, Rockport, Texas, addressed the Council and read the following (below):

I came as soon as I could to point out how wrong you people are about the police Dept.....I know how Racist your Police Dept had become in the past. I thought they had learned by now . Then ,I received the City Manager's E-mail stating I could not be placed on the agenda for today's meeting because the Police Commanders have already determined no wrong was done when their Veteran Officer Perkins came to my store, the only car stereo shop in town , a 25 year minority owned business ,...during business hours , ...without a noise meter to harass me and gives me a Noise Ordinance Citation! Then takes time to scour the neighborhood to find complaints , knowing full well we have no such History of Noise complaints !
Hey , Amigos ! This is Racism !

This is not only Racist, . it is harassment...who here today does not find it odd to give a car stereo business a noise ordinance ticket!!

People , In case you don't knowjust 3 years before you got here ...there was so much racism ,.... I had to change my name and become a white guy 8 years ago! I became Charles Kote to out smart the Racist committees some of the police themselves warned me and my wife about. I had to save my business . And it worked!!! These racist committees are not made up.

Hey, wait just a minute ... this is the same racist police dept that has also arrested me 22 times before , 11 of those for stealing broken TVs' from white folks only....all under the direction of Chief Jayroe...as he orchestrated the violation my civil and Human rights.

By the way ...this is not my take on it alone...these are the words of every lay person that hears about this...including the EX. Chief of Police of Rockport before Tim Jayroe.

Wake up ladies and gentlemen ...do you not know that America is having Racial issues with police. Rockport is no different . The system is broke ...has been for a long time now and now you need to leave your comfort zone and do your job. What was once a place of honor has been turned into a bunch of Cheerleaders watching each others back....It is time to rid ourselves of our Chief of Police...not officer Perkins. She was just following her "Targeting" orders about my business' . She Never got the Memo!!!!

Last time I was here was Dec 10, 2011, as I told you this Chief was a racist and how I was being Targeted. I have backup on this claim...Recall the letter I read that a CD Recording from the County Attorney of a police officer coercing a complaining party to file theft charges. As Targeting was the police dept goal...IS THIS EPISODE WITH PERKINS ANY DIFFERENT !

By the way since that day, in 2011 when I was last here , all harassment has basically stopped... No more arrests, no more complaints from anyone, both my business are with the Chamber of Commerce...What Happened !
I'll tell you...simply put... because of computer software I no longer need to outsource my TV repairs causing delays ... you see to Racist Police Racial Profiling is all they know . In their warped thinking..... I had to be stealing because I am Hispanic. A racist as chief of police CAN NOT comprehend that this was all civil matters ...something that could have been avoided if he were a real chief of police.

Something is very wrong here ...is the City Manager Racist as well...or just plain wrong cause he doesn't know better as a white person.... I expect to be invited to your chambers in the future and talk about this nasty problem we have of not Knowing what Racism is...Let's talk about MLK...let's talk "SPIRIT OF THE LAW"!

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 City Council Planning Workshop Minutes of January 20, 2015, Workshop Meeting Minutes of January 27, 2015, and Regular Meeting Minutes of January 27, 2015.**
- 5. Deliberate and act on request from Fulton Oysterfest for temporary closure of sections of Traylor Boulevard and South Fulton Beach Road for parade on March 7 2015, and permission to display a banner across Highway 35 Business for the 36th Oysterfest event.**
- 6. Deliberate and act on a Resolution setting the Capital Recovery Fee owned by the Town of Fulton and setting the interest rate for the period of February 1, 2015, to January 31, 2016.**
- 7. Deliberate and act to confirm Mayoral appointments to City of Rockport YMCA Committee.**
- 8. Deliberate and act to appoint citizen to the Environmental Committee for Water Issues.**

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

- 9. 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 by Chairman Frank Lynch at 6:37 p.m. on Tuesday, February 10, 2015, in the Council Chambers of the Rockport City Hall, 622 E. Market Street, Rockport, Texas.

10. Conduct and deliberate a Joint Public Hearing with the Planning & Zoning Commission to consider a request for rezoning from R-2 (2nd Single-Family Dwelling District) to B-1 (General Business District) on property located at 1903 Mathis Street; also known as parts of Lots 5-13 (1.525 acres) out of the John Kettle Survey A-91-92, Block 103, Manning Addition, Rockport, Aransas County, Texas.

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

Greg Walsh addressed the Council. Mr. Walsh stated he is the applicant and the rezoning request includes the vacated railroad right-of-way and also the vacated portion of Sixth Street.

Council Member Day asked Mr. Walsh what he intends to do with the property if rezoned.

Mr. Walsh stated he intends to sell as commercial property. Mr. Walsh stated the business zoning is consistent with the other properties located in the same area.

Mayor Wax stated the Planning & Zoning Commission will consider this request at its meeting on Monday, February 16, 2015.

Mayor Wax closed the Joint Public Hearing at 6:40 p.m.

11. Conduct and deliberate a Joint Public Hearing with the Planning & Zoning Commission to consider a request for a conditional use permit on property located at 2501 San Antonio Street, also known as Lot 5, being the northeast corner of Tract 71, Block 250 (0.452 acres) Foor and Swickheimer Subdivision, Rockport, Aransas County, Texas.

Mayor Wax opened the Joint Public Hearing at 6:40 p.m.

Tammy Stewart addressed the Council. Ms. Stewart stated she is the applicant requesting the conditional use permit to place a manufactured home on the property because her daughter, who has four children, has been diagnosed with a disease that has no cure. Ms. Stewart said the disease causes her daughter to have spells where she is paralyzed and leaves her unable to do anything, so she needs help close by.

Brief discussion was held among Council and Ms. Stewart.

Mayor Wax stated the Planning & Zoning Commission will consider this request at its meeting on Monday, February 16, 2015.

Mayor Wax closed the Joint Public Hearing at 6:43 p.m.

12. Conduct and deliberate a Joint Public Hearing with the Planning & Zoning Commission to consider a request for rezoning from R-1 (1st Single Family Dwelling District) to R-2 (2nd Single Family Dwelling District) on property located at 1124 Patton Street; also known as 1130-1150 Patton Street (0.801) acre) out of the TT Williamson Survey A-221, Rockport, Aransas County, Texas.

Mayor Wax opened the Joint Public Hearing at 6:44 p.m.

Alan Lee Copeland and William (Bill) Fisher addressed the Council. Mr. Copeland informed the Council that he and Mr. Fisher are representing W. Dale Morris, the owner of the property. Mr. Copeland stated they are requesting rezoning to allow construction of six (6) affordable homes.

Mr. Fisher showed the Council a rendering of the type of home they are planning to construct. Mr. Fisher stated these homes would be centrally located within Rockport, making them close to HEB and other amenities.

Discussion was held among Council, Mr. Copeland and Mr. Fisher.

Matthew Baird of 1210 Lady Claire addressed the Council. Mr. Baird stated he appreciates Mr. Copeland and Mr. Fisher's desire to build affordable homes but the abandoned piece of property in that area is actually a drainage ditch that moves water from the property for which they are requesting the rezoning. Mr. Baird voiced concerns in regard to flooding and the amount of traffic that will increase in that neighborhood. Mr. Baird added that if the rezoning is approved it would set a precedent for the pasture across the street where the neighborhood enjoys the wildlife. Mr. Baird stated he did not feel this property was suitable for more than two (2) homes.

Lynn Baskind of 1118 Patton Street addressed the Council. Ms. Baskind stated she lives directly next door to the property and does not have a problem with the applicants' request for rezoning. Ms. Baskind said property rent in Rockport is sky high and because of this, people live outside of Rockport. Ms. Baskind added that if this area is not appropriate for affordable homes, she was sure they would come up with other areas.

Planning & Zoning Commission Chair Frank Lynch reminded everyone that the Planning & Zoning Commission will be addressing only the rezoning request at the Monday, February 16, 2015, Planning & Zoning Commission meeting. Mr. Lynch added that if the rezoning is approved, the developers will have to acquire the proper permits before construction of the homes and the City has a process whereby drainage is reviewed.

Mayor Wax closed the Joint Public Hearing at 6:58 p.m.

13. Adjourn - Rockport Planning and Zoning Commission.

At 6:58 p.m., the Rockport Planning & Zoning Commission adjourned.

Regular Agenda

14. Reports from Council and Staff.

At this time, the City Council will report/update on all committee assignments which may include the following: Aransas County Storm Water Committee, Community Park Committee, Park & Leisure Advisory Board, Chamber of Commerce, Coastal Bend Council of Governments, Coastal Bend Bays & Estuaries, Texas Maritime Museum, Fulton Mansion, Rockport Center for the Arts, Rockport Tropical Christmas, and Texas Municipal League. Staff reports include the following: Building & Development – Bi-Weekly Code Enforcement, Proposed Development Report; Accounting & Finance – Update on Liens Collection, Financial & Investment Information, Monthly Financial Reports; Police Department – Grant Update, Quarterly Police Reports; Public Works – Building Maintenance, Construction Updates; Park & Leisure Services – Grant Updates, Miscellaneous park projects; Municipal Court; Administration – Interlocal Agreements, Public Information, and Hotel Occupancy Report. No formal action can be taken on these items at this time.

Discussion was held among Council and Public Works Director Mike Donoho in regard to the Code Enforcement Report.

Discussion was held among Council, Mr. Carruth and Mr. Donoho in regard to the Building & Development Report.

Finance Director Patty Howard stated the Monthly Financial Reports for the period ending January 31, 2015, were included in the Agenda packet. Ms. Howard asked if the Council had any questions or comments.

Brief discussion was held among Council and Ms. Howard in regard to the Financial Reports.

Police Chief Tim Jayroe addressed the Council. Chief Jayroe informed the Council that the Police Department has made several presentations to homeowners associations regarding preventing theft and burglary. Chief Jayroe added that if there were any groups or entities that would like the Police Department to do a presentation, please let him know.

Parks & Leisure Services Director Tom Staley showed the Council the T-shirt that will be given to volunteers and participants for the Whopping Crane Strut to be held on March 7, 2015.

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:

15. Section 551.071(1)(A) and Section 551.071(2) Consultation with Attorney: 1) Pending or contemplated litigation; 2) Texas Railroad Commission; and 3) Jail Services Agreement.

16. Section 551.072 Deliberation about Real Property: 1) Acquisition of property for public purpose - Project Ibis; and 2) Lease of 301 Main Street.

17. Section 551.074 Personnel Matters - City Manager evaluation.

At 7:27 p.m., Mayor Wax convened the Rockport City Council into an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in Section 551.071(1)(A) and Section 551.071(2) Consultation with Attorney: 1) Pending or contemplated litigation; 2) Texas Railroad Commission and 3) Jail Services Agreement; Section 551.072 Deliberation about Real Property: 1)Acquisition of property for public purpose - Project Ibis and 2) Lease of 301 Main Street; Section 551.074 Personnel Matters - City Manager evaluation.

Open Session

18. 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 8:21 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 actions necessary related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

Mayor Wax recommended the Council authorize him to negotiate and execute a lease with Texas A&M Agrilife Research, Regents Fellow, for City property located at 901 E. Main Street, Rockport, Texas.

MOTION: Council Member Villa moved to authorize the Mayor to negotiate and execute a lease with Texas A&M Agrilife Research, Regents Fellow, for City property located at 901 E. Main Street, Rockport, Texas. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

19. Adjournment

At 8:22 p.m., Council Member Villa moved to adjourn. Motion was seconded by Mayor Pro-Tem Rios and carried unanimously.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, February 24, 2015

AGENDA ITEM: 5

Deliberate and act on Intergovernmental Cooperation Agreement between the City of Rockport and the County of Aransas for Roads.

SUBMITTED BY: City Manager Kevin Carruth

APPROVED FOR AGENDA: PKC

BACKGROUND: The proposed Intergovernmental Cooperation Agreement is the same in content as the 2014 Intergovernmental Cooperation Agreement, with an automatic renewal each year unless either party herein provides written notice of termination to the other party 30 days in advance of the expiration of the Agreement therein effect. The City gave notice to the County at the end of November 2014, to allow time for discussion of the addition of charges for County labor and equipment that was added last year.

Prior to the 2014, the agreement maximized the use of public equipment already paid for by city residents through their county taxes and provided a less expensive alternative for the City to maintain roads and drainage, compared to contracting with a private vendor or acquiring and maintaining its own equipment. Under those terms, the City paid for materials and the County provided the labor and equipment. The 2014 agreement eliminated the County's contribution and required the City to compensate the County for their time and equipment in addition to the materials the City was already paying for.

Although the agreement is used throughout the year, it is primarily utilized for our annual sealcoating project. Planning for the 2015 sealcoat project will begin before discussions with Aransas County on the terms of the agreement will conclude, so staff recommends approving the agreement as written in order to maintain the City's options for the 2015 sealcoat project.

FISCAL ANALYSIS: Unable to determine at this time, although it is expected that charges from Aransas County will bring project costs much closer to private contractor fees.

STAFF RECOMMENDATION: Staff recommends approval of the agreement, as presented.

THE STATE OF TEXAS §
 § KNOW ALL BY THESE PRESENTS:
 COUNTY OF ARANSAS §

**INTERGOVERNMENTAL COOPERATION AGREEMENT
 CITY OF ROCKPORT - ROADS**

THIS AGREEMENT, made and entered into by and between **ARANSAS COUNTY, TEXAS** (“County”) and the **CITY OF ROCKPORT**, (“City”), each acting by and through its duly elected officials.

W I T N E S S E T H:

WHEREAS, said County and City have determined that it would be to the best interest of such County and City that the following provisions be made to-wit:

NOW, THEREFORE: said County and the City agree as follows:

1. Pursuant to the Interlocal Cooperation Act, *Texas Government Code, Chapter 791* and the *Texas Transportation Code, Section 251.012* the County agrees to provide personnel, equipment and materials for the purposes of construction, improvement, maintenance, and/or repair of any street, alley, parking or drainage within the corporate city limits of the City of Rockport, subject to the approval of the County Engineer and provisions set forth in the following sections of this Agreement.
2. All charges for work approved and performed for the City will be based on materials, equipment charges and labor, including overhead (payroll taxes, health insurance, retirement, etc.). Labor charges will be determined by personnel working on the job site documented by daily worksheets. The labor rate will be based on personnel salary at the time of work performed. All charges for material will be based on summaries documented by the daily worksheets. Loose material quantities will be based on estimated capacities of vehicles and number of loads hauled. Charges for material will be based on actual cost to the County whether delivered to the County Service Center at 1931 F. M. 2165 or directly to job site. Material charges will include any and all expenses associated with delivery to the designated site. Equipment charges will be based on hourly rates that will cover the costs of equipment over their useful life. It is the County’s intent that the total charges will reflect County costs as closely as possible. Fuel charges will be calculated by filling equipment prior to moving it to the designated job then refilling the equipment after it has left the job and computing the difference. The per-gallon price of the fuel will be based on the last delivered price to the Aransas County Service Center.
3. The City agrees to provide construction water at a convenient location at no charge to the County or will make arrangements with the local utility for the water if it is deemed necessary to provide the service requested by the City.
4. The City will have the right to supplement labor, equipment or materials to offset project costs with the approval of the County Engineer.
5. The parties intend that the County in performing such services, shall act as an independent contractor and shall have control of the work and the manner in which it is performed. During the performance of requested services the City will be required to provide a responsible employee to verify performance, clarify ambiguities and act as intermediary to the public. The County shall not be considered an agent, employee, or borrowed servant of the City.
6. The parties further agree that such work will be performed in a workmanlike manner, but County grants no warranties of any kind to the City or any third party.
7. During the term of this Agreement, work requests will only be received from an agent of the City authorized by the Mayor. The request for work will be submitted to the County Engineer. The work request will be submitted in writing which will include the type, location, and time frame of the assistance requested pursuant to the conditions of this Agreement. It is expressly understood between the parties that the County shall have no authority or obligation to provide any service or work on any City street, alley or property not so agreed to

in writing. The County Engineer is authorized to sign an acceptance statement for each project at the appropriate time and authorize the work be completed subject to the work schedule of the County Road and Bridge Department. Any work requests that are supplemental to the original request will be accompanied by written follow-up documentation. Failure to furnish the required follow-up documentation will not eliminate the City’s obligation to provide payment for said supplemental services. The seal coat program will be completed by October 1 of each year.

- 8. To the extent authorized by law, the City of Rockport hereby agrees to assume the risk of, defend, hold harmless, and fully indemnify the County, its officers, agents and employees from any and all loss damage, cost demands or causes of action of any nature or kind for loss or damage to property, or for injury or death to person, arising in any manner from the performance of the above referenced work.
- 9. All materials, services, and charges therefore shall be paid for from current resources available to the paying parties. County shall provide to the City a monthly detailed report showing the work provided under this Agreement and the charges allocated for said work. Payment schedules for such work will be determined prior to start. The payments will be monthly or by project as agreed by County Engineer and the representative of the City. Bills for completed work will be paid for by the City within thirty (30) days of the date of billing.
- 10. Purchase of materials (excluding fuel) not associated with contract work done by the County will be charged at cost plus 10% to offset handling, preparation, and administrative costs. Fuel purchases will be reimbursed for the actual number of gallons used. The price per gallon will be equal to the costs paid by Aransas County for the fuel plus 5cents/gallon facility charge.
- 11. The County and City may further agree to work in a cooperative effort whereby from time to time labor, materials and maintenance equipment may be exchanged when mutually convenient for the County and the City on an emergency basis. The charges assessed to the County for said service will be reimbursed as outlined in the above Sections 1 through 9.

This AGREEMENT shall be effective for a period of one (1) year or part thereof, effective from **January 1, 2015**, to **December 31, 2015**. This Agreement shall automatically renew each year unless either party herein provides written notice of termination to the other party 30 days in advance of the expiration of the Agreement therein effect.

This AGREEMENT constitutes the entire agreement between Aransas County, Texas, and the City of Rockport, Texas. Neither party hereto is bound by an agreement, condition, stipulation, understanding or representation made by any agent or members not herein contained. This Agreement supercedes all prior agreements to exchange labor and maintenance equipment executed by the parties to the agreement.

SIGNED this the 23rd day of February, 2015.

ATTEST:

ARANSAS COUNTY:

VALERIE K. AMASON, COUNTY CLERK

C.H. “BURT” MILLS, COUNTY JUDGE

SIGNED this the _____ day of _____, 2015.

ATTEST:

CITY OF ROCKPORT:

TERESA VALDEZ, CITY SECRETARY

CHARLES J. WAX, MAYOR

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, February 24, 2015

AGENDA ITEM: 6

Deliberate and act on Resolution of the City Council of Rockport, Texas opposing Senate Bill 343 and any other legislation which would erode the authority of a home rule municipality.

SUBMITTED BY: Mayor CJ Wax

APPROVED FOR AGENDA: PKC

BACKGROUND: Regarding the current legislative session, Senator Don Huffines (Dallas area) filed Senate Bill 343. Senate Bill 343 would have the effect of turning home rule cities into general law cities.

This bill erodes the powers of a home rule municipality to adopt ordinances affecting the City's ability to govern its citizens. Under the bill, city voters and locally-elected officials would have to get the state legislature's permission to enact any local ordinance, rule, or regulation.

The Texas Municipal League has written to Senator Huffines and also published a white paper regarding this bill. Both are attached for review.

Should Council adopt this Resolution, a copy will be sent to all elected representatives for the City and to Senator Huffines.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Staff recommends adoption of the Resolution, as presented.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS,
OPPOSING SENATE BILL 343 AND ANY OTHER LEGISLATION WHICH WOULD
ERODE THE AUTHORITY OF A HOME RULE MUNICIPALITY; FINDING
COMPLIANCE WITH THE OPEN MEETINGS LAW; AND PROVIDING AN
EFFECTIVE DATE HEREOF.**

WHEREAS, in 1868 a federal judge named Dillon issued a ruling that cities can do only what their state government expressly authorizes them to do; and

WHEREAS, after that federal court decision, the people of Texas decided centralized government is not the way to go and, in 1912, adopted a constitutional amendment affirming Texas' commitment to local decision making; and

WHEREAS, the Texas Constitution, in Article XI, Section 5, authorizes cities over 5,000 population to adopt by election a home rule charter, which charter grants the citizens of that city the power of self-government; and

WHEREAS, the City of Rockport adopted its Home Rule Charter in April 1983; and

WHEREAS, Senate Bill 343, filed by Senator Don Huffines during this the 84th Texas Legislative Session, would totally upend the relationship between Texas cities and state government by causing Texas to revert to the rule created in Dillon's 1868 federal court decision and would require City of Rockport voters and local elected officials to get the Texas state legislature's permission to enact any local ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT:

Section 1. The City Council of the City of Rockport strongly opposes Senate Bill 343 and any legislation that would erode the authority of a home rule municipality.

Section 2. The City Council of the City of Rockport officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council is posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 3. This Resolution shall be effective upon its passage and approval.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT
THIS 24th DAY OF FEBRUARY 2015.**

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

By: Huffines S.B. No. 343

A BILL TO BE ENTITLED

AN ACT relating to the conformity of local law with state law.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 1, Local Government Code, is amended by adding Section 1.006 to read as follows:

Sec.1.006. CONFORMITY WITH STATE LAW. (a) Where the state has passed a general statute or rule regulating a subject, a local government shall restrict its jurisdiction and the passage of its ordinances, rules, and regulations to and in conformity with the state statute or rule on the same subject, unless the local government is otherwise expressly authorized by statute.

(b) Unless expressly authorized by state statute, a local government shall not implement an ordinance, rule, or regulation that conflicts with or is more stringent than a state statute or rule regardless of when the state statute or rule takes effect.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.



TEXAS MUNICIPAL LEAGUE

President **Nelda Martinez**, Mayor, Corpus Christi
Executive Director **Bennett Sandlin**

February 29, 2015

The Honorable Don Huffines
Texas Senate
P.O. Box 12068
Austin, Texas 78711-2068

Dear Senator Huffines:

I am writing on behalf of the Texas Municipal League to express our concerns with Senate Bill 343, which would upend the relationship between Texas cities and state government. Under the bill, city voters and locally-elected officials would have to get the state legislature's permission to enact any local ordinance, rule, or regulation.

Rather than pursue this legislation, we ask that you recognize that cities have to make decisions at the neighborhood level and not every neighborhood in a state of 26 million people is the same. That is why Texans recognize that there is a role for state government and a role for local government. Current law balances city authority to enact reasonable regulations to protect health and safety and property values with ensuring that the will of the local voters is heard and that our state's economy remains vibrant.

Many refer to current law by stating that "cities are creatures of the state." That's a true statement, but it's not entirely accurate. Without boring you with too many historical details, you should know that there are two types of cities in Texas: (1) general law; and (2) home rule. General law cities are purely creatures of the state legislature, but home rule cities are creatures of the Texas Constitution.

The approximately 800 general law cities might not be affected by your bill. These are cities under 5,000 inhabitants that can do only what the state legislature expressly authorizes them to do. In other words, your bill isn't needed to limit these cities because they already are limited.

The approximately 350 home rule cities would clearly be affected by your bill. Keep in mind that over 18 million Texans, which is approximately 75 percent of the state's population, live in these cities. The Texas Constitution (Article XI, Section 5) authorizes cities over 5,000 population to adopt – by election – a home rule charter. The charter grants the citizens of that city the power of self-government. These "home rule" cities can regulate however they choose, so long as not preempted by state or federal law from doing so. By approving the home rule amendment to the

Constitution in 1912, the voters of Texas approved the idea that larger cities don't need the state's "permission" to act.

Your bill would undo 100 years of home rule in Texas, and it is probably unconstitutional. That may indeed be the goal of your legislation, but please allow us to explain why eliminating home rule authority is bad public policy. Some might argue that home rule in Texas is a ruse because the state legislature so frequently preempts what home rule cities do. The status of home rule authority is academically debatable, but we posit a more practical need for it. That need relates to the checks and balances, the "process," that eventually leads to reasonable regulations. Rather than a blanket policy change, like S.B. 343 would enact, the home rule process leads to compromise.

Here are some examples of that compromise:

- In the 1960s, home rule cities could annex unilaterally, and some in the legislature believed that some cities were acting unreasonably. The Municipal Annexation Act was passed to limit how, when, and where home rule cities can annex. The authority wasn't simply taken away. It wasn't taken away because most legislators recognize that municipal annexation is crucial to the state's economy.
- In the 1980s, one home rule city adopted an ordinance prohibiting pit bulls in its city limits in response to a number of brutal incidents. The city was sued by dog owners, and the Texas Supreme Court upheld its home rule authority to prohibit specific breeds. The following legislative session, a law was passed to stop any city from banning specific breeds. However, the law also contains language expressly authorizing cities to regulate dogs that are actually a danger. That authority was granted because most legislators recognized the need to control dangerous animals in populated areas.
- In the 2000s, two home rule cities implemented red light photo enforcement systems. Over the next decade, several bills to preempt this authority were filed. As more cities expressed interest in the systems, the legislature compromised in 2007 and passed a law governing the how, when, and where of the systems, and filled state coffers with half of the civil penalty revenue from each violation. The authority was retained because most state legislators saw a way to fund state trauma care programs by revenue-sharing with cities.

The passage of S.B. 343 would also affect some *current* home rule regulations. In many cases, cities regulate when the Texas Legislature doesn't. City councils often step up to the plate to protect the quality of life, and even save the lives, of Texans. Here are just a few examples of cities moving ahead when the state won't:

- Sex offender residency restrictions
- Synthetic drug regulations
- Texting while driving limitations
- Payday lender regulations

- Oil and gas well ordinances
- Panhandling regulations

All of these would be wiped out by your bill. For example, the state has taken no action related to where child sex predators can live. If your bill passes, a sex offender in Lewisville will then be able to live right next door to an elementary school.

Preemption may indeed be your goal for some of the current regulations, like a fracking ban perhaps. But legislation has already been filed to deal with that specific example (and many others that legislators consider wrong). And we believe that it will result in a compromise that balances quality of life and the state's economy. One home rule city in Texas has adopted a resolution (rule) prohibiting the use of its staff or resources to house undocumented immigrants. Your bill would preempt that resolution as well.

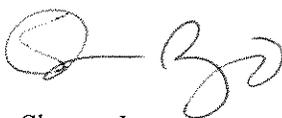
You should also consider that S.B. 343 would also ban future regulations a city might pass. We obviously can't predict the future. We can't predict which political party will hold the majority, and we can't predict what cities may need to regulate to protect their citizens. That is why S.B. 343 – a blanket preemption that would completely alter the system of local decision making that's been in place for over 100 years – isn't needed. The unintended consequences and the uncertainty it would bring to the law are simply too great.

The League's position is that your bill is unnecessary. The bill, effectively a "super-preemption bill," would be another step in the centralization and consolidation of government power, which would seem contrary to your political ideals. Its passage would be akin to abolishing cities and centralizing government in Austin.

We hope you will instead consider working alongside us as we seek to protect city authority to enact reasonable regulations to protect health and safety and property values, while ensuring that the state's economy remains vibrant.

Thank you for your consideration and please do not hesitate to contact me if I can be of any assistance to you.

Sincerely,



Shanna Igo
Deputy Executive Director

S.B. 343

Abolish Local Control. Centralize Power in Austin.

Just like New York.

S.B. 343 would totally upend the relationship between Texas cities and state government, making Texas like the State of New York. City voters and locally-elected officials would have to get the state legislature's permission to enact any local ordinance.

- In 1868, a federal judge named Dillon issued a ruling that cities can do only what their state government expressly authorizes them to do. The State of New York follows Dillon's Rule, and what's good for New York definitely isn't good for Texas.
- Shortly after that federal court decision, the people of Texas decided centralized government isn't the way to go and in 1912 adopted a constitutional amendment affirming Texas' commitment to local decision making. Cities, the government closest to the people, embody the idea that "We the People" should be in control.
- The Texas Constitution (in Article XI, Section 5) authorizes cities over 5,000 population to adopt – by election – a home rule charter. The charter grants the citizens of that city the power of self-government. Over 350 Texas cities have done so.
- S.B. 343 would make Texas revert to the rule created in Dillon's 1868 federal court decision and provide that a city may not enact an ordinance relating to anything governed by state law, unless expressly authorized to do so.
- The bill, effectively a "super-preemption bill" that adopts Dillon's Rule for Texas, would be another step in the centralization and consolidation of government power.

City councils often step up to the plate to protect the property values, the quality of life, and even save the lives, of Texans. In many cases, cities have to make decisions at the neighborhood level and not every neighborhood in a state of 26

million people is the same. That is why Texans recognize there is a proper role for state government and a role for local government.

S.B. 343 would abolish Home Rule cities and end local control

If you like the way New York operates, this is the bill for you

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, February 24, 2015

AGENDA ITEM: 7

Deliberate and act on a Resolution opposing a revenue cap and legislative interference with local services.

SUBMITTED BY: Mayor CJ Wax

APPROVED FOR AGENDA: PKC

BACKGROUND: Several revenue cap bills have been filed in the Texas Legislature, including S.B. 182 and its companion H.B. 365. See the accompanying copy of the bill and a paper by TML on revenue caps for additional details. Some legislators reportedly have said that they are not hearing opposition from the cities in their respective districts. What to pay for and how much is a matter of local control.

FISCAL ANALYSIS: As the Rockport community and our tourism economy grow and unfunded State and Federal mandates expand, demands on critical City resources increase. Without the latitude to decide the appropriate tax burden, local citizens may be faced with diminished critical services.

RECOMMENDATION: Staff recommends adoption of the Resolution, as presented.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF ROCKPORT, TEXAS, IN OPPOSITION TO A REVENUE CAP AND LEGISLATIVE INTERFERENCE WITH LOCAL SERVICES.

WHEREAS, bills have been introduced to cap the amount of property tax revenue cities can collect each year in a misguided effort to reduce the property tax burden on homeowners and businesses; and

WHEREAS, currently, if a Texas city increases property tax collections by more than eight percent over the previous year, voters can petition for an election to rollback the increase; and

WHEREAS, bills have been introduced to replace that eight percent "rollback rate" with a hard cap of four percent and require mandatory elections on an increase over four percent - all with the claim that this would provide property tax relief; and

WHEREAS, according to the state comptroller's latest survey of property tax rates in 1,002 cities in Texas, 67 percent of cities raised their property taxes by less than four percent from 2012 to 2013 and 37 percent of cities actually reduced their property taxes; and

WHEREAS, that means property owners in at least 669 Texas cities would have seen no reduction in their city property taxes if the four percent cap had been in effect; and

WHEREAS, while the savings to individual taxpayers are very small or even non-existent, a four percent cap could represent a significant impact to vital city services; and

WHEREAS, cities collect just 16 percent of the property taxes levied in Texas, and most of the property taxes paid by Texans (55 percent) go to school districts; and

WHEREAS, according to the comptroller's report, the total amount of property taxes collected by cities rose 3.61 percent between 2012 and 2013, while school district tax collections rose by more than twice that rate or 7.72 percent; and

WHEREAS, school property taxes have been rising because the legislature continues to reduce the state's share of funding for schools which forces districts to get more revenue from property taxes.

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

1. That all of the above recitals are true and correct;
2. That the City Council of Rockport, Texas, is **OPPOSED** to the legislative imposition of a revenue cap and legislative interference with local services; and

3. That imposing a revenue cap on cities: (a) does not provide meaningful tax relief; (b) robs cities of the ability to meet local needs; and (c) diverts attention from the real cause of higher property taxes, which is the legislature's failure to address the problem of school funding.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT
THIS 24th DAY OF FEBRUARY 2015.**

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary



Revenue Caps on Cities: The \$2.75 Property Tax Cut

Bills have been introduced to cap the amount of property tax revenue cities can collect each year as a way to reduce the property tax burden on homeowners and businesses. Currently, if a Texas city increases property tax collections by more than eight percent over the previous year, voters can petition for an election to rollback the increase. Bills have been introduced to reduce that cap or “rollback rate” from eight percent to four percent and require mandatory elections on an increase over four percent with the false claim that this would provide property tax relief.

You Call This Tax Relief?

If the four percent cap on city property tax increases had been in effect in 2013, the owner of a homestead in the City of Dallas with an assessed value of \$250,000 would have seen a “cut” in city property taxes of \$33.10 annually or about \$2.75 per month. The tax savings would have been **even less** if the homeowner was disabled or elderly and qualified for additional exemptions.

How about Zero Tax Relief?

According to the state comptroller’s latest survey of property tax rates in 1,002 cities in Texas, 67 percent of cities raised their property taxes by **less than four percent** from 2012 to 2013 and 37 percent of cities actually reduced their property taxes. That means property owners in at least 669 Texas cities would have seen **no reduction in their city property taxes** if the four percent cap had been in effect.

The Impact on City Services Can Be Large

While the savings to individual taxpayers are very small, a lower cap could reduce revenue by tens of millions of dollars in a large city. The current eight percent rollback rate gives the elected city leaders the flexibility to raise additional revenue to pay for the services their citizens want. They may want to hire more police officers, repair more damaged streets, replace more leaking water lines, or hire more building inspectors to avoid delaying construction projects.

Cities Are Not the Cause of High Property Taxes

Cities collect just 16 percent of the property taxes levied in Texas. Most of the property taxes paid by Texans (55 percent) go to school districts. According to the comptroller’s report, the total amount of property taxes collected by cities rose by 3.61 percent between 2012 and 2013, while school district tax collections rose by more than twice that rate or 7.72 percent. School property taxes have been rising because the legislature continues to reduce the state’s share of funding for schools which forces districts to get more revenue from property taxes.

**Reducing the rollback rate for city property taxes:
Does not provide meaningful tax relief
Robs cities of the flexibility to meet local needs
Diverts attention from the real cause of higher property taxes**

To learn more, visit www.tml.org or call 512-231-7400
Legislative direct contact: Shanna Igo 512-750-8718

By: Bettencourt

S.B. No. 182

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the calculation of the ad valorem rollback tax rates of
3 certain taxing units.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 26.04, Tax Code, is amended by amending
6 Subsection (c) and adding Subsections (c-1) and (c-2) to read as
7 follows:

8 (c) An officer or employee designated by the governing body
9 shall calculate the effective tax rate and the rollback tax rate for
10 the unit, where:

11 (1) "Effective tax rate" means a rate expressed in
12 dollars per \$100 of taxable value calculated according to the
13 following formula:

14 EFFECTIVE TAX RATE = (LAST YEAR'S LEVY - LOST PROPERTY
15 LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)
16 ; and

17 (2) "Rollback tax rate" means a rate expressed in
18 dollars per \$100 of taxable value calculated according to the
19 following formula:

20 ROLLBACK TAX RATE = (EFFECTIVE MAINTENANCE AND
21 OPERATIONS RATE x 1.04 [~~1.08~~]) + CURRENT DEBT RATE

22 (c-1) Notwithstanding any other provision of this section,
23 the designated officer or employee may substitute "1.08" for "1.04"
24 in the calculation of the rollback tax rate if:

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1 (1) any part of the taxing unit is located in an area
 2 declared a disaster area by the governor or the president of the
 3 United States during the current tax year.

4 SECTION 2. Section 26.041, Tax Code, is amended by amending
 5 Subsections (a), (b), and (c) and adding Subsections (c-1) and
 6 (c-2) to read as follows:

7 (a) In the first year in which an additional sales and use
 8 tax is required to be collected, the effective tax rate and rollback
 9 tax rate for the unit are calculated according to the following
 10 formulas:

11 EFFECTIVE TAX RATE = $\frac{[(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY}$
 12 $\text{LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})]}{\text{SALES TAX GAIN RATE}}$

14 and

15 ROLLBACK TAX RATE = $(\text{EFFECTIVE MAINTENANCE AND}$
 16 $\text{OPERATIONS RATE} \times \underline{1.04} [\underline{1.08}]) + \text{CURRENT DEBT RATE} -$
 17 $\text{SALES TAX GAIN RATE}$

18 where "sales tax gain rate" means a number expressed in dollars per
 19 \$100 of taxable value, calculated by dividing the revenue that will
 20 be generated by the additional sales and use tax in the following
 21 year as calculated under Subsection (d) [~~of this section~~] by the
 22 current total value.

23 (b) Except as provided by Subsections (a) and (c) [~~of this~~
 24 ~~section~~], in a year in which a taxing unit imposes an additional
 25 sales and use tax the rollback tax rate for the unit is calculated
 26 according to the following formula, regardless of whether the unit
 27 levied a property tax in the preceding year:

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1 ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND
2 OPERATIONS EXPENSE x 1.04 [~~1.08~~]) / (~~[TOTAL]~~ CURRENT
3 TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT DEBT
4 RATE - SALES TAX REVENUE RATE)

5 where "last year's maintenance and operations expense" means the
6 amount spent for maintenance and operations from property tax and
7 additional sales and use tax revenues in the preceding year, and
8 "sales tax revenue rate" means a number expressed in dollars per
9 \$100 of taxable value, calculated by dividing the revenue that will
10 be generated by the additional sales and use tax in the current year
11 as calculated under Subsection (d) [~~of this section~~] by the current
12 total value.

13 (c) In a year in which a taxing unit that has been imposing
14 an additional sales and use tax ceases to impose an additional sales
15 and use tax the effective tax rate and rollback tax rate for the
16 unit are calculated according to the following formulas:

17 EFFECTIVE TAX RATE = [(LAST YEAR'S LEVY - LOST PROPERTY
18 LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] +
19 SALES TAX LOSS RATE

20 and

21 ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND
22 OPERATIONS EXPENSE x 1.04 [~~1.08~~]) / (~~[TOTAL]~~ CURRENT
23 TOTAL VALUE - NEW PROPERTY VALUE)] + CURRENT DEBT RATE

24 where "sales tax loss rate" means a number expressed in dollars per
25 \$100 of taxable value, calculated by dividing the amount of sales
26 and use tax revenue generated in the last four quarters for which
27 the information is available by the current total value and "last

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1 year's maintenance and operations expense" means the amount spent
2 for maintenance and operations from property tax and additional
3 sales and use tax revenues in the preceding year.

4 (c-1) Notwithstanding any other provision of this section,
5 the designated officer or employee may substitute "1.08" for "1.04"
6 in the calculation of the rollback tax rate if:

7 (1) any part of the taxing unit is located in an area
8 declared a disaster area by the governor or the president of the
9 United States during the current tax year.

10 SECTION 3. Section 26.08, Tax Code, is amended by amending
11 Subsections (a), (b), (d), (d-1) and (d-2) to read as follows:

12 Sec. 26.08. ELECTION TO RATIFY [~~SCHOOL~~] TAXES. (a) If the
13 governing body of a taxing unit [~~school district~~] adopts a tax rate
14 that exceeds the taxing unit's [~~district's~~] rollback tax rate, the
15 registered voters of the taxing unit [~~district~~] at an election held
16 for that purpose must determine whether to approve the adopted tax
17 rate. When increased expenditure of money by a taxing unit [~~school~~
18 ~~district~~] is necessary to respond to a disaster, including a
19 tornado, hurricane, flood, or other calamity, but not including a
20 drought, that has impacted a taxing unit [~~school district~~] and the
21 governor has requested federal disaster assistance for the area in
22 which the taxing unit [~~school district~~] is located, an election is
23 not required under this section to approve the tax rate adopted by
24 the governing body for the year following the year in which the
25 disaster occurs.

26 (b) The governing body shall order that the election be held
27 in the taxing unit [~~school district~~] on a date not less than 30 or

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1 more than 90 days after the day on which it adopted the tax rate.
 2 Section 41.001, Election Code, does not apply to the election
 3 unless a date specified by that section falls within the time
 4 permitted by this section. At the election, the ballots shall be
 5 prepared to permit voting for or against the proposition:
 6 "Approving the ad valorem tax rate of \$_____ per \$100 valuation in
 7 (name of taxing unit [~~school district~~]) for the current year, a rate
 8 that is \$_____ higher per \$100 valuation than the school district
 9 rollback tax rate." The ballot proposition must include the
 10 adopted tax rate and the difference between that rate and the
 11 rollback tax rate in the appropriate places.

12 (d) If the proposition is not approved as provided by
 13 Subsection (c), the governing body may not adopt a tax rate for the
 14 taxing unit [~~school district~~] for the current year that exceeds the
 15 taxing unit's [~~school district's~~] rollback tax rate.

16 (d-1) If, after tax bills for the taxing unit [~~school~~
 17 ~~district~~] have been mailed, a proposition to approve the taxing
 18 unit's [~~school district's~~] adopted tax rate is not approved by the
 19 voters of the taxing unit [~~district~~] at an election held under this
 20 section, on subsequent adoption of a new tax rate by the governing
 21 body of the taxing unit [~~district~~], the assessor for the taxing unit
 22 [~~school~~] shall prepare and mail corrected tax bills. The assessor
 23 shall include with each bill a brief explanation of the reason for
 24 and effect of the corrected bill. The date on which the taxes
 25 become delinquent for the year is extended by a number of days equal
 26 to the number of days between the date the first tax bills were sent
 27 and the date the corrected tax bills were sent.

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1 (d-2) If a property owner pays taxes calculated using the
 2 originally adopted tax rate of the taxing unit [~~school district~~]
 3 and the proposition to approve the adopted tax rate is not approved
 4 by voters, the taxing unit [~~school district~~] shall refund the
 5 difference between the amount of taxes paid and the amount due under
 6 the subsequently adopted rate if the difference between the amount
 7 of taxes paid and the amount due under the subsequent rate is \$1 or
 8 more. If the difference between the amount of taxes paid and the
 9 amount due under the subsequent rate is less than \$1, the taxing
 10 unit [~~school district~~] shall refund the difference on request of
 11 the taxpayer. An application for a refund of less than \$1 must be
 12 made within 90 days after the date the refund becomes due or the
 13 taxpayer forfeits the right to the refund.

14 SECTION 4. Section 49.236, Water Code, as added by Chapters
 15 248 (H.B. 1541) and 335 (S.B. 392), Acts of the 78th Legislature,
 16 Regular Session, 2003, is reenacted and amended to read as follows:

17 Sec. 49.236. NOTICE OF TAX HEARING. (a) Before the board
 18 adopts an ad valorem tax rate for the district for debt service,
 19 operation and maintenance purposes, or contract purposes, the board
 20 shall give notice of each meeting of the board at which the adoption
 21 of a tax rate will be considered. The notice must:

22 (1) contain a statement in substantially the following
 23 form:

24 "NOTICE OF PUBLIC HEARING ON TAX RATE

25 "The (name of the district) will hold a public hearing on a
 26 proposed tax rate for the tax year (year of tax levy) on (date and
 27 time) at (meeting place). Your individual taxes may increase or

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1 decrease, depending on the change in the taxable value of your
2 property in relation to the change in taxable value of all other
3 property and the tax rate that is adopted.

4 "(Names of all board members and, if a vote was taken, an
5 indication of how each voted on the proposed tax rate and an
6 indication of any absences.)";

7 (2) contain the following information:

8 (A) the district's total adopted tax rate for the
9 preceding year and the proposed tax rate, expressed as an amount per
10 \$100;

11 (B) the difference, expressed as an amount per
12 \$100 and as a percent increase or decrease, as applicable, in the
13 proposed tax rate compared to the adopted tax rate for the preceding
14 year;

15 (C) the average appraised value of a residence
16 homestead in the district in the preceding year and in the current
17 year; the district's total homestead exemption, other than an
18 exemption available only to disabled persons or persons 65 years of
19 age or older, applicable to that appraised value in each of those
20 years; and the average taxable value of a residence homestead in the
21 district in each of those years, disregarding any homestead
22 exemption available only to disabled persons or persons 65 years of
23 age or older;

24 (D) the amount of tax that would have been
25 imposed by the district in the preceding year on a residence
26 homestead appraised at the average appraised value of a residence
27 homestead in that year, disregarding any homestead exemption

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1 available only to disabled persons or persons 65 years of age or
2 older;

3 (E) the amount of tax that would be imposed by the
4 district in the current year on a residence homestead appraised at
5 the average appraised value of a residence homestead in that year,
6 disregarding any homestead exemption available only to disabled
7 persons or persons 65 years of age or older, if the proposed tax
8 rate is adopted; and

9 (F) the difference between the amounts of tax
10 calculated under Paragraphs (D) and (E), expressed in dollars and
11 cents and described as the annual percentage increase or decrease,
12 as applicable, in the tax to be imposed by the district on the
13 average residence homestead in the district in the current year if
14 the proposed tax rate is adopted; and

15 (3) contain a statement in substantially the following
16 form:

17 "NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

18 "If taxes on the average residence homestead increase by more
19 than four [~~eight~~] percent, the qualified voters of the district by
20 petition may require that an election be held to determine whether
21 to reduce the operation and maintenance tax rate to the rollback tax
22 rate under Section [49.236\(d\)](#), Water Code."

23 (b) Notice of the hearing shall be:

24 (1) published at least once in a newspaper having
25 general circulation in the district at least seven days before the
26 date of the hearing; or

27 (2) mailed to each owner of taxable property in the

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1 district, at the address for notice shown on the most recently
2 certified tax roll of the district, at least 10 days before the date
3 of the hearing.

4 (c) The notice provided under this section may not be
5 smaller than one-quarter page of a standard-size or tabloid-size
6 newspaper of general circulation, and the headline on the notice
7 must be in 18-point or larger type.

8 (d) If the governing body of a district adopts a combined
9 debt service, operation and maintenance, and contract tax rate that
10 would impose more than 1.04 [~~1.08~~] times the amount of tax imposed
11 by the district in the preceding year on a residence homestead
12 appraised at the average appraised value of a residence homestead
13 in the district in that year, disregarding any homestead exemption
14 available only to disabled persons or persons 65 years of age or
15 older, the qualified voters of the district by petition may require
16 that an election be held to determine whether [~~or not~~] to reduce the
17 tax rate adopted for the current year to the rollback tax rate in
18 accordance with the procedures provided by Sections 26.07(b)-(g)
19 and 26.081, Tax Code. For purposes of Sections 26.07(b)-(g) and
20 this subsection, the rollback tax rate is the current year's debt
21 service and contract tax rates plus the operation and maintenance
22 tax rate that would impose 1.04 [~~1.08~~] times the amount of the
23 operation and maintenance tax imposed by the district in the
24 preceding year on a residence homestead appraised at the average
25 appraised value of a residence homestead in the district in that
26 year, disregarding any homestead exemption available only to
27 disabled persons or persons 65 years of age or older.

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1 (e) Notwithstanding any other provision of this section,
2 the board may substitute "eight percent" for "four percent" in
3 Subsection (a) and "1.08" for "1.04" in Subsection (d) if:

4 (1) any part of the district is located in an area
5 declared a disaster area by the governor or the president of the
6 United States during the current tax year.

7 SECTION 5. Section 26.07, Tax Code is repealed.

8 SECTION 6. (a) The change in law made by this Act applies
9 to the ad valorem tax rate of a taxing unit beginning with the 2015
10 tax year, except as provided by Subsection (b) of this section.

11 (b) If the governing body of a taxing unit adopted an ad
12 valorem tax rate for the taxing unit for the 2015 tax year before
13 the effective date of this Act, the change in law made by this Act
14 applies to the ad valorem tax rate of that taxing unit beginning
15 with the 2016 tax year, and the law in effect when the tax rate was
16 adopted applies to the 2015 tax year with respect to that taxing
17 unit.

18 SECTION 7. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect on the 91st day after the last day of the
23 legislative session.

ROCKPORT CITY COUNCIL
Regular Meeting: Tuesday, February 24, 2015

AGENDA ITEM: 8

Deliberate and act on presentation of Fiscal Year 2013-2014 City of Rockport Audit.

SUBMITTED BY: Finance Director Patty Howard; Auditor Mike Arnold

APPROVED FOR AGENDA: PKC

SUMMARY STATEMENT: State Law requires that, at the close of each fiscal year but in no later than 180 days, an independent audit shall be made of all accounts of the City government by a certified public accountant selected by the governing body. City Auditor Michael Arnold, CPA, has completed his annual independent audit of the City's financial records. A copy of the Comprehensive Annual Financial Statement for the Fiscal Year ending September 30, 2014 is included in the agenda packet.

Mr. Arnold states in his Independent Auditor's Report, based on the audit of financial statements in accordance with *Government Auditing Standards*, no instances of noncompliance were observed and no matters involving the internal control over financial reporting and operation were found to be of material weakness.

Mr. Arnold will be present at the Council Meeting to review the Comprehensive Annual Financial Statement with Council.

FISCAL ANALYSIS:

STAFF RECOMMENDATION: Staff recommends acceptance of the Comprehensive Annual Financial Statement for FY 2013-2014, as presented.

City of Rockport, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2014

Prepared by

Patty Howard, Finance Director

City of Rockport, Texas
Comprehensive Annual Financial Report
For The Year Ended September 30, 2014

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Introductory Section



February 18, 2015

The Honorable Mayor, City Council and City Manager
City of Rockport, Texas

The Comprehensive Annual Financial Report of the City of Rockport, Texas for the year ended September 30, 2014, is submitted. This report was prepared in accordance with generally accepted accounting principles on a basis consistent with the prior year. The preparation of the annual financial report and all financial information in the report is the responsibility of the City. The scope of the independent auditor's examination is to render an opinion on the financial information in the Annual Financial Report. Complete details concerning the City's fiscal year activities and related costs are presented in the enclosed narratives and financial statements.

This Letter of Transmittal and the Management's Discussion and Analysis are management's opportunity to communicate aspects of the overall financial condition, details of which are frequently obscured or submerged in financial statements, schedules, and/or tables. The attached organizational chart provides a pictograph of the lines of authority and responsibility with the system.

INDEPENDENT AUDIT

The Charter of the City of Rockport requires that the City Council appoint certified public accountants, who will be responsible to the Council, to perform an independent audit of all funds and group of accounts of the City on an annual basis. The firm of Michael Arnold P.L.L.C. was selected by the Council to perform this function. Generally accepted auditing standards and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

MANAGEMENT RESPONSIBILITY

The report is published to provide to the City Council, to our citizens, and to representatives of financial institutions and other interested persons, detailed information concerning the financial condition of the City government. To that end, the report has been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The City's accounting system has been designed to provide reasonable, but not absolute, assurance regarding:

- The safeguarding of assets against loss from unauthorized use or disposition, and
- The reliability of financial records for preparing financial statements and maintaining accountability of assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgment by management. All internal control evaluations occur within the above framework.

GOVERNING BODY

The City was incorporated on May 29, 1871 under the laws of the State of Texas and adopted the Council-Manager form of government on April 12, 1983. The City Council is composed of the Mayor and four council members. The City Council and Mayor are responsible for enacting ordinances, resolutions, and regulations governing the City, appointing members of various statutory and advisory boards and the City Manager, City Secretary, City Attorney, Municipal Judge and Alternate Municipal Judge. As chief administrative officer, the City Manager is responsible for enforcement of laws and ordinances and appoints and supervises the heads of departments of the City Organization.

FINANCIAL ADMINISTRATION

The Department of Finance operates under the direction of the Finance Director, who is appointed by the City Manager; with the consensus of the City Council. Activities of the Department of Finance are control of, custody and disbursement of City funds. Other activities of the department include risk management, payroll, purchasing, computer management and the preparation of the annual budget and interim and annual financial reports.

CITY OF ROCKPORT AND ITS SERVICES

Services provided by the City under the general governmental functions include police, street maintenance, public improvements, planning and zoning, engineering, traffic control, parks operation and maintenance, code enforcement, building permits, floodplain management, building, plumbing, electrical inspections and general and administrative services. A private firm provides solid waste collection and disposal services under a contract with the City. In addition, water, natural gas, and sewer, and the community aquatic park services are provided under an Enterprise Fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

The Community Aquatic Park is considered to be a blended component unit of the City. The City acts as the “managing partner” of the County wide governmental “joint venture” consisting of the City of Rockport, Aransas County, and the Town of Fulton. Policy is set by a Swimming Pool Operations committee which consists of a voting member from the city and county, plus a citizen member of the City Parks Board and the Director of Parks and Leisure Services.

The City of Rockport and Aransas County entered into an Interlocal Agreement creating the City/County Communications Center, combining dispatch services. The agreement created a Dispatching Services Board consisting of one representative from each entity and the Dispatch Administrator.

Additional Interlocal Agreements between the City of Rockport and Aransas County help to eliminate the duplication of services, and help reduce costs for both entities. These include Animal Control Services, Jail and Detention Services, Road Construction and Maintenance within the city limits of Rockport, Septic System Inspections, Sanitation Services and Tax Collection.

A countywide Geographic Information System (GIS) was created with the City of Rockport, Aransas County and Aransas County Appraisal District. Each entity will be responsible for the creation and maintenance of their own overlays.

The Aransas County and City of Rockport Public Safety Center completed a joint law enforcement office building housing the Rockport Police Department and the Aransas County Sheriff’s Office. This is another example of the City and County joining together to save taxpayers dollars. Created by an Interlocal Agreement, the venture is a 50/50 split between the City of Rockport and Aransas County for all maintenance and expenses related to the Public Safety Center.

On May 30, 2008 the City purchased Aransas Natural Gas Company, a privately owned natural gas company located in Rockport. The Natural Gas Division provides service to Rockport, the Town of Fulton and Aransas County as far north as Lamar. (See more in the Management, Discussion and Analysis section)

BUDGETING

In accordance with the City Charter, on or before the first regular scheduled meeting in August, the City Manager submits to the City Council a proposed budget and budget message for the fiscal year commencing the following October 1. The proposed budget shall contain the budget message prepared by the City Manager, detailing estimates of all revenue and expenditures, debt requirements, and a draft of the budget ordinance. The City Council shall review the proposed budget and make any appropriate changes prior to publishing the final budget.

The budget message explains the budget in fiscal terms and in terms of the work submitted with the budget. It outlines the proposed financial programs of the City for the ensuing fiscal year, the capital program, and capital projects for the budget year. The budget message will describe the important features of the budget and indicate any major changes from the current year in financial policies, expenditures and revenues including the reasons for such changes.

The budget shall provide a complete financial plan of all City funds and activities and shall be in such form as the City Manager deems desirable or the City Council may require. The detailed line item budget is presented for administrative control. It shall be arranged to depict proposed expenditures and the means of financing them for the upcoming year, along with comparative figures for actual and budget income and expenditure for the preceding fiscal year; budgeted and estimated income and expenditure for the current fiscal year; and actual income and expenditure of the current year projected to year estimates for the current years.

The budget is legally enacted through passage of an ordinance on or before September 27. Please refer to Note "A" in Notes to the Financial Statements for more detail on budgets and budgetary accounting.

GENERAL INFORMATION

The City of Rockport is the county seat for Aransas County and is located 30 miles northeast of Corpus Christi. There are approximately 15.0 square miles of land within the City's corporate boundary.

ECONOMIC TRENDS

Ranked in *The 100 Best Small Art Towns of America*, and recognized among the top retirement spots in the nation by *America's Best Places to Retire*, Rockport is a wonderful place to live and visit alike. *Gulfscapes Magazine's* "2011 Readers Choice Best Gulf Coast Towns" listed Rockport number four in the top ten. In 2009 Rockport was hailed as a coastal dream town by *Coastal Living Magazine*. *Better Homes and Gardens* in its April 2007 issue listed Rockport-Fulton the number five destination as a "long weekend hotspot" for spring migration bird watching. *Texas Meetings and Events* list Rockport-Fulton as a great Gulf Coast getaway for a business meeting, board meeting, etc. The Today in America television show, hosted by Terry Bradshaw featured Rockport and Fulton as one of the "Best Places to Live and Visit." The segment can be found at http://www.youtube.com/watch?v=Pu6_cqu2QaY.

Property values in the City of Rockport increased from \$538,391,491 in 2000 to \$1,468,534,983 in 2014. This can be attributed to the annexation of several areas, increased property values, as well as, the increase in development within the City.

Permits for single family homes have increased from approximately 66 annually to 78 in 2014, largely due to the economic conditions of the country realizing a slight improvement. Rockport is made up largely of second homes, with the slight growth in the market these home starts have increased. The population of Rockport has grown by 27% in the last ten (10) years going from 7,385 in the U.S. Census Bureau 2000 Census to 9357 as of 2011.

Sales tax revenues have increased from \$1,117,080 in 2000 to \$2,183,768 in 2014. This is an 83% increase in sales tax revenues over a twelve (12) year period. Winter Texans and summer visitors have helped in the increase of sales tax.

The City has taken several steps in recent years to enhance the quality of life for the citizens of Rockport. In the past few years the City has purchased 50 acres of land to keep as green space and several acres behind the Memorial Park for expansion of that park in the future. The Hike and Bike Trail that was partially funded by a TxDOT grant has been completed and very well utilized for the Tule Park. A grant from Texas Department of Agriculture (Texas Yes) helped complete a beautification project on Austin Street. The project converted the four lane boulevard to a two lane street with diagonal parking, which provides greater pedestrian and handicapped street crossing safety.

MAJOR INITIATIVES

The City's staff, following specific directives of the City Council and the City Manager, has been involved in a variety of projects throughout the year. These projects reflect the City's commitment of ensuring that its citizens are able to live and work in a highly desirable community and include the following:

- South Rockport Regional Drainage GLO 100% Grant– The City of Rockport received a \$1,000,000.00 grant from General Land Office (GLO) for purchasing and upgrading existing storm water sewer system including storm sewer pipe ranging in size from twenty-four inches to forty-two inches, concrete box culverts ranging in size from four feet to eight feet wide, road and driveway culverts, junction boxes, End Slope Treatments (EST), and concrete headwalls. In addition, the City of Rockport will perform repairs to city streets and state highways, adjust impacted waterlines, and perform site work associated with the construction. Construction will take place at the following locations: 1st street from Bronte street (SH35) to S. Ann street; Intersection of 2nd street and Bronte street (SH 35); Intersection of E. 5th street and S. Mathis street; Intersection of E. 5th street and S. Pearl street. Proposed improvements will significantly increase the capacity of the storm sewer system and reduce flooding.
- South Side Wastewater system Improvement – Construction of a sewer collection system off-site force main began in December, 2012 and has been completed. Cost of the project was \$1,284,530 and was paid from 2007 Construction bond funds. The city constructed the sewer collection system off-site force main which included the existing lift stations, other than the Islands of Rockport Lift Station which the Developer constructed upon approval by the city. The city also constructed all force mains from the Islands of Rockport Lift Station to the existing lift station on First Street and gravity collection lines. To recover some of the costs associated with the project, the City intends to collect pro rata fees from developers who request sewer service from the city and must connect to the sewer collection system off-site force main in order to obtain such service. This project greatly increases the ability to receive sewer service on the south part of Rockport.

BUDGET AS COMPARED TO ACTUAL

General Government Fund Revenues – Budget as Compared to Actual

The General Government Fund Revenues are budgeted based on historical information and the current economic climate of the City. For a detailed comparison of actual General Governmental Fund revenues with budget amounts, see “Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual – All Governmental Fund Types and Governmental Expendable Trust Funds: in the financial section of this report (Exhibit A-2).

General Governmental Fund Expenditures – Budget as Compared to Actual

The proposed expenditures in the General Governmental Funds are budgeted based on historical demand for services and inflationary trends. For a detailed comparison of actual General Governmental fund Expenditures with budgeted amounts, see “Combined State or Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – All Government Fund Types and Governmental Expendable Trust Funds” in the financial section of this report (Exhibit A-3).

FIDUCIARY FUNDS

The City had no fiduciary funds at September 30, 2014.

PROPRIETARY FUNDS

The Proprietary Funds are those funds that are self-supporting. The Proprietary Funds of the City include the Utility Fund, Sanitation Fund, Natural Gas Fund, and Community Aquatic Park Fund. The Utility System Fund operates with revenues generated by the sale of water and wastewater services. The Natural Gas Fund operates with revenues generated by the sale of natural gas. The Sanitation Fund is used to record all revenues and expenditures for the Solid Waste contract. The Community Aquatic Park Fund accounts for all revenues and expenditures for the community aquatic park.

The operating expenditures are those incurred by the delivery of those services. A more complete discussion of the financial operations of this fund can be found in Notes A and L. As shown below, both the revenues and expenditures were increased from the prior year.

AD VALOREM TAXES

State statutes require the value of the property as of January 1 of each year be used as the basis for calculating ad valorem tax for the ensuing fiscal year. The estimated adjusted taxable value of property in the City at January 1, 2013 was \$1,434,887,615 and was taxed at \$.327728 per one hundred dollars of assessed value resulting in an adjusted tax roll (taxes receivable) of \$4,702,528.

Collections

Current taxes of \$4,330,781 representing 98.03% of the adjusted tax roll were collected during fiscal year 2013-2014. The collection rate was comparable to the year end. Current tax collections have exceeded 97% in each of the last ten years.

Allocation of Ad Valorem Taxes

The revenue to be received from current tax collections is distributed between the General Fund and the Debt Service Fund according to the rates for allocation set when the budget ordinances are adopted. Allocation of property tax revenues by purpose for fiscal year 2012 and the preceding four years is given in the following table. The amounts in the table are per one hundred dollars of assessed value.

	2008	2009	2010	2011	2012	2013
General Fund	.168320	.165133	.157307	.158338	.172497	.185090
G.O. Debt	<u>.130680</u>	<u>.133548</u>	<u>.152701</u>	<u>.150552</u>	<u>.153327</u>	<u>.142638</u>
Total	.299000	.298681	.310008	.308890	.325824	.327728

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the year ended September 30, 2013. This is the eleventh year that the City has applied for and received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized basic financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate

of Achievement Programs' requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget since October 1, 2002. The budget for October 1, 2014 has been submitted for review and notification of an award is awaited. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document is judged on proficiency in several categories including policy documentation, financial planning and organization.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department, The City Manager, the entire City staff, and the City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,

Patty Howard
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

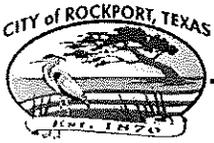
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**City of Rockport
Texas**

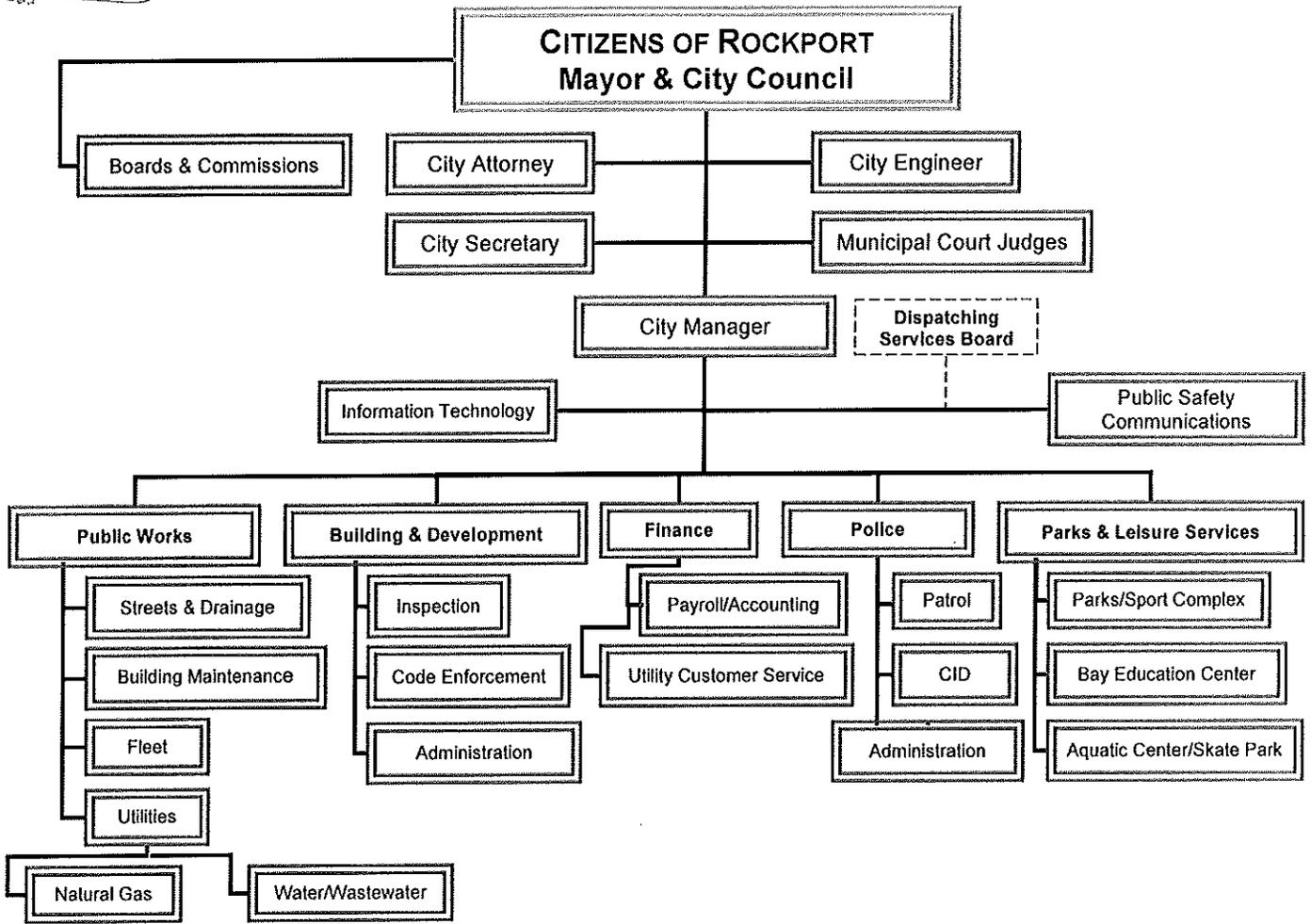
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO



City of Rockport Organization Chart



CITY OF ROCKPORT, TEXAS
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2014

Elected Officials

Name	Office
Charles J. Wax	Mayor
Patrick R. (Pat) Rios	Mayor Pro-Tem
J.D. Villa	Council Member
James Russell (Rusty) Day, Jr.	Council Member
Barbara Gurtner	Council Member

Appointed Officials

Name	Position
Kevin Carruth	City Manager
Teresa Valdez	City Secretary
Patty Howard	Finance Director
Mike Donojo	Director of Utilities
Tim Jayroe	Chief of Police
Tom Staley	Parks and Leisure Services Director

Financial Section

Michael A. Arnold, PLLC

501 E. MARKET
P.O. BOX 1266
ROCKPORT, TEXAS 78381-1266

CERTIFIED PUBLIC ACCOUNTANT

PHONE (361) 729-3545
FAX (361) 790-9692

Independent Auditor's Report

To the City Council
City of Rockport, Texas
622 E. Market
Rockport, Texas 78382

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Rockport, Texas ("the City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Rockport, Texas as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rockport, Texas's basic financial statements. not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2015 on our consideration of City of Rockport, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Rockport, Texas's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Michael A. Arnold, PLLC". The signature is written in a cursive, flowing style.

Michael A. Arnold, PLLC

Rockport, TX
February 18, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Rockport's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2014. Please read it in conjunction with the transmittal letter on page i and the City's financial statements, which begin on page 13.

Financial Highlights

- The assets of the City of Rockport exceeded its liabilities at the close of 2014 by \$39,851,854 (net assets). Of this amount, \$3,165,832 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$3,031,774 in 2014.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,929,368, a decrease of 6% in comparison with the prior year. Approximately \$3,011,065 (23%) of this total amount is available for spending at the government's discretion.
- The General fund reported an unassigned fund balance of \$3,011,065 or, 49% of total general fund expenditures.
- The City's total long-term debt increased by \$2,829,396 (17%) during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) notes to financial statements, and 3) combining and individual funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related

cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Rockport that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, tourism, culture and recreation and interest and fiscal charges. The business-type activities of the City include the Water, Wastewater and Natural Gas Utility System, Sanitation, and the Community Aquatic and Skate Park.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Rockport, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Rockport can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Currently, the City does not have any fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and changes in fund balances for a General Fund, Debt Service Fund, and the Capital Improvements Funds, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated

presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13 through 15 of this report.

Proprietary Funds. The City maintains four different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Utility System, Natural Gas System, Sanitation and the Community Aquatic Park.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility System, Natural Gas System, Sanitation and the Community Aquatic Park. Only the Utility System Fund is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 16 through 27 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 47 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Rockport's operations. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found beginning on page 48 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Rockport, assets exceeded liabilities by \$39,851,854 at the close of the most recent fiscal year.

\$35.9 million or 90%, reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire these assets which is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to

repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Assets at September 30, 2014
Table 1

	Governmental Activities		Business Type Activities		Total Government	
	2013	2014	2013	2014	2013	2014
Assets						
Current and Other Assets	\$ 5,172,754	\$ 5,880,655	\$ 7,029,865	\$ 4,897,447	\$ 12,202,619	\$ 10,778,102
Restricted Assets	8,134,648	7,046,943	1,624,446	7,587,807	9,759,094	14,634,750
Capital Assets, net of accumulated depreciation	23,300,485	24,859,317	33,701,551	34,117,818	57,002,036	58,977,135
Total Assets	36,607,887	37,786,915	42,355,862	46,603,072	78,963,749	84,389,987
Deferred Outflow of Resources	\$ 518,371	537,914	\$ 290,206	428,876	\$ 808,577	966,790
Total Assets and Deferred	\$37,126,258	\$ 38,745,503	\$42,646,068	47,043,182	\$79,772,326	\$ 85,788,685
Liabilities						
Current & Due Within One Year	2,279,449	2,603,114	3,208,829	3,490,459	5,488,278	6,093,573
Due in More Than One Year	21,103,471	20,495,391	16,248,675	19,260,414	37,352,146	39,755,805
Total Liabilities	23,382,920	23,098,505	19,457,504	22,750,873	42,840,427	45,849,378
Deferred Inflow Resources	-	-	96,467	96,467	96,467	96,467
Total Liabilities and Deferred	23,382,920	23,098,505	19,553,971	22,847,696	42,936,894	45,936,831
Net Assets						
Invested in Capital Assets, Net of Related Debt	12,137,914	13,739,958	16,147,439	22,172,890	28,285,353	35,912,848
Restricted for:						
Debt Service	451,153	591,101	183,366	182,073	634,519	773,174
Capital Projects						
Unrestricted	1,154,271	1,325,309	6,761,292	1,840,523	7,915,563	3,165,832
Total Net Assets	\$13,743,338	\$15,656,368	\$23,092,097	24,195,486	\$36,835,435	\$ 39,851,854

An additional portion of the City's net assets (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (8%) may be used to meet the government's ongoing obligations to citizens and creditors. It has been the practice of the City to finance major maintenance and rehabilitation of infrastructure or invest in new capital assets by issuance of long term debt and cautious and conservative draws on these unrestricted net assets. It is anticipated that this will continue to be our practice in the future.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. These positive balances are indicative of the conservative fiscal practices of the City with combine careful budgeting procedures and moderate operating activities at all staff levels.

Changes in Net Assets

Table 2

	Governmental Activities		Business-type Activities		Total Government	
	2013	2014	2013	2014	2013	2014
Program revenues						
Charges for services	\$ 622,316	\$ 986,491	\$ 10,798,384	\$ 11,791,143	\$11,420,700	\$ 12,777,634
Operating grants and contributions	366,214	234,191	42,000	51,250	408,214	285,441
Capital grants and contributions	<u>739,309</u>	<u>699,802</u>	<u>256,450</u>	<u>-</u>	<u>995,759</u>	<u>699,802</u>
Total program revenues	1,727,839	1,920,484	\$ 11,096,834	\$ 11,842,393	\$12,824,673	13,762,877
General revenues						
Property taxes	4,379,318	4,546,433	-	-	4,379,318	4,546,433
Sales taxes	2,051,342	2,231,798	-	-	2,051,342	2,231,798
Franchise and other taxes	860,734	803,439	-	-	860,734	803,439
Occupancy taxes	698,934	839,931	-	-	698,934	839,931
Interest	48,287	42,240	16,076	11,848	64,363	54,088
Miscellaneous	<u>54,618</u>	<u>173,247</u>	<u>-</u>	<u>-</u>	<u>54,618</u>	<u>173,247</u>
Total revenues	8,093,233	8,637,088	16,076	11,848	8,109,309	8,648,936
Expenses						
General government	1,534,488	1,464,770	-	-	1,534,488	1,464,770
Public safety	3,390,096	4,035,843	-	-	3,390,096	4,035,843
Public Works	1,563,687	1,576,188	-	-	1,563,687	1,576,188
Culture and recreation	914,460	961,048	-	-	914,460	961,048
Tourism	536,505	640,589	-	-	536,505	640,589

Environmental	-	-	-	-	-	-
Water and Sewer	-	-	7,840,317	7,672,619	7,840,317	7,672,619
Sanitation	-	-	-	-	-	-
Beach Park	-	-	-	-	-	-
Community Aquatic Center	-	-	333,267	397,675	333,267	397,675
Natural Gas	-	-	1,256,075	1,844,475	1,256,075	1,844,475
Interest and fiscal charges	<u>908,935</u>	<u>755,689</u>	<u>-</u>	<u>-</u>	<u>908,935</u>	<u>-</u>
Total expense	<u>8,848,171</u>	<u>9,434,127</u>	<u>9,429,659</u>	<u>9,914,769</u>	<u>18,277,830</u>	<u>19,348,896</u>

Change in net assets

Increase(Decrease) before transfers	972,901	1,123,445	1,683,251	1,939,472	2,656,152	3,062,917
Loss on disposition of assets	-	-	-	-	-	-
Transfers	849,138	804,938	(849,138)	(836,081)	-	(31,143)
Prior Period Adj	<u>(246,115)</u>	<u>-</u>	<u>(352,622)</u>	<u>-</u>	<u>(598,737)</u>	<u>-</u>
Net assets at beginning of year	<u>\$12,167,414</u>	<u>\$13,727,985</u>	<u>22,718,054</u>	<u>23,092,095</u>	<u>34,778,020</u>	<u>36,820,080</u>
Net assets at end of year	<u>\$13,743,338</u>	<u>\$15,656,368</u>	<u>\$23,092,097</u>	<u>\$24,195,486</u>	<u>\$36,835,435</u>	<u>39,851,854</u>

The table above illustrates the comparative detail of changes in net assets of the City of Rockport.

Governmental Activities. Governmental activities include the functions of general government, tourism, cultural and recreations, public safety and public works. Payment of interest on long-term debt is also considered a governmental activity and it is considered a class of activity but not a function of government. These are the basic services and cost centers any city provides to its citizens.

As shown in Table 2 and the Exhibit A-2 of the Basic Financial Statements, the expenses incurred in providing these services are netted against the program revenues received by the City for these services. Because the City is not a for-profit entity, the cost to deliver the services far exceeds the program revenues generated. This deficit of new expenditures, \$7,513,643, is overcome by the general revenues of taxes, investment earnings, miscellaneous income and transfers in totaling \$9,442,026. The overall change in Net Assets resulting from governmental activities at the end of the year was \$1,928,383.

Business-Type Activities. As shown in Table 2 and in the Statement of Activities, program revenues of the City's business-type activities were \$11,842,393 for the fiscal year ended September 30, 2014. Expenses for the City's business-type activities were \$9,914,769, resulting in net revenues of \$1,927,624. After the non-program expenses, \$836,081 and revenues, \$11,848 are added in, the total change in net assets for the business type activities was \$1,103,391.

In the Utility System Fund, the City has little control over the costs of the two products: water and natural gas delivered to the City's customers. Water is purchased from the San Patricio Municipal Water District, and natural gas is purchased from two sources, South Cross Energy and Gulf Coast Gas Gathering. Water rates were increased by 6.75% this year, other than pass through increase due to increases from the supplier. The additional revenue generated will be used to pay debt service for capital improvements. Wastewater rates were also increased this year by 6.75%. The additional funds generated by this increase will be used to make payments on the Cured in Place Pipe (CIPP) Project portion of the 2007 Bond Issue and other projects. The City purchased Aransas Natural Gas Company, a privately owned company, on May 30, 2008. Natural Gas rates were not increased this year. The fuel adjustment rate is calculated each month based on the rate natural gas is purchased for. The City contracts with McLain Decision Support Systems each year to do a rate study to ensure that the revenues generated by the Utility System Fund will support the associated expenditures. This study includes the natural gas revenue also.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Rockport uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds fall into two categories: governmental funds and proprietary funds.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending balances of \$11,929,368, a decrease of \$692,667 compared to the prior year.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,011,065. This fund balance is the amount available without constraints from outside of the City to fund the City's normal operations. In order to illustrate the City's ability to withstand a major disaster such as a hurricane, it is worthwhile to measure the unreserved fund balance in terms of the number of days of operations it could sustain. For 2014, the daily cost of operation in the general fund was \$16,364 (total current expenditures of \$5,972,894 divided by 365 days in the year). The City of Rockport's unassigned general fund balance would be able to sustain 184 days in the event of disaster that interrupted normal revenue generation. The City of Rockport makes every effort to keep the unreserved fund balance at 180 days.

General Fund Budgetary Highlights.

During FY 2013-14, the General Fund budget was not amended.

Proprietary Funds. The proprietary funds ended 2014 with combined net assets totaling \$24,195,486. The proprietary funds include the Utility System Fund, Natural Gas Fund, Sanitation, and the Community Aquatic & Skate Park. The Water and Sewer Fund and the Natural Gas Fund are the only major funds in this group.

Proprietary Fund Budgetary Highlights.

During FY 2013-14, the proprietary funds were not amended.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City of Rockport's investment in capital assets for its governmental and business type activities as of September 30, 2014 totals at \$58,977,716 (net of accumulated depreciation). This investment in capital assets includes, land, buildings and improvements, vehicles, furniture and equipment, infrastructure and construction in progress. The total increase in the investment in capital assets for the current fiscal year was 3%.

Major capital asset events during 2014 include the following:

- South Rockport Regional Drainage GLO 100% Grant– The City of Rockport received a \$1,000,000.00 grant from General Land Office (GLO) for purchasing and upgrading existing storm water sewer system including storm sewer pipe ranging in size from twenty-four inches to forty-two inches, concrete box culverts ranging in size from four feet to eight feet wide, road and driveway culverts, junction boxes, End Slope Treatments (EST), and concrete headwalls. In addition, the City of Rockport will perform repairs to city streets and state highways, adjust impacted waterlines, and perform site work associated with the construction. Construction will take place at the following locations: 1st street from Bronte street (SH35) to S. Ann street; Intersection of 2nd street and Bronte street (SH 35); Intersection of E. 5th street and S. Mathis street; Intersection of E. 5th street and S. Pearl street. Proposed improvements will significantly increase the capacity of the storm sewer system and reduce flooding.
- South Side Wastewater system Improvement – Construction of a sewer collection system off-site force main began in December, 2012 and has been completed. Cost of the project was \$1,284,530 and was paid from 2007 Construction bond funds. The city constructed the sewer collection system off-site force main which included the existing lift stations, other than the Islands of Rockport Lift Station which the Developer constructed upon approval by the city. The city also constructed all force mains from the Islands of Rockport Lift Station to the existing lift station on First Street and gravity collection lines. To recover some of the costs associated with the project, the City intends to collect pro rata fees from developers who

request sewer service from the city and must connect to the sewer collection system off-site force main in order to obtain such service. This project greatly increases the ability to receive sewer service on the south part of Rockport.

For a complete analysis of the changes in capital assets, the reader is encouraged to review Note D of the Notes of the Basic Financial Statements.

Long-Term Debt. The City of Rockport issued \$3,610,000 in new Combination Tax and Revenue Certificates of Obligation, Series 2014 on June 24, 2014. The proceeds from the sale of the certificates will be used for the purpose of paying the City's combined waterworks and sewer system (including but not limited to rehabilitation of water tanks), the City's gas system (including but not limited to the construction and equipping of a condensed natural gas fueling facility and funding a distribution integrity management program line replacement), to pay all or a portion of the legal, fiscal and engineering fees in connection with the Projects, and to pay costs of issuance of the Certificates.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

During the budget process for fiscal year 2014-15 the elected and appointed officials considered many factors including the forces driving the economy in their budget decisions. The housing starts, development, and raw land being turned into retail and housing can each be measured by the number of new water connections recorded. An increase in Hotel Occupancy Tax and sales tax indicate an increase in tourism. There has been an increase in registered voters since 2000, going from 5,987 in 2006 to 6186 in 2010, equating to a 4% increase. The population for Rockport is 9,357 as of 2011 which is up from 8,766 in the 2010 U. S. Census.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to inform the citizens, taxpayers and customers of the City of Rockport as well as its investors and creditors about the City's finances and to provide accountability for the public support that it receives. If you have any questions about the report or need additional financial information, contact the Finance Director's Office at the City of Rockport, 622 E. Market Street, Rockport, Texas 78382.

Basic Financial Statements

EXHIBIT A-1

CITY OF ROCKPORT, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 4,914,286	\$ 3,450,731	\$ 8,365,017
Receivables (net of allowances for uncollectibles):			
Property taxes	143,202	--	143,202
Other taxes	492,108	--	492,108
Accounts	93,458	1,331,202	1,424,660
Special assessments	7,208	4,137	11,345
Intergovernmental	115,086	--	115,086
Internal balances	356	(356)	--
Inventories	114,951	111,733	226,684
Restricted assets:			
Cash and investments	7,046,943	7,587,807	14,634,750
Capital assets:			
Land	4,902,767	214,953	5,117,720
Construction in progress	120,877	1,095,682	1,216,559
Buildings	4,842,944	4,237,938	9,080,882
Improvements other than buildings	1,884,604	1,944,240	3,828,844
Utility system	--	44,185,689	44,185,689
Machinery and equipment	3,900,620	2,205,397	6,106,017
Infrastructure	15,023,833	--	15,023,833
Accumulated depreciation	(5,816,328)	(19,766,081)	(25,582,409)
Total Assets	<u>37,786,915</u>	<u>46,603,072</u>	<u>84,389,987</u>
Deferred Outflows of Resources			
Deferred Loss on Bond Refunding	537,914	428,876	966,790
Total Deferred Outflows of Resources	<u>537,914</u>	<u>428,876</u>	<u>966,790</u>
Total Assets and Deferred Outflow of Resources	<u>38,745,503</u>	<u>47,043,182</u>	<u>85,788,685</u>
LIABILITIES			
Accounts payable	615,963	1,129,321	1,745,284
Accrued liabilities	95,694	35,465	131,159
Accrued interest payable	99,605	78,871	178,476
Payable from restricted assets	--	22,696	22,696
Customer Deposits	--	1,094,105	1,094,105
Noncurrent liabilities:			
Due within one year	1,791,852	1,130,001	2,921,853
Due in more than one year	20,495,391	19,260,414	39,755,805
Total Liabilities	<u>23,098,505</u>	<u>22,750,873</u>	<u>45,849,378</u>
Deferred Inflow of Resources			
Deferred Gain on Bond Refunding	--	96,467	96,467
Total Deferred Inflow of Resources	<u>--</u>	<u>96,467</u>	<u>96,467</u>
Total Liabilities and Deferred Inflow of Resources	<u>23,089,135</u>	<u>22,847,696</u>	<u>45,936,831</u>
NET POSITION:			
Net Investment in Capital Assets	13,739,958	22,172,890	35,912,848
Restricted For:			
Debt Service	591,101	182,073	773,174
Unrestricted	1,325,309	1,840,523	3,165,832
Total Net Position	<u>\$ 15,656,368</u>	<u>\$ 24,195,486</u>	<u>\$ 39,851,854</u>

The accompanying notes are an integral part of this statement.

CITY OF ROCKPORT, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,464,770	\$ 16,624	\$ --	\$ --
Public safety	4,035,843	727,069	214,664	102,508
Public works	1,576,188	242,798	--	--
Culture and recreation	961,048	--	19,527	597,294
Tourism	640,589	--	--	--
Interest and fiscal charges	755,689	--	--	--
Total governmental activities	<u>9,434,127</u>	<u>986,491</u>	<u>234,191</u>	<u>699,802</u>
Business-type Activities:				
Sanitation	--	16,994	--	--
Water & Sewer	7,672,619	9,219,874	10,500	--
Community Aquatic Center	397,675	165,231	40,750	--
Natural Gas	1,844,475	2,389,044	--	--
Total Business-type Activities	<u>9,914,769</u>	<u>11,791,143</u>	<u>51,250</u>	<u>--</u>
Total Primary Government	<u>\$ 19,348,896</u>	<u>\$ 12,777,634</u>	<u>\$ 285,441</u>	<u>\$ 699,802</u>

General Revenues:

Property Taxes, Levied for General Puposos
Property Taxes, Levied for Debt Services
Sales Taxes
Franchise Taxes and Other Taxes
Occupancy Taxes
Grants and Contributions Not Restricted to Specific Programs
Unrestricted Investment Earnings
Other Revenues

Transfers

Total General Revenues and Transfers
Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

The accompanying notes are an integral part of this statement.

EXHIBIT A-2

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,448,146)		\$ (1,448,146)
(2,991,602)		(2,991,602)
(1,333,390)		(1,333,390)
(344,227)		(344,227)
(640,589)		(640,589)
(755,689)		(755,689)
<u>(7,513,643)</u>		<u>(7,513,643)</u>
--	\$ 16,994	16,994
--	1,557,755	1,557,755
--	(191,694)	(191,694)
--	544,569	544,569
<u>--</u>	<u>1,927,624</u>	<u>1,927,624</u>
<u>(7,513,643)</u>	<u>1,927,624</u>	<u>(5,586,019)</u>
2,582,426	--	2,582,426
1,964,007	--	1,964,007
2,231,798	--	2,231,798
803,439	--	803,439
839,931	--	839,931
73,953	--	73,953
42,240	11,848	54,088
99,294	--	99,294
804,938	(836,081)	(31,143)
<u>9,442,026</u>	<u>(824,233)</u>	<u>8,617,793</u>
1,928,383	1,103,391	3,031,774
13,727,985	23,092,095	36,820,080
<u>\$ 15,656,368</u>	<u>\$ 24,195,486</u>	<u>\$ 39,851,854</u>

CITY OF ROCKPORT, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	General Fund	Debt Service
ASSETS		
Assets:		
Cash and investments	\$ 2,679,280	\$ 528,104
Receivables (net of allowances for uncollectibles):		
Property taxes	79,905	63,297
Other taxes	203,221	--
Accounts	1,654	--
Special assessments	--	--
Intergovernmental	--	--
Due from other funds	421,030	--
Inventories	58,047	--
Restricted assets:		
Cash and investments	--	--
Total Assets	<u>3,443,137</u>	<u>591,401</u>
Liabilities:		
Accounts payable	\$ 211,969	\$ --
Accrued expenditures	82,151	--
Due to other funds	--	--
Total Liabilities	<u>294,120</u>	<u>--</u>
Deferred Outflows of Resources		
Unavailable property taxes	79,905	63,297
Unavailable special assessments	--	--
Unavailable taxes - Utility Surcharge	--	--
Total Deferred Outflows of Resources	<u>79,905</u>	<u>63,297</u>
Total Liabilities and Deferred Outflows of Resources		
	<u>374,025</u>	<u>63,297</u>
Fund balances:		
Nonspendable	58,047	--
Restricted	--	528,104
Committed	--	--
Assigned	--	--
Unassigned	3,011,065	--
Total fund balances	<u>3,069,112</u>	<u>528,104</u>
Total Liabilities and Fund balances	<u>\$ 3,363,232</u>	<u>\$ 528,104</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

<u>2007 Certificate of Obligation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ --	\$ 1,706,902	\$ 4,914,286
--	--	143,202
--	288,887	492,108
--	16,804	18,458
--	7,208	7,208
--	115,086	115,086
--	--	421,030
--	--	58,047
<u>4,555,475</u>	<u>2,491,468</u>	<u>7,046,943</u>
<u>4,555,475</u>	<u>4,626,355</u>	<u>13,216,368</u>
\$ 126,410	\$ 267,812	\$ 606,191
--	10,818	92,969
--	420,674	420,674
<u>126,410</u>	<u>699,304</u>	<u>1,119,834</u>
--	--	143,202
--	7,208	7,208
--	16,756	16,756
<u>--</u>	<u>23,964</u>	<u>167,166</u>
<u>126,410</u>	<u>723,268</u>	<u>1,287,000</u>
--	--	58,047
4,429,065	3,538,344	8,495,513
--	(63,911)	(63,911)
--	428,654	428,654
--	--	3,011,065
<u>4,429,065</u>	<u>3,903,087</u>	<u>11,929,368</u>
<u>\$ 4,555,475</u>	<u>\$ 4,602,391</u>	<u>\$ 13,049,202</u>

CITY OF ROCKPORT, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

Total fund balances - governmental funds balance sheet	\$ 11,929,368
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	24,850,593
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	143,202
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	53,131
Payables for bond principal which are not due in the current period are not reported in the funds.	(19,120,953)
Payables for capital leases which are not due in the current period are not reported in the funds.	(962,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(99,605)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(346,024)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.	169,804
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	537,914
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	75,000
OBEP Obligation is not reported in the funds.	(1,598,026)
Utility bill taxes unavailable to pay for current period expenditures are deferred in the funds.	16,756
Assessments receivable unavailable to pay for current period expenditures are deferred in the funds.	7,208
Net position of governmental activities - Statement of Net Position	<u>\$ 15,656,368</u>

The accompanying notes are an integral part of this statement.

CITY OF ROCKPORT, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General Fund	Debt Service
Revenue:		
Taxes	\$ 5,593,714	\$ 1,967,017
Licenses and permits	218,504	--
Intergovernmental	54,765	--
Charges for services	24,294	--
Fines	209,845	--
Interest	17,039	551
Miscellaneous	92,661	--
Total revenues	<u>6,210,822</u>	<u>1,967,568</u>
Expenditures:		
Current:		
General government	1,317,705	--
Public safety	2,715,303	--
Public works	1,176,409	--
Culture and recreation	763,477	--
Tourism	--	--
Capital outlay	202,793	--
Debt service:		
Principal	--	1,274,138
Interest and fiscal charges	--	664,781
Bond issuance cost	--	106,527
Total expenditures	<u>6,175,687</u>	<u>2,045,446</u>
Excess (deficiency) of revenues (under) expenditures	35,135	(77,878)
Other financing sources (uses):		
Transfers in	937,093	43,012
Transfers out	(751,430)	--
Issuance of certificates of obligation	--	4,503,642
Premium on bonds sold	--	563,678
Interest on bonds sold	--	6,949
Payment to refunding escrow agent	--	(4,962,452)
Total other financing sources (uses)	<u>185,663</u>	<u>154,829</u>
Net change in fund balance	220,798	76,951
Fund balance, beginning of year	2,848,314	451,153
Fund balance, end of year	<u>\$ 3,069,112</u>	<u>\$ 528,104</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

2007 Certificate of Obligation	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 1,041,457	\$ 8,602,188
--	--	218,504
73,953	1,183,560	1,312,278
--	--	24,294
--	44,940	254,785
11,278	6,423	35,291
--	6,633	99,294
<u>85,231</u>	<u>2,283,013</u>	<u>10,546,634</u>
--	27,558	1,345,263
--	1,008,758	3,724,061
--	--	1,176,409
--	50,902	814,379
--	640,589	640,589
1,305,582	833,984	2,342,359
--	31,694	1,305,832
--	3,924	668,705
--	--	106,527
<u>1,305,582</u>	<u>2,597,409</u>	<u>12,124,124</u>
(1,220,351)	(314,396)	(1,577,490)
--	587,343	1,567,448
--	(43,012)	(794,442)
--	--	4,503,642
--	--	563,678
--	--	6,949
--	--	(4,962,452)
<u>--</u>	<u>544,331</u>	<u>884,823</u>
(1,220,351)	229,935	(692,667)
5,649,416	3,673,152	12,622,035
<u>\$ 4,429,065</u>	<u>\$ 3,903,087</u>	<u>\$ 11,929,368</u>

EXHIBIT A-6

CITY OF ROCKPORT, TEXAS
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Net change in fund balances - total governmental funds	\$ (692,667)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,342,359
The depreciation of capital assets used in governmental activities is not reported in the funds.	(778,782)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	2,993
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	19,543
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	6,268,284
The change in the OBEP liability is not reported in the funds.	(161,202)
The net revenue (expense) of internal service funds is reported with governmental activities.	(4,183)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(1,638)
Certain utility bill receivables are deferred in the funds. This is the change in these amounts this year.	996
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(4,503,642)
Bond premiums are reported in the funds but not in the SOA.	<u>(563,678)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 1,928,383</u>

The accompanying notes are an integral part of this statement.

CITY OF ROCKPORT, TEXAS

EXHIBIT A-7

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 5,365,632	\$ 5,365,632	\$ 5,593,714	\$ 228,082
Licenses and permits	174,500	174,500	218,504	44,004
Intergovernmental	80,000	62,500	54,765	(7,735)
Charges for services	23,000	23,000	24,294	1,294
Fines	251,500	251,500	209,845	(41,655)
Interest	14,000	14,000	17,039	3,039
Miscellaneous	32,000	31,000	92,661	61,661
Total revenues	<u>5,940,632</u>	<u>5,922,132</u>	<u>6,210,822</u>	<u>288,690</u>
Expenditures:				
Current:				
General government	1,325,951	1,325,951	1,317,705	8,246
Public safety	2,632,556	2,632,556	2,715,303	(82,747)
Public works	1,466,664	1,466,664	1,176,409	290,255
Culture and recreation	750,017	750,017	763,477	(13,460)
Capital outlay	216,793	216,793	202,793	14,000
Total expenditures	<u>6,391,981</u>	<u>6,391,981</u>	<u>6,175,687</u>	<u>216,294</u>
Excess (deficiency) of revenues (under) expenditures	(451,349)	(469,849)	35,135	504,984
Other financing sources (uses):				
Transfers in	1,083,072	1,083,072	937,093	(145,979)
Transfers out	(589,029)	(589,029)	(751,430)	(162,401)
Total other financing sources (uses)	<u>494,043</u>	<u>494,043</u>	<u>185,663</u>	<u>308,380</u>
Net change in fund balance	42,694	24,194	220,798	196,604
Fund balance, beginning of year	2,848,314	2,848,314	2,848,314	--
Fund balance, end of year	<u>\$ 2,891,008</u>	<u>\$ 2,872,508</u>	<u>\$ 3,069,112</u>	<u>\$ 196,604</u>

The accompanying notes are an integral part of this statement.

CITY OF ROCKPORT, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014

	Enterprise Fund	Enterprise Fund
	Water & Sewer Fund	Natural Gas Fund
ASSETS		
Assets:		
Current assets:		
Cash and cash equivalents	\$ 2,242,360	\$ 958,161
Receivables (net of allowances for uncollectibles):		
Accounts	904,887	139,665
Special assessments	4,137	--
Inventories	69,328	42,405
Total current assets	<u>3,220,712</u>	<u>1,140,231</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	5,063,842	2,523,965
Accounts receivable - noncurrent	81,874	--
Capital assets:		
Land	110,653	--
Construction in progress	--	1,095,682
Buildings	4,237,938	--
Improvements other than buildings	--	--
Water system	23,740,054	--
Sewer system	18,556,425	--
Natural gas system	--	1,889,210
Machinery and equipment	2,185,708	--
Accumulated depreciation	(18,524,136)	(388,458)
Total noncurrent assets	<u>35,452,358</u>	<u>5,120,399</u>
Total Assets	<u>38,683,948</u>	<u>6,260,630</u>
Deferred Outflows of Resources		
Deferred Loss on Bond Refunding	428,876	--
Total Deferred Outflows of Resources	<u>\$ 428,876</u>	<u>\$ --</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 625,685	\$ 76,139
Accrued expenses	29,765	3,765
Due to other funds	--	--
Accrued interest payable	78,871	--
Customer deposits	1,093,407	--
Payable from restricted assets	--	22,696
Compensated absences	10,000	--
Bonds and certificates of obligation - current portion	15,793	104,208
Total current liabilities	<u>1,853,521</u>	<u>206,808</u>
Noncurrent liabilities:		
Bonds and certificates of obligation payable	16,830,960	3,030,716
Compensated absences	73,609	14,710
Total noncurrent liabilities	<u>16,904,569</u>	<u>3,045,426</u>
Total liabilities	<u>18,821,222</u>	<u>3,499,521</u>
Deferred Inflows of Resources		
Deferred Gain on Bond Refunding	96,467	--
Total Deferred Inflows of Resources	<u>96,467</u>	<u>--</u>
NET ASSETS:		
Investment in Capital Assets, Net of Related Debt	--	--
Unrestricted Net Assets	20,195,135	2,761,109
Total Net Assets	<u>\$ 20,195,135</u>	<u>\$ 2,761,109</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-8

Nonmajor Enterprise Funds	Total Enterprise Funds	Nonmajor Internal Service Fund Fleet Fund
\$ 250,210	\$ 3,450,731	\$ --
204,776	1,249,328	--
--	4,137	--
--	111,733	56,904
<u>454,986</u>	<u>4,815,929</u>	<u>56,904</u>
--	7,587,807	--
--	81,874	--
104,300	214,953	--
--	1,095,682	--
--	4,237,938	--
1,944,240	1,944,240	--
--	23,740,054	--
--	18,556,425	--
--	1,889,210	--
19,689	2,205,397	17,448
(853,487)	(19,766,081)	(8,724)
<u>1,214,742</u>	<u>41,787,499</u>	<u>8,724</u>
<u>1,669,728</u>	<u>46,614,306</u>	<u>65,628</u>
--	428,876	--
<u>\$ --</u>	<u>\$ 428,876</u>	<u>\$ --</u>
\$ 427,497	\$ 1,129,321	\$ 9,772
1,935	35,465	2,725
356	356	--
--	78,871	--
698	1,094,105	--
--	22,696	--
--	10,000	--
--	120,001	--
<u>430,486</u>	<u>2,490,815</u>	<u>12,497</u>
--	19,861,676	--
--	88,319	--
--	19,949,995	--
<u>430,486</u>	<u>22,751,229</u>	<u>12,497</u>
--	96,467	--
--	96,467	--
--	--	--
(100,809)	22,855,435	53,131
<u>\$ 1,239,242</u>	<u>\$ 24,195,486</u>	<u>\$ 53,131</u>

CITY OF ROCKPORT, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Enterprise Fund	Enterprise Fund
	Water & Sewer Fund	Natural Gas Fund
OPERATING REVENUES:		
Charges for services	\$ 9,219,874	\$ 2,389,044
Total Operating Revenues	<u>9,219,874</u>	<u>2,389,044</u>
OPERATING EXPENSES:		
Personal services	1,612,383	374,519
Contractual services	419,789	105,710
Maintenance	414,902	148,808
Supplies	3,628,589	1,135,011
Other	37,313	17,453
Depreciation	897,034	62,974
Total Operating Expenses	<u>7,010,010</u>	<u>1,844,475</u>
Operating Income (Loss)	<u>2,209,864</u>	<u>544,569</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest income	11,163	685
Intergovernmental revenue	--	--
Interest expense	(662,609)	--
Total Non-operating Revenues (Expenses)	<u>(651,446)</u>	<u>685</u>
Net Income (Loss) before Operating Transfers	<u>1,558,418</u>	<u>545,254</u>
Capital Contributions	10,500	--
TRANSFERS:		
Interfund transfers in	266,261	--
Interfund transfers out	(1,069,813)	(164,684)
Change in Net Assets	<u>765,366</u>	<u>380,570</u>
Net Assets, beginning of year	19,429,769	2,380,539
Net Assets, end of year	<u>\$ 20,195,135</u>	<u>\$ 2,761,109</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-9

Nonmajor Enterprise Funds	Total Enterprise Funds	Nonmajor Internal Service Fund
<u> </u>	<u> </u>	<u> </u>
Fleet Fund		<u> </u>
\$ 182,225	\$ 11,791,143	\$ 504,134
<u>182,225</u>	<u>11,791,143</u>	<u>504,134</u>
173,743	2,160,645	160,486
26,471	551,970	18,783
27,418	591,128	19,017
102,593	4,866,193	339,917
1,384	56,150	301
66,066	1,026,074	1,745
<u>397,675</u>	<u>9,252,160</u>	<u>540,249</u>
<u>(215,450)</u>	<u>2,538,983</u>	<u>(36,115)</u>
--	11,848	--
40,750	40,750	--
--	(662,609)	--
40,750	(610,011)	--
<u>(174,700)</u>	<u>1,928,972</u>	<u>(36,115)</u>
--	10,500	--
132,155	398,416	34,432
--	(1,234,497)	(2,500)
<u>(42,545)</u>	<u>1,103,391</u>	<u>(4,183)</u>
1,281,787	23,092,095	57,314
<u>\$ 1,239,242</u>	<u>\$ 24,195,486</u>	<u>\$ 53,131</u>

CITY OF ROCKPORT, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Enterprise Funds			Totals	Service Funds
	Water & Sewer	Natural Gas	Nonmajor Enter. Funds		
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 9,156,262	\$ 2,362,713	182,225	\$ 11,701,200	\$ 504,135
Cash Receipts (Payments) for					
Operating Transactions with Other Funds	--	--	--	--	--
Cash Payments to Employees for Services	(1,588,009)	(365,286)	(173,643)	(2,126,938)	(160,486)
Cash Payments to Other Suppliers for Goods and Services	(4,318,227)	(1,346,826)	(171,514)	(5,836,567)	(379,708)
Net Cash Provided (Used) by Operating Activities	<u>3,250,026</u>	<u>650,601</u>	<u>(162,932)</u>	<u>3,737,695</u>	<u>(36,059)</u>
Cash Flows from Non-capital Financing Activities:					
Operating Grants Received	--	--	40,750	40,750	--
Transfers From Other Funds	266,261	--	132,155	398,416	34,432
Transfers To Other Funds	(1,069,813)	(164,684)	--	(1,234,497)	(2,500)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(803,552)</u>	<u>(164,684)</u>	<u>172,905</u>	<u>(795,331)</u>	<u>31,932</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Issuance of Long-term Debt	1,381,815	3,134,924	--	4,516,739	--
Principal and Interest Paid	(1,666,814)	--	--	(1,666,814)	--
Acquisition or Construction of Capital Assets	(340,136)	(1,095,682)	(6,597)	(1,442,415)	--
Proceeds from sale of capital assets	--	--	--	--	--
Amounts paid for bond issuance	--	--	--	--	--
Contributed Capital	10,500	--	--	10,500	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(614,635)</u>	<u>2,039,242</u>	<u>(6,597)</u>	<u>1,418,010</u>	<u>--</u>
Cash Flows from Investing Activities:					
Maturing of Investments	100,000	--	--	100,000	--
Interest and Dividends on Investments	11,163	685	--	11,848	--
Net Cash Provided (Used) for Investing Activities	<u>111,163</u>	<u>685</u>	<u>--</u>	<u>111,848</u>	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,943,002	2,525,844	3,376	4,472,222	(4,127)
Cash and Cash Equivalents at Beginning of Year	5,363,200	708,995	246,834	6,319,029	4,127
Cash and Cash Equivalents at End of Year	<u>\$ 7,306,202</u>	<u>\$ 3,234,839</u>	<u>250,210</u>	<u>\$ 10,791,251</u>	<u>\$ --</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$ 2,209,864	\$ 544,569	(182,875)	\$ 2,571,558	\$ (36,115)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation and Amortization	897,034	62,974	65,740	1,025,748	1,745
Provision for Uncollectible Accounts	--	--	--	--	--
Change in Assets and Liabilities:					
Decrease (Increase) in Receivables	(161,719)	(26,331)	(13,447)	(201,497)	--
Decrease (Increase) in Inventories	20,788	19,453	--	40,241	(10,944)
Decrease (Increase) in Prepaid Expenses	--	--	--	--	--
Increase (Decrease) in Accounts Payable	176,870	40,703	3,222	220,795	9,772
Increase (Decrease) in Payroll Deductions	--	--	--	--	--
Increase (Decrease) in Accrued Wages Payable	24,874	9,233	--	34,107	--
Increase (Decrease) in Interfund Payables	--	--	17,740	17,740	--
Increase (Decrease) in Customer Deposits	98,107	--	--	98,107	--
Increase (Decrease) in Accrued Expenses	(15,292)	--	437	(14,855)	(518)
Increase (Decrease) in Unearned Revenue	--	--	--	--	--
Total Adjustments	<u>1,040,662</u>	<u>106,032</u>	<u>73,692</u>	<u>1,220,386</u>	<u>(1,690)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,250,526</u>	<u>\$ 650,601</u>	<u>(109,183)</u>	<u>\$ 3,791,944</u>	<u>\$ (36,060)</u>
Summary of cash and cash equivalents:					
Cash and cash equivalents - operating	\$ 2,242,360	\$ 958,161	\$ 250,210	\$ 3,450,731	\$ 4,127
Cash and cash equivalents - restricted	5,063,842	2,523,965	--	7,587,807	--
	<u>\$ 7,306,202</u>	<u>\$ 3,482,126</u>	<u>\$ 250,210</u>	<u>\$ 11,038,538</u>	<u>\$ 4,127</u>

The accompanying notes are an integral part of this statement.

CITY OF ROCKPORT, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

A. Summary of Significant Accounting Policies

The combined financial statements of City of Rockport, Texas (the "City") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The City's basic financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City
- the exclusion of the organization would result in misleading or incomplete financial statements

The City also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; and 2) The City or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the City.

Based on these criteria, the City has no component units. Additionally, the City is not a component unit of any other reporting entity as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government. Eliminations been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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Fund Financial Statements: The fund financial statements provide information about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund. This is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

Debt Service Fund. This fund is used to account for resources accumulated to make principal and interest payments on outstanding bonds.

2007 Certificate of Obligation Fund. This fund is used to account for the proceeds and related expenditures of the 2007 Certificate of Obligation issue.

The City reports the following major enterprise funds:

Water & Sewer Fund. This fund is used to account for the activities of providing water and sewer services to the citizens of the City.

Natural Gas Fund. This fund is used to account for the activities of providing natural gas to the citizens of the City.

In addition, the City reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the City. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the City's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

b. **Measurement Focus, Basis of Accounting**

Government-wide and Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end.

CITY OF ROCKPORT, TEXAS
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Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the City incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the City's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The City has chosen not to apply future FASB standards.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories and Prepaid Items

The City records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

CITY OF ROCKPORT, TEXAS
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d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	50
Buildings	20-40
Improvements other than Buildings	20
Machinery and Equipment	5-10

e. Receivable and Payable Balances

The City believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

f. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

g. Compensated Absences

On retirement or death of certain employees, the City pays any accrued sick leave and vacation leave in a lump case payment to such employee or his/her estate.

h. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

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i. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the City's City Council. Committed amounts cannot be used for any other purpose unless the City Council removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the City Council. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. Only the most binding constraint should be considered a commitment for fund balance classification purposes. Committed fund balance are determined by the City Council through resolution.

Assigned Fund Balance - represents amounts which the City intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the City Council or by an official or body to which the City Council delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

4. **Budgetary Data**

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to the beginning of the fiscal year, the City Manager presents to the City Council a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them. The City Council may make adjustments to the budget.
- b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through passage of an ordinance by the City Council.

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Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end. During the year, the budget was amended as necessary. The budget is adopted at the level of total revenues and expenditures by fund. All budget appropriations lapse at year end.

The following funds have legally adopted budgets: General Fund, Utility Surcharge Fund, Hotel/Motel Occupancy Tax Fund, Municipal Court Security & Technology Fund, City/County Dispatch Fund and Debt Service Fund.

The City prepares all budgets on a "GAAP" basis.

5. Encumbrance Accounting

Encumbrance accounting is not used by the City.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
Operation Stone Garden	\$ 64,010	Temporary shortage.
Bay Education Center	773	Temporary shortage.

Both deficits will be replenished by General Fund.

3. Budgets

The City over expended budgeted amounts in the following funds:

Utility Bill Surcharge	\$ 2,875
City County Dispatch	57,503
Hotel Motel Occupancy Tax	47,444
Municipal Court Security and Tech	7,454
Debt Service Fund	67,226

C. Deposits and Investments

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

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Cash Deposits:

At September 30, 2014, the carrying amount of the City's deposits (cash, certificates' of deposit, and interest-bearing savings accounts) included in temporary investments was \$19,325,226 and the bank balance was \$19,835,616. The total deposits were covered by Federal Depository Insurance (FDIC) or by collateral held in the City's agent bank in the City's name.

Investments:

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the City were in accordance with local policies.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The City's investment at September 30, 2014 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Carrying Value</u>	<u>Fair Value</u>
TexPool	N/A	\$ 7,544	\$ 7,544
Texas Term Daily	N/A	34,585	34,585
Certificates of Deposit	2 years	1,965,000	1,965,000
Total Investments		<u>\$ 2,007,129</u>	<u>\$ 2,007,129</u>

The Certificates of Deposit are included in cash deposits listed above.

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the City was not significantly exposed to credit risk.

At September 30, 2014, the City's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

<u>Investment</u>	<u>Rating</u>	<u>Rating Agency</u>
TexPool	AAAm	Standard and Poor's
Texas Term	AAAf	Standard and Poor's

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are

CITY OF ROCKPORT, TEXAS
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uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name.

At year end, the City was not exposed to custodial credit risk.

c. **Concentration of Credit Risk**

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City was not exposed to concentration of credit risk.

d. **Interest Rate Risk**

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the City was not exposed to interest rate risk.

e. **Foreign Currency Risk**

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The City's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

CITY OF ROCKPORT, TEXAS
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D. Capital Assets

Capital asset activity for the year ended September 30, 2014, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 4,902,767	\$ --	\$ --	\$ 4,902,767
Construction in progress	120,877	--	--	120,877
Total capital assets not being depreciated	<u>5,023,644</u>	<u>--</u>	<u>--</u>	<u>5,023,644</u>
Capital assets being depreciated:				
Infrastructure	12,972,057	2,051,777	--	15,023,834
Buildings and improvements	4,942,944	--	--	4,842,944
Improvements other than buildings	1,884,804	--	--	1,884,604
Machinery and Equipment	3,664,282	290,582	51,244	3,903,620
Total capital assets being depreciated	<u>23,464,087</u>	<u>2,342,359</u>	<u>51,244</u>	<u>25,655,002</u>
Less accumulated depreciation for:				
Infrastructure	(1,237,083)	(273,629)	--	(1,510,712)
Buildings and improvements	(1,197,684)	(125,332)	--	(1,323,016)
Improvements other than buildings	(440,710)	(85,645)	--	(526,355)
Machinery and Equipment	(2,214,001)	(295,921)	(51,244)	(2,458,678)
Total accumulated depreciation	<u>(5,089,478)</u>	<u>(780,527)</u>	<u>(51,244)</u>	<u>(5,818,761)</u>
Total capital assets being depreciated, net	<u>18,374,609</u>	<u>1,561,832</u>	<u>--</u>	<u>19,836,241</u>
Governmental activities capital assets, net	<u>\$ 23,398,253</u>	<u>\$ 1,561,832</u>	<u>\$ --</u>	<u>\$ 24,859,885</u>
	Beginning Balances	Increases	Decreases	Ending Balances
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 214,954	\$ --	\$ --	\$ 214,954
Construction in progress	--	1,095,682	--	1,095,682
Total capital assets not being depreciated	<u>214,954</u>	<u>1,095,682</u>	<u>--</u>	<u>1,310,636</u>
Capital assets being depreciated:				
Buildings and improvements	4,192,187	45,751	--	4,237,938
Improvements other than buildings	1,944,240	--	--	1,944,240
Utility System	43,990,074	195,622	--	44,185,696
Machinery and Equipment	2,100,098	105,300	--	2,205,398
Total capital assets being depreciated	<u>52,226,599</u>	<u>346,673</u>	<u>--</u>	<u>52,573,272</u>
Less accumulated depreciation for:				
Buildings and improvements	(360,467)	(107,281)	--	(467,748)
Improvements other than buildings	(776,112)	(64,308)	--	(840,420)
Utility System	(15,747,802)	(788,489)	--	(16,536,291)
Machinery and Equipment	(1,855,622)	(65,996)	--	(1,921,618)
Total accumulated depreciation	<u>(18,740,003)</u>	<u>(1,026,074)</u>	<u>--</u>	<u>(19,766,077)</u>
Total capital assets being depreciated, net	<u>33,486,596</u>	<u>(679,401)</u>	<u>--</u>	<u>32,807,195</u>
Business-type activities capital assets, net	<u>\$ 33,701,550</u>	<u>\$ 416,281</u>	<u>\$ --</u>	<u>\$ 34,117,831</u>

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Depreciation was charged to functions as follows:

Governmental activities:

General Government	\$ 37,268
Public Safety	231,181
Public Works	363,664
Culture and Recreation	<u>146,669</u>
	<u>\$ 778,782</u>

Business-type activities:

Water and Sewer System	\$ 897,034
Natural Gas System	62,974
Community Aquatic Center	<u>66,066</u>
	<u>\$ 1,026,074</u>

Capital Leases

Included in the governmental activities capital assets listed above are the following capitalized leased assets:

Buildings	\$ 1,607,000
Less accumulated amortization	<u>(401,750)</u>
Capitalized leases, net	<u>\$ 1,205,250</u>

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2014, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 354,559	Short-term loans
General Fund	Other Enterprise Fund	--	Short-term loans
	Total	<u>\$ 354,559</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2013, consisted of the following:

<u>Transfers Out</u>	<u>Total</u>	<u>Transfers In</u>			
		<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Proprietary</u>	<u>Water & Sewer</u>
Natural Gas Fund	\$ 164,684	\$ --	\$ --	\$ --	\$ 164,684
Water and Sewer Fund	915,409	915,409	--	--	--
General Fund	775,831	--	712,616	63,215	--
Nonmajor Governmental	42,893	--	--	--	--
Internal Service Fund	<u>1,800</u>	--	--	--	<u>1,800</u>
	<u>\$ 1,900,617</u>	<u>\$ 915,409</u>	<u>\$ 712,616</u>	<u>\$ 63,215</u>	<u>\$ 166,484</u>

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The General Fund received funds from the Water & Sewer and Natural Gas Funds to cover allocated amounts of administrative charges.

Other transfers were made to supplement other funds operations.

F. Short-Term Debt Activity

The City had no short-term debt activity for the year ended September 30, 2014.

G. Restricted Assets

Cash and cash equivalents were restricted for the following purposes at September 30, 2013:

	Governmental Activities	Business-type Activities
Bond Construction Funds	\$ 7,046,943	\$ 7,405,734
Debt Service	--	182,073
	<u>\$ 7,046,943</u>	<u>\$ 7,587,807</u>

H. Long-Term Obligations

The City has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the City.

Long-term debt consisted of the following at September 30, 2013:

	Interest Rate	General Long- Term Debt	Enterprise Fund Debt
Combination Tax and Revenue Certificates of Obligation, Series 2005	4.00-4.50%	271,472	198,528
Combination Tax and Revenue Certificates of Obligation, Series 2007	4.25-5.25%	7,676,276	1,583,062
General Obligation Refunding Bonds, Series 2009	3.00-4.00%	858,186	611,814
Combination Tax and Revenue Certificates of Obligation, Series 2009	3.00-4.50%	--	8,725,000
General Refunding Bonds, Series 2010	2.00-4.00%	1,054,184	1,050,816
General Refunding Bonds, Series 2012	1.00-3.00%	3,893,024	2,846,976
General Obligation Refunding Bonds, Series 2014	2.00-4.25%	4,413,160	906,739
Combination Tax and Revenue Certificates of Obligation, Series 2014	2.00-3.00%	--	3,610,000
Total Bonded Debt		18,166,302	19,532,935

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Unamortized bond premium	537,934	348,109
Capital leases payable	962,000	--
OPEB obligation payable	1,598,027	--
Pension obligation payable	260,240	--
Compensated absences	346,024	87,878
Total Long-Term Debt	\$ 21,870,527	\$ 19,968,922

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2014, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Certificates of obligation	\$ 13,063,805	\$ --	\$ 5,116,057	\$ 7,947,748	769,119
General obligation bonds	6,233,414	4,503,642	518,502	10,218,554	444,704
Bond premium	519,654	115,943	97,683	537,914	49,000
Capital leases	1,037,000	--	75,000	962,000	78,000
Pension obligation	260,240	5,829	--	266,069	--
OPEB obligation	1,436,824	377,393	216,190	1,598,027	388,715
Compensated absences *	344,386	155,520	153,882	346,024	140,000
Total governmental activities	\$ 22,895,323	\$ 5,158,327	\$ 6,177,314	\$ 21,876,336	\$ 1,869,538
Business-type activities:					
Certificates of obligation	\$ 12,531,195	\$ 3,610,000	\$ 1,184,605	\$ 14,956,590	420,881
General obligation bonds	4,436,586	906,739	766,980	4,576,345	795,296
Bond premium	348,109	277,185	48,503	576,791	49,000
Compensated absences *	87,878	127,680	92,120	123,438	80,000
Total business-type activities	\$ 17,403,768	\$ 4,921,604	\$ 2,092,208	\$ 20,233,164	\$ 1,345,177

* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General Fund
Claims and judgments	Governmental	General Fund
Compensated absences	Business-type	Water and Sewer Fund
Claims and judgments	Business-type	Water and Sewer Fund
Pension Obligation	Governmental	General Fund
OPEB	Governmental	General Fund

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2014, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2015	\$ 1,213,823	\$ 524,223	\$ 1,738,046

CITY OF ROCKPORT, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

2016	1,412,611	477,324	1,889,935
2017	1,386,931	427,624	1,814,555
2018	1,389,579	376,345	1,765,924
2019	1,388,064	323,283	1,711,347
2020-2024	6,910,189	752,720	7,662,909
2024-2027	1,092,784	63,232	1,156,016
Totals	<u>\$ 14,793,981</u>	<u>\$ 2,944,751</u>	<u>\$ 17,738,732</u>

Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2015	\$ 1,216,177	\$ 769,727	\$ 1,985,904
2016	1,267,389	724,619	1,992,008
2017	1,258,069	684,856	1,942,925
2018	1,265,421	641,779	1,907,200
2019	1,266,936	598,006	1,864,942
2020-2024	6,287,739	2,285,918	8,573,657
2025-2029	5,791,204	871,666	6,662,870
2029	1,180,000	129,203	1,309,203
Totals	<u>\$ 19,532,935</u>	<u>\$ 6,705,774</u>	<u>\$ 26,238,709</u>

3. Advance Refunding of Debt

In July 2014, the City issued \$5,430,000 of General Obligation Refunding Bonds to defease \$5,225,000 of Combination Tax and Revenue C.O.'s Series 2007. \$4,358,497 of the refunded debt was serviced by the Debt Service Fund and \$896,503 was debt of the Water and Sewer Enterprise Fund.

The proceeds from the refunding bonds have been deposited in irrevocable trusts which, together with interest earnings on those deposits, will provide amounts sufficient for future redemption or payment of principal and interest of the issues refunded. The trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements. At September 30, 2014, \$5,255,000 of bonds outstanding were considered defeased.

The present value of the debt savings was \$496,720, \$411,979 was attributable to Governmental Activities and \$84,740 to the Water and Sewer Enterprise Fund.

4 Capital Leases

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2014, as follows:

Year Ending September 30,	
2015	\$ 120,182
2016	120,911
2017	120,414
2018	120,661
2019	120,680
2020-2024	603,629
Total Minimum Rentals	<u>1,206,477</u>
Less amount representing interest	<u>(244,477)</u>
Present value of minimum lease payments	<u>\$ 962,000</u>
Rental Expenditures in 2014	<u>\$ 120,222</u>

CITY OF ROCKPORT, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

The effective interest rate on capital leases is 4.39%.

I. Commitments Under Noncapitalized Leases

The City had no material commitments under operating (noncapitalized) lease agreements at September 30, 2014.

J. Risk Management

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2014, the City obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

K. Pension Plan

1. Plan Description

The City's pension plan ("Plan") is a non-traditional, joint contributory, defined benefit plan which provides retirement, disability and death benefits to Plan members and beneficiaries through its affiliation with Texas Municipal Retirement System ("TMRS"), an agent multiple-employer public employee retirement system. TMRS operates under the authority of Texas Government Code, Title 8, Subtitle G. The Texas legislature has the authority to establish or amend benefit provisions and the governing body of the City adopts the plan provisions within the options and constraints established by the legislature. TMRS issues a publicly available financial report that includes financial statements and required supplementary information for TMRS. That report may be obtained by writing to Texas Municipal Retirement System, P.O. Box 149153, Austin, TX 78714-9153 or calling (800) 924-8677. Additional nonauthoritative information is available at the TMRS web site, <http://www.tmrs.org>.

The plan provisions are adopted by the governing body of the City, within the options available in the state governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2012	Plan Year 2013
Employee deposit rate	7.00%	7.00%
Matching ratio(city to employee)	2 to 1	2 to 1
Years required for vesting	10	10
Service retirement eligibility express as age/years of service	60/10,0/20	60/10,0/20
Updated Service Credit	100% Repeating Transfers	100% Repeating Transfers
Annuity Increase (to employees)	70% of CPI Repeating	70% of CPI Repeating

2. Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary,

CITY OF ROCKPORT, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal costs and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation(asset) are as follows:

Annual Pension Cost:	
Annual required contribution (ARC)	\$ 758,836
Interest on Net Pension Obligation	22,765
Adjustment to ARC	<u>(22,765)</u>
Annual Pension Cost	758,836
Contributions Made	<u>(758,836)</u>
Increase in net pension	--
NPO at beginning of year	<u>260,240</u>
NPO at End of Year	<u><u>\$ 260,240</u></u>

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Actuarial Valuation Date	12/31/11	12/31/12	12/31/13
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	26.4 years: closed period	25.4 years: closed period	26 years: closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Investment Rate of Return	7.0%	7.0%	7.0%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Inflation Rate	3.0%	3.0%	3.0%

CITY OF ROCKPORT, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Cost of Living Adjustments 2.1% 2.1% 2.1%

3 Funding Status and Funding Progress:

The funding status as of December 31, 2013, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	12/31/13
Actuarial Value of Assets	\$ 20,004,129
Actuarial Accrued Liability	\$ 23,420,794
Percentage Funded	85.4%
Unfunded (Over-funded) Actuarial Accrued Liability (UAAL)	\$ 3,416,665
Annual Covered Payroll	\$ 4,369,466
UAAL as a Percentage of Covered Payroll	78.2%

Trend Information for the Plan:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/11	\$ 719,061	95.50%	\$ 254,411
09/30/12	679,157	99.43%	260,240
09/30/13	758,836	100.00%	260,240

Schedule of Funding Progress:

Actuarial Value Date	Actuarial Value of Assets	Actuarial Accrued Liability(AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/11	16,183,038	\$ 19,865,789	\$ 3,682,751	81.46%	\$ 4,476,201	82.3%
12/31/12	17,585,134	21,103,497	3,518,363	83.33%	4,654,360	75.6%
12/31/13	20,004,129	23,420,794	3,416,665	85.41%	4,369,466	78.2%

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active members provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

L. Health Care Coverage

During the year ended September 30, 2014, employees of the City were covered by a health insurance plan (the Plan). The City paid premiums of \$413 per month per employee and dependents to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator,

CITY OF ROCKPORT, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

acting on behalf of the licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the City and the third party administrator is renewable October 1, 2013, and terms of coverage and premium costs are included in the contractual provisions.

M. Post Employment Benefits Other Than Pensions

Health Care Benefit Eligibility Conditions:

Before 4/24/2001 - Retirement from City, employee eligible for health insurance, City pays 100% of premium.

After 4/24/2001 - Retirement with ten years of service with the City of Rockport a retiree is eligible for 50% of the premium. The percentage of premium paid increases annually and at twenty years of service eligible for 100% of premium. If retiring after April 24, 2001, they must enroll for this coverage within thirty days of retirement.

At age 65 must apply for Medicare and City furnishes a Medicare Supplemental Policy

Health Care Benefit Provided by the Plan

Member:	Medical
Spouse:	N/A
Dependen	N/A

Early Retirement Benefits

Health Care Benefit Eligibility Conditions

Before 4/24/2001: Retirement from City, employee eligible for health insurance, City pays 100% of premium.

After 4/24/2001: Retirement with ten year of service with the City of Rockport eligible for 50% of premium. The percentage of premium paid increases annually and at twenty years of service eligible for 100% of premium. If retiring after April 24, 2001, they must enroll for this coverage within thirty days of their retirement. At age 65 must apply for Medicare and City furnishes a Medicare Supplemental Policy.

Health Care Benefit Provided by Plan

Member:	Medical
Spouse:	N/A
Dependen	N/A

Deferred Retirement Benefits

None.

Duty and Non-Duty Death in Service Retirement Benefits

None.

Duty Disabled Retirement Benefits

Health Care Benefit Eligibility Conditions

Before 4/24/2001: Retirement from City employee eligible for health insurance, City pays 100% of premium.

After 4/24/2001: Retirement with ten year of service with the City of Rockport eligible for 50% of premium. The percentage of premium paid increases annually and at twenty years of service eligible for 100% of premium. If retiring after April 24, 2001, they must enroll for this coverage within thirty days of their retirement. At age 65, the retiree must

CITY OF ROCKPORT, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

apply for Medicare and City furnishes a Medicare Supplemental Policy.

Health Care Benefit Provided by Plan
 Member: Medical

Non-Duty Disabled Retirement Benefits

Health Care Benefit Eligibility Conditions

Before 4/24/2001: Retirement from City employee eligible for health insurance, City pays 100% of premium.

After 4/24/2001: Retirement with ten year of service with the City of Rockport eligible for 50% of premium. The percentage of premium paid increases annually and at twenty years of service retirees are eligible for 100% of premium. If retiring after April 24, 2001, they must enroll for this coverage within thirty days. At age 65 must apply for Medicare and City furnishes a Medicare Supplemental Policy.

Health Care Benefit Provided by Plan
 Member: Medical

Benefits for Spouses of Retired Employees

Benefits are paid by the retiree

Non-Medicare and Medicare-Eligible Provisions

At age 65 must apply for Medicare and City furnishes a Medicare Supplemental Policy.

Vision Coverage

Benefits are paid by retiree

Dental Coverage

Benefits are paid by retiree

Life Insurance Coverage

The City of Rockport provides \$2,000 basic life insurance for retirees.

No dependent life is covered by the City of Rockport.

Retiree Opt-Out

N/A

Funding Policy and Annual OPEB Cost

The City's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City had its OPEB actuarial valuation performed for the fiscal year beginning October 1, 2011 as required by GASB and is required to have additional valuations every three years. The annual OPEB cost for the fiscal year ending September 30, 2013 was determined as follows:

Annual required contribution	\$	377,393
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CITY OF ROCKPORT, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Interest on OPEB obligation	11,322
Adjustment to ARC	(11,322)
Annual OPEB cost (expense end of year)	<u>377,393</u>
Net employer contributions (pay as you go)	<u>(216,190)</u>
Increase in net OPEB	161,203
 Net OPEB obligation - as 09/30/13	 <u>1,436,824</u>
Net OPEB obligation (asset)- as of 09/30/14	\$ <u><u>1,598,027</u></u>

The end of year net OPEB obligation is shown as a non-current liability on the Government-wide Statement of Net Assets in the Governmental Governmental Activities.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and net OPEB obligation for the current and two preceeding years were as follows:

Year Ended <u>September 30</u>	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 355,729	39.18%	\$ 1,239,418
2013	366,401	46.12%	1,436,824
2014	377,393	57.29%	1,598,027

Funding status and funding progress

The funded status of the City's retiree health care plan, under GASB statement No. 45 as of December 31, 2011, it's most recent actuarial valuation is as follows:

Actuarial accrued liability (AAL)	\$ 3,722,633
Actuarial value of assets	--
Unfunded AAL(UAAL)	\$ 3,722,633
 Funded ratio	 --
 Covered Payroll	 \$ 4,654,360
 UAAL as % of covered payroll	 79.98%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$3,722,633 at December 31, 2011.

Actuarial methods and assumptions

The Projected Unit credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payment are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

CITY OF ROCKPORT, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Actuarial Methods and Assumptions

Measurement date	December 31, 2011
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of payroll
Amortization period	30 years, open
Inflation rate	3.0% per annum
Medical Inflation	8.5% initial rate, 4.5% ultimate rate,
Payroll Growth rate	3% annually

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

N. Commitments and Contingencies

1. Contingencies

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the City at September 30, 2014.

O. Subsequent Events

No events occurred subsequent to September 30, 2014 that require disclosure in the financial statements.

Combining Statements and Budget Comparisons as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

CITY OF ROCKPORT, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Assets:			
Cash and investments	\$ 994,546	\$ 712,356	\$ 1,706,902
Receivables (net of allowances for uncollectibles):			
Other taxes	288,887	--	288,887
Accounts	16,756	48	16,804
Special assessments	735	6,473	7,208
Intergovernmental	115,086	--	115,086
Restricted assets:			
Cash and investments	--	2,491,468	2,491,468
Total Assets	<u>1,416,010</u>	<u>3,210,345</u>	<u>4,626,355</u>
Liabilities:			
Accounts payable	\$ 267,812	\$ --	\$ 267,812
Accrued expenditures	10,818	--	10,818
Due to other funds	159,233	261,441	420,674
Total Liabilities	<u>437,863</u>	<u>261,441</u>	<u>699,304</u>
Deferred Outflows of Resources			
Unavailable special assessments	735	6,473	7,208
Unavailable taxes - Utility Surcharge	16,756	--	16,756
Total Deferred Outflows of Resources	<u>17,491</u>	<u>6,473</u>	<u>23,964</u>
Total Liabilities and Deferred Outflows of Resources	<u>455,354</u>	<u>267,914</u>	<u>723,268</u>
Fund balances:			
Restricted	1,026,319	2,512,025	3,538,344
Committed	(65,663)	1,752	(63,911)
Assigned	--	428,654	428,654
Total fund balances	<u>960,656</u>	<u>2,942,431</u>	<u>3,903,087</u>
Total Liabilities and Fund balances	<u>\$ 1,398,519</u>	<u>\$ 3,203,872</u>	<u>\$ 4,602,391</u>

CITY OF ROCKPORT, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:			
Taxes	\$ 1,041,457	\$ --	\$ 1,041,457
Intergovernmental	586,266	597,294	1,183,560
Fines	44,940	--	44,940
Interest	--	6,423	6,423
Miscellaneous	6,633	--	6,633
Total revenues	<u>1,679,296</u>	<u>603,717</u>	<u>2,283,013</u>
Expenditures:			
Current:			
General government	27,537	21	27,558
Public safety	1,008,758	--	1,008,758
Culture and recreation	50,902	--	50,902
Tourism	640,589	--	640,589
Capital outlay	102,508	731,476	833,984
Debt service:			
Principal	31,694	--	31,694
Interest and fiscal charges	3,924	--	3,924
Total expenditures	<u>1,865,912</u>	<u>731,497</u>	<u>2,597,409</u>
Excess (deficiency) of revenues (under) expenditures	(186,616)	(127,780)	(314,396)
Other financing sources (uses):			
Transfers in	397,643	189,700	587,343
Transfers out	(43,012)	--	(43,012)
Total other financing sources (uses)	<u>354,631</u>	<u>189,700</u>	<u>544,331</u>
Net change in fund balance	168,015	61,920	229,935
Fund balance, beginning of year	792,641	2,880,511	3,673,152
Fund balance, end of year	<u>\$ 960,656</u>	<u>\$ 2,942,431</u>	<u>\$ 3,903,087</u>

CITY OF ROCKPORT, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	Utility Bill Surcharge	Stonegarden Grant	Bay Education Center	Juvenile Case Manager
ASSETS				
Assets:				
Cash and investments	\$ 197,813	\$ --	\$ --	\$ --
Receivables (net of allowances for uncollectibles):				
Other taxes	--	--	--	--
Accounts	16,756	--	--	--
Special assessments	--	--	--	--
Intergovernmental	--	100,500	--	--
Total Assets	<u>214,569</u>	<u>100,500</u>	<u>--</u>	<u>--</u>
Liabilities:				
Accounts payable	\$ 128,992	\$ 5,277	\$ 773	\$ --
Accrued expenditures	--	--	--	--
Due to other funds	--	159,233	--	--
Total Liabilities	<u>128,992</u>	<u>164,510</u>	<u>773</u>	<u>--</u>
Deferred Outflows of Resources				
Unavailable special assessments	--	--	--	--
Unavailable taxes - Utility Surcharge	16,756	--	--	--
Total Deferred Outflows of Resources	<u>16,756</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Deferred Outflows of Resources				
	<u>145,748</u>	<u>164,510</u>	<u>773</u>	<u>--</u>
Fund balances:				
Restricted	68,821	--	--	--
Committed	--	(64,010)	(773)	--
Total fund balances	<u>68,821</u>	<u>(64,010)</u>	<u>(773)</u>	<u>--</u>
Total Liabilities and Fund balances				
	<u>\$ 197,813</u>	<u>\$ 100,500</u>	<u>\$ --</u>	<u>\$ --</u>

EXHIBIT B-3

Page 1 of 2

<u>Contribution Fund</u>	<u>City/County Dispatch Service</u>	<u>Public Access TV</u>	<u>Hotel/Motel Occupancy</u>	<u>Key Allegro Property Impr. District</u>
\$ 2,080	\$ --	\$ 119,092	\$ 525,152	\$ 232
--	--	--	288,887	--
--	--	--	--	--
--	14,586	--	--	735
<u>2,080</u>	<u>14,586</u>	<u>119,092</u>	<u>814,039</u>	<u>967</u>
\$ --	\$ 15,036	\$ --	\$ 99,200	\$ --
--	10,818	--	--	--
--	--	--	--	--
<u>--</u>	<u>25,854</u>	<u>--</u>	<u>99,200</u>	<u>--</u>
--	--	--	--	735
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>735</u>
--	25,854	--	99,200	735
2,080	--	119,092	714,839	232
--	(11,268)	--	--	--
<u>2,080</u>	<u>(11,268)</u>	<u>119,092</u>	<u>714,839</u>	<u>232</u>
<u>\$ 2,080</u>	<u>\$ 14,586</u>	<u>\$ 119,092</u>	<u>\$ 814,039</u>	<u>\$ 232</u>

CITY OF ROCKPORT, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2014

	<u>Border Star Grant</u>	<u>Child Safety</u>
ASSETS		
Assets:		
Cash and investments	\$ 10,388	\$ 2,142
Receivables (net of allowances for uncollectibles):		
Other taxes	--	--
Accounts	--	--
Special assessments	--	--
Intergovernmental	--	--
Total Assets	<u>10,388</u>	<u>2,142</u>
Liabilities:		
Accounts payable	\$ --	\$ 2,142
Accrued expenditures	--	--
Due to other funds	--	--
Total Liabilities	<u>--</u>	<u>2,142</u>
Deferred Outflows of Resources		
Unavailable special assessments	--	--
Unavailable taxes - Utility Surcharge	--	--
Total Deferred Outflows of Resources	<u>--</u>	<u>--</u>
Total Liabilities and Deferred Outflows of Resources	<u>--</u>	<u>2,142</u>
Fund balances:		
Restricted	--	--
Committed	10,388	--
Total fund balances	<u>10,388</u>	<u>--</u>
Total Liabilities and Fund balances	<u>\$ 10,388</u>	<u>\$ 2,142</u>

EXHIBIT B-3

Page 2 of 2

<u>Forfeiture</u>	<u>Municipal Court Security & Tech. Fund</u>	<u>Total Nonmajor Special Revenue Funds (See Exhibit B-1)</u>
\$ 45,886	\$ 91,761	\$ 994,546
--	--	288,887
--	--	16,756
--	--	735
--	--	115,086
<u>45,886</u>	<u>91,761</u>	<u>1,416,010</u>
\$ 16,392	\$ --	\$ 267,812
--	--	10,818
--	--	159,233
<u>16,392</u>	<u>--</u>	<u>437,863</u>
--	--	735
--	--	16,756
<u>--</u>	<u>--</u>	<u>17,491</u>
<u>16,392</u>	<u>--</u>	<u>455,354</u>
29,494	91,761	1,026,319
--	--	(65,663)
<u>29,494</u>	<u>91,761</u>	<u>960,656</u>
<u>\$ 45,886</u>	<u>\$ 91,761</u>	<u>\$ 1,398,519</u>

CITY OF ROCKPORT, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Utility Bill Surcharge	Stonegarden Grant	Bay Education Center	Juvenile Case Manager
Revenue:				
Taxes	\$ 183,580	\$ --	\$ --	\$ --
Intergovernmental	--	306,934	--	--
Fines	--	--	--	7,315
Miscellaneous	--	--	35	--
Total revenues	<u>183,580</u>	<u>306,934</u>	<u>35</u>	<u>7,315</u>
Expenditures:				
Current:				
General government	--	--	--	18,883
Public safety	128,992	277,136	--	--
Culture and recreation	--	--	50,023	--
Tourism	--	--	--	--
Capital outlay	--	102,508	--	--
Debt service:				
Principal	31,694	--	--	--
Interest and fiscal charges	3,924	--	--	--
Total expenditures	<u>164,610</u>	<u>379,644</u>	<u>50,023</u>	<u>18,883</u>
Excess (deficiency) of revenues (under) expenditures	18,970	(72,710)	(49,988)	(11,568)
Other financing sources (uses):				
Transfers in	--	--	50,085	11,568
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>50,085</u>	<u>11,568</u>
Net change in fund balance	18,970	(72,710)	97	--
Fund balance, beginning of year	49,851	8,700	(870)	--
Fund balance, end of year	<u>\$ 68,821</u>	<u>\$ (64,010)</u>	<u>\$ (773)</u>	<u>\$ --</u>

EXHIBIT B-4

Page 1 of 2

Contribution Fund	City/County Dispatch Service	Public Access TV	Hotel/Motel Occupancy	Key Allegro Property Impr. District
\$ --	\$ --	\$ 17,946	\$ 839,931	\$ --
--	279,332	--	--	--
--	--	--	--	--
2,679	3,469	--	450	--
<u>2,679</u>	<u>282,801</u>	<u>17,946</u>	<u>840,381</u>	<u>--</u>
--	--	--	--	--
--	590,259	--	--	--
879	--	--	--	--
--	--	--	640,589	--
--	--	--	--	--
--	--	--	--	--
<u>879</u>	<u>590,259</u>	<u>--</u>	<u>640,589</u>	<u>--</u>
1,800	(307,458)	17,946	199,792	--
--	335,990	--	--	--
--	--	--	(43,012)	--
<u>--</u>	<u>335,990</u>	<u>--</u>	<u>(43,012)</u>	<u>--</u>
1,800	28,532	17,946	156,780	--
280	(39,800)	101,146	558,059	232
<u>\$ 2,080</u>	<u>\$ (11,268)</u>	<u>\$ 119,092</u>	<u>\$ 714,839</u>	<u>\$ 232</u>

CITY OF ROCKPORT, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Border Star Grant	Child Safety
Revenue:		
Taxes	\$ --	\$ --
Intergovernmental	--	--
Fines	--	3,063
Miscellaneous	--	--
Total revenues	<u> --</u>	<u> 3,063</u>
Expenditures:		
Current:		
General government	--	--
Public safety	--	3,088
Culture and recreation	--	--
Tourism	--	--
Capital outlay	--	--
Debt service:		
Principal	--	--
Interest and fiscal charges	--	--
Total expenditures	<u> --</u>	<u> 3,088</u>
Excess (deficiency) of revenues (under) expenditures	--	(25)
Other financing sources (uses):		
Transfers in	--	--
Transfers out	--	--
Total other financing sources (uses)	<u> --</u>	<u> --</u>
Net change in fund balance	--	(25)
Fund balance, beginning of year	10,388	25
Fund balance, end of year	<u>\$ 10,388</u>	<u>\$ --</u>

EXHIBIT B-4

Page 2 of 2

<u>Forfeiture</u>	<u>Municipal Court Security & Tech. Fund</u>	<u>Total Nonmajor Special Revenue Funds (See Exhibit B-2)</u>
\$ --	\$ --	\$ 1,041,457
--	--	586,266
25,253	9,309	44,940
--	--	6,633
<u>25,253</u>	<u>9,309</u>	<u>1,679,296</u>
--	8,654	27,537
9,283	--	1,008,758
--	--	50,902
--	--	640,589
--	--	102,508
--	--	31,694
--	--	3,924
<u>9,283</u>	<u>8,654</u>	<u>1,865,912</u>
15,970	655	(186,616)
--	--	397,643
--	--	(43,012)
<u>--</u>	<u>--</u>	<u>354,631</u>
15,970	655	168,015
13,524	91,106	792,641
<u>\$ 29,494</u>	<u>\$ 91,761</u>	<u>\$ 960,656</u>

CITY OF ROCKPORT, TEXAS
 UTILITY BILL SURCHARGE
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT B-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 167,490	\$ 167,490	\$ 183,580	\$ 16,090
Total revenues	<u>167,490</u>	<u>167,490</u>	<u>183,580</u>	<u>16,090</u>
Expenditures:				
Current:				
Public safety	123,525	123,525	128,992	(5,467)
Debt service:				
Principal	30,661	30,661	31,694	(1,033)
Interest and fiscal charges	4,859	4,859	3,924	935
Total expenditures	<u>159,045</u>	<u>159,045</u>	<u>164,610</u>	<u>(5,565)</u>
Excess (deficiency) of revenues (under) expenditures	8,445	8,445	18,970	10,525
Other financing sources (uses):				
Transfers out	(8,375)	(8,375)	--	8,375
Total other financing sources (uses)	<u>(8,375)</u>	<u>(8,375)</u>	<u>--</u>	<u>(8,375)</u>
Net change in fund balance	70	70	18,970	18,900
Fund balance, beginning of year	49,851	49,851	49,851	--
Fund balance, end of year	<u>\$ 49,921</u>	<u>\$ 49,921</u>	<u>\$ 68,821</u>	<u>\$ 18,900</u>

The accompanying notes are an integral part of this statement.

CITY OF ROCKPORT, TEXAS
 CITY/COUNTY DISPATCH SERVICE
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT B-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Intergovernmental	\$ 253,455	\$ 253,455	\$ 279,332	\$ 25,877
Miscellaneous	--	--	3,469	3,469
Total revenues	<u>253,455</u>	<u>253,455</u>	<u>282,801</u>	<u>29,346</u>
Expenditures:				
Current:				
Public safety	532,856	532,856	590,259	(57,403)
Total expenditures	<u>532,856</u>	<u>532,856</u>	<u>590,259</u>	<u>(57,403)</u>
Excess (deficiency) of revenues (under) expenditures	(279,401)	(279,401)	(307,458)	(28,057)
Other financing sources (uses):				
Transfers in	279,401	279,401	335,990	56,589
Total other financing sources (uses)	<u>279,401</u>	<u>279,401</u>	<u>335,990</u>	<u>(56,589)</u>
Net change in fund balance	--	--	28,532	28,532
Fund balance, beginning of year	(39,800)	(39,800)	(39,800)	--
Fund balance, end of year	<u>\$ (39,800)</u>	<u>\$ (39,800)</u>	<u>\$ (11,268)</u>	<u>\$ 28,532</u>

The accompanying notes are an integral part of this statement.

CITY OF ROCKPORT, TEXAS
HOTEL/MOTEL OCCUPANCY TAX FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT B-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 665,000	\$ 665,000	\$ 839,931	\$ 174,931
Miscellaneous	--	--	450	450
Total revenues	<u>665,000</u>	<u>665,000</u>	<u>840,381</u>	<u>175,381</u>
Expenditures:				
Current:				
Tourism	593,145	593,145	640,589	(47,444)
Total expenditures	<u>593,145</u>	<u>593,145</u>	<u>640,589</u>	<u>(47,444)</u>
Excess (deficiency) of revenues (under) expenditures	71,855	71,855	199,792	127,937
Other financing sources (uses):				
Transfers out	(43,012)	(43,012)	(43,012)	--
Total other financing sources (uses)	<u>(43,012)</u>	<u>(43,012)</u>	<u>(43,012)</u>	<u>--</u>
Net change in fund balance	28,843	28,843	156,780	127,937
Fund balance, beginning of year	431,721	431,721	558,059	126,338
Fund balance, end of year	<u>\$ 460,564</u>	<u>\$ 460,564</u>	<u>\$ 714,839</u>	<u>\$ 254,275</u>

The accompanying notes are an integral part of this statement.

CITY OF ROCKPORT, TEXAS
MUNICIPAL COURT SECURITY & TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT B-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Fines	\$ 16,000	\$ 16,000	\$ 9,309	\$ (6,691)
Total revenues	<u>16,000</u>	<u>16,000</u>	<u>9,309</u>	<u>(6,691)</u>
Expenditures:				
Current:				
General government	1,200	1,200	8,654	(7,454)
Total expenditures	<u>1,200</u>	<u>1,200</u>	<u>8,654</u>	<u>(7,454)</u>
Excess (deficiency) of revenues (under) expenditures	14,800	14,800	655	(14,145)
Other financing sources (uses):				
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balance	14,800	14,800	655	(14,145)
Fund balance, beginning of year	91,106	91,106	91,106	--
Fund balance, end of year	<u>\$ 105,906</u>	<u>\$ 105,906</u>	<u>\$ 91,761</u>	<u>\$ (14,145)</u>

The accompanying notes are an integral part of this statement.

CITY OF ROCKPORT, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT B-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ --	\$ 1,949,033	\$ 1,967,017	\$ 17,984
Interest	--	1,000	551	(449)
Total revenues	<u>--</u>	<u>1,950,033</u>	<u>1,967,568</u>	<u>17,535</u>
Expenditures:				
Current:				
Debt service:				
Principal	--	1,178,656	1,274,138	(95,482)
Interest and fiscal charges	--	797,564	664,781	132,783
Bond issuance cost	--	2,000	106,527	(104,527)
Total expenditures	<u>--</u>	<u>1,978,220</u>	<u>2,045,446</u>	<u>(67,226)</u>
Excess (deficiency) of revenues (under) expenditures	--	(28,187)	(77,878)	(49,691)
Other financing sources (uses):				
Transfers in	--	42,893	43,012	119
Issuance of certificates of obligation	--	--	4,503,642	(4,503,642)
Premium on bonds sold	--	--	563,678	(563,678)
Interest on bonds sold	--	--	6,949	(6,949)
Payment to refunding escrow agent	--	--	(4,962,452)	(4,962,452)
Total other financing sources (uses)	<u>--</u>	<u>42,893</u>	<u>154,829</u>	<u>(111,936)</u>
Net change in fund balance	--	14,706	76,951	62,245
Fund balance, beginning of year	451,153	451,153	451,153	--
Fund balance, end of year	<u>\$ 451,153</u>	<u>\$ 465,859</u>	<u>\$ 528,104</u>	<u>\$ 62,245</u>

The accompanying notes are an integral part of this statement.

CITY OF ROCKPORT, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2014

	<u>Flamingo/ Luau Road Assessment</u>	<u>General Capital Improvement</u>
ASSETS		
Assets:		
Cash and investments	\$ 1,704	\$ 439,541
Receivables (net of allowances for uncollectibles):		
Accounts	48	--
Special assessments	3,911	2,562
Restricted assets:		
Cash and investments	--	--
Total Assets	<u>5,663</u>	<u>442,103</u>
Liabilities:		
Due to other funds	\$ --	\$ 261,441
Total Liabilities	<u>--</u>	<u>261,441</u>
Deferred Outflows of Resources		
Unavailable special assessments	<u>3,911</u>	<u>2,562</u>
Total Deferred Outflows of Resources	<u>3,911</u>	<u>2,562</u>
Total Liabilities and Deferred Outflows of Resources		
	<u>3,911</u>	<u>264,003</u>
Fund balances:		
Restricted	--	--
Committed	1,752	--
Assigned	--	178,100
Total fund balances	<u>1,752</u>	<u>178,100</u>
Total Liabilities and Fund balances		
	<u>\$ 1,752</u>	<u>\$ 439,541</u>

EXHIBIT B-10

<u>Bay Education Center Construction</u>	<u>Vehicle and Equipment Replacement</u>	<u>2005 Certificate of Obligation</u>	<u>Total Nonmajor Capital Projects Funds (See Exhibit B-1)</u>
\$ 20,557	\$ 250,554	\$ --	\$ 712,356
--	--	--	48
--	--	--	6,473
--	--	2,491,468	2,491,468
<u>20,557</u>	<u>250,554</u>	<u>2,491,468</u>	<u>3,210,345</u>
\$ --	\$ --	\$ --	\$ 261,441
--	--	--	261,441
--	--	--	6,473
--	--	--	6,473
--	--	--	267,914
20,557	--	2,491,468	2,512,025
--	--	--	1,752
--	250,554	--	428,654
<u>20,557</u>	<u>250,554</u>	<u>2,491,468</u>	<u>2,942,431</u>
<u>\$ 20,557</u>	<u>\$ 250,554</u>	<u>\$ 2,491,468</u>	<u>\$ 3,203,872</u>

CITY OF ROCKPORT, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Flamingo/ Luau Road Assessment	General Capital Improvement
Revenue:		
Intergovernmental	\$ --	\$ 597,294
Interest	--	--
Total revenues	<u> --</u>	<u> 597,294</u>
Expenditures:		
Current:		
General government	21	--
Capital outlay	--	583,461
Total expenditures	<u> 21</u>	<u> 583,461</u>
Excess (deficiency) of revenues (under) expenditures	(21)	13,833
Other financing sources (uses):		
Transfers in	--	--
Total other financing sources (uses)	<u> --</u>	<u> --</u>
Net change in fund balance	(21)	13,833
Fund balance, beginning of year	1,773	164,267
Fund balance, end of year	<u>\$ 1,752</u>	<u>\$ 178,100</u>

EXHIBIT B-11

Bay Education Center Construction	Vehicle and Equipment Replacement	2005 Certificate of Obligation	Total Nonmajor Capital Projects Funds (See Exhibit B-2)
\$ --	\$ --	\$ --	\$ 597,294
--	187	6,236	6,423
<u> </u>	<u> </u>	<u> </u>	<u> </u>
--	187	6,236	603,717
--	--	--	21
--	148,015	--	731,476
<u> </u>	<u> </u>	<u> </u>	<u> </u>
--	148,015	--	731,497
--	(147,828)	6,236	(127,780)
--	189,700	--	189,700
<u> </u>	<u> </u>	<u> </u>	<u> </u>
--	189,700	--	189,700
--	41,872	6,236	61,920
20,557	208,682	2,485,232	2,880,511
<u> </u>	<u> </u>	<u> </u>	<u> </u>
\$ 20,557	\$ 250,554	\$ 2,491,468	\$ 2,942,431

CITY OF ROCKPORT, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2014

	Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise
	Sanitation Fund	Community Aquatic Center	Funds (See Exhibit A-8)
ASSETS			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 248,236	\$ 1,974	\$ 250,210
Receivables (net of allowances for uncollectibles):			
Accounts	204,562	214	204,776
Total current assets	<u>452,798</u>	<u>2,188</u>	<u>454,986</u>
Noncurrent assets:			
Capital assets:			
Land	--	104,300	104,300
Improvements other than buildings	--	1,944,240	1,944,240
Machinery and equipment	--	19,689	19,689
Accumulated depreciation	--	(853,487)	(853,487)
Total noncurrent assets	<u>--</u>	<u>1,214,742</u>	<u>1,214,742</u>
Total Assets	<u>452,798</u>	<u>1,216,930</u>	<u>1,669,728</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 422,311	\$ 5,186	\$ 427,497
Accrued expenses	--	1,935	1,935
Due to other funds	--	356	356
Customer deposits	--	698	698
Total current liabilities	<u>422,311</u>	<u>8,175</u>	<u>430,486</u>
Noncurrent liabilities:			
Total liabilities	<u>422,311</u>	<u>8,175</u>	<u>430,486</u>
NET ASSETS:			
Investment in Capital Assets, Net of Related Debt	--	--	--
Unrestricted Net Assets	30,487	(131,296)	(100,809)
Total Net Assets	<u>\$ 30,487</u>	<u>\$ 1,208,755</u>	<u>\$ 1,239,242</u>

CITY OF ROCKPORT, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit A-9)
	Sanitation Fund	Community Aquatic Center	
OPERATING REVENUES:			
Charges for services	\$ 16,994	\$ 165,231	\$ 182,225
Total Operating Revenues	<u>16,994</u>	<u>165,231</u>	<u>182,225</u>
OPERATING EXPENSES:			
Personal services	--	173,743	173,743
Contractual services	--	26,471	26,471
Maintenance	--	27,418	27,418
Supplies	--	102,593	102,593
Other	--	1,384	1,384
Depreciation	--	66,066	66,066
Total Operating Expenses	<u>--</u>	<u>397,675</u>	<u>397,675</u>
Operating Income (Loss)	<u>16,994</u>	<u>(232,444)</u>	<u>(215,450)</u>
NON-OPERATING REVENUES (EXPENSES):			
Intergovernmental revenue	<u>--</u>	<u>40,750</u>	<u>40,750</u>
Total Non-operating Revenues (Expenses)	<u>--</u>	<u>40,750</u>	<u>40,750</u>
Net Income (Loss) before Operating Transfers	<u>16,994</u>	<u>(191,694)</u>	<u>(174,700)</u>
TRANSFERS:			
Interfund transfers in	--	132,155	132,155
Interfund transfers out	--	--	--
Change in Net Assets	<u>16,994</u>	<u>(59,539)</u>	<u>(42,545)</u>
Net Assets, beginning of year	13,493	1,268,294	1,281,787
Net Assets, end of year	<u>\$ 30,487</u>	<u>\$ 1,208,755</u>	<u>\$ 1,239,242</u>

EXHIBIT B-14

CITY OF ROCKPORT, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Sanitation Fund	Community Aquatic Center	Total Nonmajor Enterprise Funds (See Exhibit A-10)
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 16,994	\$ 165,231	\$ 182,225
Cash Receipts (Payments) for Operating Transactions with Other Funds	--	--	--
Cash Payments to Employees	--	(173,643)	(173,643)
Cash Payments to Suppliers for Goods and Services	(15,342)	(156,172)	(171,514)
Net Cash Provided (Used) by Operating Activities	<u>1,652</u>	<u>(164,584)</u>	<u>(162,932)</u>
Cash Flows from Non-capital Financing Activities:			
Operating Grants Received	--	40,750	40,750
Transfers From Other Funds	--	132,155	132,155
Transfers To Other Funds	--	--	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</u>	<u>172,905</u>	<u>172,905</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from sale of assets	--	--	--
Purchase of equipment	--	(6,597)	(6,597)
Net Cash Provided by Capital & Related Financing Activities	<u>--</u>	<u>(6,597)</u>	<u>(6,597)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,652	1,724	3,376
Cash and Cash Equivalents at Beginning of Year	246,584	250	246,834
Cash and Cash Equivalents at End of Year	<u>\$ 248,236</u>	<u>\$ 1,974</u>	<u>\$ 250,210</u>

Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ 16,994	\$ (232,344)	\$ (215,350)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	--	66,066	66,066
Change in Assets and Liabilities:			
Decrease (Increase) in Receivables	(21,546)	--	(21,546)
Increase (Decrease) in Accounts Payable	6,204	1,775	7,979
Increase (Decrease) in Interfund Payables	--	356	356
Increase (Decrease) in Customer Deposits	--	--	--
Increase (Decrease) in Accrued Expenses	--	(437)	(437)
Total Adjustments	<u>(15,342)</u>	<u>67,760</u>	<u>52,418</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,652</u>	<u>\$ (164,584)</u>	<u>\$ (162,932)</u>

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

Michael A. Arnold, PLLC

501 E. MARKET
P.O. BOX 1266
ROCKPORT, TEXAS 78381-1266

CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

City Council
City of Rockport, Texas
622 E. Market
Rockport, Texas 78382

Members of the City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Rockport, Texas's basic financial statements and have issued our report dated February 18, 2015

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

City of Rockport, Texas's Response to Findings

City of Rockport, Texas's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Rockport, Texas's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,



Michael A. Arnold, PLLC

Rockport, TX
February 18, 2015

Michael A. Arnold, PLLC

501 E. MARKET
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ROCKPORT, TEXAS 78381-1266

CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

City Council
City of Rockport, Texas
622 E. Market
Rockport, Texas 78382

Members of the City Council:

Report on Compliance for Each Major Federal Program

We have audited City of Rockport, Texas's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Rockport, Texas's major federal programs. City of Rockport, Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Rockport, Texas's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Rockport, Texas's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, City of Rockport, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Report on Internal Control Over Compliance

Management of City of Rockport, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Rockport, Texas's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Rockport, Texas's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Michael A. Arnold, PLLC

Rockport, TX
February 18, 2015

CITY OF ROCKPORT, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14	Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

CITY OF ROCKPORT, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
-------------------------------	-----------------------	--

NONE

CITY OF ROCKPORT, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2014

N/A

CITY OF ROCKPORT, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Passed Through Aransas County, Texas:			
Operation Stonegarden(OPSG)	97.067	--	\$ 306,905
Total U.S. DEPARTMENT OF HOMELAND SECURITY			<u>306,905</u>
<u>U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>			
Passed Through Texas General Land Office:			
Community Development Block Grant *	14.228	--	378,056
Passed Through Texas Department of Housing and Community Affairs:			
Home Investment Partnership Program	14.239	--	267,998
Total U. S. Department of Housing & Urban Development			<u>646,054</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 952,959</u></u>

* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

CITY OF ROCKPORT, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Rockport, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

STATISTICAL SECTION

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

Contents	Page
<p>Financial Trends</p> <p style="padding-left: 40px;">These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	79
<p>Revenue Capacity</p> <p style="padding-left: 40px;">These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.</p>	83
<p>Debt Capacity</p> <p style="padding-left: 40px;">These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</p>	86
<p>Demographic and Economic Information</p> <p style="padding-left: 40px;">These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time and with other governments.</p>	95
<p>Operating Information</p> <p style="padding-left: 40px;">These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.</p>	96

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

City of Rockport, Texas
Comprehensive Annual Financial Report
For The Year Ended September 30, 2014

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CITY OF ROCKPORT, TEXAS
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

TABLE D-1

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013
Governmental Activities										
Invested in Capital Assets,										
Net of Related Debt	\$ 2,540,929	\$ 993,534	\$ 2,337,041	\$ 3,524,435	\$ 4,913,873	\$ 6,821,463	\$ 7,539,674	\$ 9,313,304	\$ 12,137,914	\$ 13,739,958
Restricted	507,082	403,643	565,763	397,985	414,299	247,272	407,389	408,684	451,153	591,101
Unrestricted	1,225,603	3,811,482	3,960,640	4,483,176	4,486,555	4,202,634	3,373,599	2,444,508	1,154,271	1,325,309
Total Governmental	\$ 4,273,614	\$ 5,208,659	\$ 6,863,444	\$ 8,405,596	\$ 9,814,727	\$ 11,271,369	\$ 11,320,662	\$ 12,166,496	\$ 13,743,338	\$ 15,656,368
Business-type Activities										
Invested in Capital Assets,										
Net of Related Debt	\$ 13,301,770	\$ 13,861,718	\$ 14,728,064	\$ 14,887,246	\$ 15,244,499	\$ 16,563,623	\$ 17,287,725	\$ 17,967,353	\$ 16,147,439	\$ 22,172,890
Restricted	692,600	187,425	195,144	197,798	186,750	185,349	184,655	183,991	183,366	182,073
Unrestricted	4,078,290	5,103,927	5,397,009	6,135,437	5,598,373	4,709,276	5,245,674	4,377,731	6,761,292	1,840,523
Total Business-type	\$ 18,072,660	\$ 19,153,070	\$ 20,320,217	\$ 21,220,481	\$ 21,029,622	\$ 21,457,248	\$ 22,718,054	\$ 22,529,075	\$ 23,092,097	\$ 24,195,486
Primary Government										
Invested in Capital Assets,										
Net of Related Debt	\$ 15,842,699	\$ 14,855,252	\$ 17,065,105	\$ 18,411,681	\$ 20,158,372	\$ 23,385,086	\$ 24,827,399	\$ 27,280,657	\$ 28,285,353	\$ 35,912,848
Restricted	1,199,682	591,068	760,907	595,783	601,049	532,621	592,044	592,675	634,519	773,174
Unrestricted	5,303,893	8,915,409	9,357,649	10,618,613	10,084,928	8,910,910	8,619,273	6,822,239	7,915,563	3,165,832
Total Primary	\$ 22,346,274	\$ 24,361,729	\$ 27,183,661	\$ 29,626,077	\$ 30,844,349	\$ 32,828,617	\$ 34,038,716	\$ 34,695,571	\$ 36,835,435	\$ 39,851,854

TABLE D-2

CITY OF ROCKPORT, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013	
Expenses											
Governmental Activities:											
General Government	\$ 963,466	\$ 932,925	\$ 971,839	\$ 1,055,722	\$ 1,279,701	\$ 1,596,874	\$ 1,646,376	\$ 1,615,599	\$ 1,534,488	\$ 1,464,770	
Public Safety	2,290,626	2,388,337	2,419,601	2,722,740	2,997,967	3,107,677	3,439,538	3,531,426	3,390,096	4,035,843	
Public Works	1,206,618	1,568,715	1,462,111	1,612,377	1,698,485	1,802,657	1,528,189	1,563,014	1,563,687	1,576,188	
Culture and Recreation	305,057	383,127	373,979	456,641	494,513	542,142	734,248	788,105	914,460	961,048	
Tourism	303,839	510,202	483,780	505,658	522,996	480,483	476,810	484,438	536,505	640,589	
Environmental	--	--	--	--	--	--	--	55,129	--	--	
Interest and Fiscal Charges	327,688	542,165	582,858	1,157,502	1,126,044	1,060,140	999,535	996,263	908,935	755,689	
Total Governmental Activities Expenses	\$ 5,397,294	\$ 6,325,471	\$ 6,294,168	\$ 7,510,640	\$ 8,109,706	\$ 8,529,973	\$ 8,824,696	\$ 9,013,974	\$ 8,848,171	\$ 9,434,127	
Business-type Activities											
Sanitation	--	--	--	--	--	--	--	--	--	--	
Water & Sewer	5,155,035	5,667,236	5,446,484	6,677,635	8,498,469	6,572,267	7,636,247	7,589,175	7,840,317	7,672,619	
Beach Park	460,107	487,793	547,752	635,462	669,691	690,646	682,288	315,789	--	--	
Community Aquatic Center	270,039	295,534	294,325	299,539	373,948	307,583	306,478	314,698	333,267	397,675	
Natural Gas System*	--	--	--	--	--	1,620,119	1,415,532	1,163,782	1,256,075	1,844,475	
Total Business-type Activities Expenses	\$ 5,885,181	\$ 6,440,563	\$ 6,288,561	\$ 7,612,636	\$ 9,542,098	\$ 9,150,615	\$ 10,020,545	\$ 9,383,444	\$ 9,429,659	\$ 9,914,789	
Total Primary Government Expenses	\$ 11,282,475	\$ 12,766,034	\$ 12,582,729	\$ 15,123,276	\$ 17,651,804	\$ 17,680,588	\$ 18,845,241	\$ 18,397,418	\$ 18,277,830	\$ 19,348,895	
Program Revenues											
Governmental Activities:											
Charges for Services:											
General Government	\$ 74,568	\$ 12,532	\$ 47,079	\$ 15,663	\$ 23,970	\$ 17,051	\$ 17,953	\$ 18,267	\$ 13,289	\$ 16,624	
Public Safety	393,625	436,159	496,827	487,146	500,843	536,995	507,255	494,629	393,782	727,069	
Public Works	356,756	236,243	231,245	257,689	138,906	157,742	177,694	182,964	215,265	242,798	
Culture and Recreation	--	3,293	1,191	38,376	--	28,916	948	19,687	--	--	
Tourism	--	--	--	--	--	--	--	--	--	--	
Interest and Fiscal Charges	--	--	--	--	--	--	--	--	--	--	
Operating Grants and Contributions	500,796	330,102	309,457	312,468	304,545	521,842	575,942	455,997	366,214	234,191	
Capital Grants and Contributions	--	--	20,000	--	384,894	1,111,885	79,300	634,417	739,309	699,802	
Total Governmental Program Revenues	\$ 1,325,745	\$ 1,018,329	\$ 1,105,799	\$ 1,111,362	\$ 1,353,058	\$ 2,374,431	\$ 1,359,092	\$ 1,805,981	\$ 1,727,839	\$ 1,920,484	
Business-type Activities:											
Charges for Services:											
Sanitation	12,016	10,942	12,133	13,967	14,183	17,267	17,039	14,873	16,686	16,994	
Water & Sewer	6,524,568	6,803,901	6,552,677	7,824,558	9,561,756	7,354,531	8,377,063	8,455,811	8,907,527	9,219,874	
Beach Park	250,333	316,482	317,321	355,287	404,937	381,096	425,924	128,376	--	--	
Community Aquatic Center	99,239	117,835	99,906	89,073	97,404	109,049	114,642	138,830	133,706	165,231	
Natural Gas System*	--	--	--	--	--	1,965,945	1,725,602	1,449,133	1,740,465	2,389,044	
Operating Grants and Contributions	99,362	122,568	105,583	129,750	106,750	118,583	183,750	62,000	42,000	51,250	
Capital Grants and Contributions	138,457	--	287,350	322,574	6,081	22,000	267,941	3,500	256,450	--	
Total Business-type Program Revenues	\$ 7,123,975	\$ 7,371,728	\$ 7,374,970	\$ 8,735,209	\$ 10,193,111	\$ 9,988,471	\$ 11,111,961	\$ 10,252,523	\$ 11,096,834	\$ 11,842,393	
Total Primary Government Program Revenues	\$ 8,449,720	\$ 8,390,057	\$ 8,480,769	\$ 9,846,571	\$ 11,546,169	\$ 12,342,902	\$ 12,471,053	\$ 12,068,504	\$ 12,824,673	\$ 13,762,877	
Net (Expense)/Revenue											
Governmental Activities	\$ (4,071,549)	\$ (5,307,142)	\$ (5,188,369)	\$ (6,399,278)	\$ (6,756,648)	\$ (6,155,542)	\$ (7,465,604)	\$ (7,207,993)	\$ (7,120,332)	\$ (7,513,643)	
Business-type Activities	1,238,794	931,165	1,086,409	1,122,573	651,013	817,856	1,091,416	869,079	1,667,175	1,927,624	
Total Primary Government Net Expense	\$ (2,832,755)	\$ (4,375,977)	\$ (4,101,960)	\$ (5,276,705)	\$ (6,105,635)	\$ (5,337,686)	\$ (6,374,188)	\$ (6,338,914)	\$ (5,453,157)	\$ (5,586,019)	

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

* The City acquired a natural gas system in 2009. For 2009, operations were accounted for in the Water and Sewer Utility Fund. In 2010, the Natural Gas system was accounted for in a separate fund.

CITY OF ROCKPORT, TEXAS
GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

TABLE D-3

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental Activities	\$ (4,071,546)\$	(5,307,142)\$	(5,188,369)\$	(6,399,278)\$	(6,756,648)\$	(6,155,542)\$	(7,465,604)\$	(7,207,993)\$	(7,120,332)\$	(7,513,643)
Business-type Activities	1,232,794	931,165	1,086,409	1,123,573	651,013	817,856	1,091,416	869,079	1,667,175	1,927,624
Total Primary Government Net Expense	\$ (2,838,752)\$	(4,375,977)\$	(4,101,960)\$	(5,275,705)\$	(6,105,635)\$	(5,337,686)\$	(6,374,188)\$	(6,338,914)\$	(5,453,157)\$	(5,586,019)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes	\$ 2,194,213 \$	2,455,897 \$	2,793,748 \$	3,471,324 \$	3,876,478 \$	3,996,835 \$	4,024,879 \$	4,159,989 \$	4,379,318 \$	4,546,433
Franchise Taxes and other taxes	585,662	692,098	746,414	776,959	836,640	789,168	807,931	795,072	860,734	803,439
Sales Taxes	1,624,226	1,718,155	1,714,042	1,842,730	1,726,846	1,737,376	1,799,286	1,929,948	2,051,342	2,231,798
Occupancy Taxes	503,819	514,322	533,215	540,624	467,038	477,688	647,278	662,330	698,934	839,931
Unrestricted Grants and Contributions	--	--	--	--	--	--	--	--	--	--
Investment Earnings	136,628	472,166	649,602	702,769	297,450	122,596	50,110	31,763	48,287	73,953
Miscellaneous	71,348	97,718	61,002	46,437	53,059	53,633	59,003	78,699	54,618	42,240
Transfers	385,757	292,131	345,131	560,587	908,268	534,898	26,410	616,350	849,138	904,232
Total Governmental Activities	\$ 5,501,653 \$	6,242,187 \$	6,843,154 \$	7,941,430 \$	8,165,779 \$	7,712,184 \$	7,414,837 \$	8,274,151 \$	8,942,371 \$	9,442,026
Business-type Activities:										
Investment Earnings	141,580	441,376	425,869	337,278	66,396	72,781	46,943	21,108	16,076	11,848
Miscellaneous	--	--	--	--	--	71,877	--	--	--	--
Gain(Loss) on asset disposition	--	--	--	--	--	--	--	(462,816)	--	--
Transfers	(385,757)	(292,131)	(345,131)	(560,587)	(908,268)	(534,898)	(26,410)	(616,350)	(849,138)	(896,081)
Total Business-type Activities	(244,177)	149,245	80,738	(223,309)	(841,872)	(390,230)	20,533	(1,058,058)	(833,062)	(824,233)
Total Primary Government	\$ 5,257,476 \$	6,391,432 \$	6,923,892 \$	7,718,121 \$	7,323,907 \$	7,321,954 \$	7,435,430 \$	7,216,093 \$	8,109,309 \$	8,617,793
Change in Net Assets										
Governmental Activities	\$ 1,430,107 \$	935,045 \$	1,654,785 \$	1,542,152 \$	1,409,131 \$	1,556,642 \$	(50,707)\$	1,066,158 \$	1,822,039 \$	1,928,383
Business-type Activities	988,617	1,080,410	1,167,147	900,264	(190,859)	427,626	1,111,949	(188,979)	834,113	1,103,391
Total Primary Government	\$ 2,418,724 \$	2,015,455 \$	2,821,932 \$	2,442,416 \$	1,218,272 \$	1,984,268 \$	1,061,242 \$	877,179 \$	2,656,152 \$	3,031,774

TABLE D-4

CITY OF ROCKPORT, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable	\$ 117,786	\$ 78,368	\$ 79,030	\$ 92,008	\$ 56,886	\$ 43,857	\$ 56,427	\$ 31,221	\$ 27,250	\$ 58,047
Unassigned	3,309,348	3,319,856	3,646,678	4,072,410	4,391,591	4,383,516	3,534,604	3,099,834	2,821,064	3,011,065
Total General Fund	\$ 3,427,134	\$ 3,398,224	\$ 3,725,708	\$ 4,164,418	\$ 4,448,477	\$ 4,427,373	\$ 3,591,031	\$ 3,131,055	\$ 2,848,314	\$ 3,069,112
All Other Governmental Funds										
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Restricted	1,567,703	7,117,806	20,585,720	17,895,405	11,230,229	9,916,340	9,523,625	9,234,662	9,429,485	8,495,513
Committed	(27,738)	(36,713)	(56,515)	(797,786)	(98,853)	(67,922)	(134,170)	(253,917)	(28,713)	(63,911)
Assigned	--	--	--	--	142,974	235,527	333,670	217,194	372,949	428,654
Total All Other Governmental Funds	\$ 1,539,965	\$ 7,081,093	\$ 20,529,205	\$ 17,097,619	\$ 11,274,350	\$ 10,083,945	\$ 9,723,125	\$ 9,197,939	\$ 9,773,721	\$ 8,860,256

CITY OF ROCKPORT, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

TABLE D-5

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 5,037,361	\$ 5,459,894	\$ 5,927,580	\$ 6,759,146	\$ 7,014,990	\$ 7,160,823	\$ 7,440,695	\$ 7,718,487	\$ 8,174,665	\$ 8,602,188
Licenses, Fees and Permits	162,694	169,497	179,770	179,454	127,810	157,742	177,694	182,984	201,950	218,504
Intergovernmental	500,796	330,102	307,960	312,468	689,439	1,633,727	655,242	1,090,414	1,113,479	1,312,278
Charges for Services	62,530	21,976	33,342	116,431	19,265	28,916	948	19,687	13,315	24,294
Fines	270,303	302,134	359,838	349,821	361,139	393,378	329,567	333,335	215,253	254,785
Investment Earnings	136,628	492,582	553,544	702,769	297,450	79,650	42,175	31,763	35,878	35,291
Special Assessments	12,777	4,455	4,602	3,489	711	--	--	--	--	--
Other Revenues	264,486	145,207	133,476	46,437	53,059	53,633	59,003	78,699	54,618	99,294
Total Revenues	<u>6,447,575</u>	<u>6,935,847</u>	<u>7,500,112</u>	<u>8,470,015</u>	<u>8,563,863</u>	<u>9,507,869</u>	<u>8,705,324</u>	<u>9,455,369</u>	<u>9,809,158</u>	<u>10,546,634</u>
Expenditures										
General Government	881,978	908,290	934,602	1,045,219	1,137,890	1,158,179	1,274,439	1,345,717	1,289,805	1,345,263
Public Safety	2,146,537	2,229,055	2,256,783	2,534,311	2,684,287	2,914,167	3,234,665	3,287,236	3,144,331	3,724,061
Public Works	1,126,343	1,473,824	1,327,317	1,454,671	1,410,462	1,600,542	1,321,318	1,257,527	1,196,966	1,176,409
Culture and Recreation	277,234	341,482	329,821	408,354	398,058	453,479	631,897	659,021	763,424	814,379
Tourism	303,839	510,202	483,780	505,658	522,996	480,483	476,810	464,438	536,505	640,589
Environmental	--	--	--	--	--	--	--	55,129	--	--
Capital Outlay	1,175,909	1,042,111	2,004,996	3,340,589	8,084,491	2,765,131	1,019,504	1,905,975	1,406,620	2,342,359
Debt Service	--	--	--	--	--	--	--	--	--	--
Interest and bond costs	341,219	476,053	438,512	495,322	666,283	864,399	1,018,895	1,095,667	916,926	775,232
Principal	352,911	516,672	495,085	1,159,854	1,135,664	1,127,741	1,007,674	987,971	1,212,065	1,305,832
Total Expenditures	<u>6,605,970</u>	<u>7,497,689</u>	<u>8,270,896</u>	<u>10,943,978</u>	<u>16,040,131</u>	<u>11,364,121</u>	<u>9,985,202</u>	<u>11,058,661</u>	<u>10,466,642</u>	<u>12,124,124</u>
Excess of Revenues	(158,395)	(561,842)	(770,784)	(2,473,963)	(7,476,268)	(1,856,252)	(1,279,878)	(1,603,312)	(657,484)	(1,577,490)
Over (Under) Expenditures	--	5,902,724	14,420,203	--	--	2,258,397	1,524,701	--	4,295,369	5,074,269
Other Financing Sources (Uses)										
Bonds Issued	--	--	--	--	--	--	--	--	--	--
Capital Leases	--	--	--	--	--	(2,155,327)	(1,475,220)	--	(4,195,782)	(4,962,452)
Payments to Escrow Agent	--	--	--	--	--	--	--	--	--	--
Bond issue costs	--	(120,795)	(218,954)	(10,000)	--	--	--	--	--	--
Transfers In	762,945	962,140	923,114	1,089,136	1,796,614	1,609,671	1,566,570	1,596,511	1,687,402	1,567,448
Transfers Out	(377,188)	(425,421)	(577,983)	(528,549)	(896,296)	(1,067,958)	(1,533,335)	(978,361)	(836,464)	(794,442)
Total Other Financing Sources (Uses)	<u>385,757</u>	<u>6,318,648</u>	<u>14,546,380</u>	<u>550,587</u>	<u>900,318</u>	<u>644,783</u>	<u>82,716</u>	<u>618,150</u>	<u>950,525</u>	<u>884,823</u>
Net Change in Fund Balances	<u>\$ 227,362</u>	<u>\$ 5,756,806</u>	<u>\$ 13,775,596</u>	<u>\$ (1,923,376)</u>	<u>\$ (6,575,950)</u>	<u>\$ (1,211,469)</u>	<u>\$ (1,197,162)</u>	<u>\$ (985,162)</u>	<u>\$ 293,041</u>	<u>\$ (692,667)</u>
Debt Service As A Percentage Of Noncapital Expenditures	12.8%	15.4%	14.9%	21.8%	22.6%	23.2%	22.6%	22.8%	23.5%	21.3%

TABLE D-6

CITY OF ROCKPORT, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

Fiscal Year	Property Tax	Sales & Use Tax	Franchise Tax	Occupancy Tax	Other Taxes	Total
2005	\$ 2,190,191	\$ 1,624,228	\$ 560,227	\$ 503,819	\$ 158,898	\$ 5,037,363
2006	2,451,332	1,718,155	657,696	472,166	170,545	5,469,894
2007	2,793,123	1,714,042	712,156	533,215	175,044	5,927,580
2008	3,455,073	1,842,730	753,400	540,624	164,319	6,756,146
2009	3,837,024	1,726,846	803,466	467,038	180,616	7,014,990
2010	3,996,528	1,737,375	731,583	477,688	217,649	7,160,823
2011	4,011,625	1,799,286	801,629	647,278	180,877	7,440,695
2012	4,152,465	1,929,948	795,072	662,330	178,672	7,718,487
2013	4,380,000	2,051,342	844,466	698,934	199,923	8,174,665
2013	4,453,504	2,231,798	803,439	839,931 **	199,923	8,602,188
Percent Change 2005-2014	103.3%	37.4%	43.4%	66.7%	25.8%	70.8%

CITY OF ROCKPORT, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
UNAUDITED

TABLE D-7

Fiscal Year	Roll Year	Real Property				Personal Property			Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
		Residential Property	Commercial and Industrial Property	Rural-Underdev. Property	Business	Other	Business	Other					
2005	2004	\$ *	\$	\$	\$	\$	\$	\$	\$ 850,188,337	0.2557	\$ 850,188,337	100.0000%	
2006	2005	*							955,490,048	0.2549	955,490,048	100.0000%	
2007	2006	*							1,144,148,087	0.2443	1,144,148,087	100.0000%	
2008	2007	1,136,460,421	152,848,104	12,948,250	45,556,584	5,743,745		(65,552,301)	1,288,004,803	0.2790	1,288,004,803	100.0000%	
2009	2008	1,184,302,272	163,509,633	13,764,610	44,527,321	6,071,625		(50,471,909)	1,361,703,552	0.2990	1,361,703,552	100.0000%	
2010	2009	1,208,687,146	169,416,739	12,804,120	44,808,234	5,722,815		(41,194,373)	1,400,244,681	0.2987	1,400,244,681	100.0000%	
2011	2010	1,397,619,312	163,711,921	12,819,730	43,894,297	5,006,615		(35,648,632)	1,587,403,243	0.3100	1,587,403,243	100.0000%	
2012	2011	1,207,519,961	176,446,050	13,221,090	38,887,032	7,882,595		(35,090,371)	1,408,866,357	0.3089	1,408,866,357	100.0000%	
2013	2012	1,209,214,142	175,017,442	13,164,960	40,033,361	8,259,105		(34,395,054)	1,411,293,956	0.3258	1,411,293,956	100.0000%	
2014	2,013	1,227,156,427	177,726,064	13,413,250	44,619,583	8,310,645		(36,338,354)	1,434,887,615	0.3277	1,434,887,615	100.0000%	

Source: Aransas County Appraisal District
 * Information is not available

CITY OF ROCKPORT, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
UNAUDITED

TABLE D-8

Fiscal Year	City Direct Rates			Overlapping Rates		
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Aransas County	Aransas County Navigation District	Aransas County ISD
2005	\$ 0.1949	\$ 0.0608	\$ 0.2557	\$ 0.3387	\$ 0.0499	\$ 1.5173
2006	0.1808	0.0741	0.2549	0.3241	0.0499	1.5184
2007	0.1629	0.0814	0.2443	0.2784	0.0398	1.3963
2008	0.1605	0.1185	0.2790	0.2632	0.0545	1.0849
2009	0.1683	0.1307	0.2990	0.3049	0.0524	1.0849
2010	0.1651	0.1335	0.2987	0.3397	0.0547	1.0949
2011	0.1573	0.1527	0.3100	0.3598	0.0547	1.0917
2012	0.1583	0.1506	0.3089	0.3703	0.0558	1.1324
2013	0.1725	0.1533	0.3258	0.3811	0.0558	1.1594
2014	0.1851	0.1426	0.3277	0.3753	0.0551	1.1605

Source: Aransas County Tax Assessor

CITY OF ROCKPORT, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

TABLE D-9

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Oaks at Bentwater, LP	\$ 7,663,740	1	0.5338%	\$ --	--	--
Wal-Mart Real Estate Bus Tr	7,132,010	2	0.4967%	--	--	--
Rockport Harborfront, LP	6,954,274	3	0.4844%	4,974,642	2	0.5852%
H E Butt Grocery	6,457,480	4	0.4498%	9,301,259	1	1.0942%
C H Marina and Drystack LP	5,725,958	5	0.3988%	--	--	--
Lokseva, Inc	5,513,770	6	0.3840%	--	--	--
Wal-Mart Stores East #440	5,378,973	7	0.3746%	2,538,004	7	0.2986%
Heritage Hotels Rockport LP	4,665,180	8	0.3249%	3,329,770	4	0.3917%
AEP Texas Central Comp	4,498,050	9	0.3133%	3,501,660	3	0.4119%
J&S Lagoons RV LLC	3,585,575	10	0.2497%	--	--	--
Southwestern Bell Telephone	--	--	--	2,975,860	5	0.3501%
Bracht Lumber Co., Inc.	--	--	--	2,649,261	6	0.3117%
Rockbay Properties LTD	--	--	--	2,509,850	8	0.2953%
Sea Mist, LTD	--	--	--	2,402,440	9	0.2826%
White Marlin of Rockport LP	--	--	--	2,301,300	10	0.2707%
Total	\$ 57,575,010		4.0101%	\$ 36,484,046		4.2920%

Source: Aransas County Appraisal District

TABLE D-10

CITY OF ROCKPORT, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
	Amount	Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 2,173,619	\$ 2,136,929	98.31%	\$ 30,745	\$ 2,167,674	99.73%
2006	2,432,166	2,392,879	98.38%	32,291	2,425,170	99.71%
2007	2,771,764	2,729,705	98.48%	33,885	2,763,590	99.71%
2008	3,444,641	3,392,957	98.50%	42,846	3,435,803	99.74%
2009	3,842,178	3,771,806	98.17%	56,105	3,827,911	99.63%
2010	3,947,447	3,866,254	97.94%	61,711	3,927,965	99.51%
2011	3,999,750	3,928,989	98.23%	49,530	3,978,519	99.47%
2012	4,113,275	4,047,717	98.41%	40,709	4,088,426	99.40%
2013	4,334,917	4,274,298	98.60%	28,351	4,302,649	99.26%
2014	4,446,634	4,385,623	98.63%			

Sources: Aransas County Appraisal District and Aransas County Tax Collector.

CITY OF ROCKPORT, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED)

TABLE D-11

Fiscal Year	Governmental Activities		Business-types Activities		Total Primary Government	Percent of Personal Income	Per Capita
	General Bonded Debt	Capital Leases	Revenue Bonds	General Bonded Debt			
2005	\$ 4,806,458	\$ 1,552,000	\$ 1,725,000	\$ 3,448,543	\$ 11,532,001	--	\$ 1,362
2006	10,163,405	1,495,000	1,600,000	7,281,596	20,540,001	9.11%	2,272
2007	23,883,894	1,436,000	1,470,000	9,731,107	36,521,001	14.33%	4,039
2008	23,449,572	1,375,000	1,335,000	9,245,429	35,405,001	13.66%	3,756
2009	22,846,289	1,312,000	1,190,000	8,933,712	34,282,001	10.40%	3,495
2010	22,061,354	1,247,000	--	19,978,647	43,287,001	13.13%	4,413
2011	21,311,775	1,180,000	--	18,853,275	41,345,050	12.54%	4,419
2012	20,286,108	1,110,000	--	17,893,954	39,290,062	11.92%	4,199
2013	19,297,219	1,037,000	--	17,893,954	36,265,000	11.00%	3,876
2014	18,166,302	962,000	--	19,532,935	38,661,237	11.73%	4,132

CITY OF ROCKPORT, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

TABLE D-12

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property(1)	Per Capita(2)
	General Bonded Debt	Debt Service Funds	Net Bonded Debt		
2004	\$ 11,532,001	\$ 277,024	\$ 11,254,977	1.32%	\$ 1,442
2006	20,540,001	259,152	20,280,849	2.13%	2,243
2007	36,521,001	542,935	35,978,066	3.17%	3,884
2008	35,405,001	365,215	35,039,786	2.88%	3,718
2009	34,282,001	363,963	33,918,038	2.64%	3,457
2010	43,287,001	293,651	43,580,652	3.30%	4,442
2011	41,345,050	344,532	41,689,582	3.05%	4,455
2012	39,290,062	525,338	39,815,400	2.91%	4,255
2013	36,265,000	451,153	36,716,153	2.68%	3,924
2014	38,661,237	528,104	38,133,133	2.66%	4,075

(1) See the Schedule of Assessed and Estimated Actual Value.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF ROCKPORT, TEXAS
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
UNAUDITED

TABLE D-13

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt Repaid With Property Taxes			
Aransas County Independent School District	\$ 34,889,925	65.030%	\$ 22,688,918
Aransas County	17,880,651	49.990%	8,938,537
Aransas County Navigation District	4,720,000	49.990%	<u>2,359,528</u>
Subtotal, Overlapping Debt			33,986,984
City Direct Debt			<u>38,661,237</u>
Total Direct and Overlapping Debt			<u>\$ 72,648,221</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.
The percentage of overlapping debt applicable is estimated by the percent of area of each government that is within the boundaries of the City.

Information obtained from entities audited financial statements and Aransas County Appraisal District.

TABLE D-14

CITY OF ROCKPORT, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Maximum available tax revenues for all purposes including debt service	\$ 21,254,708	\$ 23,887,251	\$ 28,364,349	\$ 30,402,840	\$ 32,136,535	\$ 33,040,660	\$ 34,193,454	\$ 32,699,909	\$ 35,273,627	\$ 37,699,237
Actual amount expended for general obligation debt	694,130	922,725	933,597	1,655,176	1,679,650	1,930,704	1,949,434	2,083,638	2,040,581	2,061,064
Excess	20,560,578	22,964,526	27,430,752	28,747,664	30,456,885	31,109,956	32,244,020	30,616,271	33,233,046	35,638,173

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 1,434,887,615
Maximum tax rate per \$100 assessed valuation	2.50
Maximum available tax revenues for all purposes including debt service	<u>35,872,190</u>
Actual amount expended for general obligation debt service	<u>\$ 2,081,064</u>

As a Home Rule Charter City, the amount of debt which can be issued by the City of Rockport, Texas is not limited by law.

Under Article XI, Section 5 of the State of Texas Constitution applicable to cities of 5,000 population, the maximum tax rate for all purposes is \$2.50 per \$100 assessed valuation.

TABLE D-15

CITY OF ROCKPORT, TEXAS
PLEGGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Water and Sewer Revenue Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses(1)	Net Available Revenue	Debt Services Requirements(2)			
2005	\$ 6,524,568	\$ 4,238,296	\$ 2,286,272	\$ 204,345		11.19	
2006	6,803,901	4,566,109	2,237,792	204,408		10.95	
2007	6,552,677	4,377,782	2,174,895	199,243		10.92	
2008	7,824,558	5,482,597	2,341,961	198,742		11.78	
2009	9,561,756	7,257,707	2,304,049	201,372		11.44	
2010	9,320,476	6,555,998	2,764,478	--		N/A	
2011	10,102,665	7,421,348	2,681,317	--		N/A	
2012	9,904,944	7,094,829	2,810,115	--		N/A	
2013	8,907,527	6,210,472	2,697,055	--		N/A	
2014	9,219,874	6,112,976	3,106,898	--		N/A	

(1) Exclusive of depreciation and interest
 (2) Includes principal and interest of revenue bonds only.

CITY OF ROCKPORT, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS
 UNAUDITED

TABLE C-16

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Population ⁽¹⁾	8,469	9,041	9,264	9,425	9,810	9,810	9,357	9,357	9,357	9,357
Personal Income ⁽³⁾	\$ 27,504	\$ 27,504	\$ 27,504	\$ 27,504	\$ 24,950	\$ 24,950	\$ 24,950	\$ 24,950	\$ 24,950	\$ 24,950
Per Capita Personal Income (in thousands)	\$ 232,931	\$ 248,664	\$ 254,797	\$ 259,225	\$ 244,760	\$ 244,760	\$ 233,457	\$ 233,457	\$ 233,457	\$ 233,457
Median Age ⁽³⁾	--	42.7	42.7	42.7	42.7	46.0	46.0	49.0	49.0	49.0
Education Level in Years of Schooling	--	--	--	--	--	--	--	--	--	--
School Enrollment	3,126	3,079	3,014	3,241	3,331	2,916	2,848	3,331	3,331	3,331
Unemployment ⁽²⁾	5.5%	4.8%	4.2%	4.8%	6.9%	7.4%	7.4%	7.4%	7.4%	6.2%

Data Sources:

- (1) City of Rockport
 - (2) Texas Workforce Commission
 - (3) Rockport-Fulton Chamber of Commerce
- Omitted information is not available.

CITY OF ROCKPORT, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

TABLE D-17

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Aransas County ISD	496	1	--	--	--	--
Wal-Mart	232	2	--	--	--	--
Wood Group Production Ser	225	3				
H.E.B.	180	4				
Aransas County	178	5				
City of Rockport	139	6	--	--	--	--
State of Texas	107	7	--	--	--	--
Rockport Coastal Care Center	80	8				
Gulf Poine Plaza	73	9	--	--	--	--
Oak Crest Nursing Center	70	10				
Total	<u>1,780</u>		<u>--</u>	<u>--</u>		<u>--</u>

Source: Rockport Fulton Chamber of Commerce

Omitted information is not available.

TABLE D-18

CITY OF ROCKPORT, TEXAS
FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

Function/Program	Full-Time-Equivalent Employees as of Year End									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Municipal Court	5	5	5	5	5	5	5	5	3	3
City Secretary	3	3	3	3	3	3	3	3	3	3
City Manager	1	1	1	1	1	1	1	1	1	1
Information/Technology	1	1	1	1	1	1	1	1	1	1
Finance	2	2	2	2	2	2	2	2	2	2
Police										
Officers	22	22	22	22	22	21	25	27	27	27
Civilians	13	14	14	14	14	14	14	13	13	12
Public Works										
Building and Development	5	5	5	5	5	5	5	5	5	5
Street and Drainage	6	8	8	8	8	9	10	11	7	7
Building Maintenance	1	1	1	1	1	1	1	1	1	1
Fleet	2	2	2	2	2	3	3	2	2	2
Parks and Recreation	22	25	27	27	27	27	27	28	13	13
Utilities:										
Water	14	15	15	15	15	15	15	16	17	17
Wastewater	4	6	6	6	6	7	7	6	6	6
Environmental	--	--	--	--	--	1	1	1	1	1
Natural Gas	--	--	--	7	7	6	6	6	6	6
Customer Service	4	5	5	4	4	4	6	6	6	6
Total	105	115	117	123	123	125	132	134	114	113

Source: City Budget

CITY OF ROCKPORT, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

TABLE D-19

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Building Permits Issued	463	475	475	490	162	209	209	342	460	460
Building Inspections Conducted	735	644	644	520	233	177	177	278	278	278
Police										
Physical Arrests	892	829	829	833	833	833	833	833	598	598
Traffic Violations	2,625	3,460	3,460	3,337	3,337	3,677	4,025	4,025	1,286	1,286
Fire	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Refuse Collection	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Public Works										
Street Resurfacing (miles)	9.03	20.63	20.63	9.15	9.15	9.15	9.15	9.15	9.15	9.15
Potholes Repaired	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Library	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water										
New Connections	238	297	297	203	143	267	48	73	150	150
Water Main Breaks	25	19	19	10	10	10	10	10	10	10
Average Daily Consumption	2,240,000	2,837,000	2,837,000	2,948,000	2,948,000	2,630,137	2,818,759	2,765,108	2,776,959	2,776,959
Peak Daily Consumption	4,580,000	4,979,000	4,979,000	4,634,000	4,634,000	4,634,000	4,634,000	4,634,000	4,634,000	4,634,000
Storage Capacity	(1)	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	8,100,000	8,100,000	8,100,000
Wastewater										
Average Daily Sewage Treatment (millions of gallons)	1.25	1.36	1.36	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Transit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Information is not available.

CITY OF ROCKPORT, TEXAS
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 UNAUDITED

TABLE D-20

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	12	12	12	12	12	12	12	12	12	12
Fire Stations	2	2	2	2	2	2	2	2	2	2
Other Public Works										
Streets (miles)	83	83	77	77	77	77	77	77	87	87
Parks and Recreation										
Acreage	200	200	200	200	200	200	200	200	150	150
Parks	10	10	10	10	10	10	10	10	10	10
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Community Centers	1	1	1	1	1	1	1	1	--	--
Water										
Water Mains (miles)	96	96	96	160	163	163	163	163	163	163
Storage Capacity (thousands of gallons)	5,100	7,100	7,100	7,100	7,100	7,100	7,100	8,100	8,100	8,100
Wastewater										
Sanitary Sewers (miles)	62	62	64	64	67	67	67	67	67	67
Storm Sewers (miles)	31	31	31	31	31	31	31	31	31	31
Treatment Capacity (thousands of gallons)	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Sources: Various city departments

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, February 24, 2015

AGENDA ITEM: 9

Deliberate and act on first reading of an Ordinance amending Article 4 of the City of Rockport Zoning Ordinance Number 1027 by changing the zoning of land located at 1903 Mathis Street; also known as parts of Lots 5-13, 1.525 acres, Block 103, Manning Addition, out of the John Kettle Survey A-91-92, Rockport, Aransas County, Texas, from R-2 (2nd Single Family Dwelling District) to B-1 (General Business District).

SUBMITTED BY: Building and Development Department Director Mike Donoho

APPROVED FOR AGENDA: PKC

BACKGROUND: On November 18, 2014, the City received a request from Mr. Greg Walsh to rezone property located at 1903 Mathis St, from an R-2 (2nd Single Family Dwelling District) to B-1 (General Business District). Purpose of the request is for highest and best use consistent with the rest of the block and other properties in the area.

A joint public hearing with City Council and the Planning and Zoning Commission (P&Z) was held February 10, 2015. P&Z met February 16, 2015, and reviewed Mr. Walsh's request for a rezone and voted to recommend that this request be accepted by the Council.

Please see the accompanying memo from P&Z, ordinance, and the zoning application for additional information.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Staff recommends approval on first reading the ordinance amending Article 4 of the City of Rockport Zoning Ordinance Number 1027 by changing the zoning of land located at 1903 Mathis Street; also known as parts of Lots 5-13, 1.525 acres, Block 103, Manning Addition, out of the John Kettle Survey A-91-92, Rockport, Aransas County, Texas, from R-2 (2nd Single Family Dwelling District) to B-1 (General Business District), as presented.

ORDINANCE NO. _____

AN ORDINANCE AMENDING ARTICLE 4 OF THE CITY OF ROCKPORT ZONING ORDINANCE NUMBER 1027 BY CHANGING THE ZONING OF LAND LOCATED AT 1903 MATHIS STREET; ALSO KNOWN AS PARTS OF LOTS 5-13, 1.525 ACRES, BLOCK 103, MANNING ADDITION, OUT OF THE JOHN KETTLE SURVEY A-91-92, ROCKPORT, ARANSAS COUNTY, TEXAS, FROM R-2 (2ND SINGLE FAMILY DWELLING DISTRICT) TO B-1 (GENERAL BUSINESS DISTRICT); REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, an application for a zoning change to property located at 1903 Mathis Street; also known as parts of Lots 5-13, 1.525 acres, Block 103, Manning Addition, out of the John Kettle Survey A-91-92, Rockport, Aransas County, Texas, was received in the office of Building & Development Services Department, City of Rockport, Texas; and

WHEREAS, on January 16, 2015, notice was posted on the bulletin board at Rockport City Hall, 622 E. Market Street and on the City's webpage www.cityofrockport.com; and

WHEREAS, on January 19, 2015, notice was mailed to affected property owners within 200' of subject property; and

WHEREAS, on January 24, 2015, the City caused to be published "Notice of Joint Public Hearing" in the official newspaper of the City notifying area residents and the public in general to participate and make their views known regarding this request; and

WHEREAS, on February 10, 2015, at 6:30 p.m., the Rockport City Council and the Planning & Zoning Commission did hold a Joint Public Hearing; and

WHEREAS, on February 16, 2015, the Planning & Zoning Commission did meet and said Commission did vote by majority to recommend to the City Council approval of this request for a rezone.

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

SECTION 1 - AMENDMENT

That, pursuant to Article 4 of the City of Rockport Zoning Ordinance Number 1027, the current zoning of land located at 1903 Mathis Street; also known as parts of Lots 5-13, 1.525 acres, Block 103, Manning Addition, out of the John Kettle Survey A-91-92, Rockport, Aransas

County, Texas; be changed from R-2 (2nd Single Family Dwelling District) to B-1 (General Business District).

SECTION 2 - REPEALER.

Any previously adopted ordinances, and any subsequent amendments to them, which are in conflict with this Ordinance, are all hereby repealed.

SECTION 3 - SEVERABILITY

It is the intention of the City Council of the City of Rockport that if any phrase, sentence, section or paragraph of this Ordinance shall be declared unconstitutional or otherwise invalid by final judgment of a court of competent jurisdiction such unconstitutionality or invalidity shall not affect any of the remainder of this Ordinance since the same would have been enacted by the City Council without the incorporation of the unconstitutional or invalid phrase, sentence, section or paragraph.

SECTION 4 - EFFECTIVE DATE

This Ordinance shall become effective immediately upon adoption by second and final reading.

APPROVED and **PASSED** on first reading this 24th day of February 2015.

CITY OF ROCKPORT:

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

APPROVED, PASSED and ADOPTED on second reading this ____ day of March 2015.

CITY OF ROCKPORT:

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

Memo

To: Mayor C.J. Wax and City Council
From: Planning & Zoning Commission
CC: City Manager Kevin Carruth
Date: 02/19/2015
Re: Rezone request for property located at; 1903 Mathis Street

At our meeting held February 16, 2015, the Planning & Zoning Commission deliberated on the request for a rezone of property located at; 1903 Mathis Street, from R-2 (2nd Single family dwelling District) to B-1 (General Business District). The motion to grant the rezone request passed unanimously.

Respectfully submitted,

Frank Lynch, Chairman



JOINT PUBLIC HEARING

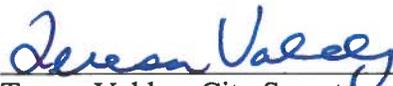
Rockport City Council and Planning & Zoning Commission

NOTICE is hereby given that the Rockport City Council and the Planning & Zoning Commission will hold a Joint Public Hearing on Tuesday, February 10, 2015, at 6:30 p.m., at Rockport City Hall, 622 E. Market St., Rockport, Texas, to consider a request for rezoning from R-2 (2nd Single-Family Dwelling District) to B-1 (General Business District) on property located at 1903 Mathis St.; also known as parts of Lots 5-13 (1.525 acres) of John Kettle Survey A-91-92, Block 103, Manning Addition, Rockport, Aransas County, Texas.

The City encourages citizens to participate and make their views known at this Public Hearing. For further information on this request, please contact the Building Department at (361) 790-1125. 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 e-mail citysec@cityofrockport.com for further information. Braille is not available.

POSTED this 16th day of January, 2015, by 5:00 p.m., on the bulletin board at Rockport City Hall, 622 E. Market Street, and on the website www.cityofrockport.com. **PUBLISHED** in *The Rockport Pilot* in the Saturday, January 24, 2015, Edition, in accordance with the Rockport Zoning Ordinance.

CITY OF ROCKPORT, TEXAS


Teresa Valdez, City Secretary



JOINT PUBLIC HEARING

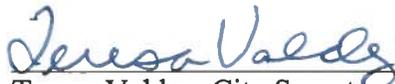
Rockport City Council and Planning & Zoning Commission

NOTICE is hereby given that the Rockport City Council and the Planning & Zoning Commission will hold a Joint Public Hearing on Tuesday, January 13, 2015, at 6:30 p.m., at Rockport City Hall, 622 E. Market St., Rockport, Texas, to consider a request for rezoning from R-2 (2nd Single-Family Dwelling District) to B-1 (General Business District) on property located at 1903 Mathis St.; also known as parts of Lots 5-13 (1.525 acres) of John Kettle Survey A-91-92, Block 103, Manning Addition, Rockport, Aransas County, Texas.

The City encourages citizens to participate and make their views known at this Public Hearing. For further information on this request, please contact the Building Department at (361) 790-1125. 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 e-mail citysec@cityofrockport.com for further information. Braille is not available.

POSTED this 16th day of December, 2014, by 5:00 p.m., on the bulletin board at Rockport City Hall, 622 E. Market Street, and on the website www.cityofrockport.com. **PUBLISHED** in *The Rockport Pilot* in the Saturday, December 20, 2014, Edition, in accordance with the Rockport Zoning Ordinance.

CITY OF ROCKPORT, TEXAS

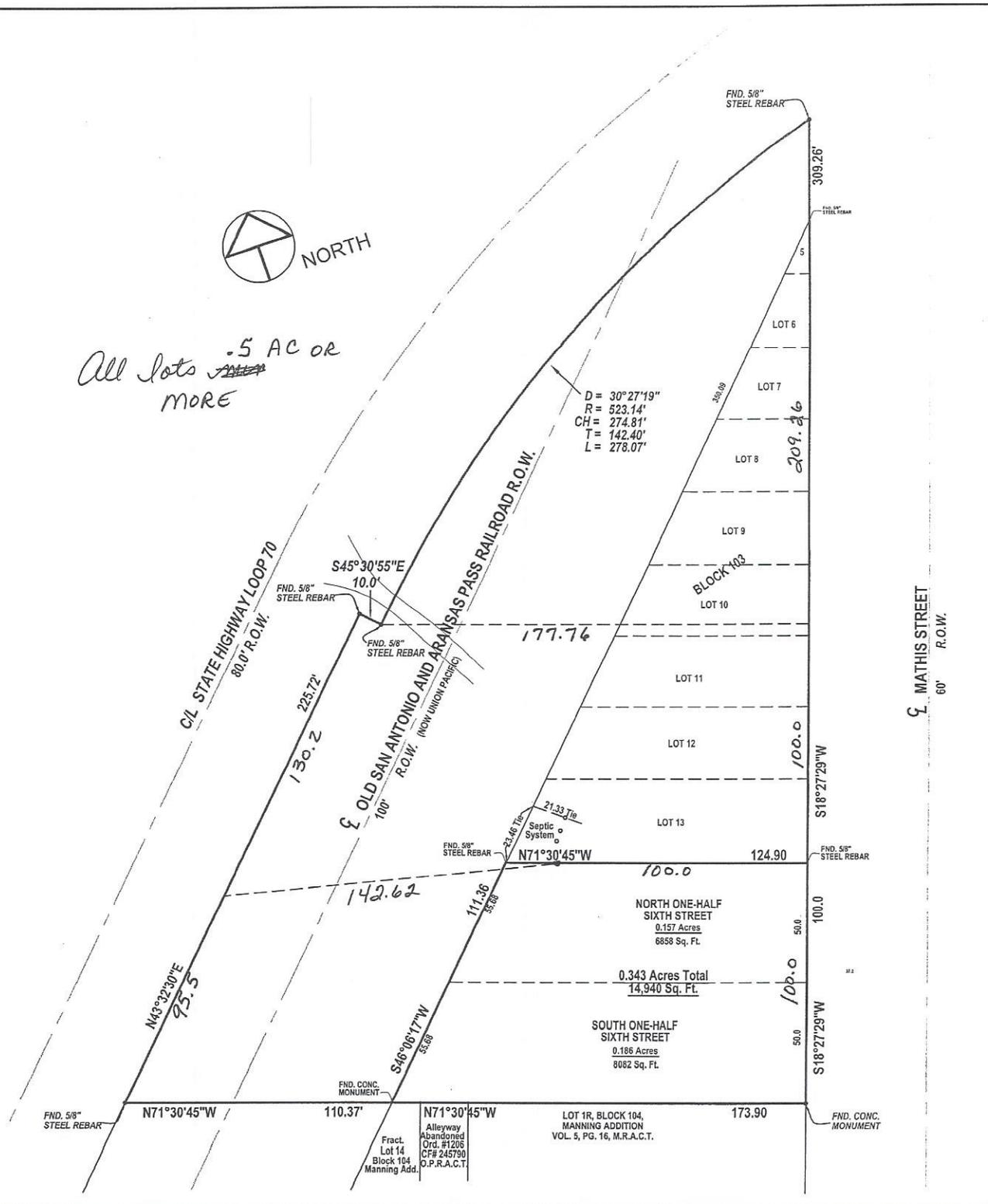


Teresa Valdez, City Secretary



All lots ~~at least~~ .5 AC OR MORE

D = 30° 27' 19"
 R = 523.14'
 CH = 274.81'
 T = 142.40'
 L = 278.07'



THIS IS TO CERTIFY THAT I HAVE CONSULTED THE FEDERAL FLOOD HAZARD MAP DATED 3-4-85, AND FOUND THAT THE PROPERTY DESCRIBED HEREIN IS (OR) IS NOT X LOCATED IN A SPECIAL FLOOD HAZARD AREA. ZONE B, BASE ELEVATION N/A, PANEL NO. 0181C, COMMUNITY NO. 485452. THIS INFORMATION IS BASED ON SCALING THE LOCATION OF THIS SURVEY ON THE ABOVE REFERENCED MAP AND IS INTENDED TO BE USED TO DETERMINE INSURANCE RATES ONLY, AND NOT TO IDENTIFY SPECIFIC FLOODING CONDITIONS.

BEARINGS BASED ON NAD 83, TEXAS STATE PLANE SOUTH CENTRAL ZONE.

SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS OR OWNERSHIP OF TITLE EVIDENCE. SURVEYOR DID NOT REVIEW EXCEPTIONS IN SCHEDULE 'B' OF THE TITLE COMMITMENT TO DETERMINE WHETHER THEY DO OR DO NOT AFFECT SUBJECT PROPERTY.

COPYRIGHT NOTICE

ANY COPY OF THIS DRAWING MUST BEAR THE SURVEYOR'S ORIGINAL SEAL AND SIGNATURE IN RED INK OR THE DRAWING IS AN UNAUTHORIZED REPRODUCTION WHICH MAY HAVE BEEN ALTERED OR CHANGED WITHOUT THE SURVEYOR'S KNOWLEDGE.

THIS ORIGINAL WORK IS PROTECTED UNDER COPYRIGHT LAWS, TITLE 17, UNITED STATES CODE SECTIONS 101 AND 102. ALL VIOLATORS WILL BE PROSECUTED TO THE FULLEST EXTENT OF THE LAW.

FRACTIONAL BLOCK 103, LYING EAST OF S.H. LOOP 70, AND SIXTH STREET LYING BETWEEN BLOCKS 103 & 104, MANNING ADDITION ARANSAS COUNTY, TEXAS

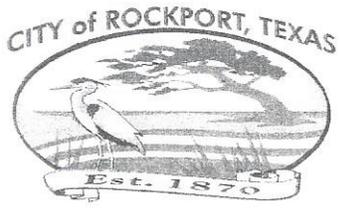
ACCORDING TO THE PLAT RECORDED IN VOLUME 1, PAGE 7, PLAT RECORDS OF ARANSAS COUNTY, TEXAS

AND A PORTION OF 1.525 ACRE TRACT, BEING PART OF THE 100 FOOT WIDE STRIP OF LAND, AS DESCRIBED IN A DEED OF RECORD UNDER CF#287455, OFFICIAL PUBLIC RECORDS OF ARANSAS COUNTY, TEXAS.

Griffith & Brundrett
 Surveying & Engineering, Inc.
 411 S. Pearl St., P.O. Box 2322
 Rockport, Texas 76381
 361-725-6479
 361-725-7933
 jerry@gsurveyor.com
 www.gsurveyor.com

DATE: NOVEMBER 4, 2013
 SCALE: 1" = 40'
 FILE NAME: 131101BB3
 REVISED:
 DATE:

PREPARED FOR:
 GREG WALSH



RECEIVED
NOV 18 2014
BY: _____

**CITY OF ROCKPORT
ZONING AND LAND DEVELOPMENT APPLICATION**

INSTRUCTION: Please fill out completely. If more space is needed, attach additional pages. Please print or use typewriter.

A. REQUESTING: Rezoning Conditional Permit []
Planned Unit Development (P.U.D.) by Conditional Permit []

B. ADDRESS AND LOCATION OF PROPERTY
1903 Mathis St, Rockport TX 78382

C. CURRENT ZONING OF PROPERTY: R-2 & Unzoned

D. PRESENT USE OF PROPERTY: NONE - Vacant

E. ZONING DISTRICT REQUESTED: B-1

F. CONDITIONAL USE REQUESTED: N/A

G. LEGAL DESCRIPTION: (Fill in the one that applies)

- Lot or Tract Parts of 5-13 Block 103 Manning
 & 1.525 Ac of John Keetels Survey A-92 & A-91 Addition
 of 14,940 sq ft of 6th Street of the _____
 Survey as per metes and bounds (field notes attached)
Survey Attached
- If other, attach copy of survey or legal description from the Records of Aransas County or Appraisal District.

H. NAME OF PROPOSED DEVELOPMENT (if applicable) NONE

I. TOTAL ACREAGE OR SQ. FT. OF SITE(S):
1.6 Acres net of ROW

J. REASON FOR REQUEST AND DESCRIPTION OF DEVELOPMENT:
(Please be specific)
Highest & Best use consistent with
the rest of the Block & other properties
in the area

K. OWNER'S NAME: (Please print) Greg Walsh
 ADDRESS: 19 Bahama South
 CITY, STATE, ZIP CODE: Rockport TX 78382
 PHONE NO 713-385-5314

L. REPRESENTATIVE: (If Other Than Owner) _____
 ADDRESS: _____
 CITY, STATE, ZIP CODE: _____
 PHONE NO _____

NOTE: Do you have property owner's permission for this request?
 YES _____ NO _____

M. FILING FEE:

REZONING	\$150.00 + \$10.00 PER ACRE
PLANNED UNIT DEVELOPMENT	\$200.00 + \$10.00 PER ACRE
P.U.D. REVISION	\$200.00 + \$10.00 PER ACRE
CONDITIONAL PERMIT	\$150.00 + \$10.00 PER ACRE

(Make check payable to the City of Rockport)

- Submit application and filing fee to the Department of Building & Development, City of Rockport; 2751 S.H. 35 Bypass, Rockport, Texas 78382.

Signed: _____
 (Owner or Representative)

(FOR CITY USE)

Received by: _____ Date: _____ Fees Paid: \$ _____

Submitted Information (____ accepted) (____ rejected) by: _____

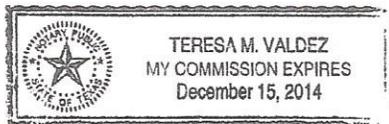
If rejected, reasons why: _____

Receipt No. _____

STATE OF TEXAS §
§
COUNTY OF ARANSAS §

BEFORE ME, the undersigned authority, on this day personally appeared Charles "C.J." Wax, Mayor of City of Rockport, Texas, and being known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 14th day of October 2014.



Teresa Valdez
Notary Public, State of Texas

My Commission Expires: 12-15-2014

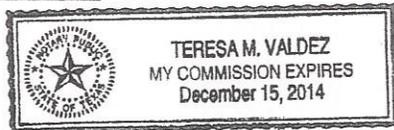
GRANTEE:
GREG F. WALSH, III
19 Bahama South
Rockport, TX 78382

By: [Signature]
(Signature)

STATE OF TEXAS §
§
COUNTY OF ARANSAS §

BEFORE ME, the undersigned authority, on this day personally appeared Greg F. Walsh, III, of Rockport, Texas, and being known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 17th day of October 2014.



Teresa Valdez
Notary Public, State of Texas

My Commission Expires: 12-15-2014

EXHIBIT "A"

337690

QUITCLAIM DEED

File No. _____
County Clerk, Aransas County, Texas

THE STATE OF TEXAS § KNOW ALL MEN BY
 §
COUNTY OF ARANSAS § THESE PRESENTS:

That, the City of Rockport, of the County of Aransas, State of Texas, hereinafter referred to as Grantor, for and in consideration of the sum of Four Thousand Eight Hundred Dollars (\$4,800.00) and other good and valuable consideration to Grantor in hand paid by Greg F. Walsh, III, hereinafter referred to as Grantee, the receipt of which is hereby acknowledged, was Quitclaimed and do by these present Bargain, Sell, Release and forever Quitclaim unto Grantee, all of Grantor's right, title, interest, claim and demand in and to a portion of Sixth Street in the City of Rockport, Aransas County, Texas, save and except for any past, present or future utility easements belonging to the City of Bastrop, and more particularly described as:

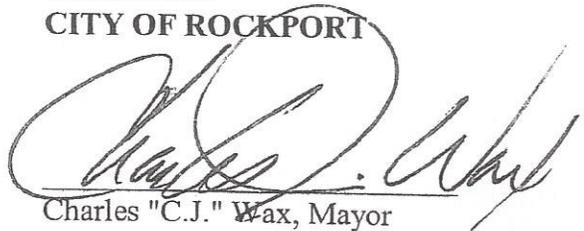
Being a 14,940 square foot portion of Sixth Street bordered on the east by Mathis Street, Manning Addition, City of Rockport, Aransas County, Texas, as shown on **Exhibit "A,"** attached hereto and incorporated herein for any and all purposes.

TO HAVE AND TO HOLD for said purposes together with all and singular the rights, privileges, and appurtenances thereto in any manner that does not interfere with the City's access to and use of any public easements belonging unto Grantee forever.

SAVE AND EXCEPT FOR any past, present, or future utility easements located above, on or below said property, belonging to the City of Rockport, Aransas County, Texas.

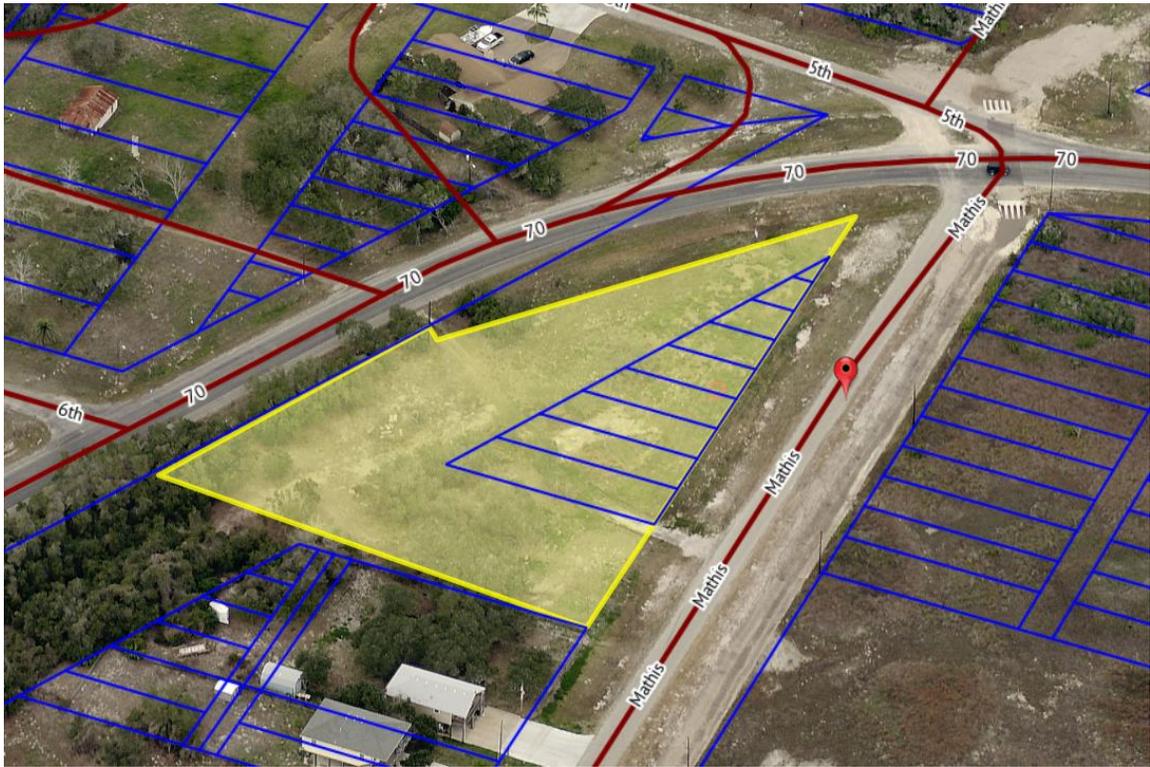
IN WITNESS WHEREOF, this instrument is executed on this the 25th day of September 2014.

**GRANTOR:
CITY OF ROCKPORT**


Charles "C.J." Wax, Mayor

Rezone Request

1903 Mathis Street



337690

File No. _____
County Clerk, Aransas County, Texas

STATE OF TEXAS
COUNTY OF ARANSAS

I hereby certify that this instrument was FILED on the date
and of the time affixed hereon by me and was duly
RECORDED in the OFFICIAL PUBLIC RECORDS of ARANSAS
COUNTY, TX. as stamped hereon by me on 9-26-2014



Peggy L. Friebele
PEGGY L. FRIEBELE, COUNTY CLERK
ARANSAS COUNTY, TEXAS

FILED FOR RECORD IN OPR
AT 9:18 A. M.

SCANNED

SEP 26 2014

INDEXED
SCANNED

PEGGY L. FRIEBELE, COUNTY CLERK
ARANSAS COUNTY, TEXAS

*City of Rockport 4/3:
622 E Market St.
Rockport TX 78380*

333217

File No. _____
County Clerk, Aransas County, Texas

GF# 01018-1657 **D J**

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

WARRANTY DEED

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF ARANSAS §

THAT, **REYES TORRES, JR. and MANDY LYNN TORRES**, hereinafter called Grantor (whether one or more), for and in consideration of the sum of TEN AND NO/100 DOLLARS and other good and valuable considerations to Grantor in hand paid by **GREG F. WALSH**, hereinafter called Grantee (whether one or more), whose mailing address is: 19 Bahama South Rockport, TX 78382, the receipt of which is hereby acknowledged, has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY unto Grantee, the following described real estate, together with all improvements thereon, situated in Aransas County, Texas, being more particularly described as follows, to-wit:

TRACT ONE:

Fractional Lots No. FIVE (5) through THIRTEEN (13), both inclusive; Block No. ONE HUNDRED THREE (103), MANNING ADDITION, Aransas County, Texas, according to the plat thereof recorded in Volume 1, Page 7, Plat Records, Aransas County, Texas.

TRACT TWO:

BEING 1.525 ACRES OF LAND, MORE OR LESS, OUT OF THE JOHN KEETELS SURVEY A-91 AND THE JOHN KEETELS SURVEY A-92, ARANSAS COUNTY, TEXAS AND BEING A PORTION OF THAT 100.0 FOOT WIDE STRIP OF LAND DESCRIBED IN THE DEED FROM ARANSAS PASS LAND COMPANY TO THE SAN ANTONIO AND ARANSAS PASS RAILROAD COMPANY, PREDECESSOR TO UNION PACIFIC RAILROAD COMPANY, RECORDED MAY 19, 1890 IN VOLUME "J", PAGE 230, DEED RECORDS OF ARANSAS COUNTY, TEXAS, WITH SAID 1.525 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS IN THE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN AS IF WRITTEN VERBATIM.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto the said Grantee, Grantee's heirs, successors and/or assigns forever. And Grantor does hereby bind Grantor, Grantor's heirs, executors, administrators, successors and/or assigns TO WARRANT AND FOREVER DEFEND all and singular the said premises unto the said Grantee herein, Grantee's heirs, successors and/or assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

This conveyance and the warranties of title given herein are made subject to any and all restrictions, easements, setback lines, covenants, conditions and reservations, of record affecting the property herein conveyed.

EXECUTED ON THE FOLLOWING DATE: December 31, 2013

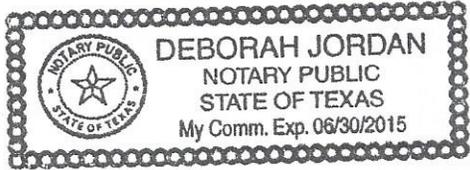
(ACKNOWLEDGEMENT)

333217

File No. _____
County Clerk, Aransas County, Texas

STATE OF TEXAS §
COUNTY OF ARANSAS §

This instrument was ACKNOWLEDGED before me, on this the 31 day of December, 2013, by REYES TORRES, JR. and MANDY LYNN TORRES.



Deborah Jordan

Notary Public, State of Texas

AFTER RECORDING RETURN TO:

*19 Bahama South
Rockport, Tx 78382*

Prepared in the Law Offices of:

West & West
Attorneys at Law, P.C.
2929 Mossrock, Suite 204
San Antonio, Texas 78230

333217

File No. _____
County Clerk, Aransas County, Texas

EXHIBIT A

FIELD NOTES

SEPTEMBER 18, 2006

BEING 1.525 ACRES OF LAND OUT OF PORTIONS OF THE JOHN KEETELS SURVEY A-91 AND JOHN KEETELS SURVEY A-92, ARANSAS COUNTY, TEXAS, AND BEING A PORTION OF THAT 100.0 FOOT WIDE STRIP OF LAND DESCRIBED IN THE DEED FROM ARANSAS PASS LAND COMPANY TO THE SAN ANTONIO AND ARANSAS PASS RAILROAD COMPANY, PREDECESSOR TO UNION PACIFIC RAILROAD COMPANY RECORDED IN VOLUME "J", PAGE 230, DEED RECORDS OF ARANSAS COUNTY, TEXAS, WITH SAID 1.525 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGIN at a 5/8" steel rebar set in the East R.O.W. line of Texas State Highway Loop 70 and being at the point of intersection of said East R.O.W. line of Loop 70 and the Westerly projection of the North boundary of Block No. 104, Manning Subdivision, according to the Map Recorded in Volume 1, Page 7, Plat Records of Aransas County, Texas, and being the SOUTHWEST corner and PLACE OF BEGINNING of this survey;

THENCE, North 43°32'30" East along and with the East R.O.W. line of Texas State Highway Loop 70 at 110.94 feet pass the Westerly projection of the North R.O.W. line of Sixth Street and in all a distance of 664.16 feet to a 5/8" steel rebar set in the South boundary of Block No. 102, of said Manning Subdivision and being the North boundary of Fifth Street lying South of and adjacent to said Block No. 102 and being the NORTHWEST corner of this survey;

THENCE, South 71°30'45" East along and with the North R.O.W. line of Fifth Street a distance of 110.37 feet to a 5/8" steel rebar found for the NORTHEAST corner of this survey;

THENCE, South 43°32'30" West along and with the original East R.O.W. line of said San Antonio and Aransas Pass Railroad R.O.W. pass a 5/8" steel rebar found at the point of intersection of the East R.O.W. line of said San Antonio and Aransas Pass Railroad R.O.W. and the West R.O.W. line of Mathis Street at 553.22 feet pass a 5/8" steel rebar found in the South boundary line of said Block No. 103, Manning Subdivision, and the North R.O.W. line of Sixth Street and in all a distance of 664.16 feet to a point for the SOUTHEAST corner of this survey;

THENCE, North 71°30'45" West along and with the Westerly projection of the North boundary of Block No. 104, Manning Subdivision, at 1.56 feet pass an old concrete monument found and in all a distance of 110.37 feet to the PLACE OF BEGINNING and containing 1.525 acres of land more or less.

Unless this Field Note description, including preamble, seal and signature, appears in its entirety, in its original form, surveyor assumes no responsibility or liability for its accuracy.

J. L. Brundrett, Jr., R. P. L. S.
Reg. No. 2133



NOTE: SEE ACCOMPANYING SURVEY PLAT

060918d5fn

STATE OF TEXAS
COUNTY OF ARANSAS

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the OFFICIAL PUBLIC RECORDS of ARANSAS COUNTY, TX. as stamped hereon by me on 12-31-2013



Peggy L. Friebele
PEGGY L. FRIEBELE, COUNTY CLERK
ARANSAS COUNTY, TEXAS

FILED FOR RECORD IN OPR
AT 12:35 P. M.

3/24

ALSULA PROPERTIES, LLC
602 E. MARKET ST.
ROCKPORT, TEXAS 78382-2530

GREG WALSH
19 BAHAMA ST. S.
ROCKPORT, TEXAS 78382-7686

VILLAGE BY THE BAY LTD
15481 S. PADRE ISLAND DR.
DR STE 101
CORPUS CHRISTI, TX 78418

KENNETH JAMES
16520FALLS RD
ELMENDORF, TX 78112-5106

DARCY & STACY DORN
140 JOSEPH LN.
NEW WHITE LAND, IN 46184-9753

MRS INGENHUETT & ROY PERKINS
PO BOX 244
COMFORT, TX 780130244

ROGER & BETTY BURUBE
401 E 5TH ST.
ROCKPORT, TX 78382-2125

GARY MCCLENAGHAN
50 FLAMINGO POINT
ROCKPORT, TX 78382-6751

GREG WALSH
19 BAHAMA SOUTH
ROCKPORT, TX 78382

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, February 24, 2015

AGENDA ITEM: 10

Deliberate and act on first reading of an Ordinance amending Article 4 of the City of Rockport Zoning Ordinance Number 1027 by changing the zoning of land located at 1124 Patton Street; also known as 1130-1150 Patton Street, 0.801 acre, out of the TT Williamson Survey A-221,, Rockport, Aransas County, Texas, from R-1 (1st Single Family Dwelling District) to R-2 (2nd Single Family Dwelling District).

SUBMITTED BY: Building and Development Department Director Mike Donoho

APPROVED FOR AGENDA: PKC

BACKGROUND: On December 2, 2014, the City received a request from Mr. William H. Fisher, representing W. Dale Morris, owner of 1124 Patton Street, to rezone property located at 1124 Patton Street, from an R-1 (1st Single Family Dwelling District) to R-2 (2nd Single Family Dwelling District). Purpose of the request is to construct homes on smaller lots, consistent to the neighborhood.

A joint public hearing with City Council and the Planning and Zoning Commission (P&Z) was held February 10, 2015. P&Z met February 16, 2015, and reviewed Mr. Fisher's request for a rezone and voted to recommend that this request be accepted by the Council.

Please see the accompanying memo from P&Z, ordinance, and the zoning application for additional information.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Staff recommends approval on first reading the ordinance amending Article 4 of the City of Rockport Zoning Ordinance Number 1027 by changing the zoning of land located at 1124 Patton Street, also known as 1130-1150 Patton Street, 0.801 acre, out of the TT Williamson Survey A-221, Rockport, Aransas County, Texas, from R-1 (1st Single Family Dwelling District) to R-2 (2nd Single Family Dwelling District) as presented.

ORDINANCE NO. _____

AN ORDINANCE AMENDING ARTICLE 4 OF THE CITY OF ROCKPORT ZONING ORDINANCE NUMBER 1027 BY CHANGING THE ZONING OF LAND LOCATED AT 1124 PATTON STREET; ALSO KNOWN AS 1130-1150 PATTON STREET, 0.801 ACRE, OUT OF THE TT WILLIAMSON SURVEY A-221, ROCKPORT, ARANSAS COUNTY, TEXAS, FROM R-1 (1ST SINGLE FAMILY DWELLING DISTRICT) TO R-2 (2ND SINGLE FAMILY DWELLING DISTRICT); REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, an application for a zoning change to property located at 1124 Patton Street; also known as 1130-1150 Patton Street, 0.801 acre, out of the TT Williamson Survey A-221, Rockport, Aransas County, Texas, was received in the office of Building & Development Services Department, City of Rockport, Texas; and

WHEREAS, on January 19, 2015, notice was posted on the bulletin board at Rockport City Hall, 622 E. Market Street and on the City's webpage www.cityofrockport.com; and

WHEREAS, on January 20, 2015, notice was mailed to affected property owners within 200' of subject property; and

WHEREAS, on January 24, 2015, the City caused to be published "Notice of Joint Public Hearing" in the official newspaper of the City notifying area residents and the public in general to participate and make their views known regarding this request; and

WHEREAS, on February 10, 2015, at 6:30 p.m., the Rockport City Council and the Planning & Zoning Commission did hold a Joint Public Hearing; and

WHEREAS, on February 16, 2015, the Planning & Zoning Commission did meet and said Commission did vote by majority to recommend to the City Council approval of this request for a rezone.

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

SECTION 1 - AMENDMENT

That, pursuant to Article 4 of the City of Rockport Zoning Ordinance Number 1027, the current zoning of land located at 1124 Patton Street; also known as 1130-1150 Patton Street, 0.801 acre, out of the TT Williamson Survey A-221, Rockport, Aransas County, Texas; be changed from R-1 (1st Single Family Dwelling District) to R-2 (2nd Single Family Dwelling District).

SECTION 2 - REPEALER.

Any previously adopted ordinances, and any subsequent amendments to them, which are in conflict with this Ordinance, are all hereby repealed.

SECTION 3 - SEVERABILITY

It is the intention of the City Council of the City of Rockport that if any phrase, sentence, section or paragraph of this Ordinance shall be declared unconstitutional or otherwise invalid by final judgment of a court of competent jurisdiction such unconstitutionality or invalidity shall not affect any of the remainder of this Ordinance since the same would have been enacted by the City Council without the incorporation of the unconstitutional or invalid phrase, sentence, section or paragraph.

SECTION 4 - EFFECTIVE DATE

This Ordinance shall become effective immediately upon adoption by second and final reading.

APPROVED and **PASSED** on first reading this 24th day of February 2015.

CITY OF ROCKPORT:

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

APPROVED, PASSED and ADOPTED on second reading this ____ day of March 2015.

CITY OF ROCKPORT:

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

Memo

To: Mayor C.J. Wax and City Council
From: Planning & Zoning Commission
CC: City Manager Kevin Carruth
Date: 02/19/2015
Re: Rezone request for property located at; 1124 Patton Street

At our meeting held February 16, 2015, the Planning & Zoning Commission deliberated on the request for a rezone of property located at; 1124 Patton Street, from R-1 (1st Single family Dwelling District) to R-2 (2nd Single Family Dwelling District). The motion to grant the rezone request passed unanimously.

Respectfully submitted,

Frank Lynch, Chairman



RECEIVED
DEC 2 2014

BY: _____

**CITY OF ROCKPORT
ZONING AND LAND DEVELOPMENT APPLICATION**

INSTRUCTION: Please fill out completely. If more space is needed, attach additional pages. Please print or use typewriter.

A. REQUESTING: Rezoning [] Conditional Permit []

Planned Unit Development (P.U.D.) by Conditional Permit []

B. ADDRESS AND LOCATION OF PROPERTY 1124 Patton

C. CURRENT ZONING OF PROPERTY: R1

D. PRESENT USE OF PROPERTY: _____

E. ZONING DISTRICT REQUESTED: R2

F. CONDITIONAL USE REQUESTED: _____

G. LEGAL DESCRIPTION: (Fill in the one that applies)

• Lot or Tract .801 Block _____

• Tract Grace Lang Tract of the _____
Survey as per metes and bounds (field notes attached)

• If other, attach copy of survey or legal description from the Records of Aransas County or Appraisal District.

H. NAME OF PROPOSED DEVELOPMENT (if applicable) _____

I. TOTAL ACREAGE OR SQ. FT. OF SITE(S): .801 acres

J. REASON FOR REQUEST AND DESCRIPTION OF DEVELOPMENT:
(Please be specific)

Allow construction of homes on
smaller lots. Houses will be similar
in size to the other houses in the
neighborhood

K. OWNER'S NAME: (Please print) _____
 ADDRESS: _____
 CITY, STATE, ZIP CODE: _____
 PHONE NO _____

L. REPRESENTATIVE: (If Other Than Owner) William Fisher
 ADDRESS: 801 S. Church St.
 CITY, STATE, ZIP CODE: Rockport, Texas 78382
 PHONE NO 361-727-9759

NOTE: Do you have property owner's permission for this request?
 YES NO

M. FILING FEE:

REZONING	\$150.00 + \$10.00 PER ACRE
PLANNED UNIT DEVELOPMENT	\$200.00 + \$10.00 PER ACRE
P.U.D. REVISION	\$200.00 + \$10.00 PER ACRE
CONDITIONAL PERMIT	\$150.00 + \$10.00 PER ACRE

(Make check payable to the City of Rockport)

- Submit application and filing fee to the Department of Building & Development, City of Rockport; 2751 S.H. 35 Bypass, Rockport, Texas 78382.

Signed: William H. Fisher
 (Owner of Representative)

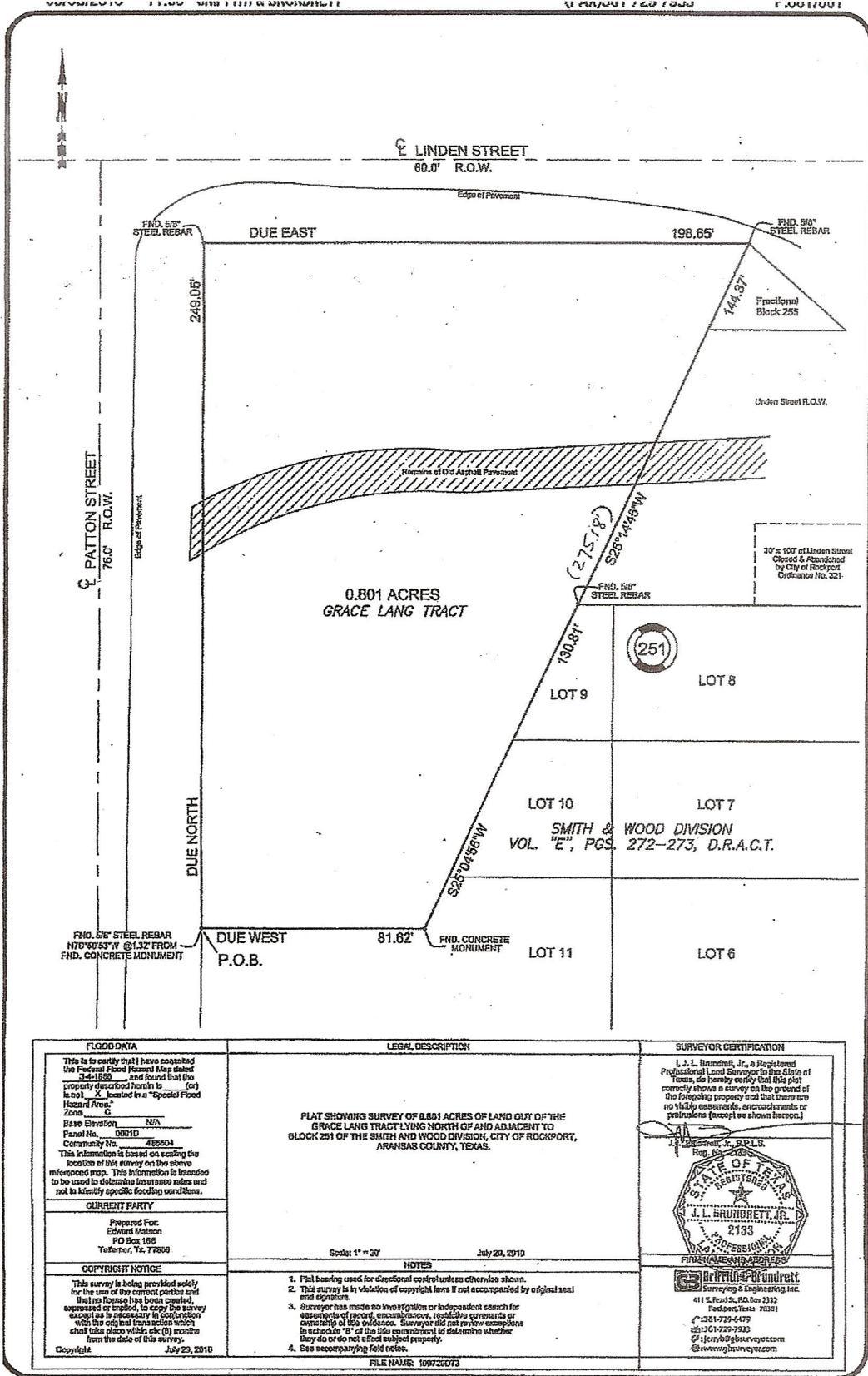
(FOR CITY USE)

Received by: Mary B. Date: 12-2-14 Fees Paid: \$ 150. -

Submitted Information (accepted) (rejected) by: MB.

If rejected, reasons why: _____

Receipt No. 024171



FLOOD DATA	LEGAL DESCRIPTION	SURVEYOR CERTIFICATION
<p>This is to certify that I have examined the Federal Flood Hazard Map dated 3-4-1959 and found that the property described herein is (or is not) located in a "Special Flood Hazard Area".</p> <p>Zone: <u>0</u></p> <p>Base Elevation: <u>N/A</u></p> <p>Panel No.: <u>000D</u></p> <p>Community No.: <u>48804</u></p> <p>This information is based on using the location of this survey on the above referenced map. This information is intended to be used to determine insurance rates and not to identify specific flooding conditions.</p>	<p>PLAT SHOWING SURVEY OF 0.801 ACRES OF LAND OUT OF THE GRACE LANG TRACT LYING NORTH OF AND ADJACENT TO BLOCK 251 OF THE SMITH AND WOOD DIVISION, CITY OF ROCKPORT, ARKANSAS COUNTY, TEXAS.</p> <p>Scale: 1" = 30'</p> <p>July 23, 2010</p>	<p>J. L. Brunnett, Jr., a Registered Professional Land Surveyor in the State of Texas, do hereby certify that this plat correctly shows a survey on the ground of the foregoing property and that there are no visible encroachments, encumbrances or perturbations (except as shown hereon).</p> <p>J. L. Brunnett, Jr., P.L.S.</p> 
<p>CURRENT PARTY</p> <p>Prepared For: Edward Weston PO Box 188 Telesher, Tx. 77269</p>	<p>NOTES</p> <ol style="list-style-type: none"> 1. Plat bearing used for directional control unless otherwise shown. 2. This survey is in violation of copyright laws if not accompanied by original seal and signature. 3. Surveyor has made no investigation or independent search for easements of record, encumbrances, restrictive covenants or other matters of record. Surveyor did not give exceptions in schedule "B" of the life commission to determine whether they do or do not affect subject property. 4. See accompanying field notes. <p>FILE NAME: 100720073</p>	<p>FRANCIS BRUNETT</p> <p>Surveying & Engineering, Inc.</p> <p>411 S. Park St., Box 2132 Rockport, Texas 77281</p> <p>☎ 361-722-6479 ☎ 361-722-7983 ✉ jbrunnett@surveyors.com @jbrunnett@surveyors.com</p>
<p>COPYRIGHT NOTICE</p> <p>This survey is being provided solely for the use of the current parties and that no license has been created, expressed or implied, to copy the survey except as is necessary in conjunction with the original transaction which shall take place within six (6) months from the date of this survey.</p> <p>Copyright July 23, 2010</p>		

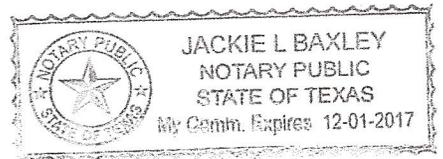
Letter of Agent

Nov. 24, 2014

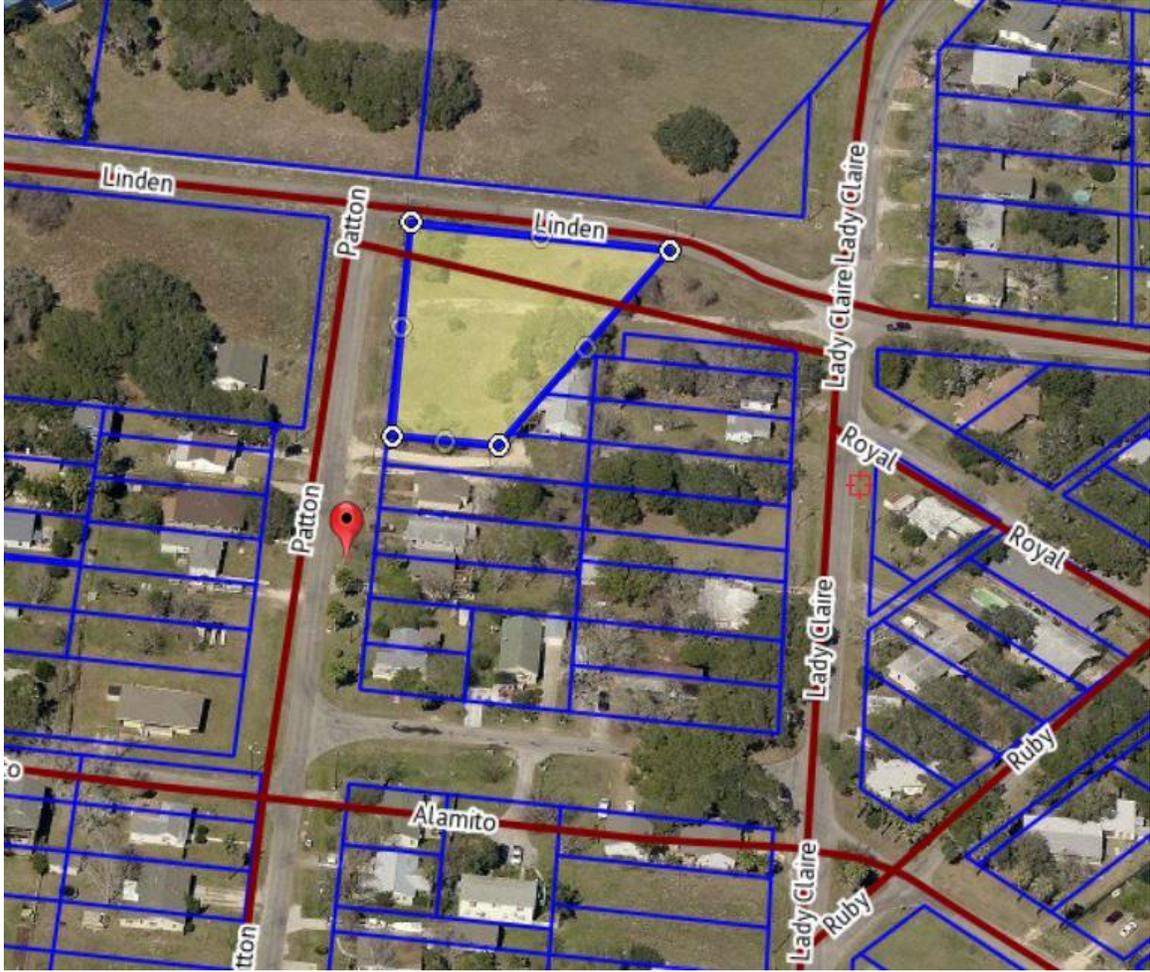
I, W. Dale Morris, owner of 1124 Patton St. Rockport Tx. Aransas County, Hereby authorize Alan Lee Copeland and or William Fisher to Act on my behalf regarding the Surveying and Re-platting of 1124 Patton to separate R-3 lots for the purpose of constructing single family homes.

W. Dale Morris *W Dale* date 11/24/14

Notary *Jackie Baxley* date 11/24/14



The purpose of the request for rezoning is to allow the construction of moderate priced housing that matches the type of housing currently existing in this neighborhood. The rezone will allow the construction of six houses on this piece of property that will be similar to the ones currently in the neighborhood and in the older section of old Rockport. The rezone will allow the price per house to be reduced by the price of smaller lots. Rockport needs more affordable housing and this is a great location for this type of housing.



ARANSAS COUNTY APPRAISAL DISTRICT
PROPERTY 8817762 R 12/02/2014
Legal Description
A221 T T Williamson Survey 221, ACRES 0.801

OWNER ID 119007
OWNERSHIP 100.00%
PROPERTY APPRAISAL INFORMATION 2015
MORRIS W DALE
602 E SANTA ROSA ST
VICTORIA, TX 77901-8266

Entities	Values
CAD 100%	IMPROVEMENTS 0
CRO 100%	LAND MARKET + 104,680
GAR 100%	MARKET VALUE = 104,680
NVD 100%	PRODUCTIVITY LOSS - 0
SAR 100%	APPRAISED VALUE = 104,680
XSP 100%	HS CAP LOSS - 0
	ASSESSED VALUE = 104,680

Ref ID1: 42779
6440-221-037-000

Map ID A-3

ACRES: .8010
EFF. ACRES:
APPR VAL METHOD: Cost

SITUS 1130-1150 PATTON ST ROCKPORT, TX 78382

GENERAL			
UTILITIES		LAST APPR.	KD
TOPOGRAPHY	Level & Low	LAST APPR. YR	2013
ROAD ACCESS	Paved	LAST INSP. DATE	11/27/2012
ZONING		NEXT INSP. DATE	
NEXT REASON			

EXEMPTIONS

Empty table for exemptions.

SKETCH COMMANDS

REMARKS

BUILDING PERMITS				
ISSUE DT	PERMIT TYPE	PERMIT AREA	ST	PERMIT VAL

SALE DT	PRICE	GRANTOR	DEED INFO
11/25/2014	*****	MATSON MABEL L	WD / /
09/19/2014	*****	MATSON EDWARD M	EFF / /
11/05/1986	*****	LANG GRACE MISS	CONV / 151871 / 53552

SUBD: A221 100.00% NBHD:

IMPROVEMENT INFORMATION

#	TYPE	DESCRIPTION	MTHD	CLASS/SUBCL	AREA	UNIT PRICE	UNITS	BUILT	EFF YR	COND.	VALUE	DEPR	PHYS	ECON	FUNC	COMP	ADJ	ADJ VALUE
---	------	-------------	------	-------------	------	------------	-------	-------	--------	-------	-------	------	------	------	------	------	-----	-----------

IMPROVEMENT FEATURES



J. Culler

12/2/14

SUBD: A221 100.00% NBHD:

LAND INFORMATION

L#	DESCRIPTION	CLS	TABLE	SC	HS	METH	DIMENSIONS	UNIT PRICE	GROSS VALUE	ADJ	MASS	ADJ	VAL SRC	MKT VAL	AG APPLY	AG CLASS	AG TABLE	AG UNIT	PRC	AG VALUE
1.	RESIDENTIAL		SFT-S5550-LONDON			SQ	34,891.5600 SQ	3.00	104,680	1.00		1.00	A	104,680	NO				0.00	0
														104,680					0	

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, February 24, 2015

AGENDA ITEM: 11

Hear and deliberate on presentation of City of Rockport Police Department 2014 Racial Profiling Report

SUBMITTED BY: Police Chief Tim Jayroe

APPROVED FOR AGENDA: PKC

BACKGROUND: The accompanying report is presented in compliance with Texas Code of Criminal Procedure Article 2.134 related to Statutory Prohibition of Racial Profiling. Chief Jayroe will give the presentation and be available to answers any questions.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Not an action item.

RACIAL PROFILING ANALYSIS

2014



ROCKPORT POLICE DEPARTMENT

Executive Summary

Article 2.132 (7) of the Texas Code of Criminal Procedure requires the annual reporting to the local governing body of data collected on the race or ethnicity of individuals stopped and issued citations or arrested for traffic violations and whether or not those individuals were searched. Since the law provides no clear instruction to a governing body on how to review such data, the Rockport Police Department developed this analysis and review to assist the City Council in reviewing the data.

The analysis of material and data from the Rockport Police Department revealed the following:

- **A COMPREHENSIVE REVIEW OF THE ROCKPORT POLICE DEPARTMENT'S BIAS BASED PROFILING POLICY SHOWS THAT THE ROCKPORT POLICE DEPARTMENT IS FULLY IN COMPLIANCE WITH ARTICLE 2.132 OF THE TEXAS CODE OF CRIMINAL PROCEDURE.**
- **A REVIEW OF THE INFORMATION PRESENTED AND SUPPORTING DOCUMENTATION REVEALS THAT THE ROCKPORT POLICE DEPARTMENT IS FULLY IN COMPLIANCE WITH TEXAS LAW ON TRAINING AND EDUCATION REGARDING RACIAL PROFILING.**
- **A REVIEW OF THE DOCUMENTATION PRODUCED BY THE DEPARTMENT REVEALS THAT THE DEPARTMENT IS FULLY IN COMPLIANCE WITH APPLICABLE TEXAS LAW ON THE RACIAL PROFILING COMPLAINT PROCESS AND PUBLIC EDUCATION ABOUT THE COMPLAINT PROCESS.**
- **ANALYSIS OF THE DATA REVEALS THAT THE DEPARTMENT IS FULLY IN COMPLIANCE WITH APPLICABLE TEXAS LAW ON THE COLLECTION OF RACIAL PROFILING DATA.**
- **THE ANALYSIS OF STATISTICAL INFORMATION FROM ROCKPORT POLICE DEPARTMENT REVEALS THAT THERE ARE NO METHODOLOGICALLY CONCLUSIVE INDICATIONS OF SYSTEMIC RACIAL PROFILING BY THE DEPARTMENT.**
- **THE ROCKPORT POLICE DEPARTMENT IS FULLY IN COMPLIANCE WITH APPLICABLE TEXAS LAW CONCERNING THE PROHIBITION OF RACIAL PROFILING.**
- **THE ROCKPORT POLICE DEPARTMENT IS FULLY IN COMPLIANCE WITH APPLICABLE TEXAS LAW CONCERNING THE REPORTING OF INFORMATION TO TCOLE.**

Introduction

This report details an analysis of the Rockport Police Department's policies, training, and statistical information on racial profiling for the calendar year 2014. This report has been prepared to specifically comply with Article 2.132 of the Texas Code of Criminal Procedure (CCP) regarding the compilation and analysis of racial profiling data. Specifically, the analysis will address Articles 2.131 – 2.135 of the CCP and make a determination of the level of compliance with those articles by the Rockport Police Department in 2014. The full copies of the applicable laws and regulations pertaining to this report are contained in Appendix A.

This report is divided into six analytical sections: Rockport Police Department's bias based profiling policy; Rockport Police Department's training and education on racial profiling; Rockport Police Department's complaint process and public education on racial profiling; analysis of statistical data on racial profiling; analysis of Rockport Police Department's compliance with applicable laws on racial profiling; and a final section which includes completed data and information reporting forms required to be sent to TCOLE beginning in 2011.

For the purposes of this report and analysis, the following definition of racial profiling is used: racial profiling means a law enforcement-initiated action based on an individual's race, ethnicity, or national origin rather than on the individual's behavior or on information identifying the individual as having engaged in criminal activity (Texas CCP Article 3.05).

Rockport Police Department Policy on Racial Profiling

A review of Rockport Police Department's "Bias Based Profiling" policy revealed that the department has adopted policies in compliance with Article 2.132 of the Texas CCP (see Appendix B). There are seven specific requirements mandated by Article 2.132 that a law enforcement agency must address. All seven are clearly covered in Rockport Police Department's bias based profiling policy. Rockport Police Department policies provide clear direction that any form of racial profiling is prohibited and that officers found engaging in inappropriate profiling may be disciplined in accordance with chapter 2.02 of the Rockport Police Department Policies and Procedures pertaining to receipt, processing, investigation, and adjudication of complaints. The policies also provide a very clear statement of the agency's philosophy regarding equal treatment of all persons regardless of race, ethnicity, or national origin. Appendix C lists the applicable statute and corresponding Rockport Police Department regulation.

A COMPREHENSIVE REVIEW OF ROCKPORT POLICE DEPARTMENT'S BIAS BASED PROFILING POLICY SHOWS THAT THE ROCKPORT POLICE DEPARTMENT IS FULLY IN COMPLIANCE WITH ARTICLE 2.132 OF THE TEXAS CODE OF CRIMINAL PROCEDURE.

Rockport Police Department Training and Education on Racial Profiling

Texas Occupation Code § 1701.253 and § 1701.402 require that curriculum be established and training certificates issued on racial profiling for all Texas peace officers. Documentation provided by Rockport Police Department reveals that racial profiling training and certification is current for all officers in 2014. The department has also identified officers who will need updated training in 2014 and has planned for those officers to attend the training. All Rockport Police

Department officers are trained and instructed on the racial profiling law in Texas. In addition, officers also receive mandatory cultural diversity training. All officers have been instructed on the policies and procedures regarding racial profiling and the accompanying complaint process as well.

A REVIEW OF THE INFORMATION PRESENTED AND SUPPORTING DOCUMENTATION REVEALS THAT THE ROCKPORT POLICE DEPARTMENT IS FULLY IN COMPLIANCE WITH TEXAS LAW ON TRAINING AND EDUCATION REGARDING RACIAL PROFILING.

Rockport Police Department Complaint Process and Public Education on Racial Profiling

Article 2.132 §(b)3-4 of the Texas Code of Criminal Procedure requires that law enforcement agencies implement a complaint process on racial profiling and that the agency provide public education on the complaint process. Rockport Police Department's Bias Based Profiling Policy Section 1.06 covers this requirement. The City of Rockport Police Department has also taken the following actions to ensure that the information relating to the policy disallowing racial profiling has been made known to the public:

1. Created a complaint form which are available at any time from any officer or at any time from the lobby of the police station; and
2. Officers of the department have been instructed on the racial profiling law and are available to, and have answered requests about, the law and complaint procedure.

A REVIEW OF THE DOCUMENTATION PRODUCED BY THE DEPARTMENT REVEALS THAT THE DEPARTMENT IS FULLY IN COMPLIANCE WITH APPLICABLE TEXAS LAW ON THE RACIAL PROFILING COMPLAINT PROCESS AND PUBLIC EDUCATION ABOUT THE COMPLAINT PROCESS.

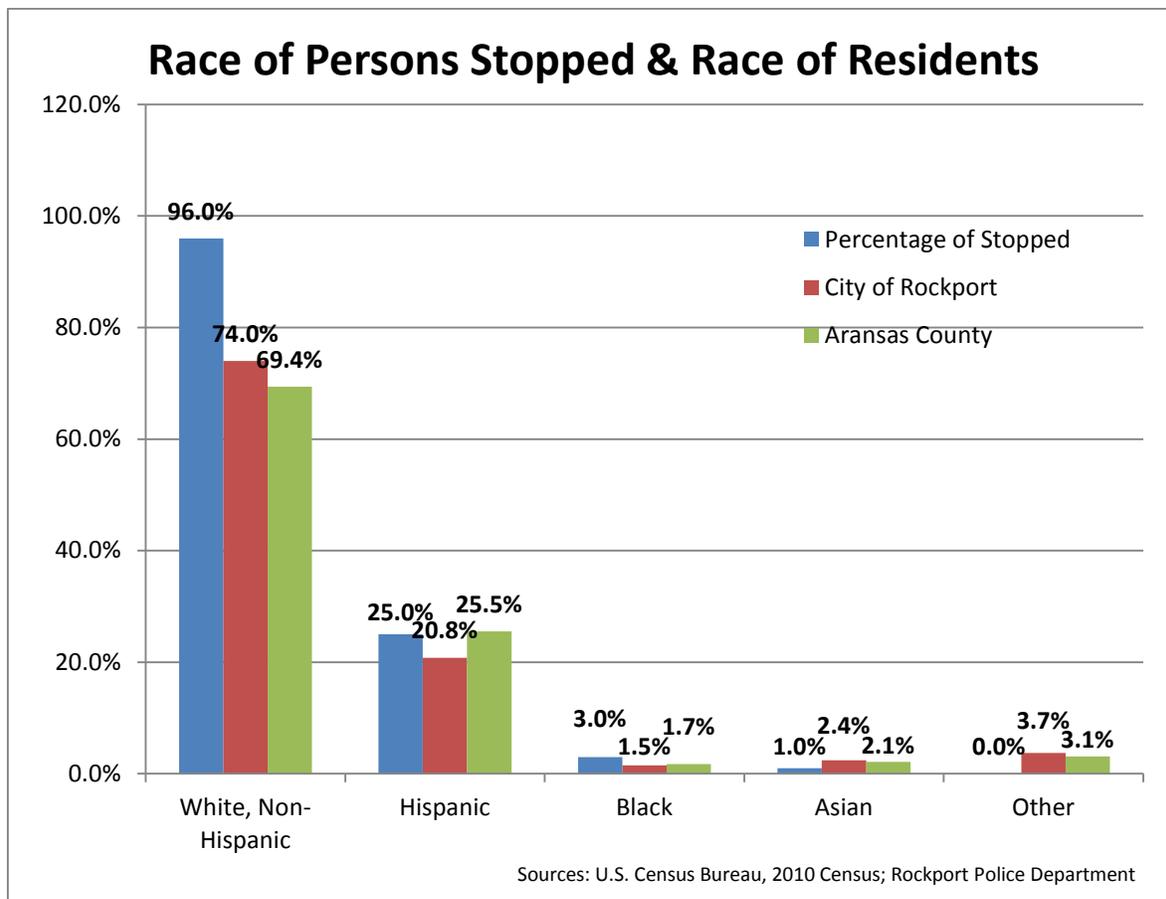
Rockport Police Department Statistical Data on Racial Profiling

Article 2.132(b) 6 requires that law enforcement agencies collect statistical information on traffic citations and detentions with specific information on the race of the person cited. In addition, information concerning searches of persons and whether or not the search was based on consent is also collected. Rockport Police Department submitted statistical information on all vehicle stops resulting in a citation or arrest in 2014 and accompanying information on the race of the person stopped. Accompanying this data was the relevant information on searches and arrests.

ANALYSIS OF THE DATA REVEALS THAT THE DEPARTMENT IS FULLY IN COMPLIANCE WITH APPLICABLE TEXAS LAW ON THE COLLECTION OF RACIAL PROFILING DATA.

Analysis of the Data

The chart below depicts the percentages of people stopped by race including Whites, Hispanics, Blacks, Asians, and Others.¹ White drivers constituted 96 percent of all drivers stopped, whereas Whites constituted 74.0 percent of the city population and 69.4 percent of the county population.² The chart shows that White drivers were stopped at a rate that is slightly below the percentage of Whites in the city population and almost the same as the percentage of Whites in the county population. Hispanic drivers constituted 25 percent of all drivers stopped, whereas Hispanics constituted 20.8 percent of the city population and 25.5 percent of the county population. Hispanics were stopped at rates higher than the percentage of Hispanics found in the city and almost the same as Hispanics found in the county populations. Black drivers constituted 3 percent of all drivers stopped, whereas Blacks constituted 1.5 percent of the city population and 1.7 percent of the county population. Asian drivers constituted 1 percent of those stopped while they account for 2.4 percent and 2.1 percent, respectively, of the population in Rockport and Aransas County. Other drivers constituted 0 percent of those stopped while they account for 3.7 percent and 3.1 percent, respectively, of the population in Rockport and Aransas County.

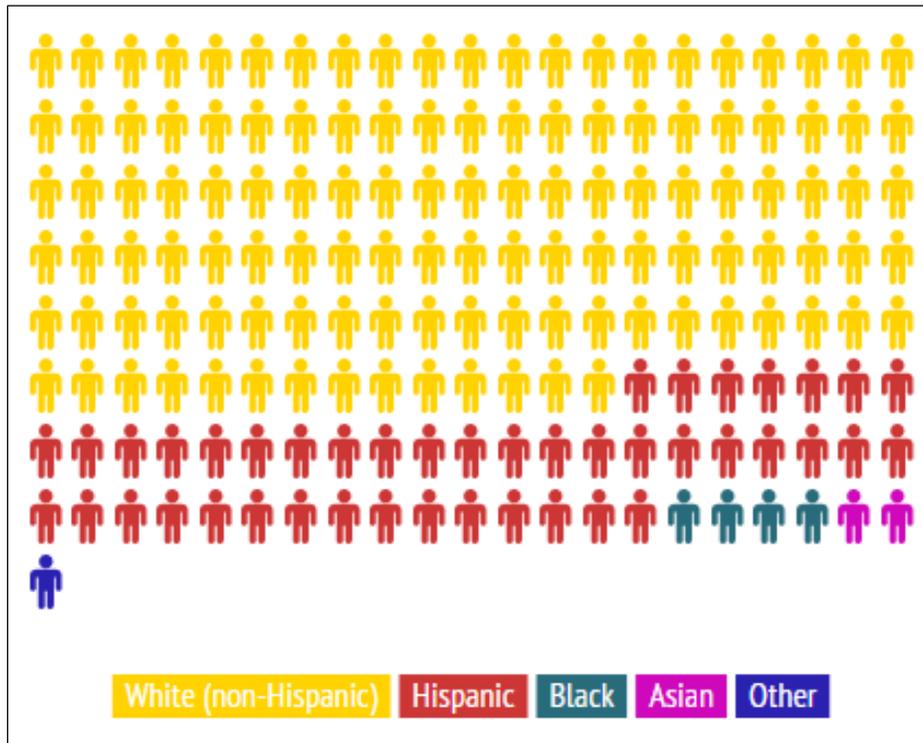


The following graph shows the race of persons stopped data in an alternate way.

¹ The total number of violations is comprised of 12,294 citations and 40 arrests for a total of 12,334 violations resulting in a citation or arrest. See the TCOLE forms at the end of this report.

² City and County population figures are derived from the 2010 Census from the U.S. Census Bureau.

Race of Persons Stopped



The different rates within racial groups between U.S. Census figures and those stopped by police are not significant and can be accounted for by two factors. First, it is important to note that the racial and ethnic composition in the counties surrounding Rockport and Aransas County is significantly different. Specifically, the Hispanic populations of the surrounding counties are:

- Calhoun County – 44 %
- Nueces County – 59%
- Refugio County – 46%
- San Patricio County – 52%

Second, the economy of Rockport is based on tourism and on any given day there are as many visitors as there are permanent residents and during certain times of the year more than twice the number of visitors. This is reflected by the 48 percent of stops that were of non-residents. Between these two factors, variation within groups is expected.

As the chart shows, easy determinations regarding whether or not Rockport police officers have “racially profiled” a given motorist are impossible given the nature of the data that has been collected and presented for this report. The law dictates that police agencies compile aggregate-level data regarding the *rates* at which agencies *collectively* stop motorists in terms of their race/ethnicity. These aggregated data are to be subsequently analyzed in order to determine whether or not *individual* officers are “racially profiling” motorists. This methodological error, commonly referred to as the “ecological fallacy,” defines the dangers involved in making assertions about individual officer decisions based on the examination of aggregate incident level

data. In short, one cannot "prove" that an *individual* officer has "racially profiled" any *individual* motorist based on the rate at which a department stops any given *group* of motorists.

Additional interpretation problems remain in regards to the specific measurement of "racial profiling" as defined by Texas state code. For example, officers are currently forced to make subjective determinations regarding an individual's race based on his or her personal observations because the Texas Department of Public Safety does not provide an objectively-based determination of an individual's race/ethnicity on the Texas driver's license. The absence of any verifiable race/ethnicity data on the driver's license is especially troubling given the racial diversity within the city of Rockport. The validity of any racial/ethnic disparities discovered in the aggregate level data becomes threatened in direct proportion to the number of subjective "guesses" officers are forced to make when trying to determine an individual's racial/ethnic background.

In addition, the data collected for the current report does not allow for an analysis that separates (or disaggregates) the discretionary decisions of officers to stop a motorist from those that are largely non-discretionary. For example, non-discretionary stops of motorists based on the discovery of outstanding warrants should not be analyzed in terms of whether or not "profiling" has occurred simply because the officer who has stopped a motorist as a result of the discovery of an outstanding warrant does not *independently* make the decision to stop, but rather, is required to stop that individual regardless of any determination of race. An officer cannot be determined to be "racially profiling" when organizational rules and state codes compel them to stop regardless of an individual's race/ethnicity. Straightforward aggregate comparisons of stop rates ignore these realities, and fail to distinguish between discretionary and non-discretionary law enforcement actions. In the future, this validity issue could be lessened by the collection of data indicating the initial reason for the traffic stop, whether it be an observed traffic violation, other criminal activity, the existence of an outstanding warrant, or some other reason.

Finally, there has been considerable debate as to what the most appropriate population "base-rate" is in determining whether or not racial/ethnic disparities exist. As the current analysis shows in regards to the use of city and county population base-rates, the outcome of analyses designed to determine whether or not disparities exist is obviously dependent on which base-rate is used. In addition, recent population changes in the city of Rockport exacerbates problems associated with determining appropriate base-rates because measures derived from the U.S. Census can become quickly outdated. Although this report utilized the more recent 2010 Census, this population measure will become quickly outdated as well.

Related to the above, the determination of valid stop base-rates becomes multiplied if analyses fail to distinguish between residents and non-residents who are stopped, because the existence of significant proportions of non-resident stops will lead to invalid conclusions if racial/ethnic comparisons are made exclusively to resident population figures.

In short, the methodological problems outlined above point to the limited utility of using aggregate level comparisons of the rates at which different racial/ethnic groups are stopped in order to determine whether or not racial profiling exists within a given jurisdiction.

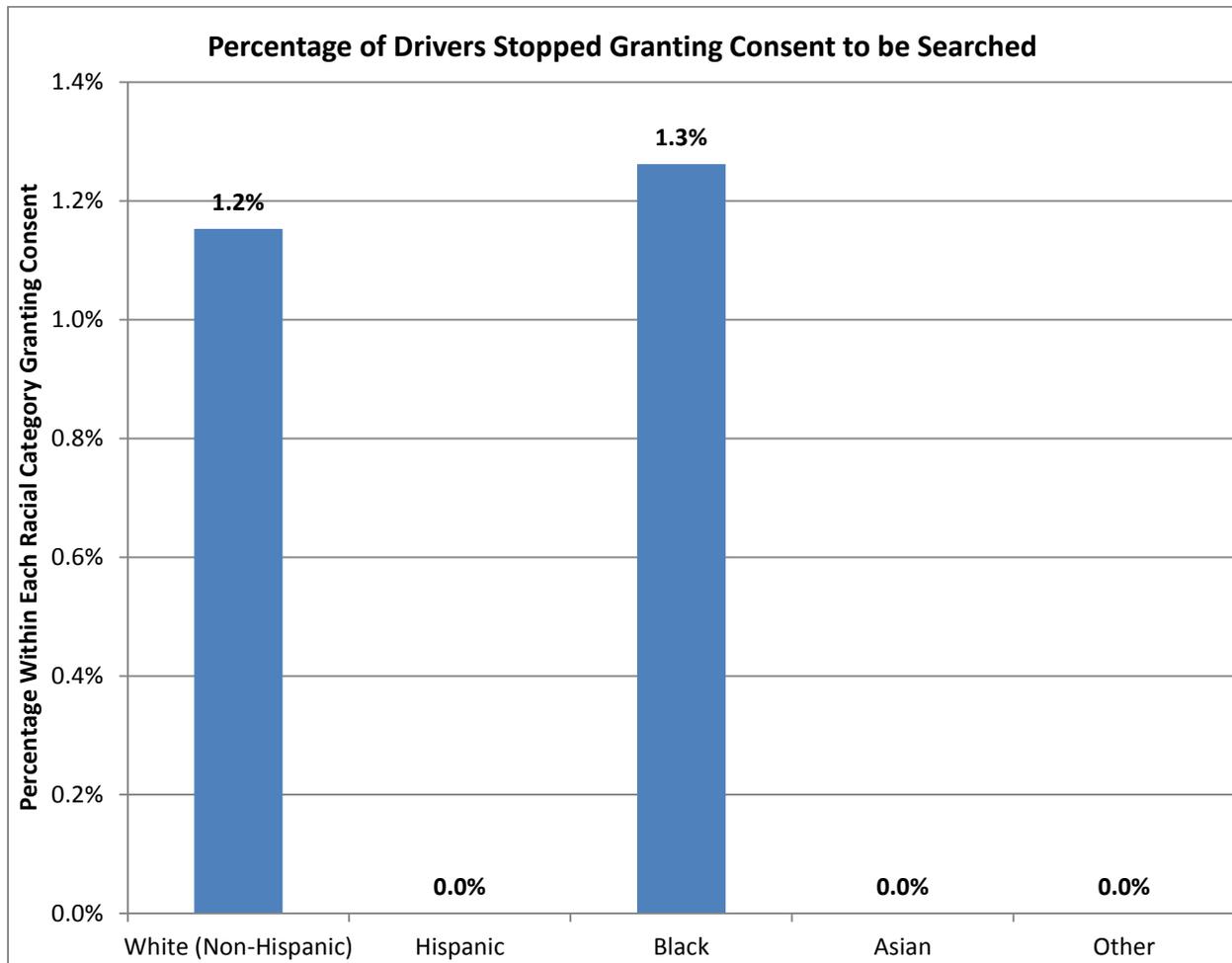
The table below reports the summaries for the total number of persons stopped and searched subsequent to being stopped by the Rockport Police Department for traffic offenses in 2014 (12,334). In addition, the table shows the number of individuals who granted consent to search

and those drivers who were arrested at the conclusion of the stop. The table shows that 97 percent of all drivers searched were White (124/128 total searches), and 3 percent (4/128) were Black. It is clear from the table that the vast majorities of the total number of drivers stopped (including White, Black, and Hispanic groups) were not searched, as 98.97 percent of all drivers who were stopped were not searched (12,206/12,334).

Action	White (Non-Hispanic)	Hispanic	Black	Asian	Other	Total
Total Stops*	8,673	3,134	317	176	34	12,334
Total Searches	124	0	4	0	0	128
Consent Searches	100	0	4	0	0	104
Incident to Arrest	3	0	0	0	0	3
Probable Cause	21	0	0	0	0	21
Warnings	7,264	2,380	233	154	28	10,059
Arrests	37	0	0	0	0	37

*Includes 2,275 Citations & 10,059 Warnings

The bar chart below presents the percentage of drivers that provided consent to search within each racial category. The chart indicates that drivers who were stopped were rarely consent searched across the racial categories. For example, 96 percent of all White drivers who were stopped were also searched by consent (100 total consent searches), 0 percent of all Hispanic drivers who were stopped were searched by consent (0 total consent searches), and 4 percent of all Black drivers who were stopped were searched by consent (4 total consent searches).



Analysis of Racial Profiling Compliance by Rockport Police Department

The foregoing analysis shows that the Rockport Police Department is fully in compliance with all relevant Texas laws concerning racial profiling, including the existence of a formal policy prohibiting racial profiling by its officers, officer training and educational programs, a formalized complaint process, and the collection of data in compliance with the law. Finally, internal records indicate that the department received no complaints in reference to racial profiling for the year 2014.

In addition to providing summary reports and analysis of the data collected by the Rockport Police Department in 2014, this report also included an extensive presentation of some of the limitations involved in the level of data collection currently required by law and the methodological problems associated with analyzing such data for the Rockport Police Department as well as police agencies across Texas. The Rockport Police Department should continue its educational and training efforts within the department on racial profiling. Finally, the department should conduct periodic evaluations to assess patterns of officer decision-making on traffic stops. The final section of this report includes newly required TCOLE reporting information by Texas law enforcement organizations.

Appendix B

Racial Profiling Statutes and Laws

Art. 3.05. RACIAL PROFILING.

In this code, "racial profiling" means a law enforcement-initiated action based on an individual's race, ethnicity, or national origin rather than on the individual's behavior or on information identifying the individual as having engaged in criminal activity.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 2, eff. Sept. 1, 2001.

Art. 2.131. RACIAL PROFILING PROHIBITED.

A peace officer may not engage in racial profiling.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Art. 2.132. LAW ENFORCEMENT POLICY ON RACIAL PROFILING.

(a) In this article:

(1) "Law enforcement agency" means an agency of the state, or of a county, municipality, or other political subdivision of the state, that employs peace officers who make motor vehicle stops in the routine performance of the officers' official duties.

(2) "Motor vehicle stop" means an occasion in which a peace officer stops a motor vehicle for an alleged violation of a law or ordinance.

(3) "Race or ethnicity" means of a particular descent, including Caucasian, African, Hispanic, Asian, Native American, or Middle Eastern descent.

(b) Each law enforcement agency in this state shall adopt a detailed written policy on racial profiling. The policy must:

(1) clearly define acts constituting racial profiling;

(2) strictly prohibit peace officers employed by the agency from engaging in racial profiling;

(3) implement a process by which an individual may file a complaint with the agency if the individual believes that a peace officer employed by the agency has engaged in racial profiling with respect to the individual;

(4) provide public education relating to the agency's complaint process;

(5) require appropriate corrective action to be taken against a peace officer employed by the agency who, after an investigation, is shown to have engaged in racial profiling in violation of the agency's policy adopted under this article;

(6) require collection of information relating to motor vehicle stops in which a citation is issued and to arrests made as a result of those stops, including information relating to:

- (A) the race or ethnicity of the individual detained;
- (B) whether a search was conducted and, if so, whether the individual detained consented to the search; and
- (C) whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual; and

(7) require the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:

- (A) the Commission on Law Enforcement Officer Standards and Education; and
- (B) the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

(c) The data collected as a result of the reporting requirements of this article shall not constitute prima facie evidence of racial profiling.

(d) On adoption of a policy under Subsection (b), a law enforcement agency shall examine the feasibility of installing video camera and transmitter-activated equipment in each agency law enforcement motor vehicle regularly used to make motor vehicle stops and transmitter-activated equipment in each agency law enforcement motorcycle regularly used to make motor vehicle stops. If a law enforcement agency installs video or audio equipment as provided by this subsection, the policy adopted by the agency under Subsection (b) must include standards for reviewing video and audio documentation.

(e) A report required under Subsection (b)(7) may not include identifying information about a peace officer who makes a motor vehicle stop or about an individual who is stopped or arrested by a peace officer. This subsection does not affect the collection of information as required by a policy under Subsection (b)(6).

(f) On the commencement of an investigation by a law enforcement agency of a complaint described by Subsection (b)(3) in which a video or audio recording of the occurrence on which the complaint is based was made, the agency shall promptly provide a copy of the recording to the peace officer who is the subject of the complaint on written request by the officer.

(g) On a finding by the Commission on Law Enforcement Officer Standards and Education that the chief administrator of a law enforcement agency intentionally failed to submit a report required under Subsection (b)(7), the commission shall begin disciplinary procedures against the chief administrator.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Amended by: Acts 2009, 81st Leg., R.S., Ch. 1172, Sec. 25, eff. September 1, 2009.

Art. 2.133. REPORTS REQUIRED FOR MOTOR VEHICLE STOPS.

(a) In this article, "race or ethnicity" has the meaning assigned by Article 2.132(a).

(b) A peace officer who stops a motor vehicle for an alleged violation of a law or ordinance shall report to the law enforcement agency that employs the officer information relating to the stop, including:

(1) a physical description of any person operating the motor vehicle who is detained as a result of the stop, including:

(A) the person's gender; and

(B) the person's race or ethnicity, as stated by the person or, if the person does not state the person's race or ethnicity, as determined by the officer to the best of the officer's ability;

(2) the initial reason for the stop;

(3) whether the officer conducted a search as a result of the stop and, if so, whether the person detained consented to the search;

(4) whether any contraband or other evidence was discovered in the course of the search and a description of the contraband or evidence;

(5) the reason for the search, including whether:

(A) any contraband or other evidence was in plain view;

(B) any probable cause or reasonable suspicion existed to perform the search; or

(C) the search was performed as a result of the towing of the motor vehicle or the arrest of any person in the motor vehicle;

(6) whether the officer made an arrest as a result of the stop or the search, including a statement of whether the arrest was based on a violation of the Penal Code, a violation of a traffic law or ordinance, or an outstanding warrant and a statement of the offense charged;

(7) the street address or approximate location of the stop; and

(8) whether the officer issued a written warning or a citation as a result of the stop.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Amended by: Acts 2009, 81st Leg., R.S., Ch. 1172, Sec. 26, eff. September 1, 2009.

Art. 2.134. COMPILATION AND ANALYSIS OF INFORMATION COLLECTED.

(a) In this article:

(1) "Motor vehicle stop" has the meaning assigned by Article 2.132(a).

(2) "Race or ethnicity" has the meaning assigned by Article 2.132(a).

(b) A law enforcement agency shall compile and analyze the information contained in each report received by the agency under Article 2.133. Not later than March 1 of each year, each law enforcement agency shall submit a report containing the incident-based data compiled during the previous calendar year to the Commission on Law Enforcement Officer Standards and Education and, if the law enforcement agency is a local law enforcement agency, to the governing body of each county or municipality served by the agency.

(c) A report required under Subsection (b) must be submitted by the chief administrator of the law enforcement agency, regardless of whether the administrator is elected, employed, or appointed, and must include:

(1) a comparative analysis of the information compiled under Article 2.133 to:

(A) evaluate and compare the number of motor vehicle stops, within the applicable jurisdiction, of persons who are recognized as racial or ethnic minorities and persons who are not recognized as racial or ethnic minorities; and

(B) examine the disposition of motor vehicle stops made by officers employed by the agency, categorized according to the race or ethnicity of the affected persons, as appropriate, including any searches resulting from stops within the applicable jurisdiction; and

(2) information relating to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling.

(d) A report required under Subsection (b) may not include identifying information about a peace officer who makes a motor vehicle stop or about an individual who is stopped or arrested by a peace officer. This subsection does not affect the reporting of information required under Article 2.133(b)(1).

(e) The Commission on Law Enforcement Officer Standards and Education, in accordance with Section 1701.162, Occupations Code, shall develop guidelines for compiling and reporting information as required by this article.

(f) The data collected as a result of the reporting requirements of this article shall not constitute prima facie evidence of racial profiling.

(g) On a finding by the Commission on Law Enforcement Officer Standards and Education that the chief administrator of a law enforcement agency intentionally failed to submit a report required under Subsection (b), the commission shall begin disciplinary procedures against the chief administrator.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Amended by: Acts 2009, 81st Leg., R.S., Ch. 1172, Sec. 27, eff. September 1, 2009.

Art. 2.135. PARTIAL EXEMPTION FOR AGENCIES USING VIDEO AND AUDIO EQUIPMENT.

(a) A peace officer is exempt from the reporting requirement under Article 2.133 and the chief administrator of a law enforcement agency, regardless of whether the administrator is elected, employed, or appointed, is exempt from the compilation, analysis, and reporting requirements under Article 2.134 if:

(1) during the calendar year preceding the date that a report under Article 2.134 is required to be submitted:

(A) each law enforcement motor vehicle regularly used by an officer employed by the agency to make motor vehicle stops is equipped with video camera and transmitter-activated equipment and each law enforcement motorcycle regularly used to make motor vehicle stops is equipped with transmitter-activated equipment; and

(B) each motor vehicle stop made by an officer employed by the agency that is capable of being recorded by video and audio or audio equipment, as appropriate, is recorded by using the equipment; or

(2) the governing body of the county or municipality served by the law enforcement agency, in conjunction with the law enforcement agency, certifies to the Department of Public Safety, not later than the date specified by rule by the department, that the law enforcement agency needs funds or video and audio equipment for the purpose of installing video and audio equipment as described by Subsection (a)(1)(A) and the agency does not receive from the state funds or video and audio equipment sufficient, as determined by the department, for the agency to accomplish that purpose.

(b) Except as otherwise provided by this subsection, a law enforcement agency that is exempt from the requirements under Article 2.134 shall retain the video and audio or audio documentation of each motor vehicle stop for at least 90 days after the date of the stop. If a complaint is filed with the law enforcement agency alleging that a peace officer employed by the agency has engaged in racial profiling with respect to a motor vehicle stop, the agency shall retain the video and audio or audio record of the stop until final disposition of the complaint.

(c) This article does not affect the collection or reporting requirements under Article 2.132.

(d) In this article, "motor vehicle stop" has the meaning assigned by Article 2.132(a).

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Amended by: Acts 2009, 81st Leg., R.S., Ch. 1172, Sec. 28, eff. September 1, 2009.

Art. 2.136. LIABILITY.

A peace officer is not liable for damages arising from an act relating to the collection or reporting of information as required by Article 2.133 or under a policy adopted under Article 2.132.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Art. 2.137. PROVISION OF FUNDING OR EQUIPMENT.

(a) The Department of Public Safety shall adopt rules for providing funds or video and audio equipment to law enforcement agencies for the purpose of installing video and audio equipment as described by Article 2.135(a)(1)(A), including specifying criteria to prioritize funding or equipment provided to law enforcement agencies. The criteria may include consideration of tax effort, financial hardship, available revenue, and budget surpluses. The criteria must give priority to:

(1) law enforcement agencies that employ peace officers whose primary duty is traffic enforcement;

(2) smaller jurisdictions; and

(3) municipal and county law enforcement agencies.

(b) The Department of Public Safety shall collaborate with an institution of higher education to identify law enforcement agencies that need funds or video and audio equipment for the purpose of installing video and audio equipment as described by Article 2.135(a)(1)(A). The collaboration may include the use of a survey to assist in developing criteria to prioritize funding or equipment provided to law enforcement agencies.

(c) To receive funds or video and audio equipment from the state for the purpose of installing video and audio equipment as described by Article 2.135(a)(1)(A), the governing body of a county or municipality, in conjunction with the law enforcement agency serving the county or municipality, shall certify to the Department of Public Safety that the law enforcement agency needs funds or video and audio equipment for that purpose.

(d) On receipt of funds or video and audio equipment from the state for the purpose of installing video and audio equipment as described by Article 2.135(a)(1)(A), the governing body of a county or municipality, in conjunction with the law enforcement agency serving the county or municipality, shall certify to the Department of Public Safety that the law enforcement agency has installed video and audio equipment as described by Article 2.135(a)(1)(A) and is using the equipment as required by Article 2.135(a)(1).

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Art. 2.138. RULES.

The Department of Public Safety may adopt rules to implement Articles 2.131-2.137.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Art. 2.1385. CIVIL PENALTY.

(a) If the chief administrator of a local law enforcement agency intentionally fails to submit the incident-based data as required by Article 2.134, the agency is liable to the state for a civil penalty in the amount of \$1,000 for each violation. The attorney general may sue to collect a civil penalty under this subsection.

(b) From money appropriated to the agency for the administration of the agency, the executive director of a state law enforcement agency that intentionally fails to submit the incident-based data as required by Article 2.134 shall remit to the comptroller the amount of \$1,000 for each violation.

(c) Money collected under this article shall be deposited in the state treasury to the credit of the general revenue fund.

Added by Acts 2009, 81st Leg., R.S., Ch. 1172, Sec. 29, eff. September 1, 2009.

Appendix C

Rockport Police Department Racial Profiling Policy

COMMENT: It has been the long standing practice of officers of the Rockport Police Department to treat all individuals with respect and courtesy. The Rockport Police Department Code of Conduct was established in September, 1989 to “promote efficiency, discipline, and good public relations” (Code of Conduct 1.2) and “to maintain the confidence, respect, and support of the public” (Code of Conduct 2.1). Chapter VI of the Code of Conduct describes the responsibilities of all personnel in dealings with the public.

Effective September 1, 2001 Article 2.131 of the Texas Code of Criminal Procedure established a prohibition against racial profiling as follows:

“A peace officer may not engage in racial profiling”.

Racial Profiling is defined in Article 3.05 as

“A law enforcement initiated action based on an individual’s race, ethnicity, or national origin rather than on the individual’s behavior or on information identifying the individual as having engaged in criminal behavior”.

1.00 RACIAL PROFILING

For the purpose of this policy all prohibitions, definitions and stipulations of Code of Criminal Procedure Article 2.131, 2.132, 2.133, 2.134, 2.135, 2.136, and 3.05 are applicable.

1.01 PURPOSE

The purpose of the policy is to reaffirm the Rockport Police Department’s commitment to unbiased policing in all its encounters between officers and any person; to reinforce procedures that serve to ensure public confidence and mutual trust through the provision of services in a fair and equitable fashion; and to protect our officers from unwarranted accusations of misconduct when they act within the dictates of departmental policy and the law.

1.02 POLICY

It is the policy of this department to police in a proactive manner and, to aggressively investigate suspected violations of law. Officers shall actively enforce city ordinances and state and federal laws in a responsible and professional manner, without regard to race, ethnicity or national origin. Officers are strictly prohibited from engaging in racial profiling as defined in this policy. This policy shall be applicable to all persons, whether drivers, passengers or pedestrians.

Two of the fundamental rights guaranteed by both the United States and Texas constitutions are equal protection under the law and freedom from unreasonable searches and seizures by government agents. The right of all persons to be treated equally and to be free from unreasonable searches and seizures must be respected. To assure protection of these rights officers shall conduct themselves in a dignified and respectful manner at all times when dealing with the public. Racial profiling is an unacceptable patrol tactic and will not be condoned.

This policy shall not preclude officers from offering assistance, such as upon observing a substance leaking from a vehicle, or someone who appears to be ill, lost or confused. Nor does this policy prohibit stopping someone suspected of a crime based upon observed actions and/or information received about the person.

1.03 DEFINITIONS

Racial Profiling – A law enforcement-initiated action based on an individual’s race, ethnicity, or national origin rather than on the individual’s behavior or on information identifying the individual as having engaged in criminal activity.

Race or Ethnicity – Of a particular decent, including Caucasian, African, Hispanic, Asian, or Native American.

Pedestrian Stop – An interaction between a peace officer and an individual who is being detained for the purpose of a criminal investigation in which the individual is not under arrest.

Traffic Stop – Stopping of a motor vehicle for a violation of a law or ordinance regulating traffic.

1.04 EXAMPLES OF PROFILING

- a. Citing a driver who is speeding in a stream of traffic where most other drivers are speeding because of the cited driver’s race, ethnicity or national origin;
- b. Detaining the driver of a vehicle based on the determination that a person of that race, ethnicity or national origin is unlikely to own or possess that specific make or model of vehicle; or
- c. Detaining an individual based upon the determination that a person of that race, ethnicity or national origin does not belong in specific part of town or a specific place.
- d. Racial profiling pertains to persons who are viewed as suspects or potential suspects of criminal behavior. The term is not relevant as it pertains to witnesses, complainants or other citizen contacts.
- e. The prohibition against racial profiling does not preclude the use of race, ethnicity or national origin as factors in a detention decision. Race, ethnicity or national origin may be legitimate factors in a detention decision when used as part of an actual description of a specific suspect for whom an officer is searching. However, detaining an individual and conducting an inquiry into that person’s activities simply because of that individual’s race, ethnicity or national origin is racial profiling.

1.05 TRAINING

Officers are responsible to adhere to all Texas Commission on Law Enforcement Officer Standards and Education (TCOLE) training requirements as mandated by law.

All officers shall complete TCOLE training and education program on racial profiling not later than the second anniversary of the date the officer is licensed under Chapter 1701 of the Texas Occupations Code or the date the officer applies for an intermediate proficiency certificate, whichever date is earlier. A person who on September 1, 2001, held a TCOLE intermediate proficiency certificate, or who had held a peace officer license issued by TCOLE for at least two years, shall

complete a TCOLE training and education program on racial profiling not later than September 1, 2003.

The chief of police, as part of the initial training and continued education for such appointment, will be required to attend the Law Enforcement Management Institute of Texas or other TCOLE approved program on racial profiling.

An individual appointed as a police chief before the effective date of this Act shall complete the program on racial profiling established under Subsection (j), Section 96.641, Education Code, as added by this Act, not later the September 1, 2003.

1.06 COMPLAINT INVESTIGATION

- a. The department shall accept complaints from any person who believes he or she has been stopped or searched based on racial, ethnic or national origin profiling. No person shall be discouraged, intimidated or coerced from filing a complaint, nor discriminated against because he or she filed such a complaint.
- b. Any employee who receives an allegation of racial profiling, including the officer who initiated the stop, shall record the person's name, address and telephone number, and forward the complaint through his/her immediate supervisor to his division commander or direct the individual(s) to an on duty supervisor. Any employee contacted shall provide to that person a form explaining the department process for filing a complaint. All employees will report any allegation of racial profiling to their superior before the end of their shift.
- c. Investigation of a complaint shall be conducted in a thorough and timely manner. All complaints will be acknowledged in writing to the initiator who will receive disposition regarding said complaint within a reasonable period of time. The investigation shall be reduced to writing and any reviewer's comments or conclusions shall be filed with the chief of police.
- d. If a racial profiling complaint is sustained against an officer, it will result in appropriate corrective and/or disciplinary action, up to and including termination.
- e. Any departmental video or audio recording of the events upon which a complaint of racial profiling is based, shall, upon commencement of an investigation by this department into the complaint and written request of the officer made the subject of the complaint, be copied and a copy promptly provided to that officer.

1.07 PUBLIC EDUCATION

This department will inform the public of its policy against racial profiling and the complaint process. Methods that may be utilized to inform the public may include the news media, service or civic presentations, the Internet, as well as governing board meetings. Additionally, information will be made available as appropriate in languages other than English.

1.08 CITATION DATA COLLECTION & REPORTING

Officers will collect information relating to traffic stops in which a citation is issued. On the citation officers must include:

- a. the violators race or ethnicity;
- b. whether a search was conducted;
- c. was the search consensual; and
- d. arrest for this cited violation or any other violation

By February 1 of each year, a report will be prepared and presented to the Chief of Police that includes the information gathered by the citations. The report will include:

- a. a breakdown of citations by race or ethnicity;
- b. number of citations that resulted in a search;
- c. number of searches that were consensual; and
- d. number of citations that resulted in custodial arrest for this cited violation or any other violation.

1.09 USE OF VIDEO AND AUDIO EQUIPMENT

- A. Each motor vehicle regularly used by this department to make traffic and pedestrian stops is equipped with a video camera and transmitter-activated equipment.
- B. Each traffic and pedestrian stop made by an officer of this department that is capable of being recorded by video and audio, or audio, as appropriate, shall be recorded.
- C. This department shall retain the video and audiotapes, or the audiotape of each traffic and pedestrian stop for at least ninety (90) days after the date of the stop. If a complaint is filed with this department alleging that an officer has engaged in racial profiling with respect to a traffic or pedestrian stop, this department shall retain the video and audiotapes, or the audiotape of the stop until final disposition of the complaint.
- D. Supervisors will ensure that officers of this department are recording their traffic and pedestrian stops. A recording of each officer will be reviewed at least once every ninety (90) days.
- E. If the equipment used to record audio and/or video of traffic or pedestrian stops is malfunctioning or otherwise not operable, the officer making the stop will properly record and report the information as follows:
 1. A physical description of each person detained as result of the stop, including:
 - a) The person's gender;
 - b) The person's race or ethnicity, as stated by the person or as determined by the officer to the best of his/her ability.
 2. The street address or approximate location of the stop. The suspected offense or the traffic law or ordinance alleged to have been violated.
 3. Whether the officer conducted a search as a result of the stop and, if so, whether the person detained consented to the search.
 4. Whether probable cause to search existed and, if so, the fact(s) supporting the existence of that probable cause.
 5. Whether any contraband was discovered in the course of the search and, if so they type of contraband discovered.
 6. Whether the officer made an arrest as a result of the stop and/or search, and, if so, a statement of the offense charged.
 7. Whether the officer issued a warning or a citation as a result of the stop and, if so, a statement of the offense charged.

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, February 24, 2015

AGENDA ITEM: 12

Reports from Council and Staff

At this time, the City Council will report/update on all committee assignments which may include the following: County Storm Water Committee; Community Park, Park & Leisure Advisory Board, Chamber of Commerce, Coastal Bend Council of Governments, Coast Bend Bays & Estuaries, 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. Staff reports include the following: Building & Development – bi-weekly code enforcement, pending development report; Accounting & Finance – update on liens collection, financial and investment information, monthly financial reports; Police Department – grant update, quarterly police reports, Fulton law enforcement; Public Works – Building Maintenance, Construction Updates; Park & Leisure Services – grant updates, park projects; Municipal Court; Administration – interlocal agreements, public information, website, compressed natural gas fueling station, and hotel occupancy report. No formal action can be taken on these items at this time.

SUBMITTED BY: Council and Staff.

APPROVED FOR AGENDA: PKC

BACKGROUND: See the accompanying reports for detailed information.

FISCAL ANALYSIS: N/A.

RECOMMENDATION:



DEPARTMENT OF BUILDING & DEVELOPMENT CODE ENFORCEMENT REPORT AS OF 2/18/15

PROPERTY ADDRESS	ALLEGED VIOLATION	DATE OF INSPECTION	ACTION TAKEN/FOLLOW UP ACTION	ESTIMATED completion date	DATE OF COMPLETION
1913 Cochran Ln.	JUNK & TRASH	5/28/14 I.B.	1/29/15 Charges filed against property owners for code and zoning violations by Code Enforcement Staff. Waiting on court date.		
1800 N. Live Oak St.	HIGH GRASS AND/OR WEEDS, JUNK & TRASH, UNSECURED STRUCTURES	9/8/14 A.W.	1/21/15 RE-inspected property. Mowing is complete. Junk & trash is 80% complete. Granted request for 2 week extension to complete cleanup and to secure structures. 2/18/15 cleanup is complete. Structures still need to be secured. Will notify owner.	3/15/15	
2105 Crescent St.	HIGH GRASS AND/OR WEEDS	11/17/14 A.W.	1/6/15 re-inspected, hire contractor to mow. 1/26/15 hired contractor to mow. 2/2/15 re-inspected. Mowed by contractor. Complete.		2/3/15
2104 Picton Ln.	ILLEGAL USE OF PROPERTY	11/21/14 A.W. 1/29/15	2/16/15 owner spoke with staff in office. Stated he will clean up and build privacy fence on north side of back yard. 2-17-15 sent letter to confirm timeline for abatement of issues in yard and building new fence on north side of backyard as complaints continue.	3/5/15	
2501 San Antonio St.	ZONING VIOLATION; WORKING W/O PERMIT	12/15/14 A.W.	1/7/15 2nd citizen complaint received. Placed stop work order at location. 1/9/15 observed no new work has been done. 1/15/15 owner came into office and spoke with building inspector. They are applying for a conditional use permit for medical hardship within the next two weeks. This case is scheduled to be heard by the Planning & Zoning Commission on February 16, 2015.	2/28/15	2/16/15



**DEPARTMENT OF BUILDING & DEVELOPMENT
CODE ENFORCEMENT REPORT AS OF 2/18/15**

1021 Raven Dr.	ILLEGAL USE OF PROPERTY	1/6/15 I.B.	Property owner has spoken with Code Enforcement and Building Inspector and has given permission for property owner to move RV within 30 days and comply with Zoning Violation.	3/3/15	
1035 S. Church St.	HIGH GRASS AND/OR WEEDS TRASH	1/14/15 I.B.	Certified letter receipt received signed by property owner on 1/26/15. Extension granted due to rain.	2/12/15	
712 E. Orleans St.	HIGH GRASS AND/OR WEEDS	1/29/15 I.B.	Certified letter receipt received signed by property owner on 2/12/15.	2/23/15	
NEW					
1204 E. Orleans St	JUNK & TRASH	2/2/15 A.W.	2/2/15 send letter. Sent letter 2-10-15 giving property owner 10 days from receipt of letter to remove tree debris..	2/20/15	
1713 W. Terrace Blvd.	ILLEGAL USE OF PROPERTY	2/4/15 I.B.	Citizen complaint at this location being used as a boat repair shop. Staff investigated and found a violation of illegal use of property. 2/17/15 Letter mailed to property owner to advise they will have 10 days to correct violation.	2/27/15	



BUILDING ABATEMENT REPORT

2/17/15

PROPERTY ADDRESS	ALLEGED VIOLATION	DATE OF INSPECTION	ACTION TAKEN/FOLLOW UP ACTION	ESTIMATED DATE OF COMPLETION	DATE OF COMPLETION
402 E HACKBERRY	WORK W/O PERMIT	1/20/14	Court date 2/3/15, court gave 10 days to comply or 2500.00 fine will be enforced. Permit issued 2.12.15, B131658. Complete	2/13/15	2.12.15
1107 S FUQUA ST	SUBSTANDARD BLDG	1/23/14	Letter sent 1.20.15, Letter returned 2.17.15 unsigned. City will hire contractor.	2/28/15	
814 N ANN ST	SUBSTANDARD BLDG	1/23/14	Owner's agent requested permit B130791 be extended 60 days. Extension granted 2/2/15.	5/20/15	
2324 LADY CLAIRE	SUBSTANDARD STRUCTURE	5/28/14	Property transferred to the State of Texas. State reviewing bids to demo.	3/30/15	
1909 COCHRAN	DILAPIDATED STRUCTURE	7/2/14	Charges filed with the Building and Standards Commission.	2/28/15	
1721 BAYSHORE	SUBSTANDARD BUILDING	9/3/14	Will schedule with Building and Standard Commission.	2/28/15	
1913 COCHRAN	ZONING VIOLATION	10/10/14	Waiting on court date.	2/28/15	
111 PALM	WORK W/O PERMIT	10/20/14	Court date 2/3/15, court gave 10 days to comply or 200 a day fine will be enforced. Permit issued 2.3.15, #B131629, complete	2/28/15	2/3/15
123 PALM	WORK W/O PERMIT	10/20/14	Waiting on court decision. Permit issued 2.3.15 #B131521, complete.	2/28/15	2/3/15



CITY OF ROCKPORT
DEPARTMENT OF BUILDING & DEVELOPMENT
2751 S.H. 35 BYPASS – ROCKPORT, TEXAS 78382
(361) 790-1125 – FAX (361) 729-6476

PENDING DEVELOPMENT REPORT: ENDING DATE OF 2/17/15

ADDRESS	TYPE OF DEVELOPMENT	NAME OF DEVELOPMENT	DATE OF FILING	PROJECT VALUATION	TYPE OF APPLICATION
317 S FULTON BEACH	HISTORICAL	FULTON MANSION	6/1/13	\$1,491,420	BUILDING
2796 HWY 35 S	RESTAURANT	NAME UNKNOWN	2/13/14	\$706,000	BUILDING
1302 HWY 35 N	RESTAURANT – REMODEL	MCDONALDS	4/28/14	\$350,000	BUILDING
STADIUM DR	CNG FACILITY	ROCKPORT CNG STATION	6/10/14	\$1,877,000	BUILDING
1602 HWY 35 N	OFFICE	REAL ESTATE	6/20/14	\$64,000	BUILDING
2347 HWY 35 N	LIQUOR STORE	W B LIQUOR	8/11/14	\$47,000	BUILDING
2517 SH 35 BYPASS	STORAGE BUILDING	COOL STORAGE	11/24/14	\$300,000	BUILDING
2355 HWY35 N	CAFE	TROPICAL SMOOTHIE CAFÉ	12/1/14	\$120,000	BUILDING
1927 HWY 35 N	RESTAURANT - REMODEL	DOMINO'S PIZZA	1/30/15	\$125,000	BUILDING
2399 HWY 35 N	RETAIL	A T & T	1/22/15	\$95,000	BUILDING
3813 HWY 35 S	BAR & GRILL	HIDE OUT	2/17/14	\$8000	BUILDING



CITY OF ROCKPORT BUILDING INSPECTION DEPARTMENT - PLAN REVIEW STATUS AS OF 2/17/15

PROJECT ADDRESS		APPLICANT		RESIDENTIAL	COMMERCIAL	NEW	REMODEL	ADDITION	ENGINEER
62 NASSAU		SCHEUMACK		X		X			
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
11/14/2014			11/18/2014		NEED ENGINEER 2 HR PARAPET FIRE WALL				
2124 HWY 35 S		WESTERN STEEL			X			X	
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
11/18/2014					NO SITE PLAN				
445 S FUQUA		PETER MORIN		X				X	
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
12/15/2014		12/16/2014			VIOLATES METEL BULING ORDINANCE				
01/13/2015	01/13/2015								
903 DUNES		MIKE FRANCIS		X		X			
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
02/02/2015	02/02/2015								
1237 N MOLINE		ELIZABETH ADKINS		X		X			
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
02/04/2015	02/08/2015								
1107 S MAGNOLIA		PADIER CONST		X		X			
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
02/11/2015	02/11/2015								
1815 BROADWAY		KAREY BUTTERWORTH			X				
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
02/11/2015	02/13/2015				DEMOLITION				
527 N TERRT		TOMMY KING		X				X	
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
02/11/2015	02/11/2015								
708 N LIVE OAK		LEE CONST		X		X			
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
02/12/2015		02/17/2015			NO BEDROOM EGRESS				
1229 WATER		UHR REAL ESTATE		X		X			
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
02/12/2015									
20 CATALINA		JR GIMLER		X				X	
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
02/13/2015	02/13/2015								
450 SANCTUARY		GREG KARL		X		X			
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
02/13/2015									
440 SPANISH WOOD		RICK DUNGAN		X		X			
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
02/13/2015	02/17/2015								
3813 HWY 35 S		MCPAHAN			X			X	
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
02/17/2015	02/17/2015								
2029 MATHIS		SHORELINE		X		X			
DATE	COMPLETED	PLAN REVIEWED RETURNED	ON HOLD	ELAPSED BUSINESS DAYS	ACTION TAKEN				
02/17/2015									

Municipal Courts
Activity Detail
January 1, 2015 to January 31, 2015

100.0 Percent Reporting Rate
1 Reports Received Out of a Possible 1

Court: Rockport

	CRIMINAL CASES						
	Traffic Misdemeanors			Non-Traffic Misdemeanors			
	Non-Parking	Parking	City Ordinance	Penal Code	Other State Law	City Ordinance	Total
Cases Pending 1/1/2015:							
<i>Active Cases</i>	2,694	5	0	1,060	585	136	4,480
<i>Inactive Cases</i>	836	0	0	433	127	19	1,415
Docket Adjustments	11	0	0	0	0	0	11
Cases Added:							
New Cases Filed	113	0	0	31	37	3	184
Cases Reactivated	26	0	0	4	10	1	41
All Other Cases Added	0	0	0	0	0	0	0
Total Cases on Docket	2,833	5	0	1,095	632	140	4,705
Dispositions:							
Dispositions Prior to Court Appearance or Trial:							
Uncontested Dispositions	83	0	0	9	20	0	112
Dismissed by Prosecution	2	0	0	1	0	0	3
Total Dispositions Prior to Court Appearance or Trial	85	0	0	10	20	0	115
Dispositions at Court Appearance or Trial:							
Convictions:							
<i>Guilty Plea or Nolo Contendere</i>	7	0	0	1	1	0	9
<i>By the Court</i>	3	0	0	1	1	1	6
<i>By the Jury</i>	0	0	0	0	0	0	0
Acquittals:							
<i>By the Court</i>	0	0	0	0	0	0	0
<i>By the Jury</i>	0	0	0	0	0	0	0
Dismissed by Prosecution	0	0	0	1	0	2	3
Total Dispositions at Court Appearance or Trial	10	0	0	3	2	3	18
Compliance Dismissals:							
After Driver Safety Course	5	---	---	---	---	---	5
After Deferred Disposition	15	1	0	3	7	0	26
After Teen Court	0	0	0	0	0	0	0
After Tobacco Awareness Course	---	---	---	---	0	---	0
After Treatment for Chemical Dependency	---	---	---	0	0	---	0
After Proof of Financial Responsibility	7	---	---	---	---	---	7
All Other Transportation Code Dismissals	11	0	0	0	4	0	15
Total Compliance Dismissals	38	1	0	3	11	0	53
All Other Dispositions	0	0	0	0	0	0	0
Total Cases Disposed	133	1	0	16	33	3	186
Cases Placed on Inactive Status	0	0	0	0	0	0	0
Cases Pending 1/31/2015:							
<i>Active Cases</i>	2,700	4	0	1,079	599	137	4,519
<i>Inactive Cases</i>	810	0	0	429	117	18	1,374
Show Cause Hearings Held	12	0	0	1	6	0	19
Cases Appealed:							
After Trial	0	0	0	0	0	0	0
Without Trial	0	0	0	0	0	0	0

**Municipal Courts
Activity Detail
January 1, 2015 to January 31, 2015
100.0 Percent Reporting Rate
1 Reports Received Out of a Possible 1
Court: Rockport**

CIVIL/ADMINISTRATIVE CASES	
	Total
Cases Pending 1/1/2015:	
<i>Active Cases</i>	0
<i>Inactive Cases</i>	0
Docket Adjustments	0
Cases Added:	
New Cases Filed	0
Cases Reactivated	0
All Other Cases Added	0
Total Cases on Docket	0
Dispositions:	
Uncontested Civil Fines or Penalties	0
Default Judgments	0
Agreed Judgments	0
Trial/Hearing by Judge/Hearing Officer	0
Trial by Jury	0
Dismissed for Want of Prosecution	0
All Other Dispositions	0
Total Cases Disposed	0
Cases Placed on Inactive Status	0
Cases Pending 1/31/2015:	
<i>Active Cases</i>	0
<i>Inactive Cases</i>	0
Cases Appealed:	
After Trial	0
Without Trial	0
JUVENILE/MINOR ACTIVITY	
	Total
Transportation Code Cases Filed.....	0
Non-Driving Alcoholic Beverage Code Cases Filed.....	1
Driving Under the Influence of Alcohol Cases Filed.....	0
Drug Paraphernalia Cases Filed.....	0
Tobacco Cases Filed.....	0
Failure to Attend School Cases Filed.....	0
Education Code (Except Failure to Attend) Cases Filed.....	0
Violation of Local Daytime Curfew Ordinance Cases Filed.....	0
All Other Non-Traffic Fine-Only Cases Filed.....	1
Transfer to Juvenile Court:	
<i>Mandatory Transfer</i>	0
<i>Discretionary Transfer</i>	0
Accused of Contempt and Referred to Juvenile Court (Delinquent Conduct).....	0
Held in Contempt by Criminal Court (Fined or Denied Driving Privileges).....	0
Juvenile Statement Magistrate Warning:	
<i>Warnings Administered</i>	0
<i>Statements Certified</i>	0
Detention Hearings Held.....	0
Orders for Non-Secure Custody Issued.....	0
Parent Contributing to Nonattendance Cases Filed.....	0

Municipal Courts
Activity Detail
January 1, 2015 to January 31, 2015
100.0 Percent Reporting Rate
1 Reports Received Out of a Possible 1
Court: Rockport

ADDITIONAL ACTIVITY		
	Number Given	Number Requests for Counsel
Magistrate Warnings:		
<i>Class C Misdemeanors</i>	11	---
<i>Class A and B Misdemeanors</i>	49	17
<i>Felonies</i>	18	7
		Total
Arrest Warrants Issued:		
<i>Class C Misdemeanors</i>		0
<i>Class A and B Misdemeanors</i>		0
<i>Felonies</i>		0
Capiases Pro Fine Issued		0
Search Warrants Issued		0
Warrants for Fire, Health and Code Inspections Filed		0
Examining Trials Conducted		0
Emergency Mental Health Hearings Held		0
Magistrate's Orders for Emergency Protection Issued		0
Magistrate's Orders for Ignition Interlock Device Issued		0
All Other Magistrate's Orders Issued Requiring Conditions for Release on Bond		0
Driver's License Denial, Revocation or Suspension Hearings Held		0
Disposition of Stolen Property Hearings Held		0
Peace Bond Hearings Held		0
Cases in Which Fine and Court Costs Satisfied by Community Service:		
<i>Partial Satisfaction</i>		0
<i>Full Satisfaction</i>		6
Cases in Which Fine and Court Costs Satisfied by Jail Credit		18
Cases in Which Fine and Court Costs Waived for Indigency		3
Amount of Fines and Court Costs Waived for Indigency		\$ 288
Fines, Court Costs and Other Amounts Collected:		
<i>Kept by City</i>		\$ 17,325
<i>Remitted to State</i>		\$ 7,007
<i>Total</i>		\$ 24,332