Mayor: San Juanita Sanchez
Mayor Pro-Tem: Mario Garza
Commissioners: Jesus "Jesse" Ramirez
Raudel Maldonado
Pete Garcia

The City of San Juan does not discriminate on the basis of disability in the admission of, access to, treatment of, or employment in its programs, activities, or public meetings. Any individual with a disability in need of an accommodation is encouraged to contact the Office of the City Secretary at 956-223-2200 at least 24 hours prior to the scheduled meeting to make proper arrangements.

SAN JUAN CITY COMMISSION

Location: San Juan Memorial Library
Multipurpose Meeting Room
1010 S. Standard
San Juan, Texas 78589

Tuesday, April 11, 2017

REGULAR MEETING AGENDA
6:00 PM

I. INVOCATION

II. CALL TO ORDER

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENTS

V. PRESENTATIONS

A. Presentation on Departmental Reports: Department of Planning and Zoning, Department of Parks and Recreation, San Juan Memorial Library, Department of Sanitation. (Benjamin Arjona, City Manager)

1. Planning and Zoning Department Monthly Report. (Xavier Cervantes, Director of Planning)

2. Parks and Recreation Department Monthly Report. (Patrick Willingham, Director of Parks and Recreation)

3. San Juan Memorial Library Monthly Report (Armandina Sesin, Library Director)

4. Sanitation Department Monthly Report. (Carmen Gonzalez, Director of Sanitation)

B. Presentation on the 1st Annual Royal Egg Hunt by Mr. Adrian Karr, President from San Juan Community Lions Club. (Mayor San Juanita Sanchez)

C. Presentation on Renaming Mayfiled Park. (Patrick Willingham, Director of Parks and Recreation)

VI. APPOINTMENTS

A. Consider Appointment to the Parks and Recreation Advisory Board-One Member. (Palmira Cepeda, Interim City Secretary)

VII. DISCUSSION AND POSSIBLE ACTION ON ALL THE FOLLOWING MATTERS:

A. Discussion and Action the Annual Audited Financial Report for the City of San Juan, Texas for Fiscal Year Ending September 30, 2016. (Benjamin Arjona, City Manager)

B. Discussion and Action on the Exterior Building Finishes for the New Public Safety Building. (Xavier Cervantes, Director of Planning)

C. Discussion and Action on Canceling this year's May Fest and focusing on one event which would be the Noche de Paz for the City of San Juan. (Commissioner Jesus "Jesse" Ramirez, Commissioner Raudel Maldonado, and Mayor Pro-Temp Mario Garza)

VIII. CONTRACTUALS/RESOLUTIONS

A. Consideration of Adoption of Resolution to Declare an Emergency Pursuant to Ordinance 17-04 for the Purpose of Hiring Personnel. (David Salinas, Utility Director)

B. Consideration of Allowing Utility Department to Employ Necessary Personnel Pursuant to Resolution of Emergency. (David Salinas, Utility Director)

C. Consideration of Adoption of Resolution to the Texas Department of Transportation Recommending Option 2 Regarding the Proposed Improvements on I-2 and I-69C Interchange for the Portion of the Project Within the San Juan City Limits. (Xavier Cervantes, Director of Planning)

D. Consider the First Amendment to the Interlocal Cooperation Agreement Between Hidalgo County, Texas, the City of San Juan, Texas and the City of Alamo, Texas Concerning Certain Improvements to Cesar Chavez Road from Nolana Loop to Business 83. (Xavier Cervantes, Director of Planning)

E. Consider the Approval of Budget Amendment to the Sanitation Vehicle Line Item 22-700.7951 in the amount of $862,595.98. (Carmen Gonzalez, Director of Sanitation)

IX. CONSENT AGENDA

A. Consider an Ordinance in Second Reading for a Conditional Use Permit to operate a drive-thru business (restaurant) in a commercial property, legally described as a 1.828-acre tract of land out of Lot 19, Block 8, John Closner Subdivision, located at 1911 N. Raul Longoria Road, as Requested by Calixto Hernandez. (Xavier Cervantes, Director of Planning)

B. Consider an Ordinance in Second Reading for a Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at the "RGV Coolers" retail store located at 2604 N. Raul Longoria Road, Suite 106, legally described as Lot 1, Storage Depot Subdivision, as Requested by RGV Coolers, LLC. (Xavier Cervantes, Director of Planning)

X. ADJOURNMENT

C E R T I F I C A T I O N

I certify that the above notice of the Regular Called Meeting of the City of San Juan is true and correct; and that I posted such notice on the bulletin board. A place convenient and readily accessible to the public on the Friday, April 7, 2017 at 5:00 p.m. in accordance with the Texas Open Meetings Act (Tex. Gov't. Code §551-041 - §551.050).

____
PALMIRA CEPEDA
INTERIM CITY SECRETARY
CITY OF SAN JUAN, TEXAS

<u>C E R T I F I C A T I O N O F R E M O V A L</u>

I certify that the agenda of items to be considered by the City Commission was removed by the City Secretary's Office from the San Juan City Hall bulletin area on the the ____________________ of __________________________, 2017.

____
OFFICE OF THE CITY SECRETARY

MEMORANDUM

TO: Benjamin Arjona, City Manager

FROM: Xavier Cervantes, Director of Planning and Zoning

DATE: 04/04/2017

SUBJECT: Planning and Zoning Department Monthly Report. (Xavier Cervantes, Director of Planning)

The City of San Juan Planning Department is busy processing subdivision plats, rezoning applications, applications for special/conditional use permits, applications for variances and undertaking other duties as listed below.

• 80 building permits were issued with a $1,003,483.00 in total valuation.
• 225 garage sale permits were issued ($2,250.00 in revenues).
• Provided customer service and support to 795 people and handled approximately 1,668 calls.
• The building inspectors made approximately 621 inspections.
• Five (5) permits were issued for new houses.
• Provided customer service and handled approximately 304 calls regarding animal control.

SUBDIVISIONS IN PROCESS
• Dulce Park
• Ekamp Village
• Golden Chick San Juan
• Montelongo
• Minnesota Vegas Ranches Phase 1

NEW BUSINESSES OPENING IN THE CITY DURING THIS MONTH
• Wacky Snacks – 4101 N. Veteran's Boulevard
• Express Wireless IV – 106 E. FM 495
• Spikes Preowned Center – 700 E. IH 2
• Tortilleria Zacatecas – 2211 S. Veterans Blvd.
• Joselyn's Event Center – 1101 E. FM 495

• The Snack Lounge – 502 N. Veteran’s Blvd.
• Weightloss Rus – 2604 N. Raul Longoria Rd.
• Bad Boys Vehicle Customization - 2604 N. Raul Longoria Rd.

SUBSTANTIAL BUILDING PERMITS ISSUED OR PROCESSED IN THE PAST MONTH
• Pueblo Tires Store and Shop

CONDITIONAL AND SPECIAL USE PERMITS IN PROCESS
• Alcohol sales for off-premise consumption at one of the suites of the Storage Units
• Drive thru for a new restaurant – Golden Chick
• Gasoline Service Station and alcohol sales for the proposed new Aziz Store

REZONING APPLICATIONS IN PROCESS
None

VARIANCE APPLICATIONS IN PROCESS
• None

ORDINANCES
• None

PUBLIC SAFETY BUILDING PROJECT
The groundbreaking ceremony for the project was held on February 1, 2017. Bimonthly meetings are taking place with the architects and the building contractor. The project is scheduled to be completed in August or September, 2017.

EASEMENTS
The Department is working with the project engineer and the Utilities Department to obtain the necessary easements to undertake the First Time Sewer Connections Project scheduled to commence in the Summer or Fall of 2017.

DAVIS-BACON REGULATIONS
The Planning Department conducts employee wage interviews and reviews payroll reports to make sure the project contractors and subcontractors are in compliance with the Davis-Bacon Federal Act. At this time the only project that is impacted by this Act because federal funds are involved is the Water Plant # 2 Expansion Project.

STORMWATER REGULATIONS
The Department is the Stormwater Manager for the City of San Juan. The City of San Juan is a member of the Rio Grande Valley Stormwater Taskforce that is now coordinated by UTRGV. The department ensures the City is in compliance with all TCEQ and EPA laws regarding stormwater discharge. Regional meetings are attended regularly to keep track of this task.

METROPOLITAN PLANNING ORGANIZATION
The Department represents the City of San Juan in the Metropolitan Planning Organization (MPO) Technical Advisory Committee for County-wide transportation

planning. Meetings are attended monthly.

OPERATION CRACKDOWN

The Department is very involved in this program in conjunction with the San Juan Police Department and the Public Works Department to tear down unsafe structures that augment crime in the City's neighborhoods. Twenty-five (25) structures have been identified as unsafe and seven (7) have been torn down since the start of the operation in February 2015. Four (4) more structures are slated for demolition in the near future. Agents from the Border Patrol Division out of the United States Department of Homeland Security have been of great assistance in getting property owners to sign demolition consent forms. The demolitions are handled by the Department of Public Works.

HIDALGO COUNTY URBAN COUNTY PROGRAM

Fiscal Year 28 (2015) project includes paving improvements along 3rd, 4th and Iowa Streets near downtown. The Urban County Program officials selected Perez Consulting Engineers for engineering services and Millenium Engineering for the Geotechnical testing for the project. The project was completed in March of 2017.

Fiscal Year 29 (2016) project includes paving improvements along Coconut, Pullin, Hooper and Salazar Streets (Capri Subdivision). The environmental review phase under the direction of Urban County officials has already been completed. The engineering contracts were finalized and executed already. A project kick-off meeting took place in March 14, 2017. If everything goes according to schedule, the project is scheduled to go out for bids in the middle of April, 2017 and will be completed by the Summer of 2017.

Fiscal Year 30 (2017) project includes paving improvements in the Clark Terrace Phase 1 & 2 Subdivisions. The documents were submitted on time to start the advertisements and the environmental review. If everything goes according to schedule the project is expected to be completed by the Spring or Summer of 2018.

PASEO DE LAS FLORES DRAINAGE PROJECT

The Department is the manager for this project. The project was awarded to Bearkat Construction for $882,282.00. The preconstruction meeting for this project took place on June 23, 2016 and the Notice to Proceed was issued on July 7, 2016. The contract is for 180 calendar days. The project is 92 percent complete at this time.

STREETS REPAVING IMPROVEMENTS PROJECT PHASE 1

The Department is the manager for this project. Perez Consulting Engineers is the engineering firm for this project. The engineering contract was signed on December 15, 2016. If everything goes according to schedule the project will go out for bids in April of 2017. The bid opening is schedule for late April, 2017. The awarding of the bids is scheduled to go before the City Commission early in May, 2017.

Code Enforcement

March 2017 Report

I. Cano & R. Ureste, Code Enforcement

Illegal Dumping	8
Work Orders	38
Commercial, Abandoned & Junked Vehicles	16
Garage Sale Signs & W/out Permits	4
Rubbish	6
Banners & Temp. Signs	4
Fowl Odor	1
Building w/o Permit	4
Certified Letters	15
Complaints Filed in Court	0
Towed, Abandoned & Junked Vehicles	2
Street Vendor	4
Conducting Business in Residence	2
Total Code Enforcement Activities	**104**
Monica Gomez, Zoila Martinez & Janie Soto	
Total In-Person	**795**
Total Call-in's	**1668**
Animal Control Calls	**304**

Inspections Department

March 2017 Report

A. Jaramillo, B. Mata & J. Estrada Building Inspectors

Setbacks	2
Foundation	14
CSI /Backflow	1
Nail Pattern	14
Framing/Poly-Seal/Windstorm	29
Rough Electrical	58
Rough Plumbing	18
Rough Mechanical	16
Vents & Pipes	27
Sewer	21
Gas	3
Driveway/Sidewalk	26
Insulation	11
Infiltration	16
Final	21
Occupational Inspection	17
Mobile Home Inspection	0
House Inspection	5
Plan Review	81
Permit Sign Off	69
Other	172
Total Activities	**621**

MARCH 2017
MONTHLY REPORT

Activity	Total	Valuation	Fees
Commercial	1	$ 150,000.00	$ 989.99
Apartments	0	$ -	$ -
New Residence	5	$ 412,825.00	$ 2,143.27
Additions	5	$ 239,600.00	$ 1,047.96
Repair/Renew/Remodel/Re-Inspect	25	$ 49,374.00	$ 1,383.57
House Moving	2	$ 36,500.00	$ 220.00
Mobile Homes	0	$ -	$ -
Carports/D-ways/Sidewalk/Concrete	16	$ 47,026.00	$ 939.52
Fences	12	$ 30,558.00	$ 319.52
Storage Rooms/Porches/Signs	13	$ 34,100.00	$ 491.82
Misc.	1	$ 3,500.00	$ 200.00
Total Permits	**80**	**$ 1,003,483.00**	**$ 7,735.65**
Plumbing	26	$ -	$ 2,290.00
Electrical	30	$ -	$ 2,371.00
Mechanical	19	$ -	$ 1,445.00
Electrical Licenses	6	$ -	$ 1,620.00
Occupational Licenses	15	$ -	$ 600.00
Demolitions	0	$ -	$ -
Garage Sales	225		$ 2,250.00
Total Permit:	**321**		**$ 10,576.00**
Grand Total:	**401**	**$ 1,003,483.00**	**$ 18,311.65**

MEMORANDUM

TO: Benjamin Arjona, City Manager

FROM: Patrick Willingham, Director of Parks and Recreation

DATE: 04/04/2017

SUBJECT: Parks and Recreation Department Monthly Report. (Patrick Willingham, Director of Parks and Recreation)

Parks Division staff continues to maintain the parks and grounds as needed. Crew members worked very hard and prepared baseball/softball fields for opening day April 1, 2017. Seven yards of red dirt and conditioner was applied to the fields in preparation for the 2017 youth baseball/softball season. Furthermore, fields have been fertilized with weed and feed and treated for ants and any other lawn insects that can be a problem for kids. In addition to day to day assignments staff has been assisting with the preparation for our Annual SanClovia event on Sunday April 2, 2017.

Events Coordinator, Ruben Rodriguez, continues to assist parks & recreation staff with ordering all the equipment necessary for the upcoming baseball/softball season. In addition to this, Ruben has been obtaining sponsorships and coordinating with various departments the final plans and layout for our annual SanClovia event. Also during this month camp native took place on Saturday March 11, 2017 in which kids were bussed over to the National Butterfly Center in Mission, Tx.

Recreation Division staff has been working daily wrapping up the winter sports season and preparing for a very active spring. During the month of March we concluded all of our basketball and youth soccer leagues. Here are the final results in the divisions completed:

Boys Basketball

Kinder Co-Ed	1st Place-Carmen Elementary 2nd Place-Reed Mock Elementary

1st-2nd Grade	1st Place-Cantu Elementary 2nd Place-Carmen Elementary
3rd-4th Grade	1st Place-Cantu (2) Elementary 2nd Place-Carmen (3) Elementary
5th Grade	1st Place-Reed Mock Elementary 2nd Place- Garza-Pena Elementary
6th Grade	1st Place-Austin Middle School (2) 2nd Place-Austin middle School (1)
6th Grade (girls)	1st Place- Austin Middle School 2nd Place-Ruben Yzaguirre Middle School

Youth Soccer

3rd-5th Grade	1st Place- Carmen Elementary 2nd Place-Reed Mock Elementary 2
Kinder Co-Ed	1st Place- Reed Mock Elementary 2nd Place – Cantu Elementary

This completed a very successful winter sports season. The City of San Juan was able to service over 800 youth during these activities. With this growth come many challenges that we encounter day to day. I along with my staff are working daily to ensure we are providing a quality service to our community and that we continue to grow and service more and more of our community's youth throughout the year.

Maintenance Division staff continues to provide professional maintenance and custodial services. Maintenance Supervisor, Juan Govea along with staff assisted our department with making sure the park facilities, restrooms and scoreboards were ready for our upcoming season. Mr. Govea continues to do an outstanding job servicing not only our Parks & Recreation Department but all city departments as needed.

Overall the Parks and Recreation Department is in full swing with the 2017 spring season. Over 60 teams are participating with us this spring and we look forward to great year. As we step into spring we have also started preparation for our summer season as well. More information will be forthcoming in next month's report.

MEMORANDUM

TO: Benjamin Arjona, City Manager

FROM: Armandina Sesin, Director of Library

DATE: 04/05/2017

SUBJECT: San Juan Memorial Library Monthly Report (Armandina Sesin, Library Director)

Enclosed is the March monthly report including statistics and programs:

For the month of March, we had 4,357 visitors. Out of those visitors, 1,571 were for computer use only. We had 105 new patrons added to our circulation system. We requested and received eleven (11) Interlibrary Loans (ILL). The library checked out a total of 1,865 items both adult and children's. We had 123 in-house circulation items. We helped the public with an estimated 592 reference/informational questions. We had 23 children's programs with an attendance of 116 people. The monthly amount deposited was $1,764.29 in both fines and fees.

Please see attached statistical report.

During the month of March:

- Attended the Directors' meeting
- Attended the City Commission meeting
- Went to City Hall to make the weekly money deposits for the library

- Attended an HCLS meeting in Edinburg
- Attended, with Richard, the monthly HCLS meeting in Weslaco
- Went, with Richard to Barnes & Noble to get books and DVDs for the library's collection
- Attended the tree planting for Javier Vela
- Selected and purchased books from MADROSC International for the Library's collection
- Went, with Richard, to get DVDs from HEB for the library's collection
- Hosted a celebration for Dr, Seuss
- Managed the day to day operations of the San Juan Memorial Library

Meetings to be held in April, 2017

Multipurpose Room

Directors' meetings, April 3rd & 17th

Library Board meeting, April 5th

Planning & Zoning, April 6th & 20th

Planning & Zoning Webinar, April 7th

City Commission meetings, April 11th & 25th

Keep San Juan Beautiful, April 12th

Library's Webinar, April 19th

HEB Read 3 Program, April 20th

EDC Board meeting, April 27th

Día de los Niños Celebration, April 29th

Training Room:

GED in Spanish on Mondays, Tuesday, Wednesdays, and Thursdays from April 3rd thru the 27th

Computer classes on Tuesdays and Thursdays, from April 4th thru the 27th

San Juan Memorial Library
March 2017 Statistics

Statistics	
Total Visitors	4,357
Computer Users	1,571
Total Checkouts	1,865
In-House Use	123
Inter-Library Loans	11
New Patrons	105
Reference\ Informational Questions	592
Children's Programs	23
Attendance	116

Multipurpose Room Reservations	Attendance
1st Library Board Meeting	5
2nd Dr.Suess Party	29
2nd San Juan Mayor	22
6th Directors Meeting - Conference Room	16
8th Keep San Juan Beautiful	5
10th Civil Service	4
14th City Commission	47
16th Planning & Zoning	8
18th Hidalgo County Election Agency	13
20th Directors Meeting	16
23rd Webinar	2
23rd Planning & Zoning	15
28th City Commission	53
30th HR - Conference Room	3
30th EDC Board Meeting	10
Total	**248**

Training Room Reservations	Attendance
1st Spanish GED Class	8
2nd Spanish GED Class	7
2nd Planning & Zoning	12
4th Girl Scouts	13
6th Spanish GED Class	8
7th Spanish GED Class	8
8th Spanish GED Class	8
6th Computer Class	3
6th Spanish GED Class	8
10th Planning & Zoning - Webinar	1
13th Spanish GED Class	7
14th Spanish GED Class	9
15th Spanish GED Class	7
16th Spanish GED Class	8
20th Spanish GED Class	11
21st Spanish GED Class	6
22nd Spanish GED Class	6
23rd Spanish GED Class	9

Checkouts	
DVDs	542
Books Juvenile	1,088
Books Adult	235
Total	**1,865**

WiFi Usage	
LibGuest	548
LibStaff	38
LibAdmin	0
Total	**586**

Study Room Attendance	
Study Rooms	**71**

Facebook Page	
Likes	**8**
Visitors	**43**

SJML Homepage	
Visitors	**52,348**

Deposits	
Fines	$ 480.49
Copies	$ 1,283.80
Total	**$ 1,764.29**

Computer Classes	
Attendance	**5**

RGV Literacy Center Spanish GED Classes	
Attendance	**110**

Training Room (Continued)	Attendance
28th Computer Class	2
Total	**143**

24th San Juan Mayor	2

Youth & Children's Programs/Attendance

Date	Program	Attendance
Wednesday, March 1, 2017	Toddler Time	4
Wednesday, March 1, 2017	Coloring	4
Thursday, March 2, 2017	Dr. Seuss Party	25
Thursday, March 2, 2017	Coloring	7
Friday, March 3, 2017	Coloring	3
Tuesday, March 7, 2017	Coloring	4
Wednesday, March 8, 2017	Coloring	4
Thursday, March 9, 2017	Game Night	3
Tuesday, March 14, 2017	Coloring	5
Wednesday, March 15, 2017	Coloring	7
Wednesday, March 15, 2017	Movie	11
Thursday, March 16, 2017	Coloring	4
Thursday, March 16, 2017	Game Night	2
Saturday, March 18, 2017	Movie	3
Tuesday, March 21, 2017	Coloring	4
Wednesday, March 22, 2017	Coloring	5
Thursday, March 23, 2017	Coloring	3
Friday, March 24, 2017	Coloring	3
Tuesday, March 28, 2017	Coloring	6
Wednesday, March 29, 2017	Toddler Time	2
Wednesday, March 29, 2017	Coloring	2
Thursday, March 30, 2017	Coloring	4
Thursday, March 30, 2017	Homework	1
Total	23	116

Mayor: San Juanita Sanchez
Mayor Pro-Tem: Mario Garza
Commissioners: Jesus "Jesse" Ramirez
Raudel Maldonado
Pete Garcia

MEMORANDUM

TO: Benjamin Arjona, City Manager

FROM: Carmen Gonzalez, Director of Sanitation

DATE: 04/04/2017

SUBJECT: Sanitation Department Monthly Report. (Carmen Gonzalez, Director of Sanitation)

The month of March the departments accomplished the following:

SANITATION DEPARTMENT

- Heavy truck driver's completed their routes as scheduled. The department is still renting a residential trash truck until the semi-burnt truck is fixed within two months.
- Brush pickup is on schedule on the northeast side. In order to service the resident in a more efficient manner, staff has been informing the residents of how they should not mixed brush with debris. If residents do not get their brush picked up the department is visiting with the residents and advising them as to why their brush was not picked up and to educate them on the brush ordinance. This system of visiting with the residents has shown great support. When the schedule is completed on the northeast side, a flier will be sent informing the residents that the City will no longer pick up mixed debris.
- The brush and alley crews are ahead of schedule but are still having problems with a lot of junk being thrown in the alleys after they have just completed working on the alley. Staff with the help of Code Enforcement Employees, have been able to see a little progress in the control of junk. The department has started to repair the roads in the alleys.
- The application for a Residential Collection Services will be submitted to TCEQ within a couple of weeks.
- The right-of-ways are continuously being cleaned. The mowing crew is once again working on the main streets as-well-as residential areas. There will be two (2) crews doing right-of-ways, one on the south side and the other on the north side.

709 S. Nebraska Ave. • San Juan, Texas 78589-2649
Phone: (956)223-2200 • Fax: (956) 787-5978

- Neighborhood cleanup project is on hold until after May Fest to secure the over-time.

CENTRAL GARAGE

- Mechanics are keeping up with the repairs of City vehicles, tractor mowers and other heavy equipment. To date all sanitation trucks are repaired and out picking up trash.
- The body and fender employee is fixing all broken 30 cubic yard containers, mowers, weed eaters and commercial containers.

STREETS DEPARTMENT

- Repair of streets is continuous and the crew goes out every day to fill and repair the main streets and as well as the residential neighborhoods. There are going to be two (2) mowing crews, one on the north side of town, the other crew on the south side of town.
- The cement crew completed the entrance to Eagle Street, Liberty Loop, Nadia Street and the bay at Fire Station #2
- Street signs are replaced when the signs are either reported or the street crew sees a sign that requires replacement.
- The street sweeper is going out every day to sweep. There is a system that the driver is going to keep in order to have the entire City swept.


MISS SAN JUAN &
SAN JUAN COMMUNITY LIONS CLUB
Royal
EASTER EGG HUNT
Thursday, April 13
6 P.M. - 8 P.M.
Carman Elementary School
100 W Ridge Rd.
San Juan, Texas 78589
jackiemaldonado.com

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 11, 2017

Consider Appointment to the Parks and Recreation Advisory Board-One Member. (Palmira Cepeda, Interim City Secretary)

STAFF COMMENTS AND RECOMMENDATIONS:

The San Juan Parks and Recreation Advisory Board consist of seven (7) members serving for two (2) year staggered terms. As per the San Juan Parks and Recreation Advisory Board Bylaws an absent more than four (4) consecutive times shall be automatically dropped from membership. Due to automatically drop, the City Commission would need to appoint a member to replace the position.

RECOMMENDATION:

Consider Appointment to the Parks and Recreation Advisory Board.

PREPARED BY:	**APPROVED BY:**
Palmira Cepeda, Interim City Secretary	Benjamin Arjona, City Manager

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City of San Juan

Application for Appointment

Date: 4-6-17

Board / Commission / Committee: Parks & Rec Board

Name: Robert Williamson

Mailing Address: 715 W. 10th San Juan Texas 78589

Preferred Phone and Fax: 956-862-7635 (P) 956-972-0325 (F)

Employer: Bullard Construction Occupation: Project Estimator/Manager

Email Address: robert.williamson@att.net

Are you or can you be qualified to vote in a City of San Juan Election? ✓ Yes ___ No

Are you a City of San Juan resident? ✓ Yes ___ No How Long? 20 yrs

Have you ever represented any other private person, group or entity for compensation before the City Commission or any department, commission, board of committee of the city within the last three years? ___ Yes ✓ No

Do you, your spouse, or your employer have any financial interest, direct or indirect in any contract with the City? ___ Yes ✓ No

Do you, your spouse, or your employer have any financial interest, direct or indirect in the sale to the city of any land, materials, supplies or service? ___ Yes ✓ No

List Professional or Social Membership(s)

Head Coach Mets 2005 Shetland

Head Coach White Sox 2016 2017

Experience / Knowledge Pertaining to Board / Commission / Committee of Interest:

Rainbow RGV Community Partners - President 3½ years
San Juan Planning & Zoning - About 2 months * (2008)

* Got new job in San Antonio Texas and had to resign

Application will be kept on file for two (2) years: thereafter applicants must reapply. Applications may be faxed (956) 787-5978, mailed to the City Secretary (709 S. Nebraska, San Juan, Tx 78589) or emailed to

MINUTES OF
SAN JUAN PARKS RECREATION BOARD
MEETING DECEMBER 21, 2016

ATTENDANCE	POSITION	PRESENT	ABSENT
Robert Elizondo			✓
Mark Alaniz		✓	
Stephanie Alvarez		✓	
Rubio Muniz			✓
Tomas Vasquez			✓
Rick Martinez		✓	
Claudia Alvarado		✓	

Patrick Willingham	Director	✓	
Brenda Escalante	Administrative Clerk	✓	

MINUTES OF
SAN JUAN PARKS RECREATION BOARD
MEETING JANUARY 18, 2017

ATTENDANCE	POSITION	PRESENT	ABSENT
Robert Elizondo		✓	
Mark Alaniz		✓	
Stephanie Alvarez		✓	
Rubio Muniz		✓	
Tomas Vasquez			✓
Rick Martinez		✓	
Claudia Alvarado		✓	

Patrick Willingham	Director	✓	
Brenda Escalante	Administrative Clerk	✓	

MINUTES OF
SAN JUAN PARKS RECREATION BOARD
MEETING FEBRUARY 15, 2017

ATTENDANCE	POSITION	PRESENT	ABSENT
Robert Elizondo	Member		✓
Mark Alaniz	Chairperson	✓	
Stephanie Alvarez	Vice-Chairperson	✓	
Rubio Muniz	Member		✓
Tomas Vasquez	Member		✓
Rick Martinez	Member	✓	
Claudia Alvarado	Treasurer	✓	

Patrick Willingham	Director	✓	
Brenda Escalante	Administrative Clerk	✓	

MINUTES OF
SAN JUAN PARKS RECREATION BOARD
MEETING MARCH 1, 2017

ATTENDANCE	POSITION	PRESENT	ABSENT
Robert Elizondo	Member		✓
Mark Alaniz	Chairperson	✓	
Stephanie Alvarez	Vice-Chairperson	✓	
Rubio Muniz	Member	✓	
Tomas Vasquez	Member		✓
Rick Martinez	Member	✓	
Claudia Alvarado	Treasurer	✓	

Patrick Willingham	Director	✓	
Brenda Escalante	Administrative Clerk	✓	

MINUTES OF
SAN JUAN PARKS RECREATION BOARD
MEETING MARCH 27, 2017

ATTENDANCE	POSITION	PRESENT	ABSENT
Robert Elizondo	Member		✓
Mark Alaniz	Chairperson	✓	
Stephanie Alvarez	Vice-Chairperson	✓	
Rubio Muniz	Member	✓	
Tomas Vasquez	Member		✓
Rick Martinez	Member	✓	
Claudia Alvarado	Treasurer	✓	

Patrick Willingham	Director	✓	
Brenda Escalante	Administrative Clerk	✓	

CITY OF SAN JUAN

PARKS & RECREATION ADVISORY BOARD

MANUAL OF

FUNCTIONS, RESPONSIBILITIES AND PROCEDURES

PREFACE

AS THE COMPLEXITIES AND STRESS OF OUR URBAN SOCIETY GROW, THE NEED FOR A COMPREHENSIVE AND RESPONSIVE PARKS AND RECREATION SYSTEM INCREASES CORRESPONDINGLY.

A PROFESSIONAL STAFF TO PLAN, OPERATE, AND DELIVER THESE SERVICES AND FACILITIES IS A RECOGNIZED NECESSITY. THE CITY HAS PROVIDED THAT CAPABILITY.

BEFORE THAT PROFESSIONAL STAFF CAN DELIVER A MEANINGFUL AND RESPONSIVE SYTEM, THOUGH, IT IS VITALLY NECESSARY TO HAVE INPUTS FROM THE COMMUNITY AND THE PEOPLE IT IS DEDICATED TO SERVING.

TO THAT END, THE PARKS AND RECREATION ADVISORY BOARD WAS CREATED AND HAS FUNCTIONED. THIS MANUAL FORMALIZES THOSE FUNCTIONS AND THE RELATIONSHIP BETWEEN THE PARKS AND RECREATION ADVISORY BOARD AND THE PARKS AND RECREATION DEPARTMENT OF THE CITY OF SA.N JUAN.

CHAPTER I
FUNCTIONS AND RESPONSIBILITIES

1. **AUTHORITY:** CODE OF ORDINANCES

2. **PURPOSE OF THE BOARD:** SPECIFIC FUNCTIONS AND RESPONSIBILITIES OF THE PARKS AND RECREATION ADVISORY BOARD ARE OUTLINED IN CHAPTER II OF THIS MANUAL. THE OVERALL PURPOSES OF THE BOARD ARE TO: ·
   - **A.** PROVIDE LIAISON BETWEEN COMMUNITY AND THE DEPARTMENT OF PARKS AND RECREATION REGARDING COMMMUNITY RECREARTIONAL FACILITIES AND SERVICES, NEEDS AND DESIRES AND RECREATION PROGRAMMING.
   - **B.** REVIEW THE DEPARTMENTAL OPERATIONS AND MAINTENANCE BUDGET AND ADVISE THE DIRECTOR OF THE BOARD'S SUGGESTIONS REGARDING PRIORITY PROGRAMS.
   - **C.** PROMOTE PUBLIC AWARENESS OF THE PUBLIC RECREATIONAL FACILITIES AND SERVICES PROVIDED BY THE CITY AND STIMULATE COMMUNITY PARTICIPATION IN THOSE PROGRAMS.
   - **D.** REVIEW OPERATIONAL POLICIES FOR THE VARIOUS PARK FACILITIES AND RECOMMEND NEW OR REVISED POLICIES AS CIRCUMSTANCES CHANGE.

3. **MEMBERSHIP COMPOSITION:** THE BOARD SHALL CONSIST OF SEVEN (7) MEMBERS, EACH TO BE A RESIDENT OF THE CITY OF SAN JUAN, OR OPERATE A BUSINESS IN SAN JUAN, AND SHALL BE AT LEAST EIGHTEEN (18) YEARS OF AGE, AND OF GOOD MORAL CHARACTER AND STANDING IN THE COMMUNITY, AND KNOWN TO BE IN THE BEAUTIFICATION OF PUBLIC PROPERTY AND THE PARKS SYSTEM AND THE RECREATIONAL PROGRAMS OF THE CITY.
   - **A.** **APPOINTMENT:** MEMBERS SHALL BE APPOINTED BY THE MAYOR AND MEMBERS OF THE CITY COMMISSION. ALL CANDIDATES MUST BE APPROVED BY THE PARKS & RECREATION BOARD.
   - **B.** **TERMS OF MEMBERS:** MEMBERS SHALL BE APPOINTED FOR A TWO (2) YEAR TERM.
   - **C.** **PRESIDING OFFICER:** THE BOARD SHALL SELECT BY MAJORITY VOTE OF MEMBERS PRESENT, A CHAIR PERSON, VICE CHAIR PERSON AND A TREASURER. SAID CHAIR PERSON SHALL SERVE FOR ONE YEAR AND MAY BE RE-ELECTED FOR NOT MORE THAN ONE ADDITIONAL CONSECUTIVE YEAR. THE VICE CHAIR PERSON SHALL PRESIDE AT MEETINGS IN THE ABSENCE OF THE CHAIR PERSON.

4. **MEMBERSHIP TERMINATION:** MEMBERSHIP ON THE BOARD MAY BE TERMINATED BEFORE EXPIRATION OF THE APPOINTMENT UNDER THE FOLLOWING CONDITIONS:
   - **A.** **RESIGNATION:** A MEMBER MAY SUBMIT IN WRITITNG TO THE CITY COMMISSSION HIS OR HER RESIGNATION FOR ANY REASON CONSIDERED APPROPRIATE BY THE RESIGNING MEMBER. A COPY OF THE LETIER OF RESIGNATION WILL BE PROVIDED TO THE BOARD CHAIR PERSON.

B. **FORFEITURE:** AN APPOINTEE SHALL FORFEIT HIS MEMBERSHIP IF SUCH APPOINTEE FAILS TO ATTEND FOUR (.4) CONSECUTIVE MEETINGS IN A CALENDAR YEAR.

5. **FILLING VACANCIES:** WHENEVER A VACANCY EXISTS, THE CHAIR PERSON SHALL IMMEDIATELY CALL SUCH SITUATION TO THE ATTENTION OF THE MAYOR AND CITY COMMISSION.

6. **MEETINGS:**

A. **QUORUM:** FOUR (4) MEMBERS PRESENT SHALL CONSTITUTE A QUORUM FOR CONDUCTING OFFICIAL BOARD BUSINESS AT A REGULAR MEETING. A MAJORITY VOTE OF QUORUM OR A MAJORITY VOTE OF MEMBERS PRESENT, WHICHEVER IS GREATER, SHALL DETERMINE ALL BOARD RECOMMENDATIONS AND ACTIONS. THE CHAIR-PERSON SHALL VOTE AS A MEMBER OF THE BOARD. A TIE VOTE CONSTITUTES NO ACTION.

B. **CITY STAFF:** ALL MEETINGS SHALL BE ATTNEDED BY THE PARKS AND RECREATION .DIRECTOR OR DESIGNATED REPRESENTATIVE(S). STAFF MEMBERS SHALL PROVIDE ALL INFORMATION REQUIRED BY THE BOARD IN THE CONDUCT OF ITS OFFICIAL FUNCTION AND WITHIN THE SCOPE OF ITS RESPONSIBITIES. NEITHER THE DIRECTOR NOR ANY STAFF MEMBER SHALL HAVE A VOTE ON ANY QUESTION CONSIDERED BY THE BOARD.

C. **REGULAR MEETINGS:** THE BOARD SHALL CONVENE NOT LESS THAN ONCE A MONTH. THE DATE AND TIMES SHALL BE ESTABLISHED AT THE CONVENIENCE OF THE MEMBERS.

D. .**PUBLIC NOTICE OF MEETINGS:** ALL MEETINGS OF THE BOARD SHALL BE OPEN TO THE PUBLIC. THE DIRECTOR SHALL ENSURE THAT NOTICE OF ALL MEETINGS-CITING DATE, TIME, PLACE, AND SUBJECTS TO BE CONSIDERED-IS POSTED ON THE CITY HALL BULLETIN BOARD NOT LATER THAN THREE FULL DAYS PRIOR TO THE DAY OF THE MEETING.

CHAPTER II
FUNCTIONS AND RESPONSIBILITIES

1. **GENERAL:** GENERAL THRUST OF THE BOARD'S FUNCTIONS AND RESPONSIBILITIES IS TO PROVIDE A LINK BETWEEN THE CITIZENS OF THE COMMUNITY ELECTED OFFICIALS OF THE CITY, AND THE PROFESSIONAL STAFF OF THE DEPARTMENT OF PUBLIC SERVICES. THE BOARD SHALL ACT IN A REVIEWAND ADVISORY CAPACITY. THE DIRECTOR SHALL CONSIDER ALL RECOMMENDATIONS AND WITHIN THE SCOPE OF THE CITY FISCAL AND MANAGEMENT POLICIES, CARRY OUT SUCH RECOMMENDATIONS WITHIN THAT CONTEXT.

2. **THE BOARD'S ACTION INSTRUMENT:** THE BOARD SHALL EXPRESS ITS CONSENSUS ON SUCH VARIOUS QUESTIONS CONCERNING OPERATING POLICIES, PROJECTS AND PROGRAMMING; BUDGETARY CONSIDERATIONS AND OTHER SIGNIFICANT PROPOSITIONS IT DEEMS PROPER BY WAY OF RESOLUTION. ADMINISTATIVE SUPPORT IN THIS AREA IS OUTLINED IN CHAPTER Ill, PARAGRAPH 2.

3. **COMMUNITY LIAISON:**
   - A. IT SHALL BE INCUMBENT UPON ALL MEMBERS OF THE BOARD TO ACTIVELY SEEK OUT THE OPINIONS, NEEDS, AND DESIRES OF THE PUBLIC REGARDING CITY PARKS, RECREATION FACILITIES, AND RECREATION PROGRAMS AND TO CONVEY THESE FEELINGS TO THE PARKS AND RECREATION DIRECTOR.
   - **B.** TO EFFECTIVELY CARRY OUT THIS RESPONSIBILITY IT IS NECESSARY THAT ALL BOARD MEMBERS ARE THOROUGHLY FAMILIAR WITH THE EXISTING PARKS AND RECREATION SYSTEM AND RECREATION PROGRAMS. THE DIRECTOR SHALL KEEP THE BOARD ABREAST OF THE SYSTEM AND THE PLANS AND PROGRAMS PROJECTED OR UNDER STUDY.
   - C. THE BOARD MAY, AS IT DEEMS PROPER, FROM TIME TO TIME, INVITE INTERESTED INDIVIDUALS AND/OR GROUPS TO ATIEND BOARD MEETINGS AND TO PRESENT APPROPRIATE SUGGESTIONS AND/OR RECOMMENDATIONS.
   - **D.** FROM THESE INPUTS THE DIRECTOR SHALL, WITHIN THE CONSTRAINTS OF CITY FISCAL AND MANAGEMENT POLICY, ATTEMPT TO INCORPORATE THOSE SUGGESTIONS AND/OR RECOMMENDATIONS INTO THE EXISTING SYSTEM OR SUGGESTIONS AND/OR RECOMMENDATIONS INTO THE EXISTING SYSTEM OR INTO FUTURE PLANS, PROVIDING THAT SUCH SUGGESTIONS OR RECOMMENDATIONS ARE, IN THE OPINION OF THE DIRECTOR, FEASIBLE AND ACCEPTABLE.

4. **FINANCIAL REVIEW:** PREPARATION OF THE PARKS & RECREATION DEPARTMENT'S ANNUAL OPERATIONS AND MAINTENANCE BUDGET IS THE DIRECTOR'S RESPONSIBILITY. HOWEVER, PRIOR TO SUBMITTIAL OF THE BUDGET, THE DIRECTOR WILL BRIEF THE BOARD CONCERNING THE GENERAL CONTENT OF THE BUDGET AND SOLICIT THE SENSE OF THE BOARD REGARDING THEIR BUDGETARY SUGGESTIONS.

PRIOR TO BUDGET SUBMISSION TO THE CITY MANAGER, THE BOARD WILL REVIEW SAID BUDGET AND EXPRESS ITS APPROVAL OR DISAPPROVAL AS IT DEEMS APPROPRIATE. IF THERE IS ANY OBJECTION OR COMPLAINT TO ANY ITEM IN THE BUDGET THAT THE BOARD FEELS IS NOT FOR THE UPRIGHT BENEFIT OF THE PARKS & RECREATION DEPARTMENT, THE BOARD WILL SUBMIT A COMPLAINT IN WRITING TO THE CITY MANAGER AND THE CITY COMMISSION, DESCRIBING IN DETAIL THE OBJECTION OR COMPLAINT.

A. **PRIVATE DONATIONS:**

1. AS MEMBERS OF THE COMMUNITY, IT IS ENTIRELY PROPER FOR THE MEMBERS OF THE BOARD TO DISCUSS WITH THEIR FRIENDS AND ASSOCIATES THE MERITS OF PRIVATE DONATIONS TO THE CITY OF PUBLIC PARKS AND RECREARTION USE. SUCH DONATIONS HAVE, IN THE PAST, MADE SIGNIFICANT CONTRIBUTIONS TO THE PARKS AND RECREATION SYSTEM AND SHOULD BE ENCOURAGED AT EVERY OPPORTUNITY.
2. THE DIRECTOR SHALL KEEP THE BOARD COGNIZANT OF SUCH PROJECTS IN THE PROGRESS AS WELL AS THE ADVANTAGES THAT MAY ACCRUE TO THE PUBLIC VIA FEDERAL GRANTS TO MATCH SUCH DONATIONS.

5. **RECREATION PROGRAMS AND PROGRAMMING:** IN ITS CONTACTS WITH THE PUBLIC, THE BOARD MEMBERS SHALL ACTIVELY SOLICIT IDEAS, SUGGESTI ONS, AND RECOMMENDATIONS REGARDING THE TYPE, SCOPE, AND LOCATIONS OF THE VARIOUS RECREATION PROGRAMS OFFERED BY THE CITY. THE OBJECTIVE OF THE CITY IS TO PROVIDE AS WIDE A VARIETY OF PROGRAMS TO AS GREAT A NUMBER OF CITIZES AS IS POSSIBLE WITHIN THE LIMITS OF FUNDS AVAILABILITY. IN THAT CONEXT, IT IS THE BOARD'S RESPONSI BILITY TO OFFFER ITS ADVICE AND COUNSEL REGARDING SUCH PROGRAMS.

6. **CAPITAL IMPROVEMENTS PROGRAM:**

A. FROM TIME TO TIME, THE CITY PREPARES AND OFFERS CITIZENS FOR APPROVAL OR DISAPPROVAL CAPITAL IMPROVEMENTS BOND PROGRAMS. IN THE PREPARATIONS STAGE OF SUCH PROGRAMS, THE BOARD SHALL ACTIVELY PARTIPATE WITH PARKS AND RECREATION STAFF TO ENSURE THAT THOSE CAPITAL PROJECTS NEEDED AND DESIRED BY THE VARIOUS SEGMENTS AND GROUPS OF THE COMMUNITY ARE THOROUGHLY STUDIED AND, IF FEASIBLE INCLUDED IN THE PROPOSED BOND PROGRAM. THE BOARD SHALL FORM THE NUCLEUS OF CITIZEN PARTICIPATION IN THE PREPARATION STAGE.

B. FOLLOWING FORMALIZATION OF THE PROGRAM AND DURING THE VOTER CONSIDERATION PERIOD, THE BOARD SHALL ACTIVELLY SEEK TO CONVEY THE PROGRAM TO THE PUBLIC TO ENSURE CITIZEN UNDERSTANDING OF THE ISSUES.

C. IN NO WAY SHALL THIS SECTION BE CONSTRUED AS A REQUIREMENT ON BOARD MEMBERS TO SUPPORT A PARTICULAR BOND PROGRAM. RATHER, IT IS MEANT TO ENCOURAGE BOARD PARTICIPATION, EITHER PRO OR CON, DEPENDING ON THE INDIVIDUAL DICTATED OF CONSCIENCE.

7. **OPERATION POLICY REVIEW:**

CHAPTER II
FUNCTIONS AND RESPONSIBILITIES

A. ESTABLISHING OPERATIONS POLICY IS NOT WITHIN THE PURVIEW OF THE BOARD'S RESPONSIBILITY. HOWEVER, IT IS THE BOARD'S RESPONSIBILITY TO REVIEW SUCH POLICIES AND TO OFFER ITS ADVICE AND COUNSEL REGARDING SAME.

B. PARKS AND RECREATION DIRECTORS SHALL ACTIVELY SOLICIT SUCH ADVICE AND COUNSEL PRIOR TO IMPLEMENTING THOSE OPERATING POLICIES HE MAY BE CHARGED TO EXECUTE. HE WILL GIVE EVERY CONSIDERATION TO AND ATIEMPT TO INCLUDE WHERE POSSIBLE THE SUGGESTIONS AND RECOMMENDATIONS OF THE BOARD.

8. NAMING OF PARKS AND RECREATION SITES AND/OR FACILITES: THE PARKS AND RECREATION ADVISORY BOARD HAS FOUND IT NECESSARY TO FORMULATE GUIDELINES TO ESTABLISH A POLICY OF NAMING PARK SITES AND/OR FACILITIES. THIS WILL PERMIT A CONSISTENT APPROACH BY BOARD MEMBERS IN SELECTING NAMES FROM THE SAME GUIDELINES.

THE PARK OR FACILITY NAME SHOULD BE EASILY UTILIZED OR DISPLAYED. IT IS BEST TO AVOID DIFFICULT SPELLINGS OR PRONOUNCIATIONS. WITHOUT DISPLAY, THE NAME WILL NOT BE UTILIZED TO THE FULLEST ADVANTAGE AND GENERAL PUBLIC WOULD PROBABLY ASSOCIATE THE PROPERTY IN CITY WIDE USAGE WILL BE REMEMBERED REGARDLESS OF NAME. NAMES THAT ARE TOO LONG ARE TOO DIFFICULT TO DISPLAY.

A. WHO NAMES THE PARKS SITE OR FACILITY:

THE PARKS AND RECREATION DIRECTOR WILL PREPARE A LIST OF POSSIBLE NAMES FOR THE PARKS AND RECREATION ADVISORY BOARD TO CONSIDER. THE BOARD WILL CHOOSE THE MOST SUITABLE NAME OF A SITE FROM THE LIST PREPARED BY THE DIRECTOR, AND ANY ADDITIONAL NAMES ADDED TO THE LIST BY THE BOARD. THE NAME MUST BE APPROVED IN TWO SUCCESSIVE MEETINGS BY A SIMPLE MAJORITY OF THE BOARD. THE SELECTED PARK NAME WILL BE SUBMITIED TO THE CITY COMMISSION FOR FINAL APPROVAL.

UPON NAMING OF A SITE, AN APPROPRIATE SIGN OR PLAQUE WILL BE ERECTED BY THE PARKS DEPARTMENT AT A REASONABLE TIME DETERMINED BY THE PARKS AND RECREATION DIRECTOR.

B. GUIDELINES FOR NAME SELECTION

IN THE PROPOSED NAMING OF PARKS AND RECREATION AREAS, THE PARKS AND RECREATION ADVISORY BOARD WILL BE SENSITIVE TO MAKING RECOMMENDATIONS WHICH FAIRLY REPRESENT THE VARIOUS ETHNIC AND CULTURAL GROUPS IN THE CITY OF SAN JUAN.

1. NAMING OF PARK SITES OR FACILITIES FOR LIVING PERSONS - THERE ARE OCCASSIONS WHEN IT SEEMS APPROPRIATE TO NAME A PARK IN HONOR OF A PERSON. IT SHOULD BE ONE WHO HAS MADE A MAJOR CONTRIBUTION TO THE COMMUNITY AND/OR HAS BEEN INSTRUMENTAL IN ACQUIRING THE AREA. IN MOST INSTANCES, THE PERSON SHOULD BE HONORED POSTHUMOUSLY.
2. NAMING OF PARK SITES OR FACILITIES AFTER ELECTED OFFICIALS - NAMING OF PARK SITES OR FACILITIES AFTER ELECTED OFFCIALS SHOULD BE DONE ONLY POSTHOMOUSLY, IN MOST CASES. CONSIDERATION SHOULD BE GIVEN TO AN

ELECTED OFFICIAL ONLY IF THEY HAVE MADE A MAJOR CONTRIBUTION TO ANY LEVEL OF GOVERNMENT, COMMUNITY, AND/OR HAVE BEEN INSTRUMENTAL IN ACQUIRING SITE/FACILITY OR FUNDS.

3. NAMING OF PARKS SITES OR FACILITIES AFTER DONOR OR DONATIONS – A SITE OR FACILITY CAN BE NAMED AFTER THE DONOR OF A SITE OR FACILITY. THE PARK MAY BE NAMED AFTER ITS DONOR PROVIDING THE DONOR WISHED THE SAME. THIS MAY BE RECOMMENDED BY THE BOARD OR IF A SPECIFIC NAME IS INCLUDED IN THE DEED REQUIREMENTS. A MINIMUM OF 80% OF THE TOTAL COST OF THE SITE, PROJECT OR FACILITY TO BE NAMED AFTER THE DONOR. IF A MATCHING GRANT IS SECURED, A MINIMUM OF 50% OF THE COST OF DEVELOPMENT IS REQUIRED. IF A GIFT MEETS THESE REQUIREMENTS AND STIPULATES NAMING A SITE AFTER A LIVING PERSON, THEN CRITERIA #1 MUST BE EVALUATED THOROUGHLY.
4. AGREEMENTS WITH CIVIC ORGANIZATIONS OR CLUBS - ANY CIVIC ORGANIZATION OR CLUB ASKING TO SPONSOR A SITE OR FACILITY, IN RETRUN FOR NAMING OF A SITE AFTER THEIR CLUB OR NAME OF THEIR CHOOSING, SHOULD MEET THE MINIMUM 80% OF THE TOTAL COST OF THE SITE, PROJECT OR FACILITY. IF A CLUB OR CIVIC ORGANIZATION WISHES TO PROVIDE LABOR FOR CONSTRUCTION OR IMPROVEMENTS, A MINIMUM OF 75% OF THE TOTAL MAN HOURS FOR COMPLETING THE DEVELOPMENT OF A PROJECT SITE OR FACILITY MUST BE PROVIDED BY THE CLUB IF A SITE IS NAMED ACCORDING TO THE WISHES OF THE GROUP. AN ESTIMATE OF THE TOTAL NUMBER OF MAN HOURS FOR THE PROJECT WILL BE PREPARED BY THE PARKS AND RECREATION DIRECTOR FOR ESTABLISHING THE MINIMUM OF THE TOTAL MAN HOURS.
5. PLAQUES AND MARKERS – PLAQUES AND/OR MARKERS WILL BE USED IN RECOGNIZING GROUPS OF PEOPLE WHO CONTRIBUTED TO A SITE, EVEN THOUGH A FACILITY OR SITE IS NOT NAMED AFTER THEM. IF THE 80% MINIMUM TOTAL COST OF PARTICIPATION IS MET, OR THE 75% MINIMUM TOTAL MAN HOURS ARE MET, THE MARKER WILL BE PROVIDED BY THE PARKS DEPARTMENT. IF THE MINIMUM REQUIREMENTS ARE NOT MET, BUT IF A GROUP PARTICIPATES WITH 50% OF TOTAL COST OF AN ITEM, SITE OR FACILITY, QR CONSTRUCTION OF A SITE, A PLAQUE OR MARKER WILL BE INSTALLED BUT MUST BE PROVIDED BY THE GROUP. THE TYPE OF PLAQUE AND MOUNTING MUST BE APPROVED BY THE PARKS AND RECREATION DEPARTMENT.
6. NAMING OF SECTIONS OF A PARKS OR FACILITY – SECTIONS OF PARKS OR FACILITIES MAY BE AFFIXED A NAME WHICH IS DIFFERENT FROM THAT OF THE OVERALL FACILITY. FOR INSTANCE, A GARDEN AREA IN A PARK, A SWIMMING POOL IN A PARK, OR A MEETING ROOM WITHIN A FACILITY. REASONS FOR RENAMING A SECTION WITH A SITE OR FACILITY MUST MEET THE CRITERIA OF NAMING OF A SITE. THIS INCLUDES A MAJOR CONTRIBUTION TO THE COMMUNITY, INSTRUMENTAL IN ACQUIRING THE SITE OR FACILITY, MINIMUM CONTRIBUTION REQUIREMENTS OF MONEY, OR MINIMUM LABOR FOR CONTRUCTIONS IN DEVELOPMENT.

CHAPTER II
FUNCTIONS AND RESPONSIBILITIES

7. **CHANGING OF PARKS OF FACILITY NAMES-**NAMES OF PARKS SITE OR FACILITUES CAN BE CHANGED. THERE MAY BE A PARK OR PARKS THAT HAVE NAMES WITH NO RHYME OR REASON AND MAY BE REFERRED TO BY LOCATION OR NICKNAMES. RENAMING OF SUCH PROPERTIES IS SOMETIMES APPROPRIATE.

   HAPPENINGS CAN AND DO CAUSE CHANGES TO OCCUR. AN EXAMPLE OF THIS IS THE ASSASSINATION OF PRESIDENT KENNEDY THAT STIMULATED MANY CHANGES IN PARKS. HOWEVER, NO PARK SITE OF FACILITY SHOULD BE RENAMED FOR THE SAKE OF RENAMING A SITE. THERE MUST BE A PURPOSE IN SELECTING A NEW NAME.

   IFA SITE OR FACILITY IS TO BE RENAMED, IT MUST BE SELECTED ACCORDING TO THE GUIDELINES FOR NAME SELECTION.

8. **TERMINOLOGY AND CLASSIFICATION OF** NAMES-TERMINOLOGY - IN NAMING ·SITES, SPORTS FIELDS, SWIMMING POOLS, AND TENNIS CENTERS, THEY SHOULD BE NAMES IN IDENTIFYING FASHION. FOR INSTANCE, NEIGHBORHOOD AND COMMNITY PARKS SHOULD BE DISTINGUISHED BY HAVING A PARKS NAME, PLAYGROUNDS SHOULD BE DISTINGUISHED BY HAVING A NAME WITH PLAYGROUND IN THE NAME, GREENBELTS SHOULD HAVE THE WORD TRAIL IN THE NAME, SPORTS FIELD SHOULD CONTAIN SPORTS FIELD, SWIMMING POOLS SHOULD CONTAIN THE WORD NATATORIUM AND TENNIS COURTS SHOULD CONTAIN THE WORDS TENNIS CENTER IN THE NAME.

   IT IS IMPORTANT TO MAKE NAMES CONCISE. AN EXAMPLE WOULD BE TOM BEAN PARK. THE NAME WOULD PROBABLY EVOLVE TO BEAN PARK. ANY NAMES THAT ARE SELECTED FOR ANY PUBLIC BUILDINGS SHALL BE SUBMITIED TO THE CITY COMMISION FOR APPROVAL. FACILITIES SHOULD NOT BE NAMED WITHOUT PRIOR APPROVAL AS A COURTESY TO THE CITY COMMISSION.

CHAPTER III

ADMINISTRATIVE SUPPORT

GENERAL: THE DIRECTOR SHALL PROVIDE SUCH ADMINISTRATIVE SUPPORT AS MAY BE REQUIRED BY THE BOARD TO CARRY OUT ITS OFFICIAL FUNCTIONS. MEETING SPACE IN THE OFFICES OF THE DEPARTMENT SHALL BE MADE AVAILABLE AS NEEDED.

1. **PRELIMINARY ADMINISTRATIVE STAFF WORK:** THE DIRECTOR'S STAFF SHALL PROVIDE BRIEFING DISPLAYS, PROJECT SUMMARIES, RESOLUTIONS AND ANY WRITIEN MATERIAL THAT WILL BE HELPFUL TO THE BOARD IN ITS DELIBERATIONS.
2. **REPORTS:**
   A. THE DIRECTOR SHALL PREPARE NOT LESS THAN ONCE A YEAR A REPORT OF DEPARTMENT PROGRAMS, FACILITIES AND PROJECTS. THIS REPORT WILL BE DISTRIBUTED TO ALL MEMBERS OF THE BOARD. HE WILL ALSO PREPARE UPON REQUEST, SUCH SPECIAL REPORTS AS MAY BE REQUESTED BY THE BOARD FROM TIME TO TIME.
   B. THE BOARD WILL ALSO BE PROVIDED A SUMMARY REPORT OF THE DEPARTMENT'S OPERATIONS AND MAINTENANCE BUDGET WITHIN ONE MONTH OF COMMISSION'S APPROVAL OF SAME.
3. **PREPARATION OF AGENDA:** -
   A. FIVE (5) DAYS PRIOR TO REGULARLY SCHEDULED MONTHLY MEETING THE DIRECTOR WILL PREPARE A PRELIMINARY BOARD AGENDA. THE DIRETOR'S SECRETARY WILL CONTACT THE CHAIR PERSON BY PHONE TO DETERMINE ANY OTHER ITEMS THAT THE BOARD MAY WISH TO CONSIDER.
   B. A FORMAL AGENDA WILL THEN BE PREPARED AND MAILED OR DELIVERED TO INDIVIDUAL MEMBERS BY THE DIRECTOR'S OFFICE, ALONG WITH THE DATE, TIME AND PLACE OF THE REGULARLY MEETING. ANY PERTINENT REPORTS OR SUMMARIES WILL BE INCLUDED IN THIS PACKAGE SO AS TO ENSURE ADEQUATE MEMBER PREPARATION FOR THE MEETING.
   C. MEMBERS WILL CONTACT THE DIRECTOR'S SECRETARY BY PHONING 223-2350 NO LATER THAN ONE (1) DAY PRIOR TO THE MEETING DATE IF ATTENDANCE IS IMPOSSSIBLE. NO CALL INDICATES THAT THE MEMBER WILL ATTEND.
   D. MEETINGS THAT CANNOT MEET A QUORUM MAY BE HELP OR CANCELLED AT THE DISCRETION OF THE CHAIR PERSON OR PARKS & RECREATION DIRECTOR.
4. **MINUTES AND CORRESPONDENCE**
   A. THE DIRECTOR'S SECRETARY OR OTHER DESIGNEE WILL TAKE THE MINUTES OF ALL MEETING S AND WILL PREPARE COPIES OF SAME. SUCH MINUTES WILL BE READ AT THE NEXT MEETING AND WILL BE APPROVED AND/OR AMMENDED BY VOTE OF THE BOARD. ALL CORRESPONDENCE REQUIRED BY THE BOARD WILL BE PREPARED BY THE DIRECTOR OR HIS DESIGNATED REPRESENTATIVE.

ANNUAL FINANCIAL
AND
COMPLIANCE REPORT

CITY OF SAN JUAN, TEXAS

SEPTEMBER 30, 2016

CITY OF SAN JUAN, TEXAS
ANNUAL FINANCIAL AND COMPLIANCE REPORT
YEAR ENDED SEPTEMBER 30, 2016

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PART I
INTRODUCTION SECTION

CITY OF SAN JUAN, TEXAS

ANNUAL FINANCIAL AND COMPLIANCE REPORT

YEAR ENDED SEPTEMBER 30, 2016

CITY OFFICIALS

Mayor	San Juanita Sanchez
Mayor Pro-Tem	Mario Garza
Commissioners	Jesus "Jesse" Ramirez
	Raudel Maldonado
	Pete Garcia
Director of Finance	Pablo A. Garza

Benjamin Arjona
City Manager

PART II
FINANCIAL SECTION

GARCIA & PEÑA
Certified Public Accountants
P. O. Box 8032
301 West 4th
Weslaco, Texas 78599
956-969-1433 • Fax 956-968-1467 • 956-421-4601

Manuel B. Garcia, CPA
Jaime X. Peña, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Commission
City of San Juan, Texas 78589

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and remaining fund information of The City of San Juan Texas, as of and for the year ended September 30, 2016, 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. The Economic Development Corporation was audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, of the City of San Juan, Texas, as of September 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year 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, 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 San Juan, Texas basic financial statements. The introductory section, combining and individual non-major fund financial statements and supplementary information , are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2017, on our consideration of the City of San Juan Texas' 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 the City of San Juan, Texas' internal control over financial reporting and compliance.

Garcia & Pena,
Certified Public Accountants

March 24, 2017

City of San Juan, Texas
Management's Discussion and Analysis

This discussion and analysis is intended to provide an overview of the City of San Juan, Texas financial performance for the fiscal year ended September 30, 2016 and the related effect on the City of San Juan,, Texas financial condition. Please read it in conjunction with the financial statements which begin on page 1.

Financial Highlights

- The City's Government-Wide Net Position increased to $61,501,247, as a result of this year's operations. Governmental activities were at $21,926,778, with the balance of $39,574,469 resulting from the business-type activities.

- Statement of Activities – Governmental and Business-Type Activities - Total government-wide net position increased by $1,445,107. An increase of $419,684 from governmental activities and an increase of $1,025,423 from the business-type activities.

- Governmental Activities-Revenue and Expenses Compared to Last Year- Total revenues in the aggregate increased by $449,515 from the prior year, where charges for property taxes increased by $185,081, sales tax decreased by $19,362, and an increase in other taxes by $8,964, and a decrease in intergovernmental by $26,212. Expenses increased by $4,668,141, due to increases in capital outlay of $2,186,692, and debt service of $3,936,614.

- At September 30, 2016, the City's governmental funds reported revenues in excess of expenditures of $2,876,851, thus increasing the fund balance to $8,241,405, from $5,364,554 the previous year.

- At the end of the current fiscal year, the general fund's fund balance increased by $97,885 to $1,850,748; compared to $1,752,863 from the previous year, as restated.

- Business-Type Activities – Revenues and Expenses Compared to Last Year – Total revenues in the aggregate increased $283,239 from last year. Operating expenses increased $639,061 and interest expense increased $107,999 over last year.

- City as a Whole: Statement of Activities - Revenues and Expenses – Governmental revenues were $14,055,897, and business-type activity revenues were $7,765,170, while expenses were $13,636,213 for governmental activities and $6,739,747 for business-type activities.

- The City's governmental activities debt increased by $2,746,111 in bond and capital leases, $16,821 in accrued interest, and $126,024 compensated absences. Total long-term debt for governmental funds was $19,673,444 at September 30, 2016.

- The City's business-type activities debt decreased by $446,972 in bond and notes payable, and increased $14 in accrued interest, and $51,119 in compensated absences. Total long-term debt for business-type funds was $15,854,845 at September 30, 2016.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements 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 a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the differences between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, health, economic development, and culture and recreation. The business-type activities of the City include the Utility System, which includes water, sewer, garbage, and brush services.

The government-wide financial statements include not only the City itself (known as the primary government), but also legally separate component unit for which the City is financially accountable: Economic Development Corporation.

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, 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 can be divided into four categories: governmental funds, proprietary funds, trust and agency, and discretely presented component units.

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 on 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 that 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 two major and four non-major governmental funds. Information for the major funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund. Data from the non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary funds – The City maintains one type of proprietary fund, an enterprise fund. 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 collection of garbage, the pick-up of brush and water/sewer services. There is one internal service fund being used by the City at this time, the Employee Health Benefit Plan. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Discretely presented component units – Discretely presented component units are legally separate from the City. The component units are intended to operate on a self-supporting basis through user charges or the collection of sales tax. The unit is discretely presented because the City has a voting majority, imposition of will, financial benefit and financial accountability over the units. The unit also maintains a September 30 fiscal year-end. There is one discretely presented component unit, the Economic Development Corporation of San Juan.

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

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's revenues and expenditures budget to actual comparison.

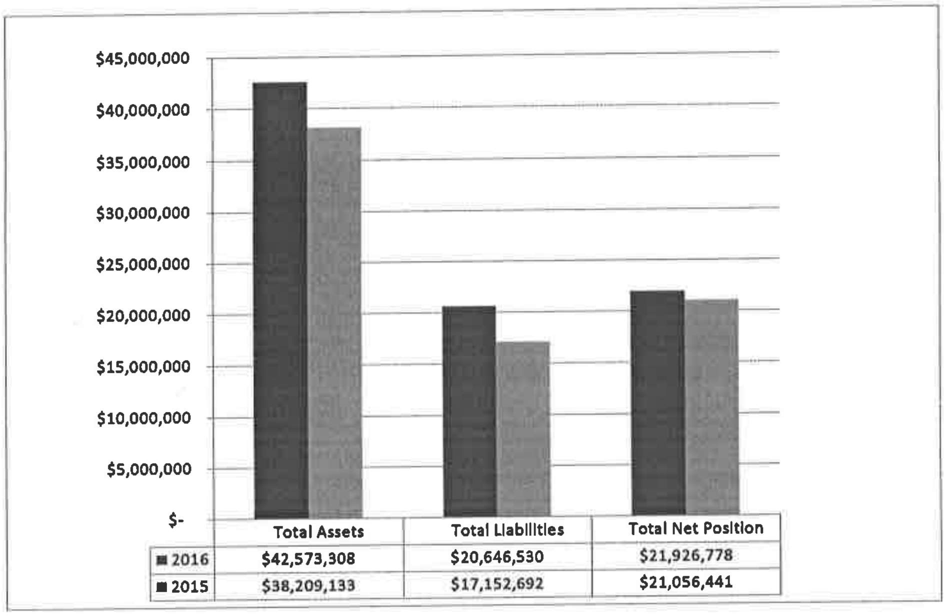
Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

In the case of the City, assets exceeded liabilities by $21,926,778 and $21,056,411 for 2016 and 2015 as adjusted, respectively, for governmental activities.

By far the largest portion of the City's net position (67 present) reflects its investment in capital assets (e.g., land building, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

City of San Juan's Sources Net Position
Governmental Activities



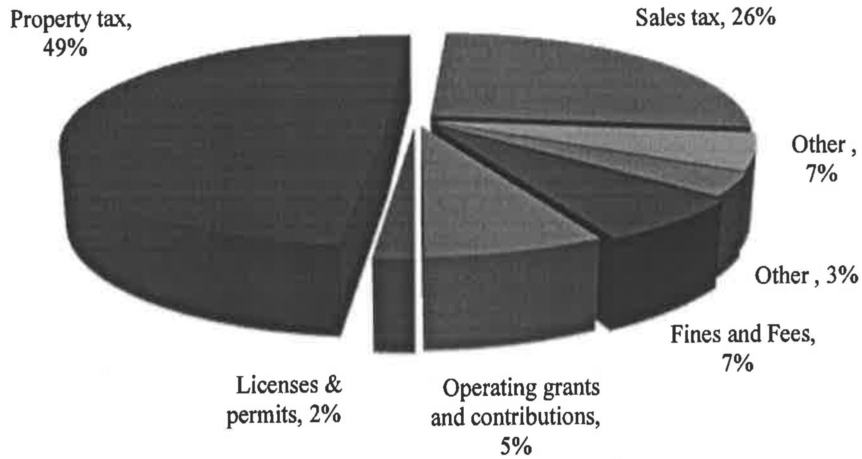
The City's condensed Statement of Net Position along with the last fiscal year's numbers are presented for comparison in the table below.

City of San Juan's Statement of Net Position

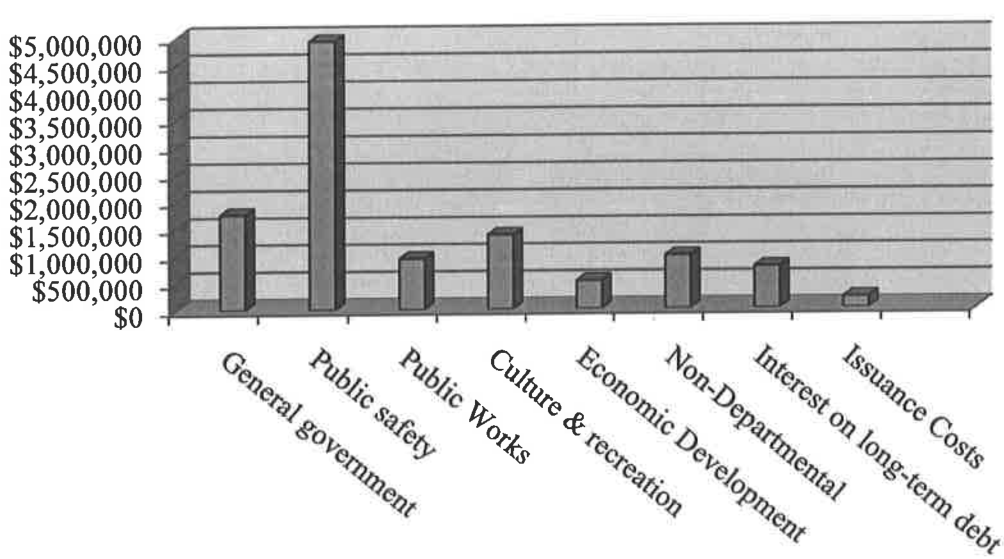
	Governmental Activities	Business-type Activities	Totals
Current and other assets	$ 10,938,848	$ 17,532,005	$ 28,470,853
Capital assets	31,634,460	39,039,774	70,674,234
Total Assets	42,573,308	56,571,779	99,145,087
Current liablities	973,086	1,142,465	2,115,551
Long-term debt due in more than one year	19,673,444	15,854,845	35,528,289
Total Liabilities	20,646,530	16,997,310	37,643,840
Net Position			
Invested in capital assets net of related debt	14,853,405	23,593,066	38,446,471
Restricted	6,411,258	8,166,356	14,577,614
Unrestricted	662,115	7,815,047	8,477,162
Total Net Position	$ 21,926,778	$ 39,574,469	$ 61,501,247

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

City of San Juan's Sources of Income
Governmental Activities



City of San Juan's Expenditures
Governmental Activities



Governmental Activities/Business-Type Activities

Governmental activities increased net position by $419,684 in 2016.

The business-type activities increased by $1,025,423 in 2016.

The City's condensed Changes in Net Position are presented in the table below.

City of San Juan's Changes in Net Position

	Governmental Activities	Business-Type Activities	Totals
Revenues			
Program revenues			
Charges for services	$ 735,693	$ 8,135,510	$ 8,871,203
Operating grants and contributions	584,796	72,533	657,329
Capital grants and contributions	146,626	-	146,626
General revenues			
Property tax	6,591,273	-	6,591,273
Other taxes	4,245,156	-	4,245,156
Bond Premiums	686,971	-	686,971
Other	446,132	176,377	622,509
Total revenues	13,436,647	8,384,420	21,821,067
Expenses			
General government	3,224,602	-	3,224,602
Public safety	5,987,900	-	5,987,900
Highways/streets	1,147,700	-	1,147,700
Culture & recreation	1,658,225	-	1,658,225
Economic Development Payments	617,843	-	617,843
Interest -Long-term debt	792,672	285,602	1,078,274
Bond/Note Issuance Costs	207,271	-	207,271
Water services	-	1,975,597	1,975,597
Sewer services	-	2,075,238	2,075,238
Garbage and brush		2,403,310	2,403,310
Other	-	-	-
Total expenses	13,636,213	6,739,747	20,375,960
Non-Operating Transfers (Net)	619,250	(619,250)	-
Increase (decrease) in net position	419,684	1,025,423	1,445,107
Net position - beginning (Note M)	21,507,094	38,549,046	60,056,140
Net position - ending	$ 21,926,778	$ 39,574,469	$ 61,501,247

Business-Type Activities

Business-type activities consist of operating expenses of $6,454,145 for 2016 and interest expense of $285,602 for 2016; with operating revenues of $8,135,510 for 2016 and capital grants of $72,533 for 2016, resulting in an increase in net position of $1,025,423 in 2016.

Capital Assets and Debt Administration

Capital Assets

The City of San Juan's investments in capital assets for its governmental and business-type activities amount to $70,672,370 and $67,129,539 (net of accumulated depreciation) for 2016 and 2015. This investment in capital assets includes land, buildings, and systems improvements, machinery and equipment.

City of San Juan's Capital Assets

	Governmental Activities	Business-Type Activities	Total
Capital assets, not being depreciated:			
Land	$ 1,788,252	$ 283,978	$ 2,072,230
Construction-in-progress	1,312,593	9,521,138	10,833,731
	3,100,845	9,805,116	12,905,961
Capital assets, being depreciated:			
Buildings	4,555,066	206,687	4,761,753
Machinery & Equipment	3,189,020	1,770,170	4,959,190
Vehicles	5,415,948	4,399,353	9,815,301
Improvements other than buildings	2,055,004	35,210,317	37,265,321
Infrastructure	32,423,867	-	32,423,867
	47,638,905	41,586,527	89,225,432
Less accumulated depreciation for:			
Buildings	1,151,605	94,590	1,246,195
Machinery & Equipment	2,188,139	2,892,949	5,081,088
Vehicles	4,080,590	1,140,379	5,220,969
Improvements other than buildings	1,545,107	8,225,815	9,770,922
Infrastructure	10,139,849	-	10,139,849
Total accumulated depreciation	19,105,290	12,353,733	31,459,023
Total capital assets, being depreciated, net	28,533,615	29,232,794	57,766,409
Capital assets, net	$ 31,634,460	$ 39,037,910	$ 70,672,370

Long-Term Debt

At year-end, the City's outstanding long-term debt was $35,528,289 for 2016. The City's governmental activities debt increased by $2,888,956 and decreased by $395,839 in business-type activities in 2016.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Secretary, 709 S. Nebraska, San Juan, Texas 78589.

BASIC FINANCIAL STATEMENTS

CITY OF SAN JUAN, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Totals
ASSETS AND DEFERRED OUTFLOW OF RESOURCES			
Cash and Cash Equivalents	$ 6,798,838	$ 6,711,038	$ 13,509,876
Investments	1,748,335	4,732,779	6,481,114
Receivable, Net	1,769,311	1,583,706	3,353,017
Internal Balances, Net	(116,289)	114,888	(1,401)
Due from Other Governments	50,320	-	50,320
Due from Others	54,521	-	54,521
Inventory	7,582	4,630	12,212
Prepaid Items	21,276	-	21,276
Note Receivables	194,331	-	194,331
Restricted Assets:			
Temporarily Restricted	65,371	4,275,039	4,340,410
Capital Assets:			
Land	1,788,252	283,978	2,072,230
Buildings	4,555,067	206,687	4,761,754
Infrastructure	32,423,867	31,057,955	63,481,822
Improvements Other Than Buildings	2,055,004	4,152,363	6,207,367
Machinery and Equipment	3,189,019	1,770,172	4,959,191
Vehicles	5,415,948	4,399,352	9,815,300
Accumulated Depreciation	(19,105,290)	(12,353,735)	(31,459,025)
Construction-In-Progress	1,312,593	9,521,138	10,833,731
Other Assets	-	1,864	1,864
Total Assets	42,228,056	56,461,854	98,689,910
Deferred Outflow of Resources (Note J)	345,252	109,925	455,177
Total Assets and Deferred Outflow of Resources	$ 42,573,308	$ 56,571,779	$ 99,145,087

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

CITY OF SAN JUAN, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Totals
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION			
Liabilities			
Accounts Payable	$ 527,461	$ 321,206	$ 848,667
Accrued Liabilities	145,996	35,656	181,652
Other Liabilities	75,920	18,100	94,020
Trust-PEG Fund	71,451	-	71,451
Unearned Revenues	107	-	107
Customer Deposits Payable	152,151	767,503	919,654
Non-current Liabilities			
Due in one year	1,897,290	959,509	2,856,799
Due in more than one year	17,700,686	14,871,308	32,571,994
Net Pension Liability	75,468	24,028	99,496
Total Liabilities	20,646,530	16,997,310	37,643,840
Deferred Inflow of Resources (Note J)	-	-	-
Net position			
Invested in Capital Assets, Net of Related Debt	14,853,405	23,593,066	38,446,471
Restricted For:			
Debt Service	539,923	3,123,814	3,663,737
Capital Projects	3,738,661	4,275,039	8,013,700
Economic Development	305,804	-	305,804
Municipal Court	84,305	-	84,305
Federal and State Awards	1,214,715	-	1,214,715
Other Purposes	527,850	767,503	1,295,353
Unrestricted	662,115	7,815,047	8,477,162
Total Net Assets	21,926,778	39,574,469	61,501,247
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 42,573,308	$ 56,571,779	$ 99,145,087

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

CITY OF SAN JUAN, TEXAS
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2016

		Program Revenues		
Program Activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	$ 3,224,602	$ 245,082	$ -	$ -
Public Safety	5,987,900	200,223	572,796	146,626
Public Works	1,147,700	232,810	-	-
Culture & Recreation	1,658,225	57,578	-	-
Economic Development	617,843	-	12,000	-
Interest on Long-Term Debt	792,672	-	-	-
Bond/Note Issuance Costs	207,271	-	-	-
Total Governmental Activities	13,636,213	735,693	584,796	146,626
Business-type Activities:				
Water Services	1,975,597	2,501,017	-	-
Sewer Services	2,075,238	2,800,606	72,533	-
Garbage and Brush	2,403,310	2,833,887	-	-
Irrigation and Landscaping	-	-	-	-
Interest on Long-Term Debt	285,602	-	-	-
Total Business-type Activities	6,739,747	8,135,510	72,533	-
Total Governmental and Business-type Activities	$ 20,375,960	$ 8,871,203	$ 657,329	$ 146,626

General Revenues

Taxes:

Property Taxes

Sales Taxes

Franchise Taxes

Other Taxes

Gain (Loss) on sale of Capital Assets

Miscellaneous

Investment Earnings

Bond Premium Proceeds

Administrative Transfers In (Out)

Transfers In (Out)

Total General Revenues

Changes in Net Position

Net Position, Beginning of Year, As Restated (Note T)

Net Position at End of Year

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Totals
$ (2,979,520)	$ -	$ (2,979,520)
(5,068,255)		(5,068,255)
(914,890)		(914,890)
(1,600,647)		(1,600,647)
(605,843)		(605,843)
(792,672)		(792,672)
(207,271)		(207,271)
(12,169,098)		(12,169,098)
	525,420	525,420
	797,901	797,901
	430,577	430,577
	-	-
	(285,602)	(285,602)
-	1,468,296	1,468,296
(12,169,098)	1,468,296	(10,700,802)
6,591,273	-	6,591,273
3,495,985	-	3,495,985
719,737	-	719,737
40,636	-	40,636
-	-	-
419,333	140,312	559,645
15,597	36,065	51,662
686,971		686,971
619,250	(619,250)	-
-	-	-
12,588,782	(442,873)	12,145,909
419,684	1,025,423	1,445,107
21,507,094	38,549,046	60,056,140
$ 21,926,778	$ 39,574,469	$ 61,501,247

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

GOVERNMENTAL FUNDS

CITY OF SAN JUAN, TEXAS
GOVERNMENTAL FUNDS
BALANCE SHEETS
SEPTEMBER 30, 2016 AND 2015

	General Fund	Debt Service Fund	Non-Major Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 896,452	$ 500,407	$ 5,401,979
Investments	1,246,689	1,110	500,536
Designated Cash and Investments	65,371	-	-
Receivables, net			
Property Taxes	1,092,568	345,455	-
Sales Taxes	206,222	-	68,741
Franchise Taxes	36,195	-	-
Other Receivables	20,130	-	-
Notes Receivable	-	-	194,331
Due from Other Funds		19,905	-
Due from Other Governments	-	-	50,320
Due from Others	47,796	6,725	-
Inventories	7,582	-	-
Prepaid Expenses	13,019	-	8,257
Total Assets	$ 3,632,024	$ 873,602	$ 6,224,164
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 330,387	$ 2,468	$ 194,606
Wages Payable	139,335	-	6,661
Other Liabilities	75,920	-	-
Due to Other Funds	116,289	-	19,905
Due to Others	-	-	152,151
Trust-PEG Fund	71,451	-	-
Deferred Revenues	-		107
Total Liabilities	733,382	2,468	373,430
Deferred Inflows of Resources			
Deferred Revenues (Note J)	1,047,894	331,211	-
Total Deferred Inflows of Resources	1,047,894	331,211	-
Fund Balances			
Reserved for:			
Inventories	7,582	-	-
Prepaid Items	13,019	-	8,257
Assigned to:			
Debt Service	-	539,923	-
Capital Projects		-	3,738,661
Economic Development		-	305,804
Municipal Court	-	-	84,305
Federal or State Funds Grant Restriction	-	-	1,214,715
Other Purposes	-	-	498,992
Unassigned:	1,830,147	-	-
Total Fund Balances	1,850,748	539,923	5,850,734
Total Liabilities and Fund Balances	$ 3,632,024	$ 873,602	$ 6,224,164

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

Totals	
2016	Restated 2015
$ 6,798,838	$ 2,148,434
1,748,335	2,679,184
65,371	65,371
1,438,023	1,428,191
274,963	340,094
36,195	26,482
20,130	5,764
194,331	205,257
19,905	463,213
50,320	829,842
54,521	-
7,582	18,377
21,276	90,574
$ 10,729,790	$ 8,300,783
$ 527,461	$ 497,411
145,996	281,082
75,920	112,469
136,194	333,080
152,151	197,925
71,451	71,451
107	14,620
1,109,280	1,508,038
1,379,105	1,428,191
1,379,105	1,428,191
7,582	18,377
21,276	95,831
539,923	401,093
3,738,661	1,289,553
305,804	193,939
84,305	71,732
1,214,715	1,119,678
498,992	530,439
1,830,147	1,643,912
8,241,405	5,364,554
$ 10,729,790	$ 8,300,783

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

CITY OF SAN JUAN, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2016 AND 2015

	2016	2015
Total fund balance-total governmental funds	$ 8,241,405	$ 5,035,599
Prior period adjustment		328,955
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources; therefore, are not reported in the governmental fund balance sheet	31,634,460	30,625,806
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds		
Property Taxes	1,379,105	1,428,191
Long-term liabilities are not due and payable in the current period; therefore, are not reported in the governmental fund balance sheet	(18,690,217)	(16,002,754)
Payables for compensated absences which are not due in the current period are not reported in the funds	(907,759)	(781,735)
Net pension liability which is not due in the current period and therefore not reported in the funds	345,252	125,360
Net pension liability which is not due in the current period and therefore not reported in the funds	-	747,672
Unamortized pension unavailable for current period revenue and are therefore deferred in the Statement of Net Position	(75,468)	-
Net Position of governmental activities	$ 21,926,778	$ 21,507,094

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

CITY OF SAN JUAN, TEXAS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2016

	General Fund	Debt Service Fund	Non-Major Governmental Funds
Revenues			
Taxes:			
Property Taxes	$ 5,037,220	$ 1,603,139	$ -
Sales Taxes	2,621,936	-	874,049
Franchise Taxes	719,737	-	-
Hotel Occupancy Taxes	-	-	26,593
Other Taxes	37,795	-	-
Licenses and Permits	224,830	-	-
Intergovernmental Revenues	730,526	-	250,477
Fines and Fees	456,198	-	54,665
Forfeitures	-	-	369,669
Interest Earned	9,037	3	6,557
Miscellaneous & Other Income	267,170	3,757	124,654
Total Revenues	10,104,449	1,606,899	1,706,664
Expenditures			
Current:			
General Government	1,745,165	9,699	4,465
Public Safety	4,587,524	-	350,338
Public Works	826,825	-	112,959
Culture & Recreation	1,360,762	-	14,566
Economic Development	-	-	522,839
Non-Departmental Expenditures	927,193	-	-
Capital Outlay	430,694	-	1,964,176
Debt Service:			
Principal	3,909,875	930,000	209,483
Interest	109,739	528,370	137,742
Total Expenditures	13,897,777	1,468,069	3,316,568
Excess (Deficiency) of Revenues Over Expenditures	(3,793,328)	138,830	(1,609,904)
Other Financing Sources (Uses)			
Transfers In (Out)	(25,750)	-	25,750
380 Agreement Expenditures	(58,447)	-	-
Bond/Note Proceeds	3,800,000	-	3,920,000
Bond Premium Proceeds	285,375	-	401,596
Bond/Note Issuance Costs	(109,965)	-	(97,306)
Total Other Financing Sources (Uses)	3,891,213	-	4,250,040
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	97,885	138,830	2,640,136
Fund balances, October 1, As Restated (Note T)	1,752,863	401,093	3,210,598
Fund balances, September 30	$ 1,850,748	$ 539,923	$ 5,850,734

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

2016	Restated 2015
$ 6,640,359	$ 6,455,278
3,495,985	3,515,347
719,737	704,830
26,593	31,360
37,795	2,583
224,830	245,500
981,003	1,002,490
510,863	360,389
369,669	387,917
15,597	14,683
395,581	248,120
13,418,012	12,968,497
1,759,329	1,697,516
4,937,862	6,193,915
939,784	1,013,044
1,375,328	1,359,237
522,839	776,777
927,193	987,391
2,394,870	208,178
5,049,358	1,112,744
775,851	665,471
18,682,414	14,014,273
(5,264,402)	(1,045,776)
-	(1,272,583)
(58,447)	-
7,720,000	-
686,971	-
(207,271)	-
8,141,253	(1,272,583)
2,876,851	(2,318,359)
5,364,554	7,682,913
$ 8,241,405	$ 5,364,554

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

CITY OF SAN JUAN, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2016 AND 2015

	2016	2015
Net change in fund balances-total governmental funds	$ 2,876,851	$ (2,318,359)
Amounts reports for governmental activities in the state of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over the estimated useful lives and reports as depreciation expense. The capital outlay ($2,394,870) recorded in the current period exceeded current year depreciation ($1,386,216).	1,008,654	(1,026,132)
Governmental funds do not report the retirement of fixed assets. In the Government-Wide Statement of Revenues, Expenditures, and Changes in Fund Balance this is the amount of fixed assets retired in the current period.		
The issuance of long-term debt (e.g., notes) provides current financial resource to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. This amount is the net effect on these differences.	(2,670,642)	1,112,744
Note Proceeds/Capital Lease $ (7,720,000)		
Principal Retirement 5,049,358		
Compensated absences in the statement of activities does not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.	(126,024)	(45,894)
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore accrued interest expense is not reported as expenditures in governmental funds.	(16,821)	(1,136)
Some property tax will not be collected for several months after the City's fiscal year-end, they are not considered "available" revenues in the governmental funds.	(49,086)	54,801
Pension expense for the current period not recorded in the governmental funds.	(603,248)	(127,868)
Changes in net position of governmental activities	$ 419,684	$ (2,351,844)

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

CITY OF SAN JUAN, TEXAS
GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budget			Variance Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Property Taxes	$ 6,601,886	$ 6,601,886	$ 6,640,359	$ 38,473
Sales Taxes	3,218,394	3,218,394	3,495,985	277,591
Franchise Taxes	723,851	723,851	719,737	(4,114)
Hotel Occupancy Taxes	32,100	32,100	26,593	(5,507)
Other Taxes	3,500	3,500	2,841	(659)
Licenses & Permits	224,368	224,368	224,830	462
Intergovernmental Revenues	875,762	1,513,117	966,278	(546,839)
Fines and Fees	256,427	499,558	510,863	11,305
Forfeitures	1,185,000	1,185,000	369,669	(815,331)
Interest Earned	13,402	13,402	15,597	2,195
Miscellaneous & Other Income	514,276	514,276	445,260	(69,016)
Total revenues	13,648,966	14,529,452	13,418,012	(1,111,440)
Expenditures				
Current				
General Government	1,889,382	1,963,936	1,759,329	204,607
Public Safety	4,785,352	5,123,261	4,937,862	185,399
Public Works	752,666	975,318	939,784	35,534
Culture & Recreation	1,463,365	1,523,950	1,375,328	148,622
Economic Development	460,634	456,634	522,839	(66,205)
Non-Departmental Expenses	968,245	985,646	927,193	58,453
Capital Outlay	1,290,865	5,953,778	2,394,870	3,558,908
Debt Service:				
Principal	1,246,379	1,246,379	5,049,358	(3,802,979)
Interest	727,293	727,293	775,851	(48,558)
Total expenditures	13,584,181	18,956,195	18,682,414	273,781
Excess (Deficiency) of Revenues Over Expenditures	64,785	(4,426,743)	(5,264,402)	(837,659)
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
380 Agreement Expenditures	(30,718)	(30,718)	(58,447)	(27,729)
Bond/Note Proceeds	-	-	7,720,000	7,720,000
Bond Premium Proceeds	-	-	686,971	686,971
Bond/Note Issuance Costs	-	-	(207,271)	(207,271)
Total Other Financing Sources (Uses)	(30,718)	(30,718)	8,141,253	8,171,971
Net Changes in Fund Balances	$ 34,067	$ (4,457,461)	2,876,851	$ 7,334,312
Fund Balance, October 1, As Restated			5,364,554	
Fund Balance, September 30			$ 8,241,405	

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

PROPRIETARY FUNDS

CITY OF SAN JUAN, TEXAS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016 AND 2015

	Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds	2016 Enterprise Funds	2015 Enterprise Funds
Assets					
Cash and cash equivalents	$ 1,316,996	$ 3,213,235	$ 2,180,807	$ 6,711,038	$ 6,439,493
Investments	4,483,152	249,627	-	4,732,779	4,732,583
Restricted cash and investments	4,275,039	-	-	4,275,039	6,113,628
Utility and trade receivables, net	1,019,323	564,383	-	1,583,706	1,449,847
Due from other funds	-	114,888	-	114,888	36,250
Due from others	1,864	-	-	1,864	1,517
Inventory	-	4,630	-	4,630	1,547
Capital assets - net					
Non-depreciable assets	9,796,333	8,783	-	9,805,116	8,147,694
Depreciable assets	27,702,753	1,530,041	-	29,232,794	28,842,317
Total Assets	48,595,460	5,685,587	2,180,807	56,461,854	55,764,876
Deferred Outflow of Resources	62,222	47,703	-	109,925	277,968
Total Assets and Deferrred Outflows of Resources	$ 48,657,682	$ 5,733,290	$ 2,180,807	$ 56,571,779	$ 56,042,844
Liabilities Deferred Inflow of Resources and Net Position					
Liabilities					
Accounts payable	$ 179,129	$ 140,977	$ 1,100	$ 321,206	$ 250,531
Wages payable	25,686	9,970	-	35,656	80,650
Other liabilities	-	18,100	-	18,100	-
Customer deposits payable	530,041	237,462	-	767,503	795,444
Due to other funds	-	-	-	-	84,553
Non-current liabilities :					
Due in one year	821,374	85,742	52,393	959,509	873,312
Due in more than one year	14,631,308	240,000	-	14,871,308	15,409,308
Due in more than one year	13,601	10,427	-	24,028	-
Total Liabilities	16,201,139	742,678	53,493	16,997,310	17,493,798
Deferred Inflow of Resources	-	-	-	-	-
Net Position					
Invested in capital assets, net of related d	22,054,242	1,538,824	-	23,593,066	20,890,114
Restricted					
Customer deposits	530,041	237,462	-	767,503	795,444
Debt service	996,500	-	2,127,314	3,123,814	2,388,120
Capital projects	4,275,039	-	-	4,275,039	6,113,628
Unrestricted	4,600,721	3,214,326	-	7,815,047	8,361,740
Total Net Position	32,456,543	4,990,612	2,127,314	39,574,469	38,549,046
Total Liabilities, Deferred Inflow of Resources and Net Position	$ 48,657,682	$ 5,733,290	$ 2,180,807	$ 56,571,779	$ 56,042,844

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

CITY OF SAN JUAN, TEXAS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
SEPTEMBER 30, 2016 AND 2015

	Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds	2016 Enterprise Funds	2015 Enterprise Funds
Operating Revenues					
Water sales	$ 2,400,194	$ -	$ -	$ 2,400,194	$ 2,303,149
Sewer charges	2,687,686	-	-	2,687,686	2,451,954
Refuse fees	-	2,756,646	-	2,756,646	2,899,475
Other operating revenues					
Penalties	92,204	-	-	92,204	94,247
Tap fees	39,340	-	-	39,340	45,800
Connect/Reconnect fees	82,199	-	-	82,199	85,565
Other	-	77,241	-	77,241	72,295
Miscellaneous	104,075	36,237	-	140,312	40,098
Total Operating Revenues	5,405,698	2,870,124	-	8,275,822	7,992,583
Operating Expenses					
Personal expenses	1,448,318	897,697	-	2,346,015	2,078,305
Other services and charges	1,226,551	333,193	14,474	1,574,218	1,180,027
Supplies	508,687	358,900	-	867,587	943,066
Contractual services-Administrative	407,820	211,430	-	619,250	619,250
Contractual services-Operations	-	650,328	-	650,328	597,689
Total Operating Expenses	3,591,376	2,451,548	14,474	6,057,398	5,418,337
Operating Income (Loss) Before Depreciation	1,814,322	418,576	(14,474)	2,218,424	2,574,246
Depreciation	842,378	166,542	-	1,008,920	1,010,157
Operating Income (Loss)	971,944	252,034	(14,474)		1,564,089
Non-operating Revenues (Expenses)					
Interest income	34,300	1,765	-	36,065	11,560
Interest expense	-	-	(285,602)	(285,602)	(393,601)
Bond Issuance Costs	-	(7,077)	-	(7,077)	-
Total non-operating revenues (expenses)	34,300	(5,312)	(285,602)	(256,614)	(382,041)
Excess of Revenues Over Expenditures Before Capital Grants and Transfers	1,006,244	246,722	(300,076)	952,890	1,182,048
Capital Grants and Transfers					
Capital Grants	72,533	-	-	72,533	1,272,583
Transfers In (Out)	(939,270)	-	939,270	-	-
Total Capital Grants and Transfers	(866,737)	-	939,270	72,533	1,272,583
Changes in Net Position	139,507	246,722	639,194	1,025,423	2,454,631
Net position, October 1, As Restated (Note T)	32,317,036	4,743,890	1,488,120	38,549,046	35,856,362
Net position, September 30	$ 32,456,543	$ 4,990,612	$ 2,127,314	$ 39,574,469	$38,549,046

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

CITY OF SAN JUAN, TEXAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2016

	Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds	2016 Enterprise Funds	2015 Enterprise Funds
Cash flows provided (used) by operating activities:					
Receipts from customers	$ 4,942,389	$ 2,745,073	$ -	$ 7,687,462	$ 7,675,894
Receipts from others	176,608	113,478	-	290,086	-
Operating grants	-	-	-	-	-
Payment (to) from other funds	-	(160,039)	(3,153)	(163,192)	-
Payments to employees for services	(1,349,974)	(780,506)	-	(2,130,480)	(2,050,293)
Payments to suppliers for good and services	(2,097,340)	(1,723,467)	(14,247)	(3,835,054)	(3,613,905)
Net cash provided (used) by operating activities	1,671,683	194,539	(17,400)	1,848,822	2,011,696
Cash flow from non-capital financing activities					
Transfers in (out)	(939,270)	-	939,270	-	-
Cash flows provided (used) by capital and related financing activities					
Capital asset purchases	(2,290,377)	(716,364)	-	(3,006,741)	(4,438,667)
Retirement of long-term debt	(1,486,000)	-	-	(1,486,000)	(753,000)
Interest paid	-	-	(270,184)	(270,184)	-
Note/Bond proceeds	730,000	285,000	-	1,015,000	-
Capital grants	-	-	-	-	-
Net cash provided (used) by capital and related financial activities	(3,046,377)	(431,364)	(270,184)	(3,747,925)	(5,191,667)
Cash flow provided (used) by investing activities:					
Proceeds from sale & maturities of securities	34,300	1,765	-	36,065	11,560
Prior Period Adjustment	197,721	113,874	(15,405)	296,190	-
Net cash provided (used) by investment activities	232,021	115,639	(15,405)	332,255	11,560
Net increase (decrease) in cash and cash equivalents	(2,081,943)	(121,186)	636,281	(1,566,848)	(3,168,411)
Cash and cash equivalents, October 1	12,157,130	3,584,048	1,544,526	17,285,704	20,454,115
Cash and cash equivalents, September 30	$ 10,075,187	$ 3,462,862	$2,180,807	$ 15,718,856	$17,285,704

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

CITY OF SAN JUAN, TEXAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2016

	Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds	2016 Enterprise Funds	2015 Enterprise Funds
Reconciliation of operating loss to net cash provided by (used) in operating activities:					
Operating Income (Loss)	$ 1,153,198	$ 335,384	$ (14,474)	$ 1,474,108	$ 883,866
Adjustments to reconcile net income to net cash from operating activities:					
Depreciation expense	842,378	166,542	-	1,008,920	1,050,568
(Increase) Decrease in accounts receivable	(357,255)	(125,293)	-	(482,548)	(67,939)
(Increase) Decrease in due from other funds	-	(91,505)	-	(91,505)	-
(Increase) Decrease in due from others	(347)	(3,081)	12,866	9,438	-
(Increase) Decrease in prepaid expenses	-	-	-	-	144
(Increase) Decrease in deferred inflow of resources	-	-	-	-	-
(Increase) Decrease in net pension liability	-	-	-	-	-
Increase (Decrease) in accounts payable	57,288	13,160	227	70,675	(41,745)
Increase (Decrease) in wages payable	(21,947)	(23,047)	-	(44,994)	55,133
Increase (Decrease) in other liabilities	-	17,382	-	17,382	-
Increase (Decrease) in customer deposits	(1,632)	(26,309)	-	(27,941)	47,116
Increase (Decrease) in due to other funds	-	(68,534)	(16,019)	(84,553)	84,553
Increase (Decrease) in compensated absences	-	(160)	-	(160)	-
Increase (Decrease) in deferred outflow of resources	-	-	-	-	-
Net cash provided (used) by operating activities	$ 1,671,683	$ 194,539	$ (17,400)	$ 1,848,822	$ 2,011,696

	Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds	2016 Enterprise Funds	2015 Enterprise Funds
Reconciliation of total cash and cash investments:					
Cash and cash equivalents	$ 1,316,996	$ 3,213,235	$ 2,180,807	$ 6,711,038	$ 6,439,493
Restricted cash and investments	4,483,152	249,627	-	4,732,779	4,732,583
Bank overdraft	4,275,039	-	-	4,275,039	6,113,628
Total cash and cash equivalents	$ 10,075,187	$ 3,462,862	$ 2,180,807	$ 15,718,856	$ 17,285,704

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

CITY OF SAN JUAN, TEXAS
UTILITY FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
Utility Revenues			
Water sales	$ 2,174,945	$ 2,400,194	$ 225,249
Sewer charges	2,531,103	2,687,686	156,583
Other services fees	14,608	-	(14,608)
Total Utility	4,720,656	5,087,880	367,224
Other Operating Revenues			
Penalties	93,850	92,204	(1,646)
Tap fees	43,690	39,340	(4,350)
Connect/reconnect fees	76,214	82,199	5,985
Total Other Operating Revenues	213,754	213,743	(11)
Other			
Rents and royalties	20,438	33,451	13,013
Miscellaneous	24,876	143,157	118,281
Total Other	45,314	176,608	131,294
Total Revenues	$ 4,979,724	$ 5,478,231	$ 498,507

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

CITY OF SAN JUAN, TEXAS
UTILITY FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
UTILITY FUND			
Water Plant			
Personal Services	$ 390,391	$ 434,833	$ (44,442)
Other Services & Charges	331,426	252,957	78,469
Supplies	369,905	328,734	41,171
Total Water Plant	1,091,722	1,016,524	75,198
Water Distribution			
Personal Services	236,110	226,599	9,511
Other Services & Charges	16,110	10,413	5,697
Supplies	47,500	32,660	14,840
Total Water Distribution	299,720	269,672	30,048
Sewer Plant			
Personal Services	202,508	216,068	(13,560)
Other Services & Charges	630,655	547,929	82,726
Supplies	77,969	58,116	19,853
Total Sewer Plant	911,132	822,113	89,019
Sewer Collection			
Personal Services	286,065	270,257	15,808
Other Services & Charges	248,424	173,822	74,602
Supplies	82,920	50,635	32,285
Total Sewer Collection	617,409	494,714	122,695
Utility Administration			
Personal Services	105,319	88,964	16,355
Other Services & Charges	111,374	152,237	(40,863)
Supplies	5,150	1,817	3,333
Contractual services-Administrative	407,820	407,820	-
Total Utility Administration	629,663	650,838	(21,175)
Utility Billing & Collection			
Personal Services	211,479	211,597	(118)
Other Services & Charges	114,559	89,193	25,366
Supplies	47,220	36,725	10,495
Total Utility Billing & Collection	373,258	337,515	35,743
Total Expenditures	$ 3,922,904	$ 3,591,376	$ 331,528

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

CITY OF SAN JUAN, TEXAS
SANITATION FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
SANITATION FUND			
Refuse Collection System			
Garbage fees	$ 1,950,519	$ 1,912,004	$ (38,515)
Other services fees	876,494	844,642	(31,852)
Total Refuse Collection System	2,827,013	2,756,646	(70,367)
Other Operating Revenues			
Roll-off service	51,071	53,605	2,534
Brush/other pick-up service	15,969	7,553	(8,416)
Recycling fees	27,606	16,083	(11,523)
Total Other Operating Revenues	94,646	77,241	(17,405)
Other			
Contribution	25	-	(25)
Miscellaneous	770	36,237	35,467
Total Other	795	36,237	35,442
Total Revenues	$ 2,922,454	$ 2,870,124	$ (52,330)

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

CITY OF SAN JUAN, TEXAS
SANITATION FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
SANITATION FUND			
Sanitation			
Personal Services	$ 933,493	$ 897,697	$ 35,796
Other Services & Charges	193,041	333,193	(140,152)
Supplies	379,552	358,900	20,652
Contractual services-Administrative	211,430	211,430	-
Contractual Services-Operations	610,975	650,328	(39,353)
Total Sanitation	2,328,491	2,451,548	(123,057)
Total Expenditures	$ 2,328,491	$ 2,451,548	$ (123,057)

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

CITY OF SAN JUAN, TEXAS
FIDUCIARY FUND
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

		Budget
ASSETS		
Cash and cash equivalents	$	(1,401)
Due from other funds		1,401
Total Assets	$	-
LIABILITIES AND NET POSITION		
LIABILITIES		
Wages Payable	$	-
Due from other funds		-
		-
NET POSITION		
Unrestricted		-
Total Liabilities and Net Position	$	-

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

NOTES TO FINANCIAL STATEMENTS

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General Statement

The City of San Juan, Texas (the "City") was incorporated on December 29, 1917, under Article XI, Section 5 of the Constitution of the State of Texas. The City operates under a City Commission-Manager form of government and provides the following services as authorized by its charter. The services include public safety (police and fire), public works, health, and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. Other services include utilities (water and sewer services and solid waste collection).

On April 5, 1975, the voters officially adopted the Home Rule Act, which conferred the City the powers of Title 22, Revised Civil Statues of Texas, 1911, Chapter 13 Title 28, AN 1175 Revised Civil Statues of Texas, 1925, and Section 4, Chapter 147, Acts of the 33rd Legislative, General Laws Regular Session.

The accounting and reporting policies of the City San Juan, Texas as reflected in the accompanying financial statements conform to generally accepted accounting principles (GAAP) in the United States of America applicable to state and local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following represents the more significant accounting and reporting policies and reported practices used by the City.

2. Financial Reporting Entity

The accompanying financial statements present the reporting entity, which consists of the primary government. Financial reporting standards also require the City of San Juan, Texas to include, if any, legally-separate entities or organizations for which the primary government is financially accountable and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion could cause the City's basic financial statements to be misleading or incomplete.

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

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of San Juan, Texas, and its component units, entities for which the City is considered to be financial accountable. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Discretely presented component units – Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the City. The City of San Juan, Texas does not include any discretely presented component units.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended component units – Blended component units, although legally separate entities, are in substance part of the government's operations and so data from these units are combined with data of the primary government. Blended presented component units include the following:

- The San Juan Economic Development Corporation (the "Corporation") was incorporated on May 31,1996, under the Development Corporation Act of 1979, of the State of Texas. The Corporation operates as a component unit of the City of San Juan, Texas. The Corporation's specific public purpose is to promote economic development and encourage employment and the public welfare on behalf of the City be developing, implementing, providing, and financing projects under the Act as defined in Section 4B of the Act. The Corporation's primary source of revenues is sales tax revenues generated by the City of San Juan, Texas. There were no significant adjustments needed to convert the fund statements of HEDC to compliance with GASB 34 requirements.

A copy of the component units' financial statements can be obtained by contacting the Office of the City Secretary at City Hall, 709 S. Nebraska Street, San Juan, Texas 78589.

Government Accounting Standards Board has issued the following pronouncements, which are relevant to the City, and have been implemented in prior years:

GASB Statement No 60, *Accounting and Financial Reporting For Service Concession Arrangements*

GASB Statement No 61, *The Financial Reporting Entity: Omnibus* – An Amendment of GASB Statements No. 14 and No. 34

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB AICPA Pronouncements*

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*

GASB Statement No 65, *Items Previously Reported as Assets and Liabilities*

GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 27*

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*

GASB Statement No. 70, Accounting *and Financial Reporting for Non-Exchange Financial Guarantees*

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Use of Estimates
The preparation of financial statements in conformity with U.S. generally accepted principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

4. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements –

The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities) report information on all the activities of the City, a statement of results of operations. Generally, the effect of inter-fund activity, within the governmental and business-type activities columns, has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *Business-type activities*, which rely on a significant extent on fees and charges for support.

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

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

Fund Financial Statements –

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental, proprietary and fiduciary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental Funds –

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund –

General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Service Fund –

Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

Non-major Governmental Funds:

Capital Project Funds –

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Special Revenue Funds –

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to finance specific activities.

Proprietary Funds –

Proprietary Funds are accounted for using the economic resources measurements focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds:

Utility Fund –

Utility Fund is used to account for the provision of water and sewer service to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Solid Waste Fund –

Solid Waste Fund is used to account for the provision of garbage and brush pick-up service to the residents of the City. Activities of the fund include administration, operations and maintenance of the garbage and brush pick-up and billing and collection activities. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Utility Debt Service Fund –

The fund accounts for the accumulation of resources from the Utility Fund for the payment of long-term debt principal and interest for water and wastewater debt.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

5. Measurement Focus/Basis of Accounting and Financial Statement Presentation

The government-wide statements and fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* consistent with the presentation of the proprietary fund and fiduciary fund financial statements, with the exception that agency funds do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, without regard to the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurements focus* and are accounted for using the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period, except for property taxes, which is 60 days requires by GAAP. However, debt service expenditures, as well as those related to compensated absences and claims and judgments are recognized only when payment is made.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have nit been expended by the end of the project period, grantors sometimes require the City to refund all or part of the unused amount.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Stewardship, Compliance and Accountability

7. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for certain major and non-major special revenue funds, which adopt project-length budgets. Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds, as well as for the water and sewer funds.

Unused appropriations for the annual budgeted funds lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

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

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

The City Manager is authorized to transfer budgeted amounts within a department within any fund; however, any revisions that alter the overall fund total of appropriated expenditures of any fund must be approved by the City Commission.

Expenditures Over-Appropriations

For the fiscal year ended September 30, 2016 expenditures in the General Fund exceeded budgeted appropriations in three (3) expenditure categories.

General fund expenditures exceeded appropriations by the indicated amounts in the following categories, which are budgeted in conformity with accounting principles generally accepted in the United States of America.

	Expenditures (Over) Appropriation
Capital Outlay	$ (197,816)
Debt Service	(3,975,409)
380 Agreement Expenditures	(27,729)

These expenditures over appropriations are the result of underestimating actual expenditures for the year. Revenue sufficient to provide for the excess was made available through the use of excess actual revenues over budgeted revenues.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Encumbrances

Encumbrance accounting, under which purchase orders for the future expenditure of monies are recorded in order to reserve the portion of the applicable budget appropriations, is not used by the City of San Juan, Texas, except for an appropriation for a capital expenditure, but shall be deemed abandoned if three years pass without disbursement from an encumbrance of the appropriation.

9. Assets, Liabilities and Equity

a. Cash and Cash Equivalents
For purposes of the statement of cash flows, the proprietary fund type considers cash and cash equivalents to include all highly liquid investments with maturity of three months or less when purchased.

Investments
In accordance with provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools," investments are reported at fair value, which is determined by market value. Certificates of deposits are reported at carrying amount which reasonably estimates fair value.

b. Credit Risks
Custodial Credit Risk
Deposits and Certificates of Deposits
Custodial credit risk refers to the risk that in the event of a bank failure, the City's deposits may not be returned to it.

In accordance with the City's fiscal policy as approved by the Board, the City maintains demand and time deposits under the terms of the depository agreement. The local depository banks are members of the Federal Reserve System.

In no time during the fiscal year did the City's deposits go over the Federal Deposit Insurance Corporation (FDCI) insurance of $250,000 and the pledged securities at the local depository bank.

Interest Rate Risk
The City's investment policy limits investment maturities to no more than two years from the date of purchase.

Concentration of Credit Risk
The City's policy limits the deposits in any one-bank institution to their extent of FDIC coverage, and where applicable with bank depository agreements, but it is silent in the concentration of balances in the various types of accounts.

Fair Values of Financial Instruments
The following methods of assumptions were used by the City in estimating its fair value disclosures for financial instruments:

- Cash, cash equivalents, short-term investments, and promises to give are due in less than one year. The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

State statutes authorize the City to invest in the obligations of the United States of America, State of Texas, obligations of states, agencies, counties, cities, and any other political subdivisions of any state having a rating no less than A or its equivalent by a nationally recognized investment rating firm, certificates of deposit issued by state and national banks guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) and/or further collateralized by additional pledged securities above the FDIC limits, and fully collateralized direct repurchased agreements.

c. Property Tax

The State of Texas Constitution limits the City's ad valorem tax rate for all purposes to $2.50 per one hundred dollars of assessed valuation. Ad valorem tax revenue during the year ended September 30, 2016 was levied using a rate of $.6993 per one hundred dollars of assessed valuation based on 100 percent of estimated market value.

Legislation has been passed by the Texas Legislature which affects the methods of property appraisal in the City. This legislation, with certain exceptions, exempts intangible personal property, household goods, and family-owned automobiles (unless specifically authorized by resolution of the governing body) from taxation. In addition, this legislation creates a "Property Tax Code" and provides, among other things, for the establishment of county appraisal districts and for a state property board.

The appraisal of property within the city is the responsibility of the Hidalgo County Tax Appraisal District.

The Appraisal District is required under the Property Tax Code to appraise all property within the county on the basis of 100 percent of its market value. The value of real property within the

Appraisal District must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The city may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action.

Under this legislation, the City continues to set tax rates on city property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate of the previous year by more than 8 percent, qualified voters of the city may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the effective tax rate.

The city bills and collects its own property taxes through a contractual agreement with the County of Hidalgo. Collections of the city taxes and remittance of them are accounted for in the County of Hidalgo Tax Collection Agency Fund. City property tax revenues are recognized when levied to the extent that they result in current receivables. January 1 is the assessment date. March 31 is the end of the rendition period for the Appraisal District.

By September 30, the City adopts the tax rate. On October 1 taxes are levied and payable by January 31. Property taxes attach as an enforceable lien on property as of January 1. Uncollected taxes are placed in the hands of the attorney for legal action on February 1, following year of assessment.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property tax is levied each October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the City. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the City Council. Appraised values are established by the Appraisal Board of Review at 100% for estimated fair market value.

Taxes are due on October 1, the levy date, and are delinquent after the following January 31. Tax liens are automatic on January 1 each year. The tax lien is part of a lawsuit for property that can be filed any time after taxes become delinquent (February 1). The City usually waits until after July 1 to file suits on real estate property. As of July 1, 15% collection costs may be added to all delinquent accounts. Current tax collections for the year ended September 30, 2016, were 94.38% of the tax levy.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

The City charter of the City of San Juan, Texas, does not provide for a debt limit, therefore, no computation can be made. However, at September 30, 2016, the City had a tax margin of $1.8007 for every $100 valuation based upon a maximum ad valorem tax of $2.50 for every $100 valuation imposed by Texas Constitutional law.

d. Prepaid Items and Inventories

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the prepaid items have been recorded as un-spendable to signify that a portion of fund balance is not available for other subsequent expenditures.

e. Inventories

The inventories in the Governmental Funds and Proprietary Funds consist of supplies and are recorded at the lower of weighted average cost or market.

f. Inter-fund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "Internal balances".

g. Transactions Between Funds

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of both Governmental and Proprietary Funds. The City allocates to the Proprietary Funds an indirect cost percentage of information technology services, salaries, and related costs of personnel who perform administrative services for those funds but are paid through the General Fund along with other indirect costs deemed necessary for their operations. During the year ended September 30, 2016, the City allocated $407,820 from the Utility Fund and $211,430 from the Solid Waste Fund as a transfer for such services.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets, because their use is limited by applicable bond covenants or City Ordinance. Funds restricted include amounts set aside to subsidize potential deficiencies from the enterprise funds operations that could adversely affect debt service payments, amounts set aside from the proceeds of revenue bond issuances that are required for payment of construction, amounts set aside for debt service payments over the succeeding twelve months, amounts set aside for unexpected contingencies or to fund asset replacements, as well as amounts set aside from customer's deposits.

Restricted assets at September 30, 2016 were as follows:

	2016
Trust-PEG Fund	$ 65,371
Cash in Escrow	4,275,039
Total Restricted Assets	$ 4,340,410

i. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available.

Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of $1,000 or more and over one year of useful life. Infrastructure assets, capitalized have an original cost of $5,000 or more.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20-50 years
Water and Wastewater System	30-50 years
Infrastructure	20-35 years
Machinery and Equipment	5 –10 years
Improvements	20 years

NOTE A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

j. Compensated Absences

Vacation

Full-time employees shall be eligible to use vacation leave with pay after one (1) year of service with the City. 0-5 years: Eight (8) hours or one (1) day per month Maximum accumulation is ninety-six (96) hours. 5-10 years: Ten (10) hours or one (1) day per month Maximum accumulation is one hundred twenty (120) hours. 10 years or More: Twelve (12) hours per month. Maximum accumulation is one hundred forty-four (144) hours. Leave accumulated over maximum during the year will not be lost until the end of the calendar year.

Sick Leave

Full-time employees shall accrue 48 hours of sick leave per year, accrued at a rate of four (4) hours per month and may accrue up to ninety-six (96) hours. Sick leave shall accumulate during the first full year of full-time employment, but may not be granted use during the first six (6) month period only at the discretion of the department director.

If an employee resigns with at least 2 weeks notice and works the remaining 2 weeks, they will be paid for unpaid vacation and sick time that has accrued through the last day of work. If an employee leaves for any reason during the first year, no payment will be made for accrued sick leave.

At September 30, 2016, the liability for accrued vacation leave and accrued sick leave is approximately $1,016,875. The amount applicable to the Proprietary Funds of $68,374 has been recorded in the Proprietary Funds. The amount applicable to the General Fund Long-Term Debt has been recorded in the Long-Term Debt as $907,759.

k. Nature and Purpose of Reservations and Designation of Fund Equity

The fund equity reserves for revenue bonds retirement and construction. Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

The "revenue bond construction" account is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The "revenue bond current debt service' account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond future debt service' account is used to report resources set aside to make potential future deficiencies in the revenue bond current debt service account. The fund equity designation for subsequent years' expenditures primarily represents capital outlays.

Fund balance, reported in governmental funds, which has some level of constraint placed on it, is classified as non-spendable, restricted, committed, or assigned. The amount remaining, which can be spent for any lawful purpose is classified as unassigned. Amounts classified as restricted have constraints placed on the use by law, regulations of other governments, creditors, grantors or be enabling legislation.

Those classified as committed are constrained by the City Commission through an ordinance for specific purposes, but are neither restricted nor committed. Reversing a commitment would require City Commission approval through an ordinance. Non-spendable are amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l. Net Position

Net position represents the difference between assets, deferred outflow of resources, and liabilities, deferred inflow of resources. Net position in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

m. Implementation of New Accounting Principles

The City elected to utilize the infrastructure transition option in the implementation of GASB Statement No. 34 (GASB 34), "Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments" and in fiscal year 2010 capitalized its major infrastructure networks; street, drainage and parks. It is using in the absence of actual cost information, weighted average age calculation for estimating the historical cost of these infrastructure networks.

n. Reclassification

Certain items in the prior year have been reclassified to conform to current year classifications. Such reclassifications had no effect on previously reported net income.

As a result of implementing the infrastructure transition provision of GASB 34, net assets at October 1, 2015 is reconciled as follows:

	Governmental Activities
Net Assets, October 1, 2015	
as previously reported	$ 5,035,599
Deferred Revenue - Tax	1,428,191
Deferred Outflow - Pension	873,032
Capital Fixed Assets	47,879,288
Estimated Depreciation	(17,704,135)
Prior Period Reclassification	328,955
Long-Term Debt	(16,784,489)
Long-Term Debt - Pension	-
Net Assets, October 1, 2015, As Restated	$ 21,056,441

NOTE B. BUDGET BASIS OF ACCOUNTING

The City of San Juan, Texas prepares its annual budget on a basis (budget basis), which differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the Statements of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual-General Fund to provide a meaningful comparison of actual results with the budget.

The major differences between budget and GAAP basis in the General Fund are that total property taxes collected are recognized as revenues (budget) as opposed to recognizing the current year levy as revenues (GAAP).

NOTE B. BUDGET BASIS OF ACCOUNTING (CONTINUED)

Adjustments necessary to convert the General Fund's excess of revenues and other sources over expenditure and other uses on the budget basis to a GAAP basis are provided below:

Excess of revenues and other uses over expenditures and other sources-budget basis	$	97,885
Accrued Interest		52,393
Net of Capital Fixed Assets		(430,694)
Net of Long-Term Debt		175,500
Current Year Levy in Excess of Collection		(37,370)
Excess of revenues and other usources over expenditures and other uses-GAAP Basic	$	(142,286)

NOTE C. CASH AND CASH INVESTMENTS

The City's funds are deposited and invested under the terms of a depository agreement, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank 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.

Deposit and Credit Risks
Custodial Credit Risk
Custodial credit risk refers to the risk that in the event of a bank failure, the City's deposits may not be returned to them.

It is the City's policy, as well as a requirement in its depository agreement, for deposits plus accrued interest thereon to be 110% secured by collateral valued at fair value, less the amount of the Federal Deposit Insurance Corporation insurance. The City's deposits, including certificates of deposit, were fully insured or collateralized as required by the state statues at September 30, 2016. At year-end, the City's carrying amount was $13,570,874 and the respective bank balance totaled $14,043,164.

As of September 30, 2016, the City of San Juan, Texas had the following investments:

Investment Type	Fair Value
Certificates of Deposit	$6,474,000
Texpool Investments	14,226
Total	$6,488,226

NOTE D. **PROPERTY TAX**

A summary of all activity regarding delinquent taxes for the year ended September 30, 2016 is as follows:

Delinquent taxes receivable, October 1, 2015	$ 1,428,191
Tax Levy 2015	6,363,985
Less collection and tax roll adjustments	(6,354,153)
Net delinquent taxes receivable, September 30, 2016	$ 1,438,023

The addition to the tax levy for the year ended September 30, 2016 consisted of the following:

Taxable value of real and tangible property and improvements	$ 814,118,798
Tax rate per $100 of valuation	0.6993%
Subtotal	5,693,133
2015 Tax ceilings (tax freeze) adjusted levy,	670,852
Total 2015 Tax Levy	$ 6,363,985

Allowances for uncollectible tax receivables within the General Fund and the Debt Service Funds are based on 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.

NOTE E. **INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund balances at September 30, 2016 consisted of the following individual fund receivables and payables:

	Receivable	Payable
General Fund		
Payroll Fund	$ -	$ 1,401
Sanitation Fund	-	114,888
Total General Fund	-	116,289
Debt Service Fund		
Economic Development Fund	19,905	-
Economic Development Fund		
Debt Service Fund	-	19,905
Utility Fund		
Sanitation Fund		
General Fund	114,888	-
Fiduciary Fund		
Payroll Fund		
General Fund	1,401	-
Total Funds	$ 136,194	$ 136,194

NOTE F. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016 is as follows:

	Restated Balance @ 9/30/15	Additions	Retirements	Balance @ 9/30/16
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 1,788,252	$ -	$ -	$ 1,788,252
Construction-in-progress	-	1,312,593	-	1,312,593
Total Non-Depreciable	1,788,252	1,312,593	-	3,100,845
Capital assets, being depreciated:				
Buildings	4,553,216	1,850		4,555,066
Machinery & Equipment	3,005,285	187,514	(3,779)	3,189,020
Vehicles	5,227,948	188,000		5,415,948
Improvements other than buildings	2,016,275	38,729		2,055,004
Infrastructure	31,757,683	666,184		32,423,867
Total Depreciable	46,560,407	1,082,277	(3,779)	47,638,905
Less accumulated depreciation for:				
Buildings	1,047,312	104,293	-	1,151,605
Machinery & Equipment	1,949,018	242,900	(3,779)	2,188,139
Vehicles	3,740,738	339,852	-	4,080,590
Improvements other than buildings	1,467,423	77,684	-	1,545,107
Infrastructure	9,518,362	621,487	-	10,139,849
Total accumulated depreciation	17,722,853	1,386,216	(3,779)	19,105,290
Total capital assets, being depreciation, net	28,837,554	(303,939)	-	28,533,615
Governmental activities, capital assets, net	$ 30,625,806	$ 1,008,654	$ -	$ 31,634,460

Depreciation is provided in the funds in amounts sufficient to allocate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service life by type of assets are noted in Note A.

Depreciation was charged to government functions as follows:

	2016
General Government	$ 365,684
Public Safety	695,742
Highways and Street	140,008
Culture and Recreation	184,782
Total Depreciation-Governmental activities	$ 1,386,216

NOTE F. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended September 30, 2016 is as follows:

	Restated Balance @ 9/30/15	Additions	Retirements	Balance @ 9/30/16
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 283,978	$ -	$ -	$ 283,978
Construction-in-Progress	7,863,716	2,213,124	555,702	9,521,138
Total Non-Depreciable	8,147,694	2,213,124	555,702	9,805,116
Capital assets, being depreciated:				
Buildings	186,844	19,843	-	206,687
Machinery and Equipment	1,619,959	151,713	1,502	1,770,170
Vehicles	3,720,087	679,266	-	4,399,353
Improvements other than buildings	34,654,615	555,702	-	35,210,317
Total Depreciable	40,181,505	1,406,524	1,502	41,586,527
Less accumulated depreciation for:				
Buildings	89,543	5,047	-	94,590
Vehicles	2,711,157	181,792	-	2,892,949
Machinery and Equipment	1,015,175	125,204	-	1,140,379
Improvements other than buildings	7,528,938	696,877	-	8,225,815
Total accumulated depreciation	11,344,813	1,008,920	-	12,353,733
Total capital assets, being depreciated, net	28,836,692	397,604	1,502	29,232,794
Business-type activities, capital assets, net	$ 36,984,386	$ 2,610,728	$ 557,204	$ 39,037,910

Depreciation and amortization was charged to business-type activity functions as follows:

	2016
Water	$ 178,229
Sewer	664,149
Solid Waste	166,542
Total Depreciation-Business-Type Activities	$ 1,008,920

NOTE G. LONG-TERM DEBT

Long-Term Debt as of September 30, 2016 is as follows:

Governmental Activities Long-Term Debt	2016	2015
$1,800,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2005, due in annual installments of $60,000 to $185,000 through February 15, 2022; Interest rate at 3.65%	$ -	$ 705,000
$4,600,000 General Obligation Refunding Bonds, Series 2006, due annual installments of $20,000 to $440,000 through February 15, 2022; Interest rate from 3.50% to 4.00%	-	3,535,000
$7,700,000 Combination Tax & Revenue Certificates of Obligation, Series 2007, due in annual installments of $185,000 to $530,000 through February 15, 2032. Interest rate from 4.30% to 5.00%	6,120,000	6,375,000
$3,560,000 Combination Tax & Revenue Certificates of Obligation, Series 2010, due in annual installments of $125,000 to $485,000 through February 15, 2024. Interest rate from 2.00% to 4.25%	1,455,000	1,745,000
$2,345,000 Combination Tax & Revenue Certificates of Obligation, Series 2010, due in annual installments of $85,000 to $165,000 through February 15, 2030. Interest rate from 2.00% to 4.25%	1,800,000	1,895,000
$3,920,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2015, due in annual installments of $125,000 to $300,000 through February 15, 2024; Interest rate at 4.25%	3,920,000	
$3,800,000 General Obligation Refunding Bonds, Series 2015, due annual installments of $340,000 to $5900,000 through February 15, 2024; Interest rate from 2.00% to 3.50%	3,795,000	-
Total Governmental Bonds	17,090,000	14,255,000
Note Payable $2,100,000 Economic Development Corporation Note Payable due in monthly installments of $14,746 through April 1,2015, including interest at 3.25%	1,315,180	1,444,663
Total Governmental Long-term Debt	$ 18,405,180	$ 15,699,663

NOTE G. LONG-TERM DEBT (CONTINUED)

Business-Type Activities Long-Term Debt	2016	2015
$2,880,000 Waterworks and Sewer System Revenue and Refunding Bonds, Series 1996, due in annual installments of $35,000 to $130,000 through August 1, 2016; Interest rate from 4.30% to 5.00%	$ -	$ 220,000
$649,000 Waterworks and Sewer System Revenue and Refunding Bonds, Series 2001, due in annual installments of $54,084 to $54,566 through May 1, 2022; Interest rate from 5.70% to 6.95%	274,000	311,000
$249,000 Junior Lien Waterworks and Sewer System Revenue Bonds, Series 2002, due in semi-annual installments through March 1, 2023; Interest rate from 3.98% to 5.73%	119,000	133,000
$2,650,000 Combination Tax & Revenue Certificates of Obligation, Series 2004, due in annual installments of $125,000 to $220,000 through February 15, 2025. Interest rate from 3.00% to 4.50%	-	750,000
$2,180,000 Clean Water State Revolving Fund, Series 2006, due in annual installments of $80,000 to $145,000 through March 1, 2026; Interest rate from 2.75% to 3.85%	1,255,000	1,360,000
$445,000 Waterworks and Sewer System Revenue Bonds, Series 2012, due in annual installments through January 1, 2022; Interest rate from 0.30% to 1.71%	270,000	315,000
$6,170,000 Combination Tax & Revenue Certificates of Obligation, 2013, due in annual installments of $90,000 to $410,000 through February 15, 2033; Interest rate from 0.13% to 2.48%	5,990,000	6,080,000
$2,586,308 TWDB Loan Forgiveness Funds, no repayment due upon completion and fulfillment of loan stipulations	2,586,308	2,586,308
$1,400,000 Waterworks and Sewer System Revenue Bonds, Series 2013B, due in annual installments of $65,000 to $95,000 through January 1, 2033; Interest rate from 0.00% to 3.57%	1,270,000	1,335,000
$600,000 TWDB Loan Forgiveness Funds, no repayment due upon completion and fulfillment of loan stipulations	600,000	600,000
$2,240,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2014, due in annual installments of $90,000 to $410,000 through February 15, 2034; Interest rate from 2.0% to 4.0%	2,105,000	2,190,000

NOTE G. LONG-TERM DEBT (CONTINUED)

Business-Type Activities Long-Term Debt	2016	2015
$135,000 EDAP Waterworks and Sewer System Revenue Bonds, Series 2014, due in annual installments of $10,000 to $15,000 through January 1, 2024; Interest rate from 1.03% to 3.05%	$ 115,000	$ 125,000
$2,586,308 TWDB Loan Forgiveness Funds, no repayment due upon completion and fulfillment of loan stipulations	135,000	135,000
$730,000 General Obligation Refunding Bonds, Series 2015, due in annual installments of $65,000 to $90,000 through February 15, 2025; Interest rate from 2.00% to 3.50%	665,000	135,000
Sanitation Fund		
$285,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2015, due in annual installments of $45,000 to $50,000 through February 15, 2022; Interest rate at 2.00%	285,000	-
Total Business-Type Long-Term Debt	$ 15,669,308	$ 16,140,308

On September 23, 2011, the City entered into a lease agreement for financing the acquisition of a fire truck with a maturity date of September 23,2021. The effective interest rate on the lease is 4.030%.

The future minimum lease payments are included below:

Year Ended September 30,	Principal	Interest	Total
2017	$ 36,280	$ 7,924	$ 44,204
2018	37,742	6,462	44,204
2019	39,263	4,941	44,204
2020	40,846	3,358	44,204
2021	42,492	1,712	44,204
Total	$ 196,623	$ 24,397	$ 221,020

NOTE G. **LONG-TERM DEBT (CONTINUED)**

During the year ended September 30, 2016, the following changes occurred:

	Restated Balance @ 9/30/2015	Additions	Reductions	Balance @ 9/30/2016	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 12,265,000	$ 7,720,000	$ 4,805,000	$ 15,180,000	$ 645,000
Capital Leases	231,497	-	34,874	196,623	36,280
Accrued Interest	71,593	16,821	-	88,414	88,414
Compensated Absences	781,735	126,024	-	907,759	907,759
Net Pension Liability	-	75,468	-	75,468	75,468
Economic Development Corporation					
Bonds Payable	1,990,000	-	80,000	1,910,000	85,000
Notes Payable	1,444,663	-	129,483	1,315,180	134,837
Total	16,784,488	7,938,313	5,049,357	19,673,444	1,972,758
Business-Type Activities:					
Revenue Bonds	12,819,000	1,015,000	1,486,000	12,348,000	798,000
Notes Payable	3,321,308	-	-	3,321,308	-
Accrued Interest on Bonds	52,379	14	-	52,393	52,393
Compensated Absences	57,997	51,119	-	109,116	109,116
Net Pension Liability	-	24,028	-	24,028	24,028
Total	16,250,684	1,090,161	1,486,000	15,854,845	983,537
Total Long-Term Debt	$ 33,035,172	$ 9,028,474	$ 6,535,357	$ 35,528,289	$ 2,956,295

Debt Service bond requirements are as follows:

	Bonds				
Year Ending	Governmental Activities		Business-Type Activities		
September 30,	Principal	Interest	Principal	Interest	Total
2017	$ 1,005,000	$ 650,918	$ 798,000	$ 298,890	$ 2,752,808
2018	1,040,000	622,555	812,000	287,836	2,762,391
2019	1,055,000	591,693	820,000	274,066	2,740,759
2020	1,100,000	551,542	844,000	257,834	2,753,376
2021	1,140,000	510,299	857,000	238,241	2,745,540
2022-2026	5,315,000	1,887,005	3,827,000	879,509	11,908,514
2027-2031	4,435,000	926,612	2,935,000	434,880	8,731,492
2032-2036	2,000,000	133,850	1,455,000	54,979	3,643,829
Total	$ 17,090,000	$ 5,874,474	$ 12,348,000	$ 2,726,235	$ 38,038,709

NOTE H. RECEIVABLES

	Governmental Activities: General Fund	Business Type Activities: Utility Fund	Total Receivable
Property Tax	$ 1,438,023	$ -	$ 1,438,023
Sales Tax	274,963		274,963
Franchise Tax	36,195		36,195
Other Receivables	20,130		20,130
Utility Receivables	-	1,610,953	1,610,953
Allowance for Uncollectible	-	(27,247)	- (27,247)
Net Receivable	$ 1,769,311	$ 1,583,706	$ 3,353,017

NOTE I. DEFFERED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and/or 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 that applies to a future period (s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then.

Deferred Outflows of Resources	Governmental Activities	Business-Type Activities	Total
Deferred Revenue-Pension	$ 345,252	$ 109,925	$ 455,177

In addition to liabilities, the statement of financial position and/or balance sheet 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 a future period (s) and so will not be recognized as an inflow of resources (revenue) until that time. There are no deferred inflows of resources.

At the government fund level, revenues that have been billed but not yet collected or collected within the availability period are reported as unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has one category that qualified as deferred inflows or resources.

The following table describes the items and amounts:

Deferred Inflows of Resources	General Fund	Debt Service Fund	Total
Deferred Revenue-Property Taxes	$ 1,047,894	$ 331,211	$ 1,379,105
Total Deferred Inflows of Resources	$ 1,047,894	$ 331,211	$ 1,379,105

NOTE J. **PENSION PLAN**

(1). Texas Municipal Retirement System

a. Plan Description

The City of San Juan, Texas participates as of 860 plans in the non-traditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.org.

All eligible employees of the City are required to participate in TMRS.

b. Benefits Provided

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

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

Plan provisions for the City are as follows:

	2016	2015
Employee deposit rate	6%	6%
Matching ratio (city to employee)	1.5 to 1	1.5 to 1
Years required for vesting	5	5
Retirement Eligibility (Age/Service)	60/5, 0/25	60/5, 0/25
Updated Service Credit	0%	0%
Annuity Increase (to retirees)	0% to CPI	0% to CPI
Supplemental Death Benefits to Active Emloyees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

NOTE J. PENSION PLAN (CONTINUED)

Employees covered by benefit terms:

At December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

	2014	2015
Inactive emplyees or beneficiaries currently receiving benefits	45	46
Inactive employees entitles to but not yet receiving benefits	92	114
Active Employees	210	209
Total Employees	347	369

c. Contributions

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

Employees of the City of San Juan, Texas were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of San Juan, Texas were 2.06% and 1.90% in calendar year 2015 and 2016 respectively. The City's contributions to TMRS for fiscal year ending September 30, 2016 were $151,714 and were equal to the required contributions.

d. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.50% including inflation
Investment Rate of Return	6.75% per year compounded annually,

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Health Mortality Table, with male rated multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

NOTE J. PENSION PLAN (CONTINUED)

Actuarial assumptions used in the December 31, 2015, valuations were based on the results of actuarial experience studies. This experience study was for the period December 31, 2010 through December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. Healthy post-retirement mortality and annuity purchase rates were based on the Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method and a one-time change to the amortization policy. Assumptions are reviewed annually. No additional changes were made for the 2015 valuation.

The long-term expected rate of return on pension plan investment is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.80%
International Equity	17.50%	6.05%
Core Fixed Income	30.00%	1.50%
Non-Core Fixed Income	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.25%
Private Equity	5.00%	8.50%
Total	100.00%	

Discount Rate

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

NOTE J. PENSION PLAN (CONTINUED)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b) (b)	Net Pension Liability (a) - (b)
Balace at 12/31/2014	$ 9,246,677	$ 10,232,402	$ (985,725)
Changes for the year:			
Service cost	614,786	-	614,786
Interest	651,956	-	651,956
Difference between expected and actual experience	25,017	-	25,017
Changes of assumptions	391,268	-	391,268
Contributions-employer	-	143,613	(143,613)
Contributions-employee	-	448,749	(448,749)
Net investment income	-	15,095	(15,095)
Benefit payment, including refunds of employee contributions	(480,839)	(480,839)	-
Administrative expense	-	(9,197)	9,197
Other Changes	-	(454)	454
Net changes	1,202,188	116,967	1,085,221
Balance at 12/31/2015	$ 10,448,865	$ 10,349,369	$ 99,496

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.0% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 1,848,231	$ 99,496	$ (1,314,024)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.org.

NOTE J. **PENSION PLAN (CONTINUED)**

e. Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2016, the City recognized pension expense of $151,714.

At the end of fiscal year 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2015 Recognized in current pension expense	Deferred Outflows of Resources
Due to Liabilities:		
Differences between expected and actual economic experience	$ 4,494	$ 20,526
Changes in actuarial assumptions	70,246	321,022
Total	74,740	341,548
Due to Assets:		
Difference between projected and actual investment earnings	140,235	560,938
Contributions subsequent to the measurement date	-	-
Total	$ 140,235	560,938
Total		$ 902,486

$455,177 reported as deferred outflows of resources related to pensions resulting from contributions subsequent the measurement data will be recognized as a reduction of the net pension liability for the measurement year ending September 30, 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized in future pension expense as follows:

Year-Ended 31-Dec	
2016	$ (187,738)
2017	(187,738)
2018	(187,736)
2019	(186,308)
2020	(42,600)
Thereafter	-
Total	$ (792,120)

NOTE K. RISK MANAGEMENT

The City is exposed to various uncertainties for losses related to intentional and unintentional torts; theft of, damage to and destruction of real and personal property; errors-and-omissions; catastrophes, medical and dental claims by employees; employee illnesses and injuries and pollution claims for which the City carries commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year. No negotiated settlements or jury awards have exceeded policy limits in any of the past three years. The City is a member of an intergovernmental risk pool. The risk pool is an inter-local non-assessable agency with present unreserved resources in excess of $225,700,000 (as of September 30, 2005, the most recently audited financial statements completed for the risk pool). Reinsurance is provided by several A and A++ rated companies in amounts ranging from $3,000,000 to $90,000,000 depending on type of insurance coverage.

City management is not aware of any pending or alleged claims that could exceed the policy limits of the present insurance coverage.

NOTE L. CONTINGENT LIABILITIES

The City is currently involved in litigation claims against it that are generally incidental to its operations. However, it is the opinion of the City's management that the City's liability in those cases that are not covered by liability insurance will not be material to the financial statements. Accordingly, no provision has been made in the financial statements for these contingent liabilities. The City received a substantial portion of its financial resources in the form of state and federal grants. Expenditure of such funds generally requires compliance with terms and conditions specified in the grant agreement. These funds are also subject by the grantor agency. Any disallowed costs resulting from such audit could become the responsibility of the City and repayment could be requested from nonfederal resources.

NOTE M. PRIOR PERIOD ADJUSTMENT

	Government-Wide Governmental Activities	Total Governmental Funds
Net Position, October 1, 2015	$ 13,014,666	$ 7,238,028
Changes in Net Position	(1,260,908)	(2,202,429)
Prior Period Adjustment:		
Prior year receivable recognized	358,760	358,760
Accounts receivable adjustment	(36,684)	(36,684)
Prior year expense recorded twice	6,879	6,879
Capital Asset Adjustment	294,451	-
Long-term liability adjustment	(806,755)	-
Pension asset adjustment	125,360	-
Pension liability adjustment	9,811,325	-
Total Prior Period Adjustment:	9,753,336	328,955
Net Position, October 1, 2015, Restated	$ 21,507,094	$ 5,364,554

NOTE M. PRIOR PERIOD ADJUSTMENT (CONTINUED)

	Government-Wide Business-Type Activities	Total Proprietary Funds
Net Position, October 1, 2015	$ 35,818,439	$ 35,818,439
Changes in Net Position	2,156,449	2,156,449
Prior Period Adjustment:		
Prior year receivable recognized	359,530	359,530
Accounts receivable adjustment	(1,992)	(1,992)
Prior year expense recorded twice	-	-
Capital Asset Adjustment	(45,944)	(45,944)
Long-term liability adjustment	(15,404)	(15,404)
Pension asset adjustment	39,915	39,915
Pension liability adjustment	238,053	238,053
Total Prior Period Adjustment:	574,158	574,158
Net Position, October 1, 2015, Restated	$ 38,549,046	$ 38,549,046

NOTE N. 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

The City of Sn Juan, Texas is committed to the promotion of high quality development in all parts of the City and to an ongoing improvement in the quality of life for its citizens. The City of San Juan, Texas has previously developed economic development programs and incentives designed to encourage high quality business, commercial, professional sports and manufacturing concerns to locate, remain, and expand in the City of San Juan, Texas. Now the City of Juan, Texas seeks to enhance its economic development efforts to attract and retain high quality development and jobs by establishing Chapter 380 Economic Development Program Agreements.

These 380 Economic Development Program Agreements are established in an effort to develop and expand the local economy by promoting and encouraging development and redevelopment projects that enhance the City's economic base, and diversify and expand job opportunities or by promoting and encouraging projects that create additional revenue for the City without substantially increasing the demand on City services or infrastructure. The ultimate goal and public purpose of programs established is to protect and enhance the City's fiscal ability to provide high quality municipal services for the safety, comfort and enjoyment of the City of San Juan, Texas residents.

SALES TAX REBATE AGREEMENTS – CHAPTER 378 AGREEMENTS

In addition to the 380 Agreement, the City also offered sales rebates as additional incentives to the developer and retail establishments, locating within the development project. These rebates are not recorded as a liability or commitment, as the individual amounts are not known until the sales taxes are collected.

NOTE O. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 24, 2017 which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN JUAN, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SEPTEMBER 30, 2016

	2014	2015
A. Total Pension Liability		
Service Cost	$ 607,938	$ 614,786
Interest (on the Pension Liability)	618,566	651,956
Change in benefit terms	-	-
Difference between expected and actual experience	(287,662)	25,017
Change of assumptions	-	391,268
Benefit Payments, including refunds of employee contributions	(449,710)	(480,839)
Net Change in Total Pension Liability	**489,132**	**1,202,188**
Total Pension Liability - Beginning	8,757,545	9,246,677
Total Pension Liability - Ending	$ 9,246,677	$ 10,448,865
B. Total Fiduciary Net Position		
Contributions - Employer	$ 86,499	$ 143,613
Contributions - Employee	447,416	448,749
Net Investment Income	549,514	15,095
Benefit Payments, including refunds of employee contributions	(449,710)	(480,839)
Administrative Expense	(5,737)	(9,197)
Other	(472)	(454)
Net Change in Plan Fiduciary Net Position	**627,510**	**116,967**
Plan Fiduciary Net Position - Beginning	9,604,892	10,232,402
Plan Fiduciary Net Position - Ending	$ 10,232,402	$ 10,349,369
C. Net Pension Liability	$ (985,725)	$ 99,496
D. Plan Fiduciary net position as a percentage of the total pension liability	110.66%	99.05%
E. Covered Employee Payroll	$ 7,456,939	$ 7,479,151
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-13.22%	1.71%

Note: GASB 68, Paragraph 46, a and b requires that the data in this schedule be presented for the time period covered by the measurement date rather that the governmental entity's current fiscal year.

Note: Only one year of data is presented in accordance with GASB 68, Paragraph 138, "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include inform--ation that is not measured in accordance with the requirements of this Statement."

CITY OF SAN JUAN, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SEPTEMBER 30, 2016

	2014	2015
Actuarially Determined Contribution	$ 127,868	$ 143,613
Contributions in Relation to the Actuarially Determined Contributions	127,868	143,613
Contribution Deficiency (Excess)	$ -	$ -
Covered Employee Payroll	$ 7,466,511	$ 7,479,151
Contributions as a Percentage of Covered Employee Payroll	1.71%	1.33%

Note: GASB 68, Paragraph 46, a and b requires that the data in this schedule be presented for the time period covered by the measurement date rather that the governmental entity's current fiscal year.

Note: Only one year of data is presented in accordance with GASB 68, Paragraph 138, "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include inform--ation that is not measured in accordance with the requirements of this Statement."

COMBINING

NON-MAJOR GOVERNMENTAL FUNDS

CITY OF SAN JUAN, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Total Nonmajor Capital Project Funds	Total Nonmajor Special Revenue Funds	2016 Nonmajor Governmental Funds	2015 Nonmajor Governmental Funds
Assets				
Cash	$ 3,349,329	$ 2,052,650	$ 5,401,979	$ 1,148,075
Investments	498,000	2,536	500,536	1,496,764
Receivables, net				
Sales Tax	-	68,741	68,741	89,081
Notes Receivable	-	194,331	194,331	205,257
Due from other funds	-	-	-	143,447
Due from other governments	-	50,320	50,320	809,206
Prepaid Items	-	8,257	8,257	5,257
Total Assets	$ 3,847,329	$ 2,376,835	$ 6,224,164	$ 3,897,087
Liabilities				
Accounts payable	$ 108,668	$ 85,938	$ 194,606	$ 220,870
Wages and salaries	-	6,661	6,661	10,503
Due to other funds	-	19,905	19,905	257,084
Due to others	-	152,151	152,151	197,925
Deferred revenue	-	107	107	107
Total Liabilities	108,668	264,762	373,430	686,489
Fund Balances				
Non-Major funds	3,738,661	2,112,073	5,850,734	3,210,598
Total Liabilities and Fund Balances	$ 3,847,329	$ 2,376,835	$ 6,224,164	$ 3,897,087

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

CITY OF SAN JUAN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Total Nonmajor Capital Project Funds	Total Nonmajor Special Revenue Funds	2016 Nonmajor Governmental Funds	2015 Nonmajor Governmental Funds
Revenues				
Sales Tax	$ -	$ 874,049	$ 874,049	$ 868,192
Hotel OccupancyTax	-	26,593	26,593	31,360
Intergovernmental revenue	-	250,477	250,477	322,660
Fines and Fees	-	54,665	54,665	14,843
Forfeitures	-	369,669	369,669	387,917
Interest	3,595	2,962	6,557	10,250
Miscellaneous & Other Income	-	124,654	124,654	165,868
Total Revenues	3,595	1,703,069	1,706,664	1,801,090
Expenditures				
Current:				
General Government	-	4,465	4,465	34,814
Public Safety	-	350,338	350,338	1,158,045
Public Works	-	112,959	112,959	-
Culture & Recreation	-	14,566	14,566	21,681
Economic Development	-	522,839	522,839	776,777
Capital outlay	1,778,777	185,399	1,964,176	208,178
Debt Service:				
Principal	-	209,483	209,483	202,744
Interest	-	137,742	137,742	142,997
Total Expenditures	1,778,777	1,537,791	3,316,568	2,545,236
Excess (deficiency) of revenues over expenditures	(1,775,182)	165,278	(1,609,904)	(744,146)
Other financing sources (uses)				
Transfers In (Out)	-	25,750	25,750	(1,020,052)
Bond/Note Proceeds	3,920,000	-	3,920,000	-
Bond Premium Proceeds	401,596	-	401,596	-
Bond/Note Issuance Costs	(97,306)	-	(97,306)	-
Net other financing sources (uses)	4,224,290	25,750	4,250,040	(1,020,052)
Net change in fund balances	2,449,108	191,028	2,640,136	(1,764,198)
Fund Balances, October 1, As Restated, (Note T)	1,289,553	1,921,045	3,210,598	4,974,796
Fund Balances, September 30	$ 3,738,661	$ 2,112,073	$ 5,850,734	$ 3,210,598

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

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

CITY OF SAN JUAN, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS
SEPTEMBER 30, 2016

	Certificates of Obligation 2007 Fund	Certificates of Obligation 2014 Fund	Certificates of Obligation 2015 Fund	Capital Projects Library Fund	2016 Non-Major Capital Project Funds	Restated 2015 Non-Major Capital Project Funds
Assets						
Cash	$ 75,421	$ 518,874	$ 2,554,181	$ 200,853	$ 3,349,329	$ 173,374
Investments	249,000	249,000	-	-	498,000	498,234
Receivables, net						
Sales Tax	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	747,574
Prepaid Items	-	-	-	-	-	-
Total Assets	$ 324,421	$ 767,874	$ 2,554,181	$ 200,853	$ 3,847,329	$ 1,419,182
Liabilities						
Accounts payable	$ -	$ -	$ 108,668	$ -	$ 108,668	$ 111,591
Wages and salaries	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	18,038
Due to others	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total Liabilities	-	-	108,668	-	108,668	129,629
Fund Balances						
Non-Major funds	324,421	767,874	2,445,513	200,853	3,738,661	1,289,553
Total Liabilities and Fund Balances	$ 324,421	$ 767,874	$ 2,554,181	$ 200,853	$ 3,847,329	$ 1,419,182

CITY OF SAN JUAN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS
SEPTEMBER 30, 2016

	Certificates of Obligation 2007 Fund	Certificates of Obligation 2014 Fund	Certificates of Obligation 2015 Fund	Capital Projects Library Fund	2016 Non-Major Capital Project Funds	Restated 2015 Non-Major Capital Project Funds
Revenues						
Sales Tax	$ -	$ -	$ -	$ -	$ -	$ -
Hotel OccupancyTax	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	-
Fines and Fees	-	-	-	-	-	-
Forfeitures	-	-	-	-	-	-
Interest	1,749	1,846	-	-	3,595	6,101
Miscellaneous & Other Income	-	-	-	-	-	-
Total Revenues	1,749	1,846	-	-	3,595	6,101
Expenditures						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Capital outlay	-	-	1,778,777	-	1,778,777	208,178
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	-	-	1,778,777	-	1,778,777	208,178
Excess (deficiency) of revenues over expenditures	1,749	1,846	(1,778,777)	-	(1,775,182)	(202,077)
Other financing sources (uses)						
Transfers In (Out)	-	-	-	-	-	(1,272,583)
Bond/Note Proceeds	-	-	3,920,000	-	3,920,000	-
Bond Premium Proceeds	-	-	401,596	-	401,596	-
Bond/Note Issuance Costs	-	-	(97,306)	-	(97,306)	-
Net other financing sources (uses)	-	-	4,224,290	-	4,224,290	(1,272,583)
Net change in fund balances	1,749	1,846	2,445,513	-	2,449,108	(1,474,660)
Fund Balances, October 1, As Restated, (Note T)	322,672	766,028	-	200,853	1,289,553	2,764,213
Fund Balances, September 30	$ 324,421	$ 767,874	$ 2,445,513	$ 200,853	$ 3,738,661	$ 1,289,553

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

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

CITY OF SAN JUAN, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2016

	Revolving Loan Fund	Economic Development Fund	Federal Asset Forfeiture Fund	State Asset Forfeiture Fund	Miscellaneous Grants Fund	Crime Victims Liaison Fund
Assets						
Cash	$ 113,772	$ 288,998	$ 1,159,762	$ 183,072	$ (123,794)	$ (3,584)
Investments	803	1,358	-	-	-	-
Receivables, net						
Sales Tax	-	68,741	-	-	-	-
Notes Receivable	191,503	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	43,724	6,596
Prepaid Items	-	8,257	-	-	-	-
Total Assets	$ 306,078	$ 367,354	$ 1,159,762	$ 183,072	$ (80,070)	$ 3,012
Liabilities						
Accounts payable	$ -	$ 34,984	$ 10,245	$ 5,691	$ 32,730	$ 2,288
Wages and salaries	-	6,661	-	-	-	-
Due to other funds	-	19,905	-	-	-	-
Due to others	-	-	-	-	-	-
Deferred revenue	-	-	-	-	107	-
Total Liabilities	-	61,550	10,245	5,691	32,837	2,288
Fund Balances						
Non-Major funds	306,078	305,804	1,149,517	177,381	(112,907)	724
Total Liabilities and Fund Balances	$ 306,078	$ 367,354	$ 1,159,762	$ 183,072	$ (80,070)	$ 3,012

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

Wrecker Fees Fund	Park Development Fund	Park Sports Fee Fund	Municipal Court Security Fund	Municipal Court Tech Fund	Hotel/Motel Tax Fund	Development Escrow Fund	2016 Non-Major Special Revenue Funds	Restated 2015 Non-Major Special Revenue Funds
$ 5,750	$ 68,405	$ 843	$ 74,595	$ 9,710	$ 119,254	$ 155,867	$ 2,052,650	$ 974,701
-	375	-	-	-	-	-	2,536	998,530
-	-	-	-	-	-	-	68,741	89,081
-	-	-	-	-	2,828	-	194,331	205,257
-	-	-	-	-	-	-	-	143,447
-	-	-	-	-	-	-	50,320	61,632
-	-	-	-	-	-	-	8,257	5,257
$ 5,750	$ 68,780	$ 843	$ 74,595	$ 9,710	$ 122,082	$ 155,867	$ 2,376,835	$ 2,477,905
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 85,938	$ 109,279
-	-	-	-	-	-	-	6,661	10,503
-	-	-	-	-	-	-	19,905	239,046
-	-	-	-	-	-	152,151	152,151	197,925
-	-	-	-	-	-	-	107	107
-	-	-	-	-	-	152,151	264,762	556,860
5,750	68,780	843	74,595	9,710	122,082	3,716	2,112,073	1,921,045
$ 5,750	$ 68,780	$ 843	$ 74,595	$ 9,710	$ 122,082	$ 155,867	$ 2,376,835	$ 2,477,905

CITY OF SAN JUAN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2016

	Revolving Loan Fund	Economic Development Fund	Federal Asset Forfeiture Fund	State Asset Forfeiture Fund	Miscellaneous Grants Fund	Crime Victims Liaison Fund
Revenues						
Sales Tax	$ -	$ 874,049	$ -	$ -	$ -	$ -
Hotel OccupancyTax	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	240,465	10,012
Fines and Fees	-	-	-	-	-	-
Forfeitures	-	-	362,043	7,626	-	-
Interest	2,013	-	949	-	-	-
Miscellaneous & Other Income	-	16,591	-	75,443	-	-
Total Revenues	2,013	890,640	362,992	83,069	240,465	10,012
Expenditures						
Current:						
General Government	-	-	-	-	4,465	-
Public Safety	-	-	80,035	124,430	138,675	7,198
Public Works	-	-	-	-	112,959	-
Culture & Recreation	-	-	-	-	14,566	-
Economic Development	-	431,550	-	-	-	-
Capital outlay	-	-	5,512	59,269	80,142	-
Debt Service:						
Principal	-	209,483	-	-	-	-
Interest	-	137,742	-	-	-	-
Total Expenditures	-	778,775	85,547	183,699	350,807	7,198
Excess (deficiency) of revenues over expenditures	2,013	111,865	277,445	(100,630)	(110,342)	2,814
Other financing sources (uses)						
Transfers In (Out)	-	-	-	-	25,750	-
Bond/Note Proceeds	-	-	-	-	-	-
Bond/Note Issuance Costs	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	25,750	-
Net change in fund balances	2,013	111,865	277,445	(100,630)	(84,592)	2,814
Fund Balances, October 1, As Restated, (Note T)	304,065	193,939	872,072	278,011	(28,315)	(2,090)
Fund Balances, September 30	$ 306,078	$ 305,804	$ 1,149,517	$ 177,381	$ (112,907)	$ 724

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

Wrecker Fees Fund	Park Development Fund	Park Sports Fee Fund	Municipal Court Security Fund	Municipal Court Tech Fund	Hotel/Motel Tax Fund	Development Escrow Fund	2016 Non-Major Special Revenue Funds	Restated 2015 Non-Major Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 874,049	$ 868,192
-	-	-	-	-	26,593	-	26,593	31,360
-	-	-	-	-	-	-	250,477	322,660
5,750	35,499	843	6,480	6,093	-	-	54,665	14,843
-	-	-	-	-	-	-	369,669	387,917
-	-	-	-	-	-	-	2,962	4,149
-	-	-	-	-	32,620	-	124,654	165,868
5,750	35,499	843	6,480	6,093	59,213	-	1,703,069	1,794,989
-	-	-	-	-	-	-	4,465	34,814
-	-	-	-	-	-	-	350,338	1,158,045
-	-	-	-	-	-	-	112,959	-
-	-	-	-	-	-	-	14,566	21,681
-	-	-	-	-	91,289	-	522,839	776,777
-	38,729	-	-	-	1,747	-	185,399	-
-	-	-	-	-	-	-	209,483	202,744
-	-	-	-	-	-	-	137,742	142,997
-	38,729	-	-	-	93,036	-	1,537,791	2,337,058
5,750	(3,230)	843	6,480	6,093	(33,823)	-	165,278	(542,069)
-	-	-	-	-	-	-	25,750	252,531
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	25,750	252,531
5,750	(3,230)	843	6,480	6,093	(33,823)	-	191,028	(289,538)
-	72,010	-	68,115	3,617	155,905	3,716	1,921,045	2,210,583
$ 5,750	$ 68,780	$ 843	$ 74,595	$ 9,710	$ 122,082	$ 3,716	$ 2,112,073	$ 1,921,045

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

SUPPLEMENTARY INFORMATION

Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for certain major and non-major special revenue funds, which adopt project-length budgets. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds, as well as for the Utility Funds.

Unused appropriations for the annual budgeted funds lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

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

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

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the overall fund total of appropriated expenditures of any fund must be approved by the Board of Commissioners.

Expenditures Over Appropriations

For the fiscal year September 30, 2016, expenditures in the General Fund exceeded budgeted appropriations in the following functions:

Capital Outlay	$	197,816
Debt Service - Principal		3,880,098
Debt Service - Interest		95,311

GENERAL FUND SCHEDULES

CITY OF SAN JUAN TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budget	2016 Actual	Variance Final Budget Favorable (Unfavorable)	2015 Actual
Revenues				
Taxes:				
Property Taxes	$ 5,019,493	$ 5,037,220	$ 17,727	$ 4,897,449
Sales Taxes	2,418,394	2,621,936	203,542	2,647,155
Franchise Taxes	723,851	719,737	(4,114)	707,413
Other Taxes	40,312	37,795	(2,517)	37,608
Licenses & Permits	224,368	224,830	462	245,499
Intergovernmental Revenues	727,226	730,526	3,300	721,174
Fines & Forfeitures	492,491	456,198	(36,293)	232,930
Interest Earned	2,500	9,037	6,537	4,433
Miscellaneous & Other Income	287,827	267,170	(20,657)	259,710
Total revenues	9,936,462	10,104,449	167,987	9,753,371
Expenditures				
Current				
General Government	1,961,436	1,745,165	216,271	1,635,139
Public Safety	4,664,546	4,587,524	77,022	4,868,342
Public Works	837,389	826,825	10,564	790,215
Culture & Recreation	1,375,644	1,360,762	14,882	1,326,605
Non-Departmental Expenditures	985,646	927,193	58,453	979,341
Capital Outlay	232,878	430,694	(197,816)	389,182
Debt Service				
Principal	29,777	3,909,875	(3,880,098)	33,524
Interest	14,428	109,739	(95,311)	10,680
Total expenditures	10,101,744	13,897,777	(3,796,033)	10,033,028
Excess (Deficiency) of Revenues Over Expenditures	(165,282)	(3,793,328)	(3,628,046)	(279,657)
Other Financing Sources (Uses)				
Transfers (Out)	(25,750)	(25,750)	-	-
380 Agreement Expenditures	(30,718)	(58,447)	(27,729)	-
Bond/Note Proceeds	-	3,800,000	3,800,000	-
Bond Premium Proceeds	-	285,375	285,375	-
Bond/Note Issuance Costs	-	(109,965)	(109,965)	-
Total Other Financing Sources (Uses)	(56,468)	3,891,213	3,947,681	-
Net Changes in Fund Balances	$ (221,750)	97,885	$ 319,635	(279,657)
Fund Balance, October 1, As Restated (Note T)		1,752,863		2,032,520
Fund Balance, September 30		$ 1,850,748		$ 1,752,863

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

CITY OF SAN JUAN, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
Taxes			
General Property Taxes			
Ad valorem Taxes	$ 4,772,794	$ 4,852,493	$ 79,699
Penalties and Interest on Taxes	246,699	184,727	(61,972)
Total General Property Taxes	5,019,493	5,037,220	17,727
Other Taxes			
City Sales Taxes	2,418,394	2,621,936	203,542
Franchise Taxes	723,851	719,737	(4,114)
Bingo Gross Receipt Tax	36,812	34,954	(1,858)
Other Taxes	3,500	2,841	(659)
Total Other Taxes	3,182,557	3,379,468	196,911
Total Taxes	8,202,050	8,416,688	214,638
Licenses and Permits			
Building Permits	115,578	104,884	(10,694)
Other Permits	108,790	119,946	11,156
Total Licenses and Permits	224,368	224,830	462
Intergovernmental Revenue			
Federal Grants	48,125	55,614	7,489
State Grants	3,480	3,484	4
Police Agreement	44,370	40,178	(4,192)
Administrative Fees	631,251	631,250	(1)
Total Intergovernmental Revenue	727,226	730,526	3,300
Fines and Fees			
Municipal Court Fines	$ 149,040	$ 150,942	$ 1,902
Municipal Court Fines-Other	1,182	1,498	316
Arrest Fees	15,929	15,930	1
City Library Fines and Fees	18,596	21,236	2,640
Storm water Fee	249,131	225,496	(23,635)
Animal Control Fees	1,887	24	(1,863)
Police Reports and Fees	8,717	9,780	1,063
Rural Fire Fees	15,675	3,750	(11,925)
Health Fees	12,206	7,290	(4,916)
Rental Fees	19,304	19,072	(232)
Other Fees	824	1,180	356
Total Fines and Fees	492,491	456,198	(36,293)

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

CITY OF SAN JUAN, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
Interest			
Interest Revenue	2,500	9,037	6,537
Total Interest	2,500	9,037	6,537
Other Revenues/Reimbursements			
Cleaning and Moving Fee	40,223	38,056	(2,167)
Parks and Recreation Fees	80,604	104,298	23,694
Contribution	1,000	546	(454)
Miscellaneous	166,000	121,435	(44,565)
Sale of Assets	-	2,835	2,835
Total Miscellaneous Revenues	287,827	267,170	(20,657)
Total Revenues	$ 9,936,462	$ 10,104,449	$ 167,987

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

CITY OF SAN JUAN, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
GENERAL GOVERNMENT			
City Commission			
Personal Services	$ -	$ -	$ -
Other Services & Charges	97,565	66,685	30,880
Supplies	2,974	1,548	1,426
Total City Commission	100,539	68,233	32,306
City Manager			
Personal Services	164,019	162,116	1,903
Other Services & Charges	5,150	3,544	1,606
Supplies	474	279	195
Total City Manager	169,643	165,939	3,704
City Secretary			
Personal Services	150,996	125,571	25,425
Other Services & Charges	33,068	30,294	2,774
Supplies	3,033	2,801	232
Total City Secretary	187,097	158,666	28,431
Municipal Court			
Personal Services	139,442	122,471	16,971
Other Services & Charges	81,291	76,834	4,457
Supplies	2,772	2,717	55
Total Municipal Court	223,505	202,022	21,483
Finance			
Personal Services	276,115	275,619	496
Other Services & Charges	15,697	17,554	(1,857)
Supplies	2,638	2,551	87
Total Finance	294,450	295,724	(1,274)
Planning & Zoning			
Personal Services	463,940	447,347	16,593
Other Services & Charges	42,120	40,176	1,944
Contract Services	148,745	106,754	41,991
Supplies	25,575	22,307	3,268
Total Planning & Zoning	680,380	616,584	63,796

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

CITY OF SAN JUAN, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
GENERAL GOVERNMENT (CONTINUED)			
Purchasing			
Personal Services	$ 70,612	$ 30,921	$ 39,691
Other Services & Charges	2,350	96	2,254
Supplies	1,064	515	549
Total Purchasing	74,026	31,532	42,494
Building Maintenance			
Personal Services	164,589	143,034	21,555
Other Services & Charges	22,207	21,280	927
Supplies	45,000	42,151	2,849
Total Building Maintenance	231,796	206,465	25,331
Total General Government	1,961,436	1,745,165	216,271
PUBLIC SAFETY			
Police			
Personal Services	3,029,730	2,986,992	42,738
Other Services & Charges	141,718	163,537	(21,819)
Supplies	109,443	116,526	(7,083)
Total Police	3,280,891	3,267,055	13,836
Fire Suppression			
Personal Services	1,175,463	1,154,804	20,659
Other Services & Charges	90,719	88,294	2,425
Supplies	95,473	72,266	23,207
Total Fire Suppression	1,361,655	1,315,364	46,291
Emergency Management			
Personal Services	-	-	-
Other Services & Charges	21,000	5,000	16,000
Supplies	1,000	105	895
Total Emergency Management	22,000	5,105	16,895
Total Public Safety	4,664,546	4,587,524	77,022

CITY OF SAN JUAN, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
PUBLIC WORKS			
Streets & Highways			
Personal Services	$ 296,224	$ 305,783	$ (9,559)
Other Services & Charges	236,536	282,065	(45,529)
Supplies	83,509	95,531	(12,022)
Total Streets & Highways	616,269	683,379	(67,110)
Storm water Division			
Personal Services	66,210	2,532	63,678
Other Services & Charges	-	-	-
Supplies	13,762	5,401	8,361
Total Storm water Division	79,972	7,933	72,039
Central Garage			
Personal Services	129,125	126,740	2,385
Other Services & Charges	2,850	1,331	1,519
Supplies	9,173	7,442	1,731
Total Central Garage	141,148	135,513	5,635
Total Public Works	837,389	826,825	10,564
CULTURE & RECREATION			
Parks			
Personal Services	486,328	460,942	25,386
Other Services & Charges	81,783	96,024	(14,241)
Supplies	50,323	52,458	(2,135)
Total Parks & Recreation	618,434	609,424	9,010
Library			
Personal Services	246,060	242,450	3,610
Other Services & Charges	51,798	56,169	(4,371)
Supplies	1,604	1,433	171
Total Library	299,462	300,052	(590)
Swimming Pool			
Supplies	3,300	2,319	981
Total Swimming Pool	3,300	2,319	981

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

CITY OF SAN JUAN, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
Recreation			
Personal Services	$ 260,147	$ 260,338	$ (191)
Other Services & Charges	192,908	187,608	5,300
Supplies	1,393	1,021	372
Total Recreation	454,448	448,967	5,481
Total Culture & Recreation	1,375,644	1,360,762	14,882
NON-DEVELOPMENTAL EXPENDITURES			
General Expenditures			
Personal Services	-	-	-
Other Services & Charges	427,191	395,451	31,740
Supplies	1,260	1,017	243
Total General Expenditures	428,451	396,468	31,983
Human Resources			
Personal Services	125,046	121,096	3,950
Other Services & Charges	20,463	13,361	7,102
Supplies	1,850	1,423	427
Total Human Resources	147,359	135,880	11,479
Information Technology			
Personal Services	176,079	176,381	(302)
Other Services & Charges	220,933	207,068	13,865
Supplies	12,824	11,396	1,428
Total Information Technology	409,836	394,845	14,991
Total Non-Department Expenditures	985,646	927,193	58,453
CAPITAL OUTLAY			
General Government	43,175	40,991	2,184
Public Safety-Police	1,703	1,703	-
Public Safety-Fire	-	-	-
Public Works - Code Enforcement	-	-	-
Public Works - Streets	-	200,000	(200,000)
Public Works - Storm water	188,000	188,000	-
Culture & Recreation	-	-	-
Total Capital Outlay	232,878	430,694	(197,816)

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

CITY OF SAN JUAN, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budget	Actual	Variance Final Budget Favorable (Unfavorable)
DEBT SERVICE			
Principal Payments	29,777	3,909,875	(3,880,098)
Interest Expense	14,428	109,739	(95,311)
Total Debt Service	44,205	4,019,614	(3,975,409)
Total Expenditures	$ 10,101,744	$ 13,897,777	$ (3,796,033)

COMPLIANCE SECTION

CITY OF SAN JUAN, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE ASSISTANCE
SEPTEMBER 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass-Through Entity Identifying Number	Program Award	Federal Expenditure
FEDERAL ASSISTANCE				
U.S. Department of Justice				
Direct Award				
Bulletproof Vest Partnership Program	16.607	FY 2014	$ 5,050	$ 774
Bulletproof Vest Partnership Program	16.607	FY 2016	5,854	-
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2015-DJ-BX-0012	16,100	16,100
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2016-DJ-BX-0023	15,712	-
Passed through Drug Enforcement Administration				
HIDTA Task Force	16.111	FY 2015	17,548	17,202
HIDTA Task Force	16.111	FY 2016	17,548	-
Passed through Marshals Office Joint Law Enforcement				
Joint Law Enforcement Program	16.000	FY 2016	14,000	14,000
U.S. Department of Treasury				
Passed through Immigration and Customs Enforcement Joint Task Force (ICE)				
ICE Task Force		FY 2015	15,000	5,989
ICE Task Force		FY 2016	15,000	-
U.S. Department of Homeland Security				
Passed through Lower Rio Grande Valley Development Council				
Enforcement Emergency Regional Reponse Team (LEERT) Enhancements	97.067	2967801	60,172	60,172
Enforcement Emergency Regional Reponse Team (LEERT) Enhancements	97.067	2967802	66,000	-
Passed through the Texas Division of Emergency Management (TDEM)				
Public Assistance Grant-Road Washout	97.036	PA-06-TX-4223-PW-00241	4,630	3,473
Public Assistance Grant-SJC003F-Lift Station & Sanitary Manhole	97.036	PA-06-TX-4223-PW-00394	46,711	35,033
Public Assistance Grant-SJC005C-Storm Sewer Manhole	97.036	PA-06-TX-4223-PW-01832	50,000	37,500
Public Assistance Grant-SJC006B-EPM	97.036	PA-06-TX-4223-PW-01935	19,634	14,725
Passed through the Federal Emergency Management Agency (FEMA)				
2014 Stone Garden	97.067	EMW-2014-SS-00029	150,000	74,041
2015 Stone Garden	97.067	EMW-2015-SS-00080	80,000	
Federal Transit Adiministration				
Passed through Lower Rio Grande Valley Development Council				
New Freedom Project			113,837	-
National Highway Traffic Safety Adiministration				
Passed through Texas Department of Transportation				
STEP WAVE Program	20.600	201-SanJuan P-S-1YG-0049	9,448	-
Total Federal Assistance			722,244	279,009

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

CITY OF SAN JUAN, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE ASSISTANCE
SEPTEMBER 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass-Through Entity Identifying Number	Program Award	Federal Expenditure
STATE ASSISTANCE				
Texas Parks & Recreation				
Community Outdoors CO-OP Grant - Camp Native		52-000654	$ 30,467	$ 7,360
Texas Department of Public Safety				
Division of Emergency Management				
Local Border Security Program (LBSP-16)		2988801	80,000	64,806
Texas Department of State and Health Services (DSHS)				
Tobacco Prevention and Control Branch				
Tobacco Enforcement Program			2,925	2,925
Texas State Comptroller				
Victims Crime Assistance Grant			-	10,012
Passed through the Texas Department of Transportation				
LEOSE (Travel & Training)			-	3,483
Total State Assistance			113,392	88,586
Total Federal and State Assistance			$ 835,636	$ 367,595

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

CITY OF SAN JUAN, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE ASSISTANCE
SEPTEMBER 30, 2016

1. General
   The accompanying Schedule of Federal and State Financial Assistance Programs presents the activity of all the Federal and State Financial Programs of the City of San Juan, Texas. The City reporting entity is defined in Note A (1) to the City's general purpose financial statements.

2. Basis of Accounting
   The accompanying Schedule of Federal and State Financial Assistance Programs is presented using the modified accrual basis of accounting, which is described in Note A (6) to the City's general purpose financial statements.

Grant/Program Title	CFDA	Grantor Number	Federal Expenditure
FEDERAL ASSISTANCE			
U.S. Department of Justice			
Bulletproof Vest Partnership Program	16.607	FY 2014	$ 774
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2015-DJ-BX-0012	16,100
HIDTA Task Force	95.001	FY 2015	17,202
Joint Law Enforcement Program	16.000	FY 2016	14,000
U.S. Department of Treasury			
ICE Task Force			5,989
U.S. Department of Homeland Security			
Enforcement Emergency Regional Reponse Team (LEERT) Enhancements	97.067	2967801	60,172
Public Assistance Grant-Road Washout	97.036	PA-06-TX-4223-PW-00241	3,473
Public Assistance Grant-SJC003F-Lift Station & Sanitary Manhole	97.036	PA-06-TX-4223-PW-00394	35,033
Public Assistance Grant-SJC005C-Storm Sewer Manhole	97.036	PA-06-TX-4223-PW-01832	37,500
Public Assistance Grant-SJC006B-EPM	97.036	PA-06-TX-4223-PW-01935	14,725
2014 Stone Garden	97.067	EMW-2014-SS-00029	74,041
Total Federal Assistance			279,009
STATE ASSISTANCE			
Texas Parks & Recreation			
Community Outdoors CO-OP Grant - Camp Native		52-000654	7,360
Texas Department of Public Safety			
Local Border Security Program (LBSP-16)		2988801	64,806
Texas Department of State and Health Services (DSHS)			
Tobacco Enforcement Program			2,925
Texas State Comptroller			
Victims Crime Assistance Grant			10012
LEOSE (Travel & Training)			3,483
Total State Assistance			88,586
Total Federal and State Assistance			$ 367,595

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

CITY OF SAN JUAN, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE ASSISTANCE
SEPTEMBER 30, 2016

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES:	(Page 3)			
Program Revenues				
Operating Grants and Contributions		$	657,329	
Capital Grants and Contributions			146,626	
Subtotal Grants and Contributions			803,955	
LESS: Other Reimbursable Grants			(436,360)	
Total Grants and Contributions		$	367,595	$ 367,595

Other Reimbursable Grants:	
Library Grant	$ 14,513
Administrative Fees	12,000
Local Police Fees	40,178
Forfeitures Fees	369,669
Total Other Reimbursable Grants	$ 436,360

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

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

GARCIA & PEÑA
Certified Public Accountants
P. O. Box 8032
301 West 4th
Weslaco, Texas 78599
956-969-1433 • Fax 956-968-1467 • 956-421-4601

Manuel B. Garcia, CPA
Jaime X. Peña, CPA

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

Honorable Mayor and Members
Of the City Commission
San Juan, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, aggregate discretely component unit, each major fund and the aggregate remaining fund information of the City of San Juan, Texas as of and for the year ended September 30, 2015, which collectively comprise the City of San Juan, Texas basic and combining financial statements and we have issued our report thereon dated March 24, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of San Juan, Texas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of San Juan, Texas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of San Juan, Texas' internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of San Juan, Texas' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of San Juan, Texas' financial statements that is more than inconsequential will not be prevented or detected by the City of San Juan, Texas' internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be detected by the City of San Juan, Texas' internal control.

Honorable Mayor and Members
Of the City Commission
San Juan, Texas

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance whether the City of San Juan, Texas' financial statements are free of 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses.

The City of San Juan, Texas' response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City of San Juan, Texas' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of audit committee, management and federal and state awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

Garcia & Pena, CPAs
Certified Public Accountants

March 24, 2017

SCHEDULE OF FINDINGS
AND
RESPONSES

CITY OF SAN JUAN, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2016

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified			
Internal control over financial reporting:				
* Significant deficiency (ies) identified	X	Yes		No
* Significant deficiency (ies) identified that are considered to be material weaknesses?		Yes	X	No
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified:		Yes	X	No
* Reportable condition (s) identified that are considered to be material weakness (es).		Yes	X	No
Type of auditors' 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	X	No

Identification of major programs:

CFDA Number (s)	Name of Federal Program or Cluster
N/A	

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000			
Auditee qualified as low-risk auditee?	X	Yes		No

Section II-Financial Statement Findings

PROGRAM	**DESCRIPTION**

Findings for the fiscal year ended September 30, 2016:

Reference Number 16-01	**Expenditures in Excess of Budget Appropriations**
Criteria:	Generally accepted accounting principles dictate that all transactions be properly reconciled and recognized in an entity's accounting system.
Condition Found:	One major transaction was not recorded during the fiscal year ended September 30, 2016. This was due mainly to lack of training in this type of transactions.
Cause:	The City did not properly record the transactions. This caused the accounting system to understate budgeted revenues and expenditures.
Recommendation:	We understand this transaction is not a common occurrence for small communities due to its complexity and also the recent accounting changes for recording the transactions. We are also well aware the City Commission was aware a bond issue had occurred and outstanding bonds had been defeased and construction costs had been paid with bond proceeds. They approved the transactions. We strongly recommend the City to consult with other communities or CPA firms working on governmental audits in the area and obtain the necessary guidance to record the transaction.
Corrective Action:	**We recognized our limitations in this area of governmental accounting and also that it would not have been a stretch for us to obtain the necessary resources to correct it. We feel this will not be a problem in the future. We will obtain the proper training and consult with other cities and/or CPA firms.**
Reference Number 16-02	**Bank Reconciliation**
Criteria:	Bank reconciling items should be properly allocated and recorded.
Condition Found:	The City's bank reconciliation was reconciled using a clearing account adjustment in the general ledger. The same entry compounded each month with improper allocation to the appropriate funds. It was all recorded in the General Fund.
Cause:	The City was waiting for information from another department. The bank reconciliation was correct; however, the individual funds general ledgers were not. The reconciling item was for a payroll item. This type of entry is of a recurring nature in the accounting department, and should have had a standing procedure and template to properly record it.
Recommendation:	We recommend that the accounting department have a closer communication with all departments and make it a priority to complete the transactions on a timely basis.
Corrective Action Plan:	**We have new procedures in place that require the Accounting Manager to review and monitor all bank reconciliations, along with the Finance Director. In addition, during the fiscal year, we updated to a new accounting software and we were having difficulty in reconciling between the funds, but we received proper training for this problem and have mitigated the situation.**

Section II-Financial Statement Findings

PROGRAM	DESCRIPTION
Findings for the fiscal year ended September 30, 2016:	
Reference Number 16-03	**Control Over Financial Reporting**
Criteria:	The Auditing Standards Board recently issued guidance to auditors related to an entity's internal control over financial reporting. SAS No. 112 emphasis that the auditor cannot be part of an entity's system of internal control over financial reporting. Many small organizations rely on their auditor to generate the annual financial statements including footnotes.
Condition Found:	The City's accounting staff did not prepare the financial statements and related footnotes in accordance with generally accepted accounting principles. The auditor working closely with the accounting department prepared the financial statements for the entity.
Cause:	The City's accounting personnel and those charged with governance, in the course of their assigned duties, lack the resources and training to prepare the financial statements and related footnotes in accordance with generally accepted accounting principles and to detect and correct a material misstatement, if present. Material misstatements in financial statements could go undetected.
Recommendation:	In our judgment, due to the lack of resources and training available to management to correct this material weakness in financial reporting, we recommend management mitigate this weakness by providing staff with training opportunities adequate to prepare financial statements in accordance with generally accepted principles and provide the necessary literature or reference materials. These actions will provide staff with a heightened awareness of all transactions being reported. Management could also consider engaging on a temporary basis additional personnel to assist with the completion of the audit.
Corrective Action:	**We understand that engaging additional personnel would be a possible solution. We prefer to obtain the necessary training and also consult with other communities or other CPA auditing firms to reinforce our knowledge and complete our own report. We will begin by budgeting the necessary funds to attend seminars and reference materials to address this problem.**

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 11, 2017

Discussion and Action on the Exterior Building Finishes for the New Public Safety Building. (Xavier Cervantes, Director of Planning)

STAFF COMMENTS AND RECOMMENDATIONS:

Choices need to made for the exterior building finishes such as the brick colors, the cast stone colors and the split-face CMU colors. The project architects will bring boards during the meeting for the Commission to choose the colors as desired.

RECOMMENDATION:

Make choices of the exterior colors as desired.

PREPARED BY:	**APPROVED BY:**
Xavier Cervantes, Director of Planning and Zoning	Benjamin Arjona, City Manager

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AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 11, 2017

Discussion and Action on Canceling this year's May Fest and focusing on one event which would be the Noche de Paz for the City of San Juan. (Commissioner Jesus "Jesse" Ramirez, Commissioner Raudel Maldonado, and Mayor Pro-Temp Mario Garza)

STAFF COMMENTS AND RECOMMENDATIONS:

Discussion and Action on Canceling this year's May Fest and focusing on one event which would be the Noche de Paz for the City of San Juan.

RECOMMENDATION:

PREPARED BY:
Palmira Cepeda,
Interim City Secretary

APPROVED BY:
Benjamin Arjona, City
Manager

Palmira Cepeda <pcepeda@cityofsanjuantexas.com>

Agenda Item

Palmira Cepeda <pcepeda@cityofsanjuantexas.com> Fri, Apr 7, 2017 at 1:21 PM
Draft

Forwarded conversation
Subject: **Agenda Item**

From: **Jesus Ramirez** <jramirez@cityofsanjuantexas.com>
Date: Fri, Apr 7, 2017 at 10:05 AM
To: Palmira Cepeda <pcepeda@cityofsanjuantexas.com>, Benjamin Arjona <barjona@cityofsanjuantexas.com>, Javier Villalobos <jvillalobos@cityofsanjuantexas.com>

I am requesting that the following item be placed on the agenda for Tuesday April 11th, and that the commission be polled for a second on the request.

Discuss and take action on canceling this years May fest and focusing on one event which would be the Noche de Paz for the City of San Juan.

Respectfully,

--
Jesus "Jesse" Ramirez
Commissioner
709 S. Nebraska
San Juan, Texas 78589
956-460-5758
956-223-2604 fax
jramirez@cityofsanjuantexas.com

From: **Palmira Cepeda** <pcepeda@cityofsanjuantexas.com>
Date: Fri, Apr 7, 2017 at 10:26 AM
To: San Juanita Sanchez <sjsanchez@cityofsanjuantexas.com>, Mario Garza <mgarza@cityofsanjuantexas.com>, Jesus Ramirez <jramirez@cityofsanjuantexas.com>, Raudel Maldonado <rmaldonado@cityofsanjuantexas.com>, Pete Garcia <pgarcia@cityofsanjuantexas.com>
Cc: Benjamin Arjona <barjona@cityofsanjuantexas.com>, Javier Villalobos <jvillalobos@cityofsanjuantexas.com>

Good morning Board Members,

As per Commissioner Jesse Ramirez, he is requesting for this item to be placed on the agenda for the next City Commission Meeting on Tuesday, April 11, 2017, at 6:00 p.m. He is asking for the Commission to be polled for a second on the request.

Discuss and take action on canceling this year's May fest and focusing on one event which would be the Noche de Paz for the City of San Juan.

Thank you!

CITY OF SAN JUAN

Palmira Cepeda
Interim City Secretary
709 S. Nebraska Ave.
San Juan, Texas 78589
956.223.2207
pcepeda@cityofsanjuantexas.com

From: **Benjamin Arjona** <barjona@cityofsanjuantexas.com>
Date: Fri, Apr 7, 2017 at 10:59 AM
To: pcepeda@cityofsanjuantexas.com

From: **Raudel Maldonado** <rmaldonado@cityofsanjuantexas.com>
Date: Fri, Apr 7, 2017 at 12:24 PM
To: Palmira Cepeda <pcepeda@cityofsanjuantexas.com>

K... That's fine. 2nd

From: **Mario** <mgarza@cityofsanjuantexas.com>
Date: Fri, Apr 7, 2017 at 1:14 PM
To: Palmira Cepeda <pcepeda@cityofsanjuantexas.com>

I am ok with it

Sent from my iPhone

From: **Palmira Cepeda** <pcepeda@cityofsanjuantexas.com>
Date: Fri, Apr 7, 2017 at 1:20 PM
To: Raudel Maldonado <rmaldonado@cityofsanjuantexas.com>

Thank you,
--

Thank you!

CITY OF SAN JUAN

Palmira Cepeda
Interim City Secretary
709 S. Nebraska Ave.
San Juan, Texas 78589
956.223.2207
pcepeda@cityofsanjuantexas.com

From: **Palmira Cepeda** <pcepeda@cityofsanjuantexas.com>
Date: Fri, Apr 7, 2017 at 1:20 PM
To: Mario <mgarza@cityofsanjuantexas.com>

Thank you

--

Thank you!

CITY OF SAN JUAN

Palmira Cepeda
Interim City Secretary
709 S. Nebraska Ave.
San Juan, Texas 78589
956.223.2207
pcepeda@cityofsanjuantexas.com

--

Thank you!

CITY OF SAN JUAN

Palmira Cepeda
Interim City Secretary
709 S. Nebraska Ave.
San Juan, Texas 78589
956.223.2207
pcepeda@cityofsanjuantexas.com

ORDINANCE NO. 17-04

AN ORDINANCE OF THE CITY OF SAN JUAN, TEXAS, PROHIBITING THE INCREASING OF PERSONNEL, OR PAYROLL 60 DAYS BEFORE THE CITY OF SAN JUAN'S MUNICIPAL ELECTIONS; PROVIDING FOR REPEALING, SAVINGS AND SEVERABILITY CLAUSES; PROVIDING FOR AN EFFECTIVE DATE OF THIS ORDINANCE; AND PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.

WHEREAS, the hiring of City of San Juan (City) personnel close to City elections may sometimes be construed as political hiring; and

WHEREAS, the City is committed to adhering to the most professional conduct and avoiding at all costs the appearance of impropriety; and

WHEREAS, the City finds that the adoption of this ordinance is for the betterment of the community, for the protection of City employees, and for the protection of the City's elected officials.

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

Neither the personnel nor the payroll of or for any department of the City shall be increased within sixty (60) days before any election of council members unless same be necessary to provide for an emergency first formally declared by resolution of the city council which resolution shall state the nature of the emergency and specify the necessary increase in personnel and/or payroll to meet the same. In the event of any violation of any provision of this section, any such attempted increase shall be void and any and every person in any manner participating in the authorization or carrying out of the any such increase shall be personally liable to the City for any money paid on account of any such increase and also be subject to removal without the protections afforded by the personnel policies of the City, from any position or office with or of the City which he/she may hold at the suit or complaint of any taxpayer of the City. Any such emergency in support of the increase of personnel or payroll of any city owned utility under the management of an independent board shall be declared by order or resolution of such board.

All ordinances, or policies or parts of ordinance or policies in conflict herewith are hereby repealed.

If any part or parts of this Ordinance is for any reason found to be invalid or unconstitutional by a court having competent jurisdiction, then such invalidity or unconstitutionality shall not affect the remaining parts hereof and such remaining parts shall remain in full force and effect, and to the extent this Ordinance is considered severable.

This Ordinance shall become effective and remain in full force and effect from and after its passage and publication as required by the City Charter and by law.

CONSIDERED for FIRST READING on this the 24th day of January, 2017.

CONSIDERED, PASSED and **APPROVED** for SECOND AND FINAL READING on this the 14th day of February, 2017, at a regular meeting of the Commission of the City of San Juan, Texas at which a quorum was present and which was held in accordance with Vernon's Texas Codes Ann., Government Code, Chapter 551.

CITY OF SAN JUAN

By: San Juanita Sanchez

San Juanita Sanchez, Mayor

ATTEST:

By: Palmira Cepeda

Palmira Cepeda, Interim City Secretary

RESOLUTION NO.

A RESOLUTION OF THE CITY OF SAN JUAN DECLARING AN EMERGENCY FOR THE PURPOSE OF AUTHORIZING THE SAN JUAN UTILITY DEPARTMENT TO HIRE ADEQUATE STAFFING WITHIN 60 DAYS OF A MUNICIPAL ELECTION

WHEREAS, the City of San Juan is a home rule municipality in Hidalgo County with the power of self-governance; and

WHEREAS, the City of San Juan has previously passed an ordinance prohibiting the hiring of municipal employees within 60 days of a municipal election;

WHEREAS, the City of San Juan may authorize a department to conduct hiring upon a finding of an emergency and having the required budgetary necessities, all pursuant to same ordinance;

NOW THEREFORE; BE IT RESOLVED BY THE CITY COUNCIL OF THE CITYOF SAN JUAN, TEXAS THAT:

The City of San Juan hereby declares that the hiring of a utility department employee is necessary for public health and safety and that an emergency is hereby declared for such purpose and budgetary measures are met.

PASSED AND APPROVED this **11th** day of **April**, **2017**.

____
San Juanita Sanchez, Mayor

ATTEST:

____
Interim City Secretary

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 11, 2017

Consideration of Adoption of Resolution to the Texas Department of Transportation Recommending Option 2 Regarding the Proposed Improvements on I-2 and I-69C Interchange for the Portion of the Project Within the San Juan City Limits. (Xavier Cervantes, Director of Planning)

STAFF COMMENTS AND RECOMMENDATIONS:

The Texas Department of Transportation held an open house on March 30, 2017, to display three (3) different options for proposed improvements to the I2 and I69C Interchange. After reviewing the three (3) different options, staff feels that option one (1) and option three (3) will be very detrimental to the properties along both sides of the expressway between Veteran's Boulevard and Raul Longoria Road since their accessibility from the expressway will be limited. Option (2) does not change the existing on and off ramps configurations, therefore, staff feels this is the best option for the portion of the project that is located within the San Juan city limits.

The purpose of the resolution is to formally make a recommendation to the Texas Department of Transportation of the City of San Juan's preferred option for the project.

RECOMMENDATION:

Adopt the Resolution as recommended by staff.

PREPARED BY:
Xavier Cervantes,
Director of Planning
and Zoning

APPROVED BY:
Benjamin Arjona, City
Manager

FACT SHEET:
PROPOSED IMPROVEMENTS ON I-2 AND I-69C INTERCHANGE

Project Map and Limits

On I-2 from 2nd St. in McAllen to Raul Longoria Road in San Juan and on I-69C from Nolana Loop to I-2 in Pharr

Purpose and Need

What problems are we trying to address?

- Increased congestion
- Lack of mobility
- Traffic demand exceeds roadway capacity
- Traffic flow

What are we trying to do?

- Reduce congestion
- Improve traffic mobility
- Improve connectivity
- Optimize interchange and ramp operations

Proposed Project Scope

- Provide two lane direct connectors
- Improve mainlane approaches & departures
- Optimize on and off ramps
- Maintain auxiliary lanes between ramps

Project to be developed and constructed in multiple phases based on available funding.

Project Schedule*

*This project schedule and dates are preliminary and subject to change.

- Schematic - Winter 2017 - 2018
- Environmental Clearance - Winter 2017 - 2018
- Acquire Right of Way - Summer 2018
- Utilities Adjustments - Fall 2018
- Final Design - Fall 2018
- Ready to Bid - Winter 2018 - 2019

The environmental review, consultation, and other actions required by applicable federal environmental laws for this project are being, or have been, carried out by TxDOT pursuant to 23 U.S.C. 327 and a Memorandum of Understanding dated Dec. 16, 2014, and executed by FHWA and TxDOT.

For more information on the proposed project, please contact:
Eduardo Saenz, P.E., Project Manager
Texas Department of Transportation Pharr District at (956) 702-6170
or visit txdot.gov keyword "I-2 and I-69C Interchange"

PUBLIC COMMENTS
COMENTARIOS DEL PÚBLICO

Texas Department of Transportation

(PLEASE PRINT/Favor de Imprimir)

NAME/Nombre: ______________________________

ADDRESS/Direccion: ______________________________

REPRESENTING/Representar: ______________________________

(Texas Transportation Code, §201.811(a)(5)): check each of the following boxes that apply to you:
Según el código de Transportación de Texas §201.811(a)(5), marque las casillas siguientes que le apliquen a usted:

❑ I am employed by TxDOT/ *Soy empleado de TxDOT.*

❑ I do business with TxDOT/ *Hago negocios con TxDOT.*

❑ I could benefit monetarily from the project or other item about which I am commenting/ *Podría beneficiarme monetariamente con el proyecto o otro punto sobre el que estoy comentando*

COMMENTS/ *COMENTARIOS*:

____

Written statements may be submitted to TxDOT Pharr District at 600 W. Interstate 2, Pharr, Texas 78577. Comments may also be sent electronically by facsimile to (956) 702-6110 or e-mailed to Robin.Gelston@txdot.gov.
The Deadline to submit comments is by April 14, 2017.
Declaraciones por escrito pueden ser enviadas después de la junta pública a TxDOT Pharr District a 600 W. Interstate 2, Pharr, Texas 78577. Sus comentarios pueden también ser enviados por fax a (956) 702-6110, o por correo electrónico a Robin.Gelston@txdot.gov.
La fecha limite para presentar comentarios es el 14 de April del 2017.

The environmental review, consultation, and other actions required by applicable Federal environmental laws for this project are being, or have been, carried-out by TxDOT pursuant to 23 U.S.C. 327 and a Memorandum of Understanding dated December 16, 2014, and executed by FHWA and TxDOT.La revisión ambiental, consultas y otras acciones requeridas por las leyes ambientales federales aplicables para este proyecto están siendo o han sido, llevado a cabo por TxDOT - en virtud de 23 USC 327 y un Memorando de Entendimiento fechado el 16 de diciembre del 2014, y ejecutado por la FHWA y el TxDOT.

RESOLUTION NO. 17-

RESOLUTION OF SUPPORT FROM THE CITY OF SAN JUAN, TEXAS RECOMMENDING OPTION 2 REGARDING THE PROPOSED IMPROVEMENTS ON I-2 AND I-69C INTERCHANGE.

WHEREAS, the **Texas Transportation Commission** has a project to make improvements to I-2 and I-69C Interchange for the purpose of facilitating the flow of traffic, promoting public safety, and maintaining continuity of the state highway system; and

WHEREAS, the **Texas Department of Transportation's Pharr District** is conducting feasibility studies and is evaluating three (3) different alternatives before a final schematic design is chosen later this year; and

WHEREAS, the **Texas Department of Transportation's Pharr District** held an open house event on March 30, 2017 to solicit input from the citizens and surrounding property owners; and

WHEREAS, the City Commission of the City of San Juan feels that options one (1) and three (3) would be very detrimental to the properties along both sides of the expressway in San Juan between Veteran's Boulevard and Raul Longoria Road since their accessibility from the expressway will be more limited; and

WHEREAS, options one (1) and three (3) would negatively impact those properties which would result in lower property values and less property and sales taxes for the community; and

WHEREAS, the deadline to submit comments is April 14, 2017;

NOW THEREFORE BE IT RESOLVED THAT THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, THAT:

The City of San Juan strongly recommends option two (2) for the proposed improvements on I-2 and I-69C Interchange only in regard of the portion of the project within the San Juan city limits.

READ, CONSIDERED and APPROVED this the 11th day of April, 2017.

____
San Juanita Sanchez, Mayor
San Juan, Texas

ATTEST:

____
Palmira Cepeda, Interim City Secretary
San Juan, Texas

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 11, 2017

Consider the First Amendment to the Interlocal Cooperation Agreement Between Hidalgo County, Texas, the City of San Juan, Texas and the City of Alamo, Texas Concerning Certain Improvements to Cesar Chavez Road from Nolana Loop to Business 83. (Xavier Cervantes, Director of Planning)

STAFF COMMENTS AND RECOMMENDATIONS:

The original interlocal agreement for this project is dated September 1, 2015 for the purpose of widening Cesar Chavez Road to five (5) lanes with shoulders from US Business 83 to Nolana Avenue. The City of San Juan contributed $1,000,000.00 towards the project.

The proposed amendment will extend the project limits to the South to Ridge Road with no additional contribution of funds from the City of San Juan.

RECOMMENDATION:

Adopt the Amended Interlocal Agreement as recommended by staff.

PREPARED BY:
Xavier Cervantes,
Director of Planning
and Zoning

APPROVED BY:
Benjamin Arjona, City
Manager

STATE OF TEXAS §
DISTRICT OF HIDALGO §

FIRST AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT BETWEEN HIDALGO COUNTY, TEXAS, THE CITY OF SAN JUAN, TEXAS AND THE CITY OF ALAMO, TEXAS CONCERNING CERTAIN IMPROVEMENTS TO CESAR CHAVEZ ROAD FROM NOLANA LOOP TO BUSINESS 83

This First Amendment to Interlocal Cooperation Agreement is made on this the _____ day of ___________, 2017 by and between the County of Hidalgo, hereinafter referred to as the "County," the City of San Juan, Texas, hereinafter referred to as "San Juan" and the City of Alamo, Texas, hereinafter referred to as "Alamo", pursuant to the provisions of the Texas Interlocal Cooperation Act, as follows:

WITNESSETH:

WHEREAS, the County, San Juan and Alamo entered into an Interlocal Cooperation Agreement (the "Agreement") dated September 1, 2015 regarding expansion of Cesar Chavez Road to a four lane roadway facility; and

WHEREAS, the parties desire to extend the length of the improvements to Cesar Chavez Road from Nolana Loop to Ridge Road (the "Road");

NOW, THEREFORE, for and in consideration of the mutual obligations of the parties herein and other good and valuable consideration the receipt of which hereby acknowledged, San Juan, Alamo and County hereby mutually agree to the following:

1. The fourth WHEREAS clause is deleted in its entirety and the following is inserted in lieu thereof:

   > WHEREAS, Cesar Chavez Road from Nolana Loop south to Ridge Road, which traverses within the jurisdiction of San Juan and Alamo is a vital north-south road within the County that is an interconnecting link to the County roadway system and is in need of expansion to a four lane roadway facility.

2. Except as modified herein, all terms and conditions of the Agreement, as amended, remain in full force and effect and County and District ratify and confirm the terms and provisions of the Agreement, as amended.

EXECUTED IN DUPLICATE ORIGINALS and effective as of the day and year first written above.

COUNTY OF HIDALGO

ATTEST:

By: ______________________________
Ramon Garcia, District Judge

____
Arturo Guajardo, Jr., County Clerk

APPROVED AS TO FORM:

ATLAS, HALL & RODRIGUEZ, LLP

By: ____________________________
Stephen L. Crain

CITY OF SAN JUAN, TEXAS

By: ______________________________
San Juanita Sanchez, Mayor

ATTEST:

____
City Secretary

CITY OF ALAMO, TEXAS

By: ______________________________
Diana Martinez, Mayor

ATTEST:

____
City Secretary

EXISTING INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

INTERLOCAL COOPERATION AGREEMENT BETWEEN HIDALGO COUNTY, THE CITY OF SAN JUAN, AND THE CITY OF ALAMO, TEXAS CONCERNING CERTAIN IMPROVEMENTS TO CESAR CHAVEZ RD. FROM NOLANA LOOP SOUTH TO BUSINESS 83.

THIS agreement is made on this _____ day of ___________, 2015 by and among the COUNTY OF HIDALGO,TEXAS, hereinafter referred to as "COUNTY", the CITY OF SAN JUAN, TEXAS, hereinafter referred to as "SAN JUAN", and the CITY OF ALAMO, TEXAS, hereinafter referred to as "ALAMO" pursuant to the provisions of the Texas Interlocal Cooperation Act, as follows:

WITNESSETH:

WHEREAS, both SAN JUAN and ALAMO are home rule municipalities located in Hidalgo County, Texas;

WHEREAS, both SAN JUAN and ALAMO are cities created under the laws of Texas;

WHEREAS, the COUNTY is a county in the State of Texas;

WHEREAS, Cesar Chavez Road from Nolana Loop South to Business 83, which traverses within the jurisdictions of SAN JUAN and ALAMO and is a vital North-South road within the COUNTY that is an interconnecting link to the COUNTY roadway system and is in need of expansion to a four lane roadway facility; (the "Road");

WHEREAS, The Hidalgo County Metropolitan Planning Organization (HCMPO) has identified the Cesar Chavez Road project within it's financially constrained Metropolitan Transportation Plan;

WHEREAS, COUNTY, will be the fiduciary agent for this project and assume the role of project development lead, for all phases as identified below:
Phase I – Environmental Assessment, Public Involvement, Schematic
Phase II – Plans, Specifications, and Estimate (PS&E)
Phase III – ROW Acquisition Tasks

WHEREAS, the total estimated Phase I, II, & III local cost for the project is $5,526,816.52;

WHEREAS, SAN JUAN desires to cooperate by contributing a fixed lump sum amount of $1,000,000.00 to COUNTY toward the development of the Phase I, II, & III for the project;

WHEREAS, ALAMO desires to cooperate by contributing a fixed lump sum amount of $1,000,000.00 to COUNTY toward the development of the Phase I, II & III for the project;

WHEREAS, COUNTY desires to cooperate by contributing the remainder of all costs required for Phase I, II & III for the project.

WHEREAS, COUNTY, SAN JUAN and ALAMO are authorized to enter into this Agreement pursuant to the Interlocal Cooperation Act, Texas Government Code 791.001 et. Seq. which authorizes local governments to contract with each other to perform governmental functions and services under the terms of the Act; and

WHEREAS, ALAMO and its city council find that the improvement of Cesar Chavez serves a public purpose pursuant to the Texas Constitution, art. III, §5-a which requires that a legislature use public money for public purposes.

NOW, THEREFORE, COUNTY, SAN JUAN and ALAMO, in consideration of the mutual covenants expressed hereinafter, agree as follows:

1. COUNTY agrees to complete Phase I, II & III of the project development, which includes the Following:
   Phase I Environmental Assessment, Public Involvement, Schematic,
   Phase II Plans, Specifications, and Estimate (PS&E)
   Phase III ROW Acquisition Tasks
   and is particularly described in that portion of Exhibit A attached hereto and made a part hereof for all purposes that relates to said Phases I, II & III.

2. The Road at various points passes through the jurisdiction of SAN JUAN and ALAMO and forms a connecting link or integral part of the regional transportation system of the COUNTY roads.

3. The total Phase I, II & III for project development cost will be $5,526,816.52.

4. SAN JUAN agrees to contribute a fixed lump sum amount of $1,000,000.00 to COUNTY toward the development of the Phase I, II & III for the project, payable by SAN JUAN to COUNTY on or before October 1, 2015.

5. ALAMO agrees to contribute a fixed lump sum amount of $1,000,000.00 to COUNTY toward the development of the Phase I, II & III for the project, payable by ALAMO to COUNTY at time of execution of this Agreement.

6. San Juan, and County, retains right of way easements on Cesar Chavez Road, and hereby acknowledge ALAMO'S investment in the improvement of Cesar Chavez Road for the public purpose of improving such road for the benefit of the community.

7. San Juan agrees to maintain Cesar Chavez road as a public roadway, and further agrees to maintain the improvements on Cesar Chavez Road, within its municipal limits.

8. Each party agrees to conform to its own applicable purchasing laws, regulations, policies, and procedures with respect to the portion of the work under this Agreement performed by each party.

9. **Conflict of Applicable Law:** Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance, or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of the Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

10. **No Waiver:** No waiver by any party hereto of any breach of any provision of the Agreement shall be deemed to be a waiver of any preceding of succeeding breach of the same or any other provision hereof.

11. **Entire Agreement:** This Agreement contains the entire contract between the parties hereto and each party acknowledges that neither has made (either directly or through any agreement or representative) and representation or agreement in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by COUNTY, SAN JUAN and ALAMO, and not otherwise.

12. **Amendment:** This Agreement can't be amended, changed, modified, supplemented or revised unless it is evidenced in writing and signed by all parties to this agreement.

13. TEXAS LAW TO APPLY: THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

14. **Notice:** Except as maybe otherwise specifically provided in this Agreement, all notices, demands, requests or communication required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

    If to San Juan: City of San Juan
    Attention: Honorable San Juanita Sanchez, Mayor
    709 S. Nebraska St.

San Juan, Texas 78589

If to Alamo:	City of Alamo Attention: Honorable Diana Martinez, Mayor 420 N. Tower Road Alamo, Texas 78516
If to County:	Hidalgo County, Texas Attn: Honorable Ramon Garcia, Hidalgo County Judge P. O. Box 758 Edinburg, Texas 78540-0758
Copies to:	Honorable Eduardo "Eddie" Cantu, Commissioner, Precinct No. 2 300 W Hall Acres Ste G Pharr, Texas 78577

15. Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee, or, if mailed, at such time as it is deposited in the United States mail.

16. **Additional Documents:** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this agreement.

17. **Successors:** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

18. **Assignment:** This Agreement shall not be assignable.

19. **Headings:** The headings and captions contained in this Agreement are solely for the convenience reference and shall not be deemed to affect the meaning or interpretation of any provision of paragraph hereof.

20. **Gender and Number:** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and singular shall include the plural whenever and as often as may be appropriate.

21. **Authority to Execute:** The execution and performance of this Agreement by Hidalgo County, the City of San Juan and the City of Alamo have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of the County and Cities in accordance with its terms.

22. **Governmental Purpose:** Each party hereto is entering into the agreement for the purpose of providing for governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.

23. **Commitment or Current Revenues Only:** In the event that during any term hereof; the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this Agreement, then any party may terminate this Agreement upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each party hereto pursuant to the provisions of Tex. Loc. Govt. Code Ann. §271.903.

24. Following completion of construction of the Road each party hereto shall maintain the road within their respective jurisdictions where applicable.

WITNESS THE HANDS OF THE PARTIES effective as of the day and year first written above.

CITY OF SAN JUAN

By: ______________________________
San Juanita Sanchez, Mayor

ATTEST:

____
City Secretary

CITY OF ALAMO

By: ______________________________
Diana Martinez, Mayor

ATTEST:

____
City Secretary

COUNTY OF HIDALGO

By: ______________________________
Ramon Garcia, County Judge

ATTEST:

____
County Clerk

APPROVED AS TO FORM:
Vasquez Law Firm

By: ____________________________
Gilbert Vasquez
San Juan City Attorney

APPROVED AS TO FORM:

By: ____________________________
Damian Orozco
Alamo City Attorney

APPROVED AS TO FORM:
Atlas, Hall & Rodriguez, L.L.P.

By: ____________________________
Stephen L. Crain

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 11, 2017

Consider the Approval of Budget Amendment to the Sanitation Vehicle Line Item 22-700.7951 in the amount of $862,595.98. (Carmen Gonzalez, Director of Sanitation)

STAFF COMMENTS AND RECOMMENDATIONS:

On March 16, 2017 City Commission approved the funding for three (3) sanitation refuse trucks. Staff is seeking authorization to increase the Machine & Equipment – Vehicle line item 22-700.7951 in the amount of $862,595.98 that will be reimbursed through the bond proceeds.

RECOMMENDATION:

Approval of Budget Amendment to the Sanitation Vehicle Line Item 22-700.7951 in the amount of $862,595.98.

PREPARED BY:	**APPROVED BY:**
Carmen Gonzalez, Director of Sanitation	Benjamin Arjona, City Manager

---

CITY OF SAN JUAN
BUDGET AMENDMENT

Budget Amendment No. ______________
(Assigned by Fin. Dept)

Fund Name: Solid Waste

Dept. Name: Sanitation

Account Number	Description	Original Budget	Amended Budget	Increase	Decrease	Amended Budget Amt
REVENUES						
						$0.00
						$0.00
						$0.00
						$0.00
	TOTAL REVENUES	$0.00	$0.00	$0.00	$0.00	$0.00

EXPENDITURES						
22-700.7951	Mach. & Equip. - Vehicles	$0.00	$0.00	$862,595.9[illegible]		$862,595.98
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
	TOTALS EXPEDITURES	$0.00	$0.00	$862,595.9[illegible]	$862,595.9[illegible]	$862,595.98

JUSTIFICATION:

Emergency purchase of three (3) 2017 Peterbilt 320 Rapid Rails

Carmen Gonazlez 04/06/2017

REQUESTED BY DATE

Department Director (Print)

eSigned via SeamlessDocs.com

Carmen Gonazlez

Key: b497e7fc3cc997958963377810c2a62e

04/06/2017

DEPT. DIRECTOR DATE

Department Director (Signature)

APPROVED BY DATE

City Manager (Budget Officer)

REVIEWED BY DATE

(Finance Department)

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 11, 2017

Consider an Ordinance in Second Reading for a Conditional Use Permit to operate a drive-thru business (restaurant) in a commercial property, legally described as a 1.828-acre tract of land out of Lot 19, Block 8, John Closner Subdivision, located at 1911 N. Raul Longoria Road, as Requested by Calixto Hernandez. (Xavier Cervantes, Director of Planning)

STAFF COMMENTS AND RECOMMENDATIONS:

At the City Commission Meeting on March 28, 2017, the City Commission approved the First Reading of the Ordinance as presented by staff.

Previously, staff provided the following background:

Mr. Hernandez is applying for a Conditional Use Permit to operate a drive-thru window for a proposed Golden Chick Restaurant in a commercial property located at 1911 N. Raul Longoria Road. The proposed restaurant will occupy the lot located at the North side of the proposed subdivision. Mr. Hernandez is proposing to have the entrance and exit along Raul Longoria Road.

The operation hours will be Monday thru Sunday from 10:30 a.m. to 11:00 p.m. No alcohol will be served in this location at this time.

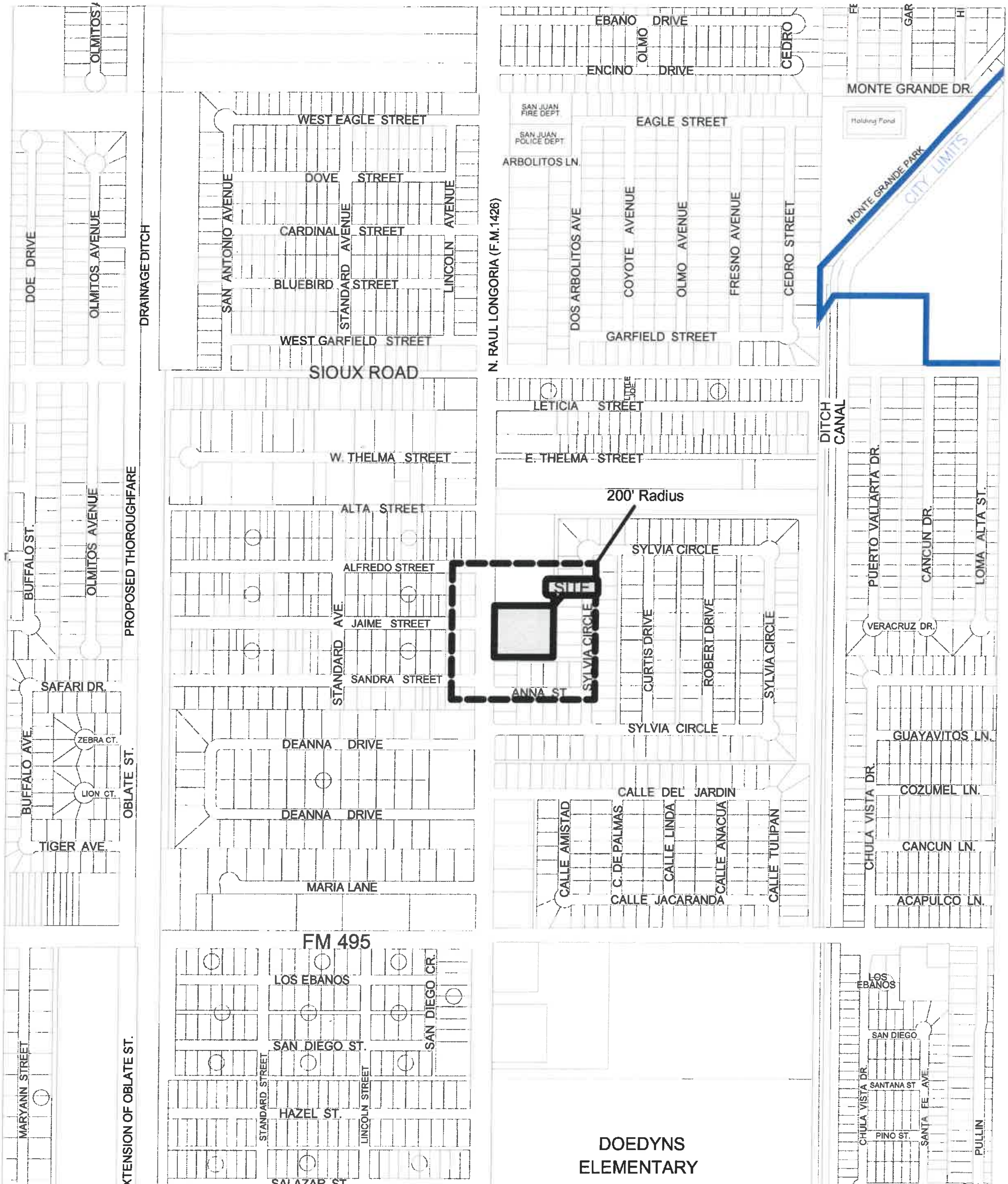
Staff mailed a notice of the public hearing to thirty-eight (38) property owners within a two hundred (200) feet radius and received no comments in favor or against the request.

RECOMMENDATION:

During a regular scheduled meeting on March 16, 2017, the Planning and Zoning Commission unanimously recommended approval of the conditional use permit subject to the conditions listed in the packet.

PREPARED BY:
Xavier Cervantes,
Director of Planning
and Zoning

APPROVED BY:
Benjamin Arjona, City
Manager



Legend

- CITY LIMITS
- Proposed area

Conditional Use Permit to operate a drive-thru business (restaurant) in a commercial area legally as a 1.828-acre tract of land out of Lot 19, Block 8, John Closner Subdivision, located at 1905 N. Raul Longoria Road, as Requested by Calixto Hernandez.

N

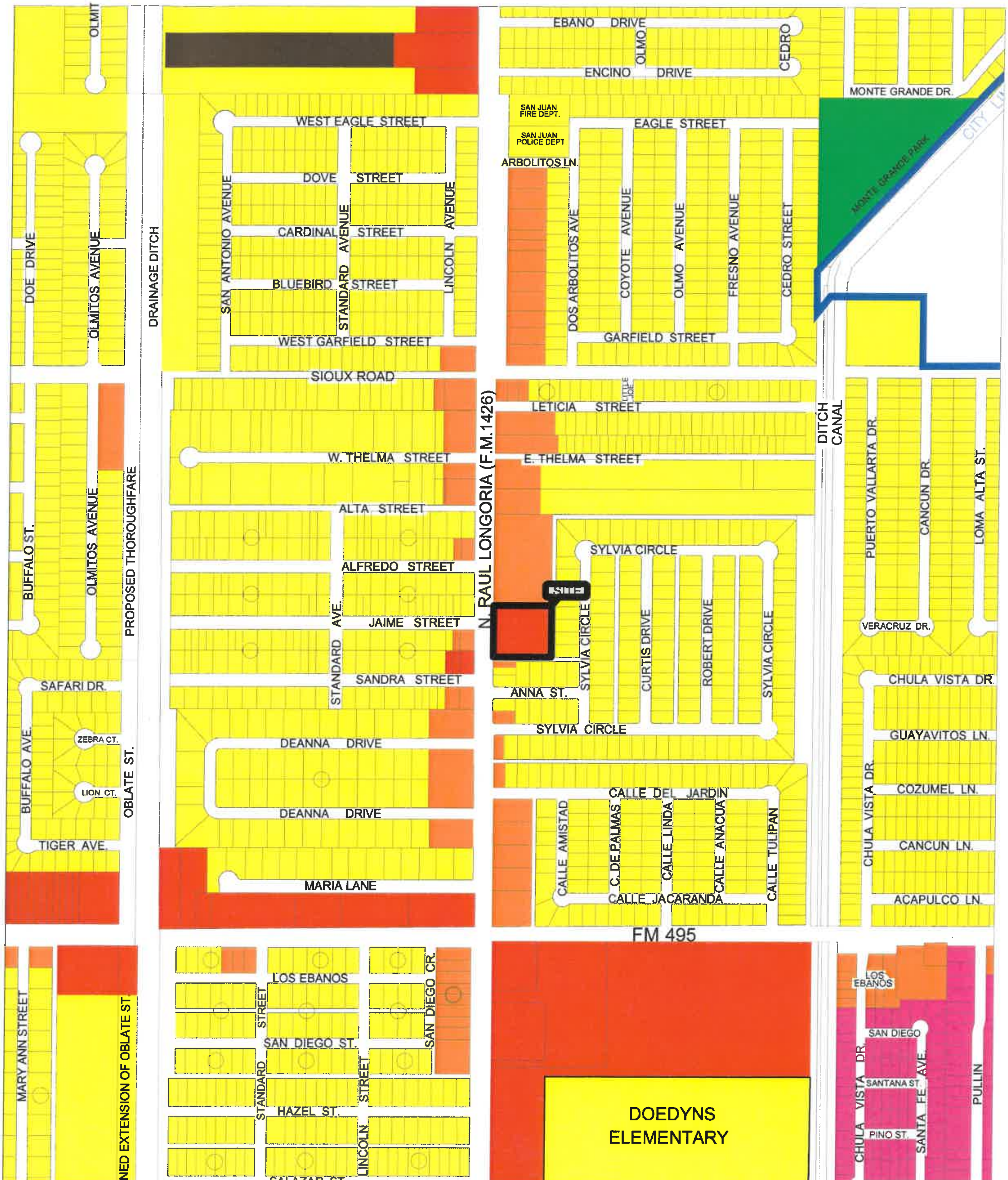
Legend

CITY LIMITS

Proposed area

Conditional Use Permit to operate a drive-thru business (restaurant) in a commercial area legally as a 1.828-acre tract of land out of Lot 19, Block 8, John Closner Subdivision, located at 1905 N. Raul Longoria Road, as Requested by Calixto Hernandez.

N

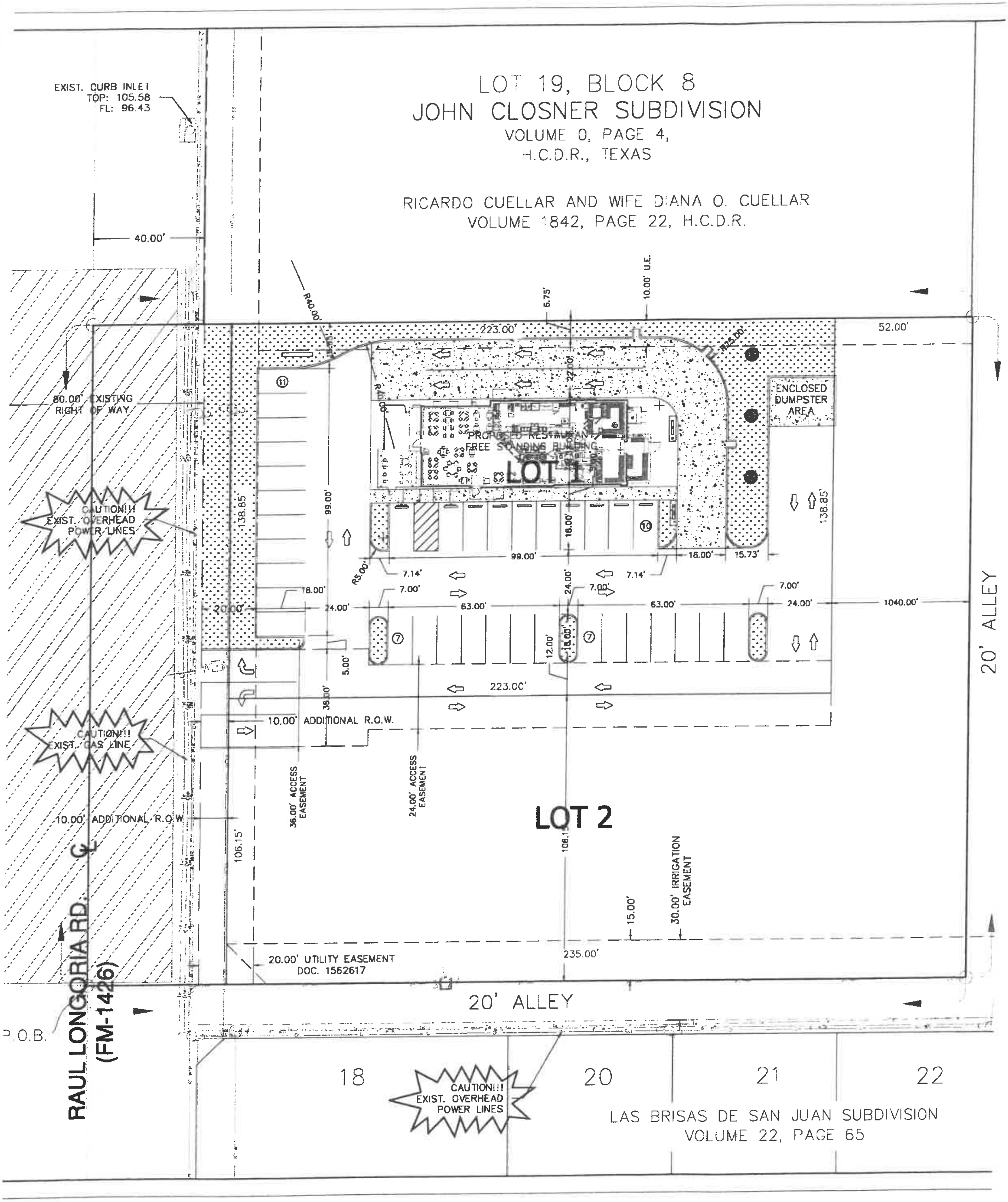


Zoning Districts

- Single Family Residential (R-S)
- Manufactured Home (R-MH)
- Multi-Family Residential (R-MF)
- Neighborhood Commercial (C-1)
- General Business (C-2)
- Heavy Commercial (C-3)
- Light Industrial (I-1)
- Heavy Industrial (I-2)
- Open Space (O)

Conditional Use Permit to operate a drive-thru business (restaurant) in a commercial area legally as a 1.828-acre tract of land out of Lot 19, Block 8, John Closner Subdivision, located at 1905 N. Raul Longoria Road, as Requested by Calixto Hernandez.

N



EXIST. CURB INLET
TOP: 105.58
FL: 96.43
LOT 19, BLOCK 8
JOHN CLOSNER SUBDIVISION
VOLUME 0, PAGE 4,
H.C.D.R., TEXAS
RICARDO CUELLAR AND WIFE DIANA O. CUELLAR
VOLUME 1842, PAGE 22, H.C.D.R.
40.00'
R40.00'
6.75'
10.00' U.E.
223.00'
52.00'
R25.00'
80.00' EXISTING RIGHT OF WAY
ENCLOSED DUMPSTER AREA
PROPOSED RESTAURANT FREE STANDING BUILDING
LOT 1
CAUTION!!! EXIST. OVERHEAD POWER LINES
138.85'
99.00'
18.00'
99.00'
18.00'
15.73'
138.85'
7.14'
7.14'
7.00'
7.00'
7.00'
24.00'
24.00'
63.00'
63.00'
24.00'
1040.00'
20.00'
12.00'
5.00'
223.00'
36.00'
10.00' ADDITIONAL R.O.W.
CAUTION!!! EXIST. GAS LINE
36.00' ACCESS EASEMENT
24.00' ACCESS EASEMENT
LOT 2
10.00' ADDITIONAL R.O.W.
106.15'
106.15'
30.00' IRRIGATION EASEMENT
15.00'
20' ALLEY
RAUL LONGORIA RD. (FM-1426)
20.00' UTILITY EASEMENT DOC. 1562617
235.00'
20' ALLEY
P.O.B.
18
20
21
22
CAUTION!!! EXIST. OVERHEAD POWER LINES
LAS BRISAS DE SAN JUAN SUBDIVISION
VOLUME 22, PAGE 65

AFFIDAVIT

March 10, 2017

To whom it may concern:

I, ***Calixto Hernandez***, am requesting a Conditional Use Permit to operate a drive-thru business (restaurant) in a commercial area located at ***1911 N. Raul Longoria Road***, legally described as a ***1.828-acre tract of land out of Lot 19, Block 8, John Closner Subdivision***. The operation hours for the business will be

Monday from 10:30 a.m. to 11:00 p.m.

Tuesday from 10:30 a.m. to 11:00 p.m.

Wednesday from 10:30 a.m. to 11:00 p.m.

Thursday from 10:30 a.m. to 11:00 p.m.

Friday from 10:30 a.m. to 11:00 p.m.

Saturday from 10:30 a.m. to 11:00 p.m.

Sunday from 10:30 a.m. to 11:00 p.m.

Signature:

Notary Public

SAN JUANITA SOTO
Notary Public, State of Texas
Comm. Expires 11-25-2019
Notary ID 128741815

Conditional Use Permit to operate a drive-thru business (restaurant) in a commercial area legally described as a 1.828-acre tract of land out of Lot 19, Block 8, John Closner Subdivision, located at 1911 N. Raul Longoria Road, as Requested by Calixto Hernandez.

Calixto Hernandez Inc.
1811 W. Kugh St. Apt 1
Edinburg, TX 78541-2945

Rincon, Francisco and Maria A.
104 Anna Dr.
San Juan, TX 78589-3337

Hernandez, Marco and Josefina
1506 Pullin Ave.
San Juan, TX 78589-3905

Cuellar, Ricardo and Diana
1310 S. Ebony St.
Pharr, TX 78577-6306

Pena, Maria Magdalena L.
516 W. Juarez St.
Pharr, TX 78577-3784

Viveros, Cutberto C. and Nohemi
704 Sylvia Cir.
San Juan, TX 78589-3349

Garza, Hector Javier
3818 S. Raul Longoria Rd.
Edinburg, TX 78542-2533

Martinez, Xavier
110 Anna Dr.
San Juan, TX 78589-3337

Quintero, Maria E.
702 Sylvia Cir.
San Juan, TX 78589-3349

Tamez, Esperanza
102 Jaime St.
San Juan, TX 78589-3403

Galvan, Fernando Leal
Fernando G. and Paula L Galvan
112 Anna Dr.
San Juan, TX 78589-3337

Carrizales, Jesus A. and Maria D.
424 Singapore Ln.
Carpentersville, IL 60110

Muniz, Apolinar
100 Jaime St.
San Juan, TX 78589-3403

Gonzalez, Gilberto
P.O. Box 347
San Juan, TX 78589-0347

Wiggins, Jeffery G. and Lottie
618 Sylvia Circle
San Juan, TX 78589-3350

Vasquez, Exiquio
P.O. Box 428
San Juan, TX 78589-0428

Hernandez, Alfredo and Guadalupe
105 Sylvia Circle
San Juan, TX 78589-3371

Cantu, Valerio and Maria G.
616 Sylvia Circle
San Juan, TX 78589-3350

Solis, Homer
3303 Lancelot Ln.
Edinburg, TX 78539-3419

Hernandez, Rodolfo H.
107 Sylvia Circle
San Juan, TX 78589-3371

Quintanilla, Aurora and Griselda
2825 Fortune Ave.
San Juan, TX 78589-3518

Gonzalez, Manuel
216 W. Thelma St.
San Juan, TX 78589-3423

Escobedo, Isabel and Guadalupe
106 Anna Dr.
San Juan, TX 78589-3337

Avila, Theodora
612 Sylvia Circle
San Juan, TX 78589-3350

Hernandez, Adriana C.
3616 Xanthisima Ave.
McAllen, TX 78504

Torres, Rogelio
26893 Patrick Ave.
Hayward, CA 94544-3804

Martinez, Maria Elena
1810 Sylvia Circle
San Juan, TX 78589-3340

Gonzalez, Roberto and Apolinar
P.O. Box 347
San Juan, TX 78589-0347

Acevedo, Denisse
c/o Guadalupe Acevedo
113 Anna Dr.
San Juan, TX 78589-3338

Perales, Araceli
Sylvia Perales
10002 Victoria Point Ln.
Houston, TX 78075

Conditional Use Permit to operate a drive-thru business (restaurant) in a commercial area legally described as a 1.828-acre tract of land out of Lot 19, Block 8, John Closner Subdivision, located at 1911 N. Raul Longoria Road, as Requested by Calixto Hernandez.

Sanchez, Francisco J and Maria E.
Luisa Salazar
1804 Sylvia Circle
San Juan, TX 78589-3340

Pena, Rogelio and Alma
2902 E. Nava Rd.
Edinburg, TX 78542-2028

Soto, Ricardo and San Juanita
1800 Sylvia Circle
San Juan, TX 78589-3340

Villarreal, Nora M.
P.O. Box 986
San Juan, TX 78589-0986

Ramirez, Armando and Juana
1710 Sylvia Circle
San Juan, TX 78589-3339

Cantu, Antonio and Norma I.
1708 Sylvia Circle
San Juan, TX 78589-3339

Almanza, Jorge
Gladys Castillo
1706 Sylvia Circle
San Juan, TX 78589-3339

Rodriguez, Gerardo Joel and Ana
309 San Bernardino
Alamo, TX 78516

Conditional Use Permit to operate a drive-thru business (restaurant) in a commercial area legally described as a 1.828-acre tract of land out of Lot 19, Block 8, John Closner Subdivision, located at 1911 N. Raul Longoria Road, as Requested by Calixto Hernandez.

ORDINANCE NO.

AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT TO OPERATE A DRIVE-THRU BUSINESS (RESTAURANT) IN A COMMERCIAL PROPERTY LOCATED AT 1911 N. RAUL LONGORIA ROAD, LEGALLY DESCRIBED AS A 1.828-ACRE TRACT OF LAND OUT OF LOT 19, BLOCK 8, JOHN CLOSNER SUBDIVISION, AS PROVIDED IN ARTICLE IV, OF THE ZONING ORDINANCE, CITY OF SAN JUAN, HIDALGO COUNTY, TEXAS, PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; PROVIDING FOR A CODE DISPOSITION.

WHEREAS, Calixto Hernandez has applied for a Conditional Use Permit under Article IV; of the Zoning Ordinance of the City of San Juan to operate a Drive-Thru Business (restaurant) in a commercial property.

WHEREAS, this type of activity is prohibited by said Zoning Ordinance unless a Conditional Use Permit is granted; and,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMMISSION OF THE CITY OF SAN JUAN, TEXAS, AS FOLLOWS:

SECTION I. That a Conditional Use Permit under Article IV of the Zoning Ordinance of the City of San Juan, Texas, be granted to Calixto Hernandez to operate a to operate a drive-thru business (restaurant) at property legally described as 1.828-acre tract of land out of Lot 19, Block 8, John Closner Subdivision, subject to the following conditions:

1. Loading and unloading of merchandise to be done inside the property.
2. The applicant must install security cameras as per the City's *Security Cameras Ordinance.*
3. The hours of operation shall be Monday thru Sunday from 10:30 a.m. to 11:00 p.m.
4. The drive-thru area and the parking lot must be properly lit.

SECTION II. PUBLICATION AND EFFECTIVE DATE CLAUSE. This Ordinance shall be published in the official newspaper of the City of San Juan, Texas, as provided by law, and shall be and remain in full force and effect from the after said date of publication.

PASSED and **APPROVED** on first reading on the 28th day of March, 2017.

PASSED and **APPROVED** on second and final reading on the 11th day of April, 2017.

CITY OF SAN JUAN

SAN JUANITA SANCHEZ, MAYOR

ATTEST:

PALMIRA CEPEDA
INTERIM CITY SECRETARY

APPROVED BY:

JAVIER VILLALOBOS
CITY ATTORNEY

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 11, 2017

Consider an Ordinance in Second Reading for a Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at the "RGV Coolers" retail store located at 2604 N. Raul Longoria Road, Suite 106, legally described as Lot 1, Storage Depot Subdivision, as Requested by RGV Coolers, LLC. (Xavier Cervantes, Director of Planning)

STAFF COMMENTS AND RECOMMENDATIONS:

At the City Commission Meeting of March 28, 2017, the City Commission approved the First Reading of the Ordinance as presented by staff.

Previously, staff provided the following background:

Ms. Nelly Garza dba RGV Coolers, LLC. is requesting a conditional use permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at the “RGV Coolers” retail store. The store is located in one of the suites at the Storage Depot Commercial Plaza located at 2604 N. Raul Longoria Road. The RGV Coolers store has been open since January, 2017.

The applicant is proposing to sell alcoholic beverages for off-premise consumption as a result of the type of products that they sell in the store. She sells ice chests and insulated bottles and some customers have shown an interested in buying alcoholic beverages while there for their hunting or fishing trips.

The operation hours will be Monday to Saturday from 10:00 a.m. to 7:00 p.m.

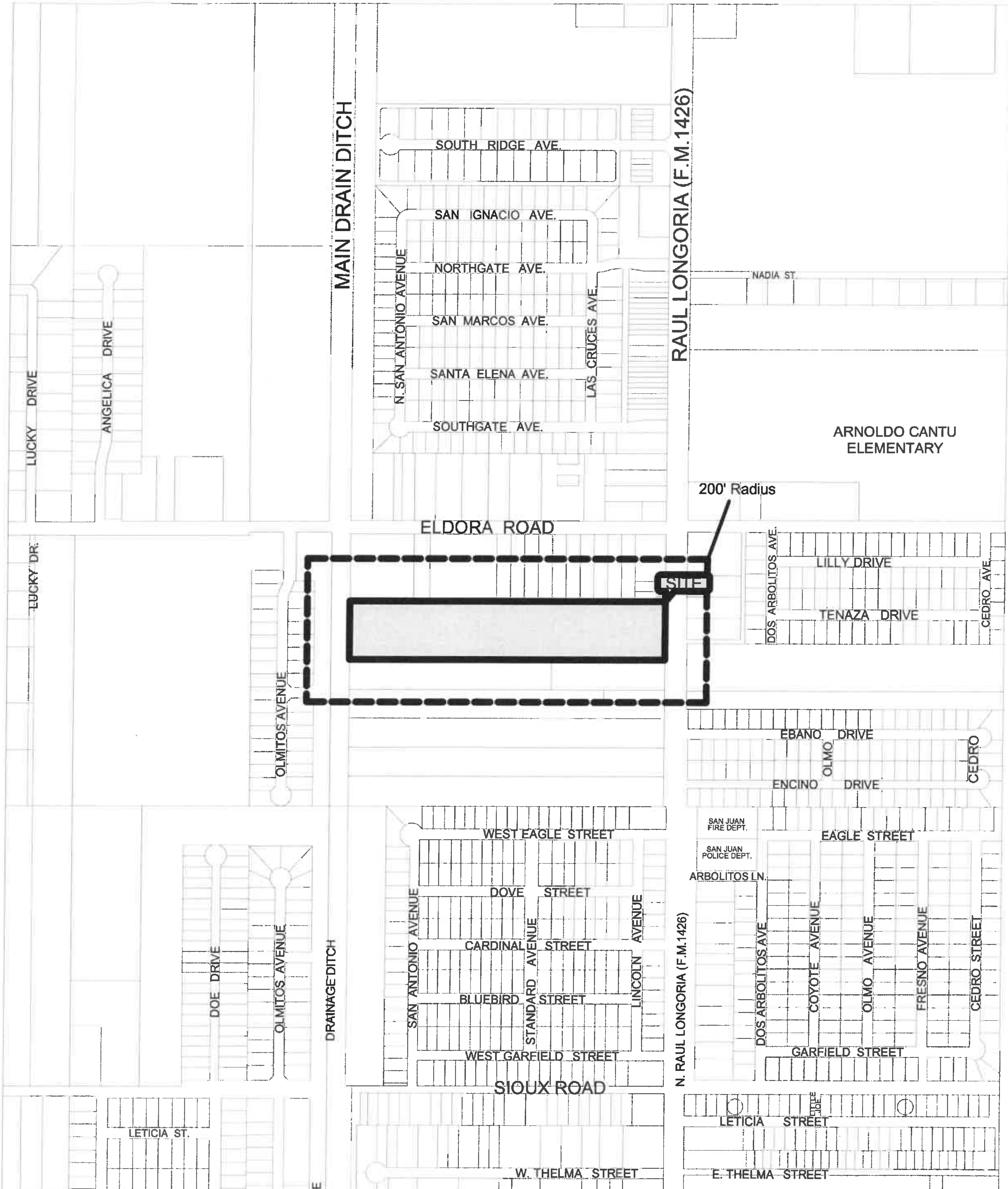
Staff mailed a notice of the public hearing before the Planning and Zoning Commission to thirty-seven (37) property owners within a two hundred (200) feet radius and received two (2) calls against the request.

RECOMMENDATION:

During a regular scheduled meeting on March 16, 2017, the Planning and Zoning Commission unanimously recommended approval of the rezoning request.

PREPARED BY:
Xavier Cervantes,
Director of Planning
and Zoning

APPROVED BY:
Benjamin Arjona, City
Manager



Legend

CITY LIMITS

Proposed area

Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at the "RGV Coolers" retail store located at 2604 N. Raul Longoria Road, Suite 202, legally described as Lot 1, Storage Depot Subdivision, as Requested by RGV Coolers, LLC.

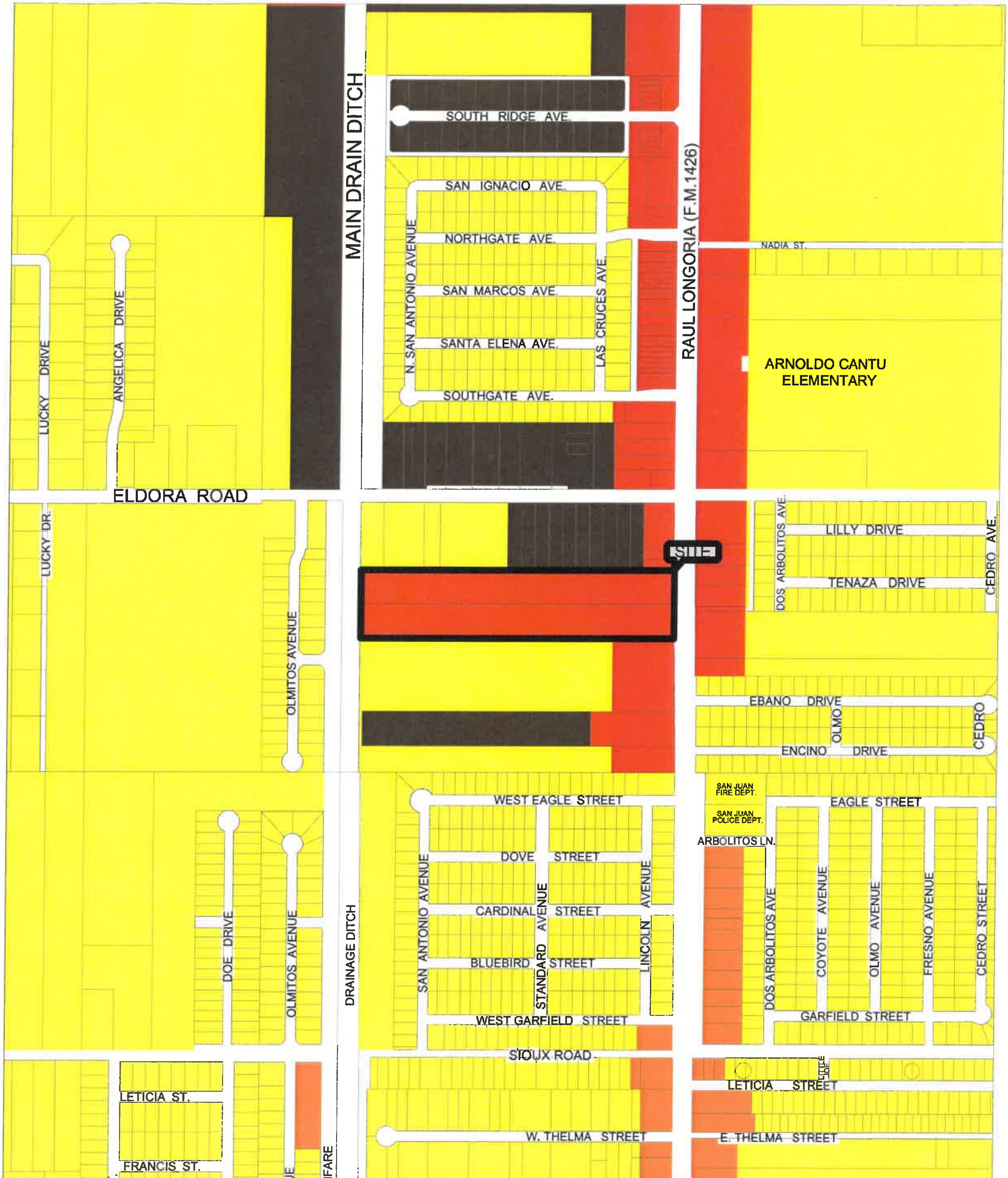
Legend

CITY LIMITS

Proposed area

Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at the "RGV Coolers" retail store located at 2604 N. Raul Longoria Road, Suite 202, legally described as Lot 1, Storage Depot Subdivision, as Requested by RGV Coolers, LLC.

N



Zoning Districts

- Single Family Residential (R-S)
- Manufactured Home (R-MH)
- Multi-Family Residential (R-MF)
- Neighborhood Commercial (C-1)
- General Business (C-2)
- Heavy Commercial (C-3)
- Light Industrial (I-1)
- Heavy Industrial (I-2)
- Open Space (O)

Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at the "RGV Coolers" retail store located at 2604 N. Raul Longoria Road, Suite 202, legally described as Lot 1, Storage Depot Subdivision, as Requested by RGV Coolers, LLC.

AFFIDAVIT

March 10, 2017

To whom it may concern:

I, ***Nelly Garza dba RGV Coolers, LLC*** am requesting a Conditional Use Permit to operate a drive-thru business (restaurant) in a commercial area located at ***2604 N. Raul Longoria Road, Suite 106***, legally described as ***Lot 1, Storage Depot Subdivision.*** The operation hours for the business will be

Monday from 10:00 a.m. to 7:00 p.m.

Tuesday from 10:00 a.m. to 7:00 p.m.

Wednesday from 10:00 a.m. to 7:00 p.m.

Thursday from 10:00 a.m. to 7:00 p.m.

Friday from 10:00 a.m. to 7:00 p.m.

Saturday from 10:00 a.m. to 7:00 p.m.

Sunday – Closed

Signature:

Notary Public

SAN JUANITA SOTO
Notary Public, State of Texas
Comm. Expires 11-25-2019
Notary ID 128741815

Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at the "RGV Coolers" retail store located at 2604 N. Raul Longoria Road, Suite 202, legally described as Lot 1, Storage Depot Subdivision, as Requested by RGV Coolers, LLC.

Troy Investment Company No.30 LP.
P.O. Box 3817
Brownsville, TX 78523-3817

Saucedo, Angel and Maria E.
201 W. Eldora Rd.
San Juan, TX 78589-4878

Troy Investment Company No 7 LP.
P.O. Box 3817
Brownsville, TX 78523-3817

Garcia, Roberto Candanosa
2708 N. Raul Longoria Road
San Juan, TX 78589-9619

Castillo, Anel J.
203 W. Eldora Rd.
San Juan, TX 78589-4878

Sandoval, Daniel and Santa
P.O. Box 2251
San Juan, TX 78589-7251

Arias, Leonardo
2710 N. Raul Longoria Road
San Juan, TX 78589-9619

Ojeda, Jose A. and Oralia g.
205 W. Eldora Rd.
San Juan, TX 78589-4878

Broadnax, Roy H. Jr. and Esthela
P.O. Box 2026
San Juan, TX 78589-7026

Garcia, Juan J. and Yolanda
501 Sam Houston Blvd.
San Juan, TX 78589-2428

De Leon, Rolando J. and Graciela
P.O. Box 616
San Juan, TX 78589-0616

Gomez, Martin
1035 Citriana Dr.
San Juan, TX 78589-4002

Ramirez, Guadalupe
101 W. Eldora Rd.
San Juan, TX 78589

Villarreal, Blanca B.
P.O. Box 2037
San Juan, TX 78589-7037

Olvera, Federico Lopez
921 Valle Vista
Pharr, TX 78577

Hepburn, Bruce M. and Paula L.
P.O. Box 68
San Juan, TX 78589-0068

Celis, Monica
725 Alturas Ln. Apt 3
Fallbrook, CA 92028-3172

Mendez, Patricio and Isabel Q.
2608 Olmitos
San Juan, TX 78589-3392

Abrego, Silvano M. Jr.
Guadalupe Abrego
107 W Eldora Rd.
San Juan, TX 78589-4717

Arteaga, Rogelio
P.O. Box 1304
San Juan, TX 78589-1304

Morales, Sergio G.
5211 S. McColl Rd.
Edinburg, TX 78539-7834

Soto, Leticia
109 W Eldora Rd.
San Juan, TX 78589-4717

Arteaga, Filiberto
P.O. Box 2653
San Juan, TX 78589-7653

Martinez, Luis and Enedelia
2604 Olmitos Avenue
San Juan, TX 78589-3392

Ortiz, Victor and Irma
P.O. Box 1117
Alamo, TX 78516-1117

Pena, Maricela
213 W Eldora Rd.
San Juan, TX 78589-4878

Guerra, Carmina
303 Amy Rd. Apt C
San Juan, TX 78589-3587

Quintanilla, Jose L.
111 W. Eldora Rd.
San Juan, TX 78589-4717

Cantu, Jose Ignacio and Maria C.
P.O. Box 464
Pharr, TX 78577-1608

Alvarez, Amador A.
2508 Olmitos Avenue
San Juan, TX 78589-3399

Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at the "RGV Coolers" retail store located at 2604 N. Raul Longoria Road, Suite 202, legally described as Lot 1, Storage Depot Subdivision, as Requested by RGV Coolers, LLC.

Valencia, J Jesus and Flor E.
2814 N. 44th Ln.
McAllen, TX 78501-3629

Uresti, Jose and Eliecer E.
2912 N. Raul Longoria Rd.
San Juan, TX 78589-9727

Cantu, Juanita
P.O. Box 1941
San Juan, TX 78589-1941

Alejandro's Tortilla Factory and
Bakery LLC.
P.O. Box 789
McAllen, TX 78505-0789

My Blessings LTD.
3921 Saratoga Blvd. Suite 103/105
Corpus Christi, TX 78415-5820

De la Torre, Abiel
2007 Loma Alta Dr.
San Juan, TX 78589-3300

Garcia, Jose E. and Elva G.
2306 Fresno St.
San Juan, TX 78589-4156

Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at the "RGV Coolers" retail store located at 2604 N. Raul Longoria Road, Suite 106, legally described as Lot 1, Storage Depot Subdivision, as Requested by RGV Coolers, LLC.

ORDINANCE NO.

AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT FOR THE SALE OF ALCOHOLIC BEVERAGES FOR OFF-PREMISE CONSUMPTION AT THE "RGV COOLERS" RETAIL STORE LOCATED AT 2604 N. RAUL LONGORIA ROAD, LEGALLY DESCRIBED AS LOT 1, STORAGE DEPOT SUBDIVISION, AS PROVIDED IN ARTICLE IV, OF THE ZONING ORDINANCE, CITY OF SAN JUAN, HIDALGO COUNTY, TEXAS, PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; PROVIDING FOR A CODE DISPOSITION.

WHEREAS, RGV Coolers LLC. has applied for a Conditional Use Permit under Article IV; of the Zoning Ordinance of the City of San Juan for the Sale of Alcoholic Beverages (wine and beer) for Off-Premise Consumption at the " RGV Coolers" retail store.

WHEREAS, this type of activity is prohibited by said Zoning Ordinance unless a Conditional Use Permit is granted; and,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMMISSION OF THE CITY OF SAN JUAN, TEXAS, AS FOLLOWS:

SECTION I. That a Conditional Use Permit under Article IV of the Zoning Ordinance of the City of San Juan, Texas, be granted to RGV Coolers, LLC. has applied for a Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at the "RGV Coolers" located at 2604 N. Raul Longoria Road subject to the following conditions:

1. The applicant must install security cameras as per the City's *Security Cameras Ordinance*.
2. The operation hours will be Monday to Saturday from 10:00 a.m. to 7:00 p.m.

SECTION II. PUBLICATION AND EFFECTIVE DATE CLAUSE. This Ordinance shall be published in the official newspaper of the City of San Juan, Texas, as provided by law, and shall be and remain in full force and effect from the after said date of publication.

PASSED and **APPROVED** on first reading on the 28th day of March, 2017.

PASSED and **APPROVED** on second and final reading on the 11th day of April, 2017.

CITY OF SAN JUAN

SAN JUANITA SANCHEZ, MAYOR

ATTEST:

PALMIRA CEPEDA
INTERIM CITY SECRETARY

APPROVED BY:

JAVIER VILLALOBOS
CITY ATTORNEY