

AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, JUNE 11, 2013, 6:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, JUNE 11, 2013, 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION offered by Chaplain Matt Gallo, Peterson Hospice Chaplain.

PLEDGE OF ALLEGIANCE TO THE FLAG led by Art Modgling, Commanding Officer of the local chapter of the Vietnam Veterans of America.

Those in attendance may stand if they wish.

1. VISITORS/CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must fill out the speaker request form and give it to the City Secretary. City Council may not discuss or take any action on an item but may place the issue on a future agenda. The number of speakers will be limited to the first ten speakers and each speaker is limited to four minutes.

2. CONSENT AGENDA:

These items are considered routine and can be approved in one motion unless a city councilmember asks for separate consideration of an item. It is recommended that City Council approve the following items which will grant the Mayor or City Manager the authority to take all actions necessary for each approval:

2A. Minutes of the regular Kerrville City Council meeting held May 28, 2013. (staff)

2B. A Resolution No. 19-2013 adopting amendments to the city's purchasing policy and procedures manual. (staff)

2C. A Resolution No. 21-2013 adopting amendments to the city's financial policy. (staff)

2D. A Resolution No. 20-2013 adopting amendments to the City of Kerrville investment policy regarding the investment of city funds in accordance with the Public Funds Investment Act. (staff)

END OF CONSENT AGENDA

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-258-1117 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time, June 7, 2013 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

3. PUBLIC HEARING:

3A. Annexation and zoning of 0.91 acre tract of land addressed as 2262 Bandera Highway. (staff)

4. ORDINANCES SECOND READING:

4A. An Ordinance No. 2013-07, amending Ordinance No. 2011-08, which annexed property into the city and created a "Planned Development District" on the approximate 43.72 acre tract of land, being all of a revision of Hartshorn Country Sites, a subdivision of record found at Volume 7, Page 148, Plat Records of Kerr County, Texas, and all of the James Avery Craftsman Subdivision, a subdivision of record found at Volume 7, Page 149, Plat Records of Kerr County, Texas, and those portions of Avery Road North and Lessie Lane, public roads located within and between the two subdivisions, said property generally located at and east of the intersection of Harper Road (FM783) and Avery Road North; said amendment removing the requirement for the construction of public sidewalks. (staff)

5. ORDINANCES, FIRST READING:

5A. An Ordinance No. 2013-13 amending the budget for fiscal year 2013 to account for various changes to the city's operational budgets, supplemental appropriations, and closing out and supplementing capital improvement projects. (staff)

6. CONSIDERATION AND POSSIBLE ACTION:

6A. Appointments to the Kerrville-Kerr County Joint Airport Board. (Bruce McKenzie, airport manager)

6B. Request by Kerr County to confirm the extension of city wastewater service into a targeted area of Kerrville South that is outside the city limits as part of a colonia fund application through the Texas Department of Agriculture Office of Rural Affairs. (Eric Hartzel, GrantWorks, Inc.)

6C. Extension of terms for the Charter Review Commission. (staff)

7. INFORMATION AND DISCUSSION

7A. Water resources report. (staff)

7B. Pending legislation from the 83rd Texas Legislature, regular session. (staff)

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-258-1117 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time, June 7, 2013 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

8. BOARD APPOINTMENTS

8A. Appointment to the Library Advisory Board. (staff)

9. ITEMS FOR FUTURE AGENDAS

10. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Announcement of items of community interest, including expressions of thanks, congratulations, or condolences; information regarding holiday schedules; honorary recognitions of City officials, employees, or other citizens; reminders about upcoming events sponsored by the City or other entity that is scheduled to be attended by City officials or employees; and announcements involving imminent threats to the public health and safety of the City. No action will be taken.

11. EXECUTIVE SESSION:

City Council may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above including if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code, including the following matters:

Sections 551.071 and 551.072:

Discuss the purchase, exchange, lease, sale, or value of real property, the public discussion of which would not be in the best interests of the City's bargaining position with third parties, regarding property interests related to the following public works projects:

- Jefferson lift station
- G Street sewer project
- River Trail.

12. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

13. ADJOURNMENT.

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-258-1117 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time, June 7, 2013 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Minutes of the regular Kerrville City Council meeting held May 28, 2013.
(staff)

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
MAY 28, 2013

On May 28, 2013, the Kerrville City Council meeting was called to order at 6:00 p.m. by Mayor Pratt in the city hall council chambers at 701 Main Street. The invocation was offered by John Wheat, Pastor for Trinity Baptist Church, followed by the Pledge of Allegiance led by Jenna Jones, Cadet Tech Sergeant, Tivy High School Junior Reserve Officers Training Corps.

COUNCILMEMBERS PRESENT:

Jack Pratt	Mayor
Stacie Keeble	Mayor Pro Tem
Gene Allen	Councilmember
Carson Conklin	Councilmember
Justin MacDonald	Councilmember

COUNCILMEMBER ABSENT: None.

CITY EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Charvy Tork	Director of Information Technology Systems
Mike Erwin	Director of Finance
Sandra Yarbrough	Director of Finance
Robert Ojeda	Fire Chief
Jason Lutz	City Planner
Kim Meisner	Director of General Operations
Ashlea Boyle	Special Projects Coordinator

VISITORS PRESENT: List on file in city secretary's office for the required retention period.

1. VISITORS/CITIZENS FORUM No one spoke.

2. CONSENT AGENDA:

Mr. Allen moved for approval of items 2A through 2D; Mr. MacDonald seconded the motion and it passed 5-0:

2A. Minutes of the regular Kerrville City Council meeting held May 14, 2013, and the special meeting held May 21, 2013.

2B. Consulting Agreement by and between Gallagher Benefit Services, Inc., a Delaware Corporation, and City of Kerrville for employee benefit services for the period June 1, 2013, through May 31, 2014.

2C. Construction contract with S.J. Louis Construction of Texas Ltd. for construction of the G Street interceptor project in the amount of \$1,659,808.62, and authority to approve additional change orders, if any, any one of which may exceed \$50,000 but the total amount for such may not exceed the budgeted amount of \$1,908,780.62.

2D. A Resolution No. 18-2013 amending the city's policies and procedures regarding the allocation of hotel occupancy tax revenues. (staff)

END OF CONSENT AGENDA

3. PUBLIC HEARING:

3A. Annexation and zoning of 0.91 acre tract of land addressed as 2262 Bandera Highway.

Mr. Lutz noted this was the first of two public hearings for annexation of a 0.91 acre tract at Bandera Highway and Loop 534. The planning and zoning commission recommended annexation and S-36 commercial zoning district, which would accommodate restaurant and retail uses as planned by the owner.

Mayor Pratt opened the public hearing at 6:06 p.m.; the following persons spoke:

1. Michelle Enzler, representing the adjacent property owner, Suzanne Hollimon, stated that the subject property was appraised at \$235,000; however, Ms. Hollimon had discounted the property by \$90,000 for the 30 foot access easement when she sold the property to Mr. Howard. The purpose of the easement was to provide access to the 27 acres behind the subject property; without access to the highway, the value of that property would decrease. Mr. Howard was now asking the city to remove the easement on the west side and put it on the cemetery side. She noted there was a utility easement through the cemetery, and she felt that a right of way easement did not belong in a cemetery. She understood from others that Mr. Howard could not simply remove the access easement from the property; further, Mr. Howard could not have control of that road.

2. Barry Knox supported the annexation; however, he noted adjacent property to the east of the subject property had an historic cemetery. The 30 foot access easement was to allow access from the highway to the 27 acres located behind the subject property; if the easement is removed by Mr. Howard, there would not be any access to the highway. He noted there was a road into the cemetery property, but it did not have access to the highway and it was not an access easement. Ms. Hollimon had paid \$90,000 to maintain the access easement.

Mayor Pratt closed the public hearing at 6:09 p.m.

Mr. Hayes noted the only issue before council at this time was to hold the public hearing; no action was required. Staff would look at the deeds and easements, and those issues would be addressed during the platting process.

Mr. Lutz noted there was a 30 foot easement along and parallel to the subject tract, but it was unclear which tract the easement was on. A replat could not be approved until after all subdivision requirements had been met, including access. The applicant had withdrawn his replat application at this time to work on issues, but he would probably resubmit it in July, but that would be after the annexation.

Council noted there were specific state laws that addressed ingress and egress to cemeteries.

4. PUBLIC HEARING AND ORDINANCES FIRST READING:

4A. Ordinance No. 2013-07, amending Ordinance No. 2011-08, which annexed property into the city and created a "Planned Development District" on the approximate 43.72 acre tract of land, being all of a revision of Hartshorn Country Sites, a subdivision of record found at Volume 7, Page 148, Plat Records of Kerr County, Texas, and all of the James Avery Craftsman Subdivision, a subdivision of record found at Volume 7, Page 149, Plat Records of Kerr County, Texas, and those portions of Avery Road North and Lessie Lane, public roads located within and between the two subdivisions, said property generally located at and east of the intersection of Harper Road (FM783) and Avery Road North; said amendment removing the requirement for the construction of public sidewalks. Mayor Pratt read the ordinance by title.

Mr. Lutz noted the city ordinances required sidewalks to be constructed in right of ways. The sidewalk master plan only required construction of sidewalks along dedicated right of ways; Avery Road and Lessie Lane were not dedicated right of ways, thus, sidewalks would only be required along Harper Road. The subject property was outside the city when the sidewalk master plan was created and the subject area was not addressed. Staff stated that a goal of the sidewalk master plan, i.e. to provide access for pedestrians, would not apply to this area; also, pedestrian safety along I-10 and Harper Road was a concern. Under the city ordinance, the subject property qualified for an exemption; however, the applicant requested the waiver be an amendment to the PDD. All responses received from neighboring landowners were in support of the waiver. The planning and zoning commission recommended approval of the amendment.

Mayor Pratt opened the public hearing at 6:15 p.m., and the following person spoke:

1. Howell Ridout, representing James Avery Craftsman, noted there was no pedestrian traffic to JAC as all visitors arrived by vehicles. The campus was rural and there were extensive pathways throughout the campus. The only comments received from neighbors were in support of the waiver. JAC was in the process of building a new retail store and visitors' center to attract visitors to the campus.

Mayor Pratt closed the public hearing at 6:20 p.m.

Mr. Conklin moved for approval of Ordinance No. 2013-07 on first reading; Mr. MacDonald seconded the motion and it passed 5-0.

5. ORDINANCES SECOND AND FINAL READING:

5A. Ordinance No. 2013-09 amending the City's "Zoning Code" by changing the zoning district of an approximate 31.40 acre tract of land generally located along and north of the 2100 block of E. Main Street from the "RC" residential cluster district to the "PI" public and institutional district; containing a cumulative clause; containing a savings and severability clause; providing for a maximum penalty or

fine of two thousand dollars (\$2,000.00); ordering publication, and providing other matters relating to the subject. Mayor Pratt read the ordinance by title.

Mr. Lutz noted that no changes had been made since first reading on May 14.

Ms. Keeble moved for approval of Ordinance No. 2013-09 on second and final reading; Mr. Allen seconded the motion and it passed 5-0.

5B. Ordinance No. 2013-10 amending Chapter 6 "Advertising", Article II "Signs" of the city's Code of Ordinances to revise various definitions and revise the regulations for several types of signs; containing a savings and severability clause; providing for penalties not to exceed \$2,000.00; ordering publication; providing an effective date; and providing other matters related to the subject. Mayor Pratt read the ordinance by title.

Mr. Parton noted no changes had been made since approval on first reading on May 14, and staff recommended approval.

The following person spoke:

1. Ruth Spradling asked if anyone had spoken in opposition to the amendments at the May 14 meeting. She noted that persons who worked on the sign ordinance committee had spoken strongly in opposition to the changes.

Council noted that no one spoke against the ordinance on first reading on May 14.

Mr. Conklin moved for approval of Ordinance No. 2013-10 on second and final reading; Mr. MacDonald seconded the motion and it passed 5-0.

5C. Ordinance No. 2013-11 approving and adopting rate schedule "RRM – Rate Review Mechanism" for Atmos Energy Corporation, Mid-Tex Division to be in force in the city for a period of time as specified in the rate schedule; adopting a savings clause; determining that this ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; declaring an effective date; and requiring delivery of this ordinance to the company and ACSC legal counsel. Mayor Pratt read the ordinance by title.

Mr. Hayes noted the ordinance would adopt a rate review mechanism which deviated from the process specified in state law; however, it was a simpler process that had been negotiated by both sides, and he recommended approval. He anticipated that Atmos may submit a rate increase in July under this RRM.

Mr. MacDonald moved for approval of Ordinance No. 2013-11 on second and final reading; Mr. Conklin seconded the motion and it passed 5-0.

6. CONSIDERATION AND POSSIBLE ACTION:

6A. Kerrville-Kerr County Joint Airport Board budget for Fiscal Year 2014. Stephen King, President of the Airport Board, noted the proposed FY14 budget

had been reduced by \$20,000 from 2013, \$10,000 each for the city and county. The total contribution in the proposed budget was \$80,412 each for the city and county, and it was a balanced budget. He stated that the T-hangar project was waiting for TxDOT funding, and following construction of the T-hangars, he anticipated significant increase in revenue, reducing the city's and county's contribution to the airport budget.

Mr. Allen moved to approve the airport board budget for FY2014 as presented; Mr. MacDonald seconded the motion and it passed 5-0.

6B. Economic development grant agreement between Kerrville's 4th On the River and the City of Kerrville, Texas Economic Improvement Corporation.
Ms. Boyle noted that EIC approved an agreement on May 20 to reimburse event organizers for rental of certain equipment needed for the Kerrville's 4th On the River event, not to exceed \$25,000.

Ms. Keeble moved to approve the agreement as presented; Mr. Allen seconded the motion and it passed 5-0.

6C. Economic development grant agreement between Kerrville Area Chamber of Commerce and the City of Kerrville, Texas Economic Improvement Corporation.

Ms. Boyle noted that EIC approved an agreement on May 20 to reimburse the chamber of commerce for rental of grandstands for spectators at the Kerrfest event held on May 16-19, 2013, not to exceed \$10,500. She noted that attendance to the event was estimated at 3,300.

Council questioned if the stands provided by the city were sufficient to meet the chamber's needs as there was concern about box seats not being provided. Kristan Weaver, representing the chamber, said the stands were sufficient, but they requested that box seats also be provided in the future.

Council also questioned if there was a deadline for the chamber to submit their request for reimbursement. Mr. Parton noted this reimbursement was for the 2013 Kerrfest and there would not be a timing issue.

Mr. MacDonald moved to approve the agreement as presented; Mr. Conklin seconded the motion and it passed 5-0.

6D. Economic development grant agreement between Texas Folk Music Foundation dba Kerrville Folk Festival and the City of Kerrville, Texas Economic Improvement Corporation.

Ms. Boyle noted EIC approved an agreement on May 20 to reimburse the Texas Folk Music Foundation for rental of chartered buses to transport people to and from three events being held Memorial Day weekend, i.e. Kerrville Folk Festival, Texas Arts and Crafts Fair, Kerr Market Days, and the downtown area, in an amount not to exceed \$8,500.

Council and staff noted the transportation services did not appear to be very well used, attributed mainly to weather conditions and first year issues. The city would evaluate whether to support transportation services in the future.

Mr. Conklin moved to approve the agreement as presented; Ms. Keeble seconded the motion and it passed 5-0.

6E. Economic development grant agreement between Texas Hill Country Wine and Brew Festival and the City of Kerrville, Texas Economic Improvement Corporation.

Ms. Boyle noted EIC approved an agreement on May 20 to reimburse Comanche Trace for rental of equipment needed for the Texas Hill Country Wine and Brew Festival to be held at Comanche Trace on July 6, not to exceed \$20,432.

Ms. Keeble moved to approve the agreement as presented; Mr. MacDonald seconded the motion and it passed 5-0.

6F. Application for 4B sales tax funding for improvements to the Cailloux Theater in an amount not to exceed \$200,652.

Ms. Boyle noted that on May 20 EIC moved to support two applications for facility improvements and equipment upgrades to the city-owned Cailloux Theater:

1. Playhouse 2000 for roof upgrades and improvements to the "VK Garage" area of the theater, including modular seating.

2. City of Kerrville for upgrades to the interior and exterior lighting with energy efficient lighting throughout the facility, estimated at \$121,000 interior and \$79,652 exterior. Staff noted that some of the interior lighting was not upgraded in the Playhouse 2000 renovation and was the original lighting installed in 1959.

Mr. Parton noted he also had conversations with KPUB's general manager and the city may be eligible for energy efficiency grants that will cover some of the cost of the lighting, and a decision by KPUB on the grant would be known before final approval of grant submission is considered by city council.

Mr. MacDonald moved to authorize staff to make application to the economic improvement corporation to fund upgrades to the interior and exterior lighting at the Cailloux Theater in the amount not to exceed \$200,652; Mr. Allen seconded the motion and it passed 5-0.

6G. Appointment of Mayor Pro Tem.

Mr. Allen moved to appoint Carson Conklin as mayor pro tem; Mr. MacDonald seconded the motion and it passed 5-0.

7. INFORMATION AND DISCUSSION

7A. Update on activities of the Kerrville Economic Development Corporation.

Mr. Conklin reported on the following:

- Manufacturing prospect visited May 22, potential to create 40 new jobs within 3 years; possibility of bringing an existing facility up to standards if annexed into the city.
- Trucking prospect consolidation of operations could result in up to 9 jobs.
- Contacted by a water park developer.
- Guidelines drafted and presented to KEDC, EIC and city staff for comments.
- Wine corridor moving forward; presentation to KEDC; meeting with strategic planning committee.
- Working to design business retention and expansion plan with chamber of commerce.

7B. Economic update.

Ms. Yarbrough reported sales tax continued to increase 10.3% locally, 6.27% statewide over last year; increase of 10.87% in median housing listing over last year; the local unemployment rate was lower than the state and national rate; and general fund and water and sewer fund revenues exceeded expenditures.

7C. Pending legislation from the 83rd Texas Legislature, regular session.

Mr. Parton reviewed bills that the city had been following and noted that the following bills, which the city supported, passed and were waiting for signature: HB 2414, SB 1297, SB 985, SB 567. The following bills, which the city had either opposed or were on the watch list, also passed: SB 656, HB 1724, HB 1973, HB 693. Other bills had not made it out of committee and the session was closed.

8. BOARD APPOINTMENTS:

8A. Appointments to the Beautification Advisory Committee.

Mr. Conklin moved to appoint two additional members to create a five-member committee: John Risher with term to expire December 11, 2013, and Jimmie Spradling with term to expire December 11, 2014; Ms. Keeble seconded the motion and it passed 5-0.

8B. Appointments to the Economic Improvement Corporation.

Ms. Keeble moved to reappoint Gary Cochrane, Kenneth Early, and Larry Howard, all with terms to expire June 1, 2015; Mr. MacDonald seconded the motion and it passed 5-0.

8C. Appointment of councilmembers to various City boards and commissions.
Deferred to executive session.

9. ITEMS FOR FUTURE AGENDAS: None

10. ANNOUNCEMENTS OF COMMUNITY INTEREST:

- Memorial Day celebration was held May 27.
- Shakespeare in the Park in Louise Hays Park, 8:00 p.m., May 31 and June 1.

11. EXECUTIVE SESSION:

Mr. Conklin moved for the city council to go into executive closed session under Section 551.074 of the Texas Government Code; the motion was seconded by Mr. MacDonald and passed 5-0 to discuss the following matters:

Sections 551.071 and 551.072:

- River Trail.

Section 551.074:

- Appointment of councilmembers to various boards and commissions.

At 7:02 p.m. the regular meeting recessed and council went into executive closed session at 7:04 p.m. At 7:30 p.m. the executive closed session recessed and council returned to open session at 7:31 p.m. The mayor announced that no action had been taken in executive session.

12. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

8C. Appointment of councilmembers to various City boards and commissions.

Ms. Keeble moved to appoint the following councilmembers to serve on city board and commissions; Mr. Conklin seconded the motion and it passed 5-0:

CITY BOARD	EXISTING COUNCIL REPRESENTATIVE	PROPOSED COUNCIL REPRESENTATIVE
Audit Committee	Gene Allen Justin MacDonald	Gene Allen Justin MacDonald
Beautification Advisory Committee	Jack Pratt	Jack Pratt
Economic Improvement Corporation	Stacie Keeble	Stacie Keeble
Food Service Advisory Board	Stacie Keeble	Stacie Keeble
Golf Course Advisory Board	Carson Conklin	Carson Conklin
Kerrville Economic Development Corporation	Carson Conklin	Carson Conklin
Kerrville Public Utility Board	Jack Pratt	Jack Pratt
Library Advisory Board	Justin MacDonald	Justin MacDonald
Main Street Advisory Board	Gene Allen	Gene Allen
Municipal Court Review Committee	Jack Pratt Stacie Keeble	Jack Pratt Stacie Keeble
Parks and Recreation Advisory Board	Gene Allen	Gene Allen
Planning and Zoning Commission	Justin MacDonald	Justin MacDonald
Playhouse 2000	Stacie Keeble	Stacie Keeble
Zoning Ordinance Input Committee (ZOIC)	Carson Conklin Justin MacDonald	Carson Conklin Justin MacDonald

ADJOURNMENT. The meeting adjourned at 7:32 p.m.

APPROVED: _____

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary

Agenda Item:

2B. A Resolution No. 19-2013 adopting amendments to the city's purchasing policy and procedures manual. (staff)

CITY OF KERRVILLE APPROVAL REQUIREMENTS			
Total Amount of Request*	Type of Bid/Quotes Required	Individual Responsible for Bid/Quotes	Approvals Required*
Items costing \$50,000 or more	Sealed bids to be opened at a public meeting by the City Secretary and Purchasing Agent	Purchasing, Project Manager	City Council, and City Manager, or Designee
Items costing \$25,000 to \$49,999.99	3 Written Quotes based on like products***	Purchasing, Project Manager	Department Director and/or Finance
Items costing from \$5,000.00 to \$24,999.99	3 Written Quotes based on like products***	Department Designee	Department Directors
Items costing up to \$4,999.99	Efforts should be made to obtain the best value for the City	Department Designee	Supervisors, and Finance

*Approvals apply to all Finance Forms including Purchase Requests, Check Requests, Purchasing Cards and all Petty Cash, travel and other type of forms.

**City Council authorization will be necessary for items that were not detailed in the budget process.
 ***Written quotes should be made on the vendor's letterhead or on the purchasing department's quotation form and will expire after 6 months. All three quotes must be attached to the final invoice when submitted to Accounts Payable for payment.

RECOMMENDED ACTION

Staff requests approval of the proposed purchasing policy.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 19-2013**

**A RESOLUTION ADOPTING AMENDMENTS TO THE
CITY'S PURCHASING POLICY AND PROCEDURES
MANUAL**

WHEREAS, City Council, pursuant to Resolution No. 030-2010, adopted a *Purchasing Policy and Procedures Manual* (the "Manual"), which regulates the way that the City purchases goods and services; and

WHEREAS, the Manual incorporates state law, which to a large extent governs the way that the City must purchase goods and services; and

WHEREAS, City staff recommends amendments to the Manual to provide changes in the purchasing process and the approval authority;

WHEREAS, the City Council of the City of Kerrville, Texas hereby determines that it is in the public interest to adopt the amendments to the Manual; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. The *Purchasing Procedure and Policy Manual* is amended as specified in Exhibit A.

SECTION TWO. Other than the amendments specified herein, there are no other changes to the Manual and Resolution No. 030-2010 remains in full force and effect.

PASSED AND APPROVED ON this the _____ day of _____, A.D., 2013.

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney



PURCHASING POLICY AND PROCEDURES MANUAL

June 2013~~2~~

INTRODUCTION

This is the Purchasing Policy and Procedures Manual (manual) for the City of Kerrville, Texas (City). Various City staff members have prepared this manual to inform each City department about the City's purchasing processes.

City purchasing procedures are governed ~~to a large extent~~largely by Texas law. Therefore, state law is the primary authority on the validity of purchasing procedures. Because the procedures described in this manual derive from state law, at times and where appropriate, this manual uses language taken directly from state statutes. At other times, the manual paraphrases and generalizes state law in an effort to assist in the understanding and application of purchasing requirements. That said, this manual cannot and does not address every purchasing situation; thus, when an unusual situation occurs or a difficult factual or legal issue arises, the exact statutory language must be carefully reviewed and analyzed.

The Finance Department will assist each department with procuring quality goods and services that are required to provide our citizens and customers with the services that they expect. The goal of the Finance Department is to secure the lowest, responsible cost for the City.

MISSION, VISION, AND GOALS WITH RESPECT TO CITY PURCHASING

Mission: To generate fair and open competition to receive the best prices, terms, and conditions on purchases for the City.

Vision: To serve the citizens and customers of the City through greater efficiencies, both in terms of economy and services, and the procurement of quality supplies, equipment, and services.

Goals:

1. Establish policies and procedures that maintain the integrity of the purchasing ~~process~~, process encourage competition, and achieve cost savings.
2. Procure goods and services of the requested quality and quantity from responsible sources using the most efficient and economical means and at the best possible price and to have them available when and where they are needed.
3. Improve the speed of delivery of supplies, equipment, and services through planning and predetermining through supply contracts or other means, the available purchasing sources before an actual need becomes known and when possible, to take advantage of quantity and special discounts.
4. Comply with state and federal laws and this manual during the procurement and purchasing process.

POLICY & PROCEDURES

1. POLICY STATEMENTS.

A. Public interest. The City will conduct all purchasing – whether for goods or services – on the basis of economic and business merit. This policy is intended to promote the best interests of the City’s citizens and customers.

B. Use of competitive bidding. City purchasing must operate in full view of the public. To assure an open, transparent purchasing process with the goal of obtaining the lowest possible price, the City Council has determined that the City will use competitive bidding as much as possible in the purchase of goods and services.

C. Employee support. The City seeks to maintain a cost effective purchasing system conforming to good management practices. To be successful, all employees must support the system. The establishment and maintenance of a good purchasing system is possible only through cooperative effort.

D. Planning. The purchasing process is not instantaneous. Planning is required to complete the steps required by state law and this manual. Again, a cooperative effort is required to accomplish the timely purchasing of goods and services at the lowest possible price.

E. Compliance with state law and manual. City officers and employees must comply with state law and this manual with respect to purchasing. Where a question or issue arises, an employee should not hesitate to contact the Purchasing Agent for guidance. Failure to comply with state law or this manual may result in disciplinary action being taken against the employee, up to and including termination. As specified below, violations of state laws concerning competitive bidding may also result in criminal convictions.

2. PURCHASING AUTHORITY

A. Purchasing Agent. The City Manager, pursuant to the City’s Charter and City Council’s approval of this manual, has delegated purchasing authority and responsibilities to the Purchasing Agent. The Purchasing Agent is an employee of the Finance Department. The Purchasing Agent must use this authority to purchase goods and services for the City in conformance with this manual. In certain instances, and as specified in this manual, the City Manager has also granted this authority to specified employees, which in turn have been authorized by their Department Directors. In no case shall purchasing authority be delegated to an employee or other person who has not been authorized by the City Manager or a Department Director.

B. Responsibilities of Purchasing Agent. The Purchasing Agent’s responsibilities include the following:

1. The Purchasing Agent is responsible to ensure compliance with state and federal laws and this manual and to ensure that purchasing is practiced in a fully open, transparent, competitive, and ethical environment.

~~2. The Purchasing Agent is responsible for invitations for bid, bid openings, and assisting~~

~~departments in the presentation for the purchases of goods and services to the City Council. The Purchasing Agent will notify the City Secretary's office of all advertising requirements.~~

~~32.~~ The Purchasing Agent will assist departments with identifying potential vendors or contractors or researching any information needed to make purchases.

~~43.~~ The Purchasing Agent will assist departments in developing specifications for the purchase of goods and services along with the desired delivery schedules.

~~54.~~ The Purchasing Agent will encourage competition between vendors and contractors through negotiations, competitive bidding, and bulk purchasing by continuously monitoring requisitions from departments. This includes the consolidation of purchases where possible.

~~65.~~ The Purchasing Agent will monitor and evaluate the performance of vendors and contractors.

~~76.~~ The Purchasing Agent will solicit evaluations and recommendations from departments on bids received from vendors or contractors.

~~87.~~ The Purchasing Agent will oversee the transfer and/or reuse of products and equipment between offices and departments or the sale of surplus, obsolete, or unused supplies, materials, or equipment.

~~98.~~ The Purchasing Agent, where applicable, will assist departments with the testing of goods and services for compliance with specifications.

~~109.~~ The Purchasing Agent, where applicable, will negotiate all warranties and service agreements.

~~110.~~ The Purchasing Agent will recommend the use of Cooperative Purchasing Agreements, Interlocal Agreements, and purchasing contracts for price and performance advantages.

~~1211.~~ The Purchasing Agent will consult with the Legal Department to assure forms and contracts are current and approved for their intended use.

C. Responsibilities of Department. A Department has the following responsibilities with respect to making and managing the expenditure of funds to acquire goods or services for the City. In this manual, "Department" refers to the group of employees responsible for a service(s) or a particular set of duties (*e.g.*, the Public Works Department) and it also refers to the employee(s) within each Department that is authorized and responsible for making purchases.

1. A Department must determine the availability of budgeted funds in the appropriate category before requesting any purchase. The Finance Department will return purchase requisitions if funds are not available and will not restart processing the requisition until the Department addresses this issue.

2. A Department, where required, must submit all purchasing requests to the Purchasing Agent to allow sufficient time to comply with the procedures established by this manual.

3. A Department will plan and budget to eliminate and/or reduce work stoppages and rush

ordering.

4. A Department, with the assistance of the Purchasing Agent, must provide minimum specifications for goods and services by completing the detailed specification form. A Department must write the specifications to encourage competition, whenever possible.

5. A Department that believes that a product, equipment, or service is only available through a sole source must provide a written explanation and justification for the purchase in accordance with this manual.

6. A Department will use existing City contracts when available for all purchases.

7. A Department must immediately and thoroughly inspect all deliveries of goods and equipment and determine their quality and conformance with specifications.

8. A Department must immediately notify the ~~respective Vendor Purchasing Agent~~ upon the discovery of an incorrect order or damaged products, materials, or equipment. When applicable, a Department must seek the assistance of the Purchasing Agent to help rectify the incorrect order or damaged goods.

9. A Department will continuously monitor the performance of goods and services and immediately report any deficiencies or violations in the performance of a contract to their respective Department Director and, when applicable, to the Purchasing Agent.

10. Where possible and when applicable, a Department's communications with vendors or contractors regarding purchasing should be arranged through and under the direction of their Department Director and/or the Purchasing Agent. This practice may include the evaluation of samples or products.

11. A Department must provide the Purchasing Agent with a copy (email preferred) of any correspondence between a vendor or contractor and the Department.

3. BASIS FOR PURCHASING

A. Purchasing authority under state law.

1. Pursuant to state law, before the City may enter into a contract that requires ~~an~~ expenditureexpenditure greater than \$50,000.00, the City must comply with the procedure established by state law for competitive sealed bidding or competitive sealed proposals. (See Ch. 252, Subch. B, TX. Local Gov't Code)

2. Pursuant to state law, the City may use the competitive sealed proposal procedure to purchase goods and services, including high technology items and insurance. (See §252.021(b), TX. Local Gov't Code)

3. The City Council, pursuant its adoption of this manual and in accordance with state law, has delegated to the City Manager, or designee, the authority to determine the purchasing method, including competitive sealed bids, competitive sealed proposals, or otherwise, which provides the best value to the City. (See §252.021(c), TX. Local Gov't Code)

4. Pursuant to state law, the City, in making expenditure greater than \$3,000.00 but less than \$50,000.00, must contact at least two historically underutilized businesses (HUB) on a rotating basis, based on information provided by the state comptroller. If the state's list fails to identify an eligible HUB, the City is exempt from this requirement. (See Ch. 252, Subch. B, TX. Local Gov't Code)

5. The City is entitled to reject any and all bids. (See §§ 252.043(f), 271.027(a), TX. Local Gov't Code)

B. Exemptions from the requirement of competitive bidding. Pursuant to state law, the following purchases do not require competitive bidding (some exemptions are explained more fully in other sections of this manual):

1. a purchase made because of an emergency;
2. a purchase for personal, professional, or planning services;
3. a purchase for work that is performed and paid for by the day as the work progresses;
4. a purchase of land or a right-of-way; and/or
5. a purchase of items that are available from only one source ("sole source"), including:
 - a. items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;
 - b. films, manuscripts, or books;
 - c. gas, water, and other utility services;
 - d. captive replacement parts or components for equipment;
 - e. books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and
 - f. management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits;
 - g. a purchase of rare books, papers, and other library materials for a public library;
 - h. paving, drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements;
 - i. a public improvement project, already in progress, authorized by the voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes authorized by the voters;
 - j. a payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212, TX. Local Gov't Code;
 - k. personal property sold:
 - 1) at an auction by a state licensed auctioneer;
 - 2) at a going out of business sale held in compliance with Chapter 17, Subchapter F, TX. Business & Commerce Code;
 - 3) by a political subdivision of this state, a state agency of this state, or an entity of the federal government; or
 - 4) under an ~~interlocal~~Interlocal contract for cooperative purchasing administered by a

regional planning commission established under Chapter 391;

- l. services performed by blind or severely disabled persons;
- m. goods purchased by a municipality for subsequent retail sale by the municipality;
- n. electricity; or
- o. advertising, other than legal notices. (*See* §252.022, TX. Local Gov't Code)

C. Procurement of professional services.

1. State law prohibits the City from obtaining certain professional services through competitive bidding. The Professional Services Procurement Act provides that the City may not use competitive bidding procedures when seeking professional services. Instead, the City must award a professional services contract on the basis of demonstrated competence and qualification for the performance of that particular type of professional service. (*see* Ch. 2254, TX. Gov't Code)
2. Fees must be fair and reasonable, consistent with and not in excess of published recommended practices and fees of applicable professional organizations, and not in excess of any maximums specified by state law.
3. "Professional services" includes services within the scope of the practice of accounting, architecture, optometry, professional engineering; this includes services performed by any licensed architect, optometrist, physician, surgeon, certified public accountant or registered professional engineer in connection with his or her professional employment or practice.
4. In procuring architectural, engineering, or land surveying services, the City must first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications; and then attempt to negotiate a contract with that provider at a fair and reasonable price. If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural, engineering, or land surveying services, the City must formally end negotiations with that provider, select the next most highly qualified provider, and attempt to negotiate a contract with that provider at a fair and reasonable price. The City must continue this process to select and negotiate with providers until a contract is entered into.

D. Purchases through a state contract. The state comptroller may perform purchasing services for local governments. A city that makes purchases under such a contract satisfies all state competitive bidding laws. Depending on expenditure levels, appropriate approvals are still required for this type of purchase. (*see* Ch. 271, Subch. D, TX. Local Gov't Code)

E. Cooperative purchasing programs. Pursuant to state law, the City may participate in a cooperative purchasing program with another local government or a local cooperative organization. A city that makes purchases under such a program satisfies all state competitive bidding laws. Depending on expenditure levels, appropriate approvals are still required for this type of purchase. (*see* Ch. 271, Subch. F, TX. Local Gov't Code)

F. Interlocal cooperation. State law authorizes the City to enter into cooperative purchasing agreements with other jurisdictions (*see* Ch. 791, TX. Gov't Code). In addition, state law authorizes the extension of state bids and contracts to participating local governments under certain conditions. Depending on expenditure levels, appropriate approvals are still required for this type of purchase. (*see* Ch. 271, Subch. D, TX. Local Gov't Code).

G. Local preference.

1. If two or more bidders have bids that are identical in nature and amount, with one bidder being a resident of the City and the other bidder or bidders being non-residents, the City must select the resident bidder. (*see* §271.901, TX. Local Gov't Code)
2. If purchasing real property or personal property that is not affixed to real property and the City receives one or more bids from a bidder whose principal place of business is in the City and whose bid is within three percent (3%) of the lowest bid price received from a bidder who is not a resident of the City, the City may enter into a contract with either the lowest bidder or the bidder whose principal place of business is in the City; however, if the City awards the contract to the resident bidder, the City Council must determine, in writing, that the local City bidder offers the City the best combination of contract price and additional economic development opportunities for the City created by the contract award, including the employment of City residents of the local government and increase tax revenues to the City. (*see* §271.905(b), TX. Local Gov't Code)
3. For contracts less than \$100,000, if the City receives one or more competitive bids or quotations from a bidder whose principal place of business is in the City and whose bid is within five percent (5%) of the lowest bid price received by the City from a bidder who is not a resident of the City, the City may enter into a contract with the lowest bidder or the bidder whose principal place of business is in the City if the City Council determines, in writing, that the local bidder offers the City the best combination of contract price and additional economic development opportunities for the City created by the contract award, including the employment of residents of the City and increased tax revenues to the City. (*see* §271.9051, TX. Local Gov't Code)

H. Bonding for public works projects. State law requires contractors to submit bonds to the City for bids, payment, and performance of contracts on certain public works projects. State law establishes standards for when the bonds are required and the amount of the bond. A corporate surety duly authorized and admitted to do business in the State of Texas must issue the bonds. Although the term “public work” is not defined by statute, it is generally understood to mean the construction, repair, or renovation of a structure, road, highway, utilities, or other improvement or addition to real property. Bonds are required in the following amounts:

1. *Bid bond.* A bid bond, in the amount of 10% of the proposed contract price, is required where a contract is in excess of \$100,000.00.
2. *Performance bond.* A performance bond, in the total amount of the contract, is required if the contract is in excess of \$100,000.00.
3. *Payment bond.* A payment bond is required if the contract is in excess of \$50,000.00, in the total amount of the contract. The bond is intended solely for the protection of all claimants supplying labor and material in the prosecution of the work provided for in the contract.
4. *Maintenance bond.* In addition to the above statutorily required bonds, the City will require a maintenance bond for all public work projects for a minimum time period of one

year. (see Ch. 2253, TX. Gov't Code)

I. Disqualification of bidder/proposer. Pursuant to state law, the City may reject any and all bids and/or reject a bid(s) on the basis that it is nonresponsive. In addition, the City may disqualify a bidder where there is a reasonable belief that the bidder might not be able to satisfactorily fulfill the contract or that past performance by the bidder has left grounds for suspecting that the bidder might not perform. The City will not take the act of disqualification lightly. The City may consider the safety and financial records of bidders and proposers. Where a bidder or proposer has had past unsatisfactory performance, the Department must document the experience by completing a Vendor Performance Form (see **Exhibit A**). Upon completion, the Department must forward the form to the Purchasing Agent who will maintain a list of bidders and proposers and their performance history.

J. Alternative delivery methods. Pursuant to state law, City Council may determine that the alternative delivery methods described by Chapter 271, Subchapter H, TX. Local Gov't Code, provide a better value for the City with respect to ~~expenditures which~~ expenditures that exceed \$50,000.00 than the competitive bidding procedures described in Chapter 252, TX. Local Gov't Code. If such a determination is made, the City must use one of the alternative delivery methods described in Chapter 271, Subchapter H with respect to that expenditure.

K. Tax exempt status. The City is exempt from federal, state, and local taxes except in certain prescribed cases. An exemption certificate is available from the Finance Department. Upon request, a Department may furnish the certificate to any of the City's vendors or contractors.

M. Criminal penalties. State law provides criminal penalties where a city officer or employee fails to comply with competitive bidding requirements.

4. **PURCHASING AMOUNTS–THRESHOLDS.** The following table provides general guidelines for purchases and the procedures and approvals required (more specific information follows):

CITY OF KERRVILLE APPROVAL REQUIREMENTS			
Total Amount of Request	Type of Bid/Quotes Required	Employee(s) Responsible for Bid/Quotes	Approvals Required
Goods/services costing \$50,000 or more	Competitive bids/proposals opened at a public meeting by the City Secretary & Purchasing Agent	Purchasing Agent, Department (Project Manager)	City Council & City Manager
Goods/services costing \$25,000 to \$49,999.99	3 Written Quotes based on like products	Purchasing Agent, Department (Project Manager)	City Manager <u>Department Director and/or Finance Department</u>
Goods/services costing from \$5,000.00 to \$24,999.99	3 Written Quotes based on like products	Purchasing Agent, Department (Project Manager)	Department Director and Finance
Goods/services costing up to \$4,999.99	Efforts made to obtain the best value for the City	Department	Supervisor or Manager and Directors

5. **PURCHASES LESS THAN \$4,999.99.** A Department may purchase products, materials, or services up to \$4,999.99 from a vendor or contractor by the following method. Because the administrative cost of requesting competitive bids would more likely be more than the amount that could be saved by receiving bids, the competitive bidding procedure does not apply to purchases of \$4,999.99 or less. However, even though bids are not required for this purchase, a Department must still seek out the lowest possible pricing. Further, because a significant amount of small purchases may occur locally and in many cases result in the lowest or competitive pricing, a Department should consider local vendors and contractors for purchases in this amount.

6. **PURCHASES LESS THAN \$ 25,000.00**

A. Three written bids. A Department must purchase goods and services that are estimated to cost less than \$25,000.00 by first developing written specifications and then using these specifications to obtain a minimum of three written bids (quotes). Written bids must be made on the vendor's or contractor's letterhead or on the bid form provided by the Purchasing Agent (*see Exhibit B*). Departments must attach copies of each written bid to the purchase order. Bids are valid for 6 months and will then automatically expire such that the City will need to obtain new bids.

B. Purchase requisition. All purchases shall require a purchase requisition initiated by the Department whose appropriation will be charged and a purchase order approved by the **Purchasing Agent Finance Department**. No contract or order shall be issued to any vendor or contractor unless and until the Finance Department certifies the availability of sufficient funds. Inclusion in an approved budget does not automatically entitle the Department to the goods or services requisitioned.

C. Historically underutilized business. State law (§252.0215, TX. Local Gov't Code) requires Texas cities to contact at least two (2) historically underutilized businesses (HUB) on a rotating basis when making any expenditure of more than \$3,000 but less than \$50,000. The HUB must be based on information provided by the Texas Comptroller (*see www.window.state.tx.us/procurement*). If the list fails to identify a disadvantaged business in Kerr County or if the purchase is an emergency (*see §17 of the manual below*), the City is not required to follow this requirement.

D. Sequence for purchases less than \$25,000.00

1. The Department ~~request~~ **staff requests purchase approval from their Department Director and after approval**, sends a purchase request via the City's purchasing software with minimum requirements, such as description, **at least three quoted** unit price, quantity, **at least three quoted** total price, delivery/freight costs, payment terms, account code, vendor/contractor name. The Finance Department will then certify the availability of funds and accuracy of account code(s).

2. ~~Finance~~ **Finance -and Department and/ or the** The Purchasing Agent must verify the receipt of written, competitive bids, proposals or current contracts and ~~will~~ then assign a purchase order number.

3. The ~~Purchasing Agent or~~ Department will place the order, **receive the product, verify accuracy of product, and submit a printed purchase order with invoice attached for payment to Accounts Payable**

7. PURCHASES BETWEEN \$25,000.00 AND TO \$49,999.99

A. Authority. ~~Only the Purchasing Agent, and subject to approval by the City Manager, The Department Director~~ has authority to make purchases in the amounts between \$25,000.00 and \$49,999.99. Any such purchase must be for an item or service that was approved within the budget.

B. Three written bids. Prior to any purchase of goods or services that are estimated to cost between \$25,000.00 and \$49,999.99, the Department, with assistance from the Purchasing Agent, ~~with assistance from the Department,~~ must develop written specifications. The ~~Department~~Purchasing Agent will then use these specifications to obtain a minimum of three written bids (quotes). Written bids must be made on the vendor's or contractor's letterhead or on the bid form provided ~~in this manual~~in this manual ~~by the Purchasing Agent~~ (see Exhibit B). The ~~Department~~Purchasing Agent will attach copies of each written bid to the purchase ~~request~~order. Bids are valid for 6 months and will then automatically expire such that the City will need to obtain new bids.

C. Purchase requisition. All purchases shall require a purchase requisition initiated by the Department whose appropriation will be charged and a purchase order approved by the Purchasing Agent~~Finance Department and/or the Department Director~~. No contract or order shall be issued to any vendor or contractor unless and until the Finance Department certifies the availability of sufficient funds. Inclusion in an approved budget does not automatically entitle the Department to the good or service requisitioned.

D. Historically underutilized business. State law (§252.0215, TX. Local Gov't Code) requires Texas cities to contact at least two (2) historically underutilized businesses (HUB) on a rotating basis when making any expenditure of more than \$3,000.00 but less than \$50,000.00. The HUB must be based on information provided by the Texas Comptroller (see www.window.state.tx.us/procurement). If the list fails to identify a disadvantaged business in Kerr County or if the purchase is an emergency (see §17 of the manual below), the City is not required to follow this requirement.

E. Sequence for purchases between \$25,000.00 and \$49,999.99.

1. ~~Department~~Departments, with assistance from the Purchasing Agent, develops detail specification for the items/goods to be purchased, obtain at least three written quotes, completes a purchase request form (see Exhibit B) and submits it to the Department Director for review and approval. ~~After approval, the Department~~ submits purchasing request form, ~~written quotes, and, and~~ detailed specification form to the purchasing agent.

2. The Purchasing Agent will create a purchase request via the City's purchasing software with minimum requirements, such as description, at least three quoted unit price, quantity, at least three quoted total price, deliver/freight costs, payment terms, account code, vendor/contractor name. The Finance Department will then certify the availability of funds and accuracy of account code(s).

3. The ~~Purchasing Agent~~Department will then assign a purchase order number.

4. The ~~Purchasing Agent~~Department, following approval by the City Manager, will place the order.

8. PURCHASES GREATER THAN \$50,000.00

A. Authority. State law (*see* §252.021, TX. Local Gov't Code) provides that purchases estimated at greater than \$50,000.00 require advertising which requests sealed bids or proposals. The Purchasing Agent is responsible for the advertisement and distribution of the requests for bids or proposals. City Council is responsible for selecting and approving the bid or proposal, in accordance with state law.

B. Sequence for purchases greater than \$50,000.00.

1. A Department must initiate the bid process by completing a Request for Purchasing (*see Exhibit C*) to obtain an Invitation to Bid (ITB), Request for Proposal (RFP), or Request for Qualifications (RFQ).
2. Departments must avoid any act or practice of component, consecutive, or sequential purchases, ~~as detailed in §23 of the manual, below.~~
3. The Department is responsible for preparing or aiding the Purchasing Agent in the preparation of specifications for bids.
4. The Purchasing Agent will assign the bid a number or group it with other like items in an existing bid.
5. The Purchasing Agent will prepare bids and bidder mailing lists. After consulting with the Department, the Purchasing Agent will set the bid advertising dates and schedule the bid opening date and time. Where appropriate, the Purchasing Agent will utilize website notices for national advertising.
6. The City Secretary will receive bids and maintain them in a locked file until the date of the bid opening. At the time of the bid opening, the City Secretary will present all bids to the Purchasing Agent for opening, review, and analysis. The City will reject as nonresponsive any bid or proposal which is received after the due date and time. The time stamp in the City Secretary's Office will be the official time. Bid or proposal openings are open to the public.
7. The Purchasing Agent will conduct bid or proposal openings. Such opening will take place in Council Chambers or at the place designated in the advertisement and notice.
8. The Purchasing Agent will prepare ~~a tabulation~~ tabulation for each item or group of items and after opening the bids, will read them aloud. The Purchasing Agent will consult with the Department for consensus of a recommendation.
9. Pursuant to state law, the City must award bids on the basis of the lowest responsible bidder or the bid that provides the best value. As for "best value", the City, pursuant to law, may consider:
 - a. the price;
 - b. reputation of the bidder;

- c. reputation of the bidder's goods or services;
- d. the quality of the bidder's goods or services;
- e. the extent to which the goods and services meet the City's needs;
- f. the bidder's past relationship with the City;
- g. the impact to the City's ability to comply with HUB requirements;
- h. total long-term cost to the City of acquiring the goods or services; and
- i. any relevant criteria that the City listed in its ITB or RFP (*see* §252.043, TX. Local Gov't Code).

10. In the event of a disagreement between the Department and the Purchasing Agent, City Manager or his/her designee, will determine the recommendation to Council.

11. The Purchasing Agent, with Department input, will prepare an agenda bill with the staff recommendation for Council approval and award.

12. The Department will use the City's purchasing software to submit a requisition to the Purchasing Agent for processing.

9. INSURANCE REQUIREMENTS. Where the City contracts with an outside party (contractor, consultant, vendor, or concessionaire) for goods or services, the ITB or RFP that is advertised must include a proposed contract. The contract should include indemnity and hold harmless provisions that appropriately transfer the project risks from the City to the contractor. Because the contractor may or may not have the financial resources to account for the risks, the City requires the contractor to purchase and maintain valid insurance to help ensure the financial security required by the City. The insurance types and amounts are as follows:

A. Workers compensation. Workers Compensation covering all employees per the state statutory requirement is required on all contracts.

B. Liability insurance. The following insurance is required on all contracts over \$15,000.00:

1. Employer's Liability of \$100,000;
2. Comprehensive General Liability and Bodily Injury & Property Damage \$1,000,000 (per occurrence and aggregate); and
3. Business Automobile Liability covering owned vehicles, rented and non-owned vehicles, and employee non-ownership Bodily Injury Property Damage \$1,000,000 (per occurrence and aggregate).

C. Reasonable coverage. Although insurance coverage is not required for every project, and limits will vary by exposure, understanding insurance is important to assure that all of the City's potential liabilities and exposures from a project are properly and reasonably protected. Where questions arise about the types of insurance or amounts, the Department should contact the Purchasing Agent, who may in turn consult the Risk Manager and/or the Legal Department.

10. WARRANTIES AND SERVICE AGREEMENTS. A Department must include any requirement for warranties or service agreements for the purchase specifications for use in creating the ITB or RFP documents. Where negotiation is possible, the Purchasing Agent will negotiate all warranties and service agreements. A Department is responsible to ensure that service agreements exist on

equipment, as necessary. A Department must not agree to a service agreement unless prior approval is received from the Purchasing Agent. The Purchasing Agent will forward approved agreements to the Department for final signature. It is the responsibility of each Department to maintain and actively monitor agreements that pertain to their Departments, to schedule service calls under the agreements, and to notify the Purchasing Agent when agreement renewals should be scheduled.

11. BONDS FOR NON-PUBLIC WORKS PROJECTS. Based upon good business practices, whenever the City enters into a contract for the purchase of a product system or service in which the system or service will be of little value to the City until it is complete, then the City may require performance and payment bonds.

12. SOLE SOURCE PURCHASES. The purchase of ~~items which are available from only one source~~ items that are available from only one source are exempt from competitive bidding pursuant to state law. The City will strictly interpret this exemption. Items that are available through a single distributor will not be considered as sole source unless the distributor has an exclusive right to distribute the item and a like item cannot be purchased through any other distributor. Items such as captive replacement parts or components may be considered as “sole source” items. (See §252.022(a)(7), TX. Local Gov’t Code)

A. Sole source purchases greater than \$3,000.00. The following is the procedure for all sole source ~~purchases which~~ purchases that are greater than \$3,000.00:

1. The Department must contact the vendor or manufacturer for verification and justification as to why the procurement is sole source. The Department shall submit a Sole Source Affidavit (see **Exhibit D**) to the Purchasing Agent for consideration and approval.
2. The Department should seek other information (Thomas Register of American Manufacturers, other cities, yellow pages) in an attempt to verify the vendor’s or manufacturer’s information and document the findings.

B. Sole source purchasing greater than \$50,000.00. All sole source purchases greater than \$50,000.00 must be reviewed by the City Manager prior to placement on the Council agenda. The Department shall submit a Sole Source Affidavit (see **Exhibit D**) to the Purchasing Agent for consideration and approval.

C. Verification. All sole source purchases must be verified annually.

13. HIGH TECHNOLOGY PURCHASING PROCEDURES. All purchases of high technology items must be processed through the Information Technology Department (IT) unless a specific exemption is granted by IT or the City Manager. “High technology” items means the procurement of equipment, goods, or services of a highly technical nature, including data processing equipment, software and firmware, telecommunications equipment, and technical services related to these items. The City may solicit for high technology procurements through a request for proposal. The RFP must specify the relative importance of price and other evaluation factors. High technology is defined as information processing equipment, software, telecommunications equipment, radio and microwave, electronic distributed control systems and the technical services related to such equipment. (see §§252.001 and 252.021(b), TX. Local Gov’t Code)

14. PURCHASING OF INSURANCE. All purchases of insurance related products must be processed through the Human Resources Department (HR) unless a specific exemption is granted by

HR or the City Manager. The City may solicit for insurance through a request for proposal. (*see* §252.021(b), TX. Local Gov't Code)

15. PURCHASE OF COMPUTERS AND RELATED EQUIPMENT AND SUPPLIES

A. Requests. The Information Technology Department must review all requests for computers and related equipment, software, services, or supplies. IT's review will help standardize the type and quality of equipment in the City's inventory, ensure that purchases are made with minimum delay, facilitate tracking of requests, assist IT in maintaining accurate inventories for insurance and other purposes, and contribute to the most effective use of City resources. IT will review each request for compatibility with other hardware and software and may investigate alternatives. IT's recommendations and comments will include:

1. Any additional maintenance costs incurred because of the purchase;
2. Compatibility considerations;
3. Cost effectiveness of the request; and
4. Alternatives that would effectively meet a user's needs.

B. Placing the Order. The Purchasing Agent, in consultation with the Department and IT, will prepare and submit the necessary purchase requests.

16. EMERGENCY EXPENDITURES

A. Emergency expenditures authorized; defined. Pursuant to state law, there is an exemption from the bidding process for emergency purchases. An emergency is described as follows:

1. A procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of residents or to preserve City property;
2. A procurement necessary to preserve or protect the public health or safety of residents;
3. A procurement necessary because of unforeseen damage to public machinery, equipment, or other property. (*see* §252.022(a)(1-3), TX. Local Gov't Code)

B. Sequence for emergency purchases. Where an emergency exists and a purchase estimated at being over \$5,000.00 is required, the following procedure will be used:

1. The Department must complete the Emergency Justification form to justify the emergency to the Purchasing Agent who shall notify the City Manager. If the expenditure does not exceed \$25,000, Department Director must review and approve the purchase. If the expenditure exceeds \$25,000.00, the Purchasing Agent must have the City Manager review and approve of the transaction.
2. For expenditures exceeding \$25,000.00, the Purchasing Agent and the City Manager must certify that the expenditure is derived from an emergency condition specified by state law, the need for the expenditure was unforeseen, the continued expeditious operation of the City requires that the expenditure be made before the time necessary to obtain City Council approval (for expenditures exceeding \$50,000.00) in advance or to obtain competitive bids, and that funds are available for the expenditure.

A. State laws. City officials and employees must comply with various state laws with respect to purchasing. The following is intended to provide a summary and the general requirements of the laws.

1. Chapter 176, Texas Local Gov't Code.

a. Chapter 176 of the Texas Local Government Code is applicable to the City. The law also applies to a local government corporation, board, commission, district or authority whose members are appointed by City Council. Anyone designated as an "executive officer" of the City, including a Councilmember, City Manager, Department Director, administrator, or any other person who is designated as an executive officer of the City must comply with the law.

b. As authorized by the state law, the City has extended the requirements of Chapter 176 to any City employee who has the authority to approve contracts on behalf of the City. (see §176.005(a), TX. Local Gov't Code).

c. Chapter 176 requires executive officers to disclose employment and business relationships with vendors who conduct business with the City.

d. An executive officer is required to file a conflicts disclosure statement ("statement") if a vendor enters into a contract with the City, or if the City is considering entering into a contract with the vendor, and the officer or officer's family member has an employment or other business relationship with the vendor that results in the officer or officer's family member receiving taxable income that exceeds \$2,500.00 in the preceding twelve months.

e. An executive officer is required to file a statement if the officer or officer's family member accepts a gift(s) from a vendor with an aggregate value of more than \$250.00 in the preceding twelve months. An officer is not required to file a statement in relation to a gift, regardless of amount, that is accepted by an officer or officer's family member if the gift is given by a family member of the person accepting the gift, is a political contribution, or is food, lodging, transportation, or entertainment accepted as a guest.

f. An officer or vendor who knowingly fails to file a statement or a disclosure when required to do so commits a Class C misdemeanor.

2. Chapter 171, Texas Local Gov't Code.

a. Chapter 171 of the Texas Local Government Code regulates a local public official's conflicts of interest. The law defines "local public official" as an elected official, such as a Councilmember, or an appointed official (paid or unpaid) who exercises responsibilities that are more than advisory in nature.

b. The law prohibits a local public official from voting or participating in any matter involving a business entity or real property in which the official has a substantial interest if an action on the matter will result in a special economic effect on the business that is distinguishable from the effect on the public or, in the case of a substantial interest in real property, it is reasonably foreseeable that the action will have a special economic effect on the value of the property, distinguishable from its effect on the public.

c. A local public official who has such interest is required to file, before a vote or decision on any matter involving the business entity or real property, an affidavit with City Secretary, stating the nature and extent of the interest.

d. A local public official is required to abstain from participating in the matter.

e. A local public official who is required to file an affidavit is not required to abstain from participating in the matter if a majority of the members of the governing body have a substantial interest and file affidavits of similar interests on the same official matter.

3. Chapter 252, Texas Local Government Code.

a. If a person fails to comply with the competitive bidding or competitive proposal procedures required by Chapter 252, Texas Local Government Code, that person may be convicted of a Class B misdemeanor. This includes a situation in which a person makes or authorizes separate, sequential, or component purchases in an attempt to avoid competitive bidding requirements. A Class B misdemeanor may be punished by a fine of up to \$2,000.00, confinement in jail for up to 180 days, or both the fine and confinement.

b. An individual is automatically removed from his or her position if that person is finally convicted of failing to comply with the competitive bidding or competitive proposal procedures required by Chapter 252. Once removed from office, such a person may not hold any public office in this state for four years after the date of final conviction. Also, for four years after the date of final conviction, the convicted person may not be employed by the city where the person was serving when the offense occurred and may not receive any compensation through a contract with the city.

c. State law specifies that if a city enters into a contract without complying with the competitive bidding or competitive proposal requirements of Chapter 252, the contract is void. (See §252.061, TX. Local Gov't Code)

d. Separate, sequential, or component purchases to avoid placing any purchase in a lower cost bracket in order to avoid approval levels or the competitive bid process are prohibited. A Department shall manage and plan in such ways that all purchases are made in sufficient quantities to meet needs. "Separate Purchases" mean purchases made separately of items that in normal purchasing practices would be bought in one purchase. "Component Purchases" means purchases of the component parts of an item that in normal purchasing practices would be bought in one purchase. "Sequential Purchases" means purchases of items made over a period that in normal purchasing practices would be bought in one purchase. (See §§252.001, 252.062, TX. Local Gov't Code).

B. City ethical rules. The City demands the highest ethical standards of conduct from its employees and from vendors or contractors dealing with the City. City employees engaged in purchasing must comply with the following ethical standards.

1. *Gratuities.* Certain kinds of conduct such as offering gifts, gratuities, or discounts to City employees to influence their decisions in the purchasing process are expressly prohibited. The City may reject a bid or cancel a contract without liability if it is determined by the City that gratuities were offered or given by a vendor or contractor, or an agent or representative of the vendor or contractor, to any officer or employee of the City with a view toward securing a

contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such a contract. In the event a contract is cancelled by the City pursuant to this provision, the City will be entitled, in addition to any other rights and remedies, to recover and withhold the amount of the cost incurred by the vendor or contractor in providing such gratuities.

2. *Confidential information.* It is a violation of City policy for any employee to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

3. *Purchase of materials, equipment, and supplies for personal use.* Unless approved in writing by the City Manager, no employee may purchase City property for personal use unless it is purchased through the City's public auction, online bidding/auction, or through the sealed bid procedures of the City.

4. *Purchases for personal, private use.* No employee may use the purchasing power of the City to make purchases for personal, private use. Employees should not have private purchases sent or delivered to the City.

5. *Travel, meals, and other expenses paid by vendor or contractor.* Travel costs to a vendor's or contractor's site shall be paid by the vendor or contractor only if the bid or proposal solicitation specifically stated that such visits would be at the vendor's or contractor's sole expense. The City will pay all other travel costs. Employees must fully document the visits and related expenses.

23. PURCHASING (P-CARD) CARD POLICY AND PROCEDURES

A. Overview. The City issues and authorizes the use of Purchasing Cards (P-card) to establish a more efficient, cost-effective method of purchasing and payments. P-cards are intended to streamline the purchasing and accounts payable process by reducing paperwork generated by low cost, high volume transactions; providing immediate access to goods and services; and facilitating quick payments to vendors and providers. Such use also results in a significant reduction of both data entry and paperwork. The P-card is designed to delegate the authority and capability to purchase limited items directly to an authorized employee. A P-card will enable authorized employees to purchase non-restricted goods directly from vendors without the issuance of a purchase order. Authorized employees may use a P-card with vendors that accept VISA.

B. SCOPE. This policy applies to all Departments. All P-cards are governed by this policy and employees who are authorized to use P-cards to perform official City business must comply with state law and this manual.

C. RESPONSIBILITIES.

1. The Finance Director is the administrator of the P-card program.

2. A Department Director, where appropriate, may authorize an employee(s) under their direction to use a P-card. The Director will make recommendations to the Purchasing Agent as to recommended limits on the account, to include monthly spending limits, number of transactions per day, number of transactions per billing cycle, and merchant category restrictions.

3. An employee authorized to use a P-card must and sign a Purchasing Card Cardholder Agreement (*see Exhibit E*) prior to being issued a P-card. The employee is responsible for not only protecting the card, but is also responsible and accountable for all purchases made using the P-card. The employee must keep the P-card in their possession and not allow anyone to use the P-card issued in their name. The employee will assume responsibility that all purchases made with the P-card adhere to this policy and will insure that no unauthorized purchases are made. The City will consider unauthorized purchases to be misappropriation of City ~~funds~~funds that violates City policy and potentially state law. The employee authorized to use the P-card and the Department Director are responsible for the integrity and accuracy of P-card purchases and as such, are responsible for receipts for all P-card purchases and transactions. All purchases processed against a P-card must be made by, or under the immediate direction of, the employee to whom the card is issued. P-card receipts must specify all purchased items. Receipts that show only a total amount without any itemized details are unacceptable. The employee must inform the merchant of the City's ~~tax-exempt~~tax-exempt status; where the employee fails to do this, the employee will be responsible for reimbursing the tax amount to the City. The City will hold the employee personally responsible for items purchased without the supporting documentation.

4. ~~The Finance Department~~The Purchasing Agent will return incomplete receipts to the P-card holder and the Department Director who will then be responsible for obtaining a detailed receipt.

5. P-card holders who do not retain acceptable receipts for P-Card purchases may have their authority for using the P-card revoked. The Purchasing Agent will notify a Department Director concerning any misuse of a P-card.

D. Purchases. P-cards are intended for small purchases of products and supplies needed during the course of business. The Purchasing Agent will place limitations and restrictions on each P-card issued to an authorized employee depending on job duties. Merchant Category Codes (MCC) will limit the vendors allowed to accept the card and limits will be set for single purchases and maximum monthly purchase limit. The P-card must not be used on any goods or services or with any ~~merchant~~merchant that would be considered to be an inappropriate use of public funds. The following list constitutes examples of inappropriate purchases made with a P-card, but is not intended to be an exhaustive or an inclusive list:

1. Items for personal use;
2. Alcoholic beverages;
3. Bars, cocktail lounges, etc.
4. Consulting services (*e.g.*, construction, engineering, etc.);
5. Cash advances;
6. Salaries and wages;
7. Purchases made from merchants with restricted MCC codes;
8. Gifts or donations;
9. Transaction amounts greater than the cardholder's transaction limit;
10. Split purchases to bypass limits on P-card;
11. Separate, sequential, and component purchases or transactions made with the intent to circumvent state law or this manual.

E. Reconciliation. The Purchasing Agent will place spending limits and other restrictions on each

P-card issued to an authorized employee depending on the purchasing authority of the cardholder. The Department must maintain receipts for each purchase throughout the month. During the month and at month's end the Department may view all purchases online. The Department must review the charges, print the register, and reconcile the amounts with the receipts for the purchases. The Department must then forward the register and receipts to the Purchasing Agent. The Purchasing Agent will review the purchases and authorize or reject any payment. The Purchasing Agent will then forward the paperwork to Accounts Payable for payment. A Department does not need to create a purchase requisition as Account Payable will issue one purchase requisition for the ~~City-wide~~Citywide purchases for the month. The Purchasing Agent will immediately notify a Director of any unauthorized purchases during the review process.

F. Disputed Charges. An authorized employee who is issued a P-card holder is responsible for attempting to resolve any dispute with a vendor. The employee must attempt to resolve such dispute within fifteen (15) days of receipt of a purchase. If a resolution is not possible, the employee must immediately notify the bank of the disputed item. The bank should provide a dispute form that the employee cardholder must complete and return to the bank. The employee must submit a copy of the form to their Department Director and the Purchasing Agent. In most cases, the bank will work directly with the employee to resolve the problem.

G. Termination or transfer of employee. When an employee who has been issued a P-card terminates from City employment or transfers from a Department, the Department Director must immediately, but in any event within one business day, contact the Purchasing Agent to report the change. The Purchasing Agent will have the Department complete the appropriate form that reflects this change. The Department will submit this form and pending receipts to the Purchasing Agent for processing. Where possible, the Department must try to have a terminated employee reconcile his/her P-card statements prior to termination. If there are any remaining charges on the P-Card not accounted for, those charges will be billed to the terminated cardholder or recuperated through other means.

H. Audit of records. The Finance Department may periodically audit any Department for P-card activity. Any failure to comply with this policy in the use or administration of a P-card may result in cancellation of a card and subject the cardholder to discipline, up to and including termination.

I. Loss of P-card. A P-card holder must report a lost P-card immediately but in any event, within one business day of discovered loss. The City may hold an employee liable for any losses not covered by the protection plan. The City may also hold an employee responsible for the cost of a replacement card.

24. PETTY CASH DISBURSEMENT

A. Rules and forms.

1. A Department may submit a request for petty cash from the Finance Department. The request and disbursement must not exceed \$100.00. If cash payment is necessary due to unforeseeable circumstances, the Finance Director may approve expenditure over the \$100.00 limit.
2. Only expenditures specifically authorized by this manual are allowed.
3. A Department must not use petty cash pay for services rendered.

4. An employee must not use petty cash for any use that violates this manual.

B. Maintaining petty cash. Petty cash vouchers, receipts, and cash on hand must at all times equal the total amount authorized for the petty cash fund. The Finance Department will issue a petty cash voucher to a Department at the time money is advanced for an employee to make purchases on the City's behalf. The Department must sign the petty cash voucher indicating approval for the purchase. The sales receipt must be attached to the petty cash voucher after the purchase. The petty cash voucher should include the amount and purpose of the proposed expenditure, the expense account number, and be signed and dated by the recipient the Department. Vouchers may not be used as a substitute for a sales receipt. Where a Department maintains a departmental petty cash, the Department must turn in petty cash vouchers with receipts attached to the Finance Department on a weekly basis to exchange for cash in reimbursing the departmental petty cash.

C. Audit of petty cash. The Finance Director will periodically audit petty cash expenditures as to form and regulations and may confirm purchases.

25. RENTAL OR LEASE OF EQUIPMENT

A. Rental procedures. Where a Department seeks to rent or lease equipment, such acquisition must be handled as any other type of purchase such that a purchase requisition is sent to the Purchasing Agent for the procurement. Prior to placing a request, a Department should determine whether the equipment that is proposed for rental or lease is available in any other Department.

B. Lease/purchase agreements. Any equipment lease may occur but only after the availability of a lease option has been fully evaluated for efficiency and cost effectiveness. A Department will work with the Purchasing Agent and Finance Department when proposing either a short-term or long-term lease of equipment for analysis of actual capital costs including interest charges. The total cost of the lease shall be calculated. Where such cost exceeds an authorized purchasing threshold for either the City Manager or City Council under this manual, the City Manager or City Council, as appropriate, will need to approve the lease agreement. Under no circumstances may a Department sign a rental or lease agreement unless prior approval has been granted by the Purchasing Agent.

EXHIBIT A

Vendor Performance Form – City of Kerrville, TX.

Instructions: Complete this form to report exceptional or unsatisfactory vendor performance and return to the Purchasing Agent.

Purchase Order No.	Requisition No.	Today's Date:
Vendor Name: Contact: Address: City, State: Phone: Fax: E-mail:	Department: Contact: Phone: Fax: E-mail:	
Nature of report (Check all applicable boxes):		
<p><u>POOR PERFORMANCE</u></p> <input type="checkbox"/> Late Delivery <input type="checkbox"/> Failure to Deliver <input type="checkbox"/> Delivery made at wrong destination <input type="checkbox"/> Failure to identify shipments per contract terms <input type="checkbox"/> Short/ over weight overweight or count <input type="checkbox"/> Vendor shipped incorrect merchandise <input type="checkbox"/> Failure to replace damaged goods <input type="checkbox"/> Slow replacement of damaged goods <input type="checkbox"/> Failure to pick up incorrect shipment <input type="checkbox"/> Improper Product Packaging <input type="checkbox"/> Failure to meet specifications <input type="checkbox"/> Failure to follow palletizing instructions <input type="checkbox"/> Poor product quality <input type="checkbox"/> Poor product performance <input type="checkbox"/> Failure to respond to letter or phone call <input type="checkbox"/> Failure to promptly notify Purchasing concerning Manufacturer discontinuation of an item <input type="checkbox"/> Poor customer service (Requires comment) <input type="checkbox"/> Unauthorized substitution <input type="checkbox"/> Unsatisfactory installation <input type="checkbox"/> Service not performed within specifications <input type="checkbox"/> Incorrect invoices <input type="checkbox"/> Failure to comply with terms & conditions of contract (Requires comment)	<p><u>RESOLUTION</u></p> <input type="checkbox"/> Complaint withdrawn <input type="checkbox"/> Vendor failed to receive purchase order <input type="checkbox"/> Delivery made after late notice sent <input type="checkbox"/> Performance corrected <input type="checkbox"/> Material or item replaced <input type="checkbox"/> Equipment performance corrected <input type="checkbox"/> Invoice Corrected <input type="checkbox"/> Item cancelled from contract (Vdr failure-Vdr initiated) <input type="checkbox"/> Item cancelled from contract (Vdr failure- Purchasing initiated) <input type="checkbox"/> Item cancelled from contract (No fault of vendor) <input type="checkbox"/> Entire order cancelled <input type="checkbox"/> Entire contract cancelled (Vendor fault) <input type="checkbox"/> Entire contract cancelled (No fault of vendor) <input type="checkbox"/> Damages paid <input type="checkbox"/> Vendor counseled <input type="checkbox"/> Order completed <input type="checkbox"/> Correct shipment received <input type="checkbox"/> Damages not paid – Vendor removed from bid list <input type="checkbox"/> Performance not corrected – Vendor removed from bid list	
<p><u>ACTION TAKEN BY PURCHASING</u></p> <input type="checkbox"/> 1 ST Written notice issued for late delivery <input type="checkbox"/> 2 nd Written notice issued for late delivery <input type="checkbox"/> Damaged assessed <input type="checkbox"/> Vendor commended <input type="checkbox"/> Shipment rejected <input type="checkbox"/> Vendor counseled	<p><u>EXCEPTIONAL PERFORMANCE</u></p> <input type="checkbox"/> Shipment made early upon Purchasing/Department request <input type="checkbox"/> Product upgrade substitution suggested and accepted <input type="checkbox"/> Exceptional customer service response <input type="checkbox"/> Exceptional service provided for return of products <input type="checkbox"/> Provided technical/training/set-up assistance when not required <input type="checkbox"/> Price reduction for large order <input type="checkbox"/> Vendor commended	
<p><u>Detailed explanation (Please be specific)</u></p> 		
<p><u>Resolution completed by Purchasing:</u> _____</p>	<p>Date: _____</p>	
<p>Buyer: _____</p>		

Exhibit F

Detailed Specification form

I. Title:

II. Summary:

Provide summary of what the product or service will be used for and the department(s) that will use it.

III. Definition:

(Required) Define technical and critical terms of product or services to be purchased. Attach detailed specification documents.

IV. Requirements:

(Required) List all needs and performance requirements and include work-related needs that this item or service must fulfill. Include any testing, certification, or other quality control requirements.

(Optional) List all design requirements, including materials, manufacturing standards and directions, dimensions, physical characteristics and workmanship standards.

(Optional) List any requirements not cover.

Submitted By: _____ Dept: _____ Date: _____

**EXHIBIT B
WRITTEN QUOTE SHEET \$3,000.00 +**

Date Requested: _____

Dept/Div: _____

Funds Budgeted in Account: _____

Budgeted Amount: _____

	Vendor One	Vendor Two	Vendor Three
Firm			
Address			
City			
State/Zip			
Telephone			
Fax			
Sales Rep:			
E-Mail Address			
Delivery			
Freight Term			
Payment Term			
HUB			

Qty	Unit	Description (include Brand/Model)	Vendor 1		Vendor 2		Vendor 3	
			Unit Price	Item Total	Unit Price	Item Total	Unit Price	Item Total
		SUB - TOTAL						
		GRAND TOTAL						

EXHIBIT C

Purchasing Request

Invitation for Bid (IFB) and/or Request for Proposal (RFP)

\$50,000.00 +

Date Requested: _____

Department: _____

Funds Budgeted in Account: _____

Budgeted Amount: _____

Point of Contact: _____

1st Advertising Notice Date requested: _____ Notice of the time and place at which the bids will be publicly opened and read aloud must be published at least once a week for two consecutive weeks in a newspaper published in the municipality. (if unknown leave blank)

2nd Advertising Notice Date requested: _____ (if unknown leave blank)

Requested Opening Date: _____ The date of the first publication must be before the 14th day before the date set to publicly open the bids and read them aloud. (if unknown leave blank)

Attachments:

- | | <u>Yes</u> | <u>No</u> |
|---------------------------------------------------------------------------------|--------------------------|--------------------------|
| 1) Detailed Specifications pertaining to requested item(s) to be purchased. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2) List of any vendors known by the department to provide material or services. | <input type="checkbox"/> | <input type="checkbox"/> |

Signatures:

Director: _____

Date: _____

Purchasing Manager: _____

Date: _____



EXHIBIT D

FINANCE DEPARTMENT
SOLE SOURCE AFFIDAVIT

**THIS IS AN OFFICIAL PURCHASING DOCUMENT – RETAIN WITH
PURCHASE ORDER FILE**

Before me, the undersigned official, on this day, personally appeared _____, a person known to me to be the person whose signature appears below, whom after being duly sworn upon his/her oath deposed and said:

1. My name is _____. I am over the age of 18, have never been convicted of a crime and am competent to make this affidavit.

2. I am an authorized representative of the following company or firm:

3. The above named company or firm is the sole source for the following item(s), product(s) or service(s):

4. Competition in providing the above named item(s) product(s), service(s) is precluded by the existence of a patent, copyright, secret process or monopoly as stated under Sections 252.022(a)(7)(A) or (7)(B-F), TX. Local Gov't Code. Also, attached is a sole source letter, which sets forth the reasons why this Vendor is a sole source provider (dated and signed).

5. There is/are no other like item(s) or product(s) available for purchase that would serve the same purpose or function.

6. Note: This Vendor understands that by providing false information on this Sole Source Affidavit, it may be considered a non-responsible Vendor on this and future purchases and may result in discontinuation of any/all business with the City of Kerrville.

Signature

THE STATE OF TEXAS §
COUNTY OF KERR §

SUBSCRIBED AND SWORN to before me on this the ____ day of _____, _____.

Notary Public for the State of Texas

Printed Name: _____

My commission expires: _____

COMPANY NAME: _____

ADDRESS, CITY, STATE & ZIP: _____

PHONE: _____ FAX NUMBER: _____

CONTACT NAME AND TITLE: _____

WEB ADDRESS: _____ EMAIL: _____

FEDERAL TAX ID NUMBER: _____

TEXAS SALES TAX NUMBER: _____

EXHIBIT E

REQUEST FOR PURCHASING CARD (P-Card)

TO: Purchasing Agent

FROM:

DEPARTMENT:

SUBJECT: *Request for Purchasing Card (P-Card)*

DATE:

I request that the Finance Department issue the following employee a City Purchasing Card (P-card) for the purpose of making purchases in the normal course of authorized City business.

Full Name of Employee (print): _____

Employee Title: _____

Employee Signature: _____

Single Item Purchase-Supplies or Material (**Not to exceed \$3,000**): _____

Daily Transaction Limit: _____ # of Transactions: _____

30-Day Limit: _____

Restrictions: _____

REQUESTED BY: _____
Signature of Department Director

APPROVED BY: _____
Signature of Purchasing Agent

Date: _____

Copy: Designated Cardholder
Director/Manager

PURCHASING CARD (P-CARD) CARDHOLDER AGREEMENT

I, _____ hereby agree to comply with the **Purchasing Card (P-card)** policy and procedures and the following terms and conditions regarding my use of the card. As a cardholder, I have read and understand the **City of Kerrville Purchasing Policy and Procedures, which includes the P-card policy.**

1. I understand that I am being entrusted with a valuable tool, the P-card. I will be making financial commitments on behalf of the City of Kerrville. I will always obtain the best value for the City by using the P-card wisely and with discretion.

2. I agree to use this card for official City business and approved purchases only. I fully understand that my misuse or abuse of the P-card will result in revocation of the card and appropriate disciplinary action, which may include termination of my employment. I also agree to attend training on the use of this card as prescribed by Purchasing Agent.

3. The following acts are prohibited, and I understand that this is not an exclusive or exhaustive list:

- Expenditures for personal purposes;
- Cash advances or refunds;
- Expenditures for entertainment, including but not limited to the purchase of alcoholic beverages;
- Purchases under contracts, unless an emergency exception is granted;
- Separate, sequential, and component purchases or transactions made with intent to circumvent state law or City policy;
- Transaction amounts greater than the limits on the P-card issued to me;
- Failure to submit proper documentation with each monthly statement, and;
- Allowing the card to be used by someone else

4. I understand I do not own the P-card and that the City has issued the card to me so that I can conduct authorized City business in an efficient, expeditions, and cost-effective manner. I agree to return the P-card immediately upon request or upon termination of employment (including retirement and resignation). Should I be transferred between Departments or positions, qualify for extended leave, or undergo an organizational ~~change which~~ change that causes my duties to no longer necessitate the use of the P-card, I agree to return it immediately.

5. If the card is lost or stolen, I agree to immediately notify the Purchasing Agent and my Department Director.

I understand and agree that my use of the P-card is subject to the following specific purposes or restrictions:

Employee Signature Date Department

Department Director Date Purchasing Agent Date

Transaction Limit: \$ _____ Monthly Limit: \$ _____

PURCHASING CARD (P-CARD) LOST/STOLEN REPORT

TO: Purchasing

FROM:

DEPARTMENT:

Card Number: _____

Full Name of Employee (print): _____

Employee Signature: _____

Employee Title: _____

Date of Loss: _____

Date Stolen: _____

Details: _____

Copy: Designated Cardholder
Director/Manager

CARDHOLDER STATEMENT OF DISPUTED ITEM(S)

RE: _____

CARDHOLDER NAME: _____ CARD NUMBER: _____

MERCHANT (VENDOR) NAME: _____ DISPUTED AMOUNT: \$ _____

I dispute the charge(s) described herein as follows: [Check Appropriate Box(es)]

I certify that the charge listed above was not made by me nor were the goods or services represented by the above transaction received by me or by a person authorized by me.

I do not recognize the transaction as listed above. Please inform me of merchant name and description of merchandise purchases.

Although I did engage in the above transaction, I dispute all or part of the charge in the amount of \$ _____.

I have contacted the merchant and requested a credit adjustment that I did not receive or was not satisfactory.

I have been charged twice for the same transaction. Posting dates: _____ and _____

A credit slip was listed as a sale on my statement.

The amount of the sales slip was increased from \$ _____ to \$ _____. Enclosed is my copy of the sales slip prior to alteration.

I received a price adjustment (credit slip) on the above transaction, and it has not appeared on my statement. Enclosed is a copy of the credit memorandum.

Non-Acceptance

Other, please explain completely.

I am disputing the charge because: _____

Designated Cardholder Signature: _____

Daytime Phone: _____

Date: _____

Exhibit G
EMERGENCY JUSTIFICATION

This questionnaire has been designed to assist staff in providing information necessary in the processing of emergency requisitions for the purchase of products and/or services. Please complete and forward to Purchasing. If more space is needed, please attach additional page(s).

REQUISITION NO.: _____

1. State the reason for the emergency purchase by explaining what the emergency is and/or what caused the emergency situation:

2. State the financial or operational damage/risk that will occur if needs are not satisfied immediately (do not simply say there will be a loss or some damage):

3. State why the needs were not or could not be anticipated so that goods/services could not have been purchased following standard procedures:

4. State the reason and process used for selecting the vendor (attach all quotes/proposals received from other sources, if applicable):

5. State the part of the City's Purchasing Policy this Emergency Purchase falls under.

I certify that the above statements are true and correct, and that no other material fact or consideration offered or given has influenced this recommendation for an emergency procurement.

Submitted By: _____

Authorized Signature

Date

Dept Director: _____

Authorized Signature

Date

PURCHASING USE ONLY
Approved By: _____ Date: _____

Exhibit H
CITY OF KERRVILLE

TRAVEL REQUEST AND AUTHORIZATION (BEFORE TRAVEL)

NAME: _____

DEPARTMENT: _____

DESTINATION: _____

PURPOSE OF TRIP: _____

DATE/TIME OF DEPARTURE: _____

DATE/TIME OF RETURN: _____

BUDGET ITEM: _____ YES _____ NO ACCOUNT# _____

TRANSPORTATION: PERSONAL AUTO _____ CITY AUTO _____ OTHER _____

ESTIMATED EXPENSE:

PERSONAL AUTO @ .5165 PER MILE \$ _____

LODGING: \$ _____

 SEND TO HOTEL _____

 GIVE TO EMPLOYEE _____

PER DIEM RATE (\$54/DAY) _____

REGISTRATION: \$ _____

 MAIL WITH FORM _____

 GIVE TO EMPLOYEE _____

OTHER: \$ _____

TOTAL EXPENSE: \$ _____

ADVANCE REQUEST \$ _____

DATE SUBMITTED: _____

APPROVED BY: _____
(SUPERVISOR OR MANAGER)

DATE : _____

APPROVED BY: _____
(DIRECTOR)

DATE : _____

APPROVED BY: _____
(FINANCE)

DATE : _____

- Finance approval required if total travel expense exceed \$999.99.

Agenda Item:

2C. A Resolution No. 21-2013 adopting amendments to the city's financial policy. (staff)

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 21-2013**

**A RESOLUTION ADOPTING AMENDMENTS TO THE CITY'S
FINANCIAL POLICY**

WHEREAS, the City Council has previously adopted a *Financial Policy for the City of Kerrville*; and

WHEREAS, City staff believes it is necessary and in the best interests of the citizens of Kerrville to amend the *Financial Policy* of the City of Kerrville;

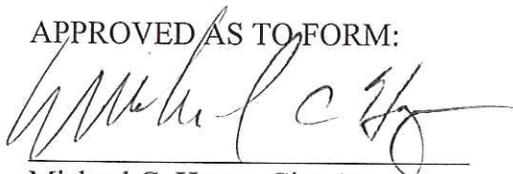
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

The *Financial Policy* is amended as specified in **Exhibit A**.

PASSED AND APPROVED ON this the ___ day of _____ A.D., 2013.

Jack Pratt, Jr., Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary

Purpose.

The City of Kerrville, Texas financial policies set forth the basic framework for the fiscal management of the City. These policies were developed within the parameters established by applicable provisions of the Texas Local Government Code and the City of Kerrville City Charter. The policies are intended to assist the City Council and city staff in evaluating current activities and proposals for future programs. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

Debt and arbitrage compliance policies are included in the financial policies in lieu of their own separate policies.

Annual budget.

The fiscal year of the City of Kerrville shall begin on October 1 of each calendar year and will end on September 30 of the following calendar year. The fiscal year will also be established as the accounting and budget year.

The City Manager shall prepare each year a budget to cover all proposed expenditures of the government of the City for the succeeding year. Such budget shall be carefully itemized so as to make as clear a comparison as practicable between expenditures included in the proposed budget and actual expenditures for the same or similar purposes for the preceding year. The budget shall also show as definitely as possible each of the various projects for which appropriations are set up in the budget, and the estimated amount of money carried in the budget for each of these projects. The budget shall also contain a complete financial statement of the City showing all outstanding obligations of the City, the cash on hand to the credit of each and every fund, the funds received from all sources during the previous year, the funds available from all sources during the ensuing year, the estimated revenue available to cover the proposed budget, and the estimated rate of tax which will be required.

On or before the 31st day of July of each year, the City Manager shall submit to the City Council and City Secretary a budget for the ensuing fiscal year and an accompanying budget message. The full text of the proposed budget and message shall be made available for public review in the office of the City Secretary, at the City's library, and prominently linked on the City's website.

The fiscal year of the City government shall begin on the first day of October each year and shall end on the last day of September the following year. Such year shall constitute the budget year of the City government.

The City Manager's budget message shall explain the budget both in fiscal terms and in terms of the work programs, linking those programs to organizational goals and community priorities. It shall outline the proposed financial policies of the City for the ensuing fiscal year and the impact of those policies on future years. It shall describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures, and revenues together with the reasons for such

changes, summarize the City's debt position, including factors affecting the ability to raise resources through debt issues, and include such other material as the City Manager deems desirable.

City Council Action on Budget.

Notice and Hearing. The City Council shall publish the general summary of the budget and a notice stating:

1. The times and places where copies of the message and budget are available for inspection by the public, and
2. The time and place, not less than two weeks after such publication, for a public hearing(s) on the budget.

Amendment before Adoption. After the public hearing, the City Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for an estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than total estimated income.

Adoption. The City Council shall adopt the budget on or before the 30th day of September of the fiscal year currently ending. If it fails to adopt the budget by this date, the budget proposed by the City Manager shall go into effect.

"Publish" defined. As used in this section, the term "publish" means to print in the contemporary means of information sharing, which includes, a newspaper of general circulation which is published in the City, and on the City's website. In addition, the budget shall be made available in the office of the City Secretary and in the City's library.

Budget.

The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year and, except as required by law or this Charter, shall be in such form as the City Manager deems desirable or the City Council may require for effective management and an understanding of the relationship between the budget and the City's strategic goals. The budget shall begin with a clear general summary of its contents; shall show in detail all estimated income, indicating the proposed property tax levy; and all proposed expenditures, including the amount of salary or compensation of officers and employees and debt service for the ensuing fiscal year; and shall be so arranged as to show comparative figures for actual and estimated income and expenditures of the current fiscal year and actual income and expenditures of the preceding fiscal year. It shall indicate in separate sections:

1. The proposed goals and expenditures for current operations during the ensuing fiscal year, detailed for each fund by department or by other organization unit, and program, purpose or activity, method of financing such expenditures, and methods to measure outcomes and performance related to the goals;

2. Proposed longer-term goals and capital expenditures during the ensuing fiscal year, detailed for each fund by department or by other organization unit when practicable, the proposed method of financing each such capital expenditure, and methods to measure outcomes and performance related to the goals; and
3. The proposed goals, anticipated income and expense, profit and loss for the ensuing year for each utility or other enterprise fund or internal service fund operated by the City, and methods to measure outcomes and performance related to the goals. For any fund, the total of proposed expenditures shall not exceed the total of estimated income plus carried forward fund balance exclusive of reserves.

Appropriation and Revenue Ordinances.

To implement the adopted budget, the City Council shall adopt, prior to the beginning of the fiscal year.

1. An appropriation ordinance making appropriations by department, fund, or other organizational unit and authorizing an allocation for each program or activity; and
2. A tax levy ordinance authorizing the property tax levy or levies and setting the tax rate or rates.

Amendments after Adoption.

Supplemental Appropriations. If during or before the fiscal year the City Manager certifies that there are available for appropriation revenues in excess of those estimated in the budget, the City Council by ordinance may make supplemental appropriations for the year up to the amount of such excess.

Emergency Appropriations. To address a public emergency affecting life, health, property, or the public peace, the City Council may make emergency appropriations. Such appropriations may be made by emergency ordinance in accordance with the provisions of Section 3.06 of the City charter. To the extent that there are no available un-appropriated revenues or a sufficient fund balance to meet such appropriations, the Council may by such emergency ordinance authorize the issuance of emergency notes, which may be renewed from time to time, but the emergency notes and renewals of any fiscal year shall be paid or refinanced as long-term debt not later than the last day of the fiscal year next succeeding that in which the emergency appropriation was made.

Reduction of Appropriations. If at any time during the fiscal year it appears probable to the City Manager that the revenues or fund balances available will be insufficient to finance the expenditures for which appropriations have been authorized, the manager shall report to the City Council without delay, indicating the estimated amount of the deficit, any remedial action taken by the manager and recommendations as to any other steps to be taken. The Council shall then take such further action as it deems necessary to prevent or reduce any deficit and for that purpose it may by ordinance reduce or eliminate one or more appropriations.

Transfer of Appropriations. At any time during or before the fiscal year, the City Council may by resolution transfer part or all of the unencumbered appropriation balance from one department, fund,

or organizational unit to the appropriation for other departments or organizational units or a new appropriation. The manager may transfer funds among programs within a department, fund, or organizational unit and shall report such transfers to the Council in writing in a timely manner,

Limitation; Effective Date. No appropriation for debt service may be reduced or transferred, except to the extent that the debt is refinanced and less debt service is required, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof. The supplemental and emergency appropriations and reduction or transfer of appropriations authorized by this section may be made effective immediately upon adoption.

Independent Audit.

As soon as practicable after the close of each fiscal year, an independent audit shall be made of all accounts of the City government by certified public accountants, to be selected by the Council, who have no personal interest directly or indirectly in the financial affairs of the City government. The results of this audit shall be published immediately upon its completion.

Basis of accounting and budgeting.

The City's finances shall be accounted for in accordance with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB).

1. The accounts of the City are organized and operated ~~on the basis of~~based on funds and account groups. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. Governmental funds are used to account for the government's general government activities and include the General, Special Revenue, Debt Service and Capital Project Funds.
2. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "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 pay liabilities of the current period. Substantially all revenues are considered ~~to be~~ susceptible to accrual. Ad valorem, sales, hotel, franchise and tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Expenditures are recognized when the related fund liability is incurred, if measurable,

except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.

3. The City utilizes encumbrance accounting for its governmental fund types, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.
4. The City's proprietary fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

The City's annual budgets shall be prepared and adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds except the capital projects funds, which adopt project-length budgets. Also, depreciation of fixed assets is not recognized in proprietary fund budgets. All annual appropriations lapse at fiscal year-end. Under the City's budgetary process, outstanding encumbrances are reported as restricted fund balances and do not constitute expenditures or liabilities since the commitments will be ~~reappropriated~~ appropriated and honored the subsequent fiscal year.

The issuance of Statement 34 by GASB has influenced the creation and reporting of individual funds. GASB 34 essentially mandates dual accounting systems: one for government-wide (i.e. the government as a single entity) reporting and another for individual fund reporting. Under GASB 34 for individual funds, the City will continue utilizing the accounting and budgeting processes as described in paragraphs (1) and (2) of this section. However, because GASB 34 mandates the flow of economic resources measurement focus and accrual basis of accounting for the government-wide reporting, extensive reconciliation must be performed to present aggregated fund information in the government-wide reporting model. Therefore, individual operating funds will be created with the objective of reducing fund to government-wide reconciliation as much as possible. When appropriate, individual funds will be examined as to whether it will be appropriate to account for them as proprietary fund types.

The Governmental Accounting Standards Board (GASB) issued Statement Number 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" effective for periods after June 15, 2010. The objective of this Statement was to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes limitations on the purposes for which Fund Balance can be used.

a. *Non-spendable Fund Balance* – Some assets reported in governmental funds may be inherently non-spendable from the vantage point of the current period.

Assets that will never convert to cash such as; prepaid items or inventories,
Assets that will not convert to cash soon enough to affect the current period such as;
non-financial assets held for resale,
Resources that must be maintained intact pursuant to legal or contractual requirements such as; capital of a revolving loan fund

b. *Restricted Fund Balance* – This represents the portion of fund balance that is subject to externally enforceable legal restrictions. Such restrictions are typically imposed by parties altogether outside the City such as creditors, grantors, contributors or other governments. Restrictions can also arise when the authorization to raise revenues is conditioned upon the revenue being used for a particular purpose.

c. *Committed Fund Balance* – This represents the portion of fund balance whose use is constrained by limitations that the City imposes on itself by City Council (highest decision making level) and remains binding unless removed in the same manner. The City does not use committed funds in its normal course of business.

Requires action by City Council to commit fund balance

Formal City Council action is necessary to impose, remove or modify a constraint reflected in the committed fund balance

d. *Assigned Fund Balance* – This describes the portion of fund balance that reflects the City's intended use of resources. This authority rests with City Manager and is delegated to staff through the use of encumbrances.

e. *Unassigned Fund Balance* – This describes total fund balance in the General Fund in excess of non-spendable, restricted, committed and assigned fund balance.

Financial reporting.

Following the conclusion of the fiscal year, the City's Director of Finance shall cause to be prepared a Comprehensive Annual Financial Report (CAFR) in accordance with generally accepted accounting and financial reporting principles established by GASB. The document shall also satisfy all criteria of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program.

The CAFR shall show the status of the City's finances ~~on the basis of~~based on GAAP. The CAFR shall show fund revenues and expenditures on both a GAAP basis and budget basis for comparison purposes. In all but two ~~cases~~cases, this reporting conforms to the way the City prepares its budget. Compensated absences (accrued but unused sick leave) are not reflected in the budget but are accounted for in the CAFR's long-term debt account group. Depreciation expense is not shown in the budget's proprietary funds, although the full purchase price of equipment and capital improvements is reflected as uses of working capital.

Included as part of the CAFR shall be the results of the annual audit prepared by independent certified public accountants designated by the City Council.

The Director of Finance shall issue reports to the City Council reflecting the City's financial condition as requested, but not less than once a quarter.

Financial reporting should reflect budget to actual comparisons.

Revenues.

To protect the City's financial integrity, the City will maintain a diversified and stable revenue system to shelter it from fluctuations in any one revenue source. Recognizing that sales tax is a volatile, unpredictable source of revenue, the City will attempt to reduce its dependence on sales tax revenue.

For every annual budget, the City shall levy two property tax rates: operation/maintenance and interest and sinking. The debt service levy shall be sufficient for meeting all principal and interest payments associated with the City's outstanding general obligation debt for that budget year. The interest and sinking levy and related debt service expenditures shall be accounted for in the Debt Service Fund. The operation and maintenance levy shall be accounted for in the General Fund. The operation and maintenance levy will be established within the eight percent rollback rate as defined by the State of Texas Property Tax Code. City Council will consider exceeding the rollback rate only after options have been presented by staff to avoid the rollback by increasing revenue from other sources or reducing expenditures.

The City will maintain a policy of levying the lowest tax rate on the broadest tax base. The City may consider providing tax abatements or other incentives to encourage development.

The City will establish user charges and fees at a level that attempts to recover the full cost of providing the service.

1. User fees, particularly utility rates, should identify the relative costs of serving different classes of customers.
2. Where possible, utility rates should be designed to reduce peak (hour and day) demands on the utility systems.
3. The City will make every reasonable attempt to ensure accurate measurement of variables impacting taxes and fees (e.g. verification of business sales tax payments, verification of appraisal district property values, and accuracy of water meters).

The City will attempt to maximize the application of its financial resources by obtaining supplementary funding through agreements with other public and private agencies for the provision of public services or the construction of capital improvements.

The City will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges.

When developing the annual budget, the City Manager shall project revenues from every source based on actual collections from the preceding year and estimated collections of the current fiscal year, while taking into account known ~~circumstances which~~ circumstances that will impact revenues for the new fiscal year. The revenue projections for each fund should be made conservatively so that total actual fund revenues exceed budgeted projections.

One Time or Unpredictable Revenues are discouraged for use for ongoing expenditures.

Funding will be used from the most restricted to least restricted when different funding sources are available.

Operating expenditures.

Expenditures shall be accounted, reported, and budgeted for in the following major categories:

1. Personnel
2. Supplies
3. Maintenance
4. Services
5. Other Expenses
6. Capital Outlay

The annual budget shall appropriate sufficient funds for operating, recurring expenditures necessary to maintain established (i.e., status quo) quality and scope of city services.

The City will constantly examine the methods for providing public services in order to reduce operating, recurring expenditures and/or enhance quality and scope of public services with no increase to cost.

Personal service expenditures will reflect the minimum staffing needed to provide established quality and scope of city services. To attract and retain employees necessary for providing high-quality service, the City shall maintain a compensation and benefit package competitive with the public and, when quantifiable, private service industries.

Supply expenditures shall be sufficient for ensuring the optimal productivity of City employees.

Maintenance expenditures shall be sufficient for addressing the deterioration of the City's capital assets to ensure the optimal productivity of the capital assets. Maintenance should be conducted to ensure a relatively stable level of maintenance expenditures for every budget year.

The City will utilize contracted labor for the provision of city services whenever private contractors can perform the established level of service at less expense to the City. The City will regularly evaluate its agreements with private contractors to ensure the established levels of service are performed at the least expense to the City.

Capital equipment is defined as equipment that exceeds \$5,000.00 and has a useful life of at least one year. Existing capital equipment shall be replaced when needed to ensure the optimal productivity of City employees.

Expenditures for additional capital equipment shall be made only to enhance employee productivity, improve quality of service, or expand scope of service.

To assist in controlling the growth of operating expenditures, operating departments will submit their annual budgets to the City Manager within a ceiling calculated by the City Manager. Projected expenditures that exceed the ceiling must be submitted as separate budget adjustment requests. The City Manager will recommend the adjustment requests to the City Council, which will vote on the requests.

Fund balance.

The annual budget shall be presented to City Council with the General Fund and the Water & Sewer Fund's reflecting an unassigned fund balance or unrestricted net position that is 15 to 25 percent of that fund's annual operating expenditures. To satisfy the particular needs of individual funds, unassigned fund balances may be established which exceed the 25 percent minimum.

Fund balance that exceeds the minimum level established for each fund may be appropriated for non-recurring capital projects or debt.

The City will exercise diligence in avoiding the appropriation of fund balance for recurring operating expenditures. In the event fund balance is appropriated for recurring operating expenditures to meet the needs of the Kerrville community, the budget document shall include an explanation of the circumstances requiring the appropriation and the methods to be used to arrest the future use of fund balance for operating expenditures.

Fund transfers.

Transfer may occur when one fund provides goods or services to another fund. Fund transfers may occur when surplus fund balances are used to support nonrecurring capital expenses or when needed to satisfy debt service obligations. Transfers are permitted between funds to support economic development programs.

Debt expenditures.

The City will issue debt only to fund capital projects that cannot be supported by current, annual revenues.

To minimize interest payments on issued debt, the City will seek to maintain a rapid debt retirement policy by issuing debt with maximum maturities not exceeding 20 years, except in instances when the capital improvements will significantly benefit the community beyond the 20-year period. Retirement of debt principal will be structured to ensure consistent annual debt payments.

The City will attempt to maintain base bond ratings (prior to insurance) of AA- or better (Standard & Poor's) on its general obligation debt.

When needed to minimize annual debt payments, the City will obtain insurance for new debt issues.

Debt service obligations for the General Fund shall not cause the I&S tax rate to exceed 25% of the total tax rate.

Debt Obligations in the Water and Sewer Fund shall not exceed 35% of the annual revenues.

The Director of Finance shall include in the Comprehensive Annual Financial Report (CAFR) a report summarizing all debt outstanding by type (tax supported and revenue backed), remaining balance of bond proceeds, update of arbitrage liability, and update of pertinent legislative changes.

The City shall retain an independent financial advisor for advice on the structuring of new debt, financial analysis of various options, the rating review process, the marketing of debt issue, marketability of City obligations, sale and post-sale services, the review of the official statement, and other services, as necessary. The City will seek the advice of the financial advisor on an ongoing basis.

The City shall retain bond counsel for legal and procedural advice on all debt issues. Bond counsel shall advise the City Council in all matters pertaining to its bond ordinance(s) and/or resolutions(s). The City will also seek the advice of bond counsel on all other types of debt and on any other questions involving federal tax or arbitrage law.

The preparation of the Official statement is the responsibility of the financial advisor in concert with the Director of Finance. Information for the Official statement is gathered from departments/divisions throughout the City.

The City will take all appropriate steps to comply with federal disclosure rules (i.e., Securities and Exchange Commission Rule 15c2-12). The City will provide annual and material event disclosure to information repositories throughout the term of securities for the benefit of the primary and secondary municipal markets as required by Rule 15c2-12.

When feasible and economical, obligations shall be issued by competitive rather than negotiated sales.

The City will follow a policy of full compliance with all arbitrage rebate requirements of the federal tax code and Internal Revenue Service regulations, and will perform (internally or by contract consultants) arbitrage rebate calculations for each issue subject to rebate as necessary. Each year the City will evaluate the needs for arbitrage calculation for that year.

Capital project expenditures.

The City will develop a multi-year plan for capital projects, which identifies all projects likely to be constructed within a five-year horizon. The multi-year plan will reflect for each project the likely source of funding and attempt to quantify the project's impact to future operating expenditures.

Capital projects will be constructed to:

1. Protect or improve the community's quality of life.
2. Protect or enhance the community's economic vitality.

3. Support and service new development.

To minimize the issuance of debt, the City will attempt to support capital projects with appropriations from operating revenues or excess fund balances (i.e., "pay-as-you-go").

Utility capital expenditures.

The City will design utility rates sufficient for both current and long term obligations.

Long-term financial plans.

The City will adopt every annual budget in context of a long-term financial plan for the General Fund and Water & Sewer Fund. Financial plans for other funds may be developed as needed.

The General Fund long-term plan will establish assumptions for revenues, expenditures and changes to fund balance over a five-year horizon. The assumptions will be evaluated each year as part of the budget development process.

Facility construction; best value methods for entering into contract.

For purposes of this section, the term "facility" means buildings the design and construction of which are governed by accepted building codes; such term does not include (i) highways, roads, streets, bridges, utilities, water supply projects, water plants, wastewater plants, water and wastewater distribution or conveyance facilities, wharves, docks, airport runways and taxiways, drainage projects, or related types of projects associated with civil engineering construction, or (ii) buildings or structures that are incidental to projects that are primarily civil engineering construction projects

In entering into and awarding a contract for the construction, rehabilitation, alteration, or repair of a facility, the city shall use one of the following methods that provides the best value for the city (such methods being those set forth in Section 271.113(a) of the Texas Local Government Code):

1. Competitive bidding;
2. Competitive sealed proposals for construction services;
3. A design-build contract;
4. A contract to construct, rehabilitate, alter, or repair facilities that involve using a construction manager; or
5. A job order contract for the minor repair, rehabilitation, or alteration of a facility.

The use or implementation of any of such methods shall comply in all respects with Chapter 271, Subchapter H of the Texas Local Government Code and any other applicable law.

The determination of which of the best value methods set forth in subparagraph (b) shall be used shall be made before advertising as required by law. The authority of the city council to make such

determination is hereby delegated to the city manager (or the city manager's designee), and the city manager (and any designee of the city manager) is hereby authorized to make such determination.

Reserved.

Agenda Item:

2D. A Resolution No. 20-2013 adopting amendments to the City of Kerrville investment policy regarding the investment of city funds in accordance with the Public Funds Investment Act. (staff)

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 20-2013**

**A RESOLUTION ADOPTING AMENDMENTS TO THE CITY
OF KERRVILLE INVESTMENT POLICY REGARDING THE
INVESTMENT OF CITY FUNDS IN ACCORDANCE WITH
THE PUBLIC FUNDS INVESTMENT ACT**

WHEREAS, the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) requires a city to annually review its investment policy with respect to the investment of public funds collected and held by the city pending the need to spend said funds; and

WHEREAS, City staff has reviewed the City's current investment policy and recommends amendments to said policy, including the investment strategy contained therein; and

WHEREAS, the City Council of the City of Kerrville, Texas, having reviewed said policy, concurs in the City staffs' recommendation and finds that it is in the public interest to extend said policy and readopt same with amendments;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

The City of Kerrville, Texas, investment policy, as adopted by Resolution 063-2006, and which includes the investment strategy, is amended as indicated in **Exhibit A**.

PASSED AND APPROVED ON this the ____ day of _____, A.D., 2013.

ATTEST:

Jack Pratt, Jr., Mayor

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

City of Kerrville, Texas
Investment Policy

1. General Policy

It is the policy of the City of Kerrville (the "City") to administer its funds and the investment of those funds, as its highest public trust. The funds shall be invested in a manner, which provides for maximum safety of principal through risk management and diversification while meeting the City's daily cash needs. The investment of the City's funds should provide a reasonable investment return. The earnings from investment will be used in a manner that best serves the interests of the City.

The City shall administer its investment activities in conformance with the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), the Public Collateral Act (Texas Government Code, Chapter 2257) and in conformance with any applicable state and federal regulations, applicable bond resolution requirements, and this Investment Policy.

2. Scope

This Investment Policy governs the investment of all financial assets of the City as accounted for in the City's Comprehensive Annual Financial Report. This includes the financial assets of the following funds:

- a. general fund,
- b. special revenue fund,
- c. capital project fund,
- d. enterprise fund,
- e. reserve fund,
- f. trust and agency funds, to the extent not required by law or existing contract to be kept segregated and managed separately,
- g. debt service fund, including reserve and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately, and
- h. any new fund created by the City, unless specifically exempted from this Policy by the City Council or by law.

3. Goals and Objectives

Investment of the City funds shall be governed by the following investment objectives, in their order of priority:

a. Safety

Safety of principal is the foremost objective of the investment program of the City. Investment shall be undertaken in a manner that seeks to ensure the preservation of capital and avoids security defaults or erosion of market values. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

b. Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonable anticipated. Ongoing cash flow analysis will be used to identify changing liquidity needs. Demand deposits or other liquid investments should be maintained in an amount greater than or equal to one sixth (1/6) of the City's total annual operating budget in order to avoid the need to liquidate securities prior to maturity,

To the extent possible, the City will attempt to match its investment maturities with anticipated liabilities and cash flow requirements. Unless matched to a specific cash flow requirement, the City will not directly invest in any securities maturing more than two (2) years from the date of purchase.

Such specific cash flow requirements would include operating funds, construction funds, and debt service funds.

To reflect the cash flow requirements and risk tolerance levels of the City, the weighted average maturity of the overall portfolio shall not exceed ~~180~~ 270 days.

c. **Diversification**

In order to minimize investment and market risk, the City will diversify its investments by market sector (security type) and maturity. The portfolio will be designed to avoid unreasonable risks within one market sector or from an individual financial institution.

d. **Yield**

The City's investment portfolio shall be designed with the objective of attaining a reasonable rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio. The portfolio(s) risk shall be measured quarterly against a benchmark based on cash flow analysis and the authorized portfolio structure. The overall portfolio shall have a maximum weighted average maturity of six (6) months. To measure the overall risk of the portfolio, a benchmark of the six-month Treasury Bill shall be reported.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The City shall maintain a cash management program, which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services.

4. **Investment Strategy**

In compliance with the Act and as an integral part of the administration of the City's investment activities, the City Council shall annually adopt a written Investment Strategy .

The City maintains one commingled portfolio for investment purposes which incorporates the specific investment strategy considerations and the unique characteristics of the fund groups represented in the portfolio:

- A. The investment strategy for operating, enterprise and special revenue funds has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. The secondary objective is to create a portfolio structure which will experience minimal volatility. This may be accomplished by purchasing high quality, short- to medium-term maturity securities (0-2 years) which will complement each other in a laddered maturity structure permitting some extension for yield enhancement. The maximum dollar weighted average maturity of six (6) months or less will be calculated using the stated final maturity date of each security.
- B. The investment strategy for debt service funds shall have as its primary objective the assurance of available funds adequate to fund the debt service obligations on a timely basis. Successive debt service dates will be fully funded before extension.
- C. The investment strategy for reserve funds shall have as its primary objective the ability to generate a revenue stream to the reserve funds from high quality securities with a low degree of volatility. The potential for loss shall be further controlled through the purchase of securities within the desired maturity range.
- D. The investment strategy for capital projects or capital project funds will have as its primary objective assurance that anticipated cash flows are matched and provide adequate investment liquidity. At least

10% total liquidity is planned to provide flexibility and for unanticipated project outlays. The stated final maturity dates of securities held may not exceed the estimated project completion date.

The City shall pursue an active versus a passive portfolio management strategy. That is, securities may be sold before they mature if market conditions present an opportunity for the City to benefit from the trade. The investment officer and adviser will continuously monitor the contents of the portfolio, the available markets, and the relative value of competing instruments to adjust the portfolio in response to market conditions.

5. Investment Officers

The City's Director of Finance is authorized to administer the investment activities of the City and, is designated as Investment Officer for the purposes of this Policy. Upon recommendation of the City Manager, the City Council may designate one or more additional qualified employees or an SEC Registered Investment Advisor, as Investment Officer(s). The designation of additional Investment Officers shall be by resolution, or award of contract. Authority and designation as Investment Officer is effective until rescinded by the City, expiration of the officer's term, or until termination of employment.

All Investment Officer(s) shall be familiar with this Policy and its underlying procedures. No Investment Officer may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Director of Finance.

A trading resolution is established by adoption of this Investment Policy authorizing the Investment Officer(s) to engage in investment transaction on behalf of the City. The persons so authorized to transact business are also authorized to approve wire transfers used in the process of investing.

Training

All Investment Officer(s) shall attend ten (10) hours of training in accordance with the Act within twelve (12) months of assuming responsibilities and attend (10) hours of training each successive two-year period. Training shall be provided or endorsed by the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, and the Texas Municipal League. Training should include topics such as investment controls, security risk, market risks, diversification of the investment portfolio and compliance with State laws.

6. Standard of Care

The standard of care to be used by the City's Investment Officer(s) shall be the "prudent person standard" and shall be applied in the context of managing the overall portfolio, rather than a consideration as to the prudence of a single investment; and whether the investment decision was consistent with this investment policy. The standard states:

Investment shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of the capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority:

- (1) preservation and safety of principal;
- (2) liquidity;
- (3) diversification; and
- (4) yield.

Investment Officer(s) acting in accordance with the Investment Policy and exercising due diligence, shall be relieved of personal liability for an individual security's credit risk or market price change, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

An investment officer of the City who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest. For the purpose of this paragraph, an investment officer has a personal business relationship with a business organization if:

1. the investment officer owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization.
2. funds received by the investment officer from the business organization exceed 10% of the investment officer's gross income for the previous year; or
3. the investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

7. Standard of Ethics

Investment Officer(s) shall act as custodians of the public trust and shall refrain from any transaction that might involve a conflict of interest or the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence. Investment Office(s) shall refrain from personal business activity that could conflict with proper execution of the investment program or that could impair their ability to make impartial investment decisions.

An Investment Officer who has a personal or business relationship with an individual or organization seeking to sell an investment to the City shall file a disclosure statement with the Texas Ethics Commission and the City Council in accordance with the Act.

8. Investment Advisors, Investment Pools, and Broker/Dealers

The City recognizes that all investment decisions regarding the City's portfolio are ultimately the responsibility of the City Council and its Investment Officers. However, all investment advisors and broker/dealers conducting business with the City shall make every reasonable effort to adhere to the spirit, philosophy, and specific terms of this Investment Policy. All investment advisors and broker/dealers shall avoid recommending or suggesting transaction outside the spirit, philosophy, and specific terms of this Investment Policy.

a. Broker/Dealers

A list of not less than five authorized broker/dealers shall be maintained to assure a competitive process. Investment Officers will establish the criteria, monitor the service, and evaluate the broker/dealers based on their:

1. adherence to the City's policies and strategies,
2. transaction pricing,
3. responsiveness to the City's requests for service and information
4. the quality of communications, and
5. understanding of the inherent fiduciary responsibility of public funds.

Financial Institutions and broker/dealers who desire to transact business with the City must supply the following documents to the Investment Officer or Investment Advisor (as applicable):

- Current year audited financial statements
- Financial Institutions Regulatory Agency (FINRA) certification and FINRA's Central Depository Registration (CRD) number.
- Proof of Texas State Securities registration.

Broker/dealers shall also provide timely trade documentation and confirmations.

Certification

Before transacting any business with the City, the Director of Finance shall present each broker/dealer with a current copy of the City's Investment Policy and an authorized representative of the firm shall, in writing to the City, certify substantially to the effect that:

1. the broker/dealer has received and reviewed the City's Investment Policy, and
2. the firm has implemented reasonable procedures and controls to preclude investments with the City not authorized by the Policy.

The City shall not enter into any investment transaction with a broker/dealer prior to receiving the certification.

If material changes are made to the Investment Policy, an updated copy shall be provided to the authorized broker/dealer for re-certification.

b. Investment Pools

Investment pools shall be required to furnish to the investment officer an information statement in accordance with the Act. ~~An investment pool shall invest the funds it receives from entities in authorized investments permitted by the Public Funds Investment Act.~~

Formatted: Not Highlight

Investment pools must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 90days.

Formatted: Not Highlight

~~Any investment pool that does not meet the requirements of one that is created to function as a money market mutual fund must maintain a maximum average dollar weighted maturity that does not exceed 365 days (or 366 days in the case of a leap year) and must provide a fixed interest rate and a fixed maturity term for each pool position.~~

Formatted: Pattern: Clear

c. Investment Advisor

The City may contract with another investing entity registered under the 15 U.S.C. Section 80b-1 et seq. to invest its funds. A contract made under authority of this subsection may not be for a term longer than two years. A renewal or extension of the contract must be made by the City Council by order, ordinance, or resolution. The investing entity will be held to the same standards of this Policy as the Investment Officer.

Investment advisors shall be required to be registered with the U.S. Security and Exchange Commission and shall provide their SEC ADV Form to the City on an annual basis.

The Director of Finance shall present investment advisors with a current copy of the City's Investment Policy and an authorized representative of the firm shall, in writing, certify substantially to the effect that:

1. the applicable advisors have received and reviewed the City's Investment Policy, and
2. the firm has implemented reasonable procedures and controls to preclude investments with the City not authorized by the Policy.

The City shall not enter into any investment transaction with an investment advisor prior to receiving the certification.

9. Authorized Investments

Authorized investments under this Policy shall be limited to the instruments listed below as further described by the Act.

a. Obligations of the United States Government, its agencies and instrumentalities, excluding mortgage backed securities, with a stated final maturity not to exceed two (2) years.

b. Fully collateralized or insured certificates of deposit from banks or credit unions doing business in Texas with a final stated maturity not to exceed eighteen (18) months. Certificates of deposit shall be:

Formatted: Not Highlight

1. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, or
2. secured by obligations as defined by this Policy, and
3. governed by a written Depository Agreement that complies with federal and state regulations for properly securing a pledged security interest.

c. Commercial paper rated A1/P1 or its equivalent by two (2) nationally recognized rating agencies and with a final stated maturity not to exceed one hundred eighty five (185) days from the date of issuance.

d. An AAA-rated SEC registered money market mutual funds, striving to maintain a \$1 net asset value, continuously rated not less than AAA or equivalent by at least one nationally recognized rating firm. An AAA-rated money market mutual fund must have a dollar-weighted average stated maturity of 60 days or fewer.

Formatted: Not Highlight

e. Constant-dollar, AAA-rated or AAA-m rated Texas Local Government Investment Pools, approved by resolution of the City Council and conforming in every respect to the Act.

The City shall not invest, in the aggregate, more than 90 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in approved investment pools.

The City investment in any investment pool shall not exceed 5 percent of the total assets of the pool.

f. Fully collateralized repurchase agreements transacted with a primary securities dealer as defined by the Federal Reserve, under a written Master Repurchase Agreement, with a defined termination date, secured by obligations as defined by this Policy held by an independent third party custodian approved by the City, and with a stated final maturity not to exceed ninety (90) days.

This authorization includes flexible repurchase agreements ("flex repos") to be utilized only in the investment of bond proceeds with a stated final maturity not to exceed the expenditure plan on the bond proceeds.

g. Fully collateralized or insured demand deposit accounts at authorized City depositories, under the provisions of a written collateral/depository agreement.

h. State and municipal obligations of any state rated not less than AA by two nationally recognized rating agencies and with a stated maturity not to exceed two years.

Unauthorized Securities

The City is not authorized to invest in the following securities:

1. Interest-Only mortgaged backed securities (IO) whose payment represents only the coupon payments on outstanding principal balances of underlying mortgage.
2. Principal-Only mortgage backed securities (PO) whose payment represents only the principal stream from underlying mortgages.
3. Collateralized mortgage obligations (CMO) with a stated final maturity date of greater than ten (10) years.

4. Collateralized mortgage obligations the interest rate which is determined by an index that adjusts opposite to the change in a market index.

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the City until this policy has been amended and the amended version adopted by the City Council.

Delivery versus Payment

All security transactions shall be transacted on a delivery versus payment (DVP) basis in order to ensure that the City has total control of its investments and its funds at all times.

Competitive Bidding

All investment transactions, including certificates of deposit, will be made on a competitive basis to assure that the City is receiving fair market prices. Bids for certificates of deposit may be solicited orally, in writing, electronically, or in any combination of those methods.

10. Collateralization

Consistent with the requirements of the Act and the Public Funds Collateral Act, the City shall require collateral on all repurchase agreements and all time and demand deposits above the limits of federal insurance.

Time and Demand Deposits- Pledged Collateral

Financial institutions serving as City depositories will be required to execute a Depository Agreement with the City outlining, among other conditions, collateral conditions and limitations. The Agreement shall define the City's rights to the collateral in case of default, bankruptcy or closing,

Collateral authorized by the City will be limited to the following

1. Obligations of the US Government, its agencies and instrumentalities, including mortgage backed securities, which pass the bank test.
2. Obligations of any US state, their agencies and instrumentalities, and municipalities rated A or better by two nationally recognized rating agencies.

Collateral pledged to the City must be maintained with a margin of 102% of the time or demand amounts being collateralized. The banking institution shall be held contractually liable for monitoring and maintaining the required margins at all time. All collateral shall be held by an independent third party banking institution outside the holding company of the pledging bank. A clearly marked evidence of ownership (safekeeping receipt) must be provided to the City for all securities pledged and must clearly state that the security is pledged to the City. Substitution of collateral shall only be made after prior written approval by the City.

The pledging institution shall be responsible for providing a monthly report, preferably from the custodian, on pledged collateral listing at a minimum, the security description, cusip, par value, maturity, and current market value.

Repurchase Agreement- Owned Collateral

Collateral under a master repurchase agreement is owned by the City under a buy-sell transaction. It will be held by an independent third party safekeeping agent approved by the City under an executed SIMFA Master Repurchase Agreement. Collateral with a market value totaling 102% of the principal and accrued

interest is required and the counter-party is responsible for the monitoring and maintaining of collateral and margins at all times.

11. Safekeeping and Custody of City Owned Securities

The laws of the State, this Policy, and prudent treasury management require that all securities be settled on a delivery versus payment basis and be held in safekeeping by an independent third party financial institution approved by the City. The City shall contract with its banking services depository or another financial institution(s) as Custodian for the safekeeping of any securities owned by the City. The designated Custodian will be responsible for the clearing and safekeeping of all security trades and will provide a monthly report of holdings. All securities held by the Custodian on behalf of the City shall be evidenced by a safekeeping receipt.

12. Diversification

Diversification by security types shall be established by the following maximum percentages of investment type to the total City investment portfolio:

Obligations of the US Government	90%
Obligations of US Agencies/Instrumentalities	90%
Certificates of Deposit	90%
Limitation by banking institution	15%
Commercial Paper	20%
Limitation by Issuer	10%
Money Market Mutual Funds	70%
Limitation by ownership in fund	5%
Constant Dollar Texas Investment Pools	90%
Limitation by ownership in fund	5%
State and municipal Obligations	25%

Formatted: Not Highlight

Maximum percentages listed above are to be based on amortized book value.

13. Internal Control

The Director of Finance shall maintain a system of internal controls over the investment activities of the City and his/her subordinate employees. The control shall be designed to address fraud, employee error, misrepresentation by third parties, unanticipated market changes, and imprudent actions. Controls deemed most important would include: control of collusion, separation of duties, custody and safekeeping, delegation of authority, securities losses and remedial actions, and documentation on all transactions.

The City's internal controls over investment activities, and quarterly investment reports, shall be reviewed annually by the City's independent auditor as part of the annual audit process. Any irregularities or suggestions for improvement shall be reported to the City Council.

Cash Flow Forecasting

Cash flow forecasting is a control designed to protect and sustain cash flow requirements of the City. The Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions of investment purposes.

14. Reporting

Not less than quarterly, the Director of Finance shall report to the City Council regarding the City's investment activities for the quarter in compliance with the Act. The reports shall contain sufficient information to permit an informed outside reader to evaluate the performance of the investment program. At a minimum the report shall include:

- description of each investment and depository position.
- book and market values at the beginning and end of the reporting period
- additions, and changes to the market value during the period
- book value and market value of each separately invested asset at the beginning and end of the reporting period market sector and fund
- maturity date of each separately invested asset
- account, fund, or pooled group fund for which each investment was acquired
- earnings for the period
- overall yield for the portfolio(s) in comparison to its benchmark yield for the period

Market prices for market value calculations shall be obtained from independent sources. The quarterly report shall be signed by the Investment Officer and Investment Advisor as applicable.

15. Depositories

The City will design one banking institution through a competitive process as its central banking services provider at least every five (5) years. In selecting a depository, the services, cost of services, credit worthiness, earnings potential, and collateralization of each financial institution shall be considered. This institution will be used for normal banking services including disbursement, deposits, and safekeeping of securities.

Depository agreements, executed in accordance with FIRREA (Financial Institutions Resource and Recovery Enforcement Act), will be established before funds are transferred.

Other banking institutions from which the City may purchase certificates of deposit will also be designated as depositories and must execute a written depository (collateral) contract in accordance with the provisions of this Policy.

16. Policies and Strategy Review

The City Council shall review and adopt the City Investment Policy and incorporated Investment Strategy not less than annually. The City Council shall adopt a written instrument by resolution stating that it has reviewed the Policy and Strategy and the adopting resolution shall record any changes made.

The City's investment activities shall be reviewed annually by the City's independent auditors as part of the annual audit process. The objective of the review shall be to ascertain compliance of the City's investment activities with the Investment Policy, Investment Strategy, and the Act. Any irregularities shall be reported to the City Council through a report as prescribed by the audit engagement agreement.

RECOMMENDED LIST

City of Kerrville, Texas Authorized Broker/Dealer List

~~Adopted May 22, 2012~~

The authorized broker/dealer list for the City of Kerrville is shown below. Each of these firms, and the individual covering the account, are sent the current Investment Policy. In accordance with the Public Funds Investment Act (TX Gov't Code 2256.005(k)) before any broker/dealer transacts business with the City it will have had to certify in writing to a review of the City's Policy and have certified that procedures are in place to assure compliance with that Policy.

The City's Policy establishes specific criteria for the brokers and requires that the list of broke/dealers be approved annually by the Board. *Patterson & Associates* maintains the brokerage compliance files for the City.

When any material changes are made to the Investment Policy the new Policy is sent out for re-certification.

Barclays
~~Cantella & Co.~~
UBS
~~Merrill Lynch~~
Morgan Stanley
Mizuho Securities
Stifel Nicolaus
Vining Sparks
Wells Fargo Securities (Money Market Mutual Funds only)

← - - - Formatted: Indent: First line: 0.5"

Agenda Item:

3A. Annexation and zoning of 0.91 acre tract of land addressed as 2262 Bandera Highway. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: 2nd Public Hearing, Annexation & Zoning Request – 2nd Public hearing of the requested voluntary annexation and zoning recommendation of S-36 for an approximately 0.91 tract of land, more or less, out of the original Survey No. 148, John A. Southmayde, Abstract No. 288, part of the Clergy E. Hollimon tract, within Kerr County, Texas, and consisting of the property addressed as 2262 Bandera Highway.

FOR AGENDA OF: June 11, 2013 **DATE SUBMITTED:** May 30, 2013

SUBMITTED BY: Jason Lutz **CLEARANCES:** Kristine Ondrias

EXHIBITS: Location Map, Petition for Annexation, Annexation Service Plan

AGENDA MAILED TO: Louis Howard, 1150 Sidney Baker S., Kerrville, Texas
78028

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The annexation request and zoning recommendation is for an approximate 0.91 acre tract out of the John A. Southmayde Survey No. 148, Abstract No. 288, within Kerr County, Texas, and consisting of the property addressed as 2262 Bandera Highway and adjacent to the corporate limits of the City of Kerrville.

City Council accepted the applicant's petition for annexation (resolution 12-2013) on April 9, 2013. The property, owned by Louis Howard, will be utilized as a commercial center with three tenant spaces available for lease. Currently one space has been leased for a Papa John's Pizza franchise, with the remaining lease spaces available for office, retail, restaurant, or other uses permitted by right in the recommended S-36 zoning district.

Given the property's current and proposed uses of office, retail, restaurant, and other similar uses, staff recommends that the zoning district of S-36 be assigned to this property. The property is currently adjacent to an RC (Residential Cluster) zoning district to the west, a PI (Public & Institutional) zoning district to the east, and a low intensity business district (S-36) to the north, across Bandera Highway. According to Art. 11-1-9 (a)(4) of the city's zoning code, the purpose of District S-36 is to allow low intensity business uses that are appropriate for the district's location near the River Hill and Oak Hollow residential developments.

In order to properly zone the subject area, S-36 was chosen based on allowable uses and the proximity of the same zoning district adjacent to the property. Any other zoning district would not be suitable zoning or would create an area of spot zoning.

The property will be served by existing water and sanitary sewer lines located in the Bandera Highway right of way. No additional public infrastructure will be required to be built or dedicated in order to serve this property.

The Planning & Zoning commission recommended approval of the annexation and zoning classification of S-36, by a vote of 5-0, at their regularly scheduled meeting on May 2, 2013. At the meeting two property owners officially protested the annexation based on unresolved issues concerning access easements and potential effects to a business located on their property (fireworks stand). Staff did inform the protestors that the easements would be looked at during the preliminary and final platting. The fireworks stand would not be effected by the zoning of the subject area, as the location of the stand would not be taken into the City of Kerrville.

The City Council held the 1st required public hearing on May 28, 2013. Two individuals protested the annexation based on unresolved issues concerning access easements. These easements shall be handled during the platting process, which would occur after annexation has been completed on July 23, 2013.

The timeline for the annexation process is as follows:

April 9, 2013

Petition for Annexation accepted by City Council.

May 2, 2013

Public hearing for annexation and recommendation of zoning district S-36 approved by the Planning and Zoning Commission.

May 28, 2013

First public hearing for the request by City Council.

June 11, 2013

Second public hearing for the request by City Council.

July 9, 2013

First ordinance reading by the City Council.

July 23, 2013

Second and final ordinance reading by the City Council.

PETITION REQUESTING ANNEXATION INTO THE CORPORATE LIMITS OF THE CITY OF KERRVILLE, TEXAS, OF .91 ACRES OUT OF THE 148 John Southmayde Survey, Abstract Number 288, KERR COUNTY TEXAS

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF KERRVILLE, TEXAS:

Louis Howard is the sole owner of an approximately .91 acre tract of land located adjacent to the incorporated limits of the City of Kerrville which is out of the Survey No. 148, Abstract No. 288 Kerr County, Texas, and is more particularly described as follows:

SEE EXHIBIT "A" (Field Notes) and EXHIBIT "B" (Survey) attached hereto.

The above-described property is (a) less than one-mile in width, (b) contiguous to the incorporate limits of the City of Kerrville, Texas, and (c) presently vacant and without residents or on which fewer than three qualified voters reside.

In accordance with Texas Local Government Code §43.028, Louis Howard hereby requests and petitions that the above-described property be annexed into the incorporated limits of the City of Kerrville, Texas.

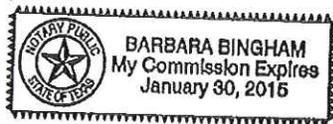
SUBMITTED THIS 19th day of march 2013.

By: [Signature]
Legally authorized signature

ACKNOWLEDGEMENTS

THE STATE OF TEXAS §
 §
COUNTY OF KERR §

This instrument was acknowledged before me on the 19th day of march, 2013, for and on behalf of Louis Howard



[Signature]
NOTARY PUBLIC, STATE OF TEXAS

Printed Name: Barbara Bingham

My Commission Expires: 1/30/2015

Exhibit A Pg. 1

All that certain tract or parcel of land, lying and being situated in the County of Kerr, State of Texas; comprising 0.91 acre, more or less; out of original Survey No. 148, John A. Southmayde, Abstract No. 288; being all that SECOND described conveyance which was conveyed from Bessie L. Hollimon, et. al., to Bessie L. Hollimon, by Partition Deed of record in Volume 165, page 153, of the Deed Records of Kerr County, Texas; which tract is part of that 25.13 acre Third Tract which was conveyed from Susan I. Hollimon to Clergy E. Hollimon, by deed dated June 28, 1949, of record in Volume 86, page 304, of the Deed Records of Kerr County, Texas; subject tract being designated as Tract No. 7 of the Clergy E. Hollimon Subdivision according to plat prepared by Louis Domingues, dated March 5, 1973, which tract is out of Tract No. 6 of the James Hollimon and wife Addition, as described in Volume 44, page 302 to 305, of the Deed Records of Kerr County, Texas; and subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at an iron stake (steel reinforcing bar) with cap marked Voelkel Surveying in fence line, found marking the south corner of said Bessie L. Hollimon tract, being in the southeast line of said 25.13 acre Clergy E. Hollimon tract, being the east corner of that EIGHTH described conveyance which was conveyed from Bessie L. Hollimon, et. al., to Ima Sue Hollimon Bauer, by said Partition Deed of record in Volume 165, page 153, of the Deed Records of Kerr County, Texas, and being in a northwest line of the Kerrville State Park property, which deed to Bessie L. Hollimon tract, describes the beginning corner as located a distance of 3480.8 feet, a direction of N.45°08'E., from a fence corner marking the south corner of said 25.13 acre Clergy E. Hollimon tract, for a reentrant corner of said Kerrville State Park property;

THENCE with the southeast line of said Bessie L. Hollimon tract, the southeast line of said 25.13 acre Clergy E. Hollimon tract, a northwest line of the Kerrville State Park property, along a fence, a direction of N.45°03'E., for a distance of 249.75 feet [deed- N.45°08'E. 250.0'] to an iron stake (steel reinforcing bar) with cap marked Voelkel Surveying found marking the east corner of said Bessie L. Hollimon tract, being in the southwest right of way line of Texas State Highway No. 173;

THENCE with the northeast line of said Bessie L. Hollimon tract, along the southwest right of way line of said Texas State Highway No. 173, a direction of N.55°57'W., for a distance of 173.60 feet [deed- N.56°02'W. 173.6'] to an iron stake (steel reinforcing bar) with cap marked Voelkel Surveying found marking the north corner of said Bessie L. Hollimon tract, for the east corner of that 0.59 acre Hollimon Cemetery tract, which is part of said James Hollimon and wife Addition, as described in Volume 44, page 302 of the Deed Records of Kerr County, Texas;

THENCE with the northwest line of said Bessie L. Hollimon tract, the southeast line of said 0.59 acre Hollimon Cemetery tract, a direction of S.45°02'W., for a distance of 216.21 feet [deed- S.45°08'W. 216.4'] to an iron stake (steel reinforcing bar) with cap marked Voelkel Surveying found marking the west corner of said Bessie L. Hollimon tract, for the south corner of said 0.59 acre Hollimon Cemetery tract, being in the northeast line of said tract conveyed to Ima Sue Hollimon Bauer;

THENCE with the southwest line of said Bessie L. Hollimon tract, the northeast line of said tract conveyed to Ima Sue Hollimon Bauer, a direction of S.44°49'E., for a distance of 170.36 feet [deed- S.44°52'E. 170.3']

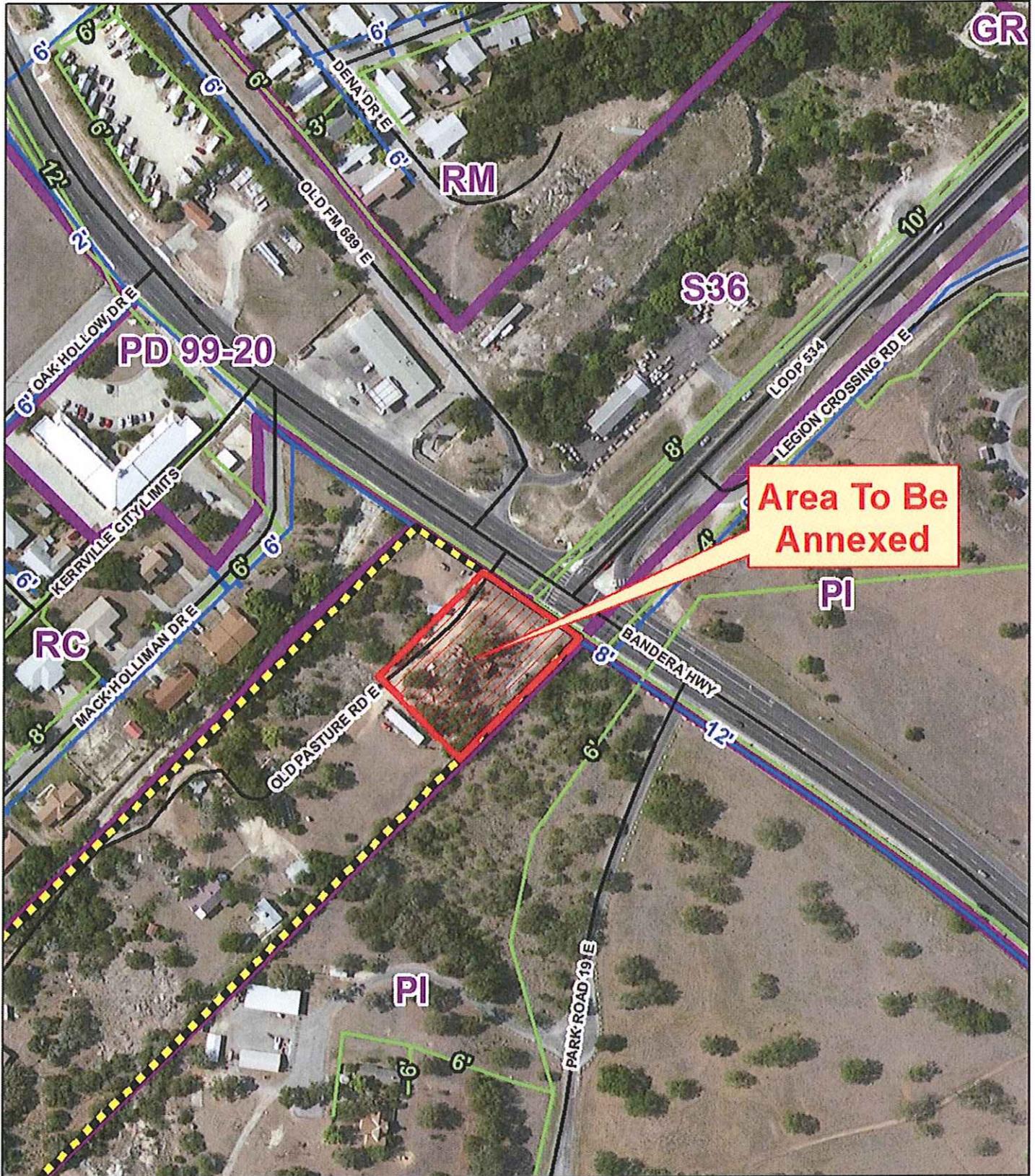
This conveyance is made and accepted SUBJECT TO the following, but only to the extent they are valid and apply to the subject property:

1. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records.

Exhibit A Pg. 2

2. Easements described in Partition Deed dated May 16, 1973, recorded in Volume 165, Page 153, Deed Records of Kerr County, Texas.
3. Easement to Lower Colorado River Authority dated May 18, 1950, recorded in Volume 1, Page 244, Easement Records of Kerr County, Texas.
4. Rights of Ruth E. Hollimon, if any, in and to the land described herein.
5. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the land.
6. Visible and apparent easements on or across property herein described.

2013-017 Annexation & Zoning Request Location Map



Legend

- City Limits
- Annexation Area
- Zoning Districts

0 50 100 200 Feet

1 inch = 200 feet



Exhibit C outlines the City of Kerrville's Annexation Service Plan

EXHIBIT C

ANNEXATION SERVICE PLAN

SERVICE	DETAILS OF SERVICE PROVIDED	TIMETABLE
Animal Control	The provisions of animal control services shall be in effect following annexation of the property.	Immediately following annexation
Code Enforcement	The provisions of Code Enforcement services, including the application and enforcement of building, electrical, plumbing, and other related code requirements adopted by the City shall be made immediately to the area upon annexation. The preparation of a zoning plan shall serve as a basis for the zoning of land following annexation. The adoption of the zoning plan shall be in accordance with the procedures of the City's Zoning Ordinance.	Immediately following annexation, zoning to be concurrent with annexation
Fire Protection and Suppression	Fire protection and suppression personnel and equipment from the Kerrville Fire Department will be provided to the area as needed.	Immediately following annexation
Fire Prevention	The services of the City's Fire Marshall shall be provided to the area.	Immediately following annexation.
Library	Future residents of the area, if any, will continue to be entitled to utilize all City's Library facilities.	Immediately following annexation.
Parks and Recreation	The City's Parks and Recreation services will continue to be available to any area residents.	Immediately following annexation
Police Protection	Kerrville Police Department protection personnel and equipment shall be provided to the area immediately upon annexation. Police enforcement and protection services shall be provided through regular patrol activities.	Immediately following annexation

ANNEXATION SERVICE PLAN (CONTINUED)

SERVICE	DETAILS OF SERVICE PROVIDED	TIMETABLE
Public Services - Street Department	Public streets not maintained by the Texas Department of Transportation within the area shall be maintained by the City.	Immediately following annexation
Sanitation (Refuse Collection)	Refuse collection shall be available to any residents of the annexed area at the same costs and procedures as required of City residents and businesses.	Immediately following annexation
Traffic Engineering	Traffic control devices and street markers shall be installed where deemed necessary by the City Street Department, except as provided by the Texas Department of Transportation.	Immediately following annexation
Utilities (Water Distribution and Wastewater Collection)	Extension of utilities to the property shall be in accordance with the City's Subdivision Ordinance.	As the property develops

RECOMMENDED ACTION

1. Open the public hearing and receive comments.
2. No action is to be taken at this time.

Agenda Item:

4A. An Ordinance No. 2013-07, amending Ordinance No. 2011-08, which annexed property into the city and created a "Planned Development District" on the approximate 43.72 acre tract of land, being all of a revision of Hartshorn Country Sites, a subdivision of record found at Volume 7, Page 148, Plat Records of Kerr County, Texas, and all of the James Avery Craftsman Subdivision, a subdivision of record found at Volume 7, Page 149, Plat Records of Kerr County, Texas, and those portions of Avery Road North and Lessie Lane, public roads located within and between the two subdivisions, said property generally located at and east of the intersection of Harper Road (FM783) and Avery Road North; said amendment removing the requirement for the construction of public sidewalks. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: 2nd Ordinance Reading: PDD Amendment – 2nd ordinance reading concerning an amendment to remove the requirement for the installation of public sidewalks, found in Section Five (C.) of Ordinance 2011-08, which established a planned development district for an approximate 43.72 acre tract, more commonly known as the James Avery Craftsman site, located at 100-145 Avery Road.

FOR AGENDA OF: June 11, 2013 **DATE SUBMITTED:** May 30, 2013

SUBMITTED BY: Jason Lutz **CLEARANCES:** Kristine Ondrias 

EXHIBITS: Location Map, and PDD Amendment Ordinance

AGENDA MAILED TO: David Martin, 343 W. Water Street, Kerrville, Texas 78028

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:
REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The applicant is seeking to amend Ordinance #2011-08. The proposed amendment would remove the requirement for the construction and installation of public sidewalks in the rights-of-way adjacent to the subject tract.

Ordinance #2011-08 created a planned development district for the James Avery Craftsman Site to allow custom manufacturing. Section 5, C. of this ordinance states:

Sidewalks: The construction of sidewalks shall be required in accordance with the regulations in effect at the time building permit applications are submitted to the City.

The proposed amendment to the referenced section would remove the requirement for the instillation of public sidewalks.

The required sidewalks would only be required along Harper Road and the first 200 feet of Avery Rd. Lessie Ln. would not require sidewalks as the City of Kerrville's adopted sidewalk ordinance requires installation of sidewalks in the public rights-of-way along the subject areas. The remaining portion of Avery Rd. and Lessie Ln. are not public rights-of-way, but are platted access easements.

The City of Kerrville's adopted Sidewalk Master Plan does not call for the construction of sidewalks for this area as the property was out of the city limit at the time of adoption.

The Sidewalk Master Plan also states the following goals:

1. Construct pedestrian walkways, sidewalks, crosswalks, handicap accessible ramps and curb cuts complying with state regulations pertaining to the disabilities act, in areas with pedestrian traffic such as, the central City, along major transportation arteries such as Sidney Baker, Junction Highway, and main street. Around elementary and middle schools, Public Parks and buildings, and other activity areas.

2. Encourage pedestrian circulation throughout Central City.

The current sidewalk ordinance does provide limits East and West, along Junction Highway, where sidewalks are not required. The goal for these limits is that these areas of town are not considered pedestrian destinations.

In addition to the exemption limits of the sidewalk ordinance, there are exemptions for subdivisions that are 75% built out from requiring sidewalks. Based on the area of James Avery, these subdivisions would also not be required to install sidewalks for any infill areas.

Based on the subject tract's location and distance from the required sidewalk limits of the city, the difficult nature of pedestrian traffic crossing IH-10 and navigating down Harper Rd., the goals of the sidewalk master plan, and sidewalk exemptions for infill development, the Planning & Zoning Commission approved the PDD amendment by a vote of 5-0 on May 16, 2013. No citizens spoke against the ordinance, and staff has heard from 7 out of 17 adjacent landowners stating their support of the amendment.

City Council approved the amendment and held the 1st ordinance reading at their regularly scheduled meeting on May 28, 2013.

RECOMMENDED ACTION

1. Open the public hearing and receive comments.
2. Approve the PDD amendment as outlined in the attached ordinance on the first reading.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2013-07**

AN ORDINANCE AMENDING ORDINANCE NO. 2011-08, WHICH ANNEXED PROPERTY INTO THE CITY AND CREATED A "PLANNED DEVELOPMENT DISTRICT" ON THE APPROXIMATE 43.72 ACRE TRACT OF LAND, BEING ALL OF A REVISION OF HARTSHORN COUNTRY SITES, A SUBDIVISION OF RECORD FOUND AT VOLUME 7, PAGE 148, PLAT RECORDS OF KERR COUNTY, TEXAS, AND ALL OF THE JAMES AVERY CRAFTSMAN SUBDIVISION, A SUBDIVISION OF RECORD FOUND AT VOLUME 7, PAGE 149, PLAT RECORDS OF KERR COUNTY, TEXAS, AND THOSE PORTIONS OF AVERY ROAD NORTH AND LESSIE LANE, PUBLIC ROADS LOCATED WITHIN AND BETWEEN THE TWO SUBDIVISIONS; SAID PROPERTY GENERALLY LOCATED AT AND EAST OF THE INTERSECTION OF HARPER ROAD (FM 783) AND AVERY ROAD NORTH; SAID AMENDMENT REMOVING THE REQUIREMENT FOR THE CONSTRUCTION OF PUBLIC SIDEWALKS

WHEREAS, on May 10, 2011, the City Council of the City of Kerrville, Texas, adopted Ordinance No. 2011-08, which annexed property and created a "Planned Development District" ("PDD") on an approximate 43.72 acre tract of land, generally located at and east of the intersection of Harper Road (FM 783) and Avery Road North, and consisting of the corporate location of James Avery Craftsman; and

WHEREAS, pursuant to Ordinance 2011-08 and the City's Zoning Ordinance, the City required the construction of public sidewalks at the time an application for a building permit was submitted to the City; and

WHEREAS, the City Council finds it to be in the public interest to amend Ordinance 2011-08 by removing the requirement for the construction of public sidewalks;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. Ordinance No. 2011-08 is amended by amending subsection c. of Section Five as follows:

"c. Sidewalks: The construction and installation of public sidewalks is not required."

SECTION TWO. Except as amended by this Ordinance, the provisions of Ordinance No. 2011-08 remain in full force and effect.

PASSED AND APPROVED ON FIRST READING, this the 28th day of May, A.D., 2013.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ day of _____, A.D., 2013.

Jack Pratt, Jr. Mayor

(signatures continue on following page)

APPROVED AS TO FORM:

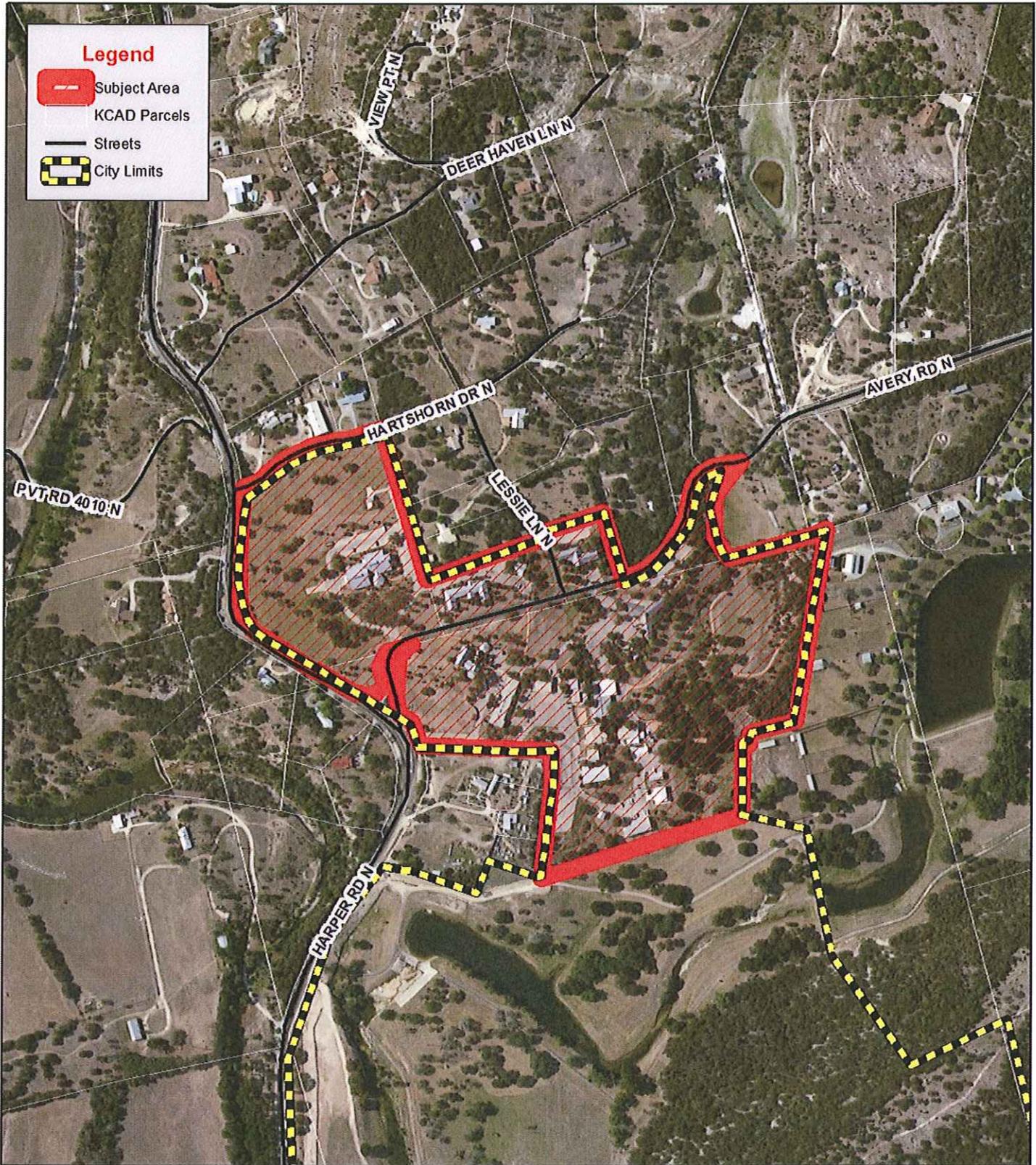


Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary

P&Z Case #2013-022 Planned Development District Amendment Location Map



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only approximate relative locations.

0 250 500 1,000 Feet

1 inch = 500 feet



Agenda Item:

5A. An Ordinance No. 2013-13 amending the budget for fiscal year 2013 to account for various changes to the city's operational budgets, supplemental appropriations, and closing out and supplementing capital improvement projects.
(staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: First reading of an ordinance amending the FY2013 Budget

FOR AGENDA OF: June 11, 2013

DATE SUBMITTED: May 31, 2013

SUBMITTED BY: Sandra Yarbrough
Director of Finance

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Ordinance Amending FY2013 Budget
Attachment A – detailing changes

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$ 0	\$ 0	\$ 0	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

The attached ordinance provides for the second amendment to the FY2013 budget. The budget amendment includes the following:

Operational Budgets

Public Works

Use contingency funds for emergency drainage repair.

Library

Recognize revenues from the endowment for subscriptions and licenses.

Water & Sewer Non-Departmental

Increase legal contingency.

Garage

Use of fund balance to replace two twenty year old lifts at the garage.

Police Special Programs

Use of program income for purchase of electric vehicle for trail.

Library Memorial Fund

Recognition of donation from the endowment. The funds will be moved to General Fund for subscriptions and licenses.

HOT Reserve Fund

Transfer out of fund balance for Wayfinding sign project.

Capital Improvement Projects

Governmental IP

Recognition of funding from the HOT Reserve Fund for the Wayfinding sign project.

Expansion of Central Fire Station

EIC IP

Return funds not needed to finish Harper Highway Project.

RECOMMENDED ACTION

It is recommended that the City Council approve the second reading of an ordinance amending the FY2013 budget and authorize city staff to make all necessary entries and adjustments to reflect the attached changes.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2013-13**

**AN ORDINANCE AMENDING THE BUDGET FOR FISCAL YEAR 2013 TO
ACCOUNT FOR VARIOUS CHANGES TO THE CITY'S OPERATIONAL
BUDGETS, SUPPLEMENTAL APPROPRIATIONS, AND CLOSING OUT
AND SUPPLEMENTING CAPITAL IMPROVEMENT PROJECTS**

WHEREAS, Ordinance No. 2012-11, dated September 25, 2012, adopted the Fiscal Year 2013 Budget; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds that amending the City's Fiscal Year 2013 Budget is in the best interest of the citizens of the City of Kerrville;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

In accordance with Section 8.07 of the City Charter, the Official Budget for Fiscal Year 2013 is amended as set forth in **Exhibit A**.

PASSED AND APPROVED ON FIRST READING, this the _____ day of _____, A.D., 2013.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the ____ day of _____, A.D., 2013.

Jack Pratt, Jr., Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary

June 2013 Budget Amendment - Attachment A

<u>Fund</u>	<u>Fund Name</u>	<u>Dept</u>	<u>Line Item Code</u>	<u>Line Item Name</u>	<u>Reason</u>	<u>Amount</u>
1	General Fund	General Operations	Expenditures 01-870-410	Contingency	Move funds for emergency drainage repair	-\$19,750.00
1	General Fund	Public Works/Streets Library	Expenditures Revenue 01-861-207	Streets & Drainage		\$19,750.00
1	General Fund		Expenditures 01-7015	Transfer In-Library Memorial Special Services	Revenue from Endowment Subscriptions and Licenses	\$6,185.00
1	General Fund		Transfer Out 01-800-970	Transfer Out- Capital Projects	Central Fire Station Expansion	-\$6,185.00
2	Water and Sewer	Water and Sewer	Expenditures 02-890-411	Legal Contingency	Increase	\$57,000.00
3	Garage	Garage	Expenditures 03-895-504	Machinery	Replace two twenty year old lifts	\$15,000.00
7	Police Special Programs	Police	Liability 07-24200	Program Income	Program Income	-\$12,000.00
15	Library Memorial Fund		Expenditures 07-802-405-03	Other Charges	Electric Patrol Vehicle for Trail	\$12,000.00
15	Library Memorial Fund		Revenue 15-6915	Donations	From Endowment	\$6,185.00
15	Library Memorial Fund		Expenditures 15-800-901	Transfers Out - General Fund	From Endowment	\$6,185.00
16	HOT Reserve Fund		Equity 16-800-970	Transfer Out -Capital Projects Fund	Use of HOT Reserve for Wayfinding Signs	-\$142,000.00
70	Governmental IP Fund		Revenue 70-7016	Transfers In - HOT Reserve Fund	Use of HOT Reserve for Wayfinding Signs	\$142,000.00
70	Governmental IP Fund		Expenditures 70-800-502	Wayfinding Signs	Wayfinding Signs	\$142,000.00
70	Governmental IP Fund		Transfer 70-7001	Transfers In - General Fund	Central Fire Station Expansion	\$150,000.00
70	Governmental IP Fund		Expenditures 70-800-502	Buildings and Structures	Central Fire Station Expansion	\$150,000.00
75	EIC IP Fund		75-800-940	Transfer Out-EIC Fund	Return funds for Harper Highway Project	\$358,142.94
40	EIC Fund		40-7075	Transfer In-Capital Projects Fund	Return funds for Harper Highway Project	\$358,142.94

Agenda Item:

6A. Appointments to the Kerrville-Kerr County Joint Airport Board. (Bruce McKenzie, airport manager)

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
KING, STEVE President 242 Creekwood Rd. E-mail swking242@windstream.net	257-3063 (O) 285-3063 (C)	04-25-06	08-23-11	06-01-13
WALTERS, ROGER "COREY" Vice President 222 Sidney Baker South, Ste. 305 E-mail cw717@ktx.com	257-6300 (O) 257-1314 (H)	10-27-09	08-28-12	06-01-14
GRIFFIN, KIRK 109 Canyon Dr. W. P.O. Box 741 Hunt, TX 78024 E-mail aqbq81@yahoo.com	830-459-3431 (C)	11-13-12		06-01-14
LIVERMORE, ED 3004 Pinnacle Club Ct. #2 E-mail elivermo@ktc.com	895-2820 (H)	08-23-11		06-01-13
WOOD, WILLIAM "BILL" 3004 Pinnacle Club Dr. #4 E-mail bill@satx.rr.com	896-7742 (H) 329-2891 (C)	08-28-12		06/01/14

Airport Board Staff:

Bruce McKenzie 896-9399 (O)
 Airport Manager 329-3764 (C)
 E-mail bruce.mckenzie@kerrvilleairport.com

Qualifications: It is deemed desirable that all board members possess and will contribute a balance of expertise in business, financial, aviation, or management training and experience.

Powers and Duties: The board may exercise on behalf of the city and county any power possessed by either and those specifically provided by the code, including the power to lease property and facilities, and to buy and sell goods as an incident to the operation of the airport. However, the board is not authorized to impose a property tax, sell bonds, or otherwise enter into other debt instruments, dispose of airport property, or exercise the power of eminent domain without the prior written consent of the city and county. The board, following the prior written consent of the city and county, has the authority to apply for and to execute grant funding agreements. The board may improve, equip, maintain, operate, manage, regulate, protect, and police the airport. The board may realign, alter, acquire, abandon, or close a portion of a roadway or alleyway without a showing of paramount importance if the portions to be realigned, altered, acquired, abandoned, or closed are in the geographical boundaries of the airport at the time of or after the realignment, alteration,

acquisition, abandonment, or closing. The board shall have the responsibility and be in charge of the property, improvements, and other assets of the airport and shall be in charge of the disbursement of airport funds for airport purposes. The board shall also cause records to be kept of any and all revenues and disbursements. The board shall establish a fund to be maintained for the purpose of depositing all revenues of the airport. This fund shall be kept and managed by the board and shall be established at a bank with a branch in Kerr County. Federal, state, or other contributions or loans and the revenue obtained from the operation of the airport shall be deposited to the credit of the joint fund. The board shall have an audit of the financial affairs of the board and its operation of the airport conducted each year by an independent accountant and shall furnish the audit to the city and county no later than December 1 of each year. The board shall ensure that all records regarding the operation of the airport are maintained, retained, and made available for public review in accordance with the Texas Public Information Act. All records shall be maintained at the airport. The board shall hire and employ an airport manager ("manager") and such other employees as are necessary for the operation of the airport. The board, through its manager and any other employees, shall be responsible for the day-to-day management of the airport. Toward that end, the board is authorized to enter into service contracts with other public or private entities. The board may adopt resolutions, rules, and orders for the operation of the airport. The board may lease airport property and may adopt fees and rental rates with respect to the use of airport services or use of airport property. Such fees and rates should be, to the extent possible, included within the board budget. The city and county acknowledge that the airport property is within the city's limits and is subject to the city's regulations. However, the board shall monitor and consider appropriate zoning for the airport and the immediately surrounding areas whose use may impact airport operations. The board shall adopt policies and procedures for the purchase of goods and services and for the accounting of the airport's finances, each in accordance with state law.

The board may insure itself, its contractors and subcontractors against liability arising from the operation of the airport for damages to the person or property of others, workers' compensation, and officers' and employees' liability. The board shall comply with the code and other state laws and local laws in all respects.

Number of Members:

Five members: 1) The Board shall recommend persons to the County and City for consideration of appointment. The Board shall submit the names of such persons to each Party at least 60 days prior to the end of the particular place's term. In the event that a candidate recommended by the Board is not appointed by either Party, the Board shall recommend an alternative candidate. In the event that this second candidate is not appointed by either Party, the Board shall select another candidate who will be automatically appointed to the Board without the approval of the parties. 2) It is deemed desirable that all Board members possess and will contribute a balance of expertise in business, financial, aviation, or management training and experience. Appointments shall be made on or before June 1 of each year. 3) Replacement of members shall be made on or before June 1 of each year. 3) Replacement of members shall be in the same manner and under the same qualification as described above with such replacement being appointed to fulfill only that portion of the remaining term. 4) Any Board member may be removed by a majority vote of each Party, for any reason. In addition, the Board may recommend to the County and City that a Board member be removed. 5) Board members shall be eligible for reappointment, but Board members are prohibited from serving more than 3 consecutive, 2-year terms. Only reappointments made after October 1, 2011 shall count toward this limitation.

Term of Office: Each board member shall be appointed for a two year term and shall continue to Serve in this capacity until their successor is appointed and is duly qualified. Upon the death of any member or should any member resign or for any reason become unable to serve, a replacement shall be appointed in the same manner as provided to fill the vacancy for the unexpired term. The terms of those board members who are serving in Place 1, 3 or 5 shall expire on June 1, 2010. The terms for those board members appointed to Places 2 and 4 shall expire on June 1, 2011. Board members shall be eligible for reappointment.

Meeting Time & Place: Third Monday of each month, 8:30 a.m. at Airport Terminal Building, Louis Schreiner Field Airport, 1877 Airport Loop Road, Kerrville, Texas. All such meetings of the board shall be held in accordance with the Texas Open Meetings Act.

Established by: Interlocal Agreement between the City of Kerrville, Texas and Kerr County, Texas. Ordinance No. 2004-21 (replaced in its entirety); amended by Resolution No. 069-2008 (joint management)
Code of Ordinances: Chapter 22 - Article II - Section 22-31 through 22-33

Revised: May 29, 2013



Kerrville/Kerr County Airport
Bruce McKenzie, Airport Manager
1877 Airport Loop
Kerrville, TX 78028
bruce.mckenzie@kerrvilleairport.com

Stephen King, President

(Term Exp 06-01-2013
Place 2, 2-year term)
P.O. Box 291963
Kerrville, TX 78029
Home: 830-257-3063
Cell: 830-285-3063
Fax: 830-896-5493
E-Mail: swking242@windstream.net

Roger "Corey" Walters, Vice President

(Term Exp 06-01-2014
Place 1, 2-year term)
222 Sidney Baker, Ste 305
Kerrville, TX 78028
Home: 830-257-1314
Work: 830-257-6300
Cell: 830-377-5775
E-Mail: cw717@ktc.com

Kirk Griffin, Board Member

(Term Exp 06-01-2014
Place 5, 2-year term)
P.O. Box 741
Hunt, TX 78024
Cell: 830 459-3431
E-Mail: agbq81@yahoo.com

Bruce McKenzie, Airport Manager

233 Oakwood
Kerrville, TX 78028
Office: 830-896-9399
Home: 830-257-3715
Cell: 830-329-3764
Personal Cell: 830-377-5151
E-Mail: bruce.mckenzie@kerrvilleairport.com

William "Bill" Wood, Board Member

(Term Exp 06-01-2014
Place 3, 2-year term)
3004 Pinnacle Club Drive, Unit 4
Kerrville, TX 78028
Home: 830-896-7742
Cell: 830-329-2891
E-Mail: bill@stx.rr.com

Ed Livermore, Board Member

(Term Exp 06-01-2013
Place 4, 2-year term)
304 Pinnacle Court # 2
Kerrville, TX 78028
Home: 830-895-2820
Cell: 830-370-9930
E-Mail: elivermorejr@gmail.com

Place 1, 3, 5 Exp. 06-01-2012
2-year terms

Place 2, 4 Exp. 06-01-2013
2-year terms

Agenda Item:

6B. Request by Kerr County to confirm the extension of city wastewater service into a targeted area of Kerrville South that is outside the city limits as part of a colonia fund application through the Texas Department of Agriculture Office of Rural Affairs. (Eric Hartzel, GrantWorks, Inc.)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT OF REQUEST: Kerr County Colonia Fund Application, 2013-2014

AGENDA DATE: 6/11/13

DATE SUBMITTED: 5/31/13

REQUESTED/SUBMITTED BY: Kerr County, PCT 2 & GrantWorks, Inc.
PHONE: 830 792 2214/ 512 420 0303 x 302

ORGANIZATION REPRESENTING: Kerr County

MAILING ADDRESS: 700 Main St, Kerrville, TX 78028

EMAIL ADDRESS: eric@grantworks.net or tmoser@co.kerr.tx.us

EXHIBITS/INFORMATION: Letter of Wastewater Service Area Confirmation

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

**WILL THIS ITEM REQUIRE CITY COUNCIL TO AUTHORIZE THE
EXPENDITURE OF CITY FUNDS?**

YES: _____

NO: _____

__X__

IF YES, STATE AMOUNT REQUESTED: \$ _____

DESCRIPTION OF REQUEST

Kerr County plans to apply for a 2013-2014 Colonia Fund application through the Texas Department of Agriculture's Office of Rural Affairs to extend City wastewater service within the Kerrville South target area. The application is due June 17. As part of the application, the County requests that the City confirm that it will be the wastewater service provider for the grant project beneficiaries.

RECOMMENDED COUNCIL ACTION

Discuss and consider for approval a letter by the City confirming that Kerr County's proposed 2013-14 Colonia Fund application activities lie within the City's wastewater service area and if designed and constructed to City specifications will be accepted by City as part of its system upon completion.

***DRAFT—may be modified by City and signed by any City official
Please place onto letterhead before signing***

June 11, 2013

The Honorable Pat Tinley
Kerr County Judge
700 Main Street
Kerrville, TX 78028

Re: Kerrville South Wastewater Service

Dear Judge Tinley:

The City of Kerrville confirms that the wastewater system improvements described in Kerr County's proposed 2013-14 Texas Community Development Block Grant Colonia Fund application are within the wastewater service area of the City of Kerrville.

If the County receives the grant award, the City shall require that design and construction of infrastructure improvements be conducted in consultation with and receive approval by its designated staff. Upon completion of the construction activities the City shall consider the public infrastructure improvements as part of its system for future maintenance and operation.

Sincerely,

City Manager

**Kerr County 2013-14 Texas CDBG
Colonia Fund Application
Proposed Kerrville South Wastewater Project**

Construction Activities

1. Extend Quail Valley Road wastewater line across Ranchero Road via bore and casing to serve the Park Hill Apartments
2. Install small lift station to convey wastewater from Park Hill Apartments to the tie-in at Quail Valley Road.
3. Modify/expand Quail Valley Lift Station to accommodate additional peak flow
4. Connect an additional 10-20 income qualifying homes in the Quail Valley/Loyal Valley area where sewer mains already exist but whose residents still lack service
5. Mitigate large septic tanks at the apartments and individual septic tanks and homes in the Quail Valley/Loyal Valley area

Timeline

Application due June 17, 2013

Scoring and funding recommendations expected October 2013

If funded, County expects to receive State contract in mid-2014

Construction should take about six to eight months to complete



City of Kerrville
701 Main Street
Kerrville, Texas 78028
830.258.1220 (O)
830.896.8793 (F)
charlie.hastings@kerrvilletx.gov

MEMORANDUM

TO: Todd Parton, City Manager

FROM: Charlie Hastings, P.E., C.F.M., Director of Public Works *CH*

DATE: 6/3/13

SUBJECT: Kerr County Colonia Fund Application, 2013-2014 (aka Kerrville South Sewer Phase VI)

Kerr County is applying for a grant to construct first time sewer service to areas in Kerrville South; this would be the sixth phase with the original beginning approximately ten years ago. The proposed improvements would be funded by a grant through the Texas Department of Agriculture Office of Rural Affairs 2013-2014 Colonia Fund and would consist of the following (staff comments in italics):

- Extension of Quail Valley sewer line across Ranchero Road via bore & casing to serve the Parkhill apartments. *Sewer would flow into the existing Kerrville South liftstation located on Quail Valley that is scheduled to be upgraded with Ph V improvements already funded. The Ph VI area is within the Birkdale wastewater service area per the updated wastewater master plan.*
- Small Private Lift Station to transfer from the apartments to the tie-in with Quail Valley. *The liftstation will need to be maintained and operated by the apartment complex.*
- Tying in 10-20 qualifying homes in Quail Valley/Loyal Valley area (homes that did not connect during previous grant projects).
- Modifying Quail Valley Lift Station to accommodate additional peaking flow. *Per Kerrville wastewater models and the wastewater master plan the maximum allowable flow is 150 gpm.*
- Additional Survey associated with Apartment tie-in
- Engineering Design & Construction Support

The proposed Ph VI area is outside the city limits, sewer service is being provided by Kerrville to the adjacent area now, the volume is accounted for in the master plan, and billing is handled through our finance department who coordinates non-payment through Aqua Texas who then turns water service off if needed to force payment. Billing is based on a flat rate of 4000 gallons/month multiplied by 1.5.

Agenda Item:

6C. Extension of terms for the Charter Review Commission. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Extension of Terms for the Charter Review Commission.

FOR AGENDA OF: June 11, 2013 **DATE SUBMITTED:** May 31, 2013

SUBMITTED BY: Mike Hayes, City Attorney *MH* **CLEARANCES:**

EXHIBITS: None

AGENDA MAILED TO: Charter Review Commission

APPROVED FOR SUBMITTAL BY CITY MANAGER: *W*

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$ 0	\$ 0	\$ 0	NA

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

Pursuant to Section 14.07 of the City Charter, the Charter must undergo a review every five years. To conduct that review, the Council must appoint a Charter Review Commission ("CRC"). In December 2012, Council appointed seven members to the CRC, whose terms were set at 6 months in accordance with the Charter. Since that time, the CRC has held multiple meetings but has not completed its review of the Charter. In order for the CRC to complete its review, Council would need to extend the term of the current CRC, which is authorized by Section 14.07(b) of the Charter.

RECOMMENDED ACTION

Consideration and possible action regarding extending the term of the existing CRC.

CHARTER REVIEW COMMISSION

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
ANDREW, GLENN C. 3553 La Cumbre Dr.	370-0362 (H)	01-08-13		06-11-13
BRINKMAN, HARVEY 306 Riverhill Blvd.	896-3290 (H) 896-8888 (O)	12-11-12		06-11-13
HERRING, JOE R., JR. 615 Water Street	257-7242 (O)	12-11-12		06-11-13
MOSTY, JOHN 2313 Trails End	257-2134 (H) 285-1697 (C)	12-11-12		06-11-13
MOTHERAL, BRUCE 812A Sidney Baker	257-2087 (H) 257-6360 (O)	12-11-12		06-11-13
MYERS, THOMAS M. 305 Riverhill Blvd.	377-6059 (H)	12-11-12		06-11-13
SMITH, EUGENE C. One Antelope Trail	257-2428 (H)	12-11-12		06-11-13

Qualifications: Members must reside within the city limits of Kerrville.

Purpose:

- Cause the Charter to conform with federal and state law where conflict or inconsistencies exist;
- Revise in an effort to clarify and condense as necessary or possible or where a section is confusing or believed to be ineffective;
- Consider the following provisions, as specifically provided for in Section 14.07 of the Charter:
 - i. Consider the operation of the City government under the Charter and determine whether any Charter sections require revision. To this end, at least one public hearing shall be held and the commission shall have the power to compel the attendance of any officer or employee of the City and to require the submission of any of the City records which it may deem necessary to the conduct of such hearing.
 - ii. Propose recommendations, if any, it deems desirable to ensure compliance with the Charter by the City government.
 - iii. Propose amendments, if any, to the Charter to improve the effective application of the Charter to current conditions and operations.
- Consider all other provisions of the Charter as the Charter Review Commission may determine if necessary.

Term of Office: Six (6) months

Quorum: majority

Number of Members: Seven (7)

Meeting Time & Place:

Established by: The Kerrville City Council.

Agenda Item:

7A. Water resources report. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Water Resources Report

FOR AGENDA OF: 6/11/13

DATE SUBMITTED: 5/31/13

SUBMITTED BY: Charlie Hastings *CH*
Public Works Director

CLEARANCES: Todd Parton
City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *TP*

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Staff will present an update on the water supply and availability as it relates to the drought.

RECOMMENDED ACTION

Information and discussion.

Agenda Item:

7B. Pending legislation from the 83rd Texas Legislature, regular session. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Update on the State of Texas 83rd Legislative Session

FOR AGENDA OF: June 11, 2013 **DATE SUBMITTED:** June 7, 2013

SUBMITTED BY: Todd Parton, **CLEARANCES:**
City Manager

EXHIBITS: Texas Municipal League (TML) Legislative Update may be viewed at the TML website at www.tml.org

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

Staff will provide an update regarding the status of the remaining list of bills that are awaiting Governor Rick Perry's signature.

Legislative updates authored by the Texas Municipal League (TML) are available for viewing at www.tml.org. These updates provide a comprehensive list and brief synopsis of each bill that was filed during this regular session.

Dates of Interest:

- June 16, 2013 – Last day governor can sign or veto bills passed during the regular legislative session.
- August 26, 2013 – Date that bills without specific effective dates (that could not be effective immediately) become law

RECOMMENDED ACTION

This report is provided for informational purposes only and no action is required.

STAFF RECOMMENDATION	CITY COUNCIL POSITION	BILL NUMBER	STATUS*	SUMMARY	BILL TEXT
			<p>Stage 1 - Passed</p> <p>Stage 2 - Passed, bill reported out of Senate committee on Open Government with vote of 4 Ayes, 0 Nays, 0 Present Not Voting, 1 Absent.</p> <p>Stage 3 - Passed</p> <p>Stage 4 - Passed, bill reported out of House committee on Natural Resources with vote of 9 Ayes, 0 Nays, 0 Present Not Voting, 2 Absent.</p> <p>Stage 5 - Passed</p> <p>Stage 6 - Passed</p> <p>Stage 7 - Passed, bill becomes law effective 9/1/13.</p>	<p>relating to rates for water service, to the transfer of functions relating to the economic regulation of water and sewer service from the Texas Commission on Environmental Quality to the Public Utility Commission of Texas, and to the duties of the Office of Public Utility Counsel regarding the economic regulation of water and sewer service.</p>	<p>http://legiscan.com/TX/text/SB567/d/830725/Texas-2013-SB567-Engrossed.html</p>
Support		HB 2414 - Button	<p>Stage 1 - Passed</p> <p>Stage 2 - Passed, bill reported out of House committee on Government Efficiency & Reform with vote of 7 Ayes, 0 Nays, 0 Present Not Voting, 0 Absent.</p> <p>Stage 3 - Passed</p> <p>Stage 4 - Passed, bill reported out of Senate committee on Open Government with vote of 4 Ayes, 0 Nays, 0 Present Not Voting, 1 Absent.</p> <p>Stage 5 - Passed</p>	<p>relating to requirements for open meetings held by videoconference call.</p>	<p>http://legiscan.com/TX/text/HB2414/d/772695/Texas-2013-HB2414-introduced.html</p>
Support		SB 1297 - Watson	<p>Stage 1 - Passed</p> <p>Stage 2 - Passed, bill reported out of Senate committee on Open Government with vote of 4 Ayes, 0 Nays, 0 Present Not Voting, 1 Absent.</p> <p>Stage 3 - Passed</p> <p>Stage 4 - Passed, bill reported out of House committee on Government Efficiency & Reform with vote of 5 Ayes, 0 Nays, 0 Present Not Voting, 2 Absent.</p> <p>Stage 5 - Passed</p>	<p>relating to written electronic communications between members of a governmental body.</p>	<p>http://legiscan.com/TX/text/SB1297/d/811586/Texas-2013-SB1297-Engrossed.html</p>

SIGNED BY GOVERNOR on 5/25/13 SB 567 - Watson

	Support	SB 985 - Zaffirini (companion bill to HB 1795)	<p>Stage 1 - Passed Stage 2 - Passed, bill reported out of Senate committee on Intergovernmental Relations with vote of 5 Ayes, 0 Nays, 0 Present, Not Voting, 0 Absent. Stage 3 - Passed Stage 4 - Passed, bill reported out of House committee on Business & Industry with vote of 4 Ayes, 0 Nays, 2 Present, Not Voting, 1 Absent. Stage 5 - Passed</p>	relating to authorizing broker agreements for the sale of real property by certain municipalities.	http://legiscan.com/TX/text/SB985/id/808811/Texas-2013-SB985-Comm_Sub.html
	Oppose	SB 656 - Paxton	<p>Stage 1 - Passed Stage 2 - Passed, bill reported out of Senate committee on Open Government with vote of 4 Ayes, 0 Nays, 0 Present, Not Voting, 1 Absent. Stage 3 - Passed Stage 4 - Passed, bill reported out of House committee on Ways & Means with vote of 6 Ayes, 0 Nays, 0 Present, Not Voting, 3 Absent. Stage 5 - Passed</p>	relating to providing transparency in the taxing and budgeting process of certain local governments.	http://legiscan.com/TX/text/SB656/id/749819/Texas-2013-SB656-Introduced.html
	Oppose	HB 1724 - Bohac	<p>Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Ways & Means with vote of 5 Ayes, 0 Nays, 0 Present, Not Voting, 4 Absent. Stage 3 - Passed Stage 4 - Passed, bill reported out of Senate committee on Economic Development with vote of 5 Ayes, 0 Nays, 0 Present, Not Voting, 2 Absent. Stage 5 - Passed</p>	relating to the statute of limitations on municipal and county hotel occupancy taxes and interest on delinquent payments of municipal hotel occupancy taxes.	http://legiscan.com/TX/text/HB1724/id/756947/Texas-2013-HB1724-Introduced.html
	Watch	HB 1973 - Lucio	<p>Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Natural Resources with vote of 9 Ayes, 0 Nays, 0 Present, Not Voting, 2 Absent Stage 3 - Passed Stage 4 - Passed, bill reported out of Senate committee on Natural Resources with vote of 10 Ayes, 0 Nays, 0 Present, Not Voting, 1 Absent. Stage 5 - Passed</p>	relating to the provision of water by a public utility or water supply or sewer service corporation for use in fire suppression.	http://legiscan.com/TX/text/HB1973/id/766865/Texas-2013-HB1973-Introduced.html

	Neutral / Watch	HB 693 - Phillips	<p>Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Natural Resources with vote of 7 Ayes, 0 Nays, 0 Present Not Voting, 4 Absent. Stage 3 - Passed Stage 4 - Passed, bill reported out of Senate committee on Natural Resources with vote of 9 Ayes, 0 Nays, 0 Present Not Voting, 2 Absent. Stage 5 - Passed</p>	relating to the authority of a water and sewer utility to collect voluntary contributions on behalf of a local library.	http://legiscan.com/TX/text/HB693/ID/705399/Texas-2013-HB693-Introduced.html
	Oppose	SB 272 - Seliger (companion bill to HB 2577)	<p>Stage 1 - Passed Stage 2 - Passed, bill reported out of Senate committee on Natural Resources with vote of 10 Ayes, 0 Nays, 0 Present Not Voting, 1 Absent. Stage 3 - Passed</p>	relating to water well recordkeeping and reporting requirements, including the production, use, and withdrawal of groundwater.	http://legiscan.com/TX/text/SB272/ID/709634/Texas-2013-SB272-Introduced.html
	Oppose	SB 657 - Paxton	<p>Stage 1 - Passed Stage 2 - Passed, bill reported out of Senate committee on Finance with vote of 14 Ayes, 0 Nays, 0 Present Not Voting, 1 Absent. Stage 3 - Passed</p>	relating to procedural requirements for adopting and filing a school district budget and voting requirements for setting a property tax rate by the governing body of a taxing unit, including a school district.	http://legiscan.com/TX/text/SB657/ID/749824/Texas-2013-SB657-Introduced.html
	Oppose	SB 14 - Williams (companion bill to HB14)	<p>Stage 1 - Passed Stage 2 - Passed, bill reported out of Senate committee on Finance with vote of 10 Ayes, 3 Nays, 1 Present Not Voting, 1 Absent. Stage 3 - Passed Stage 4 - Passed, bill reported out of House committee on Appropriations with vote of 22 Ayes, 0 Nays, 0 Present Not Voting, 5 Absent.</p>	relating to the fiscal transparency and accountability of certain entities responsible for public monies.	http://legiscan.com/TX/text/SB14/ID/726778/Texas-2013-SB14-Introduced.html
	Oppose	HB 2508 - Dutton	<p>Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Urban Affairs with vote of 5 Ayes, 0 Nays, 0 Present Not Voting, 2 Absent.</p>	relating to authority of a municipality to adopt certain ordinances.	http://legiscan.com/TX/text/HB2508/ID/777007/Texas-2013-HB2508-Introduced.html
	Oppose	HB 2553 - Guillen	<p>Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Licensing & Administrative Procedures with vote of 8 Ayes, 1 Nays, 0 Present Not Voting, 0 Absent.</p>	relating to the authority of a municipality to regulate a business or occupational license holder.	http://legiscan.com/TX/text/HB2553/ID/834353/Texas-2013-HB2553-Comm_Sub.html
	Oppose	SB 1466 - Estes	<p>Stage 1 - Passed</p>	relating to the authority of a municipality to regulate state licenses.	http://legiscan.com/TX/text/SB1466/ID/791309/Texas-2013-SB1466-Introduced.html

	Support	SB 1639 - Carona	Stage 1 - Passed Stage 2 - Passed, bill reported out of Senate committee on Business & Commerce with vote of 5 Ayes, 4 Nays, 0 Present Not Voting, 0 Absent.	relating to the application of foreign laws and foreign forum selection in certain family law proceedings	http://legiscan.com/TX/text/SB1639/0/820449/Texas-2013-SB1639-Comm_Sub.html
	Oppose	HB 20 - Kolkhorst	Stage 1 - Passed	relating to the repurchase of real property from an entity with eminent domain authority.	http://legiscan.com/TX/text/HB20/0/758773/Texas-2013-HB20-introduced.html
	Oppose	HB 1250 - Springer	Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Land & Resource Management with vote of 9 Ayes, 0 Nays, 0 Present Not Voting, 0 Absent.	relating to the initial use of certain property acquired for a public use.	http://legiscan.com/TX/text/HB1250/0/823083/Texas-2013-HB1250-Comm_Sub.html
	Oppose	SB 1894 - Frasier	Stage 1 - Passed	relating to the procedure for review by the Texas Commission on Environmental Quality and related entities of environmental flow standards and environmental flow set-asides for river basin and bay systems and related matters.	http://legiscan.com/TX/text/SB1894/0/821830/Texas-2013-SB1894-introduced.html
	Support	HB 56 - Burnam	Stage 1 - Passed	relating to the tax exemption for permanent hotel residents.	http://legiscan.com/TX/text/HB56/0/667880/Texas-2013-HB56-introduced.html
	Support	HB 2521 - Springer	Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Urban Affairs with vote of 6 Ayes, 0 Nays, 0 Present Not Voting, 1 Absent.	relating to a project authorized to be undertaken by a Type B economic development corporation in connection with housing.	http://legiscan.com/TX/text/HB2521/0/773256/Texas-2013-HB2521-introduced.html
	Support	HB 374 - Guillen	Stage 1 - Passed	relating to the authority of certain development corporations to undertake projects with respect to community libraries.	http://legiscan.com/TX/text/HB374/0/678152/Texas-2013-HB374-introduced.html
	Support	HB 691 - Phillips	Stage 1 - Passed	relating to the authority of a county or municipality to regulate the location of halfway houses; providing a penalty.	http://legiscan.com/TX/text/HB691/0/705459/Texas-2013-HB691-introduced.html
	Support	HB 1795 - Isaac	Stage 1 - Passed	relating to authorizing broker agreements for the sale of real property by certain municipalities.	http://legiscan.com/TX/text/HB1795/0/759659/Texas-2013-HB1795-introduced.html
	Support	HB 1935 - Schaefer	Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Economic & Small Business Development with vote of 7 Ayes, 1 Nays, 0 Present Not Voting, 1 Absent.	relating to authorizing general infrastructure projects to be undertaken by economic development corporations.	http://legiscan.com/TX/text/HB1935/0/766259/Texas-2013-HB1935-introduced.html
	Support	HB 2181 - Stephenson	Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Economic & Small Business Development with vote of 6 Ayes, 3 Nays, 0 Present Not Voting, 0 Absent.	relating to authorizing development corporations to finance projects to support primary job training facilities and programs at certain educational institutions.	http://legiscan.com/TX/text/HB2181/0/770828/Texas-2013-HB2181-introduced.html
	Support	HB 3360 - Dutton	Stage 1 - Passed	relating to periodic reauthorization of municipal building permit fees.	http://legiscan.com/TX/text/HB3360/0/779947/Texas-2013-HB3360-introduced.html
	Oppose	HB 3513 - Guillen	Stage 1 - Passed	relating to a municipality's comprehensive development.	http://legiscan.com/TX/text/HB3513/0/780201/Texas-2013-HB3513-introduced.html
	Neutral / Watch	HB 3087 - Workman	Stage 1 - Passed	relating to the condemnation of conservation easements.	http://legiscan.com/TX/text/HB3087/0/783337/Texas-2013-HB3087-introduced.html

	Neutral / Watch	HB 3088 - Workman	Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Land & Resource Management with vote of 5 Ayes, 1 Nays, 0 Present Not Voting, 3 Absent.	relating to liability of a political subdivision and potential penalties for a violation of certain laws relating to local permits.	http://legiscan.com/TX/text/HB3088/id/781167/Texas-2013-HB3088-introduced.html
	Neutral / Watch	HB 3089 - Workman	Stage 1 - Passed	relating to limitations on the application of certain municipal regulations to local permits.	http://legiscan.com/TX/text/HB3089/id/781168/Texas-2013-HB3089-introduced.html
	Neutral / Watch	HB 3090 - Workman	Stage 1 - Passed	relating to uniformity of requirements of certain municipal regulations to local permits.	http://legiscan.com/TX/text/HB3090/id/781173/Texas-2013-HB3090-introduced.html
	Oppose	HB 14 - Pitts	Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Appropriations with vote of 23 Ayes, 0 Nays, 0 Present Not Voting, 4 Absent.	relating to the fiscal transparency and accountability of certain entities responsible for public monies.	http://legiscan.com/TX/text/HB14/id/728612/Texas-2013-HB14-introduced.html
	Oppose	HB 1173 - Anchia	Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Natural Resources with vote of 9 Ayes, 0 Nays, 0 Present Not Voting, 2 Absent.	relating to a credit against the ad valorem taxes imposed on property on which certain water conservation systems have been installed.	http://legiscan.com/TX/text/HB1173/id/731823/Texas-2013-HB1173-introduced.html
	Neutral / Oppose	HB 3112 - Hilderbran	Stage 1 - Passed	relating to the public notice required to be provided by certain taxing units before adopting an ad valorem tax rate.	http://legiscan.com/TX/text/HB3112/id/777769/Texas-2013-HB3112-introduced.html
	Oppose	HIR 143 - Hilderbran	Stage 1 - Passed	proposing a constitutional amendment abolishing ad valorem taxes and limiting the rate and applicability of state and local sales and use taxes	http://legiscan.com/TX/text/HIR143/id/783248/Texas-2013-HIR143-introduced.html
	Oppose	HIR 144 - Hilderbran	Stage 1 - Passed	proposing a constitutional amendment authorizing the legislature to limit the frequency or reappraisal of real property for ad valorem tax purposes	http://legiscan.com/TX/text/HIR144/id/783247/Texas-2013-HIR144-introduced.html
	Oppose	HB 2176 - Kolkhorst	Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Urban Affairs with vote of 5 Ayes, 2 Nays, 0 Present Not Voting, 0 Absent.	relating to procedures and requirements for the issuance of certificates of obligation. would: (1) provide that, except in a case of grave public necessity to meet an unusual and unforeseen condition, a city may not issue a certificate of obligation (CO) if the voters voted down a bond proposition for the same purpose within the preceding three years; (2) extend the timeframe to publish newspaper notice of intention to issue a CO from 30 to 45 days before the passage of the ordinance; (3) require a city issuing a CO to maintain an internet website, and to continuously post notice of intention to issue a CO on its website for 45 days before the passage of the CO issuance ordinance;	http://legiscan.com/TX/text/HB2176/id/769017/Texas-2013-HB2176-introduced.html
	Oppose	HB 3742 - Lavender	Stage 1 - Passed	to repeal certain state sales, use, excise, franchise, severance, production, occupations, gross receipts and inheritance taxes, to repeal or limit certain local sales, use, excise and ad valorem property taxes, to enact a statewide and local value added tax, and to reform school finance and administration; providing penalties.	http://legiscan.com/TX/text/HB3742/id/790246/Texas-2013-HB3742-introduced.html
	Watch	SB 1374 - Hinojosa (companion bill is HB 1768)	Stage 1 - Passed	relating to identification requirements for certain fire hydrants and flush valves.	http://legiscan.com/TX/text/SB1374/id/777950/Texas-2013-SB1374-introduced.html
	Oppose	SB 96 - Nichols	Stage 1 - Passed	relating to prohibiting the use of eminent domain to take private property for recreational purposes.	http://legiscan.com/TX/text/SB96/id/668137/Texas-2013-SB96-introduced.html
	Oppose	HB 754 - Ashby (companion bill to SB 96)	Stage 1 - Passed	relating to prohibiting the use of eminent domain to take private property for recreational purposes.	http://legiscan.com/TX/text/HB754/id/709929/Texas-2013-HB754-introduced.html
	Neutral / Watch	SB 1168 - Hegar	Stage 1 - Passed	relating to interstate cooperation to address regional water issues.	http://legiscan.com/TX/text/SB1168/id/775457/Texas-2013-SB1168-introduced.html
	Neutral / Watch	HB 1189 - Larson (companion bill to SB 1168)	Stage 1 - Passed	relating to interstate cooperation to address regional water issues.	http://legiscan.com/TX/text/HB1189/id/732753/Texas-2013-HB1189-introduced.html

STAGES* House Bills	STAGES* Senate Bills	Neutral / Watch	HB 1307 - Geren (companion bill to SB 567)	Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Natural Resources with vote of 9 Ayes, 0 Nays, 0 Present Not Voting, 2 Absent.	relating to rates for water service, to the transfer of functions relating to the economic regulation of water and sewer service from the Texas Commission on Environmental Quality to the Public Utility Commission of Texas, and to the duties of the Office of Public Utility Counsel regarding the economic regulation of water service.	http://legiscan.com/TX/text/HB1307/id/738666/Texas-2013-HB1307-introduced.html
		Oppose	HB 2577 - Larson	Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on Natural Resources with vote of 8 Ayes, 0 Nays, 0 Present Not Voting, 3 Absent.	relating to water well recordkeeping and reporting requirements, including the production, use, and withdrawal of groundwater.	http://legiscan.com/TX/text/HB2577/id/777173/Texas-2013-HB2577-introduced.html
		Support	HB 246 - Walle	Stage 1 - Passed	relating to the rates charged by water and sewer utilities	http://legiscan.com/TX/text/HB246/id/670655/Texas-2013-HB246-introduced.html
		Oppose	HB 1149 - Harless	Stage 1 - Passed	relating to the establishment of integrated rate areas subject to the original jurisdiction of the Railroad Commission of Texas.	http://legiscan.com/TX/text/HB1149/id/730859/Texas-2013-HB1149-introduced.html
		Support	HB 1663 - Guillen	Stage 1 - Passed	relating to timing and frequency with which a public utility may file for a rate change application.	http://legiscan.com/TX/text/HB1663/id/757243/Texas-2013-HB1663-introduced.html
		Support	HB 1456 - Gooden	Stage 1 - Passed Stage 2 - Passed, bill reported out of House committee on County Affairs with vote of 5 Ayes, 0 Nays, 0 Present Not Voting, 4 Absent.	relating to the right of a county to intervene in an original rate proceeding.	http://legiscan.com/TX/text/HB1456/id/749654/Texas-2013-HB1456-introduced.html
STAGES* House Bills	STAGES* Senate Bills					
Stage 1 - bill filed	Stage 1 - bill filed					
Stage 2 - out of house committee	Stage 2 - out of senate committee					
Stage 3 - voted on by house	Stage 3 - voted on by senate					
Stage 4 - out of senate committee	Stage 4 - out of house committee					
Stage 5 - voted on by senate	Stage 5 - voted on by house					
Stage 6 - governor action	Stage 6 - governor action					
Stage 7 - bill becomes law	Stage 7 - bill becomes law					

Agenda Item:

8A. Appointments to the Library Advisory Board. (staff)

**BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Appointment to the Library Advisory Board

FOR AGENDA OF: June 11, 2013 **DATE SUBMITTED:** June 7, 2013

SUBMITTED BY: Brenda Craig *BC* **CLEARANCES:**
City Secretary

EXHIBITS: Board List

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *JP*

SUMMARY STATEMENT

Consider appointment to the following board:

Library Advisory Board: One term to expire November 22, 2013, due to the resignation of T. Scott Gross.

RECOMMENDED ACTION

Consider appointment.

LIBRARY ADVISORY BOARD

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
* GROSS, T. SCOTT 709 Riverhill Blvd.	792-5555 (H)	08-22-12		11-22-13
* JONES, THOMAS #2 Antelope Trail	210-289-5483 (O) 257-5635 (H)	07-05-12		11-22-13
* MARTIN, DIANA K. 3931 Kite Ct.	896-3300 (H)	03-10-09	12-13-11	11-22-13
** SMITH, JANE 2009 Crown View Dr.	792-9144 (H)	04-22-13		11-22-14
* WARD, JUDY CARR 103 Creekside Dr.	895-3740 (H)	11-23-10	11-13-12	11-22-14

EX OFFICIO MEMBER:

Justin MacDonald
(H) 524 Oakland Hills
(O) 2951 Fall Creek Rd.

257-5323 (O)
896-4821 (H)

05-22-12

CITY STAFF:

Laura Bechtel
Library Director
505 Water Street

258-1260 (O)

Kim Meisner
Director of General Operations
701 Main Street

258-1140 (O)
377-7691 (C)

- Qualifications: Members must maintain a library card in good standing.
- Powers and Duties: The Board is an advisory board to the city council; shall have the authority to hold meetings within the city and to consider and make recommendations to the Council from time to time on any and all matters pertaining to the Library. Upon a majority vote of the total membership.
- Term of Office: All Board appointments shall serve two (2) year terms. No Board member shall serve more than two (2) consecutive two (2) year term on the Board without having at least one (1) full year off of the Board between terms. A majority of the members' terms shall expire in even-number years with the remaining members' terms expiring in odd-numbered years.
- Quorum: Three members

Number of Members: Five members

Meeting Time & Place: Third Tuesday of Every Month; 3:00 pm; Butt-Holdsworth Memorial Library

Absences: Any member who is absent from twenty-five percent (25%) of the board's regular meetings during any twelve (12) month period, or who is absent from any three (3) consecutive regular meetings, shall be considered for removal by the City Council. The staff member has the responsibility of reporting a member's non-attendance to the City Council in writing, and the City Secretary shall notify the board member in writing that their non-attendance has been reported to the City Council. However, a member whose absences are directly related to a medical or family emergency may seek consideration from the board upon which they serve to qualify such absences as excused.

Established by: Ordinance No. 1967-17; amended by Ordinance Nos. 80-5, 84-14, 84-58, 85-01, 87-24, 87-60, 87-61, and 2005-19 (in its entirety); Resolution Nos. 045-2006, 107-2006, 076-2007, and 122-2007 did not change this board. Code of Ordinances: Chapter 66 - Article II – Sections 66-31 through 66-34; Amended by Ordinance No. 2010-05; Amended by Ordinance No. 2011-16.

Revised: May 10, 2013

* Appointed by Kerrville City Council – voting member

** Appointed by Friends of the Butt-Holdsworth Memorial Library