

**AGENDA FOR MEETING OF
THE CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
Monday, March 15, 2010, 4:00 p.m.
Kerrville City Hall Council Chambers
800 Junction Highway, Kerrville, Texas**

1. CALL TO ORDER

2. INVOCATION

3. VISITORS FORUM

At this time, any person with business not scheduled on the agenda may speak to the corporation. No deliberation or action can be taken on these items because the Open Meetings Act requires an item be posted on an agenda 72 hours before the meeting. Visitors are asked to limit presentations to three minutes.

4. PRESENTATION:

4A. Presentation by the Economic Development Task Force

5. DISCUSSION AND POSSIBLE ACTION:

5A. Appointment to the Economic Development Governing Body

5B. Update concerning Convention Center and appointment to the RFP review committee (Wendele)

6. APPROVE MINUTES:

6A. February 15, 2010

7. MONTHLY REPORTS:

7A. Monthly financials for February 2010

7B. EIC construction project status

8. INFORMATION AND DISCUSSION:

8A. Commercial Business Incentive Program (Hamilton)

8B. Response to Board questions (Erwin)

9. EXECUTIVE SESSION:

The EIC Board reserves the right to discuss any of the above items in executive closed session 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), 551.075, 551.076 (deliberation regarding security devices) or 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

11. ADJOURNMENTS

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: March 11, 2010 at 12:15 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Teri Kinsey

Deputy City Secretary, City of Kerrville, Texas

**CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION**

**Regular Meeting
February 15, 2010**

On Monday, February 15, 2010, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:03 p.m. by Bill Crumrine, President, in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

Members Present:

Bill Crumrine, President
Jack Pratt, Vice President
Warren Ferguson
Lindsay Duff

Members Absent:

Ed Hamilton
Ben Modisett
Alan Massey, Secretary/Treasure

Staff Present

Mike Erwin, Director of Finance
Teri Kinsey, Administrative Assistant to City Secretary
Sandra Yarbrough, Finance Division
Barbara Lanning, Budget Analyst
Cheri Halford, Capital Improvements Projects Manager

2. INVOCATION:

Given by President Bill Crumrine.

3. VISITORS FORUM:

Nobody spoke during the visitors forum.

4. APPROVE THE MINUTES OF THE JANUARY 18, 2010, MEETING:

Mr. Pratt moved to approve the minutes of the December 21, 2009 meeting, pending changes; Mr. Duff seconded; motion passed 4-0.

5. MONTHLY REPORTS

5A. Monthly financials December 2009

Mike Erwin presented the January 2010 financials. Mr. Pratt moved to accept the financials as presented; Mr. Ferguson seconded; motion passed 4-0.

5B. EIC Construction project status

Cheri Halford presented the January 2010 construction project status report. No motion was made; the financial report was accepted by consensus.

6. DISCUSSION AND POSSIBLE ACTION:

6A. Update concerning EIC Financial Information

Mr. Crumrine, Mr. Massey and Mr. Duff met with city staff, consisting of Todd Parton, Mindy Wendele and Mike Erwin. Mr. Erwin presented to the Board his response to questions asked during that meeting. Investment objectives of the city are: a.) Safety b.) Liquidity c.) Diversification and d.) Yield. T-Bills as of February 2, 2010 are as follows: 6 months - .17%, 1 year - .29% and 2 years - .77%. The Administrative contract terminates on September 30, 2010, the cost of the contract is \$75,000 and the city agrees to provide engineering and project

management, legal services, financial Services and administrative services. The city currently pays \$300 a month to create monthly/quarterly investment reports. The two large investments with ViewPoint are collateralized and held by a bank in Dallas. Mr. Crumrine requested Mr. Erwin find out the name of the entity that is has the bonds for the next meeting. The EIC special revenue and debt service funds are subject to modified accrual accounting. Revenues are measurable and available; expenditures are payments due and liquidated with available resources. Provided to the Board was the most recent Economic Development Corporation Report submitted to the Comptrollers Office.

6B. Update concerning Convention Center

Mr. Erwin updated the Board on the status of the convention center in Ms. Wendele's absence. Mr. Erwin noted that the convention center is on schedule and that there were about 50 people who showed for the pre-bid meeting and that the proposals are due on March 15, 2010.

6C. Update concerning Economic Development Task Force

Mr. Crumrine reviewed the request made by city council to appoint members to the KEDF Task Force and noted all the members participating on that committee. Mr. Crumrine stated that the work would be completed the week of February 15 and upon completion, a report would be submitted to City Council. Additionally, Mr. Crumrine expected a presentation to the EIC Board would be made during the next Board meeting on March 15, 2010 subject to city council's approval.

6D. Update concerning KEDF report on USDA ARS KBUSLIRL project status

Mr. Guy Overby, President of the KEDF, presented an update concerning the USDA project. The Board received construction packets outlining the progress of this project. Mr. Overby report that as of February 15, 2010 both the feasibility and the design & engineering phases have been completed for this project and federal funding has been secured for these phases as well. A letter writing campaign has been initiated by KEDF to all stake holders that will benefit from the research an technology from this project. KEDF receives letters of support periodically and once those letters have been record they are forwarded to the Secretary of Agriculture and the Chairman of the USDA. Letters of support are expected to be received from various local, state and out of state agencies in hopes to get full congressional support for the building of this facility. Mr. Overby emphasized how important is was to Kerrville to get this facility going and how appreciative supporters were of our efforts. KEDF has a approached a high profile celebrity who has been effected by this problem as a spokes person, the name was not ready to be released at the time of the meeting. Mr. Overby advised the Board to look over the EDSP and refamiliarize themselves with it before the March meeting. The EDSP strongly supports this project and efforts to assist in this project have been made on a local level. Once the local economic task force and other organizations have made their recommendations it is the desire that the committee has more of a daily presence on Capital Hill. Mr. Overby informed the Board that the 2010 Economic Delegation's trip Washington, D.C. is tentatively scheduled for September 16th through the 18th of this year. Additionally, due to lower interest rates the interest charged to EIC to cover the interest for the 2009 was approximately \$28,000.00 under the 2008 payment. Mr. Overby cannot anticipate any ARS funding for this year but efforts will be made in

continuing to gain momentum through letters of support. The Secretary of Agriculture is aware of the efforts being made and will address these issues when they are able. Mr. Crumrine questioned the structure of the note and Mr. Overby explained the first 2 years of the note are structured for interest only and years 3 through 5 are principle and interest not to exceed \$525,000.00 over the entire 5 year period.

Mr. Overby has been invited to Phoenix, AZ to speak with other surrounding states, including Mexico, that are in support of this project in order to find if they would be willing to contribute more financially.

7. EXECUTIVE SESSION:

The Board did not meet in Executive Session.

8. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

No action was taken.

9. ADJOURNMENT:

Mr. Ferguson moved to adjourn the meeting; Mr. Hamilton seconded; motion passed 4-0. The meeting adjourned at 5:24 PM.

APPROVED: March 15, 2010

Bill Crumrine
President

Teri Kinsey
Admin. Assist. to the City Secretary

CITY OF KERRVILLE
 ECONOMIC IMPROVEMENT CORPORATION
 SALES TAX IMPROVEMENT FUND

Cash Balance as of February 1, 2010		\$	1,342,458
Deposits:			
Sales Tax	236,837		
Interest Revenue	2,020		
	238,857		
			238,857
Expenses:			
Administrative Service Fee	6,250		
Transfer for Debt Service	42,083		
Total Expenses	48,333		
			(48,333)
Ending Cash Balance as of February 28, 2010			1,532,981

INVESTMENTS:

Investment Item	Estimated Rate
TexPool Rate	0.1512%
City's Pooled Rate	0.5540%
EIC Rate	0.4000%

CITY OF KERRVILLE
 ECONOMIC IMPROVEMENT CORPORATION
 SALES TAX IMPROVEMENT FUND
 REVENUE AND EXPENSE STATEMENT
 AS OF: FEBRUARY 28, 2010

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	1,098,201		1,098,201		
REVENUE:					
Sales and Use Tax	2,562,000	236,837	947,077	36.97%	1,614,923
Interest	45,000	2,020	12,632	28.07%	32,368
TOTAL REVENUE	2,607,000	238,857	959,709	36.81%	1,647,291
EXPENDITURES:					
	Annual Budget	Current Period	Y-T-D Actual & Encumbrances	% of Budget	Budget Balance
Administrative					
Supplies	-			-	-
Transfer to Debt Service Fund	505,000	42,083	210,417	41.67%	294,583
Kerrville Economic Development Foundation	25,000			100.00%	25,000
Administrative Services Fee	75,000	6,250	31,250	41.67%	43,750
Total Administrative	605,000	48,333	241,667	39.94%	363,333
Category I - Business Development					
KEDF/USDA Project	33,262		33,262	100.00%	0
Unspecified	1,033,738			0.00%	1,033,738
Total Category I	1,067,000	0	33,262	100.00%	1,033,738
Category II - Quality of Life					
Schreiner University Project	250,000	-	250,000	100.00%	-
Category II Unspecified	50,000			0.00%	50,000.00
Total Category II	300,000	-	250,000	83.33%	50,000.00
Category III - Public Infrastructure					
Unspecified Projects	1,471,038			0.00%	1,471,038
Total Category III	1,471,038	-	-	0.00%	1,471,038
Contingency	500,000			0.00%	500,000
TOTAL EXPENDITURES	3,943,038	48,333	524,928.65	13.31%	3,418,109
NET REVENUES TO EXPENDITURES	(1,336,038)	190,523	434,780		
ENDING CASH BALANCE: FEBRUARY 28, 2010	(237,837)		1,532,981		

CITY OF KERRVILLE
 ECONOMIC IMPROVEMENT CORPORATION
 SALES TAX DEBT SERVICE FUND

Cash Balance as of February 1, 2010		\$ 573,468
Deposits:		
Transfer from Sales Tax Improvements Fund	42,083	
Total Deposits		42,083
Expenses:		
Paying Agent Fee	1,000	
Bond Expense	405,000	
Interest Expense	50,775	
Total Expenses	456,775	(456,775)
Ending Cash Balance as of February 28, 2010		\$ 158,777

INVESTMENTS:

Investment Item	Estimated Rate
TexPool Rate	0.1512%
City's Pooled Rate	0.5540%
EIC Rate	0.4000%

CITY OF KERRVILLE
 ECONOMIC IMPROVEMENT CORPORATION
 SALES TAX DEBT SERVICE FUND
 REVENUE AND EXPENSE STATEMENT
 AS OF: FEBRUARY 28, 2010

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	314,120		314,120		
REVENUE:					
Transfer from Sales Tax Improvement Fund	\$ 505,000	\$ 42,083	\$ 210,417	41.67%	\$ 294,583
Return of Equity - Park Lane Extension	\$ -		\$ 91,016	100.00%	\$ (91,016)
TOTAL REVENUE	505,000	42,083	301,432	59.69%	203,568
	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
EXPENDITURES:					
Series 1999 Sales Tax Bond Debt Service	405,000	405,000.00	405,000.00	100%	0
Series 1999 Sales Tax Bond Interest Expense	92,539	50,775.00	50,775.00	55%	41,764
Paying Agent Fees	1,000	1,000.00	1,000.00	100%	0
First Southwest Continuing Disclosure Fee	-	-	-	-	-
TOTAL EXPENDITURES	498,539	456,775.00	456,775.00	2.55	41,764
 ENDING CASH BALANCE: FEBRUARY 28, 2010	 320,581		 158,777		

CITY OF KERRVILLE
 ECONOMIC IMPROVEMENT CORPORATION
 SALES TAX REVENUE ANALYSIS

Month	Actual FY 06	Actual FY 07	Actual FY 08	Actual FY 09	Approved FY 10	Actual FY 10	FY 10 Proj v. FY 10 Actual	% of Budget Variance
October	168,644	184,785	194,330	195,050	195,831	179,735	(16,096)	-8.22%
November	188,549	204,940	219,398	218,565	219,201	188,879	(30,322)	-13.83%
December	172,672	189,001	195,398	202,043	200,130	170,981	(29,149)	-14.56%
January	171,360	184,529	187,236	190,881	193,510	170,645	(22,865)	-11.82%
February	242,073	246,363	251,426	239,208	258,118	236,837	(21,281)	-8.24%
March	175,151	165,161	194,946	200,569	193,990	162,531	(31,459)	-16.22%
April	169,994	166,504	168,423	259,861	201,624			
May	225,360	233,625	234,014	228,262	242,877			
June	179,980	182,280	193,637	181,835	194,493			
July	185,406	196,384	200,625	183,253	201,857			
August	222,357	221,781	230,443	219,318	235,664			
September	220,762	228,600	213,253	189,718	224,705			
Total	2,322,308	2,403,953	2,483,129	2,508,562	2,562,000	1,109,608	(151,172)	-11.99%

CITY OF KERRVILLE
 ECONOMIC IMPROVEMENT CORPORATION
 EIC CAPITAL PROJECTS FUND

Cash Balance as of February 1, 2010		\$	4,388,685
Revenues:			
None			0
			0
Expenses:			
Services			
Special Services			
Habitat For Humanity			51,377
			51,377
Capital Outlay			
Land			
Salvation Army Kroc Center			18,045
Buildings and Structures			
ASR #3 Well			5,775
Capital Outlay Total			23,820
 Total Expenses			 75,197
			(75,197)
 Ending Cash Balance as of February 28, 2010			 4,313,488

BOND MATURITY SCHEDULE
EIC - SALES TAX REVENUE BONDS
SERIES 1999
\$5,350,000

YEAR ENDING SEPTEMBER 30	PRINCIPAL DUE FEBRUARY 15	INTEREST DUE FEBRUARY 15	INTEREST DUE AUGUST 15	TOTAL PRINCIPAL AND INTEREST PAYMENTS	BALANCE OF PRINCIPAL OUTSTANDING
2000	\$160,000	\$222,845	\$113,205	\$496,050	\$5,190,000
2001	275,000	113,205	107,361	495,566	4,915,000
2002	290,000	107,361	101,199	498,560	4,625,000
2003	300,000	101,199	94,824	496,023	4,325,000
2004	315,000	94,824	88,130	497,954	4,010,000
2005	330,000	88,130	81,448	499,578	3,680,000
2006	340,000	81,448	74,478	495,925	3,340,000
2007	355,000	74,478	67,023	496,500	2,985,000
2008	370,000	67,023	59,160	496,183	2,615,000
2009	390,000	59,160	50,775	499,935	2,225,000
2010	405,000	50,775	41,764	497,539	1,820,000
2011	425,000	41,764	32,095	498,859	1,395,000
2012	445,000	32,095	21,791	498,886	950,000
2013	465,000	21,971	11,276	498,248	485,000
2014	485,000	11,276	0	496,276	0
TOTAL	\$5,350,000	\$1,167,553	\$944,528	\$7,462,080	

**CITY OF KERRVILLE
ECONOMIC IMPROVEMENT CORPORATION
SALES TAX IMPROVEMENTS CAPITAL PROJECTS**

**PROJECT STATUS SUMMARY
AS OF FEBRUARY 28, 2010**

PAY AS YOU GO PROJECTS

YEAR(S) FUNDED	PROJECTS	FUNDING AGREEMENT STATUS	APPROVED EIC FUNDING	PROJECT TO DATE EXPENSES	BALANCE TO EIC ALLOCATION	% EXPENSED	% COMPLETE
A 2006/07	Harper Highway Utility Extension	FA 2008-013	2,850,000.00	225,184.27	2,624,815.73	7.9%	Design - 100%
A 2007/08	Salvation Army Center Kroc Center	FA 2008-011	500,000.00	397,990.67	102,009.33	79.6%	Construct - 98%
A 2007/08	Main Street Marketing Program	FA 2008-015	20,000.00	19,985.22	14.78	99.9%	N/A
A 2008/09	Hill Country Shooting Sports Center		300,000.00	292,818.88	7,181.12	97.6%	N/A
A 2008/09	Alamo Workforce		109,887.24	108,393.61	1,493.63	98.6%	N/A
A 2008/09	Habitat For Humanity - Maude Jennings	FA 2009-01	418,000.00	333,050.15	84,949.85	79.7%	N/A
A 2008/09	KEDF USDA Payment	FA 2008-08	33,262.00	33,262.00	0.00	100%	N/A
TOTALS			4,231,149.24	1,410,684.80	2,820,464.44		

Total Balance to EIC Allocation
Unallocated Funds
Total Cash Balance

2,820,464.44
1,493,023.79

4,313,488.23

City of Kernville
Accrued Investment Income Distribution
2/22/2010

	Total	All Funds	2002 Bond	2007 Bond	2008 Bond	2009 Bond	2010 Bond
Accrued Investment Income	\$15.60						
Interest on 3133XTBD/Int only no discount	1,858.58						
Fund 71 Long Term Bond Int. Rec.						1,401.24	
Fund 70 Long Term Bond Int. Rec.						1,481.25	
Amortization of ST Premium/Discount	1,012.46						
Amortization of Long Term Premium/Discount	7.34						
Interest Receivable	2,351.11						
Amortization of CP Premium/Discount	112.51						
Interest Received on Certificate of Deposits	6,073.19						
Interest Received by Cash from Certificate of Deposits	129.01						
Texpool	508.71						
Bond Series 2007 in Texpool	9.30			9.30			
Bond Series 2008 in Texpool	182.49			182.49			
Bond Series 2009 in Texpool	212.54					212.54	
Bond Series 2002 in TexStar	215.06		215.06				
TexSTAR Investments	279.89						
Bond Series 2008 in TexStar	293.35						
Bond Series 2010 in TexStar	54.22						54.22
Total Interest Income	14,259.67	10,459.72	215.06	9.30	182.49	3,309.35	54.22

0.00

Accrued Investment Income Distribution	Interest Rate	Total	All Funds	2002 Bond	2007 Bond	2008 Bond	2009 Bond	2010 Bond	Ending Balance			Pooled Cash
									Average	Prior	Current	
01 General	0.40%	1,850.72	1,850.72						5,560,475.00	4,633,207.11	6,487,143.37	6,487,143.37
02 Water & Sewer	0.40%	895.16	895.16						2,609,475.00	2,609,548.83	3,769,461.86	2,769,401.65
03 Garage	0.00%	-	-						-	-	-	36,827.56
04 Payroll	0.00%	-	-						-	-	-	-
05 Flood Insurance	0.40%	59.13	59.13						267,797.00	279,313.88	275,950.74	255,768.74
07 Police Special Programs	0.40%	54.89	54.89						165,202.00	166,373.88	164,836.67	164,089.09
08 Patient Deduction	0.40%	21.64	21.64						65,006.00	66,690.55	71,617.80	71,117.80
12 Kernville-Schweitzer Park	0.40%	21.44	21.44						64,413.00	53,038.61	70,333.33	70,183.33
13 Softball/Basketball (Int to Fund 01)	0.00%	-	-						-	-	-	-
14 Golf Course Fund	0.00%	-	-						-	-	-	-
15 Library Memorial	0.40%	190.76	190.76						597,166.00	597,133.28	597,053.30	597,193.30
16 Aracada Theater Fund	0.40%	162.07	162.07						495,501.00	486,906.57	437,075.44	437,055.44
18 General Asset Replacement	#DIV/0!	-	-						-	-	-	-
19 Water/Sewer Asset Replacement	0.40%	36.01	36.01						253,412.00	253,652.43	252,900.61	262,960.61
20 Hotel/Motel Tax	0.40%	27.23	27.23						161,241.90	161,241.90	2,402.39	2,406.39
25 Landfill Operations	0.40%	39.43	39.43						118,452.00	125,345.71	111,556.13	111,558.13
26 Landfill Replacement	0.40%	207.87	207.87						624,542.00	623,456.17	620,597.00	620,597.00
27 Real Property	0.40%	5.11	5.11						15,345.00	15,341.72	15,345.25	15,345.25
28 Landfill Post Closure	0.40%	201.42	201.42						695,307.00	691,802.75	679,626.24	684,821.64
40 Sales Tax Improvement	0.40%	2,019.51	2,019.51						1,350,371.00	1,169,778.71	1,530,263.41	1,529,951.40
43 EIC Debt Service Fund (Int to Fund 40)	0.00%	-	-						368,123.00	570,468.48	356,778.11	356,778.11
47 Airport	0.40%	83.10	83.10						264,693.00	241,684.51	257,733.47	267,730.42
50 General Debt Service	0.51%	453.88	357.10	96.78					1,072,368.00	1,294,207.66	851,333.05	851,333.05
52 Water/Sewer Debt Service	0.40%	173.29	60.31	112.98					181,186.00	382,373.24	351,333.05	(308,827.39)
57 433 Water Street	0.40%	19.27	19.27						37,396.00	37,671.40	35,230.22	35,120.12
58 Rentschler-Cliffing Fund	0.40%	36.46	36.46						109,454.00	108,454.56	103,965.40	109,615.40
71 Water/Sewer Improvement Project	0.52%	3,162.84	1,539.25						4,624,617.00	4,740,279.04	4,540,954.15	4,506,854.09
74 Airport Construction Project	0.71%	4,353.62	2,457.32						7,332,522.00	5,011,133.00	9,154,725.67	9,154,725.67
75 EIC Bond Construction Fund (Int. to Fund 40)	0.00%	-	1,448.20		9.30	182.49	1,619.79	54.22	4,353,055.00	4,383,654.76	3,370,464.20	3,370,464.20
90 Insurance Reserve/No Interest for this account	0.00%	-	-						-	-	-	-
94 Main Street	0.40%	21.42	21.42						64,347.00	52,477.33	76,715.71	76,715.71
Total		14,259.67	10,459.72	215.06	9.30	182.49	3,309.35	54.22	31,318,033.00	29,852,535.97	33,673,517.25	34,209,828.23

- Texpool .1512
- City's Pooled Rate: .554
- EIC Rate .40

Investment Activity

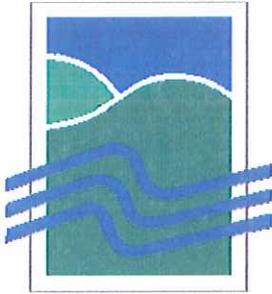
Month Ended February 28, 2010

ID Number	Description	Purchase Date	Maturity Date	Yield	Par Value	Cost	Interest Income	Monthly Reconciliation of Book Value			Market Value 02/28/10			
								Book Value 01/31/10	Purchased	Amortizations				
Short Term Investments														
3133XVE36	PHLB Discount Note	1/6/2010	11/23/2010	0.35%	1,000,000.00	1,001,317.00	\$ 126.72	\$	\$	\$	1,001,201.20			
3133SR970	PHLB Discount Note	1/5/2010	12/30/2010	0.40%	1,500,000.00	1,494,433.33	\$	\$	\$	\$	1,495,380.62			
3133SR786	PHLB Discount Note	1/5/2010	12/20/2010	0.42%	1,500,000.00	1,493,910.00	\$	\$	\$	\$	1,494,852.30			
Subtotal														
United States Long Term Government Obligations														
3133XT003	PHLB Discount Note	3/12/2009	7/30/2010	1.300%	1,100,000.00	1,100,000.00	913.60	\$	\$	\$	1,100,000.00			
3133XT045	PHLB Discount Note	3/13/2009	9/13/2010	1.510%	1,500,000.00	1,499,850.00	1,875.00	\$	7.84	\$	1,499,945.56			
3133XTD26	PHLB Discount Note	8/10/2009	8/10/2011	1.000%	2,000,000.00	2,000,000.00	1,888.89	\$	\$	\$	2,000,000.00			
312830P14	PHLMC Discount Note	1/19/2010	12/30/2011	1.130%	250,000.00	250,148.44	468.11	\$	\$	\$	250,000.00			
Subtotal														
Certificate of Deposits														
73749AB4	Post Oak Bank	02/02/09	02/02/10	1.550%	98,000.00	98,000.00	129.01	\$	\$	\$	1,036,906.60			
200563556	ViewPoint Bank CD	02/06/09	02/06/10	2.050%	1,014,647.35	1,014,647.35	1,626.11	\$	\$	\$	1,031,759.25			
200564305	ViewPoint Bank CD	02/28/09	03/28/10	1.590%	1,015,496.50	1,015,496.50	1,256.93	\$	\$	\$	228,235.58			
60460B	Integrity Bank, SSB	10/01/09	04/01/10	1.250%	227,069.12	227,069.12	217.74	\$	\$	\$	229,987.89			
500010098	Premier Bank	10/06/09	04/06/10	1.250%	226,861.34	226,861.34	217.54	\$	\$	\$	229,604.35			
9683897C	Security State Bank	11/13/09	05/13/10	0.650%	229,497.37	229,497.37	114.43	\$	\$	\$	1,531,610.61			
785977186C	Wells Fargo Bank CD	11/18/09	05/18/10	1.100%	1,524,911.68	1,524,911.68	1,291.34	\$	\$	\$	230,958.15			
1073C	Graduate National	11/20/09	05/20/10	1.090%	230,270.56	230,270.56	193.54	\$	\$	\$	231,240.94			
560945742	HCSB	06/11/09	06/11/10	1.700%	228,404.59	228,404.59	303.12	\$	\$	\$	246,141.08			
4117885C	Bank of the Hills	08/10/09	08/10/10	1.600%	228,764.64	228,764.64	282.68	\$	\$	\$	246,208.20			
20449E27	Compass Bank	08/12/09	08/12/10	0.850%	245,000.00	245,000.00	199.75	\$	\$	\$	230,105.02			
96651VGM2	Bank of America	08/12/09	08/12/10	0.900%	245,000.00	245,000.00	169.15	\$	\$	\$	5,701,555.40			
39006093	Union State Bank	11/19/09	11/19/10	1.400%	229,215.80	229,215.80	246.86	\$	\$	\$	244,875.44			
Subtotal														
Commercial Paper														
3024A1C15	PCAR Owner Trust	10/13/2009	3/3/2010	0.50%	245,000.00	244,433.45	\$	\$	\$	\$	244,875.44			
Subtotal														
Investment Pools:														
13362	TeqPool				3,718,993.34	3,718,993.34	508.71	\$	\$	\$	3,718,993.34			
13302-2	TeqPool 2007 Bond			0.151%	84,363.18	84,363.18	8.80	\$	\$	\$	84,363.18			
13302-3	TeqPool 2008 Bond			0.151%	1,573,089.07	1,573,089.07	182.49	\$	\$	\$	1,573,089.07			
13302-4	TeqPool 2009 Bond			0.151%	1,832,181.44	1,832,181.44	212.54	\$	\$	\$	1,832,181.44			
1301-000	TeqSTAR Inv			0.145%	2,511,777.07	2,511,777.07	279.59	\$	\$	\$	2,511,777.07			
9910-105	TeqSTAR Bond			0.145%	1,920,380.08	1,920,380.08	215.06	\$	\$	\$	1,920,380.08			
2009-000	TeqSTAR Bond 2009			0.145%	2,629,591.36	2,629,591.36	293.35	\$	\$	\$	2,629,591.36			
2010-000	TeqSTAR Bond 2010			0.139%	3,571,934.22	3,571,934.22	54.22	\$	\$	\$	3,571,934.22			
Subtotal														
Total All Invested Funds														
								\$ 13,253.83	\$ 29,179,384.69	\$ 6,331,563.01	\$ 1,006.09	\$ 2,874,043.54	\$ 32,640,235.79	\$ 21,553,865.16

- For the current month, the weighted average annualized yield on the City's portfolio was 0.540%.

- For the current month, the monthly yield on the City's portfolio was 0.554%.

- The weighted average maturity of the City's portfolio as of February 28, 2010 is 089 days.



City of Kerrville
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MEMORANDUM

TO: EIC Board

FROM: Cheri Halford, CIP Manager

DATE: March 9, 2010

SUBJECT: EIC Construction Project Status for end of February 2010

Sales Tax Improvement Fund 40:

Town Creek Sewer Extension (\$592,657) – Advertisement for bids ran in the Daily Times on May 8, 2009 and May 15, 2009. The bid opening date was May 27, 2009. Sixteen (16) bids were received and Nelson Lewis Construction, Inc. was the lowest qualified bidder at \$983,682.00. \$155,354.40 of the bid is for oversizing and is the fair share cost for the Harper Highway Utility Extension Project. Construction is substantially complete. Staff is working with the Riverside Nature Center on re-vegetation efforts along Town Creek. The project will be closed in June 2010.

Harper Highway Utility Extension (2,850,000.00) – Easement acquisition and annexation agreements are underway. The project consists of extending water and sewer mains from Morris Road north along Town Creek and Harper Highway to the James Avery Craftsmen Campus. Engineering is finalizing the construction plans. Easement acquisition is nearing completion. Engineering is 100% complete. The project is going out for bid on April 2, 2010.

Salvation Army KROC Center Infrastructure, Site Preparation, Grading and Drainage Improvements (\$500,000.00) – Project consists of construction of retaining walls, side walks, walking trails, fencing, replacement of sanitary sewer and other associated improvements related to the Salvation Army KROC Center including site preparation, grading and drainage. The construction contract was awarded to Yantis Construction at the May 12, 2009 city council meeting in the amount of \$1,119,735.75. Construction began May 28, 2009 and is scheduled for 180 working days. There were some changes to the walkways, retaining walls and material changes that resulted in extension of the project. Change orders extended the completion date to March 12, 2010.

As you can see from the attached pictures and from driving around Kerrville, there are some buildings in need of some tender, loving care. I'd like EIC to do something to encourage the owners of these buildings to renovate and improve their appearance.

A number of years ago Fredericksburg had an incentive program where they contributed to the cost of improvements. It was a very popular program as I recall. I propose EIC does the following:

In line with encouraging our existing businesses to do well, recommend we fund a program to assist in making improvements to commercial buildings. We could offer to reimburse 20% of the cost of an improvement project up to a \$10,000.00 grant. If they remodel the interior, improve signage, change the façade, paint, stucco or other improvements; they could participate in the program. If the structure needs to be torn down, we should contribute 40% of the cost. Suggest we set aside \$100,000 of EIC funds for this project. If I understand the framework of the proposed KEDF organization, they could administer this program.

Expected outcomes: This \$100,000 should generate \$500,000 in improvements. This is about half in materials and half in labor. This would create or preserve the equivalent of 14 jobs for one year in the construction industry. It should also improve the revenue stream of the participating businesses and add to the tax base. These kinds of projects are vital to a vibrant economy and this would jump start an improvement in our sales tax revenues.

The following guidelines (among others) would apply:

1. Grants to be made to improve or demolish an existing commercial structure in Kerr County.
2. Grant limited to reimbursement of \$20% of improvement cost or 40% of demolition cost up to a maximum of a \$10,000 grant.
3. Designate \$100,000 for this project and seek Council approval for the entire project.
4. Develop a simplified application process with an attendant form.
5. Grant to be funded as a reimbursement of a percentage of the actual cost after completion.
6. Projects buying materials locally and using local labor to be given priority.
7. Project to be completed within 90 days from the date the grant is awarded or it will expire.
8. The usual prohibition on conflict of interest.
9. Considered a pilot program and reserve the right to reject any proposal.

I think this fits our guidelines allowing us to fund it. Mike, If you agree, I want to include this letter in the package to E I C members and put it on the agenda for March 15th. If you do not agree, I would like to know if there is some other ingredient that would make it acceptable.

Cordially, Ed Hamilton



