

AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, NOVEMBER 08, 2016, 6:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, NOVEMBER 8, 2016, 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION OFFERED BY COUNCILMEMBER STEPHEN FINE

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.

1A. Introduction of Brian O'Connor, Executive Director of the Kerr Economic Development Corporation.

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. Acceptance of minutes of the regular meeting held September 27, 2016. (staff)

END OF CONSENT AGENDA

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 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: November 4, 2016 at 11:30 a.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

3. ORDINANCES, THIRD AND FINAL READING:

3A. Ordinance No. 2016-18; granting to Atmos Energy Corporation, a Texas and Virginia Corporation, its successors and assigns, a franchise to furnish, transport and supply gas to the general public in the City of Kerrville, Kerr County, Texas, for the transporting, delivery, sale, and distribution of gas in, out of, and through said municipality for all purposes; providing for the payment of a fee or charge for the use of the streets, alleys, and public ways; repealing all predecessor ordinances; providing that it shall be in lieu of other fees and charges, excepting ad valorem taxes; prescribing the terms, conditions, obligations and limitations under which such franchise shall be exercised; providing a savings clause, a most favored nations clause, and a severability clause; and providing an effective date. (staff)

4. CONSIDERATION AND POSSIBLE ACTION:

4A. Resolution No. 27-2016 providing for the city's approval or disapproval of an amendment to the Kerr Central Appraisal District's (KCAD) 2015 fiscal year budget. (staff)

4B. Interlocal agreement with Kerr County for household hazardous waste collection event to be held December 10, 2016, at the Hill Country Youth Event Center. (staff)

4C. Review of Mardi Gras event and consideration of changing the date of the event. (staff)

4D. Resolution No. 26-2016 creating the recovery community coalition and providing for its purpose, membership, roles, and responsibilities. (Councilmember Andrew)

4E. Approve hiring of an outside attorney. (Mayor White)

5. INFORMATION AND DISCUSSION

5A. Report on Phase I, preliminary engineering report for Kerr County Flood Warning System, by John Hewitt, Hewitt Engineering.

5B. Budget and economic update. (staff)

6. APPOINTMENTS TO BOARDS AND COMMISSIONS:

6A. Library Advisory Board. (staff)

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Brenda Craig
City Secretary, City of Kerrville, Texas

7. ITEMS FOR FUTURE AGENDAS

8. 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.

9. 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.

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

11. 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: November 4, 2016 at 11:30 a.m., and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Acceptance of minutes of the regular meeting held September 27, 2016.
(staff)

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
SEPTEMBER 27, 2016

On September 27, 2016, the Kerrville City Council meeting was called to order at 6:00 p.m. by Mayor White in the city hall council chambers at 701 Main Street.

Reverend Gregg Cummings of the Kerrville Church of Christ gave a tribute to the life of Gary and Peggy Stork and offered words of comfort on their recent passing. Reverend Cummings offered the invocation, followed by the Pledge of Allegiance led by Roman Garcia.

COUNCILMEMBERS PRESENT:

Bonnie White	Mayor
Stephen P. Fine	Mayor Pro Tem
Glenn Andrew	Councilmember
Gene Allen	Councilmember

COUNCILMEMBER ABSENT:

Vacant	Councilmember
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CITY CORE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
E.A. Hoppe	Deputy City Manager
Brenda Craig	City Secretary
Sandra Yarbrough	Director of Finance
Kim Meismer	Director of General Operations
David Knight	Chief of Police
Dannie Smith	Fire Chief
Kaitlin Berry	Special Projects Manager
Kim Meismer	Director of General Operations
Danny Batts	Chief Building Official

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

1. VISITORS/CITIZENS FORUM:

1A. Rene LaFaso spoke of the love that Gary and Peggy Stork had for the Kerrville community

Mr. Allen motioned to move the following items to the October 11 meeting: 2B, 5A, 5B, 5C, 5F, 6A, and 7A; Mr. Andrew seconded the motion and it passed 4-0.

2. PRESENTATIONS:

2A. Moment of silence in honor and recognition of the life of Mr. Howard Butt who passed away on September 11, 2016, at the age of 89.

2B. Certificate of Recognition presented to the Kerrville Citizens Police Academy Alumni Association for being awarded the "Texas Alumni Membership of the Year Award." Moved to October 11.

3. CONSENT AGENDA:

Mr. Andrew moved to approve consent agenda items 3C through 3E; Mr. Fine seconded the motion, and the motion passed 4-0:

3A. Acceptance of minutes of the special meeting held July 19 (Young People in Recovery), and the regular meeting held August 12, 2016.

3B. Resolution No. 23-2016 cancelling the regular meetings of the City Council scheduled for November 22, 2016 and December 27, 2016.

END OF CONSENT AGENDA

4. ORDINANCE, SECOND AND FINAL READING:

4A. Ordinance No. 2016-15, adopting the annual budget for the City of Kerrville, Texas, Fiscal Year 2017; providing appropriations for each city department and fund; containing a cumulative clause; and containing a savings and severability clause. Mayor White read the ordinance by title only.

Mr. Fine moved for approval of Ordinance No. 2016-15 on second and final reading. Mr. Andrew seconded the motion and it passed 4-0 on roll call vote as follows:

Bonnie White, Mayor	<u>YES</u>
Stephen P. Fine, Place One	<u>YES</u>
Glenn Andrew, Place Two	<u>YES</u>
Place Three	<u>VACANT</u>
Gene Allen, Place Four	<u>YES</u>

Mr. Andrew moved to ratify the vote to adopt the budget that will require raising more revenue from property taxes than the previous fiscal year and to ratify the property tax increase reflected in the adopted budget. Mr. Allen seconded the motion and it passed 5-0.

4B. Ordinance No. 2016-16, levying an ad valorem tax for the use and the support of the municipal government for the City of Kerrville, Texas, for the Fiscal Year 2017; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid. Mayor White read the ordinance by title only.

Mr. Andrew moved for approval of Ordinance No. 2016-16 on second and final reading. Mr. Fine seconded the motion and it passed 4-0 on roll call vote as follows:

Bonnie White, Mayor	<u>YES</u>
Stephen P. Fine, Place One	<u>YES</u>
Glenn Andrew, Place Two	<u>YES</u>
Place Three	<u>VACANT</u>
Gene Allen, Place Four	<u>YES</u>

4C. Ordinance No. 2016-17, amending Chapter 26 "Buildings and Building Regulations", Article VI "Energy Conservation Code", of the Code of Ordinances of the City of Kerrville, Texas, by adopting the 2015 edition of the International Energy Conservation Code; adopting local amendments to said code; providing for a penalty for violation of any provision hereof; containing a cumulative clause; containing a savings and severability clause; ordering publication; providing for an effective date; and providing other matters related to the subject. Mayor White read the ordinance by title only.

Mr. Batts noted no changes since first reading.

Mr. Fine moved for approval of Ordinance No. 2016-17 on second and final reading. Mr. Andrew seconded the motion and it passed 4-0.

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Authorize the execution of a construction contract with MGC Contractors, Inc. for the reuse pond and pump station project in the amount of \$10,474,822.00 and authorize execution of additional change orders which will not exceed a total contract value of \$12,000,000.00. Moved to October 11.

5B. Authorize professional services agreement with Rock Engineering and Testing Laboratory, Inc. for geotechnical engineer/materials testing for reuse pond and pump station. Moved to October 11.

5C. Authorization to negotiate a professional services contract with Intermedix to perform EMS billing services for the city. Moved to October 11.

5D. Recognize notice of voluntary resignation of Todd Parton, City Manager. Council noted that Mr. Parton had been city manager since April 15, 2009.

Mr. Fine moved to accept the voluntary resignation of Mr. Parton effective October 23, 2016. Mr. Andrew seconded the motion and it passed 4-0.

5E. Consideration regarding the appointment of an Interim City Manager. Item was deferred to executive session.

5F. Consideration of the process to be used for the recruitment and selection of a City Manager. Moved to October 11.

6. INFORMATION AND DISCUSSION:

6A. Budget and economic update. Moved to October 11.

7. APPOINTMENTS TO BOARDS AND COMMISSIONS:

7A. Appointments to the Building Board of Adjustment and Appeals. Moved to October 11.

8. ITEMS FOR FUTURE AGENDAS

- All items stated at the start of this meeting.
- Discussion of procedure to fill vacancy for City Councilperson Place Three.
- City Hall and the Butt-Holdsworth Memorial Library will be closed on Friday, September 30, 2016, from 9:30 a.m. to noon, to allow employees who wished to do so to attend the memorial service for Gary and Peggy Stork.

9. ANNOUNCEMENTS OF COMMUNITY INTEREST:

10. EXECUTIVE SESSION:

Mr. Andrew moved for the city council to go into executive closed session under Sections 551.071 and 551.074 of the Texas Government Code; motion was seconded by Mr. Fine and passed 4-0 to discuss the following:

10A. Sections 551.071 and 551.074:

Deliberate the appointment, employment, evaluation, and duties of an Interim City Manager.

At 6:24 p.m. the regular meeting recessed. Council went into executive closed session at 6:26 p.m. At 6:37 p.m. the executive closed session recessed and council returned to open session at 6:38 p.m. Mayor White announced no action was taken in executive session.

12. ACTION ON ITEM DISCUSSED IN EXECUTIVE SESSION: None.

ADJOURNMENT. The meeting adjourned at 6:38 p.m.

APPROVED: _____

ATTEST:

Bonnie White, Mayor

Brenda Craig City Secretary

Agenda Item:

3A. Ordinance No. 2016-18, granting to Atmos Energy Corporation, a Texas and Virginia Corporation, its successors and assigns, a franchise to furnish, transport and supply gas to the general public in the City of Kerrville, Kerr County, Texas, for the transporting, delivery, sale, and distribution of gas in, out of, and through said municipality for all purposes; providing for the payment of a fee or charge for the use of the streets, alleys, and public ways; repealing all predecessor ordinances; providing that it shall be in lieu of other fees and charges, excepting ad valorem taxes; prescribing the terms, conditions, obligations and limitations under which such franchise shall be exercised; providing a savings clause, a most favored nations clause, and a severability clause; and providing an effective date. (staff)

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

SUBJECT: Ordinance No. 2016-18, granting to Atmos Energy Corporation a franchise to furnish, transport, and supply gas to the general public within the City of Kerrville, for the transporting, delivery, sale, and distribution of gas in, out of, and through the City for all purposes; providing for the payment of a fee or charge for the use of the streets, alleys, and public ways, and providing other matters related thereto [**THIRD** OF THREE ORDINANCE READINGS (see §13.02, City Charter)]

FOR AGENDA OF: Nov. 8, 2016 **DATE SUBMITTED:** Nov. 1, 2016

SUBMITTED BY: Mike Hayes 
City Attorney

CLEARANCES: 

EXHIBITS: Ordinance No. 2016-18; Atmos Acceptance Letter

AGENDA BILL MAILED TO: Atmos Energy Corp. c/o Erikka L. Hise, attorney; Randy Hartford, Manager Public Affairs

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

PAYMENT TO BE MADE TO: NA

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

The attached ordinance (“Franchise Ordinance”) will grant Atmos Energy Corp. (“Atmos”) a franchise for it to transport and furnish gas to residential, commercial, and industrial customers within the City. The Franchise Ordinance is necessary to authorize Atmos to continue utilizing City property (rights-of-way) for the transport and delivery of natural gas to customers within the City. Some significant aspects of the Franchise Ordinance include:

- The term of the franchise will extend through Dec. 31, 2026
- For use of the City’s rights-of-way, Atmos will pay City a franchise fee in the amount of 5% of Atmos’ Gross Revenues
- Atmos will extend its distribution main up to one hundred feet (100.0’) under certain conditions and has agreed not to arbitrarily refuse to provide service to anyone that it’s economically feasible for Atmos to serve
- Provisions that call for Atmos to relocate its gas lines at its expense under certain circumstances (e.g., street construction)

- Provisions for Atmos maintain a toll-free number and, in a good faith effort, maintain at least one local office for bill payments

Pursuant to Section 13.02 of the Charter, this Ordinance must be read at 3 regular Council meetings.

There have been no changes to the Ordinance from the 1st or 2nd readings.

RECOMMENDED ACTION

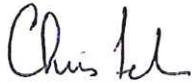
Approval of Ordinance on 3rd reading.

October 24, 2016

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

In accordance with the provisions of Section Four of the attached proposed gas franchise between Atmos Energy Corporation (Company) and the City of Kerrville, this letter serves as notification of Company's intent to accept the attached franchise contingent upon no changes or amendments being made to the document prior to its final passage and approval by the City Council.

ATMOS ENERGY CORPORATION



VICE PRESIDENT, MID-TEX DIVISION

Attachment

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2016-18**

AN ORDINANCE GRANTING TO ATMOS ENERGY CORPORATION, A TEXAS AND VIRGINIA CORPORATION, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE TO FURNISH, TRANSPORT AND SUPPLY GAS TO THE GENERAL PUBLIC IN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS, FOR THE TRANSPORTING, DELIVERY, SALE, AND DISTRIBUTION OF GAS IN, OUT OF, AND THROUGH SAID MUNICIPALITY FOR ALL PURPOSES; PROVIDING FOR THE PAYMENT OF A FEE OR CHARGE FOR THE USE OF THE STREETS, ALLEYS, AND PUBLIC WAYS; REPEALING ALL PREDECESSOR ORDINANCES; PROVIDING THAT IT SHALL BE IN LIEU OF OTHER FEES AND CHARGES, EXCEPTING AD VALOREM TAXES; PRESCRIBING THE TERMS, CONDITIONS, OBLIGATIONS AND LIMITATIONS UNDER WHICH SUCH FRANCHISE SHALL BE EXERCISED; PROVIDING A SAVINGS CLAUSE, A MOST FAVORED NATIONS CLAUSE, AND A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

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

SECTION ONE. GRANT OF AUTHORITY

(A) The City of Kerrville, Texas, hereinafter called "City," hereby grants to Atmos Energy Corporation, Mid-Tex Division, hereinafter called "Atmos Energy," its successors and assigns, privilege and license to use and occupy the present and future Public Rights-of-Way of City for the purpose of laying, maintaining, constructing, protecting, operating, and replacing the System needed and necessary to deliver, transport and distribute gas in, out of, and through City and to sell gas to persons, firms, and corporations, including all the general public, within the City's corporate limits.

(B) Said privilege and license being granted by this Ordinance is for a term ending ten (10) years after the Effective Date. Unless written notice of its intent to renegotiate and/or terminate is provided by either the City or Atmos Energy at least 180 days prior to the expiration of any term, the franchise shall be extended for two (2) additional term of five (5) years on the same terms and conditions as set forth herein.

(C) The provisions set forth in this Ordinance represent the terms and conditions under which Atmos Energy shall construct, operate, and maintain the System within City, hereinafter sometimes referred to as the "Franchise." In granting this Franchise, City does not in any manner surrender or waive its regulatory or other rights and powers under and by virtue of the Constitution and statutes of the State of Texas as the same may be amended, nor any of its rights and powers under or by virtue of present or future ordinances of City, including but not limited to generally applicable ordinances regulating the use of Public Rights-of-Way. Company, by its acceptance of this Franchise, agrees that all such lawful regulatory powers and

rights as the same may be from time to time vested in City shall be in full force and effect and subject to the exercise thereof by City at any time.

SECTION TWO. DEFINITIONS

For the purposes of this Ordinance, the following terms, phrases, words, and their derivations shall have the meanings given herein. When not inconsistent with the context, words in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word “shall” is always mandatory and not merely directory.

(A) “*Affiliate*” shall mean in relation to Company, a Person that controls, is controlled by, or is under common control with Company. As used in this definition, the term “control” means, with respect to a Person that is a corporation, the ownership, directly or indirectly, of more than 50% of the voting securities of such Person or, with respect to a Person that is not a corporation, the power to direct the management or policies of such Person, whether by operation of law, by contract, or otherwise.

(B) “*City*” shall mean the City of Kerrville, Texas.

(C) “*Company*” shall mean Atmos Energy Corporation, Mid-Tex Division, its successors and assigns, but does not include an Affiliate, which shall have no right or privilege granted hereunder except through succession or assignment in accordance with Section Six.

(D) “*City Manager*” shall mean the City’s chief executive officer, or his or her designee.

(E) “*Gross Revenues*” shall mean all revenues received by Company from the sale of gas to all classes of customers (excluding gas sold to another gas utility in City for resale to its customers within City) within the corporate limits of City.

(1) “*Gross Revenues*” shall include:

(a) revenues derived from the following miscellaneous charges:

- i. charges to connect, disconnect, or reconnect gas within City;
- ii. charges to handle returned checks from consumers within City;
- iii. miscellaneous charges may include certain other service charges that have, from time to time, been authorized in the rates and charges on file with City. Any such service charge not already described in this Section Two (D)(1)(a) will be included in the definition of Gross Revenues upon the mutual written agreement of City and Company; and
- iv. contributions in aid of construction (“CIAC”).

(b) revenues billed but not ultimately collected or received by Company;

(c) State gross receipts fees;

- (d) all revenues derived by Company from the transportation of gas through the System of Company within City to customers located within City (excluding any gas transported to another gas utility in City for resale to its customers within City);
 - (e) the value of gas transported by Company for Transport Customers through the System of Company located in City's Public Rights-of-Way ("Third Party Sales")(excluding the value of any gas transported to another gas utility in the City for resale to its customers within City), with the value of such gas to be established by utilizing Company's monthly Weighted Average Cost of Gas charged to industrial customers in the Mid-Tex division, as reasonably near the time as the transportation service is performed; and
 - (f) fees paid pursuant to this Ordinance.
- (2) "*Gross Revenues*" shall not include:
- (a) the revenue of any Affiliate or subsidiary of Company; and
 - (b) sales taxes; and
 - (c) any interest or investment income earned by Company; and
 - (d) all monies received from the lease or sale of real or personal property, provided, however, that this exclusion does not apply to the lease of facilities within City's Public Right-of-Way.

(F) "*Person*" shall mean any natural person, or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether for-profit or not-for-profit, but shall not, unless the context clearly intends otherwise, include City or any employee, agent, servant, representative or official of City.

(G) "*Public Right-of-Way*" shall mean public streets, alleys, highways, bridges, public easements, public places, public thoroughfares, grounds, and sidewalks of City, as they now exist or may be hereafter constructed, opened, laid out or extended within the present limits of City, or in such territory as may hereafter be added to, consolidated or annexed to City.

(H) "*System*" or "*System Facilities*" shall mean all of Company's pipes, pipelines, gas mains, laterals, feeders, regulators, meters, fixtures, connections, and all other appurtenant equipment used in or incident to providing delivery, transportation, distribution, supply and sales of natural gas for heating, lighting, and power, located in the Public Right-of-Way within the corporate limits of the City.

(I) "*Transport Customer*" shall mean any Person for which Company transports gas through the System of Company within the City's Public Right-of-Way for delivery within the City (excluding other gas utilities in City who resell gas to their customers within City).

SECTION THREE. EFFECT OF OTHER MUNICIPAL FRANCHISE ORDINANCE FEES ACCEPTED AND PAID BY COMPANY

(A) If Company should at any time after the effective date of this Ordinance agree to a new municipal franchise ordinance, or renew an existing municipal franchise ordinance, with another municipality in Atmos Energy's Mid-Tex Division, which municipal franchise ordinance determines the franchise fee owed to that municipality for the use of its Public Right-of-Way in a manner that, if applied to the City, would result in a franchise fee greater than the amount otherwise due City under this Ordinance, then the franchise fee to be paid by Company to City pursuant to this Ordinance may, at the election of the City, be increased so that the amount due and to be paid is equal to the amount that would be due and payable to City were the franchise fee provisions of that other franchise ordinance applied to City.

(B) The City acknowledges that the exercise of this right is conditioned upon City's acceptance of all terms and conditions of the other municipal franchise *in toto*. The City may request waiver of certain terms and Company may grant, in its sole reasonable discretion, such waiver.

SECTION FOUR. ACCEPTANCE OF TERMS OF FRANCHISE

(A) Prior to the second reading of this Ordinance by the City, the Company shall provide to the City its agreement with the form of the Ordinance as presented to the City Council. After the final passage and approval of this Ordinance by the City, the Company shall file its written acceptance thereof with the City Secretary. If Company does not file such written acceptance of this Ordinance within thirty (30) calendar days of receipt of the fully executed Ordinance, the Ordinance shall be rendered null and void.

(B) At 11:59 p.m. on December 31, 2026, ALL rights, franchises and privileges herein granted, unless they have already at that time ceased or been forfeited, extended pursuant to Section One or by mutual agreement while a new franchise is being negotiated, shall at once cease and terminate.

SECTION FIVE. NO THIRD PARTY BENEFICIARIES

This Franchise is made for the exclusive benefit of City and Company, and nothing herein is intended to, or shall confer any right, claim, or benefit in favor of any third party.

SECTION SIX. SUCCESSORS AND ASSIGNS

No assignment or transfer of this Franchise shall be made, in whole or in part, except in the case of assignment or transfer to an Affiliate, without approval of the City Council of City. Notice of said transfer or assignment to an Affiliate shall be provided to the City. City will otherwise have the right to approve the transfer or assignment of the franchise to a non-Affiliate. City shall grant approval unless the assignee is materially weaker than the Company. For the purpose of this section, "materially weaker" means that the long term unsecured debt rating of the assignee is less than investment grade as rated by both S&P and Moody's. The City may request additional documents and information reasonably related to the transaction and to the legal, financial, and technical qualifications of the assignee. City agrees that approval of a transfer or assignment to a non-Affiliate that is materially weaker shall not be unreasonably

withheld or delayed. Upon approval, the rights, privileges, and franchise herein granted to Company shall extend to and include its successors and assigns. The terms, conditions, provisions, requirements and agreements contained in this Franchise shall be binding upon the successors and assigns of Company.

SECTION SEVEN. COMPLIANCE WITH LAWS, CHARTER, AND ORDINANCES

This Franchise is granted subject to the laws of the United States of America and its regulatory agencies and commissions and the laws of the State of Texas, the Kerrville City Charter, as amended, and all other applicable ordinances of City, not inconsistent herewith, including, but not limited to, ordinances generally applicable to regulating the use of Public Rights-of-Way.

SECTION EIGHT. PREVIOUS FRANCHISE ORDINANCES

All previous gas franchise ordinances and parts of franchise ordinances applicable to Company or its predecessors in interest granted by City are hereby repealed.

SECTION NINE. NOTICES

(A) Any notices required or desired to be given from one party to the other party to this Ordinance shall be in writing and shall be given and shall be deemed to have been served and received if: (i) delivered in person to the address set forth below; (ii) deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the United States of America and sent by certified mail, return receipt requested, and addressed to such party at the address hereinafter specified; or (iii) delivered to such party by courier receipted delivery. Either party may designate another address within the confines of the continental United States of America for notice, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.

CITY

City Manager
City of Kerrville
City Hall
701 Main Street
Kerrville, Texas 78028

COMPANY

Manager of Public Affairs
Atmos Energy, Mid-Tex Division
3110 North I-35
Round Rock, Texas 78681

(B) The Company shall provide to the City the toll-free telephone number for its Gas Dispatch Center that is manned twenty-four (24) hours a day, seven (7) days a week. The Gas Dispatch Center is intended to provide a response to the emergency situation and will be available to the City to keep the City informed of the response and possible estimated time of arrival. The City understands that the Gas Dispatch Center is not equipped to handle calls from the public, and the City will not provide this number to customers, but will direct them to the Company's Call Center. If the Company cannot timely respond to an emergency with Company employees, the Company will attempt to respond to the emergency with qualified local contractors. The Company's contact information shall be kept current at all times. The

Company and the City shall periodically, and upon request by either party, meet to discuss and address emergency response issues, in order to rectify any problems identified by either party.

SECTION TEN. PARAGRAPH HEADINGS, CONSTRUCTION

The paragraph headings contained in this Ordinance are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the preparation of this Ordinance and this Ordinance shall not be construed either more or less strongly against or for either party.

SECTION ELEVEN. CONDITIONS OF OCCUPANCY

(A) All construction and the work done by Company, and the operation of its business, under and by virtue of this Ordinance, shall be in conformance with the generally applicable ordinances, rules and regulations now in force, including but not limited to any applicable ordinances that may hereafter be adopted by City, relating to the use of City's Public Rights-of-Way. This Franchise shall in no way affect or impair the rights, obligations or remedies of the parties under the Texas Utilities Code, or other state or federal law. Nothing herein shall be deemed a waiver, release, or relinquishment of either party's right to contest or appeal any action or decision of the other party, including ordinances adopted by the City, that it believes is contrary to any federal, state, or local law or regulation.

(B) As a general rule, Company shall install mains in the Public Right-of-Way at a depth below any water or wastewater lines and at a distance apart from such lines as required by law. Where such situation with City lines is not present, and unless otherwise agreed to by City, all new mains installed by Company in the Public Right-of-Way shall be installed at a minimum depth of twenty-four inches (24.0") and in accordance with City's subdivision regulations. In addition, new mains installed by Company shall be installed across the street or Public Right-of-Way from water and wastewater lines when practicable. Where conflict occurs or could occur, the parties shall work together to agree on alternative locations. Notwithstanding the foregoing, Company shall not be required to install or relocate facilities to a depth of greater than four (4) feet unless prior agreement is obtained from Company.

(C) Company shall remove or allow removal of System Facilities that have been abandoned by Company where such System Facilities are in conflict with new facilities that are installed in the Public Right-of-Way or as required in Section Twelve below.

(D) When using directional boring, Company shall submit bore logs to City as they are kept by Company in the normal course of business.

SECTION TWELVE. RELOCATION OF SYSTEM FACILITIES

(A) Whenever by reason of widening or straightening or construction or reconstruction of streets, alleys, drainage, water, wastewater, or electrical line projects, to include sidewalks or other improvements to Public Rights-of-Way as required by the Americans with Disabilities Act, or any other public works projects in which beautification or accommodation of a private developer is not a primary purpose of the project, and City requests that Company

remove, alter, change, adapt, or conform the underground or aboveground System Facilities of Company to another part of the Public Right-of-Way, such alterations shall be made by Company at Company's expense for facilities that are in conflict, unless provided otherwise by federal or state law. System facilities are deemed to be in conflict to the extent that the proposed City facilities are inconsistent with gas distribution industry standard safe operating statutes, regulations, and practices for existing facilities as determined by the Company and the City. When required by City to remove or relocate its mains, laterals, and/or other facilities lying within Public Rights-of-Way, the Company shall do so as soon as practically possible with respect to the scope of the project. In no event shall the Company be required to remove or relocate its facilities in less than thirty (30) days from the time notice is given to Company by City. The Company will work with the Public Works Director or designee to set an acceptable deadline. The Company shall be responsible for any direct costs associated with project delays associated with its failure to conform System Facilities within the required time frame. Unless mutually agreed to by City and Company, in no event shall Company delay the start of its relocation work more than ninety (90) days from receipt of notice from City, which notice shall include substantially complete plans. If Company fails to move the System Facilities on or before the approved scheduled completion date, Company shall be subject to the termination provisions of Section Twenty Five.

(B) When Company is required by City to remove or relocate its System Facilities to accommodate widening or straightening or construction or reconstruction of streets, alleys, drainage, water, wastewater, or electrical line projects, to include sidewalks or other improvements to Public Rights-of-Way as required by the Americans with Disabilities Act, or any other public works projects in which beautification or accommodation of a private developer is not a primary purpose of the project (*e.g.*, installing or improving storm drains, water lines, wastewater lines, etc.), and Company is eligible under federal, state, county, local, or other programs for reimbursement of costs and expenses incurred by Company as a result of such removal or relocation, and such reimbursement is required to be handled through City, Company costs and expenses shall be included in any application by City for reimbursement, if Company submits its cost and expense documentation to City prior to the filing of the application. City shall provide reasonable notice to Company of the deadline for Company to submit documentation of the costs and expenses of such relocation to City. Upon receipt of an amount of reimbursement intended for utility relocation including, but not limited to, gas utilities, City shall remit to Company, within thirty (30) days of receipt, the portion of reimbursement related to the relocation or removal of Company's facilities. Notwithstanding anything contained in this Ordinance, if System Facilities are required to be removed or relocated for any reason other than the reasons noted in this Section, Company shall be entitled to reimbursement from City or others of the cost and expense of such removal or relocation.

(C) If City abandons, pursuant to Council action, any Public Right-of-Way in which Company has facilities, for public safety reasons or in furtherance of a public project, City shall determine whether it is appropriate to retain a public utility easement in such Public Right-of-Way for use by Company. If City determines, in its sole discretion, that the continued use of the Public Right-of-Way by Company is compatible with the abandonment of the Public Right-of-Way, then in consideration of the compensation set forth in Section Twenty, and to the maximum extent of its right to do so, City shall grant Company an easement for such use, and the abandonment of the Public Right-of-Way shall be subject to the right and continued use of

Company. If City determines, in its sole reasonable discretion, that it is not appropriate to retain a public utility easement in such Public Right-of-Way, Company shall be responsible, subject to the provisions of Section Eleven, for relocating its System from such Public Right-of-Way, as directed by City. If Public Right-of-Way is sold, conveyed, abandoned, or surrendered by City to a third party, such action shall be conditioned upon Company's right to maintain use of the former Public Right-of-Way. If the third party requests Company to relocate its System from the former Public Right-of-Way, and if such relocation is agreed to by Company, such relocation shall be at the expense of the party requesting same. In addition, in the event of a third party requesting the relocation, if the relocation cannot practically be made to another Public Right-of-Way, the expense of any right-of-way acquisition shall be considered a relocation expense to be reimbursed by the party requesting the relocation.

(D) When Company is required to remove or relocate its mains, laterals or other System Facilities to accommodate construction by City without reimbursement from City, Company shall have the right to seek recovery of relocation costs as provided for in applicable state and/or federal law. Nothing herein shall be construed to prohibit, alter, or modify in any way the right of Company to seek or recover a surcharge from customers for the cost of relocation pursuant to applicable state and/or federal law, nor shall anything herein be construed to waive City's rights or obligations under state and/or federal law to review and approve or deny such surcharge request. Notwithstanding the foregoing, in cases where the Company is seeking to implement a surcharge to recover unreimbursed costs of relocations required by City, City shall not contest the necessity of the relocation, nor shall it demand documentation of Company's reasonable efforts to receive reimbursement for relocations required by City. City shall not oppose recovery of reasonable relocation costs when Company is required by City to perform relocation. Notwithstanding the foregoing, the City shall have the right to request other project documentation to the full extent provided by state law.

(E) When required for a public health or safety purpose, Company shall identify for the City the location of its System Facilities within the Public Rights-of-Way. Any maps provided by Company to the City shall be deemed confidential and shall be clearly identified as such by Atmos Energy when provided to the City, and will be provided solely for the City's use. The City agrees to maintain the confidentiality of any non-public information obtained from Atmos Energy to the extent allowed by law. If the City receives a request under the Texas Public Information Act that includes Company's previously designated proprietary or confidential information, City will request an opinion from the Texas Attorney General as to the confidential or the proprietary nature of the document(s). The City also will provide Company with notice of the request, and thereafter Company is responsible for establishing that an exception under the Texas Public Information Act allows the City to withhold the information. Company shall provide all location and "as built" plans on a going forward basis as required pursuant to the City's permitting process.

SECTION THIRTEEN. LAYING OF LINES IN ADVANCE OF PAVING

(A) City shall provide Company with its annual capital improvements plan as well as any updates or changes as soon as the plan, update, or change becomes available. City shall notify Company as soon as reasonably possible of any projects that will affect Company's facilities located in the Public Rights-of-Way.

(B) Whenever City shall conclude to pave any Public Right-of-Way in which System Facilities already exist or in which Company may propose to install its System, Company will be provided the opportunity, at no expense to City, in advance of such paving to lay or renew such System Facilities.

(C) At least ninety (90) days prior to the planned paving or repaving of Public Rights-of-Way, City shall give Company written notice of the intention of City to pave any such Public Right-of-Way. Upon receipt of such notice, Company shall initiate its review process to determine the need to lay or renew its System Facilities, and the need to lay or renew service lines underneath the portions of the Public Rights-of-Way to be paved. If Company determines such a need, Company shall promptly initiate such work and shall thereafter proceed in a good faith and workmanlike manner to completion of the necessary work within ninety (90) days after receipt of the notice from the City. Company's failure to complete the necessary work within the ninety (90) day period may be excused at the City's discretion, if Company has promptly notified the City of the circumstances that have caused the delay, and has requested an extension of the construction period. City shall grant the extension unless withheld for good cause.

(D) If Company should fail to take advantage of the pre-paving opportunity to undertake new construction or repairs to existing System Facilities in the Rights-of-Way to be paved, and such street or alley is thereafter paved, except in an emergency or in response to a request for initiation of new service, Company shall for two (2) years thereafter not be allowed to cut such pavement or excavate in such paved street or alley for any purpose, except by written permission of the City Manager under such terms and conditions as the City Manager may prescribe.

SECTION FOURTEEN. CONFLICTING FACILITIES

If Company, in installing its System, shall come into conflict with the facilities of any other Person authorized by City to use the Public Right-of-Way, the Public Works Director shall decide all questions concerning the conflict of the respective parties, and shall determine the location of the structures of the said parties and the actions necessary to reconcile their differences. Company shall have the right to request City Council review of any such actions.

SECTION FIFTEEN. INSTALLATION OF METER

If a meter is to be installed in or near the Public Right-of-Way, Company agrees to discuss with the Public Works Director or his or her delegate, the aesthetics of the meter placement and to accommodate the request of City to the maximum extent possible. If City requests a meter upgrade, Company will comply so long as City reimburses Company for the reasonable costs incurred by Company in changing meters. In no event, however, shall underground meters be required.

SECTION SIXTEEN. EXTENSIONS FOR CUSTOMERS

Company shall, at its expense, extend distribution mains in any street up to one hundred (100) feet for any one residential or commercial customer so long as the customer at a minimum uses gas for unsupplemented space heating and water heating. Company shall not be required to extend transmission mains in any Public Rights-of-Way within City or to make a tap on any

transmission main within City unless Company agrees to such extension by a written agreement between Company and a customer.

SECTION SEVENTEEN. DUTY TO SERVE

Company hereby agrees that it will not arbitrarily refuse to provide service to anyone that it is economically feasible for Company to serve. In the event that a Person is refused service, said Person may request a hearing before the City Council of City or its designee, said hearing to be held within forty-five (45) days from the date of the request for hearing. The Council may order Company to provide service or take any other action necessary to bring Company into compliance with the intent of the Council in granting this Franchise, including termination or forfeiture of the Franchise in accordance with Section Twenty-Five. The Council may render its opinion at this meeting but in no event shall it be required to act in less than fourteen (14) days.

SECTION EIGHTEEN. CUSTOMER SERVICE STANDARDS; LOCAL OFFICE

(A) Company shall maintain a local, toll-free or collect call telephone access line which will be available to its customers 24 hours a day, seven days a week.

(B) Company shall make a good faith effort to maintain within City one or more conveniently located bill payment offices where customers can pay their bills. In no circumstance shall the absence of such a bill payment office be considered violation of a material provision of this Franchise as outlined in Section Twenty-Five.

SECTION NINETEEN. RATES

Company shall furnish high quality service to the public at reasonable rates and charges therefor; and Company shall maintain its System in good order and condition. Such rates shall be established in accordance with all applicable statutes and ordinances. Company shall maintain on file with City copies of its current tariffs, schedules or rates and charges, customer service provisions, and line extension policies. The rates and charges collected from its customers in the City shall be subject to revision and change by either City or Company in the manner provided by law.

SECTION TWENTY. PAYMENTS TO THE CITY

(A) In consideration of the privilege and license granted by City to Company to use and occupy the Public Rights-of-Way in the City for the conduct of its business, Company, its successors and assigns, agrees to pay and City agrees to accept such franchise fees in the amount and manner described herein. Except as provided for in Section Twenty(B), such payments shall be made on a quarterly basis, on or before the forty-fifth (45th) day following the end of each calendar quarter. The franchise fee shall be a sum of money that shall be equivalent to five percent (5%) of the quarterly Gross Revenues, as defined in Section Two(D), for the preceding calendar quarter. The initial payment provided under this Franchise shall be due on or before May 15, 2017, based on the preceding calendar quarter (January 1, 2017 to March 31, 2017) and shall be for the right and privilege during the preceding calendar quarter (January 1, 2017 to March 31, 2017). Subsequent payments shall be made as follows during the term of the Franchise:

Payment Due	For Calendar Quarter
May 15	Jan. 1 – March 31
Aug. 15	April 1 – June 30
Nov. 15	July 1 – Sept. 30
Feb. 15	Oct. 1 – Dec. 31

The final payment under the initial term of this Franchise will be due on or before February 15, 2027, and will be for the preceding calendar quarter (October 1, 2026 to December 31, 2026).

(B) The franchise fee amounts based on “Contributions in Aid of Construction” (“CIAC”) shall be calculated on an annual calendar year basis, *i.e.*, from January 1 through December 31 of each calendar year. The franchise fee amounts that are due based on CIAC shall be paid at least once annually on or before April 30 each year based on the total CIAC recorded during the preceding calendar year. The initial CIAC franchise fee payment will be due on or before April 30, 2017 and will be based on CIAC received from January 1, 2016, through December 31, 2016. Unless this Franchise is extended, the final payment of franchise fee amounts based on CIAC will be April 30, 2027, for the calendar year ending December 31, 2026.

(C) It is also expressly agreed that the franchise fees shall be in lieu of any and all other and additional occupation taxes, easement, franchise taxes or charges (whether levied as a special or other character of tax or charge), municipal license, permit, and inspection fees, bonds, street taxes, and street or alley rentals or charges, and all other and additional municipal taxes, charges, levies, fees, and rentals of whatsoever kind and character that City may now impose or hereafter levy and collect from Company or Company’s agents, excepting only the usual general or special ad valorem taxes that City is authorized to levy and impose upon real and personal property. Except however, Company’s separate obligations to reimburse the City for City’s reasonable rate case expenses and for street repairs in accordance with City’s ordinances, are not affected by Company’s payment of franchise fees hereunder. Should City not have the legal power to agree that the payment of the foregoing sums of money shall be in lieu of occupation taxes, licenses, fees, street or alley rentals or charges, easements or franchise taxes, then City agrees that it will apply so much of said sums of money paid as may be necessary to satisfy Company’s obligations, if any, to pay such occupation taxes, licenses, charges, fees, rentals, easement or franchise taxes or charges aforesaid.

(D) If Company fails to pay when due any payment provided for in this section, Company shall pay such amount plus interest consistent with the rate for customer deposits under Texas Utilities Code Section 183.003 from such due date until payment is received by City.

(E) City agrees that: (i) as regulatory authority, it will adopt and approve the ordinance, rates or tariff which provide for 100% recovery of such franchise fees as part of Atmos’ rates; (ii) if the City intervenes in any regulatory proceeding before a federal or state agency in which the recovery of Atmos’ franchise fees is an issue, the City will take an affirmative position supporting 100% recovery of such franchise fees by Atmos; and (iii) in the event of an appeal of any such regulatory proceeding in which the City has intervened, the City will take an affirmative position in any such appeals in support of the 100% recovery of such franchise fees by Atmos.

(F) Company shall have the right to lease, license or otherwise grant to a party other than Company the use of its Facilities within the City's Public Right-of-Way provided: (i) Company first notifies City of the name of the lessee, licensee or user, the type of service(s) intended to be provided through the facilities, and the name and telephone number of a contact person associated with such lessee, licensee or user; and (ii) Company makes the franchise fee payment due on the revenues from such lease pursuant to Section Twenty of this Ordinance. This authority to lease Facilities within City's Public Right-of-Way shall not affect any such lessee, licensee or user's obligation, if any, to pay franchise fees, access line fees, or similar Public Right-of-Way user fees.

(G) City shall, within thirty (30) days of final approval, give Company notice of annexations and disannexations of territory by City, which notice shall include a map and addresses, if known. Upon receipt of said notice, Company shall promptly initiate a process to reclassify affected customers into the City limits no later than sixty (60) days after receipt of notice from City. The annexed areas added to the City limits will be included in future franchise payments in accordance with the effective date of the annexation if notice was timely received from City. Upon request from City, Company will provide documentation to verify that affected customers were appropriately reclassified and included for purposes of calculating franchise payments. In no event shall the Company be required to add premises for the purposes of calculating franchise payment prior to the earliest date that the same premises are added for purposes of collecting sales tax.

SECTION TWENTY-ONE. BOOKS AND RECORDS

(A) Company agrees that at the time of each quarterly payment, Company shall also submit to the City a statement showing its Gross Revenues for the preceding calendar quarter as defined in Section Two(E).

(B) City may, if it sees fit, upon reasonable notice to the Company, have the books and records of Company examined by a representative of said City to ascertain the correctness of the reports agreed to be filed herein. Company shall make available, during normal working hours and upon reasonable notice, such personnel and records as City may in its reasonable discretion request in order to complete such audit, and shall make no charge to the City therefor. Company shall assist City in its review by providing all requested information no later than fifteen business (15) days after receipt of a request. The cost of the audit shall be borne by City unless the audit discloses that the Company has underpaid the franchise fee by 10% or more, in which case the reasonable costs of the audit shall be immediately reimbursed to the City by the Company. If such an examination reveals that Company has underpaid City, then upon receipt of written notification from City regarding the existence of such underpayment, Company shall undertake a review of City's claim and if said underpayment is confirmed, remit the amount of underpayment to City, including any interest calculated in accordance with Section Twenty (D). Should Company determine through examination of its books and records that City has been overpaid, upon receipt of written notification from Company regarding the existence of such overpayment, City shall review Company's claim and if said overpayment is confirmed, remit the amount of overpayment to Company including any interest calculated in accordance with Section Twenty (D). The period of review for purposes of determining overpayments or

underpayments shall be limited to payments made in the two (2) year period before commencement of the audit.

SECTION TWENTY-TWO. RESERVATION OF RIGHTS: GENERAL

(A) City reserves to itself the right and power at all times to exercise, in the interest of the public and in accordance with state law, regulation and control of Company's use of the Public Rights-of-Way to ensure the rendering of efficient public service, and the maintenance of Company's System in good repair throughout the term of this Franchise.

(B) The rights, privileges, and franchises granted by this Ordinance are not to be considered exclusive, and City hereby expressly reserves the right to grant, at any time, like privileges, rights, and franchises as it may see fit to any other person or corporation for the purpose of furnishing gas for light, heat, and power and for City and the inhabitants thereof.

(C) City expressly reserves the right to own and/or operate its own system for the purpose of transporting, delivering, distributing, or selling gas to and for the City.

(D) Nothing herein shall impair the right of the City to fix, within constitutional and statutory limits, a reasonable price to be charged for natural gas, or to provide and fix a scale of prices for natural gas, and other charges, to be charged by Company to residential consumers, commercial consumers, industrial consumers, or to any combination of such consumers, within the territorial limits of the City as same now exists or as such limits may be extended from time to time hereafter.

SECTION TWENTY -THREE. RIGHT TO INDEMNIFICATION AND TO BE HELD HARMLESS

(A) In consideration of the granting of this Franchise, Company agrees to indemnify, defend and hold harmless City, its officers, agents, and employees (City and such other persons and entities being collectively referred to herein as "Indemnitees"), from and against all suits, actions or claims of injury to any person or persons, or damages to any property brought or made for or on account of any death, injuries to, or damages received or sustained by any person or persons or for damage to or loss of property arising out of, or occasioned by Company's intentional and/or negligent acts or omissions in connection with Company's operations; except that the indemnity provided for in this paragraph shall not apply to any liability determined by a court of competent jurisdiction to have resulted from the sole negligence or intentional acts of omissions of City, its officers, agents, and employees. In the event of joint and concurrent negligence or fault of both Company and City, responsibility and indemnity, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas without, however, waiving any of the defenses of the parties under Texas law. Further, in the event of joint and concurrent negligence or fault of both

Company and City, responsibility for all costs of defense shall be apportioned between City and Company based upon the comparative fault of each.

(B) In fulfilling its obligation to defend and indemnify City, Company shall have the right to select defense counsel, subject to City's approval, which shall not be unreasonably withheld. Company shall retain defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Franchise. If Company fails to retain counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Company shall be liable for all defense costs incurred by City, except as set out in Section Twenty-Three (A).

SECTION TWENTY-FOUR. INSURANCE

Company will maintain an appropriate level of insurance in consideration of the Company's obligations and risks undertaken pursuant to this Franchise, in the minimum amount of six million dollars (\$6,000,000), consisting of one million dollars (\$1,000,000) primary plus five million dollars (\$5,000,000) umbrella coverage. Such insurance may be in the form of self-insurance to the extent permitted by applicable law, under an approved formal plan of self-insurance maintained by Company in accordance with sound accounting and risk-management practices. A certificate of insurance shall be provided to City.

SECTION TWENTY-FIVE. TERMINATION

(A) Right to Terminate. In addition to any rights set out elsewhere in this Ordinance, City reserves the right to terminate the Franchise and all rights and privileges pertaining thereto, in the event that Company violates any material provision of the Franchise.

(B) Procedures for Termination.

(1) City may, at any time, terminate this Franchise for a continuing material violation by Company of any of the substantial terms hereof. In such event, City shall give to Company written notice, specifying all grounds on which termination or forfeiture is claimed, by registered mail, addressed and delivered to Company at the address set forth in Section Nine hereof. Company shall have sixty (60) days after the receipt of such notice within which to cease such violation and comply with the terms and provisions hereof. In the event Company fails to cease such violation or otherwise comply with the terms hereof, then Company's Franchise is subject to termination under the following provisions. Provided, however, that if Company commences work or other efforts to cure such violations within thirty (30) days after receipt of written notice and shall thereafter prosecute such curative work with reasonable diligence until such curative work is completed, then such violations shall cease to exist, and the Franchise will not be terminated.

(2) Termination shall be declared only by written decision of the City Council after an appropriate public proceeding whereby Company is afforded the full opportunity to be heard and to respond to any such notice of violation or failure to comply. Company shall be provided at least fifteen business (15) days prior written notice of any public hearing concerning the termination of the Franchise. In addition, ten (10) days' notice by

publication shall be given of the date, time and place of any public hearing to interested members of the public.

(3) City, after full public hearing, and upon finding material violation or failure to comply, may terminate the Franchise or excuse the violation or failure to comply, upon a showing by Company of mitigating circumstances or upon a showing of good cause of said violation or failure to comply as may be determined by the City Council.

(4) Nothing herein stated shall preclude Company from appealing the final decision of the City Council to a court or regulatory authority having jurisdiction.

(5) Nothing herein stated shall prevent City from seeking to compel compliance by suit in any court of competent jurisdiction if Company fails to comply with the terms of this Franchise after due notice and the providing of adequate time for Company to comply with said terms.

SECTION TWENTY-SIX. RENEGOTIATION

If either City or Company requests renegotiation of any term of this Ordinance, Company and City agree to renegotiate in good faith revisions to any and all terms of this Ordinance. If the parties cannot come to agreement upon any provisions being renegotiated, then the existing provisions of this Ordinance will continue in effect for the remaining term of the Franchise.

SECTION TWENTY-SEVEN. SEVERABILITY

This Ordinance and every provision hereof, shall be considered severable, and the invalidity or unconstitutionality of any section, clause, provision, or portion of this Ordinance shall not affect the validity or constitutionality of any other portion of this Ordinance. If any term or provision of this Ordinance is held to be illegal, invalid or unenforceable, the legality, validity or unenforceability of the remaining terms or provisions of this Ordinance shall not be affected thereby.

SECTION TWENTY-EIGHT. NO WAIVER

Either City or Company shall have the right to waive any requirement contained in this Ordinance, which is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended. No waiver of any breach or violation of any term of this Ordinance shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or a different type of breach or violation.

SECTION TWENTY-NINE. EFFECTIVE DATE

This Franchise shall be effective on January 1, 2017, if City has received Company's acceptance as provided by Section Four herein.

PASSED AND APPROVED ON FIRST READING, this the 11th day of October, 2016.

PASSED AND APPROVED ON SECOND READING, this the 25th day of October, 2016.

PASSED AND APPROVED ON THIRD AND FINAL READING, this the ____ day of _____, 2016.

CITY OF KERRVILLE

Bonnie White, Mayor

ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



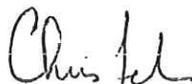
Michael C. Hayes, City Attorney

October 24, 2016

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

In accordance with the provisions of Section Four of the attached proposed gas franchise between Atmos Energy Corporation (Company) and the City of Kerrville, this letter serves as notification of Company's intent to accept the attached franchise contingent upon no changes or amendments being made to the document prior to its final passage and approval by the City Council.

ATMOS ENERGY CORPORATION



VICE PRESIDENT, MID-TEX DIVISION

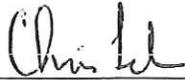
Attachment

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ATMOS ENERGY CORPORATION



VICE PRESIDENT, MID-TEX DIVISION

Attachment

Agenda Item:

4A. Resolution No. 27-2016 providing for the city's approval or disapproval of an amendment to the Kerr Central Appraisal District's (KCAD) 2015 fiscal year budget. (staff)

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 27-2016**

**A RESOLUTION PROVIDING FOR THE CITY'S APPROVAL OR
DISAPPROVAL OF AN AMENDMENT TO THE KERR CENTRAL
APPRAISAL DISTRICT'S 2015 FISCAL YEAR BUDGET**

WHEREAS, the Kerr Central Appraisal District (KCAD) is requesting an amendment to their 2015 Fiscal Year Budget to allow KCAD to retain budget surplus funds in the amount of \$34,033.00 as part of its budget reserve fund balance; and

WHEREAS, the amendment will require no additional funding; and

WHEREAS, pursuant to state law, the City Council must consider KCAD's budget amendment and in the event Council does not approve, it must indicate this action via a resolution; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds it to be in the public interest to either approve or disapprove of said proposed amendment as is indicated below;

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

The Kerr Central Appraisal District's proposed 2015 fiscal budget amendment, the provisions being substantially as set forth in **Exhibit A**, attached hereto and incorporated herein by reference, is hereby _____ (*APPROVED OR DISAPPROVED*).

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

KERR CENTRAL APPRAISAL DISTRICT
P.O. BOX 294387
1836 JUNCTION HIGHWAY
KERRVILLE, TEXAS 78029

Date: October 27, 2016

Re: Kerr CAD 2015 Budget Surplus Amendment & 2015 Audit

To: Taxing Entities Served by Kerr CAD

From: Kerr CAD Board of Directors

Message: The 2015 Budget Audit Report conducted by Pressler, Thompson and Company CPAs shows a budget surplus of \$34,033. A copy of the 2015 Audit is included with this memo. The Kerr CAD Board of Directors is requesting this amount to be applied to the Building Reserve Fund via budget amendment. The addition of the surplus amount will give the fund a balance of \$109,521.

Voting taxing units may veto the amendment to the 2015 Budget to retain the surplus amount of \$34,033. The 2015 Budget allocation by taxing entity is attached so you may see your entity's allocated amount if this budget amendment is vetoed.

To veto, a majority of the voting taxing units must pass resolutions disapproving the amendment to the budget. These units must file resolutions with the appraisal district's board of director's secretary within 30 days after the date of notification. If a majority of the taxing entities veto, the amendment does not take effect. The board must then return the surplus amount to the taxing entities based on their prorated share as found in the attached allocation schedule.

In the past the Building Reserve Fund was used to put a new roof on the building as well as to repair and renovate the plumbing and connect to the City of Kerrville's sewage system after the septic system failed. It has also been used to repair the floor in the equipment room caused by termite damage. There is also other termite damage in the walls in several areas. The parking lot was also repaired using this fund. The building was built about 1975 as a radio station at a time when energy efficiency was not a high priority. Most of the exterior walls are floor to ceiling single pane glass making them very energy wasteful. Extensive future expenditures are anticipated including flooring replacement, air conditioners replacement, installation of handicapped entry access, renovation and repairs to the interior. Additional insulation and weather proofing is also needed as well as replacement or alteration to the windows. The parking lot is in need of additional modifications for the future. There is an AM

PHONE 830-895-5223

FAX 830-895-5227

KERR CENTRAL APPRAISAL DISTRICT

P.O. BOX 294387

1836 JUNCTION HIGHWAY

KERRVILLE, TEXAS 78029

radio tower located at the rear of the property restricting the expansion of the parking lot as well as future additions to the building.

Because of the excessive renovations required to be done to the existing building the Kerr CAD and the need for future expansion the board of directors has determined the best alternative is to relocate the Appraisal District Office to a new location. After extensive and thorough analysis, research and investigation of many potential properties the taxing entities have approved and the board has purchased land located on Oak Hollow Drive and put deposits up with the City of Kerrville for utilities. The architect's and engineer's bid packets are being completed and will be distributed to potential contractors as soon as possible. Once a contractor has been selected and a bid price determined the Board of Directors will petition the taxing entities permission to begin construction of the new Kerr CAD Office building on Oak Hollow Drive.

Thank you for your consideration of this proposed Budget Amendment to the 2015 Kerr Central Appraisal District budget to retain the surplus funds. Addition of these funds to the Building and Reserve Fund will allow Kerr Central Appraisal District to continue to serve the taxing units and the tax payers of Kerr County for many years.

PHONE 830-895-5223

FAX 830-895-5227

Kerr Central Appraisal District
 Refund due Entities 2015 Budget

Total due entities if refunded		\$ 34,033.00
	% of Budget	Refund Amount
City of Ingram	0.54000%	183.78
City of Kerrville	13.69000%	4,659.12
Kerr Fire District 1	0.16000%	54.45
Kerr Fire District 2	0.05000%	17.02
Kerr County	22.48000%	7,650.62
Lateral Roads	1.78000%	605.79
Lake Ingram Estates Rd Dist	0.03000%	10.21
Center Point ISD	3.68000%	1,252.41
Comfort ISD	2.55000%	867.84
Divide ISD	0.63000%	214.41
Harper ISD	0.59000%	200.79
Hunt ISD	5.43000%	1,847.99
Ingram ISD	7.96000%	2,709.03
Kerrville ISD	38.44000%	13,082.29
Medina ISD	0.14000%	47.65
UGRA	1.42000%	483.27
Headwaters Underground	0.43000%	146.34
Totals	<u>100.00000%</u>	<u>34,033.00</u>

PRESSLER, THOMPSON AND COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

ONE SCHREINER CENTER
819 WATER STREET, SUITE 320
KERRVILLE, TEXAS 78028

Jerry N. Oliver, C.P.A.
Timothy R. Porter, C.P.A.
Brenda G. Beaty, C.P.A.
Gary B. Selgrath, C.P.A.

Telephone (830) 257-7241
Fax (830) 896-4041
Website: www.ptccopa.com

Communication with Those Charged with Governance

September 14, 2016

To the Board of Directors
Kerr Central Appraisal District

We have audited the financial statements of the governmental activities and the general fund of Kerr Central Appraisal District for the year ended December 31, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 2, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Kerr Central Appraisal District are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 14, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

KERR CENTRAL APPRAISAL DISTRICT

AUDIT REPORT

DECEMBER 31, 2015

KERR CENTRAL APPRAISAL DISTRICT

TABLE OF CONTENTS

DECEMBER 31, 2015

Independent Auditor's Report	1
Management's Discussion and Analysis	3
BASIC FINANCIAL STATEMENTS:	
Governmental Fund Balance Sheet/Statement of Net Position	10
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	11
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance – General Fund/Statement of Activities	12
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	13
Notes to the Financial Statements	15
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	29
Notes to Required Supplementary Information	30

PRESSLER, THOMPSON AND COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

ONE SCHREINER CENTER
819 WATER STREET, SUITE 320
KERRVILLE, TEXAS 78028

Jerry N. Oliver, C.P.A.
Timothy R. Porter, C.P.A.
Brenda G. Beaty, C.P.A.
Gary B. Selgrath, C.P.A.

Telephone (830) 257-7241
Fax (830) 896-4041
Website: www.ptcocpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kerr Central Appraisal District
Kerrville, Texas

We have audited the accompanying financial statements of the governmental activities and the general fund of the Kerr Central Appraisal District (the District) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District as of December 31, 2015, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and page 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



PRESSLER, THOMPSON AND COMPANY

September 14, 2016

KERR CENTRAL APPRAISAL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As chief appraiser of the Kerr Central Appraisal District, I offer readers the following discussion and analysis of the District's financial activities for the fiscal year ended December 31, 2015. It should be read in conjunction with the accompanying basic financial statements. This discussion and analysis includes comparative analysis to the prior year for government-wide data.

Financial Highlights - General Fund

At the end of the current fiscal year, the total fund balance was \$610,424, of which the unassigned fund balance was \$263,815 or 29.6% of the fiscal year 2015 general fund expenditures. The unreserved fund balance increased from \$252,446 to \$263,815 from fiscal year 2014, a 4.5% increase. From 2003 through 2010 and 2012 through 2015, the Board has retained the excess revenues over expenditures in reserve for building improvements versus refunding to the entities. For the fiscal year ending December 31, 2011, amounts committed by the Board for vehicle replacement reserve and building reserve were retained with the excess refunded to the taxing entities. Therefore, by retaining excess revenues over expenditures, Board committed building reserve increased from \$265,676 in 2014 to \$298,609 in 2015. From 2010 through 2015, the Board has committed \$8,000 per year for vehicle replacement reserve.

General fund revenues were \$944,771, an increase of \$42,575 or 4.7% from fiscal year 2014. General fund expenditures were \$892,469, an increase of \$43,983 or 5.2% from 2014. This increase in expenditures is primarily due to an appraisal on the existing building (\$3,600), an increase in legal fees (\$8,550) which also includes fifteen months of billing, and legal and site analysis on the land purchase (\$7,660). The District purchased one new computer in 2015 which is an addition to furniture and equipment.

Overview of the Financial Statements

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements.

The basic financial statements consist of three components:

- The government-wide financial statements provide both long-term and short-term information about the District's overall financial status. Previously, the primary focus of local governmental financial statements has been summarized fund type information on a current financial resource basis. GASB 34 modified this approach, adding new government-wide statements, which focus on the District as a whole.
- The governmental fund financial statements, which have been provided in the past, focus on individual parts of the District. The fund balance tells what remains for future general government services.

- The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The fund financial statements are presented in the first column of the financial statements on pages 10 and 12 with adjustments in the middle column to arrive at the government-wide financial statements in the third column.

The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure and content of each of the statements.

Government-Wide Financial Statements

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

The statement of net position includes all of the District's assets and deferred outflows of resources less liabilities and deferred inflows of resources with the difference reported as net position.

The government-wide statements report the District's net position and how it has changed. Over time, increases or decreases in the District's net position are an indicator of whether it's financial health is improving or deteriorating, respectively.

Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the district as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. State and local governments establish other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using public funds. The focus is on major funds rather than fund types.

The District has one type of governmental fund, the general fund. The general fund focuses on how money flows into and out of the District and the balance left at year-end that is available for spending. This fund is reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The differences between governmental funds and governmental activities are reflected in the adjustments column of the financial statements and are further explained on pages 11 and 13.

The District adopts an annual appropriated budget for its general fund. The District's annual budget is allocated to the taxing entities by the proportion of its total property tax levy to the total levy of all participating taxing entities. A budgetary comparison schedule has been provided for the general fund in the required supplementary information.

Notes to the Financial Statements

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

Financial Analysis of the District as a Whole

Our analysis of the District as a whole focuses on net position (Table 1) and changes in net position (Table 2). The "Summary of Net Position" (Table 1) lists assets by order of liquidity.

**Table 1
Summary of Net Position**

Assets	Governmental Activities	
	2015	2014
Cash	\$ 623,668	\$ 800,990
Capital assets, net of depreciation	181,200	180,661
Total assets	<u>804,868</u>	<u>981,651</u>
Liabilities		
Unearned revenue	1,400	231,530
Accounts payable and other liabilities	11,844	11,338
Total liabilities	<u>13,244</u>	<u>242,868</u>
Net Position		
Invested in capital assets, net of debt	181,200	180,661
Unrestricted	610,424	558,122
Total net position	<u>\$ 791,624</u>	<u>\$ 738,783</u>

The Changes in Net Position (Table 2) itemizes the basic sources of revenue and expenditures. Appraisal revenue from the taxing entities accounts for 99.0 % and 99.3% of the District's revenue in 2015 and 2014, respectively. Salaries and salary related expenses (retirement, insurance and payroll taxes) account for approximately 74.4% and 74.8% of total expenditures in 2015 and 2014, respectively. These expenses are broken out of general government operations. Expenditures are further detailed on the Statement of Activities in the financial statements.

Table 2
Changes in Net Position

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
Revenues:		
Appraisal service	\$ 935,302	\$ 895,612
Mapping and copies	1,462	2,496
Interest	1,807	1,688
Tower lease	6,200	2,400
Total revenues	<u>944,771</u>	<u>902,196</u>
Expenses:		
Salaries, benefits and payroll taxes	663,796	644,639
Government operations	216,355	203,847
Depreciation	11,779	12,704
Total expenses	<u>891,930</u>	<u>861,190</u>
Change in net position	52,841	41,006
Beginning net position	<u>738,783</u>	<u>697,777</u>
Net position	<u>\$ 791,624</u>	<u>\$ 738,783</u>

Financial Analysis of the District's General Fund

For the fiscal year ended December 31, 2015, the District's governmental fund reflects a fund balance of \$610,424 compared to \$558,122 in 2014. Excess revenues over expenditures were \$52,302 of which none will be refunded to the taxing entities but retained and committed to the building reserve. See further fund balance analysis at Note H.

General Fund Budgetary Highlights

General fund revenues exceeded final budget by \$7,069 due to interest and computer generated income which were not budgeted for and due to the increase in the tower rent as rent went from \$200 to \$600 per month. Overall, general fund expenditures were less than the original and final budget by \$49,733. The most significant decreases in expenditures from budget were in salaries and related benefits (insurance, retirement and taxes). The decrease in salaries and related benefits was due to an employee leaving employment in September 2015 and not being replaced until March 2016. In addition, the District had forfeited employer contributions from a previous employee that were used to pay a portion of the District's matching retirement expense. These cost savings accounted for 44% of the expenditure cost savings to budget.

The District budgets for equipment repairs and maintenance of \$4,500 but does not allocate this item to the taxing entities, resulting in a \$4,500 deficit budget on the original and final budget.

Capital Assets

Table 3

Capital Assets at Year-end

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
Land	\$ 87,035	\$ 79,375
Building and improvements	250,966	247,366
Vehicles	63,500	63,500
Furniture and equipment	206,394	205,336
Total capital assets	<u>\$ 607,895</u>	<u>\$ 595,577</u>

Additional information on capital assets, including depreciation, is presented in Note B to the financial statements.

Management's Statement

The management of the District is not aware of any facts, existing or foreseen conditions or decisions that will have any significant impact on the financial position or operations of the District after the reporting date of this audit. The District obtained approvals from the taxing entities for the purchase of property and the construction of a new facility thereon. The new site land purchase closed on June 21, 2016. The District is obtaining architectural drawings for construction bids and will pursue financing the facility construction over a 30-year period with construction to begin in mid-2017.

This report is designed to provide the board of directors, taxing entities, citizens and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact P.H. Coates, IV, Kerr Central Appraisal District, PO Box 294387, Kerrville, TX 78029-4387, (830) 895-5223.

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BASIC FINANCIAL STATEMENTS

**KERR CENTRAL APPRAISAL DISTRICT
GOVERNMENTAL FUND BALANCE SHEET/
STATEMENT OF NET POSITION
DECEMBER 31, 2015**

	<u>General Fund Balance Sheet</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash	\$ 623,668	\$ -	\$ 623,668
Capital assets (net of accumulated depreciation)	<u>-</u>	<u>181,200</u>	<u>181,200</u>
Total assets	<u><u>\$ 623,668</u></u>	<u><u>181,200</u></u>	<u><u>804,868</u></u>
LIABILITIES			
Unearned revenue	\$ 1,400	\$ -	\$ 1,400
Accounts payable	10,753	-	10,753
Payroll liabilities	<u>1,091</u>	<u>-</u>	<u>1,091</u>
Total liabilities	<u><u>13,244</u></u>	<u><u>-</u></u>	<u><u>13,244</u></u>
FUND BALANCE/NET POSITION			
Fund Balance:			
Committed to:			
Building reserve	298,609	(298,609)	-
Vehicle reserve	48,000	(48,000)	-
Unassigned	<u>263,815</u>	<u>(263,815)</u>	<u>-</u>
Total fund balance	<u><u>610,424</u></u>	<u><u>(610,424)</u></u>	<u><u>-</u></u>
Total liabilities and fund balance	<u><u>\$ 623,668</u></u>		
Net Position:			
Invested in capital assets, net of related debt		181,200	181,200
Unrestricted net position		<u>610,424</u>	<u>610,424</u>
Total net position		<u><u>\$ 791,624</u></u>	<u><u>\$ 791,624</u></u>

See accompanying notes to the financial statements.

KERR CENTRAL APPRAISAL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2015

Total Fund Balance - Governmental Fund	\$ 610,424
1. Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$595,577 and the accumulated depreciation was \$414,916. The effect of including the beginning balance for capital assets (net of depreciation) in the governmental activities is to increase net position.	180,661
2. Current year capital outlays are expenditures in the fund financial statements and are increases in capital assets in the government-wide financial statements. The net effect of including the 2015 capital outlays is to increase net position.	12,318
3. The 2015 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(11,779)
Net Position of Governmental Activities	<u>\$ 791,624</u>

See accompanying notes to the financial statements

**KERR CENTRAL APPRAISAL DISTRICT
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GENERAL FUND/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General Fund	Adjustments	Statement of Activities
REVENUES			
Program revenue:			
Appraisal service	\$ 935,302	\$ -	\$ 935,302
Mapping and copies	1,462	-	1,462
Interest	1,807	-	1,807
Tower lease	6,200	-	6,200
Total revenues	<u>944,771</u>	<u>-</u>	<u>944,771</u>
EXPENDITURES/EXPENSES			
Salaries	509,668	-	509,668
Insurance, retirement and taxes	154,128	-	154,128
Appraisal Review Board	9,118	-	9,118
Travel and auto allowance	10,788	-	10,788
Audit and accounting	6,400	-	6,400
Mapping system	17,203	-	17,203
Equipment lease	5,595	-	5,595
Telephone and utilities	10,773	-	10,773
Consulting and legal	75,704	(3,160)	72,544
Liability insurance	5,445	-	5,445
Publishing	3,527	-	3,527
Dues	1,829	-	1,829
Schools and seminars	6,008	-	6,008
Postage	15,320	-	15,320
Printing	2,413	-	2,413
Supplies	7,175	-	7,175
Furniture and equipment	2,002	(1,058)	944
Bank service charges	180	-	180
Board expenses	281	-	281
Building and grounds maintenance	7,445	-	7,445
Building reserve	8,100	(8,100)	-
Computer system support	33,367	-	33,367
Depreciation	-	11,779	11,779
Total expenditures/expenses	<u>892,469</u>	<u>(539)</u>	<u>891,930</u>
Excess of revenues over expenditures	52,302	539	
Change in net position			52,841
FUND BALANCE/NET POSITION			
Beginning of the year	<u>558,122</u>	<u>180,661</u>	<u>738,783</u>
End of the year	<u>\$ 610,424</u>	<u>\$ 181,200</u>	<u>\$ 791,624</u>

See accompanying notes to the financial statements.

KERR CENTRAL APPRAISAL DISTRICT
 RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
 DECEMBER 31, 2015

	Total Net Change in Fund Balance - Governmental Fund	\$ 52,302
1.	Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in the capital assets in the government-wide financial statements. The net effect of removing the 2014 capital outlays is to increase net assets.	12,318
2.	Depreciation is not recognized as an expense in the governmental fund since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.	(11,779)
	Change in Net Assets of Governmental Activities	\$ 52,841

See accompanying notes to the financial statements.

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**KERR CENTRAL APPRAISAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Kerr Central Appraisal District (District) is a political subdivision of the State of Texas created pursuant to Subchapter A of the Texas Property Tax Code. The District's primary responsibility is to develop an annual appraisal roll for use by the taxing entities. The District is governed by a board of five voting directors and one non-voting director. Members of the board are appointed by vote of the governing bodies of the taxing entities that participate in the District. The board has decision making authority, the power to designate management, and the responsibility to significantly influence operations. The board has the primary accountability for fiscal matters.

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

1. REPORTING ENTITY

The District is a financial reporting entity as defined by the GASB in its Statement No. 14, *The Financial Reporting Entity* and as amended by GASB Statement No. 61. There are no component units included within the reporting entity.

2. FINANCIAL STATEMENT PRESENTATION OF FUND AND GOVERNMENT-WIDE FINANCIAL STATEMENTS

The financial statement format includes both the fund and the government-wide financial statements on one statement. The fund financial statements present the only major fund, the general fund. The fund financial statements are reported in the first column of the financial statements. The adjustments column shows necessary adjustments for reporting governmental activities in compliance with GASB Statement No. 34 to arrive at the government-wide financial statements.

Fund Financial Statements

The fund financial statements are provided for governmental, proprietary, and fiduciary funds, where applicable. The general fund is the only governmental fund for the District. Only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets and liabilities (i.e. revenues and other financing sources and expenditures and other financing uses).

**KERR CENTRAL APPRAISAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole, excluding fiduciary funds and component units, if any. The statement of activities reports what the District did with the revenues raised. The revenues include charges for appraisal services to taxing entities the District services and other miscellaneous revenue generated by the District.

3. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred, regardless of when the related cash flows take place. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available and expenditures recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. Capital asset acquisitions and debt principal payments are reported as expenditures in the governmental funds.

There was only one major governmental fund during the current fiscal year, the general fund. The general fund is the overall operating fund of the District and is used to account for all financial resources of the District.

4. CAPITAL ASSETS

Capital assets, which include the building, building improvements, vehicles, and furniture and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000. When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Capital assets are recorded at historical cost or estimated historical cost if constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized but are expensed as incurred.

**KERR CENTRAL APPRAISAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Building	40 years
Improvements	15 years
Vehicles	5 years
Furniture and Equipment	10 years
Computer Equipment	5 years

5. CASH AND INVESTMENTS

Cash and investments are recorded at cost which, based on the account invested, are also fair value. Currently, the available cash is invested in a short-term interest-bearing checking account with a local bank issued under FDIC coverage. Excess account balances over FDIC coverage are collateralized by securities held by the pledging financial institution's agent in the District's name.

6. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

For the fiscal year 2012, the District implemented GASB Statement No. 63. Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides financial reporting guidance for deferred outflows and inflows of resources, originally introduced and defined in GASB Concepts Statement No. 4, *Elements of Financial Statements*, as a consumption of net assets applicable to a future reporting period and an acquisition of net assets applicable to a future reporting period, respectively. Further, Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in the statement of financial position. Accordingly, the term "net position" replaces the term "net assets" as previously reported.

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any of this type of item.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any of this type of item.

**KERR CENTRAL APPRAISAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. FUND EQUITY

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of November 10, 2011. This standard changed the overall definitions and classifications of governmental fund balances.

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Effective with the implementation of GASB Statement No. 63, fund equity for all other reporting is classified as "net position."

GOVERNMENTAL FUND BALANCES

Generally, governmental fund balances represent the difference between the assets and liabilities under the current financial resources measurement focus of accounting. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

- Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- Restricted – Fund balances are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Directors through the adoption of a resolution. Only the Board of Directors may modify or rescind the commitment.
- Assigned – Fund balances are reported as assigned when amounts are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned – Fund balances are reported as unassigned when the balances do not meet any of the above criterion.

**KERR CENTRAL APPRAISAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications – committed and then assigned fund balances before using unassigned fund balance. The District has adopted a policy to achieve a minimal level of unassigned fund balance in the general fund of 25 percent of total expenditures.

GOVERNMENT-WIDE NET POSITION

The government-wide financial statements use a net position presentation. Net position represents the difference between assets and deferred outflows less liabilities and deferred inflows and is categorized as invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

- Invested in Capital Assets, Net of Related Debt – This category groups all capital assets into one component of net position. It consists of the historical cost of capital assets less accumulated depreciation and reduced by any debt that remains outstanding attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position – This category presents external restriction imposed by creditors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. At the present time there are no such restrictions.
- Unrestricted Net position – This category represents net position of the District not restricted for any other purpose and which are available for general use by the District.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources.

8. PROGRAM REVENUE

Program revenue for the District consists of charges to participating taxing entities for appraisal services. Additionally, map and copy costs are charged to property holders or others interested in a respective property.

**KERR CENTRAL APPRAISAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. BUDGETS AND BUDGETARY ACCOUNTING

The Kerr Central Appraisal District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgetary integration is employed as a management control device during the year for the general fund.
- b. The District's Board of Directors approves total budget appropriations only. The Board of Directors must approve any revisions that alter the total appropriations of any fund. Therefore, the level of budgetary responsibility is by total appropriations.
- c. Unused appropriations for all the above annually budgeted funds lapse at the end of the year and excess budgeted funds must be returned to the taxing entities unless retention of the funds is approved by the taxing authorities supporting the District's budget.

NOTE B – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2015 follows.

	Balances at January 1, 2015	Additions	Deletions	Balances at December 31, 2015
Land	\$ 79,375	\$ 7,660	\$ -	\$ 87,035
Building and improvements	247,366	3,600	-	250,966
Furniture and equipment	205,336	1,058	-	206,394
Vehicles	63,500	-	-	63,500
Total historical cost	<u>595,577</u>	<u>12,318</u>	<u>-</u>	<u>607,895</u>
Less accumulated depreciation				
Building and improvements	150,653	9,233		159,886
Furniture and equipment	200,753	2,546	-	203,299
Vehicles	63,500	-		63,500
Total accumulated depreciation	<u>414,916</u>	<u>11,779</u>	<u>-</u>	<u>426,695</u>
Capital assets - net	<u>\$ 180,661</u>	<u>\$ 539</u>	<u>\$ -</u>	<u>\$ 181,200</u>

Additions relate to legal expenses, site analysis costs and the down payment on land; an appraisal on the current building; and a new computer.

**KERR CENTRAL APPRAISAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE C – DEPOSITS AND INVESTMENTS

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds investment Act, The District has adopted a deposit and investment policy. That policy addresses the following risks:

Custodial Credit Risk for Deposits – State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risk for deposits.

Concentration of Credit Risk - The investment policy of the District states that with the exception of U.S. Treasuries and certificates of deposit, no more than 60 percent of the District's portfolio will be invested in a single security type with a single financial institution. Investments in any one issuer (other than U. S. Treasury securities, mutual fund and external investment pools) that represent five percent or more of the total entity investments represent a concentration risk. The District is not exposed to concentration of credit risk.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At December 31, 2015, the District was not exposed to credit risk.

**KERR CENTRAL APPRAISAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE C – DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk – The District investment policy limits its investment portfolio to maturities of one year or less as a means of limiting exposure to fair value losses arising from fluctuating interest rates.

Foreign Currency Risk – The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by not investing in any foreign investments.

As of December 31, 2015, the carrying value of the District's cash and temporary investments approximated fair value and totaled \$623,668.

NOTE D – ACCOUNTS PAYABLE

Accounts payable represents unpaid invoices on services rendered or items purchased which applied to the fiscal year under audit.

NOTE E – FRINGE BENEFIT PLANS

The Appraisal District has a medical and dental insurance plan through Texas Association of Counties (Health and Employee Benefits Pool) with medical coverage through Blue Cross/Blue Shield of Texas set up as a PPO type coverage. The District pays for the employees' premiums, with family coverage available at the employee's cost. The District's current expenditures for medical and dental insurance for the twelve months ending December 31, 2015 and 2014 were \$98,954 and \$93,703, respectively. The plan is voluntary and all full-time employees participated as of December 31, 2015 and 2014.

Beginning in April 2011, the District also began providing long-term disability coverage to all employees through Standard Insurance Company. The cost of this coverage to the District was \$7,292 and \$7,309 in 2015 and 2014, respectively.

NOTE F – ESTIMATES

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

**KERR CENTRAL APPRAISAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE G – EMPLOYEE PENSION PLAN

The District's money purchase pension plan (Plan) is a defined contribution plan established to provide retirement benefits to all eligible participants. The Plan is administrated by South Texas Administrators, Inc. As of December 31, 2015 and 2014, Plan investments had a market value of \$1,425,185 and \$1,382,885, respectively. Each participant directs the investment of his/her entire interest in the Plan. At December 31, 2015 and 2014, the Plan had 10 and 10 active participants, respectively. No retirement benefits are currently being paid.

All employees of the District are eligible to participate in the Plan. The District and each employee are currently required to contribute 8 percent of the employee's total compensation to the Plan. The District's and the employees' pretax contributions to the Plan for 2015 were each \$40,773 based on eligible payroll of \$509,668 and for 2014 were each \$39,968 based on eligible payroll of \$484,644. For 2015 and 2014, \$1,718 and \$6,442, respectively, of forfeitures was used to help fund the employer portion.

The participants become vested in the District's contributions based on years of service according to the following schedule:

<u>Years of Service</u>	<u>Percentage</u>
Less than 2 years	0 %
2 years	10 %
3 years	20 %
4 years	30 %
5 years	100 %

The Plan received a favorable determination letter dated March 12, 2013 from the Internal Revenue Service.

NOTE H – OPERATIONS AND COMMITTED FUND BALANCE

The District's operations are financed by payments from each participating taxing unit. Each taxing unit's portion of the total annually approved budget is determined by the proportion its total property tax levy bears to the total amount of property taxes imposed in the District by all participating units. Each taxing unit pays its allocation of the District's budget in four equal payments due January 1st, March 31st, June 30th and September 30th of each year.

**KERR CENTRAL APPRAISAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE H – OPERATIONS AND COMMITTED FUND BALANCE (CONTINUED)

In addition to normal operations, the annual budget includes an amount committed for improvements on direct building expenditures to maintain the value of the real estate, \$7,000, and since 2010, \$8,000 has been committed annually for vehicle replacement reserve. Any unexpended funds related to building repairs or improvements are transferred to the committed fund balance at year-end based on Board resolution. From 2003 through 2010, the Board of Directors had approved all excess revenues over expenditures, less interest and computer or miscellaneous income, be added to the building reserve versus paid back to the taxing entities in anticipation of future building renovations. For 2011, the Board of Directors approved the refunding of this excess revenue to the taxing entities. For 2012 through 2015, the Board of Directors has approved the maintaining of any excess for the building reserve.

Following is an analysis of fund balance activity for the year ending December 31, 2015:

	Unassigned Fund Balance	Committed - Building Reserve	Committed - Vehicle Reserve	Total Fund Balance
Balances - January 1, 2015	\$ 252,446	\$ 265,676	\$ 40,000	\$ 558,122
Receipts over (under) expenditures	52,302	-	-	52,302
Board committed reserves for 2015	(15,000)	7,000	8,000	-
Expenses paid out of reserves	8,100	(8,100)	-	-
Excess maintained versus refunded	(34,033)	34,033	-	-
Balances - December 31, 2015	<u>\$ 263,815</u>	<u>\$ 298,609</u>	<u>\$ 48,000</u>	<u>\$ 610,424</u>

NOTE I – CONTINGENCIES

Various lawsuits have been filed against the District. All cases relate to the valuation of the properties of the plaintiffs for the purpose of ad valorem taxation. These suits seek to reduce or exempt the taxable values as determined by the District. None of the Plaintiffs are seeking monetary damages against the District except for the recovery of attorney's fees if they are successful in the suit. Should the District be unsuccessful in this litigation, the constituent taxing entities, rather than the District, would be potentially liable for refunds plus interest, as well as attorney's fees. The likelihood of direct potential loss to the District itself, other than for attorney's fees, is remote.

**KERR CENTRAL APPRAISAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE J-- RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees and natural disaster. The District has contracted with the Texas Municipal League Intergovernmental Risk Pool, a risk pool currently operating as a common risk management and insurance program providing insurance coverage in the following areas: general liability, errors and omissions liability, automobile coverage, workers' compensation and real and personal property damage coverage. Contributions are subject to adjustment each year on the anniversary date based on updated exposure information and changes in rating.

The District has had no significant reduction in insurance coverage from prior years and the District has had no settlements exceed insurance coverage in the current or prior years.

NOTE K – OPERATING LEASES

The District has entered into several operating leases for office equipment (copier and postage equipment) with terms in excess of one year. None of the leases contain purchase options and they do not contain termination clauses for cancellation. The lease payments for 2015 and 2014 under these contracts were \$5,595 and \$5,520, respectively, which includes additional copies, program fees and property taxes.

Future minimum lease payments are as follows.

Year Ended December 31,		
2016	\$	3,129
2017		3,129
2018		3,129
2019		2,086
2020		-
	<u>\$</u>	<u>11,473</u>

NOTE L – COMMITMENTS

In December 2014, the District entered into a 3-year contract with Pictometry International Corporation for access to an image library and the necessary software program. The District paid \$15,988 in 2015, and will owe \$15,998 in 2016 and \$15,998 in 2017 completing the 3-year commitment.

**KERR CENTRAL APPRAISAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE L – COMMITMENTS (CONTINUED)

In January 2016, the Board approved the purchase of land for a new facility building site in Kerrville, Texas. The purchase of the land closed in June 2016. Engineering work and architectural drawings are underway for building cost determination as well as financing options so that costs are known for the taxing entity's ultimate approval to construct a new facility. If the taxing entities approve the construction of a new facility, it is estimated that construction would begin in 2017.

NOTE M – SUBSEQUENT EVENTS

Subsequent events were evaluated through September 14, 2016, the date the report was available for distribution.

REQUIRED SUPPLEMENTARY INFORMATION

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KERR CENTRAL APPRAISAL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Final Budget	Actual Amounts	Favorable (Unfavorable)
REVENUES				
Program revenue:				
Appraisal service	\$ 935,302	\$ 935,302	\$ 935,302	\$ -
Mapping and copies	-	-	1,462	1,462
Interest	-	-	1,807	1,807
Tower lease	2,400	2,400	6,200	3,800
Total revenues	<u>937,702</u>	<u>937,702</u>	<u>944,771</u>	<u>7,069</u>
EXPENDITURES/EXPENSES				
Salaries	522,710	522,710	509,668	13,042
Insurance, retirement and taxes	163,192	163,192	154,128	9,064
Appraisal Review Board	12,500	12,500	9,118	3,382
Travel and auto allowance	18,000	18,000	10,788	7,212
Audit and accounting	6,200	6,200	6,400	(200)
Mapping system	11,093	11,093	17,203	(6,110)
Deed copies	1,000	1,000	-	1,000
Equipment lease	6,051	6,051	5,595	456
Telephone and utilities	12,250	12,250	10,773	1,477
Consulting and legal	72,000	72,000	75,704	(3,704)
Liability insurance	6,000	6,000	5,445	555
Publishing	3,600	3,600	3,527	73
Dues	2,320	2,320	1,829	491
Schools and seminars	6,550	6,550	6,008	542
Postage	15,000	15,000	15,320	(320)
Printing	5,000	5,000	2,413	2,587
Supplies	7,000	7,000	7,175	(175)
Furniture and equipment	7,000	7,000	2,002	4,998
Bank service charges	200	200	180	20
Board expenses	3,200	3,200	281	2,919
Building and grounds maintenance	4,830	4,830	7,445	(2,615)
Building reserve	7,000	7,000	8,100	(1,100)
Equipment maintenance	1,500	1,500	-	1,500
Computer system support	40,006	40,006	33,367	6,639
Vehicle replacement reserve	8,000	8,000	-	8,000
Total expenditures	<u>942,202</u>	<u>942,202</u>	<u>892,469</u>	<u>49,733</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (4,500)</u>	<u>\$ (4,500)</u>	52,302	<u>\$ 56,802</u>
Fund balances, beginning of year			<u>558,122</u>	
Fund balances, end of year			<u>\$ 610,424</u>	

See accompanying notes to the financial statements.

**KERR CENTRAL APPRAISAL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015**

Note 1 - Budgetary Basis

The District's budgetary process accounts for certain transactions on a cash basis versus in accordance with generally accepted accounting practices. The major difference between the budgetary basis used by the District and the GAAP basis lies in the manner in which major capital expenditures and the corresponding debt to acquire these capital assets are budgeted. The District budgets for capital expenditures based on the cash basis which accounts for the smaller capital additions and only the debt service payments to be made during the year for major capital additions financed. Additionally, the District does not budget for other financing sources for the amount of the debt incurred.

Agenda Item:

4B. Interlocal agreement with Kerr County for household hazardous waste collection event to be held December 10, 2016, at the Hill Country Youth Event Center. (staff)

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

SUBJECT: Interlocal Agreement with Kerr County for Household Hazardous Waste Collection (HHW) event.

FOR AGENDA OF: November 8, 2016

DATE SUBMITTED: October 27, 2016

SUBMITTED BY: Stuart Barron *SB*
Director of Public Works

CLEARANCES: EA Hoppe
Deputy City Manager

EXHIBITS: Interlocal Agreement

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$ 20,000	\$105,000	\$ 30,000	\$ 01-825-306

PAYMENT TO BE MADE TO: Kerr County

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

Due to receiving prior funding for an HHW event, the City of Kerrville was not eligible to apply for an Alamo Area Council of Government (AACOG) grant for this year's project. However; Kerr County was eligible, and City staff assisted with the application process. Prior to submitting the application, City of Kerrville has agreed to provide cash match of \$10,000, as well as paying any overages exceeding \$35,000 (grant amount plus cash match). We do not anticipate event costs to exceed \$45,000; therefore we are expecting total costs for the City to be approximately \$20,000.

AACOG awarded Kerr County a \$25,000 grant to be used towards this event. All payments from the City of Kerrville will be paid to the order of Kerr County as per Interlocal Agreement to reimburse expenses resulting from the event.

Joining the County for this project aids in developing a partnership for future events, and reduce expenses for FY2017. City staff has been coordinating with County staff on this project, which has been scheduled for December 10, 2016.

RECOMMENDED ACTION

Authorize Interim City Manager to execute Interlocal Agreement.

INTERLOCAL AGREEMENT
Household Hazardous Waste Collection Event

This AGREEMENT is made between KERR COUNTY, TEXAS ("COUNTY"), acting through its Commissioners' Court, and the CITY OF KERRVILLE ("CITY"), acting through its City Council.

The COUNTY was awarded a \$25,000 reimbursable Solid Waste Grant ("GRANT") from the Alamo Area Council of Governments (AACOG) to provide a household consolidated chemical collection event for residents of Kerr County and the City of Kerrville. The term of this Agreement shall be from execution until December 31, 2016.

The COUNTY shall:

1. Execute its GRANT responsibilities in a timely and efficient manner.
2. Be the repository of all receipts and documentation pertinent to the GRANT and furnish such to AACOG upon request.
3. Serve as the primary contact in all matters pertaining to the GRANT and the conduit for communication between itself, the CITY, and AACOG. Maintain at its sole discretion the right to award contracts for household consolidated chemical collections, and compensate contractor for services.
4. Require contractor to comply with all requirements of federal, state, and local laws, regulations and ordinances.

The CITY shall, after reviewing invoices provided by COUNTY, contribute \$10,000 and pay for any costs that exceed \$35,000 with respect to the Grant.

The parties further agree that any GRANT funds provided by the COUNTY are without warranty of any kind to the CITY or any third party. Nothing herein shall be construed to create any rights in third parties.

KERR COUNTY, TEXAS

CITY OF KERRVILLE

Tom Pollard
County Judge

Bonnie White
Mayor

Date

Date

ATTEST:

ATTEST:

Rebecca Bolin, County Clerk

Brenda Craig, City Secretary

Agenda Item:

4C. Review of Mardi Gras event and consideration of changing the date of the event. (staff)

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

SUBJECT: Review of Mardi Gras Event

FOR AGENDA OF: November 8, 2016 **DATE SUBMITTED:** October 26, 2016

SUBMITTED BY: Ashlea Boyle **CLEARANCES:** E.A. Hoppe
Assistant Director of Parks and Recreation Deputy City Manager



EXHIBITS: Letter from the Main Street Advisory Board Dated October 17, 2016

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 its meeting of August 25, 2016, the Main Street Advisory Board (MSAB) unanimously voted to make a recommendation to the City Council to move the *Mardi Gras* event to the spring time to be held on a weekend in hopes for a more successful event. Attached is a letter from the board in which challenges are identified.

Mardi Gras began in 2005 as a celebration of Kerrville Main Street's 10th Anniversary. It has since evolved into an outdoor Cajun themed festival with live music, food, and beer / wine. The event was held indoors for many years and in 2014 moved outside on the downtown street of Earl Garrett. This year, the event was held in February in Louise Hays Park. The newly renovated park complimented the event and the location did not create an impact to downtown due to street closures. Although the event was considered a success, however, based on evaluation and feedback, the MSAB believes that if the event is held on a weekend, it would foster continued growth for future years.

Staff supports this recommendation and will work with the MSAB to execute the event whether it's held on Fat Tuesday or at a later date as recommended.

A member of the MSAB will provide this presentation.

RECOMMENDED ACTION

Staff recommends receiving the report and providing direction.



October 17, 2016

RE: *Mardi Gras* event

Dear Honorable City Council,

The Main Street Advisory Board (MSAB) has evaluated the *Mardi Gras* event and is interested in making scope enhancements in an attempt to increase the success of the event. The board identified challenges of the event as it is today; and at our meeting of August 25, 2016, the MSAB unanimously voted to make a recommendation to the City Council to move the event to the spring time to be held on a weekend.

Mardi Gras is currently held on "Fat Tuesday" each year which falls in February or March and limits the duration of the event and thus the overall success of the event; poses issues with possible inclement weather, deters families from attending on a week night, and curtails the ability to attract vendors due to limited potential for profit. Our goal is to host a Cajun themed community event mid spring, perhaps in April, that will consist of live music, food vendors, beer / wine, and the incorporation of additional opportunities such as children's activities.

If approved by City Council, the MSAB and staff will proceed with plans to host a spring time weekend event. The name of the event will also transition to correspond with the changes. We appreciate your consideration and continued support. Please feel free to contact us if you have any questions.

Sincerely,

Rose Bradshaw, Chair
Main Street Advisory Board
(830) 257-4101

Melissa Southern, Vice Chair
Main Street Advisory Board
(830) 257-3877

Agenda Item:

4D. Resolution No. 26-2016 creating the recovery community coalition and providing for its purpose, membership, roles, and responsibilities.
(Councilmember Andrew)

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

SUBJECT: Resolution No. 26-2016 creating the Recovery Community Coalition and providing for its purpose, membership, roles, and responsibilities.

FOR AGENDA OF: Nov. 8, 2016 **DATE SUBMITTED:** Nov. 2, 2016

SUBMITTED BY: Glenn Andrew **CLEARANCES:** Don Davis
Councilmember Place 2 Interim City Manager

EXHIBITS: Resolution No. 26-2016



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

Pursuant to discussion at the last Council meeting, Council is being presented a revised resolution for the creation of the Recovery Community Coalition (RCC) as follows:

RCC Purpose

The purpose of the RCC is to enhance the opportunities for the Recovery Community to become fully integrated into the fabric of Kerrville. Identifying techniques to reduce barriers for the recovery community to be fully integrated into Kerrville as well identifying and advocating ideas for enhancing positive relationships among the various elements of the community at large is within the purvey of this coalition. This coalition is designed to be both an opportunity to work together for the entire betterment of Kerrville and especially the recovery community.

RCC Structure

The RCC will be composed of members who represent the stakeholders in this vital issue. It is suggested that individuals representing at least the following areas be included:

- Owners of both male and female Kerrville Sobriety homes
- Members of the Recovering Community
- At least one City Council member
- Representative of YPR
- Citizens at large with interest in this issue

Representative of mental health support organizations such as Hill Country MHDD.

The RCC should select a Chair and Vice Chair as well as a recording secretary. Also the RCC should set their meeting schedule but no less often than once every 3 months

RCC Roles and Responsibilities

On an annual basis, or more frequently if deemed proper by the RCC or City Council, the RCC should attend and report to the Kerrville City Council conclusions, achievements, ideas, desires and plans.

It is recommended that the initial issue with which the coalition is charged is to review Ordinance No. 2013-06, which addresses the operation of group homes operating within the Kerrville city limits.

The organization will establish its own operating rules and procedures. Additionally, all applicable rules and polices for city boards and commissions would be followed.

RECOMMENDED ACTION

Adopt Resolution No. 26-2016 to establish the City of Kerrville Recovery Community Coalition as presented.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 26-2016**

**A RESOLUTION CREATING THE RECOVERY COMMUNITY
COALITION AND PROVIDING FOR ITS PURPOSE, MEMBERSHIP,
ROLES, AND RESPONSIBILITIES**

WHEREAS, the City Council of the City of Kerrville, Texas desires to create a Recovery Community Coalition in an effort to enhance opportunities of the local recovery community to integrate into and become a productive part of the local community;

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

SECTION ONE. There is hereby created the Recovery Community Coalition (“Coalition”) of the City of Kerrville, Texas, which shall consist of up to **fifteen (15) members**, each of whom must be City residents. Each member shall be a voting member. Each member shall be subject to two-year terms; provided, however, that at the Coalition’s organizational meeting, the members shall draw lots to establish the duration of the initial terms, with an exact majority of the members serving an initial term of two years and the remaining members serving a one-year term. The expiration date of all terms shall be December 31 of the year corresponding with the results of the drawing of lots. The initial one-year terms will therefore expire December 31, 2017.

SECTION TWO. The Coalition shall elect a chair and vice-chair from among its members and may appoint a secretary. The Coalition shall establish regular meeting schedule, with meetings to be held at least once each calendar quarter. The Coalition shall follow the Charter and Code of Ordinances of the City of Kerrville as well as the Procedural Rules of Kerrville City Boards.

SECTION THREE. A. City Council will select members of the Coalition from community stakeholder groups, including at least one member from each of the following but any of which may include more than one member:

- Owner of a male boarding home facility with a valid permit issued by the City;
- Owner of a female boarding home facility with a valid permit issued by the City;
- Member of the Recovering Community;
- Representative of Young Person in Recovery or similar organization;
- Citizen of Kerrville with interest in these issue;
- Representative of mental health support organizations such as the Kerrville State Hospital;
- Representative of Peterson Health;
- Representative of Hill Country MHDD Centers;
- Representative from a residential addiction treatment facility located within Kerr County; and
- Two Councilmembers.

SECTION FOUR. The purpose of the Coalition is to enhance the opportunities for the recovery community to become fully integrated into the fabric of Kerrville. The Coalition shall work toward considering and identifying strategies and techniques for reducing barriers for the recovery community to be fully integrated into the local community as well as to identify and advocate goals and ideas for enhancing positive relationships by and amongst the recovery community.

SECTION FIVE. On an annual basis, or more frequently as deemed proper by the Coalition or City Council, the Coalition should attend and report its conclusions, achievements, ideas, desires, and plans to City Council. It is recommended that the initial issue with which the Coalition is charged to review is Ordinance No. 2013-06 (Chapter 30, Article I, Code of Ordinances), which addresses the operation of group homes and boarding home facilities operating within the City.

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

Bonnie White, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael C. Hayes, City Attorney

Brenda G. Craig, City Secretary

Agenda Item:

4E. Approve hiring of an outside attorney. (Mayor White)

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

SUBJECT: City Council approval of hiring outside legal counsel

FOR AGENDA OF: 11/08/16

DATE SUBMITTED: 11/03/16

SUBMITTED BY: Mayor White

CLEARANCES: Don Davis
Interim City Manager

EXHIBITS:

AGENDA MAILED TO:



APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

Pursuant to a number of citizen Public Information Requests concerning a grand jury hearing involving Councilman Stork which was dismissed by the 198th District Attorney's office, and a subsequent incident involving Mr. Stork, which is still under investigation by Kerrville Police Department, the City Attorney felt it necessary to engage outside legal counsel to file a request for an opinion by the Attorney General's office denying such information be released to the public.

According to the Charter of the City of Kerrville under Article VII, Section 7.01 the City Council may engage special legal counsel to represent the City of Kerrville in any specific matter or for the performance of any specifically delineated duties otherwise to be performed by the City Attorney.

As the City Attorney has already engaged an outside law firm to represent the City of Kerrville in filing a request with the Office of the Attorney General to deny all or part of the public information requests involving these investigations, the City Council should consider approval in the hiring of outside legal counsel.

RECOMMENDED ACTION

Assess the need for hiring outside legal counsel, determine scope of work to be performed by same, and consider request by City Attorney to hire additional counsel.

Agenda Item:

5A. Report on Phase I, preliminary engineering report for Kerr County Flood Warning System, by John Hewitt, Hewitt Engineering.

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

SUBJECT: Phase I Preliminary Engineering Report for Flood Warning System

FOR AGENDA OF: Nov. 8, 2016

DATE SUBMITTED: Oct. 31, 2016

SUBMITTED BY: John Hewitt
Hewitt Engineering

CLEARANCES: E.A. Hoppe
Deputy City Manager



EXHIBITS: Phase I Low Water Crossing Maps

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

Kerr County is located within the area known as Flash Flood Alley because of the area's steep terrain, shallow soil and unusually high rainfall rates. Heavy rains can quickly result in high walls of fast-moving water with great destructive potential. In response to the flash flooding and numerous flood related fatalities, several communities in the area have started implementing Flood Warning Systems (FWS) and High Water Detection Systems (HWDS) to help alert and warn residents of dangerous conditions at low water crossings. An Interlocal Agreement regarding a Kerr County Flood Warning System was entered into between the Upper Guadalupe River Authority, Kerr County, and the City of Kerrville in August 2016

The engineering study for the Flood Warning System was separated into a Phase I-Preliminary Engineering Study and Phase II-Final Engineering Study. The results of the Phase I - Preliminary Engineering Study are presented in this report.

Based on the results of the agency coordination meetings, 69 low water crossing sites were identified as potential High Water Detection System installations and requiring further evaluation. There are currently 20 low water crossings in Kerr County with water level monitoring in place. TxDOT monitors and maintains nine (9) of these crossings and GBRA monitors and maintains eleven (11) crossings.

As a part of Phase I, a preliminary evaluation was performed of the 69 crossings to determine the crossings that should be evaluated in more detail and resulted in 20 crossings recommended for further analysis in Phase 2. In addition, the following recommendations were identified as part of the Phase I preliminary results and will be evaluated further as part of the Phase II Final Engineering Study:

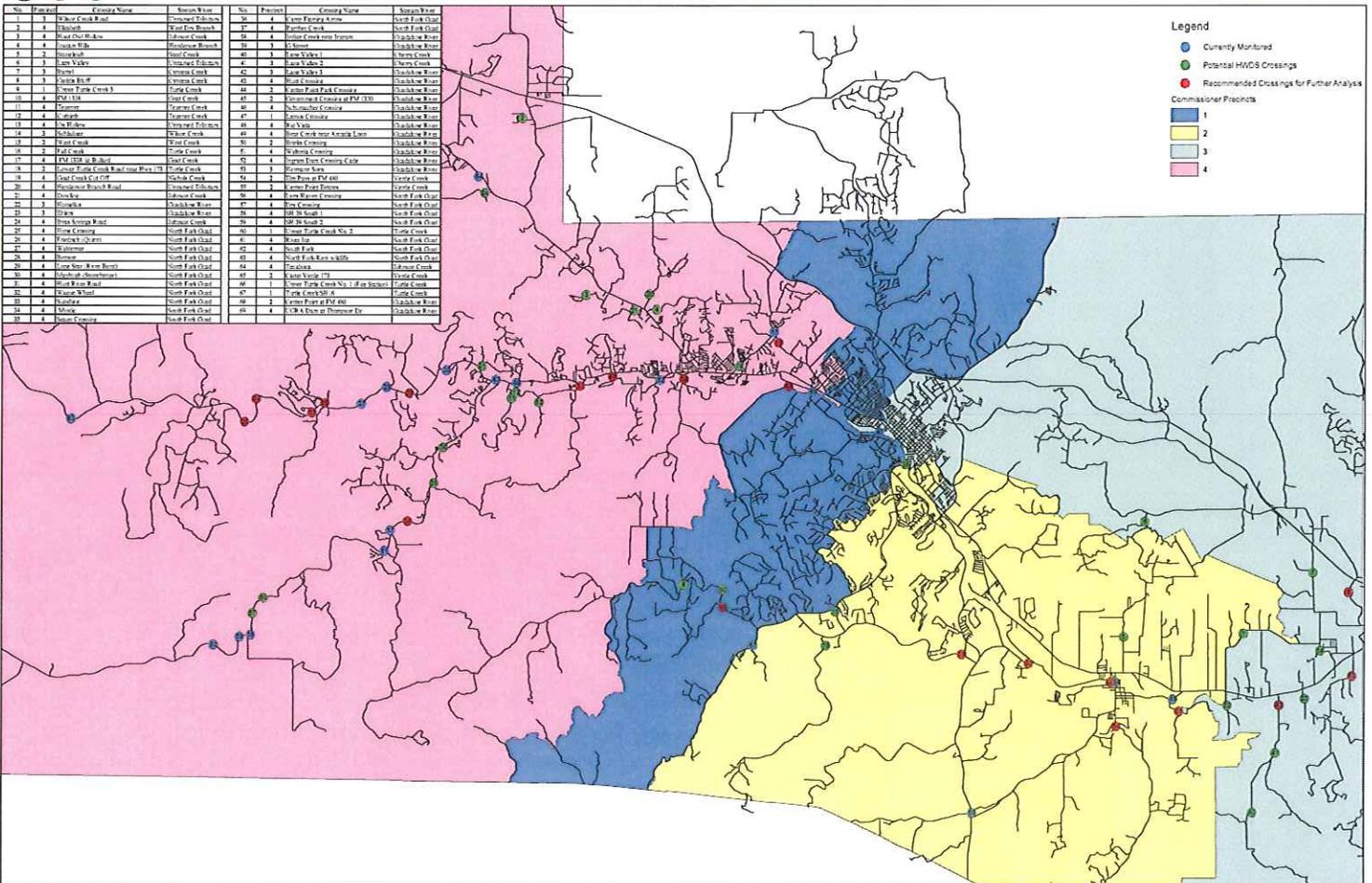
1. Coordination between all of the agencies has been identified as key to the success of any county wide Flood Warning System.
2. TxDOT would support combining all water level monitors in Kerr County to be monitored and reported in a single system.
3. Evaluate the installation of flashing lights and depth of water flow monitoring over the road at the low water crossings. There is not much support from the agencies in Kerr County for crossing barricades or cameras at the crossings.
4. Reliability and maintenance are very important considerations for the water level monitors at low water crossings. Phase II should include an estimate of annual maintenance costs for the water level monitors and determine how or who will be responsible for these fees.
5. Phase II should further research the effectiveness of sirens in the County. Sirens would be more useful for tourists rather than residents.
6. During flooding, the City of Kerrville may or may not have manpower available to place road closed signs and barricades within the City limits. Therefore, flashing lights, crossing barricades and sirens within the City may need to be evaluated.
7. Evaluate the installation of permanent fiberglass markers on either side of the 69 low water crossings that are not monitored. The markers would indicate the depth of water over the pavement surface.
8. Public information and awareness to residents and tourists is one of the most important aspects of this project. This component of the study needs to be evaluated in more detail in Phase II.
9. Consideration of Dynamic Message Signs (DMS) at significant crossings or at key locations that would indicate the water level at one or more low water crossings located along the road beyond the sign.
10. As a part of Phase II or future implementation phase, each RV Park and camp in Kerr County should be contacted and a comprehensive 24-hour emergency contact list should be compiled and published.

RECOMMENDED ACTION

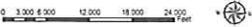
Receive report.



KERR COUNTY FLOOD WARNING SYSTEM
PHASE 1 - PRELIMINARY ENGINEERING STUDY



No.	Project	Crossing Name	Manager Name	No.	Project	Crossing Name	Manager Name
1	1	12-100 Creek Road	Chico State	36	4	Lower Forest Ave	South Fork Road
2	4	Highway 140	West Fork District	37	4	Palmdale Creek	South Fork Road
3	4	Highway 140	Palmdale District	38	4	Palmdale Creek	Palmdale District
4	4	Highway 140	Palmdale District	39	4	Palmdale Creek	Palmdale District
5	2	Highway 140	Palmdale District	40	4	Palmdale Creek	Palmdale District
6	3	Highway 140	Palmdale District	41	4	Palmdale Creek	Palmdale District
7	3	Highway 140	Palmdale District	42	4	Palmdale Creek	Palmdale District
8	3	Highway 140	Palmdale District	43	4	Palmdale Creek	Palmdale District
9	1	Highway 140	Palmdale District	44	4	Palmdale Creek	Palmdale District
10	4	Highway 140	Palmdale District	45	4	Palmdale Creek	Palmdale District
11	4	Highway 140	Palmdale District	46	4	Palmdale Creek	Palmdale District
12	4	Highway 140	Palmdale District	47	4	Palmdale Creek	Palmdale District
13	4	Highway 140	Palmdale District	48	4	Palmdale Creek	Palmdale District
14	3	Highway 140	Palmdale District	49	4	Palmdale Creek	Palmdale District
15	2	Highway 140	Palmdale District	50	4	Palmdale Creek	Palmdale District
16	2	Highway 140	Palmdale District	51	4	Palmdale Creek	Palmdale District
17	4	Highway 140	Palmdale District	52	4	Palmdale Creek	Palmdale District
18	3	Highway 140	Palmdale District	53	4	Palmdale Creek	Palmdale District
19	4	Highway 140	Palmdale District	54	4	Palmdale Creek	Palmdale District
20	4	Highway 140	Palmdale District	55	4	Palmdale Creek	Palmdale District
21	4	Highway 140	Palmdale District	56	4	Palmdale Creek	Palmdale District
22	4	Highway 140	Palmdale District	57	4	Palmdale Creek	Palmdale District
23	4	Highway 140	Palmdale District	58	4	Palmdale Creek	Palmdale District
24	4	Highway 140	Palmdale District	59	4	Palmdale Creek	Palmdale District
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26	4	Highway 140	Palmdale District	61	4	Palmdale Creek	Palmdale District
27	4	Highway 140	Palmdale District	62	4	Palmdale Creek	Palmdale District
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29	4	Highway 140	Palmdale District	64	4	Palmdale Creek	Palmdale District
30	4	Highway 140	Palmdale District	65	4	Palmdale Creek	Palmdale District
31	4	Highway 140	Palmdale District	66	4	Palmdale Creek	Palmdale District
32	4	Highway 140	Palmdale District	67	4	Palmdale Creek	Palmdale District
33	4	Highway 140	Palmdale District	68	4	Palmdale Creek	Palmdale District
34	4	Highway 140	Palmdale District	69	4	Palmdale Creek	Palmdale District
35	4	Highway 140	Palmdale District	70	4	Palmdale Creek	Palmdale District

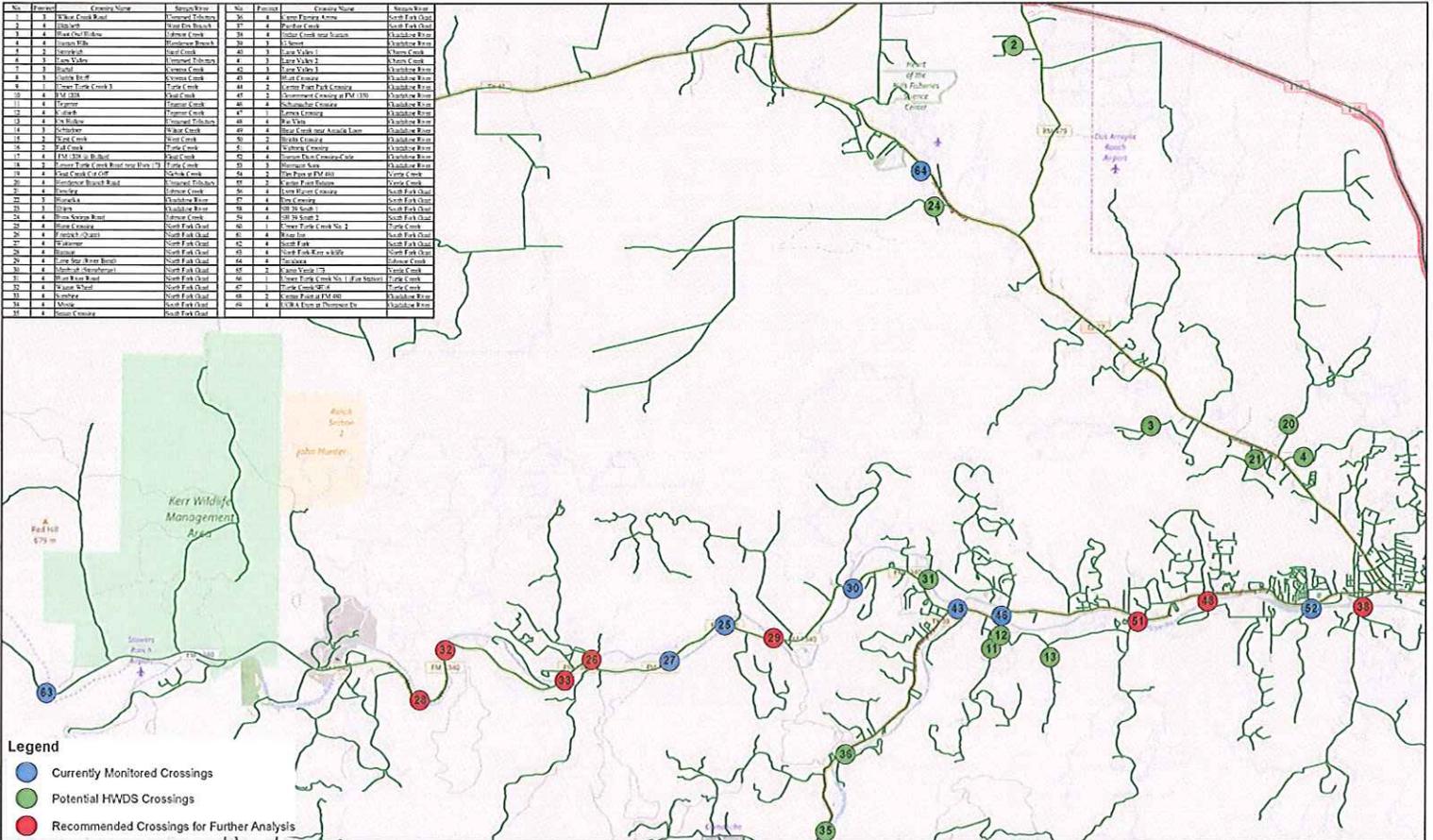


KERR COUNTY - LOW WATER CROSSING LOCATIONS

KERR COUNTY FLOOD WARNING SYSTEM PHASE 1 - PRELIMINARY ENGINEERING STUDY



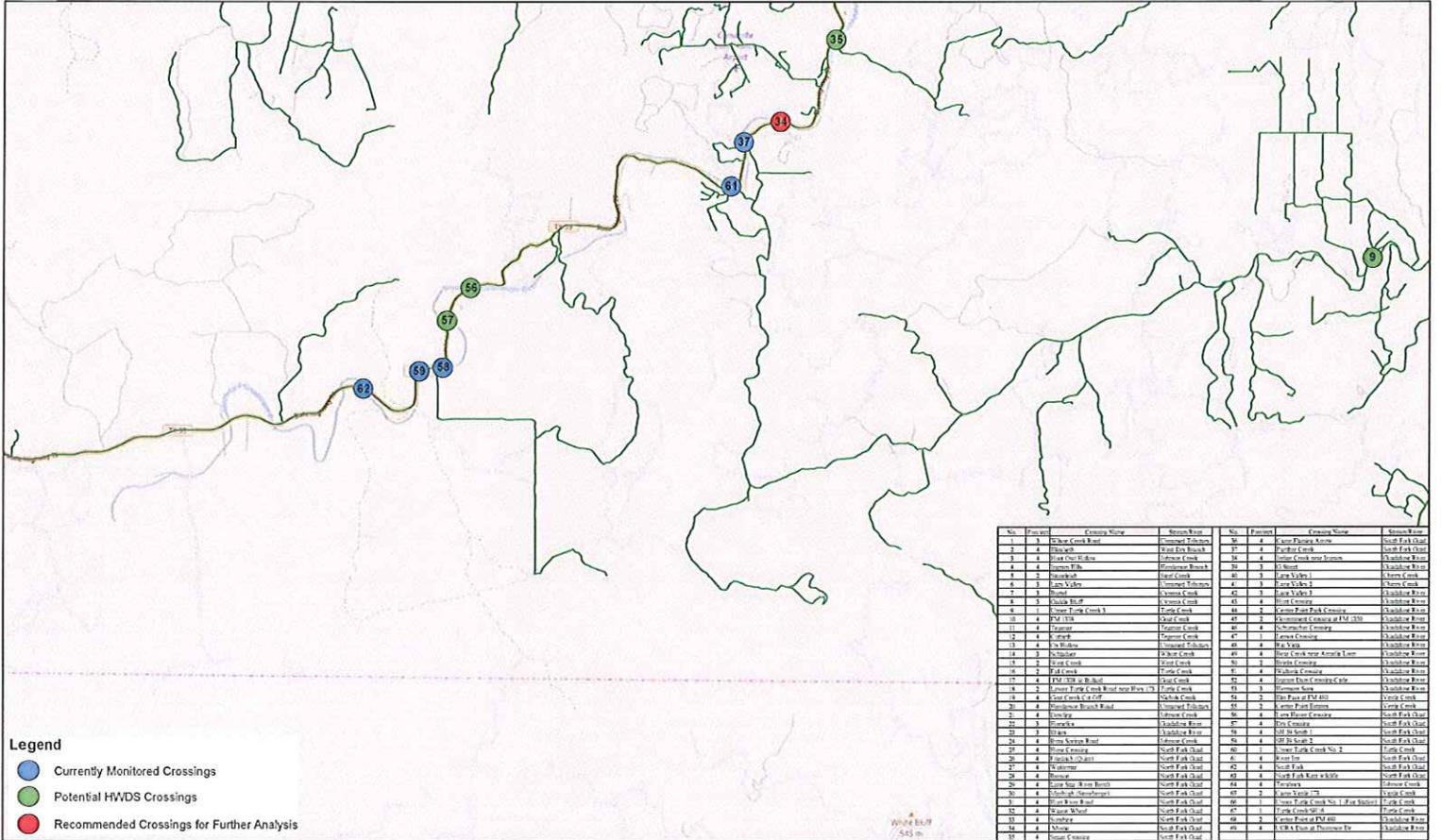
No.	Project	County Name	Agency Name	No.	Project	County Name	Agency Name
1	1	Elkay Creek Road	Shasta County	30	4	South Energy Avenue	South Fork Chad
2	4	Highway 99	Butte County	31	4	Redwood Creek	South Fork Chad
3	4	State Route 163	Butte County	32	4	Chico Creek near Dutch	Shasta River
4	4	Trinity Falls	Butte County	33	3	St. Marys	Shasta River
5	2	Chico Creek	Butte County	34	3	East Valley 1	Shasta River
6	3	East Valley	Butte County	35	3	East Valley 2	Shasta River
7	3	Chico	Butte County	36	4	East Valley	Shasta River
8	1	Trinity Falls (cont.)	Butte County	37	4	East Valley	Shasta River
9	4	State Route 163	Butte County	38	4	East Valley	Shasta River
10	4	Trinity Falls	Butte County	39	4	East Valley	Shasta River
11	4	Trinity Falls	Butte County	40	4	East Valley	Shasta River
12	4	Chico	Butte County	41	4	East Valley	Shasta River
13	4	East Valley	Butte County	42	4	East Valley	Shasta River
14	1	Chico	Butte County	43	4	East Valley	Shasta River
15	1	Chico	Butte County	44	4	East Valley	Shasta River
16	2	East Valley	Butte County	45	4	East Valley	Shasta River
17	4	East Valley	Butte County	46	4	East Valley	Shasta River
18	2	East Valley	Butte County	47	4	East Valley	Shasta River
19	4	East Valley	Butte County	48	4	East Valley	Shasta River
20	4	East Valley	Butte County	49	4	East Valley	Shasta River
21	4	East Valley	Butte County	50	4	East Valley	Shasta River
22	4	East Valley	Butte County	51	4	East Valley	Shasta River
23	4	East Valley	Butte County	52	4	East Valley	Shasta River
24	4	East Valley	Butte County	53	4	East Valley	Shasta River
25	4	East Valley	Butte County	54	4	East Valley	Shasta River
26	4	East Valley	Butte County	55	4	East Valley	Shasta River
27	4	East Valley	Butte County	56	4	East Valley	Shasta River
28	4	East Valley	Butte County	57	4	East Valley	Shasta River
29	4	East Valley	Butte County	58	4	East Valley	Shasta River
30	4	East Valley	Butte County	59	4	East Valley	Shasta River
31	4	East Valley	Butte County	60	4	East Valley	Shasta River
32	4	East Valley	Butte County	61	4	East Valley	Shasta River
33	4	East Valley	Butte County	62	4	East Valley	Shasta River
34	4	East Valley	Butte County	63	4	East Valley	Shasta River
35	4	East Valley	Butte County	64	4	East Valley	Shasta River
36	4	East Valley	Butte County	65	4	East Valley	Shasta River
37	4	East Valley	Butte County	66	4	East Valley	Shasta River
38	4	East Valley	Butte County	67	4	East Valley	Shasta River
39	4	East Valley	Butte County	68	4	East Valley	Shasta River
40	4	East Valley	Butte County	69	4	East Valley	Shasta River
41	4	East Valley	Butte County	70	4	East Valley	Shasta River
42	4	East Valley	Butte County	71	4	East Valley	Shasta River
43	4	East Valley	Butte County	72	4	East Valley	Shasta River
44	4	East Valley	Butte County	73	4	East Valley	Shasta River
45	4	East Valley	Butte County	74	4	East Valley	Shasta River
46	4	East Valley	Butte County	75	4	East Valley	Shasta River
47	4	East Valley	Butte County	76	4	East Valley	Shasta River
48	4	East Valley	Butte County	77	4	East Valley	Shasta River
49	4	East Valley	Butte County	78	4	East Valley	Shasta River
50	4	East Valley	Butte County	79	4	East Valley	Shasta River
51	4	East Valley	Butte County	80	4	East Valley	Shasta River
52	4	East Valley	Butte County	81	4	East Valley	Shasta River
53	4	East Valley	Butte County	82	4	East Valley	Shasta River
54	4	East Valley	Butte County	83	4	East Valley	Shasta River
55	4	East Valley	Butte County	84	4	East Valley	Shasta River
56	4	East Valley	Butte County	85	4	East Valley	Shasta River
57	4	East Valley	Butte County	86	4	East Valley	Shasta River
58	4	East Valley	Butte County	87	4	East Valley	Shasta River
59	4	East Valley	Butte County	88	4	East Valley	Shasta River
60	4	East Valley	Butte County	89	4	East Valley	Shasta River
61	4	East Valley	Butte County	90	4	East Valley	Shasta River
62	4	East Valley	Butte County	91	4	East Valley	Shasta River
63	4	East Valley	Butte County	92	4	East Valley	Shasta River
64	4	East Valley	Butte County	93	4	East Valley	Shasta River
65	4	East Valley	Butte County	94	4	East Valley	Shasta River
66	4	East Valley	Butte County	95	4	East Valley	Shasta River
67	4	East Valley	Butte County	96	4	East Valley	Shasta River
68	4	East Valley	Butte County	97	4	East Valley	Shasta River
69	4	East Valley	Butte County	98	4	East Valley	Shasta River
70	4	East Valley	Butte County	99	4	East Valley	Shasta River
71	4	East Valley	Butte County	100	4	East Valley	Shasta River



NORTHWEST KERR COUNTY - LOW WATER CROSSING LOCATIONS



KERR COUNTY FLOOD WARNING SYSTEM
PHASE 1 - PRELIMINARY ENGINEERING STUDY

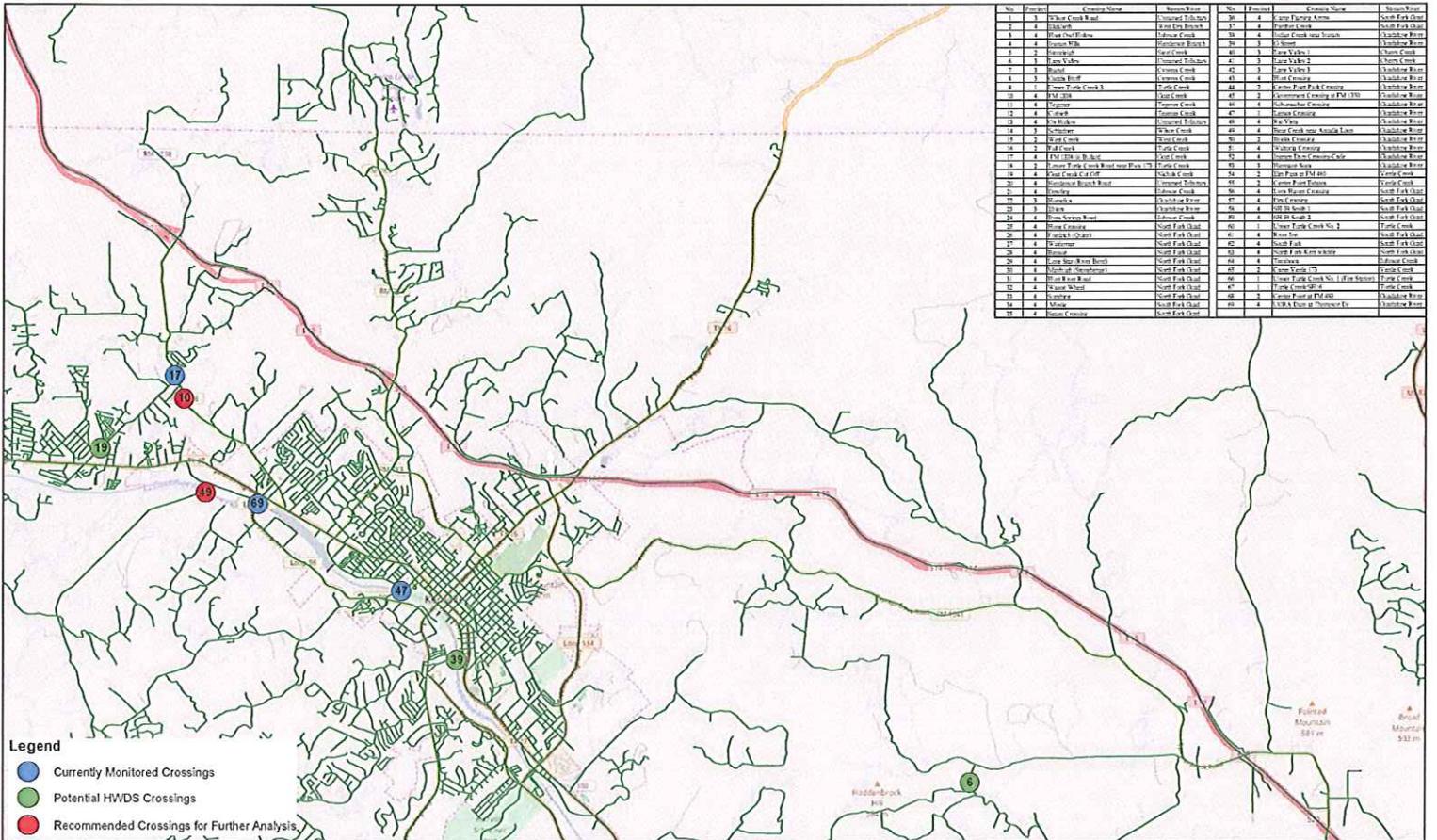


No.	Facility	County Name	Stream Name	No.	Facility	County Name	Stream Name
1	3	Chico Creek Road	Chico Creek	50	4	Calvin Plummer Avenue	South Fork Clear
2	4	Chico	Chico Creek	51	4	Chico	South Fork Clear
3	4	Chico	Chico Creek	52	4	Chico	South Fork Clear
4	4	Chico	Chico Creek	53	4	Chico	South Fork Clear
5	4	Chico	Chico Creek	54	4	Chico	South Fork Clear
6	4	Chico	Chico Creek	55	4	Chico	South Fork Clear
7	4	Chico	Chico Creek	56	4	Chico	South Fork Clear
8	4	Chico	Chico Creek	57	4	Chico	South Fork Clear
9	4	Chico	Chico Creek	58	4	Chico	South Fork Clear
10	4	Chico	Chico Creek	59	4	Chico	South Fork Clear
11	4	Chico	Chico Creek	60	4	Chico	South Fork Clear
12	4	Chico	Chico Creek	61	4	Chico	South Fork Clear
13	4	Chico	Chico Creek	62	4	Chico	South Fork Clear
14	4	Chico	Chico Creek	63	4	Chico	South Fork Clear
15	4	Chico	Chico Creek	64	4	Chico	South Fork Clear
16	4	Chico	Chico Creek	65	4	Chico	South Fork Clear
17	4	Chico	Chico Creek	66	4	Chico	South Fork Clear
18	4	Chico	Chico Creek	67	4	Chico	South Fork Clear
19	4	Chico	Chico Creek	68	4	Chico	South Fork Clear
20	4	Chico	Chico Creek	69	4	Chico	South Fork Clear
21	4	Chico	Chico Creek	70	4	Chico	South Fork Clear
22	4	Chico	Chico Creek	71	4	Chico	South Fork Clear
23	4	Chico	Chico Creek	72	4	Chico	South Fork Clear
24	4	Chico	Chico Creek	73	4	Chico	South Fork Clear
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29	4	Chico	Chico Creek	78	4	Chico	South Fork Clear
30	4	Chico	Chico Creek	79	4	Chico	South Fork Clear
31	4	Chico	Chico Creek	80	4	Chico	South Fork Clear
32	4	Chico	Chico Creek	81	4	Chico	South Fork Clear
33	4	Chico	Chico Creek	82	4	Chico	South Fork Clear
34	4	Chico	Chico Creek	83	4	Chico	South Fork Clear
35	4	Chico	Chico Creek	84	4	Chico	South Fork Clear
36	4	Chico	Chico Creek	85	4	Chico	South Fork Clear
37	4	Chico	Chico Creek	86	4	Chico	South Fork Clear
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39	4	Chico	Chico Creek	88	4	Chico	South Fork Clear
40	4	Chico	Chico Creek	89	4	Chico	South Fork Clear
41	4	Chico	Chico Creek	90	4	Chico	South Fork Clear
42	4	Chico	Chico Creek	91	4	Chico	South Fork Clear
43	4	Chico	Chico Creek	92	4	Chico	South Fork Clear
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46	4	Chico	Chico Creek	95	4	Chico	South Fork Clear
47	4	Chico	Chico Creek	96	4	Chico	South Fork Clear
48	4	Chico	Chico Creek	97	4	Chico	South Fork Clear
49	4	Chico	Chico Creek	98	4	Chico	South Fork Clear
50	4	Chico	Chico Creek	99	4	Chico	South Fork Clear
51	4	Chico	Chico Creek	100	4	Chico	South Fork Clear

SOUTHWEST KERR COUNTY - LOW WATER CROSSING LOCATIONS



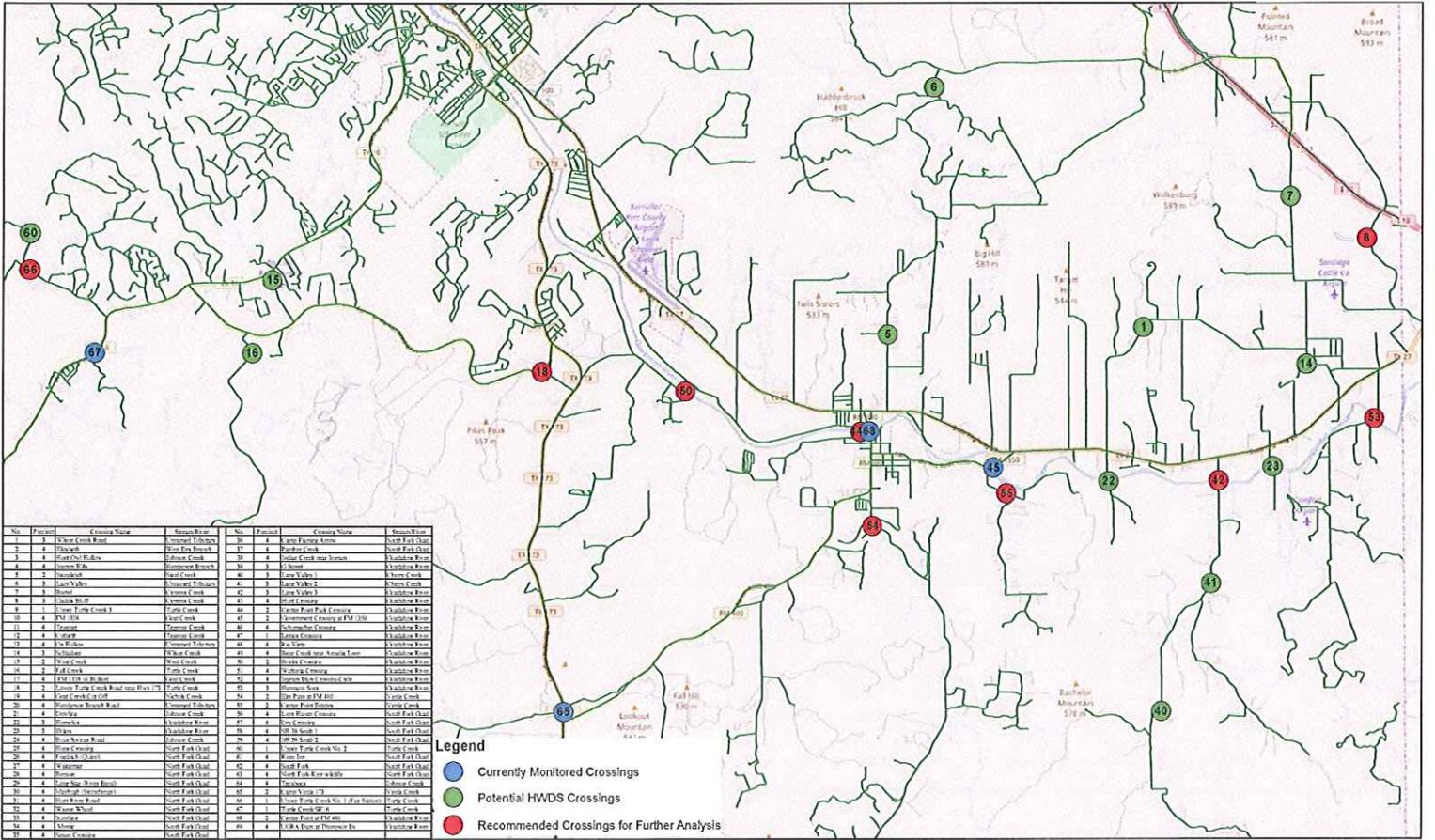
KERR COUNTY FLOOD WARNING SYSTEM
PHASE 1 - PRELIMINARY ENGINEERING STUDY



NORTHEAST KERR COUNTY - LOW WATER CROSSING LOCATIONS



KERR COUNTY FLOOD WARNING SYSTEM PHASE 1 - PRELIMINARY ENGINEERING STUDY



No.	Feature	Crossing Name	Stream Name	No.	Feature	Crossing Name	Stream Name
1	1	White Creek Road	Unimproved Highway	101	1	Point Peak	South Park Channel
2	2	Blackwell	Blackwell Branch	102	2	Point Peak	South Park Channel
3	3	Point Peak Rd. SW	Blackwell Branch	103	3	Point Peak	South Park Channel
4	4	James Rd.	Blackwell Branch	104	4	Point Peak	South Park Channel
5	5	Unimproved	Blackwell Branch	105	5	Point Peak	South Park Channel
6	6	James Valley	Unimproved Highway	106	6	Point Peak	South Park Channel
7	7	Unimproved	Blackwell Branch	107	7	Point Peak	South Park Channel
8	8	Unimproved	Blackwell Branch	108	8	Point Peak	South Park Channel
9	9	Unimproved	Blackwell Branch	109	9	Point Peak	South Park Channel
10	10	Unimproved	Blackwell Branch	110	10	Point Peak	South Park Channel
11	11	Unimproved	Blackwell Branch	111	11	Point Peak	South Park Channel
12	12	Unimproved	Blackwell Branch	112	12	Point Peak	South Park Channel
13	13	Unimproved	Blackwell Branch	113	13	Point Peak	South Park Channel
14	14	Unimproved	Blackwell Branch	114	14	Point Peak	South Park Channel
15	15	Unimproved	Blackwell Branch	115	15	Point Peak	South Park Channel
16	16	Unimproved	Blackwell Branch	116	16	Point Peak	South Park Channel
17	17	Unimproved	Blackwell Branch	117	17	Point Peak	South Park Channel
18	18	Unimproved	Blackwell Branch	118	18	Point Peak	South Park Channel
19	19	Unimproved	Blackwell Branch	119	19	Point Peak	South Park Channel
20	20	Unimproved	Blackwell Branch	120	20	Point Peak	South Park Channel
21	21	Unimproved	Blackwell Branch	121	21	Point Peak	South Park Channel
22	22	Unimproved	Blackwell Branch	122	22	Point Peak	South Park Channel
23	23	Unimproved	Blackwell Branch	123	23	Point Peak	South Park Channel
24	24	Unimproved	Blackwell Branch	124	24	Point Peak	South Park Channel
25	25	Unimproved	Blackwell Branch	125	25	Point Peak	South Park Channel
26	26	Unimproved	Blackwell Branch	126	26	Point Peak	South Park Channel
27	27	Unimproved	Blackwell Branch	127	27	Point Peak	South Park Channel
28	28	Unimproved	Blackwell Branch	128	28	Point Peak	South Park Channel
29	29	Unimproved	Blackwell Branch	129	29	Point Peak	South Park Channel
30	30	Unimproved	Blackwell Branch	130	30	Point Peak	South Park Channel
31	31	Unimproved	Blackwell Branch	131	31	Point Peak	South Park Channel
32	32	Unimproved	Blackwell Branch	132	32	Point Peak	South Park Channel
33	33	Unimproved	Blackwell Branch	133	33	Point Peak	South Park Channel
34	34	Unimproved	Blackwell Branch	134	34	Point Peak	South Park Channel
35	35	Unimproved	Blackwell Branch	135	35	Point Peak	South Park Channel
36	36	Unimproved	Blackwell Branch	136	36	Point Peak	South Park Channel
37	37	Unimproved	Blackwell Branch	137	37	Point Peak	South Park Channel
38	38	Unimproved	Blackwell Branch	138	38	Point Peak	South Park Channel
39	39	Unimproved	Blackwell Branch	139	39	Point Peak	South Park Channel
40	40	Unimproved	Blackwell Branch	140	40	Point Peak	South Park Channel
41	41	Unimproved	Blackwell Branch	141	41	Point Peak	South Park Channel
42	42	Unimproved	Blackwell Branch	142	42	Point Peak	South Park Channel
43	43	Unimproved	Blackwell Branch	143	43	Point Peak	South Park Channel
44	44	Unimproved	Blackwell Branch	144	44	Point Peak	South Park Channel
45	45	Unimproved	Blackwell Branch	145	45	Point Peak	South Park Channel
46	46	Unimproved	Blackwell Branch	146	46	Point Peak	South Park Channel
47	47	Unimproved	Blackwell Branch	147	47	Point Peak	South Park Channel
48	48	Unimproved	Blackwell Branch	148	48	Point Peak	South Park Channel
49	49	Unimproved	Blackwell Branch	149	49	Point Peak	South Park Channel
50	50	Unimproved	Blackwell Branch	150	50	Point Peak	South Park Channel
51	51	Unimproved	Blackwell Branch	151	51	Point Peak	South Park Channel
52	52	Unimproved	Blackwell Branch	152	52	Point Peak	South Park Channel
53	53	Unimproved	Blackwell Branch	153	53	Point Peak	South Park Channel
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61	61	Unimproved	Blackwell Branch	161	61	Point Peak	South Park Channel
62	62	Unimproved	Blackwell Branch	162	62	Point Peak	South Park Channel
63	63	Unimproved	Blackwell Branch	163	63	Point Peak	South Park Channel
64	64	Unimproved	Blackwell Branch	164	64	Point Peak	South Park Channel
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68	68	Unimproved	Blackwell Branch	168	68	Point Peak	South Park Channel
69	69	Unimproved	Blackwell Branch	169	69	Point Peak	South Park Channel
70	70	Unimproved	Blackwell Branch	170	70	Point Peak	South Park Channel
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76	76	Unimproved	Blackwell Branch	176	76	Point Peak	South Park Channel
77	77	Unimproved	Blackwell Branch	177	77	Point Peak	South Park Channel
78	78	Unimproved	Blackwell Branch	178	78	Point Peak	South Park Channel
79	79	Unimproved	Blackwell Branch	179	79	Point Peak	South Park Channel
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85	85	Unimproved	Blackwell Branch	185	85	Point Peak	South Park Channel
86	86	Unimproved	Blackwell Branch	186	86	Point Peak	South Park Channel
87	87	Unimproved	Blackwell Branch	187	87	Point Peak	South Park Channel
88	88	Unimproved	Blackwell Branch	188	88	Point Peak	South Park Channel
89	89	Unimproved	Blackwell Branch	189	89	Point Peak	South Park Channel
90	90	Unimproved	Blackwell Branch	190	90	Point Peak	South Park Channel
91	91	Unimproved	Blackwell Branch	191	91	Point Peak	South Park Channel
92	92	Unimproved	Blackwell Branch	192	92	Point Peak	South Park Channel
93	93	Unimproved	Blackwell Branch	193	93	Point Peak	South Park Channel
94	94	Unimproved	Blackwell Branch	194	94	Point Peak	South Park Channel
95	95	Unimproved	Blackwell Branch	195	95	Point Peak	South Park Channel
96	96	Unimproved	Blackwell Branch	196	96	Point Peak	South Park Channel
97	97	Unimproved	Blackwell Branch	197	97	Point Peak	South Park Channel
98	98	Unimproved	Blackwell Branch	198	98	Point Peak	South Park Channel
99	99	Unimproved	Blackwell Branch	199	99	Point Peak	South Park Channel
100	100	Unimproved	Blackwell Branch	200	100	Point Peak	South Park Channel

- Legend**
- Currently Monitored Crossings
 - Potential HWDS Crossings
 - Recommended Crossings for Further Analysis



SOUTHEAST KERR COUNTY - LOW WATER CROSSING LOCATIONS

City of Kerrville Owned and Maintained - 22 Locations

Low Water Crossings:

	Frequency of Flooding	Hazard Level	Duration of Closure After Rains Cease	Traffic Volume	Response
Town Creek Rd. – Four crossings on Town Creek	High	High	Long	Moderate	Barricade Placement
Schreiner at Town Creek - On Town Creek	Low	High	Short	High	Barricade Placement
Fourth and Gilmer – On Quinlan Creek	High	High	Long	Moderate	Barricade Placement
Second and Lytle - On Quinlan Creek	High	High	Short	Moderate	Barricade Placement
First St. - On Quinlan Creek	High	High	Short	Moderate	Barricade Placement
Park St. - On Quinlan Creek	Moderate	High	Long	Moderate	Barricade Placement
Sand Bend – On Camp Meeting Creek	Low	High	Long	Low	Barricade Placement

Low Areas With Poor Drainage/Heavy Ponding

	Frequency of Flooding	Hazard Level	Duration of Closure After Rains Cease	Traffic Volume
Hill Country Dr. at/near SH16	High	Low	Long	High
Lois St. between Woodlawn and Ox	Moderate	Low	Moderate	High
Coronado at/near SH27	Low	Low	Low	High

Bridges:

	Frequency of Flooding	Hazard Level	Duration of Closure After Rains Cease	Traffic Volume	Response
Alpine – Over Quinlan Creek	Rare	High	Low	Low	Barricade Placement
Arcadia Loop (west end) – Over Goat Creek	Rare/Never	High	Low	Moderate	Barricade Placement
Arcadia Loop –Pedestrian – Over Lime Creek	Rare/Never	High	Low	Low	None
Bear Creek – Over Guadalupe River	Moderate	High	High	Moderate	Barricade Placement
G st. - Over Guadalupe River	Low	High	Low	High	Barricade Placement
Holdsworth - Over Quinlan Creek	Rare/Never	High	Low	High	Barricade Placement
East Main - Over Quinlan Creek	Low	High	Low	High	Barricade Placement
Legion Crossing –Pedestrian - Over Guadalupe River	High	High	High	Low	None
Third St. – Over Quinlan Creek	Low	High	Low	High	Barricade Placement
Water St. – Over Town Creek	Rare/Never	High	Low	High	Barricade Placement
East Main –Over Pinto drainage way	Rare/Never	High	Low	High	Barricade Placement
East Main – Over Mesa Park drainage way	Rare/Never	High	Low	High	Barricade Placement

Agenda Item:

5B. Budget and economic update. (staff)

- Reuse project - award of bid contract in October with construction to begin in the near future.
- Library Campus – History Center renovations are near completion
- Utility Construction Building – construction is on going

Permits issued for new residential locations fiscal year-to-date were 73.

Value of commercial permits issued in August was \$113,000. Commercial permits issued for new locations and major remodels are an estimated value of \$31,132,014 fiscal year-to-date. Values of these sites will be reflected on the property tax roll in the following tax year of completion.

Real estate transactions remain steady with a moderate inventory available. Unemployment at national, state, and local levels has remained at a relatively low percentage for several months.

RECOMMENDED ACTION

Information purposes only, no action required.

City of Kerrville
Month ending September 30, 2016
 (Month 12 of FY2016)

	Current Month	Year To-Date	Budget @100%	Prior Year To-Date	change from prior year
General Fund					
Total Revenues	\$ 1,450,006	\$ 24,544,625	99.73%	\$ 24,743,579	-0.80%
Property tax	\$ 16,266	\$ 8,806,337	99.12%	\$ 8,554,903	2.94%
Sales tax	\$ 520,225	\$ 6,350,569	101.54%	\$ 6,229,998	1.94%
Total Expenditures	\$ 3,518,874	\$ 23,933,204	96.61%	\$ 23,787,384	0.61%

Water and Sewer Fund					
Total Revenues	\$ 1,022,540	\$ 11,574,350	98.57%	\$ 11,119,324	4.09%
Water Sales	\$ 525,952	\$ 5,299,650	94.83%	\$ 5,095,884	4.00%
Sewer Service	\$ 454,057	\$ 5,244,454	96.90%	\$ 5,262,973	-0.35%
Expenditures	\$ 1,407,185	\$ 11,096,569	94.50%	\$ 11,455,296	-3.13%

Hotel/Motel Fund					
Revenues	\$ 82,535	\$ 1,109,233	108.87%	\$ 1,081,305	2.58%
Expenditures	\$ -	\$ 960,474	95.00%	\$ 962,537	-0.21%

Community Investment Plan	Project Budget	Current Month	P-T-D Expense	Budget Balance
Athletic Complex	\$ 10,500,000	\$ 1,361,318	\$ 1,485,875	\$ 9,014,125
Library Campus - History Center	\$ 693,206	\$ 85,931	\$ 422,213	\$ 270,992
Reuse - Construction	\$ 18,800,000	\$ -	\$ -	\$ 18,800,000
Reuse - Design	\$ 2,800,000	\$ 365,855	\$ 1,600,381	\$ 1,199,619
River Trail	\$ 6,000,000	\$ 131,552	\$ 5,020,143	\$ 979,857
Utility Construction Building	\$ 1,450,000	\$ 328,747	\$ 473,676	\$ 976,324

Development Services:

Residential # of permits	Commercial permits value
Oct 11	330,680
Nov 5	17,000
Dec 6	52,000
Jan 8	559,099
Feb 9	1,372,500
Mar 4	4,219,630
Apr 4	340,466
May 9	2,304,700
June 5	21,413,939
July 5	0
Aug 4	409,000
Sept 3	113,000
YTD 73	31,132,014

Housing (September)

Local:

513 active residential listings; 82 residential sales September 2016
 \$23,016,221 total residential sales dollars for September 2016
 \$1,34,709,009 total residential sales dollars Y-T-D for 2016
 (Source: Kerrville Board of Realtors)

Unemployment: (August)

National	5.0%
Texas	5.0%
Local	3.9%

(Source: Texas Workforce Commission)

Agenda Item:

6A. Library Advisory Board. (staff)

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

SUBJECT: Appointment to the Library Advisory Board

FOR AGENDA OF: November 8, 2016 **DATE SUBMITTED:** October 31, 2016

SUBMITTED BY: Brenda Craig
City Secretary

CLEARANCES:



EXHIBITS: Board List

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

SUMMARY STATEMENT

Consider appointment to the following board:

Library Advisory Board: One term that expires November 22, 2016: Marty Lenard.

RECOMMENDED ACTION

Consider appointment.

Number of Members: Five members

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

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

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

Revised: February 10, 2016

* Appointed by Friends of the Butt-Holdsworth Memorial Library