

**AGENDA FOR REGULAR MEETING**

**KERRVILLE CITY COUNCIL**

**TUESDAY, SEPTEMBER 11, 2012, 6:00 P.M.**

**KERRVILLE CITY HALL COUNCIL CHAMBERS**

**800 JUNCTION HIGHWAY, KERRVILLE, TEXAS**

**KERRVILLE CITY COUNCIL AGENDA**  
**REGULAR MEETING, TUESDAY, SEPTEMBER 11, 2012, 6:00 P.M.**  
**CITY HALL COUNCIL CHAMBERS**  
**800 JUNCTION HIGHWAY, KERRVILLE, TEXAS**

**CALL TO ORDER**

**INVOCATION** offered by Father Tom Murray, St. Peters Episcopal Church.

**PLEDGE OF ALLEGIANCE TO THE FLAG** led by Stan Bujak of the Military Officers Association of America.

Those in attendance may stand if they wish.

**MOMENT OF SILENCE IN REMEMBRANCE OF SEPTEMBER 11, 2001**

**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. PRESENTATIONS AND RECOGNITIONS:**

2A. Introduction of a special guest. (Mayor Pratt)

2B. Proclamation proclaiming the month of September as National Recovery Month. (Mayor Pratt)

**3. CONSENT AGENDA:**

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

3A. Minutes of the joint meeting of the Kerrville City Council and the Kerr County Commissioners' Court held August 2, 2012, and minutes of the Kerrville City Council special meeting on August 9, and budget workshop on August 14, 2012. (staff)

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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, September 7, 2012 at 10:30 a.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig  
City Secretary, City of Kerrville, Texas

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3B. A resolution authorizing the closure of a portion of Memorial Highway (Hwy 27) during certain hours for the Kerrville Main Street Annual Holiday Lighted Parade and authorizing the mayor to execute an agreement for the temporary closure of state right-of-way with the Texas Department of Transportation. (staff)

3C. A resolution approving the budget for fiscal year 2013 for the Kerr Emergency 9-1-1 Network. (staff)

3D. Professional services agreement with Peter Lewis Architect + Associates, PLLC for design of the Phase 2 renovation project at the Butt-Holdsworth Memorial Library in an amount not to exceed \$25,000. (staff)

3E. Investment policy of the City of Kerrville, Texas Economic Improvement Corporation. (staff)

#### **END OF CONSENT AGENDA**

#### **4. PUBLIC HEARINGS AND ORDINANCES, FIRST READING:**

4A. An ordinance amending in part Ordinance No. 99-18, as amended by Ordinance No. 2000-23, by adopting revised rate schedules for residential services, miscellaneous service charges, and outdoor area lighting for electric service administered by the Kerrville Public Utility Board; containing a cumulative clause; containing a savings and severability clause; and establishing an effective date. (Tracy McCuan, General Manager/CEO, KPUB)

4B. An ordinance adopting the annual budget for the fiscal year 2013; providing appropriations for each department and fund; containing a cumulative clause; and containing a savings and severability clause. (staff)

#### **5. ORDINANCE, FIRST READING:**

5A. An ordinance levying an ad valorem tax for the use and the support of the municipal government for the City of Kerrville, Texas, for the fiscal year 2013; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid. (staff)

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**6. CONSIDERATION AND POSSIBLE ACTION:**

6A. Economic development grant agreement between Hill Country District Junior Livestock Show Association and the City of Kerrville, Texas Economic Improvement Corporation. (staff)

6B. Administrative services contract between City of Kerrville, Texas and City of Kerrville, Texas Economic Improvement Corporation. (staff)

6C. Create beautification advisory committee. (Mayor Pratt)

6D. LCRA Transmission Services Corporation and its proposed adjustment of its CREZ (Competitive Renewable Energy Zone) I-10 route and impact on City's landscaping and welcome sign. (staff)

**7. INFORMATION AND DISCUSSION:**

7A. Water resources report. (staff)

7B. Budget and economic update. (staff)

**8. BOARD APPOINTMENTS:**

8A. Appointments to the Building Board of Adjustments. (staff)

8B. Appointments to the Golf Course Advisory board. (staff)

8C. Appointment to the Main Street Advisory Board. (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.

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City Secretary, City of Kerrville, Texas

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**11. EXECUTIVE SESSION:**

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

**12. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION**

**13. ADJOURNMENT.**

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Brenda Craig  
City Secretary, City of Kerrville, Texas

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# **Agenda Item:**

2A. Introduction of a Special Guest. (Mayor Pratt)

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

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**SUBJECT:** Introduction of a special guest

**FOR AGENDA OF:** Sept. 11, 2012

**DATE SUBMITTED:** September 4, 2012

**SUBMITTED BY:** Jack Pratt  
Mayor

**CLEARANCES:**

**EXHIBITS:**

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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<b>Expenditure</b>	<b>Current Balance</b>	<b>Amount</b>	<b>Account</b>
<b>Required:</b>	<b>in Account:</b>	<b>Budgeted:</b>	<b>Number:</b>
\$0.00	\$0.00	\$0.00	TBA

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

Our community is blessed with many people who do amazing things. It will be my pleasure to periodically introduce special individuals whom, through their deeds, serve as examples to us all.

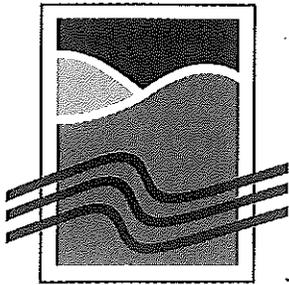
The individuals that I introduce are those who have exhibited a degree of leadership, generosity or accomplishment. They are also individuals whose actions have enhanced our community.

**RECOMMENDED ACTION**

I am pleased to make these occasional introductions and no City Council action is required.

## **Agenda Item:**

2B. Proclamation proclaiming the month of September as National Recovery Month. (staff)



# CITY OF KERRVILLE

MAYOR AND CITY COUNCIL

800 Junction Highway

Kerrville, Texas 78028

830-257-8000 / www.kerrvilletx.gov

## PROCLAMATION

**WHEREAS,** In 2010, 2.6 million people received specialty treatment for a substance use disorder; and

**WHEREAS,** Behavioral health is an essential part of health and one's overall wellness; and

**WHEREAS,** Prevention of mental and/or substance use disorders works, treatment is effective, and people recover in our area and around the nation; and

**WHEREAS,** The benefits of preventing and overcoming mental and/or substance use disorders are significant and valuable to individuals, families, and the community at large; and

**WHEREAS,** People in recovery achieve healthy lifestyles, both physically and emotionally, and contribute in positive ways to their communities; and

**WHEREAS,** We must encourage relatives and friends of people with mental and/or substance use disorders to implement preventive measures, recognize the signs of a problem, and guide those in need to appropriate treatment and recovery support services; and

**WHEREAS,** To help more people achieve and sustain long-term recovery, the Substance Abuse and Mental Health Services Administration (SAMHSA), and the Hill Country Council on Alcohol and Drug Abuse, Inc. invite all residents of Kerrville, Texas to participate in **National Recovery Month**;

**THEREFORE, BE IT RESOLVED** that the **City Council of the City of Kerrville, Texas** hereby proclaims September 2012 as

### "NATIONAL RECOVERY MONTH"

And encourage all citizens of the City of Kerrville, Texas to support this year's theme "**Join the Voices for Recovery: It's Worth It.**"



**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:**

3A. Minutes of the joint meeting of the Kerrville City Council and the Kerr County Commissioners' Court held August 2, 2012, and the minutes of the Kerrville City Council special meeting on August 9, 2012 and the budget workshop on August 14, 2012. (staff)

MINUTES OF THE KERRVILLE CITY COUNCIL AND  
KERR COUNTY COMMISSIONERS' COURT JOINT MEETING

AUGUST 2, 2012

On August 2, 2012, a joint meeting of the Kerrville City Council and the Kerr County Commissioners' Court was called to order by Mayor Pratt and County Judge Pat Tinley at 6:00 p.m. in the city hall council chambers, 800 Junction Highway, Kerrville, Texas.

COUNCIL MEMBERS PRESENT:

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

COUNCIL MEMBER ABSENT: None

COUNTY COMMISSIONERS PRESENT:

Pat Tinley	County Judge
Guy Overby	Commissioner
H. A. Baldwin	Commissioner
Jonathan Letz	Commissioner
Bruce Oehler	Commissioner

COUNTY COMMISSIONERS ABSENT: None

CITY STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Cheryl Brown	Administrative Assistant to the City Secretary
Travis Cochran	Director of Information Technology
Mike Erwin	Director of Finance
Kim Meismer	Director of General Operations
John Young	Police Chief
Robert Ojeda	Fire Chief

**DISCUSSION REGARDING THE POSSIBLE FORMATION OF KERR COUNTY'S  
PROPOSED EMERGENCY SERVICES DISTRICT (ESD) 3 FOR EMERGENCY  
MEDICAL SERVICES (EMS) IN KERR COUNTY TO INCLUDE THE  
CITY OF KERRVILLE.**

Judge Tinley reported that the county received a petition from citizens to place an item on the November ballot to establish an ESD to provide EMS; in order to be on the November ballot, it had to be certified by August 20. The county was required to notify incorporated cities within the proposed district to give the cities the opportunity to opt out or to authorize the election for their citizens. The city of Ingram voted that their corporate limits and extraterritorial jurisdiction (ETJ) would be in the district. Citizens in the proposed district had to vote it in before an ESD could be established.

The city (CK) and county (KC) asked and responded to questions and comments:

- KC: An ESD was the answer to questions and problems between the city and county regarding EMS and the city and county should not deny citizens the opportunity to vote on an ESD since it was put in motion by a petition of the citizens.
- CK: If an ESD is the solution to a problem, what is the problem to be solved?  
KC: double taxation, city citizens pay city tax and county tax; ESD would eliminate city residents pay twice for the same service. When ESD is up and running, the county will zero out the line item in their budget for EMS so county taxes would no longer fund EMS, and the county's tax rate would be reduced about 2¢. The county currently paid the city \$400,000 annually for EMS.
- KC: An ESD can charge up to 10¢ on \$100 of property value. The volunteer fire ESD in Ingram was successful with about 2.5¢; Mt. Home was at about 3.5¢.
- KC: The county proposed that the ballot state the maximum of 10¢; however, the ESD board would determine the amount necessary to operate and set the rate accordingly; they may set it at 3-4¢, and later they may want to expand. The ESD board would have the authority to increase or decrease the rate, but they could not set a rate above 10¢.
- CK: What would be the setup of the board? KC: Under state law, commissioners court appoints the 5 member board; however, KC proposed 2 members be appointed by the City of Kerrville, 1 by the City of Ingram, and 2 by Kerr County.
- CK: Kerrville EMS was the best in the state; what guaranteed that the ESD would maintain that level of service? KC: Kerrville EMS was excellent; the problem was that medical care drops because of response time in the far parts of the county. The city never had any desire to discuss substations to serve county areas outside the city limits. Response time is a critical factor. One problem was the ability, on a county-wide basis, to place stations outside the city. The county proposed contracting with the city for EMS, with the ESD as the funding mechanism.
- CK: There was no guarantee what an ESD board would do in the future; the city and county would not have control of the ambulance service. KC: ESD members live, work and have families here; the ESD board would not do anything detrimental; it made sense to contract with Kerrville EMS. The ESD board would determine the service they wanted and would provide a long term funding source to provide for that service. The ESD could also provide funding to establish substations in the county, and the board could borrow money for facilities and equipment.
- CK: Does ESD have authority to establish a sales tax? KC: The board had authority to levy a tax within the amount voted, proposed not to exceed 10¢. The board also had authority to establish a sales tax; however, it had to be approved by voters.
- CK: Did the ESD board have authority to create debt? KC: The ESD board could create debt that would be guaranteed by the tax rate approved by its voters.
- CK: How would collections for service calls be handled? KC: The city would continue to handle collections. The city still owned and operated the ambulance service, the only change was that the city would contract with the ESD board instead of with the county.
- CK: If the ESD was approved in the city, what was the plan to reimburse the city for its capital equipment and assets associated with the ambulance service? KC: The city still owned the ambulance service.
- CK: The city would be putting up its capital assets that citizens had paid for and built up over decades at the mercy of an unelected board. The ESD board could

choose to contract elsewhere and Kerrville EMS would have to be cut down. KC: The ESD board would contract for services and build assets into their contract.

- CK: The county was currently paying \$400,000 annually for EMS. At the rate of 10¢/\$100, a county-wide ESD would raise \$4.6 million annually; if the city opted out, it would raise \$2.3 million. Why would county citizens want to incur \$2.3 million annually instead of the \$400,000 they were paying now? KC: If the city opted out, the ESD board could still contract with the city and the tax rate would be set at the rate necessary to raise \$400,000.

- CK: The city provides ambulances stationed at fire stations in the city. An ESD board may want the ambulances stationed at other locations outside city limits. KC: County residents want response times improved; they want quality ambulance service county-wide; ESD is one way to improve service in the county. County residents may be willing to pay more and incur additional cost for a better ambulance service. If an ESD does not pass, the county still has to solve the problem; poor ambulance service in the county was not an acceptable option; the county must find a long term solution.

- CK: There was nothing to hinder expanding the current arrangement outside the city limits if the county would be willing to pay for it, but it was not provided for under the framework of the current contract. KC: This was the first time a city council ever stated a willingness to do that; in the past, city council always said no. CK: The problem in the past may have been the cost; the county wanted increased service, but was not willing to pay for it. The county was currently paying \$400,000 for EMS, but now the county was willing to pay \$2.3 million; a higher annual payment could buy an increase in the level of service. The level of service has a price.

- CK: Regarding double taxation by city residents, if the city opted out of the ESD and ESD passed for the remainder of the county, that issue would be resolved.

- CK: Since the election to establish the ESD and setting the tax rate had to be done simultaneously, how will the county know what rate the ESD board will set since the board will not be appointed until after the ESD is established? KC: The vote had to be specific—establish the board and set the tax rate. The board cannot exceed the tax rate established; therefore, the ballot will state “not to exceed 10¢,” but the ESD board may set any amount based on the needs and requirements as determined by the ESD board. The board will not exist until after the November election, then the board will determine what tax rate is needed in order to function.

- CK: The county should prepare a pro forma so voters would know what the exposure may be, for example, establish two units, one in Ingram and one in east Kerr County.

- KC: A 4¢ tax rate would probably be sufficient, but a big factor is whether the city will be included, another issue is the location of stations. The city will not decrease service in Kerrville; however, moving satellite stations will help response time in populous areas, e.g. moving the station on Coronado a mile closer to Ingram.

- CK: Understand how an ESD and substations would help in far reaches of the county; however, the city council was elected to do what was best for the citizens of Kerrville, and right now the city had the best EMS system possible. Citizens living in the county do not pay city property tax, but they may not get as good a response time for EMS. The council’s foremost responsibility was to the citizens of Kerrville, and the ESD did not provide any advantage over what the city currently has.

- CK: The current \$400,000 payment did not include the cost of police department dispatch; an ESD may have to pick up the cost of dispatching calls. KC: The county had tried to establish a joint dispatch service before.
- KC: One out of four ambulance calls go out of the city; the city received a lot of revenue off of county taxpayers when ambulances responded to calls in the county; that amount should be used to offset the total operation of the service; the fee from the county should cover only the amount that was uncollectable.
- CK: If ESD is approved and the city and county reduce their tax rate, and it is 10¢ because that is the potential, citizens are concerned that the tax rate will not stay at the reduced rate. If the city or county later raise the tax rate, it will be seen as taking back the rate promised; why would the county swap 2¢ it is paying now for 10¢?  
KC: The county was not proposing to swap the maximum potential rate, only the rate set by the ESD board to establish the service, and the county was not proposing that it would not raise the tax rate later. The county proposed to remove from their budget the tax rate equal to the amount set by the ESD board to establish the service, and to never put that line item back into the county's budget; however, if road and bridge needed funds that caused a tax increase, the county would do that; they were not committing to never raising taxes.
- KC: Citizens outside the city were mindful that they were getting first quality service, but one of the most important elements of EMS was response time. CK: When it comes to paying taxes, people may not consider response time as important as paying higher taxes.
- CK: Citizens were saying they want less government and taxes and the county was proposing more government and adding another taxing agency.
- CK: When elected to council, accepted the responsibility to provide EMS to citizens of the city, and would not shirk that responsibility to a third party. KC: If the city were part of the ESD, council would not be giving up its responsibility; the city would still own and control the ambulance system and continue to have the same service it did now. The ESD would not control the city, the ESD board would have to contract with the city, they can ask for a contract, but the ESD would have no control over the city's service.
- CK: Kerr County was fortunate to have great volunteers; it was all about serving citizens with the funds they are willing to provide. KC: The county was not talking about a large tax increase tax, Ingram VFD received \$30,000 on 2.5¢; ESD is a mechanism whereby everybody who had potential to use the service would pay something toward the operation of the system. The city would have a consistent funding source and be able to plan and provide for a county-wide system. In past negotiations, the city and county never knew what the funding level was going to be; however, under an ESD, the risk to the city was whether the ESD would contract with the city. The county believed the ESD board would contract with the city as long as it was a good service, and the city could do long term planning for EMS services, and may become an even larger service. The city would not have to negotiate with commissioners' court, and it would have a consistent funding source.
- KC: The county has to figure out how to get a superior ambulance service into the county. CK: County citizens pay city sales tax, and the city had some responsibility to look after its neighbors.
- CK: Can the city and county enter into an agreement that would bind future councils and courts? Mr. Hayes noted the agreement would always be subject to a

vote of the new court or council. KC: There may be a way whereby the county could enter into a longer term agreement based on the reasonable life of the equipment being acquired, but not sure beyond that.

- CK: The potential existed that Kerrville citizens could end up with a lower quality service than they have now. Council understood that the ESD board may choose to contract with the city for EMS service; however, if the city opted into the ESD, the city would then abdicate its responsibility for running the ambulance service to the ESD board. In the future, the board may feel that the cost to contract with the city is too high, and they may contract with another party that may not provide as good a service. Then, since the city had closed its service because ESD was to provide EMS in the city, Kerrville citizens could end up with a lower quality service.

- CK: There was no guarantee that the city would continue to have two representatives on the ESD board; need assurance of representation on the board.

- CK: There was no way to ensure that the city would remain the EMS provider.

- KC: The future is uncertain; there was concern that a future city council may not be willing to provide EMS to the county, or may feel that EMS was too costly and decide to make cuts.

- CK: Citizens could vote council and commissioners out of office but they cannot vote on members to the ESD board.

- KC: The city had to opt the city in or out of the ESD; also, the city had to opt the ETJ in or out of the ESD. Currently, the city considered all ETJ responses as county runs, and the city had some control over the ETJ area. The county questioned the city's intention with the ETJ area.

- CK: If the city annexed property in the ETJ, what would happen with the ESD tax? If the ESD created bond debt for the purpose of providing EMS in the ETJ (facilities and ambulances, stations, equipment) and the city annexed that area, would the city be responsible to pay for the portion of the debt serving that area?

KC: The property would become part of the city and the ESD tax would cease on that property. Mr. Hayes noted there was a provision in state law that required when a city annexed an area in the ESD, taxation would cease on that property, and the city would be required to pay off any ESD debt associated with providing services within the newly annexed area.

- CK: If the annexation was a voluntary annexation, could the city require the petitioner to cover that portion of the debt associated with their property?

- KC: If the city opted out the ETJ area, who would provide EMS service in the ETJ? If the city did not allow citizens in the ETJ to vote to be included in the ESD and ESD passed, the county would propose that the ESD provide for EMS in the county area outside the city limits and ETJ area only, and the city would be obligated to provide EMS in the ETJ. The city citizens pay for EMS through city taxes and the remainder of the county would be covered by the ESD tax, so who would provide for and fund EMS service in the ETJ? The city would be obligated to provide the service if the city did not give the citizens in the ETJ the opportunity to vote.

- KC: Is the city going to legally identify real property in the ETJ? Mr. Parton noted the city could identify those properties.

- CK: If the city opted out and the remainder of the county passed the ESD, the county's issue of slow response time would be resolved and Kerrville citizens could keep the quality service they have now. KC: Even if ESD passed, it would take time to build infrastructure and achieve better response time; initially the ESD would

contract with the city, but the city would have to bid the ambulance service contract just like other providers; the ESD board could decide to go with the city, but they could decide to contract with another provider. The assumption was that the ESD board would contract with the city because infrastructure was already in place; ESD was a long term solution, and putting in substations could take years.

- CK: If ESD is approved at the November election, when would ESD taxes begin to be collected? KC: Years away from collection even if ESD passed; there was no guarantee that ESD would pass.
- KC: ESDs have worked well in other counties for fire and EMS; it is more difficult to set up here because EMS already existed.
- KC: Another problem is trust; the county has no long term agreement with the city or a commitment that the city will continue to provide services; only have a three year agreement to provide services in the county. The county was searching for a long term solution to provide a critical service and a way to fund that service; there may be other options. The city's budget relied on the county to fund portion of EMS, and county citizens rely on the city to provide services; need a long term solution.
- CK: The city had to trust that the county wanted the service; the city had debt service and capital investment in infrastructure and built a staffing level to provide service into the council, and the city must maintain a funding level sufficient to sustain those costs.
- CK: The county cited two issues that ESD resolved, i.e. double taxation and response times. Double taxation of city taxpayers goes away if the city is not part of the ESD. Response time is beneficial to citizens outside city limits, and an ESD could help address that; however, response times do not affect the citizens of the city, and council is elected to represent the citizens of Kerrville. One councilmember noted he had not heard from even one city citizen who said they wanted ESD in the city, but had been contacted by 40-50 citizens who said they did not want ESD in the city. ESD would create another taxing entity and take control of the service away from elected officials. Under the current arrangement, EMS operates as a business, the county chooses whether to buy the service from the city, and the city determines the cost of that service, and the service is negotiated through interlocal agreements.
- KC: The council will represent city citizens, but the concern is for the ETJ area; it would make more sense to have the ETJ in the ESD and let the citizens in the ETJ decide what they want.
- CK: If ESD passes, what entity will determine the level of service and the cost of that service? KC: That would be determined by the ESD board.

Mayor Pratt noted the city council would vote on the ESD issue on August 14.

**ADJOURNMENT:** The meeting adjourned at 7:22 p.m.

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
Jack Pratt, Mayor

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

MINUTES OF THE KERRVILLE CITY COUNCIL  
SPECIAL MEETING

AUGUST 9, 2012

On August 9, 2012, a special meeting of the Kerrville City Council was called to order by Mayor Pratt at 6:00 p.m. in the meeting room of the Butt-Holdsworth Memorial library, 505 Water Street, Kerrville, Texas.

COUNCIL MEMBERS PRESENT:

Jack Pratt	Mayor
Stacie Keeble	Mayor Pro Tem
Gene Allen	Councilmember

COUNCIL MEMBERS ABSENT:

Carson Conklin	Councilmember
Justin MacDonald	Councilmember

CITY STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Brenda G. Craig	City Secretary
Robert Ojeda	Fire Chief
Mike Erwin	Director of Finance

**The City of Kerrville will provide information and receive public comments regarding Kerr County's proposed emergency services district (ESD) 3 for emergency medical services (EMS) in the City of Kerrville and its extraterritorial jurisdiction (ETJ)**

Mayor Pratt noted a petition had been submitted to the county to place an item on the November ballot to establish an ESD to provide EMS throughout the county. The county notified the city and requested the city's intent to participate, and the city council would take action on August 14 whether to include the city and its ETJ (the area one mile outside the city limits) in the proposed ESD. He noted the following:

- The city had the highest EMS rating that could be achieved in the state. If the ESD is formed, it could jeopardize the quality of service for city residents.
- If ESD is approved by the voters, a separate level of government and another taxing entity would be created. The county commissioners proposed the tax rate at up to 10¢ per \$100 valuation.
- The county currently paid the city \$400,000 annually for EMS service in the county; if the ESD is passed, it would raise more than \$400,000.
- If the ESD is formed and the city is included, the ambulance service would be managed and controlled by the ESD board and not by city elected officials.
- The county's goal was to improve EMS response time.
- Ingram city council voted that Ingram would be a part of the ESD.
- The property tax freeze/65 exemption is not subject to an ESD; the ESD tax is based on the full appraised property value.
- The ESD can also increase the sales tax.

- The ESD board had authority to create debt. If the city's ETJ area is included in the ESD, citizens in the ETJ would be responsible for any debt incurred; if the city then annexed property in the ETJ, the city would then be obligated to buy out the debt associated with that property.
- If the city is not part of the ESD, city citizens will not be subject to the ESD tax or responsible for any ESD debt.

The following persons spoke:

1. Carolyn Lipscomb questioned if the city tracked the amount of time that city ambulances, fire trucks, and employees spent on calls outside the city limits and how that compared to time spent on calls in the city.

Mr. Parton noted that the city tracked the number of calls, time out, mileage, and equipment used as the charge for a call would vary based on this information. He also noted that all revenue generated by all calls, whether in the city or out, was included in the budget; further, the county's contribution was calculated on the cost of the service less all revenue received.

2. John Mosty noted that county commissioners stated they would reduce the county's tax rate; however, the tax freeze would not apply to properties in the ESD, and property owners who currently had the frozen tax rate would experience a tax increase. If the city council votes to not participate in the ESD, as he hoped they would, the city would not be affected; however, if city council voted to include the city in the ESD, he asked the city to also lower the city's tax rate. He noted that the county continues to say that properties with the frozen tax rate have affected them, but since 2006 their revenue has increased 65%. The county's problem was not with revenue; their problem was with spending. He opposed the city being in the ESD, and he opposed the city having to pay off debt on properties that were annexed.

Mayor Pratt noted when a frozen property is sold, the property is then taxed at the new sale price; the city and county did not lose money, it is caught up later when the property is sold.

3. Eleanor Toops stated she was concerned whether there would be EMS in the ETJ and asked why there appeared to be so much friction between the city and county.

Mr. Hayes noted that city council had authority to consent to include the city and/or the ETJ in the ESD. If the city council voted not to allow citizens in the ETJ to vote to be part of the ESD, then the city had to provide EMS service in the ETJ, then the question was how would the city pay for it. Mayor Pratt noted if the city council voted to opt the ETJ area out of the election, the city would be obligated to provide the service, but had no way to fund it; under the current city/county agreement the county paid for this service in the ETJ. Regarding friction between the city and county, he stated there was no animosity and asked to not be judged on the past.

4. Frank Douglas asked if Kerrville was not included in the ESD and it passed, could the county tax city citizens for the ESD? Further, if the ESD passed in the county,

could the county still contract with the city and have outlying stations? Mayor Pratt noted the county could only tax the area included in the ESD, and if the city council opted the city out of the ESD, city citizens would not be included in the ESD. If ESD passed in the county, the ESD would contract with the city, not the county; however, the ESD could create its own EMS service or contract with another provider. The ESD could build substations and contract with the city to man their stations; however, the city would not build facilities outside the city limits.

5. Judy Webb Smith stated she lived in an ESD before and the ESD had a substation; in that ESD the quality was not as good and they had higher taxes. She asked that council oppose having another new entity that could create tax and issue additional debt.

6. A lady questioned if the city would be part of the ESD? Mayor Pratt noted the council would vote on it on August 10.

7. Someone asked if anyone in attendance could speak to the advantages of ESD?

Ms. Keeble stated that Commissioner Baldwin was the "point man" on the ESD subject for the county. She noted the biggest issue for the county was response time; the city did not have a problem with response time.

8. David Lipscomb noted that currently the county contracted with the city to provide services for all residents. The only benefit to the commissioners was to not have to be involved in the negotiations. ESD was not a bad deal for the county; however, Commissioner Baldwin represented a lot of city residents in his district.

Mr. Allen noted that Councilmembers Conklin and MacDonald could not attend due to a prior commitment; however, at the joint meeting of the city and county, Mr. Conklin stated he had been contacted by about 50 citizens and all had been against the creation of an ESD. Mr. Allen stated that he had not been contacted by any city citizen who wanted the city to opt in. The council had a responsibility to the citizens of Kerrville and would vote accordingly. Also at the joint meeting, commissioners discussed putting stations in the county and contracting with the city to operate those stations, but they thought that was not an option with the city in the past. Whether the ESD is created or not, the city will work with county commissioners to provide EMS services in the county if they desire.

9. Carolyn Lipscomb noted she attended many council meetings and budget workshops. The city maintained the same tax rate for many years, \$.56/\$100 valuation; the county's rate was \$.41/\$100. Citizens in the city pay both city and county taxes, and city citizens choose to do so because they want enhanced services and are willing to pay for those services. In her opinion, at the joint meetings, the county has not always been willing to pay their fair share because they do not want to pay the city for the cost of the service, and they do not want to raise taxes. On the EMS issue, the county only wanted to pay for a portion of the uncollected cost of the service, and did not want to pay any of the cost to maintain infrastructure and employees; if someone did not pay for the infrastructure and employees, then no one

would have a service. The county wanted to create another entity so it did not have to raise taxes and another entity would have to negotiate and pay for EMS.

10. Louise Kirby stated the city and county did not have to raise the tax rate because they were receiving more taxes due to increased property appraisals. She opposed creating another taxing entity; she was happy with the EMS service provided by the city and the city and county should work it out.

Mayor Pratt noted the city council would vote on the ESD issue on August 14.

**ADJOURNMENT:** The meeting adjourned at 6:54 p.m.

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
Jack Pratt, Mayor

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

CITY COUNCIL MINUTES  
BUDGET WORKSHOP

KERRVILLE, TEXAS  
AUGUST 14, 2012

On August 14, 2012, the Kerrville City Council meeting was called to order by Mayor Pratt at 4:00 p.m. in the city hall council chambers, 800 Junction Highway.

COUNCILMEMBERS PRESENT:

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

COUNCILMEMBER ABSENT: None

CITY EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Mike Erwin	Director of Finance
Robert Ojeda	Fire Chief
Kim Meisner	Director of General Operations
Charlie Hastings	Director of Public Works

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

**DISCUSSION OF FISCAL YEAR 2013 BUDGET AND PROVIDE DIRECTION TO CITY STAFF**

Mr. Erwin presented comparisons of the city of Kerrville and other similar cities with regard to operating ratio, overall tax rate, water/sewer utility debt, water/sewer debt per capita, overall debt, and overall debt per capita. He noted Kerrville was about mid-range with other cities in overall tax rate and low in overall debt. He explained that after the proposed \$7 million debt issuance in FY2013, the overall debt per capita would be about \$2,500 and the city's debt ratio would be about 65% of operating expenditures to overall revenue. He noted that the 2013 issuance would be the last sale for several years if the city wanted to continue to maintain the self-imposed 65% debt ratio since there would not be any significant drop in utility debt load until 2020. This self-imposed limit was established by city policy whereby no more than 35% of revenue would go toward long term debt; however, the city did have additional debt capacity if council so desired.

Mr. Erwin noted the proposed tax rate remained the same at \$0.5625; the effective tax rate was \$0.5669; the rollback rate was \$0.6059. The city would not be subject to public hearing requirements since the proposed rate was below the

effective tax rate. He noted no new tax supported debt was proposed for FY2013 in the general fund.

Mr. Erwin reviewed the proposed rate increases in the FY2013 budget:

- Water rate: \$0.40 per 1,000 gallons
- Sewer rate: \$0.80 per 1,000 gallons
- Electronic device deposit: Credit card authorization with valid credit card to be kept on file; new requirement.
- Residential garbage collection: 6.81% increase proposed by Allied Waste.
- Municipal solid waste: 9.18% increase proposed by Allied Waste.

Regarding water and sewer rates, Mr. Erwin noted Kerrville to be mid-range after the proposed FY2013 rate increase as compared to other cities' current rates, and estimated the average monthly increase for water and sewer at \$10-12 per household. All revenue from the water and sewer rate increase would go toward debt service and to pay for capital system improvements.

Mr. Parton presented the capital improvement plan and discussed several projects in, e.g. fire administration building, aerial platform fire truck, library basement remodeling, and history center renovation. He noted \$97,000 remained in the original Remschel-Deering trust account, and he planned to request authorization from council at the next meeting to submit an application to the trust to spend the balance of the account for renovation of the history center; a structural evaluation of the building was underway.

Mr. Parton proposed debt issuance primarily for utility system expansion and improvement projects in two phases: a \$6.9 million bond sale in 2013 and \$4.31 million in 2014. Alternate 1 objective was to develop additional water supply and distribution, and Alternate 2 projects would address deferred maintenance and critical issues for the wastewater system and provide additional capacity for economic growth. He reviewed the Freese and Nichols report and recommendations and a list of capital projects and possible funding sources. He noted deferred maintenance was becoming a liability to the city, for example, there was no back up for sections of the wastewater treatment plant and some components were 30-40 years old. The follow up report from Freese and Nichols, including cost estimates, should be available in October and a special meeting would be scheduled to evaluate findings, establish priorities, and re-evaluate the sewer model.

The city received additional requests for effluent; however, all effluent was committed and no effluent was available for resale. The city did not have the infrastructure to collect and hold effluent.

Council discussed the need to address liability issues and critical needs at the wastewater treatment plant. It was the consensus of council to proceed with Alternate 2 and sell the total \$10-11 million in 2013 instead of splitting the debt

into two years in order to take advantage of the existing market and low interest rate. Mr. Parton noted the last city sale was at 2.17%, and the rate may be even lower by the end of 2012.

Mr. Parton noted the economic improvement corporation approved \$1.2 million in projects but those were deferred by council until staff prepared a cash flow model; staff completed the model and it would be presented to EIC at their next meeting. He proposed another joint EIC/City Council meeting to coordinate capital planning efforts and determine EIC's interest and ability to fund capital projects, particularly capacity to accommodate economic growth. He proposed to discuss EIC's FY2013 budget priorities and goals at their next meeting.

Mayor Pratt asked staff to report later how the city handles a rebate or refund from an insurance company in the budget.

**ADJOURNMENT.** The meeting adjourned at 5:02 p.m.

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
Jack Pratt, Jr., Mayor

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

## **Agenda Item:**

3B. A resolution authorizing the closure of a portion of Memorial Highway (Hwy. 27) during certain hours for the Kerrville Main Street Annual Holiday Lighted Parade and authorizing the mayor to execute an agreement for the temporary closure of state right-of-way with the Texas Department of Transportation. (staff)

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

**SUBJECT:** A RESOLUTION AUTHORIZING THE CLOSURE OF A PORTION OF MEMORIAL HIGHWAY (SH 27) DURING CERTAIN HOURS FOR THE KERRVILLE MAIN STREET'S ANNUAL HOLIDAY LIGHTED PARADE AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT FOR THE TEMPORARY CLOSURE OF STATE RIGHT-OF-WAY WITH THE TEXAS DEPARTMENT OF TRANSPORTATION

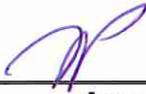
**FOR AGENDA OF:** September 11, 2012    **DATE SUBMITTED:** August 28, 2012

**SUBMITTED BY:** Misty Kothe  
Main Street Manager

**CLEARANCES:** Mindy Wendele  
Director of Business  
Programs & Public Affairs

**EXHIBITS:** Resolution & support documents

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

<b>Expenditure</b>	<b>Current Balance</b>	<b>Amount</b>	<b>Account</b>
<b>Required:</b>	<b>in Account:</b>	<b>Budgeted:</b>	<b>Number:</b>
<b>\$</b>	<b>\$</b>	<b>\$</b>	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

**SUMMARY STATEMENT**

The Business Programs Department is hosting the 12<sup>th</sup> Annual Kerrville Main Street Holiday Lighted Parade on Saturday, November 17, 2012. The parade is produced in conjunction with the Courthouse Lighting Ceremony.

Each year, participation in the parade has grown to a size that we can no longer safely accommodate parade entries along G and Water Streets. Due to the anticipated number of vehicular and pedestrian entries, the parade will step off at the intersection of Memorial Highway and Clearwater Paseo as it did in 2010 and 2011.

The Texas Department of Transportation requires a resolution approved by the City Council, along with support documents, before a road closure can take place. This resolution provides authorization for the Mayor to execute the road closure agreement with TxDot.

**RECOMMENDED ACTION**

Approve resolution

**CITY OF KERRVILLE, TEXAS  
RESOLUTION NO. \_\_\_\_-2012**

**A RESOLUTION AUTHORIZING THE CLOSURE OF A PORTION OF  
MEMORIAL HIGHWAY (HWY 27) DURING CERTAIN HOURS FOR THE  
KERRVILLE MAIN STREET ANNUAL HOLIDAY LIGHTED PARADE AND  
AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT FOR THE  
TEMPORARY CLOSURE OF STATE RIGHT-OF-WAY WITH THE TEXAS  
DEPARTMENT OF TRANSPORTATION**

**WHEREAS**, the Kerrville Main Street Division seeks to close a portion of Memorial Highway (HWY 27) on Saturday, November 17, 2012, from 5:00 p.m. to 7:00 p.m., for the 2012 Holiday Lighted Parade; and

**WHEREAS**, Memorial Highway (HWY 27) is a state controlled highway and as such, the Texas Department of Transportation (TxDOT) requires the City to enter into an agreement to authorize any such closure; and

**WHEREAS**, pursuant to the agreement between TxDOT and the City, the City agrees to accrue all costs associated with the closure, to include having the Kerrville Police Department provide traffic control; and

**WHEREAS**, the City Council finds that the Holiday Lighted Parade serves a public purpose and that closing the road and entering into an agreement with TxDOT will accomplish this goal;

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

The Mayor is authorized to execute an agreement for the *Temporary Closure of State Right-of-Way with the Texas Department of Transportation* to authorize the City's closure and use of Memorial Highway (HWY 27) between Clearwater Paseo and Water Street, said agreement attached hereto as **Exhibit A**. The closure shall occur during the time period between 5:00 p.m. and 7:00 p.m., on Saturday, November 17, 2012

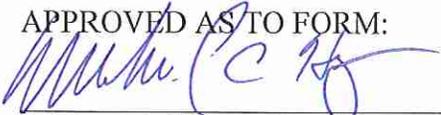
**PASSED AND APPROVED ON this the \_\_\_\_\_ day of \_\_\_\_\_,  
A.D., 2012.**

ATTEST:

\_\_\_\_\_  
Jack Pratt, Jr., Mayor

\_\_\_\_\_  
Brenda G. Craig, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael C. Hayes, City Attorney

STATE OF TEXAS §

COUNTY OF TRAVIS §

**AGREEMENT FOR THE TEMPORARY CLOSURE  
OF STATE RIGHT OF WAY**

**THIS AGREEMENT** is made by and between the State of Texas, acting by and through the Texas Department of Transportation, hereinafter called the "State," and the City of Kerrville, a municipal corporation, acting by and through its duly authorized officers, hereinafter called the "local government."

**WITNESSETH**

**WHEREAS**, the State owns and operates a system of highways for public use and benefit, including SH 27, in Kerr County; and

**WHEREAS**, the local government has requested the temporary closure of SH 27 for the purpose of Holiday Lighted Parade, from 5:00 p.m. to 7:00 p.m., November 17, 2012 as described in the attached "Exhibit A," hereinafter identified as the "Event;" and

**WHEREAS**, the Event will be located within the local government's incorporated area; and

**WHEREAS**, the State, in recognition of the public purpose of the Event, wishes to cooperate with the City so long as the safety and convenience of the traveling public is ensured and that the closure of the State's right of way will be performed within the State's requirements; and

**WHEREAS**, on the 11th day of September, 2012, the Kerrville City Council passed a Resolution, attached hereto and identified as "Exhibit B," establishing that the Event serves a public purpose and authorizing the local government to enter into this agreement with the State; and

**WHEREAS**, 43 TAC, Section 22.12 establishes the rules and procedures for the temporary closure of a segment of the State highway system; and

**WHEREAS**, this agreement has been developed in accordance with the rules and procedures of 43 TAC, Section 22.12;

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements of the parties hereto, to be by them respectively kept and performed as hereinafter set forth, it is agreed as follows:

**AGREEMENT**

**Article 1. CONTRACT PERIOD**

This agreement becomes effective upon final execution by the State and shall terminate upon completion of the Event or unless terminated or modified as hereinafter provided.

**Article 2. EVENT DESCRIPTION**

The physical description of the limits of the Event, including county names and highway numbers, the number of lanes the highway has and the number of lanes to be used, the proposed schedule of start and stop times and dates at each location, a brief description of the proposed activities involved, approximate number of people attending the Event, the number and types of animals and equipment, planned physical modifications of any man-made or natural features in or adjacent to the right of way involved shall be attached hereto along with a location map and identified as "Exhibit C."

**Article 3. OPERATIONS OF THE EVENT**

**A.** The local government shall assume all costs for the operations associated with the Event, to include but not limited to, plan development, materials, labor, public notification, providing protective barriers and barricades, protection of highway traffic and highway facilities, and all traffic control and temporary signing.

**B.** The local government shall submit to the State for review and approval the construction plans, if construction or modifications to the State's right of way is required, the traffic control and signing plans, traffic enforcement plans, and all other plans deemed necessary by the State. The State may require that any traffic control plans of sufficient complexity be signed, sealed and dated by a registered professional engineer. The traffic control plan shall be in accordance with the latest edition of the Texas Manual on Uniform Traffic Control Devices. All temporary traffic control devices used on state highway right of way must be included in the State's Compliant Work Zone Traffic Control Devices List. The State reserves the right to inspect the implementation of the traffic control plan and if it is found to be inadequate, the local government will bring the traffic control into compliance with the originally submitted plan, upon written notice from the State noting the required changes, prior to the event. The State may request changes to the traffic control plan in order to ensure public safety due to changing or unforeseen circumstances regarding the closure.

**C.** The local government will ensure that the appropriate law enforcement agency has reviewed the traffic control for the closures and that the agency has deemed them to be adequate. If the law enforcement agency is unsure as to the adequacy of the traffic control, it will contact the State for consultation no less than 10 workdays prior to the closure.

**D.** The local government will complete all revisions to the traffic control plan as requested by the State within the required timeframe or that the agreement will be terminated upon written notice from the State to the local government. The local government hereby agrees that any failure to cooperate with the State may constitute reckless endangerment of the public and that the Texas Department of Public Safety may be notified of the situation as soon as possible for the appropriate action, and failing to follow the traffic control plan or State instructions may result in a denial of future use of the right of way for three years.

**E.** The local government will not initiate closure prior to 24 hours before the scheduled Event and all barriers and barricades will be removed and the highway reopened to traffic within 24 hours after the completion of the Event.

**F.** The local government will provide adequate enforcement personnel to prevent vehicles from stopping and parking along the main lanes of highway right of way and otherwise prevent interference with the main lane traffic by both vehicles and pedestrians. The local government will prepare a traffic enforcement plan, to be approved by the State in writing at least 48 hours prior to the scheduled Event. Additionally, the local government shall provide to the State a letter of certification from the law enforcement agency that will be providing traffic control for the Event, certifying that they agree with the enforcement plan and will be able to meet its requirements.

**G.** The local government hereby assures the State that there will be appropriate passage

allowance for emergency vehicle travel and adequate access for abutting property owners during construction and closure of the highway facility. These allowances and accesses will be included in the local government's traffic control plan.

H. The local government will avoid or minimize damage, and will, at its own expense, restore or repair damage occurring outside the State's right of way and restore or repair the State's right of way, including, but not limited to, roadway and drainage structures, signs, overhead signs, pavement markings, traffic signals, power poles and pavement, etc. to a condition equal to that existing before the closure, and, to the extent practicable, restore the natural and cultural environment in accordance with federal and state law, including landscape and historical features.

#### **Article 4. OWNERSHIP OF DOCUMENTS**

Upon completion or termination of this agreement, all documents prepared by the local government will remain the property of the local government. All data prepared under this agreement shall be made available to the State without restriction or limitation on their further use. At the request of the State, the Local Government shall submit any information required by the State in the format directed by the State.

#### **Article 5. TERMINATION**

A. This agreement may be terminated by any of the following conditions:

- (1) By mutual written agreement and consent of both parties.
- (2) By the State upon determination that use of the State's right of way is not feasible or is not in the best interest of the State and the traveling public.
- (3) By either party, upon the failure of the other party to fulfill the obligations as set forth herein.
- (4) By satisfactory completion of all services and obligations as set forth herein.

B. The termination of this agreement shall extinguish all rights, duties, obligations, and liabilities of the State and local government under this agreement. If the potential termination of this agreement is due to the failure of the local government to fulfill its contractual obligations as set forth herein, the State will notify the local government that possible breach of contract has occurred. The local government must remedy the breach as outlined by the State within ten (10) days from receipt of the State's notification. In the event the local government does not remedy the breach to the satisfaction of the State, the local government shall be liable to the State for the costs of remedying the breach and any additional costs occasioned by the State.

#### **Article 6. DISPUTES**

Should disputes arise as to the parties' responsibilities or additional work under this agreement, the State's decision shall be final and binding.

#### **Article 7. RESPONSIBILITIES OF THE PARTIES**

The State and the Local Government agree that neither party is an agent, servant, or employee of the other party and each party agrees it is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.

#### **Article 8. INSURANCE**

A. Prior to beginning any work upon the State's right of way, the local government and/or its contractors shall furnish to the State a completed "Certificate of Insurance" (TxDOT Form 1560, latest edition) and shall maintain the insurance in full force and effect during the period

that the local government and/or its contractors are encroaching upon the State right of way.  
**B.** In the event the local government is a self-insured entity, the local government shall provide the State proof of its self-insurance. The local government agrees to pay any and all claims and damages that may occur during the period of this closing of the highway in accordance with the terms of this agreement.

**Article 9. AMENDMENTS**

Any changes in the time frame, character, agreement provisions or obligations of the parties hereto shall be enacted by written amendment executed by both the local government and the State.

**Article 10. COMPLIANCE WITH LAWS**

The local government shall comply with all applicable federal, state and local environmental laws, regulations, ordinances and any conditions or restrictions required by the State to protect the natural environment and cultural resources of the State's right of way.

**Article 11. LEGAL CONSTRUCTION**

In case one or more of the provisions contained in this agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof and this agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

**Article 12. NOTICES**

All notices to either party by the other required under this agreement shall be delivered personally or sent by certified U.S. mail, postage prepaid, addressed to such party at the following respective addresses:

<b>Local Government:</b>	<b>State:</b>
_____ Mayor Jack Pratt _____ City of Kerrville _____ 800 Junction Hwy _____ Kerrville, Texas 78028 _____ <b>(BEGINNING 10/15/12, THE CITY'S ADDRESS WILL BE 701 MAIN ST., KERRVILLE, TX 78028)</b>	_____ Mario G. Medina, P.E. _____ District Engineer _____ Texas Department of Transportation _____ San Antonio, Texas _____

All notices shall be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided herein. Either party hereto may change the above address by sending written notice of such change to the other in the manner provided herein.

**Article 13. SOLE AGREEMENT**

This agreement constitutes the sole and only agreement between the parties hereto and supersedes any prior understandings or written or oral agreements respecting the within subject matter.

**IN TESTIMONY WHEREOF**, the parties hereto have caused these presents to be executed in duplicate counterparts.

**THE CITY OF**     KERRVILLE    

Executed on behalf of the local government by:

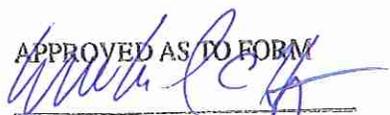
By \_\_\_\_\_ Date \_\_\_\_\_  
City Official

Typed or Printed Name and Title     Jack Pratt      
    Mayor    

**THE STATE OF TEXAS**

Executed for the Executive Director and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs heretofore approved and authorized by the Texas Transportation Commission.

By \_\_\_\_\_ Date \_\_\_\_\_  
District Engineer

APPROVED AS TO FORM  
  
\_\_\_\_\_  
Michael C. Hayes, City Attorney

## Exhibit A



THE CITY OF

KERRVILLE, TEXAS



August 24, 2012

Texas Department of Transportation  
1832 Sidney Baker North  
Kerrville, TX 78028

Sir or Madam,

The City of Kerrville will be conducting its annual Christmas Parade on November 17<sup>th</sup>, 2012. We are requesting the closure of three lanes of State Highway 27 from the 2200 Block to the 1800 Block. Lane closures would be from 5:30 pm until 7 pm. These lane closures are solely within the City Limits of Kerrville and would be established by City of Kerrville Street Department employees. Control of the lane closures will be conducted by City of Kerrville Police Officers.

Closing the roadway during this period would accommodate the flow of the parade onto the parade route. The outside lanes of State Highway 27 would remain open and flow at the direction of assigned traffic officers. The parade units would utilize the two way left turn lane while the two inside turn lanes would be used as a safety zone between passing traffic and the parade units.

The area created by the lane closures will contain vehicular traffic only. The lane closures will be monitored by traffic officers to ensure the absence of conflicting pedestrian traffic.

Sincerely,

John M. Young, Jr.  
Chief of Police

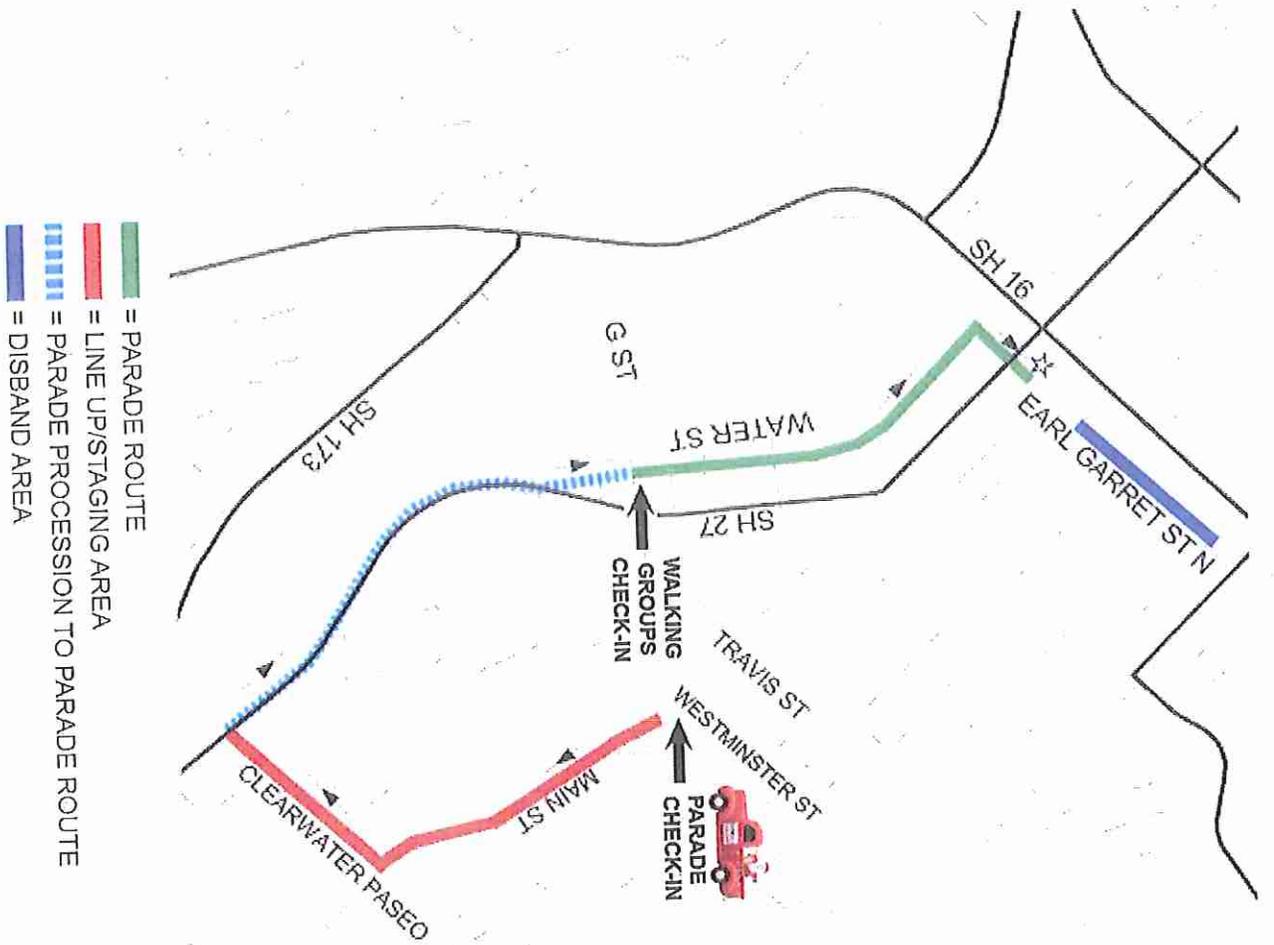
Phil Engstrom  
Lieutenant  
Field Operations Division

POLICE DEPARTMENT  
429 Sidney Baker • Kerrville, Texas 78028 • 830/257-8181 • FAX 830/792-2711

**Exhibit B**

**-RESOLUTION-**

**Exhibit C**

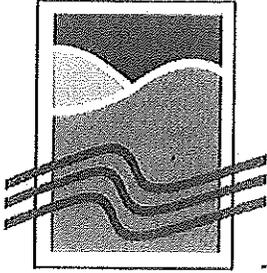


**CHECK IN & STAGING MAP FOR THE 2012 HOLIDAY LIGHTED PARADE**

Saturday, November 17, 2012

**REMEMBER:**

1. Your entry **MUST** arrive to check in during your designated time. No early or late arrivals. You will receive parade confirmation and further instructions regarding check-in time, your group and individual parade number, one (1) week prior to the parade date. Please list the contact person, email address, and email address to which this information should be mailed and/or emailed on the entry form.
2. Floats, trailers, large vehicles, cars, etc., check in at the corner of East Main & Westminister Street beginning at 4:00 p.m. for Group A, 4:30 for Group B, and 5:00 for Group C. The best way to enter the check in site is to come up Sidney Baker Street, turn onto Main Street and then follow it until it intersects with Westminister.
3. Marching bands, walking groups, horse & rider clubs, etc., check in at the Culligan Water Store (1612 Water Street) by 4:30 p.m. You will remain at this location and be fed into the parade once it hits this location. The best way to enter this check in site is to go east on SH 27, turn right on G Street and Culligan will be on your right.
4. Do **NOT** throw candy. The Kerrville Police Department will remove violators from the parade.
5. You **MUST** have a fire extinguisher on your float or the Kerrville Fire Department will remove you from lineup.



**CITY OF KERRVILLE**  
**OFFICE OF THE CITY MANAGER**  
800 Junction Highway  
Kerrville, Texas 78028  
830-257-8000 / [www.kerrvilletx.gov](http://www.kerrvilletx.gov)

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August 23, 2012

Mr. Mike Boyd, P.E.  
Texas Department of Transportation  
1832 Sidney Baker North  
Kerrville, Texas 78028

Dear Mr. Boyd;

The City of Kerrville/Kerrville Main Street Program will be conducting our annual Holiday Lighted Christmas Parade on November 17, 2012. We are requesting the closure of three lanes of SH 27 from the 2200 block to the 1800 block. Lane closures would include the two way left turn lane and the two inside main lanes. The hours of closure would be from 5:00 p.m. to 7:00 p.m.

There are no stops planned along the route as it is just used to move floats from Clearwater Paseo to Water Street in a timely manner. Closing the roadway during this period would accommodate the flow of the parade onto the parade route.

We anticipate having between 80-100 floats for this parade. Each float will have a different number of riders, anywhere between 10 to 30 people. Some of the floats may have pets (dogs) riding on them but they will be contained by their owners or handlers. The area created by the lane closure will contain only vehicular traffic and floats. The walkers in the parade will already be staged at the parade route at the corner of G and Water streets.

Should you need any further information feel free to contact Misty Kothe at \*(830) 258-1113.

Sincerely,

Todd Parton

cc: Misty Kothe



THE CITY OF

KERRVILLE, TEXAS



August 24, 2012

Texas Department of Transportation  
1832 Sidney Baker North  
Kerrville, TX 78028

Sir or Madam,

The City of Kerrville will be conducting its annual Christmas Parade on November 17<sup>th</sup>, 2012. We are requesting the closure of three lanes of State Highway 27 from the 2200 Block to the 1800 Block. Lane closures would be from 5:30 pm until 7 pm. These lane closures are solely within the City Limits of Kerrville and would be established by City of Kerrville Street Department employees. Control of the lane closures will be conducted by City of Kerrville Police Officers.

Closing the roadway during this period would accommodate the flow of the parade onto the parade route. The outside lanes of State Highway 27 would remain open and flow at the direction of assigned traffic officers. The parade units would utilize the two way left turn lane while the two inside turn lanes would be used as a safety zone between passing traffic and the parade units.

The area created by the lane closures will contain vehicular traffic only. The lane closures will be monitored by traffic officers to ensure the absence of conflicting pedestrian traffic.

Sincerely,

John M. Young, Jr.  
Chief of Police

PNI Engstrom  
Lieutenant  
Field Operations Division

## **Agenda Item:**

3C. A resolution approving the budget for fiscal year 2013 for the Kerr Emergency 9-1-1 Network. (staff)

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

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**SUBJECT:** Kerr Emergency 9-1-1 Network Budget for Fiscal 2013

**FOR AGENDA OF:** September 11, 2012 **DATE SUBMITTED:** August 21, 2012

**SUBMITTED BY:** Chief John Young **CLEARANCES:** Mike Hayes, City Attorney

**EXHIBITS:** Resolution, Proposed Budget Fiscal 2013

**AGENDA MAILED TO:** Bill Amerine, Kerr Emergency 9-1-1 Network, 819 Water Street, Suite 270, Kerrville, Texas 78028

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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<b>Expenditure</b>	<b>Current Balance</b>	<b>Amount</b>	<b>Account</b>
<b>Required:</b>	<b>in Account:</b>	<b>Budgeted:</b>	<b>Number:</b>
<b>\$</b>	<b>\$</b>	<b>\$</b>	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

The city has received the proposed 2013 budget for the Kerr Emergency 9-1-1 Network. The FY 2013 proposed operating budget totals \$383,225.00 as compared to \$390,000.00 in FY 2012, for a decrease of 1.74%. The change in revenue can be attributed to very slight increases in wireless and VoIP income which offset the expected 12.43% loss in traditional landline POTS revenue.

The Texas Health and Safety Code, Subchapter D, The Emergency Telephone Number Act requires the 9-1-1 Board to present to the governing body of the participating jurisdictions (cities) and to the county commissioners court no later than 45 days prior to the date the budget is adopted. The participating jurisdictions shall review the proposed budget and submit any comments regarding the budget to the 9-1-1 board. The budget must be approved by a majority of the participating jurisdictions. If no action is taken on the proposed budget before the 61<sup>st</sup> day after the proposed budget is received, the budget is approved by operation of law. The city received the proposed 9-1-1 budget on August 16, 2012.

**RECOMMENDED ACTION**

Recommend approval of the proposed budget for the Kerr Emergency 9-1-1 District for FY 2013.

**CITY OF KERRVILLE, TEXAS  
RESOLUTION NO. \_\_\_\_-2012**

**A RESOLUTION APPROVING THE BUDGET FOR FISCAL YEAR 2013  
FOR THE KERR EMERGENCY 9-1-1 NETWORK**

**WHEREAS**, in accordance with Section 772.309 of the Texas Health and Safety Code, the Executive Director of the Kerr Emergency 9-1-1 Network has prepared and presented to the City Council a budget for the Network's fiscal year commencing January 1, 2013; and

**WHEREAS**, the City Council of the City of Kerrville, Texas, finds it to be in the public interest to approve said budget;

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

The City Council of the City of Kerrville, Texas, approves the 2013 Fiscal Year Budget for the Kerr Emergency 9-1-1 Network as presented and set forth in **Exhibit A**.

**PASSED AND APPROVED ON this the \_\_\_\_ day of \_\_\_\_\_, A.D.,  
2012.**

\_\_\_\_\_  
Jack Pratt, Jr., Mayor

APPROVED AS TO FORM:

ATTEST:

  
\_\_\_\_\_  
Michael C. Hayes, City Attorney

\_\_\_\_\_  
Brenda G. Craig, City Secretary



Subject: Proposed 2013 Budget

August 16, 2012

1. Estimated Net Income: \$383,225.00 based on an overall decrease of 1.74% from 2012's income. The change in revenue can be attributed to very slight increases in wireless & VoIP income which offset the expected 12.43% losses in tradition landline POTS revenue.
2. 200 Payroll expenses
  - a. 210: Salaries. This line item decreased by 1.08% for 2013. The decrease is largely attributed to the elimination of a part-time secretary/receptionist position. The Executive and Associate Director position will receive salary increases of 3.45% and 4.17% respectively in 2013.
  - b. 212: Payroll Taxes: The decrease in this item is based on the overall salary overhead and staff changes mentioned above.
  - c. 213: Medical Insurance Expenses: This item has increased by 13.79% in 2013. Actual medical insurance cost increased 3.9% - the additionally 10% increase is an adjustment based on a significant underestimation of 2012's health insurance costs.
  - d. 214: TCDRS Expense Company (Retirement Plan/Benefit): We are planning a slight increase in this line item due to an employer contribution increase from 7 to 7.43%.
  - e. 215: TCDRS OTLI (Optional Term Life Insurance Benefit): This is an optional term life insurance benefit for all employees. The amount is the total expense for full time employees for 2013.
  - f. 225: Texas Workforce Commission (Unemployment Insurance). This amount is reflective of our Texas Work Force tax rate of 2.25%

### 3. 300 Operations (PSAP)

- a. 310: PSAP Floor Space Lease. The lease covers floor space lease and utility reimbursement only. No change for 2013.
- b. 315: 9-1-1 Call Taker Training: This line item allocates \$8,000.00 for all associated 9-1-1 call taker training. Dispatcher training will be funded as requested and required to certify new dispatchers.
- c. 320: Wireless Phase I. We implemented Wireless Phase I & II in 2008. Expected provider charges from Sprint/Nextel, Verizon, Cellular One, AT&T Mobility, T-Mobile, Pocket, Cricket and Five Star Wireless. All eight carriers use a different cost recovery methodology for determining this charge. Pending significant technology advances and until which time the FCC & CSEC change funding methods for this service, Kerr 9-1-1 can expect to have this annual overhead each year. This line item will decrease slightly in 2013.
- d. 321: AT&T Wireless Tariff. This item reflects the wireless selective routing fees charged by AT&T in San Antonio.
- e. 330: Intrado Service Charge. Intrado Address Database Services. The charge is based on 5.9 cents per telephone number (within our jurisdiction) per month. Intrado DB services provides for geographically diverse DB servers (survivability) and provides for address location information (ALI) validation against the Master Street Address Guide as established by Kerr 9-1-1.
- f. 335: Frame Relay Charges: Texas Department of Information Resources fee for provisioning and maintaining two frame relay circuits between the Kerr 9-1-1 PSAP and the remote Intrado ALI DBs.
- g. 337: AT&T SR Fees. This AT&T service selective routes 9-1-1 calls to the appropriate 9-1-1 PSAP.
- h. 350: PSAP Trunk Charges. Decreased to reflect the actual expense associated geo-diverse trunk lines to the PSAP. This line item addresses all trunk line charges associated with the 9-1-1 PSAP operation.
- i. 355: Language Line. Based on per-use-charges.
- j. 357: PSAP Fiber Connection between ADMIN/KPD/KCSO. This line item covers the cost of fiber optic connections between the PSAP, Kerr 911 administrative offices and KCSO.

- k. 370: PSAP Repairs & Maintenance. Most, if not all, PSAP repairs will be covered under the warranties associated with our new PSAP equipment. \$7,200.00 of this line is allocated for local PSAP technical support provided by Advantage Communications.

4. 400 Direct Services

- a. 410: Office Supplies: Based on 2012 usage trends.
- b. 412: Office Equipment and Repairs: Based on 2012 usage trends.
- c. 420: Liability Insurance: Based on 2012 usage trends.
- d. 430: Professional Development: This line item was reduced due to underutilization in 2012.
- e. 440: Rent: The change for 2013 is based on contracted CPI increase.
- f. 450: Professional Fees: Fees covered in this line-item are for audit services, legal, and industry/legislative lobby representation for the district.
- g. 460: Postage & Delivery: No change in 2013.
- h. 470: Mileage Reimbursement: Item zeroed out for 2013.
- i. 490: Bank Service Charges: Based on 2012 usage trends.

5. 500 Miscellaneous

- a. 502: Pictometry Annual Payment: This line item is for year two of a three year contract with Pictometry International for aerial imagery of Kerr County.
- b. 510: Awards & Honorariums. No change for 2013.
- c. 520: Dues & Subscriptions. No change for 2013.
- d. 530: Public Education & Advertising: We are proposing 36.5% decrease in 2013.
- e. 550: Telecommunications: Slight decrease projected for 2013. Costs associated with KPD, KSO, and Kerr 9-1-1 administrative telephone services.
- f. 560: Sundry: This line item will be decreased slightly in 2013.
- g. 570: Texas 9-1-1 Alliance Meetings: No change for 2013.

- h. 575: NENA/APCO Conferences: Texas National Emergency Number Association conference expenses.

6. 600: Discretionary Communications:

- a. 610: VFD Pager Services. No changes in 2013.
- b. 620: VFD Radio Repeater Services. The increase in this line item is associated with actual Kerr County costs for maintaining radio repeater equipment and tower lease contracts in support of KARFA VFD radio communications.

7. 700: PSAP Equipment Replacement:

- a. 710: Quarterly operating funds transfers to capital funds account. No change in 2013. Intent: Build cash reserves for PSAP equipment upgrade in 2014/2015.

Capital Considerations: The capital cash account will have a balance in excess of \$ **531,250.00** at the end of 2013 from nominal interest and scheduled PSAP Equipment Replacement transfers.

Additionally this package includes a 2013 capital budget for your review and approval. This budget includes all income and expenses associated with this account. The primary source of revenue is from "planned" operating funds transfers, 9-1-1 sign sales cost-recovery, and surplus equipment disposal.

9-1-1 Emergency Service Fee:

The Texas Health and Safety Code – Chapter 772.314 (d): *The board shall set the amount of the fee each year as part of the annual budget.*

**There will be NO CHANGE in 9-1-1 surcharge rates in 2013.**

Vision for 2013:

1. Upgrade PSAP/Call Centers with "call center"-to-"responding vehicle" connectivity.
2. Enhance 9-1-1 WEB Site Content. Research into adding GIS to our web presence.
3. Continued 9-1-1 sign sales.
4. Enhanced 9-1-1 public education.

Conclusions & Recommendations:

1. The 2013 proposal is balanced budget.
2. This budget more than adequately addresses the expected operating needs of our district in providing state-of-the-art 9-1-1 workstations/software and continue our efforts to enhance Geographic Information Systems (GIS).
3. Our district's vision and public-funds stewardship is based firmly in the state and local government codes, guided by conservative spending and liberal savings policies.
4. Approve budget as proposed.

Respectfully submitted by,

Bill Amerine  
Executive Director, Kerr Emergency 9-1-1 Network

Kerr Emergency 911 Network  
2013 Opr. Budget - Proposed

		2012 Approved	2013 Proposed	Delta	% Change
<b>100 - Revenue</b>					
	101-Local 911 Service	150,000.00	131,350.00	-18,650.00	-12.43%
	105-Wireless Emergency Income	220,500.00	235,500.00	15,000.00	6.80%
	110 - VoIP Service Fees	14,500.00	14,600.00	0.00	0.00%
	120-Interest Income	5,000.00	1,875.00	-3,125.00	-62.50%
<b>Total 100 - Revenue</b>		<b>390,000.00</b>	<b>383,225.00</b>	<b>-6,775.00</b>	<b>-1.74%</b>
<b>200 - Payroll Expense</b>					
	210 - Salary	111,200.00	110,000.00	-1,200.00	-1.08%
	211 - Overtime Wages	0.00	0.00	0.00	0.00%
	212 - Payroll Taxes	8,506.80	8,415.00	-91.80	-1.08%
	213 - Medical Insurance Expense	29,000.00	33,000.00	4,000.00	13.79%
	214 - TCDRS Expense Company	7,600.00	8,163.00	663.00	8.84%
	216 - TCDRS OTLI	460.00	350.00	-110.00	-23.91%
	225 - Texas Workforce Commission	1,000.00	1,000.00	0.00	0.00%
<b>Total 200 - Payroll Expense</b>		<b>157,666.80</b>	<b>160,928.00</b>	<b>3,261.20</b>	<b>2.07%</b>
<b>300 - Operations (PSAP)</b>					
	310 - PSAP Floor Space Lease	6,000.00	6,000.00	0.00	0.00%
	315 - 911 Call Taker Training	8,000.00	8,000.00	0.00	0.00%
	320 - Wireless Phase I Contracts	37,930.00	37,100.00	-830.00	-2.19%
	321 - AT&T Wireless Tariff	1,805.00	1,805.00	0.00	0.00%
	330 - Intrado Service Charge	23,500.00	21,275.00	-2,225.00	-9.47%
	336 - Frame Relay Charges	5,800.00	6,700.00	1,000.00	17.24%
	337 - AT&T SR Fees	10,300.00	5,000.00	-5,300.00	-51.46%
	360 - PSAP Trunk Charges	21,800.00	20,000.00	-1,800.00	-8.26%
	355 - Language Line	500.00	500.00	0.00	0.00%
	357 - PSAP Fiber ADMIN/KPD/KCSO	4,000.00	4,500.00	500.00	12.50%
	360 - Pager Service	0.00	0.00	0.00	0.00%
	365 - Wireless Redundancy MRC	0.00	750.00	750.00	0.00%
	370 - PSAP Repairs & Malntonance	10,000.00	10,000.00	0.00	0.00%
<b>Total 300 - Operations (PSAP)</b>		<b>129,635.00</b>	<b>120,630.00</b>	<b>-9,005.00</b>	<b>-6.95%</b>
<b>400 - Direct Services</b>					
	410 - Office Supplies	3,000.00	3,000.00	0.00	0.00%
	412 - Office Equipment & Repairs	2,000.00	2,000.00	0.00	0.00%
	420 - Liability Insurance	2,750.00	2,780.00	30.00	1.09%
	430 - Professional Development	5,000.00	3,750.00	-1,250.00	-25.00%
	440 - Rent	22,925.00	23,000.00	75.00	0.33%
	450 - Professional Fees	15,000.00	15,000.00	0.00	0.00%
	460 - Postage & Delivery	250.00	250.00	0.00	0.00%
	470 - Mllege Reimbursement	0.00	0.00	0.00	0.00%
	490 - Bank Service Charges	100.00	100.00	0.00	0.00%
<b>Total 400 - Direct Services</b>		<b>51,025.00</b>	<b>49,850.00</b>	<b>-1,175.00</b>	<b>-2.30%</b>
<b>500 - Miscellaneous</b>					
	502 - Pictometry Annual Payment	6,344.70	7,942.00	1,597.30	25.18%
	510 - Awards & Honorariums	500.00	500.00	0.00	0.00%
	520 - Dues & Subscriptions	750.00	750.00	0.00	0.00%
	530 - Public Education & Advertising	5,000.00	3,175.00	-1,825.00	-36.50%
	550 - Telecommunications	12,178.50	10,500.00	-1,678.50	-13.78%
	560 - Sundry	2,000.00	1,750.00	-250.00	-12.50%
	570 - Texas 911 Alliance Meetings	5,000.00	5,000.00	0.00	0.00%
	575 - Nena/APCO Conferences	1,500.00	1,500.00	0.00	0.00%

Kerr Emergency 911 Network  
2013 Opr. Budget - Proposed

<b>Total 500 - Miscellaneous</b>		33,273.20	31,117.00	-2,156.20	-6.48%
<b>600 - Discretionary Communications</b>					
	610 - VFD Pager Service	1,900.00	1,900.00	0.00	0.00%
	620 - Kerr County VFD Radio Tower Service Donation	6,500.00	8,800.00	2,300.00	35.38%
<b>Total 600 - Discretionary Communications</b>		8,400.00	10,700.00	2,300.00	27.38%
<b>700 - PSAP Equipment Replacement Account</b>					
	710 - Operating to Capital Fund Transfer	10,000.00	10,000.00	0.00	0.00%
<b>Total 700 - PSAP Equipment Replacement Account</b>		10,000.00	10,000.00	0.00	0.00%
<b>Annual Budget Totals</b>		390,000.00	383,225.00	-6,775.00	-1.74%
<b>Net Income</b>		390,000.00	383,225.00	-6,775.00	-1.74%
Projected Budget Surplus/Deficit		0.00	0.00	0.00	0.00%

## **Agenda Item:**

3D. Professional services agreement with Peter Lewis Architect + Associates, PLLC for design of the Phase 2 renovation project at the Butt-Holdsworth Memorial Library in an amount not to exceed \$25,000. (staff)

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

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**SUBJECT:** Authorize the City Manager to enter into a Professional Services Agreement with Peter Lewis Architect + Associates, PLLC for design of the phase 2 renovation project at the Butt-Holdsworth Memorial Library in an amount not to exceed \$25,000.

**FOR AGENDA OF:** September 11, 2011      **DATE SUBMITTED:** September 5, 2011

**SUBMITTED BY:** Kristine Ondrias  **CLEARANCES:** Todd Parton, City Manager  
Assistant City Manager

**EXHIBITS:** Professional Services Agreement

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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<b>Expenditure</b>	<b>Current Balance</b>	<b>Amount</b>	<b>Account</b>
<b>Required:</b>	<b>in Account:</b>	<b>Budgeted:</b>	<b>Number:</b>
\$25,000	\$143,331.31	\$2,362,517.83	G95

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

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**SUMMARY STATEMENT**

Phase 2 of the renovation of the Butt-Holdsworth will consist of new finishes including drywall, carpet, ceiling and new lighting as well as updated electrical and HVAC to the area in the lower level currently being used by the Friends of the Library (shown on the attached exhibit). Additionally, this phase will provide technology and furniture upgrades to the Community Room previously renovated as part of phase 1.

Funding for the design phase of this renovation will come from remaining funds in the phase 1 project. Construction funding, allocated as part of the FY13 CIP, will come from donations (a recent estate settlement).

Staff has reviewed this project with the Friends of the Library and Mr. Butt's representative to the project. Both support the use of funds for the above items.

**RECOMMENDED ACTION**

Authorize the City Manager to enter into a Professional Services Agreement with Peter Lewis Architect + Associates, PLLC for design of the phase 2 renovation project at the Butt-Holdsworth Memorial Library in an amount not to exceed \$25,000.



PETER LEWIS  
ARCHITECT + ASSOCIATES

July 16, 2012

Kristine Ondrias, Assistant City Manager  
City of Kerrville  
800 Junction Highway  
Kerrville, TX 78028

RE: Butt Holdsworth Memorial Library: Lower Level  
Kerrville, Texas

Dear Kristine:

Thank you for the continuing opportunity to be of service to the City of Kerrville in support of the 'reimagined' Butt Holdsworth Memorial Library.

Based upon our site meeting on June 19, 2012 and the approved Exit Plan, attached, we propose to provide professional design services for the finish out of the Lower Level of the Library and technology upgrades to the Community Room. Please allow the following to document our understanding of Scope, Services and Fee.

**I. Work Scope**

- A. Selective interior demolition
- B. Finish out the Friends of the Library space and adjacent unfinished space up to existing mechanical equipment area: interior partitions, flooring, ceiling, lighting, HVAC systems
- C. Finish out Elevator Lobby Area: flooring, ceiling, lighting, HVAC systems
- D. Coordinate Technology upgrades in Community Room
- E. Assist Owner in Community Room furniture selection
- F. ADA/TAS compliance

**II. Scope of Services**

- A. Meet with Assistant City Manager and City staff, as required
- B. Meet with Friends of the Library representative(s), as required
- C. As-built survey and documentation
- D. Schematic Design Services
  - 1. Architectural Floor Plan and Ceiling Plan options
  - 2. Finish options
- E. Construction Document Services (DD/CD)
  - 1. Demolition Plans
  - 2. Architectural
  - 3. Mechanical/Electrical/Plumbing: ESA Mechanical & Electrical Engineering, Inc.
  - 4. Fire Alarm: ESA Mechanical & Electrical Engineering, Inc.
  - 5. Project Specifications
  - 6. Assist City of Kerrville during Bid Phase, as required
- F. Construction Contract Administration Services (CCA)
  - 1. Periodic Site Visits
  - 2. Office Construction Administration
  - 3. Shop Drawing and Submittal Review
  - 4. Project Meetings with Owner and Contractor
  - 5. Review Applications for Payment and issue Certificates for Payment
  - 5. Issue Certificate of Substantial Completion

*PWL*

**III. Fixed Fee**

Our services will be provided for a Fixed Fee of Twenty one Thousand Two Hundred Fifty and no/100 dollars \$23,500.00

Architect	\$ 15,000.00
MEP Engineer	\$ 8,500.00

**IV. Reimbursable Expenses**

Reimbursable expenses will be billed at a multiple of 1.15 times cost (Invoice): reproduction of documents, shipping and mailing expenses, long distance telephone and fax, Consultants not included above. Project related mileage will be billed at current Standard Rate.

Estimated Reimbursable Expenses \$ 1,500.00

**V. Additional Services, if requested and approved in writing, will be provided on an Hourly basis according to our Hourly Fee Schedule**

Principal/Overall Project Manager	\$ 135.00/Hr.
Project Architect	\$ 110.00/Hr.
Professional Intern	\$ 75.00/Hr.
Project Technician	\$ 60.00/Hr.
Admin./Clerical	\$ 35.00/Hr.

This Professional Design Services Proposal generally describes the Services to be provided and their associated Fees. If we are in agreement on both of these items, please indicate so by signing and returning a copy of this Proposal. Please call me, if you have any questions.

We look forward to getting started!

Very truly yours,



Peter W. Lewis, Architect  
Principal

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Accepted for City of Kerrville

Date

## Professional Services Agreement

### Between

### Peter Lewis Architect & Associates, PLLC and City of Kerrville

THIS AGREEMENT is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2012, between the CITY OF KERRVILLE, a Texas home rule municipality with principal offices at 800 Junction Highway, but as of October 15, 2012 to be changed to 701 Main Street, Kerrville, Texas, 78028-5069, hereinafter referred to as "CLIENT", and Peter Lewis Architect & Associates, PLLC, with its offices at 334 West Water Street, Kerrville, Texas 78028, hereinafter referred to as "ARCHITECT", for the performance of professional architectural services in consideration of the following terms, conditions, and agreements:

#### PART I. SERVICES

ARCHITECT shall perform all work described in the proposal attached hereto as **Exhibit A** (the "Project").

- A. ARCHITECT shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports, and other services furnished by ARCHITECT under this Agreement, ARCHITECT shall, without additional compensation, correct or revise any errors, omissions or other deficiencies in his designs, drawings, specifications, reports and others services.
- B. ARCHITECT hereby agrees to comply with all federal, state, and local laws and ordinances applicable to the work or services under this Agreement.
- C. ARCHITECT shall hold periodic conferences with CLIENT or CLIENT's representatives to the end that the Project as developed shall have the full benefit of CLIENT's experience and knowledge and be consistent with CLIENT's objectives for this Project.
- D. ARCHITECT shall periodically report Project status to CLIENT as is appropriate to keep CLIENT informed regarding project progress.
- E. ARCHITECT shall perform all services under this Agreement in a manner which is consistent with generally accepted standards of professional architectural practice.

#### PART II. CLIENT'S RESPONSIBILITIES

- A. CLIENT shall provide all criteria and full information as to CLIENT's requirements for the Project; designate a person to act with authority on

CLIENT's behalf in respect of all aspects of the Project; examine and respond promptly to ARCHITECT's submissions; and give prompt written notice to ARCHITECT whenever CLIENT observes or otherwise becomes aware of any defect in ARCHITECT's submissions.

- B. CLIENT shall also do the following and pay all costs incident thereto:
1. Furnish to ARCHITECT, upon ARCHITECT's notification that data is required, data including but not limited to core borings, probings and subsurface explorations, hydrographic surveys, laboratory tests and inspections of samples, materials and equipment and similar data; appropriate professional interpretations of all of the foregoing; environmental assessment and impact statements; geologic assessments, environmental impact studies, and endangered species studies; and any other information previously made available to CLIENT, which may be required by ARCHITECT; all of which ARCHITECT may rely upon as accurate in performing ARCHITECT's services provided, however, ARCHITECT shall not be entitled to rely on any inaccuracy or incompleteness of information or services provided by CLIENT or at CLIENT's direction if a professional architect using generally accepted architectural practices and procedures would have discovered such inaccuracy or incompleteness reviewing any other data other than the document or information provided.
  2. Guarantee access to and make all provisions for ARCHITECT to enter upon public and private property.
  3. Provide such legal, accounting, independent cost estimating and insurance counseling services as may be required for the Project.
- C. CLIENT shall pay all non-labor costs incident to obtaining bids or proposals from contractor(s).

### PART III. WORK ORDER AMENDMENTS

- A. CLIENT may at any time, by written Work Order, make changes relating to services to be performed. If such changes cause an increase or decrease in ARCHITECT's cost of, or time required for, performance of any services, an agreeable equitable adjustment shall be made and reflected in a properly executed Work Order. ARCHITECT must assert any claim for adjustment under this clause in writing within thirty (30) calendar days from the date of receipt by ARCHITECT of the notification of change, unless CLIENT grants a further period of time before the date of final payment under this Agreement.
- B. No services for which additional compensation will be charged by ARCHITECT shall be furnished without a properly executed Work Order signed by CLIENT.

- C. In the event that there are modifications and/or additions to regulatory requirements relating to the services to be performed under this Agreement after the date of execution of this Agreement, the increased or decreased cost of performance of the services provided in this Agreement and subsequent Work Orders shall be reflected in an appropriate Work Order.

PART IV. COMPENSATION

CLIENT agrees to pay ARCHITECT for Professional Services in accordance with the descriptions, definitions, terms and conditions as set forth in **Exhibit A**.

PART V. PAYMENTS

ARCHITECT will invoice CLIENT in accordance with the terms and conditions as set forth in **Exhibit A**. CLIENT agrees to promptly pay ARCHITECT at its office at 334 West Water Street, Kerrville, Texas 78028, an amount not to exceed Twenty-Five Thousand and No/100 dollars (\$25,000.00) upon completion of work receipt. In no event shall ARCHITECT's failure to invoice constitute a default under the terms and conditions of this Agreement.

PART VI. INSURANCE

ARCHITECT shall procure and maintain the following types and limits of insurance for the duration of this Agreement:

<u>Type of Insurance</u>	<u>Minimum Limits of Liability</u>
Workers' Compensation	Statutory
Employer's Liability	\$250,000.00
Commercial General Liability-Personal Injury/Property Damage	\$1,000,000.00 combined single limit per occurrence
Automobile Liability	\$1,000,000.00 combined single limit per occurrence – Hired car, owned and non-owned autos

The commercial general liability insurance required above will include contractual liability coverage. The commercial general liability and automobile liability policies shall be endorsed to name the CLIENT as an additional insured and all policies shall be endorsed to show a waiver of subrogation in favor of CLIENT. ARCHITECT shall direct that a certificate of insurance be delivered to CLIENT before any services are performed pursuant to this Agreement. Such certification of insurance shall provide for not less than thirty (30) days written notice to CLIENT prior to cancellation or material modification by endorsement of any insurance referenced therein and shall indicate that all required coverage and endorsements are in effect.

## PART VII. TERMINATION

### A. CONDITIONS OF TERMINATION

This Agreement and/or Work Order(s) may be terminated without cause at any time prior to completion of ARCHITECT's services, either by CLIENT or by ARCHITECT, upon written notice to the other at the address of record. Upon receipt of written notice from CLIENT to discontinue work, ARCHITECT shall discontinue work under this Agreement immediately. In the event CLIENT terminates the Agreement based on CLIENT's reasonable opinion ARCHITECT has failed or refused to prosecute the work efficiently, promptly, or with diligence, ARCHITECT shall have fifteen (15) business days, from the receipt of written notification by CLIENT, to cure such failure to perform in accordance with the terms of the Agreement.

### B. ACTIONS ON TERMINATION

Upon any termination, ARCHITECT shall: (1) promptly discontinue all services affected (unless a termination notice from CLIENT directs otherwise); and (2) upon full payment for services, deliver or otherwise make available to CLIENT all documents, data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by ARCHITECT in performing this Agreement, whether completed or in process.

### C. COMPENSATION PAYABLE ON TERMINATION

On termination, by either CLIENT or ARCHITECT, CLIENT shall pay ARCHITECT with respect to all contracted services rendered and expenses incurred before termination an amount fixed by applying the ARCHITECT's Standard hourly rates, in force at the time of termination, to all services performed to date, in addition to termination settlement costs ARCHITECT reasonably incurs relating to commitments which had become firm before the termination; however, in no case shall CLIENT be required to pay ARCHITECT more than the amount set forth in this Agreement.

## PART VIII. RISK ALLOCATION

In recognition of the relative risks, rewards and benefits of the project to both the Owner and the Architect, the risks have been allocated such that the Owner agrees that, to the fullest extent permitted by law, the Architect's total liability to the Owner for any and all injuries, claims, losses, expenses, damages or claim expenses arising out of this Agreement from any cause or causes, shall not exceed total Fees paid to the Architect. Such causes include, but are not limited to, the Architect's negligence, errors, omissions, strict liability, breach of contract or breach of warranty.

## PART IX. MISCELLANEOUS

### A. REUSE OF DOCUMENTS

All documents, including Drawings and Specifications prepared or furnished by ARCHITECT pursuant to this Agreement, are instruments of service with respect to the PROJECT, are the property of both CLIENT and ARCHITECT, and may be used by both CLIENT and ARCHITECT, as they deem necessary in their reasonable discretion. Either CLIENT or ARCHITECT may retain copies, reproduce copies, and disseminate copies of said Instruments of Service as are reasonably necessary for the construction and on-going maintenance of the Project. Not later than 90 days after substantial completion, ARCHITECT shall deliver to CLIENT one (1) set of Record Drawings in CADD format incorporating all Addenda and Change Orders and consisting of one set of compact disks; provided, however, ARCHITECT reserves the right to remove all indicia of ownership and/or involvement from the disc/magnetic tape provided to CLIENT. The original CADD data will be retained by ARCHITECT. CLIENT hereby releases and holds harmless ARCHITECT from any claims, losses, or liability resulting from CLIENT's use of the Instruments of Service in a manner not authorized on this project by this Agreement. Any reuse without written verification or adaptation by ARCHITECT, for the specific purposes intended will be at CLIENT's sole risk and without liability or legal exposure to ARCHITECT. Any such verification or adaptation by ARCHITECT will entitle ARCHITECT to further compensation at rates to be agreed upon by CLIENT and ARCHITECT.

### B. OPINION OF COST

Since ARCHITECT has no control over the cost of labor, materials, equipment or services furnished by others, or over the contractor(s)' method of determining prices, or over competitive bidding or market conditions, ARCHITECT's opinions of probable Project Cost and Construction Cost are to be made on the basis of ARCHITECT's experience and qualifications and represent ARCHITECT's best judgment as an experienced and qualified professional architect, familiar with the construction industry; but ARCHITECT cannot and does not warrant or guarantee ARCHITECT's opinions of cost as an "actual" cost and if an "actual" "Construction Cost" is required, and/or desired, then, construction bids should be obtained by CLIENT from appropriate sources. Opinions of cost may be supplied to applicable municipalities for bonding purposes and no representations, warranties, or guarantees are rendered hereby to any other person or entity. Opinions of cost for presentation to any mortgagee or lending institution will only be prepared by ARCHITECT at CLIENT's specific request. Preparation of such may involve substantial additional cost to CLIENT and ARCHITECT cannot and does not warrant or guarantee such opinion of cost as an "Actual" cost.

C. LATE PAYMENT

If CLIENT fails to make any payment due ARCHITECT for services and expenses in accordance with Parts IV and V herein, within thirty (30) calendar days from the date of ARCHITECT's invoice, thereafter the amounts due ARCHITECT shall include a charge at the rate of 1.50 % per month, calculated from the date of the invoice, and in addition, ARCHITECT may, after giving ten (10) business days written notice to CLIENT, suspend services under this Agreement until ARCHITECT has been paid in full all amounts due for services and expenses.

D. ATTORNEY'S FEES

In the event ARCHITECT's invoices for services are given to an attorney for collection, or if suit is brought for collection, or if they are collected through probate, bankruptcy, or other judicial proceeding, then CLIENT shall pay ARCHITECT all costs of collection, including the maximum attorney's fees allowed by Law and court costs, in addition to other amounts due.

E. PERIOD OF SERVICE

ARCHITECT shall diligently pursue completion of services and shall promptly inform CLIENT of any anticipated delay. ARCHITECT shall not be liable or responsible for any delays caused by circumstances beyond ARCHITECT's control.

F. SUCCESSORS AND ASSIGNS

CLIENT and ARCHITECT each binds himself, and his partners, successors, executors, administrators, and assigns to partners, successors, executors, administrators, in respect to all covenants of this Agreement. Neither CLIENT nor ARCHITECT shall assign, sublet, or transfer their interest in this Agreement without written consent of the other. Nothing herein shall be construed as giving any rights or benefits hereunder to anyone other than CLIENT or ARCHITECT.

G. CONTROLLING LAW, VENUE

This Agreement is to be governed by and construed in accordance with the laws of the State of Texas. Venue for any disputes between CLIENT and ARCHITECT arising from or related to this Agreement shall be in Kerr County, Texas.

H. SEVERABILITY AND WAIVER

In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall continue to be valid and binding upon the parties. One or more waivers by either party of any provision, term,

condition or covenant shall not be construed as a waiver of a subsequent breach of the same by the other party.

I. EXTENT OF AGREEMENT

This Agreement, including **Exhibit A**, and any and all amendments, modifications, and supplements duly executed by the parties in accordance with this Agreement, govern and supersede any and all inconsistent or contradictory terms, prior oral or written representations or understandings, conditions or provisions set forth in any purchase orders, requisition, request for proposal, authorization of services, notice to proceed or other form or document issued by CLIENT with respect to the project or ARCHITECT's services.

J. AMENDMENTS

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made a part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement. No one has authority to make variations in, or additions to the terms of this Agreement on behalf of ARCHITECT other than the undersigned Principal, and then only in writing.

Executed on this \_\_\_\_ day of \_\_\_\_\_, 2012.

CITY OF KERRVILLE

PETER LEWIS ARCHITECT &  
ASSOCIATES, PLLC

BY: \_\_\_\_\_  
Jeffrey Todd Parton, City Manager

BY: \_\_\_\_\_  
Peter Lewis, Architect

APPROVED AS TO FORM:

ATTEST:



\_\_\_\_\_  
Michael C. Hayes, City Attorney

\_\_\_\_\_  
Brenda G. Craig, City Secretary



September 5, 2012

Kristine Ondrias, Assistant City Manager  
City of Kerrville  
800 Junction Highway  
Kerrville, TX 78028

RE: Butt Holdsworth Memorial Library: Lower Level  
Kerrville, Texas

Dear Kristine:

Thank you for the continuing opportunity to be of service to the City of Kerrville in support of the 'reimagined' Butt Holdsworth Memorial Library.

Based upon our site meeting on June 19, 2012 and the approved Exit Plan, attached, we propose to provide professional design services for the finish out of the Lower Level of the Library and technology upgrades to the Community Room. Please allow the following to document our understanding of Scope, Services and Fee.

**I. Work Scope**

- A. Selective interior demolition
- B. Finish out the Friends of the Library space and adjacent unfinished space up to existing mechanical equipment area: interior partitions, flooring, ceiling, lighting, HVAC systems
- C. Finish out Elevator Lobby Area: flooring, ceiling, lighting, HVAC systems
- D. Coordinate Technology upgrades in Community Room
- E. Assist Owner in Community Room furniture selection
- F. ADA/TAS compliance

**II. Scope of Services**

- A. Meet with Assistant City Manager and City staff, as required
- B. Meet with Friends of the Library representative(s), as required
- C. As-built survey and documentation
- D. Schematic Design Services
  - 1. Architectural Floor Plan and Ceiling Plan options
  - 2. Finish options
- E. Construction Document Services (DD/CD)
  - 1. Demolition Plans
  - 2. Architectural
  - 3. Mechanical/Electrical/Plumbing: ESA Mechanical & Electrical Engineering, Inc.
  - 4. Fire Alarm: ESA Mechanical & Electrical Engineering, Inc.
  - 5. Project Specifications
  - 6. Assist City of Kerrville during Bid Phase, as required
- F. Construction Contract Administration Services (CCA)
  - 1. Periodic Site Visits
  - 2. Office Construction Administration
  - 3. Shop Drawing and Submittal Review
  - 4. Project Meetings with Owner and Contractor
  - 5. Review Applications for Payment and issue Certificates for Payment
  - 5. Issue Certificate of Substantial Completion

PWL

**III. Fixed Fee**

Our services will be provided for a Fixed Fee of Twenty Three Thousand Five Hundred and no/100 dollars \$23,500.00

Architect	\$ 15,000.00
MEP Engineer	\$ 8,500.00

**IV. Reimbursable Expenses**

Reimbursable expenses will be billed at a multiple of 1.15 times cost (invoice): reproduction of documents, shipping and mailing expenses, long distance telephone and fax, Consultants not included above. Project related mileage will be billed at current Standard Rate.

Estimated Reimbursable Expenses \$ 1,500.00

**V. Additional Services, if requested and approved in writing, will be provided on an Hourly basis according to our Hourly Fee Schedule**

Principal/Overall Project Manager	\$ 135.00/Hr.
Project Architect	\$ 110.00/Hr.
Professional Intern	\$ 75.00/Hr.
Project Technician	\$ 60.00/Hr.
Admin./Clerical	\$ 35.00/Hr.

This Professional Design Services Proposal generally describes the Services to be provided and their associated Fees. If we are in agreement on both of these items, please indicate so by signing and returning a copy of this Proposal. Please call me, if you have any questions.

We look forward to getting started!

Very truly yours,

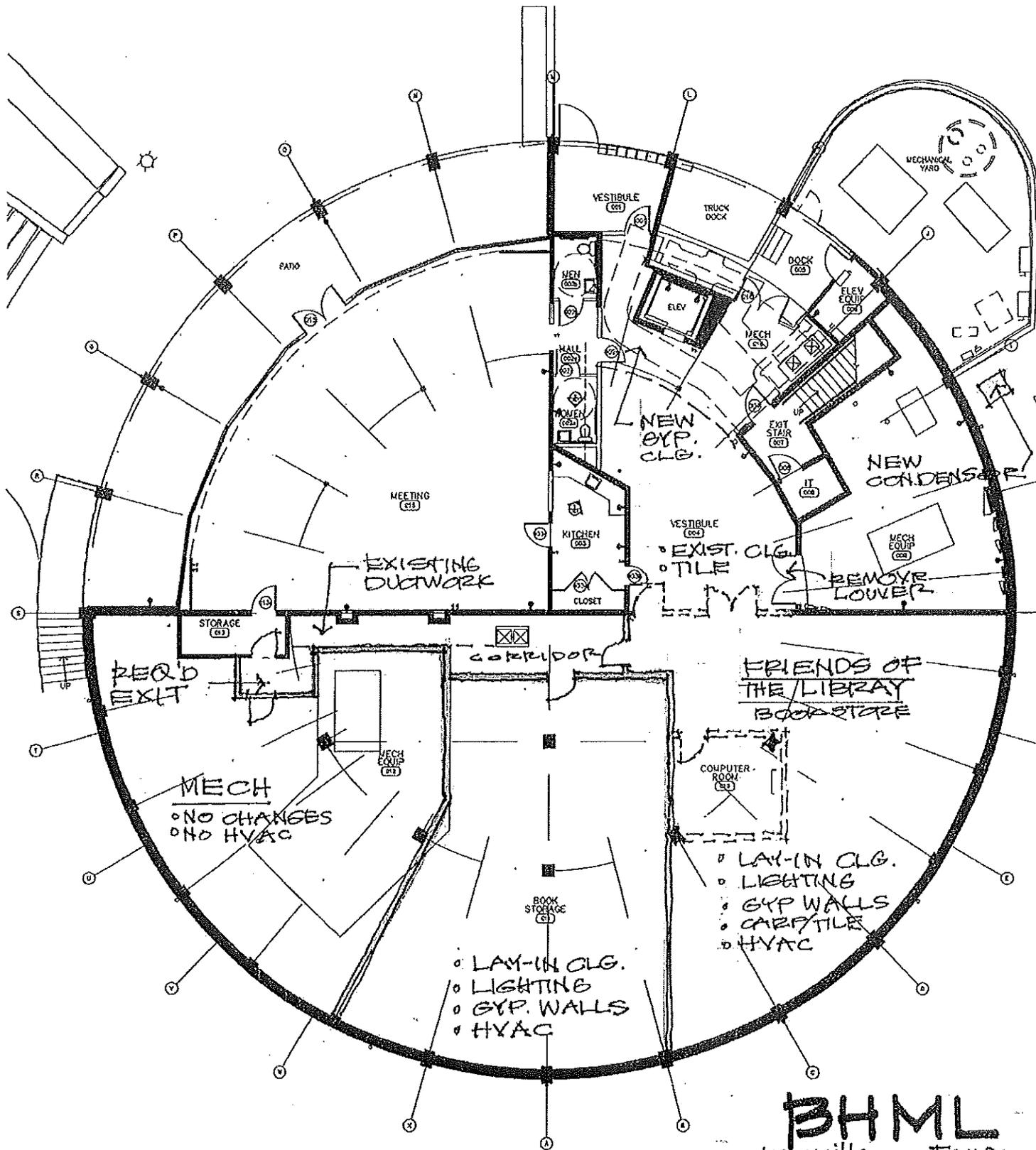


Peter W. Lewis, Architect  
Principal

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Accepted for City of Kerrville

Date



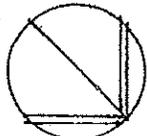
PER'D EXLT

MECH  
 ○ NO CHANGES  
 ○ NO HVAC

○ LAY-IN CLG.  
 ○ LIGHTING  
 ○ GYP. WALLS  
 ○ HVAC

○ LAY-IN CLG.  
 ○ LIGHTING  
 ○ GYP WALLS  
 ○ CARPET  
 ○ HVAC

**BHML**  
 Kerrville Texas  
 20.1225 7.16.12



**Lower Level**  
 1/16" = 1'



**PETER LEWIS**  
 ARCHITECT + ASSOCIATES

334 W. Water Street Kerrville, TX 78028  
 (830) 896-4220 (830) 896-4226 f

## **Agenda Item:**

3E. Investment policy of the City of Kerrville, Texas Economic Improvement Corporation. (staff)

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

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**SUBJECT:** Approval of the investment policy of the City of Kerrville, Texas  
Economic Improvement Corporation

**FOR AGENDA OF:** September 11, 2012 **DATE SUBMITTED:** August 29, 2012

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

**EXHIBITS:** EIC's Investment Policy  
**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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<b>Expenditure Required:</b>	<b>Current Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$	\$	\$	

**PAYMENT TO BE MADE TO:**  
**REVIEWED BY THE DIRECTOR OR FINANCE:**

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**SUMMARY STATEMENT**

The EIC has adopted, based on recommendation from Patterson & Associates, the City's Investment Advisor, its own investment policy. The policy reflects the Public Funds Investment Act.

**RECOMMENDED ACTION**

Staff requests approval of EIC investment policy.

# **Economic Improvement Corporation**

## **City of Kerrville, Texas Investment Policy**

**Adopted August 2012**

### **1. General Policy**

It is the policy of the Economic Improvement Corporation (the "EIC") 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 the safety of principal through risk management and diversification while meeting all the cash needs. Investments should provide a reasonable investment return and the earnings will be used in a manner that best serves the interests of the EIC and the City.

This Policy is designed to be in conformance with the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), and any applicable state and federal regulations, and applicable bond resolution requirements.

### **2. Scope**

This Policy will govern the investment of all the financial assets (including, but not limited to the three funds: Sales Tax Improvement, EIC Debt Service and EIC Projects) of the EIC, with the exclusion of real-estate assets

### **3. Goals and Objectives**

Investment of EIC 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. 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 will be used to limit potential losses on individual securities.

#### **b. Liquidity**

The investment portfolio will remain sufficiently liquid to enable EIC to meet all operating requirements that might be reasonable anticipated. Ongoing cash flow analysis will be used to identify changing liquidity needs and anticipate cash needs. A liquidity buffer of cash equivalent investments should be maintained to meet unanticipated liabilities.

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

To reflect overall cash flow requirements and risk tolerance levels of EIC, the weighted average maturity of the overall portfolio shall not exceed ~~one-year~~ 185 days.

**c. Diversification**

In order to minimize investment and market risk, EIC will diversify its investments by 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**

EIC's investment portfolio shall be designed with the objective of attaining a reasonable yield throughout budgetary and economic cycles, commensurate with investment risk constraints and the cash flow characteristics of the portfolio. The portfolio(s) risk shall be measured quarterly against a benchmark which is based on anticipated cash flow analysis and the authorized portfolio structure. The overall portfolio shall have a maximum weighted average maturity of 185 days. To measure the overall risk of the portfolio, a benchmark of the 26 week Constant Maturity Treasury Bill plus 10% shall be reported.

**4. Investment Strategy**

All EIC funds are to be commingled in one portfolio for investment purposes and efficiency. The investment strategy of the portfolio has as its primary objective to assure that anticipated cash flows are matched and adequate liquidity maintained with minimal volatility. The portfolio will be structured with high credit quality, short and intermediate term securities to minimize market, liquidity, and credit risks. The maximum dollar weighted average maturity of the portfolio will be 185 days calculated on stated maturity dates.

**5. Investment Officers**

Under the Administrative Services Contract between EIC and the City, the Investment Officer designated for the City shall act as the Investment Officer of the EIC. The Board may designate additional qualified employees or an SEC Registered Investment Advisor, as Investment Officer(s). The designation of all Investment Officers shall be by Board resolution. Authority and designation as Investment Officer is effective until rescinded by the EIC, 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 its supporting procedures.

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 EIC. 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 in each successive two-year period. Training costs shall be provided by the EIC with Board approved training courses. 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 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 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 who has any personal or business relationship with a business organization offering to engage in an investment transaction with the EIC shall file a statement disclosing that personal business interest to the Board.

## **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 EIC shall file a disclosure statement with the Texas Ethics Commission and the Board.

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

The EIC recognizes that all investment decisions regarding the portfolio are ultimately the responsibility of the Board. However, all investment advisors and broker/dealers conducting business with the EIC shall make every reasonable effort to adhere to the spirit, philosophy, and specific terms of this Investment Policy.

### **Broker/Dealers**

A list of not less than five authorized broker/dealers (or banks) shall be maintained to assure a competitive process. The Investment Officer(s) will establish the criteria, monitor the service, and evaluate the broker/dealers based on their experience and responsiveness to the City's requests for service and information.

Financial Institutions and broker/dealers who desire to transact business with the EIC 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 provide timely trade documentation and confirmations.

### **Certification**

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

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

The EIC 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.

### **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 90days.

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 case of a leap year) and must provide a fixed interest rate and a fixed maturity term for each pool position.

### **Investment Advisor (Investment Manager)**

The EIC through the Administrative Services contract may contract with another investing entity registered under the 15 U.S.C. Section 80b-1 et seq. to invest its funds. The Adviser will be held to the same standards of this Policy as the Investment Officer.

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

The EIC shall present investment advisors with a current copy of the 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 EIC's Investment Policy, and
2. the firm has implemented reasonable procedures and controls to preclude investments with the EIC not authorized by the Policy.

The EIC 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.

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.

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:

- a. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, or
- b. secured by obligations as defined by this Policy, and
- c. governed by a written Depository Agreement that complies with federal and state regulations for properly securing a pledged security interest.

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.

AAA-rated, SEC registered money market mutual funds, striving to maintain a \$1 net asset value.

Constant-dollar, AAA-rated Texas Local Government Investment Pools, approved by resolution of the Board and conforming in every respect to the Act.

The EIC investment in any investment pool shall not exceed ten percent of the total assets of the pool.

FDIC insured demand deposit accounts in banks doing business in Texas under a written depository agreement.

FDIC insured *brokered certificates of deposit* securities purchased from a broker or a bank in Texas, delivered versus payment to the City's safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer or Adviser must verify the FDIC status of the bank on [www.2fdic.gov/idasp/main\\_bankfind.asp](http://www.2fdic.gov/idasp/main_bankfind.asp) to assure that the bank is FDIC insured.

State and municipal obligations of entities of the State of Texas rated not less than AA by two nationally recognized rating agencies and with a stated maturity not to exceed two years.

Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Percentage of Portfolio (Maximum)
U.S. Treasury Obligations	80%
U.S. Government Agencies and Instrumentalities	100%
Local Government Investment Pool	100%
Fully Collateralized Certificates of Deposit	50%
Money Market Mutual Funds	20%
State and municipal Obligations	25%

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

### **Delivery versus Payment**

All security transactions shall be transacted on a delivery versus payment (DVP) basis in order to ensure that the EIC 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 EIC is receiving fair market prices.

## **10. Collateralization**

The EIC is not a "public unit" as defined by FDIC regulations and is therefore not eligible to have pledged collateral from a bank. Bank time and demand deposits must be maintained under the FDIC insured limit, currently \$250,000 per bank holding company.

### **Repurchase Agreement- Owned Collateral**

Collateral under a master repurchase agreement is owned by the EIC under a buy-sell transaction. It will be held by an independent third party safekeeping agent approved by EIC under an executed 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 EIC 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 through the Administrative Services Contract. EIC, through the contract shall contract with its banking services depository or another financial institution(s) as Custodian for the safekeeping of any securities owned. 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 EIC shall be evidenced by a safekeeping receipt.

## **12. Internal Control**

The Investment Officer(s) shall maintain a system of internal controls over the investment activities and 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 quarterly investment reports shall be reviewed annually by the City's independent auditor as part of the City's annual audit process. Any irregularities shall be reported to the Board.

### **Cash Flow Forecasting**

Cash flow forecasting is a control designed to protect and sustain cash flow requirements. The Investment Officer(s) will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

### **Monitoring Credit Rating**

The Investment Officer or investment adviser shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall notify the City Manager of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, within two weeks after the loss of the required rating.

### **Monitoring FDIC Coverage**

The Investment Officer or Investment Adviser shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the City based upon information from the FDIC. If any bank has been acquired or merged with

another bank in which brokered CDs are owned, the Investment Officer shall immediately liquidate any brokered CD which places the City above the FDIC insurance level.

### **13. Reporting**

Not less than quarterly, the Investment Officer(s) shall report to the Board regarding the EIC'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
- the change in 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
- earnings for the period
- overall yield in comparison to its benchmark yield for the period
- maturity date of each separately invested asset that has a maturity date.

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.

### **14. Depositories**

The EIC, through the Administrative Services Contract will designate one banking institution through a competitive process as its central banking services provider at least every five (5) years or utilize the banking services under the existing City contract. This institution will be used for normal banking services including disbursement, deposits, and safekeeping of securities.

Other banking institutions from which the EIC may purchase certificates of deposit will also be designated as depositories.

### **15. Policies and Strategy Review**

The Board shall review and adopt the Investment Policy and incorporated Investment Strategy not less than annually. The Board 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.

APPENDIX A  
CERTIFICATION OF BROKER/DEALER

I hereby certify that I have personally read and understand the investment policy of the Kerrville Economic Improvement Corporation (KEIC) and have implemented reasonable procedures and controls designed to fulfill these objectives and conditions. Transactions between this firm and the KEIC will be directed toward precluding imprudent investment activities and protecting the KEIC from credit and market risk.

This firm pledges due diligence in informing the KEIC of foreseeable risks associated with financial transactions connected to this firm.

I attest that I am a qualified representative of this firm, authorized to sign on its behalf.

Firm:

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Signature

Name:

Title:

Date:

APPENDIX B  
APPROVED BROKER/DEALERS

RECOMMENDED LIST

**City of Kerrville, Texas EIC  
Authorized Broker/Dealer List**

Adopted May 22, 2012

The authorized broker/dealer list for the City of Kerrville EIC 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 Board approve the list of broker/dealers annually. *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)

APPENDIX C  
INVESTMENT STRATEGY  
2011

**Sales Tax Improvement Fund**

All authorized investments permitted.

**Sales Tax Debt Service Fund**

All authorized investments permitted. No funds shall be invested beyond the next upcoming annual principal payment due date for the bond issue.

**Capital Projects Fund**

All authorized investments permitted. No funds shall be invested beyond thirty days before the expected project completion date.

## **Agenda Item:**

4A. An ordinance amending in part Ordinance No. 99-18, as amended by Ordinance No. 2000-23, by adopting revised rate schedules for residential services, miscellaneous service charges, and outdoor area lighting for electric service administered by Kerrville Public Utility Board; containing a cumulative clause; containing a savings and severability clause; and establishing an effective date. (Tracy McCuan, General Manager/CEO, KPUB)

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

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SUBJECT OF REQUEST: Public Hearing and first reading of an Ordinance  
approving revisions to KPUB's residential electric rates

AGENDA DATE: September 11, 2012      DATE SUBMITTED: September 4, 2012

REQUESTED/SUBMITTED BY: Tracy McCuan      PHONE: 792-8230

ORGANIZATION REPRESENTING: Kerrville Public Utility Board

MAILING ADDRESS: 2250 Memorial Blvd., Kerrville, TX 78028

EMAIL ADDRESS: tmccuan@kpub.com

EXHIBITS/INFORMATION: Ordinance (pending review by Mike Hayes)

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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WILL THIS ITEM REQUIRE CITY COUNCIL TO AUTHORIZE THE  
EXPENDITURE OF CITY FUNDS?

YES: \_\_\_\_\_  
NO:   X  

IF YES, STATE AMOUNT REQUESTED: \$ \_\_\_\_\_

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DESCRIPTION OF REQUEST

AN ORDINANCE AMENDING IN PART ORDINANCE NO. 99-18, AS AMENDED BY  
ORDINANCE NO. 2000-23, BY ADOPTING A REVISED RESIDENTIAL RATE TARIFF,  
INCLUDING RESIDENTIAL RATES AND CHARGES FOR RESIDENTIAL ELECTRIC SERVICE  
ADMINISTERED BY THE KERRVILLE PUBLIC UTILITY BOARD; CONTAINING A  
CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; AND  
ESTABLISHING AN EFFECTIVE DATE

RECOMMENDED COUNCIL ACTION

Approval of Ordinance



KERRVILLE  
PUBLIC  
UTILITY  
BOARD

2250 Memorial Blvd. • P.O. Box 294999 • Kerrville, Texas 78029-4999 • 830-257-3050 • FAX 830-257-8078

August 30, 2012

Mr. Todd J. Parton  
City Manager  
City of Kerrville  
800 Junction Highway  
Kerrville, Texas 78028

Dear Todd,

As you know the Kerrville City Council and Kerrville Public Utility Board held a joint meeting on August 20, 2012, to review and discuss electric rate revisions as proposed by KPUB's consultant, Utility Financial Solutions. At its meeting on August 23, 2012, the Board passed and approved the enclosed KPUB Resolution No. 12-17, which approved Residential Rate Tariff - Rate Schedule RS, Miscellaneous Service Fees - Rate Schedule MSC, and Outdoor Area Lighting - Rate Schedule OAL.

In accordance with KPUB Resolution No. 12-17 I respectfully request you place this matter on the City Council's agenda for its meeting on September 11, 2012 for a public hearing and first reading of an ordinance to approve the revised rate schedules. I also request you place a second reading of the ordinance on the City Council's agenda for its September 25, 2012, meeting. Dwaine Machann is currently drafting an ordinance for your and Mike Hayes' review.

Please let me know if you have any questions or need additional information.

Yours truly,

Tracy L. McCuan  
General Manager and CEO

TLM/lg

cc: Mike Hayes, City Attorney  
Dwaine Machann, KPUB Counsel

Enc: KPUB Resolution 12-17

**RESOLUTION NO. 12-17**

**A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD APPROVING THE REVISION OF THE ELECTRIC RATES AND MISCELLANEOUS SERVICE FEES CHARGED BY KPUB TO ITS RESIDENTIAL CUSTOMERS AND FORWARDING THE PROPOSED RESIDENTIAL TARRIFF TO THE CITY OF KERRVILLE FOR ACTION AND APPROVAL BY THE CITY COUNCIL.**

**WHEREAS**, the KPUB staff recommended and the Board approved the hiring of the firm Utility Financial Solutions (UFS) to perform a Cost of Services Study; and

**WHEREAS**, on January 31, 2012, Mr. Mark Beauchamp of UFS presented the company's findings to the Board with his recommended changes; and

**WHEREAS**, on August 20, 2012, Mr. Beauchamp additionally presented the findings of his company's Cost of Service Study to a joint meeting of the Kerrville City Council and the KPUB Board, including the company's recommended rate and miscellaneous service fees changes; now, therefore,

**BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD THAT:**

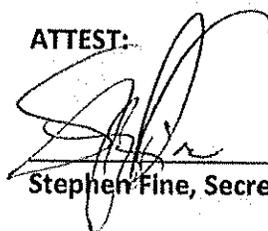
**Section 1.** The above recitals are true and correct.

**Section 2.** The Board approves the revised Residential Rate Tariff, Rate Schedule RS, including the appropriate Miscellaneous Service Fees, Rate Schedule MSC and Outdoor Area Lighting Rate Schedule - OAL, attached hereto as Exhibit "A", as recommended by UFS and the General Manager is authorized to forward the revised residential rate tariff described herein to the Kerrville City Council for its consideration and action.

**PASSED, APPROVED AND ADOPTED on this 23<sup>rd</sup> day of August, 2012**

  
John E. Sample, Chairman

**ATTEST:**

  
Stephen Fine, Secretary

**CITY OF KERRVILLE, TEXAS**  
**ORDINANCE NO. 2012-\_\_\_\_\_**

**AN ORDINANCE AMENDING IN PART ORDINANCE NO. 99-18, AS AMENDED BY ORDINANCE NO. 2000-23, BY ADOPTING REVISED RATE SCHEDULES FOR RESIDENTIAL SERVICES, MISCELLANEOUS SERVICE CHARGES, AND OUTDOOR AREA LIGHTING FOR ELECTRIC SERVICE ADMINISTERED BY THE KERRVILLE PUBLIC UTILITY BOARD; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE**

WHEREAS, the City of Kerrville, Texas, owns an electric system and manages and operates its system through its duly appointed board of trustees, the Kerrville Public Utility Board ("KPUB"), a body created pursuant to Texas law (Tex. Rev. Civ. Stat. Ann. art 1115, as amended); and

WHEREAS, KPUB recently reviewed the current schedule of rates and charges for residential service and determined that residential rates and charges should be adjusted to reflect current conditions and to maintain its service and bond obligations under City of Kerrville Ordinance No. 87-45, approved December 10, 1987; and

WHEREAS, prior to making its recommendations, KPUB considered the report on the electric revenue requirements, cost of service, and rate design prepared by the independent consulting firm of Utility Financial Solutions ("UFS"), which was previously retained by KPUB to perform a Cost of Services Study; and

WHEREAS, the City Council finds that the current schedule of residential electric rates and charges should be adjusted as recommended by UFS and KPUB to provide for the continued preservation of the public health, safety, and welfare of the people through the provision of energy services to the community;

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

**SECTION ONE.** Ordinance No. 99-18, as amended by Ordinance No. 2000-23, and as it applies to residential rates and charges applicable to electric service provided by the electric system owned by the City of Kerrville and managed and operated on the City's behalf by the Kerrville Public Utility Board is amended as follows:

The revised Residential Rate Tariff, Residential Service Rate Schedule-RS, including the Miscellaneous Service Charges Rate Schedule-MSK and Outdoor Area Lighting Rate Schedule-OAL, each of which is attached to this Ordinance as **Exhibit A** and incorporated herein by reference, are hereby in all things adopted and are applicable to all residential customers of the City's electric system managed and controlled by the Kerrville Public Utility Board, effective October 1, 2012.

**SECTION TWO.** Except as specifically amended by Section One above as to residential rates and charges, Ordinance No. 99-18, as amended by Resolution 2000-23, remains in full force and effect.

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

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

**SECTION FIVE.** This Ordinance shall become effective from and after the date of final passage on second reading.

**PASSED AND APPROVED ON FIRST READING,** this the \_\_\_\_\_ day of September, 2012.

**PASSED AND APPROVED ON SECOND AND FINAL READING,** this the \_\_\_\_\_ day of September, 2012.

\_\_\_\_\_  
Jack Pratt Jr., Mayor

**ATTEST:**

\_\_\_\_\_  
Brenda Craig, City Clerk

**APPROVED AS TO FORM:**



\_\_\_\_\_  
Michael C. Hayes, City Attorney

## **RESIDENTIAL SERVICE RATE SCHEDULE - RS**

### **APPLICATION**

Applicable throughout the service area for all electric service supplied at one point of delivery and measured through one meter required exclusively for domestic purposes by individual (single family) private residents, individually metered apartment units and farm homes.

Not applicable to businesses, licensed boarding or rooming houses, camps, fraternity or sorority houses advertised as such, educational institutions, churches or facilities, or apartment houses, whose units are not individually metered, including the common facility requirements of residence also used for business purposes, evidenced by any form of advertising, including separate white page telephone listing, which will be served under the appropriate commercial service rate schedule. Not applicable to shared, standby, or resale service.

### **CHARACTER OF SERVICE**

Service under this rate schedule shall be alternating current, 60 Hertz, single phase, at the customer's option of standard available voltages. KPUB may, at its option, provide three-phase service when individual motors rated at 7.5 horsepower or larger are connected.

### **MONTHLY RATE**

<b>CHARGE</b>		<b>AMOUNT</b>
<b>CUSTOMER</b>		
	Meter Charge	\$0.77
	Meter Reading Charge	\$1.10
	Billing Charge	<u>\$3.39</u>
	<b>TOTAL Customer Charge</b>	\$5.26
<b>DISTRIBUTION</b>	All kWh	\$0.01690 per kWh
<b>POWER SUPPLY</b>	All kWh	\$0.04510 per kWh

Plus an amount calculated in accordance with Rider PCAF.

Plus any taxes, assessments, or surcharges imposed by any governmental authority, which are assessed on the basis of revenues from electric service or volume of electricity purchased or sold.

### **MINIMUM CHARGE**

The monthly minimum charge shall be the sum of the "Customer Charge" and all applicable rate adjustments.

**PAYMENT**

Bills are due when rendered and become past due if not paid within sixteen (16) days thereafter. Past due bills shall be assessed a one time penalty charge of 5% of the unpaid amount. Upon proof of age of over 60 years the penalty for past due bills shall be waived.

**MISCELLANEOUS SERVICE CHARGES  
RATE SCHEDULE - MSC**

**APPLICATION**

Applicable to all retail customers served by KPUB.

The charges listed herein are in addition to any other charges made under KPUB's Tariff for Electric Service, and will be applied for the appropriate condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the actual costs plus overhead adders.

**CHARGES**

<b>NAME AND DESCRIPTION</b>	<b>AMOUNT</b>
<b>NEW ACCOUNT CHARGE:</b> made to set a meter and to do the other work necessary to initiate a new account	During normal business hours
	\$30.00
	Outside normal business hours
	\$150.00
<b>NEW SERVICE CHARGE:</b> made in addition to the new account charge when service conductors are installed for the first time to a new building or to a new point of service	During normal business hours
	\$65.00
	Outside normal business hours
	\$500.00
<b>RECONNECT CHARGE:</b> made when customer requests reconnection of electric service that has been disconnected in accordance with Tariff for Electric Service.	During normal business hours
	\$36.00
	Outside normal business hours
	\$170.00
<b>TEMPORARY CONNECTION CHARGE:</b> made for 120/240 volt, single phase, three wire, 60 Hertz. Charges for temporary service not covered by these standard conditions will be provided only when customer pays in advance to KPUB the estimated cost of installing and removing the necessary facilities.	
a. install and remove meter and service wires	\$230.00
b. install and remove transformer on existing pole	\$450.00
<b>RETURNED CHECK OR BANK DRAFT CHARGE:</b> made for each customer's check or bank draft returned unpaid by a financial institution for any reason.	\$25.00

<i>METER TEST CHARGE</i> : made when residential customer requests, and KPUB performs, a meter test and the meter is found to be within the accuracy standards of the American National Standards Institute and meter has been tested previously on request of customer within the past four years. Other classes of customers shall pay the actual cost of the test, including appropriate overheads.	\$60.00
<i>TAMPERING CHARGE</i> : made for unauthorized reconnection or other tampering with KPUB metering facilities or any theft of electric service by any person on customer's premises or any evidence thereof by whomsoever done at customer's premises. An additional charge for any costs of repairs and/or replacement of damaged facilities, installing protective facilities, and the estimated amount of electric service not recorded by the meter, if any, is also made.	\$300.00
<i>COLLECTION CHARGE</i> : made for each trip to customer's premises for the collection of a delinquent account.	\$20.00
<i>COLLECTION PROCESSING CHARGE</i> : made for processing a delinquent account when payment is not received by 5:00 pm on final payment date.	\$3.00
<i>BAD DEBT COLLECTION CHARGE</i> : made on the basis of actual charges incurred by KPUB from a collection agency for services rendered to collect an outstanding bill.	Actual fee
<i>METER ACCESS CHARGE</i> : made monthly when customer requests and KPUB agrees to provide, direct customer access to the meter through a communications interface. Customer must execute an appropriate agreement for this service.	\$25.00
<i>ENERGY PULSE CHARGE</i> : made monthly when customer requests and KPUB agrees to provide, electrical pulses proportional to customer's energy use. Customer must execute an appropriate agreement for this service.	\$10.00
<i>LOAD DATA CHARGE</i> : made each time customer is provided interval load data in any format.	\$10.00
<i>ADDITIONAL SERVICES</i> : made monthly for services offered by KPUB and not covered by other rate schedules. Charges for these services are calculated based on the installed cost of the equipment, capital recovery factor, applicable overhead adders, operations and maintenance costs, and power supply costs.	As calculated

**PAYMENT**

Bills are due when rendered and become past due if not paid within sixteen (16) days thereafter.

## OUTDOOR AREA LIGHTING RATE SCHEDULE -OAL

**APPLICATION**

Applicable throughout the service area to year-round unmetered outdoor security lighting of areas not covered by any other rate schedule.

Not applicable to street lighting, standby, shared, or resale service.

**CHARACTER OF SERVICE**

Service under this rate schedule shall be alternating current, 60 Hertz, single phase. Lamps will be operated from dusk to dawn, or approximately 4,300 hours per year per lamp, and controlled by photoelectric control.

**MONTHLY RATE****Security Lights**

<i>TYPE</i>	<i>WATTS</i>	<i>LUMENS</i>	<i>kWh</i>	<i>AMOUNT</i>
Mercury Vapor*	175	7,900	70	\$4.13
High Press Sodium Vapor	100	9,500	40	\$4.21
POWER SUPPLY			All kWh	\$0.03274 per kWh

\*Closed to new installations

**Flood Lights**

<i>TYPE</i>	<i>WATTS</i>	<i>LUMENS</i>	<i>kWh</i>	<i>AMOUNT</i>
Metal Halide	250	25,000	100	\$10.02
	400	36,000	160	\$13.31
	1000	110,000	370	\$31.69
High Press Sodium Vapor	250	27,500	100	\$10.17
	400	50,000	160	\$13.46
POWER SUPPLY			All kWh	\$0.03274 per kWh

Plus an amount calculated in accordance with Rider PCAF.

Plus any taxes, assessments, or surcharges imposed by any governmental authority, which are assessed on the basis of revenues from electric service or volume of electricity purchased or sold.

**MINIMUM CHARGE**

The monthly minimum charge shall be the sum of the stated charge per lamp and all applicable rate adjustments.

**PAYMENT**

Bills are due when rendered and become past due if not paid within sixteen (16) days thereafter. Past due bills shall be assessed a one time penalty charge of 5% of the unpaid amount.

**AGREEMENT**

Service under this rate schedule requires that the customer execute a contract for a minimum term of 36 months.

**SPECIAL CONDITIONS**

The following conditions will apply to all facilities installed by KPUB under this rate schedule:

- a. Lighting to be provided under this rate schedule shall be on KPUB poles at locations which are easily and economically accessible to KPUB equipment and personnel for construction and maintenance.
- b. KPUB will maintain all facilities incidental to providing this service, including replacement of burned-out lamps.
- c. Service at locations where existing KPUB-owned poles and facilities are not available will be made at the discretion of KPUB and at an additional charge to cover the cost of installing and maintaining poles, transformers, and conductor.
- d. KPUB reserves the right to refuse or discontinue service at locations where excessive maintenance and/or lamp replacements are, in KPUB's sole judgment, likely to or actually do occur.
- e. The cost of repairing facilities damaged by acts of vandalism shall be billed to the customer receiving service under this rate schedule at the actual cost to KPUB, including all appropriate overheads.
- f. KPUB shall, at the request of the customer, relocate or change existing equipment and the customer shall reimburse KPUB for any and all such relocations or changes at actual cost to KPUB, including all appropriate overheads.
- g. New area lighting facilities shall be of a form and substance consistent with KPUB's approved standard configuration for area lighting at the time of the customer's application for service. Where a nonstandard lighting configuration is requested by the customer, all maintenance and replacement costs shall be borne by the customer, should KPUB agree to the installation of the nonstandard facilities.

## **Agenda Item:**

4B. An ordinance adopting the annual budget for the fiscal year 2013; providing appropriations for each department and fund; containing a cumulative clause; and containing a savings and severability clause. (staff)

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

---

**SUBJECT:** Public Hearing, First Reading of Ordinance to Adopt Budget for FY13

**FOR AGENDA OF:** September 11, 2012    **DATE SUBMITTED:** August 31, 2012

**SUBMITTED BY:** Mike Erwin   
Director of Finance

**CLEARANCES:** Todd Parton  
City Manager

**EXHIBITS:** Ordinance, Schedules A, B and C, Proposed to Adopted Changes Spreadsheet

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
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**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

The FY13 proposed budget was presented to the City Council in a series of budget workshops beginning on July 24, 2012 and ending August 14, 2012.

The FY13 proposed budget totals \$52,033,032 in revenues and \$50,043,664 in expenditures.

The complete budget remains on file in the city secretary's office as well as via the City's Website.

**RECOMMENDED ACTION**

The director of finance recommends that Council hold a public hearing on FY13 proposed budget.

The director of finance recommends that Council approve the requested changes to the proposed budget as illustrated in Proposed to Adopted Tracking Changes spreadsheet.

The director of finance recommends approval of the ordinance on first reading to adopt the budget for FY13 as illustrated in Schedules A, B and C.

**CITY OF KERRVILLE, TEXAS**  
**ORDINANCE NO. 2012-\_\_\_\_\_**

**AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR  
THE FISCAL YEAR 2013; PROVIDING APPROPRIATIONS  
FOR EACH DEPARTMENT AND FUND; CONTAINING A  
CUMULATIVE CLAUSE; AND CONTAINING A SAVINGS  
AND SEVERABILITY CLAUSE**

**WHEREAS**, in accordance with Section 8.01 of the City Charter, the City Manager of the City of Kerrville prepared and filed with the City Secretary on July 24, 2012, a proposed budget for the City of Kerrville, Texas, for the fiscal year beginning October 1, 2012, and ending September 30, 2013; and

**WHEREAS**, in accordance with Section 8.04 of the City Charter, and after providing the required public notice in the City's official newspaper not less than two weeks prior to the date of the public hearing, a public hearing was duly held on September 11, 2012, at the time and place set forth in the public notice, said date being more than thirty days subsequent to the filing of the proposed budget by the City Manager, at which all interested persons were given an opportunity to be heard for or against any item within the proposed budget; and

**WHEREAS**, after due deliberation, study, and consideration of the proposed budget, and after making such amendments to the budget proposed by the City Manager that the City Council has determined are (1) warranted by law or (2) in the best interest of the taxpayers of the City, the City Council is of the opinion that the Official Budget for the Fiscal Year 2013, with the amendments described and discussed, should be approved and adopted, in accordance with Section 8.06 of the City Charter;

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

**SECTION ONE.** The Official Budget of the City of Kerrville, Texas, as specified in the attached Schedules A (operating), B (existing capital improvement projects), C (new capital projects) for the fiscal year commencing October 1, 2012, a copy of which is on file in the office of the City Secretary, referenced by the date and number of this Ordinance, and incorporated herein by reference as if fully set out herein, is adopted, in accordance with Section 8.06 of the City Charter.

**SECTION TWO.** The budgets for each department of the City are hereby deemed to provide a complete financial plan of City funds and activities for the Fiscal Year 2013, in accordance with Section 8.05 of the City Charter.

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

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

**PASSED AND APPROVED ON FIRST READING, this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2012.**

**PASSED AND APPROVED ON SECOND AND FINAL READING, this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2012.**

\_\_\_\_\_  
Jack Pratt, Jr., Mayor

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael C. Hayes, City Attorney

FY2013 Proposed to Approved Budget Changes - EIC							
Date	Line Item #	Line Item Name	Department	Original Amount	Amount after change	Amount Changed	Reason for Changed
8/27/2012	40-975-01	Category I - Business Development	NonDepartment	\$0.00	\$200,000.00	\$200,000.00	Add new revolving Loan Fund
8/28/2012	40-975-01	Category I - Business Development	NonDepartment	\$0.00	\$500,000.00	\$500,000.00	Add new ED Set Aside
8/29/2012	40-975-01	Category I - Business Development	NonDepartment	\$338,000.00	\$378,961.00	\$40,961.00	Increase Unspecified
8/29/2012	40-975-02	Category II - Quality of Life	NonDepartment	\$477,000.00	\$0.00	-\$477,000.00	Eliminate Soccer Complex Improvement Project
8/29/2012	40-975-03	Category III - Public Infrastructure	NonDepartment	\$338,000.00	\$500,000.00	\$162,000.00	Increase Unspecified
8/29/2012	40-975-03	Category IV - Contingency	NonDepartment	\$500,000.00	\$0.00	-\$500,000.00	Eliminate contingency
Net Total Change						-\$74,039.00	

FY2013 Proposed to Approved Budget Changes - Capital Project							
Date	Fund	Project Name	Funding Source	FY13 Original Amount	FY13 Amount after change	Amount Changed	Reason for Changed
8/28/2012	71	Knapp Lift Station Expansion	W/S Operation	\$0.00	\$0.00	\$0.00	Move from FY14 to FY17
8/28/2012	71	New Legion Basin 24" Interceptor	W/S Operation	\$0.00	\$0.00	\$0.00	Move from FY16 to Future Funding
8/28/2012	71	Quinlan Basin 15" Interceptor	W/S Operation	\$0.00	\$0.00	\$0.00	Move from FY17 to Future Funding
8/28/2012	71	Clearwell at WTP	W/S Debt	\$2,706,000.00	\$0.00	-\$2,706,000.00	Move from FY13 to Future Funding to be paid through W/S Operation funding source.
8/28/2012	71	Reconstruction of Road Surface at Wastewater Treatment Plant	W/S Operation	\$0.00	\$0.00	\$0.00	Eliminate future funding.
8/28/2012	71	Redirect Broadway Force Main	W/S Operation	\$0.00	\$0.00	\$0.00	Move from FY15 to Future Funding
8/28/2012	71	Stadium Pump Station Expansion	W/S Operation	\$0.00	\$0.00	\$0.00	Reduce from \$1,110,000 to \$555,000 and move from FY15-16 to Future Funding.
8/28/2012	71	12" Water Line from Meadowview Well	W/S Operation	\$0.00	\$0.00	\$0.00	Move from FY14 to FY15 and from W/S Debt funding source to W/S operation funding source.
8/28/2012	71	Oxidation ditch rehab - WWTP	W/S Operation	\$0.00	\$0.00	\$0.00	New project added for FY14
8/28/2012	75	Soccer Complex Improvement Project	EIC Sales Tax	\$477,000.00	\$0.00	-\$477,000.00	Eliminate project
8/28/2012	71	Additional Clarifier at WWTP	W/S Debt	\$0.00	\$2,218,000.00	\$2,218,000.00	New Project added for FY13
8/28/2012	71	Rehab Clarifier 3 at WWTP	W/S Debt	\$0.00	\$492,000.00	\$492,000.00	New Project added for FY13
8/28/2012	71	Upgrade Electrical System at WWTP	W/S Debt	\$0.00	\$1,413,000.00	\$1,413,000.00	New Project added for FY13
8/28/2012	71	Project Contingency	W/S Debt	\$0.00	\$1,587,000.00	\$1,587,000.00	New Project added for FY13
8/28/2012		Library Phase 2 - Basement	Donations	\$0.00	\$300,000.00	\$300,000.00	New Project added for FY13
8/28/2012		History Center - Library Phase 3	Donations	\$0.00	\$97,000.00	\$97,000.00	New Project added for FY13
8/28/2012	71	New Jefferson Lift Station & New Force Main to G Street Interceptors	W/S Debt	\$4,290,000.00	\$2,790,000.00	-\$1,500,000.00	Transfer \$1,500,000 funding to Riverhill/Ridgewood storage tank transmission water line.
8/28/2012	71	Riverhill/Ridgewood Storage Tank Transmission Water Line	W/S Debt	\$0.00	\$1,500,000.00	\$1,500,000.00	Increase funding from Water/Sewer Debt.
Net Total Change						\$2,924,000.00	

Budget Amendments - Capital Projects							
Date	Fund	Project Name	Funding Source	Original Amount	Amount after change	Amount Changed	Reason for Changed
8/28/2012	71	New Jefferson Lift Station & New Force Main to G Street Interceptors	W/S Debt	\$644,500.00	\$2,144,500.00	\$1,500,000.00	Increase funding - 1) \$1,500,000 (bond portion) moved from Riverhill/Ridgewood Storage Tank Transmission Water Line project
8/29/2012	71	Riverhill/Ridgewood Storage Tank Transmission Water Line	W/S Debt	\$3,000,000.00	\$1,500,000.00	-\$1,500,000.00	Decrease funding - Move \$1,500,000 bond portion to New Jefferson Lift Station & New Force Main project
Net Total Change						\$0.00	

# Schedule A

"SCHEDULE A" - FY 2018	General/Special Revenue Funds											
	General Fund					Special Revenue Funds					Debt Service Fund	
	General	Police Special Program	Insurance Reserve	General Asst Replace.	Landfill Closure	Hotel Tax	HOT Reserve	History Center	Library Memorial	Grant Fund	General Debt	
Available Fund Balance - FY 13 CAFR	\$3,753,915	\$92,144	\$144,687	\$150,292	\$152,858	\$1,324,401	\$107,728	\$652,000	\$114,733	\$414,494		\$1,147,533
FY 12 Budgeted Use of Fund Balance	-\$400,000	\$10,000	\$51,771	\$0	\$56,082	\$5,514	\$0	\$0	\$2,520	\$414,494		\$0
FY 13 Est. Beginning Available Fund Balance	\$4,153,915	\$92,144	\$92,916	\$150,292	\$56,795	\$1,318,897	\$107,728	\$652,000	\$112,213	\$0	\$0	\$1,147,533
Revenues												
Property Tax	\$8,050,000											\$1,200,000
Sales Tax	\$4,850,000											
Other Taxes	\$2,039,900						\$335,000					\$15,000
Permits & Fees	\$324,975											
Intergovernmental	\$1,191,000		\$0		\$0							
Services	\$2,411,260				\$42,200			\$300				
Grants	\$29,500	\$0			\$0		\$0		\$0	\$150,000		
Fines & Forfeitures	\$505,618											
Interest & Miscellaneous	\$240,850	\$7,000	\$50,000	\$700	\$350,000	\$320,635	\$100	\$2,000	\$12,150	\$37,000	\$0	\$3,000
Transfers In	\$1,250,000		\$0	\$300,000	\$0		\$0			\$0	\$0	\$252,135
Planned Use of Fund Balance		\$29,000	\$92,916		\$0			\$0	\$0			
Total Revenues	\$20,624,703	\$35,000	\$142,916	\$300,700	\$402,200	\$320,635	\$835,100	\$2,000	\$12,550	\$37,000	\$150,000	\$1,470,135
Expenditures												
General Non-Departmental	\$382,135											
City Council	\$7,006											
City Secretary	\$145,455											
City Attorney	\$281,474											
City Administration	\$587,612											
Human Resources	\$228,022											
Finance	\$551,280											
Information Technology	\$563,234											
Municipal Court	\$356,514											
KSP	\$370,215											
Police	\$4,813,182											
Fire	\$3,743,915											
Fire Marshal	\$164,201											
EMS	\$2,586,953											
Planning	\$133,751											
Building Inspections	\$336,125											
Code Compliance	\$120,207											
Business Programs	\$190,618											
Tennis Center	\$30,300											
Pool	\$102,176											
Parks Maintenance	\$782,842											
Recreation	\$132,437											
Engineering	\$365,450											
Public Works	\$2,064,602											
Library	\$671,574											
General Operations	\$1,104,633											
Water/Sewer Non-Dept.												
Water Records												
Utility Administration												
Water Production												
Utility Construction												
Utility Information Sys												
Wastewater												
Utility Laboratory												
Water/Sewer Gen Ops.												
Garage - Non-Department.												
Garage												
Employee Benefit Trust Fund												
Police Special Programs		\$35,450										
Parkland Dedication												
Flexible Spending												
Kerville Schreiner Park												
Golf Course - Non-Dept.												
Golf Course - Maintenance												
Golf Course - Pro Shop												
Library Memorial									\$30,000			
HOT Reserve								\$0				
General Asset Replace.				\$300,000								
Water/Sewer Asset Replace.												
Hotel Occupancy Tax							\$335,000					
Landfill/Recycling					\$340,727							
Landfill Closure												
Landfill Post Closure												
Economic Improvement												
Economic Improve. Debt												
Airport Terminal												
General Fund Debt												\$1,426,124
Water and Sewer Debt												
433 Water Street												
History Center									\$12,550			
General OP												
Water and Sewer OP												
EIC OP												
Grant Fund										\$150,000		
Insurance Reserve			\$50,000									
Main Street	\$78,800											
Main Street - Promotions												
Total Expenditures	\$20,594,703	\$35,450	\$50,000	\$300,000	\$340,727	\$0	\$335,000	\$0	\$12,550	\$30,000	\$150,000	\$1,426,124
Excess (Deficiency) of revs. vs. exps.	\$300,000	\$550	\$92,916	\$700	\$51,473	\$320,635	\$100	\$2,000	\$1	\$7,000	\$0	\$44,011
FY 13 Est. Ending Balance	\$4,433,915	\$53,694	\$92,916	\$150,992	\$48,269	\$1,639,522	\$107,828	\$654,009	\$132,274	\$7,000	\$0	\$1,191,544
FY 13 Fund Balance Reserve Target	\$5,148,676	\$8,863	\$12,500	\$75,000	\$55,182	\$0	\$208,750	\$0	\$3,137	\$7,500	\$37,500	\$1,426,124
Fund Balance Over/(Under) Reserve	-\$514,760	\$44,832	\$60,416	\$75,992	\$63,087	\$1,639,522	-\$100,922	-\$654,009	-\$109,136	-\$500	-\$37,500	-\$234,581

*SCHEDULE A* - FY 2012	Enterprise Funds										Component Unit			
	Water Fund				GoF	Internal Service Funds			Capital Project Funds		Total - All Funds	EIC	EIC Debt Service	EIC OP
	Water/Sewer	Water/Sewer Asset	Water/Sewer/ Replace	Water and Sewer OP	Water and Sewer Debt	GoF Course	Garage	Employee Benefit Trust Fund	Parkland Dod	General CP				
Available Fund Balance - FY 11 CAFR	\$3,135,313	\$235,063	\$0	\$1,364,303	-\$175,157	\$51,774	\$498,833	\$75,586	\$0	\$13,242,570	\$1,761,102	\$411,556		
FY 12 Budgeted Use of Fund Balance	\$1,676,426	\$0	\$0	-\$750,000	\$0	\$0	\$0	\$0	\$0	\$1,076,787	\$0	\$0		
FY 13 Est. Beginning Available Fund Balance	\$1,458,887	\$235,063	\$0	\$2,114,303	-\$175,157	\$51,774	\$498,833	\$75,586	\$0	\$12,165,783	\$1,761,102	\$411,556		
Revenues														
Property Tax										\$9,250,000				
Sales Tax										\$4,850,000	\$2,425,000			
Other Taxes										\$7,889,500				
Permits & Fees									\$0	\$324,975				
Intergovernmental Services	\$8,836,000			\$1,805,000		\$341,093		\$3,200,000		\$4,391,000				
Grants										\$13,435,453				
Fines & Forfeitures										\$0	\$179,500			
Interest & Miscellaneous	\$189,500	\$1,000	\$10,000,000	\$5,000	\$895,500	-\$50,000	\$0	\$0	\$0	\$12,035,535	\$5,000	\$0		
Transfers In	\$0	\$100,000	\$220,000	\$1,800,000	\$0					\$3,922,135	\$0	\$905,000	\$1,008,141	
Planned Use of Fund Balance										\$246,916	\$1,261,102			
Total Revenues	\$9,025,500	\$101,000	\$10,220,000	\$3,610,000	\$895,500	\$251,093	\$3,325,000	\$0	\$0	\$52,039,032	\$3,691,102	\$905,000	\$1,008,141	
Expenditures														
General Non-Departmental										\$389,133				
City Council										\$7,000				
City Secretary										\$145,465				
City Attorney										\$261,474				
City Administration										\$587,612				
Human Resources										\$278,022				
Finance										\$351,260				
Information Technology										\$663,234				
Municipal Court										\$356,514				
KSP										\$330,215				
Police										\$4,813,182				
Fire										\$3,743,916				
Fire Marshal										\$164,201				
EMS										\$2,555,863				
Planning										\$133,711				
Building Inspections										\$335,125				
Code Compliance										\$120,207				
Business Programs										\$190,618				
Tennis Center										\$30,300				
Pool										\$102,176				
Parks Maintenance										\$782,842				
Recreation										\$132,437				
Engineering										\$365,450				
Public Works										\$2,064,602				
Library										\$671,574				
General Operations										\$1,104,633				
Water/Sewer Non-Dept.	\$3,370,000									\$3,370,000				
Water Records	\$513,093									\$513,093				
Utility Administration	\$351,002									\$351,002				
Water Production	\$1,450,528									\$1,450,528				
Utility Construction	\$810,716									\$810,716				
Utility Information Sys	\$0									\$0				
Wastewater	\$1,728,577									\$1,728,577				
Utility Laboratory	\$267,121									\$267,121				
Water/Sewer Gen Ops	\$330,200									\$330,200				
Garage - Non-Department							\$0			\$0				
Garage							\$249,999			\$249,999				
Employee Benefit Trust Fund								\$3,313,000		\$3,313,000				
Police Special Programs										\$35,450				
Parkland Dedication									\$0	\$0				
Flexible Spending										\$0				
Kerrville-Schreiner Park										\$0				
Golf Course - Non-Dept.						\$5,900				\$6,900				
Golf Course - Maintenance						\$534,693				\$534,693				
Golf Course - Pro Shop						\$336,018				\$336,018				
Library Memorial										\$30,000				
HOT Reserve										\$0				
General Asset Replace.										\$300,000				
Water/Sewer Asset Replace.		\$100,000								\$100,000				
Hotel Occupancy Tax										\$835,000				
Landfill/Recycling										\$340,727				
Landfill Closure										\$0				
Landfill Post Closure										\$0				
Economic Improvement										\$0	\$3,691,102			
Economic Improve. Debt										\$0		\$499,248		
Airport Terminal										\$0				
General Fund Debt										\$1,426,124				
Water and Sewer Debt				\$2,657,263						\$2,657,263				
133 Water Street										\$0				
History Center										\$12,590				
General CP									\$0	\$0				
Water and Sewer CP			\$10,220,000							\$10,220,000				
EIC CP										\$0			\$1,008,141	
Grant Fund										\$150,000				
Insurance Reserve										\$50,000				
Main Street										\$28,800				
Main Street - Promotions										\$0				
Total Expenditures	\$8,851,239	\$100,000	\$10,220,000	\$2,657,263	\$877,603	\$249,999	\$3,313,000	\$0	\$0	\$50,043,664	\$3,691,102	\$499,248	\$1,008,141	
Excess (Deficiency) of revs. vs. exp.	\$174,261	\$1,000	\$0	\$952,737	\$18,892	\$1,094	\$12,000	\$0	\$0	\$1,869,255	\$0	\$5,753	\$0	
FY 13 Est. Ending Balance	\$1,634,149	\$237,063	\$0	\$3,067,040	-\$156,265	\$52,868	\$385,833	\$75,586	\$0	\$13,908,235	\$500,000	\$417,349	\$0	
FY 13 Fund Balance														
Reserve Target	\$2,212,810	\$25,000	\$0	\$2,657,263	\$219,402	\$52,500	\$828,250	\$0	\$0	\$13,018,457	\$500,000	\$124,812		
Fund Balance														
Over/(Under) Reserve	-\$578,662	\$212,063	\$0	\$409,776	-\$375,667	-\$9,632	-\$442,417	\$75,586	\$0	\$889,778	\$0	\$192,537		

# Schedule B







# Schedule C

**Five Year Capital Improvement Plan FY 2013-2017 - Final**

**Projects By Funding Source**

Funding Source: General Fund	Prior Funding	FY2013	FY2014	FY2015	FY2016	FY2017	Future Funding	TOTAL
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Funding Source: Water/Sewer</b>	<b>Prior Funding</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>Future Funding</b>	<b>TOTAL</b>
Trihalomethane Reduction Study		\$70,000						\$70,000
Knapp Lift Station Expansion						\$2,673,000		\$2,673,000
Guadalupe Plaza Lift Station Elimination							\$145,000	\$145,000
Jefferson Basin 12" and 15" Interceptor							\$979,000	\$979,000
Leslie Drive Water Main Loop around Benson							\$600,000	\$600,000
Lois Pump Station Expansion							\$345,000	\$345,000
New Legion Basin 24" Interceptor							\$899,500	\$899,500
Quinlan Basin 15" Interceptor							\$1,163,000	\$1,163,000
Clearwell at the WTP							\$2,706,000	\$2,706,000
Redirect Broadway Force Main							\$365,000	\$365,000
SH 173 Force Main Extension							\$352,000	\$352,000
Spur 98 Water Line (WTP to Spur 98 Bridge)							\$788,000	\$788,000
Stadium Pump Station Expansion							\$555,000	\$555,000
Spence Street Water Line Replacement		\$150,000						\$150,000
12" Water Line from Meadowview Well			\$809,500					\$809,500
Oxidation Ditch Rehab - WWTP							\$700,000	\$700,000
Water Production Maintenance Building								
<b>TOTAL</b>	<b>\$0</b>	<b>\$220,000</b>	<b>\$809,500</b>	<b>\$828,000</b>	<b>\$0</b>	<b>\$2,673,000</b>	<b>\$9,597,500</b>	<b>\$13,300,000</b>
<b>4b - EIC</b>	<b>Prior Funding</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>Future Funding</b>	<b>TOTAL</b>
Harper Road (RM 783) Water & Sewer Loop	\$1,000,000							\$1,000,000
Louise Hays Park	\$2,000,000							\$2,000,000
River Trail Phases II & III	\$5,250,000	\$300,000	\$300,000	\$150,000				\$6,000,000
Downtown Wireless Project		\$100,000						\$100,000
Golf Course Pavilion Project		\$271,000						\$271,000
Golf Course Parking Lot Improvement Project		\$337,141						\$337,141
Soccer Complex Improvement Project			\$500,000					\$500,000
<b>TOTAL</b>	<b>\$8,250,000</b>	<b>\$1,008,141</b>	<b>\$800,000</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,185,141</b>

<b>Funding Source: General Fund Debt</b>								
	Prior Funding	FY2013	FY2014	FY2015	FY2016	FY2017	Future Funding	TOTAL
Aerial Platform Ladder Truck Replacement			\$1,300,000					\$1,300,000
Arcadia Loop Cut-Off							\$325,000	\$325,000
Fire Station #5							\$2,121,000	\$2,121,000
G-Street Bridge over Quinlan Creek							\$2,245,000	\$2,245,000
Olympic Pool Complex Renovation							\$500,000	\$500,000
Relocate Central Fire Station/Admin Offices				\$4,205,000				\$4,205,000
<b>TOTAL</b>	\$0	\$0	\$1,300,000	\$4,205,000	\$0	\$0	\$5,191,000	\$10,696,000

<b>Funding Source: Water/Sewer Debt</b>								
	Prior Funding	FY2013	FY2014	FY2015	FY2016	FY2017	Future Funding	TOTAL
Additional Clarifier at WWTP		\$2,218,000						\$2,218,000
Rehab Clarifier 3 at WWTP		\$492,000						\$492,000
G Street 24"/27" Interceptor	\$2,052,900							\$2,052,900
Birkdale Liftstation and Force Main	\$6,300,000							\$6,300,000
Upgrade Electrical System at WWTP		\$1,413,000						\$1,413,000
New Jefferson Lift Station & New Force Main to G Street Interceptors	\$2,144,500	\$2,790,000						\$4,934,500
Water Reclamation Aquifer Replenishment							\$6,800,000	\$6,800,000
Water Plant Addition Phase II (IMGD)							\$2,395,000	\$2,395,000
Riverhill/Ridgewood Storage Tank Transmission								
Water Line	\$1,500,000	\$1,500,000						\$3,000,000
Project Contingency		\$1,587,000						\$1,587,000
<b>TOTAL</b>	\$11,997,400	\$10,000,000	\$0	\$0	\$0	\$0	\$9,195,000	\$31,192,400

<b>Other - Donations</b>								
	Prior Funding	FY2013	FY2014	FY2015	FY2016	FY2017	Future Funding	TOTAL
Library Phase 2 - Basement		\$ 300,000						\$ 300,000
History Center - Library Phase 3		\$ 97,000						\$ 97,000
<b>TOTAL</b>	\$0	\$397,000	\$0	\$0	\$0	\$0	\$0	\$397,000

<b>Other</b>								
	Prior Funding	FY2013	FY2014	FY2015	FY2016	FY2017	Future Funding	TOTAL
IH-10 Interchange Between FM 783 & SH 16							\$30,000,000	\$30,000,000
Loop 534 Bridge Improvements							\$1,500,000	\$1,500,000
SH16 to SH173 - Spur 100 Extension							\$10,000,000	\$10,000,000
SH 27 Airport Road Intersection Improvements							\$500,000	\$500,000
Widen FM 1341							\$5,500,000	\$5,500,000
<b>TOTAL</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$47,500,000	\$47,500,000

## **Agenda Item:**

5A. An ordinance levying an ad valorem tax for the use and the support of the municipal government for the City of Kerrville, Texas, for the fiscal year 2013; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid.  
(staff)

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

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**SUBJECT:** First Reading of Ordinance – Ad Valorem Tax Rate for 2012

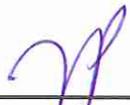
**FOR AGENDA OF:** September 13, 2012    **DATE SUBMITTED:** August 31, 2012

**SUBMITTED BY:** Mike Erwin   
Director of Finance

**CLEARANCES:** Todd Parton  
City Manager

**EXHIBITS:** Ordinance

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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<b>Expenditure Required:</b>	<b>Current Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
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**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

At the August 14, 2012 Council meeting, the Council voted to establish the proposed ad valorem tax rate for the Tax Year 2012 at \$0.5625/\$100 value, which is the same rate as Tax Year 2011. This rate is less than the effective tax rate of \$0.5669/\$100 value.

The attached ordinance will adopt the 2012 tax rate on the final reading, currently scheduled September 25, 2012. The tax rate has two components. The M&O rate for the general operations of the City is proposed at \$0.489 and the I&S rate for the General Fund's debt service is proposed at \$0.0735.

**RECOMMENDED ACTION**

The director of finance recommends approval of the ordinance on first reading to adopt the tax rate of \$0.5625 for the 2012 tax year.

**CITY OF KERRVILLE, TEXAS  
ORDINANCE NO. 2012-\_\_\_\_**

**AN ORDINANCE LEVYING AN AD VALOREM TAX FOR THE USE AND THE SUPPORT OF THE MUNICIPAL GOVERNMENT FOR THE CITY OF KERRVILLE, TEXAS, FOR THE FISCAL YEAR 2013; PROVIDING FOR APPORTIONING EACH LEVY FOR SPECIFIC PURPOSES; AND PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID**

WHEREAS, the City Council finds that an ad valorem tax must be levied to provide for current expenses and improvements for the City of Kerrville, Texas, during the fiscal year 2013; and

WHEREAS, the City Council further finds that an ad valorem tax must be levied to provide for the payment of principal and interest on outstanding debt maturing in the fiscal year 2013;

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

**SECTION ONE.** There is hereby levied and there shall be collected for the use and support of the municipal government of the City of Kerrville, Texas, and to provide interest and sinking funds for the fiscal year 2013, a tax of **\$0.5625** on each one hundred dollars (\$100.00) valuation of all property, real, personal, and mixed, within the corporate limits of the City subject to taxation, for the specific purposes herein set forth:

- (A) For the current expenditures of the City of Kerrville and for the general improvement, use and support of the City and its property, there is hereby levied and ordered to be assessed and collected for the fiscal year 2013 on all property situated within the corporate limits of the City, and not exempt from taxation by a valid law, an ad valorem tax rate of \$0.489 on each one hundred dollars (\$100.00) valuation of such property.
- (B) For the purpose of paying principal and interest and providing payments into various debt service funds for each issue of tax supported debt, there is hereby levied and ordered to be assessed and collected for the fiscal year 2013 on all property situated within the corporate limits of the City and not exempt from taxation by a valid law, an ad valorem tax for each issue of debt described in this Section, the sum of such levies being \$0.0735 on each one hundred dollars (\$100.00) valuation of such property.

**SECTION TWO.** The ad valorem taxes levied shall become due on October 1, 2012, and may be paid up to and including January 31, 2013, without penalty, but if not paid, such taxes shall become delinquent on February 1, 2013, provided, however, in accordance with Texas Tax Code §31.03(a), the ad valorem taxes due hereunder may, at the option of the taxpayer, be paid in two

payments without penalty or interest so long as the first payment of one-half of the taxes levied is paid before December 1, 2012, and the remaining one-half is paid before July 1, 2013.

**SECTION THREE.** No discounts are authorized on property tax payments made prior to January 31, 2013.

**SECTION FOUR.** All taxes become a lien upon the property against which assessed, and the designated City tax collector for the City of Kerrville is authorized and empowered to enforce the collection of such taxes according to the Constitution and Laws of the State of Texas and ordinances of the City of Kerrville, and shall by virtue of the tax rolls, fix and establish a lien by levying upon such property, whether real or personal, for the payment of said taxes, penalty, and interest. All delinquent taxes shall bear interest and other charges from date of delinquency as prescribed by state law.

**PASSED AND APPROVED ON FIRST READING, this the \_\_\_\_\_ day of \_\_\_\_\_ A.D., 2012.**

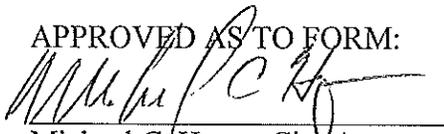
**PASSED AND APPROVED ON SECOND AND FINAL READING, this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2012.**

\_\_\_\_\_  
Jack Pratt, Jr., Mayor

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael C. Hayes, City Attorney

## **Agenda Item:**

6A. Economic development grant agreement between Hill Country District Junior Livestock Show Association and the City of Kerrville, Texas Economic Improvement Corporation. (Conklin)

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

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**SUBJECT:** Funding agreement with Hill Country District Livestock Association and the City of Kerrville, Texas Economic Improvement Corporation for an a maximum amount of \$150,000.00

**FOR AGENDA OF:** September 11, 2012 **DATE SUBMITTED:** August 30, 2012

**SUBMITTED BY:** Mindy N. Wendele      **CLEARANCES:** Todd Parton  
Director of Business Programs              City Manager

**EXHIBITS:** Funding agreement

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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<b>Expenditure</b>	<b>Current Balance</b>	<b>Amount</b>	<b>Account</b>
<b>Required:</b>	<b>in Account:</b>	<b>Budgeted:</b>	<b>Number:</b>
<b>\$</b>	<b>\$</b>	<b>\$</b>	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

On July 16, 2012 officials from the Hill Country District Junior Livestock Show Association (HCDJLA) submitted an application to EIC for funding of \$750,000 for their multi-use facility and exhibition center improvement project. The completed application was reviewed by the 'Go' Team.

The project consists of two phases. Phase one is the building of a 48,000 square foot fully enclosed multi-use building and Phase two will be a 22,000 square foot exhibition center. Their request also includes funding for equipment.

The EIC Board members voted to direct staff to draft a funding agreement for up to \$150,000 to purchase equipment to be used in Kerr County. The EIC funds would be used as a match to an existing grant obtained by HCDJLA.

During the August 27, 2012 EIC meeting a public hearing was held and the funding agreement approved.

**RECOMMENDED ACTION**

Approve agreement.

**ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN  
HILL COUNTRY DISTRICT JUNIOR LIVESTOCK SHOW ASSOCIATION AND  
THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**

This Agreement entered into by and between HILL COUNTRY DISTRICT JUNIOR LIVESTOCK SHOW ASSOCIATION, INC., a Texas nonprofit corporation ("HCDJLSA"), acting herein by and through its duly authorized President, Bob Reeves ("HCDJLSA Officer"), and the CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION ("EIC"), a Texas nonprofit corporation established pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 (otherwise known as the Development Corporation Act of 1979 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code) (hereafter referred to as "the Act"), acting by and through its duly authorized President, David Wampler.

**WITNESSETH:**

**WHEREAS**, EIC was formed to administer a sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for economic development projects; and

**WHEREAS**, pursuant to the Act, the EIC is authorized to provide funding relating to projects which the EIC finds to be encompassed within the definition of "Projects" as that word is defined by Chapters 501 and 505 of the Act, including:

*Equipment and improvements found by the EIC to be required or suitable for use for professional and amateur sports, including children's sports, athletic, entertainment, tourist, and events, including stadiums, auditoriums, parks and park facilities, exhibition facilities, and related store, restaurant, and concessions and other related improvements that enhance any of the items described by Section 505.152 of the Act;*  
and

**WHEREAS**, HCDJLSA has a current lease with Kerr County that authorizes HCDJLSA to use the Hill Country Youth Exhibition Center ("Exhibition Center") for specific time periods; and

**WHEREAS**, under the lease, which continues through 2032, HCDJLSA has the right to use the Exhibition Center for various purposes, including hosting its annual Hill Country District Junior Livestock Show; and

**WHEREAS**, HCDJLSA is partnering with Kerr County and private foundations in a project to improve and upgrade the Exhibition Center and to add a multi-use facility; and

**WHEREAS**, the project is separated into two phases, with the first phase consisting of the building of a 48,000 square foot fully enclosed metal building; and

**WHEREAS**, HCDJLSA has applied for a grant from EIC for funding to purchase equipment and amenities for the first phase of the project, to include new pens, arena bleachers, and an announcer's stand; and

**WHEREAS**, EIC has determined that such a grant complies with the Act and is in keeping with the mission of EIC and *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures* in that it will enhance the “quality of life” within the community; and

**WHEREAS**, EIC finds that it will be in the public interest to enter into an agreement with HCDJLSA to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to HCDJLSA for its cost in purchasing equipment and other amenities for placement and use within the Exhibition Center; and

**WHEREAS**, on August 20, 2012, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section 505.159 of the Act related to the proposed expenditure of 4B Revenues for the purposes provided above;

**NOW THEREFORE**, for and in consideration of the recitals set forth above and the promises made herein, HCDJLSA and the EIC agree as follows:

#### **ARTICLE I. EIC’S OBLIGATIONS**

- A. EIC hereby grants to HCDJLSA an amount up to One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) (“Grant”) for reimbursement of actual costs relating to the purchase of equipment and other amenities (collectively referred to herein as “Equipment”) related to the remodeling, reconstruction, and improvements to the Exhibition Center. The specific items approved for purchase by the HCDJLSA are listed on the attachment included as **Exhibit A**.
- B. Subject to the terms and conditions set forth in Article II, the Grant will be provided to HCDJLSA by EIC and EIC shall administer the Grant on a reimbursable basis. Prior to any payment from EIC, HCDJLSA must first submit written evidence of costs, such as invoices, receipts, and bills of sale for review and approval. Following each submission and verification thereof, which may include on-site inspections to confirm purchase and installation, EIC shall then reimburse HCDJLSA for the cost.
- C. Payments made by EIC to HCDJLSA from 4B Revenues will be limited to the payments of “costs” as defined by the Act and as specified above for the Project.
- D. In no event will the total amount of the Grant exceed One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) nor exceed one half of the actual expenses for the purchase of the items listed on the attachment included as **Exhibit A**.

#### **ARTICLE II. HCDJLSA’S OBLIGATIONS**

- A. HCDJLSA must make its purchases of the Equipment on or before January 1, 2013. Failure to make such purchases by this date will terminate the obligation of EIC to make any additional payments of the Grant.

- B. HCDJLSA must maintain ownership of all of the items and Equipment purchased with the Grant and must not remove, or allow anyone else to remove, the Equipment from Kerr County.
- C. HCDJLSA must keep and maintain complete and accurate records relating to the costs of the Equipment, separate and identifiable from its other records, for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.
- D. HCDJLSA will only be liable to EIC for the actual amount of the Grant to be conveyed to HCDJLSA and will not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by HCDJLSA under the terms of this Agreement.

### **ARTICLE III.**

#### **SALE OF PROJECT, MERGER OR CONSOLIDATION OF HCDJLSA**

- A. A sale of all or any of the assets of HCDJLSA will not release HCDJLSA from its duties and responsibilities to EIC under the terms of this Agreement and shall not result in the assignment of this Agreement by such acquiring entity without prior written consent from EIC, which will not be unreasonably withheld; provided, that HCDJLSA's proposed successor shall have the financial condition to fully satisfy HCDJLSA's duties and responsibilities hereunder and agrees to assume HCDJLSA's responsibilities under this Agreement. EIC may, in its sole discretion, reasonably determine whether such proposed successor's financial condition is satisfactory.
- B. In the event of any proposed merger or other consolidation of HCDJLSA with any third party not affiliated with HCDJLSA, HCDJLSA shall at least thirty (30) days prior to any such merger or consolidation provide EIC with information and assurance reasonably acceptable to EIC regarding: (1) the surviving entity's assumption and satisfaction of the HCDJLSA's obligations hereunder and (2) the financial condition of the surviving entity upon such merger or other consolidation to demonstrate that the surviving entity has the financial condition to fully satisfy HCDJLSA's duties and responsibilities hereunder. Failure to provide such information may be considered a breach of this Agreement.
- C. Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed that EIC shall have no rights to approve or disapprove any sale or merger transaction of any kind involving HCDJLSA. In the event of any sale or merger involving HCDJLSA or its affiliates, the surviving entity shall assume HCDJLSA's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

### **ARTICLE IV.**

#### **HCDJLSA'S REPRESENTATIONS AND WARRANTIES**

- A. HCDJLSA represents and warrants as of the date hereof:

(1) HCDJLSA is a Texas nonprofit corporation existing in good standing and authorized to do business in the State of Texas;

(2) Execution of this Agreement has been duly authorized by HCDJLSA and this Agreement is not in contravention of HCDJLSA's governing authority or any agreement or instrument to which HCDJLSA is a party or by which it may be bound as of the date hereof;

(3) No litigation or governmental proceeding is pending, or, to the knowledge of HCDJLSA Officer, threatened against or affecting HCDJLSA, which may result in a material adverse change in HCDJLSA's business, properties, or operations sufficient to jeopardize HCDJLSA's legal existence; and

(4) No written application, written statement, or correspondence submitted by HCDJLSA to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of HCDJLSA Officer, contains any untrue statement of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.

B. Except as expressly set forth in this Article IV, HCDJLSA makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE V.  
EIC'S REPRESENTATIONS AND WARRANTIES**

A. EIC represents and warrants as of the date hereof:

(1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the statute under which it is governed and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;

(2) Execution of this Agreement has been duly authorized by EIC;

(3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and

(4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.

B. Except as expressly set forth in this Article V, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE VI.**  
**CONDITIONS UNDER WHICH EIC MAY SUSPEND PERFORMANCE**  
**OF ITS OBLIGATIONS UNDER THIS AGREEMENT**

- A. Under any of the following conditions EIC may, at its option, after fifteen (15) days written notice to HCDJLSA, suspend its further performance under this Agreement until such time as HCDJLSA shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:
- (1) HCDJLSA becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law.
  - (2) The appointment of a receiver of HCDJLSA, or of all or any substantial part of the Property, and the failure of such receiver to be discharged within sixty (60) days thereafter.
  - (3) The adjudication of HCDJLSA as bankrupt.
  - (4) The filing by HCDJLSA of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.
- B. Should any of these conditions not be cured by HCDJLSA within ninety (90) days, HCDJLSA will be considered to have breached this Agreement and EIC may, at its option, with written notice to HCDJLSA, terminate this Agreement and HCDJLSA shall be obligated to refund the EIC the full amount of any Grant funding received from the EIC.

**ARTICLE VII.**  
**REMEDIES**

- A. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other party, proceed immediately to cure or remedy such default or breach, and, in any event, within sixty (60) days after receipt of such notice. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time (but in no event later than ninety (90) days from the date of notification of such breach), the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including but not limited to, seeking specific performance and/or injunctive relief.
- B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement and/or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that HCDJLSA is not entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that EIC, pursuant to a breach and failure to cure by HCDJLSA in accordance with this

Agreement, is entitled to recover attorney fees, collection costs, and any other costs due to its pursuit of repayment and remedies under this Agreement.

- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights will not, so long as the breach or default by another party is continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor will any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

## ARTICLE VIII. GENERAL PROVISIONS

- A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.
- B. Amendment. This Agreement may be amended only by written amendment signed by both parties.
- C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue will lie in Kerr County, Texas; and this Agreement is governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.
- D. Notices. All notices given with respect to this Agreement must be in writing and will be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

For EIC  
President – David Wampler  
City of Kerrville, Texas, Economic Improvement Corporation  
800 Junction Highway  
Kerrville, Texas 78028  
Facsimile: (830) 792-3850

*With a copy to:*  
Mindy Wendele  
Director of Business Programs  
City of Kerrville  
800 Junction Highways  
Kerrville, Texas 78028  
Facsimile: (830) 792-3850  
Email: [mindy.wendele@kerrvilletx.gov](mailto:mindy.wendele@kerrvilletx.gov)

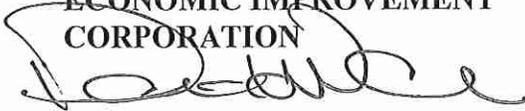
For Hill Country District Junior Livestock Show Association  
Bob Reeves  
President  
Hill Country District Junior Livestock Show Association  
P.O. Box 291217  
Kerrville, Texas 78028-1217  
Email: [breeves@kjc.com](mailto:breeves@kjc.com)

- E. Assignment. This Agreement is binding upon the parties hereto and their successors and assigns. Except as set forth in Article III, this Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party will be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement. HCDJLSA may, without written consent of EIC, assign this Agreement to any entity controlled and 100% owned by HCDJLSA or by the parent, subsidiary, or affiliate of HCDJLSA provided the entity assumes all of HCDJLSA's obligations and liabilities under this Agreement; agrees to comply with all provisions of this Agreement; has the legal, managerial, technical, and financial ability to properly perform and discharge such obligations and liabilities; and such abilities are each at least as great as those of HCDJLSA and HCDJLSA provides a written guarantee of such assignee's performance in a form reasonably acceptable to EIC. EIC shall be advised in writing of such assignment and of the entity's qualifications at least sixty (60) days before such assignment occurs.
- F. Parties In Interest. Nothing in this Agreement shall entitle any party other than HCDJLSA or EIC to any claim, cause of action, remedy or right of any.
- G. Term. The term of this Agreement (the "Term") shall commence on September 6, 2012, 2012 (the "Effective Date"), and will terminate on the earlier of: (i) either on January 1, 2013, or when the requirements set forth in this Agreement are completed, whichever date is later; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Articles VI or VII; (iv) or at the HCDJLSA's sole and absolute discretion, but only upon the HCDJLSA's return of all Grant funding to EIC that it has received under this Agreement. Upon termination of this Agreement as specified herein, all rights, duties and obligations of any kind under this Agreement shall automatically expire and terminate and be of no other force and effect.

- H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement will therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arms length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.
- I. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.
- J. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination will survive termination.
- K. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

**EXECUTED AND EFFECTIVE**, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board; and by Hill Country District Junior Livestock Show Association, Inc., acting through the HCDJLSA Officer.

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



David Wampler, President

Date: 8/31/12

**HILL COUNTRY DISTRICT JUNIOR  
LIVESTOCK SHOW ASSOCIATION, INC.**



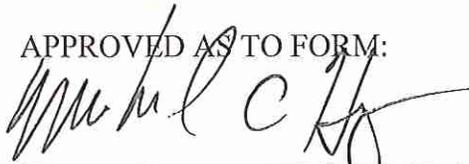
Bob Reeves, President

Date: 9-6-12

ATTEST:

  
Cheryl Brown, Recording Secretary

APPROVED AS TO FORM:



Michael C. Hayes, Attorney for EIC

**Exhibit A**  
**List of Equipment**  
for Hill Country District Junior Livestock Association  
As a Part of the Application Dated July 2, 2012

Pens  
Arena Fencing  
Gates  
Bleachers  
Announcers Stand  
Electronic Scales  
Large Fans

*TOTAL ESTIMATED EXPENSE:* \$ 294,584.70  
**MAXIMUM EIC CONTRIBUTION TOWARD ESTIMATED EXPENSE TO BE  
LIMITED TO 1/2 OF ACTUAL EXPENSES FOR THE ITEMS LISTED ABOVE**

## **Agenda Item:**

6B. Administrative services contract between City of Kerrville, Texas and City of Kerrville, Texas Economic Improvement Corporation. (staff)



**ADMINISTRATIVE SERVICES CONTRACT BETWEEN CITY OF KERRVILLE, TEXAS AND  
CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**

THIS CONTRACT is entered into and effective as of the 1st day of October 2012, by and between the City of Kerrville, Texas, ("City") and the City of Kerrville, Texas Economic Improvement Corporation ("EIC") for and in consideration of the following promises and conditions:

**ARTICLE I**  
**SERVICES PROVIDED BY CITY**

City agrees to provide the following services to the EIC subject to the limitations and conditions set forth below:

1. Engineering and Project Management Services: City agrees to provide engineering services, including, but not limited to, design, bid, and construction phases for EIC projects; provided, however, for projects which will require an expenditure of more than \$25,000.00 for construction, specialized engineering services and administration, or supervision and/or coordination of contracts between the EIC and consulting engineers, prior approval of the City Manager shall be required before commencement of such services. City further agrees to provide the necessary labor and overhead to conduct project management services for all projects, which are authorized by the EIC to be funded in whole or in part by sales tax revenues generated pursuant to the authority of Chapters 501, 502, and 505 of the Texas Local Government Code, as amended.
2. Legal Services: City agrees the City Attorney will be the legal advisor of, and attorney for, the EIC, which representation will include review of documents, contracts, and other instruments as to form and legality, and conduct of legal research and, if requested, issuance of legal memoranda or opinions. In the provision of legal services by the City Attorney, the City Attorney shall provide such services only if the provision of legal services to the EIC does not unreasonably impair his ability to provide legal services to the City. Furthermore, in the event the City Attorney determines that a legal or ethical conflict exists between the City and the EIC, the EIC agrees that the City Attorney may continue to represent the City on such matter notwithstanding such conflict provided the City Attorney has made reasonable disclosure of the conflict to the president of the EIC. Notwithstanding this paragraph, EIC shall at all times retain the right to hire counsel of its own choice at EIC expense.
3. Financial Services: City agrees to provide accounting and banking and investment services, including, but not limited to, accounts receivable, accounts payable, investments, record keeping, and financial reporting and an audit of all funds. The City will provide a report at each regular monthly meeting of the EIC, such report to include a statement of revenues and expenditures for all funds and a cash flow analysis on a form approved by the EIC.
4. Administrative Services: City agrees to provide the services of the City Manager TO INCLUDE secretarial and other clerical services, including, taking minutes and preparation of resolutions and correspondence related to the operation of the EIC. The City Manager or designee WILL engage with the EIC in a manner comparable to the role identified by Article/Section 6.04 of the City Charter.

5. Investment Officer: The City's Director of Finance will serve as the EIC's investment officer in accordance with the EIC'S Investment Policy, said policy previously approved by the EIC.
6. Regulatory Financial Reporting: The City's Director of Finance shall prepare all financial reports required by state and federal regulatory agencies.
7. Annual Audit: The City's Director of Finance shall include the EIC'S financial information AS part of the CITY'S Comprehensive Annual Financial Report (CAFR).
8. Project Reports: The City Manager or designee shall provide a report at each regular monthly meeting of the EIC on all ongoing projects which are subject to a funding agreement with the EIC. these reports shall include but ARE not limited to the status and estimated completion date of the project and verification that performance criteria are being met.
9. Staff Reports: The City Manager or designee shall prepare a report on each application for EIC funds, such report to include but IS not limited to, the following information:
  - a. Complete Application
  - b. Financial Impact Analysis
    - i. Total Payroll
    - ii. Payroll Multiplier
    - iii. Sales and Tax (Sales and Ad Valorem) Generation
  - c. Return on Investment Analysis
    - i. Property Tax – City, County and KISD
    - ii. Sales tax – City, County and KISD
    - iii. Payroll Multiplier
    - iv. Timeline by which return is realized
  - d. Feasibility Analysis
    - i. Land – Size, Zoning, Platting, Building/Fire Codes
    - ii. Building – Size, Suitability, Condition
    - iii. Infrastructure – Water, Wastewater, Streets, Drainage, Electricity, Public Safety
10. Prospect Support Services: The City Manager or designee shall ensure that the following support services as provided by City staff are provided to the EIC in the review and processing of applications for EIC funds:
  - a. Receive applications
  - b. Evaluate applications for completeness
  - c. Determine eligibility
  - d. Facilitate submission before the EIC
  - e. Provide technical evaluation pursuant to Section 9, above
  - f. Provide recommendations to the Board
  - g. Coordinate with other aligned agencies/entities
  - h. Identify appropriate incentives and programs

**ARTICLE II**  
**COMPENSATION**

In consideration of the provision by City to EIC of the services described in Article I, above, EIC agrees to pay to City the sum of \$100,000.00. It is agreed by the parties hereto that the compensation described in this Article II is equal to the reasonable value of the services anticipated to be provided by City to the EIC. City shall deduct the payment required hereunder upon receipt of said sales tax revenues from the Comptroller of Public Accounts for the State of Texas.

**ARTICLE III**  
**TERM**

The Term of this Contract shall commence on October 1, 2012, and end on September 30, 2013, subject to earlier termination as herein provided, and extension by agreement of the parties hereto.

**ARTICLE IV**  
**TERMINATION**

This Contract may be terminated by the City or EIC for any reason, with or without cause, not earlier than thirty (30) days prior to delivery to the non-terminating party of a written notice of termination. EIC agrees to pay City the reasonable cost of services rendered by City up to the date of termination.

**ARTICLE V**  
**GOVERNING LAW**

This Contract shall be governed by and construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Contract in the year and as of the date indicated.

CITY OF KERRVILLE, TEXAS

CITY OF KERRVILLE, TEXAS ECONOMIC  
IMPROVEMENT CORPORATION

By: \_\_\_\_\_  
Jeffrey Todd Parton, City Manager

By: \_\_\_\_\_  
David Wampler, President

ATTEST:

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

\_\_\_\_\_  
Rex Boyland, Secretary-Treasurer

APPROVED AS TO FORM:

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Michael C. Hayes, City Attorney

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# Agenda Item:

6C. Create beautification advisory committee. (Mayor Pratt)

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

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**SUBJECT:** Direction to city staff for the creation of a Kerrville Beautification Advisory Committee

**FOR AGENDA OF:** 9/11/12

**DATE SUBMITTED:** 9/06/12

**SUBMITTED BY:** Jack Pratt  
Mayor

**CLEARANCES:**

**EXHIBITS:** None

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**

<b>Expenditure Required:</b>	<b>Current Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$	\$	\$	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OR FINANCE:**

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**SUMMARY STATEMENT**

Kerrville is recognized as one of the most desirable communities in Texas and the United States. Its natural beauty makes it a draw for millions of tourists and its citizenry is comprised of many who have been drawn here from around the country. Kerrville's natural beauty can be further enhanced through increased citizen participation.

I propose that a Kerrville Beautification Advisory Committee be created by the City Council to promote city beautification and increase community involvement. The committee would explore opportunities to improve and enhance Kerrville's appearance and make recommendations to the City Council. The committee would consist of three members appointed by the City Council to three-year staggered terms.

The primary objectives of the Kerrville Beautification Advisory Committee would be to:

- Promote community appearance and stimulate public interest in the general appearance of the city;
- Educate the citizens about Kerrville's environmental assets and how to enhance and protect them;
- Serve as a liaison and resource for citizens, schools, businesses, organizations and the City of Kerrville;
- Encourage and promote partnerships and participation of citizens in improving the community;
- Implement a beautification recognition program; and
- Provide recommendations to the City Council regarding beautification projects and coordinating those projects accepted by the City Council by enlisting the active support of individuals, businesses, and organizations.

## **RECOMMENDED ACTION**

Direct city staff to prepare a resolution to create the Kerrville Beautification Advisory Committee and present the resolution for City Council consideration within the next 60 days.

## **Agenda Item:**

6D. LCRA Transmission Services Corporation and its proposed adjustment of its CREZ (Competitive Renewable Energy Zone) I-10 route and impact on City's landscaping and welcome sign. (staff)

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

**SUBJECT:** LCRA Transmission Services Corporation and its proposed adjustment of its CREZ (Competitive Renewable Energy Zone) I-10 route and impact on the City of Kerrville's welcome sign and the existing landscaping

**FOR AGENDA OF:** 9/11/12

**DATE SUBMITTED:** 9/07/12

**SUBMITTED BY:** Todd Parton  
City Manager

**CLEARANCES:**

**EXHIBITS:** None

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

<b>Expenditure Required:</b>	<b>Current Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DEPARTMENT:**

**SUMMARY STATEMENT**

City staff will provide and update to the City Council regarding the proposed CREZ line along I-10. Information provided at the meeting will include the status of the TxDOT permit in addition to the proposed locations of the poles and transmission lines.

**RECOMMENDED ACTION**

This will be an update and is included on the agenda for discussion. Direction may be provided to staff but no action will be required.

## **Agenda Item:**

7A. Water resources report. (staff)

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

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**SUBJECT:** Water Resources Report

**FOR AGENDA OF:** 9/11/12

**DATE SUBMITTED:** 9/5/12

**SUBMITTED BY:** Charlie Hastings *CA*  
Public Works Director

**CLEARANCES:** Todd Parton  
City Manager

**EXHIBITS:**

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**

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<b>Expenditure</b>	<b>Current Balance</b>	<b>Amount</b>	<b>Account</b>
<b>Required:</b>	<b>in Account:</b>	<b>Budgeted:</b>	<b>Number:</b>
\$	\$	\$	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

Staff will present an update on the water supply and availability as it relates to the drought.

**RECOMMENDED ACTION**

Information and discussion.

# **Agenda Item:**

7B. Budget and economic update. (staff)

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

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**SUBJECT:** Kerrville Budget/Economic Update

**FOR AGENDA OF:** September 11, 2012    **DATE SUBMITTED:** August 31, 2012

**SUBMITTED BY:** Mike Erwin *ME*  
Director of Finance

**CLEARANCES:** Todd Parton  
City Manager

**EXHIBITS:** Economic Update

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** *MP*

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<b>Expenditure Required:</b>	<b>Current Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$	\$	\$	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OR FINANCE:**

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**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.



## **Agenda Item:**

8A. Appointments to the Building Board of Adjustments. (staff)

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

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**SUBJECT:** Appointments to the Building Board of Adjustment and Appeals

**FOR AGENDA OF:** September 11, 2012      **DATE SUBMITTED:** August 31, 2012

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

**EXHIBITS:** Board List

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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**SUMMARY STATEMENT**

Consider appointments to the following board:

**Building Board of Adjustment and Appeals:** Four terms expired on August 31, 2012: Calvin Luck, Charles Tremper, II, Lee Underwood and alternate Daniel Lowery.

**RECOMMENDED ACTION**

Consider appointments.

**BUILDING BOARD OF ADJUSTMENT AND APPEALS**

		<u>Telephone</u>	<u>Orig. Appt. Date</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
i	HARMON, GARRETT 701 Lee Street Architect	895-4510 (O) 257-5859 (H)	09-14-10	08-23-11	08-31-13
ii	HEWITT, JOHN 100 Horseshoe Ridge Professional Engineer	315-8800 (O) 257-2149 (H)	08-23-11		08-31-13
iii	LUCK, CALVIN 1200 Spur 100 Master Electrician	830-928-1459 (O) 896-9333 (H)	09-14-10		08-31-12
iv	TREMPER II, CHARLES 702 Fay Dr. Master Plumber	739-4194 (O) 730-4194 (H)	09-14-10		08-31-12
v	UNDERWOOD, LEE 807 Rim Rock S. Mechanical Contractor	896-4083 (O) 896-4083 (H)	09-14-10		08-31-12
vi	BLED SOE, KENNETH 1308 Paragon Place Contractor	377-8300 (O) 896-8845 (H)	09-14-10	08-23-11	08-31-13
vii	DOWNEY, DWAYNE 403 Earl Drive Active Construction Industry	257-2104 (O) 377-2087 (H)	09-14-10	08-23-11	08-31-13
<u>ALTERNATES:</u>					
(*)	LOWERY, DANIEL 512 Elm St.	739-7876 (O) 896-1804 (H)	09-14-10		08-31-12
(*)	PRIOUR, JOHN 132 Cedar Drive E.	792-5900 (O) 739-5900 (H)	09-14-10	08-23-11	08-31-13

**CITY STAFF:**

Jeff Finley 258-1176 (O)  
Director of Building Svcs.

**Qualifications:**

Members shall be composed of the following:

- i an architect licensed to practice in the state;
- ii a professional engineer licensed to practice in the state;
- iii a master electrician licensed to practice in the state;
- iv an unrestricted master plumber licensed to practice in the state;
- v a mechanical contractor with a Class A state license;
- vi a person licensed by the city as a contractor;
- vii a person that is active in the construction industry; provided, however, if the city council determines that there is no architect or professional engineer available to serve on the board, then council shall select a second person meeting this description to serve.

- (\*) alternate members shall be qualified as one of the following: master electrician, master plumber or mechanical contractor.

Alternate board members shall attend all meetings and are subject to the attendance requirement applicable to the board; however, alternate members shall serve only in the absence of one or more regular members and shall then act as a regular member for that entire meeting. Members shall be residents of the county and operate or be employed by a business located within the city; however, no two (2) members, regular or alternate, may be employed by or have an ownership interest in the same business or firm.

**Powers and Duties:**

- (1) To hear appeals of decisions and interpretations of the chief building official and fire code official and to consider variances to the standardized building codes as more specifically described in Sec. 26-251 of Ordinance No. 2010-15. No appeal may arise out of the city's issuance of citation for violation of any of the standardized building codes as the procedure for the consideration and decision regarding citations is solely under the purview and authority of the municipal court. In addition, the board shall have no authority to waive, and is prohibited from waiving, any requirement of the standardized building codes; and
- (2) Recommend amendments to this chapter; any standardized building code adopted by the city council; or any other code, application, or process applicable to the city's review, application, interpretation, and enforcement of the standardized building codes with the goal toward addressing any deficiencies, voids, inconsistencies, inefficiencies, or technical errors; and
- (3) To hear appeals, issue orders, and fulfill other duties pursuant to the authority established in Article VII of this Chapter for unsafe building abatement.

**Term of Office:**

Two years. No regular member shall serve more than two consecutive full terms on the board without having at least one full year off of the board between terms; provided, however, if the city council finds that it has not received applications from other qualified candidates, the city council may reappoint an incumbent member of the board notwithstanding the restrictions of this subsection.

**Quorum:**

Four members

**Number of Members:**

Seven members, and two alternates

**Officers:**

The board shall elect a chair and vice-chair who shall be appointed from among voting members. The board shall appoint such officers at the first meeting of the board held after September 1 of each year. Officers shall serve a term of one year and all such terms shall end on August 31 after the date of election or until a successor is elected, but in every case each subsequent term shall end on August 31. An officer of the board may not serve in the office elected for more than two consecutive terms.

The board shall elect a chair and vice-chair who shall be appointed from among voting members. The board shall appoint such officers at the first meeting of the board held after September 1 of each year. Officers shall serve a term of one year and all such terms shall end on August 31 after the date of election or until a successor is elected, but in every case each subsequent term shall end on August 31. An officer of the board may not serve in the office elected for more than two consecutive terms.

**Meeting Time & Place:**

At least quarterly at the call of the chair, City Hall

**Absences:**

As established in the Procedural Rules for Kerrville City Boards.

**Established by:**

Ordinance No. 2010-15

**Revised:**

August 31, 2012

## **Agenda Item:**

8B. Appointments to the Golf Course Advisory Board. (staff)

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

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**SUBJECT:** Appointments to the Golf Course Advisory Board

**FOR AGENDA OF:** September 11, 2012 **DATE SUBMITTED:** September 4, 2012

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

**EXHIBITS:** Board List

**AGENDA MAILED TO:**

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

**APPROVED FOR SUBMITTAL BY DIRECTOR OF ADMINISTRATIVE SERVICES:**

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**SUMMARY STATEMENT**

Consider appointments to the following board:

**Golf Course Advisory Board:** Three terms expired July 1, 2012: Tim Dylina, Rusty Hendrickson, and Joe Hernandez.

**RECOMMENDED ACTION**

Consider appointments.

## 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	895-5202 (O)			
CITY STAFF: Kristine Ondrias Assistant City Manager	258-1106 (O)			
Scott McDonough General Manager of Golf & Tennis	258-1400 (O)			

Qualifications:	Of the seven (7) regular voting members appointed by the City Council, six (6) shall be residents of the City of Kerrville, Texas, and one (1) member may reside outside the City but within Kerr County.
Purpose and Duties:	The purpose of the Board is to advise the City Council and city staff on matters relating to the operation of the Scott Schreiner Municipal Golf Course.
Term of Office:	Two Years. No member shall serve more than two consecutive full terms without having at least one full year off of the Board between terms.
Vacancies:	Upon the vacancy, removal, or expiration of the term of office of any member, the city council shall appoint a successor who shall hold that position for the unexpired term or for the period of two years when the appointment is made as the result of the expiration of a board member's term.
Quorum:	Four members of the board, excluding liaison members.

Number of Members: Seven  
Meeting Time & Place: Fourth 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: May 23, 2012

## **Agenda Item:**

8C. Appointment to the Main Street Advisory Board. (staff)

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

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**SUBJECT:** Appointment to the Main Street Advisory Board

**FOR AGENDA OF:** September 11, 2012    **DATE SUBMITTED:** August 31, 2012

**SUBMITTED BY:** Brenda Craig    **CLEARANCES:**  
City Secretary    BC

**EXHIBITS:** Board List

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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**SUMMARY STATEMENT**

Consider appointment to the following board:

**Main Street Advisory Board:** One term to expire on January 31, 2014 due to the resignation of Janet Mize-Jugert.

**RECOMMENDED ACTION**

Consider appointment.

**MAIN STREET ADVISORY BOARD**

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
RAIN, SCOTT Chairman 106 Bowie	459-1156 (H) 257-8588	01-25-11		01-31-13
SCHNEIDER, RICH Vice Chairman 105 Whitetail Rd.	370-4876 (H) 257-7373 (O)	01-25-11		01-31-13
BRASWELL, SHELBY 260 Thompson Dr. #3	896-4100 (O) 377-5509 (H)	03-13-12		01-31-13
CLANTON, TAMMI 3340 Loop 534	792-7456 (O) 459-5752 (H)	01-24-12		01-31-14
COBBS, STAN 1010 Linda Joy	895-8771 (O) 895-8771 (H)	01-24-12		01-31-14
FRY, LEE 120 Victoria Drive	367-7109 (H)	01-27-09	01-25-11	01-31-13
MARTIN, DAVID 1717 Foothills Dr.	895-1313 (O) 895-1857 (H)	05-08-12		01-31-14
MIZE-JUGERT, JANET 1210 Harper Road	210-705-6702 (O) 792-9600 (H)	01-24-12		01-31-14
YATES, AARON 317 Sidney Baker, #400	830-214-7635 (O) 377-9058 (H)	03-13-12		01-31-13
<b>COUNCIL LIAISON:</b>				
Gene Allen 2106 Vista Ridge Dr. 1221 JunctionHwy	895-5111 (O) 792-4651 (H)			
<b>CITY STAFF:</b>				
Misty Kothe Main Street Manager 715 Water Street	258-1112 (O)			

**Powers and Duties:** To encourage participation in the Main Street Revitalization Program; to establish goals and priorities for the Main Street Program; to review design appropriateness for the purpose of participation in the main street low-interest loan program and incentive grant projects; and to advise and support the main street program manager.

**Term of Office:** Two years with a maximum of two full successive terms (Bylaws)

**Quorum:** Five members

**Number of Members:** Nine

**Absences:** Any member who miss three consecutive meetings may be replaced (Bylaws)

**Meeting Time & Place:** Fourth Thursday at 8:00 a.m., 715 Water Street

**Established by:** Resolution No. 1994-133

**Revised:** August 16, 2012