

AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, OCTOBER 24, 2017, 6:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, OCTOBER 24, 2017, 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION OFFERED BY MAYOR PRO TEM GEORGE BAROODY

PLEDGE OF ALLEGIANCE TO THE FLAG

1. ANNOUNCEMENTS OF COMMUNITY INTEREST:

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

2. VISITORS/CITIZENS FORUM:

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

3. CONSENT AGENDA:

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

3A. Minutes of the regular council meeting held September 12, 2017 and the council workshop held September 19, 2017. (staff)

END OF CONSENT AGENDA

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

I do hereby certify that this notice of meeting was posted on the bulletin board at the City Hall of the City of Kerrville, Texas, and said notice was posted on the following date and time: October 20, 2017 at 1:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

4. PUBLIC HEARING:

4A. Annexation into the incorporated limits, and applying a Zoning Classification of District 26-E, for an approximate 7.95 acre tract out of land adjacent to the incorporated limits which is out of the F. Rodriguez Survey No. 72, Abstract No. 280, Kerr County, Texas, located at 5263 Highway 27. (staff)

5. ORDINANCES, SECOND AND FINAL READING:

5A. Ordinance No. 2017-19, a zoning change to amend Ordinance No. 2004-15, which created a "Planned Development District" for an approximate five hundred thirty-six acre tract of land out of the Walter Fosgate Survey Number 120, within the City of Kerrville, Kerr County, Texas; and generally located southeast of the intersection of Farm to Market Road 783 (Harper Highway) and Interstate 10; said amendment to adjust the authorized uses between two defined areas within said district, said areas located adjacent to and north of Holdsworth Drive. (staff)

5B. Ordinance No. 2017-20, amending the budget for Fiscal Year 2017 to account for the transfer of funds between different funds as previously authorized by City Council, to account for the proceeds from the sale of the former City Hall property, and to make other amendments as provided herein. (staff)

6. CONSIDERATION AND POSSIBLE ACTION:

6A. Resolution No. 42-2017 authorizing a waiver of various fees associated with construction activities for the property located at 602 Spur 100, within the City of Kerrville, Texas. (Steve Volkman, citizen)

6B. Interim administrative services contract between City of Kerrville, Texas and the City of Kerrville, Texas Economic Improvement Corporation in the amount of \$16,700. (staff)

7. INFORMATION AND DISCUSSION

7A. Presentation of the Office of Innovation. (staff)

7B. Budget and economic update. (staff)

8. CITY MANAGER'S REPORT

8A. Comprehensive Plan Subcommittee Appointments Process. (staff)

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

I do hereby certify that this notice of meeting was posted on the bulletin board at the City Hall of the City of Kerrville, Texas, and said notice was posted on the following date and time: October 20, 2017 at 1:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

9. ITEMS FOR FUTURE AGENDAS, CITY COUNCIL

10. EXECUTIVE SESSION:

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

11. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY

ADJOURNMENT.

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

I do hereby certify that this notice of meeting was posted on the bulletin board at the City Hall of the City of Kerrville, Texas, and said notice was posted on the following date and time: October 20, 2017 at 1:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

Agenda Item:

3A. Minutes of the regular council meeting held September 12, 2017 and the council workshop held September 19, 2017. (staff)

This meeting is recorded and can be viewed on the city's website at www.kerrvilletx.gov.

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
SEPTEMBER 12, 2017

On September 12, 2017, the Kerrville City Council meeting was called to order at 6:00 p.m. by Mayor Pro Tem Baroody in the city hall council chambers at 701 Main Street. The invocation was offered by Councilmember Warren Ferguson, followed by the Pledge of Allegiance led by Dannie Smith.

COUNCILMEMBERS PRESENT:

George Baroody	Mayor Pro Tem
Vincent C. Voelkel	Councilmember
Mary Ellen Summerlin	Councilmember
C. Warren Ferguson	Councilmember

COUNCILMEMBER ABSENT:

Bonnie White	Mayor
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CITY STAFF PRESENT:

Mark McDaniel	City Manager
Mike Hayes	City Attorney
E.A. Hoppe	Deputy City Manager
Brenda Craig	City Secretary
Guillermo Garcia	Executive Director of Strategic Initiatives
Sandra Yarbrough	Director of Finance
Kim Meisner	Director of General Operations
David Knight	Police Chief
Dannie Smith	Fire Chief
Stuart Cunyus	Public Information Officer

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

1. **ANNOUNCEMENTS OF COMMUNITY INTEREST:** were given.

2. **VISITORS/CITIZENS FORUM:**

1. Deborah Gaudier, representing Kerr County Historical Commission, invited council to two marker dedications at the Depot and Rails Event Hall on September 16 at 2 p.m.

3. **PRESENTATIONS:**

3A. Certificate of Recognition to Dale Meier, Garage Superintendent, for 40 years of city employment.

4. **CONSENT AGENDA:**

Ms. Summerlin moved to approve consent agenda items 4A, 4B, 4C, and 4D; Mr. Ferguson seconded the motion, and the motion passed 4-0:

4A. Minutes of the regular meetings held August 8 and August 22, 2017; special meeting held August 15, 2017; workshop held August 15, 2017, and the joint meeting with the Economic Improvement Corporation held August 21, 2017.

4B. Resolution No. 35-2017 designating the official newspaper for the City of Kerrville, Texas; providing authority for the City Manager to act as may be appropriate; providing for an effective date; repealing Resolution No. 03-2017 and any other resolutions in conflict herewith.

4C. Purchase of one 3D S350 laser scanner system from FARO Technologies for the police department funded from the Office of the Governor, Criminal Justice Division, Edward Byrne Memorial Justice Assistance Grant Program in the amount of \$92,102.

4D. Professional Services Agreement with 6S Engineering, Inc. in the amount of \$77,736 for engineering services to reconstruct a portion of Singing Wind Drive.

END OF CONSENT AGENDA

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Fiscal Year 2018 budget for the City of Kerrville, Texas Economic Improvement Corporation (EIC).

Mr. Hoppe noted the EIC FY2018 budget was approved by EIC on August 21, 2017. Expenditures were budgeted at under \$4.8 million; the projected income was \$3.5 million; and \$1.3 million was proposed to be used from the unrestricted fund balance. The total unrestricted fund balance was estimated at \$2.2 million at year end. Debt service was distributed into each project category. Mr. Hoppe presented the allocations in each category; and noted the Legion lift station project qualified for EIC funding. Mr. Hoppe noted EIC approved \$140,000/up to \$180,000 for the Kerr Economic Development Corporation (KEDC). FY2018 was the third year of a three year contract with KEDC that allocated up to \$180,000 annually.

Ms. Summerlin moved to approve the EIC budget as presented; Mr. Ferguson seconded the motion.

The following persons spoke:

1. John Hepner asked that council give favorable consideration to the city's parking garage improvement plan; such improvements would enhance the appearance of the downtown area.

2. Bill Blackburn stated that KEDC was a vital organization and urged the council to continue to support KEDC. He worked with many low income people who were hampered by low wages and Kerrville needed good solid jobs that paid above a barely living wage. The partnership between the City and KEDC would serve the community well.

3. Jack Pratt noted that KEDC was set up to operate independently of the city and economic development (ED) should not be managed as a city department. KEDC and EIC consisted of business and professional people. ED requests filtered through KEDC, EIC, and then to the city and county for approval. Eliminating other taxing entities from being economic partners was not in the best interest of the city. Reserves

were essential to economic stability. Reserves should be used for unexpected events, and not for operations.

4. Don Barnett, KEDC board member, noted that KEDC's commitment was to jobs and finding companies to locate to Kerrville; it was a competitive market. KEDC was comprised of professional people who used ED strategies to the benefit of Kerrville. He supported the EIC budget presented.

5. Brian O'Connor, KEDC Executive Director, provided an activity report and highlighted accomplishments, return on investment, and the number of jobs created in the past two years. Confidentiality was paramount in ED due to the sensitive nature of the business. KEDC was developing a property/industrial space inventory, and a data base on grant opportunities. He was also working with technical and trade schools and local colleges to provide adequate workforce. Mr. O'Connor noted the original intent of the reserve was to work with a local developer and architect to create conceptual drawings for a flexible build to suit plan; such a plan was imperative to move projects to the next level; the reserve fund was critical for this project.

Mr. Baroody opined that such a project should be an EIC project directly rather than funded out the reserve.

6. Walt Koenig, Chamber of Commerce President and CEO, stated the position and objectives of the chamber. He opined that the communication issues that existed around ED could be improved by the recently appointed KEDC/EIC subcommittee. The chamber requested full support and funding of KEDC.

7. Barbara Burton stated when the 4B sales tax was presented to the citizens it was presented as a means for infrastructure development; now it is ED and quality of life; infrastructure was needed.

8. Mike Sigerman asked how the reserve came about.

Mr. Baroody explained it was unspent funds from the prior year when the director position was vacant.

Mr. Baroody noted if the budget was approved as is, the council would be approving up to \$180,000 for KEDC, which included \$40,000 in the reserve fund. KEDC would be fully funded at \$140,000, and he preferred that KEDC use the \$40,000 reserve fund. KEDC's expense budget was \$255,000. KEDC was also funded by KPUB and Kerr County. He also noted that EIC funds could be used to fund projects outside the city. Mr. Baroody stated he was not proposing to cut any funds or under fund KEDC, rather, to discuss and evaluate the process.

Ms. Summerlin noted the EIC budget included funding for KEDC up to \$180,000 and was recommended and approved by EIC. ED was very costly and competitive, but if the city stopped competing for ED, the city would not receive benefit of any ED projects.

The motion failed 2 to 2 with Councilmembers Summerlin and Ferguson voting in favor of the motion and Councilmembers Baroody and Voelkel voting against the motion.

Mr. Baroody stated the budget would go back to EIC and then come back to Council.

6. PUBLIC HEARING:

6A. Public hearing on the ad valorem tax rate for tax year 2017/fiscal year 2018 for the City of Kerrville.

Ms. Yarbrough noted two public hearings were required since the proposed tax rate of \$0.5625 exceeded the effective tax rate of \$0.5514. The city had maintained the same tax rate of \$0.5625 for nine years. The maintenance and operations portion of the budget for the general operations was \$0.4890, and the interest and sinking portion (debt service) was \$.0735. The average homestead property value of \$193,902 would have an increase of \$21.52 at the proposed rate, and would increase tax revenue by about \$159,000 due to increased property appraisals.

Mr. Baroody declared the public hearing open at 7:06 p.m. and the following person spoke:

1. Bill Tyler stated the city should consider a tax increase, not a decrease. He cited infrastructure problems throughout the city and equipment and training needs and noted by keeping the same tax rate, the city would become stagnant. Deferred maintenance would become worse as the town grows and will cost more in the long run. The city did not have a strategic budget and program to address what the needs were.

No one else spoke, and Mr. Baroody closed the public hearing at 7:09 p.m.

The following statement was made by Mr. Baroody:

"The adoption of the proposed ad valorem tax rate will occur through separate reading of an ordinance, the first reading will occur on Tuesday, September 12, 2017, at 6:00 p.m.; followed by the second reading and adoption of the ordinance to occur on Tuesday, September 26, 2017. Both readings and considerations of the ordinance will occur at city hall, council chambers, 701 Main Street, Kerrville, Texas."

7. ORDINANCES, FIRST READING:

7A. Ordinance No. 2017-17, adopting the annual budget for the City of Kerrville, Texas, fiscal year 2018; providing appropriations for each city department and fund; containing a cumulative clause; and containing a savings and severability clause.

Mr. McDaniel noted council previously instructed him to bring forth options that would balance the budget if the tax rate was decreased to the effective rate of \$0.5514, which would reduce revenue by \$160,000. He noted the following additional adjustments also needed to be addressed: 1) Water expense at the sports complex (+\$60,000); 2) Waive library fee for county residents (+\$21,500) (this would be in exchange for enhanced animal services by the county); and 3) EMS-Lifepak savings from a grant (-\$34,000); leaving a net total of \$207,485. Mr. McDaniel presented five options and noted he was not recommending any of the options; his recommendation was to stay with the original budget and to include the three adjustments listed above.

Mr. McDaniel noted he was also asked to provide information about how decreasing the tax rate to the effective rate and adopting the options would affect future budgets. He noted that three of the options would have the city in the red by FY2019.

Council also discussed the following:

- Moving Playhouse funding to the hotel occupancy tax fund.

- Would the options affect the water rate?

Mr. McDaniel stated the city avoided a water increase in FY18; however, additional projects and expenses were anticipated in FY19, and staff would probably propose a 6% increase in water and 2% increase in sewer rates in FY19. The options could impact those increases.

- In the past, the city has had a surplus every year.

Mr. McDaniel noted the city had unexpected expenditures this year and some money was spent out of the contingency fund.

- City policy targeted a reserve of 25%; the city's reserve was projected in the FY18 budget to be above the 25%.

Mr. McDaniel noted the figures were only projections; funds above the 25% could be spent on non-recurring, one-time expenditures that would not have to be built into future budgets. He suggested waiting until the exact amount could be confirmed in the audit.

- The options presented lowered the city's reserve fund balance, which could affect the purchase of a fire truck (\$750,000).

- All options presented were risky and based on predictions. A savings of \$21.50 per average household, which created a future risk and slowed down progress, was of very little benefit.

- The city manager proposed a budget that was balanced, conservative and indicated that the city's economy was growing.

Mr. Baroody stated he was suggesting a status quo tax, not a tax cut. A property owner would pay the exact same amount as last year by the city keeping the effective tax rate, and no city services would be cut.

Ms. Summerlin motioned to approve Ordinance No. 2017-17 to adopt the city's budget for fiscal year 2018 on first reading. Mr. Ferguson seconded the motion.

The following persons spoke:

1. Jack Pratt stated a roll back in the tax rate would negatively affect the city's financial well-being and bond rating, which could increase the city's cost of doing business. A roll back tax rate would not be sustainable and the city will have to raise the tax rate in the future. The tax rate had not increased in nine years, allowing the city to invest in things needed. He requested more funds be budgeted for public safety to address the drug problem in the community.

2. Mike Sigerman noted the city manager presented five options, as requested to do by the city council, but the city manager did not recommend any of the options. The city manager recommended the budget be adopted as he presented it, and recommended

adopting the same tax rate, not the effective tax rate. If the council had confidence in the city manager, they should approve the budget and the same tax rate.

3. Kenneth Early questioned since the council did not approve the EIC budget, and the EIC budget was part of the city budget, can the city's budget be approved? The council had problems with both proposed budgets and did not listen to persons who were appointed to city boards.

Mr. McDaniel noted the EIC budget had been pulled from the city's budget and was now a separate item of consideration, not part of the city budget.

The motion failed 2-2, on the following roll call vote:

Mayor White	<u>Absent</u>
Mayor Pro Tem Baroody	<u>No</u>
Councilmember Voelkel	<u>No</u>
Councilmember Summerlin	<u>Yes</u>
Councilmember Ferguson	<u>Yes</u>

4. Jack Pratt questioned if the motion failed on first reading, could there be a second reading? Mr. Baroody responded yes.

Ms. Summerlin moved to adopt the budget that will require raising more revenue from property taxes than the previous fiscal year. Mr. Ferguson seconded the motion and the motion failed 2-2, on the following roll call vote:

Mayor White	<u>Absent</u>
Mayor Pro Tem Baroody	<u>No</u>
Councilmember Voelkel	<u>No</u>
Councilmember Summerlin	<u>Yes</u>
Councilmember Ferguson	<u>Yes</u>

7B. Ordinance No. 2017-18, levying an ad valorem tax for the use and the support of the municipal government for the City of Kerrville, Texas, for the fiscal year 2018; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid.

Ms. Summerlin motioned that Ordinance No. 2017-18 be adopted and that the property tax rate be increased by the adoption of a tax rate of \$0.5625, which is effectively a 2.013% percent increase in the tax rate. Mr. Ferguson seconded the motion and the motion failed 2-2, on the following roll call vote:

Mayor White	<u>Absent</u>
Mayor Pro Tem Baroody	<u>No</u>
Councilmember Voelkel	<u>No</u>
Councilmember Summerlin	<u>Yes</u>
Councilmember Ferguson	<u>Yes</u>

8. CONSIDERATION AND POSSIBLE ACTION:

8A. Termination of the disaster declaration as previously issued by the Mayor and extended by City Council.

Mayor White issued a disaster declaration due to Hurricane Harvey on August 25 and City Council authorized extension on August 30. Staff recommended the disaster declaration be terminated.

Mr. Ferguson moved to terminate the Declaration of Disaster; Ms. Summerlin seconded the motion and it passed 4-0.

8B. Professional Services Agreement with Kimley-Horn and Associates, Inc. for development of the new Comprehensive Plan in the amount of \$369,715.

Mr. McDaniel noted a contract had been negotiate with Kimley-Horn for professional services to help develop a comprehensive plan, in the amount of \$369,715. He introduced Mark Bowers, a representative of Kimley-Horn.

Ms. Summerlin moved to authorize the execution of the agreement. Mr. Voelkel seconded the motion and it passed 4-0.

8C. Revisions to applications for boards and commissions.

Councilmembers Summerlin and Ferguson proposed revisions to the board application. Applicants would submit one generic form and one specific application related to the specific board for which they were applying. If both applications were not filled out completely, they would not be considered. A person would have to complete the specific board application for each board for which they were applying. Statements on the previous form were changed for clarity and redundant statements were removed.

Mr. Ferguson moved to adopt the forms as presented. Ms. Summerlin seconded the motion. The motion passed 4-0.

8D. Nonexclusive License Agreement between City of Kerrville and Hill Country Youth Soccer Association for use of the Kerrville Sports Complex.

Mr. Hoppe noted the agreements in 8D and 8E were identical except for the schedule dates. The agreements were modeled after the existing agreements for facilities at landfill road. The city was charging only for the time used and at half rate.

Ms. Summerlin moved to approve the agreement; Mr. Voelkel seconded the motion and it passed 4-0.

8E. Nonexclusive License Agreement between City of Kerrville and Hill Country Crush Soccer Academy, Inc. for use of the Kerrville Sports Complex.

Mr. Ferguson moved to approve the agreement; Mr. Voelkel seconded the motion and it passed 4-0.

8F. Direction to City staff regarding a request for the City of Kerrville to abandon and/or convey a portion of Spring Street E right-of-way generally located south of and within the 900 block of Water Street.

This item was withdrawn by the applicant.

9. CITY MANAGER'S REPORT

Mr. McDaniel introduced Stuart Cunnyus, the city's public information officer and presented the monthly capital projects report:

-Legion lift station and force main engineering would be completed in spring 2018; an application for funding will be submitted to EIC.

-Reuse distribution main project was on target to be operational in January 2018; and the reuse pond and pump station should be operational in spring 2018.

10. APPOINTMENTS TO CITY BOARDS AND COMMISSIONS:

10A. Building Board of Adjustment and Appeals.

Mr. Voelkel moved to appoint the following persons to the specific positions on the Building Board of Adjustment and Appeals, with terms to expire August 31, 2019:

Architect: Michael Walker; Professional Engineer: Bruce Motheral; and Active Construction Industry: Art Lenard. Mr. Baroody seconded the motion and it passed 4-0.

10B. Recovery Community Coalition.

Ms. Summerlin moved to appoint the following persons to the specific positions on the Recovery Community Coalition, with terms to expire as stated:

(Position 1) Owner of a male boarding home facility with a valid permit issued by the city, December 31, 2018: Cody Leicht.

(Position 5) Representative of mental health support organizations such as Kerrville State Hospital, December 31, 2019: Dana Cardwell.

(Position 8) Representative from a residential addiction treatment facility located within Kerr County, December 31, 2019: Carol McCarrick.

Mr. Voelkel seconded the motion and it passed 4-0.

11. ITEMS FOR FUTURE AGENDAS: None.

12. EXECUTIVE SESSION: None.

13. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY. None.

ADJOURNMENT. The meeting adjourned at 8:05 p.m.

APPROVED: _____

ATTEST:

George Baroody, Mayor Pro Tem

Brenda Craig City Secretary

This meeting is recorded and can be viewed on the city's website at www.kerrvilletx.gov.

CITY COUNCIL MINUTES
WORKSHOP

KERRVILLE, TEXAS
SEPTEMBER 19, 2017

On Tuesday, September 19, 2017, the Kerrville City Council workshop was called to order at 10:00 a.m. by Mayor White in the city hall council chambers at 701 Main Street.

COUNCILMEMBERS PRESENT:

Bonnie White	Mayor
George Baroody	Mayor Pro Tem
Vincent C. Voelkel	Councilmember
C. Warren Ferguson	Councilmember

COUNCILMEMBER ABSENT:

Mary Ellen Summerlin	Councilmember
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CITY STAFF PRESENT:

Mark McDaniel	City Manager
Mike Hayes	City Attorney
E.A. Hoppe	Deputy City Manager
Brenda Craig	City Secretary
Sandra Yarbrough	Director of Finance
Stuart Barron	Director of Public Works
David Barrera	Asst. Director of Public Works
Stuart Cunyus	Public Information Officer
Ashlea Boyle	Director of Parks and Recreation

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

RECYCLING PROGRAM:

Mr. Barrera noted the goal of the recycling program was to expand the program so that future capacity of the landfill could be preserved in order to control the long term costs related to disposal. He discussed the structure of the program and the services provided. The city supported the waste reduction goals of the Regional Solid Waste Master Plan as adopted by Alamo Area Council of Governments (AACOG). Republic Services provided garbage, recycling, yard waste, and bulk waste collection services to 7,900 single family homes through a contract that was due to expire in 2030.

The annual household hazardous waste (HHW) collection was funded by the city through an AACOG grant. In the last city HHW event 627 vehicles participated and 21 tons of HHW, 47 pallets of electronic waste, and 700 tires were collected.

He assisted the county in preparing and submitting an application to AACOG for a county HHW collection, and the county received a \$25,000 grant.

The monthly recycling drop off site averaged 1,400 vehicles and collected 30 tons. Staff planned to expand recycling into city parks and other locations in the near future.

In 2010 -2015 the waste diversion rate (recycling and yard waste) averaged 10-16%; in 2016-2017 that rate increased to 28%. In 2010-2015 curbside monthly collection of recyclables averaged 52 tons; in 2016-17 it increased to 105 tons. The city's goal was a 40% diversion rate; the state's goal was 30-40%. He discussed ways to increase the waste diversion rate and noted that garbage collection was 470 tons.

Council also discussed the following:

- Overfilled carts and other reasons why Republic did not service carts.

Mr. Barrera stated that Republic notified customers when their cart was not serviced and the reason.

Council requested information/statistics: 1) The number of homes that received notices and a plan to remedy, such as public education program; 2) Plan to replace damaged carts; 3) Educate the public about how to place yard waste; 4) Work with code compliance to advise customers about leaving their carts on the street too long; 4) Explore possible color change of carts; 5) Provide a list of all complaints received and the nature of the complaint; and 6) Educate customers on disposal opportunities.

LANDFILL EXPANSION UPDATE

Mr. Barron noted that LNV Engineering was the contractor for Phase III of the landfill permit expansion project. He discussed the cell development sequencing, and noted that infrastructure was in place to complete Cells 1 through 5. The life capacity of Cells 1-5 was 17 years once the landfill was opened and in operation. The city's existing contract with Republic to transfer waste to another landfill would expire in 2030. If the city expanded the landfill through Cell 20, the life capacity would be extended to 100 years. He presented staff's recommended proposed sequencing and noted this would be the order that TCEQ would expect the city to expand. The permit application timeline anticipated submitting information to regulatory agencies, i.e. TCEQ and FEMA in January 2018, and TCEQ approval of the landfill expansion permit in early 2019.

Mr. Barron noted that the city had a deficit of dirt for daily cover, and part of this plan was to identify possible options for meeting daily cover requirements. He also noted there was an existing KPUB easement; however, KPUB said they would be willing to work with the city to abandon the easement, which only served the city landfill, or the line could be relocated if necessary.

Mr. McDaniel noted that after the contract with Republic expired in 2030, the city could decide to continue transferring waste to another landfill, but this project gave the city options.

Mr. McDaniel noted that the project budget should take the city through the permitting process.

Mayor White noted the January 28, 2015 report stated that portions of the western expansion were in the 100 year flood plain of Third Creek and a modeling study and floodplain delineation would need to be completed as well as coordination with FEMA to obtain a CLOMR or LOMR since the reuse pond would be located in the same floodplain as the landfill expansion project. She asked any part of the western expansion was in the floodplain. Mr. Barron noted a portion of Cell 12 was in the floodplain, and LNV was using Freese & Nichols data on their analysis around the reuse pond.

ADJOURNMENT. The meeting adjourned at 10:50 a.m.

APPROVED: _____
ATTEST: _____

Bonnie White, Mayor

Brenda Craig City Secretary

Agenda Item:

4A. Annexation into the incorporated limits, and applying a Zoning Classification of District 26-E, for an approximate 7.95 acre tract out of land adjacent to the incorporated limits which is out of the F. Rodriguez Survey No. 72, Abstract No. 280, Kerr County, Texas, located at 5263 Highway 27. (staff)

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

SUBJECT: SECOND PUBLIC HEARING OF AN ANNEXATION INTO THE INCORPORATED LIMITS, AND APPLYING A ZONING CLASSIFICATION OF DISTRICT 26-E, FOR AN APPROXIMATELY 7.95 ACRE TRACT OF LAND ADJACENT TO THE INCORPORATED LIMITS WHICH IS OUT OF THE F. RODRIGUEZ SURVEY NO. 72, ABSTRACT NO. 280, KERR COUNTY TEXAS, LOCATED AT 5263 HWY 27. (FILE NO. 2017-051)

FOR AGENDA OF: October 24, 2017

DATE SUBMITTED: October 16, 2017

SUBMITTED BY: Sabine Kuenzel
Ex. Dir. of Dev. Ser.

CLEARANCES: Mark McDaniel
City Manager

EXHIBITS: Planning and Zoning Commission staff report; Draft Service Plan

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

This is this second of two public hearing to institute proceedings annexing phase two of the Fox Tank property. This annexation will complete the company's obligation under its economic incentive agreement with the City of Kerrville.

The Planning and Zoning Commission conducted a public hearing on this item at the September 7, 2017 regular meeting and recommended that the Council annex the subject tract and recommended a zoning designation of District 26-E. The City Council held its first public hearing on October 10, 2017. Per Texas statutory requirements, no Council action is to be taken until the first reading, scheduled for November 14. Second reading is scheduled to occur on December 12, 2017.

RECOMMENDED ACTION

Hold second public hearing.



City of Kerrville Planning Department Report

To: Planning & Zoning Commission
Agenda Item: 3A
Planning File #: 2017-051
Hearing Date: September 7, 2017
Representative: Voelkel Land Surveying, Lee Voelkel
Location: 5263 Hwy. 27
Total Acreage: 7.95 acres

Proposal

A request to annex into its incorporated limits and recommendation for a zoning classification of District 26-E, for an approximately 7.95 acre tract of land adjacent to the incorporated limits which is out of the F. Rodriguez Survey No. 72, Abstract No. 280, Kerr County Texas, located at 5263 Hwy 27

Procedural Requirements

The application was published in The Hill Country Community Journal, an official newspaper of general circulation on August 23, 2017. Notices were sent to property owners within two hundred (200) feet of the subject property on August 28, 2017. Additionally, notice of this meeting was posted at city hall and on the city's internet website on September 1, 2017 in accordance with Section 551.043(a) of the Texas Government Code.

Background

This item comes before the Commission because the applicant has petitioned annexation into the corporate limits of the City of Kerrville. Fox Tank Company is the sole owner of an approximate 7.95 acre tract of land located adjacent to the incorporated limits of the City of Kerrville. The property is presently vacant and without residents or on which fewer than three qualified voters reside.

The nearest existing developments to the subject property include 26-E, GR (Guadalupe River District), and AD (Airport District). The purpose of the 26-E district is to be developed as industrial. Both heavy and limited industrial uses are listed as permitted, though other uses primarily intended to compliment the industrial uses are also allowed. The GR district is designed to allow the development of business-type uses compatible with the riverside environment in areas contiguous with or in close proximity to the Guadalupe River which are not otherwise included in other zoning districts. The AD district encompasses the area of the Kerrville-Kerr County Municipal Airport and is designed to allow for uses associated with and compatible to the operation of a municipal general

aviation airport.

Transportation

Thoroughfare: Highway 27 is a major arterial, with adequate capacity to absorb any impact from development of the subject property.

Proposed Changes: No changes proposed to the roadways at this time

Analysis

1. Consistency with Comprehensive Plan:

The 26-E district is consistent with the City's intended plan for land uses within the area.

2. Adverse Impacts on Neighboring Lands:

None identified at this time.

3. Suitability as Presently Zoned:

The tract would be more suitable to be zoned 26-E upon annexation, rather than an interim zoning classification.

4. Health, Safety and Welfare:

Staff has identified no likely adverse effects on public infrastructure.

5. Size of Tract:

An approximately 7.95 acre tract of land that will likely develop in conjunction with the existing Fox Tank property.

6. Other Factors:

None identified.

Proceedings

Hold a public hearing and make a recommendation to Council regarding the zoning of 26-E.

Staff Recommendation:

Approval

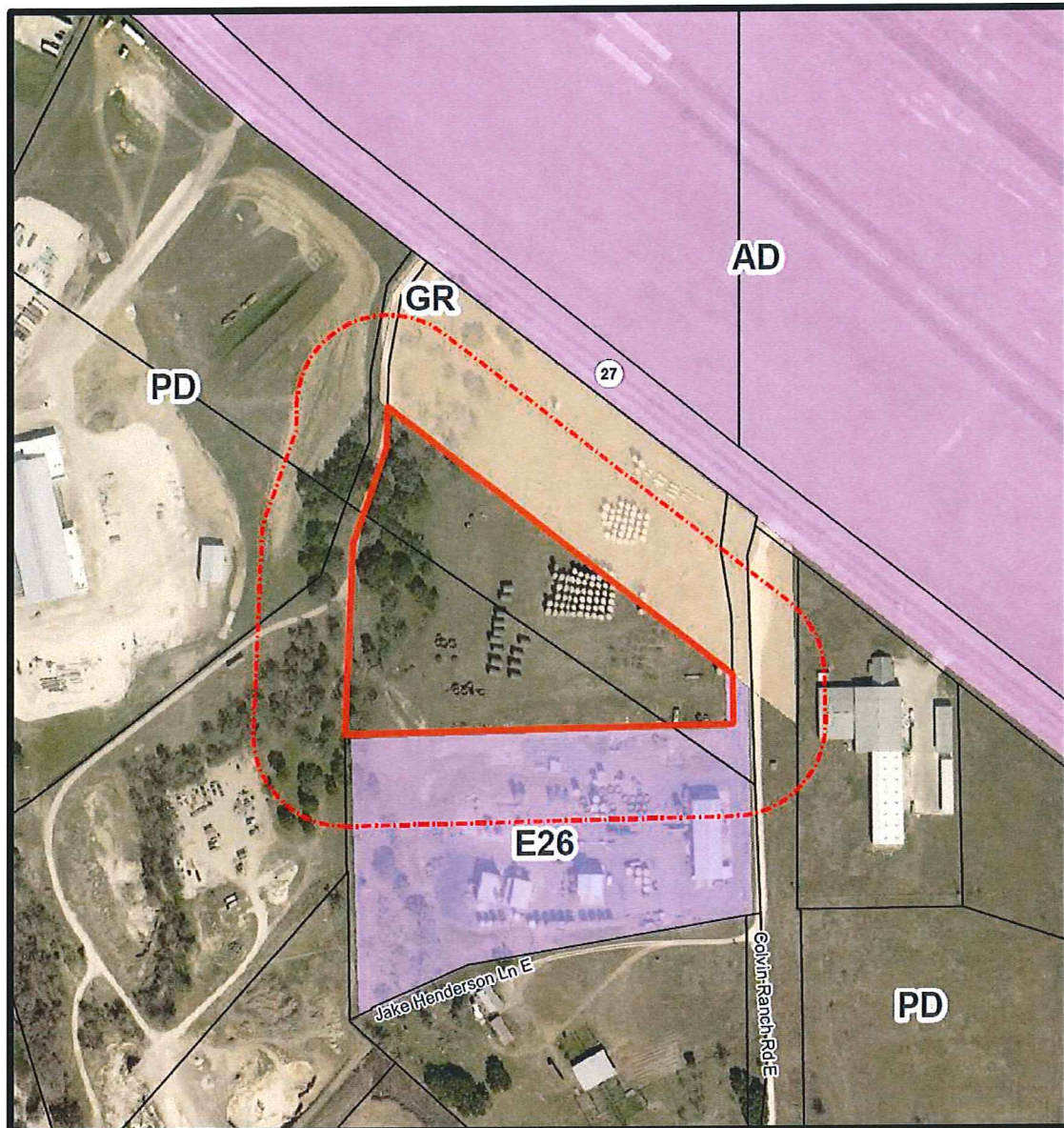
Attachments:

Exhibit A Location Map

Exhibit B Annexation Application Plat

Exhibit C Permitted Use List – District 26-E

Exhibit A Location Map



Location Map

Case # 2017-051

Location:

Address: 5263 Highway 27

Property ID: 533684, 533685

Legend

200' Notification Area
Subject Properties



0 125 250 500
Scale In Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only approximate relative locations.

Exhibit B Annexation Application Plat

VICINITY MAP

12.

GRAPHIC SCALE, FT.

SCALE: 1" = 100'

LEGEND

- KNOXES
- UNMARKED POINT
- ROAD & HIGH STREET
- FENCE LINE
- PATENT SURVEY LINE

SURVEY PLAT FOR 7.95 ACRES OF LAND, MORE OR LESS, OUT OF F. RODRIGUEZ SURVEY NO. 72, ABSTRACT NO. 280 IN KERR COUNTY, TEXAS; PART OF A CERTAIN 14.01 ACRE TRACT CONVEYED FROM A. HEATH, GIBBIEE AND JULIE GIBBIEE TO FOX TANK COMPANY BY A WARRANTY DEED WITH VENDORS LIEB EXERCUTED THE 21ST DAY OF MARCH, 2013 AND RECORDED IN FILE NO. 13-02064 OF THE OFFICIAL PUBLIC RECORDS OF KERR COUNTY, TEXAS.

JULY 2017

VOELKEL
AND SURVEYING, INC.
10001 KENNESAW RD., N.W.
KENNESAW, GA 30144
404-426-1100

Age	5
Height	5' 10"
Weight	150 lbs
Color	Black
Build	Medium
Complexion	Dark
Scars	None
Other	None

[illegible]

Exhibit C Permitted Use List – District 26-E

LAND USES	26
Agricultural - General	P
Agricultural Service	P
Bed and Breakfast	
Building Construction, General	
Building Construction, Specialist	P
Business Services I	P
Business Services II	P
Cocktail Lounge	P
Detention Facilities	
Dwelling , Single Family, Detached	
Manufactured Home or Manufactured Housing	
Dwelling, Multiple Family	C
Dwelling, Single Family with apartment	
Dwelling, RC District Uses (with plat)	
Education, Secondary and College	C
Education, Primary	C
Equipment Sales/Repair/Storage (Heavy)	P
Fuel Sales	P
Funeral Services	
Institutional and Public Use Facilities	
Life Care Development	
Manufacturing, Custom	P
Manufacturing and Industrial, Heavy	P
Manufacturing and Industrial, Limited	P
Manufactured Housing Sales	
Personal Services I	P
Personal Services II	P
Personal Services-Limited	P
Professional Offices	P
Restaurant, General	P
Restaurant, Limited	P
Retail Trade – I	P
Retail Trade – II	
Retail Trade – III	
Retail Trade – Limited	
Tourist/Visitor & Recreation Service	P
Transportation Terminal (Bus/Aviation)	P
Vehicle Maintenance and Repair	P
Vehicle Sales/Service-Used	C
Vehicle Sales/Services – New	P
Warehousing & Distribution	P

**ANNEXATION SERVICE PLAN
PHASE 2 FOX TANK PROPERTY**

SERVICE	DETAILS OF SERVICE PROVIDED	TIMETABLE
Animal Control	The provisions of animal control services shall be in effect following annexation of the property	Immediately following annexation
Code Enforcement	The provisions of Code Enforcement services, including the application and enforcement of building, electrical, plumbing, and other related code requirements adopted by the City shall be made immediately to the area upon annexation. The preparation of a zoning plan shall serve as a basis for the zoning of land following annexation. The adoption of the zoning plan shall be in accordance with the procedures of the City's Zoning Ordinance.	Immediately following annexation, zoning to be concurrent with annexation
Fire Protection and Suppression	Fire protection and suppression personnel and equipment from the Kerrville Fire Department will be provided to the area as needed.	Immediately following annexation
Fire Prevention	The services of the City's Fire Marshall shall be provided to the area.	Immediately following annexation.
Library	Residents of the area will continue to be entitled to utilize all City's Butt-Holdsworth Memorial Library.	Immediately following annexation.
Parks and Recreation	City's Parks and Recreation services will continue to be available to the area residents.	Immediately following annexation
Police Protection	Police protection personnel and equipment shall be provided to the area immediately upon annexation. Police enforcement and protection services shall be provided through regular patrol activities.	Immediately following annexation
Public Services - Street Department	Public streets not maintained by the Texas Department of Transportation within the area shall be maintained by the City.	Immediately following annexation

SERVICE	DETAILS OF SERVICE PROVIDED	TIMETABLE
Sanitation (Refuse Collection)	Refuse collection shall be available to the annexed area at the same costs and procedures as required of City businesses.	Immediately following annexation
Traffic Engineering	Where required, traffic control devices and street markers shall be installed where deemed necessary by the City's Public Works department, except as provided by the Texas Department of Transportation.	Immediately following annexation
Utilities (Water Distribution and Wastewater Collection)	Extension of utilities shall be in accordance with the City's Subdivision Ordinance	Subject to the provisions of any and all agreements as the property develops.

Agenda Item:

5A. Ordinance No. 2017-19, a zoning change to amend Ordinance No. 2004-15, which created a "Planned Development District" for an approximate five hundred thirty-six acre tract of land out of the Walter Fosgate Survey Number 120, within the City of Kerrville, Kerr County, Texas; and generally located southeast of the intersection of Farm to Market Road 783 (Harper Highway) and Interstate 10; said amendment to adjust the authorized uses between two defined areas within said district, said areas located adjacent to and north of Holdsworth Drive. (staff)

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

SUBJECT: SECOND READING OF A ZONING CHANGE TO AMEND AN EXISTING PLANNED DEVELOPMENT DISTRICT (PD) FOR A TRACT OF LAND CONSISTING OF 26.64 ACRES LOCATED ON THE NORTHERN INTERSECTION OF HOLDSWORTH DRIVE AND CAILLOUX BOULEVARD, FURTHER DESCRIBED AS LAND OUT OF THE WALTER FOSGATE SURVEY 120 ABSTRACT NO. 138, KERR COUNTY, TEXAS, AND BEING A PORTION OF THE REMAINING PORTION OF THAT CERTAIN CALLED 303.959 ACRE TRACT RECORDED IN DOCUMENT NO. 14-05748, OFFICIAL PUBLIC RECORDS OF KERR COUNTY, TEXAS. (FILE NO. 2017-057)

FOR AGENDA OF: October 24, 2017

DATE SUBMITTED: October 19, 2017

SUBMITTED BY: Sabine Kuenzel
Ex. Dir. of Dev. Ser.

CLEARANCES: Mark McDaniel
City Manager

EXHIBITS: Location map; Ordinance No. 2017-19

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

This item comes before the City Council because the property owner is requesting to add fuel services and hotel uses to the range of commercial uses that were approved on each site in 2004. Attached is a detailed written report of the item, which was considered by the Planning and Zoning Commission on August 17, 2017.

The Commission also held its required public hearing on the item, and several members of the community spoke, citing concerns over issues related to the recent and ongoing construction of the Sports Complex, including impacts to drainage, wildlife displacement, dust, and trash.

The Commission's deliberation of the request focused on the comparison of the existing permitted use list, and concluded that adding the hotel and fuel service uses, would have marginal impact to other potential scenarios under the existing zoning.

The City Council held its public hearing on October 10, 2017. Two citizens spoke

regarding concerns for the fuel sale use potential near Town Creek and the lack of existing street lighting in the area.

The Council had questions regarding the extent of the restrictions for the fuel sales use. These questions as well as staff clarifications are as follows:

The Council voted to approve the amendment on First Reading by a vote of 4 to 1.

1. Whether the affected tracts must reflect the exact boundaries of tracts shown on the current PD:

Response: *The Zoning Ordinance follows standard practice of requiring an associated "concept plan". It does not require internal metes and bounds description for each "sub-district", which are shown on the concept plan. While a portion of the revised "Tract 1C" does extend into a portion of the area shown as single family on the current PD concept plan, the request is not a departure from the approved concept plan, which shows "Tract 4C" as a relatively deep commercial lot extending to a future single family area.*

2. The extent of "Tract 1-C", and whether it includes a portion of "Tract 2-C" of the currently adopted concept plan:

Response: *The current concept plan does not appear to include any of "Tract 2-C", which lies farther to the east. On the adopted PDD concept plan, that area is shown to be a separate tract to the east of a future collector roadway that will intersect with Holdsworth Dr.*

3. Whether a "fuel sales" use would comply with the separation requirement of 300' that is within the current PD if one is proposed on Lot 4C:

Response: *The distance requirement (the second sentence of Section 7 of the current PD) applies to a fuel station on Lot 1C, and would not apply to a fuel sales use on Lot 4C. However, all of the remaining additional regulations of Section 7 that currently apply to Tracts 1C and 4C will expand to cover Lot 4C. Those provisions substantially augment the City's current zoning and building codes to address drainage inlets, on-site employee presence, underground tank materials and installation, cross-agency reporting and monitoring, drainage and spill containment, and canopy signage.*

4. The amended PD does not list "Retail Trade I - alcohol sales" as permitted for Lot 4C – would that prohibit alcoholic beverages sales at a fuel sales use?

Response: *If a typical gas station is proposed on Lot 4C, the primary use would be "fuel sales", and retail sales (including alcoholic beverages for off-premise consumption) would be considered an accessory use.*

RECOMMENDED ACTION

Staff and the Planning and Zoning Commission recommend approval of the Second Reading of Ordinance No. 2017-19.



City of Kerrville Planning Department Report

To: Planning & Zoning Commission
Agenda Item: 3A
Planning File #: 2017-057
Hearing Date: August 17, 2017
Representative: The Cailloux Foundation
Location: Northern intersection of Holdsworth Dr. and Cailloux Blvd
Total Acreage: 26.64 acres

Background

This item comes before the Commission because the applicant proposes to add fuel station as a permitted use to the site on the northwest corner of Holdsworth Dr. and Cailloux Blvd, and hotel/motel as a permitted use to the northeast corner. The proposal would keep the underlying PD in place.

Upon annexation in 2004, the property was zoned Planned Development District (PD-04-15). The subject property was part of a larger 214 acre tract, whose plan showed:

- Commercial uses to the south of Holdsworth Dr.
- Commercial to the north of Holdsworth Dr.
- Multifamily residential north of Holdsworth west of Town Creek
 - Single family residential in six phases beyond the commercial frontage between it and Interstate 10

With the rezoning of the original 214 acres in 2004, the City of Kerrville in essence applied its land use policy. This land use scheme changed in 2015 when the City approved the Sports Complex project.

The subject property was labeled as Area 1C to the east of Cailloux Blvd. and Area 4C to the west of the intersection with Holdsworth. Areas 1C and 4C were shown as future commercial sites on the approved PD concept plan.

Current Land Uses: The majority of the original 214 acres is in the final phases of construction as the City of Kerrville Sports Complex with baseball fields to the north of Holdsworth and soccer fields to the south.

The nearest existing development to the subject property is single family detached residential, lying a substantial distance from the boundaries of this land.

Transportation

Thoroughfare: Holdsworth is a major arterial, with adequate capacity to absorb any impact from development of the subject property

Proposed Changes: No changes proposed to the roadways at this time

Analysis

1. Consistency with Comprehensive Plan:

The property's land use designation was determined with the PD zoning in 2004 for the subject property, and includes a broad list of permitted uses (see attached use schedule). The request would add fuel stations as a permitted use to site 1C and hotel/motel use to site 4C. These two changes are the primary land use policy decisions before the Commission.

2. Adverse Impacts on Neighboring Lands:

The proposed additions to the permitted uses for Areas 1C and 4C appear to be aligned with the City's emerging vision for the area. The public hearing will give the Planning and Zoning Commission an opportunity to hear and weigh any opposing arguments regarding potential negative impacts.

3. Suitability as Presently Zoned:

Both the existing and proposed zoning districts are suitable for the subject property and will allow for uses that will be consistent with the developing land uses currently under construction in the vicinity.

4. Health, Safety and Welfare:

Staff has identified no likely adverse effects on public infrastructure. The distance to the nearest residential areas provide adequate buffering.

5. Size of Tract:

The proposed tract exceeds the minimum tract requirements for PD zoning.

6. Other Factors:

None identified.

Proceedings

Hold a public hearing and make a recommendation to Council.

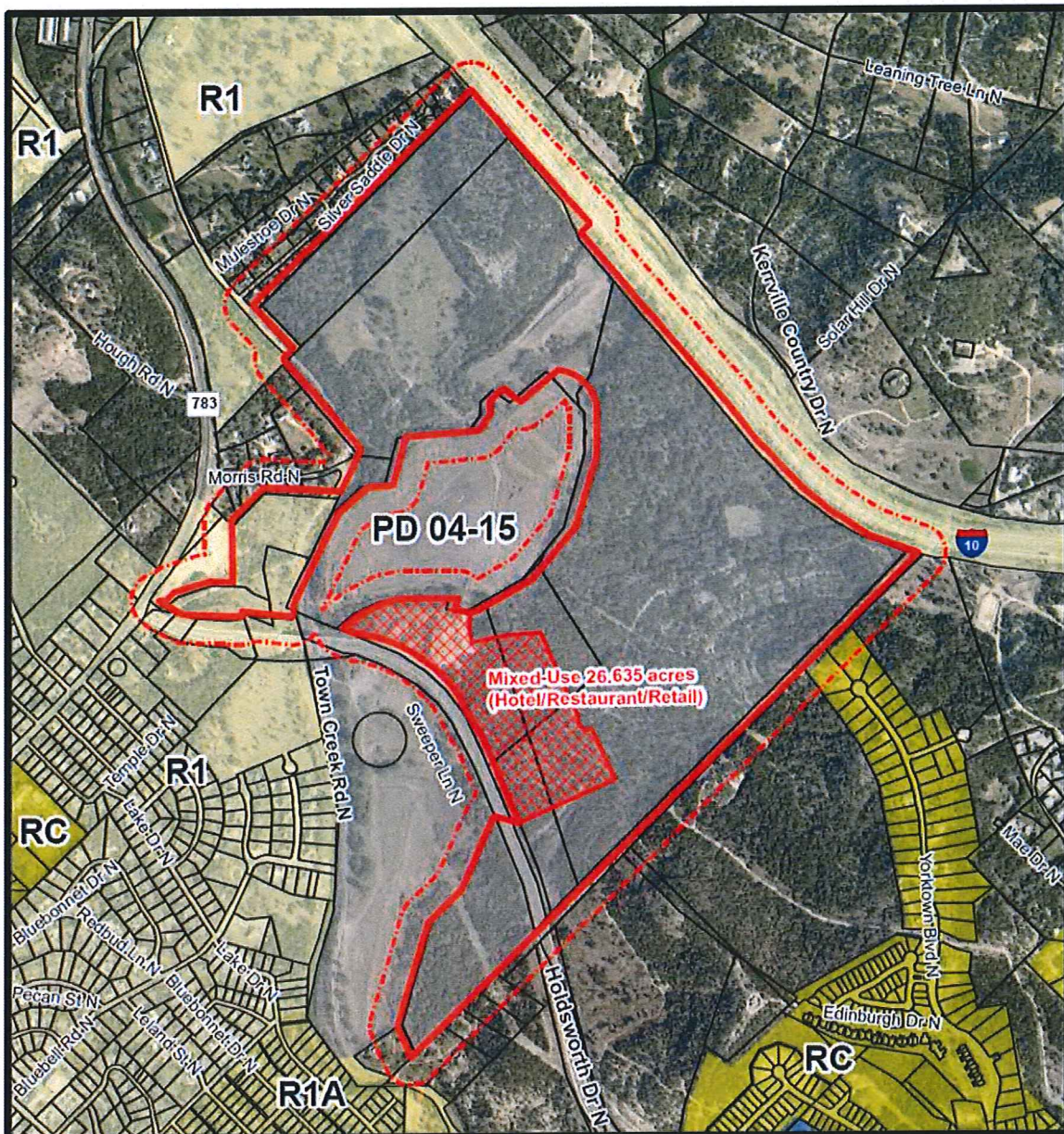
Staff Recommendation:

Approval

Attachments:

Exhibit A Location Map
Exhibit B PD Application Map
Exhibit C PD 04-15 Property
Exhibit D PD 04-15 Concept plan
Exhibit E PD 04-15 Permitted Use List

Exhibit A Location Map



Location Map

Case # 2017-057

Location:
Holdsworth Dr &
Cailloux Blvd

Legend

PDD Amendment Area
200' Notification Area
Subject Properties
Current Zoning
Requested Zoning



TEXT
(TEXT)



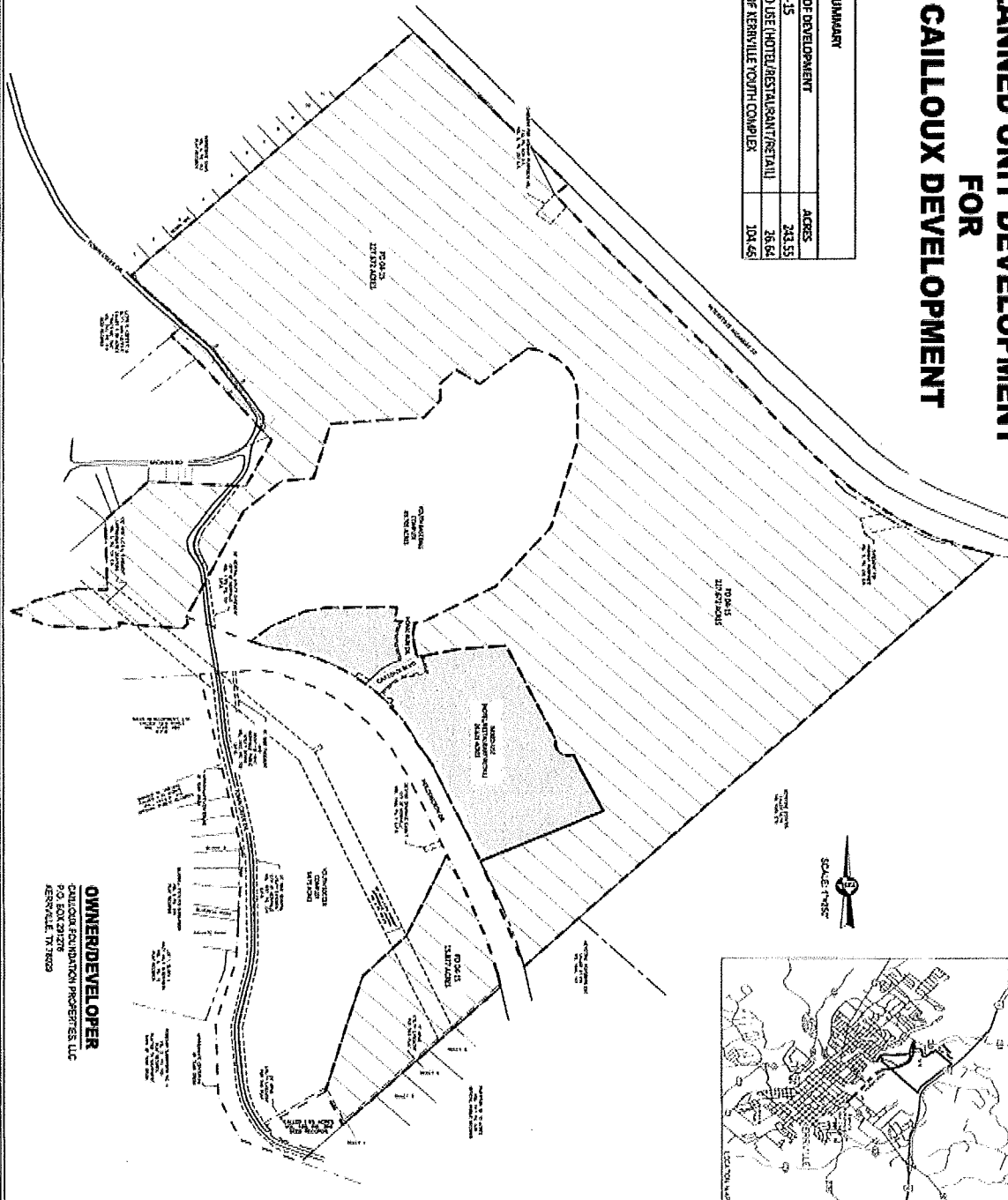
0 250 500 1,000
Scale In Feet

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Exhibit B PD Application Map

PLANNED UNIT DEVELOPMENT FOR CAILLOUX DEVELOPMENT

LOT SUBMARKET	
TYPE OF DEVELOPMENT	ACRES
PD 04-15	243.55
MIXED USE (HOTEL/RESTAURANT/RETAIL)	26.64
CITY OF KERRVILLE YOUTH COMPLEX	104.46



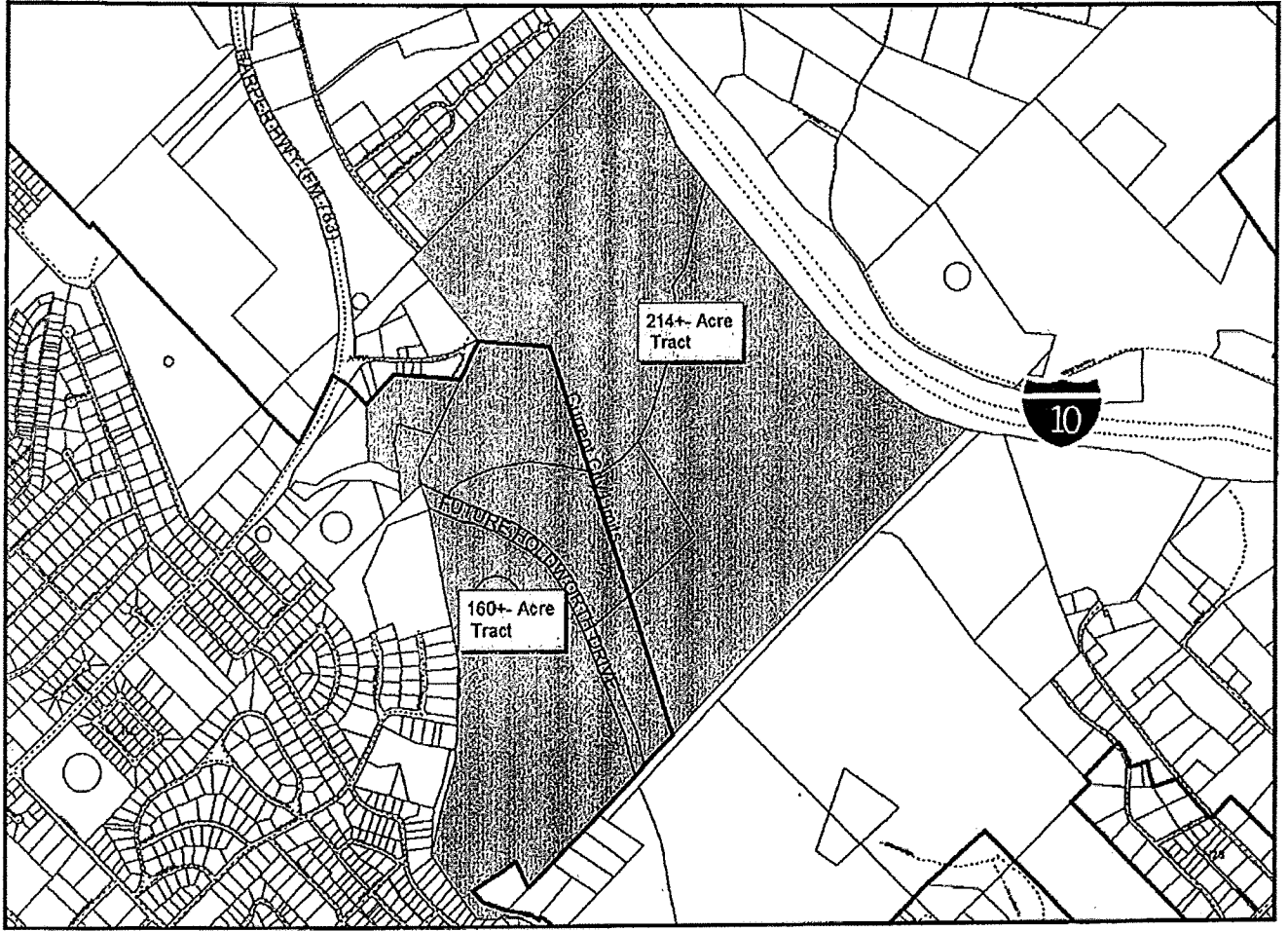
Hewitt Engineering Inc.
Consulting Engineering Services
716 Diamond Street • Knoxville, Tenn. 37928 • 813 315 8300
THRU: Registration No. E-10759 • www.hewitt-inc.com

**PLANNED UNIT DEVELOPMENT
FOR
CAILLOUX FOUNDATION PROPERTIES
KERRVILLE, TEXAS**

247

1

Map of the proposed future development area in the City of San Jose, California. The map shows the city's boundary, major roads, and the proposed development area. The proposed development area is shaded and labeled "214+ Acre Tract" and "160+ Acre Tract". The map also shows the "FUTURE HOUSING DEVELOPMENT" area. The map is titled "Map of the proposed future development area in the City of San Jose, California".



[illegible]

Exhibit E PD 04-15 Permitted Use List

LAND USES	AREA				
	1C	2C	3C	4C	5C
I. Business Services I					
(i) bicycle repair shops;	P	P	P	P	
(ii) cablevision, radio, and television stations;	P	P	P	P	
(iii) camera repair shops;	P	P	P	P	
(iv) commercial art, photography, art and graphics;	P	P	P	P	
(v) employment agencies;	P	P	P	P	
(vi) gunsmith and locksmith shops;	P	P	P	P	
(vii) job and vocational training centers;	P	P	P	P	
(viii) musical instrument, radio and television repair;	P	P	P	P	
(ix) postal services;	P	P	P	P	
(x) re-upholstery and furniture repair;	P	P	P	P	

(xi)	telephone and electric company offices (excluding storage and maintenance yards, but including telecommunications serving centers).	P	P	P	P	
2. Business Services II						
(i)	appliance sales or repair, used;	C	P	P	P	
(ii)	blue printing and photo copying services;	P	P	P	P	
(iii)	building cleaning services;	P	P	P	P	
(iv)	car washes;	C	C	P	P	
(v)	commercial testing laboratories; (not exceeding 5,000 sf in floor area)	C	C	P	C	
(vi)	disinfecting and exterminating services;	P	P	P	P	
(vii)	laundry/dry cleaning services	P	P	P	P	
(viii)	funeral service and crematories;			C		
(ix)	newspapers (printing);	P	P	P	P	
(x)	photo finishing retail centers or as part of another allowed use	P	P	P	P	
(xi)	protective services, non-governmental;	P	P	P	P	
(xii)	refrigeration/air conditioning service and repair;	C	C	P	C	
(xiii)	sign painting and outdoor advertising services;	P	P	P	P	
(xiv)	swimming pool cleaning and maintenance.	C	C	P	C	
3. Cocktail Lounge		P	P	P	P	
4. Day Care Services (General)						
(i)	overnight lodging of children not related by adoption or blood to the owner of the facility;	P	P		P	
(ii)	medical treatment;	P	P		P	
(iii)	counseling;	P	P		P	
(iv)	rehabilitative services; or	C	P		C	
(v)	elementary or secondary education.	P	P		P	
5. Education, Primary: But not in conjunction with any use of alcohol sales.		P	P		P	
6. Education, Secondary and College: But not in conjunction with any use of alcohol sales.		P	P		P	
7. Food Sales:		P	P	P	P	
8. Fuel Sales: with restricted locations outlined in ordinance		P	P			
9. Group Medical Care Facility:			P		P	C
10. Hospital Services:		P	P			
11. Hotel; Motel:			P	P	P	P
12. Life Care Development:						

(i)	independent living in single family units;					C
(ii)	apartment living;					C
(iii)	congregate living with common meals and/or community facilities for social events;					C
(iv)	community recreation;					C
(v)	convalescent services;					C
(vi)	guidance services;					C
(vii)	hospital services;					C
(viii)	residential care services;					C
(ix)	offices associated with the sales, rental, and organization of the community;					C
(x)	personal services and personal improvement services.					C
13. Manufacturing, Custom:		P	P	P	P	
14. Medical Offices:		P	P	P	P	
15. Personal Care Facility:						C
16. Personal Services I:						
(i)	beauty parlors and/or barber shops	P	P	P	P	
(ii)	health or fitness studios/salons and massage therapy;	P	P	P	P	
(iii)	pet services;	P	P	P	P	
(iv)	portrait photography studios;	P	P	P	P	
(v)	repair services of personal items such as shoes, watches, and jewelry;	P	P	P	P	
(vi)	schools primarily engaged in instructional or informational classes related to art, dance, gymnastics, cheerleading, trampoline and tumbling, or martial arts;	P	P	P	P	
(vii)	seamstress and/or tailor shops.	P	P	P	P	
17. Personal Services II:						
(i)	guidance services;	P	P	P	P	
(ii)	kennels with a maximum boarding capacity of less than twelve (12) animals only as part of a retail business related to providing pet products;	C	C	P	C	
(iii)	self service laundromats;	P	P	P	P	
(iv)	veterinary services with no external kennels or external boarding of pets.	P	P	P	P	
(v)	mini-storage: see provisions in ordinance		P	P	P	
18. Professional Office: (Including Financial Institutions)		P	P	P	P	

19. Recreation, Commercial and/or Public:						
(i)	indoor sports and recreation are uses conducted within an enclosed building, including, but not limited to, bowling alleys, billiard parlors, ice and roller skating rinks, racket sports, and swim clubs, weight training centers and related educational programs;	C	P	P	P	
(ii)	indoor recreation are predominantly uses conducted within an enclosed building involving spectators, including, but not limited to, motion picture theatres, meeting halls, and similar uses.	C	C	C	C	
20. Restaurant, General: including drive-through		P	P	P	P	
21. Restaurant, Limited:		P	P	P	P	
22. Retail Trade - Limited:						
(i)	hardware, paint, glass, and wallpaper stores;	P	P	P	P	
(ii)	lawn and garden supply, nurseries and landscaping;	P	P	P	P	
(iii)	department, variety and general merchandise stores;	P	P	P	P	
(iv)	food sales;	P	P	P	P	
(v)	specialty clothing and shoe stores;	P	P	P	P	
(vi)	furniture, floor covering, upholstery and curtain stores.	P	P	P	P	
(vii)	sales of new household appliances;	P	P	P	P	
(viii)	drug stores;	P	P	P	P	
(ix)	sporting goods stores;	P	P	P	P	
(x)	toy, gift and novelty shops;	P	P	P	P	
(xi)	stationery stores;	P	P	P	P	
(xii)	book sales;	P	P	P	P	
(xiii)	camera and photographic supply;	P	P	P	P	
(xiv)	luggage and leather goods sales;	P	P	P	P	
(xv)	sewing, needlework establishments;	P	P	P	P	
(xvi)	mail order and direct sale establishments;	P	P	P	P	
(xvii)	tobacco products sale;	P	P	P	P	
(xviii)	florists;	P	P	P	P	
(xx)	sale of new auto parts.	P	P	P	P	
23. Retail Trade I:						
(i)	all businesses defined as Retail Trade, Limited;	P	P	P		
(ii)	sales or rental of new or use merchandise, except used appliances, automobiles or any other vehicles.	P	P	P		
(iii)	alcoholic beverage sales for off-premise consumption.	C		C		
24. Retail Trade II:		P		P		
25. Retail Trade III: see provisions in ordinance		C		C		
26. Vehicle Maintenance and Repair: restricted locations outlined in ordinance.			P	P		
27. Vehicle Sales/Services - New: restricted locations outlined in ordinance.				P		
28. Dwelling - Two-Family and/or Multiple Family						P

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2017-19**

AN ORDINANCE AMENDING ORDINANCE NO. 2004-15 WHICH CREATED A "PLANNED DEVELOPMENT DISTRICT" FOR AN APPROXIMATE FIVE HUNDRED THIRTY-SIX ACRE TRACT OF LAND OUT OF THE WALTER FOSGATE SURVEY NUMBER 120, WITHIN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS; AND GENERALLY LOCATED SOUTHEAST OF THE INTERSECTION OF FARM TO MARKET ROAD 783 (HARPER HIGHWAY) AND INTERSTATE 10; SAID AMENDMENT TO ADD ADDITIONAL AUTHORIZED USES WITHIN TWO DEFINED AREAS OF THE DISTRICT, SAID AREAS LOCATED ADJACENT TO AND NORTH OF HOLDSWORTH DRIVE

WHEREAS, on June 8, 2004, the City Council of the City of Kerrville, Texas, approved Ordinance No. 2004-15 to in part, create a "Planned Development District" ("PDD") on an approximate 536 acre tract of land out of the Walter Fosgate Survey Number 120, within the City of Kerrville, Kerr County, Texas, and generally located southeast of the intersection of FM 783 (Harper Highway) and Interstate 10 (the "Property"); and

WHEREAS, the PDD authorized a mixed-use development on 11 areas of the Property, as defined and further specified by Ordinance 2004-15; and

WHEREAS, the owner of a portion of the Property has applied to amend the PDD by adding an authorized use to each of two areas, which combined contain approximately 26.64 acres as depicted on the map attached as **Exhibit A**; specifically, to allow the use of "fuel sales" as a permitted use to the area on the northwest corner of the intersection of Holdsworth Drive and Cailloux Boulevard and "hotel/motel" to the types of permitted uses on the area to the northeast corner of said intersection; and

WHEREAS, other than these amendments, the PDD will remain in place and unchanged;

WHEREAS, the City Council of the City of Kerrville, Texas, finds it to be in the public interest to amend Ordinance 2004-15 as described herein;

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

SECTION ONE. Ordinance No. 2004-15, Section Three, Subsection C.5. is amended by adding the language that is underlined (added) as follows:

"C. Commercial Area Development Regulations: Areas 1C, 2C, 3C, 4C and 5C (sometimes collectively referred to herein as "the Commercial Areas") shall be developed in accordance with the following regulations:

⋮

5. **Permitted and Conditional Uses:** The uses that are permitted as a matter of right or permitted upon issuance of a conditional use permit in the Commercial Areas are indicated by the letters “P” and “C”, respectively, in the following table:

⋮

LAND USES	AREA				
	1C	2C	3C	4C	5C

8. Fuel Sales: with restricted locations outlined in ordinance	P	P		<u>P</u>	
---	---	---	--	----------	--

11. Hotel; Motel:	<u>P</u>	P	P	P	P	„
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SECTION TWO. Ordinance No. 2004-15, Section Three, Subsection C.7. is amended by adding the language that is underlined (added) and deleting the language that is bracketed and stricken (~~deleted~~) as follows:

“7. **Fuel Sales:** A retail fuel sales business(es) (not including bulk fuel sales) may be located and operated on property in Area 1C, ~~or~~ Area 2C, and 4C. However, in no case shall said business(es) be located in Area 1C to where any portion of the operational area of said business, including underground storage tanks and fuel delivery areas, is within 300 feet of the northwest boundary of Area 1C, measured perpendicular to the side street intersecting Holdsworth Drive; or in Area 2C other than the northwestern most corner of Area 2C, as shown on **Exhibit “C.”** In the event a new retail fuel sales business is constructed, such fuel sales business shall be constructed and developed in accordance with the following:”

SECTION THREE. Except as amended by this Ordinance, the provisions of Ordinance No. 2004-15 shall remain in full force and effect.

SECTION FOUR. The provisions of this Ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this Ordinance, including Ordinance No. 2004-15, are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION FIVE. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this Ordinance. The Council of the City of Kerrville, Texas, hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause,

or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION SIX. The penalty for violation of this Ordinance shall be in accordance with the general penalty provisions contained in Article 1-I-9 of the Code of Ordinances of the City of Kerrville, Texas, which provides for a fine not exceeding TWO THOUSAND DOLLARS (\$2,000.00).

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

PASSED AND APPROVED ON FIRST READING, this the 10th day of October, A.D., 2017.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the ____ day of _____, A.D., 2017.

Bonnie White, Mayor

ATTEST:

Brenda G. Craig, City Secretary

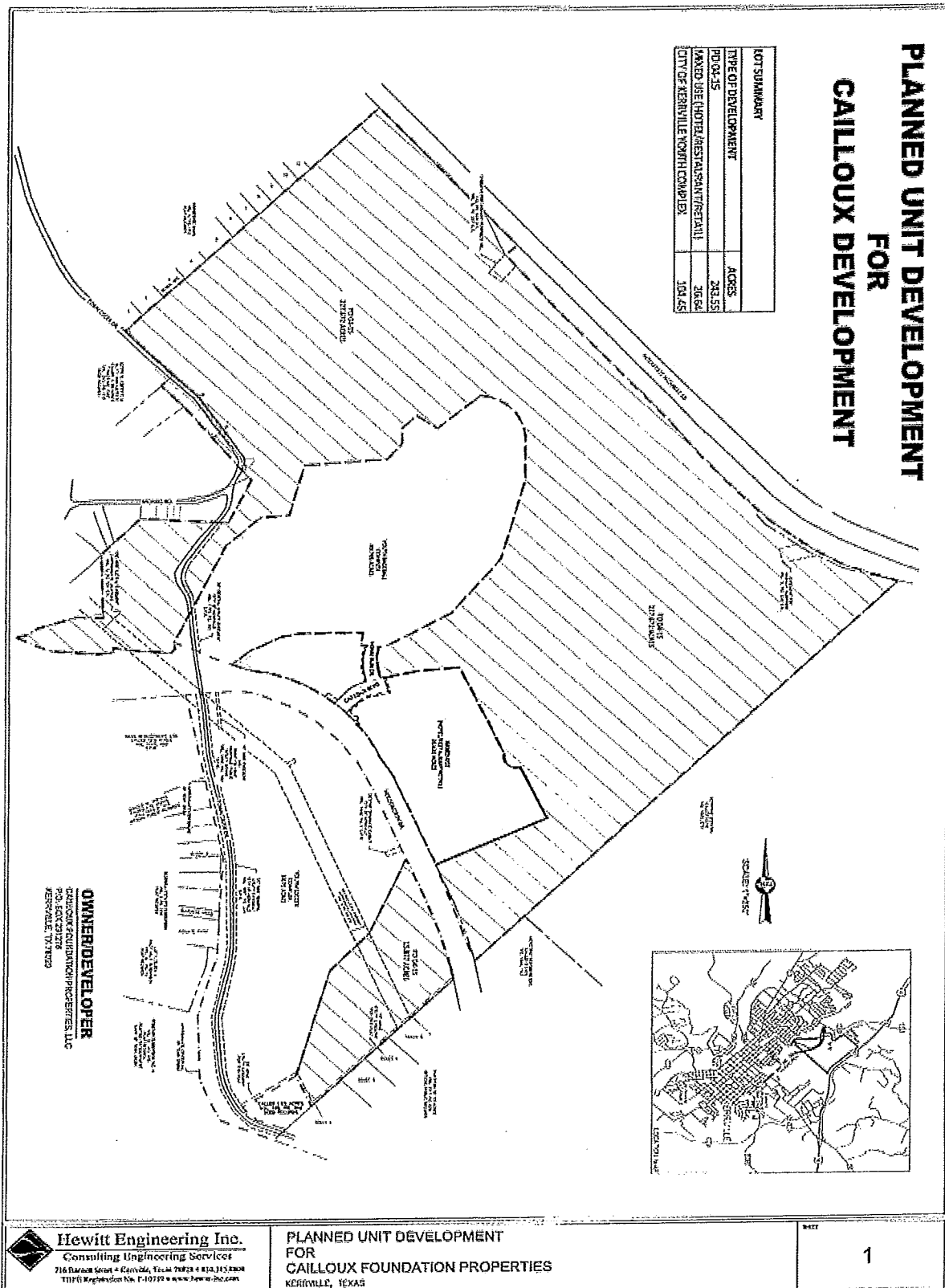
APPROVED AS TO FORM



Michael C. Hayes, City Attorney

EXHIBIT "A"

PD Application Map



MATKIN-HOOVER
ENGINEERING, INC.

Exhibit "C"

CITY ENGINEERS
LAND PLANNERS
KERRVILLE, TEXAS 78601
PH 337-2400

PLANNED UNIT DEVELOPMENT FOR TOWN CREEK PLANNED COMMUNITY KERRVILLE, TEXAS

SCALE: 1" = 300'

LOT SUMMARY

PHASE	LOT SIZE	LOT COUNT	ACRES	LOTS PER ACRE
II	60'x120'	71	19.15	3.71 L/A
III	55'x110'	78	18.44	4.23 L/A
IV	70'x120'	118	23.83	4.95 L/A
V	70'x120'	229	62.69	3.85 L/A
VI	150'x120'	42	44.19	0.95 L/A
VII	90'x170'	55	36.70	1.50 L/A
TOTALS		593	205.00	2.89 L/A
COMMERCIAL			76.9	N/A
MULTI-FAMILY			± 14	N/A

- NOTES:
1. OWNER INFO: TOWN CREEK COMPANIES, LLC
1000 GOSWORTHY BLVD.
MKT. TX 77450
(281) 579-2031
 2. THE PROPOSED DEVELOPMENT WILL CONSIST OF SINGLE-FAMILY AND MULTI-FAMILY RESIDENTIAL HOUSING AND COMMERCIAL USES.
 3. WITH THE EXCEPTION OF H-10, ALL USES WITHIN 500' OF THE PROPERTY ARE RESIDENTIAL.

BLUEBELL ESTATES
ZONING: RESIDENTIAL

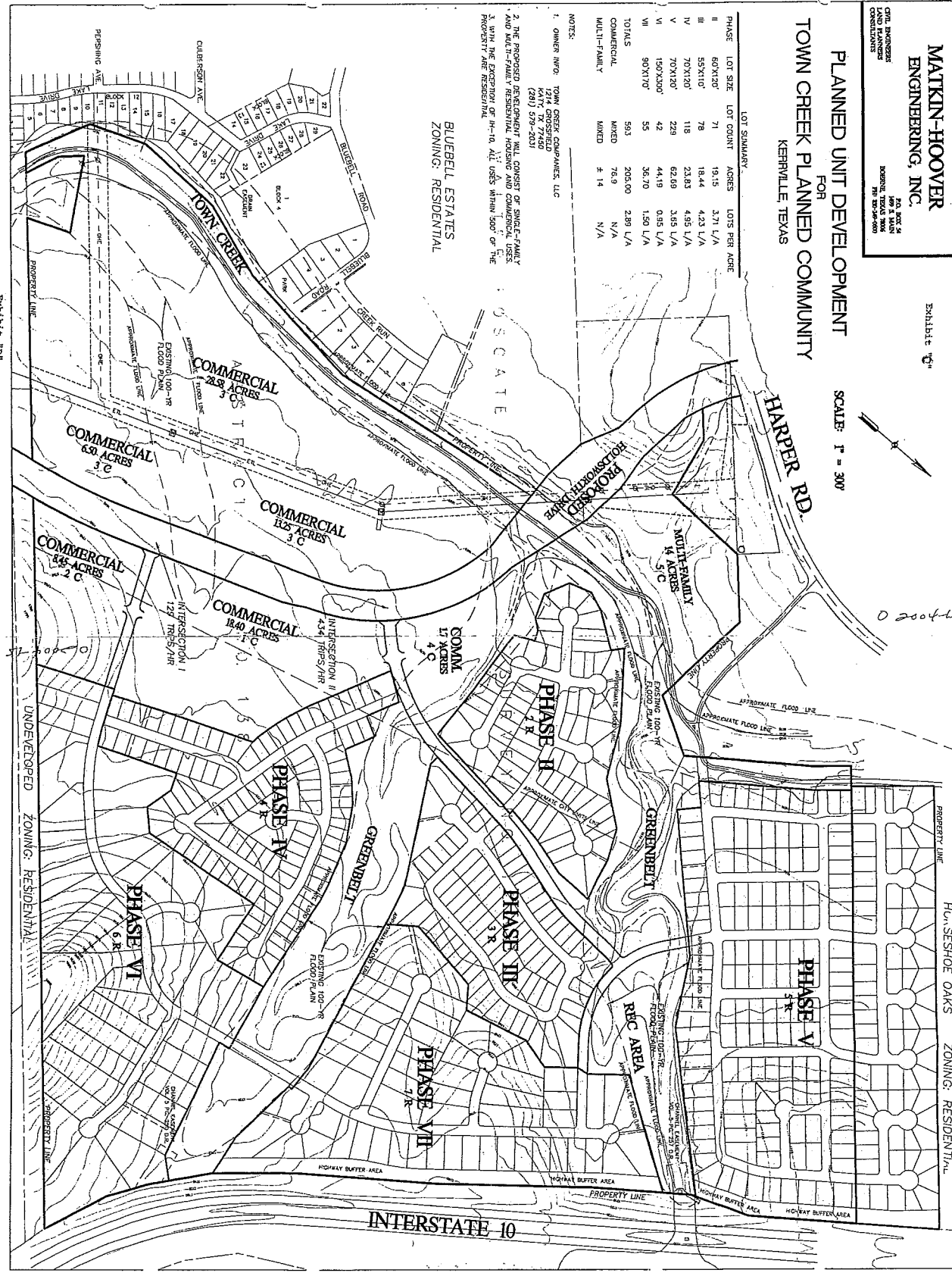


Exhibit "D"

Agenda Item:

5B. Ordinance No. 2017-20, amending the budget for Fiscal Year 2017 to account for the transfer of funds between different funds as previously authorized by City Council, to account for the proceeds from the sale of the former City Hall property, and to make other amendments as provided herein. (staff)

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

SUBJECT: Second reading of an ordinance amending the FY2017 Budget

FOR AGENDA OF: October 24, 2017 **DATE SUBMITTED:** October 13, 2017

SUBMITTED BY: Sandra Yarbrough *py* **CLEARANCES:** Mark McDaniel
Director of Finance City Manager

EXHIBITS: Ordinance Amending FY2017
Budget Amendment - Schedule A – detailing changes

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *MM*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

The attached ordinance provides for the year end amendments to the FY2017 budget. There are ten (10) transactions included in this amendment as shown on Attachment A.

1. Included in the motion to adopt the FY2018 budget was the proposal to amend the FY2017 budget by transferring \$68,300 from the General Fund to the General Asset Replacement Fund for the purchase of equipment as proposed in the FY2018 Sports Complex Department budget. This transaction will be an expense to the General Fund FY17 Budget and a revenue to the FY17 General Asset Replacement Fund Budget. Actual purchase of equipment will be in the FY18 Asset Replacement Fund Budget.
2. Included in the motion to adopt the FY2018 budget was the proposal to amend the FY2017 budget by transferring \$75,000 from the General Fund to the General CIP Fund for the comprehensive plan project in the FY2018 Budget. This transaction will be an expense to the General Fund FY17 Budget and a revenue to the FY17 General Asset Replacement Fund Budget. Actual expense will be in the FY18 General CIP Fund Budget.
3. Amend the General CIP Fund to record proceeds (\$641,640.05) from the sale of city property at 800 Junction Hwy. to be allocated by the City Council to a project or projects at a future date. Cash proceeds were deposited into the General CIP Fund and will remain in this fund unallocated until designated at a later date per state law.
4. Amend the Main Street Fund to record the purchase and installation (\$16,614.32) of "Lupe the Bass" through a multi-year fundraising effort through Main Street activities. Funds for this project were raised in FY15 and FY16. Due to timing of production by artist and

installation in Louise Hays Park, the project expense was delayed until FY17. This structure is a city fixed asset.

5. Amend the Insurance Reserve Fund to record reimbursement (\$206,797.48) and expenses (\$151,954) associated with damages to roofs and equipment from the hail storm in 2016. More repairs are pending. Pending repair expense will be recorded in FY18 as they are completed.
6. Amend the General Asset Replacement Fund to record proceeds from asset disposal proceeds (\$34,472.02) and purchase of vehicles (\$63,668.24) replaced due to accidents. Proceeds from sale of out of service of vehicles and equipment or insurance settlements are recorded as asset disposals when they are removed from city fixed assets. This revenue is used to off-set any difference in replacement of vehicles or equipment when loss is due to accidents or other unforeseen circumstances. Accident damaged vehicles or equipment are purchased per purchasing policy guidelines to continue providing for day to day uninterrupted service.
7. Amend the Water and Sewer Asset Replacement Fund to record proceeds from asset disposal proceeds (\$32,898.04) and purchase of vehicles (\$67,502.87) replaced due to accidents and/or unreliability. Proceeds from sale of out of service vehicles and equipment or insurance settlements are recorded as asset disposals when they are removed from city fixed assets. This revenue is used to off-set any difference in replacement of vehicles or equipment when loss is due to accidents or other unforeseen circumstances. Accident damaged vehicles or equipment are purchased per purchasing policy guidelines to continue providing for day to day uninterrupted service.
8. Amend the Police Special Revenue Fund to record various seizures awarded by court judgements as revenue that were initiated by Kerrville Police Department, and record expenses as allowed by Chapter 59 penal code. Expenses could not be determined until seizures were awarded, which provided funding.
9. Amend the Grant Fund to record JAG Grant expense as stated in grant documents. Reimbursement of expense will be received in FY2018 and recorded as revenue. Purchase of equipment was approved at the September 26, 2017 city council meeting.
10. Amend the Police-Special Programs Fund to record various seizures awarded by court judgements as revenue that was initiated by Kerrville Police Department and record expenses as allowed by Chapter 59 penal code. Expenses could not be determined until seizures are awarded which provided funding. This fund will be closed as recommended by our independent audit firm.

RECOMMENDED ACTION

Reading of the ordinance amending the FY2017 budget was approved at the October 10, 2017 city council meeting by 5 - 0 vote. It is recommended that the City Council approve the second reading of the ordinance amending the FY2017 budget and authorize city staff to make all necessary entries and adjustments to reflect these changes.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2017-20**

AN ORDINANCE AMENDING THE BUDGET FOR FISCAL YEAR 2017 TO ACCOUNT FOR THE TRANSFER OF FUNDS BETWEEN DIFFERENT FUNDS AS PREVIOUSLY AUTHORIZED BY CITY COUNCIL, TO ACCOUNT FOR THE PROCEEDS FROM THE SALE OF THE FORMER CITY HALL PROPERTY, AND TO MAKE OTHER AMENDMENTS AS PROVIDED HEREIN

WHEREAS, Ordinance No. 2016-15 dated September 27, 2016, adopted the Fiscal Year 2017 Budget for the City of Kerrville, Texas; and

WHEREAS, the City Council finds that amending the City's Fiscal Year 2017 Budget is in the best interest of the citizens of the City of Kerrville;

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

In accordance with Section 8.07 of the City Charter, the Official Budget for Fiscal Year 2017 is amended as set forth in **Attachment A**.

October **PASSED AND APPROVED ON FIRST READING, this the 10th day of**
A.D., 2017.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____
day of _____, A.D., 2017.

Bonnie White, Mayor

APPROVED AS TO FORM:


Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary

Budget Amendment - Schedule A

Item #	Fund	Account Number	Line Item Description	Debit (Expense)	Credit (Revenue)
1	General Fund	01-0100-9018	Transfer Out	\$68,300.00	
	General Asset Replacement Fund	18-7001	Transfer In		\$68,300.00
		Transfer estimated excess fund balance at 9-30-17 to Asset Replacement Fund for purchase in FY2018 budget:			
			Kubota 606 Tractor - \$37,200		
			Aeravator attachment \$11,100		
			Entry gates - soccer fields at complex - \$10,000		
			Entry gates - baseball fields at complex - \$10,000		
2	General Fund	01-0100-9070	Transfer Out	\$75,000.00	
	General CIP Fund	70-7001	Transfer In		\$75,000.00
		Transfer estimated excess fund balance at 9-30-17 to General Capital Fund for Comprehensive Plan in FY2018			
The two above transactions reduce expense in the FY2018 General Fund Proposed Budget by \$143,300 and increase expense in the FY2017 General Fund Budget as proposed during the FY2018 budget adoption process on 9-26-17.					
Revenues in the General Asset Replacement Fund and General CIP Fund are increased in the FY2017 Budget and expense in these funds are appropriated in the FY2018 Budget. These transactions reduce the projected fund balance in the General Fund at 9/30/17.					
3	General CIP Fund	70-6901	Asset Disposal Proceeds		\$641,640.05
		Record proceeds from sale of city property at 800 Junction Hwy.			
These proceeds are held in the General CIP Fund and are unallocated and will remain available to be appropriated for a project or projects at future dates as prescribed by state law.					
4	Main Street Fund	94-9400-5100	Buildings and Structures	\$16,614.32	
		"Lupe the Bass" structure and installation - was a multi year project revenue from prior fiscal years were accumulated to cover expense.			
Revenues from FY15 and FY16 were accumulated for this project by Main Street Board fundraising.					
Due to timing of production by the artist and installation on city property this was a FY17 expense and has been recorded as a fixed asset of the city.					
5	Insurance Reserve Fund	90-6921	Reimbursement - Building/Structures		\$206,797.48
	Insurance Reserve Fund	90-9000-2000	Building and Structure Mainte	\$151,954.00	
		Insurance reimbursements from hail storms in 2016 and related repairs more repairs in 2017 with pending repairs to be completed in 2018.			
Pending repairs will be recorded in FY18 as they are completed.					

Budget Amendment - Schedule A

Item #	Fund	Account Number	Line Item Description	Debit (Expense)	Credit (Revenue)
6	General Asset Replacement Fund	18-6901	Asset Disposal Proceeds		\$34,472.02
	General Asset Replacement Fund	18-1800-5200	Vehicles	\$63,668.24	
		<i>Record proceeds from insurance and/or surplus sales through GovDeals and expenses to replace vehicles taken out of service due to accidents and/or reliability.</i>			
7	W/S Asset Replacement Fund	19-6901	Asset Disposal Proceeds		\$32,898.04
	W/S Asset Replacement Fund	19-1900-5200	Vehicles	\$67,502.87	
		<i>Record proceeds from insurance and/or surplus sales through GovDeals and expenses to replace vehicles taken out of service due to accidents and/or reliability.</i>			
8	Police Special Revenue Fund	13-6912	Cash Seizures Awarded		\$9,835.00
	Police Special Revenue Fund	13-6999	Miscellaneous Revenue		\$10,361.05
	Police Special Revenue Fund	13-7007	Transfer In		\$7,264.90
	Police Special Revenue Fund	13-1300-1111	Software	\$9,209.15	
	Police Special Revenue Fund	13-1300-4990	Other Charges	\$5,000.00	
	Police Special Revenue Fund	13-1301-1100	Tools and Equipment	\$4,900.00	
	Police Special Revenue Fund	13-1303-4940	Shared Seizure Awards	\$2,978.49	
		<i>Record revenues and expenses per Chapter 59 penal code and LEOSE funding</i>			
9	Grant Fund	85-8513-5320		\$92,102.00	
		<i>Expenses approved in the Edward Byrne Memorial Justice Grant (JAG) Program with reimbursement being received in FY2018. Purchase was approved at council meeting 9/26/17</i>			
10	Police- Special Programs Fund	07-0700-1111	Software	\$6,976.39	
	Police- Special Programs Fund	07-0700-4940	Shared Seizure Award	\$536.50	
	Police- Special Programs Fund	07-0700-4990	Other Charges	\$365.00	
		<i>Record revenues and expenses per Chapter 59 penal code and LEOSE funding</i>			
		<i>Entries will close fund as advised by independent audit firm</i>			

Agenda Item:

6A. Resolution No. 42-2017 authorizing a waiver of various fees associated with construction activities for the property located at 602 Spur 100, within the City of Kerrville, Texas. (Steve Volkman, citizen)

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

SUBJECT OF REQUEST: Requested Waiver of Fees

AGENDA DATE: October 24, 20217

DATE SUBMITTED:

REQUESTED/SUBMITTED BY: Steve Volkman

PHONE: 830-315-4377

ORGANIZATION REPRESENTING: Veterans Assistance Dogs of Texas

MAILING ADDRESS: 1127 Main Street, #214, Kerrville, Texas 78028

EMAIL ADDRESS: VAdotstv@gmail.com

EXHIBITS/INFORMATION:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

**WILL THIS ITEM REQUIRE CITY COUNCIL TO AUTHORIZE THE
EXPENDITURE OF CITY FUNDS?** YES: X

NO:

IF YES, STATE AMOUNT REQUESTED: \$ 860.00 (estimate)

DESCRIPTION OF REQUEST

We are placing our final training campus at 602 Spur 100. We will bring the veteran to this location to stay in our manufactured homes while receiving the final phase of training with the veteran and the service dog. The veteran will then return to their home with a well-trained service dog.

RECOMMENDED COUNCIL ACTION

We are a 501(C)3, and would like to have our permitting fees waived.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 42-2017**

**A RESOLUTION AUTHORIZING A WAIVER OF VARIOUS FEES
ASSOCIATED WITH CONSTRUCTION ACTIVITIES FOR THE
PROPERTY LOCATED AT 602 SPUR 100, WITHIN THE CITY OF
KERRVILLE, TEXAS**

WHEREAS, Veterans Assistance Dogs of Texas (“VA Dogs”) is a nonprofit organization located in Kerrville, Texas, that trains service dogs to assist the lives of disabled Texas veterans suffering from physical disabilities, traumatic brain injuries, Post-Traumatic Stress Disorder (PTSD), Military Sexual Trauma (MST) or a combination of these disabilities; and

WHEREAS, service dogs trained by VA Dogs provide companionship, security, and emotional stability during periods of recovery from the physical and emotional wounds of combat and aid in the physical and emotional recovery and independence of American Veterans with disabilities by providing service dogs at no cost to the veteran; and

WHEREAS, VA Dogs intends to develop the property located at 602 Spur 100 (the “Property”) as a dog training facility, whereby a veteran may live for a short period of time and receive training as to using and caring for a dog; and

WHEREAS, VA Dogs has requested that the City waive the payment of various fees related to the development of the Property for the purposes specified above; and

WHEREAS, City Council finds that the activities conducted by VA Dogs on the Property serve a public purpose, and as such, it is in the public interest to waive the fees specified below as a way to aid in the proposed development;

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

SECTION ONE. Subject to Sections Two and Three, below, the payment of the following fees are waived for VA Dogs for its development of the Property:

1. Parkland Dedication Fee;
2. Building, Electrical, Plumbing, and Mechanical Fees; and
3. Platting and replatting fee.

SECTION TWO. The waiver of fees described in Section One, above, applies only to applications filed by VA Dogs for the Property.

SECTION THREE. The waiver of the various fees listed in Section One, above, is not to be construed and does not waive any requirements for obtaining the various permits and inspections required by the Code of Ordinances of the City of Kerrville, Texas, or any other

applicable federal, state, or local law or regulation, nor is it to be construed as granting any waivers or variances to the subdivision regulations of the City of Kerrville.

PASSED AND APPROVED ON this the _____ day of _____, A.D., 2017.

Bonnie White, Mayor

ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

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

Michael C. Hayes, City Attorney

Agenda Item:

6B. Interim administrative services contract between City of Kerrville, Texas and the City of Kerrville, Texas Economic Improvement Corporation in the amount of \$16,700. (staff)

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

SUBJECT: Interim Administrative Services Contract between the City of Kerrville, Texas and the City of Kerrville, Texas Economic Improvement Corporation in the amount of \$16,700

FOR AGENDA OF: October 24, 2017 **DATE SUBMITTED:** October 19, 2017

SUBMITTED BY: E.A. Hoppe **CLEARANCES:** Mark McDaniel
Deputy City Manager City Manager

EXHIBITS: FY2018 EIC Administrative Services Contract

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$16,700	\$100,000	\$100,000	40-4000-4351

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The City of Kerrville provides services to the EIC through an annual Administrative Services contract. This contract includes services for project management, engineering, financial, legal, and administrative support. The approved FY 2018 EIC and City budget both indicate \$100,000 for these services on an annual basis. The current contract expired on September 30, 2017 thus necessitating a new contract for FY2018.

A full-year annual services contract was presented to the EIC at their regular meeting held on October 16, 2017. The EIC expressed an interest in revising the annual contract to more explicitly outline the ability of the EIC to hire specialized legal services if necessary and the budgeted ability to do so. The EIC directed staff to draft an interim contract to allow for approximately 60 days of service, with a prorated compensation of \$16,700 for that time, while a new annual contract is drafted accordingly. The new contract will be considered by the EIC at their regular November meeting, then come before the City Council on December 12.

Attached is an interim Administrative Services Contract between the City of Kerrville and the EIC that will expire on Dec. 23, 2017, as approved by the EIC on October 16, 2017.

RECOMMENDED ACTION

The EIC recommends approval of this interim contract as presented.

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

THIS CONTRACT is entered into and effective as of the ____ day of October 2017, by and between the City of Kerrville, Texas, ("City"), and the City of Kerrville, Texas Economic Improvement Corporation ("EIC") for and in consideration of the following promises and conditions:

**ARTICLE I
SERVICES PROVIDED BY CITY**

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

- A. Engineering and Project Management Services: City agrees to provide engineering and project management services, to include design, bid, and construction phases, for EIC-funded projects that involve improvements to City and/or public property. For such projects requiring expenditures estimated at more than \$25,000.00 for construction, City may contract for specialized engineering services and EIC agrees to pay for such services as part of a project, which is authorized by the EIC to be funded in whole or in part by sales tax revenues generated pursuant to the authority of Chapters 501, 502, and 505 of the Texas Local Government Code.
- B. Legal Services: City agrees the City Attorney will be the legal advisor of, and attorney for, the EIC, which representation will include review of documents, contracts, and other instruments as to form and legality, the conduct of legal research, and, if requested, the issuance of legal opinions. In the provision of legal services by the City Attorney, the City Attorney shall provide such services only if the provision of legal services to the EIC does not unreasonably impair his ability to provide legal services to the City. Furthermore, in the event the City Attorney determines that a legal or ethical conflict exists between the City and the EIC, the EIC agrees that the City Attorney may continue to represent the City on such matter notwithstanding such conflict provided the City Attorney has made reasonable disclosure of the conflict to the president of the EIC. EIC shall retain the right to hire counsel of its own choice at EIC expense. Subject to EIC's budget, the City Attorney may contract at times for specialized legal services with respect to a project approved by EIC and EIC agrees to pay for such services.
- C. Financial Services: City agrees to provide accounting, banking, and investment services, including accounts receivable, accounts payable, investments, record keeping, financial reporting, and an audit of all funds. The City will provide a report at each regular monthly meeting of the EIC, such report to include a statement of revenues and expenditures for all funds and a cash flow analysis on a form approved by the EIC.
- D. Administrative Services: City will provide services from the City Manager to include secretarial and other clerical services, including taking minutes and preparation of resolutions and correspondence related to the operation of EIC. The City Manager or designee will engage with the EIC in a manner comparable to the role identified by Section 6.04 of the City Charter.

- E. Investment Officer: The City's Director of Finance will serve as the EIC's investment officer in accordance with the EIC's Investment Policy, as may be amended.
- F. Regulatory Financial Reporting: The City's Director of Finance shall prepare all financial reports required by state and federal regulatory agencies.
- G. Annual Audit: The City's Director of Finance shall include the EIC's financial information as part of the City's Comprehensive Annual Financial Report (CAFR).
- H. Project Reports: The City Manager or designee shall provide a report at each regular monthly meeting of the EIC on all ongoing projects which are subject to a funding agreement with the EIC. These reports shall include the status and estimated completion date of each project and verification that performance criteria are being met.
- I. Staff Reports: The City Manager or designee shall prepare a report on each application for EIC funds, such report to include the following information:
 - 1. Complete Application
 - 2. Financial Impact Analysis
 - a. Total payroll
 - b. Payroll multiplier
 - c. Sales and ad valorem tax generation
 - 3. Return on Investment Analysis
 - a. Property tax – City, County, and KISD
 - b. Sales tax – City and County
 - c. Payroll multiplier
 - d. Timeline by which return is realized
 - 4. Feasibility Analysis
 - a. Land – size, zoning, platting, building/fire codes
 - b. Building – size, suitability, condition
 - c. Infrastructure – water, wastewater, streets, drainage, electricity, public safety

J. Prospect Support Services: The City Manager or designee shall ensure that the following support services as provided by City staff are provided to the EIC in the review and processing of applications for EIC funds:

1. receive applications;
2. evaluate applications for completeness;
3. determine eligibility;
4. facilitate submission before the EIC;
5. provide technical evaluation;
6. provide recommendations;
7. coordinate with other aligned agencies/entities; and
8. identify appropriate incentives and programs.

ARTICLE II **COMPENSATION**

In consideration of the provision by City to EIC of the services described in Article I, above, EIC shall pay City the sum of **\$16,700.00** for the term specified below. It is agreed by the parties that this compensation is equal to the reasonable value of the services anticipated to be provided by City to the EIC. City shall deduct the payment required hereunder upon receipt of said sales tax revenues from the Comptroller of Public Accounts for the State of Texas.

ARTICLE III **TERM**

The term of this Contract commences on October 25, 2017, and ends on December 23, 2017, subject to earlier termination as provided herein and extension by agreement of the parties hereto.

ARTICLE IV **TERMINATION**

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

ARTICLE V **GOVERNING LAW**

This Contract is subject to, governed by, and construed in accordance with the laws of the State of Texas.

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

(signatures begin on following page)

CITY OF KERRVILLE, TEXAS

CITY OF KERRVILLE, TEXAS ECONOMIC
IMPROVEMENT CORPORATION

By: _____
Mark L. McDaniel, City Manager

By: _____
Kenneth Early, President

ATTEST:

Cheryl Brown, Deputy City Secretary

APPROVED AS TO FORM:

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

Michael C. Hayes, City Attorney

T:\Legal\EIC\Contract\City Admin Services\EIC Services 2017-18_101817.docx

Agenda Item:

7A. Presentation of the Office of Innovation. (staff)

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

SUBJECT: Presentation of the Office of Innovation

FOR AGENDA OF: 10/24/17

DATE SUBMITTED: 10/12/17

SUBMITTED BY: Guillermo Garcia,  **CLEARANCES:** Mark McDaniel,
Executive Director City Manager

EXHIBITS: PowerPoint presentation

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The City Manager established the Office of Innovation to empower the City's greatest resource engine for innovation, its employees. Empowerment will be achieved through employee education (City University), process improvement (Lean Six Sigma), and business planning.

RECOMMENDED ACTION

No action required.

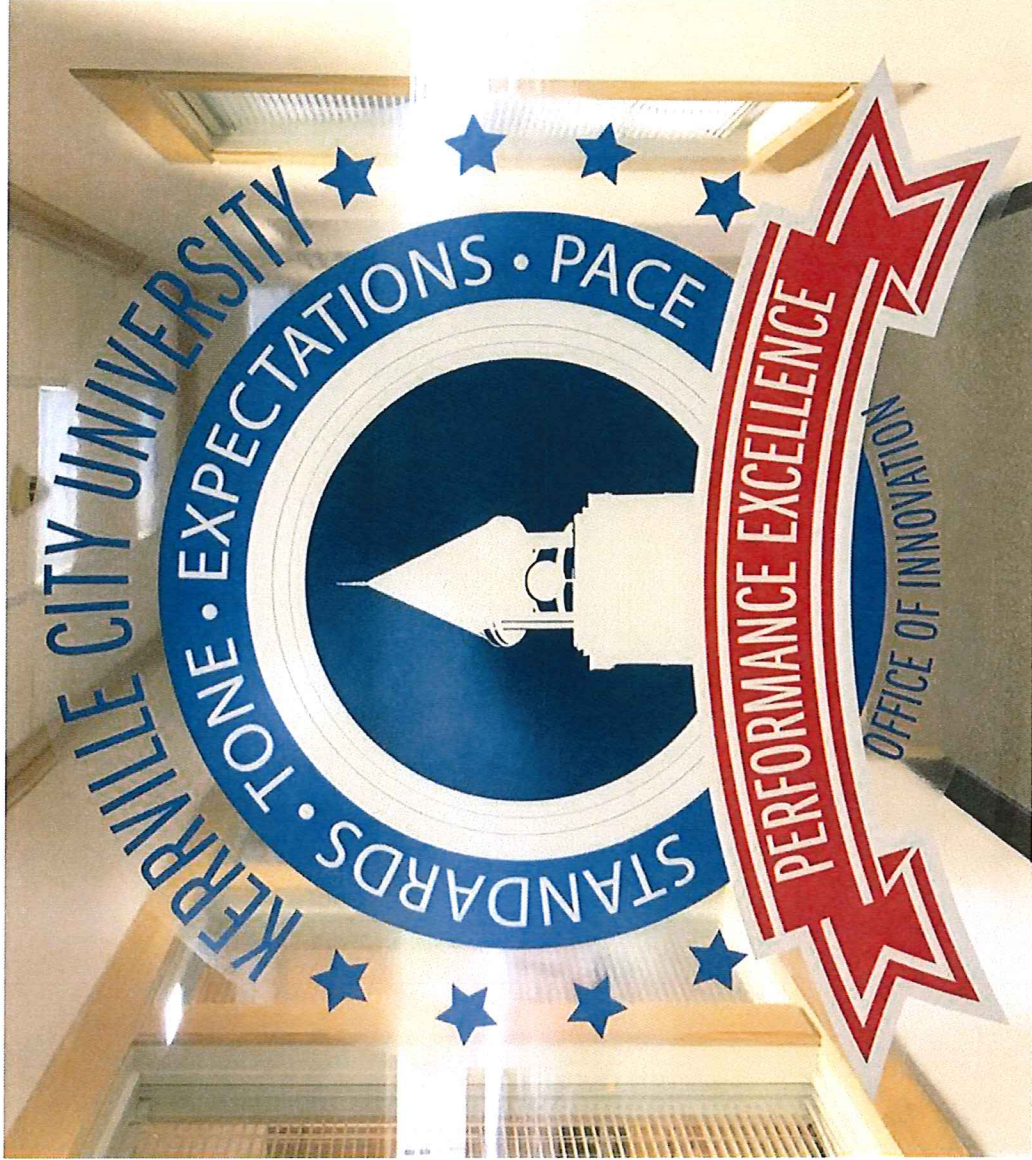


OFFICE OF INNOVATION PRESENTATION

10/10/17

Guillermo Garcia

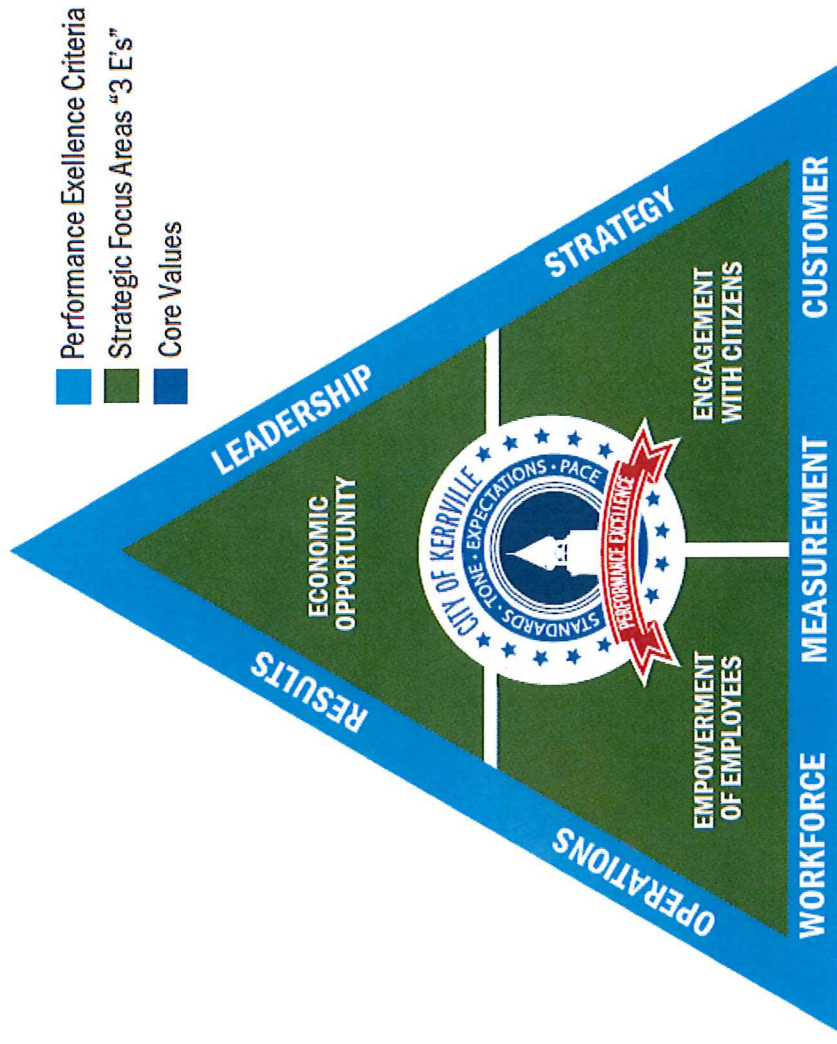




Performance Excellence Pyramid

Brining all together:

PERFORMANCE EXCELLENCE PYRAMID



Vision: To provide economic opportunity that is fostered by a high quality of life

Mission: Ensure a high quality of life through engagement with citizens and empowerment of employees

What is the Office of Innovation?

Purpose:

- We believe that the City organization's greatest resource engine for innovation is its employees. Through engagement and empowerment we will achieve the highest levels of performance excellence

How:

- Through employee education, process improvement, strategic and business planning, and creativity

What:

- Create a culture of innovation

"All of the great organizations in the world, all have a sense of why that organization does what it does." Simon Sinek

How to Inspire Innovation

- **Business Planning** (Sep 2017): Provide a framework for departmental planning through a proven performance excellence framework
- **City University** (Sep 2017): Provide a learning environment to enhance workforce capacity and capability
- **Lean Six Sigma** (Oct 2017): Empower employees to improve operations/processes by eliminating waste and variation through creative innovation
- **Strategic Planning** (In Progress): Integrate Comprehensive Planning efforts with a new strategic operating plan that is supported by the Business Plan

“Discere Aude”

(Dare to Learn)

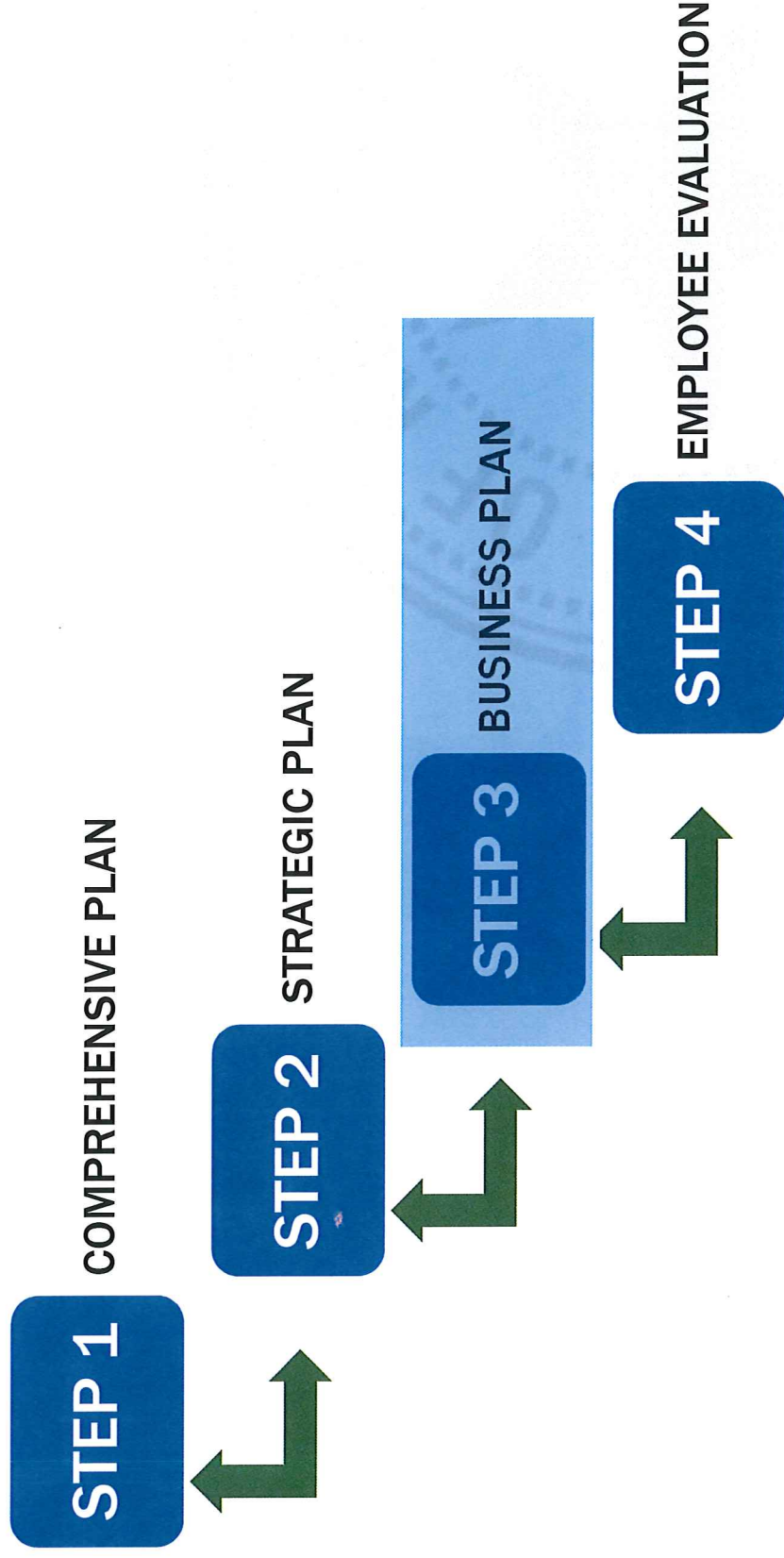
Objectives

- Reduce Future Costs
- Improve Efficiencies
- Increase Capacity/Productivity
- Motivate and Engage the Workforce



BUSINESS PLANNING

Visual Representation



The Business Plan

We believe that Business Planning will help to create a culture of innovation by ensuring full integration and accountability for strategies, action plans and performance measures. The Business Plans consists of:

- Strategic Alignment
- Department Planning
- Performance Criteria (Baldrige Performance Excellence Criteria)

The Business Plan

Part I: Strategic Alignment

Commitment

Mission: Ensure a high quality of life through engagement with citizens and empowerment of employees

Vision: To provide economic opportunity that is fostered by a high quality of life

Strategic Focus for Excellence:

- **Engagement with Citizens:** includes outreach, internal and external communication plans, transparency around sharing information, and business planning for each department with use of relative metrics and that align with community and city council goals and priorities.
- **Economic opportunity for all:** involves a holistic approach to economic development that leverages our strengths as a community, but also addresses our weakest links, and supports a long-range plan for how we fund city services and infrastructure.
- **Empowerment of employees** — we recognized that we will never have enough funding and technology will take us only so far. It is our employees that are the resource engine.
 - They are the game changers.
 - We must invest in training, leadership development and a parallel organization that empowers employees at all levels to initiate and implement efficiencies, reduce waste, and improve responsiveness.
 - We will borrow best practices from the private sector like Lean Six Sigma and the Baldrige Framework to make sure continuous improvement is disciplined and part of our culture.

Core Values (STEP)

Standards The City will be held to higher standards in terms of integrity, productivity and quality of work.

Tone The City will demonstrate a citizen centric and team approach.

Expectations The City will be innovative, data driven for evidence based decision making, and accountable.

Pace The City will instill a sense of urgency for responding and delivering results.

By signing this document, we affirm our commitment to the City of Kenville's Mission, Vision, Strategic Focus, Core Values, and Organizational Goals.

Department Director Signature

Date

Executive Director Signature

Date

The Business Plan

Part I: Strategic Alignment

Strategic Plan Alignment

The City's Strategic Plan and associated Strategy Map identified below, including the performance measures and targets. The department will identify which objective and metrics it has aligned with.

Perspective	Strategic Objective	Measures	Target
Financial	(Do Not Complete)		
Customer			
Operational			
Workforce			

DO-2014-009 EP

Rev. 1

5 | Page
Rev. Date: 07/23/17

Part I: Strategic Alignment

Action Plan Alignment

The department actions and indicators of progress align to the City's overall Strategic Plan. Please fill out the following items below.

O = On Track B = Behind C = Complete NS = Not Started

Action	Summary	Start	Finish	Status
Action	Summary	Start	Finish	Status
Action	Summary	Start	Finish	Status
Action	Summary	Start	Finish	Status
Action	Summary	Start	Finish	Status

DO-2014-009 EP

Rev. 2

7 | Page
Rev. Date: 10/3/17

The Business Plan

Part II: Dept. Planning

SWOT Analysis

A SWOT is a structured planning method used to conduct a situational analysis. SWOT is an acronym, which stands for: Strengths, Weaknesses, Opportunities, and Threats. For each item identified below, there should be a corresponding action item.

[illegible]

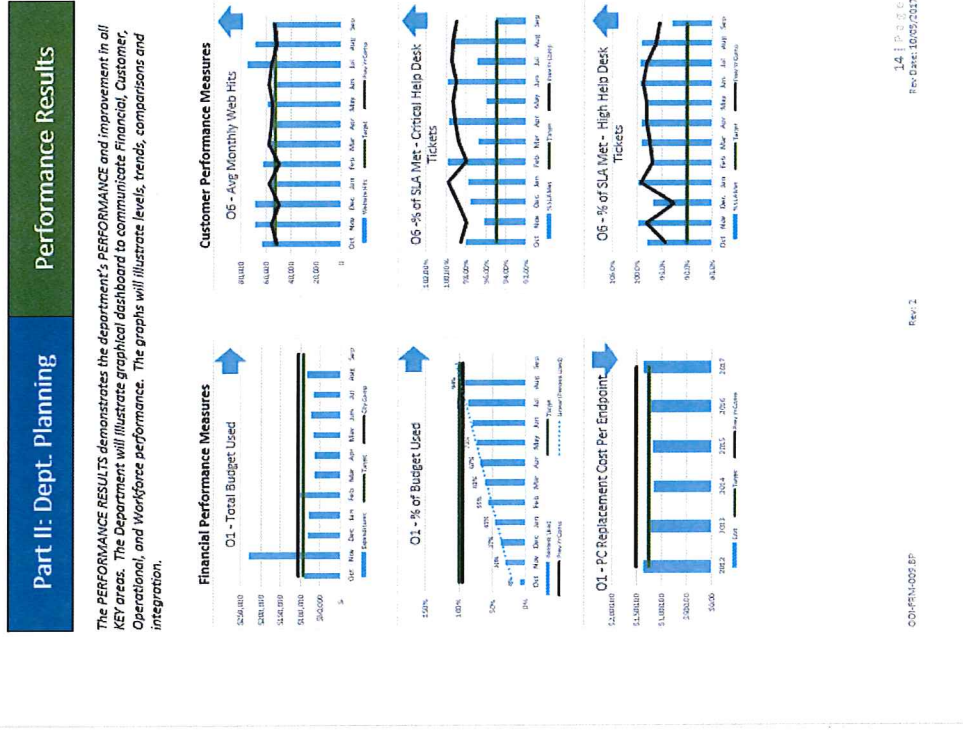
Opportunities	Threats
O1: City-wide with partnership with ISPs	T1: Cybersecurity
O2: Cloud computing	T2: Unfunded mandates
O3: 24/7 Remote Access to Systems and Documents using Remote Services	T3: Limited # of local IT vendors
O4: Open Source software	T4: Accelerated expectations versus capacity
O5: Sharepoint & collaboration tools	T5: Criminal Justice Information System (CJIS)
O6: Invigorate IT with new Mission Statement, Vision and Values	T6: Small city = small buying power = less discounts
O7: Leverage existing solutions from one Department to other Departments	T7: Funding levels and priorities
O8: Adopt self-service solutions with configurable solutions	T8: Fast pace of changing technology
O9: Seek innovative IT solutions rather than IT fixes	T9: Regulations
O10: Expand PEG programming by partnering with KSPD	T10: High cost of cloud services
O11: Utilization of Schreiner Interns	T11: High costs of high speed internet services due to location
O12: Develop City-wide mobile app	T13: Lack of IT involvement in planning stages of projects
O13: Enhance GIS portal	
O14: Leverage partnership with KPUB for City-wide dark fiber to City facilities	
O15: Improve data exchange with peers	

Part II: Dept. Planning

Engagement	Engagement with citizens includes outreach to internal and external communication plans, transparency around sharing information, and business planning for each department with use of relative merits and strengths as a community, but also addresses our weakest link, and supports a long-range plan for how we fund city services and infrastructure.
Economic	Economic opportunity for all involves a holistic approach to economic development that leverages our strengths as a community, but also addresses our weakest link, and supports a long-range plan for how we fund city services and infrastructure.
Empowerment	Empowerment of employees involves recognizing that we will never have enough funding and technology. We take it only so far, so it's our employees that are the resource engine.

DOI:10.1002/rev.2 Rev: 2 10 | Page Rev Date: 10/05/2017

The Business Plan



The Business Plan

Part III: Performance Criteria	Leadership
<i>The SENIOR LEADERSHIP AND GOVERNANCE AND SOCIETAL RESPONSIBILITIES asks HOW SENIOR LEADERS' personal actions guide your organization. It also asks about your organization's GOVERNANCE system and HOW your organization fulfills its legal, ethical, and societal responsibilities.</i>	
[1.1] How do you as department director set your department's mission, vision, and values? [enter response]	
[1.2] How does the Department Directors' personal actions as a leader build an organization that is successful now and in the future? [enter response]	
[1.3] How does the Department Director communicate and engage the entire workforce and key customers? [enter response]	
[1.4] How does the Department Director create a focus on action that will achieve the department's mission? [enter response]	
[1.5] How does the Department Director evaluate the performance of the departments' management, supervisors, and employees? [enter response]	

CO-PSM-003 BP

Rev: 1

12 | Page
Rev Date: 8/23/17

The Baldrige Framework

- Created in 1987 by Congress as Public Law 100-107 and signed into law by President Ronald Reagan
- Provides a disciplined framework that encourages accountability, engagement, empowerment, and results
- Managed by the National Institute of Standards and Technology, an agency of the U.S. Department of Commerce
- Quality Texas was established in the early 1990's by Governor Ann Richards to promote Baldrige Framework

The Baldrige Criteria

1. **Leadership:** Asks HOW senior leaders personal actions guide the organization to achieve a high standard of excellence and the fulfillment of legal, ethical, and societal responsibilities
2. **Strategy:** Asks HOW your organization develops strategic objectives and action plans, implements them, changes them if circumstances require, and measures progress
3. **Customer:** Asks HOW your organization engages its customers for long-term marketplace success, including HOW your organization listens to the voice of the customer, builds customer relationships, and uses customer information to improve and to identify opportunities for innovation

The Baldrige Criteria cont.

4. **Measurement, Analysis, and Knowledge Management:**
Asks HOW your organization selects, gathers, analyzes, manages, and improves its data, information, and knowledge assets; HOW it learns; and HOW it manages information technology. The category also asks HOW your organization uses review findings to improve its performance
5. **Workforce:** Asks HOW your organization assesses workforce capability and capacity needs and builds a workforce environment conducive to high performance. The category also asks HOW your organization engages, manages, and develops your workforce to utilize its full potential in alignment with your organization's overall business needs

The Baldrige Criteria cont.

6. **Operations:** Asks HOW your organization designs, manages, improves, and innovates its products and work processes and improves operational effectiveness to deliver customer value and achieve ongoing organizational success
7. **Results:** Asks about your organization's performance and improvement in all KEY areas—product and process results, customer-focused results, workforce-focused results, leadership and governance results, and financial and market results. The category asks about performance levels relative to those of competitors and other organizations with similar product offerings



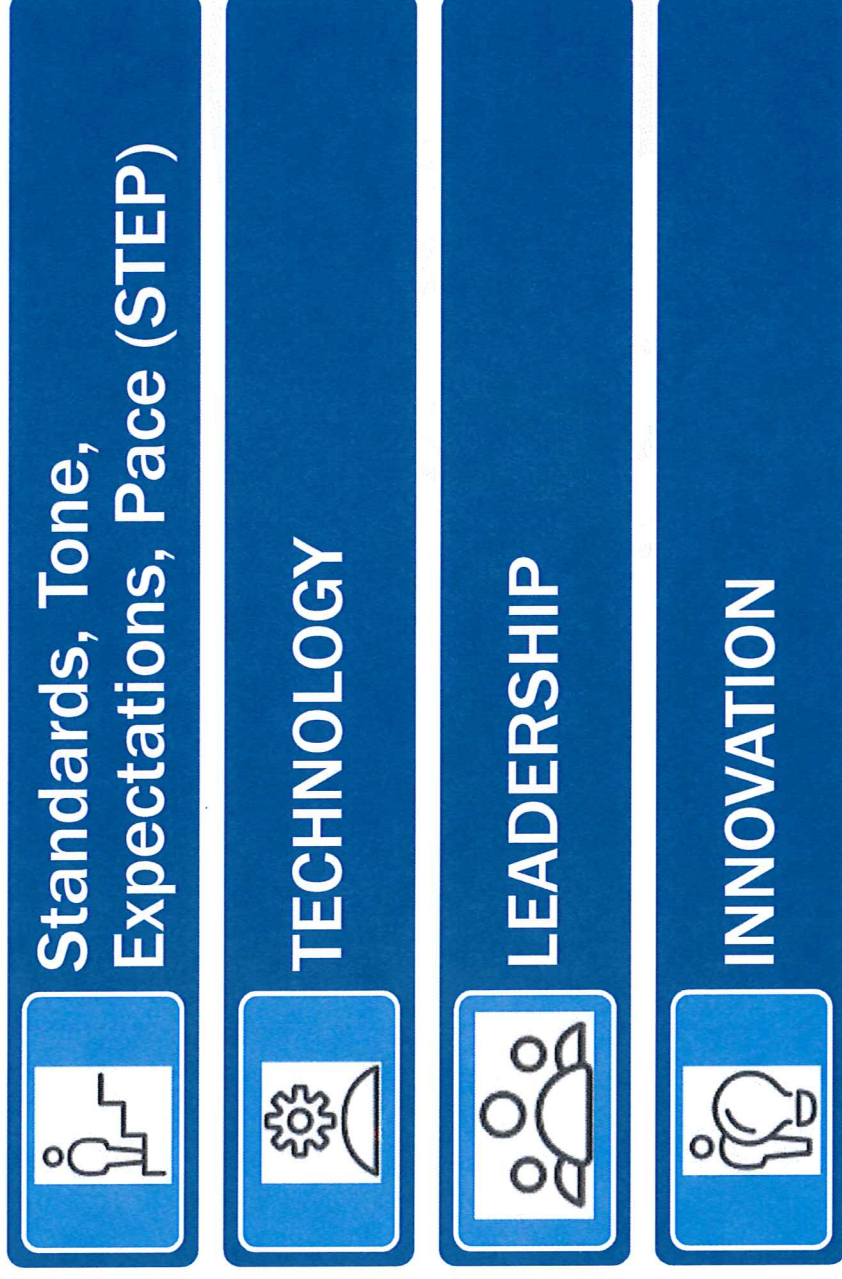
CITY UNIVERSITY

City University

The City believes that to maximize its resource engine, its workforce, it is necessary to invest in their education and professional development. We believe a workforce that is educated and skilled will challenge the status quo and lead to innovative change and greatly assist in succession planning



Learning Tracks



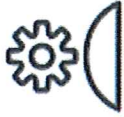
STEP



The STEP track is designed to give staff members the basic tools necessary to demonstrate the organizational core values: Standards, Tone, Expectations, and Pace

Course
Customer Service in Local Government
Get Things Done
Habits of Success
On-Boarding
Purchasing Policy
Standardization of Work
Workplace Ethics: Training for Employees

TECHNOLOGY



The Technology track provides technical knowledge to staff members to enhance their technology skills

Course
Incode (Enterprise Software) Training
Project Management
Working the Excel
Working with OneNote
Working with Outlook
Working with PowerPoint
Working with Publisher
Working with Project
Working with Word

INCODE TRAINING



LEADERSHIP



The Leadership track provides continuing education for staff members looking to enhance their leadership and professional skills

Course
Budget Training
Dance of Leadership
Developing Your Team
Employee Engagement
Frontline Management: Leveraging the Strength of Your Style
Managing Ethics: Training for Managers
Maximize Your Meetings
Media Training
Situational Leadership
Strategies for Having Difficult Conversations
Transform Your Culture by Engaging Employees

INNOVATION



The Innovation track is a specific training program focused on process/creativity improvement, Strategic/Business planning, and fostering a culture that thrives on innovation

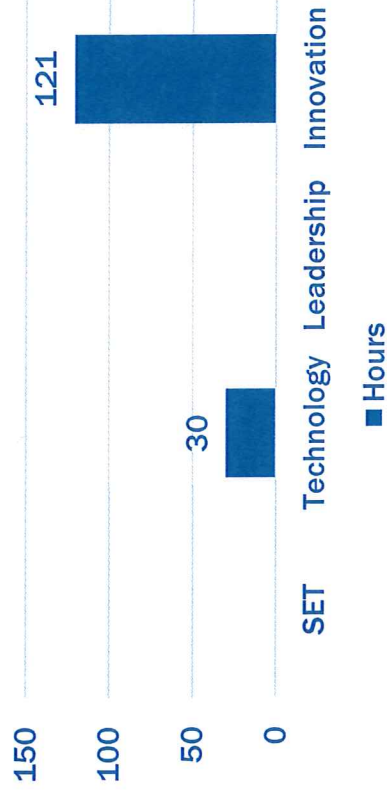
Course
Business Planning
LSS Green Belt
LSS White Belt
Leveraging Innovation
Strategic Planning

BUSINESS/BALDRIGE TRAINING

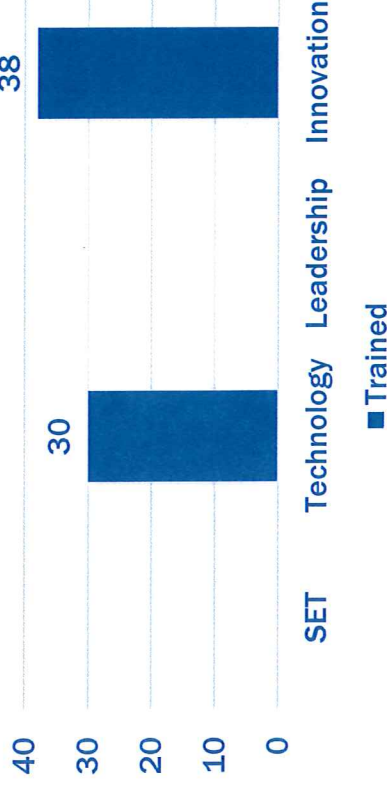


Current Results (Since Sep 2017)

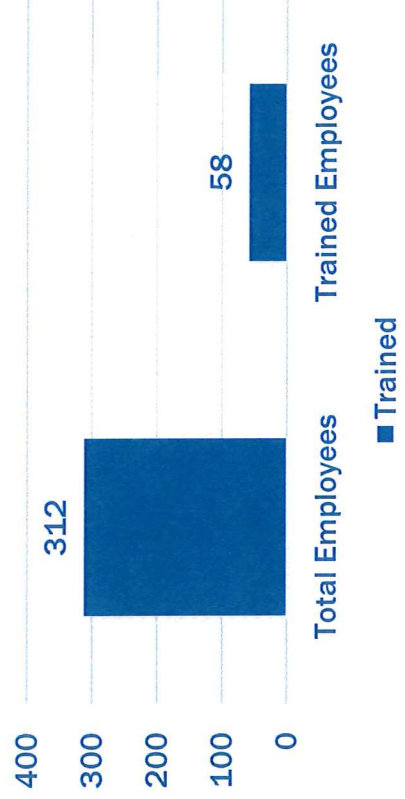
Hours Trained by Track



Employees Trained by Track



Number of Employees Trained





LEAN SIX SIGMA

Lean Six Sigma

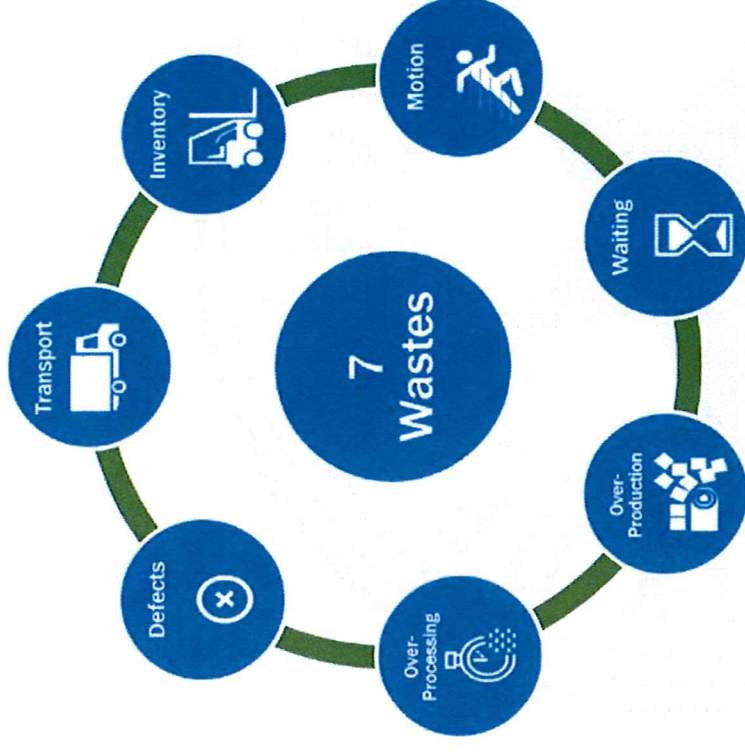
Is a combination of two disciplined, data-driven approaches and methodologies for improving performance:

- **Lean Manufacturing** – Developed by the Toyota Motor Company as the Toyota Production System in the 1950's. The objective is eliminate or **reduce the waste** in a process
- **Six Sigma** – Developed by Motorola to improve the overall quality of its products and services. The objective is the **elimination or reduction of variation** in a process

Waste

The seven waste found in a process are:

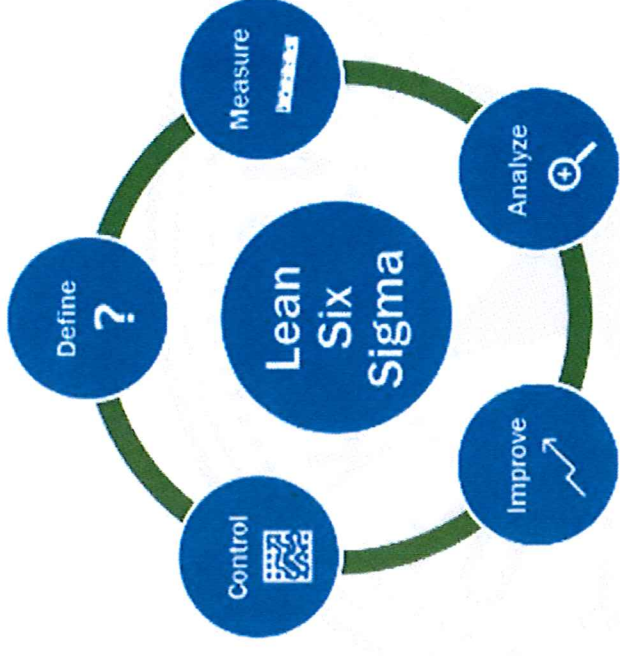
1. **Transportation** – Consists of the unnecessary movement of products and materials.
2. **Inventory** – Excess amount of material in the process.
3. **Motion** – Unnecessary movement of individuals within in a process.
4. **Waiting** – Wasted time waiting for the next step in the process.
5. **Over-Production** – Production that is more than needed or before it is required.
6. **Over-Processing** – More work used or required than is needed required by the process or customer.
7. **Defects** – Defective product or services that leads to excess rework, scrap and incorrect information.



Lean Six Sigma Methodology

The five phases of Lean Six Sigma are:

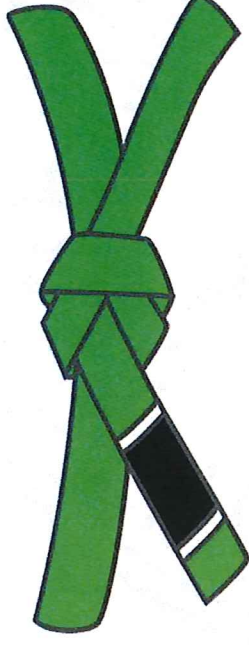
1. **Define** – Is the process identifying the potential opportunities for improvement.
2. **Measure** – Determine to overall process capability of the process and identify variables.
3. **Analyze** – Evaluate the variables identified in the previous phase.
4. **Improve** – Identify and implement improvements.
5. **Control** – The last phase of the methodology requires the implementation of controls in the process to sustain the improvements.



Green Belt Candidates

The following candidates are selected through a selection process:

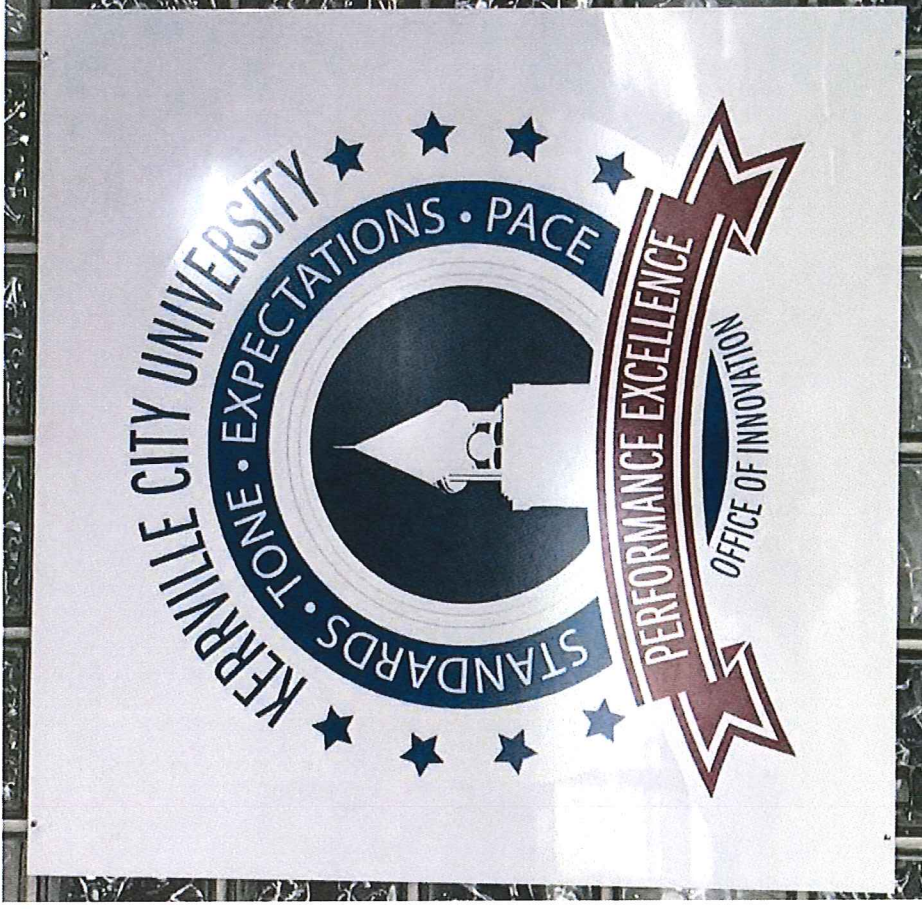
- | | |
|---------------------|------------------------|
| 1. Brandon Kelly | Streets |
| 2. Charvy Tork | Information Technology |
| 3. Chris Lee | Fire Marshall |
| 4. Danielle Brigati | Library |
| 5. Jesse Baldwin | Police |
| 6. JR Thompson | Public Works |
| 7. Ramiro Cano | Fleet |
| 8. Randi Van Winkle | Finance |
| 9. Shannon Flowers | Purchasing |
| 10. Trina Rodriguez | Utility Billing |
| 11. Trina Sanchez | Development Services |



Project Examples

Example of Successful Projects

1. Improve Fire Personal Protection Equipment Replacement Process
2. Improve the Armory Process
3. Improve Police Vehicle Inventory
4. Reduce Vehicle Services Inventory
5. Improve Solid Waste Route 11
6. Improve Warrant Process
7. Standardize Use of Magnesium
8. Improve Chemical Dosage Process
9. Improve Police Vehicle Installation Process
10. Improve Municipal Court Case Processing
11. Minimize Outside Lab Testing of Water Samples
12. Improve Move-in Process
13. Improve Non-Owner Occupied Rental Program Registration Process
14. Improve Roof Building Inspection Process
15. Improve Vendor Electronic Funds Transfer Process



Questions?

Agenda Item:

7B. Budget and economic update. (staff)

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

SUBJECT: Budget/Economic Update Ending September 30, 2017

FOR AGENDA OF: October 24, 2017 **DATE SUBMITTED:** October 16, 2017

SUBMITTED BY: Sandra Yarbrough
Director of Finance

CLEARANCES: Mark McDaniel
City Manager

EXHIBITS: Budget and Economic Update

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$.00	\$.00	\$.00	N/A

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

General Fund revenues received as of September 30, 2017 are \$28,072,527 or 101.30% of budget with expenses at \$27,630,066 or at 97.08% of budget. Property tax collections were 101.41% of budget and 3.58% over same period in prior year. The bulk of property tax was collected by the January 31 deadline; collections in the following months were in smaller increments and considered delinquent with penalty and interest also due. Sales tax collections are at 103.98% of budget and 5.48% over same time period in prior year. September sales tax collections reflect local retail sales in July. Both revenues and expenses for the General Fund indicate an increase over the prior year due to the budget amendments approved by city council on January 24, 2017 for the sale of earthen fill material from a General Fund asset and allocated such funds received to the General Capital Improvement Fund for future capital improvements and on April 25, 2017 to transfer a portion of funds above the self-imposed 25% reserve fund balance to the General Fixed Asset Replacement Fund for future appropriations to replacement of vehicles and equipment. This report does not reflect the proposed year end budget amendments on the October 24, 2017 city council agenda.

Water and Sewer Fund revenues received as of September 30, 2017 are \$11,881,558 or 98.26% of budget with expense at \$11,230,342 or 92.87% of budget. Water sales are 99.84% of budget and 8.35% over same period prior year. Sewer service is at 96.25% of budget and 1.92% over same time period in prior year. Water sales are impacted by rainfall during billing periods.

Hotel Motel Fund revenue received as of September 30, 2017 is \$1,225,145 or 111.5% of budget with expenses at \$1,012,700 or 94.64% of budget. September occupancy tax

collections were collected locally in August from persons visiting Kerrville. Revenues continue to increase over the prior year due to new conference and other groups holding functions in the Hill Country. It is anticipated that revenues will continue to increase with tourism season.

Community Investment Plan most active projects are shown with some nearing completion. Shown is the project budgeted amount, invoices paid during current month, project to date expense, and remaining funds available for project. This report reflects financial activity only and does not reflect percentage or status of project completion.

Permits issued for new residential locations since October 2016 were 62.

Value of new and remodel commercial permits issued in September was \$8,635,950. Commercial permits issued for new locations and major improvements are an estimated value of \$35,095,358 for fiscal year-to-date.

Property values or increase in property value for new construction and major improvements for residential and commercial sites will be reflected on the property tax roll in the tax year following completion of construction or improvements.

Real estate transactions remain steady with a moderate inventory available.

Unemployment at national, state, and local levels has remained at a low percentage for several months.

Active water accounts billed in September – 11,001 residential units, 1,558 commercial units, 523 irrigation meters.

Active sewer accounts billed in September – 10,695 residential units, 1,289 commercial units.

Active garbage accounts billed in September - 8,132 residential only.

RECOMMENDED ACTION

Report is for information purposes only, no action required.

Budget and Economic Update

Month ending September 30, 2017

	Current Month	Y-T-D Total	Budget @ 100%	Prior Year To-Date	% change vs prior year
General Fund					
Total Revenues	\$ 1,466,949	\$ 28,072,527	101.30%	\$ 24,544,625	14.37%
Property tax	\$ 17,674	\$ 9,121,201	101.41%	\$ 8,806,337	3.58%
Sales tax	\$ 528,419	\$ 6,698,455	103.98%	\$ 6,350,569	5.48%
Total Expenditures	\$ 2,673,424	\$ 27,630,066	97.08%	\$ 23,336,248	18.40%
Water and Sewer Fund					
Total Revenues	\$ 1,138,594	\$ 11,881,558	98.26%	\$ 11,574,350	2.65%
Water Sales	\$ 619,808	\$ 5,742,033	99.84%	\$ 5,299,650	8.35%
Sewer Service	\$ 453,172	\$ 5,345,252	96.25%	\$ 5,244,454	1.92%
Total Expenditures	\$ 1,109,152	\$ 11,230,342	92.87%	\$ 11,096,569	1.21%
Hotel/Motel Fund					
Total Revenues	\$ 90,208	\$ 1,225,145	111.50%	\$ 1,109,233	10.45%
Total Expenditures	\$ -	\$ 1,012,700	94.64%	\$ 960,474	5.44%

Community Investment Plan	Project Budget	Current Month	P-T-D Expense	Project Budget Balance
Kerrville Sports Complex	\$ 10,500,000	\$ 257,227	\$ 10,071,543	\$ 428,457
Landfill Permitting	\$ 757,597	\$ 38,698	\$ 429,313	\$ 328,284
Legion Lift Station	\$ 750,000	\$ 19,451	\$ 70,267	\$ 679,733
Oxidation Ditch WWTP	\$ 1,487,745	\$ 21,477	\$ 41,792	\$ 1,445,953
Rehad Clarifier Water Treatment	\$ 683,750	\$ 21,728	\$ 28,961	\$ 654,789
Reuse System	\$ 23,003,000	\$ 2,056,998	\$ 11,075,332	\$ 11,927,668
River Trail	\$ 6,000,000	\$ -	\$ 5,238,157	\$ 761,843
Sports Complex Field House	\$ 2,196,000	\$ 530,330	\$ 1,584,920	\$ 611,080
THM/Tank Repaint	\$ 1,764,100	\$ 123,562	\$ 955,050	\$ 809,050

Development Activities:			Housing - September (Source: Kerrville Board of Realtors)	
<u>Residential</u>	<u>Commercial</u>		488 active residential listings; 62 residential sales September 2017	
Oct 6	\$ 1,523,000		\$15,244,828 total residential sales dollars September 2017	
Nov 4	\$ 1,500,000		\$150,208,168 total residential sales dollars Y-T-D 2017	
Dec 4	\$ 500,000			
Jan 4	\$ 3,500,000			
Feb 3	\$ 254,000			
Mar 4	\$ 6,644,950			
Apr 2	\$ 63,888			
May 5	\$ 2,550,000			
June 11	\$ 8,630,707			
July 3	\$ 130,863			
Aug 8	\$ 1,162,000			
Sept 8	\$ 8,635,950			
YTD 62	\$ 35,095,358			
			Unemployment - August (Source: Texas Workforce Commission)	
			National	4.5%
			Texas	4.2%
			Local	3.7%
			Utility Accounts Billed - September:	
			Water - Residential units - 11,001; Commercial units - 1,558; Irrigation - 523	
			Sewer- Residential units - 10,695; Commercial units - 1,289	
			Garbage - Curbside - residential only - 8,132	

Agenda Item:

8A. Comprehensive Plan Subcommittee Appointments Process. (staff)