

**AGENDA FOR REGULAR MEETING**

**KERRVILLE CITY COUNCIL**

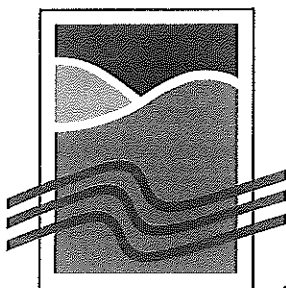
**TUESDAY, AUGUST 10, 2010, 6:00 P.M.**

**CITY HALL COUNCIL CHAMBERS**

**800 JUNCTION HIGHWAY, KERRVILLE, TEXAS**

**Agenda Item:**  
**(Mayor)**

2A. Resolution of commendation to Lindsay Duff.



## CITY OF KERRVILLE

### MAYOR AND CITY COUNCIL

800 Junction Highway

Kerrville, Texas 78028

830-257-8000 / [www.kerrvilletx.gov](http://www.kerrvilletx.gov)

### RESOLUTION OF COMMENDATION

**WHEREAS,** Lindsay Duff has served as a member of the Economic Improvement Corporation with the date of service beginning April 10, 2007; and expiring June 1, 2010.

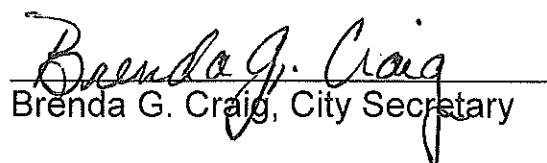
**WHEREAS,** Lindsay Duff has served faithfully and dutifully on said board;

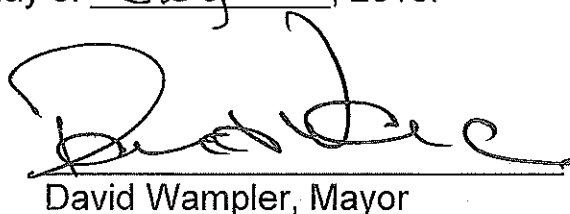
**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:**

That **Lindsay Duff** be recognized for outstanding service as a member of the Economic Improvement Corporation, 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.

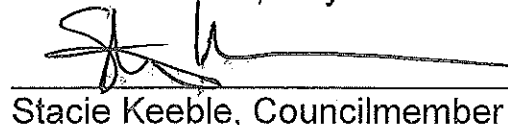
PASSED AND APPROVED, this the 13<sup>th</sup> day of July, 2010.

ATTEST:

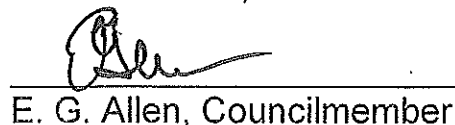
  
Brenda G. Craig, City Secretary

  
David Wampler, Mayor

  
Bruce Motheral, Mayor Pro Tem

  
Stacie Keeble, Councilmember

  
T. Scott Gross, Councilmember

  
E. G. Allen, Councilmember



## **Agenda Item:**

**(Staff)**

- 3A. Approval of minutes of the special meeting held on July 27, 2010 at 4:30 pm and City of Kerrville Employee Benefits Trust held on July 27, 201 at 6:20 pm.



CITY COUNCIL MINUTES  
OF A SPECIAL MEETING

KERRVILLE, TEXAS  
JULY 27, 2010

On Tuesday, July 27, 2009, the Kerrville City Council meeting was called to order by Mayor Wampler at 4:30 p.m., in the city hall council chambers, 800 Junction Highway, Kerrville, Texas.

MEMBERS PRESENT:

David Wampler	Mayor
R. Bruce Motheral	Mayor Pro Tem
Gene Allen	Councilmember
T. Scott Gross	Councilmember
Stacie Keeble	Councilmember

MEMBER ABSENT: None

STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Travis Cochrane	Director of Information Technology
Kim Meisner	Director of General Operations
Kevin Coleman	Director of Development Services
Charlie Hastings	Director of Public Works
Mike Erwin	Director of Finance
Tara LaMontia	Assistant to the City Manager
John Young	Police Chief
Sandra Yarbrough	Asst. Director of Finance
Antonio Martinez	Director of Library Services
Malcolm Matthews	Director of Parks and Recreation
Mike Wellborn	City Engineer
Mark Beavers	Asst. Fire Chief
Sai Vongchampa	Budget Analyst
David Knight	Police Captain
Susan Michelson	Municipal Court Administrator
Eric Maloney	EMS Coordinator
Johnna Wade	Main Street Manager

PRESENTATION OF PROPOSED FY11 BUDGET.

Mr. Parton presented a balanced proposed FY11 budget and noted the following:

- Tax rate proposed for FY11 remained \$.5625; net taxable values decreased from \$1,743,753,474 in FY09 to \$1,742,625,892 in FY10.
- The proposed tax rate (\$.5625) was lower than the effective tax rate (\$.5753); public hearings were not required; however, he recommended public hearings be held.
- General Fund budget was \$19,977,572, a 14.8% decrease from FY10; water and

sewer fund budget was \$8,822,735, a 5.9% decrease; for a total proposed budget of \$37,972,742, and 9.2% decrease from FY10.

- Total FY11 revenue was estimated at \$38,843,876 from all funds; largest fund sources were services at 31% of total revenue, property tax 24%, and sales tax 12%.
- The maintenance and operations rate was \$.489; the debt service rate was \$.0735.
- No change in water and sewer rate was proposed; however, if the city issued FY11 debt as called for in the five year CIP plan to fund additional wastewater projects (this was not in the proposed FY11 budget) the average monthly bill would increase \$1 per 1,000 gallons of sewer, for an average of \$5 per month. In FY10 the council did implement a 5% water and 13% sewer increase to smooth out future large rate increases; however, revenue was down in FY10 due to several rains resulting in low water consumption, and projects were deferred.
- Increase in solid waste rate to \$16.26.
- The five year capital improvement plan anticipated \$135,000 in the general fund; \$100,000 in the water and sewer fund; and \$6,179,000 in water and sewer debt for FY11.
- The FY11 budget did not anticipate any use of reserve fund balance. He noted the city had been using the reserve fund the past several years; the fund balance should be \$5 million, and he estimated the FY10 year end balance at \$2.5 million.
- The proposed budget did not include step, merit, or cost of living adjustment for any city employees; employees would pay increased insurance cost.

Mr. Parton also noted staff had met with the county to discuss the proposed increase in the county's participation for EMS services in FY11 from \$150,000 to \$242,335 based on the city's projected base budget. He noted that costs that were previously in the fire department budget that subsidized the EMS budget were placed into the EMS budget. The county requested actual cost to meet service demand of EMS and staff will provide that information. He noted that depending on the type and potential severity of the EMS call, a fire truck also responded to assist the EMS unit, and the cost of that fire truck to respond was not included in the county participation. He noted that an additional EMS unit and crew had been added in the FY10 budget. The average response time to a call in the city was 5 minutes; average response time in the county was 13 minutes.

Mr. Parton reviewed the schedule for several budget workshops and public hearings prior to adopting the budget by ordinance on September 28.

#### **PRESENTATION AND DISCUSSION REGARDING THE CITY OF KERRVILLE EMPLOYEE RETIREMENT PLAN WITH TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)**

Ms. Meisner reviewed the current employee retirement plan and noted the employee was required to deposit 7% of their salary into TMRS; the city matched the employee's contribution 2 to 1; this was a standard plan with TMRS. She noted for many years the city had Updated Service Credits (USC) (for current employees) at 100% and cost of living adjustments (COLA) at 70% of the consumer price index to protect benefits from inflation. In 2009 the city council voted to reduce the COLA to 50% effective January 1,

2010. She estimated the elimination of the USC and COLA would save the city \$490,945.40 annually. The city currently had 144 retirees and 53 active employees who were eligible to retire.

Eric Davis, TMRS deputy executive director, reviewed current economic conditions and TMRS' investment strategy. He noted that based on the plan changes presented by Ms. Meismer, the city would save \$490,945.40 the first year and this would establish the city's new base line contribution rate at 9.4%, down from the current rate of 16.03%. The plan change would not reduce any employee's accrued benefit or the retiree's current annuity, and the only way an employee would receive the city's share of the 2 to 1 contribution match was if they retired from the city. In comparing the city's plan with others, he noted the city's plan to be average with other cities, low compared with other government plans, low compared to the State Teachers Association, and slightly higher than the private sector. He noted that in future years, the city council could add the USC and COLA benefits back to the city's plan.

Ms. Meismer noted if council approved the budget, it included elimination of the USC and the COLA, staff would prepare ordinances for council's approval at a future meeting and changes would be effective January 1, 2011.

Council noted if the TMRS plan amendments as proposed by staff were not approved by council, more employees would have to be cut from the budget; 18 positions had already been eliminated.

**Adjournment:** The meeting adjourned at 5:37 p.m.

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

\_\_\_\_\_  
David Wampler, Mayor

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

CITY OF KERRVILLE EMPLOYEE BENEFITS TRUST  
KERRVILLE, TEXAS

JULY 27, 2010

On July 27, 2010, the City of Kerrville Employee Benefits Trust met at 6:20 p.m. in the city hall council chambers, 800 Junction Highway, Kerrville, Texas.

MEMBERS PRESENT:

David Wampler	Mayor
R. Bruce Motheral	Mayor Pro Tem
Gene Allen	Councilmember
T. Scott Gross	Councilmember
Stacie Keeble	Councilmember

MEMBER ABSENT: None

STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Brenda G. Craig	City Secretary
Mike Erwin	Director of Finance
Kim Meismer	Director of General Operations

CONSIDERATION AND POSSIBLE ACTION:

Authorize the city manager to execute contracts with Humana and/or Kanawha Insurance Company through Humana Specialty Benefit for employee related benefits, including medical, dental, life, accidental death and dismemberment, voluntary life and accidental death and dismemberment, and voluntary short term disability for FY11.

Ms. Meismer noted that by authorizing contracts through the employee benefits trust, the city would save approximately \$77,000 by not having to pay tax on the premiums. She noted the cost to the city per employee for all benefits was \$7,800 as compared to \$8,950 in FY10 and reviewed the plans.

Ms. Meismer recommended awarding the employee medical and dental insurance contract for FY11 to Humana; and the life, accidental death and dismemberment (AD&D), voluntary life and AD&D, and voluntary short term disability insurance contracts for FY11 to Kanawha Insurance Company through Humana Specialty Benefits. She noted the medical benefit rate decreased 4.5% below the current rate for the PPO plan with plan design changes:

- Annual deductible from \$500 to \$1,000
- Office visit co-pay from \$25/\$35 to \$35/\$50
- Emergency room co-pay from \$100 to \$200
- Prescription drug co-pay from \$10/\$30/\$50 to \$15/\$30/\$50
- Durable medical equipment maximum benefit from unlimited to \$5,000
- Physical therapy reduced from 60 to 30 covered visits.

There was an increase of .8% on the HRA plan without any plan changes.

These medical rates were also achieved by a package savings discount by moving the life and AD&D, voluntary live and AD&D, and voluntary short term disability coverage to Kanawha Insurance Company through Humana Specialty Benefits. Humana matched the current rates paid by the city and employees so there would not be any adverse impact with the change.

Ms. Meismer noted the city had a two year rate guarantee on dental coverage with Humana; however, with minor plan changes the city could lower its rate by 10% below the current rate:

- Annual maximum benefit from \$2,000 to \$1,500

- Endodontics and periodontics from basic (80%) to major (50%) benefit.

Staff noted these cost savings policy changes were necessary due to current economic conditions and recommended approval of these benefit changes.

Mr. Gross moved to authorize the city manager to execute the contracts with Humana and Kanawha as stated. Ms. Keeble seconded the motion and it passed 5-0.

The following person spoke:

1. Ruth Spradling questioned the average premium paid by an employee for dental coverage.

Ms. Meismer provided information on current and proposed rates for employee, spouse, and family premiums.

**Adjournment.**

The City of Kerrville Employee Benefits Trust meeting adjourned at 6:33 pm.

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

\_\_\_\_\_  
David Wampler, Chairman

ATTEST:

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

## **Agenda Item:**

**(Staff)**

- 3B. A resolution setting forth the ad valorem tax rate to be considered for adoption for the 2010 tax year; calling two public hearings; and calling a public hearing as required by both the city's charter and state law prior to the adoption of the fiscal year 2011 budget.

**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 2010 tax year; calling two public hearings prior to the adoption of the tax rate; 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 2011 budget.

**FOR AGENDA OF:** August 10, 2010 **DATE SUBMITTED:** July 29, 2010

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

**CLEARANCES:** Todd Parton  
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 27<sup>th</sup> Special Called City Council meeting, the City Manager presented the Proposed FY11 budget which included a \$0.5625 proposed tax rate. This rate is below the effective tax rate as calculated by the Tax Assessor-Collector of \$0.5753 by 2.2%. The City is not required to hold the public hearings since the proposed tax rate is below the effective, but will in the effort to be transparent throughout the budget process.

**Budget**

The Proposed FY11 Budget includes expenditures of \$37,972,742 and revenues of \$38,855,876. Local Government Code and the City Charter require a public hearing related to the Proposed Budget. 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**

The Director of Finance recommends approval of the attached resolution setting the ad valorem tax rate to be considered for adoption for the 2009 tax year at \$0.5625 per \$100 valuation; calling two public hearings prior to the adoption of the tax rate; and calling a budget public hearing as required by both the City Charter and state law prior to the adoption of the fiscal year 2011 budget.

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



**CITY OF KERRVILLE, TEXAS  
RESOLUTION NO. \_\_\_\_-2010**

**A RESOLUTION SETTING FORTH THE AD VALOREM TAX RATE TO BE  
CONSIDERED FOR ADOPTION FOR THE 2010 TAX YEAR; CALLING  
TWO PUBLIC HEARINGS; AND CALLING A PUBLIC HEARING AS  
REQUIRED BY BOTH THE CITY'S CHARTER AND STATE LAW PRIOR  
TO THE ADOPTION OF THE FISCAL YEAR 2011 BUDGET**

**WHEREAS**, state law requires that the 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 of the City of Kerrville is considering the adoption of an ad valorem tax rate which does not exceed the effective tax rate or the rollback rate, but in the spirit of transparency and in an effort to increase public notice and the opportunity to address Council in a public meeting, the Council will hold the two public hearings; and

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

**WHEREAS**, the City Council now establishes dates for public hearings on the adoption of the proposed 2010 tax rate and the proposed fiscal year 2011 budget;

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

**SECTION ONE.** 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 2010 of \$0.5625 per \$100 valuation. This tax rate constitutes no change from the previous tax year.

**SECTION TWO.** The adoption of the tax rate set forth in Section One, above, will not levy a tax rate greater than the effective rate or the rollback rate. However, Council will hold two public hearings, the first being scheduled for 6:00 p.m., August 24, 2010, and the second scheduled for 6:00 p.m., September 14, 2010. Council will hold both public hearings at the Kerrville City Hall, 800 Junction Highway, 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 28, 2010.

**SECTION THREE.** 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 14, 2010.


PASSED AND APPROVED ON this the \_\_\_\_ day of \_\_\_\_\_ A.D., 2010.

\_\_\_\_\_  
David Wampler, Mayor

ATTEST:

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

APPROVED AS TO FORM:

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

CITY OF KERRVILLE  
NOTICE OF PUBLIC HEARING ON PROPOSED BUDGET

The Kerrville City Council will hold a public hearing on the FY11 Proposed Budget on September 14, 2010 at 800 Junction Highway, Kerrville, TX at 6:00 p.m. in the City Council chambers.

**This budget's proposed tax rate is \$0.5625, which is less than the effective tax rate of \$0.5753. This is the same tax rate as last year.**

Copies of the budget are available at City Hall (City Secretary's Office) located at 800 Junction Highway, the Butt Holdsworth Memorial Library at 505 Water St., and on the City's website, [www.kerrvilletx.gov](http://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 FY11 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 FY10	Proposed Budget FY11	Increase or (Decrease)
General Fund			
Revenues	\$22,659,828	\$19,992,850	(\$2,666,978)
Expenditures	\$23,445,937	\$19,977,572	(\$3,468,365)
Revenues Over/(Under) Expenditures	(\$786,109)	\$15,278	
Water and Sewer Fund			
Revenues	\$9,629,500	\$8,874,500	(\$755,000)
Expenditures	\$9,377,656	\$8,822,735	(\$554,921)
Revenues Over/(Under) Expenditures	\$251,844	\$51,765	
Other Funds			
Revenues	\$8,437,327	\$9,988,526	\$1,551,199
Expenditures	\$9,009,378	\$9,172,435	\$163,057
Revenues Over/(Under) Expenditures	(\$572,051)	\$816,091	

The FY11 Proposed Budget is a balanced budget where current revenues meet or exceed expenditures for all major funds.

**Agenda Item:**  
**(Staff)**

- 3C. A resolution designating the authorized representatives for the city relating to its participation in the Texas Local Government Investment Pool.

**SUBJECT:** Resolution authorizing the addition of Sai Vongchampa, Budget Analyst, and deleting Barbara Lanning, Financial Analyst to serve as authorized representatives for the TexPool, pooled cash account on behalf of the City of Kerrville

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

**CLEARANCES:** Todd Parton  
City Manager

**AGENDA MAILED TO:**[illegible]

**REVIEWED BY THE FINANCE DIRECTOR:**

The City of Kerrville maintains investment funds in TexPool's pooled cash account. Currently Todd Parton, Mike Erwin, Kathy Schneider and Barbara Lanning are authorized to conduct transactions in this fund. The attached resolution authorizes the addition of Sai Vongchampa, Budget Analyst, and deletes Barbara Lanning, Financial Analyst, as representatives authorized to direct transactions with TexPool. Specifically, this will allow these individuals to move cash between the TexPool investment account and the City's consolidated cash account. For internal control purposes, all transactions must be requested by an individual without access to the accounts (typically Trina Armelin, Accounting Clerk). Authorizing account access for these individuals provides a fail-safe in the case that the Director of Finance is unavailable, and ensures that the City always has access to its liquid reserves in TexPool.

The Director of Finance recommends approval of the attached resolution authorizing the addition of Sai Vongchampa and the deletion of Barbara Lanning as representatives authorized to direct transactions with TexPool.

**CITY OF KERRVILLE, TEXAS  
RESOLUTION NO.     -2010**

**A RESOLUTION DESIGNATING THE AUTHORIZED  
REPRESENTATIVES FOR THE CITY RELATING TO ITS  
PARTICIPATION IN THE TEXAS LOCAL GOVERNMENT  
INVESTMENT POOL**

**WHEREAS**, the City of Kerrville, Texas ("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

**WHEREAS**, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Texas Public Funds Investment Act; and

**WHEREAS**, the Texas Local Government Investment Pool ("TexPool"), a public funds investment pool, was created on behalf of entities whose investment objectives in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

**WHEREAS**, pursuant to previous City Council resolutions, the Council authorized certain City officers and employees to act on the Participant's behalf with respect to the Participant's participation in TexPool; and

**WHEREAS**, the City Council of the City of Kerrville, Texas, finds that changes in City personnel makes it necessary to amend the Participant's representatives authorized to direct transactions with TexPool;

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

**SECTION ONE.** The following individuals, whose signatures appear in this Resolution, are authorized representatives of the Participant and are hereby authorized to transmit funds for investment in TexPool and are further authorized to withdraw funds from time to time, to issue letters of instruction, to be issued P.I.N. numbers, and to take all other actions deemed necessary or appropriate for the investment of local funds:

Jeffrey Todd Parton, City Manager  
Direct Phone: (830) 792-8304

\_\_\_\_\_  
Signature

Mike Erwin, Director of Finance  
Direct Phone: (830) 792-8330

\_\_\_\_\_  
Signature

Kathy Schneider, Account Payable Clerk  
Direct Phone: (830) 792-8332

\_\_\_\_\_  
Signature

Sai Vongchampa, Budget Analyst  
Direct Phone: (830) 792-8335

\_\_\_\_\_  
Signature

**SECTION TWO.** Mike Erwin, Director of Finance, is designated as the Authorized Representative that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

**SECTION THREE.** This Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool receives a copy of any such amendment or revocation.

**SECTION FOUR.** All previous resolutions establishing authorized representatives of the Participant for TexPool, including Resolution Nos. 99-182, 144-2000, 21-2002, 34 -2002, 87-2006, 73-2004, 73-2007, and 54-2009 are repealed and the authority granted thereby is revoked.


**PASSED AND APPROVED, this the \_\_\_\_\_ day of \_\_\_\_\_, 2010.**

\_\_\_\_\_  
David Wampler, Mayor

ATTEST:

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

APPROVED AS TO FORM:

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

## **Agenda Item:**

**(Staff)**

- 3D. Authorize the execution of an interlocal agreement with the city of Ingram, Texas, and the Kerrville Veterans Administration police department for criminal data access.



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

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**SUBJECT:** Inter-local Agreement with the Ingram City Marshal and the Veterans Administration Police Department regarding criminal data access.

**FOR AGENDA OF:** August 10, 2010

**DATE SUBMITTED:** August 3, 2010

**SUBMITTED BY:** Chief John Young

**CLEARANCES:** Mike Hayes – City  
Attorney

**EXHIBITS:** Inter-local Agreements

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

The Ingram City Marshal and the Veterans Administration Police Department have requested access to the Texas Law Enforcement Telecommunications System (TLETS/OMNIXX), the Texas Crime Information Center (TCIC) and the National Crime Information Center (NCIC) utilizing the Kerrville Police Department's mobile data solution. This access will provide these agencies the ability to obtain timely criminal data allowing for enhanced officer safety and improved law enforcement functions.

**RECOMMENDED ACTION**

The Chief of Police recommends that City Council approve the inter-local agreement with the Ingram City Marshal and the Veterans Administration Police Department regarding criminal data access.

**INTERLOCAL AGREEMENT BY AND BETWEEN THE CITY OF KERRVILLE,  
TEXAS AND THE KERRVILLE VETERANS ADMINISTRATION POLICE FOR  
CRIMINAL DATA ACCESS**

This Agreement is made between the City of Kerrville, Texas (hereafter, "KERRVILLE") and the Kerrville Veterans Administration Police (hereafter, "VA"). Pursuant to the authority granted by the "Texas Interlocal Cooperation Act," Chapter 791, Texas Government Code, as amended, providing for the cooperation between local governmental bodies, the parties hereto, in consideration of the premises and mutual promises contained herein, agree as follows:

1. Entity. Each party is a local government within the State of Texas.

2. Public Benefit & Purpose. The respective governing body of each party finds that: the subject of this Agreement is necessary for the benefit of the public; and, that each party has the legal authority to perform and to provide the governmental function or service which is the subject matter of this Agreement; and, that the division of cost fairly compensates the performing party for the services performed under this Agreement; and, the performance of this Agreement is in the common interest of both parties

3. Current revenues. Both the party performing a service and the party paying for the performance of governmental functions or services shall, respectively, render performance and make payments from current revenues legally available to the party.

4. City Obligation. KERRVILLE now promises to perform and provide to VA access to the Texas Law Enforcement Telecommunications System, the Texas Crime Information Center, and the National Crime Information Center, and associated systems in accordance with Exhibit A.

5. VA Obligation. VA hereby (a) accepts the duties, terms, conditions, limitations, procedures, fees, and scope of services stated in Exhibit A and, (b) agrees to perform its obligations stated therein, (c) including timely payment for services.

6. Exhibit incorporation. The provisions of Exhibit A are incorporated herein by this reference as though stated verbatim. The governing body of each Party hereby authorizes its point-of-contact official (named elsewhere herein) to mutually agree (without the need of further approval by either governing body) to make minor adjustments in the operational procedures, allocated duties, rights, etc. described in Exhibit A to facilitate greater efficiencies, reduce opportunity for errors, and better serve the public, so long as such adjustments do not require or constitute a change in fees or costs, or creates a material change in the performance required of a party.

7. Liability. The purpose of this Agreement is only to set forth the rights and duties of the Parties with regard to the governmental function or services described. This agreement does not create any right, benefit, or cause of action for any third party. By executing this Agreement, neither Party waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. Each Party shall be solely responsible for any loss, damage, injury, or death to a third party (parties) arising out of or related to the acts or omissions of it's employees or agents and not those of any other party.

8. Venue. Each Party agrees that if legal action is brought under this Agreement, then exclusive venue shall lie in Kerr County, Texas.

9. Effective date & Term. This Agreement shall become effective on the first day after it has received approval of both governing bodies. This Agreement shall remain in full force and effect for a term of one (1) year from the effective date hereof. This Agreement shall automatically be renewed for additional one-year terms unless and until a Party cancels it by giving thirty (30) days written notice to the other Party.

10. Contacts. The point of contact for each Party shall be as specified in Exhibit A.

11. Severance & Survival. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any request, such invalidity, illegality, or unenforceability shall not affect any other provision contained herein and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained. The indemnity provisions shall survive termination, cancellation, expiration or non-renewal of this Agreement.

12. Amendments. This Agreement contains all the commitments and the agreements of the Parties and any oral or written commitments not contained herein shall have no force or affect to alter any term or condition of this Agreement. This Agreement may be amended or modified in writing by the mutual agreement of the Parties. In the event of a conflict between the terms of this agreement and Exhibit A, then the terms of Exhibit A shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers the day and year written below.

SIGNED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2010.

CITY, City of Kerrville, Texas

Kerrville Veterans Administration Police, Texas

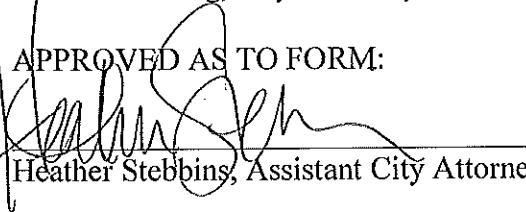
\_\_\_\_\_  
Jeffrey Todd Parton, City Manager

By: \_\_\_\_\_  
Print name/title

ATTEST:

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

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Heather Stebbins, Assistant City Attorney

## EXHIBIT "A"

This document constitutes an agreement between the Terminal Agency City of Kerrville Police Department ("KPD") and the Non-Terminal Agency, Kerrville Veterans Administration Police ("VA").

KPD agrees to allow VA access to the Texas Law Enforcement Telecommunications System (TLETS/OMNIXX), the Texas Crime Information Center (TCIC), and the National Crime Information Center (NCIC), and associated systems (collectively referred to herein as "the Systems") utilizing an approved mobile data solution.

VA agrees to abide by all laws of the United States and the state of Texas, and all present or hereafter approved rules, policies, and procedures of TLETS/OMNIXX, NLETS, TCIC, NCIC and any other systems now or in the future associated with TLETS/OMNIXX concerning the security of terminal devices, collection, storage, processing, retrieval, dissemination, and exchange of information for criminal justice purposes. KPD shall ensure that VA has a copy or has access to the rules, policies, and procedures applicable to the Systems.

VA shall be responsible for the initial training and biannual testing of its employees who access or use the Systems. VA shall ensure that its employees acknowledge and understand the rules, policies, and procedures applicable to the Systems and toward that end, VA shall have its employees acknowledge such in writing on a form approved by KPD.

KPD reserves the right to immediately and without notice suspend access to VA when any applicable policy is violated.

With the exception of KPD's right to immediately suspend access to VA as provide above, either KPD or VA may, upon thirty days written notice, discontinue this agreement.

VA agrees to indemnify and save harmless KPD as well as the Texas Department of Public Safety, their officials, representatives, and employees from and against all claims, demands, actions and suits, including but not limited to any liability for damages by reason of or arising out of any false arrests or imprisonment or any cause of VA or its officials, representatives, or employees in the exercise of the enjoyment of this Agreement.

### TECHNICAL REQUIREMENTS

1. VA users shall be regular users on local computers (not Admin or Power User);
2. VA shall maintain a compatible, up-to-date antivirus, approved by the City;
3. VA shall enable Windows Firewall at all times;
4. VA shall enable and install Windows automatic updates;
5. VA shall provide the City with all contact information of all administrators on the machines;
6. VA shall notify the City of any new applications or upgrades to verify compatibility prior to installation;

7. The City shall not be liable for downtime related, but not limited to the internet, network, server or other failures;
8. City Information Technology staff shall have an administrator account login on each VA laptop that accesses the City's Systems.

This agreement becomes effective on the \_\_\_\_ day of \_\_\_\_\_, 2010.

In witness whereof, the parties here to cause this agreement to be executed by the proper officers and officials.

SIGNED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2010.

CITY, City of Kerrville, Texas

Kerrville VA Police, Texas

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

\_\_\_\_\_  
By: \_\_\_\_\_  
Print name/title

ATTEST:

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

APPROVED AS TO FORM:

\_\_\_\_\_  
Heather Stebbins, Assistant City Attorney

## **INTERLOCAL AGREEMENT BY AND BETWEEN THE CITY OF KERRVILLE, TEXAS AND THE CITY OF INGRAM, TEXAS FOR CRIMINAL DATA ACCESS**

This Agreement is made between the City of Kerrville, Texas (hereafter, "KERRVILLE") and the City of Ingram City Marshal's Office (hereafter, "ICM"). Pursuant to the authority granted by the "Texas Interlocal Cooperation Act," Chapter 791, Texas Government Code, as amended, providing for the cooperation between local governmental bodies, the parties hereto, in consideration of the premises and mutual promises contained herein, agree as follows:

1. Entity. Each party is a local government within the State of Texas.

2. Public Benefit & Purpose. The respective governing body of each party finds that: the subject of this Agreement is necessary for the benefit of the public; and, that each party has the legal authority to perform and to provide the governmental function or service which is the subject matter of this Agreement; and, that the division of cost fairly compensates the performing party for the services performed under this Agreement; and, the performance of this Agreement is in the common interest of both parties

3. Current revenues. Both the party performing a service and the party paying for the performance of governmental functions or services shall, respectively, render performance and make payments from current revenues legally available to the party.

4. City Obligation. KERRVILLE now promises to perform and provide to ICM access to the Texas Law Enforcement Telecommunications System, the Texas Crime Information Center, and the National Crime Information Center, and associated systems in accordance with Exhibit A.

5. ICM Obligation. ICM hereby (a) accepts the duties, terms, conditions, limitations, procedures, fees, and scope of services stated in Exhibit A and, (b) agrees to perform its obligations stated therein, (c) including timely payment for services.

6. Exhibit incorporation. The provisions of Exhibit A are incorporated herein by this reference as though stated verbatim. The governing body of each Party hereby authorizes its point-of-contact official (named elsewhere herein) to mutually agree (without the need of further approval by either governing body) to make minor adjustments in the operational procedures, allocated duties, rights, etc. described in Exhibit A to facilitate greater efficiencies, reduce opportunity for errors, and better serve the public, so long as such adjustments do not require or constitute a change in fees or costs, or creates a material change in the performance required of a party.

7. Liability. The purpose of this Agreement is only to set forth the rights and duties of the Parties with regard to the governmental function or services described. This agreement does not create any right, benefit, or cause of action for any third party. By executing this Agreement, neither Party waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. Each Party shall be solely responsible for any loss, damage, injury, or death to a third party (parties) arising out of or related to the acts or omissions of it's employees or agents and not those of any other party.

8. Venue. Each Party agrees that if legal action is brought under this Agreement, then exclusive venue shall lie in Kerr County, Texas.

9. Effective date & Term. This Agreement shall become effective on the first day after it has received approval of both governing bodies. This Agreement shall remain in full force and effect for a term of one (1) year from the effective date hereof. This Agreement shall automatically be renewed for additional one-year terms unless and until a Party cancels it by giving thirty (30) days written notice to the other Party.

10. Contacts. The point of contact for each Party shall be as specified in Exhibit A.

11. Severance & Survival. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any request, such invalidity, illegality, or unenforceability shall not affect any other provision contained herein and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained. The indemnity provisions shall survive termination, cancellation, expiration or non-renewal of this Agreement.

12. Amendments. This Agreement contains all the commitments and the agreements of the Parties and any oral or written commitments not contained herein shall have no force or affect to alter any term or condition of this Agreement. This Agreement may be amended or modified in writing by the mutual agreement of the Parties. In the event of a conflict between the terms of this agreement and Exhibit A, then the terms of Exhibit A shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers the day and year written below.

SIGNED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2010.

CITY, City of Kerrville, Texas

City of Ingram, Texas

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

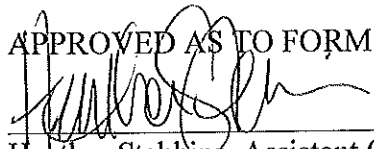
By: \_\_\_\_\_

Print name/title

ATTEST:

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

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Heather Stebbins, Assistant City Attorney

T:\Legal\POLICE\Contracts\Interlocal Agreement Form\_General Terms\_Ingram\_KPD Data Services\_072310.doc

## EXHIBIT "A"

This document constitutes an agreement between the Terminal Agency City of Kerrville (**Kerrville**) and the Non-Terminal Agency City of **Ingram (Ingram)**.

**Kerrville** agrees to allow **Ingram** access to the Texas Law Enforcement Telecommunications System (TLETS/OMNIXX), the Texas Crime Information Center (TCIC), and the National Crime Information Center (NCIC), and associated systems (collectively referred to herein as "the Systems") utilizing a mobile data solution, as approved by Kerrville.

**Ingram** agrees to abide by all laws of the United States and the state of Texas, and all present or hereafter approved rules, policies, and procedures of TLETS/OMNIXX, NLETS, TCIC, NCIC and any other systems now or in the future associated with TLETS/OMNIXX concerning the security of terminal devices, collection, storage, processing, retrieval, dissemination, and exchange of information for criminal justice purposes. Kerrville shall ensure that **Ingram** has a copy or has access to the rules, policies, and procedures applicable to the Systems.

Ingram shall be responsible for the initial training and biannual testing of its employees who access or use the Systems. Ingram shall ensure that its employees acknowledge and understand the rules, policies, and procedures applicable to the Systems and toward that end, Ingram shall have its employees acknowledge such in writing on a form approved by Kerrville.

Kerrville reserves the right to immediately and without notice suspend access to Ingram when any applicable policy is violated.

With the exception of Kerrville's right to immediately suspend access to INGRAM as provide above, either Kerrville or Ingram may, upon thirty days written notice, discontinue this agreement.

**To the extent authorized by law, Ingram** agrees to indemnify and save harmless Kerrville as well as the Texas Department of Public Safety, their officials, representatives, and employees from and against all claims, demands, actions and suits, including but not limited to any liability for damages by reason of or arising out of any false arrests or imprisonment or any cause of **Ingram** or its officials, representatives, or employees in the exercise of the enjoyment of this Agreement.

### TECHNICAL REQUIREMENTS

1. Ingram users shall be regular users on local computers (not Admin or Power User);
2. Ingram shall maintain a compatible, up-to-date antivirus, approved by the City;
3. Ingram shall enable Windows Firewall at all times;
4. Ingram shall enable and install Windows automatic updates;
5. Ingram shall provide the City with all contact information of all administrators on the machines;



6. Ingram shall notify the City of any new applications or upgrades to verify compatibility prior to installation;
7. The City shall not be liable for downtime related, but not limited to the internet, network, server or other failures;
8. City Information Technology staff shall have an administrator account login on each Ingram laptop that accesses the City's Systems.

SIGNED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2010.

CITY, City of Kerrville, Texas

City of Ingram, Texas

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

By: \_\_\_\_\_

\_\_\_\_\_  
Print name/title

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**Agenda Item:**  
**(Staff)**

- 3E. Authorize the execution of an agreement with Patterson and Associates for investment advisory services.

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

---

**SUBJECT:** Enter a contract with Patterson and Associates for Investment Advisory Services.

**FOR AGENDA OF:** August 10, 2010 **DATE SUBMITTED:** July 29, 2010

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

**CLEARANCES:** Todd Parton  
City Manager

**EXHIBITS:** Contract  
**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

---

<b>Expenditure</b>	<b>Current Balance</b>	<b>Amount</b>	<b>Account</b>
<b>Required:</b>	<b>in Account:</b>	<b>Budgeted:</b>	<b>Number: 01-870-306</b>
<b>\$1,000</b>	<b>\$100,310</b>	<b>\$382,223</b>	

**PAYMENT TO BE MADE TO:** Patterson & Associates

**REVIEWED BY THE DIRECTOR OR FINANCE:**

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**SUMMARY STATEMENT**

The city staff requests to enter into a contract with Patterson and Associates having its principal place of business at 301 Congress Avenue, Suite 570, Austin, Texas 78701 for Investment Advisory Services. The City currently pays Patterson and Associates \$300 per month for investment reporting services. This contract would expand their services to include management and reporting and will provide investment policy and strategy review, cash flow analysis, internal procedures and processes, delivery and settlement oversight, financial counter party evaluation, GASB compliance, market research, banking arrangement and structure, coordination with external Client agencies, exposure review, investment reporting, and compliance with Public Funds Investment and Public Funds Collateral Acts for an additional \$200 per month . The total expense is \$500 per month for the services provided. This action alleviates personnel shortages due to the sudden leaving of an employee.

**RECOMMENDED ACTION**

Staff recommends Council approval for the City Manager to enter into a contract with Patterson and Associates.

**INVESTMENT ADVISORY AGREEMENT  
BETWEEN  
PATTERSON & ASSOCIATES and  
CITY OF KERRVILLE, TEXAS**

This Investment Advisory Agreement dated as of the \_\_\_\_ day of July, 2010 (the "Agreement") is made and entered into by and between Patterson Capital Management, L.P., dba Patterson & Associates ("P&A"), a registered investment advisor and funds management Texas limited partnership and the City of Kerrville, Texas (the "Client").

**PREAMBLE**

**WHEREAS**, the Client has determined to select and appoint P&A to act as its investment advisor for funds and securities to manage, maintain, and invest monies and securities and to perform the advisory and consulting services described herein,

**NOW THEREFORE**, for and in consideration of the mutual promises, covenants, and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree with each other as follows:

**ARTICLE I.     Definitions**

"**Authorized Investments**" shall mean those investments authorized and defined in the Client's Investment Policy made a part of this Agreement and attached hereto as Exhibit A.

"**Authorized Representative(s) of the Client**" shall mean the duly authorized officers, members of the governing board or their delegated representatives, empowered to execute instructions and take other necessary actions under this Agreement on behalf of the Client designated in writing, attached hereto as Exhibit D.

"**Authorized Representative(s) of P&A**" shall mean any employee of P&A who is designated in writing by P&A as an authorized representative for purposes of this Agreement, attached hereto as Exhibit D.

**ARTICLE II.             Creation of Portfolio and Account(s)**

**Section 2.01. Creation of a Separate and Distinct Portfolio(s).** P&A, on behalf of the Client, hereby creates and establishes for management and reporting purposes a separate and distinct portfolio(s) (the "Portfolio") to be managed as a separate and distinct fund, held in the Client's name at Client's designated portfolio. P&A shall invest and manage all monies deposited by the Client into the Portfolio. Client will determine the number of Portfolios to be established and maintained in accordance with Client needs. All Portfolios shall be segregated and held distinct from all other funds held or invested by P&A.

### **ARTICLE III.           Operation of Portfolio(s)**

**Section 3.01. Depository Services.** The Portfolio and securities owned by the Client will be maintained in the Client's name and in the designated depository of the Client and the Client may authorize P&A to conduct security transactions in that account for Client. All fees and expenses for depository account maintenance and transactions will be paid by Client.

**Section 3.02. Delivery versus Payment.** All securities managed by P&A will be settled on a delivery versus payment (DVP) basis into the Client Portfolio. DVP will assure that no Client funds are released until the security is received and verified by the Portfolio.

**Section 3.03. Separation of Portfolios.** The Portfolio(s) shall be segregated and distinctly invested from all other funds managed by P&A.

### **ARTICLE IV.           Investment Duties and Services**

**Section 4.01. Prudence.** P&A hereby agrees to manage the Portfolio(s) with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as probable income to be derived. This Prudent Person Law shall be applied to the investment of all Portfolios with the same degree of care and assuming the same duty as the Client.

**Section 4.02. Investment Advisory Services.** P&A shall provide full advisory services and management of Client's Portfolio(s) to include market advice, portfolio structure advice, trade execution and settlement on an ongoing basis. All investments shall be in accord with applicable state laws and Client's Investment Policy attached hereto and made a part hereof as Exhibit A. P&A certifies that all funds shall be invested only in Client authorized investments.

**Client Designation of Funds.** Client has full discretion to designate the amount of funds to be placed in Portfolio(s) or in separate investments in accordance with cash flow needs. Client has full discretion to designate the amount of funds to be placed in Portfolio(s) or in a local government investment pool or money fund as authorized by Client.

**Client Directives.** Monies held in the Portfolio(s) shall be invested and reinvested in Authorized Investments selected by P&A and approved by Client before settlement, in accordance with the Client Investment Policy. Client reserves the right to notify its Depository of pending trades and approve settlement of those trades. Client reserves the right to approve any and all trades. P&A will utilize only Client approved broker/dealers.

**Trade Aggregation.** For the purpose of purchase transactional efficiency or market price advantage involving funds of the Portfolio(s), P&A may aggregate these funds with other Client funds for investment. However, Client funds and securities shall never be commingled with other Client funds and Client transactions will be specifically segregated on all brokerage transactions and settled separately into Client depository.

**Section 4.03. Confirmations.** P&A will establish all necessary procedures for Client to receive independent trade confirmations from all broker/dealers for each transaction in the Portfolio. Independent confirmations will be sent directly to the Client, and P&A, for audit trail purposes.

**Section 4.04. Reporting.** P&A shall provide monthly and quarterly reports detailing and summarizing all investments and Portfolio transactions at a minimum. Client shall define all reporting needs for information needed on a daily, monthly or quarterly basis. P&A shall submit all reports to the Client of its transactions promptly after the end of each month. Such report shall indicate at a minimum the balances remaining in the Portfolio, the interest earned, all deposits and withdrawals, and a detailed inventory of all securities and positions for the period. All reports shall fulfill applicable statutory requirements. Reports will include information for GASB 3, 31, and 40 reporting on an annual basis.

**Section 4.05. Presentations.** An Authorized Representative of P&A will be available to present reports or attend presentations to the Client or the Client's governing body on a semi-annual basis, or as required by the Client.

**Section 4.06. Earnings and Losses from Investments.** The Client and P&A agree that all funds in the Portfolio shall be invested only in Authorized Investments as designated by Client Investment Policy. All earnings and profits from the investment of funds in any Portfolio(s) shall be credited to and deposited in the Portfolio(s) unless designated by Client. All losses resulting from the investment of funds in any Portfolio(s) shall be charged to such Portfolio.

**Section 4.07. Liability.** P&A, or any P&A employee, shall not be held liable for any act or omission to act on behalf of herself, her agents, employees or other persons except for negligence or malfeasance, or violation of applicable law. Common law and the federal securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which the Client may have under common law or any federal securities laws.

**Section 4.08. Arbitration.** Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled through consultation and negotiation in good faith and a spirit of mutual cooperation. However, if those attempts fail, the parties agree that any misunderstandings or disputes arising from this Agreement shall be decided by arbitration which shall be conducted, upon request by either party, before three (3) arbitrators (unless both parties agree on one (1) arbitrator) designated by the American Arbitration Association (the "AAA"), in accordance with the terms of the Commercial Arbitration Rules of the AAA, and, to the maximum extent applicable, the United States Arbitration Act (Title 9 of the United States Code), or if such Act is not applicable, any substantially equivalent state law. The parties further agree that the arbitrator(s) will decide which party must bear the expenses of the arbitration proceedings. Notwithstanding anything provided herein to the contrary, this section does not constitute a waiver of any right provided by the federal securities laws, including the right to choose the forum, whether by arbitration or adjudication, in which to seek resolution of the dispute.

**Section 4.09. Advisory Consulting Services.** P&A agrees to provide advisory consulting services for the Client in all areas of cash management to include, at a minimum, examination and evaluation of the following treasury areas:

- **Investment policy review.** To analyze the existing investment policy for application to the Client's needs and, if necessary, to formulate revisions for adoption.
- **Investment strategy review.** To continuously evaluate investment strategies (written and operational) for feasibility and appropriateness.
- **Cash Flow Analysis.** To provide cash flow analysis advice to develop a cash flow system for the Client to include ongoing forecasts and projections for investment purposes.
- **Internal procedures and processes.** To evaluate internal treasury procedures for maximum benefit and efficiency to the Client and its Portfolio(s) including broker/dealer transactions, wire transfers, competitive bidding process, repurchase agreements documentation, and transaction audit trails. To review for adequate management oversight and prepare written procedures.
- **Delivery and Settlement Oversight.** To coordinate investment settlements, delivery and availability of funds with City staff to assure safe transfer of funds and securities.
- **Financial counter-party evaluation.** To provide ongoing credit review of Client's banking institutions and financial counter-parties. To obtain and maintain all statutorily required broker certifications.
- **GASB Compliance.** To provide assistance on custodial procedures for GASB compliance and reporting with accurate and timely annual GASB reporting.
- **Market Research.** To provide technical and fundamental market research on an ongoing basis.
- **Banking arrangement and structure.** To determine the efficiency and effectiveness of the current banking structure and possible recommendations for improvement. To prepare and evaluate the bidding and awarding of banking services.
- **Coordination with external Client agencies.** To improve communications with and efficiencies between the Client and any external service agencies (including broker/dealers) for policy compliance, maximum utility of funds and investment alternatives. To maintain all broker/dealers files for certification and compliance with Client and P&A requirements.

- **Exposure review.** To determine if the Client has any audit, operational or policy exposures in the treasury area.
- **Investment Reporting.** To review all investment reporting for adequacy of information and presentation format for maximum benefit and understanding. To provide monthly and quarterly Portfolio(s) reporting.
- **Public Funds Investment Act Compliance.** To evaluate the Client's treasury operation and reporting for ongoing full compliance to the Texas Government Code 2256.
- **Public Funds Collateral Act Compliance.** To evaluate the treasury operation and reporting for full and ongoing compliance to the Texas Government Code 2257.

## **ARTICLE V. Expenses and Reports**

**Section 5.01. Fee and Expenses.** The Client agrees to pay to P&A on a quarterly basis, in arrears, an amount sufficient to reimburse P&A for the cost of performing the duties contemplated under this Agreement in accordance with the Fee Schedule, attached hereto and made a part hereof as Exhibit B. P&A shall advise the Client from time to time, in writing of the amount of such costs. This itemized invoice shall set forth the services provided for the Portfolio(s) and the cost incurred. The invoice will be provided to the Client by the fifth (5) business day of the succeeding month. Payment on the charges shall be made within fifteen (15) business days after receipt of invoice.

**Section 5.02. Records.** P&A shall keep a book of records in which complete and correct entries shall be made of all transactions relating to the holdings, balances and values in the Portfolio(s) in accordance with generally accepted accounting principles. Such records shall be available for inspection at all reasonable hours of the business day and under reasonable conditions by the Client.

**Section 5.03. Client Confidentiality.** All records and information regarding the Client will be held as confidential by P&A.

## **ARTICLE VI. Miscellaneous**

**Section 6.01. Notices.** Any notices, Letters of Instruction, requests or demands required or permitted to be given hereunder shall be given in writing and shall be deemed duly given when mailed by registered or certified mail, postage pre-paid, emailed or telefaxed as follows:

### **To the Client:**

Mike Erwin, Finance Director  
 City of Kerrville  
 800 Junction Highway  
 Kerrville, TX 78028  
 Telephone: 830-792-8330  
 Telefax: 830-792-8309  
 E-mail: mike.erwin@kerrvilletx.gov

**To P&A:** Linda T. Patterson  
Patterson & Associates  
301 Congress Avenue  
Suite 570  
Austin, Texas 78701  
Telephone: (512) 320-5042  
Telefax: (512) 320-5041  
E-mail: [linda@patterson.net](mailto:linda@patterson.net)

**Section 6.02. Severability.** If any provision of this Agreement shall be held or deemed to be or in fact shall be illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatsoever.

**Section 6.03. Limitation of Rights.** With the exception of the rights herein expressly conferred, nothing in or to be implied from this Agreement is intended or shall be construed to give any person other than the parties hereto any legal or equitable right, remedy or claim under or in respect to this Agreement or any of the covenants, conditions and provisions herein contained; this Agreement and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and herein provided.

The Client further agrees that P&A's responsibilities hereunder are limited to the management of the Portfolio(s) as herein described and the providing of reports and information herein required; P&A shall not be liable for any losses from investments made and transfers made in accordance with the procedures set forth in this Agreement.

**Section 6.04. Execution of Counterparts.** This Agreement may be simultaneously executed in several separate counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 6.05. Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and is performable in Kerr County, Texas.

**Section 6.06. Captions.** The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions, articles, or sections of this Agreement.

**Section 6.07. Amendment.** The Client and P&A may supplement or amend this Agreement only if evidenced in a writing signed by both parties.

**Section 6.08. Termination.** This Agreement may be terminated by either party hereto, with or without cause, by tendering ninety (90) days prior written notice in the manner set forth in Section 6.01 hereof. In addition, the Client may terminate this Agreement within five (5) business days of the date hereof, with or without cause and without penalty, by notifying P&A in the manner set forth in Section 6.01 hereof of its decision to terminate the Agreement.

**Section 6.09. Term.** Unless terminated in accordance with Section 6.08 hereof, this Agreement shall be automatically renewed on each anniversary date hereof.

**Section 6.10. Assignment.** This Agreement shall not be assignable by either party hereto, by operation of law or otherwise, without the prior written consent of the other party hereto. Any assignment in violation of this Section 6.10 shall result in the automatic termination of this Agreement.

**Section 6.11. Ownership Change.** P&A shall notify the Client in writing of any change in its partnership ownership within a reasonable time after such change.

**Section 6.12. SEC Document Disclosure.** The Client, by execution of this document, acknowledges the receipt of P&A's most current ADV Part II disclosure document as required by the SEC.



**IN WITNESS WHEREOF** the parties hereto have cause this Agreement to be executed in multiple counterparts as of the date first set forth above.

City of Kerrville, Texas

Patterson Capital Management, L.P. dba

**PATTERSON & ASSOCIATES**


By: Patterson & Associates, Inc. General Partner

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

By: \_\_\_\_\_  
Linda T. Patterson, President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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

## **EXHIBIT A**

### **CLIENT'S INVESTMENT POLICY**

Client Investment Policy is made part of this Investment Advisory Agreement in order to assure that all investment decisions conform to the policy and parameters established by the Client and its governing body. As the Policy changes with Council action the Client will provide the amended Policy to P&A and the most recent amended and adopted Policy will control the Client's investments.

☐

**EXHIBIT B**  
**FEE SCHEDULE**

The investment advisory services described under the terms of this Agreement are being provided in accordance with the following fee schedule.

Services are provided for an monthly fee of:	\$ 500.
Payable monthly in arrears.	

P&A will provide an invoice to the Client by the fifth (5) business day of the succeeding month.

Fees are due and payable within fifteen (15) business days after receipt of invoice.

## **EXHIBIT C**

### **Securities and Exchange Commission ADV FORM, PART II**

This form is being provided the Client in accordance with SEC Regulations 204-3 for Registered Investment Advisors. This disclosure document must be provided the Client not less than 48 hours prior to entering any investment advisory contract. Failure to do so can result in a voidable contract. P&A shall provide to Client an updated ADV Form on an annual basis in accordance with SEC Regulations.

**EXHIBIT D**

**AUTHORIZED REPRESENTATIVES**

**Authorized Representatives of the Client**

<b>Name/Title</b>	<b>Phone</b>	<b>Fax</b>	<b>e-mail</b>

**Authorized Representatives of P&A**

<b>Name/Title</b>	<b>Phone</b>	<b>Fax</b>	<b>e-mail</b>
Linda T. Patterson President	512-320-5042	512-320-5041	<a href="mailto:linda@patterson.net">linda@patterson.net</a>
Howard Herring Adviser	512-320-5042	512-320-5041	<a href="mailto:howie@patterson.net">howie@patterson.net</a>
Rikki Ramirez Portfolio Assistant	512-320-5042	512-320-5041	<a href="mailto:rikki@patterson.net">rikki@patterson.net</a>

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1**

Name of Investment Adviser:

Patterson Capital Management LP

Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone Number:
301 Congress Avenue Suite 570, Austin TX 78701					512	320-5042

This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.

Applicant:  
Patterson Capital Management LP

SEC File Number:  
801-46437

Date:  
04/01/10

**1. A. Advisory Services and Fees. (check the applicable boxes)**

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |  |      |
|--|------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services .....   | 70 % |
| <input checked="" type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services .....   | 20 % |
| <input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above .....                                     | 10 % |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription .....   | %    |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above .....   | %    |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... | %    |
| <input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities .....   | %    |
| <input type="checkbox"/> (8) Provides a timing service .....   | %    |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above .....   | %    |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B. Does applicant call any of the services it checked above financial planning or some similar term? Yes No  
☐ ☒

**C. Applicant offers investment advisory services for: (check all that apply)**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management      | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges                               | <input type="checkbox"/> (5) Commissions       |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other             |

**D. For each checked box in A above, describe on Schedule F:**

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of clients — Applicant generally provides investment advice to: (check those that apply)**

- |  |  |
|--|--|
| <input type="checkbox"/> A. Individuals                      | <input type="checkbox"/> E. Trusts, estates, or charitable organizations                               |
| <input type="checkbox"/> B. Banks or thrift institutions     | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies             | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input type="checkbox"/> D. Pension and profit sharing plans |  |

**FORM ADV**  
**Part II - Page 3**

Applicant:  
**Patterson Capital Management LP**

SEC File Number:  
**801-46437**

Date:  
**04/01/10**

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |   |  |
|---|--|
| <input type="checkbox"/> A. Equity securities                                       | <input checked="" type="checkbox"/> H. United States government securities |
| <input type="checkbox"/> (1) exchange-listed securities                             | <input type="checkbox"/> I. Options contracts on:                          |
| <input type="checkbox"/> (2) securities traded over-the-counter                     | <input checked="" type="checkbox"/> (1) securities                         |
| <input type="checkbox"/> (3) foreign issuers  | <input type="checkbox"/> (2) commodities                                   |
| <input type="checkbox"/> B. Warrants  | <input type="checkbox"/> J. Futures contracts on:                          |
| <input type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles                                     |
| <input checked="" type="checkbox"/> D. Commercial paper                             | <input type="checkbox"/> (2) intangibles                                   |
| <input checked="" type="checkbox"/> E. Certificates of deposit                      | <input type="checkbox"/> K. Interests in partnerships investing in:        |
| <input checked="" type="checkbox"/> F. Municipal securities                         | <input type="checkbox"/> (1) real estate                                   |
| <input type="checkbox"/> G. Investment company securities:                          | <input type="checkbox"/> (2) oil and gas interests                         |
| <input type="checkbox"/> (1) variable life insurance                                | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| <input type="checkbox"/> (2) variable annuities                                     | <input checked="" type="checkbox"/> L. Other (explain on Schedule F)       |
| <input checked="" type="checkbox"/> (3) mutual fund shares                          |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

**A. Applicant's security analysis methods include: (check those that apply)**

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical           |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

**B. The main sources of information applicant uses include: (check those that apply)**

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)  |

**C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)**

- |  |   |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options, or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input type="checkbox"/> Short sales   |   |



**FORM ADV**  
**Part II - Page 4**

Applicant:  
**Patterson Capital Management LP**

SEC File Number:  
**801- 46437**

Date:  
**04/01/10**

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ..... ☒ Yes ☐ No  
(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

**7. Other Business Activities. (check those that apply)**

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations. (check those that apply)**

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ..... ☐ Yes ☒ No  
(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**FORM ADV**  
**Part II - Page 5**

Applicant:  
Patterson Capital Management LP

SEC File Number:  
801-46437

Date:  
04/01/10

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account? Yes No ☒ ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. For reviews, include their frequency, different levels, and triggering factors. For reviewers, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

All managed accounts generally are reviewed weekly by a principal or registered adviser within the Registrant. The review includes, among other things, examining compliance with clients' investment policies, confirming clients' trades and reconciling trading records to the records of clients' custodians.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

A) A holdings report, which includes accrued interest, amortization and accretion, gains/losses, and unrealized gains/losses. Except for those clients who request receipt of the holdings report on daily basis, clients are sent a holdings report on a monthly basis. Clients also receive monthly transaction reports which detail all trades, transfers, additions or withdrawals.

B) Statement reports will be provided on a monthly and as needed basis. The statement report summarizes holdings by market sector and includes all holdings and a description of each security, its position and custodial status.

C) Performance reports will be provided on a monthly, or as needed, basis. Performance and market sector detail are provided along with yield, overall weighted maturity and book market values.

**FORM ADV****Part II - Page 6**

Applicant:

Patterson Capital Management LP

SEC File Number:

801-46437

Date:

04/01/10

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  | Yes                                 | No                       |
|--|-------------------------------------|--------------------------|
| (1) securities to be bought or sold? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? .....                   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? .....                         | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☒ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                                     |                          |
|---|-------------------------------------|--------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes                                 | No                       |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes                                 | No                       |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- |  |                          |                                     |
|--|--------------------------|-------------------------------------|
| Has applicant provided a Schedule G balance sheet? ..... | Yes                      | No                                  |
|  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV****Continuation Sheet for Form ADV Part II**Applicant:  
Patterson Capital Management LP

SEC File Number:

801-46437

Date:

04/01/10

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Patterson Capital Management LP

IRS Empl. Ident. No.:

742703915

Item of Form  
(identify)

Answer

Item 1

**Services and Fees**

Patterson Capital Management, L.P. ("Patterson" or the "Registrant") provides investment advisory and investment consulting services in short and intermediate range fixed income securities to institutional clients. The Registrant's clients include public funds (including cities, authorities, public cooperatives and school districts), banks and corporations.

Patterson provides both discretionary and non-discretionary fund management services. These services are provided in accordance with clients' liquidity, safety needs and investment policies and objectives.

Patterson also provides consulting services, which includes, among other things, the provision of advice on investment alternatives, banking and cash management. In addition, Patterson provides advice to clients on the creation of policies and procedures, internal controls reviews and advice related to the use of flex repurchase agreements by clients. A flex repo is a term arrangement between a registered dealer and a municipality or similar authority, in which the customer buys securities from the dealer and may sell some of them back prior to the final maturity date of such securities. The funds invested in a flex repo often are intended for use in financing construction or similar projects to be completed in phases. When funds are needed for a given phase of a project, the customer sells the required amount of securities back to the dealer. Flex repos are usually collateralized by government issued or backed securities. Patterson generally will provide advice to a client and an intermediary broker/dealer who will execute the flex repo transaction. In this capacity, Patterson will, among other things, provide advice to the client and intermediary broker/dealer on the paperwork related to the flex repo, assist in the determination of acceptable parameters, recommend flex repo providers, provide advice in the preparation of a bid sheet and monitor underlying collateral. For these advisory services, Patterson generally will receive a fee from the client and intermediary broker/dealer that does not exceed 0.05% of the value of the flex repo. Patterson will never have custody of clients' securities or funds in flex repo arrangements.

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:

Patterson Capital Management LP

SEC File Number:

801.46437

Date:

04/01/10

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Patterson Capital Management LP

IRS Empl. Ident. No.:

742703915

Item of Form (identify)	Answer
Item 1 (cont'd)	<p>Patterson's basic fee schedule for the provision of investment advisory services (discretionary) is as follows:</p> <p>Up to \$5 million - 0.20% \$5 - \$10 million - 0.18% \$10 - \$20 million - 0.16% \$20 - \$30 million - 0.15% \$30 - \$50 million - 0.10% over \$50 million - negotiable.</p> <p>Patterson's fees for serving as an investment sub-adviser to a registered investment company may vary, but generally will not exceed the fees noted in the above schedule.</p> <p>In addition, the basic fee schedule described above may vary due to the particular circumstances of the client or as negotiated with particular clients. Fees for discretionary management services are generally billed in arrears on either a monthly or quarterly basis. In the event a client terminates its contract with Patterson prior to the end of the monthly or quarterly billing period, the fee for that period will be prorated based on the number of days or months during the period in which Patterson performed services. At times, Patterson may also recommend that a client invest assets in a money market fund. If a client invests its assets into such a fund, the client may have to pay a fee to that fund in addition to Patterson's normal advisory fee.</p> <p>Certain clients are charged a fixed fee, or an hourly fee, which varies from client to client and is billed in arrears on a quarterly or monthly basis.</p> <p>All fees paid to Patterson for investment advisory services are separate and distinct from the fees and expenses charged by LGIP pools or mutual funds to their shareholders. These fees and expenses are described in each fund's information statement (pools) or prospectus (funds). Clients could invest in a fund or pool directly without the services of Patterson.</p> <p>Due to the nature of services provided, Patterson will not vote proxies on behalf of clients.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV****Continuation Sheet for Form ADV Part II**Applicant:  
Patterson Capital Management LPSEC File Number:  
801-46437Date:  
04/01/10

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Patterson Capital Management LP		IRS Empl. Ident. No.: 742703915
Item of Form (identify)	Answer	
Item 3L	Flex repos are but one of a variety of investment products that Patterson may recommend that clients use for the reinvestment of bond proceeds. These products include structured portfolios of U.S. securities, a commingled pool or fund, bank deposit and State and Local Government Series securities. Each of these products have benefits and negative aspects. Patterson fully discloses the benefits and negative aspects of each of these products to clients, so that clients can choose the investment product that most suits its needs and objectives.	
Item 4	Patterson relies primarily, but not exclusively, on multiple unaffiliated, nationally recognized securities rating organizations (NRSRO) such as Standard & Poor's and Moody Investor Services for analysis of credit risk on corporate entities.	
Item 5	Patterson requires all personnel who provide investment advice to have a bachelors degree from an accredited college or required licenses.	
Item 6	<p>Linda Thomson Patterson DOB: March 2, 1949 Education: Thiel College European-American Study Center, Basel, Switzerland Florida Atlantic University; BA, MPA RWTH, Aachen (Fulbright Scholar)</p> <p>Business Background: Patterson Capital Management, L.P., Director and President of Patterson's General Partner, CCO. Texas State Treasury, Deputy State Treasurer City of Fort Worth, City Treasurer and Assistant Finance Director City of Fort Lauderdale, Assistant to City Manager</p> <p>Howard N. Herring DOB: October 10, 1950 Education: U.S. Marine Corps Training Business Background: Tejas Securities, Austin, TX Wachovia Securities Financial Network</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:

Patterson Capital Management LP

SEC File Number:

801-46437

Date:

04/01/10

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Patterson Capital Management LP</b>		IRS Empl. Ident. No.: <b>742703915</b>
Item of Form (identify)	Answer	
Item 9.E	On rare occasions, Patterson or one of its related persons may purchase or sell the same or a similar security for his/her personal account that is also purchased, or recommended for purchase, for a client account. Patterson has adopted a Code of Conduct that is designed to prevent and detect potential conflicts of interest, including with respect to personal trading. A copy of the Code of Conduct is available upon request.	
Item 10	Patterson generally requires a minimum account size of \$1 million and will generally only provide services to institutional investors, including governmental entities.	
Item 12.A	<p>Patterson provides both discretionary and non-discretionary management services to its clients. Where investment discretion has been granted, Patterson manages the client's portfolio and makes investment decisions without consultation with the client that would involve determinations regarding which securities are bought and sold, the broker/dealer with whom orders for the purchase or sale of securities are placed for execution and the price per share and the commission rates or mark-up on the securities transactions. In some instances, Patterson's discretionary authority in making these determinations may be limited by conditions imposed by clients in their investment guidelines, cash flow needs, or objectives or instructions otherwise provided to Patterson.</p> <p>In non-discretionary relationships, Patterson customarily makes investment recommendations to the client relating to which securities should be bought or sold and the total amount of such purchases and sales.</p> <p>Under Texas law, Patterson may not place a trade for certain Texas government clients with a broker/dealer, unless Patterson has received a certification from the broker/dealer that it has received and agrees to comply with that client's specific investment policy. Prior to placing a trade for these client accounts, Patterson obtains at least three bids/offers from different broker/dealers who have provided the requisite certification and generally will place the trade with the broker/dealer that has provided the most competitive bid. If a client does not require that Patterson execute trades through broker/dealers who have certified that they will comply with the client's stated investment policy, Patterson will only seek bids from a broker/dealer that has provided Patterson with the following documents: the broker/dealer's state registration, a completed questionnaire, FINRA registration and annual financial statements.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
Patterson Capital Management LP

SEC File Number:  
801-46437

Date:  
04/01/10

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Patterson Capital Management LP		IRS Empl. Ident. No.: 742703915
Item of Form (identify)	Answer	
Item 12.A (cont'd)	<p>At times, Patterson may place agency trades on behalf of its clients. In executing agency trades, it is Patterson's policy, consistent with investment considerations, to seek the most favorable price and execution for such orders. Most favorable execution is a combination of rates and prompt, reliable execution. When selecting a brokerage firm, Patterson considers the firm's execution capabilities, financial stability, ability to maintain confidentiality and ability to obtain best price and execution.</p> <p>Transactions for each client account generally are completed independently. On occasion, however, Patterson may purchase or sell the same securities for a number of client accounts in a block transaction to facilitate best execution or to reduce costs. Patterson effects block transactions in a manner such that each client participates at the same price. Securities purchased or sold in a block transaction by Patterson are allocated to clients based upon the amount of available funds in each account and the long-term liquidity requirements of each account. The broker-dealer that executes the block transaction will directly deliver to the client the portion of the trade allocated to that client.</p>	
Item 12.B	<p>Patterson may recommend broker/dealers to a client. The recommendations are based on the client's policy requirements and client needs as to market sector. Commissions are not applicable in fixed income and money market transactions.</p>	
Item 13.A	<p>From time to time, Patterson may receive a minimal fee from unrelated third parties for referrals of individuals or companies that are not clients of the Registrant.</p>	
Item 13.B	<p>Patterson may compensate unrelated third parties for client referrals in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940. The compensation paid to such parties is generally based on a percentage of assets under management of a client that had been found by the party.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).



## **Agenda Item:**

**(Staff)**

- 4A. Consider adopting a resolution designating ICMA Retirement Corporation (ICMA-RC) as an additional voluntary 457 deferred compensation retirement plan for city employees.

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

**SUBJECT:** Consider adopting a resolution adopting ICMA Retirement Corporation (ICMA-RC) as an additional voluntary 457 deferred compensation plan for city employees.

**FOR AGENDA OF:** August 10, 2010

**DATE SUBMITTED:** July 30, 2010

**SUBMITTED BY:** Kimberly Meisner   
Director of General Operations

**CLEARANCES:** Todd Parton  
City Manager

**EXHIBITS:**

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DEPARTMENT:**

**SUMMARY STATEMENT**

For over 36 years, ICMA-RC has partnered exclusively with public employers to help employees build a secure future. Total plan assets as of December 2009 were \$32.4 billion with 8,799 employer plans and 912,128 employee accounts.

The City would like to establish a partnership with ICMA-RC to be able to offer our employees a voluntary retirement plan that specializes in serving public sector employers and employees. Currently, we offer Lincoln and Nationwide. We have 41 employees that have accounts with Lincoln and 15 employees that have accounts with Nationwide. There are numerous employees with assets in ICMA-RC through other municipalities. Joining ICMA-RC would allow those employees to begin to contribute to the plan again.

If ICMA-RC is approved by Council it will become an additional 457 plan option. We will retain the Lincoln and Nationwide plans. The City will not provide any contribution or match on behalf of the employee to any of these voluntary retirement plans.

**RECOMMENDED ACTION**

Staff recommends Council adopt the resolution naming ICMA-RC as an additional voluntary 457 deferred compensation retirement plan for City employees.



# WE SERVE

SERVING THOSE WHO SERVE OTHERS





*“Our mission is to serve public employees with excellence and integrity as we help them build retirement security”*

Since our founding in 1972, ICMA-RC's only mission has been to serve public employees with excellence and integrity as we help them build retirement security. Each year we build on that foundation with new plans and services and a greater commitment to meeting the needs of our clients, their families and the communities in which they live and work. And while events of the past year have made for more challenges in saving for the future, we remain confident that together we can help in building a secure retirement for our clients.

Who are our clients? First and foremost they are the more than 900,000 public sector participants who use our 457 and other defined contribution and retiree health savings plans as an important part of their retirement program. The 8,799 public sector plan sponsors who offer our plans are an equally important group of clients. Together, they are who we serve.

Through the Vantagepoint funds and the VantageTrust, we seek to provide a comprehensive array of investments for our clients. Our Investor Services center and dedicated service representatives provide ongoing support to our clients. Our Web site, [www.icmarc.org](http://www.icmarc.org), provides news and information about the funds and valuable tools for retirement planning. As leaders in offering best in class services and products we are on the forefront of the retirement planning market.

Our commitment to state and local government reaches beyond the retirement plans we offer. We are proud to be a founding sponsor of the Vantagepoint Public Employee Memorial Scholarship Fund. In the nine years since it was created, the fund has awarded more than \$685,000 in scholarships to the survivors of public employees who have died while serving their communities. Through these challenging times, ICMA-RC and our co-sponsors remain steadfast supporters of this important program.

We also support National Save for Retirement Week, which each year in October reminds public employees of the importance of building retirement security. We provide our clients with specially designed promotional materials and a dedicated Web site, [www.retirementweek.org](http://www.retirementweek.org), as resources in creating their own NSRW events.

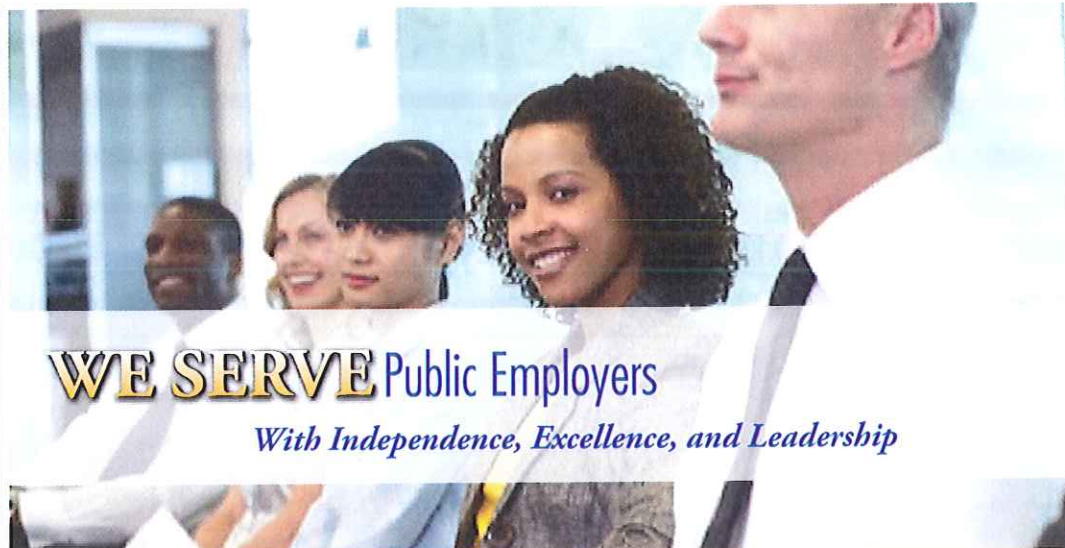
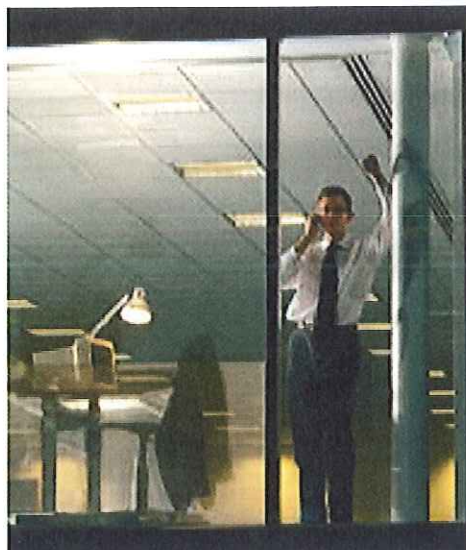
On behalf of all of us at ICMA-RC, thank you once again for the opportunity to serve you.

Sincerely,

Joan McCallen

President and Chief Executive Officer





## **WE SERVE** Public Employers

*With Independence, Excellence, and Leadership*

*“We take pride  
in our client  
retention rate,  
which has been  
99.5 percent or  
higher over the  
last seven years.”*

ICMA-RC's mission is to provide public employers with the tools and resources they need to help their employees build retirement security.

Our retirement plans provide access to a full range of investment options, including a broad selection of mutual fund families.

Our VantageTrust Funds invest in underlying mutual funds, such as the Vantagepoint Funds that are managed by a wholly owned subsidiary of ICMA-RC, or third-party mutual funds as part of the VantageTrust Trust Series funds.

The Vantagepoint Funds consist of registered mutual funds including Actively Managed Funds, Index Funds, target-date Milestone Funds\* and risk-based Model Portfolio Funds.\*

For certain Vantagepoint Funds, a multi-management strategy is employed to manage a Fund's assets by using more than one subadvisor. Where potentially advantageous, a Fund's assets are allocated among multiple subadvisers practicing distinct and complementary investment strategies. In addition, our team of investment professionals monitors all of the funds we offer.

ICMA-RC works to provide employers with seamless, high quality service. And they reward us by staying with us. We take pride in our client retention rate, which has been at 99.5 percent or higher over the last seven years.

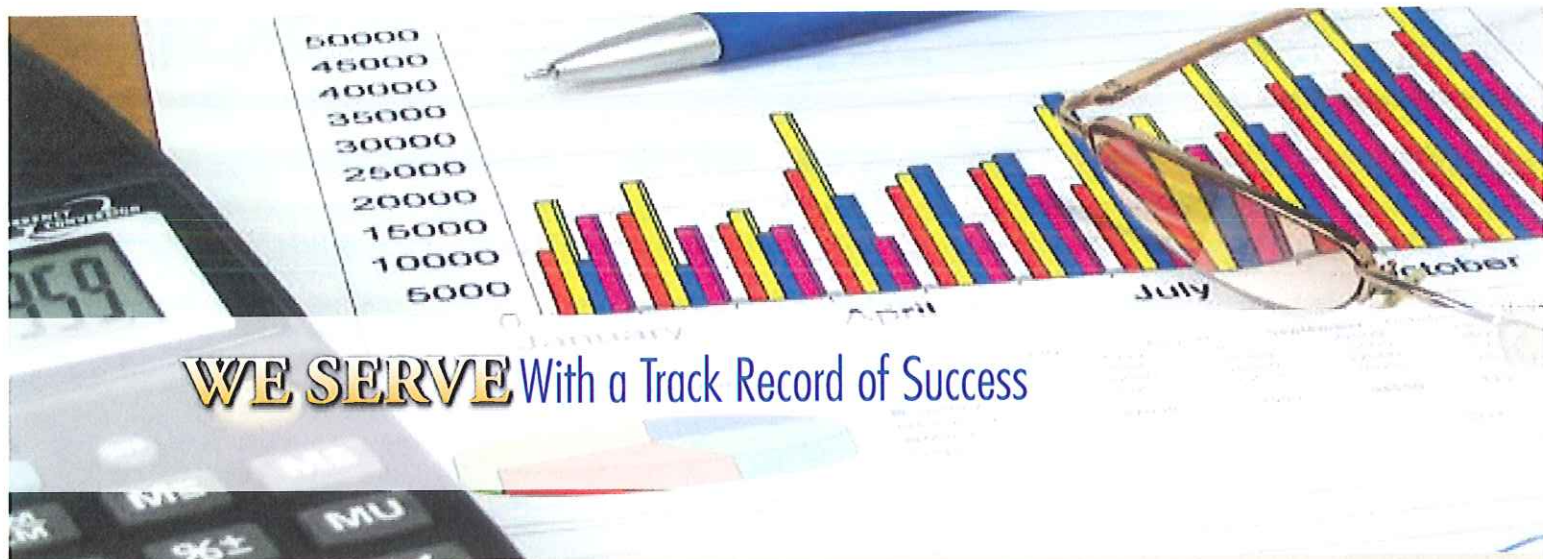
EZLink, ICMA-RC's secure online system for processing plan-specific information, simplifies plan administration tasks and allows plan sponsors to initiate transactions, check contribution and participant data, and review plan balances, investment allocations and performance measures.

Our Web site contains educational tools, legislative updates, and regulatory information to help keep you informed.

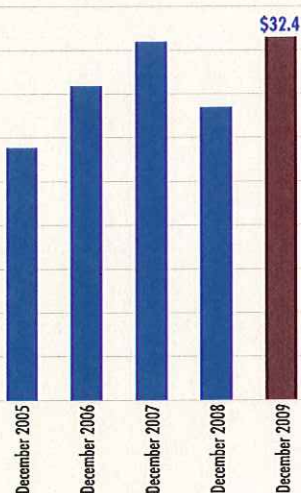
In addition, the Employer Bulletin, our electronic newsletter for plan sponsors, offers quick and easy delivery of relevant retirement planning information.

*\* Please be advised that with "Fund of Funds" arrangements, additional underlying fund fees may apply. Please consult the prospectus for details.*

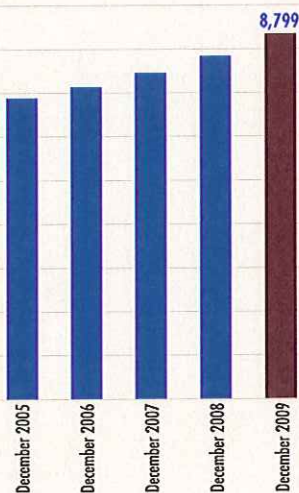




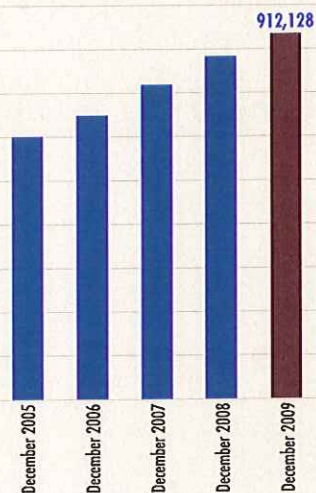
**TOTAL PLAN ASSETS\***  
2005 – 2009  
Dollars in Billions  
(as of December 2009)



**EMPLOYER PLANS\***  
2005 – 2009  
(as of December 2009)



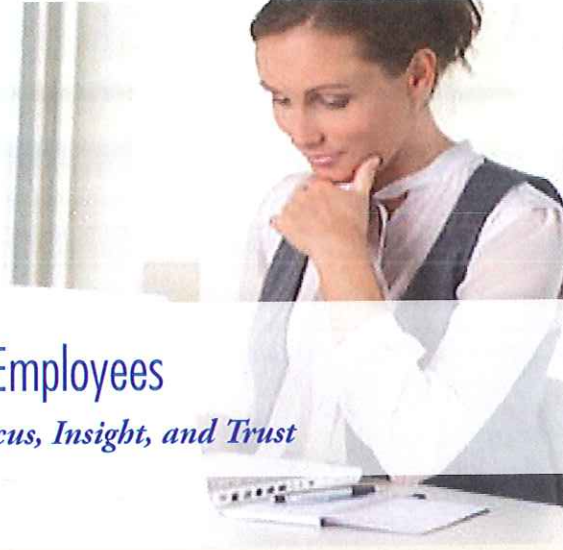
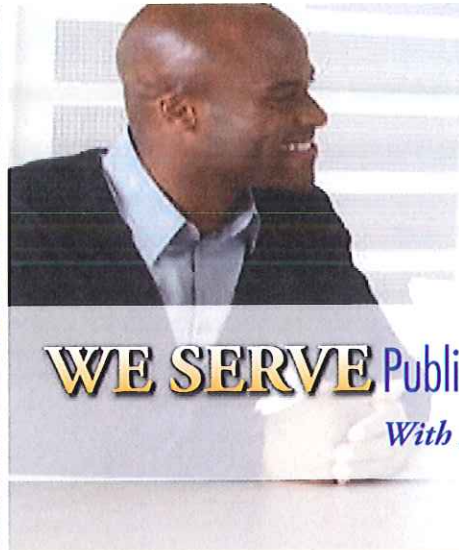
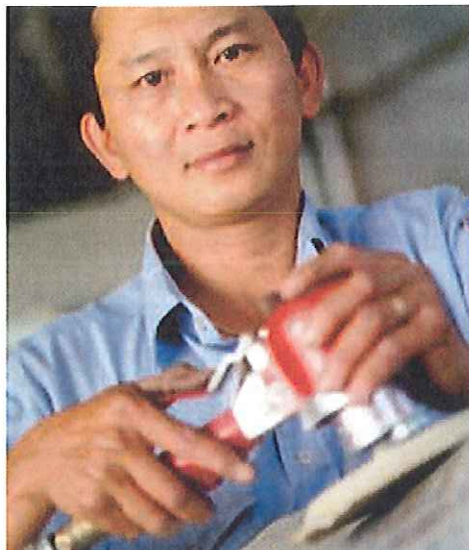
**EMPLOYEE ACCOUNTS\***  
2005 – 2009  
(as of December 2009)



\*Unaudited numbers.

*“We work with local and state government employers to deliver a range of financial education services to public employees of all ages and income levels.”*





## **WE SERVE** Public Employees

*With Focus, Insight, and Trust*

*“Our representatives apply the highest level of integrity in working with participants, with the goal of helping them understand their retirement plan options.”*

Keeping our plan participants informed and educated is at the heart of ICMA-RC's retirement planning program. All of our representatives – whether out in the field or on the phone – are experienced in identifying and meeting the unique retirement planning needs of public employees. You can be sure that we will listen to your questions and work towards addressing any concerns you may have.

ICMA-RC's field representatives are available to meet with participants where they work. Our representatives apply the highest level of integrity in working with participants, with the goal of helping them understand their retirement plan options. Our

representatives assist participants through the enrollment process and help them identify techniques for saving through one-on-one consulting and in group sessions.

Our team of CERTIFIED FINANCIAL PLANNER™ professionals delivers in-depth assistance on essential financial planning principles, such as effective budgeting and spending, estate planning, and spending in retirement.

As an additional benefit, our education services, including access to our CFP® professionals, are available to participants even if they have stopped working, as long as their retirement account assets are administered by ICMA-RC.







## WE SERVE Through Solid Financial Education

We work with local and state government employers to deliver a range of financial education services to public employees of all ages and income levels. Our Web site, printed and online newsletters, publications, presentations, and DVDs, allow us to reach individuals in ways that are most effective for them.

A good example is our Web site, [www.icmarc.org](http://www.icmarc.org), which offers interactive financial planning calculators, financial education videos, online newsletters and publications, legislative and regulatory updates, and access to retirement-related webinars is available seven days a week.

*InvestSmart*, [www.icmarc.org/smart](http://www.icmarc.org/smart), contains information on investing and suggestions on developing an investment strategy based on individual needs and risk levels. Those closer to retirement can visit [www.icmarc.org/retiree](http://www.icmarc.org/retiree) to access *Reaching Your Dreams*, an online retiree guide about planning and managing investments.

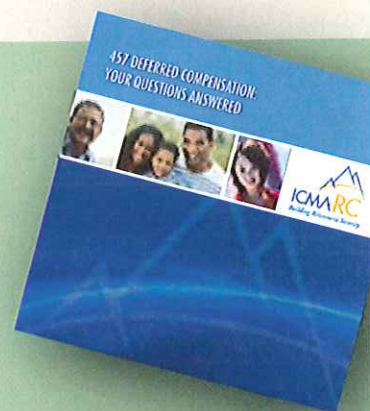
Our *Charting Your Course* series provides participants with a lifetime overview of key retirement planning matters. Our participant DVD, *457 Deferred Compensation: Your Questions Answered*, gives public employees an introduction to saving, investing basics, and an overview of the resources available

from ICMA-RC through their employer's plan.

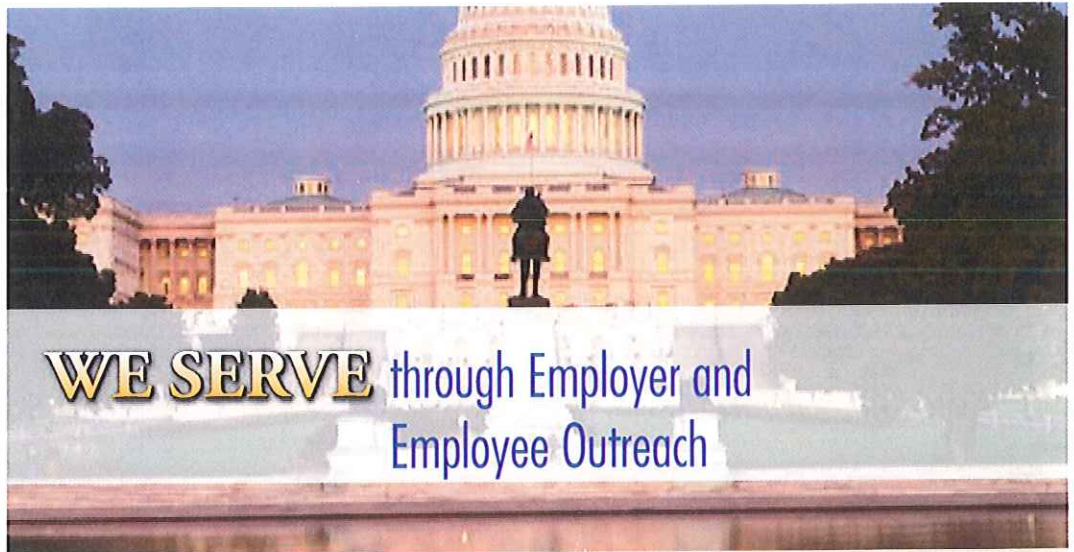
Our targeted participant newsletter addresses the concerns of those in various stages of their careers, including retirement. The newsletter is mailed quarterly with account statements and can be downloaded electronically.

ICMA-RC's commitment to providing public employees with a useful and effective financial education program has garnered more than 20 awards and honors in the last several years and national recognition for the quality and depth of our program's content.

*“Our award winning participant DVD gives public employees an introduction to saving, investing basics, and an overview of the resources available from ICMA-RC.”*







*“Since 2001, the Vantagepoint Public Employee Memorial Scholarship Fund has honored uniformed and non-uniformed city, county and state government employees who have lost their lives in service.”*

ICMA-RC puts the retirement planning and financial needs of all public employees first — even those who are not participants of the plans we administer. During National Save for Retirement Week, the first Congressional effort created to encourage more Americans to save for retirement, we make a special effort to educate all public employees about the importance of saving for retirement.

Recently, we launched a new research initiative to learn more about the motivational behaviors that have kept some public employees from saving for retirement. The research showed that when employers enthusiastically and actively promote saving for retirement, enrollment in their employer-sponsored savings plans increases considerably.

To reinforce this important link between state and local government support of retirement planning and employee savings habits, ICMA-RC developed the “It Pays to Save” Saver’s Initiative, [www.icmarc.org/savers](http://www.icmarc.org/savers), that provides plan sponsors with practical and relevant messaging tools they can use to encourage their employees, regardless of age or income, to save for retirement.

Working with Congress, key executive branch officials, and public sector groups our Public Affairs office brings our expertise in public sector retirement plans to policy makers as they consider legislation and regulations impacting 401(a) and 457 retirement plans and retirement health savings initiatives.

We invite you to explore the pages of the Legislative Report at [www.icmarc.org/legislative](http://www.icmarc.org/legislative) for updates on pending legislative and regulatory issues and notices on emerging policy initiatives. For information related to existing regulations that govern your plan, please refer to the new Plan Rules section of the Web site.

Since 2001, the Vantagepoint Public Employee Memorial Scholarship Fund has honored uniformed and non-uniformed city, county and state government employees who have lost their lives in service to their communities with scholarship awards to their surviving family members of up to \$10,000. Cumulative awards now total more than \$685,000.





## ICMA-RC and Its Affiliated Companies

### *Our Family Tree*

The ICMA Retirement Corporation (ICMA-RC) and the VantageTrust Company (the Trust Company) provide plan administration services, and sponsor investment options for deferred compensation plans and qualified retirement plans established by public employers for their employees.

VantageTrust, a group trust that is sponsored and maintained by the Trust Company, is the entity through which these services and investment options are provided. The VantageTrust offers plan participants a range of investment funds designed for saving for retirement. These plans are

established under Section 457 and Section 401 of the Internal Revenue Code of 1986. The VantageTrust is supervised by the VantageTrust Company Board of Directors.

The VantageTrust Funds invest in underlying mutual funds, including the Vantagepoint Funds, a “series” investment company. The Vantagepoint Funds each have different investment objectives and strategies and are registered with the U.S. Securities and Exchange Commission. The Vantagepoint Funds Board of Directors supervises the funds.

The Trust also makes available the stable value VantageTrust

PLUS Fund. Its portfolio consists primarily of a diversified selection of stable value investment contracts and fixed income securities that back certain stable value investment contracts selected by ICMA-RC.

ICMA-RC Services, LLC, is the broker-dealer affiliate of ICMA-RC that distributes The Vantagepoint Funds. It is a member firm of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

Vantagepoint Investment Advisers, LLC, serves as investment adviser to the Vantagepoint Funds. It is a wholly owned subsidiary of ICMA-RC.

*“We provide public employers with the tools and resources they need to help their employees build retirement security.”*



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West Coast Regional  
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Williams College  
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County Manager  
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ICMA-RC  
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Serves Ex-Officio

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ICMA  
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Redevelopment Authority  
of Montgomery County  
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State Treasurer  
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Former Colorado  
State Auditor  
Denver, CO

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ICMA  
Washington, DC

### ROBERT A. RUDELL

Chief Operating Officer &  
Management Committee  
Chairman, Zurich Scudder  
Investments, Inc. (Retired)  
Edina, MN

### ROBIN L. WIESSMANN

Former Treasurer  
Commonwealth  
of Pennsylvania

## Vantagepoint Public Employees Memorial Scholarship Fund Board of Directors

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Board Chair  
President,  
Virginia State University  
Petersburg, VA

### JAMES P. BERZINA

City Manager of  
Wichita Falls (Retired)  
Wichita Falls, TX

### NORMAN R. KING

City Manager of  
Palm Springs (Retired)  
Palm Springs, CA

**CITY OF KERRVILLE, TEXAS**  
**RESOLUTION NO. \_\_\_\_-2010**

**A RESOLUTION AUTHORIZING THE CITY'S  
PARTICIPATION IN A 457 DEFERRED  
COMPENSATION PLAN WITH ICMA  
RETIREMENT CORPORATION TO PROVIDE A  
SUPPLEMENTAL SAVINGS PROGRAM TO  
EMPLOYEES**

**WHEREAS**, as an employer, the City has employees which render valuable services; and

**WHEREAS**, the establishment of a deferred compensation plan for such employees serves the interests of the City by enabling it to offer an optional, supplemental, employee-funded retirement security for its employees, which assists in the attraction and retention of competent personnel; and

**WHEREAS**, City staff has determined that the establishment of this 457 deferred compensation plan to be administered by the ICMA Retirement Corporation (ICMA-RC) serves the above objectives; and

**WHEREAS**, a 457 deferred compensation plan is a supplemental retirement savings program that allows participating employees to make contributions to the plan before taxes are deducted and contributions are handled through payroll deduction; and

**WHEREAS**, participating employees reduce current income taxes while investing for retirement, earnings are tax-deferred until withdrawn, the saved compensation is portable as contributions can be rolled into a new public sector employer's retirement plan, and nothing in the account is forfeited in the event of death as the designated beneficiaries receive the remaining funds; and

**WHEREAS**, as a supplemental retirement benefit, the 457 deferred compensation plan fits in with the City's defined benefit program, is an excellent recruitment and retention tool, and provides for an easy enrollment process; and

**WHEREAS**, the City does not make any contributions, matching or otherwise, to an employee's 457 deferred compensation plan; and

**WHEREAS**, the City Council for the City of Kerrville, Texas, finds it to be in the public interest to authorize the City's participation in a 457 deferred compensation plan with ICMA-RC to provide a supplemental savings program for its employees;


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

**SECTION ONE.** The City Manager is authorized to enter into an agreement and to take whatever other action is necessary for the City to participate in the ICMA-RC 457 deferred compensation plan (Plan).

**SECTION TWO.** The City's Director of Human Resources shall be the coordinator for the Plan; shall receive necessary reports and notices from the ICMA-RC; shall cast, on behalf of the City, any required votes, and take any other action required to administrator the Plan.

**PASSED AND APPROVED ON this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2010.**

APPROVED AS TO FORM:

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

\_\_\_\_\_  
David Wampler, Mayor

ATTEST:

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

**Agenda Item:**  
**(Councilmember Keeble)**

- 4B. Evaluate the recruitment and selection process for boards and commissions established by City Council in November 2009.

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

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**SUBJECT:** Re-evaluation of the Board Interview Process

**FOR AGENDA OF:** August 10, 2010 **DATE SUBMITTED:** August 6, 2010

**SUBMITTED BY:** Stacie Keeble **CLEARANCES:**  
Councilmember, Place 2

**EXHIBITS:**

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

---

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DEPARTMENT:**

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**SUMMARY STATEMENT**

Under the current board appointment process, adopted October 27, 2009, applicants participate in an interview with Councilmembers. I recommend that the process be re-evaluated and discussed.

**RECOMMENDED ACTION**

Discussion and recommendation to staff.

**Agenda Item:**  
**(Staff)**

- 4C. Consideration of disbursement of hotel occupancy tax funds for FY2011.



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

**SUBJECT:** Resolution establishing the disbursement of Hotel Occupancy Tax funds for the fiscal year 2011.

**FOR AGENDA OF:** August 10, 2010 **DATE SUBMITTED:** July 29, 2010

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

**EXHIBITS:** Spreadsheet

**AGENDA MAILED TO:**

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

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OR FINANCE:**

**SUMMARY STATEMENT**

On July 13, 2010 several groups made presentations to the City Council requesting funding from the Hotel Occupancy Tax for the 2011 fiscal year. The amount of funding available for FY 2011 is \$885,000.

**RECOMMENDED ACTION**

Staff recommends Council approve appropriation of the Hotel Occupancy Tax funds for FY2011.

**COUNCIL DISTRIBUTION WORKSHEET**  
**FY 11 DISTRIBUTION CALCULATION - \$850,000 AVAILABLE**

Requesting Organization	Documented Hotel Nights	Requested Amount	RECOMMENDATION	Total Allocation	Maximum of
<i>Purpose - Advertising</i>				<b>\$850,000</b>	<b>\$850,000</b>
Kerrville Convention & Visitors Bureau	38,990	\$650,000	\$718,750		
Riverside Nature Center	416	\$11,500	\$5,250		
Kerr County Fair Association	127	\$2,500	\$2,500		
<b>Subtotal</b>	<b>39,533</b>	<b>\$664,000</b>	<b>\$726,500</b>		
<i>Purpose - Encouragement of Arts</i>					
Hill Country Youth Orchestra					
Symphony of the Hills Association	156	\$11,100	\$2,000	\$9,100	\$3,823
Texas Arts and Crafts Educational Foundation, Inc.	4,537	\$50,817	\$10,000	\$40,817	\$24,275
Kerrville-Performing-Arts-Society					
Playhouse 2000	271	\$18,252	\$16,552	\$1,700	\$984
Hill Country Arts Foundation	2,492	\$37,550	\$7,750	\$29,800	\$13,750
Museum of Western Art	159	\$34,800	\$12,000	\$22,800	\$8,255
Kerr Arts and Cultural Center	982	\$18,000	\$10,000	\$8,000	\$6,263
Texas Folk Music Foundation	N/A	\$50,000	\$0	\$50,000	\$9,500
<b>Subtotals of Requests</b>	<b>8,537</b>	<b>\$220,519</b>	<b>\$58,302</b>	<b>\$162,217</b>	<b>\$66,849</b>
			<b>Subtotal Arts Coalition</b>	<b>+ Subtotal Independent</b>	<b>=</b>
			<b>\$56,651</b>		<b>\$123,500</b>

**Agenda Item:**  
**(Staff)**

4D. Consider FY11 airport budget.

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

**SUBJECT:** Consideration and approval of FY11 Airport Budget

**FOR AGENDA OF:** August 10, 2010 **DATE SUBMITTED:** August 3, 2010

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

**EXHIBITS:** Airport Budget

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DEPARTMENT:**

**SUMMARY STATEMENT**

The attached Airport Budget reflects the allocations as recommended by Kerr County. The Airport Board will consider adoption of this budget at the August 9, 2010 meeting. It incorporates funding levels as established by the Commissioners' Court.

**RECOMMENDED ACTION**

It is recommended that the City Council accept the FY11 Airport Budget as presented.

**Airport  
Expenditures by Line Item**

Acct.	Account Name	FY 09 Actual	FY 10 Original	FY 10 Actual 6/30/10	FY 10 Estimated	FY 11 Proposed
010	Travel & Training	\$5,957	\$10,000	\$4,785	\$6,381	\$10,000
011	Local Meeting Expenses	\$67	\$300	\$31	\$41	\$600
<b>Total Personnel Services</b>		<b>\$6,024</b>	<b>\$10,300</b>	<b>\$4,816</b>	<b>\$6,422</b>	<b>\$10,600</b>
101	Office Supplies	\$2,894	\$2,000	\$1,521	\$2,028	\$2,000
102	Small Tools and Equipment	\$401	\$1,000	\$0	\$0	\$1,000
103	Chemical & Medical Supplies	\$2,516	\$4,000	\$1,968	\$2,624	\$4,000
104	Fuel and Oil Supplies	\$490	\$1,340	\$323	\$430	\$1,340
105	Food Supplies	-\$217	\$600	\$903	\$903	\$600
106	Janitorial Supplies	\$1,984	\$2,400	\$1,879	\$2,506	\$2,400
110	Postage	\$205	\$750	\$280	\$373	\$750
<b>Total Supplies and Materials</b>		<b>\$8,273</b>	<b>\$12,090</b>	<b>\$6,874</b>	<b>\$8,864</b>	<b>\$12,090</b>
201	Land Maintenance	\$22,992	\$45,500	\$17,781	\$23,708	\$47,500
202	Buildings & Structures	\$20,555	\$34,000	\$26,770	\$35,693	\$36,000
203	Maint. Contracts - Garage	\$0	\$1,000	\$667	\$889	\$0
204	Parts - City Garage	\$654	\$0	\$102	\$102	\$0
205	Office Equipment Maintenance	\$1,522	\$1,680	\$1,545	\$1,545	\$2,000
206	Instruments & Apparatus Maint.	\$8,326	\$17,000	\$4,561	\$6,081	\$17,000
208	Traffic Control Device Maint.	-\$659	\$1,000	-\$646	-\$646	\$1,000
212	Repairs - Not City Garage	\$286	\$1,000	\$0	\$0	\$1,000
<b>Total Maintenance and Repairs</b>		<b>\$53,676</b>	<b>\$101,180</b>	<b>\$50,780</b>	<b>\$67,373</b>	<b>\$104,500</b>
301	Telephone Service	\$624	\$840	\$786	\$786	\$2,700
302	Light and Power	\$6,310	\$9,500	\$11,388	\$11,388	\$10,200
303	Natural Gas	\$1,628	\$700	\$0	\$0	\$0
304	Water and Sewer	\$661	\$750	\$701	\$701	\$750
305	Legal Services	\$0	\$0	\$0	\$0	\$7,500
306	Special Services	\$5,513	\$30,000	\$12,846	\$17,128	\$15,000
311	Network Services	\$0	\$1,300	\$0	\$0	\$0
313	Hire of Equipment	\$1,219	\$3,100	\$193	\$257	\$3,100
314	Warrant Fees	\$0	\$0	\$0	\$0	\$0
316	Advertising	\$0	\$100	\$0	\$0	\$300
347	Airport Management Contract	\$268,318	\$251,000	\$188,250	\$251,000	\$158,524
347-01	Reimburse County	\$96,165	\$140,049	\$105,101	\$140,135	\$147,971
<b>Total Services</b>		<b>\$380,439</b>	<b>\$437,339</b>	<b>\$319,265</b>	<b>\$421,395</b>	<b>\$346,045</b>
401	Certificates, Awards, Etc.	\$586	\$0	\$0	\$0	\$0
402	Dues and Subscriptions	\$851	\$700	\$266	\$355	\$1,185
405	Other Charges	\$2,709	\$4,800	\$2,195	\$2,927	\$4,800
410	Contingency	\$0	\$15,000	\$429	\$571	\$15,000
<b>Total Other Expenses</b>		<b>\$4,145</b>	<b>\$20,500</b>	<b>\$2,890</b>	<b>\$3,853</b>	<b>\$20,985</b>
974	Airport CIP	\$275,000	\$50,000	\$402,500	\$536,667	\$50,000
990	Insurance Reserve Fund	\$350	\$0	\$0	\$0	\$0
<b>Total Operating Transfers</b>		<b>\$275,350</b>	<b>\$50,000</b>	<b>\$402,500</b>	<b>\$536,667</b>	<b>\$50,000</b>
<b>Department Total</b>		<b>\$727,907</b>	<b>\$631,409</b>	<b>\$787,125</b>	<b>\$1,044,574</b>	<b>\$544,221</b>

**Agenda Item:**  
**(Staff)**

- 4E. Consider recommendation to Alamo Regional Rural Planning Organization.

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

**SUBJECT:** Recommendation to Alamo Regional Rural Planning Organization

**FOR AGENDA OF:** August 10, 2010 **DATE SUBMITTED:** August 6, 2010

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

**EXHIBITS:** Nominating Ballot  
AARPO Membership Information  
By-laws

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DEPARTMENT:**

**SUMMARY STATEMENT**

Mayor Bock was the regional appointee to the Alamo Regional Rural Planning Organization (AARPO). Upon leaving office, Mayor Bock vacated the position. The Alamo Area Council of Governments is now initiating the process to fill the vacancy. A nominating ballot is attached.

The AARPO is tasked with meeting the mobility needs within rural areas through organizing, planning, coordinating and advocating transportation projects. Attached are the founding documents for the AARPO.

The AARPO is split into three groups. Kerrville is within Group C, which includes Bandera, Gillespie, Kendall, and Kerr Counties. The individual selected will represent these four counties. The founding documents provide an overview for Groups A and B.

The member representing Group C must be an elected member of the City Councils within the group. The Kerrville City Council may select a nominee from the provided list or nominate another qualifying individual.

**RECOMMENDED ACTION**

Staff recommends that the City council select a nominee and direct staff to complete the AACOG nomination ballot and submit it by the August 13, 2010 deadline.



MEMORANDUM

To: Member Cities in the counties of Bandera, Gillespie, Kendall and Kerr (Group C)

From: Judge Barden, ARRPO Chairman

Re: Representation to the Alamo Regional Rural Planning Organization (ARRPO) in Group C.

Date: July 29, 2010

Your representative on the Alamo Regional Rural Planning Organization (ARRPO) in Group C has been Mayor Todd Bock. Mayor Bock is no longer in office, so a replacement needs to be made for Group C. The following individuals are eligible for this vacancy. Please indicate which person you would like to nominate for this vacancy by placing an X by the name and print and sign your name below.

\_\_\_\_\_ Mayor Horst Pallaske, City of Bandera

\_\_\_\_\_ Mayor Tom Musselman, City of Fredericksburg

\_\_\_\_\_ Mayor David Wampler, City of Kerrville

\_\_\_\_\_ Mayor Dan Heckler, City of Boerne

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

Please fax back to 210-824-4576 by Friday, August 13, 2010

If you have any questions, you can contact Gloria Arriaga, AACOG Executive Director at 210-362-5201.

Thank you for your attention in this matter.





## Memorandum

TO: AACOG Member Cities in Group C – Bandera, Gillespie, Kendall and Kerr

FROM: Commissioner Jay P. Millikin, AACOG Chair

DATE: October 2, 2009

SUBJECT: Alamo Regional Rural Planning Organization (ARRPO)

The Alamo Area Council of Governments and the Area Judges have formed the Alamo Regional Rural Planning Organization (ARRPO) for the eleven counties outside of Bexar County. The purpose of the ARRPO is to address regional rural transportation objectives. I have attached a copy of the ARRPO Bylaws for your perusal.

In addition, the local district office of the Texas Department of Transportation has recognized the ARRPO. See attached letter.

Membership categories are as follows:

1. Counties and municipalities in the ARRPO Region choosing to become members will be as follows:
  - a. Each member county shall have one director, who will be the County Judge or an elected member of the Commissioners Court as appointed by the Commissioners Court.
  - b. Member municipalities shall be represented by three municipal, elected offices. These directors shall be selected by the City Council of the applicable county groupings:
    1. Group A: Atascosa, Frio, and Medina Counties
    2. Group B: Comal, Guadalupe, Karnes, and Wilson Counties
    3. Group C: Bandera, Gillespie, Kendall, and Kerr Counties
2. The TxDOT District Engineer shall have one director seat.
3. The San Antonio-Bexar Metropolitan Planning Organization shall select one director from its body of officials in a manner of its choosing.
4. The AACOG Executive Director shall be an ex-officio non-voting member.
5. At-large membership to governmental or non-governmental agency, business, organization, or individual with a stake in regional transportation.

The county, municipal, and TxDOT directors shall be the only directors having voting rights.

**BYLAWS OF THE  
ALAMO REGIONAL RURAL PLANNING ORGANIZATION**

**ARTICLE I – PURPOSE**

- 1.1 Within the Safe, Accountable, Flexible, Efficient Transportation Equity Act: Legacy for Users (SAFETEA-LU), at 23 USC 101(b)(3), the U. S. Congress declared:
- (D) among the foremost needs that the surface transportation system must meet to provide for a strong and vigorous national economy are safe, efficient, and reliable –
- (i) national and interregional personal mobility (including personal mobility in rural and urban areas) and reduced congestion;
  - (ii) flow of interstate and international commerce and freight transportation; and
  - (iii) travel movements essential for national security.
- 1.2 The SAFETEA-LU legislation specifically mandates creation of Metropolitan Planning Organizations (MPOs) to address these transportation objectives within the larger urban areas. Seeing the need for a parallel, rural counterpart to the MPOs, the State of Texas and many other states have begun movement toward establishing infrastructure to support Rural Planning Organizations (RPOs).
- 1.3 Therefore, the member jurisdictions hereby establish this organization for the purpose of fostering a coordinated, continuing, cooperative, comprehensive, and proactive transportation planning, decision-making, and prioritization process for improvement of rural transportation within the region defined in Article II.

**ARTICLE II – NAME AND JURISDICTION**

- 2.1 The body formed to address regional rural transportation objectives shall be known as the Alamo Regional Rural Planning Organization, or ARRPO.
- 2.2 The ARRPO is a voluntary-membership organization serving the 11-county rural area of the Alamo Area Council of Governments (AACOG) Region. While supported by AACOG, the ARRPO shall stand separate from AACOG governance.
- 2.3 The area represented by the ARRPO shall be known as the ARRPO Region. This area shall include the following counties exclusive of those areas within the boundaries of an existing or future MPO: Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, and Wilson.

### **ARTICLE III – FUNCTIONS, AND ACTIVITIES**

- 3.1 The ARRPO shall provide for rural mobility through the functions of organization, planning, coordination, advocacy, inclusion, and education. These functions shall be designed to strengthen transportation capabilities and efficiencies within the ARRPO Region.
- 3.2 Activities in furtherance of these functions include but shall not be limited to the following:
  - a. Organization.
    1. Develop and maintain an organized forum for transportation planning and oversight of implementation within the ARRPO Region and with TxDOT.
    2. Establish and oversee sufficient committees to evaluate transportation needs, develop recommendations for action, and seek implementation of those recommendations for the betterment of ARRPO regional transportation objectives.
    3. Create and amend, as necessary, a set of bylaws and other governing documents for efficient, effective operation of the ARRPO.
  - b. Planning.
    1. Direct rural-transportation planning and data initiatives having an ARRPO regional impact.
    2. Ensure analyses and plans include infrastructure considerations for multi-modal mobility of both people and goods.
    3. Develop and regularly update a summary of transportation issues, strengths, and limitations for the ARRPO Region.
    4. Create and regularly update a prioritized list of ARRPO short- and long-range transportation projects for consideration in the Rural Transportation Plan (RTP) and the Transportation Improvement Plan (TIP).
    5. Consider environmental impacts related to development of ARRPO regional policies, projects, and facilities.
    6. Develop and implement a regional transportation strategy with supporting goals, objectives, and plans in furtherance of ARRPO regional priorities and projects. The ARRPO shall update the strategy no less than every three years.
    7. Develop an annual Planning Work Program to define tasks, responsibilities, and budgets for the ARRPO and its committees.
    8. As necessary, assist TxDOT in developing plans for identified projects.
    9. Research, identify, and pursue alternative funding sources for transportation-related projects.

c. Coordination.

1. Ensure ARRPO efforts are, to the greatest extent practicable, complementary to the efforts of the SA-BC MPO, other MPOs that may be created within the AACOG region, and TxDOT plans.
2. Ensure transportation plans and programs affecting multiple jurisdictions have complementary focus and action.
3. Actively coordinate with ARRPO jurisdictions and transportation planning organizations to keep each aware of individual and collective transportation needs, plans, and potential impacts.
4. Serve as a cohesive entity to communicate needs and recommendations among all levels of government within the ARRPO Region.
5. Collaborate with all other governmental transportation planning bodies within the ARRPO Region to create regional consensus and unity of purpose.
6. Serve as the formal link to TxDOT for planning, coordination, and execution of ARRPO regional transportation projects.
7. Assist TxDOT in developing and prioritizing projects for inclusion in a statewide and ARRPO regional TIP and RTP.
8. Act as a consultant body to the TxDOT District Office for planning, design, construction, and maintenance of projects affecting the ARRPO Region.
9. Participate in the planning of transportation corridors transiting the ARRPO Region.

d. Advocacy.

1. Provide a unified forum for the ARRPO Region when addressing transportation matters with the Federal and State governments.
2. Study and recommend development of and changes to statutes, rules, or policies related to Federal and State transportation programs, especially as they pertain to ARRPO regional needs.
3. Provide advice and input toward shaping State transportation planning priorities, goals, and objectives.
4. Provide a forum for deciding when to use public or private partnerships to develop projects.
5. In coordination with the SA-BC MPO, advise and assist TxDOT in development of interdependent components of long-range RTP and TIP projects.

e. Inclusion.

1. Serve as a formal forum for local elected officials and other public and private interested parties to meet and discuss transportation issues affecting the ARRPO Region.

2. Ensure early and continuous public involvement from conceptual planning, to decision-making, and on through implementation.
  3. Provide an effective forum for public and private interests to express their concerns regarding transportation multi-modal infrastructure for both people and freight within the ARRPO Region.
- f. Education.
1. Serve as a clearinghouse for transportation-related information and resources to, from, and between local governments, public and private organizations/entities, and the general public.
  2. Make short- and long-range transportation plans available for public review.
  3. Make the public aware of challenges and successes in achieving the goals, objectives, and plans embodied in the regional transportation strategy.

#### **ARTICLE IV – MEMBERSHIP**

- 4.1 There shall be three categories of ARRPO membership: Board of Directors, ex-officio, and at-large.
- a. Board of Directors.
1. Counties and municipalities within the ARRPO Region choosing to become members shall be represented on the ARRPO Board of Directors in the following manner.
    - a) Each member county shall have one director, who will be the County Judge or an elected member of the Commissioners Court as appointed by the Commissioners Court.
    - b) Member municipalities shall be represented by three municipal, elected officials – one each from the three county groupings listed below, provided those municipalities are not currently within the boundary of an existing MPO. These directors shall be selected by the City Councils of the applicable county groupings in a manner of their choosing.
      - 1) Group A: Atascosa, Frio, and Medina Counties.
      - 2) Group B: Comal, Guadalupe, Karnes, and Wilson Counties.
      - 3) Group C: Bandera, Gillespie, Kendall, and Kerr Counties.
  2. The TxDOT District Engineer shall have one director seat.
  3. The San Antonio-Bexar Metropolitan Planning Organization (SA-BC MPO) shall select one director from its body of officials in a manner of its choosing.
  4. The county, municipal, and TxDOT directors shall be the only directors having voting rights, subject to any limitations imposed under the open-

government laws for potential conflicts of interest. All directors shall have the right to serve on any ARRPO committee.

5. Directors shall serve during their continuance in the office to which elected/appointed or for a term of one year, whichever is less. Directors may be selected for multiple terms.
6. Notwithstanding 4.1(a)(5), directors shall continue to serve until a successor is selected or until such time as the director may become ineligible for any reason other than end of the ARRPO term. At least 60 days prior to the end of each director's ARRPO term, the Chairperson shall notify the director in writing of the pending expiration of his/her term.
7. Each director from the counties and municipalities may name an elected-official alternate; county alternates shall be an elected member of the applicable Commissioners Court, and municipal alternates shall be an elected official from the applicable city council. The TxDOT and SA-BC MPO directors may also name an alternate who is an official of the respective entity. Alternate designations shall be submitted in writing to the ARRPO Chairperson for acceptance. Alternates may exercise full member powers at meetings during the primary's absence or as delegated in writing by the primary for a period of time. The alternate's authority to substitute for the primary shall cease upon expiration of the primary's term or upon written notification of rescission of alternate status by the primary to the Chairperson.
8. Should a director fail to attend or have an alternate attend one-third of all meetings in a given 12-month period, the Chairperson shall contact said director to discuss consideration of a replacement.
9. A simple majority of a quorum in meeting may remove a director for excessive absence or failure to fulfill obligations to the ARRPO.
- b. Ex-officio membership. The AACOG Executive Director shall serve as an ex-officio member. This individual shall have no motion, second, or voting rights at meetings of the main body but may serve on any ARRPO committee and participate in committee business as the committee decides.
- c. At-large membership.
  1. Any ARRPO-region governmental or non-governmental agency, business, organization, or individual with a stake in ARRPO regional transportation issues may serve as an at-large member. The ARRPO and AACOG shall actively solicit at-large membership from both passenger and freight concerns operating within the ARRPO Region.
  2. At-large members shall have no motion, second, or voting rights at meetings of the main body but may serve on any ARRPO committee and participate in committee business as the committee decides. These members shall make known their interest in transportation and their connection to any governmental or for-profit entity with an interest in transportation.

## ARTICLE V- OFFICERS AND DUTIES

- 5.1 The directors shall elect from among them a Chairperson and Vice-chairperson at the January meeting of each calendar year. Election shall be by simple majority of a quorum of the directors at that meeting.
- 5.2 The Chairperson's duties shall be to:
- a. Ensure the purposes of the ARRPO are achieved.
  - b. Ensure update of the regional transportation strategy within the time limits prescribed herein.
  - c. Establish the agenda for all meetings of the ARRPO main body, taking into consideration requests for agenda items submitted by members or the AACOG Executive Director.
  - d. Chair all meetings of the ARRPO main body, whether regular or special.
  - e. As deemed necessary, establish committees, define their purposes, and appoint their chairpersons.
  - f. Dissolve committees when their purposes have been achieved or they become inactive.
  - g. Monitor efforts of all committees.
  - h. Receive letters of appointment or rescission for director alternates.
  - i. Execute, sign, and enter into any and all agreements on behalf of the ARRPO, with Board approval.
- 5.3 The Vice-chairperson's duties shall be to:
- a. Fulfill the duties of the Chairperson when the Chairperson is unavailable or unable to perform her/his duties.
  - b. Ensure development of an annual Planning Work Program for the succeeding calendar year.
  - c. Assist the Chairperson in monitoring efforts of the committees.
  - d. Ensure compilation and certification of meeting minutes.
- 5.4 Initial officers shall serve until the second January meeting following inception of the ARRPO. Subsequent officers shall serve a one-year term to commence at the meeting subsequent to election. An individual may serve as Chairperson or Vice-chairperson for a maximum of four consecutive years or the end of his/her elected/appointed term of office, whichever is less.
- 5.5 Should an officer be unable to fulfill her/his term, the remaining directors shall, at a regular or specially-called meeting, elect a replacement to serve the remainder of the unexpired term.
- 5.6 In the event both the Chairperson and Vice-chairperson are absent or otherwise unable to preside over any meeting or perform their respective duties, the directors present may, in a manner of their choosing, appoint a director to chair the meeting.

## **ARTICLE VI – COMMITTEES**

- 6.1 All committees shall serve for a purpose specified by the ARRPO Chairperson. Committees shall be dissolved when their intended purposes have been achieved or eliminated.
- 6.2 Committees shall organize themselves, decide procedures for governance and continuity, and establish decision-making procedures as each sees fit to conduct effective and efficient business, provided:
  - a. Those methods are consistent with open-meeting requirements and these bylaws.
  - b. The composition of the committee must include representation from at least one-third of the member counties.
- 6.3 As committees are established, their purposes and primary activities shall be incorporated in or appended to these bylaws.

## **ARTICLE VII – MEETINGS**

- 7.1 Open meetings and records.
  - a. The ARRPO and its committees shall:
    - 1. Post notice of and conduct meetings in compliance with the Texas Government Code, Chapter 551 – Open Meetings.
    - 2. Use generally accepted parliamentary procedures for meetings provided they are consistent with open-meeting requirements and these bylaws.
  - b. The designated ACOG support staff shall ensure proper publication and posting of meeting notices, distribution of meeting materials, and maintenance of records in accordance with open-meeting and record-retention requirements.
- 7.2 Regular meetings.
  - a. The ARRPO shall meet as regularly as deemed necessary by the directors. One of these meetings shall be in January each year with one of its agenda items being election of officers.
  - b. Regular meetings may be cancelled if the Chairperson determines there is insufficient business to warrant the meeting.
  - c. Mail-outs for each regular meeting shall be prepared and distributed at least five business days prior to the scheduled meeting date.
  - d. Regular-meeting agendas shall provide an opportunity for citizens to be heard. Time limitations shall be determined by policy of the Board of Directors.
- 7.3. Special meetings.
  - a. Special meetings may be called by:
    - 1. The ARRPO Chairperson, or



- 2. Petition of a simple majority of directors.
  - b. Mail-outs for each special meeting shall be prepared and distributed at least three business days prior to the scheduled meeting date.
  - c. Special-meeting agendas shall provide an opportunity for citizens to be heard. Time limitations shall be determined by policy of the Board of Directors.
- 7.4 Committee meetings.
- a. Committees shall meet as often as the committee members deem necessary to carry out their appointed duties.
  - b. Mail-outs for regular committee meetings shall be prepared and distributed at least five business days prior to the scheduled meeting date. Those for special committee meetings shall be prepared and distributed at least three business days prior to the scheduled meeting date.
  - c. Meeting agendas, both regular and specially-called, shall provide an opportunity for citizens to be heard. Time limitations shall be determined by policy of the Board of Directors.
- 7.5 Quorum and action.
- a. A quorum shall exist when there is a simple majority of directors or their designated alternates.
  - b. Vacancies will not count against determination of a quorum.
  - c. If a quorum is present, the affirmative vote of a simple majority of the directors present is the act of ARRPO.

#### **Article VIII – Support Staffing**

- 8.1 AACOG shall provide the staff and administrative support necessary to execute all ARRPO activities.
- 8.2 AACOG shall be the repository for all records of the ARRPO.
- 8.3 The AACOG General Counsel shall address all open records requests.

#### **Article IX – Amendment of Bylaws**

- 9.1 The ARRPO directors may amend these bylaws at any meeting provided both a notice of intent to consider amendments and the proposed text of the amendments are furnished to all categories of ARRPO members at least 30 days prior to such a vote.
- 9.2 Voting shall occur only after all categories of membership have been afforded an opportunity to comment.

- 9.3 Approved changes shall take effect upon the affirmative vote of three-fourths of the directors present. Upon the first and subsequent amendments, the amendment date shall be noted in the bylaws history below.
- 9.4 Approved amendments will be forwarded to the AACOG Board of Directors for their information.

#### **Article X – Bylaws History**

- 10.1 These bylaws have been initially adopted to be effective April 29, 2009.

**Agenda Item:**  
**(Councilmember Motheral)**

5A. Discuss Fourth of July celebration.

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

**SUBJECT:** Discussion of Forth of July Fireworks programming

**FOR AGENDA OF:** August 10, 2010 **DATE SUBMITTED:** August 5, 2010

**SUBMITTED BY:** Bruce Motheral, **CLEARANCES:**  
Councilmember, Place 1

**EXHIBITS:**

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DEPARTMENT:**

**SUMMARY STATEMENT**

With the generous contribution from Mamacita's Inc. to fund the fireworks display for the next 10 years, there is now an opportunity to grow this event. Any plans to expand the program require that efforts start now. I propose that the City Council discuss next year's event and provide direction to City staff.

**RECOMMENDED ACTION**

Discussion and recommendation to City staff.

**Agenda Item:**  
**(Staff)**

5B. Kerrville budget/economic update.

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

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**SUBJECT:** Kerrville Budget/Economic Update

**FOR AGENDA OF:** August 10, 2010

**DATE SUBMITTED:** July 29, 2010

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

**CLEARANCES:** Todd Parton  
City Manager

**EXHIBITS:** Economic Update

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OR FINANCE:** 

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**SUMMARY STATEMENT**

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

**RECOMMENDED ACTION**

No action required information purposes only.

**CITY OF KERRVILLE**  
**ECONOMIC UPDATE AS OF AUGUST 4, 2010**

	Current Month	Previous Month	1 Year Ago	Trend	Current Month
<b>National</b>					
Unemployment	9.50%	9.70%	9.50%	↔	June
Consumer Confidence	50.4	52.9	46.6	↓	July
1 year T-Bills	0.27%	0.31%	0.45%	↓	8/4/10

<b>State</b>					
Monthly Unemployment	8.50%	8.00%	8.30%	↑	June
Monthly Sales Tax	\$1,607.0m	\$1,775.4m	\$1,571.7m	↑	June

<b>Local</b>					
Monthly Unemployment (Kerr Co.)	6.30%	6.00%	6.20%	↑	June
Median Listing Price	\$195,000	\$195,000	\$200,000	↔	8/4/10
Monthly Sales Tax	\$359,244	\$365,192	\$366,506	↓	July
Monthly EIC Tax	\$179,622	\$182,429	\$183,253	↓	July
Monthly HOT	\$107,996	\$78,013	\$101,590	↑	June

	FY10 Budget	FY10 YTD	FY10 % Received	FY09 YTD	FY09 % Received
<b>General Fund</b>					
Tax Revenue	\$15,055,218	\$13,002,572	86.37%	\$13,572,605	86.49%
Property Tax	\$8,468,618	\$8,091,958	95.55%	\$7,980,161	96.83%
Sales Tax	\$4,624,000	\$3,672,254	79.42%	\$4,200,541	81.98%
Permits & Fees	\$370,750	\$256,296	69.13%	\$364,207	84.05%
Intergovernmental	\$695,156	\$574,228	82.60%	\$735,816	88.18%
Service Revenues	\$3,311,183	\$2,453,392	74.09%	\$2,853,859	87.00%
Grant Revenue	\$10,000	\$10,525	105.25%	\$39,657	129.73%
Fines & Forfeitures	\$504,510	\$422,881	83.82%	\$424,388	98.89%
Interest & Misc.	\$460,211	\$459,627	99.87%	\$310,929	65.38%
Transfers In	\$1,260,825	\$969,918	76.93%	\$700,628	79.03%
<b>Total General Fund</b>	<b>\$21,667,853</b>	<b>\$18,149,439</b>	<b>83.76%</b>	<b>\$19,002,089</b>	<b>86.13%</b>

<b>Water/Sewer Fund</b>					
Water Sales	\$5,060,000	\$3,390,830	67.01%	\$3,990,816	87.44%
Sewer Sales	\$3,900,000	\$3,059,631	78.45%	\$2,846,196	80.27%
Other Revenue	\$669,500	\$704,924	105.29%	\$677,733	94.07%
<b>Total Water &amp; Sewer Fund</b>	<b>\$9,629,500</b>	<b>\$7,155,386</b>	<b>74.31%</b>	<b>\$7,514,745</b>	<b>85.10%</b>

**Agenda Item:**  
**(Staff)**

6A. Appointments to the main street advisory board.



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

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

**FOR AGENDA OF:** August 10, 2010

**DATE SUBMITTED:** July 29, 2010

**SUBMITTED BY:** Teri Kinsey   
Deputy City Secretary

**CLEARANCES:** Todd Parton  
City Manager

**EXHIBITS:** Board List

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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**SUMMARY STATEMENT**

Consider appointments to the following board:

**Main Street Advisory Board:** Terms due to expire on January 31, 2011 and January 31, 2012 due to the resignation of Thomas Peterson and Crystal Lozano.

**RECOMMENDED ACTION**

Consider appointments.

## MAIN STREET ADVISORY BOARD

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
SLETTEN, MATT Chairman 710 Rim Rock Rd	257-5151 (O) 895-1898 (H)	02-13-07	01-27-09	01-31-11
BOND, KYLE ALAN Vice-Chairman 419 East Lane	257-8233 (O) 459-0566 (H)	01-22-08	01-26-10	01-31-12
CARR, PENNI 202 Riverhill Blvd.	896-5569 (O) 896-0059 (H)	01-27-09		01-31-11
COONS, BECKY 131 Sandy Lane	895-2265 (O) 257-8873 (H)	01-22-08	01-26-10	01-31-12
FRY, LEE 120 Victoria Drive	367-7109 (H)	01-27-09		01-31-11
LEWIS, PETER 334 W. Water St.	896-4220 (O) 896-1707 (H)	01-22-08	01-26-10	01-31-12
LOZANO, CRYSTAL 115 Amelia Court	792-7863 (O) 370-6540 (H)	01-26-10		01-31-12
PETERSON, THOMAS 320 Overland Trail W. Hunt, Texas 78024-3097	285-2374 (O)	02-13-07	01-27-09	01-31-11
SCHNEIDER, MELISSA 300 Ridge Road	896-2476 (H)	06-14-05	01-27-09	01-31-11
COUNCIL LIAISON:				
Scott Gross 2908 Dry Hollow PO Box 291277	792-5555 (O) 210-363-1144 (C)			
CITY STAFF:				
Mindy Wendele 715 Water Street	792-8343 (O)			

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

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

**Quorum:** Five members

**Number of Members:** Nine

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

**Meeting Time & Place:** Fourth Thursday at noon, 715 Water Street

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

**Revised:** May 28, 2010