

AGENDA FOR SPECIAL MEETING

KERRVILLE CITY COUNCIL

TUESDAY, MAY 22, 2012, 6:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

800 JUNCTION HIGHWAY, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, MAY 22, 2012, 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
800 JUNCTION HIGHWAY, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION offered by Matt Melton, Pastor of High Peak Fellowship.

PLEDGE OF ALLEGIANCE TO THE FLAG led by Allie Finch and Makenzie Skrumeda, members of the Girl Scouts of America.

1. VISITORS/CITIZENS FORUM:

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

2. PRESENTATION:

2A. Proclamation designating 2012 as "Girl Scouts of the United States of America 100 Year Centennial Celebration, and the Year of the Girl." (Mayor Pratt)

2B. Proclamation designating May 25, 2012 as "Byron Nelson Day." (Mayor Pratt)

2C. Proclamation designating the week of May 20 through 26, 2012, as "National Public Works Week. (Mayor Pratt)

2D. Presentation by Peterson Regional Medical Center on Peterson's Community Care Program. (PRMC representatives)

3. CONSENT AGENDA:

3A. Minutes of the regular city council meeting held May 8, 2012. (staff)

3B. Contract with Qro Mex Construction, Inc. for the construction of the Harper Highway Utility Extension-Phase Two project in the amount of \$578,722.00, with change orders authorized but not to exceed the total amount of \$646,595.00

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

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: May 18, 2012 at 4:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig

City Secretary, City of Kerrville, Texas

3C. Contract with City-County Benefits Services (C-CBS) for the period of June 1, 2012 – May 31, 2013, in the amount of \$30,000.00, for employee benefit consulting services. (staff)

3D. Interlocal Service Agreement for Physical Addressing Services between the City of Kerrville, Texas and Kerr Emergency 9-1-1 Network. (staff)

3E. A Resolution adopting amendments to the City of Kerrville Investment Policy regarding the investment of City funds in accordance with the Public Funds Investment Act. (staff)

3F. A Resolution waiving park fees for Juneteenth Celebration within Carver Park pavilion scheduled for June 15 – 17, 2012. (staff)

END OF CONSENT AGENDA

4. PUBLIC HEARING

4A. Consider petition protesting the February 2012 increase in water rates imposed by Aqua Texas for its customers within the City limits. (staff)

5. ORDINANCE SECOND AND FINAL READING

5A. An ordinance amending the budget for fiscal year 2012 to account for changes in the status of various capital improvement projects; and to amend other city funds to account for balances for approved purposes. (staff)

6. CONSIDERATION AND POSSIBLE ACTION:

6A. Sidewalk café permit for 804 Water Street (Yeo-Bo's Café). (staff)

6B. A Resolution denying Atmos Energy Corp., Mid-Tex Division's requested rate change; requiring the Company to reimburse the City's reasonable ratemaking expenses; finding that the meeting at which this Resolution is passed is open to the Public as required by law; requiring notice of this Resolution to the Company and ACSC's legal counsel. (staff)

6C. Consideration of reducing the makeup of the Zoning Ordinance Input Committee from seven (7) regular members to five (5) regular members and to appoint two City Council members as liaisons to the committee. (staff)

6D. Appointment of Mayor Pro Tem. (staff)

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Brenda Craig
City Secretary, City of Kerrville, Texas

7. INFORMATION AND DISCUSSION:

7A. Budget and economic update. (staff)

8. BOARD APPOINTMENTS:

8A. Appointment of Councilmembers to City boards and commissions. (staff)

8B. Appointments to the Economic Improvement Corporation. (staff)

8C. Appointments to the Planning and Zoning Commission. (staff)

9. ITEMS FOR FUTURE AGENDAS

10. ANNOUNCEMENTS OF COMMUNITY INTEREST:

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

11. EXECUTIVE SESSION:

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

Section 551.074

- Appointment of Councilmembers to City boards and commissions.
- Appointments to the Economic Improvement Corporation.
- Appointments to the Planning and Zoning Commission.
- Appointment of Mayor Pro Tem.

12. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

13. ADJOURNMENT.

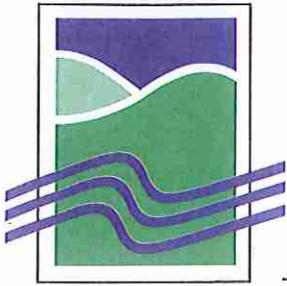
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Brenda Craig
City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Proclamation designating 2012 as "Girl Scouts of the United States of America 100 Year Centennial Celebration, and the Year of the Girl." (Mayor Pratt)



CITY OF KERRVILLE

MAYOR AND CITY COUNCIL

800 Junction Highway

Kerrville, Texas 78028

830-257-8000 / www.kerrvilletx.gov

PROCLAMATION

- WHEREAS,** The City of Kerrville has a strong tradition and scouting has had a profound impact on the lives of our youth and has contributed significantly to the quality of life within our community; and
- WHEREAS,** In 1912 on the twelfth day of March, the first Girl Scout troop in the United States of America was organized by Juliette Gordon Low in Savannah, Georgia; and
- WHEREAS,** The Girl Scouts of Southwest Texas, is the official name of the twenty-one county area served by the Sally Cheever Girl Scout Leadership Center in San Antonio; and
- WHEREAS,** Juliette Gordon Low will be posthumously awarded the presidential Medal of Freedom, the nation's highest civilian honor, by President Obama during 2012, a testament to her enduring legacy and the place Girl Scouting holds in the fabric of the American experience; and
- WHEREAS,** In June, 2012 The United States Postal Service will issue a first class "Celebrate Scouting Forever" stamp as part of the Girl Scouts' Rock the Mall celebration in Washington, D.C.; and
- WHEREAS,** The Girl Scouts of Southwest Texas, Girl Scouts of the USA is a cherished and growing organization that continues to strengthen the moral, physical, spiritual and economic vitality of our local community,

NOW, THEREFORE, I, Jack Pratt, Mayor of the City of Kerrville, Texas, do hereby proclaim the year 2012 as the

"GIRL SCOUTS OF THE UNITED STATES OF AMERICA 100 YEAR CENTENNIAL CELEBRATION AND THE YEAR OF THE GIRL"

And urge all citizens to help the Girl Scouts celebrate this birthday and support all efforts that the Kerr County Girl Scouts, Girl Scouts of the Southwest Texas continue to make to prepare young women for life by providing the nation's foremost program for the development of Courage, Confidence and Character in young women.

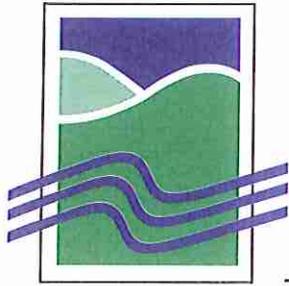
IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Kerrville to be affixed hereto, the ____ day of _____, 2012.

Jack Pratt, Mayor



Agenda Item:

2B. Proclamation designating May 25, 2012 as "Byron Nelson Day." (Mayor Pratt)



CITY OF KERRVILLE

MAYOR AND CITY COUNCIL

800 Junction Highway

Kerrville, Texas 78028

830-257-8000 / www.kerrvilletx.gov

PROCLAMATION

WHEREAS, John Byron Nelson, Jr. was born on February 4, 2012 near Waxahachie, Texas; and

WHEREAS, At 12 years of age he learned the game of golf by caddying at the Glen Garden Country Club in Fort Worth and would often practice in the dark, placing a white handkerchief over the hole so he could find it in the darkness; and

WHEREAS, After turning professional Byron Nelson realized that with the technological change from hickory to steel shafts the golf swing would have to adapt; and

WHEREAS, He was among the first of a new generation of players who developed a full swing which is the forerunner of modern golf technique practiced by top players today and sometimes credited as being the father of the modern golf swing, and

WHEREAS Byron Nelson is mostly remembered today for having won 11 consecutive tournaments and 18 total tournaments in 1945; and

WHEREAS President George W. Bush approved H.R. 4902 awarding Byron Nelson the Congressional Gold Medal, the highest award that can be bestowed by the Legislative Branch of the United States government

NOW, THEREFORE, I, Jack Pratt, Mayor of the City of Kerrville, Texas, do hereby proclaim May 25, 2012 as;

“BYRON NELSON DAY”

and urge all citizens to join with me and honor the golf legend on this day, and on this the year of his 100th birthday.

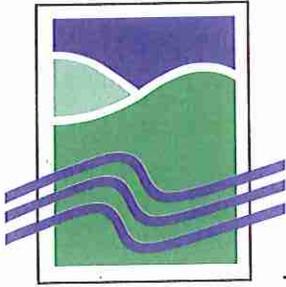


IN WITNESS WHEREOF,
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caused the Seal of the City of
Kerrville to be affixed hereto, the
____ day of _____, 2012.

Jack Pratt, Mayor

Agenda Item:

2C. Proclamation designating the week of May 20 through 26, 2012 as "National Public Works Week." (Mayor Pratt)



CITY OF KERRVILLE

MAYOR AND CITY COUNCIL

800 Junction Highway

Kerrville, Texas 78028

830-257-8000 / www.kerrvilletx.gov

PROCLAMATION

- WHEREAS,** All communities depend upon public works infrastructure, facilities and services for the well-being and livelihood of their residents, visitors and commerce; and
- WHEREAS,** Public works professionals, engineers, managers and employees are vitally important in the planning, designing, building, operation and maintenance of state and local streets, water supplies/treatments, solid waste systems, public buildings and other facilities which serve the citizens; and
- WHEREAS,** The community recognizes the dedication and skill of all public works employees who play an essential role in preserving the health, safety and comfort of the residents of Kerrville; and
- WHEREAS,** The year 2012 marks the 52nd Annual National Public Works Week which is sponsored by the American Public Works Association; and
- WHEREAS,** Kerrville residents deeply appreciate the important contributions the public works profession has made to our city and to the progress of our community;

NOW, THEREFORE, I, Jack Pratt, Mayor of the City of Kerrville, Texas, do hereby proclaim May 20-26, 2012; as

“NATIONAL PUBLIC WORKS WEEK”

in the City of Kerrville and urge all citizens and civic organizations to acquaint themselves with the issues involved in providing our public works and to recognize the contributions which public works officials make every day to our health, safety, comfort, and quality of life.



IN WITNESS WHEREOF,
I have hereunto set my hand and
caused the Seal of the City of
Kerrville to be affixed hereto,
the ___ day of _____, 2012.

Jack Pratt, Mayor

Agenda Item:

2D. Presentation by Peterson Regional Medical Center on Peterson's Community Care Program. (PRMC representatives)

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

SUBJECT OF REQUEST: To announce Peterson Regional Medical Center's new project, Peterson's Community Care, a new department to meet the healthcare needs of the community.

AGENDA DATE: May 22, 2012

DATE SUBMITTED: May 8, 2012

REQUESTED/SUBMITTED BY: Lisa Winters

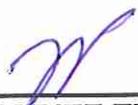
PHONE: 258-7628

ORGANIZATION REPRESENTING: Peterson Regional Medical Center

MAILING ADDRESS: 551 Hill Country Drive, Kerrville, TX 78028

EMAIL ADDRESS: lwinters@petersonrmc.com

EXHIBITS/INFORMATION: None – Will bring department logo and photo on display board of new location pre-construction.

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

WILL THIS ITEM REQUIRE CITY COUNCIL TO AUTHORIZE THE EXPENDITURE OF CITY FUNDS? YES: _____ NO: x

IF YES, STATE AMOUNT REQUESTED: \$ _____

DESCRIPTION OF REQUEST

Chief Operating Officer, Steve Pautler, and members of the PRMC staff would like to announce plans for the opening of Peterson Community Care, a department of PRMC. The hospital based facility is scheduled to open by the fall and will be located in the former Blockbuster space at the River Oaks Shopping Center. The facility offers quality primary care and specialty care for patients seeking healthcare regardless of payment status. The clinic should lead to the reduction of charity care/bad debt absorbed by the hospital by reducing the number of unfunded patients entering the Emergency Room for non-emergent care or in place of a primary physician.

The hours of operation will be 7AM-5PM weekdays, including Friday, with extended hours on Tuesdays and open Saturdays from 8AM – Noon.

Peterson would like 5-10 minutes to share the highlights and benefits of the new facility and outline how Community Care will improve the health of the community and Kerr County.

RECOMMENDED COUNCIL ACTION

Agenda Item:

3A. Minutes of the regular city council meetings held May 8, 2012. (staff)

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
MAY 8, 2012

On May 8, 2012, the Kerrville City Council meeting was called to order by Mayor Wampler at 6:00 p.m. in the city hall council chambers, 800 Junction Highway. The invocation was offered by Tom Murray, Associate Rector of St. Peter's Episcopal Church, followed by the Pledge of Allegiance led by Fire Chief Robert Ojeda.

COUNCILMEMBERS PRESENT:

David Wampler	Mayor
Gene Allen	Mayor Pro Tem
Carson Conklin	Councilmember
T. Scott Gross	Councilmember
Stacie Keeble	Councilmember

COUNCILMEMBER ABSENT: None

CITY EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Brenda G. Craig	City Secretary
Kristine Ondrias	Assistant City Manager
Travis Cochran	Director of Information Technology
Mike Erwin	Director of Finance
Robert Ojeda	Fire Chief
Mindy Wendele	Director of Business Programs
Kim Meismer	Director of General Operations
Jason Lutz	City Planner

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

1. VISITORS/CITIZENS FORUM: The following person spoke:

1A. Harvey Brinkman recognized T. Scott Gross for his six years of service on the city council, and Melanie Gross for her dedicated service and attendance at the city council meetings.

2. PRESENTATION:

2A. Proclamation designating the week of May 7-11, 2012, as Nurses Week.

2B. Proclamation for Hunt, Texas 100 Year Birthday.

3. CONSENT AGENDA:

Mr. Gross moved for approval of items 3A – 3F; Mr. Conklin seconded the motion and it passed 5-0:

3A. Minutes of the regular city council meetings held March 27, April 10, April 24, and April 30, 2012.

3B. Resolution No. 11-2012 waiving park fees for Juneteenth Celebration within Louise Hays Park scheduled for June 15 – 17, 2012.

3C. Contract with Vulcan Materials, L.P. for TxDOT Item 340, Type D hot mix asphalt concrete material, \$65.00/ton delivered.

3D. Agreement with Schreiner University for use of hotel occupancy tax funds for the restoration and preservation project at the Schreiner Mansion.

3E. Reject all submitted bids for the Birkdale lift station, force main and emergency flow diversion structure project.

3F. Reject all submitted bids for the wastewater treatment plant service facility break room addition project.

END OF CONSENT AGENDA

4. ORDINANCE SECOND AND FINAL READING:

4A. Ordinance No. 2012- 03 amending City of Kerrville, Texas, Ordinance No. 2012-01 by extending the moratorium on the acceptance of specified applications and the issuance of permits for the installation of electronic and traveling lighted message signs, through June 30, 2012, or until the adoption of an ordinance amending the city's Sign Code, Chapter 6, Article II of the city's Code of Ordinances, whichever event occurs first. Mayor Wampler read the ordinance by title only.

Mr. Hayes noted no changes since first reading. The ordinance would extend the moratorium on certain electronic signs in excess of 32 square feet, and prohibit signs from being located within 100 feet of a residential area, to June 30 or until a new sign code was adopted.

Ms. Keeble moved for passage of Ordinance No. 2012-03 on second and final reading; Mr. Conklin seconded the motion and it passed 5-0.

The following persons spoke:

1. Ronnie Miller noted that the sign board on Hill Country State Bank's existing 42 sq. ft. sign was malfunctioning and they could not get parts to fix it. Under the existing sign ordinance and moratorium, HCSB could not repair it or replace it to the existing size.

2. Cory Traub, Pro Tech Signs, noted that under the new ordinance HCSB would be limited to 32 sq. ft.; he asked if there was anything HCSB could do to keep 42 sq. ft. and stated a new 32 sq. ft. sign would not fit and would be out of proportion with other signs.

Mayor Wampler noted the city was attempting to correct deficiencies in the existing sign ordinance to address current sign technology and waiting for input from the business community to include in the new ordinance. At the previous meeting, Mr. Traub stated that the extension would not create undue hardship as any sign designs would not be completed until late June.

5. ORDINANCE FIRST READING:

5A. An ordinance amending the budget for fiscal year 2012 to account for changes in the status of various capital improvement projects; and to amend other city funds to account for balances for approved purposes. Mayor Wampler read the ordinance by title only.

Mr. Parton noted the net impact of the budget amendments would be zero and highlighted some of the changes: staff restructuring that eliminated some positions and reassigned duties to existing staff; closed several capital projects; allocated \$6,500 to Texas Workforce Commission to help create a welding school; allocated \$40,000 for purchase and installation of lighting for the downtown pavilion, lighting to be consistent with Peterson Plaza; allocated \$80,000 from the hotel occupancy tax fund to fund \$20,000 to Schreiner Mansion renovation, \$20,000 for the wayfinding signage plan, and \$40,000 to Kerrville's 4th on the river celebration; increased revenues and corresponding expenditures to acknowledge several grants received for the police, street, and library departments, including \$180,000 for street construction equipment, and \$50,000 to purchase electronic books and check out stations at the library; closed several EIC projects and returned remaining funds to the EIC fund; and increased the general fund contingency by \$27,000.

Mayor Wampler questioned the status of the city's matching funds from a TxDOT project at the airport. Mr. Erwin noted the county auditor informed him she would research it, and the city would have to wait until it was approved by the airport board before the funds could be returned to the city.

The following persons spoke:

1. Ruth Spradling questioned the city's elimination of one code compliance officer in the budget. Mr. Parton noted funding was available for a consulting service if additional help was needed.

Mayor Wampler noted several positions had been eliminated from the original budget, several more were being eliminated with this amendment, and in some cases replacements were not being hired; the service function was not going away but duties were being assumed by existing staff who were taking on more responsibilities.

Ms. Keeble moved for approval of the ordinance on first reading; Mr. Conklin seconded the motion and it passed 5-0.

6. CONSIDERATION AND POSSIBLE ACTION:

6A. License agreement with Kerrville's 4th on the River for June 30, 2012 event. Ms. Wendele noted the celebration would be held on June 30 instead of July 4. Events were scheduled in Louise Hays Park during the afternoon and evening, and fireworks display after dark. Activities were also scheduled in the downtown area during the day.

Mr. Conklin moved for approval of the agreement as presented; Mr. Gross seconded the motion and it passed 5-0.

6B. Resolution No. 12-2012 granting a petition requesting the annexation of an approximately 9.83 acre tract out of the F. Rodriguez Survey No. 72, Abstract No. 280, within Kerr County, Texas, and consisting of the property addressed as 5263 Highway 27; and ordering the preparation of an annexation ordinance.

Mr. Lutz presented an annexation petition from Nathan Fox to annex 9.83 acres at 5263 Highway 27 adjacent to the city limits. He noted that water and sewer lines were already available to the property.

Mr. Conklin moved for approval of Resolution No. 12-2012; Ms. Keeble seconded the motion and it passed 5-0.

6C. Joint meeting with the City of Kerrville, Texas Economic Improvement Corporation, set date and topics of discussion.

The consensus of council was to schedule the joint meeting on May 29 or May 30 in the morning; topics for discussion should be sent to Ms. Wendele.

7. INFORMATION AND DISCUSSION:

7A. Report from TxDOT on future road work on State Highway 173 (TxDOT).

Mike Coward, TxDOT area engineer, presented TxDOT's plan to resurface and restripe SH173 from SH16 to Camp Meeting Creek in July. The plan for SH 173 included taking the existing four traffic lanes to two lanes with a center turn lane and a five foot shoulder on each side. He noted that TxDOT would be requesting that any new developments in this area provide turn lanes into their property. He noted their preferred option would be five traffic lanes, but there were no plans to widen this roadway in the near future, and TxDOT felt this would create a safer roadway. Mr. Coward stated there were no new projects, other than maintenance of existing roadways, beyond 2014 as there would be no federal funding available.

The following persons spoke:

1. Jimmie Spradling supported the center turn lane for safety.
2. Justin MacDonald noted a blind curve when coming onto SH173 from Rolling Green.

No action was taken by council.

7B. Water resources report.

Mr. Hastings reported rainfall for March was 3.59"; April, 0"; May 1.6" with 1.4" for the current storm event and rainfall continuing. The city needed 9-12" to get out of the drought. The average river flow was 140 cfs; the current flow was 90 cfs having risen from 17 cfs on the weekend. The ASR was at 740 mg and staff was continuing to put water in as available.

7C. Second quarter performance report.

Mr. Erwin provided the performance measures for the second quarter.

7D. Budget and economic update.

Mr. Erwin noted sales tax was up 17.8% in April reflecting February sales; revenues exceeded expenditures in the general fund and water/sewer fund. The jobs chart showed that recession continued and recovery was slow nationally.

8. BOARD APPOINTMENTS:

8A. Appointment to the main street advisory board.

Mr. Conklin moved to appoint David A. Martin with term to expire January 31, 2014; Mr. Gross seconded the motion and it passed 5-0.

9. ITEMS FOR FUTURE AGENDAS: None.

10. ANNOUNCEMENTS OF COMMUNITY INTEREST:

- Mayor Wampler expressed appreciation to Mr. Gross for his service on the council and noted several projects that he was involved in during the past six years. He also stated his appreciation to Melanie Gross for her dedication to the city.

11. EXECUTIVE SESSION: None.

12. ADJOURNMENT. The meeting adjourned at 6:59 p.m.

APPROVED: _____

David Wampler, Mayor

ATTEST:

Brenda G. Craig, City Secretary

Agenda Item:

3B. Contract with Qro Mex Construction, Inc. for the construction of the Harper Highway Utility Extension-Phase Two project in the amount of \$578,722.00 with change orders authorized but not to exceed the total amount of \$646,595.00.
(staff)

its regular meeting on September 19, 2011 in the amount of \$1,000,000.00. On May 15, 2012, six (6) bids were opened and the apparent low bidder was Qro Mex Construction, Inc. Qro Mex Construction's bid was \$578,722.00

RECOMMENDED ACTION

The Director of Engineering recommends the City Council authorize the City Manager to execute a construction contract with Qro Mex Construction, Inc. for the construction of the Harper Highway Utility Extension–Phase Two project in the amount of \$578,722.00 and authorize the City Manager to execute additional change orders which may exceed \$50,000 but not exceed the total amount of \$636,595.00.

Bid Log

General Contractors	Addendum No. One Acknowledged	Bid Security	Base Bid
RL Jones	x	x	\$774,970.25
Qro Mex Construction	x	x	\$578,722.00
Atlas Construction	x	x	\$761,759.60
Rockin Q Construction	x	x	\$814,198.00
Nelson Lewis, Inc.	x	x	\$882,917.00
Santa Clara Construction	x	x	\$1,098,484.00

Section 070

CITY OF KERRVILLE

CONSTRUCTION CONTRACT

This agreement made this day by and between the City of Kerrville, Texas, called "City," and the undersigned "Contractor" as follows:

1. THE WORK

The Contractor shall perform all the work as required by this contract for:

Base Bid

Construction of approximated 4,190 linear feet of 8-inch diameter water mains and 2,280 linear feet of 8-inch diameter waste water mains, including services, manholes, hydrants and fitting to provide service residents along Harper Highway.

The following are incorporated herein:

- a. General Provisions
- b. Technical Specifications
- c. Addenda issued prior to receipt of Bid
- d. Plans
- e. Instructions to Bidders
- f. Proposal

Some of such documents may not be physically attached hereto but are on file at City Hall, and copies may be obtained upon request.

2. TIME

Construction final completion time will be **90** consecutive calendar days from the date of written notice to proceed. Working days are defined in Specification Section 123.20. The project shall not be considered complete until the water main and sewer main has been accepted and is operational and performing to its intended purpose. The Contractor's obligations to the project however, are not complete and retainage will not be released until all disturbed areas have been re-vegetated to the satisfaction of the City Engineer.

3. LIQUIDATED DAMAGES

Liquidated damages are hereby established for work which is not substantially complete in the amount of Two Hundred fifty dollars (\$250.00) per working day for each working day after the

date established in the Notice to Proceed. The City may offset any such liquidated damages against any sums from time to time due by the City to Contractor.

The completion time assumes that fifteen percent of the contract time includes "bad weather days," days on which the work cannot proceed; therefore, the time for completion shall not be extended on account of bad weather until the said number of assumed "bad weather days" has been exceeded.

The time for completion shall not be extended except by written memorandum executed by the Contractor and the City Manager. Contractor shall make written application to the City not later than ten (10) days after the day, event, or cause claimed by Contractor to be a delay. Failure to make such written claim within such time shall result in a waiver by Contractor of an extension based on those particular days, events, or causes. If, for example, this contract assumes twenty (20) bad weather days and Contractor desired a one-day extension for the twenty-first day of rain, Contractor shall make a written claim not later than ten (10) days after the occurrence of such twenty-first day.

The said amount per day is not a penalty but an agreed amount of actual damages which are difficult to calculate. Such damages include loss of staff time, answering complaints by citizens who have been inconvenienced by the work, City Council time, loss of use, and other damages difficult to reasonably anticipate or calculate.

4. PAYMENTS

The City shall pay the Contractor ninety-five percent (95%) of the portion of Contract Sum properly allocable to labor, materials, and equipment incorporated in the Work less the aggregate of previous payments made by the City, and, upon substantial completion of the entire Work, a sum sufficient to increase the total payments to ninety-five percent (95%) of the Contract Sum. All retainages from progress payments shall be withheld without liability for interest. Upon acceptance, the City shall make payment to Contractor such that one hundred percent (100%) of the Contract Sum has been paid. There will be no payment for materials store on site.

5. LIABILITY INDEMNITY

THE CONTRACTOR AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF KERRVILLE, TEXAS, AND ALL OF THEIR RESPECTIVE OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, LOSSES, PROPERTY DAMAGES, AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OF DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PROPERTY ON ACCOUNT OF ANY NEGLIGENT ACT OF THE CONTRACTOR, THE CITY OF KERRVILLE, TEXAS, OR ANY OF THEIR RESPECTIVE OFFICERS,

EMPLOYEES, AGENTS, REPRESENTATIVES, OR SUBCONTRACTORS IN THE EXECUTION, SUPERVISION, AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT, WHETHER OR NOT THE ACT OR OMISSION OF THE CITY OR ANY OF THEIR RESPECTIVE OFFICERS, EMPLOYEES, OR AGENTS WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH THE NEGLIGENCE OF THE CONTRACTOR OR ITS OFFICERS, EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS, IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT.

6. LIABILITY INSURANCE

Prior to the commencement of any work and not later than fifteen (15) days following the execution of this contract, the Contractor shall furnish the City copies of paid-up policies (to the City Risk Manager/City Hall) providing Liability and Workman's Compensation Coverage as follows minimum limits):

TYPE OF INSURANCE	LIMITS
a. Workman's Compensation covering all employees	Statutory
b. Employer's Liability	<u>\$1,000,000.00</u>
c. Comprehensive General Liability	
Bodily Injury & Property Damage (per occurrence)	<u>\$1,000,000.00</u>
Aggregate	<u>\$1,000,000.00</u>
(Premises/Operations Products/Completed Operations/Independent Contractors/Contractual Liability/Coverages may not be excluded). XCU must be supplied if any exposure.	
d. Business Automobile Liability covering owned vehicles, rented and non-owned vehicles and employee non-ownership	
Bodily Injury Property Damage (per occurrence)	<u>\$1,000,000.00</u>
Aggregate	<u>\$1,000,000.00</u>

The Commercial General Liability and the Automobile Liability policies shall name the City of Kerrville, Texas, and the Engineer, HDR Engineering, Inc. as additional insured and all policies shall provide for a waiver of subrogation in favor of the City of Kerrville. The policy and any renewal certificate shall provide that the City be notified thirty (30) days prior to cancellation or modification of any coverage. Language to the effect that the company will "Endeavor" or "Attempt" to so notify the City of Kerrville is not sufficient. Renewal certificates must be received by the City at least ten (10) days prior to any cancellation date. Policies will be in effect until final acceptance or cancellation of this contract, unless otherwise specified. The City may,

at its sole option, terminate this agreement and file a claim on the Contractor's bid bond if the Contractor fails to deliver the required policies and certificates within 15 days after execution of this contract.

It shall be the responsibility of the Contractor to insure that all Subcontractors comply with the same insurance requirements as the said Contractor.

7. CASUALTY INSURANCE

In the event the work includes structures or buildings susceptible to damage by fire, windstorm, or other casualty, then the Contractor before being authorized to begin work shall furnish the City a duplicate original of an insurance policy naming the City of Kerrville as an additionally insured. Such insurance shall insure both the City of Kerrville and Contractor, during the term of the work, against loss by fire, windstorm, vandalism, theft, or other casualty. Such policy shall be in the total amount of this contract.

8. QUALITY OF WORK

All work shall be of good workmanship. Contractor shall comply with all applicable City of Kerrville Codes as well as all applicable professional and technical standards. Materials shall be of first quality.

9. CHANGES AND EXTRAS

No change of this Contract, whether for additional work, additional compensation, or other, shall be effective unless prior thereto a written change order has been authorized by the City Council. Employees of the City do not have the authority to issue change orders.

10. ADDENDA

Contractor acknowledges the receipt of the following addenda:

- | | | |
|----|-----------------------|-----------------------------------|
| 1. | Dated: <u>5/10/12</u> | Acknowledged by: <u>G. Rulien</u> |
| 2. | Dated: _____ | Acknowledged by: _____ |

11. CONTRACT SUM

Proposal: Contractor agrees to provide all labor, materials, and all incidentals necessary to complete "The Work" for the following Unit Prices:

Part 1 – Water Systems

Item No.	Description	Quantity	Unit	Unit Price	Amount
1	Mobilization (5% max)	1	LS	10,000	10,000 ⁰⁰
2	8-inch Diameter PVC C-900 SDR-14 Water Line, Open Cut, including bedding & backfill, testing, complete in place, the sum of	3,703	LF	27 ⁰⁰	99,981 ⁰⁰
3	8-inch Diameter PVC C-900 SDR-14 Water line, by Jack or Bore Construction including testing, complete in place the sum of	160	LF	110 ⁰⁰	17,600 ⁰⁰
4	8-inch Diameter PVC C-900 Class 200 SDR-14 Water line, in 24" diameter steel casing including testing, complete in place the sum of	328	LF	70 ⁰⁰	22,960 ⁰⁰
5	24-inch Diameter Steel Casing, 3/8 inch thick, ASTM A-134 by Open Cut or Jack or Bore Construction, including bedding & backfill, testing, complete in place, the sum of	328	LF	200 ⁰⁰	65,600 ⁰⁰
6	6-inch Diameter DIP Fire Hydrant Lead, Open Cut, including bedding & backfill, testing, complete in place, the sum of	34	LF	45 ⁰⁰	1,530 ⁰⁰
7	Automatic Air/Vacuum Release Valve in Manhole, complete in place, the sum of	2	EA	2,000 ⁰⁰	4,000 ⁰⁰
8	8-inch Gate Valve & Box, complete in place, the sum of	24	EA	1,200 ⁰⁰	28,800 ⁰⁰

07-05

ADDENDUM NO.1

Item No.	Description	Quantity	Unit	Unit Price	Amount
9	Fire Hydrant Assembly, including 4'x4'x6" concrete pad, concrete thrust blocking, anchor tee, 6" gate valve, box bedding and backfill, complete in place, the sum of	8	EA	3300 ⁰⁰	26400 ⁰⁰
10	8-inch Wet Connection to Existing Main, complete in place, the sum of	3	EA	2500 ⁰⁰	7500 ⁰⁰
11	1-inch Water Service Connections, complete in place, the sum of	4	EA	750 ⁰⁰ 7500	3000 ⁰⁰
12	2-inch Water Service Connections, complete in place, the sum of	11	EA	1200 ⁰⁰	13200 ⁰⁰
13	Miscellaneous Fitting, complete in place, the sum of	4.1	TON	3500 ⁰⁰	14350 ⁰⁰
14	Trench Safety System	3,703	LF	1 ⁰⁰	3703 ⁰⁰
15	Concrete Encasement	4.6	C.Y.	300 ⁰⁰	1380 ⁰⁰
16	2-inch Permanent Blow off Assembly	2	EA	2000 ⁰⁰	4000 ⁰⁰
TOTAL WATER SYSTEMS					\$ 324004⁰⁰

Part 2 - Wastewater System

Item No.	Description	Quantity	Unit	Unit Price	Amount
17	Mobilization (5% max)	1	LS	8000 ⁰⁰	8000 ⁰⁰

Item No.	Description	Quantity	Unit	Unit Price	Amount
18	8-inch Diameter PVC ASTMD-3034 DR-26 Wastewater Line, Open Cut, 0'-10' depth including bedding & backfill, testing, complete in place, the sum of	1,683	LF	29 ⁰⁰	48807 ⁰⁰
19	8-inch Diameter PVC ASTMD-3034 DR-26 Wastewater Line, Open Cut, 10'-14' depth including bedding & backfill, testing, complete in place, the sum of	484	LF	35 ⁰⁰	16940 ⁰⁰
20	8-inch Diameter PVC ASTM D-3034 DR-26 Wastewater Line in 24" diameter Steel Casing including backfill, testing, complete in place, the sum of	109	LF	56 ⁰⁰	6104 ⁰⁰
21	24-inch Diameter Steel Casing ASTM A-134, 3/8 inch thick by Open Cut Construction, including bedding and backfill, complete in place, the sum of	109	LF	160 ⁰⁰	17440 ⁰⁰
22	4-inch Diameter Wastewater Services, including bedding and backfill, complete in place, the sum of	48	LF	50 ⁰⁰	2400 ⁰⁰
23	6-inch Diameter Wastewater Services, including bedding and backfill, complete in place, the sum of	159	LF	60 ⁰⁰	9540 ⁰⁰
24	Two way cleanouts, complete in place, the sum of	11	EA	425 ⁰⁰	4675 ⁰⁰
25	48-inch Diameter Wastewater Manhole, up to 6-foot depth, complete in place, the sum of	15	EA	3000 ⁰⁰	45000 ⁰⁰
26	Extra depth manhole (> 6-foot), complete in place, the sum of	32	VF	200 ⁰⁰	6400 ⁰⁰

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07-07

ADDENDUM NO.1

Item No.	Description	Quantity	Unit	Unit Price	Amount
27	Trench Safety System	2,167	LF	2 ⁰⁰	4334 ⁰⁰
28	Connection to existing 8-inch sanitary sewer main or manhole including concrete collar, bedding & backfill, complete in place, the sum of	2	EA	1500 ⁰⁰	3000 ⁰⁰
TOTAL WASTEWATER					\$ 172640 ⁰⁰

Part 3 - Miscellaneous Items

Item No.	Description	Quantity	Unit	Unit Price	Amount
29	Pavement Trench Repair, including base and top course, saw cut, complete in place, the sum of	705	LF	12 ⁰⁰	8460 ⁰⁰
30	Filter Fabric Fence, complete in place, the sum of	1,515	LF	2 ⁰⁰	3030 ⁰⁰
31	Rock Berm, complete in place, the sum of	240	LF	20 ⁰⁰	4800 ⁰⁰
32	Stabilized Construction Exit, complete in place, the sum of	3	EA	1200 ⁰⁰	3600 ⁰⁰
33	Traffic Control and Regulation, complete in place, the sum of	1	LS	6000 ⁰⁰	6000 ⁰⁰
34	Seeding for Erosion Control, complete in place, the sum of	9,520	SY	.65 ⁰⁰	6198 ⁰⁰
35	Sewer Main Television Inspection (all sizes), the sum of	2,280	LF	2 ⁰⁰	4560 ⁰⁰

07-8

Item No.	Description	Quantity	Unit	Unit Price	Amount
36	Preparation and submittal of approved Registered Engineer prepared SWPPP, per Part III of TXR 150000, including coordination with City and all permit fees	1	LS	5500 ⁰⁰	5500 ⁰⁰
37	Mill & Overlay 1-1/2" Type "D"	297	SY	20 ⁰⁰	5940 ⁰⁰
38	Plug and abandon existing water well	1	EA	4000 ⁰⁰	4000 ⁰⁰
39	Contingency-Budget Allowed to be used only when directed in writing, by City Engineer	1	AA	\$30,000	\$30,000
TOTAL MISCELLANEOUS ITEMS				\$ 82078	
TOTAL BID (Part 1 + Part 2 + Part 3)				\$ 82078	

\$ 578722⁰⁰

GR

City of Kerrville, Texas

Harper Highway Water and Wastewater Extension Phase II

CONSTRUCTION CONTRACT

COMPLETED BY

Olivia Herrera

DATE

5/15/12

Sub-Contractors:

	NAME	ADDRESS	PHONE	WORK TO BE PERFORMED
1.	<u>Cypress Creek Drilling Contract Tx</u>	<u></u>	<u>(830) 995-3001</u>	<u>water well plugging</u>
2.	<u></u>	<u></u>	<u></u>	<u></u>
3.	<u></u>	<u></u>	<u></u>	<u></u>

(Attach additional sheet if required)

City of Kerrville, Texas

Harper Highway Water and Wastewater Extension Phase II

CONSTRUCTION CONTRACT

INSURANCE AGENT

NAME ADDRESS PHONE POLICY

1. K&S Insurance 601CR 208 Lampasas, TX EPP0140293

2. _____

3. _____

BONDING AGENT

NAME ADDRESS PHONE POLICY

1. The Hanover Insurance Group 440 Lincoln St. Worcester, MA 01653

2. _____

3. _____

Signed this 15th day of May, 2012

Attest:


Secretary
(if bid by a Corporation)

SEAL

Ordo Mex Construction Co. Inc
Contractor

BY: 

Title: President

Business Address:

2801 Prairie Creek Rd.
Granite Shoals, TX 78654

Phone: 830-598-2268

City of Kerrville, Texas

Harper Highway Water and Wastewater Extension Phase II

CONSTRUCTION CONTRACT

Fax: 630-596-7601

ACCEPTED THIS _____ day of _____, 20____

By: _____
Todd Parton, City Manager
City of Kerrville, Texas.

ATTEST:

City Secretary

CITY SEAL

APPROVED AS TO FORM:

City Attorney

Proposed Harper Road Utilities Extension Project City of Kerrville, TX

Map Produced by B. Gore
Engineering Department
City of Kerrville, TX



Agenda Item:

3C. Contract with City-County Benefits Services (C-CBS) for the period of June 1, 2012 – May 31, 2013, in the amount of \$30,000.00 for employee benefit consulting services. (staff)

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

SUBJECT: Approval of the contract with the employee benefit-consulting firm of City-County Benefits Services (C-CBS) for the period June 1, 2012 – May 31, 2013.

FOR AGENDA OF: May 22, 2012 **DATE SUBMITTED:** May 10, 2012

SUBMITTED BY: Kimberly Meismer, *KM* **CLEARANCES:** Todd Parton, City Manager
Director of General Operations

EXHIBITS: FY2013 Contract Letter
FY2013 Contract Document
Exhibit A – C-CBS Proposed Professional Fees
Exhibit B – Proposed Scope of Work

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *TP*

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$30,000	\$	\$	870

(Fees are a part of the Group Insurance line item and are spread among all departments.)

PAYMENT TO BE MADE TO: City-County Benefits Services

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

City-County Benefits Services (C-CBS) has been the benefit consultant for the City of Kerrville since June 1, 2007. Coordinated efforts between city staff and C-CBS have saved the city over \$1,100,000 since that time.

The annual fee paid to C-CBS had remained constant since 2007. In FY2011, C-CBS reduced their fee 10% from \$33,000 to \$30,000. They honored that reduction in FY2012 and are offering the same rate of \$30,000 for FY2013.

We are preparing for a very active group benefits agenda for the FY2013 budget year. We will be negotiating with all contracted carriers for the 2nd year of a three (3) year contract and be prepared to engage in a Request for Proposal (RFP) process, if the Carriers are not able to meet our budget cost projections of \$6,800 per employee per year.

RECOMMENDED ACTION

Staff recommends Council approve the contract with the employee benefit-consulting firm of City-County Benefits Services for the period June 1, 2012 – May 31, 2013 in the amount of \$30,000.



CITY-COUNTY BENEFITS SERVICES

245 Commerce Green Blvd., Suite 290
Sugar Land, Texas 77478

Phone: (800) 308-2896/Direct: (281) 295-3000
Fax: (281) 295-3020/Bob.Treacy@c-cbs.org

May 22, 2012

Kimberly Meisner
Director of General Operations
City of Kerrville
800 Junction Hwy
Kerrville, TX 78028-5069

Kim,

City-County Benefits Services (C-CBS) contract renewal extension between C-CBS and the City of Kerrville with the scope of services that we provide is attached. Thank you for allowing us the opportunity to present this renewal package to City of Kerrville for consideration. We are extremely confident that this contract extension will make a very strong case that C-CBS is qualified to assist City of Kerrville in the ongoing management of its employee benefit programs.

The folks at C-CBS understand that City of Kerrville is looking for a partner who will be able to deliver now and develop/evolve various programs as time goes on. C-CBS has the experience, technical knowledge, resources, creativity, and vision to be a valuable partner to you. The partnership between C-CBS and the City of Kerrville has enjoyed great success over the years.

All benefit managers contracted to work with City of Kerrville will be licensed Life and Health Insurance Counselors. Article 21.07-2 of the *Texas Insurance Code* provides for a Life and Health Insurance Counselor, (LHIC). Only a person with a LHIC license can offer to give any advice, counsel, make recommendations or provide information in respect to the terms, conditions, benefits, coverage or premium of any insurance policy or contract, with respect to the expediency or advisability of altering, changing, exchanging, converting, replacing, surrendering, continuing or rejecting any such policy, plan, or of accepting or procuring any such insurance policy, contract, or plan from any insurer or issuer of a health benefit plan.

C-CBS is presenting a renewal contract extension for consideration. This extension will renew our current consulting agreement which has been in effect since June 1, 2007. The new contract extension will go into effect June 1, 2012.

2007/2008 Plan Year

1. A complete restructuring of the Group Medical Plan with Cigna after successful renewal negotiations. The total replacement high deductible HRA plan was replaced with a dual choice PPO/HRA plan.
2. Comprehensive group ancillary ITB process was completed for Dental, Life/STD, and Vision plan coverages. This ITB process resulted in benefit increases/lower premiums across the board while securing two (2) year rate guarantees.
3. All plans moved to an October 1 anniversary date to coincide with the budget year.
4. Reduced the SPA Minimum Premium termination liability from \$598,425 to \$385,742 allowing the City to redirect the (\$212,683) savings to general operating funds.
5. Collected a CIGNA performance guarantee penalty of \$25,000 along with reducing the "Deficit Recovery" expenses by an additional \$40,425 as a resettlement of administrative expenses.
6. Transitioned \$50,164 from Cigna control J. P. Morgan Chase bank account to the City of Kerrville control bank account.

2008/2009 Plan Year

1. Engaged a comprehensive group medical and Long Term Disability (LTD) ITB. The inaugural Group LTD coverage had been budgeted for the 08/09 plan year. The City secured a three (3) year rate guarantee for the LTD contract.
2. Humana was awarded the group medical/LTD contract. The contracted group medical premiums resulted in an overall premium reduction of (-1%) PPO/HRA plan year costs. The City attained three straight years of level or decreasing medical premiums.
3. Employee payroll contributions remained level for the third year in a row.
4. Implemented a Chapter 222 Tax Exempt Employee Benefit Trust to shield all premiums from State Premium Tax, reducing annual rates by approximately \$70,000.

2009/2010 Plan Year

1. Engaged a comprehensive ITB process for group medical, dental, and vision coverages.
2. Final medical premium rates with Humana finalized at three (3%) percent above the 2008/2009 plan year. Initial renewal premiums were eight (8%) percent above current levels. Final annual negotiated savings (-5% reduction) were approximately (\$130,665).

3. Dental/Vision contract awarded to Humana.
4. Employee payroll contributions remained level for the fourth year in a row.

2010/2011 Plan Year

1. The renewal process was quite challenging. Pressure on the City budget put the emphasis of our renewal process on aggressive negotiations and creative restructuring of the medical and dental plan, which are the two (2) most significant cost platforms.
2. The initial MEDICAL plan renewal from Humana was delivered at an 8% increase, a very competitive renewal under most circumstances considering the additional impact of the mental Health Parity Act and PPACA healthcare reform. Negotiations lowered the renewal to 4.8% at in force plan designs. Various plan design detriments were evaluated and six (6) line item plan changes were agreed to, lowering the final renewal increase to an aggregated (minus 4%) for the two medical plans from the previous 2009/2010 plan year.
3. The group Life and voluntary Short Term Disability plans were awarded to Humana/Kanawha Insurance Company which secured packaged savings discounts for the City.
4. The Dental plan was restructured, resulting in a (minus 10%) premium renewal from Plan Year 2009/2010.
5. The initial compliance requirements of the PPACA Law were implemented.
6. In summary, the 2010/2011 group benefit plan went through a restructuring that hasn't been seen since Plan Year 2007/2008. Overall, the quality of the group plan package remains at a very high benchmark in comparability surveys of the competitive marketplace. The current 2010/2011 Plan Year premiums are less that the City was paying back in Plan Year 2005/2006, indexed with plan changes.

2011/2012 Plan Year

The current plan year provided substantial challenges to the staff. The group benefit budget year 2011/2012 was extremely ambitious at \$6,800 PEPY, which represented a 15% reduction from budget year 2010/2011 at \$7,800 PEPY.

The City led an exploratory Interlocal agreement process with Kerr County and surrounding public sector entities. There was no interest, again.

The City engaged a comprehensive RFP process for the Employer Paid Group Medical, Dental, Life coverages, along with the Voluntary Vision, Life, and Short Term Disability coverages.

- The Group Medical contract was awarded to UHC at 8% below Plan Year 2010/2011 premiums.
- The Group Dental contract was awarded to Guardian at below Plan Year 2010/2011 premiums.
- The Group Life/AD&D contract was to Lincoln Financial Group at below Plan Year 2010/2011 premiums.

The group benefit plan retained a high benchmark benefit plan within the \$6,800 budget number with all contracted packages below the City's Plan Year 2010/2011 costs. In addition, payroll deduction premiums paid by the employees remained at current or below Plan Year 2010/2011 levels.

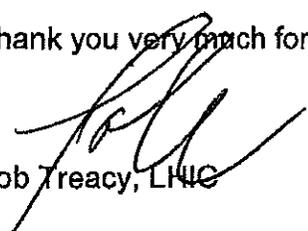
The contracted premiums for the group benefits were awarded at premium costs below the City's Plan Year 2005/2006 levels.

2012/2013 Plan Year

The Staff is preparing for a very active group benefits agenda for the 2012/2013 budget year. The City will enter into negotiations with all contracted Carriers for the 2nd year of a three (3) year contract. We will be prepared to engage in a RFP process, if the Carriers are not cooperative in reaching budget cost projections.

The City will begin preparation for the emerging nuances of the Patient Protection and Affordability Care Act, better known as ObamaCare. Plan Year 2014 will begin enforcement of the major linch pins of the Act. C-CBS is prepared to navigate The City through the compliance effort.

Thank you very much for your consideration.


Bob Treacy, LHIC

CITY OF KERRVILLE, TEXAS

Group Benefits Consulting Services Contract Extension

Presented by



**Robert J. Treacy
City-County Benefits Services
245 Commerce Green Blvd., Suite 290
Sugar Land, Texas 77478
Phone: (281) 295-3000
Fax: (281) 295-3020**

bob.treacy@c-cbs.org

www.c-cbs.org

THE STATE OF TEXAS

§
§
§

KNOW BY ALL MEN PRESENTS

COUNTY OF KERR

THIS CONTRACT is made and executed in duplicate and effective as of the 1st day of June, 2007 by and between **CITY OF KERRVILLE, TEXAS**, 800 Junction Highway, Kerrville, TX, 78028-5069 acting through its duly authorized representatives, and **CITY-COUNTY BENEFITS SERVICES**, 245 Commerce Green Blvd., Suite 290, Sugar Land, Texas 77478, (CONSULTANT).

AGREEMENT

Article 1. Responsibilities of the Parties

CONSULTANT shall undertake and complete the tasks as stated in this Contract, including the attached Exhibit "A" and Exhibit "B", (together referred to hereinafter as the "Contract") and in accordance with all terms and conditions stated therein.

CITY shall designate in writing a person(s) to act as CITY's representative with respect to the services to be rendered under this Contract. Such person(s) shall have complete authority to transmit instructions, receive information, and interpret and define CITY's policies and decisions with respect to CONSULTANT's services for the Project.

CITY shall assist CONSULTANT by placing at CONSULTANT's disposal all available information pertinent to the Project including reports and any other data relative to the Project.

Article 2. Period of Service

The services to be provided under this Contract shall commence within seven (7) days after the date of final execution of this Contract by all parties as said date is so written above.

The term of this Contract shall be for two (2) years from the date of execution written above. The Contract may be renewed for three (3) additional one (1) year terms by mutual written agreement of the parties. However, each year beyond the initial one (1) year period shall be subject to the CITY appropriating funding to compensate CONSULTANT for services to be performed. Where such funding is not appropriated by the CITY, this Contract shall automatically terminate.

The services called for by this Contract will be completed and all reports, documentation and other tangible materials submitted within the stipulated period indicated in the attached Exhibit "A" (the "Contract Period").

If CITY requests significant modifications or changes in the general scope, extent, or character of the Project, the time of performance of CONSULTANT's services may be adjusted equitably to reflect the additional time and expenses, if any, incurred by CONSULTANT to respond to the CITY's request.

Article 3. Compensation

For all services to be rendered by CONSULTANT under this Contract, CITY shall pay to CONSULTANT an amount based on the schedule set forth in the attached Exhibit "A" not to exceed \$ 30,000.00 per annum.

CONSULTANT shall submit monthly statements for the services rendered. All monthly statements shall be in a form as specified by and acceptable to CITY. CITY shall make payment upon said statements within thirty (30) days following approval thereof.

Article 4. Contract Amendments

Changes in the terms and conditions of this Contract can be made only by written amendment executed by the parties hereto prior to the changes being made.

Article 5. Additional Work

If the CONSULTANT is of the opinion that any work it has been directed to perform is beyond the scope of this Contract and constitutes additional work, the CONSULTANT shall promptly notify the CITY in writing. In the event that the CITY finds that such work constitutes additional work, the CITY shall do one of the following: (a) advise the CONSULTANT of the CITY's decision and provide compensation for doing the additional work on the same basis as the original work; or (b) advise the CONSULTANT not to perform the work. If the compensation for the additional work will cause the maximum amount payable to be exceeded, a written amendment will be executed.

Article 6. Noncollusion

The CONSULTANT warrants that the CONSULTANT has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT, to solicit or secure this Contract, and that the CONSULTANT has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award or making of this Contract. If the CONSULTANT breaches or violates this warranty, the CITY shall have the right to annul this Contract without liability or, at its discretion, to deduct from the Contract price or consideration, or otherwise recover the full amount of such fee, commission, brokerage fee, gift, or contingent fee.

Article 7. Termination

The CITY may terminate this Contract, with or without cause, in part or in whole, at any time before the date of completion of the work covered by this Contract. The CITY shall give written notice to the CONSULTANT at least seven (7) days prior to the effective date of termination specifying the effective date of termination.

If both parties to this Contract agree that the continuation of the Contract in whole or in part would not produce beneficial results commensurate with the further expenditure of funds, the parties shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated.

Upon termination of this Contract, whether with or without cause, all finished or unfinished documents, data, studies, surveys, reports, maps, drawings, models, photographs, etc., prepared by the CONSULTANT shall, at the option of the CITY, be delivered to the CITY with no restriction on future use.

If this Contract is terminated by the CITY, the CITY shall compensate the CONSULTANT for services performed in accordance with the terms provided in Exhibit "A", "Professional Service Fees."

Article 8. Insurance

CONSULTANT shall maintain, at no expense to CITY, a professional liability (errors and omissions) insurance policy placed with a company authorized to do business in Texas, in an amount not less than one million dollars (\$1 million) for each occurrence, three million dollars (\$3 million) in the aggregate.

Article 9. Controlling Law

Without regard to any rules on conflicts of law, this Contract shall be subject to and interpreted in conformance with the laws of the State of Texas, unless expressly provided otherwise by federal law or regulations.

Article 10. Compliance with Laws

The CONSULTANT shall comply with all Federal, State, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this Contract, including, without limitation, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the CONSULTANT shall furnish the CITY with satisfactory proof of its compliance therewith.

Article 11. Successors and Assigns

CITY and CONSULTANT each is hereby bound and the partners, successors, executors, administrators and legal representatives of CITY and CONSULTANT (and to the extent permitted by this Article, the assigns of CITY and CONSULTANT) are hereby bound to the other party to this Contract and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, Contracts and obligations of this Contract.

Neither CITY nor CONSULTANT shall assign, sublet or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this Contract without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Contract. Nothing contained in this paragraph shall prevent CONSULTANT from employing such independent professional associates and consultants as CONSULTANT may deem appropriate to assist in the performance of services hereunder, provided such independent associates or consultants are approved in writing in advance by CITY and are paid by CONSULTANT.

Article 12. No Third-party Beneficiaries

Nothing under this Contract shall be construed to give any rights or benefits in this Contract to anyone other than CITY and CONSULTANT, and all duties and responsibilities undertaken pursuant to this Contract will be for the sole and exclusive benefit of CITY and CONSULTANT and not for the benefit of any other party.

Article 13. Special Provisions

Any other provisions of this Contract or other documents included by reference herein to the contrary notwithstanding, the following provisions shall apply to this Contract and the respective duties and responsibilities of CITY and CONSULTANT affected thereby:

As to the contractual relationship between CONSULTANT and CITY, CONSULTANT is and shall be considered in all things an independent contractor.

This Contract shall not be subject to binding arbitration.

Article 14. Exhibits

The following exhibits are attached to and made a part of this Contract:

Exhibit "A" CONSULTANT's proposed Professional Fees

Exhibit "B" CONSULTANT's proposed Scope of Services

Article 16. Entire Contract

This Contract, together with the exhibit(s) identified in Article 14, constitute the entire Contract between CITY and CONSULTANT and supersede all prior or oral understandings.

Article 17. Signatory Warranty

The signatories to this Contract warrant that each has the authority to enter into this Contract on behalf of the party he or she represents.

Article 18. Contract Extension

Pursuant to Article 2 of the original contract, The City can renew the contract for three (3) additional one (1) year terms by mutual written agreement by both parties. This contract extension is the third (3rd) additional one (1) year term.

The original contract is amended to allow for annual renewal of this Contract beginning June 1, 2013.

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

For City of Kerrville:

For City-County Benefits Services:

Todd Parton
(Printed name)

Robert J. Treacy, LHIC
(Printed name)

(Date)

(Date)

(one of two originals)

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(Printed name)

Robert J. Treacy, LHIC
(Printed name)

(Date)

(Date)

(one of two originals)

C-CBS PROPOSED PROFESSIONAL FEES

C-CBS will provide City of Kerrville with the services set forth in sections (A-H) of the initial year of the proposed Scope of Work for an annual fee of \$30,000 payable as follows:

1. \$11,000 annual retainer to be billed and paid within 30 days of being awarded the contact.
2. One (1) monthly payments of \$1,730.00 and ten (10) monthly payments of \$1,727.00 to be billed and paid monthly.
3. If this Agreement is terminated by the Client after completion of the competitive bid or proposal process and implementation process the full annual Professional Fee is due to C-CBS for the period covered by benefits placed.
4. Professional Service Fees include all expenses related to carrying out the scope of services set forth in this Agreement.
5. All insurance and related services will be placed through C-CBS/SAI as agent of record net of commissions.
6. The initial professional fees are guaranteed for two (2) years. This Agreement may be renewed for three additional one year terms by mutual agreement of the parties.

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

For City of Kerrville:

For City-County Benefits Services:

Todd Parton
(Printed name)

Robert J. Treacy, LHIC
(Printed name)

(Date)

(Date)

CITY OF KERRVILLE, TEXAS
PROPOSED SCOPE OF WORK

C-CBS Proposed Scope of Services for Client

- A. C-CBS will evaluate and provide a written assessment of the following benefit Plan(s) components.
 - 1. Employee vs. dependent utilization and cost;
 - 2. Plan administration;
 - 3. Benefit design(s) and Plan Document(s);
 - 4. Group Insurance Policies ;
 - 5. Provider networks; discounts and network service area; and
 - 6. Cost control programs.

- B. C-CBS will provide a financial analysis of current and projected group plan costs;
 - 1. Review historical claims data to evaluate current plan costs;
 - 2. Provide suggested benefit modifications and estimated cost impact;
 - 3. Assist in preparing upcoming plan year budget;
 - 4. Develop premium contribution strategies;
 - 5. Develop overall cost and risk management strategies; and
 - 6. As necessary develop transition strategies for the city's consideration.

- C. C-CBS will evaluate available enrollment and experience information to determine if the quality of the data is sufficient to provide an estimate of fully insured versus partially self-funded program costs. If the available data will not initially permit making this comparison C-CBS will assist the City in implementing the procedures necessary to secure the required information. Once the information is obtained it will require requesting both fully insured and partially self-funded proposals in order to make a final comparison. The reason for this will be it is impossible to "estimate" the reinsurance costs for the partially self-funded program(s).

- D. C-CBS will develop as necessary:
 - 1. Proposal specifications for:
 - a. Fully insured and Self funded group employee benefits;
 - b. Group Voluntary benefits;
 - c. Section 125 Flexible Spending Account Administration;
 - d. COBRA Continuation of Coverage Administration; and
 - e. Any other benefit requested by the City.

- E. C-CBS will manage the competitive proposal and when necessary the competitive bid process by providing the following:
 - 1. Provide a sample letter to current carriers/administrators to release data to C-CBS.

2. Prepare HIPAA Business Associate Agreement(s) and other documents necessary under the HIPAA Privacy Rule to allow access by the Client and their designees to access, use, and disclose (PHI).
3. Provide sample initial and second postings for designated paper.
4. Collect and organize the data into a format conducive to receiving responses for inclusion in the competitive bids and/or competitive proposals.
5. C-CBS understands and treats all personal medical information in compliance with the requirements of HIPAA. All employees are assigned a unique identifier so that information used in the Request for Proposal and in presentation is de-identified to insure complete confidentiality.
6. Work with the Purchasing Agent to distribute the specifications to:
 - a. Vendors that have requested to be on the client's vendor list for employee benefits or benefit administration services;
 - b. A list of known qualified potential offerors for the employee benefits or services being requested; and
7. Make the specifications available in an electronic format.
8. Respond to all questions and clarifications of the bid specifications;
9. Respond to requests for additional information;
10. Prepare and distribute any addendum that may be required;
11. Secure from all proposers confirmation of their proposal; and
12. Where permissible negotiate the most favorable terms and conditions for our clients.

F. C-CBS will:

1. Prepare a spreadsheet analysis of bids/proposals/offers received so that a direct comparison can be made;
2. Where permissible enter into negotiations with qualified vendors to secure the most advantageous contract for our client;
3. Prepare a narrative, with recommendations, discussing the bids/proposals/offers and various options under consideration;
4. Assist staff and governing body in conducting finalist interviews; and
5. Make presentations and answer staff and governing body questions on the recommendations.

G. Upon completion of the procurement process C-CBS will:

1. Notify all proposers of the client's decision;
2. If necessary, develop and monitor a transition plan to a new carrier or administrator so that there is no disruption of employee benefits;
3. Review insurance policies and/or administrative service agreements to verify that they are consistent with bid/proposal responses;
4. Review employee benefits administration procedures and if necessary make recommendations to provide for efficient administration with current or new carriers or administrators;
5. Coordinate between new carriers and/or administrators and the client, enrollment of employee benefit programs;
6. Assist in the development of materials to communicate to employees any benefit changes;
7. Assist with employee education and enrollment meetings;
8. Monitor the performance of such insurance carrier, third party administrator, and other professional vendors and any other pertinent vendors;

9. Review with client quarterly reports, including claims management and financial reporting, Plan performance and provide the client an accurate and timely assessment of such reports;
10. Assist in resolving claims and or services issues with various client departments and or insurance carrier, third party administrator, managed care providers, and other related professional vendors;
11. Provide guidance for compliance with all State and Federal requirements including HIPAA, PPACA, etc;
12. Maintain a vision to the future for cost effective products and or services as may be necessary or appropriate;
13. Assist the City with community related projects and development of employee based management care models.

H. In subsequent years if the client does not wish to enter a comprehensive bid or proposal process, C-CBS will perform the before mentioned services and negotiate the most favorable renewals possible with current vendor(s).

I. During the term of the engagement C-CBS will maintain \$3,000,000 Errors and Omissions coverage.

Agenda Item:

3D. Interlocal Service Agreement for Physical Addressing Services between the City of Kerrville, Texas and Kerr Emergency 9-1-1 Network. (staff)

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

SUBJECT: Consideration for direction to city staff of an interlocal service agreement between the City of Kerrville and the Kerr Emergency 9-1-1 Network for addressing

FOR AGENDA OF: May 22, 2012 **DATE SUBMITTED:** May 18, 2012

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

EXHIBITS: Draft Interlocal Agreement for Addressing

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

Attached to this report is an updated draft interlocal agreement between the City of Kerrville and the Kerr Emergency 9-1-1 Network (Kerr 9-1-1) for street naming and addressing. This agreement proscribes a process by which Kerr 9-1-1 is authorized to review and approve street names and addresses within the city's jurisdiction.

City and Kerr 9-1-1 staff have worked to finalize this draft Interlocal agreement and is looking to the City Council to take final action. Upon City Council action to approve the agreement, the Kerr 9-1-1 Board will convene for final consideration.

With the approval of this agreement by both parties, city staff will review its ordinances to ensure that the adequate enforcement provisions are in place to support Kerr 9-1-1 in its efforts to implement the roles and duties specified within the agreement.

RECOMMENDED ACTION

It is recommended that the City Council approve this agreement and authorize the Mayor to execute it once any outstanding issues are addressed to the satisfaction of the City Attorney .

**INTERLOCAL SERVICE AGREEMENT
FOR PHYSICAL ADDRESSING SERVICES BETWEEN THE CITY OF KERRVILLE,
TEXAS, AND KERR EMERGENCY 9-1-1 NETWORK**

THIS AGREEMENT is made and entered this ____ day of _____, 2012, by and between **City of Kerrville**, a political subdivision of the State of Texas, hereinafter referred to as the "City", and **Kerr Emergency 9-1-1 Network**, an emergency communication district organized under the laws of the State of Texas, hereinafter referred to as "Kerr 9-1-1."

WHEREAS, City is a duly organized political subdivision of the State of Texas engaged in the administration of municipal government and related services for the benefit of the citizens of Kerrville; and

WHEREAS, Kerr 9-1-1 is a duly organized emergency communication district in Kerr County, Texas, created pursuant to Texas Health and Safety Code Chapter 772, Subchapter D, et seq., and engaged in the improvement and development of emergency communication procedures and facilities and other related services for the benefit of the citizens of Kerr County; and

WHEREAS, City has previously instituted and currently maintains an urban style addressing scheme which facilitates a quick response to any person or business calling the telephone number 9-1-1 seeking police, fire, medical, rescue, and/or other emergency services; and

WHEREAS, City and Kerr 9-1-1 recognize the need to maintain the addressing system and to modify existing addresses as public safety dictates or add new addresses as development occurs; and

WHEREAS, City and Kerr 9-1-1 mutually desire to be subject to provisions of the Texas Government Code, Chapter 791, the Interlocal Cooperation Act; and

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto agree and understand as follows:

Section One. City agrees to:

- a. retain Kerr 9-1-1 as its physical addressing agent;
- b. allow Kerr 9-1-1 to execute all physical addressing tasks;
- c. maintain records for all approved road names within the City;
- d. submit to and consult with Kerr 9-1-1 regarding survey (individual) and subdivision plats and road name requests as the process is more specifically defined in **Attachment A**;
- e. through its City Council, act as the authority and agent for final approval of road name changes as specified in **Attachment B**; and

- f. ensure compliance with addressing and road name assignments established pursuant to this Agreement via enforcement of City codes, ordinances, and regulations.

Section Two. Kerr 9-1-1 agrees to:

- a. assume the responsibility for and to provide the services necessary to maintain the physical addressing of the City such that it will have review and approval authority over physical addressing and street naming associated with survey (individual) and subdivision plats as further specified in **Attachment B**;
- b. enter future property address access points in the Kerr 9-1-1 working-address file as required;
- c. review, approve, and coordinate future new road/street names and add them to the "Center Line Road" Kerr 9-1-1 working-address file;
- d. submit to City for City's approval all address and road name changes to currently addressed properties and streets. These changes will be identified and recommended based on public safety issues that exist, as specified in **Attachment B**;
- e. notify the United States Postal Service of all newly added addresses;
- f. maintain the Master Street Address Guide (MSAG);
- g. maintain the "Center Line Road" G.I.S. file, which will be considered the "source" cartographic record for all named roads/streets within the City;
- h. maintain the 9-1-1 working address file, which will be considered the "source" record for all 9-1-1 addresses in the City. This is not the PSAP Emergency ANI/ALI file which is covered under state law;
- i. respond to inquiries regarding City addressing from the public;
- j. participate in meetings, as requested, with the City in order to facilitate the flow of information between the parties; and
- k. Upon termination of this Agreement, provide City with all addressing and street data in an electronic format acceptable to both parties.

Section Three. The parties make the following acknowledgments:

- a. Kerr 9-1-1 stipulates and concurs that City has final authority on physical addressing issues within its jurisdiction.

- b. City and Kerr 9-1-1 agree that the services specified within this Agreement shall be accomplished without any compensation paid by City to Kerr 9-1-1.
- c. In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the parties that the remaining portion shall remain valid and in full force and effect to the extent possible.
- d. The covenants, conditions, and terms hereof are to be construed under the laws of the State of Texas and are performable by all parties in Kerrville, Texas.
- e. This Agreement may be terminated by either party upon thirty (30) days written notice to the other party. The City may, without cause, order Kerr 9-1-1 in writing to suspend, delay, or interrupt any or all of the services specified by this Agreement, in whole or in part for such period of time as the City may determine.
- e. If, by reason of Force Majeure, either party shall be rendered unable wholly or in part to carry out its obligations under this Agreement then such party shall give notice and full particulars of such Force Majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied upon, and the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, except as hereinafter provided, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term Force Majeure as used here shall mean acts of God, strikes, lockouts, or other industrial disturbances, act of public enemy, orders of any kind of government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, drought, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines, or canals or other causes not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement by any Force Majeure shall be remedied with all reasonable dispatch and shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable in the judgment of the party having the difficulty.
- g. No claim or right arising out of a breach of this Agreement may be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party.
- h. This Agreement may be modified only by writing, signed by both parties or their duly authorized agents.
- i. This writing is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their

agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Agreement. Acceptance or acquiescence in the course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection.

- j. The parties mutually agree that venue for any litigation arising from this Agreement shall lie in Kerrville, Kerr County, Texas.
- k. The undersigned officers and agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the respective parties and each party certifies to the other that any and all necessary resolutions extending said authority have been duly passed and are now in full force and effect.
- l. Any notices required to be given by any party to this agreement shall be mailed or faxed to the other party at the following addresses:

City of Kerrville
Chief Building Official
800 Junction Highway
Kerrville, Texas 78028
(830) 257-8000

with a copy to:
City Manager
800 Junction Highway
Kerrville, Texas 78028
(830) 257-8000

Kerr Emergency 9-1-1 Network
Executive Director
819 Water Street, STE 270
Kerrville Texas 78028
FAX (830) 792-5923

A party may change the address to which notices under this agreement are to be given in written notification of the address change to the other party.

EXECUTED at Kerrville, Kerr County, Texas, on the day and year first written above.

CITY

Kerr 9-1-1

BY: _____
David Wampler
Mayor

BY: _____
William E. Amerine
Executive Director

ACTING ON BEHALF AND BY THE
AUTHORITY OF THE KERRVILLE
CITY COUNCIL

ACTING ON BEHALF AND BY THE
AUTHORITY OF THE BOARD OF
MANAGERS OF KERR EMERGENCY 9-
1-1 NETWORK

ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney

Attachment A

Road Name and Addressing Procedures

I. Road Name Characteristics

- A. In most instances, road names must not exceed 48 characters, including spaces between the elements.
- B. The elements of a road name, in proper logical order, are:
 - 1. The road prefix directional indicator (e.g., N, SW, etc.) is a National Emergency Number Association (“NENA”) standard convention but is not recommended. If used, this element must not exceed two characters, including spaces.
 - 2. The primary street name is an essential element as it is the parent name of a road. It must not exceed the NENA recommended maximum length of forty characters, including spaces.
 - 3. The suffix is an essential element and indicates the road type (e.g., STREET, DRIVE, AVENUE, etc.). It must not exceed four characters when abbreviated per United States Postal Service (“USPS”) and NENA standards.
 - 4. A directional indicator indicates the geo-region in which a road lies and is optional. It is limited to a two-character maximum and must be one of the eight NENA approved abbreviated directional indicators (i.e., N, E, W, S, NW, SW, NE, and SE). Emergency Service Numbers (“ESN”) which provide uniqueness when duplicates within the City exist are replacing this element.

II. Naming Conventions

- A. Each road must have only one official name.
- B. Kerr 9-1-1 shall have the authority to approve all official road names.
- C. An appropriate road name should be easy to read and remember in an emergency, and may promote tradition, history, geography, and character.
- D. Frivolous or complicated words or unconventional spellings must not be used for primary street names.
- E. A road must be essentially continuous, without gaps.

- F. Where practicable, each continual road must have the same primary street name and suffix throughout its entire length, regardless of the boundaries of local political subdivisions.
- G. A proposed or new road that is obviously an extension of an existing named road must bear the assigned name of the existing road.
- H. Alias road names are prohibited.
- I. Special characters are prohibited in road names (*i.e.*, hyphens, periods, apostrophes, etc.).
- J. A primary street name must not consist of a suffix or directional indicator (*e.g.*, COURT ST or NORTH AVE).
- K. The alteration or inversion of the proper, logical order of road name elements (*e.g.*, AVE OF CEDARS or BLVD BLUE) must not occur.
- L. Roman numerals must not be used in a road name.
- M. Numeric road names must be abbreviated per USPS standards and not spelled out. (*i.e.*, 8TH ST instead of EIGHTH ST).
- N. USPS route numbers are prohibited from being used as road names.
- O. Road names must not be duplicated within the City or within its extraterritorial jurisdiction, as defined by state law ("ETJ"), except in extraordinary circumstances; *e.g.*, one short cul-de-sac and/or one short loop that intersect no other road than the parent road, may bear the primary street name of the parent street, but with a different suffix. Some examples of duplicate road names are:
 1. CATHY LANE compared to KATHY LANE;
 2. LAKE VIEW ROAD compared to LAKEVIEW ROAD;
 3. JONDO STREET compared to JONDO CROSSING or HONDO STREET;
 4. PINE TREE LANE compared to PINE TREES LANE or PINES TREE LANE;
 5. MAIN PARKWAY compared to MAIN STREET.
- P. Every road name must have a corresponding standard suffix, abbreviated per USPS guidelines, that complies with NENA and USPS standards as follows:

HIGHWAY (HWY) – a State designated highway classified as a major thoroughfare (highway, expressway, freeway, turnpike, etc.)

PARKWAY (PKWY) – a State designated highway classified as a minor thoroughfare or a non-thoroughfare (Farm-to-Market, Park Road, etc.)

ALLEY (ALY) – A narrow lane between or behind a row of buildings

AVENUE (AVE) – A principal road in a densely populated area

BOULEVARD (BLVD) – A street with a median reflecting the boulevard character

CIRCLE (CIR) – Self-terminating circular streets

COURT (CT) – A permanently closed street ending in a cul-de-sac

COVE (CV) – A short permanently closed road ending in a cul-de-sac

DRIVE (DR) – A curvilinear street

LANE (LN) – A secondary dead-end road

LOOP (LOOP) – A crescent shaped road that connects two or more different roads

PATH (PATH) – A minor road, usually consisting of a single traffic lane

RIDGE (RDG) – A scenic road, usually in urban areas

ROAD (RD) – A common collector road, usually in rural areas

ROW (ROW) – A minor short road

RUN (RUN) – A minor road, usually in a residential subdivision

STREET (ST) – A common collector road, usually in urban areas

TRAIL (TRL) – A secondary curvilinear road

VIEW (VW) – A scenic road, usually in rural areas

WAY (WAY) – A minor roadway

Other suffixes for roads not listed above may be considered at the discretion of the City and Kerr 9-1-1 provided the suffix meets these guidelines and is a valid

street suffix and abbreviated, as defined in USPS publication, Postal Addressing Standards.

- Q. Where a private restricted road is an extension of a public access road, substantially continuing the same level of service as the public road; from a public safety perspective it is recommended that the private road carry the name of the public road, if there is no obvious demarcation (*i.e.*, an intersection, cattle guard, permanent gate) to easily indicate a change in road status.
- R. Jurisdictionally mandated changes or modification to a road name along a continuous road way should occur only at a major intersection or similar demarcation.
- S. Road names memorializing living individuals or politicians should not be used.
- T. Road names that are obviously offensive, libelous, or derogatory in spelling or pronunciation are prohibited.

III. Roads Requiring Names

- A. All publicly maintained roads will be named and signed.
- B. A public access road, or a private restricted road exceeding one-quarter mile (1,320 feet) in length, providing access to two or more separate properties, upon which exists, or potentially exists, more than two separately owned buildings must be named and properly signed.
- C. Any road, regardless of length, that provides access to more than two properties must be named and signed under the following circumstances:
 - 1. The location or arrangement of the buildings confuses or hinders consistent address assignment from a named road.
 - 2. A named road intersects the road, but due to topography or distance, buildings along the unnamed road are not easily viewed or located from the named intersecting road.
 - 3. Naming of the road is necessary to adequately direct emergency responders to a building(s) or property(s).
 - 4. Any road that leads to one or more roads that provide access to separately owned properties or buildings.
- D. A private restricted road may not require naming, and will be treated as a driveway when the road is:

1. the access to a single property; and
 2. is entered from a named road, allowing address assignment at that intersection.
- E. A driveway need not be named even if the driveway serves multiple buildings if the buildings are visible so that they can be addressed from a named road intersecting the driveway.

IV. Road Naming Authority

Except as otherwise set forth in this exhibit, original authority for road names rests with Kerr 9-1-1 for roads in the City and its ETJ. Kerr 9-1-1 shall name roads in accordance with the procedures outlined in **Attachment B**.

V. Renaming of Roads

- A. Kerr 9-1-1 may seek to rename a road:
1. to eliminate duplication and confusion;
 2. to eliminate confusion when a permanent gap occurs in a previous continuous road;
 3. to change the classification, type, or status of a road;
 4. to correct a misspelling;
 5. to improve or maintain continuity and parity of street numbering;
 6. to provide a required suffix; or
 7. to recognize a person or organization.
- B. If an existing road requires renaming, Kerr 9-1-1 shall follow the procedures specified in **Attachment B**.

VI. Addressing Authority

Except as otherwise set forth in this exhibit, original authority for addressing rests with Kerr 9-1-1 for properties in the City and its ETJ. Kerr 9-1-1 shall provide addressing in accordance with the procedures outlined in **Attachment B**.

VII. Renumbering of Addresses

- A. Kerr 9-1-1 may seek to renumber an existing address:
1. to eliminate duplication and confusion;
 2. to eliminate confusion when a permanent gap occurs in a previous continuous road;
 3. to correct errors;
 4. to improve or maintain continuity and parity of street numbering;
 5. to accommodate redevelopment of a property; or
 6. to recognize a person or organization.
- B. If existing addresses require renumbering Kerr 9-1-1 shall follow the procedures specified in **Attachment B**.

Attachment B

Protocols for Road Naming and Addressing

I. Naming of New or Previously Unnamed Roads

A. New Public Access Roads and Private Restricted Roads – Kerr 9-1-1 has the original authority to approve names for new public access roads or private restricted roads as provided herein as part of a road naming plan approved in conjunction with the approval process used by the City of Kerrville (“City”) for subdivision plats. The process shall be as follows:

1. The City shall forward all applications for plat approval to Kerr 9-1-1;
2. Final plat applications will include street names as proposed by the applicant;
3. Kerr 9-1-1 shall provide in writing to the City its approval or disapproval of road names;
4. If approved, the City will ensure that the approved road names are specified on the final plat prior to approval by the City’s Planning and Zoning Commission; and
5. Should Kerr 9-1-1 fail to provide a written verification of the designated road names within ten (10) business days from the date of transmittal of a final plat application by the City, the City reserves the sole right to designate road names.

B. Previously Unnamed Public Access Road or Private Restricted Road –

1. Road Name Application

- a. Persons desiring to name (1) a previously unnamed public access road that is located wholly or partially within the City’s corporate limits or (2) a private restricted road that is located wholly or partially within the Kerrville corporate limits or its extraterritorial jurisdiction must submit an application to Kerr 9-1-1 on a form provided by Kerr 9-1-1.
- b. Kerr 9-1-1 shall provide a copy of road naming applications to the City Engineer for public safety compliance review prior to commencement of formal action on the application.
- c. Kerr 9-1-1 has the authority to review and approve all road name applications. Approval shall ensure that road naming standards specified in **Attachment A** are met and Kerr 9-1-1’s approval shall not be unreasonably withheld.

- d. Once it has taken action on the road naming application, Kerr 9-1-1 shall provide the City Engineer with an accurate scale map of the road location from its inception to termination and its relationship to other established roads.
2. Road Naming Process Initiated by Kerr 9-1-1, Any Affected Local Authority, United States Postal Service ("USPS"), or Simple Majority of Land Owners
 - a. The process to name an unnamed existing public access road may be initiated by Kerr 9-1-1, any affected local authority, USPS, or by petition of a simple majority of land owners along the road, by application to Kerr 9-1-1.
 - b. Kerr 9-1-1 shall provide a copy of these road naming requests to the City Engineer for public safety compliance review prior to commencement of formal action on the application.
 - c. Kerr 9-1-1 has the authority to review and approve all road name applications. Approval shall ensure that road naming standards specified in **Attachment A** are met and Kerr 9-1-1's approval shall not be unreasonably withheld.
 - d. Once it has taken action on the road naming application, Kerr 9-1-1 shall provide the City Engineer with an accurate scale map of the road location from its inception to termination and its relationship to other established roads.
- C. The approval to name or rename a privately maintained road will not constitute nor imply acceptance of the road for public maintenance.

II. Road Renaming Procedures

- A. Initiation of the Process to Rename an Existing Public Access Road
 1. Renaming of a public access road may be initiated by Kerr 9-1-1, any affected local authority, USPS, or by petition of a simple majority of landowners along the road, by application to Kerr 9-1-1.
 2. Renaming of a private restricted road may be initiated by a petition of landowners along the road or a local authority, by application presented to Kerr 9-1-1.
 3. Kerr 9-1-1 shall ensure that the proper procedures of the City or Kerr County are followed. If a road to be renamed is under the jurisdiction of

more than one local authority, the jurisdiction within which lies the greater portion of the road shall have precedence in the renaming action.

4. Kerr 9-1-1 shall provide a copy of these road renaming applications to the City Engineer for public safety compliance review prior to commencement of formal action on the application.
5. Any approved actions to rename a road must conform to the road naming standards specified in **Attachment A** and Kerr 9-1-1's approval shall not be unreasonably withheld.

B. Public Notice and Public Hearing Required for Road Renaming Process Initiated by Kerr 9-1-1, a Local Authority or USPS

1. Where renaming affects more than four (4) properties
 - a. The City Council shall hold a public hearing as scheduled by Kerr 9-1-1 on a regular meeting date of the Council.
 - b. Kerr 9-1-1 shall provide written notification to affected property owners at least fifteen (15) calendar days prior to the public hearing. The written notice is deemed to have been provided by placement within the U.S. postal service.
 - c. Kerr 9-1-1 shall provide public notice of the public hearing in a paper of general circulation within the City at least ten (10) calendar days prior to the public hearing.
 - d. City Council shall take action to approve or reject the renaming proposal within thirty (30) calendar days after the public hearing.
2. Where renaming affects four (4) or fewer properties
 - a. Kerr 9-1-1 shall provide written notification to affected property owners within ten (10) calendar days after its acceptance of the application. The written notice is deemed to have been provided by placement within the U.S. postal service.
 - b. Kerr 9-1-1 shall provide public notice of the renaming application in a paper of general circulation within the City within ten (10) calendar days of its acceptance of a renaming application.
 - c. Kerr 9-1-1 shall take administrative action on the renaming application no earlier than fifteen (15) calendar days after its acceptance of a renaming application and no later than thirty (30) calendar days of its acceptance of a renaming application.

III. Addressing

- A. Kerr 9-1-1 has the original authority to assign street addresses for properties located adjacent to public access roads or private restricted roads as provided herein as part of an addressing plan approved in conjunction with the approval process used by the City for subdivision plats. The process shall be as follows:
1. The City shall forward all applications for plat approval to Kerr 9-1-1;
 2. Kerr 9-1-1 shall provide in writing to the City its approval or disapproval of an addressing plan prior to approval by the City; and
 3. Should Kerr 9-1-1 fail to provide written verification of an addressing plan within ten (10) business days from the date of transmittal of a final plat application by the City, the City reserves the sole right to establish an addressing plan.
- B. Addressing shall be established on a distance basis and in accordance with the specifications included in **Attachment A**.

Agenda Item:

3E. A Resolution adopting amendments to the City of Kerrville Investment Policy regarding the investment of City funds in accordance with the Public Funds Investment Act. (staff)

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. ___-2012**

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

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

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

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

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

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

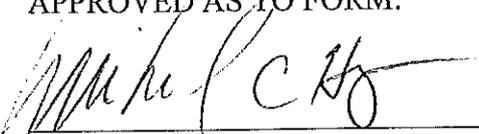
PASSED AND APPROVED ON this the ____ day of _____, A.D., 2012.

ATTEST:

Jack Pratt, Jr., Mayor

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

City of Kerrville, Texas
Investment Policy

1. General Policy

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

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

2. Scope

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

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

3. Goals and Objectives

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

a. Safety

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

b. Liquidity

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

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

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

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

c. Diversification

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

d. Yield

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

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

4. Investment Strategy

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

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

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

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

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

5. Investment Officers

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

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

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

Training

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

6. Standard of Care

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

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

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

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

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

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

7. Standard of Ethics

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

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

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

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

a. Broker/Dealers

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

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

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

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

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

Certification

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

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

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

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

b. Investment Pools

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

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

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

c. Investment Advisor

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

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

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

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

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

9. Authorized Investments

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

- a. Obligations of the United States Government, its agencies and instrumentalities, excluding mortgage backed securities, with a stated final maturity not to exceed two (2) years.
- b. Fully collateralized or insured certificates of deposit from banks or credit unions doing business in Texas with a final stated maturity not to exceed eighteen (18) months. Certificates of deposit shall be:
 - 1. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, or
 - 2. secured by obligations as defined by this Policy, and
 - 3. governed by a written Depository Agreement that complies with federal and state regulations for properly securing a pledged security interest.
- c. Commercial paper rated A1/P1 or its equivalent by two (2) nationally recognized rating agencies and with a final stated maturity not to exceed one hundred eighty five (185) days from the date of issuance.
- d. An AAA-rated SEC registered money market mutual funds, striving to maintain a \$1 net asset value, continuously rated not less than AAA or equivalent by at least one nationally recognized rating firm. An AAA-rated money market mutual fund must have a dollar-weighted average stated maturity of 60 days or fewer.
- e. Constant-dollar, AAA-rated or AAA-m rated Texas Local Government Investment Pools, approved by resolution of the City Council and conforming in every respect to the Act.

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

The City investment in any investment pool shall not exceed 5 percent of the total assets of the pool.
- f. Fully collateralized repurchase agreements transacted with a primary securities dealer as defined by the Federal Reserve, under a written Master Repurchase Agreement, with a defined termination date, secured by obligations as defined by this Policy held by an independent third party custodian approved by the City, and with a stated final maturity not to exceed ninety (90) days.

This authorization includes flexible repurchase agreements ("flex repos") to be utilized only in the investment of bond proceeds with a stated final maturity not to exceed the expenditure plan on the bond proceeds.
- g. Fully collateralized or insured demand deposit accounts at authorized City depositories, under the provisions of a written collateral/depository agreement.
- h. State and municipal obligations of any state rated not less than AA by two nationally recognized rating agencies and with a stated maturity not to exceed two years.

Unauthorized Securities

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

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

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

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

Delivery versus Payment

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

Competitive Bidding

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

10. Collateralization

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

Time and Demand Deposits- Pledged Collateral

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

Collateral authorized by the City will be limited to the following

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

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

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

Repurchase Agreement- Owned Collateral

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

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

11. Safekeeping and Custody of City Owned Securities

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

12. Diversification

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

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

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

13. Internal Control

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

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

Cash Flow Forecasting

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

14. Reporting

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

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

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

15. Depositories

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

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

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

16. Policies and Strategy Review

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

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

RECOMMENDED LIST

City of Kerrville, Texas Authorized Broker/Dealer List

Adopted May 22, 2012

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

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

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

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

City of Kerrville, Texas
Investment Policy

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- a. general fund,
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- d. enterprise fund,
- e. reserve fund,
- f. trust and agency funds, to the extent not required by law or existing contract to be kept segregated and managed separately,
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- b. **Liquidity**
The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonable anticipated. Ongoing cash flow analysis will be used to identify changing liquidity needs. Demand deposits or other liquid investments should be maintained in an amount greater than or equal to one sixth (1/6) of the City's total annual operating budget in order to avoid the need to liquidate securities prior to maturity,

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

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

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

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

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

5. Investment Officers

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

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

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

Training

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

6. Standard of Care

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

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

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

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

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

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

7. Standard of Ethics

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

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

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

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

a. Broker/Dealers

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

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

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

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

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

Certification

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

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

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

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

b. Investment Pools

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

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Investment pools must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 9090 days.

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

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c. Investment Advisor

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

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

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

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

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

9. Authorized Investments

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

- a. Obligations of the United States Government, its agencies and instrumentalities, excluding mortgage backed securities, with a stated final maturity not to exceed two (2) years.
- b. Fully collateralized or insured certificates of deposit from banks or credit unions doing business in Texas with a final stated maturity not to exceed ~~twelve~~ ~~eighteen~~ (1218) months. Certificates of deposit shall be:
1. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, or
 2. secured by obligations as defined by this Policy, and
 3. governed by a written Depository Agreement that complies with federal and state regulations for properly securing a pledged security interest.
- c. Commercial paper rated A1/P1 or its equivalent by two (2) nationally recognized rating agencies and with a final stated maturity not to exceed one hundred eighty five (185) days from the date of issuance.
- d. An AAA-rated SEC registered money market mutual funds, striving to maintain a \$1 net asset value, continuously rated not less than AAA or equivalent by at least one nationally recognized rating firm. An AAA-rated money market mutual fund must have a dollar-weighted average stated maturity of ~~60~~ ~~60~~ days or fewer.
- e. Constant-dollar, AAA-rated or AAA-m rated Texas Local Government Investment Pools, approved by resolution of the City Council and conforming in every respect to the Act.
- The City shall not invest, in the aggregate, more than 90 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in approved investment pools.
- The City investment in any investment pool shall not exceed 5 percent of the total assets of the pool.
- f. Fully collateralized repurchase agreements transacted with a primary securities dealer as defined by the Federal Reserve, under a written Master Repurchase Agreement, with a defined termination date, secured by obligations as defined by this Policy held by an independent third party custodian approved by the City, and with a stated final maturity not to exceed ninety (90) days.
- This authorization includes flexible repurchase agreements ("flex repos") to be utilized only in the investment of bond proceeds with a stated final maturity not to exceed the expenditure plan on the bond proceeds.
- g. Fully collateralized or insured demand deposit accounts at authorized City depositories, under the provisions of a written collateral/depository agreement.
- h. State and municipal obligations of any state rated not less than AA by two nationally recognized rating agencies and with a stated maturity not to exceed two years.

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Unauthorized Securities

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

1. Interest-Only mortgaged backed securities (IO) whose payment represents only the coupon payments on outstanding principal balances of underlying mortgage.
2. Principal-Only mortgage backed securities (PO) whose payment represents only the principal stream from underlying mortgages.

3. Collateralized mortgage obligations (CMO) with a stated final maturity date of greater than ten (10) years.
4. Collateralized mortgage obligations the interest rate which is determined by an index that adjusts opposite to the change in a market index.

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

Delivery versus Payment

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

Competitive Bidding

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

10. Collateralization

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

Time and Demand Deposits- Pledged Collateral

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

Collateral authorized by the City will be limited to the following

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

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

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

Repurchase Agreement- Owned Collateral

Collateral under a master repurchase agreement is owned by the City under a buy-sell transaction. It will be held by an independent third party safekeeping agent approved by the City under an executed SIMFA

Master Repurchase Agreement. Collateral with a market value totaling 102% of the principal and accrued interest is required and the counter-party is responsible for the monitoring and maintaining of collateral and margins at all times.

11. Safekeeping and Custody of City Owned Securities

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

12. Diversification

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

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

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

13. Internal Control

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

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

Cash Flow Forecasting

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

14. Reporting

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

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

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

15. Depositories

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

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

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

16. Policies and Strategy Review

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

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

RECOMMENDED LIST

City of Kerrville, Texas Authorized Broker/Dealer List

Adopted May 22, 2012

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

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

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

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

Agenda Item:

3F. A Resolution waiving park fees for Juneteenth Celebration within Carver Park pavilion scheduled for June 15 – 17, 2012. (staff)

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

SUBJECT: Consideration of a rental fee waiver for the use of the Carver Park pavilion June 16-17, 2012.

FOR AGENDA OF: May 22, 2012

DATE SUBMITTED: May 11, 2012

SUBMITTED BY: Malcolm Matthews
Director, Parks and
Recreation

CLEARANCES: Kristine Ondrias
Assistant
City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

PAYMENT TO BE MADE TO: NA

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

The Juneteenth Historical Foundation has reserved the Carver Park pavilion for June 16-17, 2012 for a church event in conjunction with Juneteenth. They have asked for a fee waiver from the City Council. Previously, the Dream Team, Inc. requested the use of Carver Park from June 15-17 for the Juneteenth Celebration but the event was deemed to have too large of an impact on both the park and the surrounding streets and neighborhood. That event was relocated to Louise Hays Park, a more conducive location for a large, multi-day event. The Dream Team requested, and was granted, a facility fee waiver from the City Council on May 8th. The second event now requesting a waiver has reserved the Carver Park pavilion and they are aware that the park is limited on what can be held there, that the remainder of the park will remain open to the public during their event, that no food/refreshments will be sold, and that no street closures are included in the reservation. They have agreed to these rental requirements of the Carver Park pavilion.

The total fee waiver is \$150.00 for the two days. In consideration for the fee waiver, the event organizers will provide to the Carver neighborhood a free event celebrating the historical date of the emancipation from slavery in Texas.

RECOMMENDED ACTION

Staff recommends that the City Council approve the waiver of the park pavilion rental fees for a neighborhood Juneteenth event at Carver Park to be held June 16-17, 2012.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. ____-2012**

**A RESOLUTION WAIVING THE PAVILION FEE FOR
JUNETEENTH CELEBRATION WITHIN CARVER PARK
SCHEDULED FOR JUNE 16-17, 2012**

WHEREAS, the Juneteenth Historical Foundation has reserved the Carver Park pavilion for June 16-17, 2012, for a church event in conjunction with Juneteenth (the "Park"); and

WHEREAS, the Juneteenth Historical Foundation has requested that the City waive its normal fees for use of the Park's pavilion for this event; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds that the waiver of fees for such event creates a benefit to the public and serves the public interest;

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

The park fees for the use of the pavilion at Carver Park by the Juneteenth Historical Foundation for its Juneteenth Celebration scheduled for June 16-17, 2012, are waived.

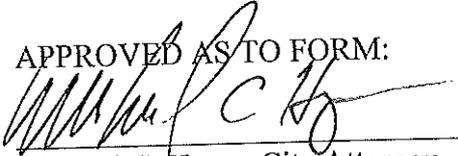
PASSED AND APPROVED ON this the ____ day of _____, A.D., 2012.

ATTEST:

Jack Pratt, Jr., Mayor

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

Agenda Item:

4A. consider petition protesting the February 2012 increase in water rates imposed by Aqua Texas for its customers within the City limits. (staff)

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

SUBJECT: Public Hearing for Aqua Texas Water Customer Rates within the Kerrville city limits

FOR AGENDA OF: 5/22/12

DATE SUBMITTED: 5/11/12

SUBMITTED BY: Charlie Hastings, P.E. ^{CA}
Public Works Director

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Rate Application Overview and List of Petitioners

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 DIRECTOR:

SUMMARY STATEMENT

Aqua Texas, a retail, for profit water utility, has filed notice of a rate increase. Aqua Texas provides water service to customers in and around Kerrville from their Southwest Region, and seeks a rate increase not only for this area, but their other regions located all over Texas. Staff believes that there are no more than 150 Aqua Texas customers within the City, mainly located in the area of the intersection of Highways 16 South and 173.

City Council, under state law, has exclusive original jurisdiction over water rates established by a water utility within its corporate limits. In December, Aqua Texas filed a statement of intent to raise rates within the City. Aqua Texas submitted information about the proposed rates, its application to raise rates that it filed with the Texas Commission on Environmental Quality (TCEQ), and copies of the notices that it was sending to its customers. Under state law, Aqua Texas was required to submit all of this information to the City 60 days before the effective date of the rate increase, which was February 12, 2012.

State law provides that if the City receives complaints from 10% of Aqua Texas customers within the City before the 91st day of the rate change, the City must set the matter for a hearing. To date, the City has received complaint letters from 37 such customers, which requires Council to hold a hearing.

State law provides that the hearing may be informal and Council does not need to swear in witnesses or comply with evidentiary standards. After the hearing, Council must take one

of the following actions – either approve or disapprove of the rates. If Council finds that the raised rates are unreasonable or a violation of law then council must then determine what rates are fair.

Staff has notified the protestors as well as Aqua Texas of the public hearing. TCEQ has appellate jurisdiction over any orders adopted by the Council.

RECOMMENDED ACTION

Council must hold a public hearing and determine whether the increased rates imposed by Aqua Texas are fair.

Attachment 1
RATE APPLICATION OVERVIEW
Aqua Texas
Southwest Texas Region

Overview

This Application requests a Rate/Tariff Change ("Rate Application") for Aqua Texas' water utility operations in its Southwest Texas Region, which consists of about 13,731 active water customer connections in 17 counties throughout Southwest Texas. This is Aqua Texas' first application for a rate increase in the Southwest Region since May 2004. The Rate Application has been filed with the Texas Commission on Environmental Quality ("TCEQ") and with the 5 cities in the Southwest Region in which Aqua Texas provides water utility service. The current and proposed rates can be found in the Notice section of this Application. Because this Rate Application is for water utility services only, it does not impact Aqua Texas' wastewater customers.

I. Investments and Improvements to Aqua Texas Water Systems in the Southwest Region Since 2004

Since Aqua Texas' last rate application in 2004, the company has invested over \$31 million dollars in improvements to water systems throughout the Southwest Region. Most of that amount was spent on capital improvements, such as wells, treatment plants, and water mains, to improve water quality, service and reliability for customers throughout Southwest Texas and to continue meeting increasingly stringent state and federal environmental standards. This Rate Application will allow Aqua Texas to recover approximately \$31.7 million in invested capital. The Rate Application will also include increases in operating costs that have occurred over the past seven years. The Rate Application seeks an overall Southwest Region rate increase of approximately \$3.38 million per year. The capital investments and improvements outlined above account for about 100% of the rate increase.

II. Regionalization, Rate Design and Bill Impacts

In 2008, the TCEQ issued a Final Order from the last rate case approving Aqua Texas' 2004 rate application. The 2008 TCEQ Final Order approved a regional approach to utility rates and services. Among other things, the TCEQ determined that a regional approach to utility rates and services provides important benefits such as economies of scale and cost savings that result in better, more efficient customer service. Aqua Texas has followed the TCEQ's regional approach in this Rate Application.

In the 2008 Final Order, the TCEQ also approved two surcharges totaling \$12.44. These surcharges were ordered by the TCEQ to allow Aqua Texas to recover certain deferred expenses. The larger of the two surcharges, which was \$9.94 per month, recovered utility operating expenses that were deferred during the last rate case to prevent customers from having a large rate increase all at once. If those expenses had not been deferred, they would have been included in Aqua Texas' base rate. The \$9.94 surcharge was eliminated from customer bills earlier this year. The second surcharge, which was \$2.50 per month, was eliminated from customer bills

over a year ago. Thus, for close to a year, Aqua Texas customer bills have not included surcharges totaling \$12.44 that were approved in its last rate case and collected over a two-year period.

In this Rate Application, Aqua Texas proposes to increase the “base” rate (the basic monthly minimum charge) for most¹ Southwest Region customers by \$9.39. Customers will pay approximately \$3.05 per month less in monthly charges (excluding volumetric usage charges that vary by customer usage) than they paid during the two years of surcharges. Aqua Texas also proposes to increase the overall charges per 1,000 gallons by approximately \$0.50 in part for increases in purchased water and pumping fees and to encourage water conservation.

Aqua Texas is proposing a new rate design which divides the charges per 1,000 gallons used (*i.e.* the volumetric rates) into two separate charges. The proposed charges per 1,000 gallons used will consist of a Gallonage Charge and a separate Regional Pass-Through Gallonage Charge of \$1.088. The Regional Pass-Through Gallonage Charge will allow recovery of certain types of mandatory costs incurred by Aqua Texas, such as purchased water charges or groundwater assessment fees that are assessed by governmental authorities or other third-parties. Aqua Texas will pass those costs and future increases to those costs through directly to the customer. The other Gallonage Charge, along with Aqua Texas’ base rate, will serve to recover costs incurred by Aqua Texas not covered by the Regional Pass-Through Gallonage Charge. This rate design provides rate transparency so that the customer can easily determine the basis for any rate increase.

III. Rate Application Issues

This Rate Application includes certain issues that are unique to the Southwest Region. To assist the TCEQ and Aqua Texas’ customers in understanding this Rate Application, Aqua Texas is providing additional information and explanation beyond what is required in the TCEQ’s application form. Below is a brief discussion and explanation of those issues.

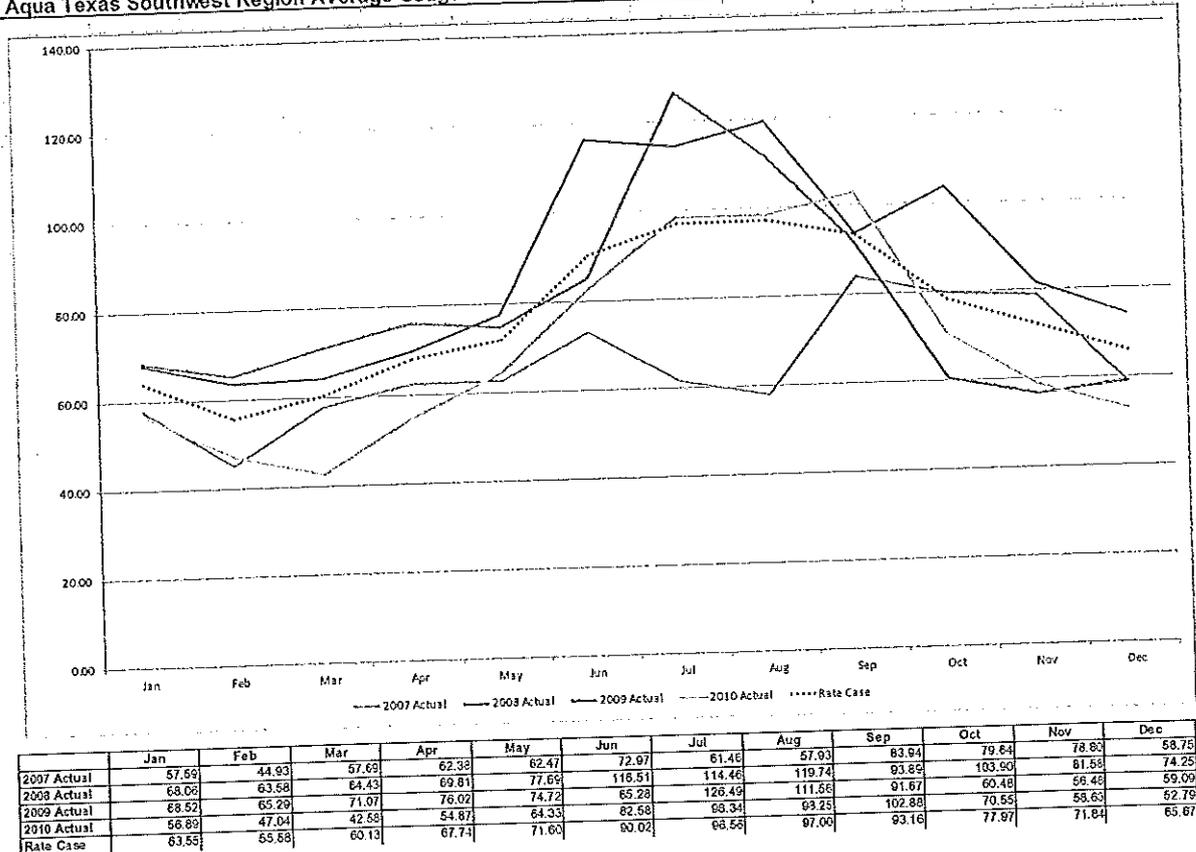
A. Normalization of Water Usage

In recent years, Aqua Texas’ Southwest Region has seen substantial variation in water use due to extreme weather patterns. At one end of the spectrum, 2007 was a very wet year and generally resulted in water sales that were lower than normal. At the other end of the spectrum, 2009 was extraordinarily hot and dry, which generally resulted in water sales that were higher than normal. This Rate Application uses “normalization” to smooth out the extremes that have been experienced in recent years to create a more consistent and accurate calculation of “normal water usage”. This practice of normalization to account for weather fluctuations is routinely used in electric and gas rate cases before the Public Utility Commission of Texas and the Texas Railroad Commission and is customary in a number of other jurisdictions across the country as well. The dotted black line below demonstrates the average normalized volumetric usage per

¹ About 21 systems/service areas located in Aqua Texas’ Southwest Region and affected by this Rate Application are subject to rates and tariffs that are different than the rest of the Southwest Region. In line with Aqua Texas’ regional approach to rates, the Rate Application seeks rates and tariff provisions that will apply to nearly all Aqua Texas’ Southwest Region systems. The Notice provides specific bill comparisons that show the rate impact customers served by each of Aqua Texas’ acquired systems may expect in addition to the bill comparison provided for the rest of Aqua Texas’ affected Southwest Region customers.

customer proposed in this Rate Application which reflects the average of actual usage per customer during 2007, 2008, 2009, and 2010.

Aqua Texas Southwest Region Average Usage Per Customer (2007 - 2010) vs. Rate Case Average Usage Per Customer



B. Use of NARUC Accounts

TCEQ rules provide that a Class A Utility (a utility with annual operating revenues exceeding \$750,000.00) is authorized to keep its books and records according to the National Association of Regulatory Utility Commissioners ("NARUC") chart of accounts. *See* 30 TEX. ADMIN. CODE §291.72. Aqua Texas' books and records have been maintained in accordance with the NARUC chart of accounts in accordance with that approved methodology. However, Aqua Texas has presented most of its accounting information in this Rate Application in a manner that accommodates TCEQ's application form. The TCEQ application form does not fully track the NARUC chart of accounts system. With the exception of plant accounts, the work papers presented in this Rate Application will assist in reconciling the amounts presented in this Rate Application with Aqua Texas' books and records for the test year period (January 1, 2010 to December 31, 2010). In contrast, plant accounts are presented in summary form according to the NARUC chart of accounts.

Aqua Texas is also submitting a depreciation study with its Rate Application. The study complies with the recently adopted requirements found in 30 TEX. ADMIN. CODE §291.31(c)(2)(B)(i)(II) and supports Aqua Texas' use of group depreciation in conformance with NARUC accounting practices.

C. Aqua Texas' Request for an 8.59% Weighted Rate of Return

The TCEQ's 2008 Final Order approved a weighted rate of return of 8.44% for Aqua Texas. This Rate Application seeks essentially the same return – a weighted rate of return of 8.59% – that the Commission approved in 2008. This relatively low weighted rate of return reflects Aqua Texas' ability to utilize Aqua America's low interest rates for debt. The benefit of those low interest rates is then passed along to Aqua Texas' customers.

The 8.59% weighted rate of return in this Rate Application reflects the same return on equity as the TCEQ approved in 2008 and a slightly higher cost of debt compared to the last rate application. Attachment 4 is an analysis of Aqua Texas' cost of capital and supports a rate of return on equity of approximately 12%. The analysis reflected in Attachment 4 has been conducted in a manner that is consistent with Texas utility regulations and with regulations in other jurisdictions where Aqua America operates. Notwithstanding the analysis in Attachment 4 supporting a return on equity in excess of 12%, Aqua Texas has applied for the same return on equity that the Commission recently approved in 2008.

D. Acquired Systems

Several Southwest Region Aqua Texas systems were acquired since Aqua Texas' last rate case. Aqua Texas is not requesting recovery of acquisition adjustment amounts in this Rate Application. Instead, in line with the Texas Water Code and TCEQ rules, Aqua Texas has booked the acquired system assets at their original cost when first committed to public service. If original cost records were not available, Aqua Texas used trended original cost studies. These types of studies have been reviewed and accepted by the TCEQ in past rate matters. Consolidation of the acquired systems into Aqua Texas' regional tariff for rate-setting purposes is addressed in Attachment 3.

E. Other Systems

Aqua Texas has not included in this Rate Application the London and Harper systems, purchased from LCRA. Pursuant to the agreement between Aqua Texas and LCRA and approved by the TCEQ, the Company cannot increase the rates of these systems until sometime in late 2012. The London and Harper systems are included in the rate calculation since they are part of the Southwest Region; however, they will not receive a rate increase at this time. Additionally, Aqua Texas has not included the Dancing Bear water system located in Medina County in this Rate Application. That system was recently acquired in September 2011 and was not operated by Aqua Texas during the test year. In the future, Aqua Texas may file a separate rate/tariff change application affecting these systems, but not as part of this Rate Application.

Aqua Texas also notes that it has certain systems geographically located in proximity to its Southwest Region that are operated as a separate Ingram rate region in accordance with Aqua Texas' last rate case. Aqua Texas does not seek a rate/tariff change in this Rate Application for those systems.

IV. Miscellaneous Revisions to Current Tariff Service Provisions

Aqua Texas is proposing a few minor revisions to current tariff service provisions approved in its last rate case. The revisions are presented in a document included with the Application, which compares the proposed tariff with Aqua Texas' current tariff. The changes to the existing tariff are denoted in the colored text.

On pages 17 and 22 Aqua Texas proposes language to further clarify its current service policy that its standard retail water utility service does not include water supply for fire prevention, fire flow, or fire protection. On page 22, Aqua Texas is proposing alternative language to its current "Specific Utility Extension Policy" related to sanitary control that may impact developers submitting service extension requests, but not other types of service extension requests. On page 17, Aqua Texas is proposing an "act of God" exception to its policy of prorating bills for lost service in the event of a service interruption or serious impairment. On page 7, Aqua Texas is proposing language to address additional methods of payment. On pages 14 and 15, Aqua Texas is proposing language to specify policies with respect to electronic billing and payment. Aqua Texas is also proposing other minor revisions to reflect Aqua Texas service policies and to correct typographical and formatting errors that appear in its current tariff.

V. Request for Southwest Region Water Rate Base Determination

Finally, Aqua Texas was instructed by TCEQ staff to specifically request that TCEQ determine its rate base amount during its review of this application, if desired. Aqua Texas hereby requests a Southwest Region water rate base determination by TCEQ as part of this application.

**SOUTHWEST REGION WATER (KERRVILLE SOUTH WATER COMPANY, INC. SYSTEMS
INSIDE CITY LIMITS - LOMA VISTA WATER SYSTEM)
BILL COMPARISON (CURRENT vs. PROPOSED RATES)**

Meter Size	Kerrville South Inside City Limits Existing			Kerrville South Inside City Limits Proposed		
	Total Charges			Total Charges		
	@ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month	@ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month
5/8" x 3/4"	\$43.25	\$57.00	\$112.00	\$68.87	\$89.42	\$181.59
1"	\$87.50	\$101.25	\$156.25	\$141.37	\$161.92	\$254.09
1 1/2"	\$161.25	\$175.00	\$230.00	\$262.19	\$282.74	\$374.91
2"	\$249.75	\$263.50	\$318.50	\$407.18	\$427.73	\$519.90
3"	\$456.25	\$470.00	\$525.00	\$793.82	\$814.37	\$906.54
4"	\$751.25	\$765.00	\$820.00	\$1,228.79	\$1,249.34	\$1,341.51
6"	N/A	N/A	N/A	\$2,437.04	\$2,457.59	\$2,549.76
8"	N/A	N/A	N/A	\$3,886.94	\$3,907.49	\$3,999.66
10"	N/A	N/A	N/A	\$5,578.49	\$5,599.04	\$5,691.21
12"	N/A	N/A	N/A	\$12,103.04	\$12,123.59	\$12,215.76

EXISTING	PROPOSED
KERRVILLE SOUTH INSIDE CITY LIMITS	

MINIMUM MONTHLY CHARGES:

Monthly Minimum Charge by Meter Size

(Includes 2,000 Gallons)

5/8" x 3/4"	\$35.00
1"	\$79.25
1 1/2"	\$153.00
2"	\$241.50
3"	\$448.00
4"	\$743.00
6"	N/A
8"	N/A
10"	N/A
12"	N/A

Monthly Minimum Charge by Meter Size

(Includes 0 Gallons)

5/8" x 3/4"	\$48.33
1"	\$120.83
1 1/2"	\$241.65
2"	\$386.64
3"	\$773.28
4"	\$1,208.25
6"	\$2,416.50
8"	\$3,866.40
10"	\$5,557.95
12"	\$12,082.50

CHARGES PER 1,000 GALLONS USED:

Gallonge Charge	
1 to 2,000 Gallons	\$0.00
Per 1,000 Gallons Thereafter	\$2.75
Regional Pass-Through Gallonge Charge	\$0.0000

CHARGES PER 1,000 GALLONS USED:

Gallonge Charge	
1 to 20,000 Gallons	\$3.10
Per 1,000 Gallons Thereafter	\$4.10
Regional Pass-Through Gallonge Charge	\$1.0088

MISCELLANEOUS FEES (CURRENT)	
Tap Fee 5/8" x 3/4" Meter	\$450.00
Tap Fee (Unique Costs)	Actual Cost
Tap Fee (Larger Meter)	Actual Cost
Reconnection Fee – Non- payment of bill	\$25.00
Reconnection Fee - Customer's request that service be disconnected	\$45.00
Transfer Fee	\$45.00
Late Charge	\$5.00
Returned Check Charge	\$25.00
Customer Deposit Residential	\$50.00
Commercial & Non-Residential Deposit	1/6 of estimated annual bill
Meter Test Fee	\$25.00
Meter Relocation Fee/ Meter Conversion Fee	Actual Cost to relocate to that meter
Standard Meter Installation Fee	
Customer Service Inspection Fee	
Lock Removal or Damage Fee	
Damaged Meter and Appurtenances Fee	
Seasonal Reconnection Fee -	
Regulatory Assessment Fee -- 1.0%	
Governmental Testing, Inspection and Costs Surcharge --	
Line Extension and Construction Charges --	

MISCELLANEOUS FEES (PROPOSED)	
Tap Fee 5/8" x 3/4" Meter	\$900.00 ¹
Tap Fee (Unique Costs)	Actual Cost ²
Tap Fee (Larger Meter)	Actual Cost ³
Reconnection Fee – Non- payment of bill	\$25.00
Reconnection Fee - Customer's request that service be disconnected	\$75.00
Transfer Fee	\$50.00
Late Charge	10%
Returned Check Charge	\$25.00
Customer Deposit - Residential	\$50.00
Customer Deposit – Commercial or Non-Residential	1/6 of estimated annual bill
Meter Test Fee	\$25.00
Meter/Service Relocation (Customer's Request)	Actual Cost
Standard Meter Installation Fee	\$150.00
Customer Service Inspection Fee	\$100.00 ⁴
Illegal Reconnection, Lock Removal, or Damage Fee	\$85.00 ⁵
Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee - NONE	
Regulatory Assessment Fee -- 1.0%	
Governmental Testing, Inspection and Costs Surcharge – When authorized in writing by TCEQ and after notice to customers, the utility may increase rates to recover increased costs for inspection fees and water testing. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

¹ This tap fee covers the Utility's costs for materials and labor to install a standard residential 5/8" x 3/4" meter. An additional fee to cover unique costs is permitted as listed on the Utility's tariff.

² For example, a road bore for customers outside a subdivision is a unique cost. Unique costs will be determined on a case-by-case basis.

³ This tap fee is based on the Utility's actual cost for materials and labor for meters larger than standard 5/8" x 3/4" meters. Unique costs, such as road bores, will be charged in addition to this tap fee at their actual cost of installation.

^{4,5} See page 36 for requirements and language changes to "Customer Service Inspection Fee", "Illegal Reconnection, Lock Removal, or Damage Fee", and "Damaged Meter and Appurtenances Fee". Aqua Texas no longer plans to utilize the "meter adjustment clause" applicable to the Indian Springs Subdivision. Instead, Aqua Texas proposes to use the provisions on page 34.

List of Protesters for Aqua Texas Water Rates within Kerrville City Limits			
Last	First	Address #	Address Name
Aaron	William	158	G Street South
Allen	Forrest	228	G Street
Auld	Jack	125	Quailwood Lane North
Blevins	Barry	144	Lehmann
Carpenter	Kathy	401	Sidney Baker South
Cathy	Tim	1214	Bandera Hwy
Elliott	G.E.	448	Sidney Baker South #101
Ellis	Terri	1162	Sidney Baker South
Emshoff	Bill	707	Country Drive #110
English	JoAnn	1312	Bandera Hwy
Evertt	Elizabeth	721	Hill Country Drive
Fegenbush	Joseph	1205	Sidney Baker South
Franklin	Martin	723-C	Hill Country Drive
Freedle	Pat	703	Hill Country Drive
Gramatikakd	Nick	1225	Bandera Hwy
Hahn	Jackie	717	Hill Country Drive
Hardin	Brian	1308	Bandera Hwy
Hartman	Tamra	448	Sidney Baker South #102
Hayes	Krystal	1164	Sidney Baker
Howard	Louis	1150	Sidney Baker South
Kastner	Cindy	448	Sidney Baker South #107
Keller	Dennis	1168	Sidney Baker South
Leach	Lance	1230	Bandera Hwy
Leiseste	Lloyd	1294	Bandera Hwy
Massey	Wendy	1302	Bandera Hwy
McCain	Scott	151	G Street South
Meek	Janet	1218	Bandera Hwy
Mein	Grant	1234	Bandera Hwy
Nenky	Thomas	711	Hill Country Drive
Parrish	Harry	229	Waggoman
Pierce	Dennie	1202	Bandera Hwy
Ramirez	Eliasar	203	G Street South
Real	Louis	733	Hill Country Drive
Sckafer	Scott	200	G Street South
Stopel	Ron	400	Sidney Baker South
Trelawny	Rule	1150-C	Sidney Baker South
Underwood	Harris	302	G Street

Agenda Item:

5A. An ordinance amending the budget for fiscal year 2012 to account for changes in the status of various capital improvement projects; and to amend other city funds to account for balances for approved purposes. (staff)

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

SUBJECT: Second and final reading of an ordinance amending the FY2012 Budget

FOR AGENDA OF: May 22, 2012 **DATE SUBMITTED:** May 9, 2012

SUBMITTED BY: Mike Erwin *ME* **CLEARANCES:** Todd Parton
Director of Finance City Manager

EXHIBITS: Ordinance Amending FY2012 Budget
Budget Detail

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *TP*

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

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

SUMMARY STATEMENT

The attached ordinance provides for the first amendment to the FY2012 budget. This budget amendment results in a zero net change to the General Fund. The budget amendment includes the following:

Restructuring

The Development Services Department received resignations from the Director of Development Services and the Compliance Center Manager. These two management positions were eliminated, the primary job duties reassigned to existing staff, a deputy court clerk position was unfrozen, and a fire inspector position was created in the Fire Marshall's Office. Compensation increased where additional duties and responsibilities were assigned to existing staff. Salary savings was used to cover these expenses with the balance going to fund the frozen deputy court clerk and fire inspector positions.

The Solid Waste Division received a resignation from the Solid Waste Manager. This position was downgraded to a Solid Waste Supervisor with some of the key management functions being reassigned to the Street Division Manager and the Assistant Street Division Manager. Salary savings from the Solid Waste Fund are transferred in to cover the increases in compensation.

The Human Resources Manager retired and that position was reclassified as a Human Resources Coordinator. Additional job duties were assigned to the Human Resources Assistants with compensation being adjusted accordingly.

General Fund position control implemented through the restructuring is as follows:

<i>Development Services</i>	
Director of Development Services	Eliminated
Compliance Center Manager	Eliminated
Chief Building Official/ Asst. Director of Development Services	Director of Building Services
Senior Building Inspector	Asst. Building Official
 <i>Street Division</i>	
Street Division Manager	Street/Solid Waste Division Manager
Asst. Street Division Manager	Asst. Street/Solid Waste Division Manager
 <i>Municipal Court</i>	
Deputy Court Clerk	Unfrozen
 <i>Fire Marshall's Office</i>	
Fire Inspector	New Position
 <i>Human Resources</i>	
Human Resources Manager	Human Resources Coordinator

Operational Budgets

City Secretary

Add \$462.24 for cell phone with the reassignment of the phone from the eliminated Compliance Center Manager position.

Development Services

Departmental use of salary savings to fund \$15,000 for inspection services and \$15,000 for professional services - planning.

Parks and Recreation

Increase revenue by \$3,902 for funds received from the Library Foundation and show \$3,902 in expenditures for costs incurred for the Library Grand Re-Opening.

Public Works

Transfer \$20,000 for the purchase of street equipment.

Police Department

Add \$2,500 to cover overtime expenses for the Kerrville Triathlon Festival.

Fire Department

Add \$2,500 to cover overtime expenses for the Kerrville Triathlon Festival.

General Operations

- Increase contingency by \$26,950.31.
- Increase Special Services to allocate \$6,500 toward the Texas Workforce Commission's application to create a welding school to support the workforce training needs for Fox Tank and other area businesses.
- Increase Building and Structures by \$40,000 to purchase and install lighting along the boardwalk portion of the downtown pavilion project.
- Increase General Fund revenues by \$58,845 due to the return of unspent funds on closed airport capital projects.
- Increase General Fund revenues by \$17,570.33 to recognize reimbursement from Solid Waste Fund for salaries.

Water and Sewer Fund

- Add \$3,130.35 for salary increases to address a salary discrepancy for the Utility Construction Supervisor at the UTC.
- Increase the Motor Vehicle Capital line item by \$15,403 for the purchase of new equipment.
- Transfer \$15,403 within the fund for the purchase of new equipment.

Hotel Occupancy Tax Fund

- Transfer \$80,000 from the HOT Reserve Fund.
- Increase HOT Fund expenditures by \$80,000 - \$20,000 to the Schreiner Mansion renovation project, \$20,000 to the wayfinding signage comprehensive plan, and \$40,000 contribution to Kerrville's 4th on the River Celebration.

Grant Fund Revenue

- Increase revenues with a corresponding expense of \$144,160 for three grants for the Police Department.
- Increase revenues with a corresponding expense of \$183,000 for the Cailloux Grant to purchase street repair equipment.

Solid Waste Fund

- Transfer funds to General Fund to offset salaries, \$17,570.33.

Capital Improvement Projects

Burleson Street Off-Site Drainage Improvements/Oak Hollow Subdivision Drainage Improvements (G70 and G83) – close projects.

Salvation Army Detention Center (E40 and G78) – close project and return \$9,472.80 to EIC and \$180,226.96 to the General Fund/Landfill Fund.

Equipment Storage Facilities (W76) – close project and return \$14,670.77 to the Water and Sewer Fund.

Library Roof (L01) – close project.

Reconstruction of Roads and WWTP (W86) – close project.

12" Water Line Jackson/Glen Road (W90) – close project and return \$46,977.70 to Water and Sewer Bonds.

Motor Control Center Water Plant (W61) – close project and return \$30,572.39 to the Water and Sewer Bonds.

Harper Road Utility Phase 1 (E31) – close project and return \$308,307.24 to EIC.

Alamo Workforce (E46) – close project and return \$1,493.63 to EIC.

Library Renovation (G95) – recognize a contribution of \$50,000 from H.E.B. to the library renovation project to purchase and install remote checkout stations.

EIC Budget

February 27, 2012, the EIC voted to adjust its budget to reflect changes from October 1, 2011. These changes included additional debt service due to issuances in FY2012 for the river trail; decrease in funding to the KEDC; funding for the Fox Tank project; funding the downtown utility undergrounding project; funding the Harper Road Utility Phase 2 project; and monthly transfers to the river trail project. The amended budget maintains \$777,725 for additional business development projects and ends the year with a projected fund balance of \$500,000.

RECOMMENDED ACTION

It is recommended that the City Council approve the second and final reading of an ordinance amending the FY2012 budget and authorize city staff to make all necessary entries and adjustments to reflect the attached changes.

CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2012-04

AN ORDINANCE AMENDING THE BUDGET FOR FISCAL YEAR 2012 TO ACCOUNT FOR CHANGES IN THE STATUS OF VARIOUS CAPITAL IMPROVEMENT PROJECTS; AND TO AMEND OTHER CITY FUNDS TO ACCOUNT FOR BALANCES FOR APPROVED PURPOSES

WHEREAS, Ordinance No. 2011-19, dated September 27, 2011, adopted the Fiscal Year 2012 Budget; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds that amending the City's Fiscal Year 2012 Budget is in the best interest of the citizens of the City of Kerrville;

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

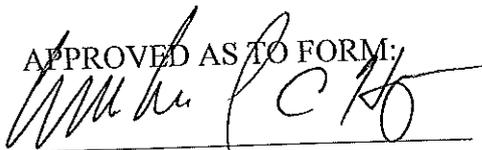
In accordance with Section 8.07 of the City Charter, the Official Budget for Fiscal Year 2012 shall be amended as set forth in Exhibit A.

PASSED AND APPROVED ON FIRST READING, this the 8th day of May, A.D., 2012.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the ___ day of _____, A.D., 2012.

Jack Pratt, Jr., Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary

Fund	Dept	Line Item Code	Reason	Amount
				\$ 462.24
1	City Secretary	01-802-301	Reassigned Cell Phone from Dev. Serv. to City Sec.	
				\$ 2,378.66
1	Human Resources	01-805-001/005/006	Due to Restructuring	
1	Human Resources	01-805-001/005/006	Due to Restructuring	\$ 2,378.66
				\$ 31,541.78
1	Municipal Court	01-809-001/005/006	Due to Restructuring	
				\$ 30,427.00
1	Fire Marshal	01-826-001	Due to Restructuring	\$ 1,043.00
1	Fire Marshal	01-826-002	Due to Restructuring	\$ 202.00
1	Fire Marshal	01-826-004	Due to Restructuring	\$ 2,465.00
1	Fire Marshal	01-826-005	Due to Restructuring	\$ 3,448.00
1	Fire Marshal	01-826-006	Due to Restructuring	\$ 5,103.00
1	Fire Marshal	01-826-007	Due to Restructuring	\$ 1,443.00
1	Fire Marshal	01-826-010	Due to Restructuring	\$ 4,150.00
1	Fire Marshal	01-826-012	Due to Restructuring	\$ 1,202.00
1	Fire Marshal	01-826-102	Due to Restructuring	\$ 1,879.00
1	Fire Marshal	01-826-107	Due to Restructuring	\$ 1,187.00
1	Fire Marshal	01-826-206	Due to Restructuring	\$ 3,830.00
1	Fire Marshal	01-826-212	Due to Restructuring	\$ 270.00
1	Fire Marshal	01-826-301	Due to Restructuring	
				\$ (84,234.90)
1	DS - Planning	01-840-001/005/006	Eliminated	\$ 15,000.00
1	DS - Planning	01-840-306	Professional Services - Planning	\$ 15,000.00
1	DS-Code Compliance	01-843-306	Inspection Services	\$ (69,634.00)
1	DS - Code Compliance	01-843-001/005/006	Eliminated	\$ 6,981.50
1	DS - Inspection	01-842-001/005/006	Pay Adjustment due to Restructure	\$ 1,997.66
1	DS - Inspection	01-842-001/005/006	Pay Adjustment due to Restructure	\$ 1,874.09
1	DS - Code Compliance	01-843-001/005/006	Pay Adjustment due to Restructure	
				\$ 3,902.00
1	Parks and Rec	01-6989	Funds from Library Foundation	\$ 3,902.00
1	Parks and Rec	01-851-1**	Funds from Library Foundation	
				\$ 5,840.55
1	Public Works - Streets	01-861-001/005/006	Pay Adjustment due to Restructure	\$ 11,729.78
1	Public Works - Streets	01-861-001/005/006	Pay Adjustment due to Restructure	\$ 20,000.00
1	Public Works - Streets	01-861-313	Move funds for street equipment	
				\$ 2,500.00
1	Police	01-813-405	Other Services - Kerrville Triathlon	\$ 2,500.00
1	Fire	01-821-405	Other Services - Kerrville Triathlon	
				\$ 26,950.31
1	General Operations	01-870-410	Increase Contingency from savings	\$ 6,500.00
1	General Operations	01-870-306	Increase Funding for AAC Engineering at Airport	\$ 40,000.00
1	General Operations	01-870-502	Funding for Pavilion lighting	
				\$58,845.00
1	Miscellaneous Revenues	01-6989	Return of funds from closed Airport projects	\$17,570.33
1	Transfer In	01-7025	Transfer In from SW Fund for salaries	
				\$ 3,130.35
2	Utility Construction	02-883-001/005/006	Address Salary Discrepancy	\$ 15,403.00
2	Utility Construction	02-883-503	Increase for Equipment Purchase	\$ (15,403.00)
2	Utility Construction	02-883-410	Decrease to transfer for Equipment Purchase	
				\$ 80,000.00
16	Non-Dept	16-800-920	Transfer Out to HOT Fund	\$ 20,000.00
20	Revenue	20-7016	\$20,000 for Schreiner Mansion Renovation	\$ 20,000.00
20	Non-Dept	20-800-405	\$20,000 for Schreiner Mansion Renovation	\$ 20,000.00
20	Revenue	20-7016	\$20,000 for Wayfinding Signs/Master Plan	\$ 20,000.00
20	Non-Dept	20-800-306	\$20,000 for Wayfinding Signs/Master Plan	\$ 40,000.00
20	Revenue	20-7016	\$40,000 for 4th on the River	\$ 40,000.00
20	Non-Dept	20-800-306	\$40,000 for 4th on the River	
				\$ 17,570.33
25	Non-Dept	25-800-901	Transfer to General Fund	
				\$ 49,160.00
85	Revenue	85-6513-03 CJD Grant	CJD grant submitted by Police for \$49,160 - Subject to approval	\$ 49,160.00
85	Police	85-813-102	CJD grant submitted by Police for \$49,160 - Subject to approval	
				\$ 163,000.00
85	Revenue	85-6561-02	Cailloux Foundation Grant - for street equipment - \$163,000	\$ 20,000.00
85	Revenue	85-6561-02	Transfer from General Fund to supplement	\$ 183,000.00
85	PW - Streets	85-861-504	Purchase of street equipment	
				\$ 35,000.00
85	Revenue	85-6513-04 UASI Grant	Other grant application for Police - subject to approval	\$ 60,000.00
85	Revenue	85-6513-05 Homeland Security	Other grant application for Police - subject to approval	\$ 35,000.00
85	Police	85-813-102	Other grant application for Police - subject to approval	\$ 60,000.00
85	Police	85-813-102	Other grant application for Police - subject to approval	

Project Number	Project Name	Funding Source	Amount Funded	Expenses to Date	Project Cash Balance	Reduction	Status
G70	Burleson Street Off-Site Drainage Improvements		\$355,000.00	\$355,000.00	\$0.00	\$0.00	closed
G83	Oak Hollow Subd Drainage Improvements		\$395,000.00	\$394,999.99	\$0.01	\$0.01	closed
E40	Salvation Army Detention Center	EIC	\$500,000.00	\$490,527.20	\$9,472.80	\$9,472.80	closed
G78		GF/LFF	\$902,000.00	\$721,773.04	\$180,226.96	\$180,226.96	closed
W76	Equipment Storage Facilities	W/S Fund	\$100,000.00	\$85,329.93	\$14,670.07	\$14,670.07	closed
		W/S Bonds	\$450,000.00	\$450,000.00	\$0.00	\$0.00	closed
L01	Library Roof	Grants	\$106,708.26	\$106,708.06	\$0.20	\$0.20	closed
W86	Reconstruction of Roads at WWTP	W/S Fund	\$20,000.00	\$20,000.00	\$0.00	\$0.00	closed
W90	12" Water Line Jackson/Glen Road	W/S Bonds	\$575,000.00	\$528,022.30	\$46,977.70	\$46,977.70	closed
W61	Motor Control Center Water Plant	W/S Fund	\$337,213.00	\$306,640.61	\$30,572.39	\$30,572.39	closed
		W/S Debt	\$266,000.00	\$266,000.00	\$0.00	\$0.00	closed
E31	Harper Rd Utility Ext	Bonds	\$302,395.82	\$302,395.82	\$0.00	\$0.00	closed
		EIC	\$2,850,000.00	\$2,541,692.76	\$308,307.24	\$308,307.24	closed
E46	Alamo Workforce	EIC	\$109,887.24	\$108,393.61	\$1,493.63	\$1,493.63	closed
Project Number	Project Name	Funding Source	Amount Funded	Expenses to Date	Project Cash Balance	Increase	Status
G95	Library Renovation	Grants	\$2,362,157.00	\$2,470,860.35	\$191,296.65	\$50,000.00	open

EIC FY 2012

		Annual Budget	Amended Budget
BEGINNING CASH BALANCE		\$ 3,148,386	\$ 3,148,386
USDA Land			\$ (1,138,436)
Hill Country Home Opportunity Council			\$ (100,000)
Fund Balance		\$ 3,148,386	\$ 1,909,950
REVENUE:			
	Sales and Use Tax	\$ 2,275,000	\$ 2,433,897
	Interest	\$ 5,240	\$ 7,377
	Transfer In		\$ -
TOTAL REVENUE		<u>\$ 2,280,240</u>	<u>\$ 2,441,275</u>
		Annual Budget	Amended Budget
EXPENDITURES:			
Administrative			
	Advertising	\$ -	\$ 100
	Transfer to Debt Service Fund	\$ 505,000	\$ 595,000
	Economic Development Governing Body	\$ 225,000	\$ 175,000
	Annual Disclosure Fee	\$ 3,500	\$ 3,400
	Administrative Services Fee	\$ 100,000	\$ 100,000
Total Administrative		<u>\$ 833,500</u>	<u>\$ 873,500</u>
Category I - Business Development			
	Hill Country Shooting Center		
	Commercial Improve Pilot Program	\$ 50,000	\$ 50,000
	Fox Tank		\$ 600,000
	Downtown Underground Utilities		\$ 300,000
	USDA		\$ -
	Unspecified	\$ 800,000	\$ 777,725
Total Category I		<u>\$ 850,000</u>	<u>\$ 1,727,725</u>
Category II - Quality of Life			
	Schreiner University Project	\$ -	
	Hill Country Home Opportunity Program	\$ -	
	Trails		\$ 250,000
	Category II Unspecified	\$ 45,750	\$ -
Total Category II		<u>\$ 45,750</u>	<u>\$ 250,000</u>
Category III - Public Infrastructure			
	Harper Hwy	\$ 45,750	\$ 1,000,000
Total Category III		<u>\$ 45,750</u>	<u>\$ 1,000,000</u>
Contingency		\$ 500,000	\$ -
TOTAL EXPENDITURES		<u>\$ 2,275,000</u>	<u>\$ 3,851,225</u>
NET REVENUES TO EXPENDITURES		<u>\$ 5,240</u>	<u>\$ (1,409,950)</u>
FUND BALANCE		\$ 3,153,626	\$ 500,000

Agenda Item:

6A. Sidewalk café permit for 804 Water Street (Yeo-Bo's Care). (staff)

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

SUBJECT: Approval of a Sidewalk Café permit for 804 Water Street, (Yeo-Bo's Café)

FOR AGENDA OF: 05/22/12

DATE SUBMITTED: 05/10/12

SUBMITTED BY: Charlie Hastings *CH* **CLEARANCES:** Todd Parton
Director of Public Works City Manager

EXHIBITS: Copy of Application

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *[Signature]*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

The Public Works Department has received a permit application for a sidewalk café located at 804 Water Street (Yeo-Bo's Café). The restaurant owners, Gerald and Tomasa O'Hern dba Yeo-Bo's Café, has satisfied the conditions and standards of the ordinance; the sidewalk café will consist of two 42" tables and two 30" tables located on the peninsula in front of 804 Water Street adjacent to Francisco's Restaurant. Pursuant to Chapter 30, Article II, Sidewalk Cafes, of the Kerrville Code of Ordinances, once authorized by council, the City Manager will execute a license agreement with the owner for this use of the city's right of way.

RECOMMENDED ACTION

The Director of Public Works recommends that council authorize the City Manager to execute a license agreement with Yeo-Bo's Café for a sidewalk café located at 804 Water Street.

SIDEWALK CAFE-APPLICATION

NAME OF ESTABLISHMENT: Yeo-Bo's Cafe

Type of Business: Korean Restaurant

Phone 830-890-5873

Fax#: 210-699-1732

Address of Establishment: 804 Water Street
City, State, Zip Kerrville, Texas 78028

OWNER OF FEE TITLE INFORMATION

Owner's Name: Gerald and Tomasa O'Hern

Phone # 210-288-3321

Fax # 210-699-1732

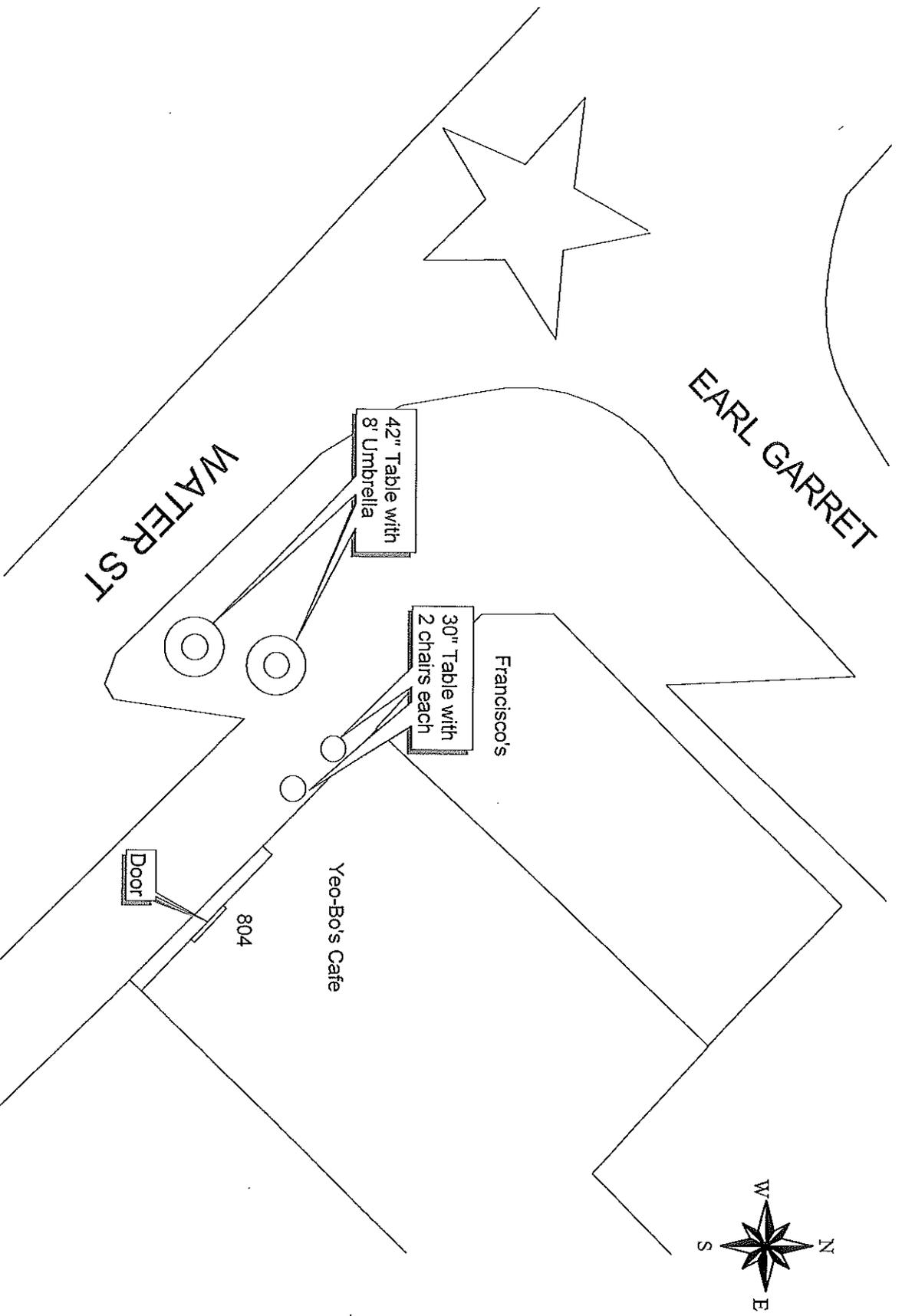
Owner's Address: 924 Estates Drive
City, State, Zip Kerrville, Texas 78028

Application must be made in writing to the Public Works Director and must include:

- Proof of ownership and any leasehold rights therein;
- A scale plan and sketch showing area to be licensed, including dimensions from face of building to curb and width of sidewalk café parallel to curb;
- Complete information on type of sidewalk café to be established, including the number of tables, chairs and related appurtances, their placement, name and address of restaurants adjacent to area to be licensed and used as the sidewalk café, and any other information required by the Public Works Department;
- Proof of general commercial liability insurance coverage (bodily injury and property damage) by a carrier acceptable to the city, in an amount not less than \$1,000,000 Combined single limit; and
- Operated on one peninsula, under the following conditions:
 - The peninsula must be located within span of the restaurant façade, or the peninsula's leading edge is no more than 20 feet from the closest edge of the restaurants façade; and
 - The operation of the sidewalk café on a peninsula would meet the standards of section 30-55 of City Ordinance NO. 95-26

Reviews:

- Public Works Director Cherie Hartz Date 4/26/12
- Development Services Director [Signature] Date 4/26/12
- City Manager _____ Date _____



EARL GARRET

WATER ST

42" Table with
8 Umbrella

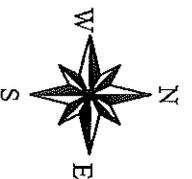
30" Table with
2 chairs each

Francisco's

Yeo-Bo's Cafe

804

Door



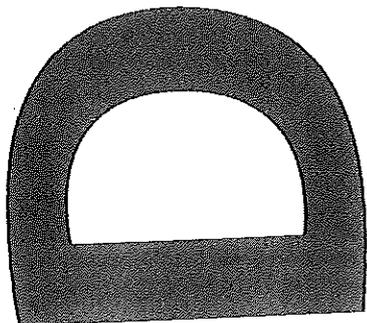
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0.008 Miles

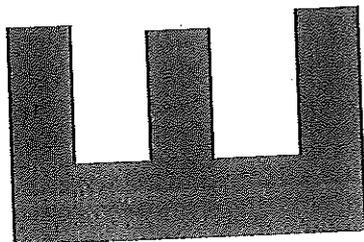
Sidewalk Cafe Application
804 Water Street
Yeo-Bo's Cafe

Commercial Insurance Proposal



Prepared for

Jerry O Hern
Yeo-Bo's Cafe
804 Water St
Kerrville, TX 78028 - 5322



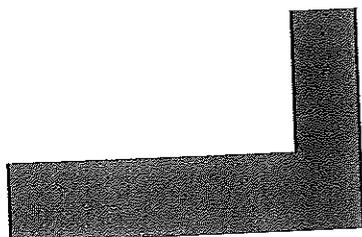
Prepared by

GERALD W ELLIS INS AGENCY
15335 SAN PEDRO
SAN ANTONIO, TX 78232 - 3703
(210) 979-9000 Ext. 103
kevin@ellisinsure.com



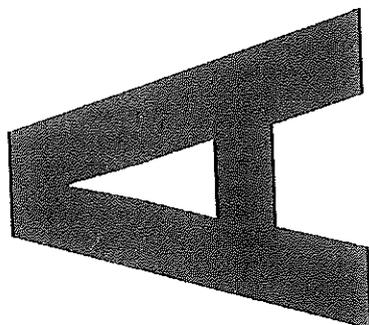
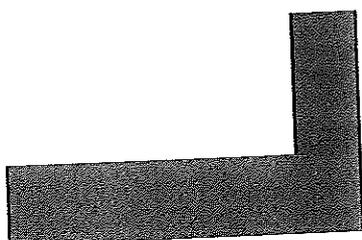
Agent

Kevin Johnson



Date Prepared

March 09, 2012



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kevin@ellisinsure.com

**Jerry O Hern
Yeo-Bo's Cafe**

Commercial Insurance Proposal

Effective: 03/09/2012 to 03/09/2013

Quote Number: ACP 7205545167

Allied Insurance

Throughout its more than 75-year history as a regional carrier, **Allied Insurance** has distinguished itself in the industry with quality products and financial stability. At a time when other carriers struggle to serve agents and customers profitably, Allied out-performs the industry in trade combined ratio and is consistently rated A+ by A.M. Best Company, the nation's leading insurance carrier rating service.

Headquartered in Des Moines, Iowa, Allied Insurance operates in Western, Midwestern and Eastern states through a network of independent agents. In 1998, Allied became a member of the Nationwide family of companies, a Fortune 500 Corporation based in Columbus, Ohio. Allied is responsible for Nationwide's independent agency operations.

Allied offers a Loss Control program that can assist you with reducing loss exposures and work toward eliminating current and potential hazards that could lead to costly losses. Our Loss Control Department offers training materials to help ensure that you and your employees are aware of safety concerns. In the event that a claim occurs, Allied backs its quality commercial lines products with excellent claims service.



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Jerry O Hern
Yeo-Bo's Cafe

Commercial Insurance Proposal

Effective: 03/09/2012 to 03/09/2013

Quote Number: ACP 7205545167

Premier Businessowners

Total Policy Premium \$ 756.00

Policy 1 : BPF
States of Operation: Texas
Primary Operations State: Texas

\$ 0.00

Premium for Certified Acts of Terrorism

Coverage	Limit	Deductible	Rating Basis	Exposure	Premium
Liability and Medical Payments - Per Occurrence	\$ 1,000,000				\$ 244.00
General Aggregate - Other than Products - Completed Operations	\$ 2,000,000				Included
Products - Completed Operations Aggregate	\$ 2,000,000				Included
Personal and Advertising Injury - Per Person or Organization	\$ 1,000,000				Included
Tenants Property Damage Legal Liability Sublimit - Per Covered Loss	\$ 300,000				Included
Medical Payments Sublimit - Per Person	\$ 1,000				Included
Policywide Options	Limit	Deductible	Rating Basis	Exposure	Premium
Business Income	12 Months	0 Hours			Included
Actual Loss Sustained					Included
Waiting Period	60 Days				Included
Ordinary Payroll	60 Days				Included
Extended Business Income		None	Included		Included
Extra Expense	12 Months	0 Hours			Included
Actual Loss Sustained					\$ 211.00
Waiting Period					
PLUS Endorsement					

Schedule

Location 1-1
804 Water St
Kerrville, TX 78028 - 5322

Kerr County
Territory 009
Protection Class 02

General Information

Program	Food Service (BPF)
Class Code	44482
Class Description	Asian (Other Than Chinese or Japanese) - Family Style
Property Interest	Tenant
Original Year Built	1961
Year Purchased/First Occupied	2012
Building Construction	Masonry Non-Combustible
Property Description	restaurant in shopping strip
Number of Stories	1
Number of Buildings	1
Total Area (Sq Ft)	1,000
Annual Gross Receipts	\$ 100,000
Stairs/Steps	Yes

Coverage
Business Personal Property
Business Income
Extra Expense
Equipment Breakdown

Limit	Deductible	Premium
\$ 30,000	\$ 1,000	\$ 264.00
	None	\$ 37.00
	None	Included
Included	\$ 1,000	Included



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**Jerry O Hern
Yeo-Bo's Cafe**

Commercial Insurance Proposal

Effective: 03/09/2012 to 03/09/2013

Quote Number: ACP 7205545167

Premier Businessowners

	Total Limit	Rating Basis	Exposure	Premium Included
Increased Limits Coverage Options				
Accounts Receivable (\$25,000 provided)	\$ 25,000			Included
Back Up of Sewer or Drain Water Damage (\$5,000 provided per building)	\$ 5,000			
Limit Per Building	\$ 25,000			Included
Limit Per Policy	\$ 10,000			
Forgery and Alteration (\$10,000 provided)				Included
Money and Securities	\$ 10,000			Included
Inside Premises (\$10,000 provided)	\$ 10,000			Included
Outside Premises (\$10,000 provided)	\$ 2,500			Included
Outdoor Signs - Detached (\$2,500 provided)	\$ 10,000			
Outdoor Trees, Shrubs, Plants and Lawns (\$10,000 provided)				Included
Personal Property off Premises	\$ 15,000			Included
Property in Transit (\$15,000 provided)	\$ 15,000			
Property Temporarily Away from Described Premises (\$15,000 provided)	\$ 25,000			Included
Valuable Papers and Records (\$25,000 provided)	\$ 10,000			Included
Spoilage from Power Outage (\$10,000 included with Food Service Plus)				Included
Tenant Property Damage Legal Liability (\$300,000 provided)	\$ 300,000			
Location 1-1 Total Premium				\$ 301.00



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Commercial Insurance Proposal

Quote Number: ACP 7205545167

Effective: 03/09/2012 to 03/09/2013

Account Summary

Allied Insurance would like to thank you for giving us the opportunity of providing you with a quotation for your Commercial insurance needs. Through the information provided from your insurance professional, Allied Insurance has developed your Commercial Portfolio. This Portfolio contains the following coverages at the premiums shown below:

Coverage Type	Policy Prefix	Company	Premium
Premier Businessowners	BPF0	Depositors	\$ 756.00
Total Premium:			\$ 756.00

Allied Insurance offers flexible payment plans to meet your needs.

Payment Plan	Down Payment Needed To Issue	Additional Installments
Monthly - 12 pay plan	1/6 of the policy premium (\$126.00)	10
Monthly - 9 pay plan	25% of the policy premium (\$189.00)	8
Quarterly - 4 pay plan	25% of the policy premium (\$189.00)	3
Semi-Annually - 2 pay plan	50% of the policy premium (\$378.00)	1
Annual - 1 (full) pay plan	100% of the policy premium (\$756.00)	0

Note that in states where required by law, the down payment will include the full amount of all taxes, surcharges, and fees.

Allied Insurance also offers you the flexibility of paying for your insurance installments using your American Express®, Visa® or MasterCard®, or with monthly electronic funds transferred from the bank account you designate.



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**Jerry O Hern
Yeo-Bo's Cafe**

Commercial Insurance Proposal

Quote Number: ACP 7205545167

Effective: 03/09/2012 to 03/09/2013

Issuance Conditions

This proposal is a quotation only. Issuance of this proposal is subject to completed applications and company approval. Issuance is also subject to the conditions listed below:

- ◆ Underwriting Review and Approval
- ◆ Acceptable Inspection of Operations
- ◆ Favorable Loss Runs

This quotation is for informational purposes only. Coverage is not bound and no coverage will be afforded by this quotation. Premium charges are estimates based on information provided by the applicant and rates in force at the time of quotation on March 09, 2012. This quotation is VALID UNTIL March 10, 2012.

Thank you for choosing Allied Insurance for your Commercial Insurance needs.



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Commercial Insurance Proposal

Quote Number: ACP 7205545167

Effective: 03/09/2012 to 03/09/2013

**NOTICE OF TERRORISM INSURANCE COVERAGE
NOTICE - DISCLOSURE OF PREMIUM**

**Applies to all Commercial Policies, except for Farmowners Multiperil, Business Auto, Crime,
and Workers Compensation**

**[This disclosure notice does not provide coverage, and it does not replace any provisions of your policy.
You should read your policy for complete information on the coverages you are provided. If there is any
conflict between the policy and this notice, the provisions of the policy shall prevail.]**

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2007, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury – in concurrence with the Secretary of State, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurer's liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$0, and does not include any charges for that portion of losses covered by the United States Government under the Act.

Agenda Item:

6B. A Resolution denying Atmos Energy Corp., Mid-Tex Division's requested rate change; requiring the Company to reimburse the City's reasonable ratemaking expenses; finding that the meeting at which this Resolution is passed is open to the Public as required by law; requiring notice of this Resolution to the Company and ACSC's legal counsel. (staff)

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

SUBJECT: A Resolution denying Atmos Energy Corp., Mid-Tex Division's requested rate change; requiring the Company to reimburse the City's reasonable ratemaking expenses; finding that the meeting at which this Resolution is passed is open to the public as required by law; requiring notice of this Resolution to the Company and ACSC's Legal Counsel

FOR AGENDA OF: May 22, 2012 **DATE SUBMITTED:** May 10, 2012

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

EXHIBITS: Resolution

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *W*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

Background on Atmos Mid-Tex Rate Case: On January 31, 2012, Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company") filed with Atmos Cities Steering Committee ("ACSC") city members that exercise original jurisdiction a request for a rate increase in excess of \$49 million. ACSC members passed resolutions suspending the effective date of the proposed increase to allow ACSC attorneys and consultants to study the request. A summary of the consultants' findings is attached as **Exhibit A**. The ACSC Settlement Committee ("Committee") has met with Company officials to negotiate a settlement. While ACSC has given the Company a settlement offer, Atmos Mid-Tex does not want to provide a written offer before the expiration of city jurisdiction on June 11, 2012.

Timing of City Action: ACSC members with original jurisdiction suspended the proposed effective date of March 6, 2012, extending city jurisdiction until June 4, 2012. On April 25, 2012, the Company extended its effective date by a week, which similarly extended the June 4, 2012 deadline to June 11, 2012. It does not appear that settlement could be achieved within a time frame that would allow the City to take action prior to June 11, 2012. Thus, ACSC members are encouraged to pass a denial resolution. Atmos Mid-Tex has promised to support the action which does not preclude a subsequent settlement. If settlement is achieved, ACSC will return to member cities with a request for approval of the settlement.

Recommendation and Explanation of Denial Resolution: The Committee recommends that ACSC cities pass resolutions denying Atmos Mid-Tex's proposed rate increase. The denial resolution will prevent the Company's proposed rate increase from automatically taking effect on June 11, 2012, and allow more time to engage in settlement discussions. Atmos will appeal your denial to the Railroad Commission which will trigger a 185-day time frame for action by the Commission. Settlement will hopefully occur before a hearing takes place.

RECOMMENDED ACTION

Adoption of Resolution denying proposed rate increase.

Exhibit A

ACSC Consultants' Recommended Adjustments to Atmos Mid-Tex's 2012 Statement of Intent to Increase Rates¹

Following a review of the Company's 2012 Statement of Intent, ACSC consultants found justification for an approximately \$77 million decrease to the Company's requested revenue, resulting in a \$23 million decrease to the current rates charged by Atmos Mid-Tex. ACSC consultants' recommendation for a rate decrease is based upon the following major components:²

- Lowering the Company's return on equity from 10.9% to 9.5%, resulting in a revenue requirement decrease of over \$30 million
- Removing the Company's improper post-test year adjustment to add plant from January to March 2012, resulting in a revenue requirement decrease of approximately \$5 million
- Removing the Company's proposal for an energy efficiency plan to be funded only by ratepayers, resulting in a revenue requirement decrease of over \$1 million
- Various adjustments to accumulated deferred income tax, resulting in a revenue requirement decrease of approximately \$10 million
- Recognizing new depreciation rates as filed by the Company (without adjustment by ACSC consultants), resulting in a revenue requirement decrease of approximately \$15 million
- Various adjustments to the Company's requested level of operating and maintenance (O&M) expense, resulting in a revenue requirement decrease of over \$8 million
- Reducing rate base to account for ratepayer supplied funds relating to other post-employment benefits (FASB 106), resulting in a revenue requirement decrease of over \$8 million
- Cap residential customer charge at \$9.00, instead of Atmos' requested \$18.00.

¹ All figures are adjustments resulting in a revenue requirement impact to Atmos' filed case system-wide. Factoring out Dallas, the ACSC cities would see slight decreases in the numbers listed above.

² Please note that the adjustments listed are on a stand-alone basis, and may have a different impact when combined with the other adjustments.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. _____-2012**

**A RESOLUTION DENYING ATMOS ENERGY CORP.,
MID-TEX DIVISION'S REQUESTED RATE CHANGE;
REQUIRING THE COMPANY TO REIMBURSE THE
CITY'S REASONABLE RATEMAKING EXPENSES;
FINDING THAT THE MEETING AT WHICH THIS
RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS
REQUIRED BY LAW; REQUIRING NOTICE OF THIS
RESOLUTION TO THE COMPANY AND ACSC'S LEGAL
COUNSEL**

WHEREAS, the City of Kerrville, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), and is a regulatory authority under the Gas Utility Regulatory Act ("GURA") and under Chapter 104, §104.001 et seq. of GURA, has exclusive original jurisdiction over Atmos Mid-Tex's rates, operations, and services within the City; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC"), a coalition of over 150 similarly situated cities served by the Company that have joined together to facilitate the review and response to natural gas issues affecting rates charged in the Atmos Mid-Tex Division; and

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

WHEREAS, ACSC and the Company agreed to extend the RRM process in reaching a settlement in 2010 on the third RRM filing; and

WHEREAS, in 2011, ACSC and the Company engaged in good faith negotiations regarding the continuation of the RRM process, but were unable to come to ultimate agreement; and

WHEREAS, on or about January 31, 2012, the Company filed a Statement of Intent with the cities retaining original jurisdiction within its Mid-Tex service division to increase rates by approximately \$49 million; and

WHEREAS, Atmos Mid-Tex proposed March 6, 2012, as the effective date for its requested increase in rates; and

WHEREAS, the City suspended the effective date of Atmos Mid-Tex's proposed rate increase for the maximum period allowed by law and thus extended the City's jurisdiction until June 4, 2012; and

WHEREAS, on April 25, 2012, the Company extended the effective date for its proposed rates by one week, which similarly extended the City's jurisdiction until June 11, 2012; and

WHEREAS, the ACSC Executive Committee hired and directed legal counsel and consultants to prepare a common response to the Company's requested rate increase and to negotiate with the Company and direct any necessary litigation; and

WHEREAS, ACSC's consultants conducted a review of the Company's requested rate increase and found justification that the Company's rates should be decreased; and

WHEREAS, ACSC and the Company have engaged in settlement discussions but will be unable according to Company representations to reach settlement in sufficient time for cities to act before June 11, 2012; and

WHEREAS, failure by ACSC members to take action before June 11, 2012 would allow the Company the right to impose its full request on residents of said ACSC members; and

WHEREAS, the ACSC Settlement Committee recommends denial of the Company's proposed rate increase in order to continue settlement discussions pending the Company's appeal of cities' denials to the Railroad Commission of Texas; and

WHEREAS, the GURA § 103.022 provides that costs incurred by cities in ratemaking activities are to be reimbursed by the regulated utility.

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

SECTION ONE. The rates proposed by Atmos Mid-Tex to be recovered through its gas rates charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

SECTION TWO. The Company shall continue to charge its existing rates to customers within the City and that said existing rates are reasonable.

SECTION THREE. The City's reasonable rate case expenses shall be reimbursed by the Company.

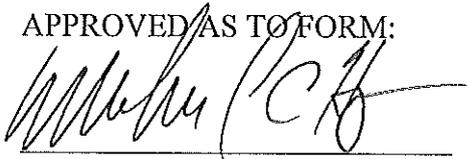
SECTION FOUR. It is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

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

PASSED AND APPROVED ON this the _____ day of _____ A.D., 2012.

David Wampler, Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Brenda Craig, City Secretary

Agenda Item: **(Staff)**

6C. Consideration of reducing the makeup of the Zoning Ordinance Input Committee from seven (7) regular members to five (5) regular members and to appoint two City Council members as liaisons to the committee. (staff)

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

SUBJECT: Consideration of reducing the makeup of the Zoning Ordinance Input Committee from seven (7) regular members to five (5) regular members and to appoint two City Council members as liaisons to the committee

FOR AGENDA OF: May 22, 2012 **DATE SUBMITTED:** May 18, 2012

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

EXHIBITS: None

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

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

SUMMARY STATEMENT

The Zoning Ordinance Input Committee (ZOIC) is an ad-hoc citizen's advisory committee that has been re-writing the City of Kerrville's comprehensive zoning ordinance. This project has been underway since early 2010 and the committee has experienced some turnover during that period.

ZOIC is nearing significant completion of its work with base commercial districts to be drafted and presented this July. It was originally established with seven (7) members and with a recent resignation in addition to the loss of Mr. Justin MacDonald due to his recent election to the City Council it will be down to five (5) regular members.

Mr. John Mosty, ZOIC Chairman, has requested that the City Council not appoint any new regular members since ZOIC is nearing substantial completion on the project. Mr. Mosty further requests that the City Council appoint Mr. Carson Conklin, Councilmember Place 1, and Mr. Justin MacDonald, Councilmember Place 3, as liaisons to ZOIC. Both Mr. Conklin and Mr. MacDonald have served as ZOIC committee members and Mr. Conklin has served as a City Council liaison to ZOIC for the past year. The remaining members of ZOIC feel that both serving as liaisons will help ensure continuity of the project.

RECOMMENDED ACTION

ZOIC requests that the City Council keep the ZOIC membership at five (5) regular members and appoint Councilmembers Conklin and MacDonald as liaisons.

Agenda Item:
(Staff)

6D. Appointment of Mayor Pro Tem. (staff)

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

SUBJECT: Appointment of Mayor Pro Tem

FOR AGENDA OF: May 22, 2012

DATE SUBMITTED: May 17, 2012

SUBMITTED BY: Brenda Craig
City Secretary *BC*

CLEARANCES: Todd Parton
City Manager

EXHIBITS: None.

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *TP*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

In accordance with the City Charter, Section 3.02, following the canvass of the regular election, the city council shall choose one of its members (other than the mayor) to serve as mayor pro tem.

RECOMMENDED ACTION

Select mayor pro tem.

Agenda Item:

7A. Budget and economic update. (staff)

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

SUBJECT: Kerrville Budget/Economic Update

FOR AGENDA OF: May 22, 2012 **DATE SUBMITTED:** May 9, 2012

SUBMITTED BY: Mike Erwin *ME* **CLEARANCES:** Todd Parton
Director of Finance City Manager

EXHIBITS: Economic Update
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *TP*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

The City of Kerrville staff will present and update Council on a biweekly basis as to the status of the City's budget and current economic trends affecting the City.

RECOMMENDED ACTION

No action required information purposes only.

CITY OF KERRVILLE
ECONOMIC UPDATE AS OF MAY 16, 2012

	Current Month	Previous Month	1 Year Ago	Trend	Current Month
National Unemployment	8.10%	8.20%	9.00%	↓	April
Consumer Confidence	69.2	69.5	66	↔	April
1 year T-Bills	0.18%	0.17%	0.17%	↔	5/16/12

	Current Month	Previous Month	1 Year Ago	Trend	Current Month
State Monthly Unemployment	7.00%	7.20%	7.90%	↓	March
Monthly Sales Tax	\$2,069.6m	\$1,874.1m	\$1,866.4m	↑	April

	Current Month	Previous Month	1 Year Ago	Trend	Current Month
Local Monthly Unemployment (Kerr Co.)	5.80%	5.90%	6.40%	↓	March
Median Listing Price	\$219,500	\$220,000	\$210,000	↔	4/17/12
Monthly Sales Tax	\$371,721	\$373,672	\$315,508	↑	April
Monthly EIC Tax	\$185,835	\$186,812	\$157,729	↑	April
Monthly HOT	\$88,115	\$49,037	\$75,062	↑	April

	FY12 Budget	FY12 as of 4/30/2012	FY12 % Received	FY11 as of 4/30/2011	FY11 % Received
General Fund					
Tax Revenue	\$14,501,600	\$11,571,698	79.80%	\$11,377,565	77.68%
Property Tax	\$7,900,000	\$7,698,366	97.45%	\$7,784,514	96.11%
Sales Tax	\$4,550,000	\$2,946,281	64.75%	\$2,650,203	58.89%
Permits & Fees	\$323,980	\$165,881	51.20%	\$197,563	49.09%
Intergovernmental	\$1,173,000	\$876,830	74.75%	\$479,020	67.75%
Service Revenues	\$2,571,246	\$1,406,438	54.70%	\$1,408,155	54.62%
Grant Revenue	\$26,500	\$27,359	103.24%	\$17,515	77.60%
Fines & Forfeitures	\$488,310	\$290,199	59.43%	\$341,131	71.41%
Interest & Misc.	\$317,770	\$120,767	38.00%	\$238,279	101.23%
Transfers In	\$1,250,000	\$744,896	59.59%	\$583,333	58.33%
Total General Fund	\$20,652,406	\$15,204,069	73.62%	\$14,642,561	72.96%
Total General Fund Expenditures	\$20,252,133	\$11,024,272	54.44%	\$11,503,257	57.31%
Water/Sewer Fund					
Water Sales	\$4,404,842	\$2,250,614	51.09%	\$2,708,790	61.56%
Sewer Sales	\$3,746,176	\$2,130,703	56.88%	\$2,056,645	54.70%
Other Revenue	\$735,226	\$417,571	56.79%	\$581,417	71.78%
Total Water & Sewer Fund	\$8,886,244	\$4,798,888	54.00%	\$5,326,851	59.57%
Total W&S Fund Expenditures	\$10,559,460	\$6,378,179	60.40%	\$5,248,076	57.94%

Expenditures less \$1,750,000 transfer

\$4,628,179

Agenda Item:

8A. Appointment of Councilmembers to City boards and commissions. (staff)

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

SUBJECT: City Council Appointments to Various Boards and Commissions

FOR AGENDA OF: May 22, 2012

DATE SUBMITTED: May 17, 2012

SUBMITTED BY: Brenda Craig *BC*
City Secretary

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Board Lists

APPROVED FOR SUBMITTAL BY CITY MANAGER: *JF*

SUMMARY STATEMENT

Consider councilmember appointments to the following boards:

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

RECOMMENDED ACTION

Consider appointments.

ECONOMIC IMPROVEMENT CORPORATION

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
APPEL, GREGG President 201 Hummingbird Ln.	896-5000 (O) 895-4058 (H)	05-25-10		06-01-12
EARLY, KENNETH Vice President 2756 Indian Wells Dr. E	792-1966 (O) 896-3495 (H)	05-24-11		06-01-13
BOYLAND, REX 1343 Bandera Hwy. Secretary	895-8028 (O) 257-0042 (H)	05-25-10		06-01-12
COCHRANE, GARY 2305 Birkdale Ln.	896-8808 (O) 459-8808 (H)	12-13-11		06-01-13
HOWARD, LARRY 650 Oakland Hill Ln.	895-4400 (O) 895-1988 (H)	05-24-11		06-01-13
KEEBLE, STACIE 3533 La Cumbre Drive	895-7725 (H)	05-24-11		06-01-13
RICKERT, POLLY 2768 Indian Wells	443-4320 (O) 792-0745 (H)	09-13-11		06-01-12
CITY STAFF: Mindy Wendele Director of Business Programs	792-8343 (O)			

Qualifications: Resident of the city and at least three directors must be persons who are not employees, officers or members of the governing body of the city.

Purpose: Benefiting and accomplishing public purposes of the city permitted by Section 4B of the Act including, but not limited to, the promotion and development of industrial and manufacturing enterprises to promote and encourage employment and the public welfare, and financing the acquisition, construction and/or equipping, and/or the maintenance and operating costs of any "Project" (as defined in Section 4B of the Act).

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

Quorum: Majority

Number of Members: Seven

Meeting Time & Place: Third Monday, 4:00 p.m., City Hall Council Chambers

Established by: Resolution No. 1995-112, amended by Resolution Nos. 1999-184; 032-2009

Revised: December 14, 2011

FOOD SERVICE ADVISORY BOARD

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
DUHR, JACQUES Co-Chair 129 Catalina Court	896-1294 (H)	12-09-08	01-11-11	12-01-12
ARCHER, TYLER 240 Valley View	210-372-2812 (O) 257-7000 (H)	12-13-11		12-01-13
CROCKER, ROBBIE 1029 Bluebonnet Dr.	257-2433 (O) 257-5514 (H)	09-09-08	01-11-11	12-01-12
HUGHES, BRENDA 709 Galbraith Ave.	257-4540 (O) 370-3614 (H)	12-13-11		12-01-13
McCRACKEN, SUSAN 406 Ave. B	895-4655 (O) 377-9847 (H)	12-08-09	12-13-11	12-01-13
SOUTHERN, MELISSA 615 Schreiner	257-3877 (O) 257-1923 (H)	12-09-08	01-11-11	12-01-12
VAZQUEZ, ABEL 158 Valley View	257-0606 (O) 896-9899 (H)	01-11-11		12-01-12
COUNCIL LIAISON:				
Scott Gross 2908 Dry Hollow PO Box 291277	792-5555 (O) 210-363-1144 (C)			
CITY STAFF:				
Jeff Finely Director of Building Svcs.	258-1171 (O) 896-0517 (F)			

- Qualifications:** Shall be composed of local certified food managers from the food service or food processing industry, any member of the local restaurant association who owns or conducts business in the city of Kerrville or any citizen of Kerr County qualified by training and/or experience to advise on the application of the food code.
- Powers and Duties:** To hear appeals and make recommendations to the health official for variances from provisions of the code; to provide assistance to the health official concerning interpretations of the code; to advise the city manager, at his request, regarding the suspension or revocation of food permits; and to consider and make recommendations to city council regarding any matters relating to the food service program.
- Term of Office:** Two Years; no member shall serve more than two consecutive terms.

Quorum: Four
Number of Members: Seven
Meeting Time & Place: Quarterly (Mar, Jun, Sep & Dec), Third Tuesday, 3:00 p.m., Council Chambers
Absences: Any member who misses three consecutive regular meetings shall thus cause his/her seat on the board to become vacant. The council shall then appoint a new member to fill the vacancy.
Established by: Ordinance 1989-30; amended by Ordinance 1994-11
Code of Ordinances: Chapter 58 - Article II - Section 58-34
Revised: December 14, 2011

GOLF COURSE ADVISORY BOARD

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
CODY, B. K. 1602 Quinlan Creek Chair	896-4472 (H)	06-24-08	07-12-11	07-01-13
ANGELL, PAT 2329 Rock Creek Vice-Chair	896-0347 (H)	04-08-08	07-12-11	07-01-13
DYLINA, TIM 3801 Clubhouse Rd.	257-9207 (H) 209-769-5554 (O)	08-24-10		07-01-12
HENDRICKSON, RUSTY 1018 Barbara Ann	459-0217 (H) 257-3081 (O)	10-25-11		07-01-12
HERNANDEZ, JOE 2010 Vista Ridge Dr.	895-1915 (H) 739-7817 (C)	08-24-10		07-01-12
HOWARD, JAMES 1312 Water St.	903-399-3011 (H) 890-5464 (O)	08-24-10	07-12-11	07-01-13
THOMAS, BILL 435 Coronado Drive	895-2323 (O) 895-3695 (H)	07-28-09	07-12-11	07-01-13
COUNCIL LIAISON:				
Carson Conklin 720 Earl Garrett	895-5205 (O)			
CITY STAFF:				
Kristine Ondrias Assistant City Manager	258-1106 (O)			
Scott McDonough General Manager of Golf & Tennis	258-1400 (O)			

Qualifications:	All must be residents of the city.
Purpose and Duties:	The purpose of the Board is to advise the City Council and city staff on matters relating to the operation of the Scott Schreiner Municipal Golf Course.
Term of Office:	Two Years. No member shall serve more than two consecutive full terms without having at least one full year off of the Board between terms.
Vacancies:	Upon the vacancy, removal, or expiration of the term of office of any member, the city council shall appoint a successor who shall hold that position for the unexpired term or for the period of two years when the appointment is made as the result of the expiration of a board member's term.
Quorum:	Four members of the board, excluding liaison members.
Number of Members:	Seven
Meeting Time & Place:	Fourth Monday at 4:30 p.m.; City Council Chambers
Absences:	The name of any member having three consecutive absences from regularly called meetings of the board, or who in any consecutive twelve-month period is absent from more than 25 percent of the regularly called meetings, shall be forwarded to the city council for consideration for removal and replacement on the board.
Established by:	Resolution No. 037-2009, which repealed Resolution Nos. 99-230, 99-307, 080-2000, and 136-2004
Revised:	October 26, 2011

Agenda Item:

8B. Appointments to the Economic Improvement Corporation. (staff)

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

SUBJECT: Appointments to the Economic Improvement Corporation

FOR AGENDA OF: May 22, 2012

DATE SUBMITTED: May 9, 2012

SUBMITTED BY: Brenda Craig
City Secretary *BC*

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Board List

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *TP*

SUMMARY STATEMENT

Consider appointments to the following board:

Economic Improvement Corporation: The following appointments expire on June 1, 2012: Gregg Appel, Rex Boyland and Polly Rickert.

RECOMMENDED ACTION

Consider appointments.

ECONOMIC IMPROVEMENT CORPORATION

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
APPEL, GREGG President 201 Hummingbird Ln.	896-5000 (O) 895-4058 (H)	05-25-10		06-01-12
EARLY, KENNETH Vice President 2756 Indian Wells Dr. E	792-1966 (O) 896-3495 (H)	05-24-11		06-01-13
BOYLAND, REX 1343 Bandera Hwy. Secretary	895-8028 (O) 257-0042 (H)	05-25-10		06-01-12
COCHRANE, GARY 2305 Birkdale Ln.	896-8808 (O) 459-8808 (H)	12-13-11		06-01-13
HOWARD, LARRY 650 Oakland Hill Ln.	895-4400 (O) 895-1988 (H)	05-24-11		06-01-13
KEEBLE, STACIE 3533 La Cumbre Drive	895-7725 (H)	05-24-11		06-01-13
RICKERT, POLLY 2768 Indian Wells	443-4320 (O) 792-0745 (H)	09-13-11		06-01-12
CITY STAFF: Mindy Wendele Director of Business Programs	792-8343 (O)			

Qualifications: Resident of the city and at least three directors must be persons who are not employees, officers or members of the governing body of the city.

Purpose: Benefiting and accomplishing public purposes of the city permitted by Section 4B of the Act including, but not limited to, the promotion and development of industrial and manufacturing enterprises to promote and encourage employment and the public welfare, and financing the acquisition, construction and/or equipping, and/or the maintenance and operating costs of any "Project" (as defined in Section 4B of the Act).

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

Quorum: Majority

Number of Members: Seven

Meeting Time & Place: Third Monday, 4:00 p.m., City Hall Council Chambers

Established by: Resolution No. 1995-112, amended by Resolution Nos. 1999-184; 032-2009

Revised: December 14, 2011

Agenda Item:
(Staff)

- 8C. Appointment to the Planning and Zoning Commission. (staff)

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

SUBJECT: Appointment to the Planning and Zoning Commission

FOR AGENDA OF: May 22, 2012 **DATE SUBMITTED:** May 17, 2012

SUBMITTED BY: Brenda G. Craig **CLEARANCES:**
City Secretary 

EXHIBITS: Planning and Zoning Commission Board List

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

SUMMARY STATEMENT

Consider appointment to the following board:

Planning and Zoning Commission: One term due to expire January 1, 2013, due to the resignation of Lewis Wood.

RECOMMENDED ACTION

Consider appointment.

PLANNING AND ZONING COMMISSION

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
KESSLER, JAMES Chairperson 131 Homestead	895-7831 (H)	04-12-05	12-14-10	01-01-13
MACDONALD, JUSTIN Vice-Chairperson 2951 Fall Creek Road	257-5323 (O) 896-4821 (H)	06-24-08	01-11-11	01-01-13
BUELL, HAROLD 1214 Jack Dr.	896-0114 (O) 895-2444 (H)	01-09-07	01-10-12	01-01-14
WOOD, LEWIS 374 Englewood	257-4000 (O) 285-2410 (C)	06-14-11		01-01-13
WATTERSON, DAVID 177 Phoenix Dr.	634-3300 (O) 377-6400 (H)	01-12-10	01-10-12	01-01-14

ALTERNATES:

McRAE, CHASTAN 705 Leland St.	377-3710 (O)	09-28-10	01-10-12	01-01-14
SIGERMAN, MICHAEL 154 Wharton Rd.	305-498-1602(O) 895-7765 (H)	01-12-10	01-11-11	01-01-13

COUNCIL LIAISON:
Carson Conklin
720 Earl Garrett
895-5202 (O)

CITY STAFF:
Jason Lutz
Senior Planner
258-1184 (O)

Qualifications: At least four of the regular members shall be residents and eligible voters of the city; one regular member may reside in the city's extraterritorial jurisdiction (ETJ) and must be an eligible voter of Kerr County. At least one alternate member shall be a resident and eligible voter of the city; one alternate member may reside in the city's extraterritorial jurisdiction (ETJ) and must be an eligible voter of Kerr County.

Powers and Duties:

1. Shall formulate and recommend to the city council for adoption a Comprehensive Plan for the orderly growth and development of the city and its environs. On a yearly basis the commission shall review and if necessary recommend such changes in the plan as it finds will facilitate the movement of people and goods, and the health, recreation, safety and general welfare of the citizens of the city.
2. Shall formulate a zoning plan (ordinance) as may be deemed best to carry out the goals of the Comprehensive Plan; hold public hearings and make recommendations to the city council relating to the creation, amendment, and implementation of zoning regulations and districts as provided in state law.
3. Shall exercise all powers of a commission as to approval or disapproval of plans, plats, or replats as set out by state law and the city's subdivision regulations.
4. Shall initiate for consideration at public hearings, proposals for the original zoning of annexed areas or for the change of zoning district boundaries on an area wide basis.

5. Shall consider and take appropriate action, upon written request, variances as prescribed to the city's subdivision and sign regulations.
6. Shall from time to time recommend such changes to the subdivision regulations, sign regulations, and any other ordinance the city council assigns to their review that will facilitate the general health, safety and welfare of the citizens of the city.

Term of Office: Two years. No regular member shall serve more than three consecutive full terms on the Commission without having at least one full year off the Commission between terms.

Quorum: Three (may include an alternate member but only where substitution for and acting as a regular member)

Number of Members: Five regular members and two alternates.

Meeting Time & Place: First and third Thursdays, 4:30 p.m., City Hall

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: Minutes of 12-18-44 Council meeting; amended by Ordinance Nos. 1979-37, 1987-24, and 2008-24 (which deleted from Code of Ordinances book Chapter 82 – Article II – Sections 82-31 through 82-36 and rolled into Zoning Code which is not codified)

Revised: January 23, 2012