

AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, MAY 13, 2014, 6:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, MAY 13, 2014, 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION offered by Pastor John Standridge of Christ Church Presbyterian.

PLEDGE OF ALLEGIANCE TO THE FLAG

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. RECOGNITIONS AND PRESENTATIONS:

2A. Resolution of Commendation to Lisa Nye-Salladin for service on the Parks and Recreation Advisory Board. (Mayor Pratt)

2B. Resolution of Commendation to Aaron Yates for service on the Main Street Advisory Board. (Mayor Pratt)

3. 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:

3A. Minutes of the city council regular meeting held April 22, 2014. (staff)

3B. Resolution No. 13-2014 abandoning and terminating a gas pipeline easement located at 741 Water Street; making the abandonment and termination subject to the city's receipt of a wastewater easement; and ordering recording. (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, May 9, 2014 at 3:30 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

3C. Lease agreement with PNC Equipment Finance for lease of Toro equipment for the Scott Schreiner Municipal Golf Course, in the total amount of \$210,029.28 for a 48 month period. (staff)

3D. Amendment of a professional services agreement with Freese & Nichols, Inc. to provide professional engineering design services and additional survey for design of the Riverhills/Ridgewood storage tank water transmission line in an amount not to exceed \$30,713.00.

END OF CONSENT AGENDA

4. PUBLIC HEARING AND ORDINANCE, FIRST READING:

4A. Ordinance No. 2014-09 amending Article 10-IV-1 of the City of Kerrville Subdivision Ordinance, known as the city's "Subdivision Regulations," by amending Section 10-IV-1(B)(2) of the Ordinance to exempt land owned, controlled, administered, or under the jurisdiction of a federal agency from plat requirements; containing a cumulative clause; containing a savings and severability clause; providing for an effective date; ordering publication; and providing other matters related thereto. (staff)

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Airport's Fiscal Year 2015 budget. (Stephen King)

5B. Resolution No. 11-2014 denying the rate increase requested by Atmos Energy Corp., Mid-Tex Division under the Company's 2014 annual Rate Review Mechanism filing in all cities exercising original jurisdiction; requiring the Company to reimburse cities' reasonable ratemaking expenses pertaining to review of the RRM; authorizing the city's participation with Atmos Cities Steering Committee in any appeal filed at the Railroad Commission of Texas by the Company; requiring the Company to reimburse cities' reasonable ratemaking expenses in any such appeal to the Railroad Commission; determining that this Resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; and requiring delivery of the Resolution to the Company and the Steering Committee's legal counsel. (staff)

5C. Drought contingency plan and water conservation plan. (staff)

5D. Proposal for the City to acquire a 7.964 acre tract of land located on the north side of Holdsworth Drive and immediately adjacent to the western boundary of Section Two of the Keystone Subdivision. (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.

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Brenda Craig
City Secretary, City of Kerrville, Texas

5E. Agreement with Tuscany Land, Ltd. to acquire property interests to bury the raw water irrigation line for the Riverhill Golf Course, acquire a recreation easement (river trail), settle claim with Riverhill Country Club, Inc., install a water meter and other matters related to these subjects. (staff)

6. ITEMS FOR FUTURE AGENDAS

7. 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.

8. 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:

- Jefferson lift station
- River Trail.

Sections 551.071, 551.072 and 551.073:

Discuss the purchase, exchange, lease, sale, or value of real property; and a negotiated contract for a prospective gift or donation because deliberation in an open meeting would have detrimental effect on the position of the city in negotiations with a third person, related to the development of municipal facilities.

9. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

10. 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, May 9, 2014 at 3:30 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. Resolution of Commendation to Lisa Nye-Salladin for service on the Parks and Recreation Advisory Board. (Mayor Pratt)



City of Kerrville

701 MAIN STREET • KERRVILLE, TEXAS 78028 • 830.257.8000 • KERRVILLETX.GOV

RESOLUTION AND COMMENDATION

WHEREAS, LISA NYE-SALLADIN has served as a member of the Parks and Recreation Advisory Board with the date of service beginning April 13, 2010 and

WHEREAS, LISA NYE-SALLADIN has served faithfully and dutifully on said board;

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

That LISA NYE-SALLADIN be recognized for outstanding service as a member of the Parks and Recreation Advisory Board, and that on behalf of the citizens of Kerrville, as well as for ourselves individually, we wish to express our sincere appreciation for contributions to the city and the community.

PASSED AND APPROVED, this the 22nd day of April, 2014.

ATTEST:

Brenda G. Craig
Brenda G. Craig, City Secretary

Jack Pratt, Jr.
Jack Pratt, Jr., Mayor

Carson Conklin
Carson Conklin, Mayor Pro Tem

Stacie Keeble
Stacie Keeble, Councilmember

T. Justin MacDonald
T. Justin MacDonald, Councilmember

E. Gene Allen
E. Gene Allen, Councilmember



Agenda Item:

2B. Resolution of Commendation to Aaron Yates for service on the Main Street Advisory Board. (Mayor Pratt)



City of Kerrville

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RESOLUTION OF COMMENDATION

WHEREAS, AARON YATES has served as a member of the Main Street Advisory Board with the date of service beginning March 13, 2012; and

WHEREAS, AARON YATES has served faithfully and dutifully on said board;

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

That **AARON YATES** be recognized for outstanding service as a member of the Main Street Advisory Board, and that on behalf of the citizens of Kerrville, as well as for ourselves individually, we wish to express our sincere appreciation for contributions to the city and the community.

PASSED AND APPROVED, this the ____ day of _____, 2014.

ATTEST:

Brenda G. Craig, City Secretary



Jack Pratt, Jr., Mayor

Carson Conklin, Mayor Pro Tem

E. Gene Allen, Councilmember

Stacie Keeble, Councilmember

T. Justin MacDonald, Councilmember

Agenda Item:

3A. Minutes of the city council regular meeting held April 22, 2014. (staff)

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
APRIL 22, 2014

On April 22, 2014, 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 Reverend Stockton Williams, Rector with St. Peter's Episcopal Church, followed by the Pledge of Allegiance led by Fabiola Mendoza, Captain of the Tivy Air Force Junior Reserve Officer Training Corps.

COUNCILMEMBERS PRESENT:

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

COUNCILMEMBER ABSENT: None

CITY EXECUTIVE STAFF PRESENT:

| | |
|------------------|--------------------------|
| Todd Parton | City Manager |
| Mike Hayes | City Attorney |
| Kristine Ondrias | Deputy City Manager |
| Brenda G. Craig | City Secretary |
| Sandra Yarbrough | Director of Finance |
| Ashlea Boyle | Special Projects Manager |
| Jason Lutz | City Planner |
| Robert Ojeda | Fire Chief |
| John Young | Police Chief |
| Stuart Barron | Public Works Director |
| Trina Sanchez | Code Enforcement Manager |

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

1. VISITORS/CITIZENS FORUM: No one spoke.

2. RECOGNITIONS AND PRESENTATIONS:

2A. Presentation and Recognitions of the Neighborhood Improvement Program. Ms. Sanchez reported that March 29 about 200 volunteers, organized by Partners In Ministry and including 150 Schreiner University students, worked to help property owners in the Legion Hills area clean their property, and cleaned trash along Holdsworth Drive. The street department picked up 19.62 tons of brush, 51.05 tons of trash, 1.05 ton of scrap metal and electronics, and about 300 tires.

2B. Resolution of Commendation to Susan Sander for service on the Parks and Recreation Advisory Board.

2C. Proclamation designating May as National Preservation month was received by Scott Bolton, representing the Main Street Advisory Board.

3. CONSENT AGENDA:

Mr. Conklin moved to approve consent agenda items 3A through 3E; Mr. MacDonald seconded the motion, and it passed 5-0:

3A. Minutes of the city council regular meeting held March 25, 2014 and the special meeting held 5:30 p.m. on April 8, 2014.

3B. Contract with Zimmerman Construction Co., Inc. for the construction of the river trail project from Louise Hays Park to G Street in the amount of \$724,419.18 and authorize the city manager to execute additional change orders as necessary in an amount not to exceed the total contract amount of \$760,650.00.

3C. License agreement with Kerrville Kayak and Canoe, for operation of boat, tube and raft concession.

3D. Purchase of a New Holland tractor and Alamo Industrial boom mower through BuyBoard in the amount of \$125,664.00.

3E. Resolution No. 10-2014 amending Resolution No. 01-2014 that ordered the holding of a general election to be held on May 10, 2014, by changing the presiding judge of the central counting station.

3E. UNA RESOLUCIÓN 10-2014 QUE ENMIENDA LA RESOLUCIÓN NO. 01-2014 QUE ORDENÓ LA CELEBRACIÓN DE ELECCIONES GENERALES A COMO LLEVARSE A CABO EL 10 DE MAYO DEL 2014 PARA CAMBIAR AL JUEZ PRESIDENTE DE LA ESTACIÓN CENTRAL DE CONTEO.

END OF CONSENT AGENDA

4. ORDINANCES, SECOND AND FINAL READING:

4A. Ordinance No. 2014-07 amending Chapter 18 "Animals" of the City's Code of Ordinances by deleting Section 18-2 "Bird Sanctuary" and amending Section 18-79 "Domestic Pigeons"; containing a savings and severability clause; providing an effective date; and providing other matters relating to the subject. Mayor Pratt read the ordinance by title only.

Mr. Hayes noted the ordinance would remove the bird sanctuary provision and change another section regarding protection of pigeons. There had been no change since first reading on April 8.

Mr. MacDonald moved for approval of Ordinance No. 2014-07 on second and final reading; Mr. Conklin seconded the motion and it passed 5-0.

4B. Ordinance No. 2014-08, amending the zoning district boundaries of the western portion of Lot 17, Block 1, Oak Hill Addition subdivision, otherwise known as 512 Barnett Street and located within the City of Kerrville, Kerr County, Texas, from the "R1-A" residential district to "RT" residential transition district; containing a cumulative clause; containing a savings and severability clause; and ordering publication. Mayor Pratt read the ordinance by title only.

Mr. Lutz noted the public hearing was held by council on April 8; there was no change since first reading.

Mr. Allen moved for approval of Ordinance No. 2014-08 on second and final reading; Mr. MacDonald seconded the motion and it passed 5-0.

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Use of 380 agreements with tax deferrals in connection with the Kerrville Gateway Retail Center.

Councilmember Conklin stated that the city attorney advised him that he did not have a conflict of interest under state law regarding the discussion of creating a 380 agreement for the Gateway Center. The action he proposed was to direct staff to create a 380 agreement for city council to consider at a later date; since there was not an agreement to be considered now, and he would not benefit financially from his opinions and presentation, there was not a conflict of interest. He worked for JM Lowe Company, and they did not have a contract with the developer; he did put together cost estimates and understood the financials and dynamics of the project, and he wanted to bring that information to the council and make citizens aware of the project. If a 380 agreement moved forward, or his company received a contract in the future, he would recuse himself and would not participate in the council's vote.

Mr. Hayes opined that there was not a conflict of interest for Mr. Conklin for the reasons stated.

Ms. Keeble opined that Mr. Conklin's discussion about a 380 agreement was a conflict of interest because he worked for a company that might financially benefit from the Gateway development in the future. The council stressed several times in the past year the importance of not having even the appearance of a conflict.

Mr. Conklin responded to questions asked by Mayor Pratt as received from citizens:

-Have you received any compensation in relation to the project? No.

-Do you know anyone who received compensation, direct or indirect, from Gateway or Mr. Walker in relation to this project, and are you or anyone in your firm representing Mr. Walker or Gateway at this point? No.

-If you are not representing Gateway or Mr. Walker, are you presenting this from an official point of view? He was presenting information he knew as a result of being involved in the project. Mr. Walker hired Briscoe Hall and Attorney David Jackson to represent them and they were in attendance.

Mr. Conklin described a 380 agreement as a contract that would mutually benefit a developer and the city by using tax deferrals to reimburse the developer for items e.g. capital infrastructure. As a development generated ad valorem or other tax revenues, e.g., sales tax and hotel occupancy tax (HOT) if the project has a hotel, a portion of the taxes was returned to the developer to help fund the project. A 380 did not take tax dollars from city coffers, it was a self-funding tax that used revenue created by a development to pay for a project; a developer was reimbursed only after the full development was completed and constructed. The risk was to the developer if the project did not generate revenues as projected. A 380 instrument is the developer generating money that is returned to him by something he created, and the city, county, EIC, and HOT realize the full taxable value of the project when it is paid back; in the meantime, entities realize all of the direct and indirect impact from the construction of the development and the benefit of retail sales.

Mr. Conklin stated that the Gateway developer had binding letters of intent with multiple tenants, and in order to meet those agreements, they must break ground for the development by August 1; therefore, there was not sufficient time to work a 380 agreement through the KEDC process and then bring that to city council for consideration. All that was needed to create a 380 was to direct staff to create the document, similar to what the city did in the past for two other projects.

Mr. Conklin reviewed the study by Impact Data Sources of Austin, which projected the project would: create 575 jobs; \$26 million in capital investment; would generate \$860 million direct and indirect revenue; generate \$16 million per year in direct revenue and economic impact. When the concept was presented to KEDC the developer requested \$7 million in 4B funds from EIC over a 10 year period. The return on investment was 17% and would pay off in 6.6 years. Kerrville had a retail leakage problem to San Antonio and Gateway was a prime location for retail economic development, and it would broaden the city's tax base. A 380 agreement was the right funding source to incentivize retail development.

Jonas Titas, executive director of the Kerrville Economic Development Corporation (KEDC), answered questions by council:

-Why do some cities incentivize projects and others do not? The dynamics of every city is different and cities responded according to their circumstances.
-Did KEDC consider a 380 for Gateway? A 4B (Economic Improvement Corporation) application was received and KEDC discussed the merits of that application; there were no alternatives presented so KEDC did not consider any other options. KEDC would meet on May 1 and may discuss it at that meeting.
-How did this project meet the strategic planning goal of providing skilled jobs? The KEDC board was going through a strategic planning process with focus on skilled jobs, not on retail sales. The goal should be to maximize the return on the public's investment; should consider things such as the multiplier effect of primary jobs and the ripple effect on the local economy. KEDC drafted a 380 policy that was currently being evaluated by the city. Chapter 380 of Texas Local Government Code empowered municipalities to enter into various types of agreements; such can be used to recapture a portion of sales tax or property tax abatement on the enhanced value of a property.

-The city did not have a formal agreement from the developer to consider; was it normal procedure for a city to initiate a request or should the request come from the developer? Mr. Titas noted that no formal policy or application process was currently in place for 380 agreements. Mr. Conklin stated the direction he was seeking was to enter into conversation with the developer to establish criteria for a 380; a 380 policy was currently being drafted and that policy should continue to be considered and adopted by council later.

-Why would a city incentivize one project and not another? Mr. Titas noted that cities weighed their options; the dynamics of every city was different and cities responded according to their circumstances. He noted that KEDC received a 4B application for this project and they discussed the project based on the merits of

that application; there were no alternatives presented so KEDC did not consider any other options.

-What was Kerrville's retail leakage rate to San Antonio, and what was the tax base of residential versus commercial? Mr. Titas noted KEDC lacked resources at this time to perform a formal study. Mr. Parton noted that the city tax base was 30% commercial/70% residential; the ideal benchmark was 50/50.

Mr. Conklin responded to questions from council:

-The city had established economic development policies and processes that had been developed and approved by KEDC and approved by EIC and city council; was this project presented to KEDC? Yes, but only under the concept of 4B funding.

-Does a 380 agreement have to go before KEDC as part of the economic development process? Not necessarily; a 380 could be structured in other ways.

-Was a 380 approved by KEDC? A 380 was not considered by KEDC because Gateway only proposed 4B funding through EIC.

-The city had a process in place and since a 380 agreement had not been considered and approved by KEDC and/or EIC first, would the city be usurping its own policy? No, because a 380 agreement would ultimately come before the city council. To place a 380 agreement back on the KEDC agenda, and then bring it to council for action, would take more time, and the developer would not be able to meet his deadline.

-The original economic impact report and economic summary was dated February 28, 2014; why was city council now forced into a time crunch to make a decision on a matter that required a lot of consideration and review by other entities first, e.g. KEDC and EIC, as well as city council? KEDC had been involved since the 4B request was placed on their agenda; a 380 agreement had not been considered.

Council's review of the economic impact study and summary raised questions:

-The direct impact would be \$9.36/hr. \$19,468 year average for jobs; indirect impact was \$6.59 per hour \$13,707 per year; did that meet the specified target for creating skilled jobs?

-Base on the figures provided, there would be a net loss to the citizens of Kerrville of about \$1.3 million.

-The figures included HOT revenues, assuming the project had a hotel and HOT could be assessed HOT went to the convention and visitors bureau, not the city.

-The net increase of 73 citizens over 10 years was an increase of only 7 persons per year. Mr. Conklin noted this was based on the city's projected growth rate of 2% per year.

-Sales tax figures did not take into consideration the current sales tax generated that would be duplicated in the new center; what would be the net effect of new sales created over existing sales currently being generated? Mr. Conklin stated that retail begets more retail; bringing in more retail would bring in more people from a larger area and create more opportunities for retail sales; does not re-tread the same retail sales.

-It had been stated that the project needed \$7 million or it would not proceed, and the return on investment was estimated at 17%; the project totaled \$26 million, so the developer wanted the city to put in \$7 million, or 35% of the project. If the return was 17%, why did the developer need city money? Mr. Conklin reviewed the developer's expenses: \$1 million for realignment of the exit ramp at SH16 to align with the entrance into the project as required by TxDOT; expensive property to develop due to physical aspects of the property, that is, it was trapped between a ridge, interstate, state highway, and creek; a bridge would be necessary to cross Quinlan Creek, estimated at \$1 million; \$1.6 million in utilities and storm drainage; \$300,000 to build retaining walls, and 300,000 cubic yards of dirt had to be moved.

Council also discussed the following points:

- The appropriateness of a councilmember presenting this item to city council; should be a representative of KEDC.
- Mr. Conklin was also chairman of KEDC.
- The city had a 380 agreement with Fox Tank; Mr. Titas noted it was capped at \$150,000.
- Issue of skilled jobs; Kerrville was trying to build a base of skilled workers and places for them to work, such as the 380 agreement with Fox Tank.
- Gateway would not compete with downtown and existing business; downtown shops were more upscale and "boutiqish," and should be able to co-exist.
- Some things were just not available and competition would bring more variety to Kerrville.
- The proposed retail center was 200,000 sq. ft.; the existing mall was 180,000 sq. ft. and six retail spaces were vacant. The two centers were not comparable as the existing mall was an older building, had not been maintained to modern conditions, and the rent was above market for the product.
- The current priority list of projects for economic development did not include incentivizing retail.
- Issues about competition i.e. incentivizing one company that could result in closing existing businesses that were self-sufficient and did not receive tax funds.
- Would like to see another retail center, but on private funds and not tax dollars.

Mr. Parton noted several reasons why a city would incentivize a project, and based on the 4B funding application and the developer's economic impact study of the project, and the lack of an established 380 policy, he would not recommend the Gateway project for funding based on the information staff had at this time. He noted in order to receive the full benefit of a tax investment, criteria had to be developed and benchmarks set; for example, establish time lines for completion of construction, implement benchmarks and performance criteria, and require certain levels of occupancy. KEDC, EIC, and city staff were finalizing a 380 policy, which would establish criteria that would be essential in evaluating applications. A 380 could also provide loans and other mechanisms; such matters had not been discussed with the developer.

The following persons spoke:

1. David Vinyard stated he was a compensated representative of Gulf Coast

Commercial and a member of the development team as marketing and public relations. 380 agreements were standard practice across the state and can be initiated by either the city or the developer. Gulf Coast was a development that most cities competed for, and they were under consideration by retail tenants because of their reputation. He questioned tabling the item when all that was being asked was to create an instrument for the beginning of a discussion.

2. Heath Gregory had the feeling that city council was saying that 600 jobs at \$19,000 a year was not worth it; he knew a lot of people who wanted those jobs, and council should represent those citizens. Councilmembers knew it was on tonight's agenda and he felt they had sufficient time to review it.

Mr. Allen noted that more information and research was needed and less than one week was not enough time to make a decision on spending \$7 million of tax funds.

No motion was made and no action was taken.

5B. Adoption of Water Master Plan Update prepared by Freese and Nichols, Inc.
Ms. Ondrias noted the proposed integrated capital improvement plan was based on direction received during several council meetings and would guide the city in design, construction and financing of infrastructure facilities through 2032. Staff recommended approval of the plan.

Ms. Keeble moved to adopt the water master plan prepared by Freese and Nichols, Inc. as presented. Mr. Conklin seconded the motion and it passed 5-0.

6. INFORMATION AND DISCUSSION:

6A. Quarterly report by Playhouse 2000, Inc.

Jeffrey Brown, executive director of the Cailloux Theater, reported on activities January through March, noting 13 separate events, 25 nights, total attendance 9,643, ticket face value of \$172,765 not including sponsorships, and helped raise \$39,000 for Hill Country Youth Orchestra. The total available operating cash was \$86,284, which included donations and grants. Mr. Brown noted the Cailloux Theater was selected to be the beneficiary of the 2014 Hill Country Charity Ball, and he anticipated the proceeds from that event at \$45,000. He noted that all of the actors involved in performances were local volunteers, and paid staff was comprised of two full time and two part time employees. He reviewed upcoming events and three construction projects funded by the economic improvement corporation. Fund raising was underway for construction on a new support facility, and groundbreaking was anticipated in October 2014.

6B. Budget update.

Ms. Yarbrough reported current revenues and expenditures as compared to prior year to date totals for the period ending March 31, 2014. Permits for new residences were 28 as compared to 19 for the same period 2013.

7. ITEMS FOR FUTURE AGENDAS: None

8. ANNOUNCEMENTS OF COMMUNITY INTEREST:

- The Kerrville Public Utility Board tree giveaway was scheduled for April 26.
- The quarterly beautification day was April 26.
- Persons needing to dispose of prescription drugs were asked to bring them to the Kerrville Police Department on April 26.
- Early voting in the city election would be held: April 28 and 29, 7:00 a.m. to 7:00 p.m.; April 30, May 1, May 2, May 5, and May 6, 8:00 a.m. to 5:00 p.m.; and election day May 10, 7:00 a.m. to 7:00 p.m. all at the Cailloux Theater.

9. EXECUTIVE SESSION:

Mr. Conklin moved for the city council to go into executive closed session under Sections 551.071, 551.072 and 551.073 of the Texas Government Code; motion was seconded by Mr. MacDonald and passed 5-0 to discuss the following matters:

9A. Section 551.071:

- City of Kerrville, Texas, Plaintiff, v. C&C Groundwater Services, LLC; Old Republic Insurance Company; and CH2MHILL, Inc., Defendants, Cause No. 12276A, in the District Court of the 216th Judicial District, Kerr County, Texas.

9B. Sections 551.071, 551.072 and 551.073:

- Discuss the purchase, exchange, lease, sale, or value of real property; and a negotiated contract for a prospective gift or donation because deliberation in an open meeting would have detrimental effect on the position of the city in negotiations with a third person, related to the development of municipal facilities.

At 7:39 p.m. the regular meeting recessed and council went into executive closed session at 7:47 p.m. At 8:21 p.m. the executive closed session recessed and council returned to open session at 8:22 p.m. The mayor announced that no action had been taken in executive session.

10. ACTION ON ITEM DISCUSSED IN EXECUTIVE SESSION:

9A. Section 551.071: City of Kerrville, Texas, Plaintiff, v. C&C Groundwater Services, LLC; Old Republic Insurance Company; and CH2MHILL, Inc., Defendants, Cause No. 12276A, in the District Court of the 216th Judicial District, Kerr County, Texas.

Mr. MacDonald moved to authorize the city manager to sign any documents required in the matter: City of Kerrville, Texas, Plaintiff, v. C&C Groundwater Services, LLC; Old Republic Insurance Company; and CH2MHILL, Inc., Defendants, Cause No. 12276A, in the District Court of the 216th Judicial District, Kerr County, Texas. Mr. Allen seconded the motion and it passed 5-0.

ADJOURNMENT. The meeting adjourned at 8:23 p.m.

APPROVED: _____

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary

Agenda Item:

3B. Resolution No. 13-2014 abandoning and terminating a gas pipeline easement located at 741 Water Street; making the abandonment and termination subject to the city's receipt of a wastewater easement; and ordering recording.
(staff)



Right of Way Department

March 4, 2014

Mrs. Rolinda Schmidt
741 Water Street
Kerrville, TX 78028

Dear Mrs. Schmidt:

Your office has recently been in contact with Atmos Energy Corporation concerning the current Commercial Building located on 741 Water Street Kerrville, Texas. This lot is also known as Lot 1PT2, 4&6, Block 24&25 in Kerrville, Texas.

The purpose of this letter is to inform the necessary parties that Atmos Energy currently has no future plans for this site or active facilities within the Public Utility Easement reserved by the recorded plat of the aforementioned property. Atmos does not provide service to the current facility, therefore, there are no pipelines or facilities within any part of the property as recorded on the plat. Please do not hesitate to contact Atmos should there be any other questions or concerns with our facilities in the area.

Sincerely,

A handwritten signature in blue ink, appearing to be "Zane Hanson", with a long horizontal line extending to the right.

Zane Hanson

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 13-2014**

**A RESOLUTION ABANDONING AND TERMINATING A GAS PIPELINE
EASEMENT LOCATED AT 741 WATER STREET; MAKING THE
ABANDONMENT AND TERMINATION SUBJECT TO THE CITY'S
RECEIPT OF A WASTEWATER EASEMENT; AND ORDERING
RECORDING**

WHEREAS, a gas pipeline easement ("Easement") was previously conveyed to the City of Kerrville, Texas ("City") from L.A. Schreiner for property located at 741 Water Street (the "Property"), as evidenced by the instrument recorded at Volume 1, Page 473 of the Real Property Records (easement records) of Kerr County, Texas; and

WHEREAS, the City does not need this Easement for its purposes as it does not provide gas services; and

WHEREAS, Atmos Energy, the local gas provider, has informed the City that it does not provide service to the Property nor does it have any pipelines or facilities within any part of the Property; and

WHEREAS, in reviewing the issue of abandonment and termination, City staff found that the City has a wastewater line that is located in part of the Easement; and

WHEREAS, in exchange for abandoning and terminating the Easement, the Property owner has agreed to convey a wastewater easement to the City; and

WHEREAS, in order to avoid possible confusion with respect to the Easement and the potential costs, the City Council of the City of Kerrville, Texas finds it to be in the public interest to abandon and terminate the Easement, subject to the City's receipt of a wastewater easement;

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

SECTION ONE. The City Council finds that the Easement located at 741 Water Street, as conveyed to the City by L.A. Schreiner and recorded at Volume 1, Page 473 of the Real Property Records (easement records) of Kerr County, Texas, said Easement is attached as **Exhibit A**, no longer serves a public interest and should be abandoned and terminated.

SECTION TWO. Based upon the findings made in Section One, above, and in accordance with the City's policy regarding the disposition of real estate, the City Council authorizes the City Manager to execute and record the Abandonment of Easement, as attached at **Exhibit B**, in the Real Property Records (easement records) of Kerr County, Texas.

SECTION THREE. Prior to the City formally abandoning and terminating the Easement as described above, the City must first receive a wastewater easement from the Property owner, which will authorize the continued operation and use of a portion of the Property for the City's wastewater line.

PASSED AND APPROVED ON this the _____ day of _____ A.D., 2014.

Jack Pratt, Jr., Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary

STATE OF TEXAS)
COUNTY OF KERR)

KNOW ALL MEN BY THESE PRESENTS:

That for and in consideration of One Dollar to the undersigned, L. A. Schreiner

herein styled the Grantor, whether one or more paid, the receipt of which is hereby acknowledged, the said Grantor does hereby GRANT, SELL AND CONVEY unto the CITY OF KERRVILLE, a municipal corporation, (herein styled Grantee), its successors and assigns the right of way and easement to construct, maintain and operate a gas pipe line or lines on, over, through and under the following described lands situated in Kerr County, State of Texas, to-wit:

Lot #6, Block 24, J. D. Brown's addition to the City of Kerrville, said line commencing in the northwest boundary line of said lot #6 at a point in said line which is 192 feet S 45 W a distance of 192 feet; thence, S45 E a distance of approximately 7 feet to a point; thence, N 45 E a distance of 109 feet to a point, Thence S45 E along a line parallel to the NE boundary line of said lot #6 to a point where said line intersects the SE boundary line of said lot #6, Said line being over a private roadway presently owned by grantor.

This easement is given with the express agreement between grantor and grantee that if buildings are desired to be placed on the land described herein that grantee, its successors and assigns will place the line at its expense to the rear of said buildings and a new easement given and this easement released.

~~XXXX XXXX XXXX XXXX XXXX XXXX~~

~~XXXX XXXX XXXX XXXX XXXX XXXX~~ Block 24, Kerr County, Texas, which reference is hereby made to the further description of said

To HAVE AND TO HOLD unto the said Grantee, its successors and assigns, so long as such gas pipe line or lines shall be maintained, with ingress to and egress from the premises, for the purpose of constructing, inspecting, repairing, maintaining and replacing the property of Grantee above described, and the removal of such at will, in whole or in part.

The said Grantor is to fully use and enjoy the said premises, except for the purposes hereinbefore granted to the said Grantee, which hereby agrees to bury all pipe lines to a sufficient depth so as not to interfere with the use or cultivation of the soil, and to otherwise so locate said gas pipe line or lines as to interfere as little as possible with Grantor's use of the aforesaid land; and said Grantee does agree to pay any damages which may arise from the construction, maintenance or operation of said gas pipe line or lines.

The terms, provisions and conditions of this agreement shall extend, inure to and bind the respective successors and assigns of the parties hereto.

Witness the execution hereof on this the 21st day of AUGUST, A. D. 1948.

L. A. Schreiner

Grantor

STATE OF TEXAS)
COUNTY OF KERR)

Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared L. A. Schreiner, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, on this, the 21st day of AUGUST, A. D. 1948.

(SEAL #2E09)

Ethel Williams

Notary Public in and for Kerr County, Texas

STATE OF TEXAS)
COUNTY OF KERR)

Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, and his wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed; and the said _____, wife of _____, having been examined by me privily apart from her husband, and having the same fully explained to her, she the said _____ acknowledged such instrument to be her act and deed and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this _____ day of _____, A. D. 19____

Notary Public in and for Kerr County, Texas

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

ABANDONMENT AND TERMINATION OF GAS PIPELINE EASEMENT

STATE OF TEXAS §
 §
COUNTY OF KERR §

WHEREAS, by the Gas Pipeline Easement dated August 21, 1948 ("Easement"), executed by L.A. Schreiner and recorded in Volume 1, Page 473, Real Property Records, Kerr County, Texas, the City of Kerrville, Texas ("City") obtained a Gas Pipeline Easement for the purpose of constructing, maintaining, and operating a gas pipeline on the property described in the Easement; and

WHEREAS, the City no longer provides utility gas service to the community nor has any use for the Easement and seeks to abandon and terminate the Easement; and

WHEREAS, in addition, Atmos Energy likewise has no need for the Easement nor does it provide gas services to the property in question, have any plans to, or have any equipment within the Easement; and

WHEREAS, the City Council of the City of Kerrville, Texas, has determined that the Easement is no longer necessary or desired and should be abandoned and terminated;

NOW THEREFORE, the City Council, by Resolution No. 13-2014 duly made and adopted at its regular meeting of May 13, 2014, has abandoned and terminated and does hereby evidence abandonment and termination of the Easement.

EXECUTED this the ____ day of _____, 2014.

CITY OF KERRVILLE, TEXAS

Todd Parton, City Manger

ATTEST:

Brenda G. Craig, City Secretary

(signatures continue on following page)

THE STATE OF TEXAS §
 §
COUNTY OF KERR §

This instrument was acknowledged before me on this the ____ day of _____, 2014, by TODD PARTON, City Manager, City of Kerrville, Texas, on behalf of said City.

Notary Public in and for the State of Texas

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ABANDONMENT AND TERMINATION OF GAS PIPELINE EASEMENT

STATE OF TEXAS §
 §
COUNTY OF KERR §

WHEREAS, by the Gas Pipeline Easement dated August 21, 1948, executed by L.A. Schreiner and recorded in Volume 1, Page 473, Real Property (easement) Records, Kerr County, Texas ("Easement"), the City of Kerrville, Texas ("City") obtained a Gas Pipeline Easement for the purpose of constructing, maintaining, and operating a gas pipeline on the property described in the Easement; and

WHEREAS, the City no longer provides utility gas service to the community nor has any use for the Easement and seeks to abandon and terminate the Easement; and

WHEREAS, in addition, Atmos Energy likewise has no need for the Easement nor does it provide gas services to the property in question, have any plans to, or have any equipment within the Easement; and

WHEREAS, the City Council of the City of Kerrville, Texas, has determined that the Easement is no longer necessary or desired and should be abandoned and terminated;

NOW THEREFORE, the City Council, by Resolution No. 13-2014 duly made and adopted at its regular meeting of May 13, 2014, has abandoned and terminated and does hereby evidence abandonment and termination of the Easement.

EXECUTED this the ____ day of _____, 2014.

CITY OF KERRVILLE, TEXAS

Todd Parton, City Manger

ATTEST:

Brenda G. Craig, City Secretary

(signatures continue on following page)

THE STATE OF TEXAS §
 §
COUNTY OF KERR §

This instrument was acknowledged before me on this the ____ day of _____, 2014, by TODD PARTON, City Manager, City of Kerrville, Texas, on behalf of said City.

Notary Public in and for the State of Texas

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

WASTEWATER LINE EASEMENT

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

That C & W Manhattan Associates, LP, a Texas Limited Partnership, hereinafter called "Grantor", whose address is 222 Sidney Baker South, Suite 305, Kerrville, Texas 78028, for and in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, paid by the City of Kerrville, Texas, 701 Main Street, Kerrville, Texas, 78028, hereinafter called "Grantee", the receipt and sufficiency of which is hereby acknowledged, has granted, sold, and conveyed, and by these presents does hereby grant, sell, and convey unto Grantee, its successors and assigns, an easement for an underground wastewater line, including but not limited to constructing, placing, operating, repairing, maintaining, rebuilding, replacing, resizing, and removing Grantee's wastewater line and the appurtenances thereto, on, over, under, across and through the following described property of the Grantor:

All that certain area for a wastewater line easement, seven (7) feet in width, lying and being situated in the County of Kerr; City of Kerrville; State of Texas; being across original Survey No. 116, B.F. Cage, Abstract No. 106; and across that 3 acre tract which was conveyed from Nationsbank of Texas, N.A., to Roland Walters, by deed dated 9th January, 1992, of record in Volume 621, page 822, of the Real Property Records of Kerr County, Texas; which 3 acre Walters tract is part of that tract out of Block 24, J. D. Brown or Cage Addition, which was conveyed from L. A. Schreiner, et. al., to Chas. Schreiner Bank, by deed dated the 3rd day of January, 1959, of record in Volume 104, page 175, of the Deed Records of Kerr County, Texas; and more particularly described and depicted at Exhibit A, attached hereto and incorporated herein by reference (the "Easement").

Grantee shall have the right to do whatever may be requisite for the enjoyment of the rights herein granted, including the right to clear the Easement of brush and timber, and the right of egress from and ingress to the Easement.

The Easement shall be subject to the following terms and provisions:

1. The Easement is granted subject to the encroachment of the adjacent building wall along its northwest boundary as depicted at **Exhibit A**, attached hereto.
2. Grantor shall have the right to fully use and enjoy the Easement property for any purpose which shall not interfere with the rights herein granted to Grantee; provided, however,

Domingues & Assoc.

Professional Land Surveying
Subdivision Design

Re: description of utility easement, seven (7) feet in width, across Walters tract, Kerrville, Texas.

All that certain area for utility easement, seven (7) feet in width, lying and being situated in the County of Kerr; City of Kerrville; State of Texas; being across original Survey No. 116, B. F. Cage, Abstract No. 106; and across that 3 acre tract which was conveyed from Nationsbank of Texas, N.A., to Roland Walters, by deed dated 9th January, 1992, of record in Volume 621, page 822, of the Real Property Records of Kerr County, Texas; which 3 acre Walters tract is part of that tract out of Block 24, J. D. Brown or Cage Addition, which was conveyed from L. A. Schreiner, et. al., to Chas. Schreiner Bank, by deed dated the 3rd day of January, 1959, of record in Volume 104, page 175, of the Deed Records of Kerr County, Texas;

BEGINNING at corner in concrete walk, the north corner of said tract conveyed to Chas. Schreiner Bank, recorded in Volume 104 at page 175, for the north corner of said 3 acre Walters tract, being the east corner of that 82 foot 9 inch Lot which was conveyed to the Kerrville Amusement Company, by deed recorded in Volume 45 at page 347 of the Deed Records of Kerr County, Texas, being located 1 foot N.45°E. from the east corner of the existing building on said 82 foot 9 inch Lot, said beginning corner has coordinates of N= 804465.83 feet and E= 1955438.74 feet, as acquired from City of Kerrville Monument No. 900 by Global Positioning System true north observation, said corner being in the southwest right of way line of 60 foot wide Water Street;

THENCE with the northwest line of said tract conveyed to Chas. Schreiner Bank, recorded in Volume 104 at page 175, the northwest line of said 3 acre Walters tract, and the southeast line of said 82 foot 9 inch Lot, a direction of S.44°02'54"W., at a distance of 187.47 feet a 1/2" iron stake found at the northwest edge of a concrete wall, continuing a total distance of 192 feet [deed-N.44°27'E.] to a high retaining wall, the west corner of subject easement;

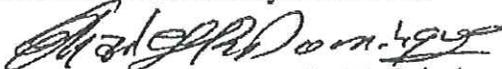
THENCE a direction of S.45°29'15"E., 7 feet to the south corner of subject easement;

THENCE parallel to and 7 feet southeast and normal from said northwest line of said 3 acre Walters tract, a direction of N.44°02'54"E., for a distance of 192 feet to the northeast line of said 3 acre Walters tract, the southwest right of way line of said Water Street;

THENCE with the southwest line of said Water Street, the northeast line of said 3 acre Walters tract, a direction of N.45°29'15"W., for a distance of 7 feet to the place of beginning.

Basis of bearings was derived from True North observations using G.P.S. - R.T.K. system

Surveyed on the ground and field notes prepared by, Charles B. Domingues, Registered Professional Land Surveyor No. 1713.


Charles B. Domingues 032814

Registered Professional Land Surveyor No. 1713 Job No. 6158

Only those prints containing the raised seal should be considered official and relied upon by the user.

Domingues & Assoc.

P.O. Box 649 - Hunt, Tx. 78024 - Tel. 830/896 6900 - cdomingues@ktc.com

concrete walk

street curb

southwest right of way line of Water Street & property line

edge of concrete

Place of beginning corner is in concrete walk, the north corner of tract conveyed to Chas. Schreiner Bank, recorded in Volume 104 at page 175, for the north corner of that 3 acre tract which was conveyed from Nationsbank of Texas, N.A., to Roland Walters, by deed dated 9th January, 1992, of record in Volume 621, page 822, of the Real Property Records of Kerr County, Texas; being the east corner of that 82 foot 9 inch Lot which was conveyed to the Kerrville Amusement Company, by deed recorded in Volume 45 at page 347 of the Deed Records of Kerr County, Texas, which corner is located 1 foot N.45°E. from the east corner of the existing building on 82 foot 9 inch Lot. Beginning corner has coordinates of N= 804465.83 feet and E= 1955438.74 feet, as acquired from City of Kerrville Monument No. 900 by Global Positioning System true north observation.

property line along southeast line of building

7.6' from the building to property line

6.5' from the building to the southeast side of high wall

northwest line of building on 3 acre Walters tract

southeast side of high wall

southeast side of building on 82 foot 9 inch lot is along the property line

existing sanitary sewer waste water line

telephone pedestal

existing sanitary sewer manhole

property line along northwest side of 3 acre Walters tract, S.44°02'54"W. 192 feet

wood deck

line of building on 82 foot 9 inch lot

7 foot wide easement between buildings along the northwest side of 3 acre Walters tract

3 acre tract conveyed from Nationsbank of Texas, N.A., to Roland Walters 9th January, 1992 Volume 621, page 822 Real Property Records (this side)

7 foot wide easement from the southwest right of way line of Water Street, extending, with the northwest line of 3 acre Walters tract, S.44°02'54"W. for a distance of 192 feet to high retaining wall

found 1/2" iron stake on the property line electric vault

board walk

high retaining wall



Basis of bearings was derived from true north observations using G.P.S. (Trimble) R.T.K. system All distances are in feet unless stated otherwise.

82 foot 9 inch lot to Kerrville Amusement Company Volume 45, page 347, D.R. (this side)

In The State of Texas County of Kerr Scale 1" = 20 Feet March 28, 2014

Domingues & Assoc.
P. O. Box 649
Hunt, TX. 78024-0649
Tel. 830/896 6900
cdomingues@kta.com
Firm No. 100934-00

I do hereby certify that this map or plat represents a survey made on the ground.

D&A Job No. 6158

Charles B. Domingues 032814 ©
Registered Professional Land Surveyor No. 1713
Only those prints containing the raised seal should be considered official and relied upon by the user.

Agenda Item:

3C. Lease agreement with PNC Equipment Finance for lease of Toro equipment for the Scott Schreiner Municipal Golf Course, in the total amount of \$210,029.28 for a 48 month period. (staff)

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

SUBJECT: Scott Schreiner Golf Course Maintenance Equipment

FOR AGENDA OF: May 13, 2014 **DATE SUBMITTED:** May 2, 2014

SM **SUBMITTED BY:** Scott McDonough **CLEARANCES:** Kristine Ondrias

EXHIBITS: PNC Lease Number 181455000 Buyboard Contract #373-11

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

| Expenditure | Current Balance | Amount | Account |
|--------------|-----------------|----------------|------------|
| Required: | in Account: | Budgeted: | Number: |
| \$210,029.28 | \$ 0 | \$ 5,000/month | 14-801-388 |

PAYMENT TO BE MADE TO: PNC Equipment Finance (note: City is waiving its right to a jury trial in lease documents)

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

Over the past winter our golf course mechanics position was open. After evaluating the equipment condition and overall age, it was decided that eliminating the position combined with savings on capital expenditures and parts would create enough funding to replace the aging equipment with a new fleet of equipment that would not require a certified mechanic on staff.

After City Manager Todd Parton presented the idea to Council at this winter's budget workshop, staff then pursued options on replacing existing inventory. Toro Golf Equipment was chosen.

Buyboard Contract #373-11 includes two greens mowers, two rough units, two fairway units, one sand pro, two utility vehicles, one aerifier, one spreader-topdresser and one lift.

RECOMMENDED ACTION

Staff's recommendation to council is to approve Lease Number 181455000 with PNC Equipment Finance. This will allow the City of Kerrville to initiate a 48 month municipal lease of Toro golf course equipment to replace the existing inventory.



March 28, 2014

Lease Number 181455000

City of Kerrville
701 Main Street
Kerrville, TX 78028

Enclosed are the necessary documents needed to complete your lease transaction. Please review, sign and return the following:

- Lease Agreement – Please have the Authorized Signor execute the documents and provide their title.
Opinion of Counsel – Please have your attorney sign and provide the name of the law firm, if applicable.
Certificate of Acceptance – **At the point of delivery, fill out this form and return the original to us. We will be unable to disburse funds until we receive this signed form.**
Schedule of Payments – Please sign and provide the title of the signor, if applicable.
- Resolution-Certificate of Incumbency- List your Authorized Representative(s) and their title(s) in the body of the Resolution. Have the Authorized Representatives provide their names, title and signatures(s) on the lines which appear under the Authorized Representative Signature Section near the bottom of the Resolution. Finally, have the Secretary or appropriate Trustee attest to the information of the Authorized Representative(s) by signing and printing his/her name, title and date on the **last** signature line provided. **The person who validates the signature should not sign the Lease Agreement.** The Resolution must reflect the title(s) of the individual(s) who have authorization to sign the documents.
- Insurance Request Form – Fill in your insurer's information and sign. Please contact your insurer, prior to delivery, to obtain a certificate of insurance. Please enclose the certificate with the signed documentation or have the insurer fax the certificate directly to me.
- Sales Tax Exemption Certificate – Please return a copy with the documents.
- Minutes of Governing Body (approving the purchase & finance of equipment) – Please return a copy with the documents.
- Invoice for advance payment – Please send your check in the amount of \$4,500.61, made payable to PNC Equipment Finance, LLC. **NEED WITH PAYMENT WITH SIGNED DOCUMENTS.**

Please return the documents to PNC Equipment Finance, LLC, Attn: Tracy Sparks 995 Dalton Avenue, Cincinnati, OH 45203.

PNC Equipment Finance, LLC, in its sole discretion, reserves the right to adjust the payment factors in the enclosed documentation to reflect any changes in market conditions up to the date of funding.

Our goal is to ensure that you receive the lowest payment available. Therefore, it is important that the documents are completed and returned to us by April 28, 2014.

If you have any questions please contact Tracy Sparks at 513-455-2630.

Sincerely,

Tracy Sparks
Documentation Specialist

Lease Agreement

Dated as of March 28, 2014

Lease Number 181455000

Lessor: PNC Equipment Finance, LLC
995 Dalton Avenue
Cincinnati, OH 45203

Lessee: LESSEE FULL LEGAL NAME
City of Kerrville
701 Main Street
Kerrville, TX 78028

FEDERAL TAX ID
746001490

Equipment Description **See attached Certificate of Acceptance for Equipment Description**

Rent Payment Schedule Lease Term is for 48 months, with Rent payments due in ADVANCE monthly; quarterly; semi-annual; annually; each in the amount of \$4,375.61 beginning _____.

Lessee shall pay Rent payments exclusively from legally available funds in U.S. currency to Lessor in the amounts and on the dates set forth herein, without notice or demand.

TERMS AND CONDITIONS

1. **LEASE.** Subject to the terms of this Lease, Lessee agrees to lease from Lessor the equipment (the "Equipment") described in the attached Certificate of Acceptance when Lessor accepts this Lease. Lessee agrees to be bound by all the terms of this Lease.
2. **DELIVERY AND ACCEPTANCE OF EQUIPMENT.** Acceptance of the Equipment occurs upon delivery. When Lessee receives the Equipment, Lessee agrees to inspect it and to verify by telephone or in writing such information as Lessor may require. Delivery and installation costs are the Lessee's responsibility. If Lessee signed a purchase contract for the Equipment, by signing this Lease Lessee assigns its rights, but none of its obligations under the purchase contract, to Lessor.
3. **RENT.** Lessee agrees to pay Lessor Rent (plus applicable taxes) in the amount and frequency stated above. Rent Payments under this Lease do not include the accrual of an interest portion. If Lessee's Rent payments are due in Advance, the first Rent payment is due on the date Lessee accepts the Equipment under the Lease. Lessor will advise Lessee as to (a) the due date of each Rent payment, and (b) the address to which Lessee must send payments. Rent is due whether or not Lessee receives an invoice from Lessor. Lessee will pay Lessor any required advance rent when Lessee signs this Lease. Lessee authorizes Lessor to change the Rent by not more than 15% due to changes in the Equipment configuration, which may occur prior to Lessor's acceptance of this Lease. Restrictive endorsements on checks Lessee sends to Lessor will not reduce obligations to Lessor. Unless a proper exemption certificate is provided, applicable sales and use taxes will be added to the Rent.
NON-APPROPRIATION OF FUNDS. Lessee intends to remit all Rent and other payments to Lessor for the full Lease Term if funds are legally available. In the event Lessee is not granted an appropriation of funds at any time during the Lease Term for the Equipment subject to this Lease and operating funds are not otherwise available to Lessee to pay the Rent and other payments due and to become due under this Lease, and there is no other legal procedure or available funds by or with which payment can be made to Lessor, and the non-appropriation did not result from an act or omission by Lessee, Lessee shall have the right to return the Equipment in accordance with Section 16 of the Lease and terminate this Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee, except as the portion of Rent for which funds shall have been appropriated and budgeted. At least 30 days prior to the end of Lessee's fiscal year, Lessee's chief executive officer (or legal counsel) shall certify in writing that (a) funds have not been appropriated for the upcoming fiscal period, (b) such non-appropriation did not result from any act or failure to act by Lessee, and (c) Lessee has exhausted all funds legally available for the payment of Rent.
4. **UNCONDITIONAL OBLIGATION. LESSEE AGREES THAT IT IS UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER THIS LEASE IN ALL FISCAL YEARS IN WHICH FUNDS HAVE BEEN APPROPRIATED NO MATTER WHAT HAPPENS, EVEN IF THE EQUIPMENT IS DAMAGED OR DESTROYED, IF IT IS DEFECTIVE OR IF LESSEE HAVE TEMPORARY OR PERMANENT LOSS OF ITS USE. LESSEE IS NOT ENTITLED TO ANY REDUCTION OR SET-OFF AGAINST RENT OR OTHER AMOUNTS DUE UNDER THIS LEASE FOR ANY REASON WHATSOEVER.**
5. **DISCLAIMER OF WARRANTIES. THE EQUIPMENT IS BEING LEASED TO LESSEE IN "AS IS" CONDITION. LESSEE AGREES THAT LESSOR HAS NOT MANUFACTURED THE EQUIPMENT AND THAT LESSEE HAS SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSEE HAS NOT RELIED ON ANY STATEMENTS LESSOR OR ITS EMPLOYEES HAVE MADE. LESSOR HAS NOT MADE AND DOES NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW.** Lessee is aware of the name of the Equipment manufacturer and will contact the manufacturer for a description of warranty rights. If the manufacturer has provided Lessor with a warranty, Lessor assigns its rights to such warranty to Lessee and Lessee may enforce all warranty rights directly against the manufacturer of the Equipment. Lessee agrees to settle any dispute regarding performance of the Equipment directly with the manufacturer of the Equipment.
6. **TITLE AND SECURITY INTEREST.** Unless otherwise required by the laws of the state where Lessee is located, Lessor shall have title to the Equipment, except as set forth in section 15.
7. **USE, MAINTENANCE AND REPAIR.** Lessee will not move the Equipment from the Equipment Location without Lessor's advance written consent. Lessee will give Lessor reasonable access to the Equipment Location so that Lessor can check the Equipment's existence, condition and proper maintenance. Lessee will use the Equipment in the manner for which it was intended, as required by all applicable manuals and instructions,

- and keep it eligible for any manufacturer's certification and/or standard full service maintenance contract. At Lessee's own cost and expense, Lessee will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. Lessee will not make any permanent alterations to the Equipment.
8. **TAXES.** Lessee agrees to pay Lessor, when invoiced, all taxes (including any sales, use and personal property taxes), fines, interest and penalties relating to this Lease and the Equipment (excluding taxes based on Lessor's net income). Lessee agrees to file any required personal property tax returns and, if Lessor asks, Lessee will provide Lessor with proof of payment. Lessor does not have to contest any tax assessments.
 9. **INDEMNITY.** Lessor is not responsible for any injuries, damages, penalties, claims or losses, including legal expenses, incurred by Lessee or any other person caused by the transportation, installation, manufacture, selection, purchase, lease, ownership, possession, modification, maintenance, condition, operation, use, return or disposition of the Equipment. To the extent permitted by law, Lessee agrees to reimburse Lessor for and defend Lessor against any claims for such losses, damages, penalties, claims, injuries, or expenses. This indemnity continues even after this Lease has expired, for acts or omissions that occurred during the Lease Term.
 10. **IDENTIFICATION.** Lessee authorizes Lessor to insert or correct missing information on this Lease, including Lessee's official name, serial numbers and any other information describing the Equipment. Lessor will send Lessee copies of such changes. Lessee will attach to the Equipment any name plates or stickers Lessor provides Lessee.
 11. **LOSS OR DAMAGE.** Lessee is responsible for any loss of the Equipment from any cause at all, whether or not insured, from the time the Equipment is shipped to Lessee until it is returned to Lessor. If any item of Equipment is lost, stolen or damaged, Lessee will promptly notify Lessor of such event. Then, at Lessor's option, Lessee will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay Lessor an amount equal to the Net Book Value (as defined in Section 14) of the lost, stolen or damaged Equipment. If Lessee has satisfied Lessee's obligations under this Section 11, Lessor will forward to Lessee any insurance proceeds which Lessor receives for lost, damaged, or destroyed Equipment. If Lessee is in default, Lessor will apply any insurance proceeds Lessor receives to reduce Lessee's obligations under Section 14 of this Lease.
 12. **INSURANCE.** Lessee agrees to (a) keep the Equipment fully insured against loss, naming Lessor as loss payee, and (b) obtain a general public liability insurance policy covering both personal injury and property damage in amounts not less than Lessor may tell Lessee, naming Lessor as additional insured, until Lessee has met all Lessee's obligations under this Lease. Lessor is under no duty to tell Lessee if Lessee's insurance coverage is adequate. The policies shall state that Lessor is to be notified of any proposed cancellation at least 30 days prior to the date set for cancellation. Upon Lessor's request, Lessee agree to provide Lessor with certificates or other evidence of insurance acceptable to Lessor. If Lessee does not provide Lessor with evidence of proper insurance within ten days of Lessor's request or Lessor receives notice of policy cancellation, Lessor may (but Lessor is not obligated to) obtain insurance on Lessor's interest in the Equipment at Lessee's expense. Lessee will pay all insurance premiums and related charges.
 13. **DEFAULT.** Lessee will be in default under this Lease if any of the following happens: (a) Lessor does not receive any Rent or other payment due under this Lease within ten days after its due date, (b) Lessee fails to perform or observe any other promise or obligation in this Lease and does not correct the default within ten days after Lessor sends Lessee written notice of default, (c) any representation, warranty or statement Lessee has made in this Lease shall prove to have been false or misleading in any material respect, (d) any insurance carrier cancels or threatens to cancel any insurance on the Equipment, (e) the Equipment or any part of it is abused, illegally used, misused, lost, destroyed, or damaged beyond repair, (f) a petition is filed by or against Lessee under any bankruptcy or insolvency laws, or (g) Lessee defaults on any other agreement between it and Lessor (or Lessor's affiliates).
 14. **REMEDIES.** Upon the occurrence of a default, Lessor may, in its sole discretion, do any or all of the following: (a) provide written notice to Lessee of default, (b) as liquidated damages for loss of a bargain and not as a penalty, declare due and payable, the present value of (i) any and all amounts which may be then due and payable by Lessee to Lessor under this Lease, plus (ii) all Rent payments remaining through the end of the Lease Term, discounted at the higher of 3% or the lowest rate allowed by law, plus the Fair Market Value of the Equipment (collectively, the "Net Book Value"). Lessor has the right to require Lessee to make the Equipment available to Lessor for repossession during reasonable business hours or Lessor may repossess the Equipment, so long as Lessor does not breach the peace in doing so, or Lessor may use legal process in compliance with applicable law pursuant to court order to have the Equipment repossessed. Lessee will not make any claims against Lessor or the Equipment for trespass, damage or any other reason. If Lessor takes possession of the Equipment Lessor may (a) sell or lease the Equipment at public or private sale or lease, and/or (b) exercise such other rights as may be allowed by applicable law. Although Lessee agrees that Lessor has no obligation to sell the Equipment, if Lessor does sell the Equipment, Lessor will reduce the Net Book Value by the amounts Lessor receives. Lessee will immediately pay Lessor the remaining Net Book Value. Lessee agrees (a) that Lessor only needs to give Lessee ten days' advance notice of any sale and no notice of advertising, (b) to pay all of the costs Lessor incurs to enforce Lessor's rights against Lessee, including attorney's fees, and (c) that Lessor will retain all of Lessor's rights against Lessee even if Lessor does not choose to enforce them at the time of Lessee's default.
 15. **LESSEE'S OPTION AT END OF LEASE.** Notwithstanding anything contained in the Lease to the contrary, so long as no default shall have occurred and be continuing, Lessee may, at Lessee's option, purchase the Equipment leased pursuant to this Rental Schedule on an "as is, where is" basis, without representation or warranty, express or implied, at the end of the Initial Term at a price equal to the Fair Market Value thereof, plus applicable taxes. "Fair Market Value" shall be equal to the value which would be obtained in an arms-length transaction between an informed and willing buyer and an informed and willing seller under no compulsion to sell, and in such determination, costs of removal of the Equipment from its location of current use shall not be a deduction from such value. If Lessee and Lessor cannot agree on the Fair Market Value thereof, such value shall be determined by appraisal at the sole expense of Lessee. Appraisal shall be a procedure whereby two recognized independent appraisers, one chosen by Lessee and one by Lessor, shall mutually agree upon the amount in question. If the appraisers are unable to agree upon the amount in question, a third recognized independent appraisers' evaluation shall be binding and conclusive on Lessee and Lessor. This purchase option as applicable shall only be available if Lessee gives Lessor 90 days' prior written notice of Lessee's irrevocable intent to exercise such option and Lessor and Lessee shall have agreed to all terms and conditions of such purchase prior to the expiration date of the Initial Term. Until the Equipment is returned as required below, all terms of the Lease shall remain in full force and effect including the obligation to pay Rent.
 16. **RETURN OF EQUIPMENT.** If (a) default occurs, (b) a non-appropriation of funds occurs in accordance with Section 3, or (c) Lessee does not purchase the Equipment pursuant to Section 15, Lessee will immediately return the Equipment to any location(s) in the continental United States and aboard any carriers(s) Lessor may designate. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with Section 7, and in "Average Saleable Condition." "Average Saleable Condition" means that all of the Equipment is immediately available for use by a third party buyer, user or lessee, other than Lessee named in this Lease, without the need for any repair or refurbishment. All Equipment must be free of markings. Lessee will pay Lessor for any missing or defective parts or accessories. Lessee will continue to pay Rent until the Equipment is received and accepted by Lessor.
 17. **LESSEE'S REPRESENTATIONS AND WARRANTIES.** Lessee hereby represents and warrants to Lessor that as of the date of this Lease, and throughout the Lease Term: (a) Lessee is the entity indicated in this Lease; (b) Lessee is a State or a fully constituted political subdivision or agency of the State in which Lessee is located; (c) Lessee is duly organized and existing under the Constitution and laws of the State in which Lessee is

located; (d) Lessee is authorized to enter into and carry out Lessee's obligations under this Lease, any documents relative to the acquisition of the Equipment and any other documents required to be delivered in connection with this Lease (collectively, the "Documents"); (e) the Documents have been duly authorized, executed and delivered by Lessee in accordance with all applicable laws, rules, ordinances, and regulations, the Documents are valid, legal, binding agreements, enforceable in accordance with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of Lessee's governing body, and hold the offices indicated below their signature, each of which is genuine; (f) the Equipment is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of Lessee's authority and shall be used during the Lease Term only by Lessee and only to perform such function; (g) Lessee intends to use the Equipment for the entire Lease Term and shall take all necessary action to include in Lessee's annual budget any funds required to fulfill Lessee's obligations for each fiscal year during the Lease Term; (h) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with this Lease and the acquisition of the Equipment; (i) Lessee's obligations to remit Rent under this Lease constitutes a current expense and not a debt under applicable state law and no provision of this Lease constitutes a pledge of Lessee's tax or general revenues, and any provision which is so constructed by a court of competent jurisdiction is void from the inception of this lease; (j) all payments due and to become due during Lessee's current fiscal year are within the fiscal budget of such year, and are included within an unrestricted and unencumbered appropriation currently available for the lease of the Equipment; and (k) all financial information Lessee has provided to Lessor is true and accurate and provides a good representation of Lessee's financial condition.

18. **LESSEE'S PROMISES.** In addition to the other provisions of this Lease, Lessee agrees that during the term of this Lease (a) Lessee will promptly notify Lessor in writing if it moves Lessee's principal office or it changes names or its legal structure, (b) Lessee will provide to Lessor such financial information as may reasonably request from time to time, and (c) Lessee will take any action Lessor reasonably requests to protect Lessor's rights in the Equipment and to meet Lessee's obligations under this Lease.
19. **ASSIGNMENT. LESSEE WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUB-LEASE OR PART WITH POSSESSION OF THE EQUIPMENT OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE EQUIPMENT.** Lessee will not attach any of the Equipment to any real estate. Upon Lessor's reasonable request and at Lessee's cost, Lessee will obtain from each person having an interest in the real estate where the Equipment is located a waiver of any rights they may have in the Equipment.
20. **ASSIGNMENT BY LESSOR.** This Lease, and the rights of Lessor hereunder and in and to the Equipment, may be assigned and reassigned in whole or in part to one or more assignees by Lessor or its assigns at any time without the necessity of obtaining the consent of Lessee; provided, however, no such assignment or reassignment shall be effective unless and until Lessee shall have been given written notice of assignment disclosing the name and address of the assignee or its agent authorized to receive payments and otherwise service this Lease on its behalf. Upon receipt of notice of assignment, Lessee agrees to record the same in records maintained for such purpose, and further, to make all payments as designated in the assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Lease or otherwise) that Lessee may from time to time have against Lessor or Lessor's assigns. Lessee agrees to execute all documents, including acknowledgments of assignment, which may reasonably be requested by Lessor or its assigns to protect their interests in the Equipment and in this Lease.
21. **COLLECTION EXPENSES, OVERDUE PAYMENT.** Lessee agrees that Lessor can, but does not have to, take on Lessee's behalf any action which Lessee fails to take as required by this Lease, and Lessor's expenses will be in addition to that of the Rent which Lessee owes Lessor. If Lessor receives any payment from Lessee after the due date, Lessee shall pay Lessor on demand as a late charge five percent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law.
22. **AGREED LEASE RATE FACTOR.** Lessee understands that the Equipment may be purchased for cash (the "Equipment Cost") or it may be leased. By signing this Lease, Lessee acknowledges that it has chosen to lease the Equipment from Lessor for the Lease Term and that Lessee has agreed to pay Rent. Each payment of Rent includes a principal amount based on the Equipment Cost and a lease charge rate. If it is determined that Lessee's payments under this Lease result in an interest payment higher than allowed by applicable law, then any excess interest collected will be applied to the repayment of principal and interest will be charged at the highest rate allowed by law. In no event will Lessor charge or receive or will Lessee pay any amounts in excess of the legal amount.
23. **MISCELLANEOUS.** This Lease contains the entire agreement and supersedes any conflicting provision of any equipment purchase order or any other agreement. **TIME IS OF THE ESSENCE IN THIS LEASE.** If a court finds any provision of Lease to be unenforceable, the remaining terms of this Lease shall remain in effect. **TO THE EXTENT THAT THIS LEASE IS FOUND TO NOT BE A TRUE LEASE, THIS LEASE IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE.** Lessee authorizes Lessor (or Lessor's agent) to (a) obtain credit reports, (b) make such other credit inquires as Lessor may deem necessary, and (c) furnish payment history information to credit reporting agencies. To the extent permitted by law, Lessor may charge Lessee a fee of \$250.00 to cover Lessor's documentation and investigation costs.
24. **NOTICES.** All of Lessee's written notices to Lessor must be sent by certified mail or recognized overnight delivery service, postage prepaid, to Lessor at Lessor's address stated in this Lease, or by facsimile transmission to Lessor's facsimile telephone number, with oral confirmation of receipt. All of Lessor's notices to Lessee may be sent first class mail, postage prepaid, to Lessee's address stated in this Lease. At any time after this Lease is signed, Lessee or Lessor may change an address or facsimile telephone number by giving notice to the other of the change.
25. **ANTI-MONEY LAUNDERING/INTERNATIONAL TRADE COMPLIANCE.** Lessee represents and warrants to Lessor, as of the date of this Lease, the date of each advance of proceeds under the Lease, the date of any renewal, extension or modification of this Lease, and at all times until the Lease has been terminated and all amounts thereunder have been indefeasibly paid in full, that: (a) no Covered Entity (i) is a Sanctioned Person; or (ii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (b) the proceeds of the Lease will not be used to fund any unlawful activity; (c) the funds used to repay the Lease are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States.
As used herein: "**Compliance Authority**" means each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; "**Covered Entity**" means Lessee, its affiliates and subsidiaries and direct and indirect owners; "**Sanctioned Country**" means a country subject to a sanctions program maintained by any Compliance Authority; and "**Sanctioned Person**" means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.
26. **USA PATRIOT ACT NOTICE.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each lessee that opens an account. What this means: when the Lessee opens an account, Lessor will ask for the business name, business address, taxpayer identifying number and other information that will allow the

Lessor to identify Lessee, such as organizational documents. For some businesses and organizations, Lessor may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization.

27. **WAIVERS. LESSOR AND LESSEE EACH AGREE TO WAIVE, AND TO TAKE ALL REQUIRED STEPS TO WAIVE, ALL RIGHTS TO A JURY TRIAL.** To the extent Lessee is permitted by applicable law, Lessee waives all rights and remedies conferred upon a lessee by Article 2A (Sections 508-522) of the Uniform Commercial Code including but not limited to Lessee's rights to: (a) cancel or repudiate this Lease; (b) reject or revoke acceptance of the Equipment; (c) recover damages from Lessor for any breach of warranty or for any other reason; (d) grant a security interest in any Equipment in Lessee's possession. To the extent Lessee is permitted by applicable law, Lessee waives any rights they now or later may have under any statute or otherwise which requires Lessor to sell or otherwise use any Equipment to reduce Lessor's damages, which requires Lessor to provide Lessee with notice of default, intent to accelerate amounts becoming due or acceleration of amounts becoming due, or which may otherwise limit or modify any of Lessor's rights or remedies. **ANY ACTION LESSEE TAKES AGAINST LESSOR FOR ANY DEFAULT, INCLUDING BREACH OF WARRANTY OR INDEMNITY, MUST BE STARTED WITHIN ONE (1) YEAR AFTER THE EVENT, WHICH CAUSED IT.** Lessor will not be liable for specific performance of this Lease or for any losses, damages, delay or failure to deliver Equipment.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS LEASE SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. THE TERMS OF THIS LEASE MAY ONLY BE CHANGED BY ANOTHER WRITTEN AGREEMENT BETWEEN LESSEE AND LESSOR. LESSEE AGREES TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS LEASE. LESSEE AGREES THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

LESSEE CERTIFIES THAT ALL THE INFORMATION GIVEN IN THIS LEASE AND LESSEE'S APPLICATION WAS CORRECT AND COMPLETE WHEN THIS LEASE WAS SIGNED. THIS LEASE IS NOT BINDING UPON LESSOR OR EFFECTIVE UNLESS AND UNTIL LESSOR EXECUTES THIS LEASE. THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF THE LESSEE.

City of Kerrville
("Lessee")

PNC Equipment Finance, LLC
("Lessor")

X
Authorized Signature
Todd Parton
Print Name
City Manager
Title:
May 14, 2014
Date

X
Authorized Signature

Print Name

Title:

701 Main Street
Kerrville, TX 78028

995 Dalton Ave.
Cincinnati, OH 45203

OPINION OF COUNSEL

I have acted as counsel to the above-referenced Lessee (the "Lessee") with respect to this Lease Agreement by and between the Lessee and Lessor (the "Lease"), and in this capacity have reviewed the original or duplicate originals of the Lease and such other documents as I have deemed relevant. Based upon the foregoing, I am of the opinion that: (A) Lessee is a state or a fully constituted political subdivision or agency of a state within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended; (B) the execution, delivery and performance of the Lease by Lessee has been duly authorized by all necessary action on the part of Lessee; (C) the Lease constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except as limited by laws of general application affecting the enforcement of creditors' rights, and does not constitute a debt of Lessee which is prohibited by state law; (D) the authorization, approval and execution of the Lease and all other proceedings of Lessee related to the transactions contemplated thereby have been performed in accordance with all open-meeting laws, public bidding laws, and all other applicable state laws. The undersigned certifies that (s)he is an attorney duly authorized to practice law in the State of Texas.

The foregoing opinions are limited to the laws of such State and federal laws of the United States.

Attorney of Lessee

By: _____
Print Name: Michael C. Hayes
Law firm: City Attorney

City of Kerrville, Texas

CERTIFICATE OF ACCEPTANCE

Lease Number 181455000

| Quantity | Description | Serial No. |
|----------|---------------------------------------------------------------------------------------------|------------|
| 1 | ProPass 200 Base | |
| 1 | ProPass Toro Truck Mount Kit | |
| 1 | ProPass 200 Base | |
| 1 | Workman HDX-D (Kubota) | |
| 1 | High Flow Hdraulic Kit (HDX-Models) | |
| 1 | 200 gallon Sprayer System with boom | |
| 1 | Workman Sprayer System | |
| 1 | Sand Pro 3040 | |
| 1 | Manual Blade | |
| 1 | Tooth Rake | |
| 1 | Spring Rake | |
| 1 | 400 Hour Filter Maintenance Kit SandPro 3040 | |
| 2 | Greensmaster 3150 Q | |
| 6 | 11 Blade Cutting Unit | |
| 1 | Front Full Roller (Set of 3) | |
| 2 | Narrow Wiehle Roller (Set of 3) | |
| 2 | Light Kit | |
| 3 | Thatching Reel (Set of 1) | |
| 2 | DPA Cutting Unit MVP Kit GR3150 Q | |
| 1 | Groundsmaster 3280 D 2WD | |
| 1 | 72" Side Discharge deck with 4 castor wheels | |
| 1 | Rear Weight | |
| 2 | Screw | |
| 2 | Washer Lock | |
| 1 | Mechanical Seat Suspension | |
| 1 | Milsco Seat | |
| 1 | 400 Hour Filter Maintenance Kit, GM 3320 | |
| 1 | Groundsmaster 4100 D | |
| 1 | 400 Hour Filter Maintenance Kit, GM 4100D | |
| 1 | Reelmaster 5510 | |
| 5 | 7" 8 blade DPA Cutting Unit | |
| 1 | 400 Hour Filter Maintenance Kit | |
| 1 | Premium 2 Column Space Saving Design | |
| 1 | Golf Lift Freight/Set Up/Delivery | |
| 1 | Together with all attachments, tooling, accessories, appurtenances and additions thereto | |

or see attached Equipment Schedule

Lessee, through its authorized representative, hereby certifies to Lessor that:

1. The Equipment has been delivered to the location where it will be used, which is the Equipment Location given in the Lease Agreement ("Lease");
2. All of the Equipment has been inspected and is (a) complete, (b) properly installed, (c) functioning, and (d) in good working order;
3. Lessee accepts the Equipment for all purposes under the Lease as of _____, 2014 (the "Acceptance Date"), which is the date on which the Equipment was delivered and installed;
4. The Equipment is of a size, design, capacity and manufacture acceptable to Lessee and suitable for Lessee's purposes; and
5. Lessee is not in default under the Lease, no Non-Appropriation of Funds (as described in the Lease) has occurred, and all of Lessee's statements and promises set forth in the Lease are true and correct.

Lessor is hereby authorized to insert serial numbers on the Lease.

THIS CERTIFICATE OF ACCEPTANCE IS SIGNED THIS 14 DAY OF May, 2014.

City of Kerrville
("Lessee")

X

Authorized Signature
Todd Parton

Print Name
City Manager

Title:
May 14, 2014

Date

701 Main Street
Kerrville, TX 78028

RESOLUTION AND CERTIFICATE OF INCUMBENCY
Lease Number 181455000

Lessee: City of Kerrville

Amount \$210,029.28 (Payment x Term)

WHEREAS, Lessee, a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State or Commonwealth ("the State") is authorized by the laws of the State to purchase, acquire and lease certain equipment and other property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, pursuant to applicable law, the governing body of the Lessee ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interest in property, leases and easements necessary to the functions or operations of the Lessee.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more Lease Agreements or lease schedules ("Leases") in the amount not exceeding the amount stated above for the purpose of acquiring the property ("Equipment") to be described in the Leases is appropriate and necessary to the functions and operations of the Lessee.

WHEREAS, PNC Equipment Finance, LLC ("Lessor") shall act as Lessor under said Leases.

NOW, THEREFORE, Be It Ordained by the Governing Body of the Lessee:

Section 1. Either one of the _____ OR _____ (each an "Authorized Representative") acting on behalf of the Lessee, is hereby authorized to negotiate, enter into, execute, and deliver one or more Leases in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Lease as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Leases are hereby authorized.

Section 2. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Leases on behalf of the Lessee.

Section 3. The Lessee's obligations under the Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Lease and the Lessee's obligations under the Leases shall not constitute general obligations of the Lessee or indebtedness under the Constitution or laws of the State.

Section 4. This resolution shall take effect immediately upon its adoption and approval.

SIGNATURES AND TITLES OF AUTHORIZED REPRESENTATIVES : AUTHORIZED LEASE SIGNORS ONLY

| | | |
|------|-------|-----------|
| | | |
| Name | Title | Signature |
| | | |
| Name | Title | Signature |

ADOPTED AND APPROVED on this May 13, 2014

Section 5. I, the undersigned Secretary/Clerk identified below, does hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of the above Lessee, a political subdivision duly organized and existing under the laws of the State where Lessee is located, that I have the title stated below, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names. The undersigned Secretary/Clerk of the above-named Lessee hereby certifies and attests that the undersigned has access to the official records of the Governing Body of the Lessee, that the foregoing resolutions were duly adopted by said Governing Body of the Lessee at a meeting of said Governing Body and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

LESSEE: City of Kerrville

Signature of Secretary/Clerk of Lessee

[SEAL]

Print Name: Brenda G. Craig
Official Title: City Secretary
Date: May 13, 2014



Rider
 to
Lease Agreement No. 181455000 (the "Agreement")
 dated March 28, 2014
 By and Between
PNC Equipment Finance, LLC ("PNCEF")
 and
City of Kerrville ("Lessee")

This Rider is executed and delivered by PNCEF and Lessee in regard to the Agreement.

Return Provisions – Turf Equipment

Pursuant to *Section 16* of the Agreement, Lessee may return all, but not less than all, of the Equipment at the expiration of the lease term with respect thereto, at Lessee's expense to such location as PNCEF may designate, in the condition required pursuant to *Section 16* of the Agreement and any applicable Rider. Lessee must give PNCEF written notice of its election of this option not later than 120 days prior to the expiration of the lease term with respect thereto. If, in the opinion of PNCEF, any item of the Equipment fails to meet the standards set forth in *Section 16* and any applicable Rider, Lessee agrees to pay on demand all costs and expenses incurred in connection with repairing the Equipment and restoring it to such condition, including its assembly and delivery.

Until Lessee has fully complied with the notice and purchase requirements set forth herein, Lessee's Rent payment obligation and all other obligations under the Agreement shall continue from month to month notwithstanding the expiration or termination of the term of lease. PNCEF may terminate Lessee's right to use the Equipment upon 10 days' notice to Lessee.

In addition to the requirements of *Section 16* of the Agreement relating to the condition of the Equipment upon return thereof by the Lessee to PNCEF, the following return conditions shall apply to turf equipment:

- A. RETURN. Notwithstanding anything to the contrary contained in the Lease, and in addition to the terms and conditions contained herein, Lessee shall, at Lessee's sole cost and expense, return all, but not less than all, of such Equipment to Lessor immediately upon the expiration of the Initial Term of Lease or any extensions and with respect to each item of Equipment, as applicable, the following must be true:
- All safety equipment must be in place and meet applicable federal, state and other governmental standards.
 - All covers and guards must be in place with no sheet metal, plastic or cowling damage.
 - All parts, pieces, components and optional equipment must be present, installed and operational.
 - All accessories shall be returned in proper order.
 - All motors shall operate smoothly without overheating and shall have good bearings and bushings.
 - All electronic controls shall operate per manufacturer's specifications. Controls which bypass normal operations shall be repaired at Lessee's expense.
 - All electrical systems shall be able to provide electrical output as specified by the manufacturer.
 - All batteries shall be in good, safe operating condition with no dead cells or cracked cases. Batteries shall hold a charge and provide adequate power to operate the equipment.
 - All Equipment shall have serviceable tires, with 50% remaining tread, retaining proper air pressure, and without repair patches.
 - All oil and grease seals must contain lubrication in the manufacturers designed reservoir.
 - All Equipment must have a relatively clean appearance.

- All Equipment shall be free from excessive wear necessitating major component repair or replacement caused by lack of recommended maintenance as detailed in customer operation/maintenance manuals.
- All Equipment shall be free from structural damage or bent frames.
- Any usage or metering devices must not have been altered in any way.
- All Equipment attachments, if any, must be in good operating condition.
- All hydraulic cylinders must not be bent, nicked, gouged or leaking.

B. RETURN PERFORMANCE. Each item of Equipment must be able to complete the following tests:

- Operate normally in forward and reverse directions through all its speed ranges or gears.
- Steer normally right and left in both forward and reverse.
- Have all functions and controls work in normal manner.
- Be able to stop with its service brakes in a safe distance in both forward and reverse.
- Operate without leaking any fluids.
- Perform its designed functions in a satisfactory manner.
- All cutting units (if applicable) must be able to lower, turn on, run, raise and shut off as they are designed to do.

C. REQUIRED PURCHASE. If any item of Equipment is damaged or does not meet the standards set forth above for the return condition of such Equipment or if the Lessee fails to discharge Lessee's obligations set forth above with regard to any item of Equipment, Lessee shall pay to Lessor, immediately upon demand, the Stipulated Loss Value of such item of Equipment.

- Annual hour usage shall be limited to 600 hours. Additional hours used will be chargeable to Lessee at the rate of \$10.00 per hour.
- Proof in writing is required from a manufacturer's representative or qualified technical service representative that the Equipment has passed performance tests within the manufacturer's specifications and has been recertified for continued maintenance.

Dated: May 14, 2014

PNC Equipment Finance, LLC

By: _____

Printed Name: _____

Title: _____

City of Kerrville

By: _____

Printed Name: Todd Parton

Title: City Manager



AMENDMENT TO LEASE AGREEMENT

This Amendment ("Amendment"), dated and effective as of the ___ day of April, 2014, is to that certain Lease Agreement dated March 28, 2014 (the "Lease") between the City of Kerrville, with its principal place of business at 701 Main Street, Kerrville, TX 78028 ("Lessee") and PNC Equipment Finance, LLC, with an address at 995 Dalton Avenue, Cincinnati, OH 45203 ("Lessor").

In consideration of the mutual covenants contained herein and other valuable consideration received, and with the intent to be legally bound, the parties amend the Lease as follows:

RENT. The third sentence of the Non-Appropriation of Funds paragraph of Section 3 titled "Rent" is amended by adding the phrase "or authorized designee" after the term "chief executive officer".

USE, MAINTENANCE AND REPAIR. The first sentence of Section 7 titled "Use, Maintenance and Repair" is amended by adding the phrase ", such consent not to be unreasonably delayed or denied" to the end of the sentence.

TAXES. The first sentence of Section 8 titled "Taxes" is amended by adding the phrase "if applicable" to the end of the sentence.

REPRESENTATIONS AND WARRANTIES. Subsection (f) of Section 17 titled "Representations and Warranties" is amended by adding the phrase "or its agents" after the word "Lessee".

MISCELLANEOUS. The last sentence of Section 23 titled "Miscellaneous", which reads "To the extent permitted by law, Lessor may charge Lessee a fee of \$250.00 to cover Lessor's documentation and investigation costs" is deleted.

All other terms and conditions of the Lease shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date above written.

City of Kerrville

PNC Equipment Finance, LLC

Authorized Signature

Authorized Signature

Todd Parton

Printed Name

Printed Name

City Manager

Title

Title

From: (412) 762-2000
tracy.sparks@pnc.com
PNC
995 Dalton Ave

CINCINNATI, OH 45203

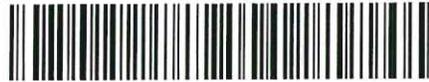
Origin ID: CVGA



J14101402070326

Ship Date: 28MAR14
ActWgt: 0.5 LB
CAD: 103949608/WSX12500

Delivery Address Bar Code



Ref # 0010012545
Invoice #
PO #
Dept #

SHIP TO: (513) 455-2630 **BILL SENDER**
Tracy Sparks
PNC Equipment Finance, LLC
995 DALTON AVE

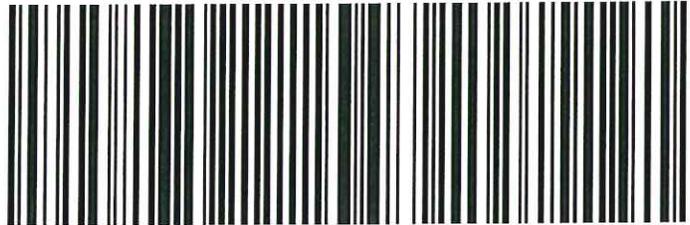
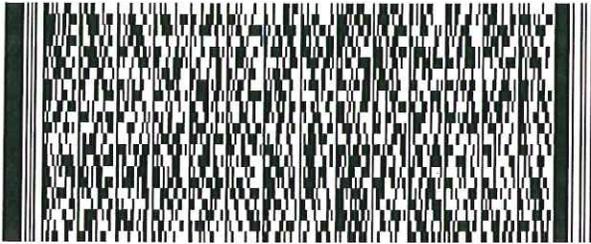
CINCINNATI, OH 45203

MON - 31 MAR AA
STANDARD OVERNIGHT

TRK# 7983 6812 5640
0201

62 CVGA

45203
OH-US
CVG



522G1/CC4F/F220



995 Dalton Avenue
Cincinnati, Ohio 45203 • Telephone (513) 421-9191

Please Retain for Future Reference
Page No. 1
INVOICE #181455000
Customer #1163201

INVOICE DATE
5/8/2014

DUE DATE
Upon Receipt

Bill To:
City of Kerrville
701 Main Street
Kerrville, TX 78028

Remit To:
PNC Equipment Finance, LLC
Attn: Lease Servicing/Set-Up Processing
995 Dalton Avenue
Cincinnati, OH 45203

INVOICE

Lease No. 181455000

| | |
|---------------------------------------------------|-------------------|
| <u>Initial Charges:</u> | |
| Monthly Rent - 1 st Month | \$4,375.61 |
| Sales Tax-please provide an exemption certificate | Exempt |
| <u>Initiation Fees:</u> | |
| Documentation Fee | \$125.00 |
| PAY THIS AMOUNT | \$4,500.61 |

Agenda Item:

3D. Amendment of a professional services agreement with Freese & Nichols, Inc. to provide professional engineering design services and additional survey for design of the Riverhills/Ridgewood storage tank water transmission line in an amount not to exceed \$30,713.00.

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

SUBJECT: Council authorization for the City Manager to amend a Professional Services Agreement with Freese and Nichols, Inc. to provide professional engineering design services and additional survey for design of the Riverhills/Ridgewood Storage Tank Transmission Line in an amount not to exceed \$30,713.00.

FOR AGENDA OF: May 13, 2014

DATE SUBMITTED: May 1, 2014

SUBMITTED BY: Dieter Werner, P.E. 
Director of Engineering

CLEARANCES: Kristine Ondrias
Assistant City Manager

EXHIBITS: Professional Service Agreement
Amendment No. 1 to the Professional Services Agreement

AGENDA MAILED TO: Freese and Nichols, Inc.
Attention: Charles Kucherka, P.E.
4040 Broadway, Suite 600
San Antonio, TX 78209

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

| Expenditure Required: | Current Balance in Account: | Amount Budgeted: | Account Number: |
|-----------------------|-----------------------------|------------------|-----------------|
| \$30,713.00 | \$2,497,122.02 | \$3,325,000.00 | W93 |

PAYMENT TO BE MADE TO: Freese and Nichols, Inc.

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

This project includes the construction of a 16" water transmission main to accommodate future higher flow rates from the expanded Riverhill Pump Station improvements. The dedicated 16" water main, with appropriate interconnections to the existing mains within the Stadium Pressure Plane, will increase the current flow capacities to the Riverhills elevated tank and improve system operating pressures within the entire Stadium Pressure Plane, and enhance the system's ability to maintain desired water levels in all of the existing water storage tanks. Construction of the proposed water transmission main will entail installation of approximately 20,000 linear feet of transmission main from the existing water treatment plant on Thompson Drive, following a route along Thompson Drive, through Louise Hays Park along the south side of the Guadalupe River, and ultimately crossing State Highway 173 to the south at the approximate location of the existing theater. The water main will then be routed to the existing Ridgewood/Riverhills elevated storage tank where it will tie in to existing infrastructure.

The design contract for this project was originally awarded to Pape-Dawson Engineers,

Inc. by City Council in April 2012. The City terminated the design contract with Pape-Dawson in December 2012 on grounds of unresponsiveness and failure to execute their contractual obligations efficiently, promptly or with diligence. Although Pape-Dawson claimed to have provided the City with approximately 60% plans, it has been determined that much of the provided work is inadequate and unusable by the prospective new design consultant, Freese and Nichols, and unfortunately will require some degree of redundancy in their design process.

The purpose of this amendment is to provide for a necessary alignment change of the proposed transmission main from the original alignment adjacent to the Rio Theater to the Chapman Road right of way, to provide plans and specifications to allow the City to add the transmission main from the end of Phase I at G Street to the Chapman Road right of way as a construction contract change order, and to incorporate the development of contract documents and technical specifications for the project.

The additional services included in this amendment are as follows:

| TASK | COST |
|----------------------------------------------------------------|---------------------|
| 16" Water Main Segments 1A & 1B Original Contract Amount | \$210,733.00 |
| Amendment No.1 | |
| 16" Transmission Main Alignment Change | \$26,051.00 |
| Develop Contract Documents and Technical Specifications | \$4,662.00 |
| Total Amendment No.1 | \$30,713.00 |
| Revised Contract Amount | \$241,446.00 |
| | |

RECOMMENDED ACTION

The Director of Engineering recommends the City Council authorize the City Manager to amend a Professional Services Agreement with Freese and Nichols, Inc. to provide professional engineering design services and additional survey for design of the Riverhills/Ridgewood Storage Tank Transmission Line in an amount not to exceed \$30,713.00.



**CONTRACT CHANGE AUTHORIZATION FORM
AMENDMENT NO. 1**

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------|
| Client: City of Kerrville 200 Sidney Baker N. Kerrville, TX 78028 Attn: Dieter Werner, P.E., CFM | FNI Project No.: KER13178 <hr/> Client Contract Ref.: <hr/> Date: February 13, 2014 | |
| Project Description: 16-Inch Transmission Main Project | | |
| Description of Services Added/Deleted: Please refer to Exhibit A – Engineering Scope of Services Basic Services <ol style="list-style-type: none"> 1. Provide alignment change along Chapman Dr. 2. Provide plans and specifications to include a portion of the transmission main in the G-Street Interceptor Project. 3. Develop contract documents and technical specifications for the project. | | |
| Deliverables: Please refer to Exhibit A – Engineering Scope of Services | | |
| Lump Sum compensation shall be adjusted as follows: Please refer to Exhibit A – FNI Compensation | | |
| | Original Contract | \$210,733.00 |
| | Amendment No. 1 | \$30,713.00 |
| | Revised Total Contract | \$241,446.00 |
| Schedule shall be adjusted as follows: Refer to Exhibit A for schedule. | | |

The above described services shall proceed upon return of this Contract Change Authorization. Services will be billed as they are done. All other provisions, terms, and conditions of the agreement for services which are not expressly amended shall remain in full force and effect.

- A contract modification will be submitted.
 This Contract Change Authorization will serve as contract modification.

FREESE AND NICHOLS, INC.:

CITY OF KERRVILLE, TEXAS:

BY: _____

BY: _____

 Print or Type Name

Todd Parton

 Print or Type Name

TITLE: _____

TITLE: City Manager

DATE: _____

DATE: May 14, 2014

**PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF KERRVILLE
AND FREESE AND NICHOLS, INC.**

**16-INCH TRANSMISSION MAIN PROJECT
AMENDMENT NO. 1**

DESCRIPTION OF SERVICES ADDED:

As an amendment to the current 16-inch Transmission Main scope, Freese and Nichols, Inc. (FNI) will provide the following additional design services:

- A. Provide plans for an alignment change to route the transmission main through Chapman Drive in lieu of the existing alignment near the Rio Theatre. Realignment is due to challenges in obtaining easement for transmission main.
- B. Provide plans and specifications to allow the City to add the transmission main from the end of Phase I to the Chapman ROW to the G-Street Interceptor Project by construction change order.
- C. Develop contract documents and technical specifications for the project. (Previously included in the Jefferson Lift Station, Force and Gravity Main Project.)

Services listed below are additional effort beyond the original scope of work.

PROJECT SCOPE/ASSUMPTIONS:

- A. No bid or construction phase services will be provided for the section of transmission main that will be added to the G-Street Interceptor project.
- B. Alternate bid item will be provided for the retaining wall on Thompson Dr.
- C. FNI will not provide any support during the bid and construction phase of this project as part of this amendment.
- D. Any requested support will be provided on an hourly basis per the original contract.

BASIC SERVICES:

FNI shall render the following professional services in connection with the development of the Project:

A. 16-INCH TRANSMISSION MAIN ALIGNMENT CHANGE (\$26,051):

- 1. **ADDITIONAL DESIGN SERVICES FOR ALIGNMENT CHANGE TO CHAPMAN DRIVE (\$14,781)**
 - a. The alignment change required the design of approximately 400 linear feet of transmission main and revisions to existing plan sheets.
 - b. Plans will be provided from G-Street to the Chapman ROW as a separate set, including waterline details and specifications to allow the City to add that section of transmission main to the G-Street Interceptor Project. Plans and specifications from the Chapman ROW to the Riverhills Pump Station will be included in the 16" Transmission Main Phase 2 project.
- 2. **ADDITIONAL SURVEY FOR ALIGNMENT CHANGE (\$11,270):**
 - a. Additional survey was required from the existing G-Street Interceptor easement to SH-173 where the project reconnects to the original alignment. Refer to Attachment A for additional survey scope and survey area.

B. DEVELOP CONTRACT DOCUMENTS AND TECHNICAL SPECIFICATIONS (\$4,662)

As part of Amendment No. 1 to the Jefferson Lift Station, Force and Gravity Main project, this project was to be bid and constructed as part of the lift station project. Since the transmission main will now be separated from the lift station project, a separate set of contract documents and technical specifications must be developed.

FEE:

FNI proposes to provide the additional services indicated above for a lump sum fee of \$108,773.00.

| TASK | COST |
|----------------------------------------------------------|---------------------|
| 16" Water Main Segments 1A & 1B Original Contract Amount | \$210,733.00 |
| Amendment No. 1 | |
| Basic Services | |
| 16" Transmission Main Alignment Change | \$26,051.00 |
| Develop Contract Documents and Technical Specifications | \$4,662.00 |
| Total Amendment No. 1 | \$30,713.00 |
| Revised Contract Amount | \$241,446.00 |

SCHEDULE:

FNI is authorized to commence work on the Project upon execution of this AGREEMENT and agrees to complete the services in accordance with the following schedule:

| Milestone/Deliverable | Calendar Days |
|---------------------------------------------------------|-----------------------------------------------------------------------------------|
| 99% Design Phase Submittal (Transmission Main and Pump) | 45 days from Notice to Proceed |
| 100% Bid Phase Documents | 14 days following receipt of comments from City on 99% Design Submittal |
| Bid Phase | ±60 days for advertisement & contract execution |
| Construction Phase | 250 days (220 days for Construction + 30 days for Preparation of Record Drawings) |

If FNI's services are delayed through no fault of FNI, FNI shall be entitled to adjust contract schedule consistent with the number of days of delay. These delays may include but are not limited to delays in City or regulatory reviews, delays on the flow of information to be provided to FNI, governmental approvals, etc.

ATTACHMENT A

M.D.S LAND SURVEYING COMPANY, INC.
BOUNDARY ♦ TOPOGRAPHIC ♦ CONSTRUCTION
8 SPENCER ROAD
BOERNE, TEXAS 78006
PHONE: 830-816-1818 EMAIL: MDSINC@GVTC.COM

September 9, 2013

Freese and Nichols, Inc.
10814 Jollyville Rd., Bldg. 4, Ste. 100
Austin, TX 78759
p: 512-617-3183
f: 512-617-3101
Mr. Kucherka,

GENERAL SURVEY SCOPE

ATTN: Charles Kucherka, P.E.

Re: City of Kerrville (COK) Water Main Project

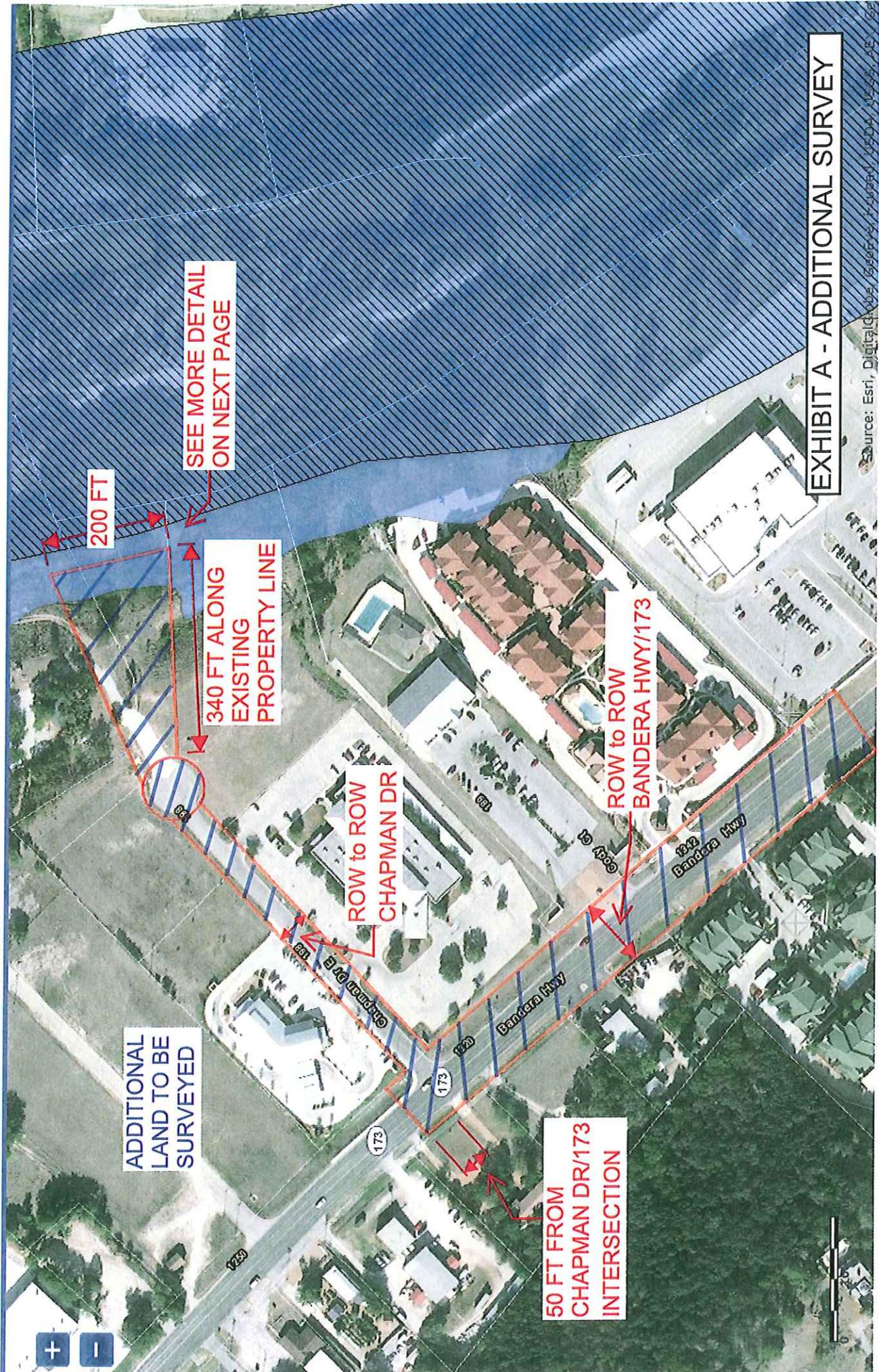
Subject: Surveying Proposal (Chapman Drive\State Highway No. 173)

1. Tie in all existing features and structures on the survey. The limits of the survey will be right-of-way to right-of-way along State Highway No. 173 (Bandera Highway) from the Rio theater to 50' northwest of Chapman Drive, then continuing along Chapman Drive right-of-way to right-of-way to the northeast end of Chapman Drive, then continuing northeast approximately 340 feet towards the Guadalupe River. These shall include, but are not limited to: tops of curbs, edges of pavement, retaining walls, drainage structures (top, edges and flow line), channels and drainage ways (tops, toes and flow line), manholes (rim, flow lines and diameters of pipes), valves, slabs, utility signs and structures, fences, landscaping features, shrubbery, buildings (edges and finished floor), trees greater than ten (12) inches in diameter (include species and diameter), tree canopies, cleanouts, mailboxes, driveways, sidewalks, property pins, utility poles, site equipment, storage tanks (footprint and top), dams (tops and toes), edges of impounded water. Indicate the material and type of each item tied in.
2. Research utilities and easements within the project boundaries. Obtain drawings of existing agency and municipal owned utilities and include locations of these utilities in the survey. Provide copies of all existing utility plans to the Engineer in PDF format as they are received.
3. Provide sufficient ground shots to create one (1) foot contours for the project.
4. Where necessary along route, the surveyor shall contact private property owners and attempt to ascertain permission to enter and survey within private properties. If surveyor

encounters a hostile property owner, surveyor will consult with FNI and/or the City of Kerrville for directions for resolution.

◆ **Deliverables:**

1. Create and provide Freese and Nichols, Inc. (FNI) with a 3-D surface model of the project, compatible with Civil 3D. Provide FNI with an electronic and hard copy ASCII file listing of all surveying points. Provide electronic file of digital terrain model including tin (break) lines. Electronic file shall include the location of underground utilities based on the field information and Record Drawings.
2. Provide FNI with 1 hard copy and electronic copies of all field notes, pictures and sketches prepared by the surveyor.
3. Provide FNI with one AUTOCAD version 2007 or newer DWG electronic file and one full size hard copy at scale 40:1 of the topographic survey. The drawing shall include all survey points and descriptions, existing utilities and improvements, the items tied in, the 3-D surface, reference benchmarks, project benchmarks, break lines, and contours at 1-foot intervals. *CAD Survey File Layers will comply with previous Survey File information.*
4. Install project benchmarks within the project boundary. Provide horizontal and vertical coordinates of the benchmarks in the required coordinate system and datum. Show the benchmarks on the survey drawing.
5. Identify existing ROW and easements within the survey limits.



SEE MORE DETAIL
ON NEXT PAGE

200 FT

340 FT ALONG
EXISTING
PROPERTY LINE

ROW to ROW
CHAPMAN DR

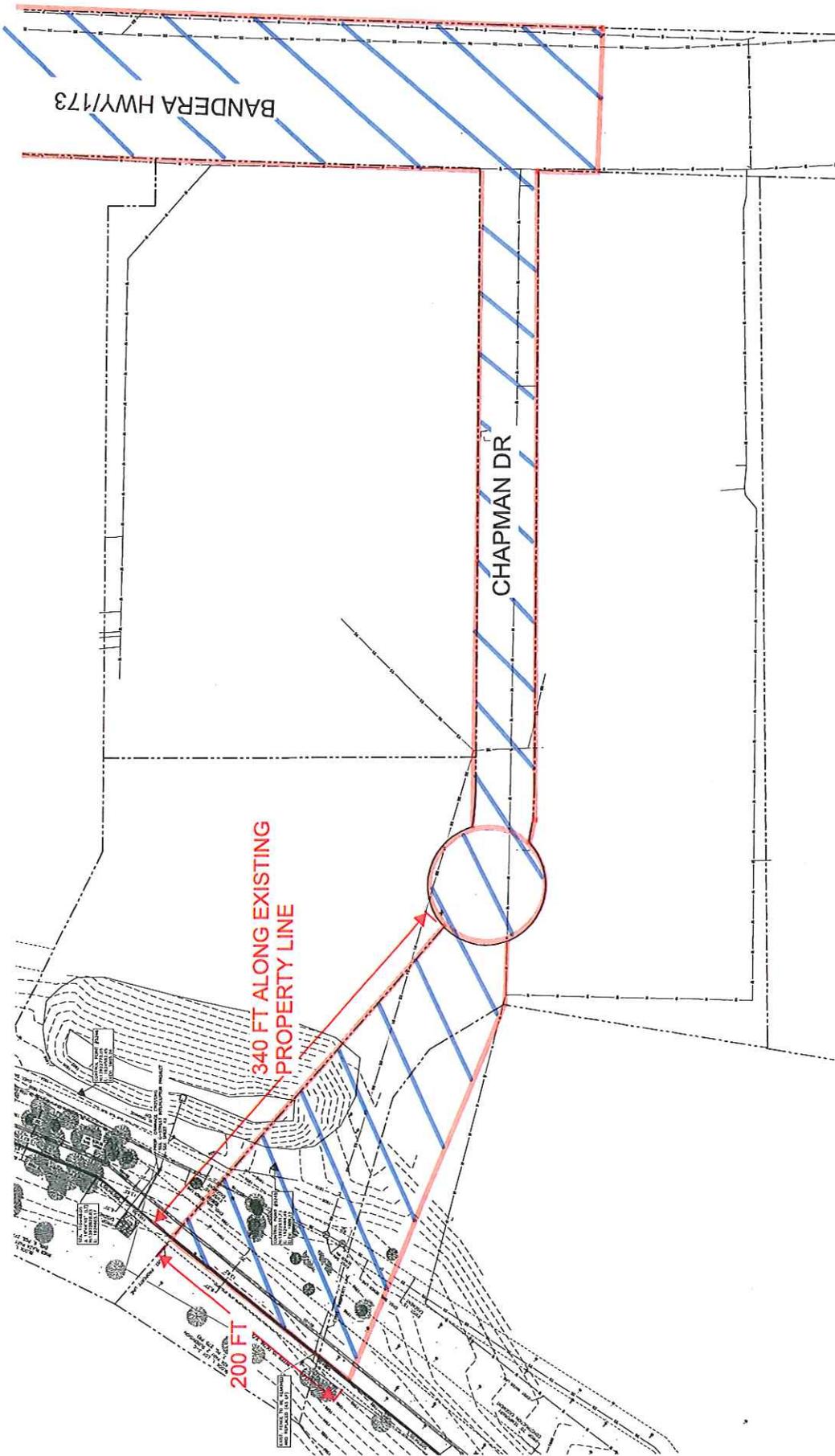
ROW to ROW
BANDERA HWY/173

ADDITIONAL
LAND TO BE
SURVEYED

50 FT FROM
CHAPMAN DR/173
INTERSECTION

EXHIBIT A - ADDITIONAL SURVEY

Source: Esri, DigitalGlobe, GeoEye, Earthstar (United States), CNES/Airbus DS, USDA, AeroGRID, IGN, SIA, Mapbox



Agenda Item:

4A. Ordinance No. 2014-09 amending Article 10-IV-1 of the City of Kerrville Subdivision Ordinance, known as the city's "Subdivision Regulations," by amending Section 10-IV-1(B)(2) of the Ordinance to exempt land owned, controlled, administered, or under the jurisdiction of a federal agency from plat requirements; containing a cumulative clause; containing a savings and severability clause; providing for an effective date; ordering publication; and providing other matters related thereto. (staff)

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

SUBJECT: Public Hearing & First Reading of an Ordinance amending the City of Kerrville's Subdivision Ordinance: Public hearing, consideration, and action concerning an ordinance amending article 10-IV-1 of the City of Kerrville's Subdivision Ordinance, known as the City's "Subdivision Regulations", by amending Section 10-IV-1(B)(2) of the ordinance to exempt land controlled, administered, or under the jurisdiction of a federal agency from plat requirements. (File No. 2014-010)

FOR AGENDA OF: May 13, 2014

DATE SUBMITTED: May 2, 2014

SUBMITTED BY: Jason Lutz 

CLEARANCES: Dieter Werner 

EXHIBITS: Ordinance

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

Summary:

The City of Kerrville is proposing an exemption to the platting requirements found in the City of Kerrville's adopted Subdivision Ordinance. This amendment will allow federally held lands to be exempt from the platting process.

The City of Kerrville's Subdivision currently exempts properties from the platting requirement under the following conditions:

1. A conveyance of land by dedication, lease of sale to a public agency for a roadway, utility lines or drainage facility, provided that said conveyance is accepted and approved by the public agency.
2. The conveyance of parcels of land between owners of adjoining property and contiguous land, provide that no additional building lot or substandard lot is created.
3. Any lease of public property at the Kerrville Airport.

4. Any property subdivided prior to February 12, 2012, provided that each part of the subdivided property was adequately served by the following after the subdivision:
 - a. Streets constructed and previously accepted for maintenance by the City or County, whichever is applicable;
 - b. Water improvements as currently required by this or other applicable ordinances;
 - c. Sanitary sewer or individual on-site sewage disposal system as currently required by this or other ordinances;
 - d. Storm drainage facilities as currently required by this or other applicable ordinances, and;
 - e. Easements or rights-of-way as may be currently required by this or other applicable ordinance for the installation of any of the above stated improvements;
5. In accordance with Texas Local Government Code §212.004(a), the division of land into two or more parts provided:
 - a. all parts after the division of land are larger than five acres;
 - b. no public improvement is required by the Chapter to be dedicated, and;
 - c. after the division, each part has access.

The Planning and Zoning Commission may grant an exception to the plat requirement if it finds that the use of the land after subdividing will be strictly agricultural and will create no need for new public streets, water, sewer or storm drainage and will not interfere with the extension of such public facilities. Agricultural use does not include the processing of agricultural products or livestock feeding, exhibition or sales facilities.

While this amendment will allow federal property to subdivide land without platting, it will not exempt these lands from other requirements found in the Subdivision Ordinance (i.e. utility extensions and sidewalks).

The Planning & Zoning Commission considered the requested amendments on Thursday May 1, 2014 and recommended, by a vote of 5-0, to deny the proposed amendments on the following grounds:

1. That the language was too vague and could exempt all properties that have FEMA floodplains on the property from the plat requirement.
2. That keeping track of boundaries, setbacks, and ownership would become problematic in the future for subsequent owners.
3. That this exemption would create a regulatory loophole for these properties that would otherwise apply to the citizens of Kerrville.

RECOMMENDED ACTION

1. Open the public hearing and receive comments.
2. Render a decision on the proposed amendments.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2014-09**

AN ORDINANCE AMENDING ARTICLE 10-IV-1 OF THE CITY OF KERRVILLE SUBDIVISION ORDINANCE, KNOWN AS THE CITY'S "SUBDIVISION REGULATIONS", BY AMENDING SECTION 10-IV-1(B)(2) OF THE ORDINANCE TO EXEMPT LAND OWNED, CONTROLLED, ADMINISTERED, OR UNDER THE JURISDICTION OF A FEDERAL AGENCY FROM PLAT REQUIREMENTS; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR AN EFFECTIVE DATE; ORDERING PUBLICATION; AND PROVIDING OTHER MATTERS RELATED THERETO

WHEREAS, the City Council of the City of Kerrville, Texas, pursuant to its authority as a home-rule municipality and Chapter 212 of the Texas Local Government Code, previously adopted regulations applicable to the subdivision of land and establishing the platting process ("Subdivision Regulations") in order to promote the health, safety, and general welfare of the City and its safe, orderly, and healthful development; and

WHEREAS, City staff recommends amending the Subdivision Regulations to exempt property owned, controlled, administered, or under the jurisdiction of a federal agency from the plat requirements found within the Subdivision Regulations; and

WHEREAS, this amendment will not remove all requirements under the Subdivision Regulations that may be triggered during the development process, such as public improvement requirements; and

WHEREAS, the Kerrville Planning and Zoning Commission considered this amendment to the Subdivision Regulations after a public hearing on the matter held on May 1, 2014, at which time all persons had an opportunity to be heard; and

WHEREAS, pursuant to Texas Local Government Code §212.002, notice has been given to all persons by publication in the official newspaper and otherwise, of a hearing to be held before the City Council on May 13, 2014, to consider amendments to Article 10-IV-1, known as the City's subdivision regulations; and

WHEREAS, such public hearing was held in the Council Chambers beginning at approximately 6:00 p.m. on May 13, 2014, as advertised;

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

SECTION ONE. Article 10-IV-1, Section (B), subsection (2) of the City’s Subdivision Ordinance (“Subdivision Regulations”) is amended by adding the language that is underlined (added) and deleting the language that is bracketed and stricken (~~deleted~~) as follows:

“Art. 10-IV-1[SECTION](B) PLATS

.
.
.

(2) The Following are exempted from the above stated plat requirement:

.
.
.

d. Any land under the ownership, control, administration, or jurisdiction of a federal agency.”

SECTION TWO. The provisions of this Ordinance are to be cumulative of all other Ordinances or parts of Ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior Ordinances or parts of Ordinances inconsistent with or in conflict with any of the provisions of this Ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION THREE. If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Kerrville, Texas, declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION FOUR. Pursuant to Texas Local Government Code §52.013(a) and Section 3.07 of the City’s Charter, the City Secretary is hereby authorized and directed to publish the descriptive caption of this Ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

SECTION FIVE. The City Manager, or designee, is authorized and directed to amend the Subdivision Regulations to reflect the amendment adopted by this Ordinance, to correct any typographical errors, and to index, format, number, and letter the paragraphs of said regulations, as appropriate.

PASSED AND APPROVED ON FIRST READING, this ____ day of _____, 2014.

PASSED AND APPROVED ON SECOND AND FINAL READING, this ____ day of _____, 2014.

Jack Pratt, Jr., Mayor

(signatures continue on following page)

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary

Agenda Item:

5A. Airport's Fiscal Year 2015 budget. (Stephen King)

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

SUBJECT: Kerrville-Kerr County Airport Budget

FOR AGENDA OF: May 13, 2014

DATE SUBMITTED: April 22, 2014

SUBMITTED BY: Bruce McKenzie
Airport Manager

CLEARANCES:

EXHIBITS:

AGENDA MAILED TO: FY 2014-2015 Budget approved by the Joint Airport Board

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

The Kerrville-Kerr County joint Airport Board would like to present the FY 2015 Airport budget for approval.

RECOMMENDED ACTION

This item is for discussion and possible action. The Joint Airport Board would like to request approval by the Kerrville City Council for the FY 2014-2015 Airport Budget at the May 13, 2014, City Council Meeting.

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
BUDGET COMPARISON
FOR 2007 - 2012

| Revenues | FY 2006 thru FY 2010 are from the City | | County | | 2012 Approved | 2012 YTD Actual 4/30/2012 | 2013 Board Approved | 2013 City/County Approved | 2013 For Board Approval |
|---------------------------------------------|----------------------------------------|----------------|----------------|------------------|------------------|---------------------------------|---------------------------|---------------------------------|-------------------------------|
| | Actual | 2008 Actual | 2009 Actual | 2010 Actual | | | | | |
| 47-AIRPORT | | | | | | | | | |
| INTERGOVERNMENTAL REVENUE | | | | | | | | | |
| 47-300-602 KERR COUNTY | 195,249 | 188,334 | 262,000 | 601,850 | 228,572 | 110,000 | 64,167 | 110,000 | 90,401 |
| 47-300-603 KERRVILLE | 195,249 | 188,334 | 262,000 | 391,732 | 250 | 110,000 | 64,167 | 110,000 | 90,401 |
| 47-300-604 GRANTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-300-606 TX DOT REIMBURSEMENT | 3,991 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL INTERGOVERNMENTAL REVENUE | 394,489 | 376,668 | 524,000 | 993,582 | 228,822 | 220,000 | 128,333 | 220,000 | 180,802 |
| LEASE/RENTAL INCOME | | | | | | | | | |
| 47-325-301 AIRPORT LAND LEASES | 110,592 | 103,503 | 94,940 | 102,318 | 112,461 | 113,969 | 65,036 | 108,884 | 108,884 |
| 47-325-602 TERMINAL LEASES | 7,144 | 14,141 | 14,354 | 12,206 | 15,125 | 15,213 | 6,544 | 15,361 | 15,361 |
| 47-325-603 T-HANGAR LEASES | 43,600 | 48,250 | 44,438 | 43,644 | 47,238 | 47,100 | 30,655 | 52,400 | 52,400 |
| 47-325-604 VEHICLE RENTAL SURCHARGE | 3,808 | 3,951 | 3,187 | 3,165 | 3,585 | 3,585 | 1,791 | 3,528 | 3,528 |
| 47-325-605 T-HANGAR STORAGE FACILITY LEASES | 1,321 | 1,320 | 1,320 | 2,737 | 1,320 | 1,320 | 0 | 1,320 | 1,320 |
| TOTAL LEASE/RENTAL INCOME | 166,465 | 171,164 | 158,239 | 164,070 | 179,730 | 181,187 | 104,026 | 181,493 | 181,493 |
| REIMBURSEMENT | | | | | | | | | |
| 47-350-601 FUEL FLOW FEES | 38,712 | 39,427 | 32,969 | 30,132 | 31,712 | 32,000 | 12,934 | 35,310 | 35,310 |
| 47-350-602 OTHER | 0 | 0 | 0 | 0 | 86 | 0 | 296 | 0 | 0 |
| TOTAL REIMBURSEMENT | 38,712 | 39,427 | 32,969 | 30,132 | 31,798 | 32,000 | 13,230 | 35,310 | 35,310 |
| INTEREST INCOME | | | | | | | | | |
| 47-380-601 INTEREST INCOME | 7,425 | 6,404 | 2,639 | 2,661 | 137 | 100 | 113 | 100 | 100 |
| TOTAL INTEREST INCOME | 7,425 | 6,404 | 2,639 | 2,661 | 137 | 100 | 113 | 100 | 100 |
| TRANSFER IN | | | | | | | | | |
| 47-390-601 TRANSFER IN | 378,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-390-610 TRANSFER IN | 50,000 | 0 | 0 | 95,249 | 0 | 0 | 0 | 0 | 0 |
| TOTAL TRANSFER IN | 428,000 | 0 | 0 | 95,249 | 0 | 0 | 0 | 0 | 0 |
| *** TOTAL REVENUES *** | 1,035,091 | 593,664 | 717,847 | 1,285,693 | 440,487 | 433,287 | 245,702 | 436,903 | 397,705 |

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
BUDGET COMPARISON
FOR 2007 - 2012

| Expenses | FY 2006 thru FY 2010 are from the City | | County | | 2012 YTD Actual 4/30/2012 | 2013 Board Approved | 2013 City/County Approved | 2013 For Board Approval |
|--------------------------------------|----------------------------------------|----------------|----------------|----------------|---------------------------------|---------------------------|---------------------------------|-------------------------------|
| | 2007 Actual | 2008 Actual | 2009 Actual | 2010 Actual | | | | |
| SALARIES & BENEFITS | | | | | | | | |
| 47-700-101 | 0 | 0 | 71,000 | 76,000 | 80,000 | 82,000 | 82,000 | 82,000 |
| 47-700-102 | 0 | 0 | 20,908 | 23,494 | 25,144 | 25,680 | 25,680 | 25,680 |
| 47-700-104 | 0 | 0 | 0 | 0 | 0 | 40,002 | 40,002 | 40,002 |
| 47-700-205 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 800-003 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 800-004 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-700-201 | 0 | 0 | 7,003 | 7,611 | 8,020 | 10,707 | 10,707 | 11,298 |
| 800-005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-700-202 | 0 | 0 | 7,996 | 8,063 | 7,860 | 16,506 | 16,506 | 15,720 |
| 47-700-203 | 0 | 0 | 9,296 | 10,954 | 11,682 | 17,663 | 17,663 | 17,608 |
| 47-700-204 | 0 | 0 | 0 | 0 | 2,700 | 7,086 | 7,086 | 7,086 |
| 47-700-206 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 250 |
| TOTAL SALARIES & BENEFITS | 0 | 0 | 116,203 | 126,122 | 135,265 | 199,644 | 199,644 | 199,644 |

| | | | | | | | | |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|
| AIRPORT | | | | | | | | |
| 47-800-008 | 0 | 0 | 5,957 | 5,070 | 6,687 | 6,000 | 6,000 | 6,000 |
| 47-800-009 | 0 | 0 | 67 | 235 | 525 | 0 | 0 | 0 |
| 47-800-010 | 50,063 | 17,314 | 5,513 | 0 | 8,307 | 9,500 | 20,000 | 20,000 |
| 47-800-101 | 1,140 | 3,840 | 2,894 | 2,180 | 1,049 | 1,500 | 1,500 | 1,500 |
| 47-800-102 | 156 | 1,741 | 401 | 523 | 5,352 | 5,000 | 3,000 | 3,000 |
| 47-800-103 | 4,992 | 6,901 | 2,516 | 3,919 | 4,000 | 4,000 | 4,000 | 4,000 |
| 47-800-104 | 0 | 0 | 490 | 514 | 3,603 | 4,000 | 4,500 | 4,500 |
| 47-800-105 | 43 | 585 | -217 | 903 | 94 | 0 | 0 | 0 |
| 47-800-106 | 708 | 1,253 | 1,984 | 2,318 | 2,025 | 2,200 | 2,200 | 2,200 |
| 800-107 | 536 | 273 | 205 | 451 | 71 | 200 | 200 | 200 |
| 47-800-108 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 800-111 | 3,648 | 1,800 | 0 | 0 | 0 | 500 | 500 | 500 |
| 47-800-109 | 167 | 0 | 0 | 0 | 0 | 500 | 500 | 500 |
| 47-800-110 | 0 | 349 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-111 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-201 | 28,835 | 25,923 | 22,992 | 29,864 | 25,771 | 25,000 | 30,000 | 45,000 |
| 47-800-202 | 29,205 | 9,676 | 20,555 | 33,339 | 12,477 | 15,000 | 15,000 | 15,000 |
| 47-800-203 | 200 | 0 | 0 | 667 | 0 | 0 | 5,000 | 5,000 |
| 800-204 | 0 | 0 | 654 | 102 | 0 | 0 | 0 | 0 |
| 47-800-204 | 488 | 1,680 | 1,522 | 1,820 | 1,778 | 1,500 | 1,500 | 1,500 |
| 47-800-205 | 7,073 | 917 | 8,326 | 7,492 | 14,765 | 8,000 | 6,000 | 6,000 |
| 47-800-206 | 354 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-207 | 159 | 142 | -659 | -331 | 5,695 | 1,000 | 0 | 0 |
| 47-800-208 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
BUDGET COMPARISON
FOR 2007 - 2012

| Expenses | FY 2006 thru FY 2010 are from the City | | | County | | | 2012 Approved | 2012 YTD Actual 4/30/2012 | 2013 Board Approved | 2013 City/County Approved | 2013 For Board Approval |
|------------------------------------------------|----------------------------------------|----------------|----------------|------------------|----------------|----------------|------------------|---------------------------------|---------------------------|---------------------------------|-------------------------------|
| | 2007 Actual | 2008 Actual | 2009 Actual | 2010 Actual | 2011 Actual | 2012 Actual | | | | | |
| 47-800-209 | 0 | 186 | 286 | 0 | 2,610 | 2,500 | 2,500 | 1,144 | 2,500 | 2,500 | 2,500 |
| 800-214 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-301 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-302 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,500 | 7,500 | 7,500 |
| 47-800-303 | 10,372 | 10,745 | 0 | 0 | 0 | 0 | 0 | 0 | 2,200 | 2,200 | 2,200 |
| 47-800-304 | 0 | 0 | 0 | 24,440 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-305 | 20 | 72 | 1,219 | 276 | 2,694 | 2,500 | 2,000 | 1,389 | 2,000 | 2,000 | 2,000 |
| 47-800-306 | 794 | 0 | 0 | 0 | 111 | 300 | 300 | 112 | 300 | 300 | 300 |
| 47-800-307 | 223,134 | 343,545 | 268,318 | 251,000 | 158,524 | 158,524 | 0 | 20,379 | 0 | 0 | 0 |
| 47-800-308 | 0 | 0 | 96,165 | 126,122 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-309 | 95,151 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-310 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-311 | 0 | 0 | 0 | 0 | 7,910 | 5,000 | 5,000 | 1,813 | 5,000 | 5,000 | 5,000 |
| 47-800-401 | 3,027 | 261 | 624 | 973 | 1,748 | 900 | 900 | 430 | 900 | 900 | 900 |
| 47-800-402 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-403 | 0 | 0 | 1,628 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-404 | 427 | 336 | 661 | 937 | 686 | 750 | 750 | 256 | 750 | 750 | 750 |
| 47-800-405 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-406 | 13,082 | 9,472 | 6,310 | 10,598 | 10,662 | 12,000 | 12,000 | 7,040 | 13,500 | 13,500 | 13,500 |
| 47-800-501 | 0 | 0 | 586 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-503 | 0 | 525 | 851 | 327 | 1,539 | 750 | 750 | 331 | 750 | 750 | 750 |
| 800-503 | 0 | 19,941 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-505 | 4,789 | 2,540 | 2,709 | 2,516 | 2,409 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-507 | 0 | 10,500 | 0 | 16,004 | 7,640 | 10,000 | 10,000 | 0 | 20,000 | 20,000 | 20,000 |
| 47-800-509 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 800-510 | 666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-511 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-513 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-901 | 445,116 | 50,289 | 275,350 | 696,916 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-902 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-800-903 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NEW | | | | | | | | | | | |
| CAPITAL EQUIPMENT - 5 YEAR AMORTIZATION | | | | | | | | | | | |
| TOTAL AIRPORT | 924,345 | 520,804 | 727,907 | 1,219,175 | 288,733 | 276,124 | 276,124 | 64,817 | 162,620 | 177,620 | 177,620 |

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

BUDGET COMPARISON

FOR 2007 - 2012

| Expenses | FY 2006 thru FY 2010 are from the City | | County | | 2012 Approved | 2012 YTD Actual 4/30/2012 | 2013 Board Approved | 2013 City/County Approved | 2013 For Board Approval |
|--------------------------------------------------|----------------------------------------|----------------|----------------|----------------|------------------|---------------------------------|---------------------------|---------------------------------|-------------------------------|
| | 2007 Actual | 2008 Actual | 2009 Actual | 2010 Actual | | | | | |
| TERMINAL | | | | | | | | | |
| 47-801-101 SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47-801-300 PHONE SERVICES - Term phones & Fire A | 0 | 1,131 | 572 | 575 | 2,191 | 150 | 2,191 | 2,191 | 2,191 |
| 47-801-301 LIGHT & POWER | 0 | 11,851 | 7,828 | 10,454 | 11,000 | 4,803 | 11,000 | 11,000 | 11,000 |
| 47-801-302 PROPANE GAS | 0 | 3,871 | 825 | 4,407 | 5,000 | 3,236 | 4,500 | 4,500 | 4,500 |
| 47-801-303 WATER & SEWER | 0 | 2,510 | 3,008 | 2,263 | 2,750 | 952 | 2,750 | 2,750 | 2,750 |
| TOTAL 01-TERMINAL | 0 | 19,362 | 12,234 | 17,699 | 20,941 | 9,140 | 20,441 | 20,441 | 20,441 |
| **** TOTAL EXPENSES **** | 924,345 | 540,166 | 856,343 | 1,362,997 | 433,138 | 154,714 | 382,705 | 397,705 | 397,705 |
| REVENUE OVER/(UNDER) EXPENDITURES | 110,746 | 53,498 | (138,496) | (77,304) | 149 | 90,988 | 54,198 | 0 | - |
| M&O EXPENDITURES | 479,229 | 489,877 | 580,993 | 666,081 | 433,138 | 154,714 | 382,705 | 397,705 | 397,705 |

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

BUDGET COMPARISON

FOR 2007 - 2012

| Revenues | FY 2006 thru FY 2010 are from the City | | 2010 Actual | County 2011 Actual | 2012 Approved | 2012 YTD Actual 4/30/2012 | 2013 Board Approved | 2013 City/County Approved | 2013 For Board Approval |
|---------------------------------------------|----------------------------------------|----------------|------------------|--------------------|----------------|---------------------------|---------------------|---------------------------|-------------------------|
| | 2007 Actual | 2008 Actual | | | | | | | |
| 48 - AIRPORT CAPITAL | | | | | | | | | |
| Reimbursement | | | | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CAPITAL GRANTS - TXDOT | | | 7,196,490 | | | | | | |
| REIMBURSEMENT FM TX DOT | 1,170 | 29,046 | 54,543 | 50,000 | 50,000 | 0 | 50,000 | 50,000 | 50,000 |
| TOTAL Reimbursement | 1,170 | 29,046 | 7,251,033 | 50,000 | 50,000 | 0 | 50,000 | 50,000 | 50,000 |
| Intergovernmental | | | | | | | | | |
| | | | | | | | | | |
| 48-351-100 KERR COUNTY RAMP GRANT M | 0 | 0 | 0 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| 48-351-101 CITY OF KVILLE RAMP GRANT | 0 | 0 | 0 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| 48-351-102 KERR COUNTY PROJECT MATCH | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-351-103 (CITY OF KERRVILLE PROJECT MATCH | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Intergovernmental | 0 | 0 | 0 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Interest | | | | | | | | | |
| | | | | | | | | | |
| 48-360-100 INTEREST EARNINGS | 0 | 0 | 0 | 121 | 0 | 56 | 0 | 0 | 0 |
| TOTAL Transfers In | 0 | 0 | 0 | 121 | 0 | 56 | 0 | 0 | 0 |
| Transfers In | | | | | | | | | |
| | | | | | | | | | |
| 48-500-100 TRANSFER IN - GENERAL | 218,310 | 0 | 0 | -4,293 | 0 | 0 | 0 | 0 | 0 |
| 48-500-110 TRANSFER IN - AIRPORT | 50,000 | 275,000 | 621,916 | 376,364 | 0 | 0 | 0 | 0 | 0 |
| 48-500-115 TRANSFER IN | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Transfers In | 268,310 | 275,000 | 621,916 | 376,364 | 0 | 0 | 0 | 0 | 0 |
| TOTAL REVENUES | 269,480 | 304,046 | 7,627,397 | 95,828 | 100,000 | 50,056 | 100,000 | 100,000 | 100,000 |

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
BUDGET COMPARISON
FOR 2007 - 2012

| Expenses | FY 2006 thru FY 2010 are from the City | | | 2010 Actual | County 2011 Actual | 2012 Approved | 2012 YTD Actual 4/30/2012 | 2013 Board Approved | 2013 City/County Approved | 2013 For Board Approval |
|------------------------------------------|----------------------------------------|------------------|------------------|------------------|--------------------|----------------|---------------------------|---------------------|---------------------------|-------------------------|
| | 2007 Actual | 2008 Actual | 2009 Actual | | | | | | | |
| CAPITAL OUTLAY | | | | | | | | | | |
| 800-201 | 0 | 49,678 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 800-202 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 800-405 | 0 | 0 | 150,304 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-600-101 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-600-102 | 18,524 | 122,390 | 112,429 | 112,429 | 0 | 0 | 0 | 0 | 0 | 0 |
| 800-507 | 94,402 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-600-103 | 0 | 15,798 | 319,138 | 296,876 | 294,480 | 0 | 0 | 0 | 0 | 0 |
| 800-500 | 0 | 0 | 0 | 7,196,490 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-600-104 | 0 | 0 | 0 | 0 | 123,615 | 100,000 | 15,013 | 100,000 | 100,000 | 100,000 |
| 48-600-105 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-600-106 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-600-107 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-600-108 | 0 | 0 | 0 | 0 | 20,993 | 0 | 0 | 0 | 0 | 0 |
| 48-600-109 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-600-110 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-600-111 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-600-112 | 14,770 | 0 | 19,950 | 19,950 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-600-113 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-600-114 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-600-115 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 800-517 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 800-518 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 800-519 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 800-520 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 800-948 | 2,248 | 6,374 | 95,249 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL CAPITAL OUTLAY | 129,945 | 194,240 | 697,070 | 7,625,745 | 439,089 | 100,000 | 15,013 | 100,000 | 100,000 | 100,000 |
| TOTAL EXPENDITURES | 129,945 | 194,240 | 697,070 | 7,625,745 | 434,796 | 100,000 | 15,013 | 100,000 | 100,000 | 100,000 |
| REVENUE OVER/(UNDER) EXPENDITURES | (128,775) | (165,194) | (642,527) | (374,712) | (334,675) | - | 35,043 | - | - | - |

Kerrville-Kerr County Airport

Future CIP

| Funding Source: Airport | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | TOTAL |
|------------------------------------------------------------------------------|------------------|------------------|----------------------------------------------|-------------------|------------------|---------------------|
| T-Hangar Building <i>Applied for T-Hangar Program with TxDOT Aviation</i> | \$ - | \$ - | \$ 625,000 <i>originally in FY 11, 13</i> | \$ 625,000 | \$ - | \$ 1,250,000 |
| New Taxiways at Airport <i>Possible TxDOT funding</i> | \$ - | | \$ 120,000 | \$ - | \$ - | \$ 120,000 |
| Routine Airport Maintenance Program (RAMP) Grants | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 250,000 |
| Site Preparation for Hangar Development <i>Possible TxDOT funding</i> | \$ - | | \$ 150,000 <i>originally in FY 12</i> | \$ - | \$ - | \$ 150,000 |
| TOTALS | \$ 50,000 | \$ 50,000 | \$ 945,000 | \$ 675,000 | \$ 50,000 | \$ 1,770,000 |
| Funding Source: Grants | | | | | | |
| | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | TOTAL |
| Routine Airport Maintenance Program (RAMP) Grants | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 250,000 |
| TOTALS | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 250,000 |

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
BUDGET FOR FY 2014-2015
WITH BUDGET COMPARISON 2009-2013

Board Approved 4/21/2014

| Revenues | 2009 Actual | 2010 Actual | 2011 Actual | 2012 Actual | 2013 Actual | 2014 Approved Budget | 2014 Amt Spent | 2014 Budget Remain | 2014 % Remain | 2015 Proposed Budget | Notes |
|--------------------------------------------|----------------|------------------|----------------|----------------|----------------|----------------------------|----------------------|--------------------------|---------------------|----------------------------|-------|
| 47-AIRPORT | | | | | | | | | | | |
| INTERGOVERNMENTAL REVENUE | | | | | | | | | | | |
| 47-300-602 KERR COUNTY | 262,000 | 601,850 | 228,572 | 110,000 | 90,401 | 80,401 | 34,334 | 46,067 | 57% | 47,478.5 | |
| 47-300-603 KERRVILLE | 262,000 | 391,732 | 250 | 110,000 | 90,401 | 80,401 | 33,500 | 46,901 | 58% | 47,478.5 | |
| 47-300-604 GRANTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | |
| 47-300-606 TX DOT REIMBURSEMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | |
| TOTAL INTERGOVERNMENTAL REVENUE | 524,000 | 993,582 | 228,822 | 220,000 | 180,802 | 160,802 | 75,334 | 92,968 | | 94,957 | |
| LEASE/RENTAL INCOME | | | | | | | | | | | |
| 47-325-301 AIRPORT LAND LEASES | 94,940 | 102,318 | 112,461 | 119,602 | 116,730 | 118,128 | 58,329 | 59,799 | 51% | 150,648 | |
| 47-325-602 TERMINAL LEASES | 14,354 | 12,206 | 15,125 | 12,639 | 12,576 | 13,486 | 5,723 | 7,763 | 58% | 14,461 | |
| 47-325-603 T-HANGAR LEASES | 44,438 | 43,644 | 47,238 | 42,550 | 47,744 | 42,500 | 23,000 | 19,500 | 46% | 98,400 | |
| 47-325-604 VEHICLE RENTAL SURCHARGE | 3,187 | 3,165 | 3,585 | 3,592 | 3,935 | 3,528 | 1,047 | 2,481 | 70% | 3,528 | |
| 47-325-605 T-HANGAR STORAGE FACILITY LEASE | 1,320 | 2,737 | 1,320 | 610 | 715 | 660 | 220 | 440 | 67% | 660 | |
| 47-325-625 PARKING LOT LEASES | | | | | 6,000 | 6,000 | 5,240 | 760 | 13% | 6,000 | |
| TOTAL LEASE/RENTAL INCOME | 158,239 | 164,070 | 179,730 | 178,993 | 187,701 | 184,302 | 74,844 | 90,743 | | 273,697 | |
| REIMBURSEMENT | | | | | | | | | | | |
| 47-350-601 FUEL FLOW FEES | 32,969 | 30,132 | 31,712 | 30,811 | 36,424 | 35,310 | 9,659 | 22,041 | 62% | 35,310 | |
| 47-350-602 OTHER | 0 | 0 | 86 | 296 | 0 | 0 | 0 | 0 | | 0 | |
| TOTAL REIMBURSEMENT | 32,969 | 30,132 | 31,798 | 31,107 | 36,424 | 35,310 | 13,269 | 22,041 | | 35,310 | |
| INTEREST INCOME | | | | | | | | | | | |
| 47-380-601 INTEREST INCOME | 2,639 | 2,661 | 137 | 132 | 100 | 100 | 0 | 81 | 81% | 100 | |
| TOTAL INTEREST INCOME | 2,639 | 2,661 | 137 | 132 | 100 | 100 | 0 | 81 | | 100 | |
| TRANSFER IN | | | | | | | | | | | |
| 47-390-601 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | |
| 47-390-610 TRANSFER IN | 0 | 95,249 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | |
| TOTAL TRANSFER IN | 0 | 95,249 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | |
| *** TOTAL REVENUES *** | 717,847 | 1,285,693 | 440,487 | 430,232 | 405,027 | 380,514 | 163,448 | 205,832 | | 404,064 | |

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
 BUDGET FOR FY 2014-2015
 WITH BUDGET COMPARISON 2009-2013

| Expenses | County | | | | | | 2014 Approved Budget | 2014 Amt Spent | 2014 Budget Remain | 2014 % Remain | 2015 Proposed Budget | Notes |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------------|----------------------|--------------------------|---------------------|----------------------------|-------|
| | 2009 Actual | 2010 Actual | 2011 Actual | 2012 Actual | 2013 Actual | 2014 Budget | | | | | | |
| SALARIES & BENEFITS | | | | | | | | | | | | |
| 47-700-101 AIRPORT MANAGER | 71,000 | 76,000 | 80,000 | 81,833 | 82,447 | 84,260 | 33,573 | 50,687 | 60% | 84,260 | | |
| 47-700-102 OFFICE PERSONNEL PART TIME | 20,908 | 23,494 | 25,144 | 27,954 | 23,584 | 26,536 | 9,960 | 16,576 | 62% | 26,536 | | |
| 47-700-104 AIRPORT MAINTENANCE STAFF | 0 | 0 | 0 | 0 | 38,782 | 41,202 | 14,363 | 26,839 | 65% | 41,202 | | |
| 47-700-205 OVERTIME | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | |
| 47-700-201 FICA | 7,003 | 7,611 | 8,020 | 8,374 | 11,042 | 11,628 | 4,416 | 7,212 | 62% | 11,628 | | |
| 47-700-202 GROUP INSURANCE | 7,996 | 8,063 | 7,860 | 7,010 | 12,820 | 15,720 | 4,938 | 10,782 | 69% | 15,720 | | |
| 47-700-203 RETIREMENT | 9,296 | 10,954 | 11,542 | 12,414 | 15,768 | 15,444 | 7,417 | 8,027 | 52% | 15,768 | | |
| 47-700-204 WORKMAN'S COMP | 0 | 0 | 2,700 | 1,778 | 3,208 | 3,033 | 524 | 2,509 | 83% | 3,300 | | |
| 47-700-206 UNEMPLOYMENT INSURANCE | 0 | 0 | 0 | 0 | 0 | 250 | 0 | 0 | 0% | 250 | | |
| TOTAL SALARIES & BENEFITS | 116,203 | 126,122 | 135,265 | 139,362 | 187,651 | 198,073 | 75,191 | 122,632 | 62% | 198,664 | | |

AIRPORT

| | | | | | | | | | | | |
|---------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|------|--------|--|
| 47-800-008 PROFESSIONAL DEVELOPMENT | 5,957 | 5,070 | 6,687 | 5,697 | 5,503 | 6,000 | 1,259 | 4,741 | 79% | 6,000 | |
| 47-800-009 LOCAL MEETING EXPENSE | 67 | 235 | 525 | 0 | 0 | 0 | 0 | 0 | | 0 | |
| 47-800-010 PROFESSIONAL SERVICES - aka "Spe | 5,513 | 0 | 8,307 | 8,984 | 18,260 | 10,000 | 8,565 | 1,435 | 14% | 20,000 | |
| 47-800-101 OFFICE SUPPLIES | 2,894 | 2,180 | 1,049 | 1,502 | 1,488 | 1,500 | 606 | 894 | 60% | 1,500 | |
| 47-800-102 SMALL TOOLS AND EQUIPMENT | 401 | 523 | 5,352 | 4,867 | 2,965 | 3,000 | 1,786 | 1,214 | 40% | 3,000 | |
| 47-800-103 CHEMICAL AND MEDICAL SUPPLIES | 2,516 | 3,919 | 4,000 | 1,680 | 522 | 4,000 | 0 | 4,000 | 100% | 2,000 | |
| 47-800-104 FUEL AND OIL SUPPLIES | 490 | 514 | 3,603 | 4,595 | 3,475 | 5,500 | 475 | 5,025 | 91% | 4,500 | |
| 47-800-105 FOOD SUPPLIES | -217 | 903 | 94 | 0 | 0 | 0 | 0 | 0 | | 0 | |
| 47-800-106 JANITORIAL SUPPLIES | 1,984 | 2,318 | 2,025 | 1,529 | 1,784 | 2,200 | 813 | 1,387 | 63% | 2,000 | |
| 47-800-107 POSTAGE | 205 | 451 | 71 | -15 | 186 | 300 | 234 | 66 | 22% | 500 | |
| 47-800-108 UPS/FED-EX | 0 | 0 | 0 | 0 | 43 | 0 | 0 | 0 | | 0 | |
| 47-800-109 COMPUTER SOFTWARE | 0 | 0 | 0 | 0 | 237 | 1,000 | 0 | 1,000 | 100% | 500 | |
| 47-800-110 SOD, SEED, PLANTING | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | |
| 47-800-111 VEHICLE PARTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | |
| 47-800-112 WEARING APPAREL | 0 | 0 | 0 | 0 | 1,740 | 2,000 | 952 | 1,048 | 52% | 2,000 | |
| 47-800-201 MOWING CONTRACT | 22,992 | 29,864 | 25,771 | 31,622 | 22,537 | 45,000 | 15,093 | 29,907 | 66% | 45,000 | |
| 47-800-202 BUILDINGS AND STRUCTURES | 20,555 | 33,339 | 12,477 | 10,604 | 14,978 | 15,000 | 1,684 | 13,316 | 89% | 15,000 | |
| 47-800-203 VEHICLE MAINTENANCE | 0 | 667 | 0 | 0 | 3,895 | 5,000 | 524 | 4,476 | 90% | 1,500 | |
| 47-800-204 OFFICE EQUIPMENT | 1,522 | 1,820 | 1,778 | 858 | 992 | 1,500 | 172 | 1,328 | 89% | 1,000 | |
| 47-800-205 INSTRUMENTS AND APPARATUS | 8,326 | 7,492 | 14,765 | 3,619 | 5,994 | 7,000 | 1,936 | 5,064 | 72% | 7,000 | |
| 47-800-206 STREETS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | |
| 47-800-207 TRAFFIC CONTROL DEVICES | -659 | -331 | 5,695 | 917 | 0 | 0 | 0 | 0 | | 0 | |
| 47-800-208 TAXIWAYS/RUNWAYS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | |
| 47-800-209 REPAIRS - GENERAL | 0 | 0 | 0 | 1,243 | 2,431 | 2,500 | 76 | 2,424 | 97% | 1,500 | |

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
 BUDGET FOR FY 2014-2015
 WITH BUDGET COMPARISON 2009-2013

| Expenses | 2009 Actual | 2010 Actual | County | | 2012 Actual | 2013 Actual | 2014 Approved Budget | 2014 Amt Spent | 2014 Budget Remain | 2014 % Remain | 2015 Proposed Budget | Notes |
|--------------------------------------------------|----------------|------------------|----------------|----------------|----------------|----------------|----------------------------|----------------------|--------------------------|---------------------|----------------------------|-------|
| | | | 2011 Actual | 2011 Actual | | | | | | | | |
| 47-800-301 CONTRACT SERVICES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-302 PROPERTY INSURANCE (County) | 0 | 0 | 0 | 0 | 0 | 1,069 | 7,500 | 3206 | 4,294 | 57% | 7,500 | |
| 47-800-303 LIABILITY INSURANCE (City) | 0 | 0 | 0 | 0 | 0 | 1,678 | 2,200 | 1153 | 1,047 | 48% | 2,200 | |
| 47-800-304 SPECIAL SERVICES - aka Professional : | 0 | 24,440 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-305 EQUIPMENT RENTAL | 1,219 | 276 | 2,694 | 2,690 | 1,983 | 390 | 2,000 | 662 | 1,338 | 67% | 2,700 | |
| 47-800-306 ADVERTISING | 0 | 0 | 111 | 326 | 0 | 0 | 300 | 384 | -84 | -28% | 600 | |
| 47-800-307 MANAGEMENT CONTRACT | 268,318 | 251,000 | 158,524 | 158,524 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-308 REIMBURSE COUNTY EMPLOYEE | 96,165 | 126,122 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-309 OUTSOURCED SERVICES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-310 CONTINGENCY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-311 LEGAL SERVICES | 0 | 0 | 7,910 | 4,594 | 4,938 | 4931 | 5,000 | 4931 | 69 | 1% | 10,000 | |
| 47-800-401 PHONE SERVICE - Cell Phones Only | 624 | 973 | 1,748 | 841 | 718 | 239 | 900 | 661 | 661 | 73% | 900 | |
| 47-800-402 CELL PHONE SERVICE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-403 NATURAL GAS/PROPANE | 1,628 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-404 WATER & SEWER | 661 | 937 | 686 | 457 | 470 | 235 | 750 | 515 | 515 | 69% | 1,000 | |
| 47-800-405 INTERNET PROVIDER | 0 | 0 | 0 | 0 | 30 | 0 | 500 | 500 | 500 | 100% | 0 | |
| 47-800-406 LIGHT AND POWER | 6,310 | 10,598 | 10,662 | 11,125 | 13,469 | 5990 | 14,500 | 8,510 | 8,510 | 59% | 15,500 | |
| 47-800-501 CERTIFICATES, AWARDS, ETC | 586 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-503 DUES AND SUBSCRIPTIONS | 851 | 327 | 1,539 | 606 | 625 | 200 | 750 | 550 | 550 | 73% | 750 | |
| 47-800-505 OTHER CHARGES | 2,709 | 2,516 | 2,409 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-507 CONTINGENCY | 0 | 16,004 | 7,640 | 0 | 19,626 | 0 | 10,000 | 0 | 10,000 | 100% | 10,000 | |
| 47-800-509 DEPRECIATION EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-511 OTHER EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-513 RESERVE FOR CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 | 5,000 | 0 | 5,000 | 100% | 21,000 | |
| 47-800-901 TRANSFER OUT - GENERAL | 275,350 | 696,916 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-902 TRANSFER OUT - MAINTENANCE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 47-800-903 TRANSFER OUT - ROAD & BR | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL AIRPORT | 726,967 | 1,219,073 | 286,122 | 256,864 | 132,024 | 51,177 | 160,900 | 109,723 | 109,723 | | 185,150 | |

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
 BUDGET FOR FY 2014-2015
 WITH BUDGET COMPARISON 2009-2013

| Expenses | 2009 Actual | County | | | | 2013 Actual | 2014 Approved Budget | 2014 Amt Spent | 2014 Budget Remain | 2014 % Remain | 2015 Proposed Budget | Notes |
|---------------------------------------------|----------------|------------------|----------------|----------------|----------------|----------------|----------------------------|----------------------|--------------------------|---------------------|----------------------------|-------|
| | | 2010 Actual | 2011 Actual | 2012 Actual | 2014 Budget | | | | | | | |
| TERMINAL | | | | | | | | | | | | |
| 47-801-101 SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 47-801-300 PHONE SERVICES - Term phones & F | 572 | 575 | 331 | 300 | 300 | 2,191 | 75 | 2,116 | 97% | 500 | | |
| 47-801-301 LIGHT & POWER | 7,828 | 10,454 | 9,482 | 9,421 | 9,247 | 11,000 | 3,075 | 7,925 | 72% | 11,000 | | |
| 47-801-302 PROPANE GAS | 825 | 4,407 | 4,281 | 3,236 | 3,947 | 4,500 | 4,202 | 298 | 7% | 6,000 | | |
| 47-801-303 WATER & SEWER | 3,008 | 2,263 | 2,710 | 2,284 | 1,584 | 2,750 | 227 | 2,523 | 92% | 2,750 | | |
| TOTAL 01-TERMINAL | 12,234 | 17,699 | 16,803 | 15,241 | 15,079 | 20,441 | 5,604 | 12,862 | | 20,250 | | |
| *** TOTAL EXPENSES *** | 855,403 | 1,362,894 | 438,191 | 411,468 | 334,753 | 379,414 | 131,971 | 245,217 | | 404,064 | | |
| REVENUE OVER/(UNDER) EXPENDITURES | (137,556) | (77,202) | 2,296 | 18,765 | 70,274 | 1,100 | 31,476 | (39,385) | | - | | |
| M&O EXPENDITURES | 580,053 | 665,978 | 438,191 | 411,468 | 334,753 | 379,414 | 131,971 | 245,217 | | 404,064 | | |

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
 BUDGET FOR FY 2014-2015
 WITH BUDGET COMPARISON 2009-2013

| Revenues | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | | 2014 | | 2015 | | Notes |
|------------------------------------------|----------------|------------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|---------------|---------------|-----------------|----------------|----------|
| | Actual | | Actual | | Actual | | Actual | | Actual | | Approved Budget | 2014 Amt Spent | Budget Remain | % Remain | Proposed Budget | | |
| 48 - AIRPORT CAPITAL | | | | | | | | | | | | | | | | | |
| Reimbursement | | | | | | | | | | | | | | | | | |
| CAPITAL GRANTS - TXDOT | | | | | | | | | | | | | | | | | |
| 48-350-100 REIMBURSEMENT FM TX DOT | 0 | 7,196,490 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Reimbursement | 54,543 | 7,251,033 | 50,000 | 48,350 | 49,423 | 50,000 | 50,000 | 49,423 | 50,000 | 50,000 | 26,202 | 0 | 0 | 0 | 50,000 | 50,000 | |
| Intergovernmental | | | | | | | | | | | | | | | | | |
| 48-351-100 KERR COUNTY RAMP GRANT M | 0 | 0 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 0 | 25,000 | 0 | 25,000 | 25,000 | 25,000 | |
| 48-351-101 CITY OF KVILLE RAMP GRANT | 0 | 0 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 0 | 25,000 | 0 | 25,000 | 25,000 | 25,000 | |
| 48-351-102 KERR COUNTY PROJECT MATCH | 0 | 0 | 0 | 0 | 0 | 21,178 | 0 | 21,178 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-351-103 CTY OF KERRVILLE PROJECT MATC | 0 | 0 | 0 | 0 | 0 | 21,178 | 0 | 21,178 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL Intergovernmental | 0 | 0 | 50,000 | 50,000 | 92,356 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 0 | 50,000 | 0 | 50,000 | 50,000 | 50,000 | |
| Interest | | | | | | | | | | | | | | | | | |
| 48-360-100 INTEREST EARNINGS | 0 | 0 | 121 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Transfers In | 0 | 0 | 121 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers In | | | | | | | | | | | | | | | | | |
| 48-500-100 TRANSFER IN - GENERAL | 0 | 0 | -4,293 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-500-110 TRANSFER IN - AIRPORT | 621,916 | 376,364 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48-500-115 TRANSFER IN | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Transfers In | 621,916 | 376,364 | -4,293 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL REVENUES | | | | | | | | | | | | | | | | | |
| | 676,459 | 7,627,397 | 95,828 | 98,350 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 0 | 50,000 | 0 | 50,000 | 100,000 | 100,000 | 0 |

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
BUDGET FOR FY 2014-2015
WITH BUDGET COMPARISON 2009-2013

| Expenses | 2009 Actual | 2010 Actual | County | | 2012 Actual | 2013 Actual | 2014 Approved Budget | 2014 Amt Spent | 2014 Budget Remain | 2014 % Remain | 2015 Proposed Budget | Notes |
|------------------------------------------|------------------|------------------|------------------|----------------|------------------|----------------|----------------------------|----------------------|--------------------------|---------------------|----------------------------|-------|
| | | | 2011 Actual | 2011 Actual | | | | | | | | |
| CAPITAL OUTLAY | | | | | | | | | | | | |
| 800-201 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 800-202 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 800-405 | 150,304 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-101 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-102 | 112,429 | 112,429 | 0 | 0 | 42,356 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 800-507 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-103 | 319,138 | 296,876 | 294,480 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 800-500 | 0 | 7,196,490 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-104 | 0 | 0 | 123,615 | 100,000 | 100,000 | 98,815 | 4,920 | 95,080 | 95% | 100,000 | 0 | |
| 48-600-105 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-106 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-107 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-108 | 0 | 0 | 20,993 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-109 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-110 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-111 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-112 | 19,950 | 19,950 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-113 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-114 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 48-600-115 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 800-517 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 800-518 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 800-519 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 800-520 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 800-948 | 95,249 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL CAPITAL OUTLAY | 697,070 | 7,625,745 | 439,089 | 100,000 | 100,000 | 141,171 | 4,920 | 95,080 | | | 100,000 | |
| TOTAL EXPENDITURES | 697,070 | 7,625,745 | 434,796 | 100,000 | 100,000 | 141,171 | 4,920 | 95,080 | | | 100,000 | |
| REVENUE OVER/(UNDER) EXPENDITURES | (642,527) | (374,712) | (334,675) | (1,650) | (141,171) | - | (4,920) | (45,080) | | | - | |

Worksheet for Rates

Terminal Leases

Kerrville Aviation
 current 921
 rate increase $153.47 \times 6 \text{ mths} = 1034$
 $172.30 \times 6 \text{ mths} = 1955$

Hill Country Aviation
 current 2616
 rate increase $290.64 \times 9 \text{ mths} = 966$
 $321.96 \times 3 \text{ mths} = 3582$

Ron Billie
 current 1828
 rate increase $304.68 \times 6 \text{ mths} = 2033$
 $338.89 \times 6 \text{ mths} = 3861$

Best Friend Air
 current 2397
 rate increase $399.53 \times 6 \text{ mths} = 2666$
 $444.40 \times 6 \text{ mths} = 5064$

Total 14461

Land Leases

Air Evac
 current 2239
 $186.57 \times 12 =$

Apache Springs
 current 4364
 rate increase $623.49 \times 7 = 3273$
 $654.66 \times 5 = 7638$

| | | |
|--------------------------------|----------------|--------|
| Commercial Aviation current | 485.12 x 12 = | 5821 |
| Dugosh current | 1567 x 12 = | 18804 |
| Mooney current | 5000.00 x 12 = | 60000 |
| Kerrville Aviation current | 1922.63 x 12 = | 23072 |
| Drane | 195.73 x 12 | 2349 |
| Stieren | 545.44 x 12 = | 6545 |
| Totals | | 126468 |

T-Hangars

| | | |
|--------------------------------|---------------|-------|
| Existing T-Hangars new rate | 275.00 x 12 = | 39600 |
| | 250.00 x 4 = | 12000 |
| | | 51600 |

New T-Hangars

| | | |
|--------|-------------------|-------|
| Small | 300.00 x 4 x 12 = | 14400 |
| Medium | 325.00 x 4 x 12 = | 15600 |
| Large | 350.00 x 4 x 12 = | 16800 |
| | 100% occupancy | 46800 |
| | 75% occupancy | 35100 |

| | |
|-----------------------------|-------|
| Total for T- Hangars @ 100% | 98400 |
| Total for T- Hangars @ 75% | 86700 |

| | |
|---------------------|--------|
| Total Rental Income | 224868 |
| Total Rental Income | 213168 |

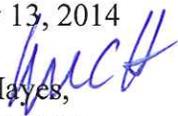
Agenda Item:

5B. Resolution No. 11-2014 denying the rate increase requested by Atmos Energy Corp., Mid-Tex Division under the Company's 2014 annual Rate Review Mechanism filing in all cities exercising original jurisdiction; requiring the Company to reimburse cities' reasonable ratemaking expenses pertaining to review of the RRM; authorizing the city's participation with Atmos Cities Steering Committee in any appeal filed at the Railroad Commission of Texas by the Company; requiring the Company to reimburse cities' reasonable ratemaking expenses in any such appeal to the Railroad Commission; determining that this Resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; and requiring delivery of the Resolution to the Company and the Steering Committee's legal counsel. (staff)

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

SUBJECT: A Resolution denying the rate increase requested by Atmos Energy Corp., Mid-Tex Division under the Company's 2014 Annual Rate Review Mechanism filing in all cities exercising original jurisdiction; requiring the Company to reimburse cities' reasonable ratemaking expenses pertaining to review of the RRM; authorizing the City's participation with Atmos Cities Steering Committee in any appeal filed at the Railroad Commission of Texas by the Company; requiring the Company to reimburse cities' reasonable ratemaking expenses in any such appeal to the Railroad Commission; determining that this Resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; and requiring delivery of this Resolution to the Company and the Steering Committee's legal counsel

FOR AGENDA OF: May 13, 2014 **DATE SUBMITTED:** May 2, 2014

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

EXHIBITS: Resolution

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:
REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

The City, along with approximately 164 other cities served by Atmos Energy Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). On or about February 28, 2014, Atmos Mid-Tex filed with the City an application to increase natural gas rates pursuant to the Rate Review Mechanism ("RRM") tariff renewed by the City in 2013 as a continuation and refinement of the previous RRM rate review process. This is the second annual RRM filing under the renewed RRM tariff.

The Atmos Mid-Tex RRM filing sought a \$45.7 million rate increase system-wide based on an alleged test-year cost of service revenue deficiency of \$49 million. Of the total amount requested, almost \$37 million is attributable to the affected cities. The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its request to increase rates. Although a good faith attempt was made by ACSC to reach a compromise with Atmos Mid-Tex, an agreement was not reached. In the absence of an agreement, the ACSC

Executive Committee and ACSC's legal counsel recommend that ACSC members adopt the attached Resolution denying the rate increase request.

The RRM tariff was adopted by the City as an alternative to the Gas Reliability Infrastructure Program ("GRIP"), the statutory provision that allows Atmos to bypass the City's rate regulatory authority to increase its rates annually to recover capital investments. In past years, cities have been able to reach a compromise with Atmos to reduce the rate impact from the requested RRM increases, and these compromises have also been lower than the rates that Atmos would have been entitled to under the GRIP filing. In this case, the Company would have been entitled to an increase from GRIP of no more than \$31.5 million. The magnitude of the requested increase under the 2014 RRM filing, and the wide differences between it and the ACSC consultants' recommendations made a compromise much more difficult and ultimately impossible. The Company demanded more than it would be entitled to if it had filed a GRIP case. For this reason, the ACSC Executive Committee and ACSC legal counsel recommend that all ACSC Cities adopt the Resolution denying the requested rate change.

RRM Background:

The RRM tariff was originally approved by ACSC Cities as part of the settlement agreement to resolve the Atmos Mid-Tex 2007 system-wide rate filing at the Railroad Commission. In early 2013, the City adopted a renewed RRM tariff for an additional five years. This is the second RRM filing under the renewed tariff. This filing was made by agreement less than one year after the first filing in order for the RRM rate-setting process to hereafter use a calendar year as the test period.

The RRM tariff and the process implementing that tariff were created collaboratively by ACSC and Atmos Mid-Tex as an alternative to the legislatively-authorized GRIP surcharge process. ACSC has opposed GRIP because it constitutes piecemeal ratemaking, does not allow any review of the reasonableness of Atmos' expenditures, and does not allow participation by cities or recovery of cities' rate case expenses. In contrast, the RRM process has allowed for a more comprehensive rate review and annual adjustment as a substitute for GRIP filings. ACSC's consultants have calculated that had Atmos filed under the GRIP provisions, it would have received additional revenues from ratepayers of approximately \$31.5 million.

Purpose of the Resolution:

Rates cannot change without the adoption of rate ordinances by cities. No related matter is pending at the Railroad Commission. The purpose of the Resolution is to deny the rate increase requested by Atmos. Under the RRM tariff, Atmos may appeal the rate decision of the cities to the Railroad Commission; such appeal must be filed within thirty (30) days of the City action.

The RRM tariff also allows Atmos to implement its requested rates effective June 1 while any appeal at the Commission is pending, subject to refunds based upon the outcome of the appeal. This would represent a monthly increase of approximately \$2.02 for the average

residential customer, subject to any refund if the Commission reduces the rates implemented by Atmos. The actual impact will be slightly less than \$2.02 for most residential customers because the Company has indicated it will not appeal and thus concedes several of the issues raised by Cities. The Resolution also authorizes the City to participate as a party to the appeal in conjunction with the ACSC, and requires the Company to reimburse the City for its rate case expenses associated with the City’s review of the RRM filing, and with the appeal of the City’s denial of the rate increase.

Rate Impact of Appeal by Atmos Effective June 1:

The RRM tariff constrains the annual increase in the residential customer charge to no more than \$0.50. The current \$17.70 customer charge will be increased to \$18.22 per month with the addition of an energy conservation program surcharge of \$0.02. The current \$17.70 customer charge for unincorporated area customers will become \$20.32 per month because all of the increase associated with a GRIP filing, which is applicable to all customers not covered by a RRM tariff, is placed on the customer charge. However, the commodity charge for unincorporated residential service will be less than one-half of the commodity charge for residents of incorporated areas—\$0.04172 per Ccf vs. \$0.08998 per Ccf.

A comparison of rates and rate impact of what Atmos initially proposed in its RRM filing is reflected in the following chart:

| Customer Class | Current Bill | New Bill | Difference | New Customer Charge | New Commodity Charge | Base Rate Increase |
|----------------|--------------|----------|------------|---------------------|----------------------|--------------------|
| Residential | 48.09 | 50.11 | 2.02 | \$ 18.22 | \$0.08998 Ccf | 9.41% |
| Commercial | 254.85 | 260.91 | 6.06 | \$ 38.85 | \$0.07678 Ccf | 9.59% |
| Industrial | 4,680.30 | 4,837.10 | 156.80 | \$675.00 | declining block | 9.70% |
| Transportation | 2,836.84 | 2,993.64 | 156.80 | \$675.00 | declining block | 9.70% |

However, Atmos has indicated that it will not appeal all issues raised by cities and thus the impact should be slightly less than what is reflected in the above chart. A precise impact statement cannot be presented until after the Company’s appeal is filed.

Reasons Justifying Approval of the Resolution:

Consultants working on behalf of ACSC Cities have investigated the Company’s requested rate increase. While the evidence does not support the \$45.7 million increase requested by the Company, ACSC’s consultants agree that the Company can justify an increase in revenues of a much lesser amount—namely, an increase of only \$19 million. The Executive Committee authorized a settlement value considerably above the consultants’ recommendation but it was insufficient to meet the Company’s expectation. The Company and ACSC Cities were

too far apart in their positions to reach a compromise, and rather than granting a partial increase that the Company will not accept, the option remaining is to deny the rate increase request in its entirety, and participate in the Company's appeal of this decision at the Railroad Commission.

Explanation of "Be It Resolved" Paragraphs:

1. This paragraph approves all findings in the Resolution.
2. This section denies the requested rate increase, finds the proposed rates to be unreasonable and not in the public interest, and finds the existing rates to be just and reasonable.
3. This section requires the Company to reimburse ACSC Cities for reasonable ratemaking costs associated with reviewing and processing the RRM application.
4. This section authorizes participation by the City in conjunction with ACSC in any appeal filed by the Company at the Railroad Commission, and authorizes ACSC and its counsel to act on behalf of the City. This section also requires the Company to reimburse ACSC Cities for reasonable ratemaking costs associated with any appeal filed by the Company to the City's resolution.
5. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
6. This section is a savings clause, which provides that if any section(s) is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution. This section further directs that the remaining provisions of the Resolution are to be interpreted as if the offending section or clause never existed.
7. This paragraph directs that a copy of the signed Resolution be sent to a representative of the Company and legal counsel for ACSC.

RECOMMENDED ACTION

Adoption of Resolution denying proposed rate increase.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 11-2014**

A RESOLUTION DENYING THE RATE INCREASE REQUESTED BY ATMOS ENERGY CORP., MID-TEX DIVISION UNDER THE COMPANY'S 2014 ANNUAL RATE REVIEW MECHANISM FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES PERTAINING TO REVIEW OF THE RRM; AUTHORIZING THE CITY'S PARTICIPATION WITH ATMOS CITIES STEERING COMMITTEE IN ANY APPEAL FILED AT THE RAILROAD COMMISSION OF TEXAS BY THE COMPANY; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES IN ANY SUCH APPEAL TO THE RAILROAD COMMISSION; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE STEERING COMMITTEE'S LEGAL COUNSEL

WHEREAS, the City of Kerrville, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), and a regulatory authority with an interest in the rates and charges of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC"), a coalition of approximately 164 similarly situated cities served by Atmos Mid-Tex that have joined together to facilitate the review of and response to natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, pursuant to the terms of the agreement settling the Company's 2007 Statement of Intent to increase rates, ACSC Cities and the Company worked collaboratively to develop a Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process controlled in a three-year experiment by ACSC Cities as a substitute to the current Gas Reliability Infrastructure Program ("GRIP") process instituted by the Legislature; and

WHEREAS, the City took action in 2008 to approve a Settlement Agreement with Atmos Mid-Tex resolving the Company's 2007 rate case and authorizing the RRM tariff; and

WHEREAS, in 2013, ACSC and the Company negotiated a renewal of the RRM tariff process for an additional five years; and

WHEREAS, the City passed an ordinance renewing the RRM tariff process for the City for an additional five years; and

WHEREAS, the RRM renewal tariff contemplates reimbursement of ACSC Cities' reasonable expenses associated with RRM applications; and

WHEREAS, on or about February 28, 2014, the Company filed with the City its second annual RRM filing under the renewed RRM tariff, requesting to increase natural gas base rates by \$45.7 million; and

WHEREAS, ACSC coordinated its review of Atmos Mid-Tex's RRM filing through its Executive Committee, assisted by ACSC attorneys and consultants, to investigate issues identified by ACSC in the Company's RRM filing; and

WHEREAS, ACSC attorneys and consultants have concluded that the Company is unable to justify a rate increase of the magnitude requested in the RRM filing; and

WHEREAS, ACSC's consultants determined the Company is only entitled to a \$19 million increase, approximately 42% of the Company's request under the 2014 RRM filing; and

WHEREAS, the Company would only be entitled to approximately \$31 million if it had a GRIP case; and

WHEREAS, the Company's levels of operating and maintenance expense have dramatically risen without sufficient justification; and

WHEREAS, the Company has awarded its executives and upper management increasing and unreasonable levels of incentives and bonuses, expenses which should be borne by shareholders who received a 23% total return on investment in 2013; and

WHEREAS, the Company requested a drastically high level of medical expense that is unreasonable and speculatively based upon estimates; and

WHEREAS, ACSC and the Company were unable to reach a compromise on the amount of additional revenues that the Company should recover under the 2014 RRM filing; and

WHEREAS, the ACSC Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities deny the requested rate increase; and

WHEREAS, the Company's current rates are determined to be just, reasonable, and in the public interest; and

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

SECTION ONE. The findings set forth in this Resolution are hereby in all things approved.

SECTION TWO. The City Council finds that Atmos Mid-Tex was unable to justify the appropriateness or the need for the increased revenues requested in the 2014 RRM filing, and that existing rates for natural gas service provided by Atmos Mid-Tex are just and reasonable.

SECTION THREE. Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC Cities in processing the Company's RRM application.

SECTION FOUR. In the event the Company files an appeal of this denial of rate increase to the Railroad Commission of Texas, the City is hereby authorized to intervene in such appeal, and shall participate in such appeal in conjunction with the ACSC membership. Further, in such event Atmos Mid-Tex shall reimburse the reasonable expenses of the ACSC Cities in participating in the appeal of this and other ACSC City rate actions resulting from the 2014 RRM filing.

SECTION FIVE. The meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

SECTION SIX. If any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

SECTION SEVEN. A copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Manager of Rates and Regulatory Affairs, at Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED ON this the _____ day of _____ A.D., 2014.

APPROVED AS TO FORM:


Michael C. Hayes, City Attorney

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary

Agenda Item:

5C. Drought contingency plan and water conservation plan. (staff)

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

SUBJECT: Drought Contingency Plan and Water Conservation Plan

FOR AGENDA OF: 4/13/14

DATE SUBMITTED: 3/28/14

SUBMITTED BY: Stuart Barron
Public Works Director

CLEARANCES: Kristine Ondrias
Deputy City Manager

EXHIBITS:

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 FINANCE DIRECTOR:

SUMMARY STATEMENT

The Texas Water Development Board (TWDB) requires retail public water supplies with more the 3,300 connections to:

1. Conduct and submit a water loss audit, annually (completed)
2. Report their progress in implementing their water conservation plan, annually (completed)
3. Update water conservation plan and drought contingency plan, every five years

A Water Conservation Plan is a strategy or combination of strategies for reducing the consumption of water, reducing the loss or waste of water, improving or maintaining the efficiency in the use of water, or increasing recycling and reuse of water. It contains best management practices measures intended to meet the targets and goals identified in the plan.

The Drought Contingency (Emergency Demand Management) Plan is a strategy or combination of strategies for responding to temporary and potentially recurring water supply shortages and other supply emergencies.

Area of possible consideration:

- Irrigation represents the highest demand for city water. Therefor our first three water conservation stages mainly deal with curtailing irrigation. (no change recommended)
- Increase highest water rate tier of our rate structure. This would promote conservation of irrigation water while preserving a low rate entry level for our sustenance users.
- Amend the current odd / even address watering schedule to a map based watering schedule. This would allow Water Production to better prepare for a watering even by keeping tank fuller and system pressure higher. If implemented this would allow us to be better prepared for a fire event.

Currently the City of Kerrville Water Conservation Plan and Drought Contingency Plan are working well. We use a three step approach, first we utilize a tiered rate structure that starts at \$3.06 per 1000 gallons and tops out at \$7.12 per 1000 gallons. This keeps prices down for our low use user and raises the price for our high use users. Next we utilize our water conversation stages (drought plan). Stage One starts at 65% of safe operating capacity and increase 10% with every stage until we reach 95% where it only increases 5% between 95% and 100%. This plan is based on supply and demand, but allows for mechanical fluxions within our system and variations in our source water. The final conservation strategy is educational. We publish numerous press preleases every year and have free conservational information in the bill pay area.

RECOMMENDED ACTION

Approve updating Water Conservation Plan / Drought Contingency Plan with minimal alterations.

Agenda Item:

5D. Proposal for the city to acquire a 7.964 acre tract of land located on the north side of Holdsworth Drive and immediately adjacent to the western boundary of Section Two of the Keystone Subdivision. (staff)

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

SUBJECT: Proposal to acquire a 7.964 acre tract of land located on the north side of Holdsworth Drive and immediately adjacent to the western boundary of Section Two of the Keystone Subdivision

FOR AGENDA OF: May 13, 2014

DATE SUBMITTED: May 7, 2013

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS: Aerial Photo
Survey Map
Topographic Map
Metes and Bounds Description

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

The City of Kerrville has been approached with a proposal to acquire a nearly 8 acre tract of land generally located along the western boundary of Section Two of the Keystone Subdivision. The property is located on the north side of Holdsworth Drive.

Staff has conducted a preliminary evaluation of the property. Its topography is extremely hilly, it is landlocked in that it has no practical access to a public right-of-way, and a major drainage and slope easement is located along its common border with the Keystone Subdivision. The property is also oddly shaped which, when added to the existing topography, makes its functionality very limited.

In addition to the physical characteristics of the property, it is also unsecured. There is currently no effective way to prohibit trespassing, dumping or any other unauthorized access to the site.

Staff has been informed that adjacent land owners are not interested in the property and that there have been no inquiries pursuant to the property listing. According to the listing agent, this property is likely to go into property tax foreclosure.

RECOMMENDED ACTION

I do not recommend purchasing this tract of land. However, should the City Council be interested in considering its acquisition via donation I would recommend that city staff be directed to conduct a more detailed evaluation. Items to consider include, but are not limited to:

1. how it relates to the properties that immediately border it to the west and north,
2. costs associated with securing the tract,
3. whether any environmental assessments have been conducted – i.e. phase 1 environmental assessment,
4. condition of the major slope and drainage systems that immediately abut the property (Keystone),
5. manner in which public access could be provided,
6. costs associated with regular maintenance,
7. means of ingress and egress for public safety operations,
8. potential for recreation and parks uses, and
9. land use policies identified in the Kerrville Comprehensive Master Plan.

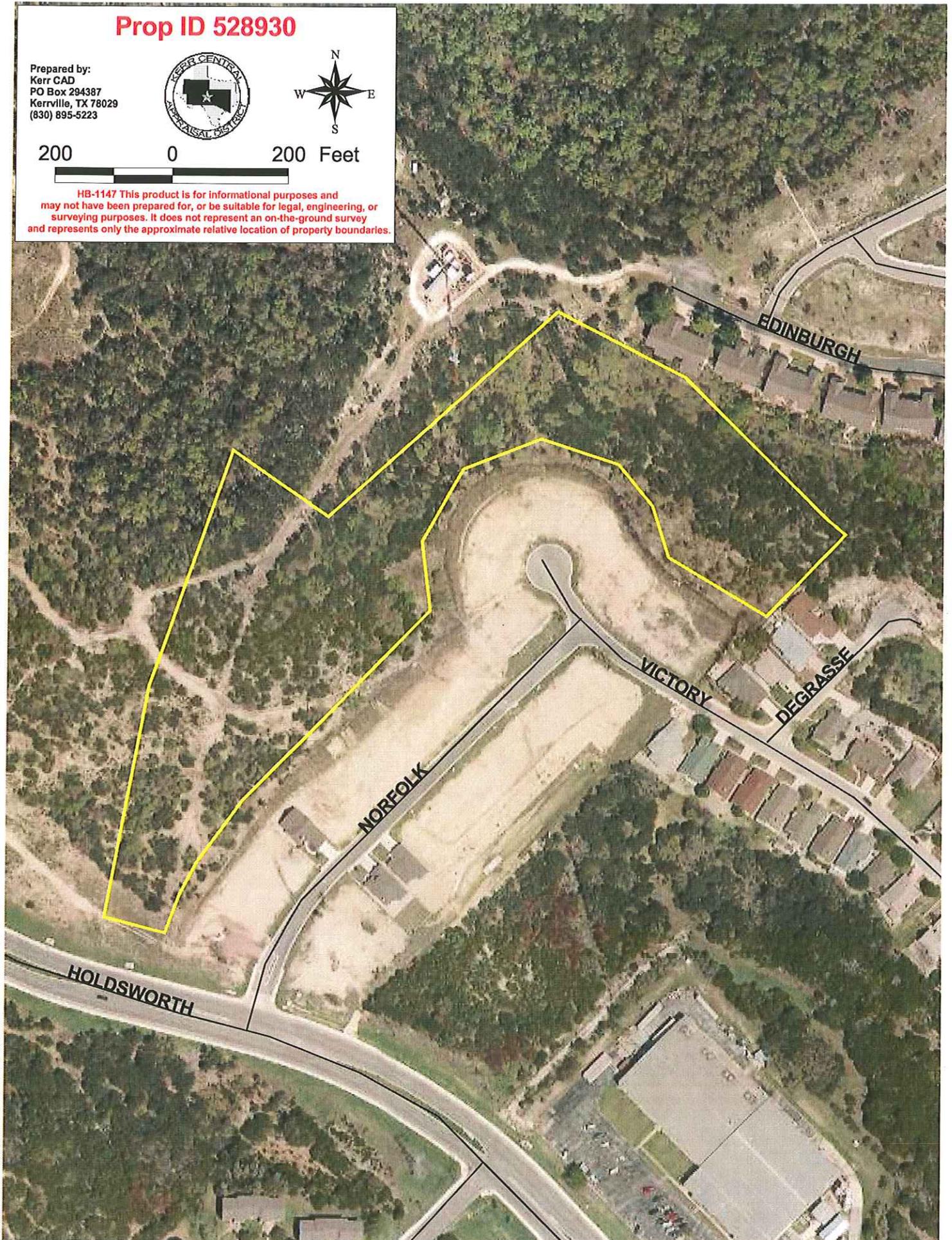
Prop ID 528930

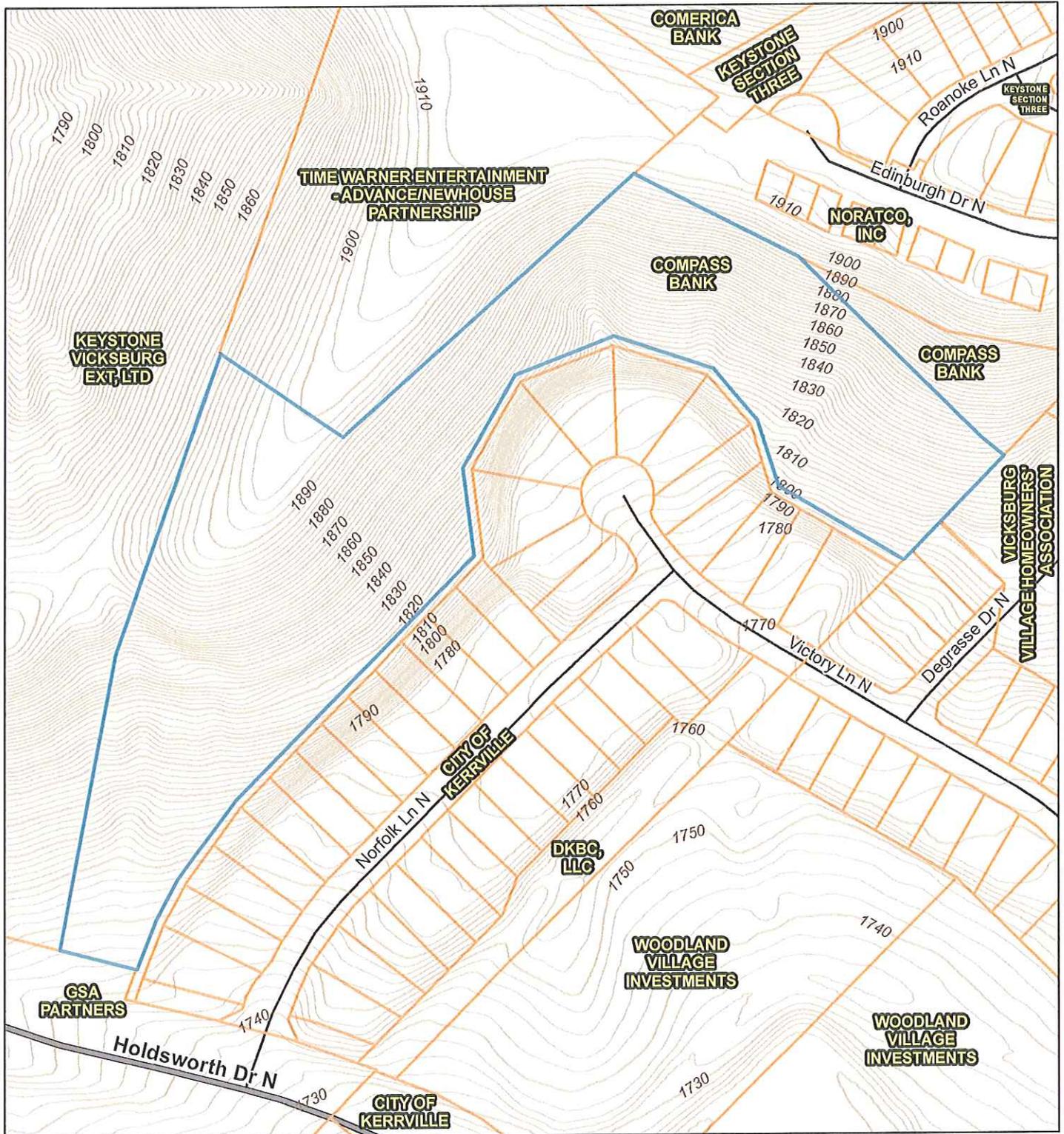
Prepared by:
Kerr CAD
PO Box 294387
Kerrville, TX 78029
(830) 895-5223



200 0 200 Feet

HB-1147 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 the approximate relative location of property boundaries.





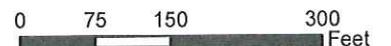
Legend

-  Tax Parcels
-  10 ft Contour
-  2 ft Contour

Parcel 528930 - Contour Map



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 Created On: 5/7/2014 1:55:02 PM



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.

METES AND BOUNDS

Being a 7.964 acre tract of land out of part of 236.083 acres conveyed from Noratco, Inc. to Phoenix Summit, Ltd., recorded in Volume 1414, Page 221 of the Real Property Records of Kerr County, Texas, and said 7.964 acres being more particularly described by metes and bounds as follows:

- BEGINING** at a 1/2 inch iron rod found in the North right-of-way line of Holdsworth Drive for the most Southeast corner of this tract, same being the most Southwest corner of a 0.386 acre, 10 foot wide property owners drainage and slope easement per Keystone Section Two, recorded in Volume 8, Page 99-101, Plat Records of Kerr County, Texas;
- THENCE** N 77° 41' 44" W along the North right-of-way of Holdsworth Drive, a distance of 85.09 feet, to a 1/2 inch iron rod found for the Southwest corner of this tract;
- THENCE** upon, over and across said 236.083 acres, N 10° 44' 24" E, departing the North right-of-way of Holdsworth Drive, a distance of 413.80 feet, to a 1/2 inch iron rod set; and N 19° 017' 05" E, a distance of 415.60 feet to a 1/2 in iron rod set for the West corner of 5.596 acres recorded in Volume 989, Page 206, Real Property Records of Kerr County, Texas, being a Northwesterly corner of this tract;
- THENCE** S 55° 42' 34" E, with the common line between said 236.083 and 5.596 acre tracts, a distance of 199.24 feet, to a 1/2" iron rod set for a reentrant corner of said 236.083 acres and herein described tract and the south corner of said 5.596 acres; and N 48° 25' 52" E, a distance of 526.32 feet, to a 1/2 inch iron rod found, for a North corner of said 236.083 acres, the most northerly corner of herein described tract, the West corner of Lot 1 of The Highlander, Phase 1A, a subdivison of Kerr County, according to the plat recorded in Volume 6, Page 32, Plat Records of Kerr County, Texas;
- THENCE** S 63° 55' 25" E, with the common line between said 236.083 and said Lot 1, a distance of 483.45 feet, to a 1/2 inch iron rod set; and ; S 83° 10' 25" E, a distance of 152.66 feet, to a 1/2 inch iron rod set for an East corner of said 236.083 acres, the East corner of herein described tract, the Northwest corner of 3.64 acre save and except to Vicksburg Village L.P. recorded in Volume 782, Page 445, Real Propetry Records, Kerr County, Texas;
- THENCE** S 44° 40" 49' W, with the common line between said 236.083 and 3.64 acre tracts, a distance of 64.33 feet, to a 1/2 inch iron rod set

for the West common corner between said 3.64 acres and Lot 2 of Keystone Place, Section One, a subdivision of Kerr County according to the plat of record in Volume 7, Page 335, Plat Records of Kerr County, Texas;

THENCE S 44° 27' 31" W, with the common line between said 236.083 acres and said Lot 2, a distance of 203.16 feet, to a 1/2 inch iron rod set for the West common corner between said Lot 2 and Lot 4 of Vicksburg Village, Section Three, a subdivision of Kerr County according to plat recorded in Volume 6, Page 260, Plat Records of Kerr County, Texas;

THENCE S 44° 32' 27" W, with the common line between said 236.083 acres and Lots 3 and 4 of said Vicksburg Village, Section Three, a distance of 75.06 feet, to a 1/2" iron rod found for a Northeasterly corner of a 0.386 acre, 10 foot wide Property Owners Association Drianage and Slope Easement and being part of the subdivision Keystone, Section Two, of Kerr County according to plat recorded in Volume 8, Page 101, Plat Records of Kerr County, Texas;

THENCE following said 10 foot wide easement of said subdivision Keystone, Section Two, the followiin courses and distances;

N 59° 28' 42" W, 189.83 feet, to a 1/2 inch iron rod set;
N 17° 41' 08" W, 93.90 feet, to a 1/2 inch iron rod set;
N 40° 29' 46" W, 90.18 feet, to a 1/2 inch iron rod set;
N 72° 11' 39" W, 139.60 feet, to a 1/2 inch iron rod found;
S 68° 51' 48" W, 140.33 feet, to a 1/2 inch iron rod set;
S 29° 54' 33" W, 140.25 feet, to a 1/2 inch iron rod set;
S 07° 51' 52" E, 119.34 feet, to a 1/2 inch iron rod found;
S 44° 35' 25" W, 457.99 feet, to a 1/2 inch iron rod found;
S 36° 24' 19" W, 126.05 feet, to a 1/2 inch iron rod set;
S 28° 06' 12' W, 64.36 feet, to a 1/2 inch iron rod found;

THENCE S 21° 48' 22' W, a distance of 109.22 feet to the Point of Beginng and containing 7.964 acres of land.

Enrique C. Elizondo



12/9/2013

Agenda Item:

5E. Agreement with Tuscany Land, Ltd. to acquire property interests to bury the raw water irrigation line for the Riverhill Golf Course, acquire a recreation easement (river trail), settle claim with Riverhill Country Club, Inc., install a water meter and other matters related to these subjects. (staff)

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

SUBJECT: Authorize City Manager to finalize an agreement with Tuscany Land, Ltd. to bury the raw water irrigation line for the Riverhill Golf Course, dedicate a trail easement, and install a water meter

FOR AGENDA OF: May 13, 2014

DATE SUBMITTED: May 7, 2013

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS: Project Map
Existing Agreement between City and Riverhill
Draft Agreement between City and Tuscany Land, Ltd.

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

During the design phase of the river trail segment that extends from G Street to Kerrville Schreiner Park a portion of the above-ground raw water irrigation line for the Riverhill Golf Course was damaged. This above ground line is of aluminum construction and has served the golf course for many years.

A boring rig crushed several segments of pipe as they entered the project site. The existing, above ground line crosses the planned location of the river trail and must be buried. The city received and is holding funds from the contractor to replace the crushed pipe sections. With the planned construction of the trail city staff initiated conversations with Riverhill Golf Course and Tuscany Land, Ltd. about options to bury the irrigation line. The above ground line is located within a temporary easement and a permanent easement is needed to accommodate the new, buried line.

Riverhill has agreed to pay the city's cost to bury their irrigation line and has already provided payment. Tuscany Land, Ltd. is agreeable to burying the irrigation line and to negotiate a permanent easement.

While discussing the Riverhill irrigation line issues with Tuscany Land, Ltd., staff also initiated discussion on two other issues.

The first was the possibility of a trail extension that could run from the Birkdale Lane East cul-de-sac to the planned river trail. This would be approximately 1,000 feet of trail that would provide a connection to the Riverhill Subdivision. The majority of the trail section would be located on city property. However, a small section would be needed through the Keeble tract. Tuscany Land, Ltd. is agreeable to negotiate the dedication of this easement as well. Construction of this trail extension would occur should funds be available and should City Council authorize its construction.

The second issue was to address an outstanding water credit provided to the Tuscany Land, Ltd. tract. A credit of 2 million gallons of water was provided by the city pursuant to a settlement agreement in February 2009 that arose as a result of the construction of the Riverhill water transmission line. Kerrville installed a temporary water meter and 1,937,000 gallons of the original credit remains unused. There is no termination date for the use of the water. Staff has proposed that the city install a 2-inch meter and vault and provide a credit for the balance of the unused water to be used through that meter. The value of the 2-inch meter and vault installation is \$4,400.

The attached map depicts the potential locations for the Riverhill irrigation line and the possible trail extension to the Birkdale Lane East cul-de-sac.

RECOMMENDED ACTION

Staff recommends that City Council authorize the City Manager to finalize and execute the proposed agreement provided that there are no substantive changes to the draft documents attached to this agenda bill.



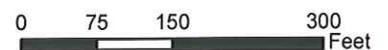
Legend

- Above Ground Irrigation Line
- Underground Irrigation Line
- Proposed Main River Trail
- Proposed River Trail From Riverhills
- Tax Parcels

Birkdale Ln Trailhead



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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.

7646

AGREEMENT

VOL. 492 PAGE 835

STATE OF TEXAS)

COUNTY OF KERR)

This Agreement is entered into this 22 day of November, 1988, by and between the CITY OF KERRVILLE, "CITY", and RIVERHILL COUNTRY CLUB, INC., "RIVERHILL".

WHEREAS, the CITY has conveyed to RIVERHILL that certain waterwell known as Birkdale Water Well, or Water Well #2-Riverhill, and that certain waterwell site on Birkdale, approximately 79 ft. X 80 ft., shown on plat of RIVERHILL Townhouse Tract #4, recorded in Vol. 4, Page 223, Plat Records, Kerr County, Texas; and,

WHEREAS, the CITY has retained ownership in the treatment plant and other sewage facilities and real property located on Hwy 173, Kerr County, Texas; and,

WHEREAS, RIVERHILL desires to obtain an easement across the CITY's sewage plant property located on Hwy 173, it is agreed as follows:

The CITY OF KERRVILLE hereby grants to RIVERHILL COUNTRY CLUB, INC. a 30' wide permissive easement to lay a temporary surface irrigation pipe across the CITY's real property known as the Sewage Treatment Plant north of Hwy 173, for purposes of transferring water from the Guadalupe River to RIVERHILL COUNTRY CLUB, INC. The location of the easement shall be by mutual agreement of the parties from time to time as the use for the easement is required. However, the location of the easement shall be the shortest distance between the river and RIVERHILL COUNTRY CLUB property so as to not interfere with the use of the Sewage Treatment Plant property at the time of each request.

Approved by City Council

Date: 11-22-88

Volume 31 Page 330

It is further agreed by the parties hereto that this permissive easement is terminable upon ninety (90) days written notice from the CITY OF KERRVILLE to RIVERHILL COUNTRY CLUB, INC.

SIGNED this 29 day of November, 1988.

CITY OF KERRVILLE

BY: Edd R. Turner
Edd R. Turner, Mayor

ATTEST AND APPROVED:

Sheila L. Brand, Sheila L. Brand
Thomas S. Terrell Nov 28 1988
THOMAS S. TERRELL
City Attorney

RIVERHILL COUNTRY CLUB, INC.

BY: R. D. Maxson
R. D. Maxson

ATTEST AND APPROVED:

J. J. Clemens, J. J. Clemens
Emil Karl Prohl, Emil Karl Prohl
ATTORNEY FOR RIVERHILL
COUNTRY CLUB, INC.

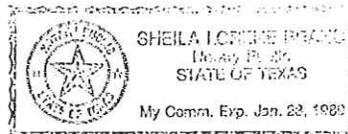
STATE OF TEXAS)

COUNTY OF KERR)

BEFORE ME, the undersigned authority, on this day personally appeared Edd R. Turner, Mayor of CITY OF KERRVILLE, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he ~~she~~ executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 29 day of November, 1988.

Sheila Lorene Brand
Notary Public, in and for
Kerr County, Texas

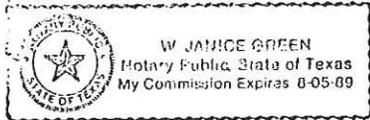


STATE OF TEXAS)
COUNTY OF KERR)

VOL. 492 PAGE 837

BEFORE ME, the undersigned authority, on this day personally appeared R. D. MAXSON, President, of RIVERHILL COUNTRY CLUB, INC., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 22nd day of November, 1988.



W. Janice Green
Notary Public, in and for
Kerr County, Texas

FILED FOR RECORD
at 9:55 o'clock PM

DEC 8 1988

PATRICIA DYE
Clerk County Court, Kerr County, Texas
By *Annelle C. Anderson* Deputy

RECORDED IN Real Property
FILE DATE: December 8, 1988
FILE TIME: 9:55 O'CLOCK A. M
VOL. 492 PAGE 835
RECORDING DATE

any provisions herein which restricts the sale, rental or use of the described real property because of color or race is invalid and unenforceable under Federal Law (THE STATE OF TEXAS)

COUNTY OF KERR
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me and was duly RECORDED in the Official Public records of Real Property of Kerr County, Texas on

DEC 16 1988



PATRICIA DYE
COUNTY CLERK, KERR COUNTY
BY *David J. Henderson* Deputy

DEC 16 1988



Patricia Dye
COUNTY CLERK, KERR COUNTY, TEXAS

INDEXED
COMPARED

Return to:
City of Kerrville
800 Gcl. Hwy.
Kerrville, TX 78038

DRAFT 5/5/14

AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2014, by and between CITY OF KERRVILLE (“City”), and TUSCANY LAND, LTD., a Texas Limited Partnership (“Tuscany”);

WITNESSETH:

A. Tuscany owns property adjacent to Highway 173 and north of the site of the City’s Birkdale Lift Station property (“Lift Station”) in Kerrville, with an address of ____ Bandera Highway, which site is shown on **Exhibit A** (“Property”).

B. Riverhills Country Club, Inc. (“Riverhills”), pursuant to an **existing agreement with Tuscany**, owns an aboveground waterline that crosses the Property from the Lift Station to the Guadalupe River. Riverhills, pursuant to a state-issued water right, uses the waterline to transfer water from the river to irrigate its golf course.

C. Previously, Tuscany provided the City with a recreation easement across the Property for the installation and use of a public pedestrian river trail.

D. As part of the construction of the river trail, City needs to bury the waterline so that its use does not interfere with the river trail and Tuscany and Riverhills have agreed to allow this.

E. In an effort to expeditiously and efficiently resolve all other pending issues between the parties:

1. Tuscany has agreed to convey to City an additional recreation easement for City’s use to connect the future river trail to the Lift Station for the creation of a trailhead; and
2. The City has agreed to install a permanent water meter at Tuscany’s property located along Highway 16 South (“Property II”), which site is shown on **Exhibit B** and to credit Tuscany’s water utility account with the amount of water that Tuscany received pursuant to a previous agreement with the City.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements provided here the receipt and sufficiency of which are acknowledged and confessed, the parties have agreed as follows:

1. Waterline.

A. Tuscany shall convey to City a permanent, ____ foot (___’) wide utility easement (“Utility Easement”) across the Property in the general vicinity of the current location of the existing waterline owned by Riverhills. The Utility Easement is attached as **Exhibit C**. The

DRAFT 5/5/14

City will finalize the legal description for the Utility Easement upon the commencement of construction for several public works projects that it's conducting in the area, with an anticipated date being July 1, 2014.

B. The Utility Easement includes a construction easement for work necessary to burying the waterline and future work necessary to operate, repair, maintain, rebuild, replace, resize, and remove the waterline. Tuscany acknowledges and agrees that any such work will be conducted by Riverhills, the City, or agents thereof.

C. In executing this Agreement, Tuscany agrees with the terms provided in the Utility Easement and will execute the Utility Easement within ten (10) days following its submission by the City.

D. Following Tuscany's conveyance of the Utility Easement to City, City shall commence work and work diligently to bury Riverhills' existing waterline within the Utility Easement.

2. Additional River Trail. Tuscany shall convey to City a twenty foot (20') wide recreation easement ("Recreation Easement") on the Property. The City will use the Recreation Easement to connect the existing location of the future river trail as located on the Property to an area adjacent to the Lift Station. The general location of this extension of the river trail is depicted at **Exhibit A**. The Recreation Easement and legal description are attached as **Exhibit D**. Tuscany shall execute the Recreation Easement at the same time that it executes this Agreement.

3. Water Service.

A. Within ____ days of the full execution of this Agreement, City shall install at its cost a tap, two inch (2") water meter, and vault within the vicinity of the existing service connection located at Property II. Following this installation, City shall remove the temporary meter.

B. Pursuant to that *Compromise, Settlement, and Release Agreement* as entered into by the parties on or about February 12, 2009, the City has calculated that it is obligated to provide Tuscany with 1,937,300 gallons of water and as such, will credit this amount to Tuscany's water account for use solely on Property II.

4. Default/Dispute Resolution. In the event either party fails to comply with this Agreement and/or fails to perform its obligations hereunder, then the non-defaulting party may terminate this Agreement; provided, that in no event will either party be liable for any punitive, speculative, or consequential damages nor be able to seek any equitable relief (no specific performance). The parties agree to negotiate in good faith in an effort to resolve any dispute related to this Agreement that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this

DRAFT 5/5/14

Agreement.

5. Binding Effect. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective heirs, legal representatives, successors, and assigns.

6. Entire Agreement; Modification. This Agreement embodies and constitutes the entire understanding among the parties with respect to the transactions contemplated herein, and all prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged, or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge, or termination is sought, and then only to the extent set forth in such instrument, except as otherwise expressly provided herein.

7. Notices. Any notice to be given or to be served upon any party hereto, in connection with this Agreement, must be in writing, and may be given by Certified or Registered Mail and is deemed to have been given and received when a Certified or Registered Letter containing such notice, properly addressed, with postage prepaid is deposited in the United States Mail, or if delivered by any other method, including without limitation by FAX or by expediting service, is deemed to have been given when delivered or transmitted to the address specified and when receipt is verified by such method at such address. Such notices must be given to the parties at the addresses below. Any party may, at any time by giving of five (5) days written notice to the other party, designate another address to which a notice must be given.

8. Headings. The headings contained in this Agreement are for reference purposes only and do not in any way affect the meaning or interpretation of this Agreement.

9. Time of Essence. Time shall be of the essence in the performance of this Agreement. However, if the final date of any period which is not set out in any provision of this Agreement falls on a Saturday, Sunday, or legal holiday under the laws of the United States or the State of Texas, then in such event, the time of such period is extended to the next day which is not a Saturday, Sunday, or legal holiday.

10. Invalidity. The invalidity or unenforceability in particular circumstances of any portion of this Agreement will not extend beyond such provision or such circumstances, and no other provision will be affected thereby. If, from any other circumstances, fulfillment of any provision of this Agreement, or the exercise of any right or option whatsoever contained in this Agreement involves transcending the limit of validity prescribed by law, then, the provision, right or obligation to be fulfilled is reduced or reformed to the limit of such validity.

11. Interpretation. Whenever the context so requires, the singular includes the plural, the male gender includes the female gender and the neuter, and vice versa.

DRAFT 5/5/14

12. **Attorneys' Fees.** Should either party employ an attorney or attorneys to enforce any of the provisions hereof or to protect its or their interest in any matter arising under this Agreement, or to recover damages for the breach of this Agreement, the non-prevailing party in any action (the finality of which is not legally contested) agrees to pay to the prevailing party all reasonable costs, damages, and expenses, including attorneys' fees, expended or incurred in connection therewith.

13. **Applicable Law.** This Agreement is governed by, and construed in accordance with, the laws of the State of Texas and is performable in Kerr County, Texas.

14. **Counterparts.** This Agreement may be executed in any number of counterparts and each such counterpart will be deemed to be an original instrument, but all such counterparts together will constitute but one Agreement.

15. **Authority.** Each party represents to the other that all authorizations and approvals for this Agreement and transaction have been obtained. Upon request, each party will provide evidence of such authority and approval.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CITY:

CITY OF KERRVILLE

BY: _____
Todd Parton, City Manager

Address:
City Hall
701 Main Street
Kerrville, Texas 78028

TUSCANY:

BY: TL, LLC, General Partner

BY: _____
Robert Keeble, President

Address:
P. O. Box 2911276
Kerrville, Texas 78029-1276

T:\Legal\PUBLIC WORKS\Prop transaction\Tuscany_acq water line, rec easement, water meter_050514.docx



Legend

- Above Ground Irrigation Line
- Underground Irrigation Line
- Proposed Main River Trail
- Proposed River Trail From Riverhills
- Tax Parcels

Exhibit A

Birkdale Ln Trailhead



Created By: joyoung
 Created On: 5/6/2014 4:23:14 PM



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.



ATTACHMENT C

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

**GENERAL UTILITY EASEMENT
(Tuscany Land, Ltd.)**

**THE STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS**
COUNTY OF KERR §**

That Tuscany Land, Ltd., a Texas Limited Partnership, owner of the real property described herein and hereinafter referred to as "Grantor", whose address is P.O. Box 293565, Kerrville, Texas 78029-3565, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, paid by the City of Kerrville, Texas, 701 Main Street, Kerrville, Texas, 78028, hereinafter called "Grantee", the receipt and sufficiency of which is hereby acknowledged, has granted, sold, and conveyed, and by these presents does hereby grant, sell, and convey unto Grantee, its successors and assigns, a general utility easement for public water and wastewater utility purposes, including the right of ingress, egress, and regress therein, to erect, construct, reconstruct, install, place, repair, operate, use, inspect, modify, remove, replace, resize, and maintain water and wastewater lines, together with all lines, pipes, conduits, and other facilities, equipment, improvements, and appurtenances (collectively referred to herein as the "Lines") used in connection with such public utilities as deemed necessary thereby by Grantee over, along, across, under, into, and through the following described property of the Grantor:

A _____ (___') wide general utility easement, consisting of approximately _____ acres or _____ square feet, tract of land out of that called _____ acre tract conveyed to Tuscany Land, Ltd., by instrument recorded in Volume 1454, Pages 5-9 of the Official Public Records of Kerr County, Texas; situated in the Nathaniel Hoyt Survey No. 147, Abstract 178, within the City of Kerrville, Kerr County, Texas, and as more particularly described and depicted in Exhibits A and B, attached hereto and made a part hereof for all purposes (the "Easement").

In addition, Grantor grants Grantee a variable width construction easement ("Construction Easement") adjacent to and running the length of the Easement for the sole purpose of constructing, installing, and thereafter and from time-to-time, maintaining the Lines, which will be conducted by Grantee, Riverhills Country Club, Inc., or their agents or representatives. Prior to entry onto Grantor's property and the commencement of any such work, Grantee or Riverhills Country Club, Inc. shall provide Grantor with notice of any such work, the scope, and the timeline.

The Easement and Construction Easement are subject to the following terms and provisions:

1. The grant of the Easement is subject to the following specific reservations and exceptions:

(A) Grantor reserves the right to include the Easement for purposes of calculating impervious cover requirements, setback requirements, or such other requirements that may be imposed in the development or redevelopment of Grantor's adjacent lands; and

(B) The Easement is granted subject to all recorded easements, rights of way, and other documents of record and all zoning and other municipal ordinances and regulations.

2. Grantee shall have the right to do whatever may be requisite for the enjoyment of the rights herein granted, including the right to clear the Easement and Construction Easement of brush and timber, and the right of egress from and ingress to the Easement and the Construction Easement. However, Grantee will make commercially reasonable efforts to ensure that damage to Grantor's future improvements within the Easement or Construction Easement, as permitted herein, and/or any adjacent land of Grantor used to access the Easement is minimized and that no damage occurs to any future improvement on Grantor's adjacent land. Grantee will at all times, after performing any work in connection with the Easement or the Lines therein, restore the area within the Easement, Construction Easement, and any land used to access same to the condition in which the same was found before any such damage occurred.
3. Grantor shall have the right to fully use and enjoy the Easement and Construction Easement for any purpose which shall not interfere with the rights herein granted to Grantee. Without limitation, such uses by Grantor include installation, maintenance, repair, and replacement of paved parking (asphalt or concrete) within the Easement. Grantor agrees not to interfere with Grantee's ability to use or maintain the Easement or Construction Easement for any of the authorized purposes provided for herein. Interference includes but is not limited to physically modifying the Easement and Construction Easement such as altering topography, installing fences, structures, rockeries, walls, or similar improvements which would prevent or limit access to the Easement or Construction Easement; planting of difficult to restore landscaping; piling or the storage of dirt, trash, garbage, debris, or other materials. Grantor, upon the receipt of written notice from the Grantee, shall remove any cited interference from the Easement or Construction Easement which prevents proper use of said easements for the purposes intended herein. Grantee may grant written permission to the Grantor to physically modify the Easement or Construction Easement upon receipt of written request.
4. Grantee, its successors, and assigns shall enjoy the rights, benefits, and privileges herein conveyed until relinquished and released by written instrument executed by the Grantee.

TO HAVE AND TO HOLD the above described easements, together with all the rights and appurtenances thereto in anywise belonging unto the said public generally for the purposes hereinabove recited.

WITNESS THE EXECUTION HEREOF on this _____ day of _____, 2014.

(signatures begin on next page)

GRANTOR

TUSCANY LAND LTD.

BY: TL LLC, General Partner

By: _____
Robert Keeble, President

Acknowledgment

THE STATE OF TEXAS §
§
COUNTY OF KERR §

This instrument was acknowledged before me on the ____ day of _____, 2014, by Robert Keeble, President, TL, LLC, representing and acting as the General Partner of Tuscany Land, Ltd.

Notary Public, State of Texas

APPROVED AND ACCEPTED:

Todd Parton, City Manager
City of Kerrville, Texas

AFTER RECORDING RETURN TO:
Office of City Secretary
City of Kerrville, Texas
701 Main Street
Kerrville, Texas 78028

EXHIBIT D

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

RECREATION EASEMENT (Public River Trail)

THE STATE OF TEXAS §
 §
COUNTY OF KERR §

That Tuscan Land, Ltd., a Texas Limited Partnership (“Grantor”), whose address is 2510 Bandera Highway, Kerrville, Kerr County, Texas 78028, for good and valuable consideration, including the desire to improve the quality of life for the residents of the City of Kerrville, Texas, by making a gift of property for the establishment of a linear public park, and more specifically, a public river trail adjacent to the Guadalupe River, has GIVEN, GRANTED, AND CONVEYED and by these presents does hereby GIVE, GRANT, AND CONVEY to the City of Kerrville, Texas (“Grantee”), its successors and assigns, a permanent, perpetual, and non-exclusive easement and right-of-way, along, across, over, and under all of the certain tracts of land, which is further described and depicted in **Exhibit A** attached hereto and made a part hereof, and hereinafter referred to as the “Easement.” The Easement shall be for the purpose of creating, constructing, and maintaining a public river trail, consisting of materials such as concrete or natural materials to be solely determined by the Grantee, for walking, jogging, bicycling, and other recreational uses and amenities related thereto, such as the placement, installation, and construction of trash receptacles, lighting, security telephones, park benches, water fountains, irrigation, and signage, the types and locations of which to be solely determined

by the Grantee, and hereinafter the trail and amenities collectively referred to as the "Facilities." Facilities will not include restrooms, pavilions, or playground equipment.

The Easement is granted and accepted subject to the following conditions:

1. Grantee's rights shall include the right to bring and operate such equipment upon the Easement as may be necessary or appropriate to effectuate the purposes for which the Easement is granted, which include public use, and for the purposes of creating, constructing, and maintaining the Facilities. Grantee shall not commence the placement, installation, and construction of the Facilities without first notifying Grantor in writing within a reasonable period of time prior to such placement, installation, and construction, such period not to be less than fifteen (15) days. Grantee shall construct, operate, and maintain its Facilities in an efficient and workmanlike manner and shall not interfere with Grantor's use and enjoyment of the real property burdened by the Easement. Grantee shall have the right to remove any and all vegetation from the Easement, including trees and brush, which may be necessary or appropriate to effectuate the purposes for which the Easement is granted. In addition, Grantee may, in its sole discretion, plant vegetation, including trees and shrubs, within the Easement as a way of enhancing public use of Grantee's linear park. Grantee agrees to restrict use of the Easement to pedestrians, skaters, and bicyclists and for other non-motorized uses, except in cases where motorized vehicles are used by Grantee to maintain the Facilities or where such vehicles are used to monitor and patrol the Easement or respond to emergencies or where personal transport equipment is allowed pursuant to the Americans with Disabilities Act. Grantee shall install and maintain signs to provide public notice of the prohibition of motorized vehicle use. Grantee shall enforce all rules and regulations for City park and recreation areas.

2. Grantee also acknowledges that: (A) Grantee has control over the Facilities to be installed or constructed within the Easement and the use thereof by the public for recreational purposes; (B) the Facilities shall belong to the Grantee and that Grantee, not Grantor, shall be responsible for the continuous maintenance, repair, or removal of any of the Facilities; and (C) Grantee is solely responsible for all liability, claims, obligations, causes of action, and costs arising from the Grantee's or the public's use of the Easement or the Facilities. Further, Grantee shall be responsible for the periodic removal of trash and debris within the Easement.

3. The grant of the Easement is subject to the following specific reservations and exceptions:

(A) Grantor reserves the right to include the Easement for purposes of calculating impervious cover requirements, setback requirements, or such other requirements that may be imposed in the development or redevelopment of Grantor's adjacent lands; and

(B) The Easement is granted subject to all recorded easements, rights of way, and other documents of record and all zoning and other municipal ordinances and regulations.

Grantee, its successor and assigns shall enjoy the rights, benefits, and privileges herein conveyed until such time as the Easement may be abandoned, at which time all right, title, and interest in the Easement shall automatically and immediately cease to exist. However, any such "abandonment" shall only be effective and occur upon formal action taken by the Kerrville City Council.

This instrument contains the entire agreement of the parties. There are no other or different agreements or understandings between Grantor and Grantee or its agents. Grantor, in executing and delivering this instrument, has not relied upon any promises, inducements, or

representations of Grantee or its agents or employees, except as such are set forth herein. This instrument and the rights, easements, and agreements herein contained shall be covenants running with the land and shall inure to the benefit of and be binding and obligatory upon the heirs, executors, administrators, successors and assigns of the parties hereto.

TO HAVE AND TO HOLD the Easement, together with all and singular the rights and appurtenances thereto in any wise belonging, unto Grantee, its successors, assigns, and legal representatives and Grantor hereby binds itself and its successors, assigns and legal representatives to warrant and forever defend all and singular the Easement unto Grantee, its successors, assigns and legal representatives against every person whomsoever lawfully claiming or to claim the same or any part thereof by through or under Grantor, but not otherwise.

EXECUTED this the ____ day of _____, 2014.

Tuscany Land, Ltd., a Texas limited partnership

By: _____
Printed Name: _____
Its: _____

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF KERR §

On this day the ____ day of _____, 2014, before me the undersigned notary public, personally appeared _____ in his capacity as _____ of Tuscany Land, Ltd, a Texas Limited Partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said _____ in his capacity as _____ of said limited partnership, and that such person has executed the same as the act of such _____ in his capacity as _____ of said limited partnership for the purposes and consideration therein expressed, and in the capacity therein stated.

Notary Public in and for the State of Texas
My Commission Expires: _____
(SEAL)

APPROVED AND ACCEPTED:

Todd Parton, City Manager
City of Kerrville, Texas

AFTER RECORDING RETURN TO:

**Office of the City Secretary
City of Kerrville, Texas
City Hall
701 Main Street
Kerrville, Texas 78028**