

AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, JULY 12, 2016, 6:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, JULY 12, 2016, 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION: by Allen Noah, Pastor of Barnett Chapel United Methodist Church.

PLEDGE OF ALLEGIANCE TO THE FLAG

1. VISITORS/CITIZENS FORUM:

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

2. CONSENT AGENDA:

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

2A. Funding Agreement with the City of Kerrville and the Kerr Economic Development Corporation for its fiscal year 2017 budget in an amount not to exceed \$24,500.00.
(staff)

2B. Second Amendment to Lease Agreement for 218 Sidney Baker Street (Kerrville Cancer Center and subtenants) to clarify the parties, extend term, provide for the reduction of space, and other amendments. (staff)

2C. Resolution No. 12-2016 authorizing the use of internal combustion engines on Nimitz Lake upstream of the City's impoundment dam for the Kerrville Triathlon and the safety of competitors. (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 830-257-8000 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: July 8, 2016 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Deputy City Secretary, City of Kerrville, Texas

2D. A Resolution authorizing the City's continued participation with the Atmos Cities Steering Committee; and authorizing the City's payment of Two and One-Half Cents Per Capita (\$573.65) to the Atmos Energy Corporation (staff)

END OF CONSENT AGENDA

3. CONSIDERATION AND POSSIBLE ACTION:

3A. Proposed amendment to the Procedural Rules for Meetings-City Council by adding Rule 7.5 Individual City Council Member Requests for Information or Assistance. (staff)

4. APPOINTMENTS TO CITY BOARDS AND COMMISSIONS:

4A. Appointments to the Beautification Advisory Committee. (staff)

4B. Appointments to the Golf Course Advisory Board. (staff)

5. ITEMS FOR FUTURE AGENDAS

6. 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.

7. 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:

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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: July 8, 2016 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Deputy City Secretary, City of Kerrville, Texas

7A. 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:

- River trail.
- Discuss City of Kerrville, Texas vs. Stadter, 198th District Court of Kerr County, No. 13698B (condemnation).

8. **ACTION ON ITEM DISCUSSED IN EXECUTIVE SESSION**

9. **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 830-257-8000 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: July 8, 2016 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Deputy City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Funding Agreement with the City of Kerrville and the Kerr Economic Development Corporation for its fiscal year 2017 budget in an amount not to exceed \$24,500.00. (staff)

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

SUBJECT: City of Kerrville Funding Agreement with KEDC in an amount not to exceed \$24,500

FOR AGENDA OF: July 12, 2016

DATE SUBMITTED: July 8, 2016

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS:

Letter from Jonas Titas, KEDC Executive Director Dated July 6, 2016;
Funding Agreement

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 DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The Kerr Economic Development Commission has requested \$24,500 each from the City, County, and KPUB and \$182,500 from the EIC. The City will make its contribution subject to the attached Funding Agreement. At the June 28, 2016 Council meeting, KEDC made a presentation concerning its request for funding and its budget for Fiscal Year 2017. Council voted to approve this request at its June 14, 2016 meeting, and in accordance with that action, needs to approve the attached Funding Agreement with KEDC.

RECOMMENDED ACTION

City staff recommends approving the Funding Agreement with KEDC in an amount not to exceed \$24,500.



Kerrville Economic Development Corporation
1700 Sidney Baker, Suite 100
Kerrville, TX 78028

Phone: 830/896-1157
Fax: 830/896-1175
Kerr-edc.com

June 6, 2016

City of Kerrville – Economic Improvement Corporation
701 Main St.
Kerrville, TX 78028

Re: Funding Request for FY 2016/17

Vice President Cochrane:

The Kerrville Economic Development Corporation (KEDC) is beginning our sixth year of operations. KEDC's mission is to retain existing jobs and create new job opportunities in Kerrville and Kerr County. The Board is comprised of representatives of the City, City of Kerrville Economic Improvement Corporation, County, Kerrville Public Utility Board, Kerrville Independent School District, Kerrville Area Chamber of Commerce, the Kerrville Convention & Visitors Bureau and two members of the local business community.

KEDC had a great fiscal year 2015/16. We worked with 3 companies that will create 650 new primary jobs with annual wages of \$20 million and invest \$30 million in new plant and equipment in Kerrville and Kerr County. Over ten years the projects will result in 1,435 new jobs and an economic impact of \$503 million. KEDC was awarded the Community Economic Development Award and the Economic Excellence Award from the Texas Economic Development Council, and I attained Certified Economic Developer status from the International Economic Development Council. We have seen increased prospect activity and visits to the new KEDC website are increasing exponentially.

The KEDC Board of Directors recently approved our budget for FY 2016/17. Our new budget requests funding from our stakeholders in the amount of \$24,500 from the City, County and the Kerrville Public Utility Board and \$182,500 from the Economic Improvement Corporation. Funding allocations are necessary for KEDC to continue operations and prepare for the coming year. Our funding request is increasing from the previous couple of years due to diligent management of tax payer monies. Before I was hired, KEDC had a budget of \$320,000. There was also a period of time between the departure of my predecessor and my hire where KEDC did not utilize the operational budget. For those two reasons, KEDC accumulated a modest reserve. Together with you (our stakeholders) we underfunded KEDC for a period of years to liquidate that reserve. That has been accomplished. We will also ask the City Attorney to draft language in future funding agreements that any unallocated resources in KEDC accounts be returned to our funding stakeholders on a prorata basis should KEDC go dormant for a twelve month period.

KEDC greatly appreciates our stakeholder's continued support and the KEDC Board of Directors looks forward to a bright future and partnership that will be beneficial for all.

Respectfully,

Jonas Titas, CEcD
Executive Director

4. **Independent Contractor/Indemnity.** It is acknowledged, understood, and agreed that CONTRACTOR shall be considered an independent contractor or donee for the purposes of this agreement and shall in no manner incur any expenses or liability on behalf of the CITY. CONTRACTOR further agrees to hold CITY harmless for any and all claims by third parties for any injuries, damages, or liability arising under or occasioned by CONTRACTOR in connection with this agreement, CONTRACTOR's work, or the services it provides.

5. **Notice.** Any notice required to be given under the terms of this agreement shall be effective if and when given in writing and mailed by certified mail to the addresses listed below:

CITY:
City Manager
City of Kerrville, Texas
701 Main Street
Kerrville, TX 78028
(830) 258-1501

CONTRACTOR:
Executive Director
Kerr Economic Development Corporation
1700 Sidney Baker, Suite 100
Kerrville, TX 78028
(830) 896-1157

6. **Assignment.** CONTRACTOR may not assign this agreement without the prior written consent of CITY.

7. **Termination.** Notwithstanding the agreed upon term, this agreement may be terminated upon the occurrence of any of the following, in which case CONTRACTOR shall immediately, but in no case longer than thirty (30) days, return to CITY the prorated share of CITY's payment in accordance with Section 2, above:

- a. the giving of written notice by either party to the other party at least ninety (90) days prior to the desired effective termination date;
- b. the termination of the corporate existence of CONTRACTOR;
- c. the insolvency of CONTRACTOR, the filing of a petition in bankruptcy either by or against CONTRACTOR, an assignment by CONTRACTOR for the benefit of creditors, or if CONTRACTOR goes dormant and/or ceases operations for any reason for thirty (30) days or more; and/or
- d. the breach by CONTRACTOR of any of the terms of this agreement and the continuation of such breach for a period of ten (10) days after written notice is given by CITY to CONTRACTOR of such breach.

8. **Term.** The term of this agreement shall be from October 1, 2016, through September 30, 2017.

9. **Open Records.** CONTRACTOR understands that receipt of payment for these services may subject all or part of CONTRACTOR's records to the Texas Public Information Act. CITY's intent is to purchase certain services and public benefits as part of an arm's length transaction.

10. **Minority Representation on Board.** CONTRACTOR is encouraged to obtain minority representation on its Board of Directors.

EXECUTED on the date above stated.

CITY OF KERRVILLE, TEXAS

**KERR ECONOMIC DEVELOPMENT
CORPORATION, CONTRACTOR**

TODD PARTON
CITY MANAGER

JONAS TITAS
EXECUTIVE DIRECTOR

ATTEST:

BRENDA G. CRAIG, CITY SECRETARY

APPROVED AS TO FORM:



MICHAEL C. HAYES, CITY ATTORNEY

EXHIBIT A

MISSION

“To Retain Existing Jobs and Create New Job Opportunities In Kerrville and Kerr County.”

OBJECTIVES

- Leverage City/County/Municipal resources and financial positions to support job creation and retention through the efforts of highly experienced staff.
- Expand the capacity of Kerrville/Kerr County to compete with other regions by developing programs/initiatives that support the growth and development of the private sector, including Business Retention and Expansion.
- Develop and implement a comprehensive marketing/communication strategy aimed at branding and positioning the City and County as one of America’s best places to do business.
- Facilitate the development of economic development projects by structuring deals that fully leverage public investment (land, bonds, grants) with private capital, and yield a reasonable return on investment (tax base, job creation, and business creation) to local taxpayers over the long term.
- Function as the central point of communication for job development, retention and expansion progress and strategy among local municipalities, regional economic development, civic and non-profit community organizations.

TARGET MARKETS

- Aviation
- Energy
- Light Manufacturing
- Craft Agriculture
- Hotel/Conference Center



KEDC Board Strategic Planning Session Notes
January 7, 2016

Goals for the Next 18 Months

- Hold Joint meeting with Stakeholders to discuss goals / mission
- Hold forum with major employers and local educational institutions to align educational curricula
- Spec building development plan / capital projects budget

Individual Notes

Topic: Expand Local Primary Business

- Collaboration between EDC, Education, and Employers to determine job skills and other needs

Topic: Retain and Recruit Talent Supply to Fill Quality Jobs

- KEDC help identify the talent needs and how to develop them
- Work with local businesses and schools K-12/Colleges
- Use Chamber to survey local companies
- Quantify and identify the skills gap – How do we meet these needs?

Topic: Improve Our Product and Site Offerings

- Develop budget / capital plan – Start these in 2016
- Hold forums with EIC / KPUB / Council / Comm Ct
- Certify Industrial Sites through Texas EDC
- Spec Building Development Plan

Topic: Market to Recruit Quality Primary Employers

- Create a video to include in marketing campaign
- Finish / modify website to fit needs
- Continue to work with site selectors and brokers
- Develop more pre-qualified sites
- List available sites on TEDC list

Topic: Rally Stakeholder to Support Our Goals

- Work with EIC / KPUB on spec buildings
- Hold joint meetings with stakeholders (investors)
- Keep promoting and giving updates on KEDC to stakeholders and local organizations

Other Notes

- Increase career awareness
- Identify funding sources (look for all options)
- Talent assessment / demand / align
- STEM Program – 2 year technical
- Collaboration – build consensus to move forward
- Create a visual identity for KEDC
- Product (Sites) – assess funding and plan of attack

EXHIBIT "C"

**Kerrville Economic Development Corporation
2016/2017 Budget**

	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Income					
City of Kerrville	14,500.00	17,500.00	16,250.00	20,865.68	24,500.00
EIC	127,000.00	60,000.00	166,250.00	154,403.84	180,000.00
Kerr County	14,500.00	17,500.00	16,250.00	20,865.38	24,500.00
KPUB	14,500.00	17,500.00	16,250.00	20,865.38	24,500.00
Other Income	-	-	-	-	-
Total Income	170,500.00	112,500.00	215,000.00	217,000.28	253,500.00
Expense					
Business Expenses	54,550.00	42,000.00	34,000.00	34,500.00	26,500.00
Contract Services	5,000.00	2,000.00	7,500.00	5,000.00	3,500.00
Operations	32,517.00	20,139.00	18,780.00	19,850.00	19,850.00
Other Types of Expenses	2,000.00	1,100.00	900.00	900.00	900.00
Payroll Expenses	151,723.60	149,794.00	160,420.00	171,281.60	181,840.00
Travel & Meetings	23,500.00	20,000.00	20,500.00	25,000.00	25,000.00
Total Expenses	269,290.60	235,033.00	242,100.00	256,531.60	257,590.00
Net Income:	-98,790.60	-122,533.00	-27,100.00	-39,531.32	-4,090.00

Agenda Item:

2B. Second Amendment to Lease Agreement for 218 Sidney Baker Street (Kerrville Cancer Center and subtenants) to clarify the parties, extend term, provide for the reduction of space, and other amendments. (staff)

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

SUBJECT: Second Amendment to Lease Agreement for 218 Sidney Baker Street
(Kerrville Cancer Center and subtenants)

FOR AGENDA OF: July 12, 2016

DATE SUBMITTED: July 7, 2016

SUBMITTED BY: Ashlea Boyle
Assistant Director of Parks and Recreation

CLEARANCES: Malcolm Matthews
Interim Deputy City Manager
Mike Hayes
City Attorney

EXHIBITS:

1. Second Amendment to Lease Agreement between City and Kerrville Cancer Center
2. Original Lease Agreement for 218 Sidney Baker Street

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 DIRECTOR OF FINANCE:

SUMMARY STATEMENT

At the January 26, 2016, meeting, City Council accepted a gift from The Cailloux Foundation of land and improvements associated with 218 Sidney Baker Street. Upon acceptance of the deed, the City notified the tenant of the building, Kerrville Cancer Center, that it was the new owner and by virtue of this conveyance, would be assigned the existing lease. The original term of the lease agreement commenced on March 1, 1998 and is set to expire in 2018. The tenant requested that the City consider the following amendments to the lease:

1. Updating information with respect to the names of the Landlord and Tenant and contact information.
2. Updating square footage of the entire building and the subleased spaces, which consist of the entire second floor (1,933 square feet) and subleased portion of the 1st floor (8,613 square feet).
3. Extend the term of the lease by five years, to end on March 1, 2023.
4. Clarifying the use of the premises for medical practice and support activities.

5. Providing for a reduction of rent upon the termination of subleased areas of the building.
6. Providing that the City will be responsible for maintenance and care on the exterior of the building.
7. Acknowledging the privacy interests in medical care.

The amendment makes a few other “clean up” type changes and clarifications. The Second Amendment to the Lease is attached.

RECOMMENDED ACTION

City staff is requesting consideration and approval of the amended lease agreement as presented.

**SECOND AMENDMENT TO LEASE AGREEMENT
BETWEEN CITY OF KERRVILLE AND KERRVILLE CANCER CENTER**

This Second Amendment to Lease Agreement ("Second Amendment") is made and entered into by and between the City of Kerrville, a Texas home-rule municipal corporation ("Landlord"), and Valerian Chyle, Jr., M.D., P.L.L.C., a Texas Professional Limited Liability Company (dba Kerrville Cancer Center) ("Tenant"), and amends that certain *Lease Agreement* as originally entered into by and between Sid Peterson Memorial Hospital and Cancer Center Associates (the "Lease"), for the building located at 218 Sidney Baker.

RECITALS

WHEREAS, on or about March 1, 1998, Sid Peterson Memorial Hospital (the "Hospital"), owner of the building located at 218 Sidney Baker (the "Premises") and located adjacent and connected to the downtown, multistory parking garage, leased the Premises to Cancer Care Associates (dba Kerrville Cancer Center) ("CCA"); and

WHEREAS, on or about November 27, 2001, in a letter agreement between the Hospital and CCA, the parties agreed, among other things, that CCA would be given a right of first refusal to purchase the Premises and be allowed to cause the construction of an approximately 1,500 square foot addition to the Premises; and

WHEREAS, on or about November 30, 2010, consistent with the letter agreement referenced above and, in an effort to facilitate the Hospital's conveyance of the Premises, the Hospital and Kerrville Cancer Center, Ltd. ("KCC"), the successor in interest to CCA, entered into an *Amendment to Lease Agreement* ("First Amendment"); and

WHEREAS, in the First Amendment, KCC agreed, among other things, to release its right of first refusal to purchase the Premises and in return, KCC and its assignees and successors, would have a right to terminate the Lease at any time following 90 days written notice; and

WHEREAS, on or about February 9, 2011, the Hospital, in conjunction with moving its location and being renamed Peterson Regional Medical Center, conveyed the Premises to the Cailloux Foundation Properties, LLC (the "Foundation"); and

WHEREAS, KCC eventually assigned its interest in the Lease to Valerian Chyle, Jr., M.D., P.L.L.C. (dba Kerrville Cancer Center), the current Tenant, on or about December 1, 2011; and

WHEREAS, on or about March 9, 2016, the Foundation conveyed the Premises to the City and the City remains the current owner and Landlord to Tenant; and

WHEREAS, the Landlord and Tenant now desire to amend the Lease to include extending its term, contemplating the potential removal of portions of the Premises from the

Lease, and revising and more clearly defining the responsibilities for building maintenance, among other changes specified herein;

NOW THEREFORE, for and in consideration of the recitals set forth above and the agreements and mutual covenants herein set forth and other good and valuable consideration, Landlord and Tenant agree to the following amendments to the Lease:

1. The above findings are hereby adopted as being true and effective by the parties to this Second Amendment.
2. Section 1.1, subsections (a) through (g) and (k), of the Lease are amended in their entirety to provide as follows:

“1.1 Definitions

- (a) Landlord: City of Kerrville, Texas, a Texas home-rule corporation
- (b) Landlord’s address: City Hall, 701 Main Street, Kerrville, Texas 78028

- (c) Tenant: Valerian Chyle, Jr., M.D., P.L.L.C.
- (d) Tenant’s address: 218 Sidney Baker, Kerrville, Texas 78028
Tenant’s mailing address: P.O. Box 1472, Medina, Texas 78055-1472

- (e) Tenant’s Trade Name: Kerrville Cancer Center

(f) Demised Premises: The existing building, consisting of a 1st and 2nd floor, containing 10,546 square feet (computed from measurements to the exterior of outside walls of the building and to the center of interior walls, with 1st floor being 8,613 square feet, and 2nd floor being 1,933 square feet). Such premises are situated upon the property described in **Exhibit A** attached hereto and incorporated herein for all purposes.

(g) Lease Term: Commencing on March 1, 1998 and ending 300 months (March 1, 2023) thereafter, and subject in any event to premature termination under **Articles XIII and Article XVI, hereof, or the 90 day notice provision as specified by the First Amendment.**

⋮

(k) Use of Demised Premises: The Demised Premises shall be used exclusively for medical services and services related thereto.”

3. Article II. of the Lease is amended by adding the language that is underlined (added) as follows:

“ARTICLE II.

Granting Clause: In consideration of the obligation of Tenant to pay rent and other charges as herein provided and in consideration of the other terms, covenants and conditions hereof, Landlord hereby demises and leases to Tenant, and Tenant hereby takes from Landlord the Demised Premises as described in Article I, Section 1.1(f). TO HAVE AND TO HOLD said premises for the lease term specified in Article I, Section 1.1(g), all upon the terms and conditions set forth in the Lease. Following at least 30 days notice from Tenant to Landlord, Tenant may terminate its use of the subleased area of the Demised Premises, being the entire 2nd floor (1933 square feet) and the subleased space consisting of 1852 square feet on the 1st floor. Unless Landlord approves, any such release by Tenant must include the entire square footage of either area and not a portion thereof. Upon any such action(s) to release an area from the Lease, which may be mutually exclusive, the monthly rental payment will automatically be reduced to an amount equal to multiplying the new square footage of the Demised Premises by the then existing price per square foot rate for the Demised Premises.”

4. Article IV. of the Lease is amended in part by deleting the language that is bracketed and stricken (~~{deleted}~~) as follows:

“ARTICLE IV.
USE AND CARE OF PREMISES

:

Waste Disposal and Duty of Care: Tenant shall take good care of the Demised Premises, and keep the same free from waste at all times. Tenant shall keep the Demised Premises ~~[and sidewalks adjacent to the Demised Premises,]~~ neat, clean and free from dirt rubbish, insects and pests at all times and shall store all trash and garbage within the Demised Premises.”

5. Article VII. of the Lease is amended by adding the language that is underlined (added) and deleting the language that is bracketed and stricken (~~{deleted}~~) as follows:

“ARTICLE VII.
RIGHT OF ACCESS

Landlord’s Right of Access: Upon notice to Tenant, Landlord shall have the right to enter upon the Demised Premises at any reasonable time for the purpose of inspecting the same, or of making repairs to the Demised Premises~~[-, or of showing the Demised Premises to prospective purchasers, lessees or lenders, upon three (3) days’ notice to Tenant].~~ Tenant shall have the absolute right, however, to designate the time of entry so as not to conflict with the examination or treatment of Tenant’s patients. In

addition, Landlord acknowledges the existence of protected health information ("PHI") as defined by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the confidentiality of PHI, and the restricted access and safeguards that Tenant has put in place that prohibits access to the Tenant's PHI. Landlord agrees that it does not have a need to access or view PHI and neither it nor its agents will attempt to obtain access to PHI. Should Landlord, its employees, or its agents encounter patients of Tenant or PHI while on the Demised Premises, such persons agree to keep such encounters strictly confidential pursuant to HIPAA."

6. Article XVII. of the Lease titled "***RIGHT TO TERMINATE IF SID PETERSON MEMORIAL HOSPITAL MOVES***" is deleted in its entirety.
7. Except as amended hereby, Landlord and Tenant agree that the Lease is and shall remain in full force and effect in accordance with its terms.

SIGNED this the _____ day of _____, 2016.

City of Kerrville:

By: _____
Todd Parton, City Manager

Valerian Chyle, Jr., M.D., P.L.L.C.:

By: Valerian Chyle Jr
Name: Valerian Chyle Jr MD
Its: President

ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

Michael C. Hayes
Michael C. Hayes, City Attorney

TENANT LETTER

Kerrville Cancer Center, Ltd.
218 Sidney Baker
Kerrville, Texas 78028

Re: Tenant Notice

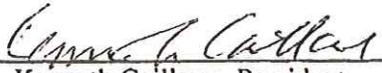
Dear Sirs:

As of February 9, 2011, Sid Peterson Memorial Hospital dba Peterson Regional Medical Center ("Former Owner") has transferred title and possession of the premises made the subject of your Lease with Former Owner to CAILLOUX FOUNDATION PROPERTIES, LLC ("New Owner"). You are hereby notified that rental payments should be made to New Owner at P.O. Box 291276, Kerrville, Texas 78029-1276.

Very truly yours.

NEW OWNER

CAILLOUX FOUNDATION PROPERTIES, LLC
BY: FLOYD A. AND KATHLEEN C.
CAILLOUX FOUNDATION, its sole member

By: 
Kenneth Cailloux, President

LEASE AGREEMENT

STATE OF TEXAS
COUNTY OF KERR

This Lease Agreement entered into effective the first day of March, 1998, by and between the Landlord and the Tenant hereinafter named.

ARTICLE I.

DEFINITIONS AND CERTAIN BASIC PROVISIONS

1.1 Definitions

- (a) Landlord: Sid Peterson Memorial Hospital
- (b) Landlord's address: 710 Water, Kerrville, Texas 78028
- (c) Tenant: Cancer Care Associates
- (d) Tenant's address: 218 Sidney Baker, Kerrville, Texas 78028
- (e) Tenant's Trade Name: Kerrville Cancer Center

(f) Demised Premises: The existing building containing approximately 9,046 square feet (computed from measurements to the exterior of outside walls of the building and to the center of interior walls). Such premises are situated upon the property described in Exhibit A attached hereto and incorporated herein for all purposes.

(g) Lease Term: Commencing on March 1, 1998 and ending 240 months thereafter, and subject in any event to premature termination under Article XIII, Article XVI, or Article XVII.

(h) Minimum Guaranteed Rental: \$9,308.65 per month as per Article III of this Lease.

(i) Tax Escalation And Reduction Clause: It is agreed that beginning with the year 1998, Tenant will pay to Landlord as an additional rental, a sum of money equal to the increase, if any, of the ad valorem taxes levied against the Demised Premises for the year 1997, and for each year of the Lease Term thereafter. This payment of additional rental, if any, shall become due and payable by the Tenant to the Landlord on December 31, 1998; and on December 31 of each year of the Lease Term thereafter, or as soon thereafter as Landlord may have submitted to Tenant a statement evidencing the amount of such additional rental.

By example: Assuming that the ad valorem taxes for the year 1997 total \$1,000.00, and ad valorem taxes for the year 1998 total \$1,500 then Tenant would become obligated to pay the sum of \$500.00 as additional rental on December 31, 1998 with increases in rent for subsequent Lease Term years to be implemented annually based on the formula herein provided. Any such increase will be added to the following years monthly base rent.

It is further agreed that in the event the ad valorem taxes levied against the Demised Premises for the year 1998 are less than the ad valorem taxes levied against the Demised Premises for the year 1997, then the "Minimum Guarantee Rental," as provided in Article I,

Section 1.1(i) shall be reduced by the amount of the decrease in ad valorem taxes. Such reduction in rental payments shall commence December 31, 1998, with reduction in rent for subsequent Lease Term years to be implemented annually based on the formula herein provided.

(j) Insurance Escalation Clause: It is further agreed; that beginning with the year 1998, Tenant will pay to Landlord as an additional rental a sum of money equal to the increase, if any, of the premium of the fire and extended coverage insurance policy for the Demised Premises for the policy year beginning in 1997, and the premium of the fire and extended coverage insurance policy for the Demised Premises for the policy year beginning in 1998, and for each year of the Lease Term thereafter. This payment of additional rental, shall become due and payable by the Tenant to the Landlord on December 31, 1998, and on December 31 of each year of the Lease Term thereafter, of as soon thereafter as Landlord may have submitted to Tenant a statement evidencing the amount of such additional rental.

By example: Assuming the fire and extended coverage insurance premium required should be in the sum of \$2,500.00, for the policy year beginning in 1997, and the fire and extended coverage premium for the policy year beginning in 1998, should be the sum of \$2,750.00, then the Tenant would become obligated to pay the sum of \$250.00 for the year 1999, with reductions and/or increases in insurance premiums for subsequent Lease Term years to be implemented annually based on the formula herein provided. Any such increase will be added to the following years monthly base rent.

It is further agreed that in the event the fire and extended casualty insurance policy premiums for the Demised Premises for the policy year beginning in 1998 are less than the premiums for the fire and extended casualty insurance coverage for the policy year beginning in 1997, then the "Minimum Guaranteed Rental," as provided in Article I, Section 1.1(i) shall be reduced by the amount of the decrease in premiums for fire and extended casualty insurance coverage. Such reduction in rental payments shall commence with the first monthly rental payment that falls due after the Landlord receives notice of the decrease in the annual premium for any policy year beginning with 1998 and subsequent years.

(k) Use of Demised Premises: The Demised Premises shall be used exclusively for treatment of cancer including chemotherapy and radiation therapy services, and specifically excludes diagnostic radiology and clinical laboratory services.

1.2 Construction of Definitions: Each of the foregoing definitions and basic provisions shall be construed in conjunction with and limited by reference thereto in other provisions of this Lease.

ARTICLE II.

Granting Clause: In consideration of the obligation of Tenant to pay rent and other charges as herein provided and in consideration of the other terms, covenants and conditions hereof, Landlord hereby demises and leases to Tenant, and Tenant hereby takes from Landlord the demised premises as described in Article I, Section 1.1(f). TO HAVE AND TO HOLD

said premises for the lease term specified in Article I, Section 1.1(g), all upon the terms and conditions set forth in the Lease.

ARTICLE III.

RENT

Rent: Monthly Rental Payment, as specified in ARTICLE I, Section 1.1, shall accrue hereunder from March 1, 1998, and shall be payable at the place designated for the delivery of notices to Landlord at the time of payment without demand, subject, however, to set-off and deductions for any breach by landlord of its covenants contained herein. Monthly payment shall mean the sum of Minimum Guaranteed Rental in monthly installments in the amount specified in Article I, Section 1.1(h).

Minimum Guaranteed Rental: Tenant shall pay to Landlord as Minimum Guaranteed Rental in monthly installments in the amount specified in Article I, Section 1.1(h) above. The first such monthly installments shall be due and payable on or before March 1, 1998 (or as soon thereafter as practical for this first payment only), and subsequent installments shall be due and payable on or before the 1st day of each succeeding calendar month during the lease term.

Lease Year:

(a) The term "LEASE YEAR" as used herein, will, in the case of the first lease year, mean the period which begins on March 1, 1998 and which terminates on the last day of February, 1999 and such first lease year will, therefore, include twelve (12) full calendar months.

(b) Each subsequent Lease Year will mean a period of twelve (12) full calendar months beginning with the date following the last day of the first lease year, and each subsequent anniversary of such day.

ARTICLE IV.

USE AND CARE OF PREMISES

Use and care of Premises: The Demised Premises may be used only for the purpose or purposes specified in Article I, Section 1.1(k) above, and for no other purpose or purposes without the prior written-consent of Landlord.

Unauthorized Actions: Tenant shall not permit any objectionable or unpleasant odors to emanate from the Demised Premises, nor place or permit any radio, television, loud-speaker or amplifier on the roof or outside the Demised Premises or where the same can be seen or heard from outside the building.

Waste Disposal and Duty of Care: Tenant shall take good care of the Demised Premises, and keep the same free from waste at all times. Tenant shall keep the Demised Premises and sidewalks adjacent to the Demised Premises, neat, clean and free from dirt,

rubbish, insects and pests at all times and shall store all trash and garbage within the Demised Premises.

Permits and Licenses: Tenant shall procure, at its sole expense, any permits and licenses required for the transaction of business in the Demised Premises, and otherwise comply with all applicable laws, ordinances and governmental regulations.

ARTICLE V.

MAINTENANCE AND REPAIR OF PREMISES

Maintenance by Landlord: Landlord shall, at Landlord's sole cost and expense, keep the building, foundation, the exterior walls, plate glass windows, exterior doors and door closure devices, exterior windows and door frames, molding, locks and hardware and painting or other treatment of exterior walls and roof of the Demised Premises in good repair, except that Landlord shall not be required to make any repairs occasioned by the act or negligence of Tenant, its agents, employees, subtenants, licensees and concessionaires, which shall be made by Tenant. In the event that the Demised Premises should become in need of repairs required to be made by landlord hereunder, Tenant shall give immediate written notice thereof to Landlord and Landlord shall not be responsible in any way for failure to make any such repairs until a reasonable time shall have elapsed after delivery of such written notice.

Replacement of Light Bulbs: Tenant shall furnish, maintain and replace all electric light bulbs, tubes and tube casings on the Demised Premises.

Maintenance by Tenant: Tenant shall keep the Demised Premises in a good and clean condition and shall keep all plumbing units, pipes and connections free from obstruction. In addition, Tenant shall be responsible for all interior maintenance including interior electrical, interior walls and wall treatments, interior doors and hardware, and any other interior maintenance that landlord is not responsible for as provided in the first paragraph of this Article V. At the expiration of this Lease, Tenant shall surrender the Demised Premises in good condition, reasonable wear and tear and loss by fire or other casualty excepted, and shall surrender all keys for the Demised Premises to Landlord and shall inform Landlord of all combinations on locks, safes, and vaults, if any, in the Demised Premises.

ARTICLE VI.

CONSTRUCTION BY TENANT

Tenant Alterations: Tenant shall not make any alterations, additions or improvements to the Demised Premises without the prior written consent of Landlord, except for the installation of unattached, moveable trade fixtures which may be installed without drilling, cutting or otherwise defacing the Demised Premises. All alterations, additions, improvements and fixtures (including unattached, movable trade fixtures) which may be made or installed by Tenant upon the Demised Premises shall remain the property of Tenant and at the termination of this Lease, Tenant shall remove the same and restore the Demised Premises to their original condition at Tenant's expense.

Construction by Tenant: Any construction work approved by Landlord in accordance with the paragraph next hereinabove written, done by Tenant within the Demised Premises shall be performed in a good and workmanlike manner, in compliance with all governmental requirements, and the requirements of any contract or deed of trust to which the Landlord may be a party and in such a manner as to cause a minimum of interference with other construction in Progress and with the transaction of business. Tenant agrees to indemnify Landlord and hold him harmless against any loss, liability or damage resulting from such work.

ARTICLE VII.
RIGHT OF ACCESS

Landlord's Right of Access: Landlord shall have the right to enter upon the Demised Premises at any reasonable time for the purpose of inspecting the same, or of making repairs to the Demised Premises, or of showing the Demised Premises to prospective purchasers, lessees or lenders, upon three (3) days notice to Tenant. Tenant shall have the absolute right, however, to designate the time of entry so as not to conflict with the examination or treatment of Tenant's patients.

ARTICLE VIII.
SIGNS

Signs: Tenant shall not, without Landlord's prior written consent (a) install any exterior lighting, decorations or paintings; or (b) erect or install any signs, window or door lettering, placards, decorations or advertising media of any type which can be viewed from the exterior of the Demised Premises. All signs, decorations and advertising media shall conform in all respect to the sign criteria established by Landlord, and shall be subject to the prior written approval of Landlord as to construction, method of attachment, size, shape, height, lighting, color and general appearance. All signs shall be kept in good condition and in proper operating order at all times.

Installation and Removal of Signs: Tenant agrees to have erected and/or installed and fully operative on or before the Commencement Date of this Lease all signs in accordance with Landlord's sign criteria. The Tenant, upon vacating of the Demised Premises, or the removal or alteration of its sign for any reason, shall be responsible for the repair, painting, and/or replacement of the building fascia surface where signs are attached.

ARTICLE IX.
UTILITIES

Utilities: Landlord Responsibility: Landlord agrees to cause to be provided and maintained the necessary mains, conduits and other facilities necessary to supply water, electricity, natural gas, telephone service and sewerage service to the Demised Premises.

Utility charges: Tenant shall furnish and pay all charges for electricity, water, sewerage service, telephone service, and other utilities furnished to the Demised Premises, and shall pay any maintenance charges therefor.

ARTICLE X.
INDEMNITY, PUBLIC LIABILITY INSURANCE
& FIRE AND EXTENDED COVERAGE INSURANCE

Indemnity: Landlord shall not be liable to Tenant or to Tenant's employees, agents or visitors, or to any other person or entity, whomsoever, for any injury to person or damage to or loss of property on or about the Demised Premises-caused by the negligence or misconduct of Tenant, or arising out of the use of the premises by Tenant and the conduct of its business therein, or arising out of any breach or default by Tenant in the performance of its obligations hereunder or resulting from any other cause except Landlord's negligence, and Tenant hereby agrees to indemnify Landlord and hold it harmless from any loss, expense or claims against Landlord arising out of damage or injury not caused by Landlord's negligence.

Liability Insurance: Tenant shall procure and maintain throughout the term of this Lease, a policy or policies of insurance, at its sole cost and expense, insuring Tenant and Landlord as an additional insured, against all claims, demands or actions arising out of or in connection with Tenant's use or occupancy of the Demised Premises, or by the condition of the Demised Premises, with a combined single limit of such policy or policies in an amount not less than \$750,000.00 in respect to injuries to or death of any one person, or property damaged or destroyed, and to be written by insurance companies satisfactory to Landlord. Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least ten (10) days prior to cancellation of such insurance. Such policies or fully executed certificates of insurance shall be promptly delivered to Landlord and renewals thereof as required shall be delivered to Landlord at least thirty (30) days prior to the expiration of the respective policy terms. Tenant's failure to comply with the foregoing requirement relating to insurance shall constitute an event of default hereunder. In addition to the remedies provided in Article XVI of this Lease, Landlord may, but is not obligated to obtain such insurance, and Tenant shall pay to Landlord upon demand as additional rental the premium cost thereof.

Waiver of Subrogation: Landlord and Tenant agree and covenant that neither shall be liable to the other for loss arising out of damage to or destruction of the Demised Premises or contents thereof when such loss is caused by any perils included within standard fire and extended coverage insurance policy of the state in which the Demised Premises is situated; this agreement shall be binding whether or not such damage or destruction be caused by negligence of either party or their agents, employees or visitors. Landlord agrees to carry fire and extended coverage on the Demised Premises.

ARTICLE XI.
NON-LIABILITY

Non-Liability for Certain Damages: Landlord and Landlord's agents-and employees shall not be liable to Tenant or any other person or entity whomsoever for any injury to person or damage to property caused by the Demised Premises becoming out of repair or by defect in or failure of equipment, pipes or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Demised Premises, nor shall Landlord be liable to Tenant or any other person or entity whomsoever for

any loss or damage that may be occasioned by or through the acts or omissions of any other persons or entities whomsoever, excepting only duly authorized employees and agents of Landlord.

ARTICLE XII.

DAMAGES BY CASUALTY

Tenant's Duty to Notify: Tenant shall give immediate written notice to Landlord of any damage caused to the Demised Premises by fire or other casualty.

Obligation to Rebuild: In the event that the Demised Premises shall be damaged or destroyed by fire or other casualty insurable under standard fire and extended coverage insurance and Landlord does not elect to terminate this Lease as hereinafter provided, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Demised Premises. If 20% or less of the Demised Premises shall be destroyed, or substantially damaged by a casualty, Landlord shall rebuild and repair the Demised Premises. If more than 20% of the Demised Premises shall be damaged by a casualty, then Landlord may elect either to terminate this Lease as hereinafter provided or to proceed to rebuild and repair the Demised Premises. Should Landlord elect to terminate this Lease, he shall give written notice of such election to Tenant within ninety (90) days after the occurrence of such casualty. If Landlord should not elect to terminate this Lease, or if the damage is 20% or less of the Demised Premises, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Demised Premises.

Extent of obligation to Rebuild: Landlord's obligation to rebuild and repair under this Article shall in any event be limited to restoring the Demised Premises to substantially the condition in which the same existed prior to the casualty.

Conduct of Tenant's Business During Rebuilding: Tenant agrees that during any period of reconstruction or repair of the Demised Premises, it will continue the operation of its business within the Demised Premises to the extent practicable. During the period from the occurrences of the casualty until Landlord's repairs are completed, the Minimum Guaranteed Rental shall be reduced to such extent as may be fair and reasonable under the circumstances.

ARTICLE XIII.

EMINENT DOMAIN

Total Taking: If more than twenty percent (20%) of the floor area of the Demised Premises should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain, or by private purchase in lieu thereof, this Lease shall terminate, and the rent shall be abated during the unexpired portion of this Lease, effective on the date physical possession is taken by the condemning authority.

Partial Taking: If less than twenty percent (20%) of the floor area of the Demised Premises should be taken as aforesaid, and the area taken does not include, in whole or in part, the room described as "Radiation Treatment Room," and specially designed for radiation

equipment, this Lease shall not terminate; HOWEVER, the Minimum Guaranteed Rental payable hereunder during the unexpired portion of this Lease, shall be reduced in proportion to the area taken, effective on the date physical possession is taken by the condemning authority. Following such partial taking Landlord shall make all necessary repairs or alteration necessary to make the Demised Premises an architectural whole. If the partial taking of less than twenty percent (20%) does include, in part or in whole, the Radiation Treatment Room, Tenant shall have the option of requesting Landlord to reconstruct such room elsewhere on the Demised Premises, or to declare the Lease terminated without further liability of either party to the other. Should the cost of reconstruction of such specialized room exceed the compensation received by Landlord from the governmental unit involved, Landlord and Tenant shall negotiate the allocation of such costs as between the two parties.

Ownership of Condemnation Proceeds: All compensation awarded for any taking (or the proceeds of private sale in lieu thereof) of the Demised Premises, shall be the property of Landlord, and Tenant hereby assigns its interest in any such award to Landlord; PROVIDED, HOWEVER, Landlord shall have no interest in any award made to Tenant for loss of business or for the taking of Tenant's fixtures and other property if a separate award for such items is made to Tenant.

ARTICLE XIV.

ASSIGNMENT AND SUBLETTING

Right to Assign: Tenant may assign or in any manner transfer this Lease or any estate or interest therein, or sublet the Demised Premises or any part thereof or grant any license, concession or other right to occupy any portion of the Demised Premises only with the prior written consent of Landlord. Consent by Landlord to one or more assignment or subletting shall not operate as a waiver of Landlord's rights as to any subsequent assignments and sublettings. Landlord shall not unreasonably withhold consent to any proposed assignment or subletting.

Landlord's Release on Transfer: In the event of the transfer and assignment by Landlord of his interest in this Lease and in the building containing the Demised Premises to a person expressly assuming Landlord's obligations under this Lease, Landlord shall thereby be released from any further obligations hereunder, and Tenant agrees to look solely to such successor in interest of the Landlord for performance of such obligations. Any security given by Tenant to secure performance of Tenant's obligations hereunder may be assigned and transferred by Landlord to such successor in interest, and Landlord shall thereby be discharged of any further obligation relating thereto.

Mortgage by Tenant: Tenant shall not mortgage, pledge or, otherwise encumber its interest in this Lease or in the Demised Premises, without Landlord's consent first had and obtained, in writing.

ARTICLE XV.
PROPERTY TAXES

Tenant Liability: Tenant shall be liable for all taxes levied against personal property and trade fixtures placed by Tenant in the Demised Premises. If any such taxes are levied against Landlord or Landlord's property, and if Landlord elects to pay the same, or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant in the Demised Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord, upon demand, that part of such taxes for which Tenant is primarily liable hereunder.

Remedy for Non-Payment: If Tenant should fail to pay any taxes, assessment, or governmental charges required to be paid by Tenant hereunder, in addition to any other remedies provided herein, Landlord may, if he so elects, pay such taxes, assessments, and governmental charges. Any sums so paid by Landlord shall be deemed to be so much additional rental owing by Tenant to landlord and due and payable upon demand as additional rental.

ARTICLE XVI.
DEFAULT BY TENANT AND REMEDIES

Events of Default: The following events shall be deemed to be events of default by Tenant under this Lease:

1. Tenant shall fail to pay any installment of rental or any other expense by Landlord as herein provided and such failure shall continue for a period of ten (10) days after receipt of written notice from Landlord of such failure.
2. Tenant shall fail to comply with any term, provision or covenant of this Lease, other than the payment of rental or expenses demanded by Landlord, and shall not cure such failure within thirty (30) days after written notice thereof to Tenant.
3. Tenant shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.
4. Tenant shall file a petition under any section or chapter of the National Bankruptcy Act, as amended or under any similar law or statute of the United States or any State thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed against Tenant.
5. A Receiver or Trustee shall be appointed for all Demised Premises or for all or substantially all of the assets of Tenant.
6. Tenant shall desert or vacate any substantial portion of the Demised Premises.

7. Tenant shall do or permit to be done anything which creates a lien upon the Demised Premises, unless such lien is consented to in writing by Landlord.

8. The business operated by Tenant shall be closed for failure to pay any state sales tax, as required or for any other reason.

Upon the occurrence of any such events of default, Landlord shall have the option to pursue any one or more of the following remedies with notice and demand;

1. Terminate this Lease in which event Tenant shall immediately surrender the Demised Premises to Landlord, and if Tenant fails to so do, Landlord may, without prejudice to any other remedy which he may have for possession or arrearages in rental, enter upon and take possession of the Demised Premises and expel or remove Tenant or any other person who may be occupying said premises or any part thereof, by force, if necessary, without being liable for prosecution or any claim of damages therefor; and

2. Enter upon the Demised Premises by force, if necessary, without being liable for prosecution or any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease, and Tenant agrees to reimburse Landlord on demand for any expenses which landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to the Tenant from such action.

Non-Waiver: Exercise by Landlord of any one or more remedies hereunder granted or otherwise available shall not be deemed to be an acceptance of surrender of the Demised Premises by Tenant, whether by agreement or by operation of law, it being understood that such surrender can be effected only by the written agreement of Landlord and Tenant. Tenant agrees that any re-entry by Landlord may be pursuant to judgment obtained in forcible detainer proceedings or other legal proceedings or without the necessity for any legal proceedings, as Landlord may elect, and Landlord may elect, and Landlord shall not be liable in trespass or otherwise.

Additional Remedy on Termination: In the event Landlord elects to terminate the Lease by reason of any event of default, then notwithstanding such termination, Tenant shall be liable for and shall pay to Landlord, at the address specified for notice to Landlord herein, the sum of all rental and other indebtedness accrued to date of such termination, plus, as damages, an amount equal to the difference between (1) the total rental (minimum guaranteed and percentage, computed as stated below) hereunder for the remaining portion of the Lease Term (had such term not been terminated by Landlord prior to the date of expiration stated heretofore), and (2) the then present value of the then fair rental value of the Demised Premises for such period; less any amounts received by Landlord from any subsequent Tenant occupying the Demised Premises within the Lease Term.

Tenant Expenses on Default: In case of any event of default or breach by Tenant, Tenant shall also be liable for and shall pay to Landlord, at the address specified for Notice to Landlord herein, in addition to any sum provided to be paid above, brokers' fees incurred by Landlord in connection with reletting the whole or any part of the Demised Premises; the costs of removing and storing Tenant's or other occupant's property, and all reasonable expenses incurred by Landlord in enforcing or defending Landlord's rights and/or remedies including reasonable attorney's fees.

Reletting by Landlord: In the event of termination or repossession of the Demised Premises for an event of default, Landlord shall take all reasonable steps to relet the premises, or any portion thereof, or to collect rental after reletting; and in the event of reletting, landlord may relet the whole or any portion of the Demised Premises for any period, to any tenant, and for its highest reasonable use and purpose.

Landlord may Perform for Tenant: If Tenant should fail to make any payment or cure any default hereunder within the time herein permitted, Landlord, without being under any obligation to do so, and without thereby waiving such default, may make such payment and/or remedy such other default for the account of Tenant (and enter the Demised Premises for such purpose), and thereupon Tenant shall be obligated to, and hereby agrees to pay Landlord, upon demand, all costs, expenses and disbursements (including reasonable attorneys' fees) incurred by Landlord in taking such remedial action.

Tenant's Remedy: In the event of any default by Landlord, Tenant's remedies shall include an action for damages, including Tenant's reasonable attorney's fees. Tenant hereby waives the benefit of any laws granting it a specific lien upon the property of Landlord and upon rent due landlord. Tenant's remedies further include equitable remedies, including but not limited to injunctions. Prior to any such action being taken by Tenant, Tenant will give Landlord written notice specifying -such default with particularity, and Landlord shall thereupon have thirty (30) days in which to cure any such default. Unless and until Landlord fails to so cure any default after such notice, Tenant shall not have any remedy or cause of action by reason thereof.

Tenant's Personal Property on Default: In the event that Landlord shall have taken possession of the Demised Premises pursuant to the authority herein granted, then Landlord shall have the right to remove from the Demised Premises (without the necessity of obtaining a distress warrant, writ of sequestration, or other legal process) all or any portion of such furniture, fixtures, equipment and other property located thereon and place same in storage at any Premises within the County in which the Demised Premises are located; and in any such event, Tenant shall be liable to Landlord for costs incurred by Landlord in connection with such removal and storage until Tenant retrieves such property from storage and shall indemnify and hold Landlord harmless from all loss, damage, cost, expense and liability in connection with such removal and storage.

ARTICLE XVII.

RIGHT TO TERMINATE IF SID PETERSON MEMORIAL HOSPITAL MOVES

Tenant may elect to cancel this Lease if Sid Peterson Memorial Hospital ceases to perform services as a hospital at its current location of 710 Water Street, Kerrville, Texas during the Lease Term.

Tenant will give Landlord 60 days written notice of any such election and Tenant is responsible for all of Tenant's costs associated with Tenant vacating the Demised Premises.

ARTICLE XVIII.

HOLDING OVER

Holding Over: In the event Tenant remains in possession of the Demised Premises after the expiration of this lease, and without the execution of a new lease, it shall be deemed to be occupying said premises as a Tenant from month to month at a rental equal to the rental herein provided and otherwise subject to all the conditions, provisions and obligations of this Lease insofar as the same are applicable to a month to month tenancy.

ARTICLE XIX.

SUBORDINATION

Subordination: Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust, or other lien, presently existing upon the Demised Premises and to any renewals and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust, or other lien to this Lease. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust, or other lien hereafter placed upon the Demised Premises, and Tenant agrees, upon demand, to execute such further instruments subordinating this lease as Landlord may request, provided such subordination shall be upon the express condition that this Lease shall be recognized by the mortgagee, and that the rights of Tenant shall remain in full force and effect during the term of this Lease so long as Tenant shall continue to perform all of the covenants and conditions of this Lease.

ARTICLE XX.

NOTICES

Delivery of Notice: Whenever any notice is required or permitted hereunder, such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered whether actually received or not when deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the parties hereto at the respective addresses set out in Article I, Section 1.1 above, or at such other addresses as they may have hereafter specified by written notice.

Binding Effect of Notice on all Parties: if and when included within the term "Landlord" as used in this instrument there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such notice specifying some individual at some specific address for the receipt of notices and payments to Landlord; if and when included within the term "Tenant" as used in this instrument there are more than one

person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such a notice specifying some individual at some specific address for the receipt of notices and payment to Tenant. All parties included with terms "Landlord" and "Tenant" respectively, shall be bound by notices and payments given in accordance with the provisions of this Article to the same effect as if each had received such notice or payment.

ARTICLE XXI.

LATE CHARGES

Late Charges: In the event Tenant fails to pay to Landlord when due any installment of rental or other sum to be paid to Landlord which may become due hereunder, Landlord will incur additional expense in an amount not readily ascertainable and which has not been elsewhere provided for between Landlord and Tenant. If Tenant should fail to pay to Landlord when due, any installment of rental or other sum to be paid hereunder, Tenant will pay landlord on demand, a late charge of Five Hundred Dollars per day (\$500.00/day). Failure to pay such late charge upon demand therefor shall be an event of default hereunder. Provision for such late charge shall be in addition to all other rights and remedies available to Landlord hereunder or at law or in equity and shall not be construed as liquidated damages or limiting landlord's remedies in any manner.

ARTICLE XXII.

MISCELLANEOUS

Successors: This Agreement shall apply to, inure to the benefit of, and be binding upon the parties hereto, and their respective successors, heirs, legal representatives, and assigns, except as otherwise provided herein. This provision shall not operate to permit any assignment or sublease, or other alienation or transfer by Tenant of any right or interest under this Lease.

Force Majeure: Landlord and Tenant shall not be required to perform any obligation under the terms of this Agreement, or be liable or responsible for any loss or damage resulting from its failure to perform so long as performance is delayed by force majeure, acts of God, strikes, lockouts, material or labor shortages, embargo, riot, war, revolution, rebellion, civil war, insurrection, flood, natural disaster, and any other caused not reasonably within control of Landlord and Tenant.

No Oral Provisions: This Agreement, together with such other written instrument as may be referred to herein, is the entire Agreement of Landlord and Tenant, and there are, and were, no verbal representations, understandings, stipulations, agreements or promises pertaining to this Agreement which have not been incorporated into said writings.

Place of Performance: All monies due and owing to Landlord under the terms of this Agreement, or which may become due and owing, shall be paid to Landlord in Kerr County, Texas. All other obligations of Tenant or Landlord hereunder shall be performed in Kerr County, Texas.

Severability: If any provision of this Agreement or application thereof to any person or circumstance shall be invalid or unenforceable to any extent, then the application of said provisions to persons or circumstances other than those in which it is invalid shall not be affected thereby.

Relationship to Parties: Landlord and Tenant are not partners and are not associates in the conduct of Tenant's or Landlord's business. The relationship between Landlord and Tenant is solely that of landlord and tenant, and Tenant shall not have the authority to take any action which would cause a third party to believe that Tenant has authority to bind Landlord to any agreement or obligation.

Application of Payment: Landlord shall have the right, at its sole discretion, to apply any payment made by Tenant to the satisfaction of any debt or obligation owed by Tenant to Landlord, subject to any such instructions of Tenant as to application of such sum, whether such instructions be endorsed upon Tenant's check or otherwise. The acceptance by Landlord of a check or checks drawn by others than Tenant shall in no way affect Tenant's liability hereunder, nor shall it be deemed an approval of any assignment of this Agreement by Tenant.

Attorney's Fees: In the event either party makes default in the performance of any of the terms, covenants, agreements or conditions contained in his Agreement, and the non-defaulting party placed the enforcement of this Agreement, or any part thereof, or the collection of any rent due, or to become due hereunder, or recovery of the possession of the demised premises in the hands of an attorney, or files suit upon the same, the defaulting party agrees to pay the non-defaulting party's reasonable attorney's fees for the services of such attorneys.

ARTICLE XXIII.

The parties hereto reserve the right to make any such changes to this document, including revocation and/or replacement hereof, as they by mutual agreement decide.

EXECUTED ^{EFFECTIVE} this 1st day of MARCH, 1998.

LANDLORD:

SID PETERSON MEMORIAL HOSPITAL

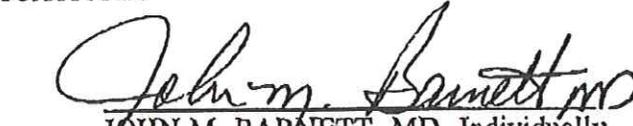
By: F. W. Hall, Jr.
F. W. Hall, Jr.

TENANTS:

CANCER CARE ASSOCIATES

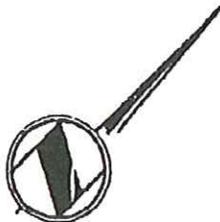
By: John M. Bennett

GUARANTORS OF TENANT'S OBLIGATIONS:


JOHN M. BARNETT, MD, Individually

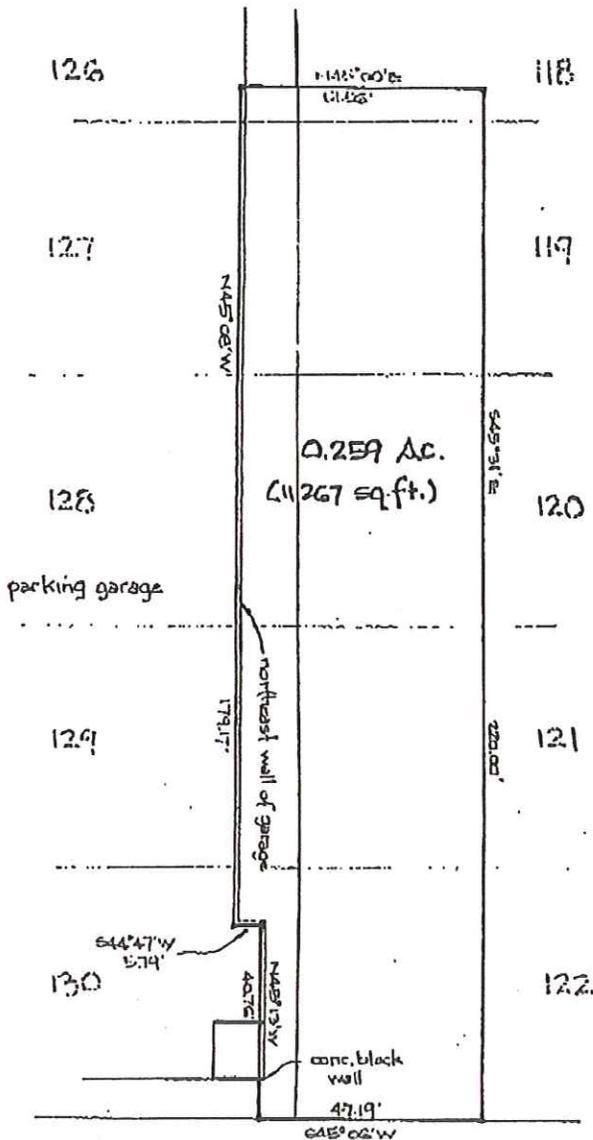

DAVID C. JONES, Individually

SURVEY PLAT FOR 0.259 ACRE (11,267 SQ. FT.) OF LAND, MORE OR LESS, OUT OF H.F. GAGE SURVEY NO. 116, ABSTRACT NO. 106 IN KERR COUNTY, TEXAS; COMPRISING PARTS OF LOTS NOS. 118, 119, 120, 121, 122, 126, 127, 128, 129 AND 130 IN BLOCK 1 OF J.D. BROWN'S ADDITION TO THE CITY OF KERRVILLE, KERR COUNTY, TEXAS



SCALE: 1" = 30'

- 1/2" iron stake
- unmarked point in garage's wall



SIDNEY BAKER STREET
(80 FT. WIDE R.O.W.)

I hereby certify that this plat is an accurate representation of the property shown and described hereon as determined by a survey made on the ground under my direction and supervision, except no survey was made to reestablish Patent Survey lines or corners; and that all property corners are as shown.

Dated this 16th day of February, 1988

Lee C. Voelkel

Lee C. Voelkel
Registered Public Surveyor No. 3909
County Surveyor for Kerr County



FIELD NOTES DESCRIPTION FOR 0.259 ACRE OF LAND OUT OF BLOCK 1 OF J.D. BROWN'S ADDITION TO THE CITY OF KERRVILLE, KERR COUNTY, TEXAS

Being all of a certain tract or parcel of land containing 0.259 acre (11,267 sq. ft.), more or less, out of B.F. Cage Survey No. 116, Abstract No. 106 in Kerr County, Texas; comprising parts of Lots Nos. 118, 119, 120, 121, 122, 126, 127, 128, 129 and 130 in Block 1 of J.D. Brown's Addition to the City of Kerrville, Kerr County, Texas; and being more particularly described by metes and bounds as follows:

BEGINNING at an existing 1/2" iron stake in the northwest right-of-way line of Sidney Baker Street, an eighty (80) ft. wide public street and the southeast line of said Lot No. 122 for the east corner of the herein described tract; which point bears, 247.67 ft. N.45°06'E. from the south corner of said Block 1;

THENCE, with the said northwest right-of-way line of Sidney Baker Street and southeast lines of said Lots Nos. 122 and 130, S.45°06'W., 47.19 ft. to a 1/2" iron stake set for the south corner of the herein described tract;

THENCE, upon, over and across said Lots Nos. 130, 129, 128, 127 and 126: N.45°13'W., at approximately 8.4 ft. passing a concrete block wall, at approximately 21.3 ft. passing the outside face of a concrete wall, the northeast wall of a parking garage, then continuing inside said wall for a total distance of 40.76 ft. to an unmarked point for a reentrant corner of the herein described tract; S.44°47'W., continuing inside said wall, 5.79 ft. to an unmarked point; and N.45°08'W., continuing inside said wall, 179.17 ft. to an unmarked point for the west corner of the herein described tract;

THENCE, upon, over and across said Lots Nos. 126 and 118, N.45°00'E., at approximately 1.0 ft. passing the said outside face of parking garage wall, then continuing for a total distance of 51.56 ft. to an existing 1/2" iron stake for the north corner of the herein described tract;

THENCE, upon, over and across said Lots Nos. 118, 119, 120, 121 and 122, S.45°31'E., 220.00 ft. to the PLACE OF BEGINNING.

I hereby certify that these field notes are an accurate description of the property contained therein as determined by a survey made on the ground under my direction and supervision, except no survey was made to reestablish Patent Survey lines or corners; and that all property corners are as stated.

Dated this 10th day of February, 1988

Lee C. Voelkel
Registered Public Surveyor No. 3909
County Surveyor for Kerr County



EXHIBIT E

LANDLORD'S CONSENT AND RELEASE

This Landlord's Consent and Release is executed and entered into by **SID PETERSON MEMORIAL HOSPITAL** ("Landlord") to and for the benefit of **KERRVILLE CANCER CENTER, LTD.**, a Texas limited partnership ("KCC"), **DAVID C. JONES, M.D.**, Individually, and **DAVID C. JONES, M.D., P.A.** (collectively "Jones"), and **JOHN M. BARNETT, M.D.**, Individually, **JOHN M. BARNETT, M.D., P.A.**, and **DONALD R. BARNETT** (collectively "Barnett").

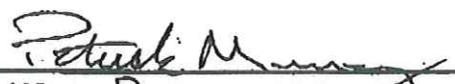
WHEREAS, Landlord is the Landlord under that certain Lease Agreement dated March 8, 1998 with KCC, who is the assignee of the original tenant and lessee under the Lease.

WHEREAS, pursuant to that one certain Agreement of Transfer of Partnership Interests and Termination of Professional Service Contracts, Jones is assigning all of the interest of Jones in KCC to Barnett with the understanding that the Lease is and shall remain with KCC, as the tenant and lessee thereunder subject to the consent of the Landlord and the release by the Landlord of Jones.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by all parties hereto, Landlord (i) does hereby consent to the changes in the partnership makeup of KCC, (ii) does hereby confirm that the Lease is with KCC who is the tenant and lessee under the Lease, (iii) does hereby acknowledge that the lessee and tenant under the Lease has performed and paid all of its obligations and covenants under the Lease as of and prior to the effective date hereof and (iv) does hereby release Jones from any and all liability that pertains to or is arising from any covenant or obligation under the Lease and acknowledges that, as of October 1, 2000, Jones is no longer an individual guarantor under the Lease; it being intended hereby that Landlord is releasing Jones from any and all liability under the Lease, whether arising prior to or after the effective date of this document and whether or not arising under the provisions of the Lease, provisions of the Partnership Agreement for KCC, or any other partnership or legal basis.

EXECUTED as of October 1, 2000:

SID PETERSON MEMORIAL HOSPITAL

By: 
Printed Name: PATRICK MURRAY
Title: CEO

November 27, 2001

Sid Peterson Memorial Hospital
710 Water Street
Kerrville, Texas 78028

Re: Lease Agreement By and Between Sid Peterson Memorial
Hospital and Cancer Care Associates dated March 1, 1998

Dear Ladies and Gentlemen:

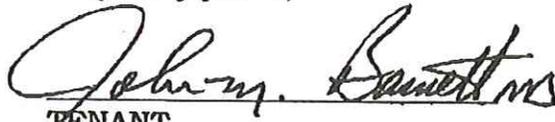
In reference to the above referenced Lease Agreement and to follow up numerous discussions to date with respect to a desired addition to the Cancer Care facility, the following is an outline of the Lease that would be completed by the parties:

1. Term and form of Lease to be the same as the March 1, 1998 Lease as modified and supplemented by the following terms.
2. Leased premises to be the existing facility plus and additional 1,500 square feet to be constructed on the premises by the tenant at its cost and expense subject to approval of plans by Landlord.
3. Lease term to be same as in the March 1, 1998 Lease.
4. Base rental under the Lease shall not be changed, nor increased by virtue of the addition to the leased premises and thus the base rental shall be the same as in the March 1, 1998 Lease.
5. Any financing acquired for the project would be incurred by and at the expense of the Tenant without any encumbrance of the leased premises or the Lease.
6. The addition being added by the Tenant would be owned only during the term of the Lease (which could not be encumbered, assigned or subleased without Landlord consent) and at the end of the Lease the addition would be surrendered to Landlord and ownership would pass to that improvement to the Landlord.
7. The Tenant shall be granted a first right to purchase the leased premises based on a bona fide offer to purchase from an outside third party.

Page 2
Sid Peterson Memorial Hospital

If these terms are acceptable please execute a copy of this letter in the space provided and we will then proceed with the construction of the improvement and the completion of a Lease in accordance with these terms. The proposed floor plan is attached.

Very truly yours,


TENANT

Accepted and Agreed:


LANDLORD

Attachment:

- Proposed Floor Plan
(Addition to Kerrville Cancer Center)

Agenda Item:

2C. Resolution No. 12-2016 authorizing the use of internal combustion engines on Nimitz Lake upstream of the City's impoundment dam for the Kerrville Triathlon and the safety of competitors. (staff)

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

SUBJECT: Resolution No. 12-2016 authorizing the use of internal combustion engines on Nimitz Lake upstream of the city's impoundment dam for the Kerrville Triathlon Festival

FOR AGENDA OF: July 12, 2016

DATE SUBMITTED: July 5, 2016

SUBMITTED BY: Ashlea Boyle
Assistant Director of Parks and Recreation

CLEARANCES: Malcolm Matthews
Interim Deputy City Manager 

EXHIBITS:

1. Resolution No. 12-2016
2. General Event Information
3. Map of Swimming Event

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The 6th Annual Kerrville Triathlon Festival produced by High Five Events of Austin will be held September 24-25, 2016. The event will again consist of a sprint, quarter, and half ironman distance triathlons. The swimming portion of the triathlon will be in the Guadalupe River with the start and finish on the grounds of the former Family Sports Center at the northern end of Guadalupe Street. This will require use of watercraft equipped with internal combustion engines for course preparation (placement of buoys) as well as the monitoring and potential rescue of distressed swimmers.

Chapter 118 Article II Water Impoundment of the Kerrville Code of Ordinances Section 118-34 (4) allows the operation of watercraft equipped with an internal combustion engine when it is engaged in an activity that has been authorized by resolution of the city council.

RECOMMENDED ACTION

City staff recommends adopting Resolution No. 12-2016 authorizing High Five Events to operate watercraft equipped with internal combustion engines on Nimitz Lake for the course preparation as well as to ensure safety of the competitors for the Kerrville Triathlon Festival.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 12 -2016**

**A RESOLUTION AUTHORIZING THE USE OF INTERNAL
COMBUSTION ENGINES ON NIMITZ LAKE UPSTREAM OF THE
CITY'S IMPOUNDMENT DAM FOR THE KERRVILLE TRIATHLON
AND THE SAFETY OF COMPETITORS**

WHEREAS, Chapter 118 of the City Code of Ordinances (the "Code") regulates and prohibits certain activities on Nimitz Lake, the lake upstream of the City's impoundment dam (the "Lake"); and

WHEREAS, one of the prohibited activities is the operation of internal combustion engines on the Lake; and

WHEREAS, under the Code, City Council may authorize an exception to this prohibition by adopting a resolution authorizing an activity which requires the use of an internal combustion engine on the Lake; and

WHEREAS, the organizer of a triathlon to be held in Kerrville and who would like to use the Lake for the swimming portion of its competition, is seeking an exception to the prohibition against combustible engines so that they may use boats with combustion engines to ensure the safety of competitors; and

WHEREAS, pursuant to this request and to promote and expand the recreational uses of the Lake, the City Council hereby finds that a public purpose exists to authorize the use of internal combustion engines on the Lake;

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

SECTION ONE. The City Council authorizes the use of internal combustion engines on the Lake, such authority subject to the following terms:

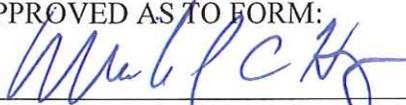
- a. the authority is granted to High Five Events, LLC, of Austin Texas, their agents, or representatives and no other person or group;
- b. the authority is valid from September 23, 2016, through October 1, 2016; and
- c. authority is limited to no greater than five (5) boats with such engines.

SECTION TWO. This Resolution and the authority granted hereby shall automatically expire and be revoked on October 2, 2016.

PASSED AND APPROVED ON this the _____ day of _____, A.D.,
2016.

Bonnie White, Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary



September 24 & 25, 2016

General Event Information

Schedule

The Kerrville Triathlon Festival consists of three different triathlon events, a kids fun run, and a two-day health and fitness expo. The festival schedule and event lineup is as follows:

Friday, September 23

3 PM to 7 PM Expo & Athlete Packet Pickup at Inn of the Hills

Saturday, September 24

7:30 AM Debra Zapata Sprint Distance Triathlon starts at Kerrville Bowling Center
(500 meter Swim, 14 mile Bike, 3.1 mile Run)

10:30 AM Debra Zapata Sprint Distance Triathlon ends at Louise Hays Park

11:00 AM Kids Fun Run at Louise Hays Park

12 PM to 5 PM Expo & Athlete Packet Pickup at Inn of the Hills

Sunday, September 25

7:30 AM Half Distance Triathlon starts at Kerrville Bowling Center
(1.2 mile Swim, 56 mile Bike, 13.1 mile Run)

8:30 AM Quarter Distance Triathlon starts at Kerrville Bowling Center
(1000 meter Swim, 29 mile Bike, 6.55 mile Run)

4:30 PM Triathlons end at Louise Hays Park

Course & Venues

The Kerrville Triathlon utilizes two outdoor venues because it is a split-transition event. The first transition area (T1) is located on the grounds of the Kerrville Bowling Center, at the intersection of Junction Hwy and Guadalupe St. The swim takes place in the Guadalupe river directly behind the Bowling Center. Athletes start the bicycle portion of the event from T1.

The bike course utilizes a loop through downtown Kerrville and then proceeds towards Center Point and southeastern Kerr county before returning downtown. The bicycle course finishes at Louise Hays Park. Louise Hays Park serves as the second venue for the event, hosting the second transition area

(T2) and the finish line. The run course starts at T2 in Louise Hays Park and uses the Kerrville River Trail between the Francisco Lemos St. bridge and Legion Crossing Rd at Kerrville-Schriener Park.

Attendance

2016 will be the 6th edition of the event. Approximately 1400 participants are expected over the two days of the event.

Park Use

Louise Hays Park

- Thursday, Sept. 22, 7 AM to 5 PM: Triathlon set up. Vehicle access restricted. Most parts of the park will remain open to pedestrians.
- Friday, Sept. 23, 7 AM to 8 PM: Triathlon set up. Vehicle access restricted.
- Saturday, Sept. 24, 5 AM to 1 PM: Park closed for triathlon.
- Sunday, Sept. 25, 5 AM to 6 PM: Park closed for triathlon
- Monday, Sept. 26. Final clean up. Park open.

Street Closures

Saturday, Sept. 24

- Guadalupe St. closed at Junction Hwy 5 AM to 9 AM
- Water St. closed between Sidney Baker St and Hwy 27 5 AM to 10 AM
- La Casa Dr. closed northbound 5 AM to 10:30 AM
- Park Ln. closed westbound 5 AM to 10:30 AM

Sunday, Sept. 25

- Guadalupe St. closed at Junction Hwy 5 AM to 9:30 AM
- Water St. closed between Sidney Baker St and Hwy 27 5 AM to 11:30 AM
- La Casa Dr. closed northbound 5 AM to 3 PM
- Park Ln. closed westbound 5 AM to 3 PM

Organizer

The Kerrville Triathlon is organized by High Five Events, based in Austin, TX.

Race Director

Dan Carroll

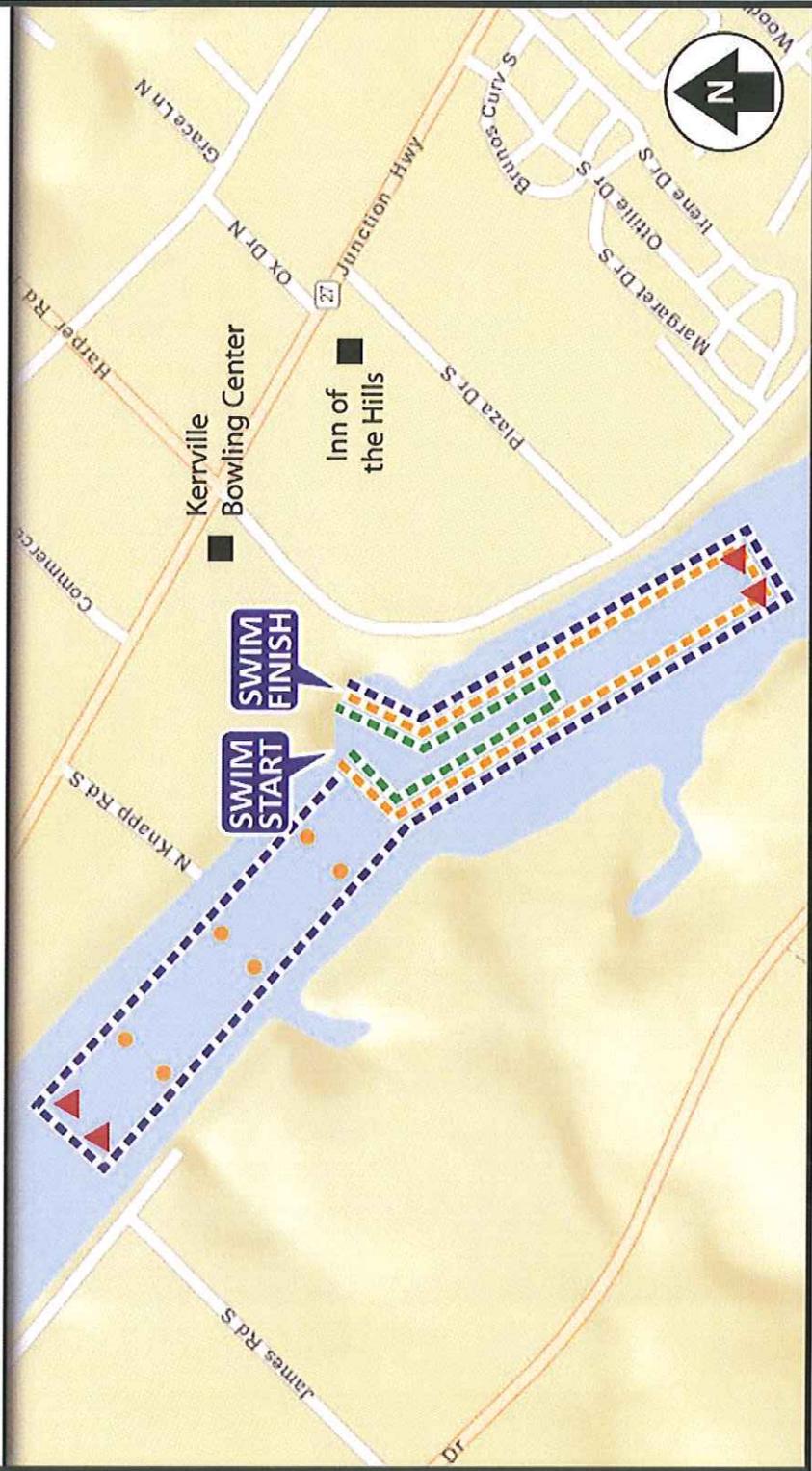
dan@highfiveevents.com

512-917-3579



SWIM COURSE

- 1.2 miles
- Quarter 1000 m
- Sprint 500 m





BIKE COURSE

Sprint

- Right turn onto Guadalupe St.
- Right turn onto Water St.
- Right turn onto Hwy 27
- Right turn onto Riverside Dr.
- Right turn onto Hwy 534
- Right turn onto Hwy 173
- Right turn onto Hwy 16
- Right turn onto La Casa Dr.
- Left turn onto Park Ln.
- (Start 2nd Loop)

or

- Straight to Finish in Louise Hays Park
- Sprint Distance = 2 loops (15 miles)**



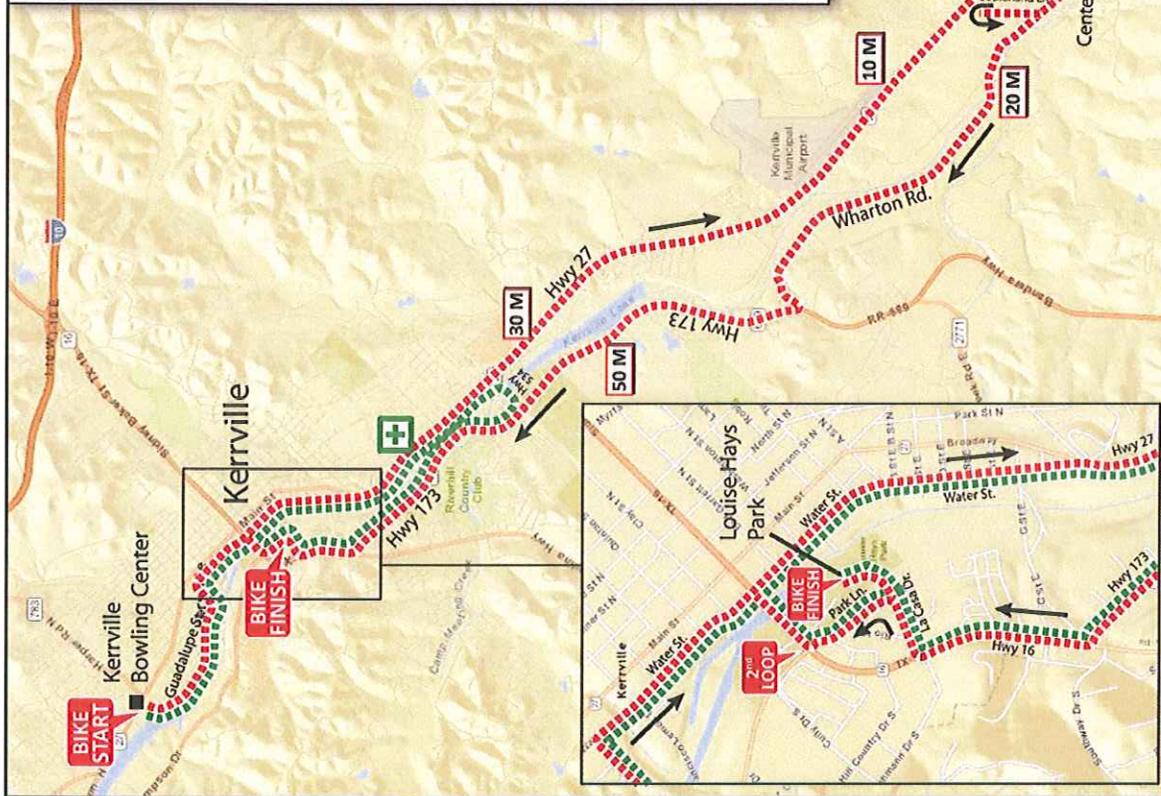
- Aid Stations**
- Half @ miles 17, 29, 43
- Quarter @ mile 17
- Sprint = None

Half & Quarter

- Right turn onto Guadalupe St.
- Right turn onto Water St.
- Right turn onto Hwy 27
- Right turn onto FM 1350
- Right turn onto Hwy 480
- Left turn onto Skyline Dr
- Right turn onto Center Point River Rd.
- Right turn onto Sutherland Ln.
- U-turn on Sutherland Ln.
- Right turn onto Center Point River Rd.
- Right turn onto Wharton Rd.
- Right turn onto Hwy 173
- Right turn onto Hwy 16
- Right turn onto La Casa Dr.
- Left turn onto Park Ln.
- (Start 2nd Loop of Half)

or

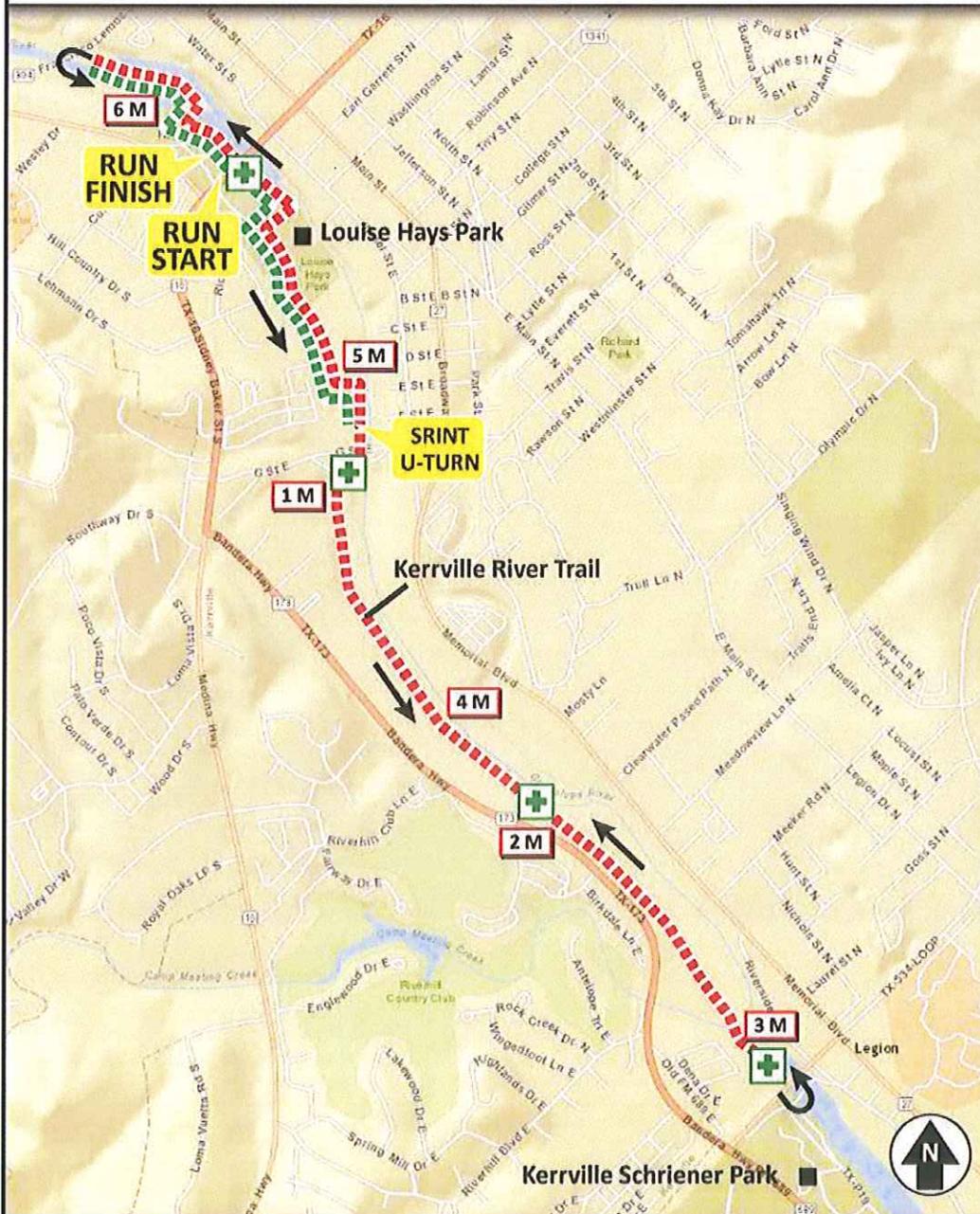
- Straight to Finish in Louise Hays Park
- Quarter Distance = 1 loop (29 miles)**
Half Distance = 2 loops (56 miles)





RUN COURSE

- **Half**
 13.1 miles (2 Loops)
- **Quarter**
 6.55 miles (1 Loop)
- **Sprint**
 3.1 miles
- + **Aid Station**



Agenda Item:

2D. A Resolution authorizing the City's continued participation with the Atmos Cities Steering Committee; and authorizing the City's payment of Two and One-Half Cents Per Capita (\$573.65) to the Atmos Energy Corporation (staff)

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

SUBJECT: A Resolution authorizing the City's continued participation with the Atmos Cities Steering Committee ("ACSC"); and authorizing the City's payment of .025 cents per capita to the ACSC to fund regulatory and related activities related to Atmos Energy Corporation

FOR AGENDA OF: July 12, 2016 **DATE SUBMITTED:** July 7, 2016

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

EXHIBITS: Resolution, Memorandum from ACSC Co-chairs, ACSC "Year in Review", List of ACSC cities

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$573.65	\$	\$	01-870-306

PAYMENT TO BE MADE TO: Atmos Cities Steering Committee, Brandi Stigler, Atmos Cities Steering Committee, c/o Arlington City Attorney's Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

The following statement was provided by the Atmos Cities Steering Committee:

Purpose of the Resolution:

Most cities have retained original jurisdiction over gas utility rates and services within city limits. The Atmos Cities Steering Committee ("ACSC") is composed of cities in the service area of Atmos Energy Corporation, Mid-Tex Division regardless of whether original jurisdiction has been retained. Atmos is a monopoly provider of natural gas. Because Atmos has no competitors, regulation of the rates that it charges its customers is the only way that cities can ensure that natural gas rates are fair. Working as a coalition to review the rates charged by Atmos allows cities to accomplish more collectively than each city could do acting alone. Cities have more than 100 years experience in regulating natural gas rates in Texas.

ACSC is the largest coalition of cities served by Atmos Mid-Tex. There are 168 ACSC member cities, which represent more than 60 percent of the total load served by Atmos-Mid Tex. ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the

interests of residential and small commercial customers within the cities. Although many of the activities undertaken by ACSC are connected to rate cases (and therefore expenses are reimbursed by the utility), ACSC also undertakes additional activities on behalf of municipalities for which it needs funding support from its members.

The ACSC Membership Assessment Supports Important Activities:

ACSC is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Atmos within the City. These activities will continue throughout the calendar year. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that ACSC be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

Explanation of Resolution Paragraphs:

- I. This paragraph authorizes the continuation of the City’s membership in ACSC.
- II. This paragraph authorizes payment of the City’s assessment to the ACSC in the amount of five cents (\$0.025) per capita.
- III. This paragraph requires notification that the City has adopted the Resolution.

Payment of Assessment:

The assessment payment check should be made out to “Atmos Cities Steering Committee” and mailed to Brandi Stigler, Atmos Cities Steering Committee, c/o Arlington City Attorney’s Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010.

RECOMMENDED ACTION

Adoption of Resolution.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 15-2016**

A RESOLUTION AUTHORIZING THE CITY'S CONTINUED PARTICIPATION WITH THE ATMOS CITIES STEERING COMMITTEE; AND AUTHORIZING THE CITY'S PAYMENT OF TWO AND ONE-HALF CENTS CENTS PER CAPITA TO THE ATMOS CITIES STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ATMOS ENERGY CORPORATION

WHEREAS, the City of Kerrville, Texas ("City") is a regulatory authority under the Gas Utility Regulatory Act (GURA) and has exclusive original jurisdiction over the rates and services of Atmos Energy Corporation, Mid-Tex Division ("Atmos") within the municipal boundaries of the City; and

WHEREAS, the Atmos Cities Steering Committee ("ACSC") has historically intervened in Atmos rate proceedings and gas utility related rulemakings to protect the interests of municipalities and gas customers residing within municipal boundaries; and

WHEREAS, ACSC is participating in Railroad Commission dockets and projects, as well as court proceedings and legislative activities, affecting gas utility rates; and

WHEREAS, the City is a member of ACSC; and

WHEREAS, in order for ACSC to continue its participation in these activities which affects the provision of gas utility service and the rates to be charged, it must assess its members for such costs;

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

SECTION ONE. The City is authorized to continue its membership with the Atmos Cities Steering Committee to protect the interests of the City and protect the interests of the customers of Atmos Energy Corporation, Mid-Tex Division residing and conducting business within the City limits.

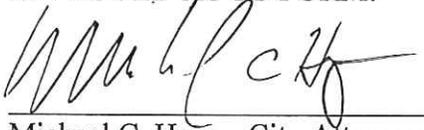
SECTION TWO. The City is further authorized to pay its 2016 assessment to the ACSC in the amount of two and one-half cents (\$0.025) per capita, which based upon a population estimate of 22,946, comes to \$573.65.

SECTION THREE. A copy of this Resolution and approved assessment fee payment to "Atmos Cities Steering Committee" shall be sent to Brandi Stigler, Atmos Cities Steering Committee, c/o Arlington City Attorney's Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010.

**PASSED AND APPROVED ON this the _____ day of _____ A.D.,
2016.**

Bonnie White, Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary

MEMORANDUM

TO: Atmos Cities Steering Committee
FROM: Jennifer Richie and Odis Dolton, Co-Chairs, Atmos Cities Steering Committee
DATE: May 6, 2016
RE: **Action Needed - 2016 Atmos Cities Steering Committee Membership Assessment Invoice**

On March 10, 2016, the Atmos Cities Steering Committee (“ACSC”) held a quarterly meeting with representatives from Atmos Energy. During the meeting, the group held a discussion of upcoming natural gas issues and approved the assessment for ACSC membership. Using the population-based assessment protocol previously adopted by ACSC, the assessment for 2016 is a per capita fee of \$0.025.

This assessment is ½ of the historical assessment adopted by ACSC. At the March 10, 2016 meeting, it was decided that ACSC’s current account balance and anticipated activities throughout the coming year warranted a reduction for this year. Each city should consider making its Budget officer and/or Council aware that in future years, the assessment may return to \$0.05.

ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the interests of the residential and small commercial customers within the cities. Cities are the only consumer advocates that work to keep natural gas rates reasonable. The work undertaken by ACSC has saved ratepayers millions of dollars in unreasonable charges. In order to continue to be an effective voice at the Railroad Commission, at the Legislature, and in the courts, ACSC must have your support. Please take action to pay the membership assessment as soon as possible. Payment of the membership assessment fee shall be deemed to be in agreement with the terms of the ACSC participation agreement.

Although ACSC does not require that your city take action by resolution to approve the assessment, some members have requested a model resolution authorizing payment of the 2016 membership assessment. To assist you in the assessment process, we have provided the following documents for your use:

- ACSC 2015 Year in Review
- Model resolution approving the 2016 assessment (optional, provided for those cities that have requested a resolution to authorize payment)
- Model staff report supporting the resolution
- List of Atmos Cities Steering Committee members
- 2016 Assessment invoice
- 2015 Assessment invoice and statement (only included if not yet paid)
- Blank member contact form to update the distribution lists

Please forward the membership assessment fee and, if applicable, the signed resolution to Brandi Stigler, Atmos Cities Steering Committee, c/o City Attorney’s Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010. Checks should be made payable to: *Atmos Cities Steering Committee*.

If you have any questions, please contact ACSC Co-Chairmen Jennifer Richie (254/750-5688), or Odis Dolton (325/676-6496). ACSC’s counsel, Geoffrey Gay (ggay@lglawfirm.com) and Thomas Brocato (tbrocato@lglawfirm.com) at 512/322-5857 are also available to assist you.



2015 Year in Review

84th Regular Legislative Session



Texas' 84th Regular Legislative Session was a major event for Atmos Cities Steering Committee ("ACSC") in 2015. From January through June, ACSC representatives played a large role at the Capitol advocating for consumers on utility issues, which as usual, received significant attention from lobbyists and legislators. Approximately 120 utility-related bills were filed this session and ACSC was active on many of them. Like most sessions, there were disappointments and accomplishments, but overall, ACSC is pleased no major utility legislation negatively impacting cities' interests was adopted. This is particularly satisfying given the attacks on municipalities raised in other areas throughout the session.

Despite favorable hearings and committee approval, the powerful utility lobby ultimately prevented one of ACSC's bills from passing, Rep. Jim Keffer's (R – Eastland) Railroad Commission ("RRC") system-wide bill (HB 3749). This bill would have helped preserve the

ability of cities to protect their citizens' interests in gas utility cases by requiring reasonable rate case expenses to be collected equally from all the utility's customers irrespective of their geographical location. It was supported by consumer and city groups, but failed to emerge from the Texas House.

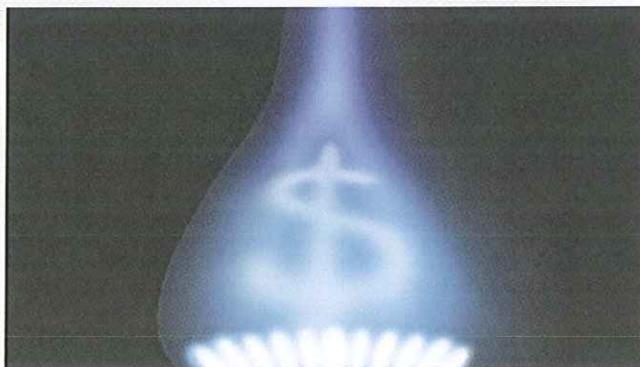
ACSC also actively opposed and successfully prevented some legislation from adoption. House Resolution 3425, would have delayed for several years an intensive review of the RRC, which is the state agency that oversees gas utility rates. The resolution emerged unexpectedly during the waning days of the session, passed in the Senate, but then died in the House. Its death came as good news to several lawmakers, consumer groups and city coalitions – each of whom have called for agency reform. This last-minute resolution would have delayed the Sunset review of the Commission for another eight years.

ACSC is now beginning work for the 2017 legislative session. During the interim, ACSC representatives will continue to meet with legislators and legislative staff to educate them on utility issues, provide information and recommendations to the Sunset Advisory Commission for its RRC review and engage with stakeholders to identify additional needs.

Atmos Rate Review Mechanisms

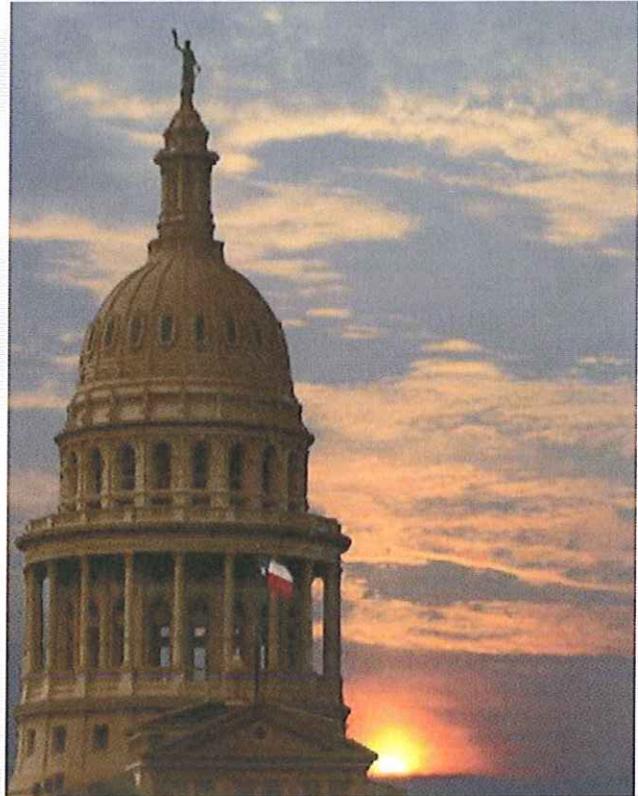
Last year, ACSC settled Atmos Energy MidTex Division's two most recent Rate Review Mechanism ("RRM") cases. The Proposal for Decision in the 2014 Atmos Energy Corporation MidTex Division RRM case was issued on April 29, 2015 over a year after the initial filing. While the 2014 RRM was still pending, Atmos filed its 2015 RRM in February 2015. After the 2014 decision was issued, and considering the 2015 RRM filing, the ACSC Executive Committee approved a settlement agreement resolving the 2014 and 2015 RRMs together. The 2015 RRM filing saved cities about \$15 million over a Gas Reliability Infrastructure filing. The new rates were effective June 1. Atmos Energy MidTex Division will file its 2016 RRM by March 1, 2016 which ACSC will also participate in.

Atmos Energy West Texas Division filed an RRM on December 1, 2015, to increase rates by 4.72% with gas cost. The proposed effective date for the new rates is March 15, 2016.



RRC Sunset Review Begins

The Railroad Commission's review by the Texas Sunset Commission for the 2017 legislative session began in 2015. The RRC submitted its self-evaluation report detailing the agency's function, organization, and programs along with an internal audit report in September. The Sunset Commission then sought information from stakeholders on how the RRC can be improved through a public questionnaire on its website. City advocates recommended renaming the RRC to more accurately reflect its mission and transferring gas utility ratemaking authority to the PUC. City advocates also suggested gas utility cases be adjudicated by the State Office of Administrative Hearings and that the RRC allocate rate case expenses on a system-wide basis. The Sunset Advisory Commission will issue a report in late April regarding information collected from stakeholders and the Sunset Commission's recommendations to improve the agency.



2016 Officers

At the December meeting, ACSC members approved the budget and elected the following officers for 2016:

Co-chairs—Odis Dolton (Abilene) & Jennifer Richie (Waco)

Vice-Chair and Secretary—Joel Welch (Ennis)

Treasurer—David Barber (Arlington)

2016 ACSC Meetings

March 10

May 12

August 11

December 8

Questions?

For questions or concerns regarding any ACSC matter or communication, please contact the following representatives, who will be happy to provide assistance:

Geoffrey Gay
512-322-5875
ggay@lglawfirm.com

Thomas Brocato
512-322-5857
tbrocato@lglawfirm.com

Lloyd Gosselink
ATTORNEYS AT LAW

Lloyd Gosselink Rochelle and Townsend, P.C.
816 Congress Avenue Suite 1900
Austin, Texas 78701

ACSC Cities (168 Total)

Abilene	Fairview	Oak Leaf
Addison	Farmers Branch	Ovilla
Allen	Farmersville	Palestine
Alvarado	Fate	Pantego
Angus	Flower Mound	Paris
Anna	Forest Hill	Parker
Argyle	Fort Worth	Pecan Hill
Arlington	Frisco	Petrolia
Aubrey	Frost	Plano
Azle	Gainesville	Ponder
Bedford	Garland	Pottsboro
Bellmead	Garrett	Prosper
Benbrook	Grand Prairie	Quitman
Beverly Hills	Grapevine	Red Oak
Blossom	Groesbeck	Reno (Parker County)
Blue Ridge	Haltom City	Rhame
Bowie	Harker Heights	Richardson
Boyd	Haskell	Richland
Bridgeport	Haslet	Richland Hills
Brownwood	Hewitt	River Oaks
Buffalo	Highland Park	Roanoke
Burkburnett	Highland Village	Robinson
Burleson	Honey Grove	Rockwall
Caddo Mills	Hurst	Roscoe
Canton	Hutto	Rowlett
Carrollton	Iowa Park	Royse City
Cedar Hill	Irving	Sachse
Celeste	Justin	Saginaw
Celina	Kaufman	Sansom Park
Centerville	Keene	Seagoville
Cisco	Keller	Sherman
Clarksville	Kemp	Snyder
Cleburne	Kennedale	Southlake
Clyde	Kerens	Springtown
College Station	Kerrville	Stamford
Colleyville	Killeen	Stephenville
Colorado City	Krum	Sulphur Springs
Comanche	Lakeside	Sweetwater
Commerce	Lake Worth	Temple
Coolidge	Lancaster	Terrell
Coppell	Lewisville	The Colony
Copperas Cove	Lincoln Park	Trophy Club
Corinth	Little Elm	Tyler
Corral City	Lorena	University Park
Crandall	Madisonville	Venus
Crowley	Malakoff	Vernon
Dalworthington Gardens	Mansfield	Waco
Denison	McKinney	Watauga
DeSoto	Melissa	Waxahachie
Duncanville	Mesquite	Westlake
Eastland	Midlothian	Westover Hills
Edgecliff Village	Murphy	Whitesboro
Emory	Newark	White Settlement
Ennis	Nocona	Wichita Falls
Eules	North Richland Hills	Woodway
Everman	Northlake	Wylie

Agenda Item:

3A. Proposed amendment to the Procedural Rules for Meetings-City Council by adding Rule 7.5 Individual City Council Member Requests for Information or Assistance. (staff)

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

SUBJECT: Consideration of amending the Procedural Rules for Meetings – City Council by adding Rule 7.5 Individual City Council Member Requests for Information or Assistance

FOR AGENDA OF: July 12, 2016 **DATE SUBMITTED:** July 6, 2016

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

EXHIBITS: Procedural Rules for Meetings – Kerrville City Council

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

Outlined within this agenda bill is a recommended addition to the City Council's Procedural Rules for Meetings pertaining to the request of information from city staff by individual City Council members. This rule has been prepared as directed by the City Council and is intended to ensure that information requests of individual council members are fully met in an efficient manner that does not unduly affect departmental operations and to ensure that information is distributed equally to all members of the City Council.

The following Rule 7.5 is recommended for addition to **Section 7. Miscellaneous** of the council's procedural rules as follows:

Rule 7.5. Individual City Council Member Requests for Information or Assistance. Requests made by individual council members for information or assistance will be addressed as efficiently as possible under the circumstances, provided that, in the judgement of the city manager (or the city attorney depending upon the nature of the request) the request is not of a magnitude, either in terms of workload or policy, which would require that it more appropriately be assigned to staff through the collective direction of the city council. In the event that the individual city council member request goes beyond these parameters, or in the judgement of the city manager, is not within the scope of city policies or business, the city manager will bring the request to the full City Council for consideration.

Requests for information or assistance will be in accordance with the following:

1. All requests for information or assistance shall be directed to the city manager or city attorney.
2. All requests for information or assistance should include adequate background information to help city staff discern the type and level of information that will adequately meet the needs and expectations of the requestor.
3. All requests for information or assistance shall be specified as low, medium, or high priority and shall specify the desired deadline.
4. All written informational material prepared in response to a request by an individual council member shall be submitted by city staff to all city council members. This does not apply to conflict of interest law information and certain personal questions regarding city council member rights addressed to the city attorney.
5. City council should remain mindful that city staff's first priority is to tend to the day-to-day business of the city and that city staff should not be unduly distracted from performing their job functions in order to meet a councilmember's individual needs.

RECOMMENDED ACTION

This rule will help to ensure that the individual needs of council members are addressed in a timely and efficient manner. It also helps to ensure that each council member is informed on an equal basis. Therefore, city staff recommends that this rule be adopted provided that there all council concerns and issues have been adequately addressed.

PROCEDURAL RULES FOR MEETINGS KERRVILLE CITY COUNCIL

Section 1. General Provisions

Rule 1.1 Scope of Rules; Intent. These rules shall govern the conduct of the Council and shall be interpreted to ensure fair and open deliberations and decision-making. The rules are intended to promote and maintain courtesy, civility, and collegiality during meetings.

Rule 1.2. Technical Parliamentary Forms Abolished. Except as specifically required by these rules, the Council shall not use any formal points of parliamentary order, personal privilege, parliamentary inquiry, or other technical forms.

Rule 1.3. Rulings; Matters Not Covered. Rulings on procedure are governed by the presiding officer or by a majority of Council, which would prevail. Section 3.02 of the City Charter provides the following basis for this:

The Mayor shall preside at meetings of the Council and shall exercise such other powers and perform such other duties as are or may be conferred and imposed upon him by this Charter and the ordinances of the City.

Any matter or order or procedure not covered by these rules shall be deferred to the presiding officer or legal counsel as appropriate.

Rule 1.4. Interpretation. These rules are intended to supplement and shall be interpreted to conform with the statutes of the State of Texas and the Charter and ordinances of the City of Kerrville. In general, these rules shall be interpreted to allow the majority to prevail but preserve the right of the minority to be heard.

Rule 1.5. Authority to Change and Adopt Rules of Procedure. Adoption and/or modification of rules governing City Council meetings is addressed in Section 3.04 of the Charter which provides the following with respect to rules of procedure:

...The Council shall determine its own rules and order of business and keep a journal of its proceedings. It shall have power to compel the attendance of absent members, may punish its members for disorderly behavior, and by vote of not less than a majority of all its members, expel from a meeting a member for disorderly conduct for the violation of its rules; but no member shall be expelled from a meeting unless notified of the charge against him and given an opportunity to be heard in his own defense.

Section 2. Time and Place of Meeting

Rule 2.1. Regular Meetings. Scheduling regular meetings is governed by Section 3.01 of the Charter and Section 2-31 of Article II of the Code of Ordinances. Section 2-31 of Article II of the Code of Ordinances provides:

City council will hold its regular meetings on the second and fourth Tuesdays of each month, beginning at 6:00 p.m. The council may, by majority vote at a regular meeting, change the days or times of meetings as circumstances may necessitate.

Rule 2.2. Special Meetings. Calling special meetings is governed by Section 3.01 of the Charter, which provides:

Special meetings shall be called by the City Secretary upon request of the Mayor, the City Manager, or a majority of the members of the Council.

A request for special meeting shall be filed with the City Secretary or City Manager in written/electronic format unless made at a regular meeting at which a quorum of Council Members are present. The City Manager and all Council Members shall be notified of all special meetings.

Rule 2.3. Quorum, Majority Voting. Quorum and majority voting are governed by Section 3.05 of the Charter, which provides:

A majority of all the members of the Council shall constitute a quorum to do business, but a less number may adjourn from time to time and compel the attendance of absent members in such manner and under such penalties as may be prescribed by ordinance. The affirmative vote of a majority of all the members of the Council shall be necessary to adopt any ordinance, resolution, or order; except that a vote to adjourn, or an action regarding the attendance of absent members, may be adopted by a majority of the members present.

Section 3. Agenda

Rule 3.1. Preparation of Agenda; Agenda Requests. The City Secretary shall prepare, post, and distribute notices of meetings and the assembled agenda packages. The City Manager is responsible for assembling the agenda package for each meeting. The City Manager must place a subject on the agenda if the subject is requested by the Mayor or a Council Member. Other persons may request that the City Manager place an item on the agenda pursuant to Rule 3.3.

Rule 3.2. Consent Agenda. In preparing an agenda the City Secretary may separately designate items as "Consent Agenda" which may be acted upon by the Council under Rule 6.6. The "Consent Agenda" shall consist of routine items, which in the City Secretary's determination can be appropriately considered as a group, without separate discussion, at the Council meeting. Any item listed on the consent agenda may be

removed by a member of Council or upon a request by staff or a member of the public.

Rule 3.3. Agenda Deadline. Any person wishing to have a matter heard at a City Council meeting shall make a written request, including via email, to the City Manager. Such request shall contain a short summary statement of the proposed presentation. Such request should be made before 5:00 p.m. of the sixth day preceding such meeting. As long as the City Council meetings continue to be on Tuesday, then such request should be made before 5:00 p.m. on the preceding Wednesday. Once a request has been placed on an agenda, the item, or an item concerning a similar subject matter, may not be placed on an agenda for a period of 1 year, unless a Council Member makes a written request for placement.

Rule 3.4. Requests to Include or Exclude Items. Each request to include or exclude an agenda item shall be forwarded to all members of the Council at the time the request is submitted to the City Secretary. When a Council Member will be absent from a meeting, the Council Member may request that an item not be included and such request shall not be unreasonably denied.

Rule 3.5. Council Action to Defer, Continue or Not Act. A Council Member wishing to withdraw, defer, or continue an item may make a motion to that effect. Such a motion shall be considered before any other action on that item.

Section 4. Conduct of Meetings

Rule 4.1. Roll Call. Before proceeding with the business of the Council, the City Secretary shall make note of Members present, and enter those names in the minutes. The presiding officer shall determine the presence of a quorum as required by law and these rules.

Rule 4.2. Call to Order. The presiding officer shall call the meeting to order.

Rule 4.3. Presiding Officer. The Mayor, or in the Mayor's absence or inability to perform, the Mayor Pro Tem, shall be the presiding officer at all Council meetings. The presiding officer retains all rights and privileges of a Member of Council. If both the Mayor and Mayor Pro Tem are absent or unable to perform, the most senior Council Member present shall preside. In the event two or more Members equally possess the greatest seniority then the eldest person among them shall preside.

Rule 4.4. Control of Discussion. The presiding officer shall control discussion of the Council on each Agenda item to assure full participation in accordance with these rules, the City Charter and the Code of Ordinances. The presiding officer will preserve order and decorum, preventing the impugning of any member's motives or other personal comment not relevant to the orderly conduct of business. The presiding officer shall request that all speakers keep comments brief and relevant to the question before the Council. All persons present in the meeting room should eschew abusive, rude or inappropriate conduct. See Chapter 38 of the Texas Penal Code regarding the "hindering" of official proceedings.

Rule 4.5. Order of Consideration of Agenda. Except as otherwise provided in these rules, each Agenda item shall be considered in the numerical order as presented in the meeting agenda. Each Agenda item shall be introduced by the presiding officer. To introduce an item, it shall be sufficient to identify the item by the number assigned to it on the agenda. However, as provided in Section 3.06(a) of the City Charter:

Ordinances and resolutions shall be introduced only in written form.

After a measure is introduced, the standard procedure for consideration will be as follows:

- (1) Reading of the measure by the presiding officer (or other person designated by the presiding officer). Reading ordinances or resolutions by caption or summary is allowed if the full text is available as prescribed by the Charter. (Note: Section 3.06(a) of the Charter requires additional steps for ordinances: “No ordinance shall be passed until it has been read and voted upon in at least two regular meetings, except an emergency measure. The final reading of each ordinance shall be in full unless a written or printed copy thereof shall have been furnished to each member of the Council prior to such reading.”)
- (2) The City Manager or other person may present a staff statement or presentation with questions from City Council.
- (3) Motion and second.
- (4) Public Comments
- (5) Discussion.
- (6) Vote.
- (7) If a majority of Council votes against a motion, the Council member making the original motion may amend that motion for reconsideration. In addition, any Council member may make an alternate motion for consideration related to that agenda item.

In the absence of the objections of the presiding officer or a majority of Council, which would prevail, the Council may vary the standard procedure (for example, by discussing a measure before a motion is made).

Informal voting by voice or a show of hands shall be used at the discretion of the presiding officer, unless a Council Member requests a roll call vote or a roll call vote is otherwise required by state law. On a roll call vote, the moving member votes first, the seconding member votes second, the remaining members vote in alphabetical order and the presiding officer votes last (unless the presiding officer has moved or seconded the motion). In case of a tie, the motion fails.

Rule 4.6. Discussion. A Council Member shall speak only after being recognized by the presiding officer. A Council Member recognized for a specific purpose shall limit remarks to that purpose. A Council Member, after being recognized shall not be interrupted except by the presiding officer to enforce these rules. Anyone speaking shall be recognized by the presiding officer.

Rule 4.7. Presiding Officer's Right to Enter into Discussion. The Mayor (or other presiding officer) as a Member of the Council may enter into any discussion.

Rule 4.8. Limit on Remarks. Each Council Member shall limit his or her remarks to a reasonable length.

Rule 4.9. Presiding Officer's Right to Speak Last. The presiding officer has the right to speak last on any item.

Rule 4.10. Call for Vote. At the conclusion (or closure) of debate or discussion, the presiding officer shall call for a vote, provided however, a majority of the Council present may require a vote at any time.

Section 5. Citizen Participation

Rule 5.1. Public Participation. Comments and suggestions by the public are highly valued and encouraged during those parts of a meeting designated for public participation. Speakers should register in advance and should limit their presentations to four minutes each. Speakers should direct all remarks and questions to the Council, who may refer them for investigation, response or other action. The "Texas Open Meetings Act" requires the City to post a notice, in advance, listing every topic or subject to be considered by the Council. This law may prevent the Council from considering a subject raised by a member of the public. In this case, the presiding officer may refer the matter, and the Council may direct that the matter be placed on the agenda for an upcoming meeting.

Rule 5.2. Manner of Addressing Council. A person desiring to address the Council shall step to the lectern or other alternate arrangement and state his or her name and address for the record before proceeding with comments. All comments from the public should be directed to the Council.

Rule 5.3. Total Time Limits. Those members of the public speaking on items both on the agenda and not on the agenda are limited to four minutes of speaking time. A person may speak only once on any agenda item. However Applicants, or those persons having placed an item on the agenda seeking a specific answer from the Council, will be allowed ten minutes of total speaking time. Time limitations of this rule may be extended by the consent of a majority of the Council.

Rule 5.4. Remarks to be Germane/Non-redundant. Public comments must be kept relevant to the subject before the Council. The presiding officer shall rule on the relevance of comments. Persons making irrelevant, personal, impertinent, overly redundant or slanderous remarks may be barred by the presiding officer from further comment before the Council during the meeting.

Rule 5.5. Matters Not On the Agenda. Under the Visitor/Citizens Forum item on the agenda, the first ten completed requests to speak under this item will be the maximum number of people that will be allowed to speak on items not specifically mentioned on the agenda. The maximum number of people allowed to speak may be increased by

consent of the City Council present. Discussion of matters not on the agenda is prohibited by the Texas Open Meetings Act. Council may provide specific factual information in response to the inquiry, recite existing policy, or propose the placement of the issue on an upcoming meeting agenda.

Section 6. Council Action

Rule 6.1. Motion Required. All action requiring a vote shall be moved by a Member of the Council. Each motion will require a second by another Member of the Council to be considered. A motion must be voted on or withdrawn before another motion for that same agenda item can be considered. Any Member of the Council can make an amendment to a motion. With a second, the amended motion is then voted on.

Rule 6.2. Motion to Reconsider. Except in case of a tie vote, a motion to reconsider must be made by a Council Member who was on the prevailing side in the original action or by a Council Member absent at the time of the original action. The motion must be made at a meeting when the subject is on the agenda. See Rule 3.1.

Rule 6.3. Recording Names of Moving Members. The City Secretary shall record the name of the Council Member making each motion and corresponding second to the motion.

Rule 6.4. Separate Consideration. Except as otherwise required by these rules each Agenda item shall be voted upon separately and each separate vote shall be recorded by the City Secretary.

Rule 6.5. Action on Consent Agenda. Except as herein provided, the "Consent Agenda" shall be considered as a group without separate discussion on each item. When the Consent Agenda is introduced, each Council Member has the right to remove any item, in which case the item is handled under Rule 4.5. After items are removed, the presiding officer shall ask the Members to indicate their votes on the remaining Consent Agenda items. The City Secretary shall record the votes on each item separately.

Rule 6.6. Consideration Out of Order. With the consent of a majority of the Council any Agenda item may be considered out of order, at the request of any Council Member.

Rule 6.7. Council Appointments. The council may consider and make appointments to City boards and commissions by either of the following procedures:

- By direct motion. The Council Member shall state the name of the person and the board to which they are being appointed. The motion will require a second, and a majority vote of the council shall be required for appointment.
- By nomination process. The mayor shall open the floor for nominations, whereupon council members may put the names of appointees forward. The names submitted shall be debated. When the debate ends, the City Secretary shall call the roll of the Council Members, and each member shall cast their vote from those persons nominated. The nominee receiving the highest number of votes

shall be appointed. If more than one appointee is to be selected, then each member shall have as many votes as there are slots to be filled; however, a member shall not cast more than one vote for a single candidate. A majority of the members voting shall be required for appointment.

In accordance with Section 3.01 of the City Charter, all meetings of all boards, commissions and committees of the Council shall be open to the public and as provided by state law. The requirements of the Texas Open Meetings Act shall apply to all elected or appointed authorities, boards, commissions, Council, or other bodies of the City that are composed of a quorum of members of a particular body. However, the law's requirements shall not apply to a meeting solely among the City's professional staff.

Section 7. Miscellaneous

Rule 7.1. Voting Required. Section 3.05 of the Charter requires Council Members to vote, as follows:

No member may be excused from voting except when such member has a conflict of interest as defined by law.

Any Council Member prohibited from voting by personal interest shall announce at the commencement of consideration of the matter and shall not enter into discussion or debate on any such matter. In that case, the member shall file with the City Secretary a written statement (electronic communications are considered acceptable) of the reason for abstaining. Any Council Member refusing to vote - and not excused from voting - shall be considered in violation of the City Charter and will be recorded in the minutes as voting in the affirmative and may be held to further repercussions as deemed appropriate by the City Council.

Rule 7.2. Suspension of Rules. These rules or any part hereof may be suspended for a specific purpose, or any single meeting, by consent of a majority of the Council Members present. This does not apply to those rules directly mentioned in the City Charter or other sections of the Code of Ordinances.

Rule 7.3. Informal Requests. A Member of the Council, before or during the consideration of any matter, or in the course of a hearing, may request and receive information, explanations or the opinions of the City Manager, City Attorney, City Secretary or any City employee present, all subject to Rule 4.10.

Rule 7.4. Council Liaisons. A Member of the Council serving as an ex-officio member of a City board and/or commission will act to relay Council actions concerning board and/or commission items and to report back to Council. Council Liaisons should also abide by the rules and procedures for meetings of the board and/or commission meeting they are attending. Ex-officio members will be appointed by Council with consideration given to applicable expertise.

Agenda Item:

4A. Appointments to the Beautification Advisory Committee. (staff)

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

SUBJECT: Appointments to the Kerrville Beautification Advisory Committee

FOR AGENDA OF: July 12, 2016 **DATE SUBMITTED:** July 8, 2016

SUBMITTED BY: Brenda Craig
City Secretary *BC* **CLEARANCES:** Todd Parton
City Manager

EXHIBITS: Board List

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

SUMMARY STATEMENT

Consider appointments to the following board:

Kerrville Beautification Advisory Committee: Two positions with terms that expired December 11, 2014, and one position with term that expired December 11, 2015.

RECOMMENDED ACTION

Consider appointments.

BEAUTIFICATION ADVISORY COMMITTEE

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
DOUGLASS, BRANDON Chair 909 Tanglewood Lane	739-9882 (O)	12-11-12		12-11-15
WILLIAMSON, JAMES Vice-Chair Secretary 432 Fitch Street	257-2860 (H) 257-9673 (W)	08-13-13	5-10-16	12-11-18
RISHER, JOHN 1800 Junction Hwy., Apt. 10E	459-3336 (H)	05-28-13	5-10-16	12-11-18
TRITENBACH, DAVID 216 Riverhill Blvd.	895-1953 (H)	12-11-12		12-11-14
VACANT				12-11-14

COUNCIL EX-OFFICIO: Bonnie White

Staff Contact Person:
David Barrera 258-1223

Qualifications: Resident of the city.

Purpose:

- Evaluate the community on issues and matters pertaining to beautification of the community and to provide a report to the City Council;
- Educate the public and increase awareness regarding beautification of the community;
- Prepare and implement a beautification recognition program as approved by the City Council;
- Coordinate community beautification efforts;
- Prepare and present to the City Council for its consideration and approval a set of goals and objectives for a community beautification program; and
- Provide a report to the City Council at least twice a year on Kerrville Beautification Advisory Committee matters.

Term of Office: Two years; maximum of two consecutive terms

Quorum: Majority

Number of Members: Minimum of three, no more than five.

Meeting Time & Place: First Thursday of each month; 1:00 p.m.; City Hall Upstairs Conference Room.

Established by: Resolution 40-2012, November 13, 2012

Revised: February 26, 2016

Agenda Item:

4B. Appointments to the Golf Course Advisory Board. (staff)

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

SUBJECT: Appointments to the Golf Course Advisory Board

FOR AGENDA OF: July 12, 2016

DATE SUBMITTED: July 6, 2016

SUBMITTED BY: Brenda Craig
City Secretary



CLEARANCES: Todd Parton
City Manager

EXHIBITS: Board List

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

SUMMARY STATEMENT

Consider appointments to the following board:

Golf Course Advisory Board: Three terms that expired July 1, 2016.

RECOMMENDED ACTION

Consider appointments.

GOLF COURSE ADVISORY BOARD

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
McCARTER, CHARLES Chairman 937 Myrta	210-286-4646 (C) 895-1112 (H)	09-11-12	09-23-14	07-01-16
GIESECKE, MARION C. 9 Antelope Trail	896-4646 (H) 377-8100 (C)	09-23-14		07-01-16
HERD, HELEN 2829 Rock Barn Dr.	895-4373 (H) 979-777-2274 (C)	09-08-15		07-01-17
PINSON, EDDIE 102 Ridgerock Cove	285-5555 (H)	09-08-15		07-01-17
STERN, ALLEN 2565 Bandera Hwy.	895-2892 (H) 739-5353 (O)	09-11-12	09-23-14	07-01-16
BAILEY, MICKEY 1001 Bluebonnet Dr.	285-5908 (H) 792-2290 (W)	10-27-15		07-01-17
VACANT				07-01-17
COUNCIL LIAISON:				
GLENN ANDREW 3553 La Cumbre Dr.	370-0362 (C) 895-0676 (H)			
CITY STAFF:				
Scott McDonough General Manager of Golf & Tennis	258-1400 (O)			

Qualifications: Of the seven (7) regular voting members appointed by the City Council, six (6) shall be residents of the City of Kerrville, Texas, and one (1) member may reside outside the City but within Kerr County.

Purpose and Duties: The purpose of the Board is to advise the City Council and city staff on matters relating to the operation of the Scott Schreiner Municipal Golf Course.

Term of Office: Two Years. No member shall serve more than two consecutive full terms without having at least one full year off of the Board between terms.

Vacancies: Upon the vacancy, removal, or expiration of the term of office of any member, the

city council shall appoint a successor who shall hold that position for the unexpired term or for the period of two years when the appointment is made as the result of the expiration of a board member's term.

Quorum: Four members of the board, excluding liaison members.

Number of Members: Seven

Meeting Time & Place: Fourth Wednesday, in the months of January, March, May, July, September, and November, at 4:30 p.m.; Upstairs Conference Room

Absences: The name of any member having three consecutive absences from regularly called meetings of the board, or who in any consecutive twelve-month period is absent from more than 25 percent of the regularly called meetings, shall be forwarded to the city council for consideration for removal and replacement on the board.

Established by: Resolution No. 037-2009, (repealed Resolution Nos. 99-230, 99-307, 080-2000, and 136-2004); Resolution 30-2012

Revised: July 1, 2016