

AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, AUGUST 13, 2013, 6:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, AUGUST 13, 2013, 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION offered by Ann Buck, Executive Director, Christian Women's Job Corps.

PLEDGE OF ALLEGIANCE TO THE FLAG led by Sherrill Eckstein, Commanding Officer of American Legion Garrett-Baker Post 13.

Those in attendance may stand if they wish.

1. VISITORS/CITIZENS FORUM:

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

2. RECOGNITION:

2A. Recognize city lifeguards for their accomplishment in receiving gold medals and the title of 2013 State Champions in the T.A.A.F. Games of Texas State Lifeguard Championships in Corpus Christi on July 24, 2013. (Mayor Pratt)

2B. Resolutions of commendation to Pat Angell, B.K. Cody, and Bill Thomas for their service on the golf course advisory board. (Mayor Pratt)

2C. Recognition of the Kerrville Citizens Police Academy Alumni Association. (staff)

3. CONSENT AGENDA:

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

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, August 8, 2013 at 5:30 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

3A. Minutes of the Kerrville City Council budget workshop held July 17, 2013; the Kerrville City Council Texas Employee Benefits Trust meeting held July 23, 2013; the Kerrville City Council regular meeting held July 23, 2013; and the special meeting held July 24, 2013. (staff)

3B. Professional services agreement with Peter Lewis Architect + Associates, PLLC, for the design of Louise Hays/Lehmann & Monroe Parks and the river trail – Louise Hays Park to G Street project. (staff)

3C. Professional services agreement with Freese and Nichols, Inc. to provide professional engineering design and construction administration services for the wastewater treatment plant clarifier and motor control center improvements in an amount not to exceed \$407,000.00. (staff)

END OF CONSENT AGENDA

4. ORDINANCE, SECOND AND FINAL READING:

4A. Ordinance No. 2013-14 amending Chapter 42 "Emergency Services" of the Code of Ordinances of the City of Kerrville, Texas, by amending Article III, "Emergency Medical Services" in its entirety to provide for the continued maintenance, operation, licensing, and regulation of such services; providing a penalty for violation of any provision hereof; containing a cumulative clause; containing a savings and severability clause; ordering publication; providing for an effective date; and providing other matters relating to the subject. (staff)

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Resolution No. 25-2013 providing for the city's approval or disapproval of the Kerr Central Appraisal District's Fiscal Year 2014 budget. (staff)

5B. Funding agreement between the City of Kerrville and the City of Kerrville Economic Improvement Corporation for improvements to the Cailloux Theater. (staff)

5C. Funding agreement between Playhouse 2000, Inc. and the City of Kerrville Economic Improvement Corporation for improvements to the Cailloux Theater. (staff)

5D. Resolution No. 26-2013 setting forth the ad valorem tax rate to be considered for adoption for the 2013 tax year; calling two public hearings prior to the adoption of said rate; and calling a public hearing as required by both the City's Charter and state law prior to the adoption of the Fiscal Year 2014 budget. (staff)

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Brenda Craig
City Secretary, City of Kerrville, Texas

5E. 4B sales tax funding request guidelines and procedures for economic development incentives. (staff)

6. BOARD APPOINTMENTS:

6A. Appointment to the main street advisory board. (staff)

6B. Appointment to the beautification advisory committee. (staff)

7. ITEMS FOR FUTURE AGENDAS

8. ANNOUNCEMENTS OF COMMUNITY INTEREST:

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

9. EXECUTIVE SESSION:

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

Sections 551.071 and 551.072:

Discuss the purchase, exchange, lease, sale, or value of real property, the public discussion of which would not be in the best interests of the City's bargaining position with third parties, regarding property interests related to the following projects:

- Jefferson lift station
- River Trail.

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

11. ADJOURNMENT.

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-258-1117 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, August 8, 2013 at 5:30 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Recognize city lifeguards for their accomplishment in receiving gold medals and the title of 2013 State Champions in the T.A.A.F. Games of Texas State Lifeguard Championships in Corpus Christi on July 24, 2013. (Mayor Pratt)

TO BE CONSIDERED BY THE CITY COUNCIL

CITY OF KERRVILLE, TEXAS

SUBJECT: Recognize the City competitive lifeguard team for their accomplishment as 2013 State Champions.

FOR AGENDA OF: August 13, 2013

DATE SUBMITTED: August 2, 2013

SUBMITTED BY: Malcolm Matthews

Director, Parks and Recreation

CLEARANCES: Kristine Ondrias

Asst. City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

On July 24th, the Parks and Recreation Department's Competitive Lifeguard Team was crowned the 2013 state champions after winning 1st Place at the Texas Amateur Athletic Federation *Games of Texas State Lifeguard Championship* in Corpus Christi. In order to advance to the state championship, teams must qualify through regional competitions held around the state. Earlier this summer, the Kerrville team qualified for state at both the *Texas SuperGuard Competition* (2nd overall) in College Station and the *Central Texas Lifeguard Competition* (3rd overall) in New Braunfels. Lifeguard competitions are open to all teams and agencies around the state, consisting of a variety of different training programs, such as the American Red Cross, YMCA, NASCO, Star Guard, and Ellis & Associates, which the City of Kerrville utilizes. The cities and agencies represented at the state finals were Frisco, McKinney, Cedar Park, The Woodlands, Schlitterbahn, Georgetown, Sweetwater, Conroe, and Kerrville.

The State Championship consisted of three events – CPR/first-aid, spinal injury, and team scenario. All events were unknown to the teams prior to the start of the competition. They were judged on their ability to manage emergencies and problems, teamwork, rule enforcement, triage, and overall skill level.

This is the second year for the City of Kerrville to have a competitive lifeguard team. The 2013 Kerrville Competitive Lifeguard Team members are Travis Barnes-Johnson, Melissa Blanchard, Rosa Ledesma, and Chase Rosborough, with Rachael Bruce as alternate. This was the second year for Travis Barnes-Johnson and Melissa Blanchard to be on the team. At the state championship, Rachael Bruce filled in for Chase Rosborough, who was not

able to attend.

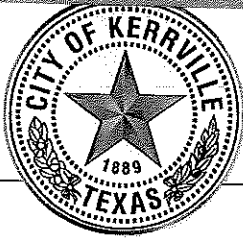
Management and training of the team was provided by Ashlea Boyle, Special Projects Coordinator and Destini Leija, Parks and Recreation Specialist.

RECOMMENDED ACTION

Recognize the City competitive lifeguard team for their accomplishment as 2013 State Champions by winning the Texas Amateur Athletic Federation *Games of Texas* State Lifeguard Championship in Corpus Christi on July 24, 2013.

Agenda Item:

2B. Resolutions of commendation to Pat Angell, B.K. Cody, and Bill Thomas for their service on the golf course advisory board. (Mayor Pratt)



City of Kerrville

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RESOLUTION OF COMMENDATION

WHEREAS, PAT ANGELL has served as a member of the Golf Course Advisory Board with the date of service beginning April 8, 2008; and

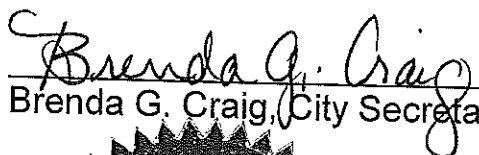
WHEREAS, PAT ANGELL has served faithfully and dutifully on said board;

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

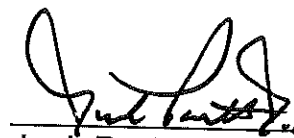
That **PAT ANGELL** be recognized for outstanding service as a member of the Golf Course Advisory Board, and that on behalf of the citizens of Kerrville, as well as for ourselves individually, we wish to express our sincere appreciation for contributions to the city and the community.

PASSED AND APPROVED, this the ____ day of _____, 2013.

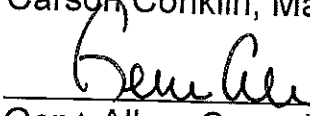
ATTEST:


Brenda G. Craig, City Secretary

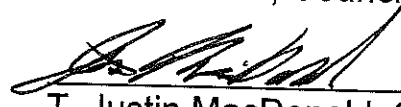


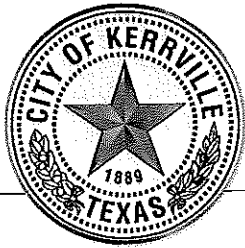

Jack Pratt, Jr., Mayor


Carson Conklin, Mayor Pro Tem


Gene Allen, Councilmember


Stacie Keeble, Councilmember


T. Justin MacDonald, Councilmember



City of Kerrville

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RESOLUTION OF COMMENDATION

WHEREAS, B.K. CODY has served as a member of the Golf Course Advisory Board with the date of service beginning June 24, 2008; and

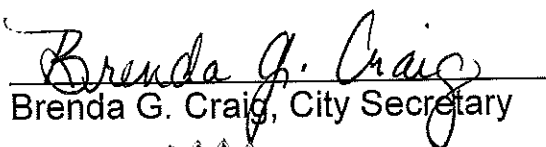
WHEREAS, B.K. CODY has served faithfully and dutifully on said board;

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

That **B.K. CODY** be recognized for outstanding service as a member of the Golf Course Advisory Board, and that on behalf of the citizens of Kerrville, as well as for ourselves individually, we wish to express our sincere appreciation for contributions to the city and the community.

PASSED AND APPROVED, this the ____ day of _____, 2013.

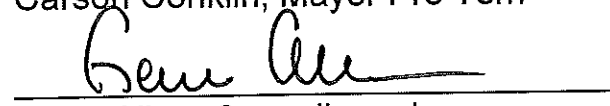
ATTEST:

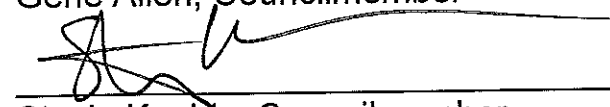

Brenda G. Craig, City Secretary

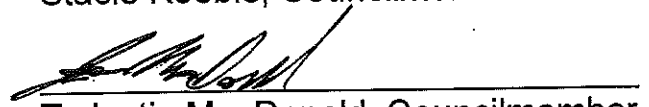



Jack Pratt, Jr., Mayor


Carson Conklin, Mayor Pro Tem


Gene Allen, Councilmember


Stacie Keeble, Councilmember


T. Justin MacDonald, Councilmember



City of Kerrville

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RESOLUTION OF COMMENDATION

WHEREAS, BILL THOMAS has served as a member of the Golf Course Advisory Board with the date of service beginning July 28, 2009; and

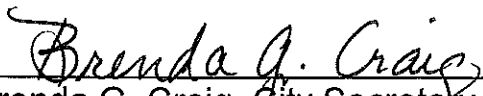
WHEREAS, BILL THOMAS has served faithfully and dutifully on said board;

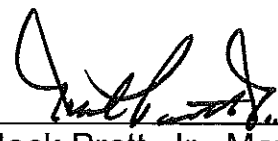
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

That **BILL THOMAS** be recognized for outstanding service as a member of the Golf Course Advisory Board, and that on behalf of the citizens of Kerrville, as well as for ourselves individually, we wish to express our sincere appreciation for contributions to the city and the community.

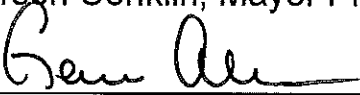
PASSED AND APPROVED, this the ____ day of _____, 2013.

ATTEST:


Brenda G. Craig, City Secretary


Jack Pratt, Jr., Mayor


Carson Conklin, Mayor Pro Tem


Gene Allen, Councilmember


Stacie Keeble, Councilmember


T. Justin MacDonald, Councilmember



Agenda Item:

2C. Recognition of the Kerrville Citizens Police Academy Alumni Association.
(staff)

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

SUBJECT: Recognition of the Kerrville Citizens Police Academy Alumni Association.

FOR AGENDA OF: August 13, 2013 **DATE SUBMITTED:** July 10, 2013

SUBMITTED BY: Chief John Young **CLEARANCES:** Todd Parton, City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:



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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

On July 26, 2013, the Kerrville Citizen Police Academy Alumni Association (KCPAAA) was awarded the prestigious **Alumni Association of the Year** award by the Texas Citizen Police Academy Alumni Association Board of Directors. The award was presented at the annual State Citizen Police Academy & Law Enforcement Training Conference, held in Arlington, Texas, July 24-27.

The KCPAAA was recognized among the 75 participating state-wide alumni associations for having the most advanced and productive programs to enhance the citizen-police partnership, as measured by both actions and deeds during 2012-2013.

The KCPAAA was created in 2006 and has grown from a very small cadre to nearly 90 members. KCPAAA volunteers are committed to making a positive difference in the Kerrville community by improving quality of life through safety & special assistance programs, and by supporting and promoting the mission of the Kerrville Police Department.

We are extremely proud of the alumni association and are pleased to recognize their contributions to the department and the city. They are certainly a force multiplier that allows us to deliver quality service to our community.

RECOMMENDED ACTION

Recognition by City Council during City Council regular meeting.

Agenda Item:

3A. Minutes of the Kerrville City Council budget workshop held July 17, 2013; the Kerrville City Council Texas Employee Benefits Trust meeting held July 23, 2013; the Kerrville City Council regular meeting held July 23, 2013; and the special meeting held July 24, 2013. (staff)

CITY COUNCIL MINUTES
BUDGET WORKSHOP

KERRVILLE, TEXAS
JULY 17, 2013

On July 17, 2013, the Kerrville City Council meeting was called to order by Mayor Pratt at 9:00 a.m. in the city hall upstairs conference room, 701 Main Street.

COUNCILMEMBERS PRESENT:

Jack Pratt	Mayor
Carson Conklin	Mayor Pro Tem
Gene Allen	Councilmember
Stacie Keeble	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
Sandra Yarbrough	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 AND DIRECTION TO STAFF REGARDING PROPOSED FISCAL YEAR 2014 BUDGET

Mr. Parton stated the draft budget had been prepared in accordance with previous direction from council, and was based on fiscal sustainability and assumptions: 1) balanced budget; 2) maintained current tax rate of \$0.5625; 3) maintained current level of service; 4) no use of fund balance; 5) no utility rate increase; 6) no new property tax supported debt; and 7) no utility rate increase.

Council and staff discussed the following with regard to the FY2014 budget:

- Salary adjustments: catch up on step plan for public safety personnel; 3% pay adjustment for non-public safety personnel; and additional adjustments for those who fall below the minimum.
- Health insurance maintained at \$7,100 per employee per year (this was increased to \$7,500 PEPY by council later in the meeting).
- The general fund included major capital expenditures: platform ladder fire truck, \$1.2 million (financed by bank loan); new ambulance, \$182,093; police vehicles, \$150,000; computer equipment \$50,000; and parks equipment, \$50,000.

- The Freese and Nichols utility study should be completed soon; \$1.5 million in contingency fund could be allocated for projects; also capacity to issue debt.
- Anticipated possible termination of interlocal agreements by Kerr County for EMS and firefighting services in FY2015; would require spending \$390,000 from reserve in FY2015 and \$142,300 in FY2016, and a reduction in spending of \$370,000 in FY2015; balanced budget by 2017 without the use of reserve funds.
- FY 2019 could have additional debt capacity in the general fund; could add items to CIP using tax supported debt if desired.
- FY 2021 reduction in debt in water/sewer fund; could fund utility capital projects with utility supported debt.
- Proposed budget maintained 35% ratio/debt to funds generated policy in the utility fund.
- Staff levels were at the point that any additional cuts would affect the city's ability to provide the current level of service to citizens; if additional staffing cuts became necessary, council would need to look at how programs would be affected. Citizens deserved to continue to have the current services.
- Mr. Parton discussed staffing cuts over the past few years and noted that when sustained activity becomes apparent, staffing would have to be increased, until that time, the city may have to contract for some building inspection and engineering services.
- Discussed contracting out maintenance in creek beds and drainage ditches. Mr. Parton noted that most creek beds were on private property, and in most cases the city did not have easements to access the property. Staff would look at options available, i.e. outsourcing and funding options, i.e. grants.
- Noted the city hired outside legal counsel for the Aqua Texas rate case several months ago and questioned if the city had been reimbursed for that cost. Mr. Hayes noted the city paid \$12,000 for the legal services, and Aqua Texas reimbursed the city half that cost and would reimburse the city the other half by the end of 2013.
- Staff noted the possibility of hosting the main street conference in Kerrville, and seed money was budgeted for that purpose.
- Employee insurance. Ms. Meismer noted a rise in insurance premiums, deductibles, and prescription co-pays. Currently, the employee's insurance was paid 100% by the city, and the city paid between 57%-61% for employee's dependent coverage, and the proposed FY2014 budget included 45% of dependent coverage cost. Council noted that increases in insurance premiums would take away employees' raises, and consensus was to pay 55% of the dependent cost of premiums. The insurance trust fund had a balance of \$650,000; councilmembers discussed transferring \$150,000 from the insurance trust fund to absorb some of staff's insurance cost and increase the per employee benefit to \$7,500. Ms. Meismer noted that \$125,000 would be sufficient to get to \$7,500 PEPY. Mr. Parton noted this fund was established to cover any major catastrophic event.
- The insurance increase also included 4% for the Patient Protection and Affordable Care Act fee.
- According to the benefits survey just completed, the city was not at market on most salaries, and was mid-point on insurance benefits.

- Want to attract and keep skilled employees.
- In 2015 the city may consider adopting a policy whereby if an employee's spouse had other health care coverage, that the city will not provide coverage.
- Ms. Meismer noted that some insurance carriers pay for bio testing and an employee's rate was based on testing.
- May need to add full time recreation person in future.
- Pavement management system. City had 144 miles of streets; goal was to reach 85 score on the PMS; would require the city to pave 12 miles per year; city currently does five or six miles.
- The water towers at the Summit and on Holdsworth Drive needed painting.
- Budget should include cost to hire outside consultant for rewrite of the subdivision ordinance and the comprehensive plan update.
- Requested window coverings for the new city hall and odor control at the parking garage.
- Funds were transferred from the water and sewer fund to the general fund to reimburse the general fund for utility-related expenditures and to the debt service fund to cover debt payments.

The meeting recessed at 11:59 a.m. for lunch and reconvened at 12:35 p.m.
Mr. Allen left the meeting at 11:59 a.m.

Council and staff continued to discuss items in the FY2014 budget:

- The water/sewer fund capital projects included: new valve machine, \$80,000; new valve insertion machine, \$40,000; and \$1 million allocated for trihalomethane reduction projects.
- Technological advancements in solid waste recycling; did Allied Waste have the ability to separate and remove recyclables from trash?

Council instructed staff to proceed with preparation of the budget as presented, and to cancel the meeting tentatively scheduled for July 19.

ADJOURNMENT. The meeting adjourned at 1:14 p.m.

APPROVED: _____

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary

CITY OF KERRVILLE, TEXAS EMPLOYEE BENEFITS TRUST JULY 23, 2013

On July 23, 2013, the City of Kerrville Employee Benefits Trust met at 6:03 p.m. in the city hall council chambers, 701 Main Street, Kerrville, Texas.

COUNCILMEMBERS PRESENT:

Jack Pratt	Chairman
Carson Conklin	Vice-Chairman
Gene Allen	Councilmember
Stacie Keeble	Councilmember
Justin MacDonald	Councilmember

COUNCILMEMBER ABSENT:

CITY EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Kim Meismer	Director of General Operations

CONSIDERATION AND POSSIBLE ACTION:

Authorize the city manager to execute contracts for fiscal year 2014 employee benefits.

Ms. Meismer reported that the city's contribution for employee benefits for FY2014 was increased from \$7,100 to \$7,500 using \$125,000 from the benefit trust reserve fund, as directed by council at the July 17 budget workshop. She requested approval of the contracts as presented.

Mr. MacDonald moved to authorize the city manager to execute contracts for employee benefits as presented. Mr. Allen seconded the motion and it passed 5-0.

Adjournment.

The City of Kerrville Employee Benefits Trust meeting adjourned at 6:05 p.m.

APPROVED: _____

ATTEST:

Jack Pratt, Jr., Chairman

Brenda G. Craig, City Secretary

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
JULY 23, 2013

On July 23, 2013, the Kerrville City Council meeting was called to order at 6:00 p.m. by Mayor Pratt in the city hall council chambers at 701 Main Street. The invocation was offered by Reverend Patty Edwards, Unity Church of the Hill Country, followed by the Pledge of Allegiance led by Police Chief John Young.

COUNCILMEMBERS PRESENT:

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

COUNCILMEMBER ABSENT:

CITY EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Sandra Yarbrough	Director of Finance
Robert Ojeda	Fire Chief
John Young	Police Chief
Jason Lutz	Senior Planner
Kim Meisner	Director of General Operations

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

1. VISITORS/CITIZENS FORUM: No one spoke.

CITY COUNCIL RECESS:

The Kerrville City Council recessed the regular city council meeting to convene a meeting of the City of Kerrville Employee Benefits Trust at 6:03 p.m. Following the City of Kerrville Employee Benefits Trust meeting, the Kerrville City Council reconvened into regular session at 6:05 p.m.

3. CONSENT AGENDA:

Mr. Allen moved for approval of agenda items 3A through 3D; Mr. Conklin seconded the motion and it passed 5-0:

3A. Minutes of the regular Kerrville City Council meetings held June 25, 2013, and July 9, 2013.

3B. Purchase new CAD/RMS (Computer Aided Dispatch and Records Management System) from Tyler Technologies for the police department, in the

amount of \$46,091.00.

3C. Construction contract with Nelson Lewis, Inc. for the construction of the Jefferson lift station, gravity and force main and the Riverhills/Ridgewood transmission main-Phase 1 project in the amount of \$1,575,764.00 and additional change orders which may exceed \$50,000 but not exceed the total amount of \$1,890,917.00.

3D. Resolution No. 23-2013 authorizing the transfer of the ownership of funds from the City of Kerrville to the City of Kerrville Employee Benefits Trust to pay for employee related benefits for fiscal year 2014.

END CONSENT AGENDA

4. ORDINANCE, SECOND AND FINAL READING:

4A. Ordinance No. 2013-08 annexing an approximately 0.91 acre tract out of original Survey No. 148, John A. Southmayde, Abstract No. 288, part of the Clergy Hollimon tract, within Kerr County, Texas; said property being located adjacent to the corporate limits of the City of Kerrville, Texas, and with the address of 2262 Bandera Highway; describing the territory to be annexed; adopting a service plan for the territory annexed; and establishing the zoning for the area annexed. Mayor Pratt read the ordinance by title only.

Mr. Lutz noted no changes since first reading.

Council discussed the issue of property access as discussed at a previous meeting by adjacent property owners. Mr. Lutz noted that adjacent owners had been contacted and were in the process of providing documents to staff.

Mr. MacDonald moved for approval of Ordinance No. 2013-08 on first reading; Mr. Conklin seconded the motion and it passed 5-0.

5. ORDINANCES, FIRST READING:

5A. Ordinance No. 2013-14 amending Chapter 42 "Emergency Services" of the Code of Ordinances of the City of Kerrville, Texas, by amending Article III, "Emergency Medical Services" in its entirety to provide for the continued maintenance, operation, licensing, and regulation of such services; providing a penalty for violation of any provision hereof; containing a cumulative clause; containing a savings and severability clause; ordering publication; providing for an effective date; and providing other matters relating to the subject. Mayor Pratt read the ordinance by title only.

Chief Ojeda noted the current ordinance was adopted 20 years ago when Kerrville Fire Department (KFD) began an ambulance service in 1994 in order to establish regulations for maintaining and operating EMS and provide for medical control through a medical director. The proposed ordinance would: 1) establish that the city owns, operates, and maintains an emergency and non-emergency or transfer ambulance service system; 2) provide medical control by means of a medical director whose duties are addressed in a contract; 3) establish regulations and procedures for the licensing of non-emergency or transfer services and the

coordination of ambulance services within the city limits; 4) remove fees from the code of ordinances and establish that fees are set annually by city council; 5) delete and/or change some definitions and language as terminology has changed; 6) establish expectations and level of service for other emergency ambulance service providers; and 7) require licensing of non-emergency ambulances.

The ordinance also established exceptions for the licensing of certain ambulance services: 1) a vehicle rendering service as an ambulance in the case of a major catastrophe or extreme system overload when such condition has been declared; 2) an ambulance owned, operated, provided, or contracted by a federal or state agency; 3) an emergency ambulance service engaged in transporting a patient from a point of origin located outside the service area to a location within the service area; and 4) an ambulance service rendering emergency service pursuant to a mutual aid agreement executed by the city.

The ordinance was not an attempt to keep other public or private services from operating in the city, but to ensure that any service operating in the city would meet certain requirements to ensure public health and safety. The ordinance addressed the operating conditions of other ambulance services: 1) their personnel would not be dressed similar to KFD personnel to eliminate confusion between the two services; 2) their vehicles would not be detailed, striped or painted in similar color or scheme to KFD vehicles so as not to be confused with KFD; 3) their name would be on both sides and the rear of their ambulances and would not include the word "Kerrville" or the letters "KFD"; and 4) would meet certain standards of care to ensure the citizens received the care, and professional service they deserve.

Chief Ojeda noted the Texas Legislature recently imposed certain operational conditions and licensing requirements on non-governmental EMS providers, including requiring such non-emergency service providers to obtain a letter from the city council in which the provider intended to operate. In order to grant such a letter, a city council must make the following findings: 1) the addition of another licensed EMS provider would not interfere with or adversely affect the provision of EMS by licensed providers operating in the city; 2) the addition of another licensed EMS provider would remedy an existing provider shortage that could not be resolved through the use of the licensed providers operating in the city; and 3) the addition of another licensed EMS provider would not cause an oversupply of licensed EMS providers in the city.

Chief Ojeda noted the proposed ordinance did not establish any regulations for air ambulance service as those services were licensed by the state. Second reading of the ordinance was scheduled for August 13.

Mr. Allen moved for approval of Ordinance No. 2013-14 on first reading; Ms. Keeble seconded the motion and it passed 5-0.

6. CONSIDERATION AND POSSIBLE ACTION:

6A. Resolution No. 24-2013 supporting the construction of twelve metal building T-hangars on the Kerrville-Kerr County Airport property.

Steve King, President of the Kerrville-Kerr County Airport Board, requested council approval of the resolution, as owners of the airport, supporting the construction of T-hangars on the airport property. On September 26 TxDOT would consider awarding \$640,000, a 90%/10% grant for the construction of 10-12 T-hangars at the Kerrville airport. The 10% local match would be paid by the airport board; no funds would be required of the city. The county agreed to provide excavation for the project; the board requested the city provide paving services; and the airport board would provide all materiel. The airport board would manage the project through a contractor; oversight would be local control and not managed by TxDOT's Austin office. He estimated the project would bring in \$30,000-35,000 annually in additional revenue for the airport.

Mr. MacDonald moved for approval of Resolution No. 24-2013; Mr. Allen seconded the motion and it passed 5-0.

6B. Upper Guadalupe River Authority's (UGRA's) offer to the City regarding UGRA's surface water permit and the City's use of such water under the permit. Mr. Parton noted the city received a letter from UGRA dated June 27 offering the city access to water through UGRA's surface water permit temporarily until final usage could be determined. He noted that under the offer, the city could divert under UGRA's permit, for an undetermined time, while UGRA evaluated its options for use of the water under their permit, in particular, the possibility of developing a water supply to serve eastern Kerr and western Kendall counties. The purpose of UGRA's offer was to establish historical use of the water, thereby making it less likely to be eliminated by the state for non-use, and in the interim, the city could have the water at no charge. Mr. Parton noted that when the permits were established in 1998 both permits had the same diversion point and were subject to the same pumping restrictions by the state water master. The city currently was limited to about 120 days out of the year that water could be removed, depending on weather and drought conditions. The city was also limited by infrastructure in the amount of water that could be diverted and treated; the city's plant was operating at maximum treatment capacity now. If the city began diverting water off of the UGRA permit, then the city's permit could become susceptible to reduction or elimination; the city must maintain the integrity of its own existing permit. He estimated it would require approximately \$15 million in capital improvements to maintain the city's permit and use water from the UGRA permit on a temporary basis.

Stan Kubenka, President of UGRA, stated the board was trying to find a way to establish historical use for their permit but did not want to put the city's permit in jeopardy, and Mr. Parton's statement of UGRA's position was accurate.

Mr. MacDonald moved to direct staff to continue to work with UGRA to Investigate all options possible to protect both water diversion permits. Mr. Conklin seconded the motion and it passed 5-0.

6C. Resolution No. 25-2013 providing for the city's approval or disapproval of the Kerr Central Appraisal District's fiscal year 2014 budget.

P.H. "Fourth" Coates, KCAD Chief Appraiser, reviewed the KCAD budget and requested approval by the city. He noted an overall budget increase of 1.93%; the salary line item had decreased due to the elimination of one position; employees would receive merit raises totaling \$12,000 in addition to a 1.75% cost of living increase; contract line item increased \$35,000 to fund appraisals for commercial properties; and the legal fund increased due to several lawsuits.

Council also discussed the following:

- Noted 71.7% of the budget was employee compensation.
- Expenses had been cut below the FY2013 budget.
- Discussed behavior of employees toward taxpayers at recent hearings.

Mr. Coates apologized for any employee behavior issues and asked councilmembers to discuss any staff issues with him personally; he did not condone negative attitudes and actions toward citizens. The city was the first entity that he had presented the FY2014 budget to.

Mr. MacDonald moved to disapprove the FY2014 KCAD budget. The motion died for lack of a second.

Mr. Parton noted the deadline for approving or disapproving the KCAD budget was September 15.

The following person spoke:

1. Jimmie Spradling asked if the person with the negative attitude was a KCAD employee or someone else.

Mr. MacDonald stated the person was a KCAD paid employee.

Mr. Conklin moved to approve the resolution approving KCAD's budget as presented; the motion died for lack of a second.

Council consensus was to place the item on the next agenda and Mr. MacDonald and perhaps Ms. Keeble, would meet with Mr. Coates to see if issues could be resolved.

6D. Ethics policy.

Mr. Hayes reported that he began drafting a document using council's comments from the last meeting, and policies of other cities and state law. He would be sending council a draft document for their review and comments, and then compile a draft document to be presented at the next meeting.

Council also discussed the following:

- Requested a copy of the Denton and Alamo Heights policies be sent to them.

- Definition of ethics not necessary; in general, cover expectation of behavior. Focus on conflict of interest, disclosures, transparency, use of confidential information, appearance of impropriety, no review boards or committees, how and under what conditions a councilmember could represent the city outside of a meeting, representing other interests.
- Keep enforcement of violations brief and use state law for training.

6E. Presentation of proposed Fiscal Year 2014 budget.

Mr. Allen left the meeting at 6:57 p.m.

Mr. Parton noted the certified tax appraisal roll would be finalized by the end of August after properties protests were completed. Council asked how frozen taxes affected the tax roll. Mr. Parton noted the tax freeze only froze the tax levy and did not affect a property's appraised value.

Mr. Parton noted the following regarding the FY2014 draft budget:

- Was based on fiscal sustainability: 1) balanced budget; 2) maintained current tax rate of \$0.5625; 3) maintained current level of service; 4) no use of fund balance; 5) no utility rate increase; 6) no new property tax supported debt; and 7) no utility rate increase.
- Salary adjustments: catch up on step plan for public safety personnel; 3% pay adjustment for non-public safety personnel; and additional adjustments for those who fall below the minimum. Mr. Parton noted that salaries had been frozen for several years.
- Health insurance was increased to \$7,500 per employee per year.
- The general fund included major capital expenditures: platform ladder fire truck, \$1.2 million (financed by bank loan); new ambulance, \$182,093; police vehicles, \$150,000; computer equipment \$50,000; and parks equipment, \$50,000.
- Anticipated possible termination of interlocal agreements by Kerr County for EMS and firefighting services in FY2015.
- FY 2019 could have additional debt capacity in the general fund. City policy was not to pass additional debt that would require a tax increase. The total outstanding debt in the general fund was \$17.6 million.
- The FY2014 budget proposed to add \$0.83 million to the general fund balance, and \$0.52 million to the utility fund balance.
- Total outstanding debt in the utility fund was \$37.6 million.
- The proposed budget maintained the 35% ratio/debt to funds generated policy in the utility fund; anticipated revenue of \$3,235,731 in 2014.
- The utility fund capital projects included: new valve machine, \$80,000; new valve insertion machine, \$40,000; and \$1 million allocated for trihalomethane reduction system projects.

7. INFORMATION AND DISCUSSION:

7A. Budget and economic update on the Fiscal Year 2014 budget.

Ms. Yarbrough reported total general fund revenues for June at \$1,066,971 and

expenditures at \$1,445,308; water and sewer fund revenue at \$761,963 and expenditures at \$684,540; hotel/motel tax revenue at \$94,236; new residential permits for FY2013 were 24 and local residential supply inventory was 8.7 months for FY2013, down from 22.7 in FY2012.

The following person spoke:

1. Ruth Spradling questioned what the expenditure for hotel/motel tax was used for. Ms. Yarbrough stated the funds were budgeted to the convention and visitors bureau for tourism and advertising.

8. BOARD APPOINTMENTS:

8A. Appointments to the planning and zoning commission.

Mr. MacDonald moved to appoint Bob Waller to a regular member term to expire January 1, 2015, due to a recent resignation; and to appoint Doyle Malone to an alternate position due to expire January 1, 2014.

8B. Appointments to the main street advisory board.

Mr. Conklin moved to appoint David "Scott" Bolton and Mindi Franklin with terms to expire January 31, 2015; Mr. MacDonald seconded the motion and it passed 4-0. Staff was instructed to set up interviews with the recent applicants and schedule the remaining appointment on the next agenda.

8C. Appointment to the golf course advisory board.

Mr. Conklin moved to reappoint James Howard, and to appoint Rod Bowyer both with terms to expire July 1, 2015; Ms. Keeble seconded the motion and it passed 4-0.

9. ITEMS FOR FUTURE AGENDAS: None.

10. ANNOUNCEMENTS OF COMMUNITY INTEREST:

- City Council/Convention and Visitors Bureau special meeting Wednesday, July 24, 7:00 a.m. at the Inn of the Hills.

11. EXECUTIVE SESSION: None.

12. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION. None.

ADJOURNMENT. The meeting adjourned at 7:36 p.m.

APPROVED: _____

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary

CITY COUNCIL MINUTES
OF A SPECIAL MEETING

KERRVILLE, TEXAS
JULY 24, 2013

On Wednesday July 24, 2013, the meeting between the Kerrville City Council and the Kerrville Convention and Visitors Bureau was called to order by Mayor Pratt at 7:00 a.m. at the Inn of the Hills Resort & Conference Center, Angora Room, 1001 Junction Highway, Kerrville, Texas. Invocation was offered by Marie Woodard of CVB staff.

CITY COUNCIL MEMBERS PRESENT:

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

CITY COUNCIL MEMBERS ABSENT: None

CITY STAFF PRESENT:

Todd Parton	City Manager
Brenda G. Craig	City Secretary
Sandra Yarbrough	Director of Finance

CVB BOARD MEMBERS PRESENT:

Tom Myers	Chairman
Bob Miller	Vice Chairman
John Helm	
Mike Lemmons	
Greg Maxwell	
Marian Schlunegger	

CVB STAFF PRESENT:

Charlie McIlvain, Executive Director
Marie Woodard, Director of Sales

**PRESENTATION OF THE KERRVILLE CONVENTION & VISITORS BUREAU (CVB)
BUDGET AND MARKETING PLAN FOR 2014:**

Mr. McIlvain presented the CVB 2012 annual report and the CVB 2014 Marketing Plan and noted target markets. He stated that Kerrville's greatest weakness was lack of adequate convention space. He estimated that over 300 conferences that contacted CVB were lost each year due to inadequate convention center space. The use of Schreiner University's multi-purpose facility was discussed, but it was noted that timing around the university's schedule limited its use for conventions, housing was dormitory and the city did not receive HOT revenues, and visitors would use the Schreiner cafeteria and not go to restaurants. Mr. McIlvain strongly encouraged council to work toward a convention center and opined it should be in the downtown area.

Mr. McIlvain discussed the 2013 advertising and noted the effectiveness of print media was declining. He proposed shifting more to social media and television by combining with other groups to share advertising cost. He also discussed the proposed rebranding initiative using the new Peterson Plaza and City Hall as the focal point. CVB's website and printed material would be updated with the new brand. CVB staff was also working on setting up an email newsletter and building a data base.

Mr. McIlvain also noted the following points:

- More public access and activity on the river would be beneficial for tourism and increase the city's tax base.
- CVB was considering translating the website to Spanish and possibly German.
- Proposed to focus more on the oil industry this year.
- Hotel tax revenue was starting to climb back; HOT was up 15% year to date.
- 910 jobs with earnings of \$22 million were directly attributed to tourism.
- \$1.2 million was generated in local sales tax, and \$3.3 million in state sales tax by visitors.
- In 2013 Gillespie County's gross revenue from tourism dropped \$1 million and Kerrville's increased \$1 million, and Kerrville's sales tax from tourism was now double Fredericksburg's. Fredericksburg did have a greater amount of available hotel stock.

The meeting adjourned at 8:16 a.m.

APPROVED: _____

ATTEST:

Jack Pratt, Mayor

Brenda G. Craig, City Secretary

Agenda Item:

3B. Professional services agreement with Peter Lewis Architect + Associates, PLLC, for the design of Louise Hays/Lehmann & Monroe Parks and the river trail – Louise Hays Park to G Street project. (staff)

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

SUBJECT: Authorize the City Manager to enter into a Professional Services Agreement with Peter Lewis Architect + Associates, PLLC, for the design of Louise Hays/Lehmann & Monroe Parks and the River Trail – Louise Hays Park to G St. Project.

FOR AGENDA OF: August 13, 2013

DATE SUBMITTED: August 6, 2013

SUBMITTED BY: Malcolm Matthews, Director
Parks and Recreation

CLEARANCES: Kristine Ondrias,
Asst. City Manager

EXHIBITS: Professional Services Agreement

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$101,488	\$5,744,414	\$6,000,000	B05
\$202,976	\$1,984,732	\$2,000,000	B04

PAYMENT TO BE MADE TO:

APPROVED FOR SUBMITTAL BY DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The design for the redevelopment of Louise Hays and Lehmann & Monroe Parks and the next phase of the River Trail project (Louise Hays Park to G St.) is to be completed as a single capital improvement project. The improvements planned will consist of park infrastructure and utilities repair and replacement, facility upgrades, installation of an interactive water feature and events plaza, large pavilion renovation, construction of an amphitheater/stage, riverfront improvements, trail/trailhead construction, parking/ADA access improvements, lighting improvements, signage, and landscaping/irrigation. All related costs for the park improvement project are funded at \$2 million and the trail improvements project at \$1 million, all from 4b sales tax funds. The River Trail segment included in this design agreement will extend from the terminus of the now complete first phase at the west end of Louise Hays Park to G St., and will add a length of approximately 1 mile to the River Trail.

The City originally contracted with Halff Associates of Austin to complete this project design. However, that agreement was terminated and a new design consultant needs to be secured. Peter Lewis Architect + Associates (PLA) has successfully completed several projects for the City and has recently been involved with design of projects that will interact with the park/trail project, including the Downtown Streetscape and the City Hall/Peterson Plaza projects. For this project, they have added to their design team survey (MDS Land

Surveying) and engineering (Hewitt Engineering, Maxwell Engineering, and LNV Engineering) professionals that have experience with these types of construction projects and regulatory requirements along the Guadalupe River in Kerrville.

This park/trail design will be completed in coordination with the Jefferson Force Main and Water Transmission Main designs, both of which will extend along the southside of the Guadalupe River in the park/trail project area. These utility projects commenced construction in mid-August 2013, with completion projected in early 2014. The park/trail construction will immediately follow this utility work to reduce the down-time of the park. The park/trail is scheduled to be completed by early 2015. This construction schedule requires the park/trail design to be completed in late 2013 to meet the construction schedule.

Funding for this design agreement, for an amount not to exceed \$304,465, is to be completely funded from 4b sales tax funds approved for these improvements. This "not to exceed" fee includes all design services and reimbursable expenses.

RECOMMENDED ACTION

Authorize the City Manager to enter into a Professional Services Agreement with Peter Lewis Architect + Associates, PLLC, for design of *Louise Hays/Lehmann & Monroe Parks and River Trail – Louise Hays Park to G St. Project*.

Professional Services Agreement

Between

Peter Lewis Architect & Associates, PLLC and City of Kerrville

THIS AGREEMENT is made as of this ____ day of _____, 2013, between the CITY OF KERRVILLE, a Texas home rule municipality with principal offices at 701 Main Street, Kerrville, Texas, 78028, 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 monthly 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, the full amount of each such invoice upon 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 _____, 2013.

CITY OF KERRVILLE

PETER LEWIS ARCHITECT &
ASSOCIATES, PLLC

BY: _____
Todd Parton, City Manager

BY: _____
Peter Lewis, Architect

APPROVED AS TO FORM:

ATTEST:

Heather Stebbins, City Attorney

Brenda G. Craig, City Secretary



PETER LEWIS
ARCHITECT + ASSOCIATES

August 5, 2013

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

RE: Professional Services Proposal
Louise Hays Park Improvements
Kerrville, Texas

Dear Kristine:

Thank you for the continuing opportunity to be of service to the City of Kerrville. Based the Scope documents you have provided and discussions to date, we propose to provide Professional Design Services for improvements to Louise Hays Park, Lehman Monroe Park and Kerrville River Trail. Please allow the following to document our understanding of Scope, Services and Fee.

I. Work Scope

- A. River Trail Corridor between Tranquility Island and the west side of the G Street Bridge
- B. Alterations to main Park Entry at Thompson Drive
- C. Paved Park roads and parking
- D. Storm Drainage upgrades
- E. (2) New Public, ADA accessible Restrooms
- F. Alterations to Pavilion; programmable outdoor space; rainwater catchment system
- G. Picnic Areas/Shade structures
- H. Waterscape: splash pad/interactive fountain plaza; pump house
- I. Group Pavilion
- J. Existing well house cosmetic alterations; fencing
- K. Reclamation area at Guadalupe River edge
- L. Hillside amphitheater
- M. Performance stage area
- N. Interpretive and directional signage
- O. Park amenities: benches, trash receptacles, decorative paving, screening
- P. Site Lighting
- Q. Softscape : landscape concept(s)
- R. Thompson Drive sidewalk extension

II. Scope of Services

Peter Lewis Architect + Associates, PLLC (PWLA+A) will be the Design Team Prime Consultant to the City of Kerrville (Client) and will provide Project Management and Design Services for all phases of Design and during Construction. All communications will be in writing and will be forwarded thru PWLA+A for distribution to the Client and members of the Design Team.

- A. Meet with Assistant City Manager and City staff, as required
- B. Meet/confer with reviewing agencies : e.g. TXDOT, UGRA, LCRA, TCEQ
- C. As-built survey and documentation
 - 1. Topographic Survey/Base Map preparation by City of Kerrville
 - 2. Tree Survey by City of Kerrville
 - 3. Existing facilities survey/documentation
 - 4. Existing conditions photos
- D. Geotechnical Engineering: Foundation and Pavement design

Louise Hays Park Improvements

E. Schematic Design Services

1. Conceptual Overall Site Plan
2. Conceptual Floor Plans/Elevations
3. Amenities' Imagery: waterscape, structures
4. Material cut-sheets
5. Statement of Probable Construction Cost

F. Construction Document Services

1. Architectural Design
2. Civil Engineering: Louise Hays Park
3. Civil Engineering: River Trail extension
4. Structural Engineering
5. M/E/P Engineering
6. Coordinate/Integrate Waterscape Design by third party vendor
7. Statement of Probable Construction Cost

G. Construction Contract Administration Services

1. Office Construction Administration
2. Shop Drawing and Submittal Review
3. Bi-weekly meetings w/ Client, Prime Consultant and other Project Team members, as appropriate
4. Periodic Site visits
5. Monthly Site meeting with Client, Contractor and other Design Team members, as appropriate
6. Review Applications for Payment and issue Certificates for Payment
7. Issue Certificate(s) of Substantial Completion
8. Prepare As-built Drawings, based on Contractor's mark-ups

III. Consultant Team

- A. Architect (Peter Lewis Architect + Associates, PLLC)
- B. Civil Engineer: River Trail (LNV, Inc.)
- C. Civil Engineer: Louise Hays Park (Hewitt Engineering)
- D. Structural Engineer (Maxwell Engineering, PLLC)
- E. M/E/P Engineer (LNV, Inc.)

IV. Fixed Fee

Our services will be provided for a Fixed Fee of Two Hundred Eighty Five Thousand Five Hundred Thirty Five and no/100 dollars (\$285,535.00)

A. Schematic Design	\$ 20,500.00
B. Design Development	\$ 92,370.00
C. Construction Documents	\$ 128,945.00
D. Construction Contract Administration	\$ 43,720.00

V. 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	\$ 10,000.00
Section 404 Permitting	\$ 3,000.00
TAS Plan Review/Inspection	\$ 1,430.00
Geotechnical Engineering	\$ 4,500.00

Louise Hays Park Improvements

VI. Deliverables

Provide three (3) copies of interim plan submittals @ 50% and 90% levels of completion.
Provide three (3) full-size and half-size hard copies of final plans and three (3) hard copies of final specifications and one digital copy of the final plans and specifications for City of Kerrville use.

VII. Project Schedule

A. As-built Survey and Documentation/Geotechnical	4 weeks
B. Schematic Design Services	6 weeks
C. Design Development/Construction Document Services	16 weeks
D. Construction Contract Administration	40 weeks

VIII. Additional Services

- A. Additional Services, if requested and approved in writing, will be provided on an Hourly basis or for a negotiated Fixed Fee.

IX. Exclusions

- A. Hazardous Material Abatement : An Asbestos Survey/Abatement will be required prior to commencement of any construction affecting existing structures and is not included in this Proposal
B. Hydraulic Impact Analysis by City of Kerrville
C. Final FEMA LOMR Submittal by City of Kerrville
D. Landscape & Irrigation Design/Tree Preservation Plan by City of Kerrville
E. Alterations to KPUB solar panel array
F. Water Catchment System design
G. Alterations to Foot Bridge @ Tranquility Island
H. River Trail signage

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 along with the City of Kerrville's standard Professional Services Agreement, as official Notice to Proceed. Please call me, if you have any questions.

Very truly yours,



Peter W. Lewis, Architect
Principal

Accepted for City of Kerrville

Date

Agenda Item:

3C. Professional services agreement with Freese and Nichols, Inc. to provide professional engineering design and construction administration services for the wastewater treatment plant clarifier and motor control center improvements in an amount not to exceed \$407,000.00. (staff)

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

SUBJECT: Council authorization for the City Manager to execute a Professional Services Agreement with Freese and Nichols, Inc. to provide professional engineering design and construction administration services for the Wastewater Treatment Plant Clarifier and Motor Control Center (MCC) improvements in an amount not to exceed \$407,000.00.

FOR AGENDA OF: August 13, 2013 **DATE SUBMITTED:** August 1, 2013

SUBMITTED BY: Dieter Werner, P.E. **CLEARANCES:** Kristine Ondrias
Director of Engineering Assistant City Manager

EXHIBITS: Professional Service Agreement

AGENDA MAILED TO: Freese and Nichols, Inc.
Attention: Charles Kucherka, P.E.
4040 Broadway, Suite 600
San Antonio, Texas 78209

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$407,000.00	\$3,712,514.00	\$3,712,514.00	U01
PAYMENT TO BE MADE TO: Freese and Nichols, Inc.			

SUMMARY STATEMENT

This project was identified in the Wastewater Master Plan as a critical update. The plant electrical control system and Clarifier 3 were both found to be in poor condition with high risk. The clarifier process does not currently meet redundancy requirements as specified by TCEQ because none of the required criteria (process capacities and weir loading capacities) can be met with Clarifier 3 out of service. The analysis designated both the clarifier and the motor control center (MCC) as being in poor condition with both high criticality and risk ratings, as depicted on the following Table ES.5 excerpted from the original report:

Table ES.5 Risk Assessment Scores

Facility	Condition Rating	Critical Rating	Risk
Electrical - main	Poor	Very High Impact	High Risk
Clarifier 3	Poor	Very High Impact	High Risk
Chemical Feed System	Fair	Very High Impact	High Risk
Oxidation Ditch	Fair	Very High Impact	High Risk

This project will include the construction of a new clarifier and replacement of the existing and outdated MCC, resulting in overflow capacity for the plant during wet weather events, redundancy for rehabilitating the other clarifiers, and a safer and more reliable electrical control system.

RECOMMENDED ACTION

The Director of Engineering recommends the City Council authorize the City Manager to execute a Professional Services Agreement with Freese and Nichols, Inc. to provide professional engineering design and construction administration services for the Wastewater Treatment Plant Clarifier and Motor Control Center (MCC) improvements in an amount not to exceed \$407,000.00.

Professional Engineering Services Agreement

Between

Freese and Nichols, Inc., and City of Kerrville

THIS AGREEMENT is made as of this _____ day of _____, 2013, between the CITY OF KERRVILLE, a Texas home rule municipality with principal offices at 701 Main Street, Kerrville, Texas, 78028, hereinafter referred to as "Client", and Freese and Nichols, Inc., with its offices located at 4040 Broadway, Suite 600, San Antonio, Texas 78209, hereinafter referred to as "Engineer", for the performance of professional engineering services in consideration of the following terms, conditions, and agreements:

PART I. SERVICES

Engineer shall perform all work described in the proposal attached hereto as **Exhibit A**.

- A. Engineer 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 Engineer under this Agreement, Engineer shall, without additional compensation, correct or revise any errors, omissions or other deficiencies in his designs, drawings, specifications, reports and others services.
- B. Engineer hereby agrees to comply with all Federal, State, and Local laws and ordinances applicable to the work or services under this Agreement.
- C. Engineer 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. Engineer shall periodically report project status to Client as is appropriate to keep Client informed regarding project progress.
- E. Engineer shall perform all services under this Agreement in a manner which is consistent with generally accepted standards of professional engineering 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 Engineer's submissions; and give prompt written notice to Engineer whenever Client observes or otherwise becomes aware of any defect in Engineer's submissions.
- B. Client shall also do the following and pay all costs incident thereto:

Furnish to Engineer, upon Engineer's notification that data is required, 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 Engineer; all of which Engineer may rely upon as accurate in performing Engineer's services provided, however, Engineer 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 engineer using generally accepted engineering practices and procedures would have discovered such inaccuracy or incompleteness without reviewing any other data other than the document or information provided.

Guarantee access to and make all provisions for Engineer to enter upon public and private property.

Provide such legal, accounting, independent cost estimating and insurance counseling services as may be required for the Project, any auditing service required in respect of contractor(s)' applications for payment, and any inspection services to determine if contractor(s) are performing the work legally.

- 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 Engineer'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. Engineer must assert any claim for adjustment under this clause in writing within thirty (30) calendar days from the date of receipt by Engineer 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 Engineer 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 Engineer for Professional Services in accordance with the descriptions, definitions, terms and conditions as set forth in **Exhibit A**.

PART V. PAYMENTS

Engineer will invoice Client in accordance with the terms and conditions as set forth in **Exhibit A**. Client agrees to promptly pay Engineer at its office located at 4055 International Plaza, Suite 200, Fort Worth, Texas 76109, the full amount of each such invoice upon receipt. In no event shall Engineer's failure to invoice constitute a default under the terms and conditions of this Agreement.

PART VI. INSURANCE

Engineer 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
Professional Liability	\$1,000,000 per claim

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. Engineer 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 Engineer's services, either by Client or by Engineer, upon written notice to the other at the address of record. Upon receipt of written notice from Client to discontinue work, Engineer shall discontinue work under

this Agreement immediately. In the event Client terminates the Agreement based on Client's reasonable opinion Engineer has failed or refused to prosecute the work efficiently, promptly, or with diligence, Engineer 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, Engineer 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 Engineer in performing this Agreement, whether completed or in process.

C. COMPENSATION PAYABLE ON TERMINATION

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

PART VIII. MISCELLANEOUS .

A. REUSE OF DOCUMENTS

All documents, including Drawings and Specifications prepared or furnished by Engineer pursuant to this Agreement, are instruments of service with respect to the Project, are the property of both Client and Engineer, and may be used by both Client and Engineer, as they deem necessary in their reasonable discretion. Either Client or Engineer 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, Engineer 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, Engineer 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 Engineer. Client hereby releases and holds harmless Engineer 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 Engineer, for the specific purposes intended will be at Client's sole risk and without liability or legal exposure to Engineer. Any such verification or adaptation by Engineer will entitle Engineer to further compensation at rates to be agreed upon by Client and Engineer.

B. OPINION OF COST

Since Engineer 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, Engineer's opinions of probable Project Cost and Construction Cost are to be made on the basis of Engineer's experience and qualifications and represent Engineer's best judgment as an experienced and qualified professional engineer, familiar with the construction industry; but Engineer cannot and does not warrant or guarantee Engineer'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 Engineer at Client's specific request. Preparation of such may involve substantial additional cost to Client and Engineer cannot and does not warrant or guarantee such opinion of cost as an "Actual" cost.

C. TRENCH SAFETY DESIGN

Engineer shall not perform any service for design of Trench Safety Systems and/or Trench Excavation Safety during construction and said services are specifically excluded from the provision of this Agreement.

D. LATE PAYMENT

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

E. ATTORNEY'S FEES

In the event Engineer'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 Engineer all costs of collection, including the maximum attorney's fees allowed by Law and court costs, in addition to other amounts due.

F. PERIOD OF SERVICE

Engineer shall diligently pursue completion of services in accordance with the timely completion specified in **Exhibit A** and shall promptly inform Client of any

anticipated delay. Engineer shall not be liable or responsible for any delays caused by circumstances beyond Engineer's control.

G. CONSTRUCTION OBSERVATION

During the Construction Phase, Engineer shall make visits to the site at intervals appropriate to the various stages of construction to observe as an experienced and qualified design professional the progress and quality of the executed work of contractor(s) and to determine in general if such work is proceeding in accordance with Engineer's design, drawings, specifications, and other instructions.

ENGINEER shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by contractor(s) or the safety precautions and programs incident to the work of contractor(s).

H. SALES AND USE TAXES

Not applicable. Client is a tax-exempt entity. Client will provide Engineer with a current copy of Client's tax-exempt certificate.

I. SUCCESSORS AND ASSIGNS

Client and Engineer 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 Engineer 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 Engineer.

J. 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 Engineer arising from or related to this Agreement shall be in Kerr County, Texas.

K. 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.

L. 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 Engineer's services.

M. 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 Engineer other than the undersigned Principal, and then only in writing.

Executed on this _____ day of _____, 2013.

CITY OF KERRVILLE

FREESE & NICHOLS, INC.

BY: _____
Todd Parton
City Manager

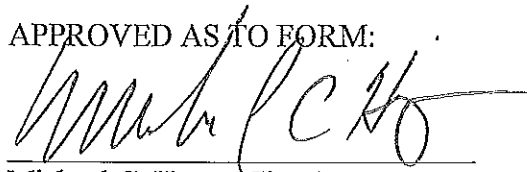
BY: _____
Name

Title

ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

**PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF KERRVILLE
AND FREESE AND NICHOLS, INC.**

ENGINEERING SCOPE OF SERVICES

PROJECT DESCRIPTION: The objective of this project is to prepare a complete set of contract documents including the plans, bid documents, general/supplementary conditions, technical specifications, and other related documents for the addition of a clarifier and related flow splitting enhancements including associated piping and electrical equipment, and for electrical improvements at the City of Kerrville's Wastewater Treatment (WWTP) plant.

SUBCONSULTANTS:

- A. Surveyor – MDS Land Surveying Company, Inc.
- B. Geotechnical – Rock Engineering and Testing Laboratory, Inc.

PROJECT SCOPE/ASSUMPTIONS:

A. Clarifier Design

- 1. Proposed clarifier will be located at the existing WWTP adjacent to existing Clarifier No. 3.
- 2. Proposed flow splitter will provide an even flow split between the existing clarifiers and the new clarifier. Modifying the existing splitter in lieu of constructing a new splitter will be evaluated.
- 3. Design will be performed in accordance with TCEQ Chapter 217 requirements.
- 4. Electrical gear will be installed in weather-proof enclosures mounted on top of the clarifier bridge.

B. Electrical Design

- 1. The old MCC in the pump house will be demolished.
- 2. Proposed electrical building will be located generally in an area between the existing pump house and the existing headworks structure.
- 3. Existing generator will be relocated near the electrical building.
- 4. Electric service to the pump house will be relocated to proposed building location
- 5. SCADA PLC will remain in the existing building.

C. General

- 1. Project will be designed, bid and constructed as a single bid package.
- 2. Project will utilize FNI standard contract documents and specifications after City review/approval.
- 3. Project will be procured using the standard bid process in conformance with City policy and state law. Procurement by other means such as Competitive Sealed Proposal shall be an additional service.
- 4. Storm Water Pollution Prevention Plan(s) will be provided by Contractor.
- 5. City will provide construction materials testing within a separate contract.
- 6. City will provide any required "Special Inspections" required by the International Building Code.

- I. **BASIC SERVICES:** FNI shall render the following professional services in connection with the development of the Project:

A. PROJECT MANAGEMENT

- 1. Prepare subconsultant agreements:
 - a) Rock Engineering and Testing Laboratory, Inc. Subconsultant agreement
 - b) MDS Land Surveying Company, Inc. Subconsultant agreement
- 2. Prepare project handbook: The project manual will contain the following:
 - a) A project organization chart

- b) A project directory with contact info of all project team members
 - c) Contact protocols for project communications
 - d) A copy of the executed agreement
 - e) A work plan (detailed description of the project approach)
 - f) A project schedule, including meeting dates and milestones
 - g) Other pertinent data as appropriate.
3. Conduct Internal Kickoff Meeting: Purpose of this meeting is to orient the team members to the work, review project scope, schedule, and budget, and make initial task assignments.
 4. Conduct Project Kickoff Meeting and Site Visit with City Staff: Purpose of this meeting is to introduce the FNI project team to City staff, establish project communications protocols, confirm project goals and objectives, review scope, schedule and budget, and coordinate initial project tasks.
 - a) FNI will prepare and distribute a kickoff meeting agenda at least one week prior to the meeting.
 - b) FNI will schedule and attend the kickoff meeting in Kerrville.
 - c) FNI will visit the site in conjunction with the kickoff meeting
 - d) FNI will prepare and distribute meeting minutes within one week following the project kickoff meeting.
 5. Monthly Invoicing: FNI will prepare and submit monthly invoices to City for payment in accordance with Attachment CO of the Professional Services Agreement.
 6. Quality Assurance/Quality Control: FNI will develop and implement a QA/QC plan for the work. Elements of the QA/QC plan will include the following:
 - a) FNI will develop a Quality Control Plan that will identify scheduled reviews of project deliverables, and individuals responsible for review.
 - b) FNI will implement the quality control plan developed in the prior task, then monitor and document implementation of the QC plan through project completion. Implementation will include:
 1. Internal checks of deliverables prior to delivery to City.
 2. Checks of subconsultant-prepared materials prior to delivery to City.
 7. Quality Assurance:
 - a) Quality Assurance Reviews. Senior FNI staff will meet with project staff and verify that FNI quality control guidelines and the project-specific quality control plans are being implemented. We anticipate two Quality assurance reviews:
 1. Interim Quality Assurance Review: FNI shall prepare for and conduct an internal quality assurance review at approximately the mid-point of the project schedule
 2. Final Quality Assurance Review: FNI shall prepare for and conduct an internal quality assurance review prior to submittal of the 90 percent drawings to the City.

B. PRELIMINARY DESIGN PHASE – 30% Schematic Design

1. Geotech Investigation: Provide geotechnical investigation services required to complete the design of the clarifier, flow splitter, and electrical building.
2. Survey: Survey services required to complete the design of the clarifier, flow splitter, and electrical building.
3. Meetings:
 - a) Project Kickoff Meeting and site visit for data collection.
 - b) Flow Split Hydraulics Analysis and 30% Design Drawings Workshop, including a technology transfer discussion on type of clarifiers
 - c) Two Monthly Progress Meetings including the Workshop, one of which will be by conference call.
4. Flow Split Hydraulics Analysis:

- a) Review existing data regarding existing piping, existing flow splitter, existing clarifiers, etc. relevant to hydraulic analysis. Develop elevations for new splitter to provide an even flow split between existing and new clarifiers.
 - b) Meet with the City to determine preferred flow splitting methodology.
 - 5. Develop 30% Design Drawings:
 - a. Assemble findings of preliminary investigations
 - a) Assemble preliminary drawings for site plan, clarifier and flow splitter and hydraulic analyses, electrical building, and one-line diagram.
 - b) Submit the draft drawings to the City for review.
 - c) Meet with the City to review draft drawings.
 - d) Incorporate City comments as appropriate.
 - 6. Phase Deliverables:
 - a) Preliminary Opinion of Probable Construction Cost (OPCC)
 - b) 30% Design Drawings:
 - 1. Five (5) hard copies
 - 2. One (1) electronic copy in PDF format.
 - c) Final Flow Split Hydraulics Analysis and updated 30% Design Drawings:
 - 1. Five (5) hard copies
 - 2. One (1) electronic copy in PDF format.
 - d) If any design changes are requested, furnish to the City an updated OPCC for the Project.
- C. 75% DESIGN PHASE:** FNI shall provide professional services in this phase as follows:
- 1. Meetings:
 - a) 75% Design Workshop: Meeting to discuss comments made on the 75% design submittal. Prepare meeting agenda and minutes
 - b) Monthly Progress Meetings – Maximum of 2 (including the 75% Design Workshop) one of which will be a conference call
 - 2. Coordination with the TCEQ:
Provide documentation and coordination with the TCEQ for project plan approval.
 - 3. Phase Deliverables
 - a) 75% Design Plans:
 - 1. Five (5) hard copies in 22"x34" (full-size) format
 - 2. One (1) electronic copy in PDF format
 - b) Design Specifications:
 - 1. Three (3) hard copies.
 - 2. One (1) electronic copy in PDF format.
 - 3. Note: Design specifications will not be developed at time of 75% submittal. Therefore, a subsequent specification deliverable will be submittal when design is approximately 90% complete.
 - c) Updated OPCC for the project.
- D. 100% Submittal:** FNI will incorporate any comments made by the City in the 75% design submittal and resubmit a 100% complete submittal for review.
- Phase Deliverables
- 1. 100% Design Plans: One (1) electronic copy in PDF format
 - 2. Design Specifications: One (1) electronic copy in PDF format.
 - 3. Updated OPCC for the project.

E. BID OR NEGOTIATION PHASE: Upon completion of the design services and approval bid drawings and specifications by City, FNI will proceed with the performance of services in this phase as follows:

1. Meetings:

- a) Prebid Meeting: Assist the City in conducting a pre-bid conference for the construction project and coordinate responses with City. Response to the pre-bid conference will be in the form of addenda issued after the conference.
- b) Bid Opening: Attend project bid opening and open bids as required by the City.

2. Bid Phase Services:

- a) FNI will set up the project on CivCastusa.com to distribute the bid documents to prospective bidders and plan rooms. Electronic sets of documents will be made available at no charge to plan holders. Hard copy plans will not be provided by the Engineer except as indicated below.
- b) Assist City by responding to questions and interpreting bid documents. Prepare and issue addenda to the bid documents to plan holders if necessary.
- c) Tabulate and analyze the bids received. Review the qualification information provided by the apparent low bidder to determine if, based on the information available, they appear to be qualified to construct the project.
- d) Recommend award of contracts or other actions as appropriate to be taken by City.
- e) Provide Notice of Award of Contract to the Contractor and provide letter with directions for the execution of the contract documents.
- f) Assist City in the preparation of the Construction Contract Documents.

3. Phase Deliverables:

- a) Bid Sets
 - 1. Provide City two (2) sets of bid documents. (Contract documents and 11"x17" plans)
 - 2. Provide City a CD with bid documents in PDF format.
- b) Conformed Construction Documents
 - 1. For City:
 - a) Contractor will provide two original documents with bid submittal that will be used for execution. FNI will provide a letter to the Contractor with directions for contract execution.
 - b) Three (3) copies of full size and five (5) copies of half-size conformed construction plans and five (5) copies of the contract documents bound with hard covers for use during construction.
 - c) One (1) electronic copy of conformed construction documents for use during construction.
 - 2. For Construction Contractor:
 - a) Five (5) copies of conformed construction plans (full size) and documents bound with hard covers for use during construction.
 - b) One (1) electronic copy of conformed construction documents for use during construction.

F. CONSTRUCTION PHASE:

Upon completion of the bid or negotiation phase services, FNI will proceed with the performance of construction phase services as described below. FNI will endeavor to protect the City in providing these services however, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or any safety precautions and programs relating in any way to the condition of the premises, the work of the Contractor or any Subcontractor. FNI shall not be responsible for the acts or omissions of any person (except its own employees or agents) at the Project site or otherwise performing any of the work of the Project.

These services are based on the use of FNI standard General Conditions for construction projects. Modifications to these services required by use of other general conditions or contract administration procedures are an additional service. If general conditions other than FNI standards are used, the City agrees to include provisions in the construction contract documents that will require the construction contractor to include FNI and their subconsultants on this project to be listed as an additional insured on contractor's insurance policies.

1. Meetings:

- a) Pre-Construction Meeting: Assist the City in conducting pre-construction conference with the Contractor. Prepare meeting agenda and minutes.
- b) Construction Site Visits/Construction Progress Meetings: Make up to 18 site visits during the course of construction (estimated to be approximately 12 months construction schedule), as distinguished from the continuous services of a Resident Project Representative, to observe the progress and the quality of work and to attempt to determine in general if the work is proceeding in accordance with the Contract Documents.
- c) Punchlist Meetings: Conduct, in company with City's representative, reviews of the Project for conformance with the design concept of the Project and for general compliance with the Construction Contract Documents. These reviews will be when project considered ready for substantial completion and for final completion. Prepare a list of deficiencies to be corrected by the contractor before recommendation of substantial completion and before recommendation for final payment.

2. Construction Phase Services:

- a) Establish and maintain a project documentation system (eBuilder) consistent with the requirements of the construction Contract Documents.
- b) Monitor the processing of contractor's submittals and provide for filing and retrieval of project documentation.
- c) Produce monthly reports indicating the status of all submittals in the review process.
- d) Review contractor's submittals, including:
 - 1. Requests for information
 - 2. Modification requests
 - 3. Shop drawings
 - 4. Schedules
 - 5. Certified test reports
 - 6. Other submittals as required
- e) Monitor the progress of the contractor in sending and processing submittals to see that documentation is being processed in accordance with schedules.
- f) Notify City of Contractor's non-conforming work observed on site visits. Review quality related documents provided by the contractor such as test reports, equipment installation reports or other documentation required by the Construction Contract Documents.
- g) Interpret the drawings and specifications for City and Contractor. Investigations, analyses, and studies requested by the Contractor and approved by City, for substitutions of equipment and/or materials or deviations from the drawings and specifications is an additional service.
- h) Coordinate the work of testing laboratories and inspection bureaus required for the testing or inspection of materials, witnessed tests, factory testing, etc. for quality control of the Project. The cost of such quality control shall be paid by the City and is not included in the services to be performed by Freese and Nichols, Inc.
- i) Consult with and advise the City during construction, make recommendations to the City regarding materials and workmanship, and prepare change orders with the City's approval.
- j) Review samples, catalog data, schedules, shop drawings, laboratory, shop and mill tests of material and test equipment, and other data pursuant to the General Conditions of the Construction Contract.

- k) Assist the City in arranging for testing of materials and laboratory control during construction to be conducted at the City's expense.
- l) Review and comment on monthly and final estimates for payment to Contractor pursuant to the General Conditions of the Construction Contract.
- m) Conduct, in company with the City's representative, a final review of the Project for conformance with the design concept of the Project and general compliance with the Contract Documents, and review and comment on the Certificate of Completion and the recommendation for final payment to the Contractor.
- n) Provide construction staking for project as specified above.

3. Phase Deliverables:

- a) Monthly Status Reports.
- b) Project site visit memos and construction progress meeting minutes – 12 site meetings/visits and 6 site visits at appropriate times during construction
- c) Project Record Drawings:
 - 1. Two (2) sets of full size plans.
 - 2. USB flash drive or similar data storage device with Record Drawings in PDF Format, project survey files, project CAD files in AutoCad or Microstation formats and shapefiles in GIS format if needed.

G. GEOTECHNICAL INVESTIGATION

- 1. Coordinate field activities for site access.
- 2. FNI will subcontract with drilling contractor to provide:
 - a) Three (3) borings to a depth of 40 feet at the clarifier and electrical building sites.
 - b) One (1) boring to a depth of 20 feet at the flow splitter site.
- 3. During drilling, obtain soil samples for testing using 3-inch diameter Shelby tubes for cohesive soils and using a 2-inch diameter split-barrel sampler for non-cohesive soils. Collect rock samples with a NX-size core barrel at the lift station and creek crossings. In areas where rock core is not collected or recovery is poor, perform Texas Cone Penetrometer (TCP) tests. Backfill borings with cuttings and plug the upper foot of each boring with quick-setting concrete mix.
- 4. During drilling, observations of seepage and groundwater will be recorded.
- 5. Provide an engineer or geologist to log the borings, direct the drilling, record the blow counts from field tests, and handle and store the samples.
- 6. Select samples for laboratory testing, assign tests, deliver samples to a subcontract laboratory selected by FNI, and review test results. Tests are expected include classification tests (liquid and plastic limits and percent passing the #200 Sieve), moisture contents, and unconfined compression tests.
- 7. Review subsurface conditions and soil properties found by the field and laboratory work and discuss the implications for design with FNI engineers.
- 8. Prepare a technical memorandum summary report of the geotechnical investigation presenting the boring locations, boring logs, lab test results and a discussion of general subsurface conditions. The report will include recommended foundation type(s) and allowable loading for the clarifier and flow splitter and a general discussion of construction issues.

H. SURVEY (By Subconsultant)

- 1. Locate and verify existing survey control. The work shall include all horizontal and vertical coordinates of the survey. The survey shall use the same coordinate system typically used by the City of Kerrville and compatible with the City's existing survey data. The surveyor is responsible for locating any benchmarks necessary to establish his work. These benchmarks shall be located at the WWTP.

2. Provide survey data for the following:
 - a) Proposed clarifier site: Approximate 250'x500' site; including topography.
 - b) Proposed splitter structure site including topography.
 - c) Proposed electrical building site including topography.
 - d) Mapping of electrical manholes and pull boxes.
 - e) General area of the plant between the Headworks, the existing clarifiers and the existing pump house sufficient to support all design related to the proposed structures.
3. Tie in all existing features and structures on the survey.
4. Surveyor shall coordinate with the Engineer and the City to survey SUE utilities, maximum of 4 locations.
5. Provide sufficient ground shots to create one (1) foot contours for the project. Furnish contour map for use by the Engineer.
6. Surveyor shall locate proposed geotechnical boring locations and provide required utility locates as indicated above within those areas. There will be approximately 4 geotechnical bores for the project.
7. Construction Staking: Provide construction staking for proposed project as specified in Item 2 above. Construction staking for proposed project will be provided at an additional cost. An estimate of that cost can be provided upon approval of plans.

II. ADDITIONAL SERVICES: Additional Services to be performed by FNI, if authorized by the City, which are not included in the above described basic services, are described as follows:

- A. Design of primary electrical service to the site from the power company.
- B. Obtaining the services of a SCADA integration subconsultant.
- C. Identification and evaluation of future wastewater system improvements.
- D. Updates to wastewater master plan and/or model that are not directly related to this project.
- E. Preparation of Storm Water Pollution Prevention Plan. (To be prepared by Contractor)
- F. Preparation of construction traffic control plan. (To be prepared by Contractor if needed)
- G. Investigations involving consideration of operation, maintenance and overhead expenses, and the preparation of rate schedules, earnings and expense statements, feasibility studies, appraisals, evaluations, assessment schedules, and material audits or inventories required for certification of force account construction performed by the City.
- H. Preparing applications and supporting documents for government grants, loans, or planning advances and providing data for detailed applications.
- I. Providing shop, mill, field or laboratory inspection of materials and equipment.
- J. Preparing Operation and Maintenance Manuals or conducting operator training. (To be provided and conducted by Contractor and equipment suppliers)
- K. Preparing data and reports for assistance to the City in preparation for hearings before regulatory agencies, courts, arbitration panels or any mediator, giving testimony, personally or by deposition, and preparations therefore before any regulatory agency, court, arbitration panel or mediator.
- L. Assisting City in claims disputes with Contractor(s).
- M. Performing investigations, studies and analyses of substitutions of equipment and/or materials or deviations from the plans and specifications.
- N. Performing any "Special Inspections" required by the International Building Code. (None are anticipated.)
- O. Construction phase site visits requested by Owner in excess of the number stipulated in this scope of services.
- P. Assisting City in the defense or prosecution of litigation in connection with or in addition to those services contemplated by this proposal. Such services, if any, shall be furnished by FNI on a fee basis negotiated by the respective parties outside of and in addition to this proposal.

- Q. Providing environmental and archeological support services including the design and implementation of ecological baseline studies, environmental monitoring, impact assessment and analyses, permitting assistance, and other assistance required to address environmental issues.

COMPENSATION

Lump Sum: Compensation to FNI shall be the lump sum of Four Hundred Seven Thousand Dollars (\$407,000.00). If FNI sees the Scope of Services changing so that additional services are needed, including but not limited to those services described as Additional Services in Attachment SC, FNI will notify OWNER for OWNER'S approval before proceeding. Additional Services shall be computed based on the Schedule of Charges.

A breakdown of major task items and their associated costs are as follows:

TASK	COST
Topographic Survey	\$ 12,000
Geotechnical Analysis	\$ 10,000
Design Phase	\$ 258,000
Bid Phase	\$ 15,000
Construction Contract Administration and Site Visits	\$ 112,000
Total Basic Services Fee	\$ 407,000

Schedule of Charges for Additional Work:

<u>Position</u>	<u>Rate</u>
Professional - 1	105
Professional - 2	127
Professional - 3	144
Professional - 4	165
Professional - 5	193
Professional - 6	222
Construction Manager - 1	84
Construction Manager - 2	109
Construction Manager - 3	128
Construction Manager - 4	160
CAD Technician/Designer - 1	89
CAD Technician/Designer - 2	116
CAD Technician/Designer - 3	142
Corporate Project Support - 1	85
Corporate Project Support - 2	103
Corporate Project Support - 3	137
Intern/ Coop	52

Rates for In-House Services**Technology Charge**

\$8.50 per hour

Travel

Standard IRS Rates

Bulk Printing and Reproduction

Black and White	\$0.10 per copy
Color	\$0.50 per copy
Plot - Bond	\$2.50 per plot
Plot - Color	\$5.75 per plot
Plot - Other	\$5.00 per plot
Binding	\$5.75 per book

OTHER DIRECT EXPENSES:

Other direct expenses are reimbursed at actual cost times a multiplier of 1.15. They include outside printing and reproduction expense, communication expense, travel, transportation and subsistence away from the FNI office and other

miscellaneous expenses directly related to the work, including costs of laboratory analysis, test, and other work required to be done by independent persons other than staff members. For Resident Representative services performed by non-FNI employees and CAD services performed In-house by non-FNI employees where FNI provides workspace and equipment to perform such services, these services will be billed at cost times a multiplier of 2.0. This markup approximates the cost to FNI if an FNI employee was performing the same or similar services.

These rates will be adjusted annually.

2-022013

FNI _____
OWNER _____

**PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF KERRVILLE
AND FREESE AND NICHOLS, INC.**

PROJECT SCHEDULE

TIME OF COMPLETION: FNI is authorized to commence work on the Project upon execution of this AGREEMENT and agrees to complete the services in accordance with the following schedule:

Milestone/Deliverable	Calendar Days
Preliminary Design Phase / 30% Schematic Design	60 days following Notice to Proceed
Finalize Preliminary Design Phase Report	15 days following receipt of comments from City
75% Design Phase Submittal	90 days following receipt of comments from City on 30% Design Submittal
100% Design Phase Submittal	60 days following receipt of comments from City and TCEQ on 75% Design Submittal
Bid Phase Documents	14 days following receipt of comments from City on 100% Design Submittal
Bid Phase	±60 days for advertisement & contract execution
Construction Phase	390 days (360 days for Construction + 30 days for Preparation of Record Drawings)

If FNI's services are delayed through no fault of FNI, FNI shall be entitled to adjust contract schedule consistent with the number of days of delay. These delays may include but are not limited to delays in City or regulatory reviews, delays on the flow of information to be provided to FNI, governmental approvals, etc.

Agenda Item:

4A. Ordinance No. 2013-14 amending Chapter 42 "Emergency Services" of the Code of Ordinances of the City of Kerrville, Texas, by amending Article III, "Emergency Medical Services" in its entirety to provide for the continued maintenance, operation, licensing, and regulation of such services; providing a penalty for violation of any provision hereof; containing a cumulative clause; containing a savings and severability clause; ordering publication; providing for an effective date; and providing other matters relating to the subject. (staff)

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

SUBJECT: An Ordinance amending Article III, Emergency Medical Services, Chapter 42, Emergency Services, of the City's Code of Ordinances.

FOR AGENDA OF: August 13, 2013

DATE SUBMITTED: August 2, 2013

SUBMITTED BY: Robert Ojeda
Fire Chief

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Ordinance

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

PAYMENT TO BE MADE TO: N/A

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

Portions of the current Article III, Emergency Medical Services, of Chapter 42, Emergency Services, of the City's Code of Ordinances, are antiquated and in need of revision. The attached ordinance revises and updates this nearly twenty (20) year old ordinance with regard to the City maintaining and operating an Emergency Medical Service (EMS) and provides medical control of EMS by means of a medical director. This revised ordinance also establishes the regulations and procedures for the licensing of non-emergency ambulance providers consistent with federal and state law and local ordinances and the coordination of emergency and non-emergency ambulances services within the corporate limits of the City. Finally, the Texas Legislature recently adopted a law that imposes various operational conditions and licensing requirements on non-governmental emergency medical service EMS providers. The law requires an EMS provider to obtain a letter of approval from the city council in which the applicant is located. The council may only grant such a letter where it makes the following findings: (1) the addition of another licensed EMS provider will not interfere with or adversely affect the provision of EMS by licensed providers operating in the city; (2) the addition of another licensed EMS provider will remedy an existing provider shortage that cannot be resolved through the use of the licensed providers operating in the city; and (3) the addition of another licensed EMS provider will not cause an oversupply of licensed EMS providers in the city.

RECOMMENDED ACTION

The Kerrville Fire Department recommends that Council adopt the ordinance amending Article III, Emergency Medical Services, Chapter 42, Emergency Services, of the City's Code of Ordinances.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2013-14**

AN ORDINANCE AMENDING CHAPTER 42 "EMERGENCY SERVICES" OF THE CODE OF ORDINANCES OF THE CITY OF KERRVILLE, TEXAS, BY AMENDING ARTICLE III "EMERGENCY MEDICAL SERVICES" IN ITS ENTIRETY TO PROVIDE FOR THE CONTINUED MAINTENANCE, OPERATION, LICENSING, AND REGULATION OF SUCH SERVICES; PROVIDING A PENALTY FOR VIOLATION OF ANY PROVISION HEREOF; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; ORDERING PUBLICATION; PROVIDING FOR AN EFFECTIVE DATE; AND PROVIDING OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, on January 1, 1994, the City of Kerrville through its Fire Department ("KFD"), took over and began operating emergency medical services ("EMS") from a private provider; and

WHEREAS, about this time, the City Council adopted an ordinance which eventually became Article III of Chapter 42 of the City's Code of Ordinances; and

WHEREAS, Article III of Chapter 42, "Emergency Medical Services" provides, among other things, for the City's operation and maintenance of an EMS system, the medical control of such system by a medical director, and the types of services that the City would provide both within and outside the City; and

WHEREAS, the Fire Chief and the EMS Coordinator recommend amending Article III of Chapter 42 as a means of reflecting changes that have occurred with respect to the administrative and operational standards of an EMS system; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds it to be in the public interest to amend the Code of Ordinances of the City of Kerrville, Texas, to amend Article III "Emergency Medical Services" of Chapter 42 as provided herein;

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

SECTION ONE. The Code of Ordinances of the City of Kerrville, Texas ("City"), is amended by amending Chapter 42, Article III "Emergency Medical Services" in its entirety and adding a new Article III to provide as follows:

"ARTICLE III. EMERGENCY MEDICAL SERVICES AND AMBULANCES

Sec. 42-71. Purpose and intent of article.

It is the general purpose of this article:

- (1) To establish that the City owns, operates, and maintains an emergency medical service ("EMS") for both emergency and non-emergency or transfer ambulance service.
- (2) To provide medical control of EMS by means of a medical director to oversee and regulate all clinical aspects of EMS which affect patient care.
- (3) To establish regulations and procedures for the licensing of non-emergency or transfer services.

Sec. 42-72. Definitions.

The following words, terms, and phrases, when used in this article, have the meanings ascribed to them in this section:

Ambulance means any publicly or privately owned and Department of State Health Services ("DSHS") licensed motor vehicle that is specially designed, constructed, equipped, maintained, and intended to be used for the transportation of injured or sick patients.

Applicant means any person, firm, partnership, corporation, or other legal entity seeking a license from the City to operate a non-emergency or transfer ambulance service.

City means the City of Kerrville, Texas.

Emergency means any circumstance that calls for immediate action and in which the element of time is essential to the health, safety, or life of a person. Such circumstances constituting an emergency include fires, accidents, traffic accidents, acute illnesses, and acts of violence or other similar occurrences, which can or do result in personal injury. In general, any condition requiring examination or treatment in the emergency department of a hospital is considered an emergency.

Emergency ambulance service means ambulance service licensed as a Texas DSHS EMS Provider.

Emergency medical services ("EMS") personnel means Texas DSHS certified:

- (1) Emergency medical technicians;
- (2) Emergency medical technicians – intermediate;
- (3) Emergency medical technicians – paramedic; or
- (4) Licensed paramedic.

EMS interlocal agreement means a contract between the City and another jurisdiction or entity with respect to the provisions of emergency medical services.

Fire Chief means the Fire Chief of the City's Fire Department or designee.

Fire Department or KFD means the City's Fire Department.

First responder means any person, fire department vehicle, or other vehicle not normally used for purposes of patient transport, but which vehicle and on-board personnel are capable of providing immediate on-scene care to ill or injured persons.

License means a license issued by the City to operate a non-emergency or transfer ambulance service within the corporate limits of the City.

Licensee means any person, firm, partnership, corporation, or other legal entity to whom or which a license is issued under this article.

Medical director means the licensed physician appointed by the City Council to promulgate and update the system standard of care and to perform quality assurance and otherwise monitor performance of the City's EMS.

Medical protocol means any diagnosis-specific or problem-oriented written statement of standard procedure or algorithm, promulgated by the medical director as the normal standard of pre-hospital care for a given clinical condition.

Mutual aid agreement means a written agreement between one or more entities whereby the signing parties agree to provide backup ambulance service to one another under conditions and pursuant to terms specified in the agreement.

Non-emergency or transfer ambulance means any ambulance engaged in providing non-emergency or transfer ambulance service within the City.

Non-emergency or transfer ambulance service means ambulance service provided for the purpose of transporting persons to or from prearranged or scheduled tests, treatments, or examinations by a physician or other health care provider, or the transportation of patients discharged from a hospital back to their residence.

Patient means any person receiving medical attention from EMS personnel.

Quality Assurance ("QA") means an official inquiry into the circumstances involving an ambulance response or request for ambulance service, conducted by the medical director or designee.

Response time means the actual elapsed time between receipt of notification from the KFD's Dispatch Center that an ambulance is needed and the actual on scene arrival of an ambulance.

Service area means the geographic area which is contained within the corporate limits of the City. This also includes areas created by an EMS interlocal agreement.

System standard of care means the combined compilation of all priority-dispatching protocols, pre-arrival instruction protocols, medical protocols, standards for certification of pre-hospital care personnel, as well as standards governing requirements for on-board medical equipment and supplies, and licensure of ambulance services and first responder agencies.

Sec. 42-73. Medical director.

- (a) *General.* The City Council shall appoint a medical director who must possess a license from the Texas Medical Board. The medical director serves at the pleasure of the City Council. In the event of the resignation, removal, death, or disability of the medical director, Council shall appoint a successor to the medical director.
- (b) *Duties.* The medical director has the following powers and duties:
 - (1) Develop medical protocols and standing orders for City-operated ambulance and first responder services and periodically review and revise such medical protocols and standing orders, as necessary;
 - (2) Conduct quality assurance reviews and develop standards and procedures for the conduct of QA reviews;
 - (3) Periodically conduct QA reviews of the City's EMS performance relative to specific clinical types and to revise medical protocols and such other standards of the City's EMS as may be appropriate; and
 - (4) Conduct QA reviews of individual cases as requested by any licensed physician regarding a patient of such physician or by any health care facility.

Sec. 42-74. City as sole provider of emergency ambulance service; exceptions.

- (a) Except as provided herein, the City's EMS is the sole provider of emergency ambulance service within the corporate limits of the City.
- (b) Other than the City, it is unlawful for any person having ownership, management, or control of any ambulance to operate or allow to be operated such ambulance for emergency ambulance service except as follows:

- (1) a vehicle rendering service as an ambulance in the case of a major catastrophe or extreme system overload when such condition is declared by the Fire Chief, Mayor, or other authorized official;
- (2) any ambulance owned, operated, provided, or contracted by a federal or state agency;
- (3) any emergency ambulance service engaged in transporting a patient from a point of origin located outside the service area to a destination inside the service area; and
- (4) any ambulance service rendering emergency service pursuant to a mutual aid agreement executed by the City.

Sec. 42-75. Ambulance services operating subject to an exception or exemption.

Any ambulance service operating with lights and sirens and within the City pursuant to an exception found in Section 42-74 and transporting a patient to a medical facility within the City shall notify the KFD Dispatch of the transport and destination.

Sec. 42-76 Fees for service.

The schedule of fees for EMS under this article is determined by City Council and is subject to change from time to time.

Sec. 42-77. License for non-emergency or transfer ambulance service; exemptions.

- (a) It is unlawful for any non-emergency or transfer ambulance service to operate within the City for the purposes of transporting patients for a fee or charge without first obtaining an annual license from the City.
- (b) No license is required for any non-emergency or transfer ambulance service transporting patients within the City and engaged exclusively in one or more of the following activities:
 - (1) transporting any patient from a point of origin located outside the service area to a destination inside the service area;
 - (2) transporting a patient who is picked up from a location within the service area and transported to a location greater than 100 miles beyond the service area;
 - (3) any ambulance owned, operated, provided, or contracted by any federal or state agency; or

- (4) operating an ambulance in response to a request for assistance by the Fire Chief under a declared emergency or mutual aid circumstance.

Sec. 42-78. Application for license.

A non-emergency or transfer ambulance service desiring to provide such service within the City must complete a written application accompanied by the non-refundable application fee for the annual license. The application must be signed and sworn to by an authorized representative of the applicant and submitted to the City Secretary. The application will be on a form prescribed by the Fire Chief and must contain as a minimum the following information:

- (1) lawful name of the person, firm, partnership, corporation, or other entity owning and operating the service;
- (2) address and phone number of the applicant's primary place of business;
- (3) address or addresses within the City from which the service will operate and a phone number for each location;
- (4) assumed name, if any, under which the applicant proposes to do business within the City, accompanied by a certified copy of a Certificate of Assumed Name as required by state law;
- (5) if the applicant is an individual, the name and home address of the applicant;
- (6) if the applicant is a partnership or association, the name and address of each partner or associate;
- (7) if the applicant is a corporation, the name and address of the corporation and the names and addresses of all officers and directors of such corporation and the address of the registered agent for service;
- (8) the number of vehicles the applicant desires to operate and the make, model, year of chassis manufacture, year of box manufacture, size, design, mileage, and color scheme of each vehicle;
- (9) a complete copy of applicant's current DSHS EMS provider packet;
- (10) verification of DSHS inspection and certification as ambulances of all vehicles proposed to be used within the City;
- (11) verification of certification by the DSHS for all personnel to be performing patient care or transportation within the City;

(12) information regarding all employees who will be engaged in the service to be provided within the City who has been convicted of any felony or misdemeanor in the preceding seven years, other than minor traffic violations not subjecting the individual to cancellation of driver's license or insurance, under the laws of this state, the United States, or elsewhere. The applicant shall provide any information regarding such offenses with the application, to include date and nature of the offense and the disposition of the case;

(13) information regarding any claims or judgments which remain outstanding and unsatisfied against the applicant for damages resulting from the negligent operation of an ambulance or care given in association therewith;

(14) a detailed description of the experience of the applicant in rendering ambulance service elsewhere, including the extent of time such service has been rendered, each service area in which such service has been rendered, and in what capacity, whether private or public, such service has been rendered;

(15) a letter from an authorized agent of the applicant's insurance carrier stating that the insurance required under this article is available to the applicant and that such coverage is or will be provided prior to the issuance of the license described herein;

(16) the fee schedule the applicant proposes to charge for the services to be rendered;

(17) any other information the Fire Chief reasonably determines is necessary to the issuance of a license;

(18) documentation of applicant's implementation and enforcement of a drug and alcohol policy for its employees that meets the minimum requirements of the Drug Free Workplace Act of 1988 (41 U.S.C. 701), and any amendments. Applicant shall supply certification from the applicant-designated drug testing center that none of applicant's safety-sensitive employees has failed any drug test it has administered. Except when and to the extent that it may be prohibited by law, applicant shall provide records of failed drug tests upon written request; and

(19) payment of a non-refundable application fee in an amount set by the City Council payable at the time the application is filed.

Sec. 42-79. Investigation of applicant.

(a) Upon receipt of an application to operate a non-emergency or transfer ambulance service under this article, the Fire Chief shall make or cause to be made an investigation of the matters set out in the application.

- (b) Within 30 days of the receipt of a complete application, the Fire Chief will determine whether the applicant has submitted all necessary information as required by Section 42-78. The Fire Chief may require additional time as necessary for the applicant to furnish and the Fire Chief to review information required to complete an otherwise incomplete application or to supply relevant information requested by the Fire Chief to adequately complete an investigation. The Fire Chief shall notify the applicant of any extension of time.
- (c) The Fire Chief shall review the completed application for compliance with Section 42-80.

Sec. 42-80. Licensing criteria and operating conditions.

An applicant must meet the following minimum requirements for consideration of a license to operate a non-emergency or transfer ambulance service and continue to meet such requirements during the duration of the annual license :

- (1) provide sufficient evidence of ability to comply with the applicable operating requirements of this article;
- (2) demonstrate experience and ability in providing non-emergency or transfer ambulance service or similar services elsewhere and has demonstrated an ability to provide service of sufficient quality as to best serve the public interest;
- (3) possess financial capacity to respond to damages or to pay claims for personal injury, death, and property damages arising from its operations and toward that end, has no unsatisfied final judgments to claimants as the result of damage to property or personal injuries received by reason of operation of ambulances or care given in association therewith;
- (4) submit a signed affidavit or other document indemnifying and holding harmless the City, its officers and employees, from any liability arising out of the operations of the applicant or the applicant's performance of its services under any such license;
- (5) file with the City Secretary a certificate showing a policy of public liability insurance issued by an insurance carrier qualified to do business in the State of Texas and naming the City as an additional insured, which contains the following minimum conditions and stipulations regarding such coverage:
 - a. the term of the insurance must extend for at least as long as the license is valid;
 - b. the insurance policy must provide limits of liability for each accident involving bodily injury including death at any time resulting therefrom, in the amount of

\$500,000.00 for each person, \$2,000,000.00 for each accident, and \$250,000.00 for property damage sustained in any such accident;

c. such policy must expressly provide that it may not be canceled, except after 30 days written notice to the City; and

d. proof of additional general professional liability (malpractice) insurance in the amount of \$5,000,000.00;

(6) vehicles used must be licensed by the DSHS as a mobile intensive care unit ("MICU"); and

(7) personnel must meet minimum requirements established by the DSHS for MICU ambulances;

(8) establish and maintain an office within the corporate limits of the City;

(9) equipment used must be maintained in good working condition;

(10) non-emergency or transfer ambulances must use colors that are different and distinctive from the color of ambulances operated by KFD. Each non-emergency or transfer ambulance must bear markings which identify both the licensee's name and vehicle number. The name designation must be placed on both sides and the rear of the ambulance and may not include the word "Kerrville" or the letters "KFD";

(11) personnel must use attire whose color is different and distinctive from the color of KFD personnel attire;

(12) maintain at its place of business located within the City a publically listed telephone number, an operable telephone, and business records and daily logs as required herein, which are available for inspection or audit upon request. It is also the responsibility of the licensee to maintain with the Fire Chief the business address and telephone number where the licensee may be reached at all times;

(13) maintain a daily log on which is recorded the date, time of service requested, time of dispatch, time of arrival on the scene, time of arrival at the ultimate destination, patient reference number, and fees and charges assessed for each trip. Said records and books must, at all reasonable times, be made available for purposes of audit by the Fire Chief;

(14) submit annually, by or before the anniversary date of its license, any additional information reflecting changes in the information currently on file with the City as required by this article. By or before the annual anniversary date of the issuance of the license, the licensee shall post with the City, along with the required information

necessary to update the license information in the City's file, an annual renewal fee as specified by the City's fee schedule;

(15) ambulances are subject to all other federal and state laws with respect to their ownership, use, and operation;

(16) the licensee shall, upon request of the Fire Chief, present any and all vehicles and equipment for inspection by the Fire Chief at a location specified by the Fire Chief;

(17) licensee shall not respond with lights and sirens to or from any call for non-emergency or transfer ambulance service within the City without first obtaining authorization from the Fire Department Dispatch;

(18) the licensee shall provide the Fire Chief with copies of DSHS findings and results of all DSHS inspections and site visits any time the licensee, vehicles, and personnel are inspected;

(19) licensee shall provide Fire Chief with notification of any administrative penalties, suspensions, probations, reprimands, revocations, change in status of licensee and/or personnel, or any like disciplinary action stemming from DSHS rules or regulations; and

(20) no ambulance chassis that the licensee operates may be older than eight (8) years.

Sec. 42-81. Report to City Council.

Following an investigation and upon finding that the applicant meets the criteria and meets or will meet the operating conditions set out in Section 42-80, the Fire Chief shall forward a report on the application and findings to City Council for its consideration and the issuance of a letter of approval, if appropriate, in accordance with Chapter 773, Texas Health and Safety Code.

Sec. 42-82. Letter of approval; issuance of license.

(a) Pursuant to state law (Chapter 773, Texas Health and Safety Code), the City Council will consider whether to issue the applicant a letter of approval. Council may issue such approval but only if it determines that:

(1) the addition of another licensed non-emergency or transfer ambulance service provider will not interfere with or adversely affect the provision of the City's EMS;

(2) the addition of another licensed non-emergency or transfer ambulance service will remedy an existing provider shortage that cannot be resolved through the City's EMS; and

- (3) the addition of another licensed non-emergency or transfer ambulance service will not cause an oversupply of licensed EMS providers operating within the City.
- (b) Where Council issues a letter of approval, the Fire Chief shall then issue a one-year, renewable license to operate. The license will, as a condition of such operation, require that only non-emergency or transfer ambulance service may be provided and will include any additional restrictions or conditions necessary under the terms and provisions of this article. A copy of each license will be filed with the Fire Chief and the City Secretary.
- (c) Letters of approval expire three years from the date of issuance. Thereafter, an applicant must apply for a new license pursuant to the terms of this article.
- (d) Where Council does not issue a letter of approval, the applicant may not seek a subsequent letter of approval for the period of twelve months from the date of denial.

Sec. 42-83. Expiration and renewal of license.

- (a) A license to operate a non-emergency or transfer ambulance service expires one year after the date of issuance.
- (b) A license holder must apply for renewal at least 60 days before the expiration of the annual license on a form provided by the Fire Chief. The license holder must update the information contained in the original license application required under this article if any of the information has changed. The license holder shall sign a statement affirming that there is either no change in the information contained on the original license application and any subsequent renewal applications or that any information that has been updated is accurate and complete and pay the annual fee.
- (c) The Fire Chief shall follow the procedures set forth in this article when determining whether to renew a permit with the exception of Sec. 42-82 and the issuance of a letter of approval.

Sec. 42-84. Non-transferability.

A license to operate as a non-emergency or transfer ambulance service provider is not transferable.

Sec. 42-85. Revocation, alteration, or suspension of license.

Each license issued hereunder is subject to revocation, alteration, or suspension by the Fire Chief when one or more of the following conditions are determined to exist:

- (1) the licensee has refused to render the full service authorized by the license;
- (2) the licensee has been convicted of a felony;
- (3) the application for the license was found to contain material facts intentionally omitted or falsely stated;
- (4) the licensee has demonstrated a persistent and continuous practice of permitting its vehicles to be operated in violation of law;
- (5) the licensee has willfully and knowingly violated or failed to comply with any of the provisions hereof or any policies or rules established pursuant to this article;
- (6) the licensee, its agents, or employees have acted in bad faith by inducing or seeking to induce a change of destination to or from a hospital or other place specified by the person hiring the ambulance;
- (7) the licensee, its agents, or employees has been adjudicated guilty of practices or procedures which constitute negligence in the performance of its services;
- (8) the licensee's insurance coverage as required herein has been canceled, withdrawn, or terminated;
- (9) the vehicles or equipment used or operated by the licensee in the performance of services authorized hereunder have become damaged, deteriorated, or otherwise unfit for providing safe and reliable ambulance service;
- (10) the licensee, its agents, or employees actively engage in providing emergency ambulance service within the City in violation of this article and without the request or permission of the Fire Chief for mutual aid;
- (11) the City receives a complaint regarding the quality, cost, safety, or general professionalism of the service provided by the licensee and upon notice of such complaint, the licensee has not undertaken reasonable measures to satisfy and remedy the cause or causes for such complaint;
- (12) the licensee fails to file any and all reports required hereunder or fails to pay the requisite annual renewal fee as set out herein; and/or

(13) the licensee fails in any material respect to satisfy or conform with the requirements of this article.

Sec. 42-86. Appeal of any denial, revocation, alteration, or suspension of license.

- (a) Should the Fire Chief disapprove or deny an application for a non-emergency or transfer ambulance license, the Fire Chief shall notify the applicant by certified mail of that determination and the reasons for denial. The applicant may appeal the denial by submitting a written appeal to the City Council within 30 days after receipt of the denial notification or the action shall be final and unappealable. The City Council shall conduct a hearing to consider the appeal within 30 days after the filing of same. The City Council shall determine the disposition of said appeal and in so doing determine whether or not to affirm the action of the Fire Chief or grant the license as requested, subject to any and all other conditions which the City Council may impose pursuant to the provisions of this article. The City Council's decision is final and binding. Where the 30 day deadline is missed or City Council affirms the action of the Fire Chief, the applicant may not apply for another license until the expiration of twelve months from the date of denial.
- (b) In addition to the general penalties imposed for a violation of the provisions of this article, the Fire Chief is authorized to suspend, alter, or revoke any license issued by the City upon failure of the licensee to comply with the rules, regulations, and standards adopted herein provided that the Fire Chief shall, by certified mail, furnish the licensee no less than ten days written notice of the proposed action and the reasons for the suspension, alteration, or revocation of the license, and shall offer the licensee the opportunity to request and participate in a hearing before the Fire Chief to discuss the proposed action prior to its effective date. Any request for a hearing before the Fire Chief must be filed in writing within ten days of receipt of the written notice of the proposed action, or the action shall be final and unappealable. Following any hearing requested, the Fire Chief shall notify the licensee of his findings in writing.
- (c) Any licensee whose license to operate has been suspended, altered, or revoked, following a hearing before the Fire Chief may, within 30 days from the date of such suspension, alteration, or revocation, submit a written appeal of such action to the City Council. Such appeal shall suspend the effects of the Fire Chief's action pending the rendering of a decision by the City Council. The City Council shall conduct a hearing to consider the appeal within 30 days after the filing of same. The City Council shall determine the disposition of said appeal and in so doing determine whether or not to affirm, revise, or reverse the action of the Fire Chief, subject to any and all other conditions which the City Council may impose pursuant to the provisions of this article. The City Council's decision is final and binding.

- (d) If the Fire Chief determines that imminent danger to public health and safety exists, the Fire Chief may require the immediate suspension of all non-emergency or transfer ambulance service provided by a licensee as part of any notice of revocation. The Fire Chief shall also notify the DSHS regarding the pendency of such action. Under the circumstances of such immediate suspension of service and danger to public health and safety, the license will be suspended during the period of any appeal and the licensee will be prohibited from providing any type of ambulance services within the City unless such suspension is lifted by City Council during the appeal. The appeal of any such revocation and accompanying suspension due to public health and safety shall be conducted as otherwise provided in subsection (c) hereof for the appeal of any other suspension, alteration, or revocation.

Sec. 42-87. Complaints.

Complaints about non-emergency or transfer ambulance service within the City must be filed in writing with the City Manager. Upon receipt of any such complaint, the City Manager or designee shall forward a copy of said complaint as soon as reasonably possible to the licensee, instructing the licensee to reply to the City Manager regarding the disposition and satisfaction of such complaint within ten working days of the receipt of same.

Sec. 42-88. Violations.

It is unlawful to knowingly operate or cause to be operated or to provide emergency ambulance service or non-emergency or transfer ambulance service within the service area except as provided pursuant to this article.

Sec. 42-89. Penalty.

Each violation of this article is hereby declared a misdemeanor and upon adjudication of guilt thereof, any person, firm, partnership, corporation, or other entity which violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this article may be assessed a fine not to exceed \$2,000.00 for each offense in accordance with the provisions of Section 1-7 of the City's Code of Ordinances. Each day that a violation is permitted to exist may be deemed a separate offense for which a separate fine may be assessed."

SECTION TWO. The City Secretary is authorized and directed to send this Ordinance to the publisher of the City's Code of Ordinances and the publisher is authorized to amend said Code to reflect the amendments adopted herein, to correct any typographical errors, and to index, format, number, and letter the paragraphs to the existing Code, as appropriate.

SECTION THREE. The penalty for violation of this Ordinance shall be in accordance with the penalty provision contained in Section 1-7 of the Code of Ordinances of the City of

Kerrville, Texas, which provides for a fine not exceeding TWO THOUSAND DOLLARS (\$2,000.00). Each continuing day's violation under this Ordinance shall constitute a separate offense.

SECTION FOUR. 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 is hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION FIVE. 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.

SECTION SIX. Pursuant to Texas Local Government Code §52.013(a) and Section 3.07 of the City's Charter, the City Secretary is hereby authorized and directed to publish the descriptive caption of this Ordinance in the manner and for the length of time prescribed by law as an alternative method of publication.

SECTION SEVEN. This Ordinance shall become effective immediately upon the expiration of ten days following publication, as provided for by Section 3.07b. of the City Charter.

PASSED AND APPROVED ON FIRST READING, this the ____ day of _____, A.D., 2013.

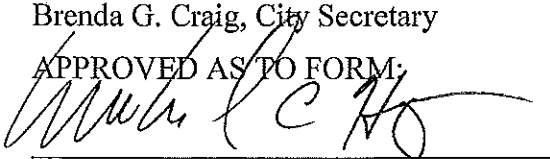
PASSED AND APPROVED ON SECOND AND FINAL READING, this the ____ day of _____, A.D., 2013.

ATTEST:

Jack Pratt, Jr., Mayor

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

Agenda Item:

5A. Resolution No. 25-2013 providing for the city's approval or disapproval of the Kerr Central Appraisal District's Fiscal Year 2014 budget. (staff)

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

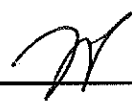
SUBJECT: Resolution providing for the city's approval or disapproval of the Kerr Central Appraisal District's fiscal year 2014 budget.

FOR AGENDA OF: August 13, 2013 **DATE SUBMITTED:** August 6, 2013

SUBMITTED BY: Sandra Yarbrough **CLEARANCES:** Todd Parton
Director of Finance City Manager

EXHIBITS: Resolution, FY 2014 Budget

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

The Kerr Central Appraisal District has submitted its FY 2014 Proposed Budget for approval by the Kerrville City Council. The FY 2014 budget is \$902,512, which is \$17,087 or 1.93% more than FY 2013. The increases included salaries and software support. The City of Kerrville's estimated allocation for the FY 2014 budget is \$123,585 which is \$107 less than FY 2013's allocation of \$123,692.

RECOMMENDED ACTION

Staff recommends Council take action to approve or disapprove the FY2014 Kerr Central Appraisal District budget.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 25-2013**

**A RESOLUTION PROVIDING FOR THE CITY'S APPROVAL OR
DISAPPROVAL OF THE KERR CENTRAL APPRAISAL DISTRICT'S
FISCAL YEAR 2014 BUDGET**

WHEREAS, the Kerr Central Appraisal District ("KCAD") submitted its proposed fiscal year 2014 budget to the City Council for consideration; and

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

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

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

The Kerr Central Appraisal District's proposed fiscal year 2014 budget, as set forth in **Exhibit A**, is _____ (APPROVED OR DISAPPROVED).

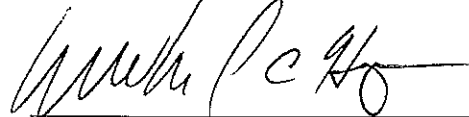
PASSED AND APPROVED ON this the _____ day of _____, A.D., 2013.

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

2014 Proposed Budget
Kerr Central Appraisal District

P.O. Box 294387
1836 Junction Highway
Kerrville, TX 78029
(830) 895-5223

BOARD MEMBERS

Charles Lewis, Chairman
Mark Bigott, Vice Chair
Ray Orr, Secretary
William H. "Hank" Moody
Jack Parks
Diane Bolln, CTAC

P. H. Coates, IV
Chief Appraiser

Sharon E. Capeheart
Deputy Chief

2014 Proposed Budget

<u>Line</u>	<u>Item</u>	<u>2013</u>	<u>2014</u>	<u>\$ Diff</u>	<u>% Diff</u>	<u>% Total</u>
5006	Salaries	\$514,311	\$503,163	(\$11,148)	-2.17%	55.8%
5010	Employer Portion of Ret	\$42,625	\$41,733	(\$892)	-2.09%	4.6%
5012	Medicare Insurance	\$7,458	\$7,296	(\$162)	-2.17%	0.8%
5015	Employee Medical Insur	\$94,608	\$93,662	(\$946)	-1.00%	10.4%
5016	TX Employment Commiss	\$3,132	\$2,871	(\$261)	-8.33%	0.3%
5017	Disability Insurance	\$8,000	\$7,333	(\$667)	-8.34%	0.8%
5030	Appraisal Review Board	\$12,500	\$12,500	\$0	0.00%	1.4%
5034	Vehicle Replace. Reserve	\$8,000	\$8,000	\$0	0.00%	0.9%
5035	Travel & Mileage & Maint.	\$18,000	\$18,000	\$0	0.00%	2.0%
5040	Annual Audit	\$5,750	\$5,950	\$200	3.48%	0.7%
5045	Mapping Expense	\$11,093	\$11,093	\$0	0.00%	1.2%
5060	Deed Copies	\$1,000	\$1,000	\$0	0.00%	0.1%
5070	Leased Equipment	\$6,051	\$6,051	\$0	0.00%	0.7%
5075	Telephone	\$3,000	\$3,000	\$0	0.00%	0.3%
5080	Utilities	\$9,000	\$9,000	\$0	0.00%	1.0%
5085	Grounds & Building Maint.	\$4,050	\$4,410	\$360	8.89%	0.5%
5090	Consultant - Appraisal	\$15,000	\$50,000	\$35,000	233.33%	5.5%
5100	Legal & Consultants	\$10,000	\$20,000	\$10,000	100.00%	2.2%
5102	Legal ARB	\$2,000	\$2,000	\$0	100.00%	0.2%
5105	Liab./Workers Compensat	\$5,000	\$6,000	\$1,000	20.00%	0.7%
5110	Publishing/Publications	\$3,500	\$3,600	\$100	2.86%	0.4%
5120	Schools/Employee Ed.	\$6,550	\$6,550	\$0	0.00%	0.7%
5130	Postage	\$15,000	\$15,000	\$0	0.00%	1.7%
5135	Printing	\$5,000	\$5,000	\$0	0.00%	0.6%
5136	Professional Dues	\$2,285	\$2,285	\$0	0.00%	0.3%
5140	Office Supplies	\$7,000	\$7,000	\$0	0.00%	0.8%
5145	Furniture, Fixtures & Equip	\$7,000	\$7,000	\$0	0.00%	0.8%
5150	Board of Directors	\$3,200	\$3,200	\$0	0.00%	0.4%
5155	Equip. Maint. and Reserve	\$1,500	\$1,500	\$0	0.00%	0.2%
5170	Building Reserve	\$7,000	\$7,000	\$0	0.00%	0.8%
5180	Software Support	\$31,195	\$31,195	\$0	0.00%	3.5%
5186	Appraisal System Exp	\$15,497	\$0	(\$15,497)	100.00%	0.0%
5200	Banking Fees	\$120	\$120	\$0	0.00%	0.0%
TOTAL	TOTALS	\$885,425	\$902,512	\$17,087	1.93%	100.0%

5006 Salaries:

<u>Positions</u>	<u>2013</u>	<u>COLA</u> <u>1.75%</u>	<u>COLA</u>	<u>Merit/Desig</u>	<u>2014 Total</u>
Chief Appraiser	\$83,265	\$1,457	\$84,722	\$ -	\$84,722
Deputy Chief	\$57,464	\$1,006	\$58,470	\$ -	\$58,470
Senior Appraiser	\$53,560	\$937	\$54,497	\$ -	\$54,497
Agr App RPA	\$39,140	\$685	\$39,825	\$ -	\$39,825
Field App RPA	\$38,610	\$676	\$39,286	\$ -	\$39,286
Com App RPA	\$36,069	\$631	\$36,700	\$ -	\$36,700
Field App RPA	\$37,065	\$649	\$37,714	\$ -	\$37,714
Field App II	\$25,750	\$451	\$26,201	\$ -	\$26,201
Abstractor	\$32,960	\$577	\$33,537	\$ -	\$33,537
GIS Man/Field App I	\$47,947	\$839	\$48,786	\$ -	\$48,786
Exemp Spec	\$30,885	\$540	\$31,425	\$ -	\$31,425
Ex Spec (deleted)	\$28,250				
TOTALS	\$510,965	\$8,448	\$491,163	\$ 12,000	\$503,163

Total Benefits:

<u>Position</u>	<u>2014 Sal</u>	<u>Med</u> <u>Ins</u>	<u>Retire</u>	<u>Medicare</u>	<u>Unemp</u>	<u>Disabilit</u>	<u>Totals</u>
Chief Appraiser	\$84,722	\$8,515	\$6,778	\$1,228.47	\$261	\$667	\$102,171
Deputy Chief	\$58,470	\$8,515	\$4,678	\$847.82	\$261	\$667	\$73,438
Senior App	\$54,497	\$8,515	\$4,360	\$790.21	\$261	\$667	\$69,089
Agr. App RPA	\$39,825	\$8,515	\$3,186	\$577.46	\$261	\$667	\$53,031
Field Appr. RPA	\$39,286	\$8,515	\$3,143	\$569.65	\$261	\$667	\$52,441
Com Appr RPA	\$36,700	\$8,515	\$2,936	\$532.15	\$261	\$667	\$49,611
Field Appr. RPA	\$37,714	\$8,515	\$3,017	\$546.85	\$261	\$667	\$50,720
Field Appr. I	\$26,201	\$8,515	\$2,096	\$379.91	\$261	\$667	\$38,119
Abstractor	\$33,537	\$8,515	\$2,683	\$486.29	\$261	\$667	\$46,149
GIS Manager	\$48,786	\$8,515	\$3,903	\$707.40	\$261	\$667	\$62,839
Exemp Spec II	\$31,425	\$8,515	\$2,514	\$455.66	\$261	\$667	\$43,837
<u>Merit Raises</u>	<u>\$12,000</u>		<u>\$960</u>	<u>\$174.00</u>			<u>\$13,134</u>
Totals	\$503,163	\$93,662	\$40,253	\$7,296	\$2,871	\$7,333	\$654,578

It is in the best interest of tax payers as well as the taxing entities for the district to retain well trained and educated employees. Hiring from other districts for appraisers with an RPA designation and employees with experience and training has heightened due to the Comptroller's MAPS Review. There is a 1.75% C.O.L.A. applied for 2014. In 2013 we lost an appraiser who had just completed his RPA to a neighboring district. One other RPA designated appraiser has interviewed with two other appraisal districts in the area. There is a \$12,000 merit raise reserved for 2014. Since the budget is prepared so early in the year to accommodate the taxing entities the allocation per employee is not done until later in the year when staff reviews are completed.

It is vital that Kerr CAD remain competitive with other appraisal districts. There will be a total of 11 staff positions this year. One staff position, Exemption Specialist was eliminated due to realignment of job duties of other staff. Contracting the appraisal of the commercial property is a priority for 2014. Most of the district's lawsuits arise from our commercial properties. Data has become almost impossible to obtain for appraisal districts. Most sales of high valued commercial property are confidential and the properties that are listed on MLS are typically pulled from MLS prior to the closing of the sale thereby circumventing the publishing of sales date in MLS. Private companies are able to obtain sales information more readily than CADs for obvious reasons. Contracting will greatly enhance the accuracy of commercial market values, ensure equity of those properties and allow the appraisers to spend more time on residential properties. The salary related savings from the elimination of this one position is in excess of \$43,500.

The total salary line item for 2014 is \$503,163. We are required by the Methods Assistance Program administered by the State of Texas Property Tax Assistance Division to display each employee's salary and benefits as well as the total salary and benefits for each employee. The total for salaries plus benefits is \$654,578.

5010 - Employers Retirement: KCAD has an independent employee retirement plan. All employees are required to participate in this plan. The Kerr CAD Board of Directors has elected to fund 8% of the employee's salary for their retirement plan. Employees also match an 8% contribution from their salary. The total matching amount for Kerr CAD is \$40,253 plus an administrative fee of \$1,480 making a total of \$41,733. Details as shown below:

Total 2014 Salaries	\$	503,163
KCAD Matching Percentage		<u>X 0.08</u>
KCAD Contribution	\$	40,253
Administration Fee	\$	<u>1,480</u>
TOTAL	\$	41,733

5012 - Employer Medicare: KCAD is responsible for the Medicare tax on each of the employee's wages. This rate is equal to 1.45 percent of the first \$125,000 paid to each employee per year. Details of this item are as follows:

Total 2014 Salaries	\$ 503,163
Medicare Rate	<u>x 0.0145</u>
TOTAL	\$ 7,296

5015 - Employee Medical Insurance: Kerr CAD provides health & dental insurance to its employees through the Texas Association of Counties. The carrier for Texas Association of Counties is Blue Cross / Blue Shield. The Texas Association of Counties has informed us of an increase in the premiums for 2014 of 8%. However since one position has been dropped from the 2014 Budget this line item has decreased. Details of this estimated expenditure follow:

KCAD Contribution Per Month	\$ 709.56
Number of Employees	<u>x 11</u>
Total Monthly Contribution	\$ 7,805
Number of Months	<u>x 12</u>
TOTAL for 2014	\$ 93,662

5016 - Texas Employment Commission: KCAD is responsible for the payment of each employee's unemployment tax through the Texas Workforce Commission. This tax is a percentage of the first \$9,000 of the employee's quarterly salary. These rates change annually and are based on the number of employees hired and fired during the previous year. This line item will be reduced to \$2,871 with one less employee for 2014.

5017 - Disability Insurance: The KCAD Board of Directors has elected to pay disability insurance in lieu of social security for KCAD employees. New employees will be under the same vesting requirements as other benefits. The line item for this year will also be reduced to \$7,333.

5030 - Appraisal Review Board: KCAD is responsible for the Appraisal Review Board member's stipends. The reimbursement covers the ARB member's salary, travel, and training expenses related to serving on this board. The Board of Directors has decided Kerr CAD's ARB would benefit from additional training above and beyond the required rudimentary training required by the State estimated at \$2,500. The line item for the ARB will remain at \$12,500.

Reimbursement per Member	\$2,000
Number of Members	<u>X 5</u>
TOTAL	\$10,000
Education	<u>+ \$2,500</u>
TOTAL	\$12,500

5034 - Vehicle Replacement Reserve: The allocated amount for vehicle replacement will remain at \$8,000 for this year.

5035 - Travel and Mileage: The heaviest driving for the CAD is in the fall and winter months during our appraisal period. This line item also includes maintenance and tires. This item also includes other travel expense and also pertains to meals and hotel expense when employees are sent to school. This line item will remain at \$18,000.

5040 - Annual Audit: Section 6.063 of the Property Tax Code requires that the district have an annual audit by a Certified Public Accountant. The 2013 financial year audit will be conducted in 2014. The contract amount for the audit has increased to \$5,950.

5045 - Mapping Expense: In the past the district has cost shared with Kerr County 911 as well as The City of Kerrville and KPUB in acquiring a GIS mapping system called Pictometry. This system is a patented information system that combines aerial imaging with a state of the art software system allowing an appraiser to view and measure any structure, intersection, fire hydrant, tree or any feature in the county from a laptop or workstation. This technology has enabled the district to increase productivity, cut down on field trips and enhance appraisal of existing as well as the discovery of new taxable property. The investment in this system began in 2009 at a cost of \$8,093 per annum for Kerr CAD's portion. New photos were flown in March of 2012. The line item for the flights will remain at \$8,093 which added to the existing GIS system cost of \$3,000 will total \$11,093.

5060 - Deed Copies: In order to maintain correct property ownership, KCAD is required to purchase copies of real property deeds from the Kerr County Clerk. In 2008 the County Clerk began supplying the district with a CD format instead of paper. This resulted in a significant cost savings to the district. This item will remain at \$1,000 for this year.

5070 - Leased Equipment: The CAD leases a copy machine and a postage machine. This line item is \$6,051 for this year.

5075 - Telephone: This item includes basic telephone equipment lease and service, long distance service, and Internet subscription. This item will be \$3,000 for this year.

5080 - Utilities: The District's utility expense covers city water and electricity. Anticipated water and sewer costs are \$400 per year. Electricity costs are running approximately \$725 per month. The amount for this year is unchanged at \$9,000.

5085 - Building and Grounds Maintenance: Building and grounds maintenance includes trash pickup, building cleaning, lawn care, and pest control. There is a \$200 increase due to trash pickup for 2014. The details of this maintenance are as follows:

<u>Expense</u>	<u>\$/Month</u>	<u>\$/Year</u>
Trash Pickup	\$180	\$2,160
Building Cleaning	\$150	\$1,800
Pest Control	\$25	\$ 300
Termite Inspection		<u>\$ 150</u>
TOTAL		<u>\$4,410</u>

5090 - Consultant – Appraisal: KCAD contracts out the appraisals on utilities, minerals, pipelines, and industrial properties to the industrial appraisal firm Capitol Appraisal Group. The contract cost is \$15,000.

Kerr CAD will be contracting with a professional appraisal firm to appraise the commercial properties in Kerr County. Commercial real estate sales information is very difficult to obtain statewide. Also commercial special use properties can be very intricate to appraise. The Comptroller's Methods Assistance Study is demanding more stringent methodology for market value and equity. Most of the lawsuits Kerr CAD is served with are commercial property suits. Limited commercial sales and rental information not only hinders a fair and equitable appraisal but also increases the related costs of lawsuits due to the necessity of hiring a professional appraisal firm to ensure the value is defensible. A contractor would not only appraise the

commercial property but would also defend property values in the appraisal review process as well as be available as an expert witness when litigation occurs. Many appraisal districts across the state are using contractors as a cost efficient method of ensuring that their values are meeting the stringent requirements of the Comptroller's Property Value Study and the Methods Assistance Program Study. Contracting will be a valuable tool in ensuring that taxpayers are treated fairly and equitably. The anticipated investment for the contracting of commercial properties is \$35,000.

The total amount proposed for this line item is \$50,000.

5100 - Consultant – Legal & Expert Witness: KCAD maintains a contract with the Law Office of Peter Low. The monthly retainer fee is \$150. The hourly fees are \$150 for litigation and \$100 for non-litigation fees such as travel. Other related expenses such as hotel room fees when needed are paid by the district. Because of the increased litigation of commercial property the line item for this year is \$20,000. The implementation of contracting with a professional firm for the appraisal of commercial properties should allow this line item to diminish in the future.

5102 - Legal ARB : Recent legislation has mandated Appraisal Review Boards retain separate legal counsel from Appraisal Districts. Historically the need for legal counsel for the Kerr Appraisal Review Board has been minimal. This line item is \$2,000.

5105 - Liability and Workers Compensation: This line item covers workers compensation, general liability, automotive liability, errors and omissions, and real and personal property insurance as well as liability related to our retirement program. The carrier for this insurance is the Texas Municipal League Intergovernmental Risk Pool (TML). This line item is \$6,000.

5110 - Publishing and Publications: This line item includes required newspaper advertisements, property asset listings, and appraisal guides. This line item has a total of \$3,600.

5120 - Schools and Employee Education: According to Section 5.04, of the Property Tax Code, an appraisal district shall reimburse an employee for all actual and necessary expenses, tuition, other fees and costs of materials incurred in attending, with the chief appraiser's approval, a course or training program conducted or by the Texas Department of Licensing and Regulation. This item is a total of \$6,550.

5130 - Postage: Kerr CAD uses an outside mailing firm to print and mail the required appraisal notices. This saves the district some postage and helps ensure a timely mailing of appraisal notices. The district is currently charged \$.70 for each address correction from the Post Office. Kerr CAD elected to mail notices only to property owners whose values changed last year or due to a change of ownership or per request by the taxpayer. Significant savings have occurred since this practice was initiated therefore this line item is \$15,000.

5135 - Printing: This line item includes expenses such as printing of Notices of Appraised Value, Appraisal Rolls and envelopes. This item is \$5,000.

5136 - Dues: This line item is devoted to the registration of the district and employees with different state agencies and trade organizations. Registration with the Texas Department of Licensing and Regulation is

a requirement by law. Affiliation with the Texas Association of Appraisal Districts allows KCAD to enroll in state classes for reduced tuition and keeps the district informed of changing rules and laws. Being a member of TAAD also requires us to be a member of the local Southwest Chapter. Membership in the International Association of Assessing Officers is now required by the MAPS review and also requires membership in the Texas Association of Assessing Officers. The district receives most of the sales data used in appraisals of real property from the Kerrville Board of Realtors Multiple Listing Service. The district receives a discounted price for items purchased through the Texas Building & Procurement Commission. The district also pays a membership for the Visa charge card. A detailed cost description of this line item follows:

Texas Department of Licensing & Regulation	\$ 680
Texas Association of Appraisal Districts	\$ 900
Texas Association of Appraisal Districts Southwest Chapter	\$ 15
International Association of Assessing Officers	\$ 175
Texas Association of Assessing Officers	\$ 80
Kerrville Board of Realtors M.L.S. Membership	\$ 300
Texas Building & Procurement Commission	\$ 100
Visa Charge Membership	\$ 35
TOTAL	\$2,285

5140 - Office Supplies: This line item includes all miscellaneous office supplies used in the district. These items include paper, writing utensils, film, toner cartridges, and other supplies. The amount this year is \$7,000.

5145 - Furniture and Fixtures: This line item includes upgrading and replacement of computers and as well as desk, chairs and other office related furniture and fixtures. Kerr CAD is designating \$4,500 of its self-generated income from property record card sales, computer generated lists, map sales, and bank interest towards this line item. There is \$2,500 allotted for desks, chairs, filing cabinets and other office related furniture and fixtures. The total amount for this line item is \$7,000.

5150 - Board of Directors: This line item is utilized to purchase director manual and reference material for the Board of Directors. A portion of this line item is also utilized to purchase awards of appreciation to outgoing board members and name plaques. Because of increased duties, responsibilities as well as increased liability associated with being a board member this line item includes education for board members. The average cost for a board member to attend a TAAD conference is approximately \$1,000, A Rural Chief Appraisers Conference is approximately \$500 per person. This addition would allow 3 members to attend a TAAD Conference or all six members to attend a Rural Chief's Conference. This line item is \$3,200.

5155 - Equipment Maintenance: This item includes the maintenance of PC computers, networks, postage machine and copy machines. This line amount is \$1,500.

5170 - Building Reserve: This fund is reserved and cannot be utilized for any purpose other than replacement of the current building or to repair the existing building. The building was constructed in the 1970s and suffers from physical deterioration. In 2006 a metal roof was installed. In 2010 the septic system failed and due to the city's rules the line was connected to the City of Kerrville's sewer system at cost near \$30,000. The parking lot was repaired in 2013. The two air conditioning and heating units are inefficient and

repair costs on the aging systems continue to increase. The building has had several termite infestations through the years. The plumbing has been retrofitted two or three times in the past several years due to leaks. The interior of the building is in need of an extensive remodel. The building is very energy inefficient due to the lack of insulation and large windows throughout the aging building. The board is currently considering options concerning the appraisal district office building. A study is planned on the various options and will be presented to the taxing entities when completed. This amount will remain at \$7,000 this year.

5180 - Software Support – True Automation: Kerr CAD converted their old appraisal computer system to True Automation in October of 2006. True Automation is the largest CAD appraisal software company in the state True Automation calls their system the PACS System. This line item provides for continuing maintenance and support of the PACS System by True Automation. This system is the lifeblood of the district. Every property account is recorded, updated, and appraised through this system and the tax roll is generated resulting in the values used to levy taxes for every taxing entity serviced by Kerr CAD. True Automation has notified the district that the software support and maintenance for this year will be \$31,195.

5186 Appraisal System Expenses: The Kerr County Tax Assessor/Collector's software system now resides in the Kerr Central Appraisal District's office. Prior to this year an expenditure of \$15,497 was allotted for the purchase and maintenance of the software system. This expenditure has been eliminated for 2014 and will be shown as zero on the Budget Recap Sheet.

5200 – Banking Fees: We are being assessed service charges on our bank account for \$120 annually.

	2012 Cert Net Tax or Freeze Adj.	2012 Tax Rate	Levy	Freeze	Total Levy	% of Total Levy	Allocation
City of Ingram	\$67,889,791	0.4732	\$321,254	0	\$321,254	0.47%	\$4,182
City of Kerrville	\$1,252,790,965	0.5625	\$7,046,949	\$2,447,127	\$9,494,076	13.80%	\$123,585
Kerr emerg. Dist. #1	\$516,273,841	0.0215	\$110,999	0	\$110,999	0.16%	\$1,445
Kerr Emerg. Dist. #2	\$102,736,320	0.035	\$35,958	0	\$35,958	0.05%	\$468
Kerr County	\$2,914,384,577	0.4121	\$12,010,179	\$3,700,375	\$15,710,554	22.83%	\$204,505
Ingram Hill Road District	\$3,571,736	0.15	\$5,358	0	\$5,358	0.01%	\$70
Lateral Roads	\$2,899,580,467	0.0322	\$933,665	\$308,392	\$1,242,057	1.81%	\$16,168
Lake Ingram Estates Rd	\$8,024,195	0.2865	\$22,989	0	\$22,989	0.03%	\$299
Center Point ISD	\$187,754,139	1.1	\$2,065,296	\$404,750	\$2,470,046	3.59%	\$32,153
Comfort ISD	\$121,060,324	1.21	\$1,464,830	\$328,881	\$1,793,711	2.61%	\$23,349
Divide ISD	\$51,423,436	0.85	\$437,099	\$25,450	\$462,549	0.67%	\$6,021
Harper ISD	\$34,484,481	1.04	\$358,639	\$72,498	\$431,137	0.63%	\$5,612
Hunt ISD	\$270,363,765	1.04	\$2,811,783	\$514,082	\$3,325,865	4.83%	\$43,293
Ingram ISD	\$362,934,079	1.1186	\$4,059,781	\$987,650	\$5,047,431	7.34%	\$65,703
Kerrville ISD	\$1,792,226,547	1.18	\$21,148,273	\$5,741,068	\$26,889,341	39.08%	\$350,019
Medina ISD	\$10,870,393	1.04	\$113,052	\$0	\$113,052	0.16%	\$1,472
Upper Guadalupe River A.	\$4,094,948,730	0.025	\$1,023,737	\$0	\$1,023,737	1.49%	\$13,326
Headwaters							
Groundwater	\$4,094,948,730	0.0074	\$303,026	0	\$303,026	0.44%	\$3,944
TOTAL EST LEVY			\$54,272,866.68	\$14,530,273	\$68,803,140	100.00%	\$895,612
2014 Budget							
Less:KERV/KRVL Lease							
Other Income							\$2,400
Reduction to Entities							\$4,500
ENTITY PORTION							\$6,900
							\$895,612

Agenda Item:

5B. Funding agreement between the City of Kerrville and the City of Kerrville Economic Improvement Corporation for improvements to the Cailloux Theater.
(staff)

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

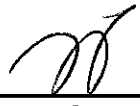
SUBJECT: Funding agreement between the City of Kerrville and the City of Kerrville Economic Improvement Corporation for improvements to the Cailloux Theater

FOR AGENDA OF: August 13, 2013 **DATE SUBMITTED:** August 2, 2013

SUBMITTED BY: Ashlea Boyle,  **CLEARANCES:** Todd Parton,
Main Street / Special Projects Manager City Manager

EXHIBITS: Funding Agreement

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$200,652	\$1,008,438	\$200,652	40-800-975-02

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE: 

SUMMARY STATEMENT

At its meeting of May 20, 2013, the Economic Improvement Corporation (EIC) considered an application from Playhouse 2000, Inc. for improvements to the Cailloux Theater. The EIC made a motion of support for two separate applications to be submitted and directed staff to present it to the City Council for their consideration and approval. A revised application from P2K was submitted for roof upgrades and replacement to the VK Garage and for a modular seating riser system in addition to an application from the City of Kerrville.

At its meeting of May 28, 2013 the City Council authorized staff to proceed with submitting an application to the EIC for upgrades to the interior and exterior lighting of the Cailloux Theater in an amount not to exceed \$200,652 which are outlined below. KPUB will consider a request for energy efficient grant funding at their board meeting to be held on August 21, 2013.

Attached is the final draft of the funding agreement between the City and the EIC. This agreement was drafted as per direction at the June 17, 2013 EIC meeting and approved at the July 22, 2013 EIC meeting. Once approved, staff will initiate the RFP process for this project.

Interior Lighting – up to \$121,000

The overhead lighting in the auditorium appears to be from the original building dating back to 1959. One “bank” of lights has failed in a way that cannot be repaired, leaving a dark

swath across the center of the seating chamber. Addressing this issue is necessary for the safety of the public as well as avoiding possible failure to additional segments of the system which could render the auditorium unusable. A replacement of the dimmer system would cost \$43,290. Due to the age of the equipment, the application is for upgrades with a dimmable energy efficient LED overhead lighting system to the entire facility which includes the lobby totaling to an amount not to exceed \$121,000.

Exterior Lighting – up to \$79,652

The Cailloux Theater was constructed with exterior lighting to bathe the building in a beautiful white light. Over time, the fixtures have suffered water infiltration which has rendered the system inoperable thus requiring complete replacement of the lighting system. Replacement of the system is expected to cost \$79,652. City staff is evaluating options for building mounted lights.

RECOMMENDED ACTION

City staff recommends the consideration and approval of this funding agreement as presented.

**PROJECT FUNDING AGREEMENT BETWEEN THE CITY OF KERRVILLE,
TEXAS, ECONOMIC IMPROVEMENT CORPORATION AND THE CITY OF
KERRVILLE, TEXAS (IMPROVEMENTS TO CAILLOUX THEATER FOR THE
PERFORMING ARTS)**

THIS PROJECT FUNDING AGREEMENT is entered into this ____ day of _____, 2013, by and between the City of Kerrville, Texas Economic Improvement Corporation ("EIC"), a Texas non-profit corporation established by City pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code (otherwise known as the Development Corporation Act of 1979 and hereafter called "the Act") and the City of Kerrville, Texas ("City"), a Texas home-rule municipality.

WITNESSETH:

WHEREAS, pursuant to Chapter 505 of the Act, the EIC is authorized to undertake, or to provide funding to City to undertake, projects which the EIC finds to be encompassed by the definition of "projects" as that word is defined in Chapters 501 and 505 of the Act; and

WHEREAS, EIC was formed to administer the sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for projects as defined by 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, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, parks and park facilities, open space improvements, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, and other related improvements that enhance any of the items described by 505.152 of the Act; and

WHEREAS, City proposes to make improvements to the Kathleen C. Cailloux Theater for the Performing Arts, a City-owned auditorium ("Auditorium"), which serves as the primary venue within the area for the performing arts and which improvements will enhance the quality of life of area residents; and

WHEREAS, the improvements consist of upgrades to both the interior and exterior lighting of the Auditorium in an amount not to exceed \$200,652.00 (the "Project"); and

WHEREAS, the Project will remedy lighting deficiencies inside and outside the Auditorium as well as improve the energy efficiency of the systems; and

WHEREAS, the EIC finds that the Project as described generally above constitutes a "project" as defined by the Act; and

WHEREAS, the EIC finds that the Project is required or suitable for entertainment, tourist, convention, auditoriums, amphitheaters, concert halls, exhibition facilities and other related improvements that enhance any of these items; and

WHEREAS, the EIC finds that it will be in the public interest to enter into this Agreement with City to provide sales tax revenues collected pursuant to the Act ("4B Revenues") to City for costs related to the Project; and

WHEREAS, on July 22, 2013, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, the EIC held a public hearing pursuant to Section 501.072 of the Act related to the proposed expenditure of 4B Revenues for the Project;

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

1. **"Project" Defined:** When used in this Agreement, the phrase "Project" means the project summary as described in **Exhibit A** attached hereto and included herein for all purposes. City shall not substantively alter the description of the Project in any respect without the prior approval of the EIC.
2. **Agreement to Fund Project:** the EIC agrees to provide City an amount up to and not to exceed \$200,652.00 in 4B Revenues to be used for the Project. City is authorized to make payments for the herein described purposes directly from the Sales Tax Improvement Fund (Fund 40) or by making a transfer of 4B Revenues from the Sales Tax Improvement Fund (Fund 40) to one or more funds described in the City's approved budget. The City shall limit transfers to the actual amount of the payment draws submitted by architect related to the Project.
3. **Eligible Costs:** Payments made by City from 4B Revenues as authorized by Section 2, above, are limited to the payment of "costs" as defined in the Act.
4. **Applicable Law:** This Agreement is governed by and construed in accordance with the laws of the State of Texas. The Agreement is entered into and fully performable within Kerr County, Texas. Accordingly, venue for any cause of action arising pursuant to this Agreement is proper only in Kerr County, Texas.

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

CITY OF KERRVILLE, TEXAS

By: _____
Jack Pratt, Jr., Mayor

CITY OF KERRVILLE, TEXAS ECONOMIC
IMPROVEMENT CORPORATION

By: _____
David Wampler, President

ATTEST:

Brenda G. Craig, City Secretary

ATTEST:

Rex Boyland, Secretary for the EIC

APPROVED AS TO FORM:


Michael C. Hayes, City Attorney

Exhibit A
Cailloux Theater
Lighting Improvements

EXHIBIT "A"

Reimbursement Item	Maximum Reimbursement
Interior Lighting	
lobby and auditorium	\$ 121,000
Subtotal	\$ 121,000
Exterior Lighting	
exterior of building	\$ 79,652
Subtotal	\$ 79,652
TOTAL MAXIMUM REIMBURSEMENT	\$ 200,652

Agenda Item:

5C. Funding agreement between Playhouse 2000, Inc. and the City of Kerrville Economic Improvement Corporation for improvements to the Cailloux Theater.
(staff)

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

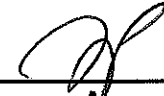
SUBJECT: Funding agreement between Playhouse 2000, Inc. and the City of Kerrville Economic Improvement Corporation for improvements to the Cailloux Theater

FOR AGENDA OF: August 13, 2013 **DATE SUBMITTED:** August 2, 2013

SUBMITTED BY: Ashlea Boyle,  **CLEARANCES:** Todd Parton,
Main Street / Special Projects Manager City Manager

EXHIBITS: Funding Agreement

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$118,000	\$807,786	\$118,000	40-800-975-02

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE: 

SUMMARY STATEMENT

At its meeting of May 20, 2013, the Economic Improvement Corporation (EIC) considered an application from Playhouse 2000, Inc. (P2K) for improvements to the Cailloux Theater. The EIC made a motion of support for two separate applications to be submitted and asked P2K to submit a revised application for roof upgrades and replacement to the VK Garage and for a modular seating riser system. The revised application from P2K has been submitted in the amount of \$118,000 which is outlined below. P2K intends to submit an application in the future for a facility addition with storage, support and meeting rooms as well as outdoor staging if deemed necessary. The City of Kerrville has submitted the second application for upgrades to the interior and exterior lighting of the Cailloux Theater.

Attached is the final draft of the funding agreement between P2K and the EIC. This agreement was drafted as per direction at the June 17, 2013 EIC meeting and approved at the July 22, 2013 EIC meeting.

Improvements to the VK Garage Theater - \$69,000

The VK Garage Theater's use as a performing space is a key component of the P2K business plan, allowing the Cailloux Theater greater flexibility of scheduling and offering P2K a better means to achieve funds necessary to subsidize the performing arts center's annual expenses. The current space is poorly insulated and can only be effectively used outside of the summer months. The best method of insulation would be a composite roof that will protect against sound infiltration as well as heat / cold and address water leaks. A roof replacement would expand the usability of the space by half and allow for initiating

program expansions. The cost to replace and upgrade the roof is approximately \$69,000.

Modular Seating - \$49,000

Under a grant provided by the Peterson Foundation, Playhouse 2000, Inc. is currently investing in fire-protective sprinklers and alarms to allow of the expansion of the seating capacity to meet the growing demand of P2K products. A modular seating riser system will allow for the alteration of seating configurations to fit the needs of the play being produced by eliminating the labor and materials cost involved with creating seating on a project-by-project basis. The cost for a modular system is approximately \$49,000.

RECOMMENDED ACTION

City staff recommends the consideration and approval of this funding agreement as presented.

ECONOMIC DEVELOPMENT GRANT AGREEMENT
BETWEEN PLAYHOUSE 2000, INC. AND
THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

This Agreement entered into by and between PLAYHOUSE 2000, INC., a Texas nonprofit corporation ("P2K"), acting herein by and through its duly authorized Executive Director, Jeffrey Brown ("P2K 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, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, parks and park facilities, open space improvements, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, and other related improvements that enhance any of the items described by 505.152 of the Act; and

WHEREAS, P2K produces art and entertainment programming and is the manager of the Kathleen C. Cailloux City Center for the Performing Arts ("Auditorium") pursuant to a contract with City of Kerrville, Texas ("City"); and

WHEREAS, P2K owns and operates the building known as the VK Garage Theater, which is located immediately adjacent to the Auditorium; and

WHEREAS, P2K uses the VK Garage Theater for ancillary uses consistent with the use and operation of the Auditorium, including as a smaller venue for fine arts performances; and

WHEREAS, P2K seeks to improve and enhance the use and operation of the VK Garage Theater and toward that end, has studied and planned improvements that will accomplish these goals; and

WHEREAS, P2K is the recipient of a grant from a local, private foundation to make public safety improvements to the VK Garage Theater; and

WHEREAS, P2K has applied for a grant from the EIC for funding to replace the roof for the VK Garage Theater and to purchase and install modular seating as a way of adding flexibility to the seating arrangement; 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 P2K to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to P2K for its cost in purchasing equipment and other amenities for placement and use within the Auditorium; and

WHEREAS, on July 22, 2013, 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, P2K and the EIC agree as follows:

ARTICLE I. EIC’S OBLIGATIONS

- A. EIC hereby grants to P2K an amount up to One Hundred Eighteen Thousand and No/100 Dollars (\$118,000.00) (“Grant”) for costs relating to the replacement of the roof for the VK Garage Theater and the purchase of modular seating riser system (collectively referred to herein as the “Project”). The specific items approved for purchase by the P2K 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 P2K by EIC and EIC shall administer the Grant on a reimbursable basis. Prior to any payment from EIC, P2K 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 P2K for the cost.
- C. Payments made by EIC to P2K 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 Eighteen Thousand and No/100 Dollars (\$118,000.00).

ARTICLE II. P2K’S OBLIGATIONS

- A. P2K must make its purchases for the Project on or before January 1, 2014. Failure to make such purchases by this date will terminate the obligation of EIC to make any additional payments of the Grant.

- B. P2K 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. P2K 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. P2K will only be liable to EIC for the actual amount of the Grant to be conveyed to P2K 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 P2K under the terms of this Agreement.

ARTICLE III. SALE OF PROJECT, MERGER OR CONSOLIDATION OF P2K

- A. A sale of all or any of the assets of P2K will not release P2K 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 P2K's proposed successor shall have the financial condition to fully satisfy P2K's duties and responsibilities hereunder and agrees to assume P2K'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 P2K with any third party not affiliated with P2K, P2K 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 P2K'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 P2K'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 P2K. In the event of any sale or merger involving P2K or its affiliates, the surviving entity shall assume P2K's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

ARTICLE IV. P2K'S REPRESENTATIONS AND WARRANTIES

- A. P2K represents and warrants as of the date hereof:
 - (1) P2K 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 P2K and this Agreement is not in contravention of P2K's governing authority or any agreement or instrument to which P2K 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 P2K Officer, threatened against or affecting P2K, which may result in a material adverse change in P2K's business, properties, or operations sufficient to jeopardize P2K's legal existence; and

(4) No written application, written statement, or correspondence submitted by P2K to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of P2K 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, P2K 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 P2K, suspend its further performance under this Agreement until such time as P2K shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:

(1) P2K 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 P2K, 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 P2K as bankrupt.

(4) The filing by P2K 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 P2K within ninety (90) days, P2K will be considered to have breached this Agreement and EIC may, at its option, with written notice to P2K, terminate this Agreement and P2K 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 P2K 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 P2K 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
701 Main Street
Kerrville, Texas 78028
Facsimile: (830) 792-3850

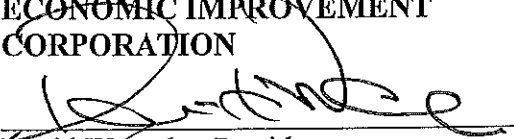
With a copy to:
City Manager, City of Kerrville
701 Main Street
Kerrville, Texas 78028
Facsimile: (830) 792-3850

For Playhouse 2000, Inc.
Executive Director – Jeffrey Brown
Playhouse 2000, Inc.
P.O. Box 290088
Kerrville, Texas 78029

- 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. P2K may, without written consent of EIC, assign this Agreement to any entity controlled and 100% owned by P2K or by the parent, subsidiary, or affiliate of P2K provided the entity assumes all of P2K'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 P2K and P2K 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 P2K 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 1, 2013 (the "Effective Date"), and will terminate on the earlier of: (i) either on January 1, 2014, 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 P2K's sole and absolute discretion, but only upon the P2K'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 Playhouse 2000, Inc., acting through the P2K Officer.

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


David Wampler, President

Date: 7-22-13

PLAYHOUSE 2000, INC.

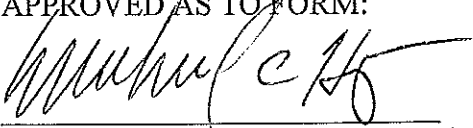
Jeffrey Brown, Executive Director

Date: _____

ATTEST:


Cheryl Brown, Recording Secretary

APPROVED AS TO FORM:


Michael C. Hayes, Attorney for EIC

Playhouse 2000, Inc.
Application to the Economic Improvement Corporation
June, 2013

EXHIBIT "A"

Items proposed in this application: Overview

A: Interior Lighting - Cailloux Theater Auditorium

moved to City request

B: Exterior Lighting - Cailloux Theater

moved to City request

C: Facility addition - Storage,
Scene/Costume Shop, Backstage support,
Class/Meeting Rooms

to be re-submitted at a
later date

D: Outdoor Staging - Support of City
Services

to be re-submitted at a
later date

E: Improvements - VK Garage Theater

1: Roof replacement

\$69,000

2: Modular Seating Riser System

\$49,000

Total Request This Proposal

\$118,000

Agenda Item:

5D. Resolution No. 26-2013 setting forth the ad valorem tax rate to be considered for adoption for the 2013 tax year; calling two public hearings prior to the adoption of said rate; and calling a public hearing as required by both the City's Charter and state law prior to the adoption of the Fiscal Year 2014 budget. (staff)

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

SUBJECT: Resolution setting the ad valorem tax rate to be considered for adoption for the 2013 tax year and calling a budget public hearing as required by both the City's charter and state law prior to the adoption of the fiscal year 2014 budget.

FOR AGENDA OF: August 13, 2013 **DATE SUBMITTED:** August 2, 2013

SUBMITTED BY: Sandra Yarbrough **CLEARANCES:** Todd Parton
Director of Finance City Manager

EXHIBITS: Resolution, Copy of Public Hearing Notice
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:



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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

Tax Rate

At the July 23rd City Council meeting, the City Manager presented the Proposed FY14 budget which included a \$0.5625 proposed tax rate, the same rate as last year. This rate exceeds the effective tax rate as calculated by the Tax Assessor-Collector of \$0.56128 by 0.22%. The City is required to hold the public hearings since the proposed tax rate exceeds the effective tax rate.

Budget

The Proposed FY14 Budget includes expenditures of \$44,789,484 and revenues of \$46,261,703. Local Government Code and the City Charter require a public hearing related to the Proposed Budget. The proposed time is Tuesday, September 10th at 6:00 pm. additionally, the Charter specifically requires that the Council will publish a "general summary" of the budget and a notice stating the times and places where copies of the budget are available for inspection by the public and the time and place for a public hearing on the budget. A sample of the proposed notice is also attached for Council's review and discussion.

RECOMMENDED ACTION

Staff recommends approval of the attached resolution setting the ad valorem tax rate to be considered for adoption for the 2013 tax year at \$0.5625 per \$100 valuation and calling a budget public hearing as required by both the City Charter and state law prior to the adoption of the fiscal year 2014 budget.

The vote on the attached resolution must be a roll call vote per state law.

CITY OF KERRVILLE
NOTICE OF PUBLIC HEARING ON PROPOSED BUDGET

The Kerrville City Council will hold a public hearing on the FY14 Proposed Budget on September 10, 2013 at 701 Main Street, Kerrville, TX at 6:00 p.m. in the City Council chambers.

This budget's proposed tax rate is \$0.5625, which is a .22% increase that exceeds the effective tax rate of \$0.561287. This is the same tax rate as last year.

Copies of the budget are available at City Hall (City Secretary's Office) located at 701 Main Street, the Butt Holdsworth Memorial Library at 505 Water St., and on the City's website, www.kerrvilletx.gov.

Pursuant to Section 8.04(a) of the City Charter, the City Council is publishing the following table as a general summary of the Proposed FY13 City of Kerrville Budget. This illustration shows revenues and expenditures for each of the City's two main operating funds, while the balance of the funds are combined into a single presentation labeled, "Other Funds".

	Annual Budget FY13	Proposed Budget FY14	Increase or (Decrease)
General Fund			
Revenues	\$ 21,563,205	\$ 22,031,994	\$ 468,789
Expenditures	\$ 21,209,604	\$ 21,163,931	\$ (45,673)
Revenues Over/(Under) Expenditures	\$ 353,602	\$ 868,063	
Water and Sewer Fund			
Revenues	\$ 9,557,540	\$ 10,482,069	\$ 924,429
Expenditures	\$ 8,833,739	\$ 9,982,176	\$ 1,148,437
Revenues Over/(Under) Expenditures	\$ 723,801	\$ 499,893	
Other Funds			
Revenues	\$ 20,912,287	\$ 13,747,640	\$ 7,164,647
Expenditures	\$ 20,000,321	\$ 13,643,377	\$ (6,356,944)
Revenues Over/(Under) Expenditures	\$ 911,966	\$ 104,263	
Total Funds			
Revenues	\$ 52,033,032	\$ 46,261,703	\$ (5,771,329)
Expenditures	\$ 50,043,664	\$ 44,789,484	\$ (5,254,180)
Revenues Over/(Under) Expenditures	\$ 1,989,368	\$ 1,472,219	

The FY13 Proposed Budget is a balanced budget where current revenues meet or exceed expenditures for all major funds.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 26-2013**

A RESOLUTION SETTING FORTH THE AD VALOREM TAX RATE TO BE CONSIDERED FOR ADOPTION FOR THE 2013 TAX YEAR; CALLING TWO PUBLIC HEARINGS PRIOR TO THE ADOPTION OF SAID RATE; AND CALLING A PUBLIC HEARING AS REQUIRED BY BOTH THE CITY'S CHARTER AND STATE LAW PRIOR TO THE ADOPTION OF THE FISCAL YEAR 2014 BUDGET

WHEREAS, state law requires that City Council hold two public hearings prior to the adoption of an ad valorem tax rate which, if adopted and applied to the total taxable value of property located within the City of Kerrville, would impose an amount of taxes that exceeds either the lower of the effective tax rate or the rollback rate; and

WHEREAS, the City Council is considering the adoption of an ad valorem tax rate which exceeds the effective tax rate but not the rollback rate, such that the Council must hold two public hearings in accordance with state law; and

WHEREAS, pursuant to the City Charter and state law, City Council must also hold a public hearing regarding the proposed budget; and

WHEREAS, City Council now establishes dates for public hearings on the adoption of the proposed 2013 tax rate and the proposed fiscal year 2014 budget;

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

SECTION ONE. Tax Rate. The City Manager and City Attorney are directed to prepare an ordinance for consideration by the City Council which, if adopted, will adopt and impose a total ad valorem tax rate for the tax year 2013 of **\$0.5625** per \$100 valuation. There is no change to this rate from the previous tax year. The adoption of this rate will levy a tax rate greater than the effective rate. This proposed tax rate is currently scheduled to be adopted by passage of an ordinance, the second and final reading of which is scheduled to occur on September 24, 2013.

SECTION TWO. Public Hearings for Tax Rate. City Council will hold two public hearings, the first being scheduled for 6:00 p.m., August 27, 2013, and the second scheduled for 6:00 p.m., September 10, 2013. Council will hold both public hearings at the Kerrville City Hall, 701 Main Street, Kerrville, Texas, in order to receive public comment on the proposed tax rate. City Council will adopt the proposed tax rate at their regular meeting, beginning at 6:00 p.m. on September 24, 2013.

SECTION THREE. Public Hearing for Budget. Pursuant to Section 8.04 of the City Charter and state law, a public hearing on the proposed budget shall be scheduled for 6:00 p.m. on September 10, 2013.

SECTION FOUR. Notices. The City Secretary is directed to provide notice of the specified public hearings in accordance with state law and the City's Charter.

PASSED AND APPROVED ON this the _____ day of _____ A.D., 2013.

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

A handwritten signature in black ink, appearing to read 'Michael C. Hayes', written over a horizontal line.

Michael C. Hayes, City Attorney

Agenda Item:

5E. 4B sales tax funding request guidelines and procedures for economic development incentives. (staff)

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

SUBJECT: 4B Sales Tax Funding Request Guidelines and Procedures

FOR AGENDA OF: August 13, 2013 **DATE SUBMITTED:** August 2, 2013

SUBMITTED BY: Ashlea Boyle  **CLEARANCES:** Todd Parton,
Main Street / Special Projects Manager City Manager

EXHIBITS: 4B Sales Tax Funding Request Guidelines and Procedures

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

At its spring budget workshop, the Economic Improvement Corporation (EIC) directed staff to revise the 4B Sales Tax Funding Request Guidelines and Procedures as well as include criteria for community events. Staff worked with the Executive Director of the Kerr Economic Development Corporation and EIC board members to revise and develop the guidelines. The attached draft was approved at the July 22, 2013 EIC meeting.

RECOMMENDED ACTION

City staff recommends the consideration and approval of these guidelines as presented.

**City of Kerrville
4B Sales Tax Funding Request
Guidelines and Procedures**

4B Funding from the Economic Improvement Corporation

Both the Economic Improvement Corporation Board of Directors (EIC) and the Kerrville City Council must approve expenditures of 4B funding. Before a project may be considered and awarded funds, the attached application must be completed and submitted to:

**Kerr Economic Development Corporation (KEDC)
1700 Sidney Baker, Ste 100
Kerrville, Texas 78028
(830) 896-1157**

KEDC will review the application to determine if the application is complete and if the project would create a desired economic development effect.

All actions of the EIC are subject to the Development Corporation Act of 1979 (Article 5190.6 Vernon's Civil Statutes, Section 4B and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code). The EIC is a legal entity with statutory authority to spend economic development sales tax dollars ("4B Revenues"). The Corporation is city-chartered and governed by a Council-appointed board of directors. The EIC is a 4B Corporation and may fund "projects" focused on the creation of "primary jobs" and / or to provide an economic benefit to the City of Kerrville, as well as "Quality of Life" projects. Application approvals are subject to funding availability.

Types of Projects

The Economic Improvement Corporation will consider applications for:

1. **Direct contributions to business development;** projects should include support of retention, expansion, or recruitment, resulting in public economic benefit, and economic and demographic analyses used for policy development.
2. **Participation in Public Infrastructure;** Projects that are found by the EIC Board of Directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises (Section 501.103 of the Texas Local Government Code).
3. **Quality of Life;** Quality of Life projects which are owned by the City of Kerrville upon completion; or, where funding is requested for the construction of private (which includes non-profit) development projects, but only if the resulting facility is accessible or open to the public; both such Quality of Life projects indirectly result in economic benefits.
4. **Community Event projects;** Community Event projects are those that significantly contribute to the City's objective of promoting tourism and the hotel / conference market.

General Process for Applications

1. Application will be submitted to the KEDC.
2. Once the application is complete, a “GO Team” meeting will be scheduled.
3. If the application is considered feasible, the KEDC Board will review the application (*Business Development projects only*).
4. The EIC will consider the application. The EIC may:
 - a. approve the application and direct a funding agreement to be drafted and presented at the next EIC meeting in conjunction with holding a public hearing,
 - b. request the application be revised and resubmitted, or
 - c. not approve the application. If this occurs, the application process is considered complete and the application will not move forward.
5. Once the public hearing is held and the funding agreement is approved, the funding agreement will be presented to the City Council for final approval. The City Council may:
 - a. approve the funding agreement,
 - b. request the funding agreement be revised and resubmitted, or
 - c. not approve the funding agreement. If this occurs, the process is considered complete and the funds will not be approved.
6. Once the funding agreement is approved by both the EIC and City Council, funding will not be available until 60 days after the date of the public hearing.

Note – this is a general guide only and the process may take several months to complete. Procedures may change without notice.

Business Development and Participation in Public Infrastructure Projects

Mission and Goals of Business Development and Public Infrastructure Projects

It shall be the mission of the City, EIC and KEDC in administration of these Guidelines and Procedures to promote, encourage, and enhance the creation and retention of jobs which retain and / or expand the City tax base and economy through granting business incentives which assist in the retention, expansion and recruitment of Primary Employers.

A primary employer is any business in which at least 51% of its goods and / or services are sold to customers that are located outside Kerr County, Texas and / or are in one of the following three digit NAICS codes: 31-33 Manufacturing, 42 Wholesale Trade, 48-49 Transportation and Warehousing, 52 Finance and Insurance, 54 Professional and Technical, or 55 Management of Companies (as defined by Texas Legislature HB 2912, 2003 Regular Session); or is a supplier who supplies at least 70% of its non-retail goods and/or services to local primary employer(s) that are located outside of Kerr County, Texas.

Business Incentives are economic incentives for a Primary Employer to induce the creation or retention of primary jobs and Capital Investment that may include, but not limited to job, land, facilities, equipment and infrastructure grants or reimbursements for new facilities or modernizations of current facilities to be determined by the EIC and the City Council.

The goals of the City, EIC and KEDC in administration of these Guidelines and Procedures are to:

- Create and retain primary jobs,
- Expand the City tax base and economy, and
- Strengthen and diversify primary employers within the local economy.

Principles and Guidelines

In making a determination regarding business incentives under these Guidelines and Procedures, the City, EIC and KEDC shall take into consideration the following non-exclusive list of principles and guidelines, if applicable, as factors in its determination:

- The payoff period of a business incentive to the City,
- The number of primary jobs added or retained by the primary employer,
- The average or median gross annual pay and any benefits for each primary job added by the primary employer,
- Whether the potential recipient of business incentives would otherwise locate in Kerrville without the business incentive,
- The type and amount of capital investment by the primary employer,
- The type of the proposed business venture,
- The potential impact on public infrastructure and resources,
- The financial strength of the primary employer,
- Whether the primary employer is consistent with target markets,
- Whether the primary employer is compatible with the community
- The contributions pledged to the primary employer, if any, by the State of Texas, any other governmental entity, KEDC or any other person, entity or association.

Nothing in this section shall be binding upon the City, EIC or KEDC, but is presented for reference by any prospective primary employer. Moreover, the factors listed herein are not an exclusive list. Each determination shall be determined on a case-by-case basis taking into account the factors deemed relevant by the City, EIC and KEDC to that particular project.

Business Incentives Authorized

The EIC and City will contemplate the use of all incentive options available to create an appropriate incentive package tailored for each prospect on a case-by-case basis.

Primary Employer Business Incentives

Authorized Facilities - A capital investment for a facility may be eligible for business incentives by a funding agreement if it creates or retains primary jobs for a primary employer. Incentives may be granted for land or capital investment related to either new facilities, improvements to existing facilities for the purpose of modernization, expansion, for capital investment necessary for the retention of an existing primary employer, or for relocation expenses.

The following types of property shall be ineligible for business incentives: inventories, supplies, tools, furnishings or other forms of movable personal property (not including capital production equipment), vehicles, vessels, aircraft, deferred maintenance investments, improvements to real property which have an economic life of less than 10 years, with the exception of the City or EIC, property owned or used by the State of Texas or its political subdivisions, or by any organization owned or directed by a political subdivision of the State of Texas.

Periodic Certification - The business incentive agreement shall require periodic certification of capital investment as required by the funding agreement.

Completion of Facility Construction - The completion of facility construction or installation of capital investment shall be deemed to occur in the earliest of the following events (as determined by the City and EIC):

- When a certificate of occupancy is issued for the project,
- When commercial production of a product or provision of a service is achieved at the facility,
- When the architect or engineer supervising construction issues a certificate of substantial completion, or some similar instrument, or
- Two years after the date of the funding agreement.

Wage Requirement - In determining an incentive based on new primary jobs, the following matrix shall be considered:

New Gross Payroll	Incentive per New Primary Job
<\$30,000 per new primary job	Up to \$3,000 per new primary job
\$30,000-\$40,000 per new primary job	\$3,001 to \$5,000 per new primary job
\$40,000-\$50,000 per new primary job	\$5,001 to \$9,000 per new primary job
>\$50,000 per new primary job	Up to \$10,000 per new primary job

Job Creation Qualification - Unless there are extraordinary circumstances, in order to be eligible for business incentives, the planned capital investment shall create or retain and maintain the minimum of 10 full time (2,080 hours / year) permanent, primary jobs within one year of an effective date as set out in the agreement.

Minimum Capital Investment Qualification - In order to be eligible for business incentives, the planned capital investment must exceed \$200,000 in new plant, infrastructure, site prep and equipment.

Schedule of Incentives - The implementation schedule of any and all incentives shall be determined on a case-by-case basis to include periods of one or more years.

Universal Requirements

Project Implementation - An authorized project funded by a business incentive must be implemented within two years of the date of the effective date of the funding agreement.

Location or Residency Requirement - The City will prefer projects be located within City limits or its extraterritorial jurisdiction (ETJ) with voluntary provision for annexation, provided the ability to be annexed is met within 10 years. Projects outside of the City limits must be approved by the Kerr County Commissioners Court. Facilities constructed in the ETJ must be built to minimum City standards, to include building codes and public improvements standards.

'Buy Local' Provision - Each recipient of business incentives shall additionally agree to use best efforts to give preference and priority to local manufacturers, suppliers, contractors, and labor, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency or quality. For the purposes of this provision, the term 'local' is used to describe manufacturers, suppliers, contractors, and labor shall include firms, businesses, and persons who reside in or maintain an office within Kerr County, Texas.

Insurance Requirements - Each recipient of business incentives shall carry workers' compensation insurance and / or other appropriate liability insurance coverage as the EIC determines is appropriate.

Application - KEDC will accept applications for projects at any time. Applications will not be considered until complete. Applicants must be available to present projects at EIC & City Council meetings, as needed.

Contents of Application - The application process shall consist of a completed application form accompanied (when applicable) by: five years annual financials that include profit and loss statements, balance sheets, cash flow statements, IRS reporting forms, pro forma, a general description of proposed capital investments to the facility, a descriptive list of the improvements or program for which business incentives are requested, a list of the kind, number and location of all proposed improvements of the property, a map and property description, and a time schedule for undertaking and completing the proposed improvements or programs. In the case of a modernization or expansion project, a statement of the assessed value of the existing facility as stated by the Kerr Central Appraisal District, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial or other information as the EIC and / or KEDC deems appropriate for evaluating the financial capacity and other relevant factors of the applicant. The applicant will be allowed to address and explain in writing any negative findings before action is taken on a funding agreement.

Feasibility Impact Study - After receipt of a completed application, KEDC may cause to be performed a study of the feasibility and economic impact using an independent

consultant selected by KEDC. If both parties agree, KEDC may share costs with the applicant of performing the study. If performed, this study shall include, but not be limited to, an estimate of the economic effect of the business expansion.

No Business Incentives if Construction has Commenced - No funding agreement shall be approved if the application was filed after the commencement of any construction, alteration or installation of improvements related to the proposed facility modernization, expansion or new facility.

"GO Team"

An executive team ("GO Team") will evaluate and review applications based on:

1. Compliance with legal requirements (with necessary assistance from the City Attorney),
2. Funding Availability,
3. Consistency with the Comprehensive Plan, Capital Improvement Plan, Airport Master Plan and Parks Master Plan,
4. Economic impact analysis results*, including a return on investment and the break-even point (as affected by the extent of developer participation), job creation impact, and impact on the tax base,
5. Project status; for example, projects already under construction.

The "GO Team" will consist of the City Manager, Main Street / Special Projects Manager, EIC Board Member and the Executive Director of the Kerrville Economic Development Corporation. Additional members of staff may be added to the "GO Team" where appropriate depending on the nature and location of the project.

Upon review of the application and support documents, the "GO Team" will make a report to the EIC. KEDC will then notify the applicant of the next available EIC meeting for a project presentation.

The EIC may direct a public hearing to be scheduled and a funding agreement to be drafted. The EIC and the City Council must both approve the funding agreement. Public infrastructure improvement projects will be placed in the Capital Improvements Plan, and when complete, the project is owned by the City.

The EIC reserves the right to determine the eligibility of a project and the terms and conditions of any funding agreement. Nothing herein shall be construed to limit the authority of the EIC to examine each application for business incentives before it on a case-by-case basis and determine in its sole and absolute discretion whether the proposed project should be granted any business incentive, whether it complies with these Guidelines and Procedures, is feasible, and whether or not the proposed business incentives will be to the long term benefit of the City. The final decision regarding any business incentive agreement shall be made by the City.

Clawbacks

Each agreement shall contain clawback provisions established on a case-by-case basis to ensure the primary employer is meeting the benchmarks established in the funding agreement.

Administration

Access to Facility - The funding agreement shall stipulate that employees and / or designated representatives of the EIC, and / or the City and KEDC Executive Director will have access to the facility or program during the term of the funding agreement for inspection to determine if the terms and conditions of the funding agreement are being met. All inspections will only be conducted in such manner as to not unreasonably interfere with the construction and / or operation of the facility or program. Inspections will be made with one or more representatives of the owner and in accordance with safety standards.

Periodic reviews - Funding agreement reviews will be conducted periodically by KEDC to ensure that the owner is in compliance with the provisions of the funding agreement. If the owner is not in compliance or is in default, then the appropriate provision of the funding agreement will be enforced to recover any business incentives paid to the owner, unless the owner remedies the default on or before the conclusions of any cure period.

Right to Modify or Cancel - Notwithstanding anything herein or in any funding agreement to the contrary, the EIC may cancel or modify the funding agreement if the owner fails to comply with the funding agreement.

Quality of Life Improvement Projects

Projects which, include land, buildings, equipment, facilities, and improvements found by the (EIC) board of directors to be required or suitable for use for professional and amateur sports, including children's sports, athletic, entertainment, tourist, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, parks and park facilities, open space improvements, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, related area transportation facilities, and related roads, streets, and water and sewer facilities, and other related improvements that enhance any of the items described by this section (Section 505.152 of the Texas Local Government Code). Interested businesses, individuals, or non-profit groups are required to complete an application and provide appropriate documentation of the project.

The "GO Team" will evaluate and recommend projects based on the following criteria:

1. Compliance with legal requirements (with necessary assistance from the City Attorney),
2. Funding Availability,
3. Consistency with the Comprehensive Plan, Capital Improvement Plan, Airport Master Plan and Parks Master Plan,
4. Project status; for example, projects already under construction.

The EIC may direct a public hearing to be scheduled and a funding agreement to be drafted. The EIC and the City Council must both approve the funding agreement.

The EIC reserves the right to determine the eligibility of a project and the terms and conditions of any funding agreement. Nothing herein shall be construed to limit the authority of the EIC to examine each application before it on a case-by-case basis and determine in its sole and absolute discretion whether the proposed project should be granted any funding, whether it complies with these Guidelines and Procedures, is feasible, and whether or not the proposed grant will be to the long term benefit of the City. The final decision regarding any business incentive agreement shall be made by the City.

Community Event Projects

The objective of funding Community Event projects is to support tourism. Strong consideration will be given to new projects that significantly contribute to the City's objective of growing the tourism and hotel / conference market. **Funding Applications intended to grow, expand or start events are given preferred consideration.**

The "GO Team" will evaluate and recommend projects based on the following criteria:

1. Compliance with legal requirements (with necessary assistance from the City Attorney),
2. Funding Availability,
3. Event History,
4. Event Sustainability.

The minimum amount of funding per eligible project is \$5,000 with a maximum amount of \$25,000. The EIC will cease consideration of Community Events applications after total funding of approved Community Events projects exceeds \$100,000 in a fiscal year.

Applications must be submitted by December 1st of each year for the following calendar year. The EIC will consider the applications at the January EIC meeting. Once approved by both the EIC and City Council, funding will not be available until 60 days after the public hearing. The EIC will not approve funding applications for events that have already taken place.

The EIC reserves the right to determine the eligibility of a project and the terms and conditions of any funding agreement. Nothing herein shall be construed to limit the authority of the EIC to examine each application before it on a case-by-case basis and determine in its sole and absolute discretion whether the proposed project should be granted any funding, whether it complies with these Guidelines and Procedures, is feasible, and whether or not the proposed grant will be to the long term benefit of the City. The final decision regarding any business incentive agreement shall be made by the City.

The City of Kerrville Economic Improvement Corporation meets monthly at the Kerrville City Hall, Council Chambers, 701 Main Street, Kerrville, Texas. For additional information visit the City's website at www.kerrvilletx.gov or call (830) 257-8000.

APPLICATION FOR 4B SALES TAX FUNDS

CITY OF KERRVILLE ECONOMIC IMPROVEMENT CORPORATION

Both the Economic Improvement Corporation Board of Directors (EIC) and the Kerrville City Council must approve all expenditures of 4B funding. Before a project may be considered and awarded any funds, the attached application must be completed and submitted to:

Kerr Economic Development Corporation
1700 Sidney Baker, Ste. 100
Kerrville, TX 78028
(830) 896-1157

All actions of the EIC are subject to the Development Corporation Act of 1979, article 5190.6 Vernon's Civil Statutes, Section 4B (now codified in Chapters 501, 502, and 505 of the Texas Local Government Code). The EIC is a legal entity with statutory authority to spend economic development sales tax dollars. The Corporation is city-chartered and governed by a Council-appointed board of directors. The EIC is a 4B Corporation and may fund "projects" focused on the creation of "primary jobs" and / or to provide an economic benefit to the City of Kerrville, as well as "Quality of Life" projects. Application approvals are subject to funding availability.

APPLICATION SECTION 1 - DEFINITIONS

Business Incentives - Economic incentives for a Primary Employer to induce the creation or retention of primary jobs and Capital Investment that may include, but not limited to job, land, facilities, equipment and infrastructure grants or reimbursements of new facilities or modernizations of current facilities to be determined by the EIC and the City Council.

Capital Investment - The increase in the assessed value of an eligible property as a result of 'expansion' or 'modernization' of an 'existing facility' or construction of a 'new facility'.

City - City of Kerrville, Texas

Clawback - That provision in a Funding Agreement, which states how and to what extent any incentive payments from public funds must be repaid if the stated Performance Standards are not met.

Current Payroll - The company's total expenditure for all employees for the month immediately preceding this application multiplied by 12.

Deferred Maintenance - Improvements necessary for continued operations which do not improve productivity or are preformed to meet regulatory obligations.

Economic Life - The number of years a property improvement or manufacturing / processing equipment is expected to be in service in a facility.

EIC - Kerrville Economic Improvement Corporation

Employee Benefit - Incentives offered to employees and paid for by the employer such as health care coverage, vacation, etc. If an employee pays 30% of the cost, or more, it should not be considered a "benefit" for purposes of this application.

Facility - Property Improvements completed or in the process of construction which together compromise an integral whole, as well as new fixed machinery and equipment. Includes an existing building purchased for expansion or relocation

Full Time Job - The employment of a person for a minimum of 35 hours per week and offering that person all those benefits adopted by company policy for Full Time Employees. Major stockholders or immediate family members should not be included in this number when considering "New Full-Time Jobs Created."

Funding Agreement - A written contract designed to protect the interest of local taxpayers by putting a businesses' job creation or capital investment commitments in writing and by linking the payment of any financial incentive to the business fulfilling its written commitments (i.e. clawbacks).

Hourly Wage - The gross amount paid to the employee for each hour worked not including the Employer's portion of FICA or FWH. Benefits should not be included in this figure, but should be listed separately under the compensation per employee section of the application.

KEDC - The Kerr Economic Development Corporation

Modernization - The replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facilities. Modernization may result in from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing or the completion of deferred maintenance.

New Facility - Property previously undeveloped which is placed into service by means other than in conjunction with an expansion or modernization.

Owner - The owner of a facility or program subject to business incentives. If the facility is constructed on a leased property, the owner shall be the party which owns the property subject to the business incentive. A lessee or other interested third party may, at the discretion of the City, be required to join in the execution of the Agreement but shall not be obligated to assure performance of the party receiving the Business Incentive.

Part-Time Job - A person working less than 35 hours per week. Major stockholders or immediate family members should not be included in this category when completing the application under New Part-Time Jobs Created.

Public Capital Project - Improvements owned and maintained by the City of Kerrville included in the Capital Improvement Plan and funded by the capital budget.

Payoff Period - The amount of time in years that it will take the EIC and the City to recover the costs of business incentives from additional revenues it will receive from the facility.

Primary Employer - A business in which at least 51% of its goods and / or services are sold to customers that are located outside Kerr County, Texas and / or are in one of the following three digit NAICS codes: 31-33 Manufacturing, 42 Wholesale Trade, 48-49 Transportation and Warehousing, 52 Finance and Insurance, 54 Professional and Technical, or 55 Management of Companies (as defined by Texas Legislature HB 2912, 2003 Regular Session); or is a supplier who supplies at least 70% of its non-retail goods and/or services to local primary employer(s) that are located outside of Kerr County, Texas.

DRAFT

SECTION II - APPLICANT INFORMATION

Submittal Date: ____/____/____

ORGANIZATION

Applicant Name _____

Address _____ City _____ State _____ Zip _____

Phone _____ Alt. Phone _____ Fax _____

Website _____

PROJECT CONTACT

Contact Person Name _____ Title _____

Address _____ City _____ State _____ Zip _____

Phone _____ Alt. Phone _____ Fax _____

Email Address _____

Amount of Funding Requested: \$ _____

Please include a cover letter and supplemental information as deemed appropriate that:

- clearly states the mission statement of the organization(s),
- a business plan (a document that projects 3-5 years and outlines a plan to grow revenues),
- what the requested funding shall be used for,
- if it is a new, existing or annual event,
- the number of years the organization has been in existence,
- the date and location of the event,
- average annual attendance,
- pertinent financial information (costs, revenues, percentage of funding request of total event budget and financial history), and
- a plan or statement of how the event shall become self-sustained in future years.

Continue to Section III

Submittal Date: ____/____/____**ORGANIZATION**

Applicant Name _____

Address _____ City _____ State _____ Zip _____

Phone _____ Alt. Phone _____ Fax _____

Website _____

PROJECT CONTACT

Contact Person Name _____ Title _____

Address _____ City _____ State _____ Zip _____

Phone _____ Alt. Phone _____ Fax _____

Email Address _____

Amount of Funding Requested: \$ _____

Please include a cover letter and supplemental information as deemed appropriate that:

- clearly states the mission statement of the organization(s),
- what the requested funding shall be used for,
- pertinent financial information (costs, revenues, percentage of funding request of total budget and financial history), and
- other information, as requested.

Continue to Section III

Submittal Date: ____/____/____

ORGANIZATION

Applicant Name _____

Address _____ City _____ State _____ Zip _____

Phone _____ Alt. Phone _____ Fax _____

Website _____

PROJECT CONTACT

Contact Person Name _____ Title _____

Address _____ City _____ State _____ Zip _____

Phone _____ Alt. Phone _____ Fax _____

Email Address _____

Type of Business Structure: Corporation ____ Partnership ____ Sole Proprietorship ____

Year Business Started: Year _____ Location _____

Current Employment: Permanent Full-Time _____ Permanent Part-Time _____

Average Production Wage _____

Full-Time Employees receive the following benefits:

Financial Information: Five Years Annual Financials Attached _____
Include: Statement of profit and loss; Balance sheet; Cash Flow
Statement; IRS reporting forms, Pro forma

Annual Sales for Corporation / Company \$ _____

This Facility \$ _____

Local Sales Tax paid Annually \$ _____

Current Payroll \$ _____

Has the Company ever filed for bankruptcy protection under Chapter 7 or
Chapter 11 of the Bankruptcy Statutes? No () Yes () Details:

SECTION III - PROJECT INFORMATION

This application is for a:

Business Development ()

- Expansion of Existing Facility () or
- New Construction ()
- Other ()

Capital Improvements for Public Infrastructure

- Utilities ()
- Roadways ()
- Other ()

Quality of Life

- Community Event ()
- Project ()

The proposed improvements are to be located within the following taxing
district(s): City of Kerrville () Kerr County () Kerrville ISD ()
Ingram ISD () Center Point ISD ()

SECTION IV - PROJECT DESCRIPTION

Please attach a statement on company letterhead and signed by an officer of the
company (1) fully explaining the nature and scope of the project; (2) describing the
proposed site and existing improvements, if any; (3) describing all proposed

improvements; and (4) providing a list of eligible improvements; (5) provide a list of major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

Should this project be approved, the Economic Improvement Corporation may require performance criteria as a part of the funding agreement, in addition to this application. The funding agreement is between the Economic Improvement Corporation and the City of Kerrville. Said funding agreement will outline project costs, timelines, other information may be necessary to carry out the project in an efficient manner.

SECTION V – ECONOMIC IMPACT INFORMATION

Part A - Project Investment in Improvements

Total \$ _____
Sq. Footage of New Building (s) _____
Size of Parking _____
Other _____

Part B - Project Investment in Fixed Equipment

(New)\$ _____
Manufacturer of Equipment _____
Anticipated Useful Life of Equipment _____
Purchase Price \$ _____ Installation Cost \$ _____
Anticipated Delivery time from Date of Order _____

Part C - Permanent Employment Estimates- (do not include owners, stockholders or their dependents)

Anticipated Number of New Full-Time Employees as a result of this project _____
Anticipated Number within 12 months of Completion of this project _____
Anticipated Number within 24 months of Completion of this project _____
Typical Job Descriptions or Job Titles _____

Anticipated starting salaries of these employees: (avg.) \$ _____/hour

Part D - Permanent Part-Time Employment Estimates- (do not include owners, stockholders or their dependents)

Anticipated Number of New Part-Time Employees as a result of this project _____

Anticipated Number within 12 months of Completion of this project _____
Anticipated Number within 24 months of Completion of this project _____
Typical Job Descriptions or Job Titles of these employees: _____

Anticipated starting salaries of these employees: (avg.) \$ _____ / hour

Part E - Payroll Impact

Within 12 months of Project Completion _____ Within 24 months of Project
Completion _____

\$ _____
FTE X Avg. Wage X 40 hrs X 52 wks

\$ _____
PTE X Avg. Wage X 20 hrs X 52 wks

SECTION VI - OTHER ASSISTANCE

Has the Company applied for any State or Federal assistance on this project?

No () Yes ()

Describe:

To the best of my knowledge, the above information is an accurate description of the proposed project details.

Printed name

Date

Title

Signature

Agenda Item:

6A. Appointment to the main street advisory board. (staff)

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

SUBJECT: Appointment to the Main Street Advisory Board

FOR AGENDA OF: August 13, 2013 **DATE SUBMITTED:** August 2, 2013

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

EXHIBITS: Board List

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

SUMMARY STATEMENT

Consider appointment to the following board:

Main Street Advisory Board: One term to expire January 31, 2014, due to the resignation of Leticia Perez.

RECOMMENDED ACTION

Consider appointments.

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	01-22-13	01-31-15
SCHNEIDER, RICH Vice Chairman 312 Valley Drive	370-4876 (H) 257-7373 (O)	01-25-11	01-22-13	01-31-15
BOLTON, SCOTT 1207 Virginia Dr.	792-7089 (H) 896-0098 (W) 210-978-3949 (C)	07-23-13		01-31-15
COBBS, STAN 521 Guadalupe St. #1202	895-8771 (O) 895-8771 (H)	01-24-12		01-31-14
FRANKLIN, MINDI 521B Wigwam Lane	830-928-9357 (H) 792-6200 (W)	07-23-13		01-31-15
MARTIN, DAVID 1717 Foothills Dr.	895-1313 (O) 895-1857 (H)	05-08-12		01-31-14
WILSON, CAROLINE 220 Riverhill Club Ln. #13	512-787-7964 (H)	09-11-12		01-31-14
YATES, AARON 317 Sidney Baker, #400	830-214-7635 (O) 377-9058 (H)	03-13-12	01-22-13	01-31-15
VACANT				01-31-14
COUNCIL LIAISON:				
Gene Allen	895-5111 (O)			
2106 Vista Ridge Dr.	792-4651 (H)			
1221 Junction Hwy				
CITY STAFF:				
Donna Bowyer	258-1113			
Main Street Coordinator				
Ashlea Boyle	258-1153			
Main Street/Special Projects Manager				

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: Third Thursday at 12:00 p.m., 701 Main Street

Established by: Resolution No. 1994-133

Revised: July 26, 2013

Agenda Item:

6B. Appointment to the beautification advisory committee. (staff)

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

SUBJECT: Appointment to the Kerrville Beautification Advisory Committee

FOR AGENDA OF: August 13, 2013 **DATE SUBMITTED:** August 9, 2013

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

EXHIBITS: Board List

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

SUMMARY STATEMENT

Consider appointment to the following board:

Kerrville Beautification Advisory Committee: One position with term to expire December 11, 2014, due to a resignation.

RECOMMENDED ACTION

Consider appointment.

CITY OF KERRVILLE BEAUTIFICATION ADVISORY COMMITTEE

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
WEBB-SMITH, JUDY Chairperson 22 Antelope Trail	257-2577	12-11-12		12-11-14
DOUGLASS, BRANDON Secretary 909 Tanglewood Lane	739-9882 (O) 729-9882 (H)	12-11-12		12-11-13
RISHER, JOHN 114 Crestwood Dr.	459-3336 (H)	05-28-13		12-11-13
SPRADLING, JIMMY 1725 Foothills Dr.	792-5082 (H)	05-28-13		12-11-14
TRITENBACH, DAVID 216 Riverhill Blvd.	895-1953 (H)	12-11-12		12-11-14

COUNCIL EX-OFFICIO: Jack Pratt

Qualifications: Resident of the city.

Purpose:

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

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

Quorum: Majority

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

Meeting Time & Place: First Thursday of each month.

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