

AGENDA FOR THE KERRVILLE CITY COUNCIL MEETING

TUESDAY, DECEMBER 10, 2019, 6:00 P.M.

KERRVILLE CITY HALL, COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

The Community Vision

Kerrville will be a vibrant, welcoming and inclusive community that:

- *Respects and protects the natural environment that surrounds it;*
- *Seeks to attract economic growth and development;*
- *Provides opportunities for prosperity, personal enrichment and intellectual growth for people of all ages; and*
- *Does so while preserving the small-town charm, heritage, arts and culture of the community.*



Kerrville2050



**KERRVILLE CITY COUNCIL AGENDA
REGULAR COUNCIL MEETING
DECEMBER 10, 2019, 6:00 PM
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS**



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.

Citizens may speak to the City Council during the Visitors/Citizens Forum or on posted agenda items. Prior to speaking, each speaker must fill out the speaker request form and submit it to the City Secretary. The speaker request form must be submitted before the item is called or read into record. Each speaker is limited to four minutes.

CALL TO ORDER:

Mayor Bill Blackburn

INVOCATION, AND PLEDGE OF ALLEGIANCE TO THE FLAG:

Led by Councilmember Kim Clarkson

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. The speaker request form must be submitted to the City Secretary before the item is called or read into record. City Council may not discuss or take any action on an item but may place the issue on a future agenda. 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:

3.A. Resolution No. 51-2019. A Resolution authorizing a banking services agreement with Wells Fargo Bank, N.A.

Attachments:

[20191210_Resolution_51-2019 Authorizing Banking Services Agreement with Wells Fargo Bank.pdf](#)

[20191210_Resolution_Proposal Analysis.pdf](#)

[20191210_Resolution_Depository Agreement Final.pdf](#)

3.B. Resolution No. 53-2019. A Resolution adopting the City of Kerrville Investment Policy and Strategy regarding the Investment of City Funds, in accordance with the Public Funds Investment Act.

Attachments:

[20191204_Resolution 53-2019 Adopting the City of Kerrville Investment Policy and Strategy Regarding the Investment of City Funds.pdf](#)

[20191210_Resolution_Investment Policy.pdf](#)

3.C. Resolution No. 54-2019. A Resolution requesting financial assistance from the Texas Water Development Board (Clean Water State Revolving Fund) to finance certain improvements to the City's water system; authorizing the filing of an application for financial assistance; and making certain findings in connection therewith.

Attachments:

[20191210_Resolution_54-2019 Financial Assistance TWDB Clean Water Revolving Fund.pdf](#)



3.D. Resolution No. 55-2019. A Resolution amending Resolution No. 28-2019, which recreated the Kerrville Main Street Advisory Board, by allowing for non-voting Ex Officio Members.

Attachments:

[20191210_Resolution_55-2019 Amending Main Street Advisory Board by allowing Ex Officio Members.pdf](#)



3.E. Resolution 56-2019. A Resolution authorizing the filing of an application with the Alamo Area Council of Governments for a 2020/2021 Solid Waste Pass through Grant.

Attachments:

[20191206_Resolution_56-2019 Authorizing the Filing of an Application with the Alamo Area Council of Governments for 2020-2021.pdf](#)

3.F. Joint Election Agreement between the City of Kerrville and Kerr County for the May 2, 2020 City General Election.

Attachments:

[20191210_Agreement_Joint Election Agreement with Kerr County for 5-02-2020 General Election - MH revised 12-6-19.pdf](#)



3.G. Purchase new Case Backhoe 590 Super N 4WD Extendahoe.

Attachments:

[New Case 590SN buyboard quote\(City of Kerrville\).pdf.pdf](#)

3.H. Minutes for the City Council workshop held November 12, 2019.

Attachments:

[20191210_Minutes_Council workshop on 11-12-19.pdf](#)

3.I. Minutes for the City Council meeting held November 12, 2019.

Attachments:

[20191210_Minutes_Council Regular meeting on 11-12-19 6pm.pdf](#)

3.J. Minutes for the City Council Official Canvass of Election Results and City Council workshop held November 18, 2019.

Attachments:

[20191210_Minutes_Council Election Canvass and Workshop on 11-18-19 10am.pdf](#)

END OF CONSENT AGENDA

4 ORDINANCES, FIRST READING:

4.A. Ordinance No. 2020-01. An Ordinance declaring the adoption of amendments to the City of Kerrville, Texas, Charter in accordance with the adoption of propositions A through O and Q at the Special Election held on November 05, 2019; adopting the Charter, as amended; providing a cumulative clause; containing a savings and severability clause; providing an effective date; and providing other matters related to the subject.

Attachments:

[20191210_Ordinance_2020-01 Adoption of City Charter Amendments from Special Election held 11-05-2019.pdf](#)

[2019120619_Charter.pdf](#)

4.B. Ordinance No. 2020-02. An Ordinance amending Chapter 2, "Administration", article IV "Boards and Commissions", section 2-91 "Senior Services Advisory Committee" of the Code of Ordinances of the City of Kerrville, Texas; by amending subsections (A)(1) and (A)(2) to decrease the membership of this committee to 14 members; containing a cumulative clause; containing a savings and severability clause; and providing other matters relating to this subject.

Attachments:

[20191204_Ordinance 2020-02 Amending Chapter 2 Administration Article IV Boards and Commissions Senior Services Advisory Committee.pdf](#)

5 CONSIDERATION AND POSSIBLE ACTION:

5.A. Fourth Amendment to Development Agreement by and between Comanche Trace Ranch and Golf Club, LLLP, a Colorado Limited Liability Limited Partnership; and the City of Kerrville, Texas, for Comanche Trace Ranch and Golf Club.

Attachments:

[20191210_Development Agreement_Comanche Trace Fourth Amendment.pdf](#)

5.B. Professional Services Agreement with Hewitt Engineering, Inc. for the Lois Street and Take-It-Easy RV drainage project in the amount of \$176,800.00.

Attachments:

[20191210_Contract_Hewitt Engineering- Lois St & Take-It-Easy RV Drainage Scope and Fee.pdf](#)

6 INFORMATION & DISCUSSION:

6.A. Financial Update for the month ended October 31, 2019.

Attachments:

[20191210_Presentation_October 2019 Financial Presentation.pdf](#)

[20191210_Presentation_October 2019 Summary.pdf](#)

7 BOARD APPOINTMENTS:

7.A. Appointments to the Planning and Zoning Commission. (This item is eligible for discussion in executive session).

Attachments:

[20191210_Board Appointment_Planning and Zoning Commission roster.pdf](#)

8 ITEMS FOR FUTURE AGENDAS:

City Council may suggest items or topics for future agendas.

9 EXECUTIVE SESSION:

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

9.A. Section 551.074: Personnel Matters: Appointments to the Planning and Zoning Commission.

10 ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY:

ADJOURNMENT



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

SUBJECT: Resolution No. 51-2019. A Resolution authorizing a banking services agreement with Wells Fargo Bank, N.A.

AGENDA DATE OF: December 10, 2019 **DATE SUBMITTED:** Nov 20, 2019

SUBMITTED BY: Amy Dozier

EXHIBITS: [20191210_Resolution_51-2019 Authorizing Banking Services Agreement with Wells Fargo Bank.pdf](#)
[20191210_Resolution_Proposal Analysis.pdf](#)
[20191210_Resolution_Depository Agreement Final.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| N/A | N/A | N/A | N/A |

PAYMENT TO BE MADE TO: N/A

| | |
|-----------------------------|-----|
| Kerrville 2050 Item? | No |
| Key Priority Area | N/A |
| Guiding Principle | N/A |
| Action Item | N/A |

SUMMARY STATEMENT:

The City's current bank depository services agreement with Wells Fargo began on January 1, 2015 and expires on December 31, 2019. The term on banking agreements must not exceed 5 years, per section 105.017 of the Local Government Code.

Working with our investment advisor, Linda Patterson of Patterson and Associates, the City advertised and disseminated a request for proposal ("RFP") on September 3, 2019. The RFP specified questions to be answered and a format to use. Proposals were due on September 30, 2019. The City received responses from the following 4 banks: BBVA, Centennial Bank, Security State Bank and Wells Fargo. Security State Bank included general information on banking services, but did not provide answers to the RFP questions, so we were not able to compare their proposal to the other banks.

The other 3 proposals were scored based on the following categories:

1. Services offered
2. Cost effectiveness - cost of services offset by interest earnings potential

Services offered - Each service offered was assigned a weighted point value based on the importance of the service provided. Using this weighted point system, the service scores were:

Wells Fargo - 773

BBVA - 730

Centennial Bank - 403

Wells Fargo and BBVA offer very similar levels of service. Centennial scored lower primarily due to lower levels of automation and because they do not offer needed services for purchasing cards or investment safekeeping.

Cost effectiveness - Amazingly, Wells Fargo and BBVA's proposal yielded identical monthly fees. However, Wells Fargo offered interest rates averaging 41 basis points higher, which would create \$749 more in net monthly earnings based on a historical average balance. Centennial offered the highest interest rates and lowest fees.

Overall recommendation - Centennial offered a favorable fee structure and interest rates, but, they were not able to offer multiple key service components. Wells Fargo and BBVA offered all of the required banking services and similar net fees. However, the City's earning potential with Wells Fargo is better due to their higher interest rates. After careful consideration of all factors combined, the City recommends awarding the agreement to Wells Fargo.

Similar to previous banking services agreements, the proposed agreement has a three year term with an option for two additional one year extensions. A more detailed analysis of the each proposal is attached for your review.

RECOMMENDED ACTION:

Approve Resolution No. 51-2019, authorizing the City Manager to enter into a bank depository services agreement with Wells Fargo beginning January 1, 2020 and extending through December 31, 2022, with two one year extension options.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 51-2019**

**A RESOLUTION AUTHORIZING A BANKING SERVICES
AGREEMENT WITH WELLS FARGO BANK, N.A.**

WHEREAS, Chapter 105 of the Texas Local Government Code (the “Chapter”) sets out the process for a city to establish depository services for municipal funds; and

WHEREAS, pursuant Section 105.016 of the Chapter, City Council must designate, by an order recorded in its minutes, the bank, credit union, or savings association which will serve as the depository for the City’s funds; and

WHEREAS, the City’s Chief Financial Officer, who City Council has previously designated as the “designated officer” for the City’s funds pursuant to Section 105.001(8) of the Chapter, has previously given notice to banks, credit unions, and savings associations requesting the submission of applications for the performance of depository services in compliance with Section 105.012(a) of the Chapter; and

WHEREAS, several financial institutions delivered applications before the date specified in the notice for receiving applications and the Chief Financial Officer, in accordance with Section 105.011 of the Chapter, forwarded the applications to City Council for review; and

WHEREAS, the Chief Financial Officer, after reviewing the proposals and considering the terms and conditions for the performance of the depository services, including the type and cost of services to be provided, recommends that City Council select Wells Fargo Bank, N.A. to provide depository and other banking services to the City; and

WHEREAS, City Council finds it to be in the public interest to enter into an agreement with Wells Fargo Bank, N.A. to provide depository and other banking services to the City;

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

SECTION ONE. City Council approves the Banking Services Agreement (the “Agreement”) from Wells Fargo Bank, N.A., which is attached as **Exhibit A**.

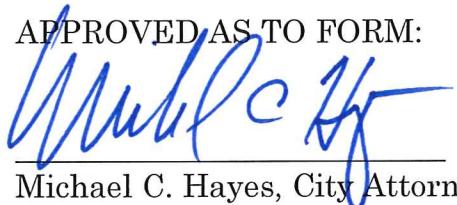
SECTION TWO. City Council designates the City Manager and his designee(s) as the authorized representative(s) for the City in all matters pertaining to the Agreement.

SECTION THREE. This Resolution and the action taken herein is considered an order pursuant to Section 105.016 of the Chapter. The City Secretary shall record this order in the minutes of this meeting.

PASSED AND APPROVED ON this the _____ day of _____ A.D., 2019.

Bill Blackburn, Mayor

APPROVED AS TO FORM:

A blue ink signature of Michael C. Hayes.

Michael C. Hayes, City Attorney

ATTEST:

Shelley McElhannon, City
Secretary

BANKING SERVICES AGREEMENT

THE STATE OF TEXAS §
COUNTY OF KERR §

This Agreement is made and entered into on this _____ day of December 2019, by and between the **City of Kerrville, Texas** (the “City”), and **Wells Fargo Bank, N.A.**, a national banking association (“Bank”).

RECITALS:

WHEREAS, the City requested and received proposals for bank depository services; and

WHEREAS, Bank was duly selected and designated by the City to serve as depository.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT:

1. The term of this Agreement is three (3) years commencing January 1, 2020, and ending December 31, 2022. The City shall have the option to extend the term of this Agreement for two (2) additional one-year periods by giving Bank at least thirty (30) days' advance written notice prior to the applicable expiration date. Any party to this Agreement may terminate this Agreement by giving ninety (90) days prior written notice of termination to the other party.
2. Bank agrees to follow and be bound by the terms of the proposal response that it submitted to and was accepted by the City. The proposal response, dated September 6, 2019, and which includes a Depository Pledge Agreement, all of which is attached here to as **Exhibit A** (the "Proposal"), will remain on file in the offices of both the City's Chief Financial Officer and City Secretary as long as this Agreement remains in effect.
3. Bank agrees that the fees and service charges included in Bank's proposal response will remain in effect for the three (3) year initial term of the Agreement. Following the three (3) year initial term, Bank may increase the fees and service charges for each of the two (2) additional one-year periods. Bank shall provide written notice to City of any such increase at least ninety (90) days prior to the expiration date of either the initial term or one-year period. Following notice, any changes in fees for the two extension periods must be approved by the City in writing and fees for any new services will not be more than Banks then current rates for such services.
4. All services rendered to the City by Bank under this Agreement shall be performed in accordance with accepted commercial banking standards and in accordance with Bank's standard operations, policies, and procedures.

5. This Agreement is governed by the laws of the State of Texas. Venue will occur in Kerr County, Texas.

6. This Agreement, along with the Proposal, makes up the entire agreement between the parties relating to the subject matter hereof and there are no other agreements, written or oral, between the parties. In the event of a conflict between the provisions of this Agreement and the Proposal, this Agreement shall control.

EXECUTED on this ____ day of December, 2019.

WELLS FARGO BANK, N.A.

By: _____
Name: _____
Title: _____

CITY OF KERRVILLE, TEXAS

By: _____
Name: Mark McDaniel
Title: City Manager

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney



**City of Kerrville, Texas
Analysis of Bank Depository Service Proposals
October 2019**

The City of Kerrville solicited proposals for banking services to serve the City with efficient and cost effective banking services. The City intended for its banking partner to provide state-of-the-art technology to assure that its current banking needs would be met and that it will be able to incorporate technological changes and improvements into its operations over the period of the contract. The contract is to be for a three-year period with the option to extend for an additional two years.

The City received four proposals for banking services in response to the Request for Proposal (RFP). The proposals were made by BBVA, Centennial Bank, Security State Bank, and Wells Fargo Bank (the incumbent). All the banks have the necessary deposit facilities and services within the city and are solid financial institutions. The banks are highly credit rated and have been shown to have contributed to the health of the community through their 'satisfactory' and 'outstanding' CRA ratings (Community Reinvestment Act). The four proposals submitted by the banks however differ considerably by the structures and fees proposed.

The creditworthiness and continuing strength of the City's banking partner is of utmost importance. The strength and credit condition of the banks has been evaluated through credit ratings and independent bank rating agencies. To extend the overview the RFP required that with any change in credit or bank ratings during the period of the contract the City must be notified as soon as allowable.

The economic conditions somewhat control how this evaluation reviews earnings capabilities in the bank. The City has reserved the right to pay for banking fees through either a compensating balance or straight fees. With the changes in rates (now falling) and applicable regulatory fees the new contract will be more cost efficient for the City on a fee basis with a daily sweep to a money market mutual fund which is offered by two of the banks (BBVA and Wells Fargo). The RFP also reserved the right for the City to change its compensation methodology should rates change over the contract period. During the coming contract period, it is anticipated that the overnight rates will stay relatively low and stable for perhaps two years so the interest bearing account rates and possible sweep options are important in the decision – more so than the ECR rate which would be used if the City were to use the compensating balance basis methodology as basically proposed by the other two banks.

The City established objectives in the RFP as shown below and the evaluation was guided by these objectives.

banking services costs and earnings potential,
responsiveness and ability to provide services and reports required,
earnings potential,
experience, references, and continuity of the bank and bank officials, and
creditworthiness and stability of the bank.

Since banks bundle services and price services differently, the evaluation of the proposals was made on several different levels to capture and evaluate those differences equitably.

- (1) The services offered have been evaluated as to the level of service offered compared to the required specifics, the level of automation which can improve staff productivity, level of control, and availability of customer service on an on-going basis. The bank is also evaluated to determine its adaptability and capability to grow into new technologies as they become available.
- (2) The cost of specific and overall services has been compared between all banks on an equal basis.
- (3) The potential for earnings has been compared based on various account structures and based on historical data, rather than future projections.
- (4) The proposals have been evaluated combining all these factors and netting earnings and costs to create a final, unbiased assessment through net impact.

These four levels of analysis have been completed through a detailed compilation of findings. The worksheets which were used to make these analyses are attached as reference. The following report summarizes those findings. Comments here are not all-inclusive but are made on specific differences by way of explanation and illustration.

The RFP also required that:

"In order to equitably evaluate each bank's ability to meet the banking services needs of the City, a standard format for all proposals is required. A response must be given to each item in Sections III through V in the order given along with completion and submission of Attachment A. Only proposals submitted in the prescribed format, and using the provided Attachment A for proposed fees will be considered and evaluated for contract award. [Underlining added.]

The proposal submitted by Security State Bank did not follow this requirement of the RFP. The bank's submission included various agreement documentation and general information on some of the services offered (remote deposit and positive pay). Only certain fees could be gleaned from the documents provided. The bank's choice in not answering the questions presented has eliminated them from consideration.

REQUIRED SERVICES EVALUATION

The City's RFP outlined and requested detailed information on all the services which would be required under the contract to perform its current banking services and to meet its projected needs. The goal is to have the banks perform those duties in the most cost effective and cost efficient manner.

Specific functional areas of required services are discussed briefly below noting significant differences in service levels or capabilities between banks. The two banks receiving the highest scores on services are very close in service provisions. Neither the analysis nor recommendations include all services available through the banks if the costs were prohibitive or if their use by the City was unlikely.

Each question in the RFP was assigned a weight applicable to its importance in providing the service. Then each question was scored. The score and weight were multiplied to give an objective service score for each bank. The service scores received were:

| | |
|-----------------|-----|
| BBVA | 730 |
| Centennial Bank | 403 |
| Wells Fargo | 773 |

BBVA and Wells Fargo scored very comparably and their higher scores were indicative of the services available as well as the level of automation offered by these two banks. The City is operating at this high

level of automation currently so reducing its access to electronic processing and reporting would be detrimental to the City operations.

Significant differences between the banks are summarized below.

1. All the banks work with an internal team structure with local representatives supported by technical teams to support the City's ongoing needs. BBVA and Wells Fargo have been adding new mobile services along with e-payables and e-receivables emphasizing their focus on technology.
2. Wells Fargo is the incumbent so no transition would be required. The implementation schedule for BBVA is detailed and appears realistic. The approximate month implementation schedule anticipated by Centennial appears overly ambitious and could indicate a less thorough understanding of the complexity of the City's banking structure and operations.
3. As mentioned above with the best interest rates for liquid funds available outside of any of these banks and considering the regulatory fees imposed by Wells Fargo, the recommended structure for the accounts would be a daily sweep to money market mutual fund. Neither BBVA, which does have the ability to sweep to a money market fund, nor Centennial, which does not have this capability, offer an outside sweep. Centennial's sweep is internal and is sweeping to an interest bearing account. BBVA is instead offering a *hybrid* account structure.
The *hybrid* structure at BBVA is essentially built on a compensating balance. The hybrid pays on excess amounts above and below \$2million which is essentially the anticipated compensating balance by the bank. If excesses are above the \$2million, the interest rate paid is the 3 month T-Bill minus 45 bps. If the balance is below \$2million the rate moves to the 3 month T-Bill minus 95 bps. Given the 3 month T-Bill rates in 2019 this would have offered the City an average 1.82% or 1.32% respectively, both of which are materially below other available rates at Wells Fargo or in the pools.
Wells Fargo is proposing a sweep to a Wells Fargo money market fund and this analysis also recommends a sweep to zero in the accounts and use of a fee basis which will be discussed more thoroughly later in this analysis.
4. Only Wells Fargo offers sub-accounts.
5. All three banks use a single portal, web-based treasury management system. All image checks and documents and make reports available for downloading. Wells Fargo has the most extensive automated system which has optionality and customization not available at the other banks. The banks were requested to provide a link (and password) to their system in order for staff to investigate navigation features and layouts. Centennial provided a link but only to the highest introductory levels of the system. The system at BBVA could not be accessed since the bank offered a walk-through presentation but no demo system.
6. Retention of images and balances/reports is longest at BBVA (but of course all banks are required to keep the information for seven years). BBVA retains easy access for two years and Wells Fargo for six months whereas Centennial is offering a 60 day retention.
7. BBVA and Wells Fargo have developed and continue to move towards more automated options for collection and deposits. These two banks both have e-box, lockbox and e-receivables available. All the banks have the capability to receive deposits in the local branch and none require vault services although it is available at BBVA and Wells Fargo. Only Wells Fargo has specific RCK processing.
8. All the banks have remote deposit capabilities. The longest cut-off time is at Wells Fargo at 9pm. Wells Fargo also offers customization on its reports not offered at the other two banks.
9. Payment information is real-time at BBVA and Wells Fargo has multiple updates scheduled through the day.
10. All the banks have positive pay services and BBVA and Wells Fargo have payee positive pay and ACH positive pay. The service is not available totally online at Centennial which relies on excel spreadsheets to a degree. The deadlines for pay/return decisions only one hour at Centennial but approximately five hours at the other banks.

11. Both partial and full reconciliation services are available at BBVA and Wells Fargo, not at Centennial. Wells Fargo has more report alternatives on the service.
12. Centennial does not offer purchasing/commercial cards. Both BBVA and Wells Fargo have rebate options on the cards, complete reporting and security.
13. For wires and transfers, all the banks offer online services and can handle stored templates. Centennial does mention a 'call back' non-automated feature but does not elaborate. Wires based on ledger balances are available at Centennial but at BBVA and Wells Fargo these are subject to intra-day overdraft limits and managerial review.
14. ACH services are essentially controlled through the national NACHA system so differs only slightly by bank. However, Centennial does not offer same day ACH (which is a much less expensive option than wires) and can filter only on company code (effectively a *block*). ACH addenda are available on reports at both BBVA and Wells Fargo through the EDI modules but addenda at Centennial are not reported. All the banks are offering to debit the City account on settlement (and not origination) date.
15. Safekeeping will be offered by the banks at BBVA and Wells Fargo but Centennial does not offer safekeeping. Safekeeping is within BBVA but Wells Fargo has moved its safekeeping to Bank of NY. Both of these have online access and fees can be paid either hard charge or through AA at both banks.
16. Some collateral conditions presented by the City in the RFP raised exceptions. Centennial had no exceptions. However, BBVA is offering all collateral through a FHLB letter of credit only and had one exception noted regarding no collateral on CDs which we interpret as *brokered CDs*. Wells Fargo emphasizes that collateral is set at end of day (which is understood but not delineated). Wells also specifically reminds the City of statutory provisions requiring the City to notify the bank on large unanticipated deposits. The agreement at Wells Fargo for collateralization is also requiring substitution without City approval but that is balanced by online access to marked-to-market collateral through the BNY Nexen system.
17. Account analyses samples were provided by BBVA and Wells Fargo and both these banks issue the analyses online. It is retained online at BBVA for three months and 13 months at Wells Fargo. Carry over (for use with the compensating balance system) is available only at BBVA and Wells Fargo.
18. Stop pays are available at all banks although BBVA recommends using positive pay voids instead. All the banks offer online entry and renewals are available at BBVA and Wells Fargo. At centennial a new stop must be initiated. Centennial also does not have the ability for OTC transactions to be verified against the Stop pay file.

BANKING COSTS EVALUATION

In its RFP the City has reserved the right to pay for services on either a fee or compensating balance basis dependent upon the interest rate environment¹. Regardless of the method of compensation used, the total cost of the contract is based on the individual service costs (fees) in each bank. Both fees and compensating balances are based on these fees and the volumes of those services used. Attachment A of the RFP was used to capture unit costs for each service and level of service and a total monthly cost was computed on the historical volume averages on each line item. A detailed analysis of those fees is attached.

¹ In very low interest rate environments the ECR may exceed the interest paid in accounts or money funds. Rates rise however the ECR usually earns half of Fed Funds (i.e. overnight rates).

On a gross level the estimated monthly BBVA and Wells Fargo fees were quite close:

| | |
|-------------|----------|
| BBVA | \$ 2,507 |
| Wells Fargo | \$ 2,311 |

Centennial has presented a *no fee* proposal and has stated that no fees are required regardless of the balances maintained by the City. Obviously on this basis the interest rates become critical which will be addressed below.

Transition Incentives

The cost of the contract is also directly impacted by transition incentives. In the RFP, the banks were asked if they were offering the City any transition incentive to reduce the cost of changing banks or any retention to maintain the account.

- **As the incumbent bank provider, Wells Fargo is offering a \$2,000 credit for supplies purchased through the bank.**
- **Centennial is offering no incentives.**
- **BBVA has offered two remote check scanners, a \$5,000 credit to be used in the first six months, and the bank is waiving the first three months service fees.**

Amazingly when the incentives are applied to the gross computed cost both BBVA and Wells Fargo are offering identical per month fees both estimated at \$2,278 per month.

One factor that will change on the average fees involves the balance based fee. BBVA has waived the balance based fee whereas Wells Fargo is charging the 12.75 bps fee on balance retained in the bank. However, with a sweep to zero in place the balance based fee will not apply in any case. Should a compensating balance be put in place this fee will apply at Wells Fargo.

Earning Rates

The City has maintained an average balance in the bank of \$2.19 million for the past year. (The balances differ significantly over the months with the high of \$5.2 million to \$200,000.) The rates offered by the banks in the ECR, the interest bearing and money market accounts and the sweep differ considerably dependent on funds in the bank and use of the money market fund. Like most banks the two banks utilize the three-month T-Bill as a benchmark index. From January through September 2019 the 3-month T-Bill has averaged 2.27%.

(a) Centennial uses the three-month Treasury Bill prior month average to set their rates regardless of the account structure in the bank. Given that Centennial has stipulated that their rate will be equal to the 3-month rate plus 10 basis points (bps) the average for the period would have been 2.37%. (Although the bank is quoting a current rates of 1.90% which is 0.37% below our calculations based on Bloomberg data.) At the 1.90% level the monthly earnings would have been \$3,469 but this does not include the many services including safekeeping and commercial cards, etc. not offered by the bank

(b) BBVA has proposed the hybrid structure which pivots on the \$2 million level. Given the City's historic month-to-month balances the bank would have used the 3-month minus 45bps six months over the past year and the 3-month minus 95 bps for six months resulting in an average of 1.57%. Earnings here are \$588 per month.

(c) Wells Fargo uses managed rates not based on a specific Treasury issuance. However, the rates offered on money market funds are normally higher because of their ability to extend their portfolios and capture higher rates especially in a normally shaped yield curve. Wells has stated that their sweep rate for the past year has been 1.98%. Based on the monthly past balance of \$2.1 million which would have been swept to the fund the per month earnings would have generated \$1,337.

RECOMMENDATION

The purpose of this analysis was to find the most cost effective and efficient banking situation for the City. First the evaluation looked at service capabilities. Although the most basic services are available from the three banks under consideration, Centennial lacks a number of services (commercial card, safekeeping, e-payables and e-receivables) and the level of automation now used by and in the future required by the City. The markedly lower level of services available at Centennial effectively eliminated it from final consideration. The higher historical interest rates do not compensate for the lower capabilities in service delivery.

Both BBVA and Wells Fargo have all the banking services required and were effectively equal in service scores and net fees. Both banks are distinguished by their continuing advances in technology and automation services. What distinguishes Wells Fargo above BBVA is the earnings rates available and the use of the sweep which was not proposed by BBVA. The hybrid structure has markedly lower earnings rates at BBVA.

Considering all the factors in this decision and not quantifying but considering the staff time involved in a bank transition, the recommendation would be to award the contract to the incumbent Wells Fargo.

Patterson & Associates

November 20, 2019

City of Kerrville

Re: Collateralization of Public Funds Deposits

Dear Wells Fargo Customer,

On a daily basis, our Public Funds Collateral Unit will monitor your collected balances in deposit accounts maintained with our commercial and business banking offices, as well as cash and deposit balances held in certain trust agency and asset management custody accounts. We will pledge collateral to protect balances above FDIC coverage and Bank of New York Mellon will provide you with a Price Report showing the securities pledged monthly. Currently FDIC insures the deposits of governmental accounts on a per Official Custodian basis as follows: the aggregate balances in demand deposits accounts are insured up to **\$250,000** per Official Custodian and the aggregate balances in time and savings accounts are insured up to **\$250,000** per Official Custodian. Wells Fargo collateralizes uninsured balances by pledging securities from its investment portfolio. This portfolio consists primarily of investment grade securities. The market value of these securities is updated daily by an established third-party service that provides valuation services to many market participants.

Enclosed is the Depository Pledge Agreement (collateral agreement) covering deposits held at Wells Fargo Bank, N.A. for **City of Kerrville**. In accordance with the applicable federal law (12 U.S.C. 1823), this collateral agreement must be approved by the bank's board of directors or loan committee; the approval must be reflected in the applicable meeting minutes; and the agreement must be an official record of the bank, continuously from the time of its execution. **Please sign, scan and email to publicfundscollateral@wellsfargo.com or mail to us at the following address:**

Wells Fargo Bank
Public Funds Collateral Management Team
333 Market St 4th Floor
San Francisco, CA 94105
MAC A0109-040

The Depository Pledge Agreement will be forwarded to the custodian, Bank of New York Mellon for signature. The fully executed agreement will be submitted to the Wells Fargo Bank N.A.'s Board of Directors/Loan Committee for approval. A fully signed and executed agreement and corporate resolution will be mailed to you upon completion.

- **All Blue & Shaded areas on document MUST be completed for processing**
- **Please verify accuracy of all prefilled data in Blue**

Your deposit balances above FDIC coverage will not be collateralized until we are in receipt of the signed Depository Pledge Agreement (collateral agreement).

We hope this information regarding the documents required for collateralization is clear. If you have additional questions, please contact 877-479-6603. We look forward to serving you!

Sincerely,

Sheila Lynch, PFA Manager

Wells Fargo Bank, N.A.

Together we'll go far



DEPOSITORY PLEDGE AGREEMENT

746001490

City of Kerrville ("Depositor") has selected **WELLS FARGO BANK, NATIONAL ASSOCIATION** ("Bank") as a depository for certain of its funds and Bank has agreed to act as the depository for those funds in accordance with applicable laws, which require that Bank secure the deposited funds, to the extent not insured by the Federal Deposit Insurance Corporation ("FDIC"), by pledging securities ("Eligible Securities") of any type (including, without limitation, surety bonds and investment securities) permitted by the applicable provisions of **Texas** law in effect from time to time (the "Governing Statutes"). **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** ("Custodian") has agreed to hold the pledged securities in safekeeping pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants in this Agreement, Depositor, Bank and Custodian agree as follows:

1. Grant of Security Interest; Instructions Regarding Collateral. (a) Bank hereby grants to Depositor a security interest in all Eligible Securities transferred to a collateral account (the "Collateral Account") established pursuant to this agreement (the "Collateral"). Custodian agrees to serve as collateral agent for Depositor, pursuant to the terms of this Agreement. For the avoidance of doubt, Custodian acknowledges and agrees that it does not have and will not acquire or assert at any time in the future, and hereby expressly waives, any lien upon, security interest in, setoff right or other right to charge the Collateral held in the collateral account for any obligation owed to Custodian by Bank or Depositor. Until Depositor has the right to compel sale of the Collateral under Section 7 hereof, Custodian may act in accordance with the instructions of Bank, including, without limitation, the right of Bank to unilaterally substitute Eligible Securities for the Collateral in accordance with Section 3 hereof. Addendum "A" contains the names and specimen signatures of individuals authorized to act on behalf of Depositor, and Addendum "B" contains the names and specimen signatures of individuals authorized to act on behalf of Bank. Either Depositor or Bank may add or remove authorized representatives without the consent of the other at any time by providing Custodian with a replacement addendum, duly executed by an authorized individual. In no event shall the Custodian be responsible for determining whether the pledged securities are "Eligible Securities".

(b) Bank, Depositor and Custodian agree that all Collateral delivered to or received by Custodian for deposit in the Collateral Account may be in the form of credits to the accounts of Custodian at a Securities Depository or by delivery to Custodian of physical certificates in a form suitable for transfer to Custodian or with an assignment in blank. Bank and Depositor hereby authorize Custodian to utilize such Securities Depositories and to hold such physical securities or any combination thereof in connection with its performance hereunder. Collateral credited to the Collateral Account and deposited in the Securities Depositories will be held, by book-entry notation, in accounts that include only assets held by Custodian or its agent(s) for third parties, including but not limited to accounts in which assets are held in a fiduciary, agency or representative capacity. Collateral that is not held in the Securities Depositories will be held in Custodian's vault and physically segregated from securities and other non-cash property belonging to Custodian. As used herein, the term "Securities Depository" or "Securities Depositories" shall mean the Treasury/Reserve Automated Debt Entry System maintained at The Federal Reserve Bank of New York for receiving and delivering securities, The Depository Trust Company and any other clearing corporation within the meaning of Section 8-102 of the Uniform Commercial Code, as in effect from time to time.

2. Amount of Collateral. The aggregate market value of Collateral held by Custodian at all times during the term of this Agreement must be in an amount not less than **one hundred and two percent (102%)** of (a) the amount of the collected funds on deposit, increased by (b) the amount of accrued but uncredited interest, (c) reduced by that portion of the funds insured by the FDIC. Such amount is hereinafter called the "Required Collateral Value". In no event shall the Custodian be responsible for determining whether the Collateral Account contains the Required Collateral Value.

3. Substitutions and Withdrawals of Collateral. If the aggregate market value of Collateral held by Custodian at any time exceeds the Required Collateral Value, Bank may unilaterally withdraw any excess Collateral by providing Custodian with a withdrawal notice signed by an authorized representative of Bank, provided that after the withdrawal of any such excess Collateral, the remaining Collateral equals or exceeds the Required Collateral Value. Additionally, Bank may unilaterally substitute Eligible Securities for any of the Collateral held by Custodian at any time by providing Custodian with a substitution notice signed by an authorized representative of Bank, provided that the market value of the Collateral following such substitution would equal or exceed the Required Collateral Value. If Bank elects to require Depositor's written consent on a notice in connection with any withdrawal or substitution which complies with this Section 3, Depositor agrees to provide it promptly upon Bank's request. Custodian shall be entitled to rely on, and Bank and Depositor agree to hold Custodian harmless from, any actions taken pursuant to, and consistent with, the instructions given in a withdrawal or substitution notice under this Section 3, whether unilateral or not.

4. Bank's Obligations. Bank shall perform all of the duties and obligations required of a depository under applicable law with respect to collateralization of the funds of Depositor on deposit with Bank, including the duties and obligations required under the Governing Statutes. At the expiration of the term of this Agreement, Bank shall turn over to any successor depository designated by Depositor all funds held by Bank as depository. Bank will furnish to Depositor a monthly statement listing a description of the Collateral. The statement will specify the par value, market value, and maturity date of each component of the Collateral. Upon request, Bank shall provide to Depositor a copy of Bank's most recent publicly available quarterly or annual financial statement.

5. Custodian's Obligations. (a) Custodian shall perform the duties and obligations required of Custodian hereunder, in accordance with the provisions of the Governing Statutes. Upon transfer by Custodian of Eligible Securities to the Collateral Account, including Eligible Securities substituted for other Collateral, Custodian shall promptly identify such Eligible Securities on its books and records as being Collateral held pursuant to this Agreement, and shall promptly issue and deliver to each of Bank and Depositor a duplicate receipt for such Collateral. For the avoidance of doubt, it is understood and agreed that such receipts may be combined to identify more than one transaction on any one business day and Custodian shall not be required to issue more than one such receipt to Bank and Depositor on any business day. Bank and Depositor agree that they shall promptly review all receipts delivered to them by Custodian and shall promptly advise Custodian of any error, omission or inaccuracy in such receipts. In the event that Custodian receives such an advice, Custodian shall promptly undertake to correct any errors, failures or omissions, provided that Custodian determines in its sole discretion that such error, failure or omission actually occurred and shall notify Bank and Depositor of its action concerning each such error, failure, or omission.

(b) Depositor agrees that, with respect to all securities held in the Collateral Account, Custodian by itself, or through the use of the appropriate Securities Depository, shall, unless otherwise instructed to the contrary by Bank or as provided in Section 7 hereof: (i) collect all payments reflecting interest and principal on the securities in the Collateral Account; (ii) forward to Bank copies of all information or documents that it may receive from an issuer of securities which, in the opinion of Custodian, is intended for the beneficial owner of the securities including, without limitation all proxies and other authorizations properly executed and all proxy statements, notices and reports; (iii) execute, as Custodian, any certificates of ownership, affidavits, declarations or other certificates under any tax laws now or hereafter in effect in connection with the collection of bond and note coupons; (iv) hold directly, or through the Book Entry System or Depository, all rights issued with respect to any securities held by Custodian hereunder; and (v) upon receipt of written instructions from Bank, Custodian will exchange securities held hereunder for other securities and/or cash in connection with (A) any conversion privilege, reorganization, recapitalization, redemption in kind, consolidation, tender offer or exchange offer, or (B) any exercise, subscription, purchase or other similar rights; provided, however, such exchanged securities shall continue to be held by Custodian hereunder for the benefit of Depositor if such exchanged securities constitute Collateral. Upon receipt of payments reflecting principal and interest or dividends on the securities in the Collateral Account, Custodian shall transfer to Bank such principal and interest or dividend payments (either by credit to Bank's custody account at Custodian or otherwise).

(c) Custodian shall not be liable for any loss or damage, including counsel fees, resulting from its action or omission to act or otherwise, except for any loss or damage arising out of its own negligence or willful misconduct, and shall have no obligation hereunder for any loss or damage, including counsel fees, which are sustained or incurred by reason of any action or inaction by any Securities Depository, provided, however, that such loss or damage is not caused by the negligence or willful misconduct of Custodian. In no event shall Custodian be liable to Depositor, Bank or any third party for special, indirect or consequential damages, or lost profits or loss of business, arising in connection with this Agreement. Both Depositor, to the extent permitted by law, and Bank agree to indemnify Custodian and to hold it harmless against any and all costs, expenses, damages, liabilities or claims, including reasonable fees and expenses of counsel, which Custodian may sustain or incur with respect to any third party claim or which may be asserted by a third party against Custodian by reason of or as a result of any action taken or omitted by Custodian in connection with operating under this Agreement, except those costs, expenses, damages, liabilities or claims arising out of the negligence or willful misconduct of Custodian or any of its employees or duly appointed agents. This indemnity shall be a continuing obligation of Depositor and Bank notwithstanding the termination of this Agreement.

(d) Custodian may, with respect to questions of law specifically regarding the Collateral Account, obtain the advice of reputable legal counsel and shall be fully protected with respect to anything done or omitted by it reasonably and in good faith and without negligence, willful misconduct, bad faith or fraud in conformity with such advice, provided, however, that nothing contained in this paragraph (d) shall be deemed to relieve Custodian of any of its obligations pursuant to any other provision of this Agreement.

(e) Custodian shall not be responsible for, or considered to be custodian of, any securities received by it for deposit in the Collateral Account until Custodian actually receives and collects such securities directly or by the final crediting of Custodian's account on the books of the appropriate Securities Depository. Custodian will be entitled to reverse any provisional credits to the Collateral Account that were made in anticipation of the receipt of securities or cash which were not subsequently received by Custodian.

(f) Custodian shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement and no covenant or obligation shall be implied against Custodian in connection with this Agreement.

(g) In performing hereunder, Custodian may enter into subcontracts, agreements and understandings with third parties whenever and on such terms and conditions as it deems necessary or appropriate and which are consistent with applicable law. If any of such subcontracts, agreements, or understandings with third parties are for the deposit of Eligible Collateral for the benefit of Depositor, (i) such third party will qualify as a "permitted institution" pursuant to the Texas Public Funds Collateral Act, (ii) Custodian shall cause such third party to provide records to Custodian evidencing the deposit of Eligible Collateral with such third party, and (iii) records of the third party relating to such Eligible Collateral will at all times state the name of Custodian. No such subcontract, agreement or understanding shall discharge Custodian from its obligations hereunder.

6. Custodian's Reliance on Pricing Services. The Custodian is authorized to utilize one or more generally recognized pricing information services (including brokers and dealers of securities) in order to provide market values hereunder, and Bank and Depositor agree that Custodian shall not be liable for any loss, damage, expense, liability or claim (including attorneys' fees) incurred as a result of errors or omissions of any such pricing information service, broker or dealer.

7. Default and Remedies. If Bank defaults in performing its obligations under Section 4 above, or if Bank is declared insolvent, or if a receiver is appointed for Bank, Depositor may, after providing Bank at least three (3) business days prior written notice and opportunity to cure the default, and, if Bank fails to cure the default within such (3) business day period, instruct Custodian to transfer the Collateral or any part thereof to a broker-dealer for disposition in accordance with Depositor's instructions at a public or private sale. The proceeds of any such sale shall be applied to satisfy any indebtedness owed by Bank to Depositor, and any excess proceeds shall be returned to Bank. Depositor will also have any other remedies available under applicable law. The Custodian shall be entitled to rely on and shall be held harmless from acts taken in accordance with such instructions from Depositor.

8. Termination of Agreement. Any party to this Agreement may terminate this Agreement by giving sixty (60) days prior written notice of termination to the other parties.

9. Applicable Law; Other Agreements. This Agreement is governed by the laws of the **State of Texas**. All deposit accounts of Depositor will be subject to Bank's Commercial Account Agreement, Business Account Agreement, or other applicable deposit account agreement, as in effect from time to time. The venue for any dispute arising from this Agreement shall be the state or federal courts located in the capital city for the State of Texas.

10. Force Majeure. Custodian shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God, earthquakes, fires, floods, wars, civil or military disturbances, sabotage, epidemics, riots, loss or malfunctions of utilities, computer (hardware or software) or communications service, labor disputes, acts of civil or military authority, or governmental, judicial or regulatory action; provided however, that Custodian shall use its best efforts to resume normal performance as soon as practicable under the circumstances.

11. Jury Trial Waiver. EACH OF BANK, DEPOSITOR AND CUSTODIAN HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

12. Compliance with Texas Government Code Section 2270.002. As required by Section 2270.002 of the Texas Government Code, Bank and Custodian each hereby verifies that subject to and except as otherwise required by federal law, including, without limitation, 50 U.S.C. Section 4607, it does not boycott Israel and will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the phrase "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to

penalize, inflict economic harm on, or limit commercial relations specifically with Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

13. Compliance with Texas Government Code Section 2252.152. Pursuant to Section 2252.152 of the Texas Government Code, Bank and Custodian each hereby verifies that it is not engaged in active business operations with Sudan or Iran in violation of U.S. law, or a foreign terrorist organization. For purposes of this Agreement, the phrase "foreign terrorist organization" means an organization designated as a foreign terrorist organization by the United States secretary of state as authorized by 8 U.S.C. Section 1189.

14. Miscellaneous. The headings in this agreement are for convenience of reference only and should not be used in interpreting this Agreement. If any provision of this agreement is illegal or unenforceable under applicable law, that provision should be deemed reformed so as to be enforceable to the extent permitted by applicable law, or if that is not possible, then this Agreement should be read as if that provision was never a part of it, and the remainder of the Agreement will be enforceable. THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT OF THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS OF THE PARTIES. Notices given under this Agreement must be addressed as set forth below the signature of each party, and will be effective upon actual receipt by the addressee or upon refusal of delivery during the normal business hours of the addressee. To the extent that in any jurisdiction any party may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, each party irrevocably agrees, to the extent permitted by law, not to claim, and it hereby waives, such immunity in connection with this Agreement.

Date of Agreement: _____, 20_____.

DEPOSITOR: City of Kerrville

CUSTODIAN: **THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**

Signature: _____
Print Name: _____

Title: _____

Address: _____

Signature: _____
Print Name: _____

Title: _____
Address: C/O The Bank of New York Mellon
101 Barclay Street, 4th Floor
New York, NY 10286
Attn: Markets- Collateral Manager

BANK: **WELLS FARGO BANK, NATIONAL ASSOCIATION**

Signature: _____
Print Name: Sheila Lynch

Title: Vice President
333 Market Street St.4th Floor,
MAC: A0109-040
Address: San Francisco, CA 94105

ADDENDUM "A"
(Authorized Officers of Depositor)

One signature of any of the following authorized officers of Depositor is required to authorize actions to be taken pursuant to the foregoing Depository Pledge Agreement. **Individual who signs page 4 must also sign below.**

| | |
|-------------------------------------|---------------------------------|
| 1. Print Name: <input type="text"/> | Signature: <input type="text"/> |
| Email: <input type="text"/> | Phone: <input type="text"/> |
| | Fax: <input type="text"/> |
| 2. Print Name: <input type="text"/> | Signature: <input type="text"/> |
| Email: <input type="text"/> | Phone: <input type="text"/> |
| | Fax: <input type="text"/> |
| 3. Print Name: <input type="text"/> | Signature: <input type="text"/> |
| Email: <input type="text"/> | Phone: <input type="text"/> |
| | Fax: <input type="text"/> |
| 4. Print Name: <input type="text"/> | Signature: <input type="text"/> |
| Email: <input type="text"/> | Phone: <input type="text"/> |
| | Fax: <input type="text"/> |

Wells Fargo Bank
Instructions for Completing The BNY Mellon NEXEN Client Set Up Request Form.

Only complete the **Client Information** & **User Set UP** sections of the form in order to provide user(s) access to your daily collateral price reports. These areas are **Blue** for your convenience

Please type or print all required information **legibly**.

Within the Client Information Section:

- Complete all information.

Within the User Set Up Section:

- Please provide the name(s), e-mail address(s) and telephone number(s) of staff that you want to have access to NEXEN reporting.
- Since this is your initial set up, ignore the "User ID" and "Reset Code" portion. User ID(s) and Reset Code(s) will be assigned during the NEXEN set up process and returned to the primary contact by BNY Mellon shortly after the first posting of collateral to your account takes place. The User ID and Reset Code will be required if and when a user needs to have his/her password reset. A telephone number for BNY Mellon's BDS Help Desk will also be given within the returned NEXEN User set up information packet.

After your initial sign on, the NEXEN system will prompt each user to immediately change his/her password.

If you have any questions, please contact the Wells Fargo Public Funds Collateral Unit at 877-479-6603. Upon completion, please return the NEXEN Client Set Up Request along with your signed third party contract to the address provided on the contact sheet.



NEXEN Client Set Up Request
Markets Group - Public Fund Client

a/c ID: - - - - -

a/c PID: - - - - -

WELLS FARGO BANK

BNYM Account Manager Contact:

Contact Name:

Telephone #:

Business Unit:

Fax #:

Request Type:

New Customer

Existing NEXEN Customer - Maintenance
(update client, services, users, accounts and/or reports
as designated below)

Domestic (B4) (Accounts on RE1, RE2)

NEXEN ID: (required)

Client Information:

Company Name:

Address1:

Address2:

Address3:

User Set Up:

Add User

Delete User

| Name | User ID (if assigned) | Reset Code 6digit - numeric | Email Address | Telephone Number |
|------|--------------------------|--------------------------------|---------------|------------------|
| | | 123456 | | |
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| | | 123456 | | |
| | | 123456 | | |

Services: Reports

Price Report

Accounts: RE1

Parent Purchaser Group (please indicate whether account(s) is on RE1 and/or RE2).

| | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> |
| <input type="checkbox"/> |

Special Instructions:

Nov-15

CML COO Public Funds Collateral Management Team CONTACT INFORMATION

Mailing Address: Wells Fargo Bank, N.A.
CML COO Public Funds Collateral Management Team
333 Market Street, 4th Floor
MAC: A0109-040
San Francisco, CA 94105

Toll Free Number: 877-479-6603

Fax Number: 866-686-5441

Email Address: PublicFundsCollateral@wellsfargo.com

Contacts:

| | |
|---|--|
| Sheila Lynch, Public Funds Collateral Manager | lynchsh@wellsfargo.com (628) 260-3350 |
| Jeana Nguyen, Public Funds Analyst | jeana.nguyen@wellsfargo.com (628) 260-3351 |
| Angela Karanja, Public Funds Analyst | angela.karanja@wellsfargo.com (628) 260-3349 |
| Rui Ying (Sharon) Cao, Public Funds Analyst | RuiYing.Cao@wellsfargo.com (628) 260-3348 |



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

SUBJECT: Resolution No. 53-2019. A Resolution adopting the City of Kerrville Investment Policy and Strategy regarding the Investment of City Funds, in accordance with the Public Funds Investment Act.

AGENDA DATE OF: December 10, 2019 **DATE SUBMITTED:** Nov 20, 2019

SUBMITTED BY: Amy Dozier

EXHIBITS: [20191204_Resolution 53-2019 Adopting the City of Kerrville Investment Policy and Strategy Regarding the Investment of City Funds.pdf](#)
[20191210_Resolution_Investment Policy.pdf](#)

Expenditure Required: **Remaining Budget Balance in Account:** **Amount Budgeted:** **Account Number:**
N/A N/A N/A N/A

PAYMENT TO BE MADE TO: N/A

| | |
|-----------------------------|-----|
| Kerrville 2050 Item? | No |
| Key Priority Area | N/A |
| Guiding Principle | N/A |
| Action Item | N/A |

SUMMARY STATEMENT:

In late November, the City took over as trustee for the Butt-Holdsworth Memorial Library Endowment Fund Trust ("Trust"). This trust was established in 1989 with a gift given through Ima Andrews' will. Since that time, other contributions have been made to the trust and the balance today is approximately \$1.2 million. Of that balance, \$628,965 represents restricted corpus that, per the terms of the trust agreement, is not to be distributed.

Throughout the trustee transition from Wells Fargo to the City, the City's Investment Officers have worked closely with the City's investment advisor, Linda Patterson, of Patterson and Associates. Ms. Patterson is an expert in municipal finance, the Public Funds Investment Act and has experience managing similar trusts for other municipalities.

Because the Trust is not used for operations and maintenance expenditures, the investment strategy is slightly different than other City funds. The Trust has longer term needs that require a strategy focused on high-credit quality intermediate term securities that will protect the corpus and generate a reasonable stream of income on an annual basis.

After a careful examination of the Trust's current assets and investment goals, we are recommending some changes to the City's Investment Policy specifically related to the Trust. The previous trustee invested the Trust's assets in individual stocks, mutual funds, and fixed income investments. The City intends to use a more conservative investment strategy than the previous trustee, but we are recommending that the City's Investment Policy be amended to allow additional investment classes of domestic mutual funds and electronically traded funds with a minimum 3 star rating from Morningstar for the Trust only.

Mutual funds are a type of investment vehicle consisting of a portfolio of stocks, bonds, or other securities that are actively managed by a professional investment manager. Exchange traded funds are an investment vehicle that holds a portfolio that mirrors an investment index, such as the S&P 500 or Dow Jones, but can be traded like a stock. Both mutual funds and exchange traded funds are less risky than individual stocks because they hold a portfolio of investments, thereby reducing risk through diversification. Morningstar is an independent rating service that uses a mathematical calculation based on past performance to determine an overall rating related to risk, return and comparison to peer funds. Requiring a 3 star minimum rating for investments ensures that the Trust will be choosing investments with historically good performance.

The proposed changes are highlighted in yellow on the attached document.

The addition of these investment classes will create more growth opportunity for the Trust within the bounds of the Texas Trust Code, while keeping all other City investments within the bounds of the Public Funds Investment Act. The City's Investment Officers will continue to work closely with Patterson and Associates to carefully manage the investments in this Trust as well as all City investments in accordance with the Investment Policy.

RECOMMENDED ACTION:

Approve Resolution No. 53-2019.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 53-2019**

**A RESOLUTION ADOPTING THE CITY OF
KERRVILLE INVESTMENT POLICY AND
STRATEGY REGARDING THE INVESTMENT OF
CITY FUNDS, IN ACCORDANCE WITH THE
PUBLIC FUNDS INVESTMENT ACT**

WHEREAS, the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) requires a city to annually review its investment policy with respect to the investment of public funds collected and held by a city pending the need to spend said funds; and

WHEREAS, City staff, along with its consultant, has reviewed the City's current investment policy and recommends adopting a new, revised policy, including the investment strategy contained therein; and

WHEREAS, the City Council of the City of Kerrville, Texas, having reviewed said policy, concurs in the City staffs' recommendation and finds that it is in the public interest to adopt the new policy;

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

SECTION ONE. The City of Kerrville, Texas, Investment Policy and Strategy, attached as **Exhibit A**, is adopted.

SECTION TWO. All previous Investment Policies adopted by the City Council and their corresponding resolutions are terminated and repealed.

**PASSED AND APPROVED ON this the _____ day of _____, A.D.,
2019.**

Bill Blackburn, Mayor

ATTEST:

APPROVED AS TO FORM:


Michael C. Hayes, City Attorney

Shelley McElhannon, City Secretary

I. GENERAL POLICY

It is the policy of the City of Kerrville (the "City") to administer its funds and the investment of those funds, as its highest public trust. The funds shall be invested in a manner, which provides for maximum safety of principal through risk management and diversification while meeting the City's daily cash needs. The investment of the City's funds should provide a reasonable investment return. The earnings from investment will be used in a manner that best serves the interests of the City, as determined by City Council.

The City shall administer its investment activities in conformance with the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), the Public Collateral Act (Texas Government Code, Chapter 2257), and in conformance with other applicable state and federal laws, applicable bond requirements, and this investment policy (the "Policy").

II. SCOPE

This Policy governs the investment of all financial assets of the City as accounted for in the City's Comprehensive Annual Financial Report ("CAFR"). This includes the financial assets of all funds reported in the CAFR other than the Kerrville Public Utility Board and Kerrville Joint Airport Board, both of which are set up and operated as entities separate from the City.

III. GOALS AND OBJECTIVES

Investment of City funds is governed by the following investment objectives, in their order of priority:

- A. Safety - Safety of principal is the foremost objective of the investment program of the City. Investment shall be undertaken in a manner that seeks to ensure the preservation of capital and avoids security defaults or erosion of market values.
- B. Liquidity - The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that are reasonably anticipated. Ongoing cash flow analysis will be used to identify changing liquidity needs. Demand deposits or other liquid investments should be maintained as a liquidity buffer for unanticipated expenses. To the extent possible, the City will attempt to match its investment maturities with anticipated liabilities and cash flow requirements. To reflect the cash flow requirements and risk tolerance levels of the City, the weighted average maturity of the overall City portfolio shall not exceed one (1) year.
- C. Diversification - In order to minimize investment and market risk, the City will diversify its investments by market sector (security type) and maturity.
- D. Yield - The City's investment portfolio shall be designed with the objective of attaining a reasonable rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio. The portfolio(s) risk shall be measured quarterly against a benchmark based on cash flow analysis and the authorized portfolio structure. The overall portfolio shall have a maximum weighted average maturity of one (1) year. To measure the overall risk of the portfolio, a benchmark of the six-month Treasury Bill shall be reported.

Effective cash management is recognized as essential to good fiscal management. The City shall maintain a cash management program, which includes collection of accounts receivable,

prudent investment of its available cash, disbursement of payments in accordance with invoice terms, and the management of banking services.

IV. STRATEGY

The City maintains one (1) commingled portfolio for City funds and its investment strategy incorporates the specific investment strategy considerations and the unique characteristics of the fund groups represented in the portfolio as follows:

- A. The investment strategy for operating, enterprise, and special revenue funds has as its primary objective the assurance that anticipated liabilities are matched and adequate investment liquidity provided. The secondary objective is to create a portfolio structure which will experience minimal volatility. This may be accomplished by purchasing high credit quality securities in a laddered maturity structure that permits some extension for yield enhancement. The maximum dollar weighted average maturity of one (1) year or less will be calculated using the stated final maturity date of each security.
- B. The investment strategy for debt service funds shall have as its primary objective the assurance of available funds adequate to fund the debt service obligations on a timely basis. Successive debt service dates will be fully funded before extension.
- C. The investment strategy for reserve funds shall have as its primary objective the ability to generate a revenue stream.
- D. The investment strategy for capital projects or capital project funds will have as its primary objective the assurance that anticipated cash flows are matched and provide adequate investment liquidity.
- E. The investment strategy for Trust Funds with restricted corpus will have as its primary objective to grow the income used for specific purposes, as outlined in individual trust documents. The City acts as trustee for certain funds, the corpus of which is permanent and the income used for specific operating purposes. These are established as separate portfolios. Currently, the funds so structured include:

1. Butt-Holdsworth Memorial Library Endowment Fund Trust

The principal (**restricted corpus**) is not to be used for any ongoing expenditures. These funds are to be managed within the parameters of the City's adopted Investment Policy, but, as a trust, additional applicable provisions under the Trust Code are incorporated by reference (The Texas Trust Code, Subtitle B, Title 9, Property Code) extending investment alternatives with this policy for those funds. The longer term needs of the funds require a strategy focused on high-credit quality intermediate term securities which will protect the corpus and generate a reasonable stream of income on an annual basis. The income goals and needs of the trust extend the parameters for these funds to include mutual funds and electronically traded funds. The fixed income portion of the trust portfolio will maintain a maximum weighted average maturity of two (2) years and the maximum stated maturity for any security will be three (3) years. The risk benchmark for the fixed income portion of the fund will be the two-year US Treasury Note for the comparable period.



The City shall pursue an active versus a passive portfolio management strategy. That is, securities may be sold before they mature if market conditions present an opportunity for the City to benefit from the trade. The City's Investment Officers or Advisor will monitor the contents of the portfolio, the available markets, and the relative value of competing instruments to adjust the portfolio in response to market conditions.

V. INVESTMENT OFFICERS

The Chief Financial Officer, Assistant Finance Director, and Accounting Manager are authorized to administer the investment activities of the City and, are designated as "Investment Officers" for the purposes of this Policy. City Council may designate one or more additional qualified employees or an SEC registered Investment Advisor, as Investment Officer(s). The designation of additional Investment Officers shall be by City Council Policy adoption and/or award of contract. Authority and designation as an Investment Officer is effective until rescinded by the City, expiration of the officer's term, or until termination of employment. Investment Officers shall be familiar with this Policy. No Investment Officer may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Chief Financial Officer. A trading resolution is established by adoption of this Policy authorizing any Investment Officer to engage in investment transactions and open City designated accounts for time and demand deposits on behalf of the City. The persons so authorized to transact business are also authorized to approve wire transfers used in the process of investing.

VI. TRAINING

All Investment Officers shall comply with training requirements under state law.

VII. STANDARD OF CARE

The standard of care to be used by the Investment Officer (s) shall be the "prudent person standard" and shall be applied in the context of managing the overall portfolio, rather than a consideration as to the prudence of a single investment; and whether the investment decision was consistent with this Policy. The standard states:

All investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of the capital and the probable income to be derived.

Investment Officer(s) acting in accordance with the Policy and exercising due diligence, shall be relieved of personal liability for an individual security's credit risk or market price change, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

An Investment Officer shall refrain from personal business activity that could conflict with proper execution of the investment program or that could impair their ability to make impartial investment decisions. An Investment Officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest to the City and the Texas Ethics Commission.



VIII. STANDARD OF ETHICS

An Investment Officer shall act as custodians of the public trust and shall refrain from any transaction that might involve a conflict of interest, the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence.

IX. AUTHORIZED PROFESSIONAL SERVICES AND INVESTMENTS

The City recognizes that all investment decisions regarding the City's portfolio are the responsibility of the City Council, which directs its Investment Officers. Thus, all Investment Advisors and brokers/ dealers conducting business with the City shall make every reasonable effort to adhere to the spirit, philosophy, and specific terms of this Policy. All Investment Advisors and brokers/dealers shall avoid recommending or suggesting transactions outside the spirit, philosophy, and specific terms of this Policy and toward that end, shall adhere to the following:

- A. Brokers/Dealers** - A list of not less than five (5) authorized brokers/dealers shall be maintained to assure a competitive process. See Exhibit A for a list of approved brokers/dealers. Investment Officers will establish the criteria, monitor the service, and evaluate the brokers/dealers based on their:
 - 1. Adherence to the City's policies and strategies;
 - 2. Responsiveness to the City's requests for service and information;
 - 3. The quality of communications; and
 - 4. Understanding of the inherent fiduciary responsibility of public funds.
- B. Information/Qualifications** - All broker/dealers will be furnished with a copy of the current investment policy. Financial Institutions and brokers/dealers who desire to transact business with the City must supply the following documents to the Investment Officer or Investment Advisor (as applicable):
 - 1. Current year audited financial statements;
 - 2. Financial Institutions Regulatory Agency (FINRA) certification and FINRA's Central Depository Registration (CRD) number; and
 - 3. Proof of Texas State Securities registration.
 - 4. Brokers/dealers shall also provide timely trade documentation and confirmations. In order to perfect delivery versus payment, no authorized brokers/dealers or their affiliated bank will be used for safekeeping.
- C. Certification** - Before transacting any business with the City, an Investment Officer or Investment Advisor shall provide information as required by the investment officers and receive a copy of the current policy. Each investment pool in which the City participates will be provided with a current copy of the Investment Policy and an authorized representative of the pool shall, in writing to the City, certify substantially to the effect that:
 - 1. The pool has received and reviewed the Policy; and
 - 2. The pool has implemented reasonable procedures and controls to preclude investments with the City not authorized by the Policy.



Note: If material changes are made to the Policy, an updated copy shall be provided to all authorized broker/dealers and pools.

D. Investment Advisor - Investment Advisors shall be required to be registered with the U.S. Security and Exchange Commission and shall provide their SEC ADV Form to the City on an annual basis.

X. AUTHORIZED INVESTMENTS

Authorized investments under this Policy shall be limited to the instruments listed below as further described by the Act.

- A.** Obligations of the United States Government, its agencies and instrumentalities, excluding mortgage backed securities, with a stated final maturity not to exceed two (2) years. In trust funds the stated maturity is not to exceed three (3) years.
- B.** Fully collateralized or FDIC insured depository certificates of deposit (CD) from banks doing business in Texas with a final stated maturity not to exceed eighteen (18) months. Funds shall be collateralized in accordance with the Policy and governed by a written agreement that complies with federal and state regulations for properly securing a pledged security interest.
- C.** FDIC insured brokered certificates of deposit securities from a bank in any US state, delivered versus payment to the City's safekeeping agent, not to exceed one (1) year to maturity. Before purchase, the Investment Officer must verify the FDIC status of the bank to assure that the bank is FDIC insured.
- D.** Fully insured share certificates from credit unions in Texas not to exceed eighteen (18) months to stated maturity and insured by the National Credit Union Share Insurance Fund or its successor.
- E.** Commercial paper rated A1/P1 or its equivalent by two (2) nationally recognized rating agencies and with a final stated maturity not to exceed one hundred eighty five (185) days from the date of issuance.
- F.** AAA-rated SEC registered money market mutual funds which strives to maintain a \$1 net asset value and complies with SEC Rule 2a-7.
- G.** Constant-dollar, AAA-rated (or equivalent) rated Texas Local Government Investment Pools, approved by resolution of the City Council which strive to maintain a \$1 net asset value and complies with the Act. The City investment in any investment pool shall not exceed 5 percent of the total assets of the pool.
- H.** Fully insured or collateralized interest bearing accounts of any bank in Texas. Fully collateralized or insured demand deposit accounts at authorized City depositories, under the provisions of a written collateral/depository agreement.
- I.** State and municipal obligations of any state rated not less than A by two (2) nationally recognized rating agencies and with a stated maturity not to exceed two (2) years. The stated maturity for "trust funds" is not to exceed three (3) years.
- J.** Fully collateralized repurchase agreements transacted with a primary securities dealer as defined by the Federal Reserve, under a written master repurchase agreement, with



a defined termination date, secured by obligations as defined by this Policy held by an independent third party custodian approved by the City, and with a stated final maturity not to exceed ninety (90) days.

- K.** This authorization includes flexible repurchase agreements ("flex repos") to be utilized only in the investment of bond proceeds with a stated final maturity not to exceed the expenditure plan on the bond proceeds.
- L.** Applicable to a trust fund only, domestic mutual funds and Electronically Traded Funds (ETF) with a minimum three star rating by Morningstar. These should represent no more than 60% of the total trust portfolio.

Investments donated to the trust need not be authorized by this policy and may be held by the trust. If liquidated, reinvestment of the proceeds must comply with this policy.

XI. DELIVERY VERSUS PAYMENT

All security transactions shall be settled on a delivery versus payment (DVP) basis in order to ensure that the City has total control of its investments and its funds at all times.

XII. COMPETITIVE BIDDING

All investment transactions, including certificates of deposit, shall be made on a competitive basis to assure that the City is receiving fair market prices. Bids may be solicited orally, in writing, electronically, or in any combination of those methods.

XIII. MONITORING CREDIT RATINGS

The Investment Officer or Investment Advisor shall monitor, on no less than a monthly basis, the credit rating or fund rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security(s) falls below the minimum rating required by this Policy, the Investment Officer or Advisor shall notify the Chief Financial Officer of the loss of rating, conditions affecting the rating, and possible loss of principal with liquidation options available, to determine liquidation options within five (5) business days after the loss of the required rating.

XIV. MONITORING FDIC STATUS

The Investment Officer or Investment Advisor shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the City based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer or Advisor shall immediately liquidate any brokered CD which places the City above the FDIC insurance level.

XV. COLLATERALIZATION

Consistent with state law requirements, the City shall require collateral market value equal to 102 per- cent of total deposits including accrued interest on all repurchase agreements and all time and demand deposits above the limits of federal insurance on City funds.



XVI. TIME AND DEMAND DEPOSITS- PLEDGED COLLATERAL

Financial institutions serving as City depositories will be required to execute a depository agreement with the City outlining, among other conditions, collateral conditions and limitations. The agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing. Collateral authorized by the City will be limited to the following:

- A.** Obligations of the US Government, its agencies and instrumentalities, including mortgage backed securities, which pass the Federal Reserve bank test
- B.** Obligations of any US state, their agencies and instrumentalities, and municipalities rated A or better by two (2) nationally recognized rating agencies

Collateral pledged to the City must be maintained with a market value margin of 102 percent of the total time or demand amounts being collateralized including accrued interest. The banking institution shall be held contractually liable for monitoring and maintaining the required margins daily. All collateral shall be held by an independent third party banking institution outside the holding company of the pledging bank. A clearly marked evidence of ownership must be provided to the City for all securities pledged and must clearly state that the security is pledged to the City. Substitution of collateral shall only be made after prior written approval by the City.

The pledging institution shall be responsible for providing a monthly report, preferably from the custodian, on pledged collateral listing at a minimum, the security description, CUSIP, par value, maturity, and current market value.

XVII. REPURCHASE AGREEMENT- OWNED COLLATERAL

Collateral under a master repurchase agreement is owned by the City under a buy-sell transaction. It will be held by an independent third party safekeeping agent approved by the City under an executed Bond Market Association Master Repurchase Agreement. Collateral with a market value totaling 102 percent of the principal and accrued interest is required and the counter-party is responsible for the monitoring and maintaining of collateral and margins at all times.

XVIII. SAFEKEEPING OF CITY-OWNED SECURITIES

All securities shall be settled on a delivery versus payment basis and be held in safekeeping by an in- dependent third party financial institution approved by the City. The City shall contract with its banking services depository or another financial institution(s) as safekeeping agent for the safekeeping of any securities owned by the City. The designated safekeeping agent will be responsible for the clearing and safekeeping of all security trades and will provide a monthly report of holdings. All securities held by the safekeeping agent on behalf of the City shall be evidenced by a safekeeping receipt.

XIX. DIVERSIFICATION

Diversification by security types shall be established by the following maximum percentages of investment type to the total City investment portfolio (**excluding Trust Funds**):

| | |
|--|-----|
| A. Obligations of the US Government | 90% |
| B. Constant Dollar Texas Investment Pools | 90% |
| C. Obligations of US Agencies/Instrumentalities | 90% |
| D. Depository Certificates of Deposit (CD) | 90% |
| E. Money Market Mutual Funds | 70% |
| F. State and municipal Obligations | 25% |
| G. Brokered Certificate of Deposit (CD) Securities | 20% |
| H. Commercial Paper | 20% |
| I. Limitation by banking institution | 15% |
| J. Credit Union Share Certificates | 10% |
| K. Limitation by Issuer | 10% |
| L. Limitation by ownership in fund | 5% |
| M. Limitation by ownership in fund | 5% |

Maximum percentages listed above are to be based on the portfolio's amortized book value at the time of purchase.

XX. INTERNAL CONTROL

The Chief Financial Officer shall maintain a system of internal controls over the investment activities of the City and his/her subordinate employees. The controls shall be designed to address fraud, employee error, misrepresentation by third parties, unanticipated market changes, and imprudent actions. Controls deemed most important include: control of collusion, separation of duties, custody and safekeeping, delegation of authority, securities losses, and remedial actions, and documentation on all transactions. The City's internal controls over investment activities and quarterly investment reports shall be reviewed annually by the City's independent auditor as part of the annual audit process. Any irregularities or suggestions for improvement shall be reported to the City Council.

XXI. CASH FLOW FORECASTING

Cash flow forecasting is a control designed to protect and sustain cash flow requirements of the City. The Investment Officer shall maintain a cash flow forecasting process designed to monitor and forecast cash positions of investment purposes.

XXII. REPORTING

Not less than quarterly, the Chief Financial Officer shall report to the City Council regarding the City's investment activities for the quarter in compliance with the Act. The reports shall contain sufficient information to permit an informed outside reader to evaluate the performance of the investment program and be prepared in accordance with the Act. Market prices for market value calculations shall be obtained from independent sources. The quarterly report shall be signed by the Investment Officer and Investment Advisor as applicable.

XXIII. DEPOSITORYIES

The City will designate one banking institution through a competitive process as its central banking services provider at least every five (5) years. In selecting a depository, the services, cost of services, credit worthiness, earnings potential, and collateralization of each financial

institution shall be considered. This institution will be used for normal banking services including disbursement, deposits, and safekeeping of securities. A depository agreement(s), executed in accordance with FIRREA (Financial Institutions Resource and Recovery Enforcement Act), shall be established before funds are transferred. Other banking institutions from which the City may purchase depository certificates of deposit (CD) will also be designated as depositories and must execute a written depository (collateral) contract in accordance with the provisions of this Policy if funds exceed FDIC insurance limits.

XXIV. POLICIES AND STRATEGY REVIEW

City Council shall review and adopt an investment policy and strategy annually in conjunction with the adoption of the budget. Additional changes to the Policy can be adopted by City Council as needed. The adopting resolution shall reference any changes made to the Policy.

The City's investment activities shall be reviewed annually by the City's independent auditors as part of the annual audit process. The objective of the review shall be to ascertain compliance of the City's investment activities with the investment policy, investment strategy, and applicable laws. Any irregularities shall be reported to the City Council through a report as prescribed by the audit engagement agreement.



INVESTMENT POLICY

EXHIBIT A

AUTHORIZED BROKER / DEALERS

- 1. Bank of America Merrill Lynch**
- 2. Piper Jaffray**
- 3. FTN Financial**
- 4. Intl F.C. Stone**
- 5. Mizuho Securities**
- 6. Morgan Stanley**
- 7. Mutual Securities**
- 8. Raymond James**
- 9. RBC Capital Markets**
- 10. Stifel Nicolaus**
- 11. Williams Group**
- 12. Cantor Fitzgerald**
- 13. BOK Financial**
- 14. Oppenheimer & Co., Inc.**



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

SUBJECT: Resolution No. 54-2019. A Resolution requesting financial assistance from the Texas Water Development Board (Clean Water State Revolving Fund) to finance certain improvements to the City's water system; authorizing the filing of an application for financial assistance; and making certain findings in connection therewith.

AGENDA DATE OF: December 10, 2019 **DATE SUBMITTED:** Dec 03, 2019

SUBMITTED BY: Amy Dozier

EXHIBITS: [20191210_Resolution_54-2019 Financial Assistance TWDB Clean Water Revolving Fund.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| N/A | N/A | N/A | N/A |

PAYMENT TO BE MADE TO: N/A

| | |
|-----------------------------|-----|
| Kerrville 2050 Item? | No |
| Key Priority Area | N/A |
| Guiding Principle | N/A |
| Action Item | N/A |

SUMMARY STATEMENT:

The City of Kerrville received disaster recovery grant funding of \$1,000,000 from the Texas Water Development Board (TWDB) in September 2019 related to flood damage that occurred on the Guadalupe River during October 2018. The TWDB is now in a new fiscal year and has advised us that the City is eligible to apply for another disaster recovery grant of up to \$500,000 from the Clean Water State Revolving Fund related to the same event.

Using grant funds already received, the City has completed debris removal from the river and is now working with engineers at Kimley-Horn to plan, design and begin construction on a permanent replacement for the pipes that were damaged. This next round of grant funding would be used for the construction phase of the project. The City has already submitted a project information form to the TWDB to determine project eligibility. TWDB

accepted the City's project information form and invited the City to apply for the grant funding. A funding resolution passed by City Council is required to complete the grant application process. If the resolution is passed, City staff anticipates completing the application by the end of December. The TWDB application review and funding process usually takes 3 to 6 months following completion of the application.

The City is also continuing to pursue insurance and legal claims related to the flood damage. Due to the lengthy process involved with multiple parties, insurance companies and attorneys, the timing of this potential funding source is indeterminable.

RECOMMENDED ACTION:

Approve Resolution No. 54-2019.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 54-2019**

**A RESOLUTION REQUESTING FINANCIAL ASSISTANCE
FROM THE TEXAS WATER DEVELOPMENT BOARD (CLEAN
WATER STATE REVOLVING FUND) TO FINANCE CERTAIN
IMPROVEMENTS TO THE CITY'S WATER SYSTEM;
AUTHORIZING THE FILING OF AN APPLICATION FOR
FINANCIAL ASSISTANCE; AND MAKING CERTAIN FINDINGS
IN CONNECTION THEREWITH**

WHEREAS, the City of Kerrville, Texas (the "City") in Kerr County, Texas, is a political subdivision of the State of Texas operating as a home-rule municipality pursuant to the Texas Local Government Code and its City Charter, which was initially approved by the qualified voters of the City on February 24, 1942, and which has been amended from time to time, with the most recent amendments being approved by the qualified voters of the City on November 5, 2019; and

WHEREAS, City Council hereby finds and determines that there is an urgent need to make certain improvements to the City's water system (the "Project"); and

WHEREAS, it is hereby officially found and determined that public notice of the time, place, and purpose of this meeting was given, all as required by Texas Government Code, Chapter 551;

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

SECTION ONE. REQUEST FOR FINANCIAL ASSISTANCE; APPROVAL OF APPLICATION. The Texas Water Development Board is hereby requested to grant financial assistance through its Clean Water State Revolving Fund program in an amount not to exceed \$500,000.00, to provide for the costs of removing pipe and steel support infrastructure from the Guadalupe River following an October 2018 flooding event as well as the cost of planning and designing a permanent replacement for the damaged infrastructure, all as further described in the application for financial assistance related to the Project (the "Application").

SECTION TWO. AUTHORIZED REPRESENTATIVES OF CITY. The City Manager, Deputy City Manager, Public Works Director, City Engineer, and Director of Finance of the City each are hereby designated as an authorized representative of the City for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of the Application for financial assistance and the rules of the Texas Water Development Board. The City Manager, Deputy City Manager, Public Works Director, City Engineer, and

Director of Finance of the City, together with bond counsel, financial advisor, and consulting engineers named in Section Three, below, are hereby authorized to appear before the Texas Water Development Board in support of such Application and the Project. The City Manager, Deputy City Manager, Public Works Director, City Engineer, and Director of Finance of the City each are further specifically authorized to make the required assurances to the Texas Water Development Board in accordance with the rules, regulations, and policies of the Texas Water Development Board.

SECTION THREE. APPROVAL OF PROFESSIONALS. The following firms and individuals are hereby authorized and directed to aid and assist in the preparation and submission of the Application and appear on behalf of and represent the City before any hearing held by the Texas Water Development Board on the Application, to-wit:

| ENGINEER | FINANCIAL ADVISOR | BOND COUNSEL |
|--|--|---|
| Kendall NeSmith, P.E. Kimley-Horn 601 NW Loop 410, Suite 350 San Antonio, Texas 78216 | Anne Burger Entrekin Hilltop Securities Inc. 70 NE Loop 410, Suite 710 San Antonio, Texas 78216 | Thomas K. Spurgeon Orlando "Jay" Juarez McCall, Parkhurst & Horton L.L.P. 700 N. St. Mary's, Suite 1525 San Antonio, Texas 78205 |

SECTION FOUR. INCLUSION OF RESOLUTION. A certified copy of this Resolution shall be included with the Application herein authorized to be prepared in final form and submitted to the Texas Water Development Board.

SECTION FIVE. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City hereby incorporates such recitals as a part of this Resolution.

SECTION SIX. EFFECTIVE DATE. This Resolution shall become effective immediately after its adoption.

(Signatures to follow)

PASSED AND APPROVED ON this the _____ day of _____ A.D.,
2019.

Bill Blackburn, Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Shelley McElhannon, City Secretary

Execution Page to Resolution Requesting Financial Assistance
from the Texas Water Development Board

Reso. 54-2019

CERTIFICATE FOR RESOLUTION

**THE STATE OF TEXAS
COUNTY OF KERR
CITY OF KERRVILLE**

I, the undersigned City Secretary of the **CITY OF KERRVILLE, TEXAS** (the “*City*”), hereby certify as follows:

1. The City Council of the City (the “*City Council*”) convened in Regular Meeting on December ___, 2019 at the City Hall (the “*Meeting*”), and the roll was taken of the duly constituted officers and members of the City Council, to wit:

Bill Blackburn, Mayor
Gary Cochrane, Councilmember, Place 1
Kim Clarkson, Councilmember, Place 2
Judy Eychner, Councilmember, Place 3
Delayne Sigerman, Councilmember, Place 4

and all of the officers and members of the City Council were present, except the following absentees: _____; whereupon, among other business, the following was transacted at the Meeting: a written Resolution No. _____ entitled

**RESOLUTION REQUESTING FINANCIAL ASSISTANCE FROM THE
TEXAS WATER DEVELOPMENT BOARD (CLEAN WATER STATE
REVOLVING FUND) TO FINANCE CERTAIN IMPROVEMENTS TO
THE CITY'S WATER SYSTEM; AUTHORIZING THE FILING OF AN
APPLICATION FOR FINANCIAL ASSISTANCE; AND MAKING
CERTAIN FINDINGS IN CONNECTION THEREWITH**

(the “*Resolution*”) was duly introduced for the consideration of the City Council. It was then duly moved and seconded that the Resolution be passed and, after due discussion, said motion carrying with it the adoption of the Resolution, prevailed and carried by the following vote:

AYES: _____ NOES: _____ ABSTENTIONS: _____

2. A true, full and correct copy of the Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; the Resolution has been duly recorded in the City Council’s minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the City Council’s minutes of the Meeting pertaining to the passage of the Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the City Council as indicated therein; each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Resolution would be introduced and considered for passage at the

Meeting, and each of said officers and members consented, in advance, to the holding of the Meeting for such purpose, and that the Meeting was open to the public and public notice of the time, place and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

Signed and sealed the ____ day of _____, 2019.

(SEAL)

City Secretary



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

SUBJECT: Resolution No. 55-2019. A Resolution amending Resolution No. 28-2019, which recreated the Kerrville Main Street Advisory Board, by allowing for non-voting Ex Officio Members.

AGENDA DATE OF: December 10, **DATE SUBMITTED:** Nov 26, 2019
2019

SUBMITTED BY: Sherry Mosier

EXHIBITS: [20191210_Resolution_55-2019 Amending Main Street Advisory Board by allowing Ex Officio Members.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| 0 | 0 | 0 | N/A |

PAYMENT TO BE MADE TO: N/A

| | |
|-----------------------------|--|
| Kerrville 2050 Item? | Yes |
| Key Priority Area | D - Downtown Revitalization |
| Guiding Principle | D6. Promote preservation and reinvestment in single-family and historic components in the areas around and near Downtown |
| Action Item | D3.1 - Create a public-private advocacy group or partnership of the City and Downtown property owners/tenants |

SUMMARY STATEMENT:

The Main Street Advisory Board during its first official meeting on November 20, 2019 recommended the following language be included within their proposed By-Laws as follows:

“Ex-Officio Members without a vote will be a member of the Historic Downtown Business Alliance (HDBA) and a member of Reinvestment Zone Number One, City of Kerrville (TIRZ No. 1), both of whom shall be appointed by their respective boards.”

Since this language was not included within the resolution to create the Board, this amendment must go before Council for possible action before the Board can include the language within their By-Laws.

This amendment is intended to increase communication and collaboration amongst the three organizations to encourage a unified effort in preservation and revitalization, as identified in Kerrville 2050, for the betterment of Downtown.

RECOMMENDED ACTION:

Approve Resolution 55-2019 to allow for non-voting Ex Officio Members to consist of a member of the Historic Downtown Business Alliance (HDBA) and a member of Reinvestment Zone Number One, City of Kerrville (TIRZ No. 1), both of whom shall be appointed by their respective boards.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 55-2019**

**A RESOLUTION AMENDING RESOLUTION NO. 28-2019,
WHICH RECREATED THE KERRVILLE MAIN STREET
ADVISORY BOARD; BY ALLOWING FOR EX OFFICIO
MEMBERS**

WHEREAS, City Council, by its adoption of Resolution No. 28-2019, recreated the Kerrville Main Street Advisory Board (“Board”); and

WHEREAS, the Board, by unanimous vote of the members present following deliberation during its first official meeting on November 20, 2019, recommended that Council allow for the addition of ex-officio members without vote; more specifically, a representative of the Historic Downtown Business Alliance (HDBA) and a representative of the Tax Increment Reinvestment Zone Number One, City of Kerrville (TIRZ No. 1), both of whom shall be appointed by their respective boards; and

WHEREAS, the Board believes that the addition of ex officio members will increase the communication and collaboration amongst the three organizations to encourage a unified effort in preservation and revitalization, as identified in Kerrville 2050, for the betterment of the downtown area; and

WHEREAS, City Council now wishes to amend Resolution No. 28-2019 to add ex officio members to the Board; and

WHEREAS, City Council believes it to be in the public interest to add ex officio members to the Main Street Advisory Board as provided below;

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

SECTION ONE. City Council amends Section One of Resolution No. 28-2019, to allow for the addition of ex officio members to the Board, by adding the language that is underlined (added) as follows:

“SECTION ONE. City Council hereby creates the Kerrville Main Street Advisory Board of the City of Kerrville, Texas (“Board”), which shall consist of seven (7) members at-large. In addition, a member of the Historic Downtown Business Alliance (HDBA) and a board of director of the Tax Increment Reinvestment Zone Number One, City of Kerrville (TIRZ No. 1), each to be appointed by their respective boards, shall be ex officio members of the Board, without voting privileges, and

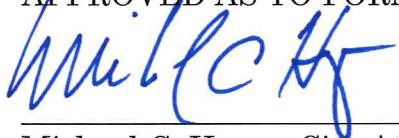
shall act in an advisory capacity to the Board. Members must be property or business owners within the designated Main Street boundaries, also known as Reinvestment Zone Number One, City of Kerrville, Texas, which is more specifically described in **Exhibit A** of this Resolution, and must reside within Kerr County. Each member shall be a voting member and is subject to a two-year term; provided, however, that at the Board's initial meeting to recreate the Board, the members shall draw lots to establish the duration of the initial terms, with three members serving an initial term of one year and the remaining four members serving a full, two-year term. The expiration date of all terms shall be August 31 of each year. The initial one-year terms would therefore expire August 31, 2020; and the terms of the remaining four members to expire August 31, 2021.”

SECTION TWO. Other than the amendment described above, Resolution No. 28-2019 remains in full force and effect.

PASSED AND APPROVED ON this the _____ day of _____ A.D.,
2019.

Bill Blackburn, Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Shelley McElhannon, City Secretary



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

SUBJECT: Resolution 56-2019. A Resolution authorizing the filing of an application with the Alamo Area Council of Governments for a 2020/2021 Solid Waste Pass through Grant.

AGENDA DATE OF: December 10, 2019 **DATE SUBMITTED:** Dec 03, 2019

SUBMITTED BY: Stuart Barron

EXHIBITS: [20191206_Resolution_56-2019 Authorizing the Filing of an Application with the Alamo Area Council of Governments for 2020-2021.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| N/A | N/A | N/A | N/A |

PAYMENT TO BE MADE TO: N/A

| | |
|-----------------------------|--|
| Kerrville 2050 Item? | Yes |
| Key Priority Area | F - Public Facilities and Services |
| Guiding Principle | F4. Support responsible long-range waste management policies and practices |
| Action Item | F8.2 - Encourage the public to get involved in clean-up efforts in their areas |

SUMMARY STATEMENT:

The Public Works Department, Solid Waste Division would like to apply for a reimbursable grant through AACOG. AACOG funds programs that support its goals for waste reduction by awarding grants. If awarded, the funds would be used to host a Household Hazardous Waste collection event. In addition, other programs may be funded that pertain to illegal dumping and clean up events.

AACOG allocates funds from solid waste fees paid to the Texas Commission on Environmental Quality. Currently, applications are being accepted for Fiscal Years 2020 and 2021.

RECOMMENDED ACTION:

Approve Resolution 56-2019 authorizing the filing of an application to AACOG for grant funding in 2020 and 2021.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 56-2019**

**A RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION
WITH THE ALAMO AREA COUNCIL OF GOVERNMENTS FOR A
2020/2021 SOLID WASTE PASS THROUGH GRANT**

WHEREAS, the Alamo Area Council of Governments (“AACOG”) is directed by the Texas Commission on Environmental Quality to administer solid waste grant funds for implementation of AACOG’s adopted regional solid waste management plan; and

WHEREAS, the City of Kerrville is qualified to apply for grant funds; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds it to be in the public interest to authorize the filing of a grant application with AACOG that if awarded will be utilized by the City to purchase equipment and/or services to help improve the City’s solid waste management service;

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

SECTION ONE. The City Council of the City of Kerrville, Texas, authorizes the City Manager, or designee, to request grant funding under the Alamo Area Council of Governments 2020/2021 Solid Waste Pass Through Grant and act on behalf of the City in all matters related to the grant application.

SECTION TWO. If the grant is awarded, City will comply with the grant requirements of AACOG, the Texas Commission on Environmental Quality and the State of Texas; the grant funds and any grant-funded equipment will be used only for those purposes specified under the grant; and, the activities will comply with and support the adopted regional and local solid waste management plans adopted for the City’s geographical area in which the activities will be performed.

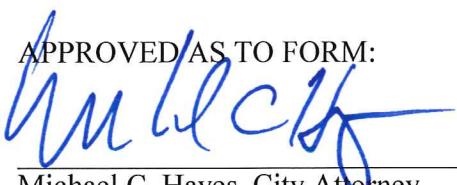
PASSED AND APPROVED ON this the _____ day of _____, A.D., 2019.

Bill Blackburn, Mayor

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney



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

SUBJECT: Joint Election Agreement between the City of Kerrville and Kerr County for the May 2, 2020 City General Election.

AGENDA DATE OF: December 10, 2019 **DATE SUBMITTED:** Nov 20, 2019

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20191210_Agreement_Joint Election Agreement with Kerr County for 5-02-2020 General Election - MH revised 12-6-19.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| 8,023.63 | 8,700.00 | 8,700.00 | 01-0102-4920 |

PAYMENT TO BE MADE TO: Kerr County Tax Assessor/Collector

| | |
|-----------------------------|-----|
| Kerrville 2050 Item? | No |
| Key Priority Area | N/A |
| Guiding Principle | N/A |
| Action Item | N/A |

SUMMARY STATEMENT:

The City of Kerrville will reimburse Kerr County for the actual expenses attributable to the cost of the City Election, rental of equipment and supplies, plus 10% of the cost incurred, and a \$50.00 administrative fee. The agreement is the same as in previous years.

Note: the attachment to the agreement is an estimate only and election cost may vary. The County Elections Office will inform the City Secretary prior to purchasing additional ballots, hiring additional workers, or any adjustments that may significantly increase the cost estimate.

RECOMMENDED ACTION:

Approve Agreement.

**THE STATE OF TEXAS
COUNTY OF KERR**

**JOINT ELECTION AGREEMENT
BETWEEN
CITY OF KERRVILLE AND KERR COUNTY**

THIS AGREEMENT is made and entered into by and between Bob Reeves Tax Assessor/Collector (or designated employee) on behalf of Kerr County, Texas duly constituted and acting as County Elections Officer and the City of Kerrville by and through Bill Blackburn, its Mayor, hereinafter referred to as “CITY OF KERRVILLE” and by authority of Section 31.092, Vernon’s Texas Civil Statutes, Election Code for conducting and supervision of the elections for the CITY OF KERRVILLE in conjunction with the Election.

Bob Reeves, Tax Assessor/Collector (or designated employee) shall order all supplies for the election and distribute those supplies to the election personnel. Election forms and all records of the election shall be combined for use in this election on the Tally Equipment.

THIS AGREEMENT is entered into in consideration of the mutual covenants and agreement hereinafter set out. **IT IS AGREED AS FOLLOWS:**

I. DUTIES AND SERVICES OF KERR COUNTY

Bob Reeves Tax Assessor/Collector (or designated employee) agrees to coordinate, supervise, and handle all aspects in administering the CITY OF KERRVILLE elections in accordance with the provisions of the Texas Election Code and as outlined in this Agreement.

Bob Reeves, Tax Assessor/Collector (or designated employee) in connection with the holding and supervision of said election shall assume the following responsibilities:

- a. Shall be responsible for notifying each election judge and alternate judge of his or her appointment and for determining the number of clerks and other election workers authorized to work at each voting location. Arrange for the notification, including writ of election, and compensation of all presiding judges and alternate judges.
- b. Election judges shall be responsible for picking up election supplies and materials at the time and place determined by Bob Reeves, Tax Assessor/Collector (or designated employee). This responsibility will be set forth in the election judges’ letter notifying the judge of his/her appointment.
- c. Procure, prepare, proof, and distribute ballots.

Election Contract – CITY OF KERRVILLE

- d. Procure, prepare, and distribute election judge's kits.
- e. Arrange for the use and compensation of polling locations.
- f. Use Optical scanning Verity Scan (Version Number 2.02) and DAU Verity Touch w/Access (Version Number 2.0.3 for counting of ballots as certified by the Secretary of State to comply with HAVA for early voting and election day.
- g. Assemble the list of registered voters to be used in conducting the election in conformity with the election precincts established for the election.
- h. Publish the legal notice of the date, time and place of the testing of the electronic tabulation equipment and conduct such testing.
- i. Supervise the handling and disposition of election returns, voted ballots, etc., and tabulate unofficial returns and assist in preparing the tabulation for the official canvass.
- j. Bob Reeves, Tax Assessor/Collector (or designated employee) will prepare the unofficial tabulation report after all precincts have been counted, and will provide a copy of the report to the CITY OF KERRVILLE as soon as possible after all returns have been tabulated, but in no event later than 2:00 p.m. on the 10th day following the election. CITY OF KERRVILLE will be responsible for the official canvass of its General Election.
- k. All early voting ballots (those cast by mail and those cast by personal appearance) will be prepared for counting by an Early Voting Ballot Board.
- l. Handle all aspects of Early Voting including those voting by mail.
- m. Prepare the results of the election for CITY OF KERRVILLE to conduct its own canvass of the election as prescribed by law.
- n. Provide at no cost for the storage of all election records as provided by law
- o. As the general custodian of election records shall conduct a criminal background check for relevant election officials, staff, and temporary workers upon hiring.
- p. Hart Intercivic certifies that a criminal background check on all employees, including temporary employees that may program, test, perform maintenance, transport equipment, or perform technical support on the voting system equipment for KERR COUNTY has been performed. The Company has determined there are no findings that would prevent the employees from performing their assigned duties.

II. DUTIES AND SERVICES OF CITY OF KERRVILLE

CITY OF KERRVILLE in connection with the holding and supervision of said election shall assume the following responsibilities and shall directly bear any cost for the same:

- a. Shall receive from their candidates all documents filed under Title 15 of the Texas Election Code relating to campaign contributions and expenditures.
- b. Preparation of election orders, resolutions, notices, and other pertinent documents for adoption or execution by the appropriate office or body and post or publish in the required time frame.
- c. Prepare and send out “Notice of Drawing” for a place on the Ballot to all eligible candidates.
- d. Election Officers with a list provided by Bob Reeves Tax Assessor/Collector (or designated employee) shall be appointed and approved thru the governing body of the CITY OF KERRVILLE. The Election Officers are as follows: Election Day Judge, Election Day Alternate Judge, Central Counting Station Manager, Tabulation Supervisor, Presiding Judge, and Early Voting Ballot Board Judge.
- e. Shall appoint and approve thru the governing body of the CITY OF KERRVILLE appoint Bob Reeves as the Early Voting Clerk.
- f. Polling Location shall be appointed and approved thru the governing body of the CITY OF KERRVILLE.
- g. Deliver to Bob Reeves, Tax Assessor/Collector or designated employee as soon as possible, a list showing the official wording for the Election titles that is to be printed on the ballot with the exact form, orders, wording, and spelling that is to be used.
- h. Pay any additional costs incurred by Bob Reeves, Tax Assessor/Collector or designated employee if a recount for the election is required, or the election is contested in any manner.
- i. Shall issue “Certificates of Election” to candidates elected after the Official Canvass.
- j. CITY OF KERRVILLE will be responsible for the official canvass of its Election.

III. PAYMENT FOR SERVICES

- a. CITY OF KERRVILLE shall pay to Kerr County the actual expenses directly attributable to the Contract including ten percent (10%) of the budget cost for Election Service Contract Fee pursuant to the Texas Election Code, Section 31.100 and the administrative fee of \$50.00 per election. (See attached Estimated Cost Sheet.)
- b. After the date of election and completion of all duties required, the Tax Assessor/Collector (or designated employee) shall then compute the final statement for all expenses including ten percent (10%) of the budget cost for Election Service Contract Fee, the \$50.00 Administration Fee and mail payment for the election services to Kerr County. CITY OF KERRVILLE shall be responsible for paying this amount within thirty (30) days from the Final Cost Report.
- c. **If Election is cancelled a \$75.00 administration fee is due.**

IN WITNESS WHERE OF, the parties hereto have made and entered into this agreement this _____ day of _____, _____.

Bob Reeves, Tax Assessor/Collector
Or Designated Employee

Kerr County, Texas

Bill Blackburn, Mayor
CITY OF KERRVILLE

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

| ESTIMATED COST of May 2020 Election for the City of Kerrville | | | | |
|--|---|---|--------------|-------------|
| County Election Services Contract Costs | | | | Estimate |
| 1 | Ballot Printing Cost | | | |
| | First 1000 Ballots Free | | | |
| | | | | |
| 2 | Electronic Voting System Programming | | | \$ 1,600.00 |
| | Ballots | 1000 free + 4000 ballots | | \$ 1,500.00 |
| | Test and Sample Ballots | | | \$150.00 |
| | | | | |
| * 3 | Publication of Test of Electronic Voting Equipment | | | |
| | Newspaper-Kerrville Daily Times | | | \$ 40.00 |
| | Other Newspapers as requested per their fees | | | |
| 4 | Charge for Wireless Internet | | | \$ - |
| | | | | |
| * 5 | Lease of Voting Machines | | | |
| | Early Voting and Election Day | | | |
| | | # of Units | Lease Cost | |
| | Verity Scan | 2 | \$91.50 | \$ 183.00 |
| | Verity Controller | 2 | \$69.75 | \$ 139.50 |
| | Verity Touch w/Access | 3 | \$78.75 | \$ 236.25 |
| | * Count computer | 1 | \$180.00 | \$ 180.00 |
| | | | | |
| * 6 | Precinct Election Judges and Clerks | | | |
| | \$10.00 per Hour | | | |
| | Early Voting Clerks | | 4 84 hours | \$ 3,360.00 |
| | Election Day Judge & Alternate Judge | | 2 15 hours | \$ 300.00 |
| | Election Day Clerks | | 5 14 hours | \$ 700.00 |
| | * Early Ballot Board Clerks | | 5 20.5 hours | \$ 205.00 |
| | * Tabulation Supervisor & Personnel | | 4 3 hours | \$ 120.00 |
| | Election Night Workers | | | \$ - |
| | Elections Workers attending Training Hours - 6 hours X \$10 | | | \$ 60.00 |
| | | | | |
| 7 | Fee for Pickup of Supplies before Election Day and Delivery of Supplies after Polls Close Per Election Day Judge | | | \$ 25.00 |
| | | | | |
| 8 | Technical Support Personnel | | | \$ - |
| | | | | |
| 9 | Miscellaneous Election Costs | | | |
| | Elections Kits | | 2 \$ 58.00 | \$ 116.00 |
| | Central Counting Station Kit | | 1 \$ 21.00 | \$ 21.00 |
| | Shipping of MBB's for programming | | | \$ 60.00 |
| | Postage - Appointment of Judges & Clerks | | 4 \$ 0.60 | \$ 2.40 |
| | Postage - Writ of Election to Judge | | 1 \$ 0.60 | \$ 0.60 |
| | * Postage - Mail Ballots Application | | 750 \$ 0.60 | \$ 450.00 |
| | * Postage- Mail Ballots | | 750 \$ 0.60 | \$ 450.00 |
| | * Mail Ballot Kits | | 750 \$ 2.00 | \$ 450.00 |
| | | | | |
| | SUBTOTAL EXPENSES - Cost of the Election | | | \$ 7,248.75 |
| | | | | |
| 10 | Election Service Contract Fee (10% of Cost) | | | \$ 724.88 |
| | Administrative Fee | | | \$ 50.00 |
| | | | | |
| 11 | TOTAL COST OF ELECTION | | | \$ 8,023.63 |
| | Balance due 30 days after Final Cost Report | | | |
| | | | | |
| * The following items may be divided with the different entities having the election | | | | |
| 3 | Publication - Newspaper | shared costed with all Entities | | |
| 5 | Lease - Election Machines | shared costed of Talley & Lap Top Computer w/all Entities | | |
| 6 | Cost - Election Judge-Clerks | City of Kerrville & KISD share /City of Ingram & Ingram ISD share | | |
| 9 | Shipping on MBB, Election Kits, & Ballots - Shared with all Entities | | | |
| 9 | Postage - Applications, Ballots, Mail Ballot Kits Shared with City of Kerrville & KISD | | | |



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

SUBJECT: Purchase new Case Backhoe 590 Super N 4WD Extendahoe.

AGENDA DATE OF: December 10, 2019 **DATE SUBMITTED:** Dec 02, 2019

SUBMITTED BY: Stuart Barron

EXHIBITS: [New Case 590SN buyboard quote\(City of Kerrville\).pdf.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| \$123,700 | \$125,000 | \$125,000 | 19-1900-5300 |

PAYMENT TO BE MADE TO: Associated Supply Company, Inc

| | |
|-----------------------------|--|
| Kerrville 2050 Item? | Yes |
| Key Priority Area | W - Water / Waste-Water / Drainage |
| Guiding Principle | W3. Address water quality challenges with proven solutions |
| Action Item | W3.7 - Plan for redundancy and looping of water lines to keep the water in supply lines fresh, recognizing that it may not always be practical on smaller properties |

SUMMARY STATEMENT:

The approved FY20 budget includes replacement of a 1994 Case Backhoe. It is hard to find replacement parts for this unit, which is experiencing significant down time for repairs.

RECOMMENDED ACTION:

Approve purchase of New Case Backhoe 590 Super N 4WD Extendahoe.

BuyBoard Quote**ASSOCIATED SUPPLY COMPANY, INC.**

THE FOLLOWING DETAILS SHALL BE PROVIDED WITH ANY BUYBOARD PURCHASE ORDER (FAX PURCHASE ORDER TO 800-211-5454)

BuyBoard Vendor: Associated Supply Company, Inc.**Prepared By:** Lance Muennink**Phone:** _____**Mobile:** 210-410-3879**Fax:** _____**Email:** lance@ascoeq.com**Government Agency:** City of Kerrville**Date Prepared:** 2/27/2019**Ship To:** _____
_____**Bill To:** _____
_____**Contacts' Name:** Shannon Flowers
Email: _____**Phone:** _____
Fax: _____**Product Description:** New Case 590 Super N 4WD Extendahoe**BuyBoard Contract:** 515-16**I. Price List Dated:** 2/27/2019**Base Price:** \$ 140,427.00**II: Base Bid Options (Itemized Below)**

| | |
|-----------------------------------|-------------|
| Enclosed cab w/AC/Heat/Radio | included |
| Heated Cloth Air Ride Seat | included |
| 4WD PowerShift Transmission | included |
| 14x17.5 Front Tires | included |
| 21Lx24 Rear tires | included |
| Extendahoe | \$ 6,650.00 |
| Heavy Front counterweight | \$ 500.00 |
| Pilot controls With Power Lift | \$ 2,380.00 |
| Mechanical quick coupler(Backhoe) | included |
| Flip over stabilizer pads | \$ 816.00 |
| Front Auxiliary hydraulics | \$ 1,309.00 |
| SUB-TOTAL: \$ 11,655.00 | |

| | |
|--------------------------|-------------|
| Delux Cab package | \$ 1,500.00 |
| 4WD shaft guard | \$ 848.00 |
| Front Fenders | \$ 419.00 |
| Gripper Teeth Extension | \$ 189.00 |
| LED light package | \$ 862.00 |
| Locking DEF/Fuel cover | \$ 132.00 |
| Auto Ride control | \$ 1,357.00 |
| 4in1 front loader bucket | \$ 9,700.00 |
| 18" BH bucket | \$ 1,250.00 |
| 24" BH bucket | \$ 1,500.00 |

SUB-TOTAL: \$ 17,757.00**Options List Price Total:** \$ 29,412.00

\$ 169,839.00

III. SUB-TOTAL OF I & II**IV. BuyBoard Discount:** 15.00% \$ 25,475.85**BUYBOARD CONTRACT PRICE:** \$ 144,363.15**V: NON-BASE OPTIONS****Non-Base Options (%) =** 03yr/3000hr premier warranty
(FREE travel and mileage)\$ -
\$ -
\$ -**SUB-TOTAL:** \$ -**SUB-TOTAL:** \$ -**VI: UNPUBLISHED OPTIONS ADDED TO CONTRACT PRICE (SUBTOTAL OF COL1 & COL 2)**

\$ -

VII: TOTAL IV + VI

\$ 144,363.15

VIII: QUANTITY ORDERED UNITS:

\$ 144,363.15

IX: TRADE-IN OR OTHER CREDIT(S):

\$ 20,663.15

\$ 20,663.15 One Time ASCO discount

TOTAL: \$ 123,700.00

FAX ALL PURCHASE ORDERS TO BUYBOARD AT 800-211-5454



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

SUBJECT: Minutes for the City Council workshop held November 12, 2019.

AGENDA DATE OF: December 10, 2019 **DATE SUBMITTED:** Aug 01, 2019

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20191210_Minutes_Council workshop on 11-12-19.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| \$0 | \$0 | \$0 | N/A |

PAYMENT TO BE MADE TO: N/A

| | |
|-----------------------------|-----|
| Kerrville 2050 Item? | No |
| Key Priority Area | N/A |
| Guiding Principle | N/A |
| Action Item | N/A |

SUMMARY STATEMENT:

Minutes for the City Council workshop held on November 12, 2019 at 4:00 p.m.

RECOMMENDED ACTION:

Approve minutes as presented.

CITY COUNCIL MINUTES
WORKSHOP, COUNCIL CHAMBERS

KERRVILLE, TEXAS
NOVEMBER 12, 2019 4:00 PM

CALL TO ORDER

On November 12, 2019, at 4:00 p.m., the Kerrville City Council Workshop was called to order by Mayor Bill Blackburn in Council Chambers at 701 Main Street.

COUNCILMEMBERS PRESENT:

| | |
|------------------|-----------------------|
| Bill Blackburn | Mayor |
| Gary Cochrane | Councilmember Place 1 |
| Kim Clarkson | Councilmember Place 2 |
| Delayne Sigerman | Councilmember Place 4 |

COUNCILMEMBER ABSENT:

| | |
|--------------|---------------|
| Judy Eychner | Mayor Pro Tem |
|--------------|---------------|

CITY STAFF PRESENT:

| | |
|--------------------|--|
| Mark McDaniel | City Manager |
| E.A. Hoppe | Deputy City Manager |
| Mike Hayes | City Attorney |
| Shelley McElhannon | City Secretary |
| Donna Bowyer | Neighborhood Enhancement Manager |
| Kyle Burow | Director of Engineering |
| Amy Dozier | Chief Financial Officer |
| Guillermo Garcia | Executive Director of Innovation |
| Sherry Mosier | Manager of Strategic Initiatives |
| Trina Sanchez | Assistant Director of Development Services |

VISITORS PRESENT: On file in City Secretary's Office for required retention period.

1. INFORMATION AND DISCUSSION

1.A. Progress Report regarding Development Services.

Guillermo Garcia presented information and provided updates regarding Development Services; Donna Bowyer, Guillermo Garcia, Mike Hayes, and Mark McDaniel responded to questions. Donna Bowyer presented the Lean Six Sigma project on Code Enforcement and responded to questions.

1.B. Quarterly Community Improvement Project Report.

E.A. Hoppe highlighted projects and responded to questions.

2. RECESS

The workshop was recessed by Mayor Blackburn at 4:50 p.m.

3. RECONVENE

The workshop was reconvened by Mayor Blackburn in the upstairs large conference room at 5:02 p.m.

4. EXECUTIVE SESSION

Councilmember Gary Cochrane made a motion the City Council adjourn into closed executive session under 551.072 (deliberation regarding real property) and 551.087 (business prospect /economic development) of Chapter 551, Texas Government Code, and Councilmember Kim Clarkson seconded. The motion passed 4-0.

Mayor Blackburn recessed the open session at 5:03 p.m., and Council adjourned into closed executive session.

- 4.A. Hotel/conference center project (551.087)
- 4.B. Springfield by Marriott on Water Street (551.087)
- 4.C. Sky Master business development project (551.072, 551.087)
- 4.D. Vintage Heights housing development (551.087)
- 4.E. City Loop 534 property development project (551.072, 551.087)
- 4.F. A.C. Schreiner House public-private partnership project (551.072, 551.087)

The closed executive session recessed, and Council returned to open session at 5:50 p.m.

5. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION IF ANY

No action was taken in executive session.

ADJOURNMENT

The meeting was adjourned at 5:50 p.m.

APPROVED: _____

APPROVED:

ATTEST:

Bill Blackburn, Mayor

Shelley McElhannon, City Secretary



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

SUBJECT: Minutes for the City Council meeting held November 12, 2019.

AGENDA DATE OF: December 10, 2019 **DATE SUBMITTED:** Aug 01, 2019

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20191210_Minutes_Council Regular meeting on 11-12-19 6pm.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| \$0 | \$0 | \$0 | N/A |

PAYMENT TO BE MADE TO: N/A

| | |
|-----------------------------|-----|
| Kerrville 2050 Item? | No |
| Key Priority Area | N/A |
| Guiding Principle | N/A |
| Action Item | N/A |

SUMMARY STATEMENT:

Minutes for the City Council meeting held November 12, 2019 at 6:00 p.m.

RECOMMENDED ACTION:

Approve minutes as presented.

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
NOVEMBER 12, 2019

On November 12, 2019, at 6:01 p.m. the meeting was called to order by Mayor Bill Blackburn in the City Hall Council Chambers at 701 Main Street. The invocation was offered by Councilmember Gary Cochrane, followed by the Pledge of Allegiance led by Councilmember Cochrane.

COUNCILMEMBERS PRESENT:

| | |
|------------------|---------------|
| Bill Blackburn | Mayor |
| Gary Cochrane | Councilmember |
| Kim Clarkson | Councilmember |
| Delayne Sigerman | Councilmember |

COUNCILMEMBER ABSENT:

| | |
|--------------|---------------|
| Judy Eychner | Councilmember |
|--------------|---------------|

CITY EXECUTIVE STAFF PRESENT:

| | |
|--------------------|--|
| Mark McDaniel | City Manager |
| E.A. Hoppe | Deputy City Manager |
| Mike Hayes | City Attorney |
| Shelley McElhannon | City Secretary |
| Stuart Barron | Director of Public Works |
| Julie Behrens | Assistant Director of Finance |
| Stuart Cunyus | Public Information Officer |
| Guillermo Garcia | Executive Director of Innovation |
| David Knight | Chief of Police |
| Kim Meismer | Executive Director of General Operations |
| Dannie Smith | Fire Chief |

VISITORS PRESENT: On file in City Secretary's Office for required retention period.

1. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Items of Interest to the Community were presented by Stuart Cunyus, Councilmember Kim Clarkson, and Councilmember Delayne Sigerman.

2. VISITORS FORUM:

No visitors/citizens signed up to speak.

3. PRESENTATIONS:

3A. Mayor Blackburn presented a Certificate of Recognition to the Tivy High School Marching Band 2019-2020 for competing at the State Championship Marching Band Competition on November 04, 2019 in San Antonio, Texas.

3B. Mayor Blackburn presented a Proclamation observing the Kerrville Public Utility Board Apprenticeship Week. The Proclamation was received by Kerrville Public Utility employees and apprentices.

3C. Mayor Blackburn and Mark McDaniel presented Amy Dozier and Julie Behrens with the Distinguished Budget Presentation Award issued by the Government Finance Officer

Association for the City of Kerrville's annual budget fiscal year beginning October 1, 2018 through September 30, 2019.

4. CONSENT AGENDA:

Staff requested to pull item 4B from the Consent Agenda. This item will be presented during a future Council meeting.

Councilmember Cochrane moved to approve items 4A, 4C, 4D, 4E, 4F, 4G, and 4H as presented. Councilmember Sigerman seconded, and the motion passed 4-0.

4A. Resolution No. 48-2019. A Resolution casting votes of the City of Kerrville, Texas for Kerr Central Appraisal District Board of Directors for the 2020-2021 term.

4C. Project Funding Agreement between the City of Kerrville, Texas, Economic Improvement Corporation and the City of Kerrville, Texas for site, building, and infrastructure improvements for business enterprises at the Kerrville-Kerr County Airport.

4D. Authorize the Kerrville-Kerr County Joint Airport Board to amend its 2020 Fiscal Year budget as presented, thereby increasing the amount of its budget for said fiscal year.

4E. Purchase of one Type 1 Ambulance from Mac Haik Dodge Chrysler Jeep at a price not to exceed \$228,025.

4F. Selection of additional participant to Kerrville Area Youth Leadership Academy. An additional application has been received for membership to the Academy. Applicant name is Paige Foster.

4G. Minutes for the City Council workshop held October 22, 2019.

4F. Minutes for the City Council meeting held October 22, 2019.

END OF CONSENT AGENDA

4B. Resolution No. 51-2019. A Resolution authorizing a banking services agreement with Wells Fargo Bank, N.A.

No action. This item was pulled from consideration.

5. PUBLIC HEARINGS AND RESOLUTIONS:

5A. Resolution No. 49-2019. A Resolution granting a Conditional Use Permit to authorize a Short-Term Rental Unit on the property consisting of all of Lot 1-A, Block 6, of the Lowry addition, a subdivision of record within the City of Kerrville, Kerr County, Texas, as recorded in Volume 7, Page 342 of the plat records of Kerr County, Texas; and located at 202 Lowry Street; said property is located within the R-1A Zoning District; and making said permit subject to certain conditions and restrictions contained herein.

Mayor Blackburn opened the Public Hearing at 6:22 p.m.

The Resolution caption was read into record by Shelley McElhannon.

Drew Paxton presented information and responded to questions.

No citizens spoke during the Public Hearing.

Councilmember Sigerman moved to approve Resolution No. 49-2019, and Councilmember Clarkson seconded. The motion passed 4-0.

5B. Resolution No. 50-2019. A Resolution granting a Conditional Use Permit to authorize a Short-Term Rental Unit on the property consisting of all of Lot 1-C, Block 6, of the Lowry addition, a subdivision of record within the City of Kerrville, Kerr County, Texas, as recorded in Volume 7, Page 342 of the plat records of Kerr County, Texas; and located at 210 Lowry Street; said property is located within the R-1A Zoning District; and making said permit subject to certain conditions and restrictions contained herein.

The Resolution caption was read into record by Shelley McElhannon.

Drew Paxton presented information and responded to questions.
No citizens spoke during the Public Hearing.

Councilmember Clarkson moved to approve Resolution No. 50-2019, and Councilmember Cochrane seconded. The motion passed 4-0.

Mayor Blackburn closed the Public Hearing at 6:27 p.m.

6. ORDINANCES, SECOND READING:

6A. Ordinance No. 2019-25. Second reading. An Ordinance amending the budget for Fiscal Year 2019 to authorize the transfer of funds between different funds to account for a general fund balance; and to make other amendments as provided herein.

The Ordinance caption was read into record by Shelley McElhannon.

Amy Dozier advised no changes to Ordinance.

Councilmember Sigerman moved to approve Ordinance No. 2019-25 second reading, and Councilmember Cochrane seconded. The motion passed 4-0.

7. INFORMATION AND DISCUSSION:

7A. Financial update for the month ended September 30, 2019.

Amy Dozier presented information and responded to questions.

8. CONSIDERATION AND POSSIBLE ACTION:

8A. Approve the Pavement Management Plan.

The item was read into record by Shelley McElhannon.

E.A. Hoppe presented information and responded to questions.

Councilmember Cochrane moved to approve the Pavement Management Plan, and Councilmember Sigerman seconded. The motion passed 4-0.

8B. Professional Services Agreement with 6S Engineering, Inc. for design and engineering work related to FY2020 Street Reconstruction projects in the amount of \$335,495.00.

Councilmember Cochrane moved to approve the Professional Services Agreement with 6S Engineering, and Councilmember Clarkson seconded. The motion passed 4-0.

8C. Construction contract with M5 Utilities, LLC for the Olympic Drive Extension project in an amount of \$2,439,188.81.

E.A. Hoppe presented information and responded to questions.

Councilmember Sigerman moved to authorize the City Manager to enter an agreement, and Councilmember Cochrane seconded. The motion passed 4-0.

8D. Master Equity Lease Agreement for the lease of City vehicles with full maintenance agreement for fleet management services with Enterprise Fleet Management Program.

Guillermo Garcia presented information and responded to questions.

Councilmember Sigerman moved to authorize the City Manager to enter into this agreement, and Councilmember Cochrane seconded. The motion passed 4-0.

9. BOARD APPOINTMENTS:

9A. Appointments to the Senior Services Advisory Committee.

Councilmember Sigerman moved to appoint the following two individuals to the Senior Services Advisory Committee: Janice Andersen and Melba Maring. Councilmember Cochrane seconded, and the motion passed 4-0.

10. ITEMS FOR FUTURE AGENDAS:

- Membership of Senior Services Advisory Board – Sigerman

11. EXECUTIVE SESSION:

Mayor Blackburn moved to go into executive session under Section 551.071 (consultation with an attorney) of the Texas Government Code. Councilmember Sigerman seconded, and the motion passed 4-0.

Mayor Blackburn recessed the open session at 7:09 p.m., and Council convened in closed executive session.

11A. Lotus Peer Recovery LLC. Kacey Paige Williams, Christian Jane Rivers, and Madelyn Rebecca Clark v. City of Kerrville, Texas (Cause No. 5:18-CV-00925; in the United States District Court for the Western District of Texas, San Antonio, Division.) (551.071)

At 7:21 p.m. the Council reconvened in open session.

12. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY:

Mike Hayes provided information regarding the settlement with Lotus Peer Recovery; both parties will not be held liable, the charges will be dismissed and the City will be discharged from any liability. Lotus Peer Recovery LLC will not open another facility within the City of Kerrville for the next three years.

Councilmember Clarkson moved to authorize the Mayor to execute *Full and Final Settlement Agreement and Mutual Release* regarding lawsuit filed against City by Lotus Peer Recovery, LLC., etc. Councilmember Cochrane seconded, and the motion passed 4-0.

ADJOURNMENT

The meeting was adjourned at 7:22 p.m.

APPROVED:

Bill Blackburn, Mayor

ATTEST:

Shelley McElhannon, City Secretary

APPROVED BY COUNCIL: _____



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

SUBJECT: Minutes for the City Council Official Canvass of Election Results and City Council workshop held November 18, 2019.

AGENDA DATE OF: December 10, 2019 **DATE SUBMITTED:** Oct 22, 2019

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20191210_Minutes_Council Election Canvass and Workshop on 11-18-19 10am.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| N/A | N/A | N/A | N/A |

PAYMENT TO BE MADE TO: N/A

| | |
|-----------------------------|-----|
| Kerrville 2050 Item? | No |
| Key Priority Area | N/A |
| Guiding Principle | N/A |
| Action Item | N/A |

SUMMARY STATEMENT:

Minutes for the City Council Official Canvass of Election Results for the November 2, 2019 election, and the City Council workshop held on November 18, 2019.

RECOMMENDED ACTION:

Approve minutes as presented.

CITY COUNCIL MINUTES
ELECTION CANVASS AND WORKSHOP

KERRVILLE, TEXAS
NOVEMBER 18, 2019

CALL TO ORDER

On November 18, 2019, at 10:01 a.m., the Kerrville City Council Election Canvass and Workshop was called to order by Mayor Bill Blackburn in Council Chambers at 701 Main Street.

COUNCILMEMBERS PRESENT:

| | |
|------------------|-----------------------|
| Bill Blackburn | Mayor |
| Judy Eychner | Mayor Pro Tem |
| Gary Cochrane | Councilmember Place 1 |
| Kim Clarkson | Councilmember Place 2 |
| Delayne Sigerman | Councilmember Place 4 |

COUNCILMEMBER ABSENT: None

CITY STAFF PRESENT:

| | |
|--------------------|---|
| Mark McDaniel | City Manager |
| E.A. Hoppe | Deputy City Manager |
| Mike Hayes | City Attorney |
| Shelley McElhannon | City Secretary |
| Stuart Barron | Director of Public Works |
| Ashlea Boyle | Director of Parks and Recreation |
| Kyle Burow | Director of Engineering |
| Stuart Cunyus | Public Information Officer |
| Kim Meismar | Executive Director for General Operations |
| Drew Paxton | Director of Building Services |
| Dannie Smith | Fire Chief |

VISITORS PRESENT:

Derek Naiser, LNV
Abe Salinas, LNV

Mayor Blackburn called upon Councilmember Judy Eychner to provide brief information regarding the BUILD Health Challenge Award grant to serve the Doyle neighborhood. Councilmember Eychner summarized this health initiative sponsored by many community partners.

1. CONSIDERATION AND POSSIBLE ACTION

1.A. Resolution No. 52-2019. A Resolution canvassing the returns and declaring the results of the November 5, 2019, City special election regarding amendments to the City Charter.

Councilmember Gary Cochrane moved to approve Resolution No. 52-2019, and Councilmember Eychner seconded. The motion passed 5-0.

2. INFORMATION AND DISCUSSION

2.A. Community Events Update (Parks and Recreation Department).

Ashlea Boyle presented information and responded to questions.

2.B. Drainage Master Plan.

E.A. Hoppe introduced the item. Abe Salinas with LNV presented information. Abe Salinas and E.A. Hoppe responded to questions.

3. ADJOURNMENT

The meeting adjourned at 11:14 a.m.

APPROVED:

Bill Blackburn, Mayor

ATTEST:

Shelley McElhannon, City Secretary

APPROVED: _____



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

SUBJECT: Ordinance No. 2020-01. An Ordinance declaring the adoption of amendments to the City of Kerrville, Texas, Charter in accordance with the adoption of propositions A through O and Q at the Special Election held on November 05, 2019; adopting the Charter, as amended; providing a cumulative clause; containing a savings and severability clause; providing an effective date; and providing other matters related to the subject.

AGENDA DATE OF: December 10, **DATE SUBMITTED:** Nov 20, 2019
2019

SUBMITTED BY: Mike Hayes

EXHIBITS: [20191210_Ordinance_2020-01 Adoption of City Charter Amendments from Special Election held 11-05-2019.pdf](#)
[2019120619_Charter.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| N/A | N/A | N/A | N/A |

PAYMENT TO BE MADE TO: N/A

| | |
|-----------------------------|-----|
| Kerrville 2050 Item? | No |
| Key Priority Area | N/A |
| Guiding Principle | N/A |
| Action Item | N/A |

SUMMARY STATEMENT:

Pursuant to Section 14.07 of the City Charter, the Charter must undergo a review every five years. To conduct that review, the Council must appoint a Charter Review Commission ("CRC"), which it did in January 2019. The CRC completed its review of the Charter and submitted its 'Report of the 2019 Kerrville Charter Review Commission' at a Council meeting on July 16, 2019. After the CRC's presentation, Council voted to accept the Report. Council considered the CRC's recommended amendments and voted to hold a Special Election. Prior to said election, Council voted to send all of the CRC's proposed amendments, except one, to the voters as propositions. Council voted not to seek a vote

on the amendment to the Charter section setting out compensation for Councilmembers.

At the November 5, 2019 election, voters approved Propositions A through O and Q, which contained the amendments. At a special meeting held on November 18, 2019, Council canvassed the results of this election and the adoption of the amendments, and voted to accept the results via Resolution No. 52-2019. Under state law, Council must now officially adopt the newly amended Charter.

RECOMMENDED ACTION:

Approve Ordinance No. 2020-01 on 1st Reading to declare the adoption of various amendments to the City Charter and to adopt a newly revised Charter.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2020-01**

AN ORDINANCE DECLARING THE ADOPTION OF AMENDMENTS TO THE CITY OF KERRVILLE, TEXAS, CHARTER IN ACCORDANCE WITH THE ADOPTION OF PROPOSITIONS A THROUGH O AND Q AT THE SPECIAL ELECTION HELD ON NOVEMBER 5, 2019; ADOPTING THE CHARTER, AS AMENDED; PROVIDING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING OTHER MATTERS RELATED TO THIS SUBJECT

WHEREAS, on February 25, 1942, a home-rule Charter was adopted for the City of Kerrville, Texas; and

WHEREAS, the City Charter is a document prepared by the citizens of the City providing direction to the City government on how to operate; and

WHEREAS, since this time, the Charter has been amended nine times, with the last comprehensive review occurring in 2013-14; and

WHEREAS, Section 14.07 of the Charter requires a periodic review to help ensure that the document is current and that it properly reflects the overall directions of this community; and

WHEREAS, in January 2019, City Council appointed persons to a Charter Review Commission (“CRC”) and charged it with reviewing and proposing amendments to the Kerrville City Charter; and

WHEREAS, following a series of meetings, the CRC presented its *Report of Proposed Charter Amendments* to City Council in July 2019 at a public meeting; and

WHEREAS, the Council reviewed the Report and after considering the CRC’s proposed amendments, the Council called a Special Election for November 5, 2019, for a vote of the electors to consider the approval or rejection of various amendments to the Charter, the amendments being in the form of Propositions A through R; and

WHEREAS, at the Special Election on November 5, 2019, voters approved by majority vote Propositions A through O and Q, and failed to approve Propositions P and R, thereby amending the Charter in this manner; and

WHEREAS, at a special meeting held on November 18, 2019, which was open to the public, City Council canvassed the results of this Special Election and adopted Resolution No. 52-2019, which approved and declared the results of this election; and

WHEREAS, City Council finds it to be in the public interest to declare the adoption of the amendments to the City's Charter, and to adopt the amended Charter, in accordance with Chapter 9, Texas Local Government Code, and Section 14.06 of the Charter;

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

SECTION ONE. Propositions A through O and Q, as passed during the Special Election held on November 5, 2019, and which contained amendments to the City's Charter, are declared adopted. This declaration serves as an order, which the City Secretary shall record in the City's official records, in accordance with Section 9.005(b) of the Texas Local Government Code.

SECTION TWO. In accordance with Section 14.08 of the Charter, and based upon the amendments, the Charter has been renumbered and rearranged as appropriate, and the City Council authorizes such changes.

SECTION THREE. The newly revised Charter, including the amendments resulting from the passage of Propositions A through O and Q, is attached as **Exhibit A** and made a part hereof for all purposes, and is adopted in this form by City Council.

SECTION FOUR. In accordance with Section 9.007(a) of the Texas Local Government Code and following adoption of this Ordinance, the Mayor shall certify to the Texas Secretary of State an authenticated copy of the Charter, as amended, under the City's seal and showing the approval by the voters of the City.

SECTION FIVE. The City Secretary shall record in the City Secretary's records the Charter, as amended, as adopted by the voters of the City pursuant to Section 9.008(a) of the Texas Local Government Code.

SECTION SIX. 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 therein and does not repeal any of the provision of said ordinances.

SECTION SEVEN. If any section, subsection, sentence, clause or phrase of this Ordinance or any appendix thereof, is, for any reason, held to be unconstitutional

or invalid, such holding does not affect the validity of the remaining portions. The City Council of the City of Kerrville, Texas, declares that it would have passed this Ordinance and its exhibit and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION EIGHT. Following adoption of this Ordinance upon second reading, the amendments, and the newly revised Charter shall become effective immediately.

PASSED AND APPROVED ON FIRST READING, this the _____ day of _____, A.D., 2019.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ day of _____, 2020.

Bill Blackburn, Mayor

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney



**CHARTER
OF THE CITY OF
KERRVILLE, TEXAS**

CITY OF KERRVILLE CHARTER

MEMBERS OF THE CITY COUNCIL

**BILL BLACKBURN
MAYOR**

**GARY COCHRANE
COUNCILMEMBER, PLACE 1**

**KIM CLARKSON
COUNCILMEMBER, PLACE 2**

**JUDY EYCHNER
COUNCILMEMBER, PLACE 3**

**DELAYNE SIGERMAN
COUNCILMEMBER, PLACE 4**

SHELLEY McELHANNON, CITY SECRETARY

JANUARY 14, 2020

PART I **CHARTER**

Article I. Incorporation, Powers, and Territory

| | | |
|------------|---|---|
| Sec. 1.01. | Establishment and Purpose of the Charter | 1 |
| Sec. 1.02. | Enumerated Powers not Exclusive..... | 1 |
| Sec. 1.03. | Provisions Relating to Assignment, Execution, and Garnishment.... | 1 |
| Sec. 1.04. | Boundaries..... | 1 |
| Sec. 1.05. | Annexation of Territory | 2 |
| Sec. 1.06. | Deannexation..... | 2 |
| Sec. 1.07. | Sale of Liquor Prohibited | 2 |

Article II. Governing Body

| | | |
|------------|---|---|
| Sec. 2.01. | The City Council..... | 2 |
| Sec. 2.02. | Qualifications for Councilmembers | 2 |
| Sec. 2.03. | Term of Office | 3 |
| Sec. 2.04. | Vacancies | 3 |
| Sec. 2.05. | Compensation for Councilmembers..... | 4 |

Article III. Procedures of the Council; Legislation

| | | |
|------------|---|---|
| Sec. 3.01. | Canvass of Election; Meetings of the Council, Boards, and Commissions; Compliance with Open/Meetings Act | 4 |
| Sec. 3.02. | Mayor and Mayor Pro Tem | 4 |
| Sec. 3.03. | City Secretary..... | 5 |
| Sec. 3.04. | Council Rules..... | 5 |
| Sec. 3.05. | Quorum | 5 |
| Sec. 3.06. | Introduction and Passage of Ordinances and Resolutions | 5 |
| Sec. 3.07. | Publication of Penal Ordinances | 6 |
| Sec. 3.08. | Creation of Boards, Commissions, and Committees..... | 6 |

Article IV. Nominations and Elections

| | | |
|------------|--|---|
| Sec. 4.01. | Municipal Elections..... | 7 |
| Sec. 4.02. | Election of Councilmembers by Plurality, places..... | 7 |
| Sec. 4.03. | Application for Candidacy..... | 7 |

Article V. Recall, Initiative, and Referendum

| | | |
|------------|---|----|
| Sec. 5.01. | General Authority | 7 |
| Sec. 5.02. | Commencement of Petition; Petitioner's Committee; Affidavit | 8 |
| Sec. 5.03. | Scope of Recall | 8 |
| Sec. 5.04. | Petitions for Recall | 8 |
| Sec. 5.05. | Form and Content of Recall Petition | 9 |
| Sec. 5.06. | Recall; Petition; Procedure | 9 |
| Sec. 5.07. | Public Hearing for Recall | 10 |
| Sec. 5.08. | Calling of Recall Election | 10 |
| Sec. 5.09. | Ballots in Recall Election | 10 |
| Sec. 5.10. | Result of Recall Election | 11 |
| Sec. 5.11. | Initiative; Petition; Procedure | 11 |
| Sec. 5.12. | Referendum; Petition; Procedure; Effect Prior to Election | 12 |
| Sec. 5.13. | Form of Ballots | 13 |
| Sec. 5.14. | Ordinances Passed by Popular Vote, Repeal or Amendment | 13 |
| Sec. 5.15. | Voluntary Submission of Legislation by the City Council | 13 |
| Sec. 5.16. | Publicity for Ordinances Submitted to Voters | 13 |

Article VI. Administrative Service

| | | |
|------------|--|----|
| Sec. 6.01. | City Manager | 14 |
| Sec. 6.02. | Qualifications | 14 |
| Sec. 6.03. | Term and Removal | 14 |
| Sec. 6.04. | General Powers and Duties of the Manager | 15 |
| Sec. 6.05. | Council not to Interfere in Appointments or Removals | 16 |
| Sec. 6.06. | Right of Manager and Other Officers in Council | 16 |
| Sec. 6.07. | Administrative Departments | 16 |
| Sec. 6.08. | Investigations by Council or Manager | 17 |

Article VII. City Attorney

| | | |
|------------|------------------------------------|----|
| Sec. 7.01. | City Attorney-Qualifications | 17 |
|------------|------------------------------------|----|

Article VIII. Financial Management

| | | |
|------------|--|----|
| Sec. 8.01. | Development and Submission of City Budget and Budget Message | 17 |
| Sec. 8.02. | Fiscal Year | 18 |
| Sec. 8.03. | City Council Action on Budget | 18 |
| Sec. 8.04. | Budget | 19 |
| Sec. 8.05. | Appropriation and Revenue Ordinances | 19 |
| Sec. 8.06. | Amendments after Adoption | 20 |
| Sec. 8.07. | Independent Audit | 21 |

Article IX. Municipal Court

| | | |
|------------|---------------------------------|----|
| Sec. 9.01. | Creation and Jurisdiction | 21 |
| Sec. 9.02. | Municipal Court Judge | 21 |

Article X. Condemnation and Special Assessments

| | | |
|-------------|---|----|
| Sec. 10.01. | Power of Condemnation and Special Assessments | 21 |
| Sec. 10.02. | Procedures for Condemnation and Assessing | 22 |

Article XI. Public Utilities

| | | |
|-------------|--|----|
| Sec. 11.01. | Franchises-Powers of the City Council | 22 |
| Sec. 11.02. | Term and Plan of Purchase..... | 22 |
| Sec. 11.03. | Right of Regulation | 22 |
| Sec. 11.04. | Consent of Property Owners..... | 23 |
| Sec. 11.05. | Revocable Permits | 23 |
| Sec. 11.06. | Extensions | 23 |
| Sec. 11.07. | Other Conditions | 24 |
| Sec. 11.08. | Franchise Records | 24 |
| Sec. 11.09. | Accounts of Municipally Owned Utilities..... | 24 |

Article XII. Miscellaneous Provisions

| | | |
|-------------|--|----|
| Sec. 12.01. | Publicity of Records..... | 24 |
| Sec. 12.02. | Personal Financial Interest | 24 |
| Sec. 12.03. | Official Bonds | 25 |
| Sec. 12.04. | Oath of Office..... | 25 |
| Sec. 12.05. | Power of the City to Enforce Ordinances | 25 |
| Sec. 12.06. | Review of Charter; Charter Review Commission | 25 |
| Sec. 12.07. | Rearrangement and Renumbering | 26 |
| Sec. 12.08. | Meaning of Words and Designations..... | 26 |
| Sec. 12.09. | Savings Clause | 26 |

ARTICLE I. INCORPORATION, POWERS, AND TERRITORY

Section 1.01. Establishment and Purpose of the Charter.

We the people of the City of Kerrville, Texas, under the constitution and laws of the State of Texas, in order to secure the benefits of local self-government and to provide for an honest and accountable council-manager government do hereby adopt this Charter and confer upon the City the following powers, subject to the following limitations, and prescribed by the following procedures and government structure. By this action, we secure the benefits of home-rule and affirm the values of representative democracy, professional management, strong leadership, citizen participation, and regional cooperation.

Section 1.02. Enumerated Powers not Exclusive.

The enumeration of particular powers by this Charter shall not be held or deemed to be exclusive, but, in addition, to the powers enumerated therein or implied thereby, or appropriate to the exercise of such powers, it is intended that the City of Kerrville shall have, and may exercise, all powers of local self-government, provided by the Constitution and laws of the State of Texas, as it is competent for this Charter to specifically enumerate. All powers of the City, whether expressed or implied, shall be exercised in the manner prescribed by this Charter, or if not prescribed therein, then in the manner provided by ordinance or resolution of the Council.

Section 1.03. Provisions Relating to Assignment, Execution, and Garnishment.

The property, real and personal, belonging to the City shall not be liable to be sold or appropriated under any writ of execution or cost bill. The funds belonging to the City, in the hands of any person, firm or corporation, shall not be liable to garnishment; nor shall the City be liable to garnishment on account of any debt it may owe or funds or property it may have on hand or owing to any person. Neither the City nor any of its officers or agents shall be required to answer any such writ of garnishment on any account whatever. The City shall not be obligated to recognize any assignment of wages or funds by its employees, agents, or contractors.

Section 1.04. Boundaries.

The boundaries of the City of Kerrville are hereby established by the official map which is on file in the City Secretary's Office at City Hall.

Section 1.05. Annexation of Territory.

The City Council may by ordinance annex territory lying adjacent to the City, with or without the consent of the inhabitants in such territory, or owners thereof, not inconsistent with the Constitution and Statutes of the State of Texas or the United States of America.

Section 1.06. Deannexation.

Whenever there exists within the corporate limits of the City of Kerrville any territory not suitable or necessary for City purposes, the Council may, upon a petition signed by a majority of the qualified voters residing in such territory, if the same be inhabited, or without any such petition if the same be uninhabited, by ordinance duly passed by a majority vote of all the Councilmembers, discontinue said territory as a part of said City; said petition and ordinance shall specify accurately the metes and bounds of the territory sought to be eliminated from the City and shall contain a plat designating such territory so that the same can be definitely ascertained; and when said ordinance has been duly passed, the same shall be entered upon the minutes and records of said City, and from and after the entry of such ordinance, said territory shall cease to be a part of said City, but said territory shall still be liable for its pro rata share of any debts incurred while said area was a part of said City.

Section 1.07. - Sale of Liquor Prohibited.

The City may regulate or otherwise prohibit the sale of liquor in all or part of the residential areas of the City as authorized by this charter provision and State law.

ARTICLE II. GOVERNING BODY

Section 2.01. The City Council.

Except as otherwise provided in this Charter, all powers of the City shall be vested in a Council of five (5) members, to be known as the Kerrville City Council. The members of the Council shall be elected from the City of Kerrville at large in a manner prescribed elsewhere in this Charter without party or partisan mark or designation. The Mayor is a member of the Council and may be referred to in this Charter as a "Councilmember."

Section 2.02. Qualifications for Councilmembers.

Each member of the City Council, in addition to having other qualifications required by law:

- a. Shall be a qualified voter of the State of Texas;
- b. Shall be at least eighteen (18) years of age;
- c. Shall be a resident of the City for at least twelve (12) consecutive months preceding the election day; provided, however, that any person who shall have been a resident for a period of not less than twelve (12) consecutive months immediately preceding the election of any territory not formerly within the corporate limits of the City, but which is annexed under the provision of this charter, shall be eligible for said office;
- d. Shall not hold any other elected office or employment under the City government while a member of the Council, except a member of the City Council may be appointed by the City Council to represent the Council on any board, commission, committee, organization or entity in the Council's sole discretion so long as that person's service does not extend beyond the person's term of office.
- e. At the time that a candidate's application for a place on the ballot is submitted, or thereafter, such candidate shall not be related within the second degree of affinity or third degree of consanguinity to anyone employed by the City and who holds an executive position with the City, which is defined as the head of any department or division within the City. The City Manager shall indicate such positions within his or her budget.

Section 2.03. Term of Office.

- a. The members of the City Council shall hold their offices for a term of two years and until their successors have been elected and duly qualified in accordance with this Charter. Five Councilmembers will be elected at large, two in one year for Places One and Two, and the following year, three will be elected for Places Three; Four and Mayor, respectively.
- b. No Councilmember may serve more than three (3) full terms in succession.
- c. Any Councilmember, upon filing an application to run for mayor, shall have automatically resigned his or her office effective on the day following the canvass for such election.

Section 2.04. Vacancies.

Vacancies in the City Council, including a vacancy resulting from a recall election, shall be filled by the Council for the remainder of the unexpired term. The Council

shall appoint a qualified elector to fill a vacancy within forty-five (45) days after such vacancy occurs, as determined by state law. For purposes of this section and the Charter, a “qualified elector” or “qualified voter” means a “registered voter” in accordance with state law.

Section 2.05. Compensation for Councilmembers.

Councilmembers shall serve without an established salary; however, they will be authorized to receive the sum of \$25.00 for each Council meeting in which they attend to offset the “out-of-pocket” expenses incurred. The expense fees are not to be construed as being a salary, but an authorized allowance for each regular meeting. Councilmembers may be reimbursed for other reasonable expenses directly associated with their service to the City, subject to controls established by the Council.

ARTICLE III. PROCEDURES OF THE COUNCIL; LEGISLATION

Section 3.01. Canvass of Election; Meetings of the Council, Boards, and Commissions; Compliance with Open Meetings Act.

Following each municipal election, the Council shall meet at the usual place for holding its meetings, canvass the election in accordance with state law, and the newly elected members shall assume the duties of office without party or partisan mark or designation. Council shall meet at such times as may be prescribed by ordinance or resolution, but not less frequently than once each month. Special meetings shall be called by the City Secretary upon request of the Mayor, the City Manager, or a majority of the members of the Council. Any such notice shall state the subject or subjects that shall be considered. All meetings of the Council shall be open to the public, and the rules of the Council shall provide that the citizens of the City shall have a reasonable opportunity to be heard at any such meetings in regard to any matter considered; but the Council may by a majority vote of all the members authorize a closed meeting. Council and its boards, commissions, and committees shall comply fully with the provisions of the Texas Open Meeting Act as amended.

Section 3.02. Mayor and Mayor Pro Tem.

Following the canvass of a regular election, the Council shall choose one of its members (other than the Mayor) as Mayor Pro Tem. The Mayor shall preside at meetings of the Council and shall exercise such other powers and perform such other duties as are or may be conferred and imposed upon him or her by this Charter and the ordinances of the City. He or she shall be recognized as the head of the City government for all ceremonial purposes, by the courts for serving civil processes, and by the Governor for purposes of military law. In time of public

danger or emergency, the Mayor is authorized to act in accordance with federal and state law and City policy. If a vacancy occurs in the Office of Mayor, the Council shall appoint a successor Mayor for the remaining term, in accordance with Section 2.04. If the Mayor is absent or incapacitated such that he or she is unable to perform the duties of office, the Mayor Pro Tem shall act as Mayor for the duration of the period of such absence or disability. If the Mayor Pro Tem is also absent or disabled, then the Council shall elect a Presiding Officer to act in the place of the Mayor Pro Tem.

Section 3.03. City Secretary.

The City Manager shall appoint a City Secretary who shall perform such administrative duties as may be delegated by the City Manager.

Section 3.04. Council Rules.

The Council shall be the judge of the election and qualifications of its members, and in such cases, shall have the power to subpoena witnesses and compel the production of all pertinent books, records, and papers; but the decision of the Council in any such case shall be subject to review by the courts. The Council shall determine its own rules and order of business and keep a journal of its proceedings. It shall have power to compel the attendance of absent members, may punish its members for disorderly behavior, and by vote of not less than a majority of all its members, expel from a meeting a member for disorderly conduct for the violation of its rules; but no member shall be expelled from a meeting unless notified of the charge against him and given an opportunity to be heard in his own defense.

Section 3.05. Quorum.

Except as otherwise allowed by state law, a majority of all the members of the Council shall constitute a quorum to do business, but a less number may adjourn from time to time and compel the attendance of absent members in such manner and under such penalties as may be prescribed by ordinance. The affirmative vote of a majority of all the members of the Council shall be necessary to adopt any ordinance, resolution, or order; except that a vote to adjourn, or an action regarding the attendance of absent members, may be adopted by a majority of the members present. No member may be excused from voting except when such member has a conflict of interest as defined by law.

Section 3.06. Introduction and Passage of Ordinances and Resolutions.

- a. Ordinances and resolutions shall be introduced only in written form. All ordinances, except ordinances making appropriations and ordinances codifying or rearranging existing ordinances or enacting a code of ordinances, shall be

confined to one subject, and the subject of all ordinances shall be clearly expressed in the title. Ordinances making appropriations shall be confined to the subject of appropriations. No ordinance shall be passed until it has been read and voted upon in at least two regular meetings, except an emergency measure. The final reading of each ordinance shall be in full unless a written or printed copy thereof shall have been furnished to each member of the Council prior to such reading. The “yeas” and “nays” shall be taken upon the passage of all ordinances and resolutions and entered upon the journal of the proceedings of the Council. The enacting clause of all ordinances shall be, “Be it ordained by the City Council of the City of Kerrville, Kerr County, Texas.”

- b. An ordinance shall take effect upon final passage unless indicated otherwise in the ordinance.
- c. Upon its final passage, each ordinance and resolution shall be authenticated by the signatures of the Mayor or Presiding Officer and of the City Secretary, and shall be systematically recorded as provided by Ordinance.
- d. An “emergency measure” is an ordinance or resolution to provide for the immediate preservation of the public peace, property, health, or safety, in which the emergency claimed is set forth and defined in the preamble thereto. The affirmative vote of at least a majority of all members of the Council shall be required to pass any ordinance or resolution as an emergency measure. No measure making or amending a grant, renewal or extension of a franchise or other special privilege, shall ever be passed as an “emergency measure.”

Section 3.07. Publication of Penal Ordinances.

- b. Each adopted penal ordinance, or its caption and penalty, shall be published one time in a newspaper of general circulation which is published in the City. The City shall also provide notice of the adoption of the ordinance at the City’s website. Such ordinance so published in the newspaper shall take effect and be in force, from and after ten (10) days after publication thereof, unless a later time is expressly provided.

Section 3.08. Creation of Boards, Commissions, and Committees.

The City Council may create and provide for such Boards, Commissions, and/or Committees as the City Council may deem appropriate or necessary.

ARTICLE IV. NOMINATIONS AND ELECTIONS

Section 4.01. - Municipal Elections.

All City elections shall be governed, except as otherwise provided by the Charter, by the laws of the State of Texas.

Section 4.02. - Election of Councilmembers by Plurality, places.

There will be five places: One, Two, Three, Four, and Mayor. At the regular municipal election, the voters may vote for one candidate for each place listed on the ballot. The candidate for each place listed on the ballot who receives the greatest number of votes for that place cast in such election shall be declared elected; and in case of a tie vote, by lot.

Section 4.03. - Application for Candidacy.

Any person, who lawfully qualifies and is a registered voter, may file an application for election for a Place on the City Council. The name of such candidate and Place for which he is filing will be affixed by the City Secretary at the time of issuance of an application form. Such application must include a petition signed by not less than 100 qualified and registered voters of the City. The application and the signatures thereon as well as the affidavits of the circulators must meet the requirements of state law. All papers comprising an application must be assembled and filed with the City Secretary in accordance with state law. Signatures are not required where the application includes a filing fee of \$100.00. The City Secretary shall review the petition as required by state law and if the petition is found to be insufficient, the City Secretary shall immediately notify the person who filed it, with a written statement certifying why the petition is found to be "insufficient." Within the time authorized by state law such a petition may be amended and filed again as a new petition, or a different petition may be filed for the same candidate. If the application complies with this section and state law, the City Secretary shall place such name on the ballot. Application and petition forms must be obtained from the City Secretary, as they are promulgated by the Texas Secretary of State.

ARTICLE V. RECALL, INITIATIVE, AND REFERENDUM

Section 5.01. General Authority.

- a. **Recall.** The qualified voters of the City shall have the power to petition for recall of the Mayor or any member of the City Council

- b. **Initiative.** The qualified voters of the City shall have power to propose ordinances to the City Council. Such power shall not extend to the budget, capital program, or appropriation of money, issuance of bonds, setting of utility rates, levy of taxes, annexations, salaries of City officers or employees, or any other ordinance not subject to initiative as provided by state law.
- c. **Referendum.** The qualified voters of the City shall have power to require reconsideration by the City Council of any adopted ordinance. Such power shall not extend to the budget, capital program, relate to the appropriation of money, issuance of bonds, setting of utility rates, levy of taxes, annexations, salaries of City officers or employees, or any other ordinance not subject to referendum as provided by state law.

Section 5.02. Commencement of Petition; Petitioners' Committee; Affidavit.

Any three (3) qualified voters of the City may commence recall, initiative, or referendum proceedings by filing with the City Secretary an affidavit stating they will constitute the petitioners committee and be responsible for preparing and circulating the petition and filing it in proper form, stating their names and addresses and specifying the address to which all notices to the committee are to be sent and naming the Councilmember(s) to be recalled or setting out in full the proposed initiative ordinance or citing the ordinances sought to be reconsidered.

Section 5.03. Scope of Recall.

Each Councilmember shall be subject to recall and removal from office by the qualified voters of the City.

Section 5.04. Petitions for Recall.

Before the question of recall of a Councilmember shall be submitted to the qualified voters of the City, a petition demanding such question to be so submitted shall first be filed with the City Secretary. The petition must contain the number of valid signatures of qualified voters totaling the greater of (a) five percent (5%) of the registered voters entitled to vote at the last City election or (b) thirty-five percent (35%) of the number of persons who voted in the most recent City election. Each signer of such recall petition shall personally sign their name thereto and shall write after their name their place of residence, giving the name of the street and the number, and shall also write thereon the day, the month, and the year their signature was affixed.

Section 5.05. Form and Content of Recall Petition.

All papers of a petition shall be uniform in size and style and shall be assembled as one instrument for filing. Each signature shall comply with Chapter 277 of the Texas Election Code as it may be amended. The petition shall be addressed to the City Council and the content shall distinctly and specifically point to the ground(s) upon which such petition for removal is predicated. Further, said petition shall state distinctly and specifically the alleged action(s) and the factual circumstance(s) surrounding such action(s) taken by the Councilmember that warrant the charge as to give the Councilmember sought to be removed notice of the matter(s) and thing(s) with which the officer is charged. The signatures shall be verified by oath in the following form:

**STATE OF TEXAS
COUNTY OF KERR**

I, _____, being first duly sworn, on oath depose and say that I am one of the signers of the above petition, and that the statements made therein are true, and that each signature appearing thereto was made in my presence on the day and date it purports to have been made, and I solemnly swear that the same is the genuine signature of the person it purports to be.

Signature_____

Sworn and subscribed before me this _____ day of _____ 20___.
NOTARY PUBLIC, STATE OF TEXAS

My commission expires: _____

Section 5.06. Recall; Petition; Procedure.

- a. **Certificate of City Secretary.** Within thirty (30) days after the petition is filed, the City Secretary shall complete a certificate as to its sufficiency or insufficiency as mandated herein, specifying, if it is insufficient, the particulars wherein it is defective and shall within that thirty (30) day period send a copy of the certificate to the petitioners committee by certified mail or by hand delivery to a committee member.
- b. **Amendment.** If the City Secretary finds a petition insufficient for lack of the required number of valid signatures, the petitioner may file one supplementary petition by the deadline in accordance with state law and Sections 5.04 and 5.05. The City Secretary shall notify the petitioner as to the sufficiency of the

petition not later than the fifth regular business day after the date of its receipt.

- c. **Presentation to Council.** When a recall petition has been fully determined sufficient, the City Secretary shall present the petition to City Council at its next regular meeting. If a petition or amended petition is certified insufficient and the petitioners committee does not elect to amend within the time required, the City Secretary shall at the next regular Council meeting present such certificate to the Council who shall then make the final determination as to whether or not the petition is insufficient.

Section 5.07. Public Hearing for Recall.

The Councilmember whose removal is sought may, within five (5) days after such recall petition has been presented to the City Council, request that a public hearing be held to permit the Councilmember to present the facts pertinent to the charges specified in the recall petition. In this event, the City Council shall order such public hearing to be held, not less than five (5) days nor more than fifteen (15) days after receiving such request for a public hearing.

Section 5.08. Calling of Recall Election.

If the Councilmember whose removal is sought does not resign, then the City Council shall for the next available election date, order an election for holding such recall election. If, after the recall election date is established, the Councilmember vacates the office, the election shall be cancelled, in accordance with state law.

Section 5.09. Ballots in Recall Election.

Ballots used at recall elections shall conform to the following requirements:

- a. With respect to the Councilmember whose removal is sought, the question shall be submitted:

“Shall _____ be removed from the office of _____ by recall?”

- b. Immediately below each such question, there shall be printed the following words, one above the other, in the order indicated:

“Yes”
“No”

Section 5.10. Result of Recall Election.

- a. If a majority of the votes cast at a recall election shall be “No”, that is against the recall of the Councilmember named on the ballot, the Councilmember shall continue in office for the remainder of his/her unexpired term, subject to recall as provided herein. If a majority of the votes cast at such election be “Yes”, that is for the recall of the Councilmember named on the ballot, the Councilmember shall, regardless of any technical defects in the recall petition, be deemed removed from office upon passing of the resolution canvassing the election, and the vacancy shall be filled in accordance with Section 2.04 above.
- b. Where a vacancy(s) occurs due to a recall election, the remaining Councilmembers, including where the remaining Councilmembers number two or less, shall appoint a qualified elector(s) for the recalled place(s), which such person(s) may serve only through the remainder of the unexpired term.
- c. A Councilmember who is recalled is not eligible for appointment to Council in the period between the recall vote and the next election or, qualified for placement on the ballot for the immediately ensuing election.

Section 5.11. Initiative; Petition; Procedure.

- a. Qualified voters of the City may initiate legislation by ordinance by submitting a petition addressed to the City Council, which requests the submission of the proposed ordinance to a vote of the qualified voters of the City. The City Attorney shall review the petition for enforceability and legality. Said petition must contain the number of valid signatures totaling the greater of (a) five percent (5%) of the registered voters entitled to vote at the last City election or (b) thirty-five percent (35%) of the number of persons who voted in the most recent City election. Each copy of the petition shall have attached to it a copy of the full text of the proposed ordinance. The petition, its form and content, shall be the same as for recalls as provided in Section 5.05 above. The certification of the City Secretary, and any amendment to the petition and its presentation to City Council shall be the same as for recalls as provided in Section 5.06 above.
- b. When an initiative petition has been fully determined sufficient, City Council shall at its next regular meeting consider the proposed initiative ordinance. Upon presentation to the Council, Council shall, within sixty (60) days after the date the petition was finally determined sufficient and in accordance with the procedure required in Section 5.06 above, either pass and adopt such ordinance without alteration as to meaning or effect, or call for an election, to be held on a date allowed under the Texas Election Code, at which the qualified

voters of the City shall vote on the question of adopting or rejecting the proposed ordinance. Unless otherwise provided by law, any election for an initiative under this Charter shall be held on the first authorized uniform election date that occurs after the seventieth (70th) calendar day after the City Council's decision to submit the ordinance to the voters.

- c. If a majority of the qualified electors voting on a proposed initiative ordinance vote in its favor, it shall be considered adopted upon certification of the election results and shall be treated in all respects in the same manner as ordinances of the same kind adopted by the Council. If conflicting ordinances are approved at the same election, the one receiving the greatest number of affirmative votes shall prevail to the extent of such conflict.

Section 5.12. Referendum; Petition; Procedure; Effect Prior to Election.

- a. Qualified voters of the City may require that any ordinance, with the exception of ordinances dealing with any budget or any capital program, or relating to appropriation of money, issuing of bonds, setting of utility rates and levy of taxes or salaries of City officers or employees, or any other ordinance not subject to referendum as provided by state statute or case law, passed by the City Council be submitted to the voters of the City for approval or disapproval, by submitting a petition for this purpose within thirty (30) days after the date the ordinance sought to be reconsidered was adopted. Said petition must contain the number of valid signatures totaling the greater of (a) five percent (5%) of the registered voters entitled to vote at the last City election, (b) thirty-five percent (35%) of the number of persons who voted in the most recent City election. The petition, its form and content, shall be the same as for recalls as provided in Section 5.05 above. The certification of the City Secretary, any amendment to the petition and its presentation to City Council shall be the same as for recalls as provided in Section 5.06 above. Council shall either repeal the referred ordinance or submit the referred ordinance to the qualified voters of the City at the next uniform election date as authorized by law.
- b. Pending the holding of such election, the ordinance shall be suspended from taking effect and shall not later take effect unless a majority of the qualified voters voting thereon at such election shall vote in favor thereof. Any election for a referendum under this Charter shall be held in accordance with state law on the first authorized uniform election date after the decision by the City Council.
- c. If a majority of the qualified electors voting on a referred ordinance vote against it, it shall be considered repealed upon certification of the election results.

Section 5.13. Form of Ballots.

The ballots used when voting upon initiative or referendum shall set forth their nature sufficiently to identify them and shall also set forth, upon separate lines, the words:

“For the Ordinance”
“Against the Ordinance”

Section 5.14. Ordinances Passed by Popular Vote, Repeal or Amendment.

No ordinance which may have been passed by the City Council upon a petition or adopted by popular vote under the provisions of this Article may be repealed or amended by the City Council for a period of six (6) months from the date said ordinance became effective. An ordinance which may have been passed by the City Council upon a petition or adopted by popular vote under the provisions of this Article may be repealed or amended at any time in response to a referendum petition or by submission as provided by Section 5.16 below.

Section 5.15. Voluntary Submission of Legislation by the City Council.

The City Council, upon its own motion and by the affirmative vote of a majority of the full membership of the Council, may submit to popular vote at an election for adoption or rejection any proposed ordinance or resolution or measure, or may submit for repeal any existing ordinance, or resolution, or measure, in the same manner and with the same force and effect as provided in this Article for submission of initiative and referendum petitions, and may, at its discretion, call for an election for this purpose on an authorized uniform election date as provided by state law.

Section 5.16. Publicity for Ordinances Submitted to Voters.

The City Secretary, at least fifteen (15) days before any election at which any ordinance is to be submitted to the voters, shall have printed in a newspaper of general circulation published in the City the caption of all ordinances submitted. The full text of all ordinances shall be made available for public review in the office of the City Secretary, at the City’s library, and linked on the City’s website. The text of every ordinance shall also be displayed at the polling place in such election; but the validity of an ordinance approved by the electors shall not be questioned because of errors or irregularities in publication or display.

ARTICLE VI. ADMINISTRATIVE SERVICE

Section 6.01. City Manager.

The Council shall appoint an officer whose title shall be City Manager and who shall be chief executive and the head of the administrative branch of the City government. By written notice to City Council, the City Manager shall designate, a qualified City executive to exercise the powers and perform the duties of city manager during periods of his or her temporary absence or disability. The Council may annul such designation at any time and appoint another City executive to serve until the City Manager returns to perform his or her duties. The City Council shall annually review the performance of the City Manager, and the City Manager shall receive such compensation as may be fixed by the City Council.

Section 6.02. Qualifications.

The City Manager shall be chosen by the Council solely on the basis of his executive and administrative qualifications with special reference to his actual experience in, or his knowledge of, accepted practice in respect to the duties of his office as hereinafter outlined. At the time of his appointment, he need not be a resident of the City or state, but during his tenure of office he shall reside within the City. No person elected to membership on the Council shall, subsequent to such election, be eligible for appointment as City Manager until one year has elapsed following the expiration of the term for which he was elected.

Section 6.03. Term and Removal.

The City Manager shall hold his office subject to the provisions set forth below, at the will and pleasure of the City Council. A majority of the members of the City Council may remove the City Manager, except that no City Manager who has been in the service of the City for more than one year prior to a regular City election shall be removed within sixty (60) days subsequent to such election except by a four-fifths vote of the members of the City Council. If removed at any time after he has served six months, the City Manager may demand a hearing at a public meeting of the City Council prior to the date on which his final removal shall take effect, but pending and during such hearing the City Council may suspend him from office. The action of the City Council in suspending or removing the City Manager shall be final, since it is the intention of this Charter to vest all authority and fix all responsibility for any such suspension or removal wholly in the City Council.

Section 6.04. General Powers and Duties of the Manager.

The City Manager shall be the chief executive officer of the City, responsible to the Council for the management of all City affairs placed in the manager's charge by or under this Charter. The City Manager shall:

- a. Appoint and suspend or remove all City employees and appointive administrative officers provided for by or under this Charter, except as otherwise provided by law or this Charter. The City Manager may authorize any administrative officer subject to the manager's direction and supervision to exercise these powers with respect to subordinates in that officer's department, office, or agency;
- b. Direct and supervise the administration of all departments, offices and agencies of the City, except as otherwise provided by this Charter or by law;
- c. Attend all City Council meetings. The City Manager shall have the right to take part in discussion but shall not vote;
- d. See that all laws, provisions of this Charter and acts of the City Council, subject to enforcement by the City Manager or by officers subject to the manager's direction and supervision, are faithfully executed;
- e. Prepare and submit the annual budget and capital program to the City Council, and implement the final budget approved by Council to achieve the goals of the City;
- f. Submit to the City Council and make available to the public a complete report on the finances and administrative activities of the City as of the end of each fiscal year;
- g. Make such other reports as the City Council may require concerning operations;
- h. Keep the City Council fully advised as to the financial condition and future needs of the City;
- i. Make recommendations to the City Council concerning the affairs of the City and facilitate the work of the City Council in developing policy;
- j. Provide staff support services for the Mayor and Councilmembers;

- k. Assist the Council to develop long-term goals for the City and strategies to implement these goals;
- l. Encourage and provide staff support for regional and intergovernmental cooperation;
- m. Promote partnerships among Council, staff, and citizens in developing public policy and building a sense of community; and
- n. Perform such other duties as are specified in this Charter or may be required by the City Council.

Section 6.05. Council not to Interfere in Appointments or Removals.

Neither the Council nor any of its committees or members shall direct or request the appointment of any person to, or his removal from, office by the City Manager or any of his subordinates; or, except as is or may be otherwise provided under the terms of this Charter, in any manner take part in the appointment or removal of officers and employees in the administrative service of the City. Except for the purpose of inquiry, the Council and its members shall deal with the administrative service solely through the Manager, and neither the Council nor any member thereof shall give orders to any subordinate of the City Manager either publicly or privately. Any violation of the provisions of this section by a member of the Council shall subject him to whatever discipline the remaining members of the Council may under the terms of Section 3.04 see fit to impose upon him.

Section 6.06. Right of Manager and Other Officers in Council.

The City Manager, and such department heads and other officers of the City may be designated by vote of the Council, shall be entitled to seats in the Council except at executive meetings, but shall have no vote therein. The Manager shall have the right to take part in the discussion of all matters coming before the Council, and such department heads and other officers who by designation of the Council are entitled to seats in the Council, shall be entitled to take part in all discussions of the Council relating to their respective departments and offices.

Section 6.07. Administrative Departments.

The City Manager shall have the responsibility to organize the various departments within the City as may be needed to fulfill the requirements and needs of the City, subject to the approval of the City Council.

Section 6.08. Investigations by Council or Manager.

The Council or the Manager shall have power to inquire into the conduct of any department, office or officer of the City, and to make investigations as to municipal affairs, and for that purpose only, the Council or the Manager may subpoena witnesses, administer oaths, and compel the production of books, papers, and other evidence, and it shall be the duty of the City Manager to designate a police officer to serve such subpoena.

ARTICLE VII. CITY ATTORNEY

Section 7.01. City Attorney-Qualifications.

- a. The City Council shall appoint a licensed attorney of the State of Texas to be the City Attorney. The City Attorney shall review all contracts and other instruments in writing in which City Council is concerned, endorse approval of the form and correctness of such, and perform other duties of a legal nature as may be determined by City Council. The City Attorney shall receive for services such compensation as may be fixed by City Council for regular and special duties and shall hold office at the pleasure of Council. The City Attorney, or such other assistant attorneys selected by the City Attorney with the approval of City Council, shall represent the City in all legal matters, to include prosecution within municipal court.
- b. The City Council or the City Attorney, following written notice to Council, may engage legal counsel at any time it deems necessary and appropriate.
- c. At least annually, City Council shall review the performance of the City Attorney.
- d. City Council may not remove a City Attorney who has been in the service of the City for more than one year prior to a regular City election within sixty (60) days subsequent to such election except by a four-fifths vote of the members of City Council.

ARTICLE VIII. FINANCIAL MANAGEMENT

Section 8.01. Development and Submission of City Budget and Budget Message.

- a. *Development.* The City Manager shall prepare each year a budget to cover all proposed expenditures of the government of the City for the succeeding year. Such budget shall be carefully itemized so as to make as clear a comparison as

practicable between expenditures included in the proposed budget and actual expenditures for the same or similar purposes for the preceding year. The budget shall also show as definitely as possible each of the various projects for which appropriations are set up in the budget, and the estimated amount of money carried in the budget for each of these projects. The budget shall also contain funds received from all sources during the previous year, the funds available from all sources during the ensuing year, the estimated revenue available to cover the proposed budget, and the estimated rate of tax which will be required.

- b. *Accounting Practices.* The City Manager shall prepare and present the budget according to budget award guidelines currently established by the Government Finance Officers Association, or its successor organization.
- c. *Submission.* On or before the 31st day of July of each year, the City Manager shall submit to the City Council and City Secretary a budget for the ensuing fiscal year and an accompanying budget message. The full text of the proposed budget and message shall be made available for public review in the office of the City Secretary, at the City's library, and prominently linked on the City's website.

Section 8.02. Fiscal Year.

The fiscal year of the City government shall begin on the first day of October each year and shall end on the last day of September the following year. Such year shall constitute the budget year of the City government.

Section 8.03. City Council Action on Budget.

- a. **Notice and Hearing.** The City Council shall publish the general summary of the budget and a notice stating:
 1. The times and places where copies of the message and budget are available for inspection by the public, and
 2. The time and place, not less than two weeks after such publication, for a public hearing(s) on the budget.
- b. **Amendment Before Adoption.** After the public hearing, the City Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for an estimated cash deficit.

- c. **Adoption.** The City Council shall adopt the budget on or before the 30th day of September of the fiscal year currently ending. If it fails to adopt the budget by this date, the budget proposed by the City Manager shall go into effect.
- d. **“Publish” defined.** As used in this section and this article, the term “publish” refers to making the information available on the City’s website and otherwise complying with state law. In addition, the budget shall be made available in the office of the City Secretary and in the City’s library.

Section 8.04. Budget.

The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year and, except as required by law or this Charter, shall be in such form as the City Manager deems desirable for effective management and an understanding of the relationship between the budget and the City’s strategic goals. The budget shall begin with a clear general summary of its contents; shall show in detail all estimated income, indicating the proposed property tax levy; all proposed expenditures, and debt service for the ensuing fiscal year; and shall be so arranged as to show comparative figures for income and expenditures of the current and preceding fiscal year. It shall indicate in separate sections:

- a. Proposed revenues and expenditures for current operations during the ensuing fiscal year for each City fund;
- b. Proposed goals and performance measures for each operational department; and
- c. Proposed long term financial planning in the form of a five year forecast of revenues and expenditures for the General and Water Funds and at least five years of capital project expenditures and associated financing sources;

Section 8.05. Appropriation and Revenue Ordinances.

To implement the adopted budget, the City Council shall adopt, prior to the beginning of the fiscal year.

- a. an appropriation ordinance making appropriations by department, fund, or other organizational unit and authorizing an allocation for each program or activity; and
- b. a tax levy ordinance authorizing the property tax levy or levies and setting the tax rate or rates.

Section 8.06. Amendments after Adoption.

- a. **Supplemental Appropriations.** If during or before the fiscal year the City Manager certifies that there are available for appropriation revenues in excess of those estimated in the budget, the City Council by ordinance may make supplemental appropriations for the year up to the amount of such excess.
- b. **Emergency Appropriations.** To address a public emergency affecting life, health, property, or the public peace, the City Council may make emergency appropriations. Such appropriations may be made by emergency ordinance in accordance with the provisions of Section 3.06 above. To the extent that there are no available unappropriated revenues or a sufficient fund balance to meet such appropriations, the Council may by such emergency ordinance authorize the issuance of emergency notes, which may be renewed from time to time, but the emergency notes and renewals of any fiscal year shall be paid or refinanced as long-term debt not later than the last day of the fiscal year next succeeding that in which the emergency appropriation was made.
- c. **Reduction of Appropriations.** If at any time during the fiscal year it appears probable to the City Manager that the revenues or fund balances available will be insufficient to finance the expenditures for which appropriations have been authorized, the manager shall report to the City Council without delay, indicating the estimated amount of the deficit, any remedial action taken by the manager and recommendations as to any other steps to be taken. The Council shall then take such further action as it deems necessary to prevent or reduce any deficit and for that purpose it may by ordinance reduce or eliminate one or more appropriations.
- d. **Transfer of Appropriations.** The City Manager may transfer appropriated funds among line items within a fund as long as the transfer results in a \$0.00 net impact to the fund.
- e. **Limitation; Effective Date.** No appropriation for debt service may be reduced or transferred, except to the extent that the debt is refinanced and less debt service is required, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof. The supplemental and emergency appropriations and reduction or transfer of appropriations authorized by this section may be made effective immediately upon adoption.

Section 8.07. Independent Audit.

As soon as practicable after the close of each fiscal year, an independent audit shall be made of all accounts of the City government by certified public accountants, to be selected by the Council, who have no personal interest directly or indirectly in the financial affairs of the City government. The results of this audit shall be published immediately upon its completion.

ARTICLE IX. MUNICIPAL COURT

Section 9.01. Creation and Jurisdiction.

There is hereby established a Municipal Court of the City of Kerrville, Texas, which shall have such jurisdiction and powers as are given and prescribed by the laws of Texas.

Section 9.02. Municipal Court Judge.

The Municipal Judge, whether one or more, shall preside over the Municipal Court. He or she shall be appointed by the City Council and must be a qualified attorney who is duly licensed to practice law within the State of Texas. The Judge shall be appointed for a term not to exceed two (2) years, and shall hold office at the pleasure of the City Council. If for any reason the Judge shall temporarily fail to act, the Mayor or Mayor Pro Tem of the City is hereby authorized to appoint a replacement who shall act in the place of the Judge and who shall have all of the powers and discharge all of the duties of said office. During either twelve (12) month period beginning at the date of appointment, more than two (2) consecutive or six (6) total absences over and above prior approved vacation and sick leave, shall be cause for automatic removal from office by the City Council. The Judge, or anyone acting in his place, shall receive such compensation as may be determined by the City Council.

ARTICLE X. CONDEMNATION AND SPECIAL ASSESSMENTS

Section 10.01. Power of Condemnation and Special Assessments.

The City Council shall have the power, not inconsistent with state laws, as amended from time to time, to acquire property by condemnation and to provide payment of all or part of the costs of public improvements by levying and collecting of special assessments upon properties specially benefited.

Section 10.02. Procedures for Condemnation and Assessing.

The City Council, through the passing of ordinances as may be required, shall formulate the procedures for condemnation and for assessing and collecting special assessments.

ARTICLE XI. PUBLIC UTILITIES

Section 11.01. Franchises-Powers of the City Council.

The City Council shall have power by ordinance to grant, amend, renew, and extend all franchises, and to regulate all public utilities of every character within the City of Kerrville, and for such purposes is granted full power. No public utility franchise shall be transferred except upon the approval of the City Council expressed by ordinance; and copies of all transfers and mortgages or other documents affecting the title or use of public utilities shall be filed with the City Manager within ten (10) days after the execution thereof. Such franchise shall not be transferred indirectly through the acquisition of the capital stock of the grantee company by another corporation, except through the approval by City Council and the filing of all documents relating to the purchase of such stock, including the corporation affiliations of the purchasing company.

Section 11.02. Term and Plan of Purchase.

Any public utility franchise may be terminated by ordinance at specified intervals of not more than five (5) years after the beginning of operation, whenever the City shall determine to acquire by condemnation or otherwise the property of such utility necessarily used in or conveniently useful for the operation thereof within the City limits. The method of determining the price to be paid for the public utility property shall be fixed in the ordinance granting the franchise.

Section 11.03. Right of Regulation.

All grants, renewals, extensions, or amendments of public utility franchises, whether it be so provided in the ordinance or not, shall be subject to the right of the City:

- a. To repeal the same by ordinance at any time for misuse or nonuse, or for failure to begin construction within the time prescribed or otherwise to comply with the terms prescribed.
- b. To require proper and adequate extension of plan and service, and the maintenance of the plant and fixtures at the highest practicable standard of efficiency.

- c. To establish reasonable standards of service and quality of service and quality of products and prevent unjust discrimination in service or rates.
- d. To prescribe the form of accounts and at any time to examine and audit the accounts and other records of any such utility and to require annual and other reports by each such public utility provided, that if a public service commission or any other authority shall be given the power by law to prescribe the forms of accounts for public utilities throughout the state or throughout any district of which the City is a part, the forms so prescribed shall be controlling so far as they go, but the Council may prescribe other and more detailed forms for the utilities within its jurisdiction.
- e. To impose such other regulations as may be conducive to the safety, welfare, and accommodation of the public.

Section 11.04. Consent of Property Owners.

The consent of abutting and adjacent property owners shall not be required for the construction, extension, maintenance or operation of any public utility, but any property owner shall be entitled to recover from the owner of such public utility the actual amount of damages to such property on account thereof less any benefits received therefrom, provided suit is commenced within two (2) years after the project is completed.

Section 11.05. Revocable Permits.

Permits revocable at the will of the Council for such minor or temporary public utility privileges as may be specified by general ordinance may be granted and revoked by the Council from time to time in accordance with the terms and conditions to be prescribed thereby; and such permits shall not be deemed to be franchises as the term is used in this Charter. Such general ordinance, however, shall be subject to the same procedure as an ordinance granting a franchise and shall not be passed as an emergency measure.

Section 11.06. Extensions.

All extensions of public utilities within the City limits shall become a part of the aggregate property of the public utility, shall be operated as such, and shall be subject to all obligations and reserved rights contained in this Charter and in any original grant hereafter made. The right to use and maintain any extension shall terminate with the original grant and shall be terminable as provided in Section 13.03. In case of an extension of a public utility operated under a franchise hereafter granted, such

right shall be terminable at the same time and under the same conditions as the original grant.

Section 11.07. Other Conditions.

Every public utility franchise hereafter granted shall be held subject to all the terms and conditions contained in the various sections of this article, whether or not such terms are specifically mentioned in the franchise. Nothing in this Charter shall operate to limit in any way, except as specifically stated, the discretion of the Council or the electors of the City in imposing terms and conditions in connection with any franchise grant.

Section 11.08. Franchise Records.

Every public utility and every owner of a public utility franchise shall file with the City, as maybe prescribed by ordinance, certified copies of all franchises owned or claimed, or under which such utility is operated. The City shall compile and maintain a public record of utility franchises and of all public utility fixtures in the streets of the City.

Section 11.09. Accounts of Municipally Owned Utilities.

Accounts shall be kept for each public utility owned or operated by the City and the City Council shall publish annually notice of the availability of reports and independent audits concerning such accounts, and shall display the entirety of such reports and audits on the City's website, at its library, and in the office of the City Secretary.

ARTICLE XII. MISCELLANEOUS PROVISIONS

Section 12.01. Publicity of Records.

All records of the City, except those protected by executive sessions, or state and federal statutes, shall be open to inspection by any person during the regular posted office hours of the City Hall and in accordance with the Texas Public Information Act.

Section 12.02. Personal Financial Interest.

The City Council as well as officers and employees of the City, shall comply with state law regarding personal, financial, or conflicting interests, including Chapter 171 of the Texas Local Government Code.

Section 12.03. Official Bonds.

The Director of Finance, and such other officers or employees as the Council may by general ordinance require so to do, shall give bond in such amount and with such surety as may be approved by the Council. The premiums on such bonds may be paid by the City.

Section 12.04. Oath of Office.

Every officer of the City shall, before entering upon the duties of his office, take and subscribe to an oath or affirmation, as provided by state law, to be filed and kept in the office of the City Secretary.

Section 12.05. Power of the City to Enforce Ordinances.

The City may enforce its ordinances by fines not exceeding limits established by state statutes, and may also provide by ordinance for the commutation of such fines by labor in a work house or on any public work or place in the City, but no ordinance shall provide a lesser penalty than is prescribed for a like offense by the laws of the state. Provisions may also be made by ordinance for the collections of fines imposed and executions issued in civil cases.

Section 12.06. Review of Charter; Charter Review Commission.

- a. The Charter shall be reviewed at five (5) year intervals, or sooner where the City Council believes it necessary. For each five-year review, the City Council shall appoint a Charter Review Commission of seven (7) residents of the City. The Commission shall have the following duties:
 1. Consider the operation of the City government under the Charter and determine whether any Charter sections require revision. To this end, at least one public hearing shall be held and the Commission shall have the power to compel the attendance of any officer or employee of the City and to require the submission of any of the City records which it may deem necessary to the conduct of such hearing.
 2. Propose recommendations, if any, it deems desirable to ensure compliance with the Charter by the City government.
 3. Propose amendments, if any, to the Charter to improve the effective application of the Charter to current conditions and operations.
 4. Report its finding and present its proposed amendments, if any, to the City Council.

- b. The term of office of the Charter Review Commission shall be six months but may be extended as necessary by City Council.

Section 12.07. Rearrangement and Renumbering.

The City Council shall have the power, by ordinance, to renumber and rearrange all articles, sections and paragraphs of this Charter or any amendments thereto, as it deems appropriate, and upon the passage of such ordinance, a copy thereof certified by the City Secretary shall be forwarded to the Secretary of State for filing.

Section 12.08. Meaning of Words and Designations.

All words and designations used in this Charter are to be taken and construed in the sense in which they are understood in common language, taking into consideration the context and subject matter relative to which they are employed. The gender of the wording throughout this Charter shall always be interpreted to mean either sex. All singular words shall include the plural and all plural words shall include the singular. All references to the state law or laws of the State of Texas, however expressed in this Charter, shall mean "as presently enacted or as may be amended or superseded". The use of the word "City" in this Charter shall mean the City of Kerrville, Texas, and the use of the word "Charter" shall mean this Home Rule Charter.

Section 12.09. Savings Clause.

If any part of this Charter shall be declared invalid by a court of competent jurisdiction, such judgment shall not invalidate the remainder of the Charter. The provisions of this Charter shall supersede all laws and ordinances not consistent herewith, insofar as the City of Kerrville is affected thereby.

ADOPTED: February 25, 1942

AMENDED: January 10, 1973

AMENDED: April 3, 1975

AMENDED: April 10, 1984

AMENDED: April 7, 1987

AMENDED: May 9, 1989

AMENDED: May 5, 1992

AMENDED: May 4, 1999

AMENDED: May 20, 2008

AMENDED: June 10, 2014

AMENDED: January 14, 2020

CERTIFICATE OF SECRETARY OF STATE DATED:

March 3, 1942
April 25, 1973
February 13, 1976
May 14, 1984
April 28, 1987
January 10, 1990
October 16, 1992
May 27, 1999
June 17, 2008
June 10, 2014
January _____, 2020



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

SUBJECT: Ordinance No. 2020-02. An Ordinance amending Chapter 2, "Administration", article IV "Boards and Commissions", section 2-91 "Senior Services Advisory Committee" of the Code of Ordinances of the City of Kerrville, Texas; by amending subsections (A)(1) and (A)(2) to decrease the membership of this committee to 14 members; containing a cumulative clause; containing a savings and severability clause; and providing other matters relating to this subject.

AGENDA DATE OF: December 10, 2019 **DATE SUBMITTED:** Nov 20, 2019

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20191204_Ordinance 2020-02 Amending Chapter 2 Administration Article IV Boards and Commissions Senior Services Advisory Committee.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| N/A | N/A | N/A | N/A |

PAYMENT TO BE MADE TO: N/A

| | |
|-----------------------------|---|
| Kerrville 2050 Item? | Yes |
| Key Priority Area | C - Community / Neighborhood Character and Place Making |
| Guiding Principle | E3. Continue to focus on quality of life attributes and enhancements as a high priority, balancing growth with community and individual well-being and the need to preserve a healthy/beautiful environment unique to Kerrville |
| Action Item | C1.6 - Provide service options for elderly persons who want to stay in their homes |

SUMMARY STATEMENT:

City Council directed the staff to place an item on the agenda to decrease the membership of the City's Senior Advisory Committee from 16 to 14 members.

RECOMMENDED ACTION:

Approve Ordinance No. 2020-02.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2020-02**

**AN ORDINANCE AMENDING CHAPTER 2,
“ADMINISTRATION,” ARTICLE IV “BOARDS AND
COMMISSIONS”, SECTION 2-91 “SENIOR
SERVICES ADVISORY COMMITTEE” OF THE
CODE OF ORDINANCES OF THE CITY OF
KERRVILLE, TEXAS; BY AMENDING
SUBSECTIONS (A)(1) AND (A)(2) TO DECREASE
THE MEMBERSHIP OF THIS COMMITTEE TO 14
MEMBERS; CONTAINING A CUMULATIVE
CLAUSE; CONTAINING A SAVINGS AND
SEVERABILITY CLAUSE; AND PROVIDING OTHER
MATTERS RELATING TO THIS SUBJECT**

WHEREAS, City Council believes it beneficial to decrease the membership of the City's Senior Services Advisory Committee from 16 to 14 members; and

WHEREAS, City Council finds it to be in the public interest to amend Chapter 2, Article IV, Section 2-91 of the Code of Ordinances of the City of Kerrville as provided herein;

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

SECTION ONE. Chapter 2 “Administration,” Article IV “Boards and Commissions” of the Code of Ordinance of the City of Kerrville, Texas, is amended by revising Section 2-91, subsection (a)(1), to add the language that is underlined (added) and deleting the language that is bracketed and stricken (~~deleted~~) as follows:

“Sec. 2-91. – Senior Services Advisory Committee.

(a) *Creation of Senior Services Advisory Committee; terms; membership; meetings.*

- (1) There is hereby created the Senior Services Advisory Committee of the City (“Committee”), which shall be an advisory body of 14 ~~16~~ members appointed by City Council. The mayor shall appoint the chair and vice-chair from among the appointments made by Council, but only following the appointment of the initial Committee. Thereafter, each Committee shall select the chair and vice-chair from among its members.**
- (2) During the initial appointment of Committee members, Council will appoint ~~8~~ 7 of the Committee members to terms expiring September 30, 2019. Council will then appoint each of the remaining ~~8~~ 7 members to**

terms expiring September 30, 2020. Subsequent appointments shall serve a full two-year term. All members shall serve until their successors are appointed and qualified, but regardless, each term will exist as a two-year term beginning October 1 through September 30 two years hence."

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

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

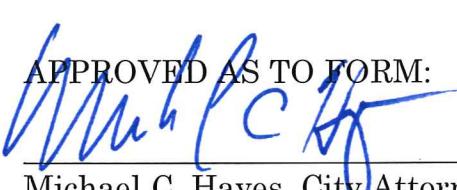
SECTION FOUR. If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this Ordinance. The Council of the City of Kerrville, Texas hereby declares that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

PASSED AND APPROVED ON FIRST READING, this the _____ day of _____, A.D., 2020.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ day of _____, A.D., 2020.

Bill Blackburn, Mayor

ATTEST:

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney

Shelley McElhannon, City Secretary



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

SUBJECT: Fourth Amendment to Development Agreement by and between Comanche Trace Ranch and Golf Club, LLLP, a Colorado Limited Liability Limited Partnership; and the City of Kerrville, Texas, for Comanche Trace Ranch and Golf Club.

AGENDA DATE OF: December 10, 2019 **DATE SUBMITTED:** Dec 04, 2019

SUBMITTED BY: Mike Hayes

EXHIBITS: [20191210_Development Agreement_Comanche Trace Fourth Amendment.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| N/A | N/A | N/A | N/A |

PAYMENT TO BE MADE TO: N/A

| | |
|-----------------------------|---|
| Kerrville 2050 Item? | Yes |
| Key Priority Area | H - Housing |
| Guiding Principle | H2. Maintain the quality and value of existing neighborhoods |
| Action Item | H2.10 - Renew the existing Comanche Trace development agreement |

SUMMARY STATEMENT:

The Comanche Trace development entered into a Development Agreement with the City of Kerrville in the late 1990's. Several subsequent Amendments were completed in the 1999 timeframe. That agreement was set to expire at the end of January 2019, and was extended to December 31, 2019. The developer and the City initiated discussions during 2019 regarding a renegotiated Development Agreement, but desire additional time to complete the negotiations. Both parties have agreed to a four month extension, to April 30, 2020, to provide time to complete this negotiation effort.

RECOMMENDED ACTION:

Authorize the Execution of the Development Agreement, Fourth Amendment.

**FOURTH AMENDMENT TO DEVELOPMENT AGREEMENT BY
AND BETWEEN COMANCHE TRACE RANCH AND GOLF CLUB,
LLLP, A COLORADO LIMITED LIABILITY LIMITED
PARTNERSHIP; AND THE CITY OF KERRVILLE, TEXAS, FOR
COMANCHE TRACE RANCH AND GOLF CLUB**

THIS FOURTH AMENDMENT TO DEVELOPMENT AGREEMENT (“Fourth Amendment”) is made and entered into as of the _____ day of December, 2019, by and between Comanche Trace Ranch and Golf Club, LLLP, a Colorado limited liability limited partnership, acting by and through its General Partner, (“Developer”), whose offices are located at 3074 Bandera Highway, Kerrville, Texas 78028; and the City of Kerrville, whose offices are located at 701 Main Street, Kerrville, Texas 78028, (“City”), a Texas home rule municipal corporation.

I. RECITALS

WHEREAS, on or about January 26, 1999, City and Developer entered into that certain *Development Agreement by and Between Comanche Trace Ranch and Golf Club, LLLP, a Colorado Limited Liability Limited Partnership and the City of Kerrville, Texas, for Comanche Trace Ranch and Golf Club*, which the parties have amended on two previous occasions (hereafter collectively referred to as “the Agreement”); and

WHEREAS, pursuant to Article VII of the Agreement, the term of the agreement is twenty (20) years, which when extended by an amendment to the Agreement last year, means the Agreement will expire on December 31, 2019; and

WHEREAS, the parties are interested in extending the term and have begun negotiations to accomplish this, however such negotiations have not concluded; and

WHEREAS, the parties have agreed to extend the term of the Agreement so as to conclude their negotiations;

NOW, THEREFORE, in consideration of the recitals stated above, and the covenants, conditions, and promises contained herein, the properties and rights hereby vested and created as herein provided and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer and City hereby agree that the Agreement shall be amended as follows:

1. Pursuant to Article VII, Section A. of the Agreement, the Agreement is hereby extended through April 30, 2020.
2. Except as amended hereby, City and Developer agree that the provisions of the Agreement are not otherwise amended and are hereby agreed to be in full force and effect.

EXECUTED in duplicate the day and year first above written.

CITY OF KERRVILLE, TEXAS

COMANCHE TRACE RANCH AND GOLF CLUB, LLLP, a Colorado limited liability limited partnership BY: COMANCHE TRACE, LLC, a Colorado limited liability company, General Partner

By: _____
Mark McDaniel, City Manager

By: _____
_____, Manager

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney



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

SUBJECT: Professional Services Agreement with Hewitt Engineering, Inc. for the Lois Street and Take-It-Easy RV drainage project in the amount of \$176,800.00.

AGENDA DATE OF: December 10, **DATE SUBMITTED:** Dec 03, 2019
2019

SUBMITTED BY: Kyle Burow

EXHIBITS: [20191210_Contract_Hewitt Engineering- Lois St & Take-It-Easy RV Drainage Scope and Fee.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| \$176,800.00 | \$2,000,000.00 | \$2,000,000.00 | Project #: 70-19010 |

PAYMENT TO BE MADE TO: Hewitt Engineering, Inc.

| | |
|-----------------------------|---|
| Kerrville 2050 Item? | Yes |
| Key Priority Area | W - Water / Waste-Water / Drainage |
| Guiding Principle | W7. Develop and maintain a long-range plan for stormwater/drainage management, addressing and prioritizing infrastructure needs and identifying funding sources |
| Action Item | W7.4 - As a part of the drainage plan, focus on regional versus single-site detention |

SUMMARY STATEMENT:

In 2018, City Council contemplated the development of a citywide drainage master plan and additional topics including review of drainage design standards, FEMA Flood Maps, maintenance of urban ditches, flooded streets, streams, and waterways. City Council was also presented with the effect of using streets as the community's primary means of stormwater drainage, and the consequential effects on the street pavement condition. It was determined at the meeting that the City should develop a citywide stormwater drainage master plan to help address the top rated drainage issues around the community. In addition, during the Kerrville 2050 Comprehensive Planning process, the citizens of Kerrville requested the City take a more holistic approach to providing development guidance for stormwater management, as well as a means to better enforce the design criteria for the benefit of the overall community. The direction from the Kerrville

2050 plan was to create a master plan to both update current development/drainage standards for future community growth, as well as outline strategies to address existing problematic stormwater areas. Council directed staff to incorporate a program to address specific drainage projects already known by City staff and the community, as well as future project planning. In January 2019, the City hired LNV Engineering to evaluate the drainage improvement needs for the 13 problem areas identified, with proposed solutions for each area. In June 2019, a draft of the stormwater master plan presented an initial prioritization of the 13 problematic drainage areas based off of weighted criteria, recommend changes to drainage facility construction standards and development codes, identify funding opportunities, and provide a road map for future implementation. In August 2019, City Council authorized the issuance of \$10.5 million in Certificates of Obligation for street and drainage improvements based on the two highest-ranking identified projects.

In 2014, the City hired Hewitt Engineering Inc. to perform a topographic survey and conduct a preliminary engineering analysis for drainage channel adjacent to the Take-It-Easy RV Park. The analysis included verification of contributing watershed, peak flow determination during various storm events, and evaluation of several solutions for future improvements. With this level of prior service and exploration regarding the identified project area, City staff consulted with Hewitt Engineering Inc. to perform the necessary design and engineering services to develop construction bid documents, assist in the bid process, and assist in the construction management of the Take-It-Easy RV channel and Lois Street drainage projects identified as priority projects ranked #1 and #2 in the Stormwater Master Plan.

RECOMMENDED ACTION:

Authorize the City Manager to finalize and execute the professional services agreement with Hewitt Engineering, Inc.



December 3, 2019

Mr. Stuart Barron
Director of Public Works
City of Kerrville
701 Main Street
Kerrville, TX 78028

**Re: Take It Easy RV Park and Lois Street Drainage Improvements
Final Design Fee Estimate**

Dear Stuart,

Per your request, I have prepared a scope and fee schedule for the preparation of final design plans and specifications associated with the Take It Easy RV Park and Lois Street Drainage Improvements. The project will consist of designing improvements to address Projects I and J identified in the Stormwater Master Plan. These projects were identified as CIP Ranking Nos. 1 and 2 as the recommended highest priority improvements based on the total weighted point scores in the Master Plan.

Project ID I is described in the Master Plan as the Take It Easy Drainage Channel extending from Guadalupe Street northeast to Junction Highway (SH 27). The Master Plan states that “the drainage channel in this area is unstable consisting of nearly vertical earthen embankment walls. Further channel bank erosion may result in the loss of property and mobile home structures. Additional conveyance in the channel is needed to provide flooding relief upstream for Lois Street. The proposed improvements would include a hard-armored solution consisting of a mechanically stabilized earth (MSE) modular block wall system with a concrete bottom and perimeter guard rails.” The construction cost for this project was estimated to be \$1,166,379.

Project ID J is described in the Master Plan as the Lois Street Improvements extending from Lois Street to Junction Highway (SH 27). The Master Plan states that “the existing concrete channel has insufficient conveyance capacity to convey heavy surface runoff generating from north of Lois Street. The nearly flat channel profile results in poor/slow moving flow, which further causes street ponding and property/yard flooding issues along Lois Street. The proposed improvements would include providing a rectangular lined channel to improve capacity between Lois Street and SH 27 and upgraded culverts at SH 27.” The construction cost for this project was estimated to be \$757,400.

The scope of services for this project includes the following tasks:

1. Prepare Preliminary Engineering Report
2. Prepare Plan & Profile Sheets and Details
3. Prepare Technical Specifications and Bid Documents
4. Submit 60%, 90% and 100% Plans and Specifications to the City
5. Prepare Project Scheduling, Bid Quantities, and Cost Estimates
6. Coordinate with City staff, TxDOT staff, and Subconsultants

5. Prepare Project Scheduling, Bid Quantities, and Cost Estimates
6. Coordinate with City staff, TxDOT staff, and Subconsultants
7. Attend Prebid conference, evaluate bids and prepare contractor recommendation
8. Construction Phase Services during construction
9. Survey Services
10. Geotechnical Services

The scope of the project will not include the following:

- Environmental Due Diligence Services including wetlands/jurisdictional waters determination
- Cultural Resources Study including archaeological literature and records research and archeological field survey

The Preliminary Engineering Report (PER) will update and summarize the peak flows in the channel for different frequency storms, depth of flow and velocities in the channel for the different frequency storms, and evaluate different bank stabilization/channel improvement alternatives. The PER will provide a recommended alternative and associated construction cost estimate for the recommended alternative. MDS Land Surveying Company, Inc. will provide updated topographic surveying of the drainage channel and Rock Engineering & Testing Laboratory Inc. will provide updated geotechnical recommendations as part of the preliminary engineering. In addition, MDS Land Surveying will research deed records of the channel property lines, resolve any boundary discrepancies and create a separate metes and bounds description for the final channel boundary.

The design portion of the project will split the improvements into three sections. Section 1 will be located at the downstream portion of the project. This section will begin at the inlet structure at the existing CMP culvert located immediately upstream of Guadalupe Street and extend northeast to just downstream of SH 27. Section 2 will consist of the improvements across SH 27 within the TxDOT right of way and will require coordination with TxDOT staff. Section 3 will begin just north of the TxDOT right of way at SH 27 and extend northeast to Lois Street. The total estimated construction cost for these three sections is approximately \$1,800,000. This cost is based on the project limits described above and does not include any street improvements or new curb and gutter improvements along Lois Street. The estimated construction cost for these projects listed in the Stormwater Master Plan was \$1,923,779 and included improvements along Lois Street.

The final result of this project will be one set of signed and sealed original drawings and technical specifications in order to solicit contractor bids. The total lump sum design fee to perform these tasks including Basic and Additional Services including all expenses is \$176,800. This fee consists of Basic Design Services of \$141,200, \$8,470 for the surveying subconsultant, MDS Land Surveying Inc., \$5,500 for the Geotechnical Subconsultant, Rock Engineering and Testing Laboratory, Inc., \$16,800 for Construction Phase Services and \$4,830 for Reimbursable Expenses. The subconsultant proposals for MDS Land Surveying and Rock Engineering are attached.

The fee schedule for Basic Services described above is summarized in the following table:

BASIC SERVICES FEE SCHEDULE:

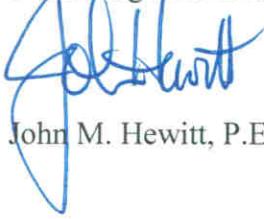
| | |
|--|-------------|
| 1. Preliminary Engineering for Entire Project..... | \$23,800.00 |
| 2. Section 1-Final Design Plans and Specifications | \$49,600.00 |
| 3. Section 2-Final Design Plans and Specifications | \$31,100.00 |
| 4. Section 3-Final Design Plans and Specifications | \$31,600.00 |
| 5. Coordination with TxDOT..... | \$5,100.00 |
| 6. Geotechnical Evaluation Subconsultant | \$5,500.00 |
| 7. Survey Subconsultant | \$8,470.00 |
| 8. Construction Phase Services..... | \$16,800.00 |
| 9. Reimbursable Expenses..... | \$4,830.00 |

TOTAL BASIC SERVICES FEE PROPOSAL.....\$176,800.00

Please feel free to contact me at 830-315-8800 or by email at jmhewitt@hewitt-inc.com if you have any questions or need any additional information.

Sincerely,

HEWITT ENGINEERING INC.
Texas Registered Engineering Firm F-10739



John M. Hewitt, P.E., CFM

Attachments



- GEOTECHNICAL ENGINEERING
- CONSTRUCTION MATERIALS
- ENGINEERING & TESTING
- SOILS • ASPHALT • CONCRETE

December 3, 2019

Hewitt Engineering, Inc.
716 Barnett Street
Kerrville, TX 78028

Attention: John Hewitt, P.E.

**SUBJECT: PROPOSAL TO PERFORM A SUBSURFACE INVESTIGATION
FOR THE PROPOSED CHANNEL IMPROVEMENTS
TAKE IT EASY RV PARK
KERRVILLE, TEXAS
RETL Proposal Number: P120319A**

Dear Mr. Hewitt,

Introduction

Rock Engineering and Testing Laboratory, Inc. (RETL) is pleased to provide this proposal to perform a subsurface investigation for the proposed Channel Improvements to take place adjacent to the Take It Easy RV Park in Kerrville, Texas. It is understood that the project will consist of the construction of improvements on the channel measuring approximately 2,500-feet in length. Improvements planned include box culverts, concrete channels, and turf reinforcement matting.

Based on the project information provided, RETL proposes to perform five (5) test borings completed to a depth of 20-feet along the channel alignment (one (1) every 500-feet). The subsurface investigation, laboratory testing program, and geotechnical engineering scope of work will be as follows:

Scope of the Subsurface Investigation

The fieldwork will consist of the following:

- RETL requests that the project area be free of obstructions that may impede the mobility of the drill rig prior to the arrival of the drilling crew.
- RETL requests the client or client representative aid RETL in accessing the borings outside of the public ROW and on private property.
- RETL will notify the "Texas 811 System" to locate underground utilities within the proximity of the boring locations.
- Five (5) test borings will be drilled to a depth of 20-feet.
- Soil and rock samples will be obtained at 2-foot intervals to 10-feet, and 5-foot intervals thereafter unless subsurface conditions warrant additional sampling.

ROCK ENGINEERING & TESTING LABORATORY, INC. (TBPE FIRM NO. 2101)

10856 Vandale St. • San Antonio, Texas 78216

Office: (210) 495-8000 • Fax: (210) 495-8015 • www.rocktesting.com

- Groundwater readings will be obtained during drilling and immediately upon completion of the drilling operations.
- The boreholes will be backfilled with auger cuttings upon completion of the drilling.

Scope of the Laboratory Testing Program

The laboratory-testing program may consist of the following:

- Visual classification (ASTM D2487)
- Moisture content tests (ASTM D2216)
- Atterberg limits tests (ASTM D4318)
- Percent material finer than the #200 sieve tests (ASTM D1140)
- Unconfined compressive strength tests (ASTM D2166)

All phases of the laboratory-testing program will be performed in general accordance with applicable ASTM Specifications. All field and laboratory test results will be included on the boring logs or in the completed report.

Geotechnical Engineering Report

In addition to the field and laboratory testing, geotechnical engineering reports will be prepared for each project that includes a description of the field exploration and laboratory tests, boring logs, a discussion of the engineering properties of the subsurface materials encountered, as well as applicable geotechnical recommendations for the proposed channel improvement project.

Fee and Limitations

The total lump sum fee to perform the scope of work outlined above will be **\$5,000.00**. This fee does not include any clearing of brush or trees to access the boring locations. It is estimated the final report can be ready approximately three (3) weeks after completion of the fieldwork. This schedule anticipates that access to the project site is granted to RETL when requested and that weather and terrain conditions permit access to the test boring locations with a truck-mounted drill rig. RETL can consult with the client as field and laboratory test results become available.

Services provided by RETL under this Agreement will be performed in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. The Client shall provide for RETL's right to enter the site and that the test boring locations are accessible to truck mounted drilling equipment and clear of underground utilities in order for RETL to fulfill the Scope of Services included hereunder.

In addition, and notwithstanding any other provisions of this Agreement, the Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless RETL, his or her officers, directors, employees, agents and sub consultants from and against all damage, liability or cost, including reasonable attorneys' fees and defense costs, arising out of or in any way connected with this project or the performance by any of the above named parties of the services under this Agreement, excepting only those damages, liabilities or costs attributable to the sole negligence or willful misconduct of RETL.

The Parties to this agreement agree that if any claim is made that RETL failed to comply with any term of this agreement or that it failed to perform its work and/or duties under this agreement properly, the client, upon proof that there was some failure to comply or some mistake in the performance of the work, shall not be entitled to recover any sum greater than the amount paid by the client to RETL for the service performed by RETL.

Either the Client or RETL may terminate this Agreement at any time with or without cause upon giving the other party 10-calendar days prior written notice. The Client shall within 10-calendar days of termination pay RETL for all services rendered and all costs incurred up to the date of termination, in accordance with the compensation provisions of this contract.

Closing

If you are in agreement with our proposed scope of work and fee, please provide authorization to proceed by signing below and returning one copy to us. Thank you for your consideration of our firm to assist you with this project. If you have any questions, or comments, please call our office.

Sincerely,



Kyle D. Hammock, P.E.
Vice President - San Antonio



Garrett R. Ward, Graduate Geologist
Geotechnical Project Manager

ACCEPTED AND APPROVED

By: _____

Print: _____

Date: _____

Terms: 30-days after receipt of invoice

For payment of services, invoice to:

Firm: _____ Attn: _____

Address: _____ Title: _____

City: _____ State: _____ Zip Code: _____ Phone: _____ Fax: _____

E-mail address: _____

****Payment terms are 100% within 30-days of receipt of the invoice. Please remit to:**

**Rock Engineering & Testing Laboratory, Inc.
6817 Leopard Street**

Corpus Christi, Texas 78409-1703

Please include the invoice number on payment.

TEXAS BOARD OF PROFESSIONAL LAND SURVEYING REGISTRATION NO. 10019600

December 1, 2019

John Hewitt

Re: Proposal / Agreement for Surveying Services

Project Site: Drainage Channel between Take It Easy RV and Blocks 34-39 West Addition

John Hewitt,

MDS Land Surveying Company, Inc. (*Surveyor*) is pleased to provide you with a proposal for a Topographic / Boundary Survey of the Drainage Channel (*Property*) located in Kerr County, Texas. Our proposed Scope of Services, Compensation and Schedule is as follows:

Scope of Services

Topographic/Boundary Survey

- Provide a Topographic Survey for the drainage channel to include on the ground features. These features will include concrete curbs and drainage structures, asphalt roads, sewer manholes with inverts, fence lines, pipeline crossing the channel, ground features (tops, toes, and grade breaks. These features will be referenced horizontally to the current Texas State coordinate system, South Central Zone, and vertically to NAVD 88 (12b) adjustment.
- We will provide a cad drawing including the above features and contours.
- If necessary, fieldwork for the boundary survey will be performed on the ground to locate boundary lines and boundary monuments of the property being surveyed and note the location, size, character and type of any monuments set or found during the fieldwork.
- Deed research of Kerr County Deed Records will be performed to identify adjacent landowners and locate property lines.
- Boundary resolution by a Registered Professional Land Surveyor (RPLS) to establish and/or retrace the property boundary in accordance with the Minimum Requirements of the Texas Board of Professional Land Surveying.
- If necessary, a separate metes and bounds description(s) will be created for channel boundary.

Compensation

The Scope of Services described above for the Topographic / Boundary Survey of the Property will be provided for a lump sum fee of **\$7,700** (sales tax not included). There may be additional fees for any additional work requested, orally or in writing. Additional services will be provided on an hourly basis and will be billed monthly for work completed. There may be additional fees for any additional work requested, orally or in writing.

| | |
|-------------------------|-------------------|
| Field work (2-man crew) | \$150.00 per hour |
| Office work | \$80.00 per hour |

TEXAS BOARD OF PROFESSIONAL LAND SURVEYING REGISTRATION NO. 10019600

Schedule

- Field work to begin within seven (7) days of authorization to proceed and will take approximately ten (10) days to complete.
- Cadd version of Survey to be delivered to the Client within two (2) weeks of the completion of the field work.
- Progress of the work will depend upon the availability of survey information for the Property, the availability to obtain right of entry upon private property, and other factors beyond the Surveyor's control, including weather conditions, holidays, governmental restrictions, and acts of God.

Agreement

If the Scope of Service, Compensation and Schedule is satisfactory, please acknowledge below by signing and returning to our office.

MDS Land Surveying would like to thank you for your time and consideration of our firm. We look forward to working with you on this project.

Sincerely,



Jeff Boerner, RPLS #4939
MDS Land Surveying Company, Inc.

12/01/2019

Date

Client Signature

Client Signature

Printed Name

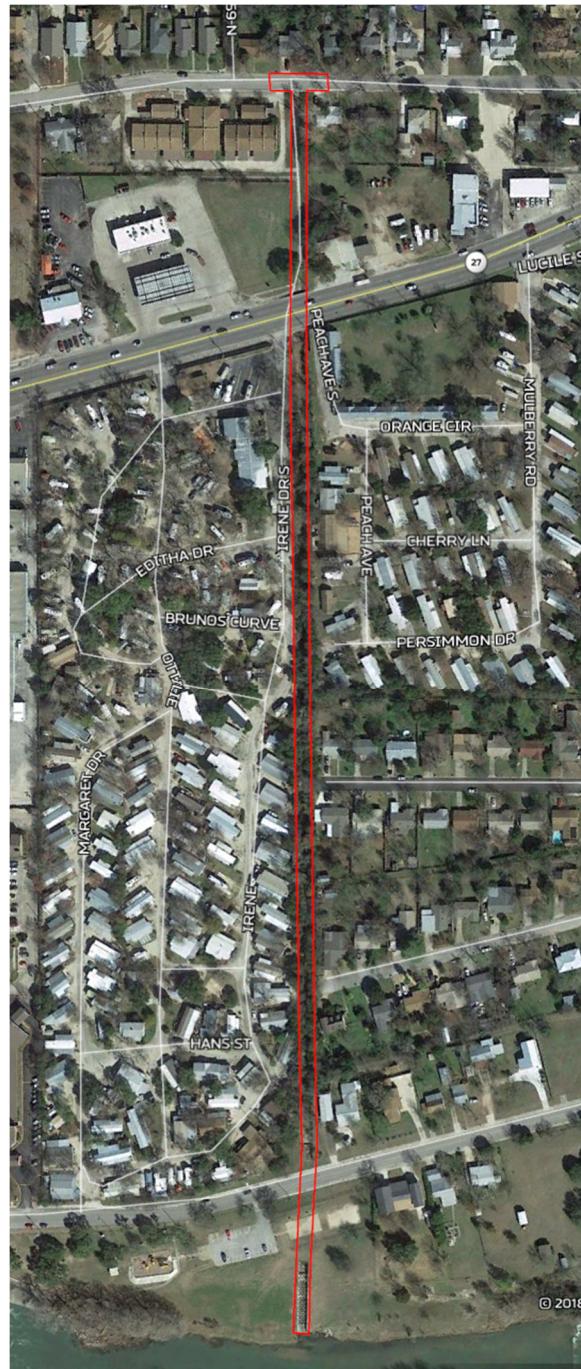
Printed Name

Date

Date

TEXAS BOARD OF PROFESSIONAL LAND SURVEYING REGISTRATION NO. 10019600

EXHIBIT A – SUBJECT PROPERTY





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

SUBJECT: Financial Update for the month ended October 31, 2019.

AGENDA DATE OF: December 10, 2019 **DATE SUBMITTED:** Nov 20, 2019

SUBMITTED BY: Amy Dozier

EXHIBITS: [20191210_Presentation_October 2019 Financial Presentation.pdf](#)
[20191210_Presentation_October 2019 Summary.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| N/A | N/A | N/A | N/A |

PAYMENT TO BE MADE TO: N/A

| | |
|-----------------------------|-----|
| Kerrville 2050 Item? | No |
| Key Priority Area | N/A |
| Guiding Principle | N/A |
| Action Item | N/A |

SUMMARY STATEMENT:

GENERAL FUND:

Year to date through October 31, 2019, the General Fund has received revenue of \$1.8M compared to expenditures of \$1.6M. Notable activity includes:

1. Property tax, sales tax and expenditures are tracking close to budget during the first month of the new fiscal year.
2. Other revenue is better than budget because the City received 2 payments (October and November) from Kerr County for Fire and EMS services during October.
3. Expenditures are lower than FY2019 due to a timing issue. An annual liability insurance payment was made in October 2018, but not until November 2019.

WATER FUND:

Year to date through October 31, 2019, the Water Fund received revenues of \$1.1M compared to expenditures of \$1.0M. Notable activity includes:

1. Water sales are \$162K higher than October 2018 due to record rainfall and flooding in 2018 that reduced irrigation water consumption.

DEVELOPMENT SERVICES FUND:

Year to date through October 31, 2019, the Development Services Fund received revenues of \$207K compared to expenditures of \$42K. Notable activity includes:

1. October 2019 includes almost \$150K in fees related to HPMS and HEB construction projects.

GOLF FUND:

Year to date through October 31, 2019, the Golf Fund received revenues of \$65K compared to expenditures of \$64K.

HOTEL OCCUPANCY FUND:

Year to date through October 31, 2019, the Hotel Occupancy Fund received revenues of \$114K with no expenditures.

DEBT REFUNDING UPDATE:

City Council approved a parameters bond ordinance on October 22, 2019 to refund (essentially refinance) \$2.435M in debt from the City's 2011A bond issuance. Since that time, our AA bond rating was reaffirmed by Standard and Poor's, we worked with our financial advisor and bond counsel to complete an official statement and met with underwriters to provide a financial update and answer questions. On December 3, 2019 we received the following pricing for the refunding:

* Issuing \$2.285M to refund \$2.435M from Series 2011A

* Gross Savings: \$98,187

* Present Value of Savings: \$89,996

* Percentage Savings: 3.6959%

* True Interest Cost: 2.0386%

These terms are all better than the minimum parameters approved by City Council. The savings achieved fall in between the 2 scenarios presented to Council by Anne Burger Entrekin on October 22, 2019. We anticipate closing on the refunding on December 18, 2019.

RECOMMENDED ACTION:

Information only; no action required.



Financial update for the month ended October 31, 2019

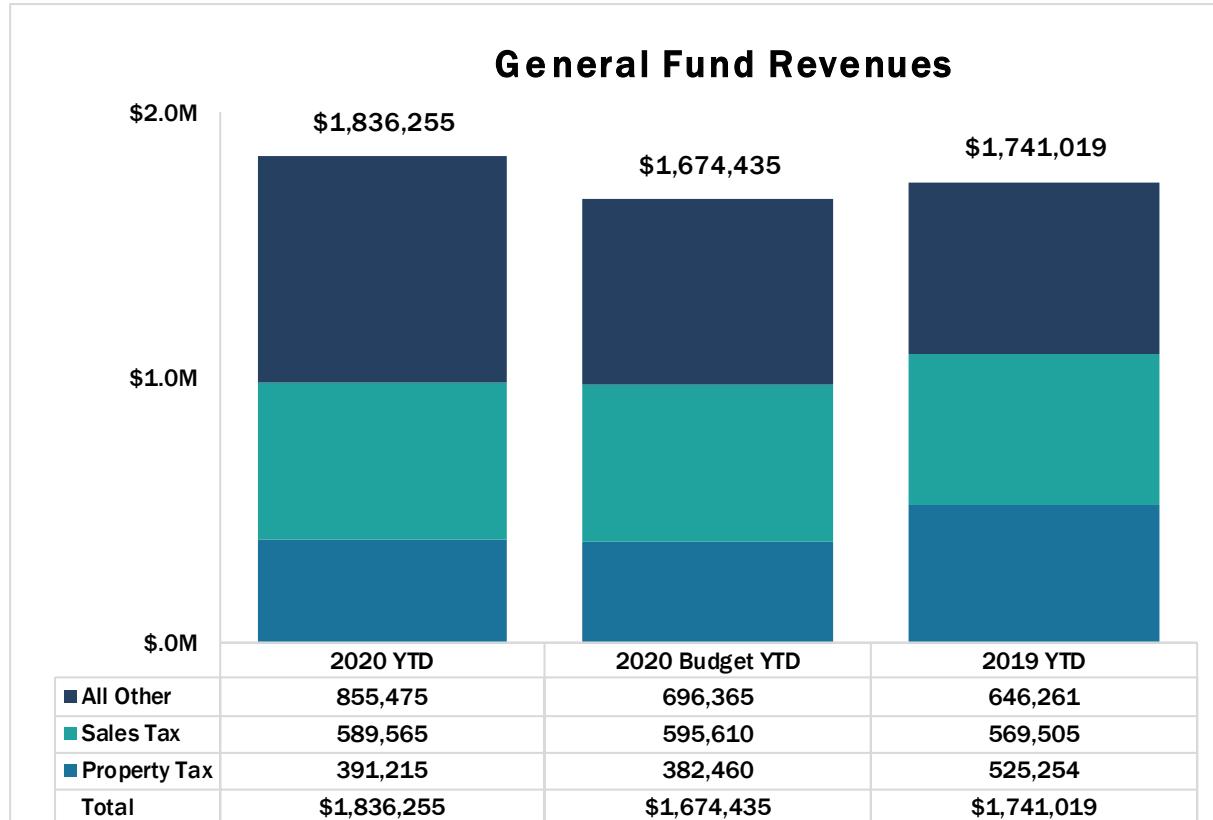
**City Council Meeting
December 10, 2019**



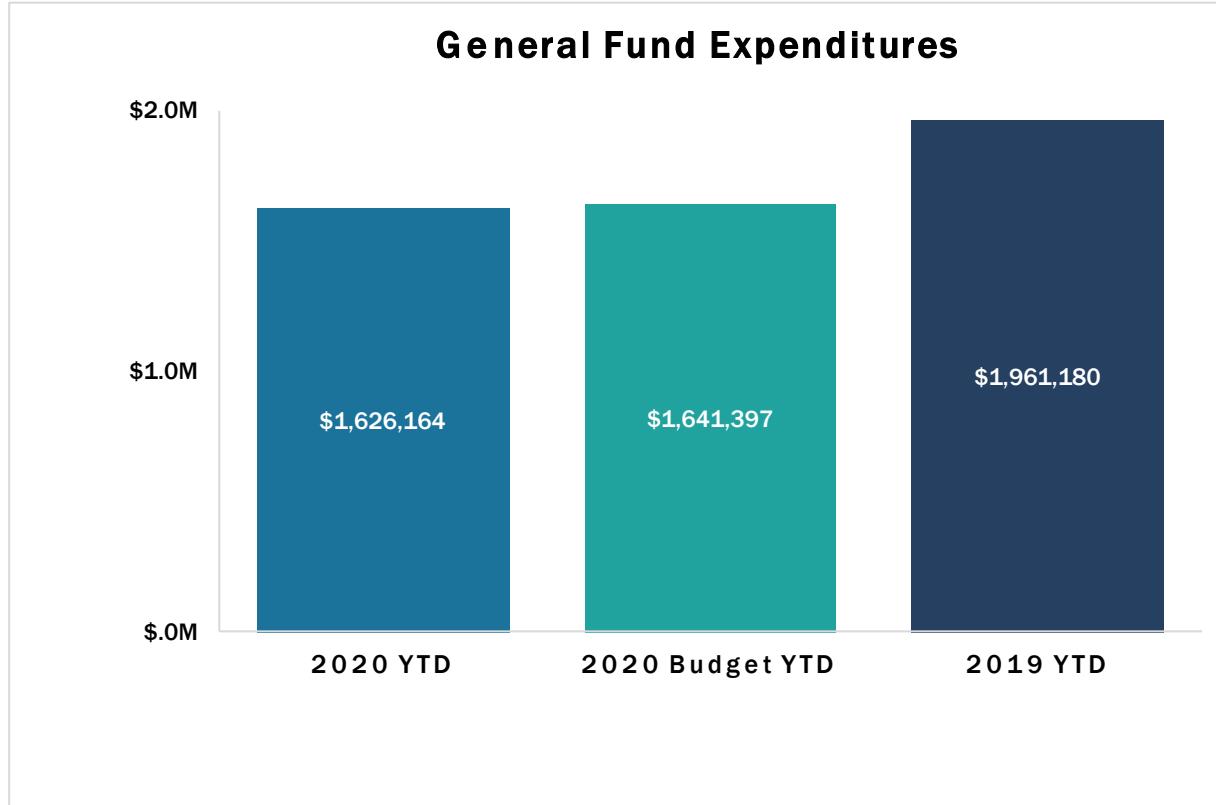
General Fund Summary

| Fund | Total | Year to Date | Year to Date | Better / | Year to Date | Change |
|---------------------|--------------|--------------|--------------|-------------|--------------|--------------|
| | FY2020 | FY2020 | FY2020 | (Worse) | FY2019 | from |
| | Budget | Budget | Actual | than Budget | Actual | FY2019 |
| General Fund | | | | | | |
| Revenues | | | | | | |
| Property Tax | \$ 9,922,412 | \$ 382,460 | \$ 391,215 | \$ 8,755 | \$ 525,254 | \$ (134,039) |
| Sales Tax | 7,470,865 | 595,610 | 589,565 | (6,045) | 569,505 | 20,060 |
| Other Revenue | 11,368,800 | 696,365 | 855,475 | 159,110 | 646,261 | 209,214 |
| Total Revenue | 28,762,077 | 1,674,435 | 1,836,255 | 161,820 | 1,741,019 | 95,236 |
| Expenditures | 28,762,077 | 1,641,397 | 1,626,164 | 15,233 | 1,961,180 | (335,016) |
| Net | - | 33,038 | 210,091 | 177,053 | (220,161) | 430,251 |

General Fund Revenues



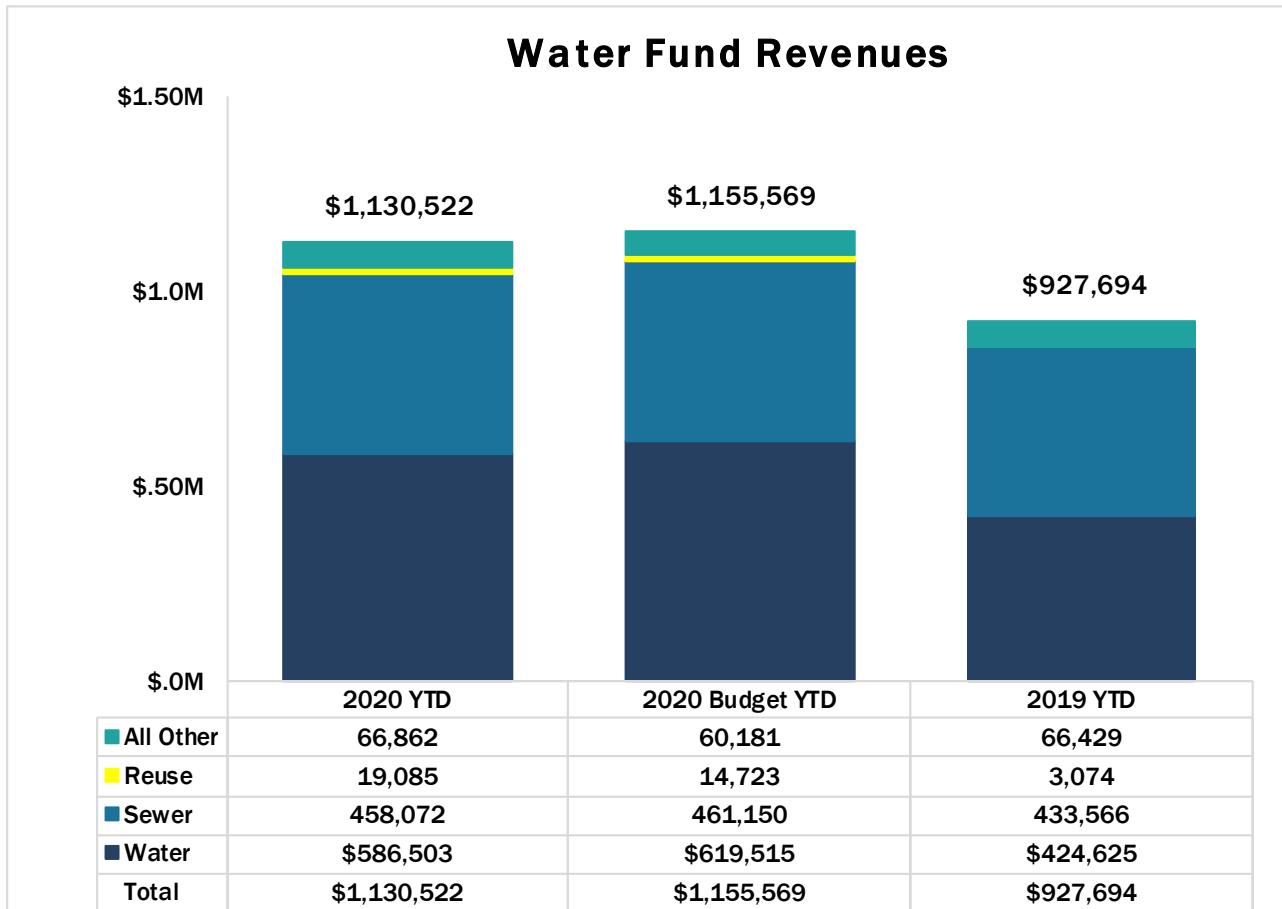
General Fund Expenditures



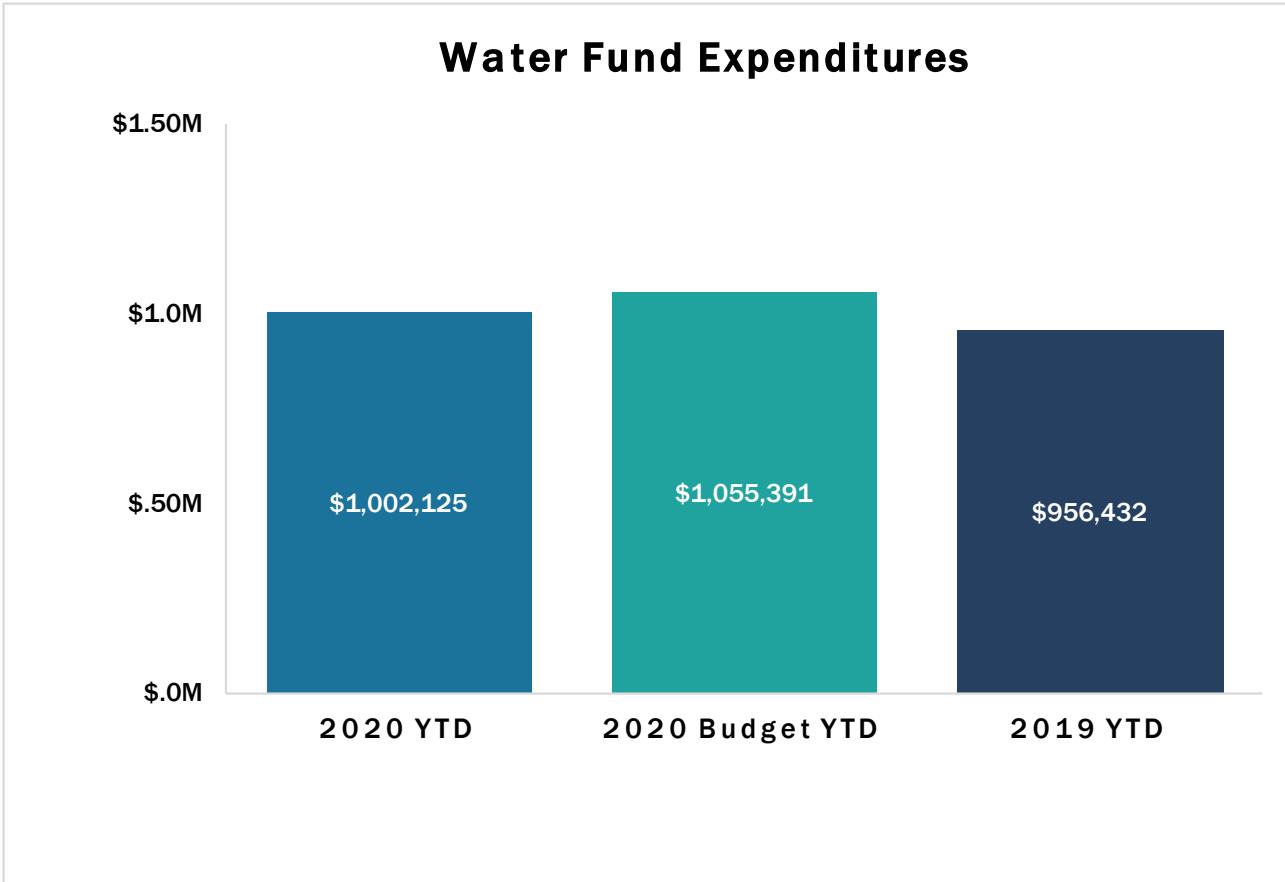
Water Fund Summary

| Fund | Total | Year to Date | Year to Date | Better / | Year to Date | Change |
|--|------------|--------------|--------------|-------------|--------------|---------|
| | FY2020 | FY2020 | FY2020 | (Worse) | FY2019 | from |
| | Budget | Budget | Actual | than Budget | Actual | FY2019 |
| Water Fund (Operating - excludes debt related revenue and expenditures) | | | | | | |
| Revenues | | | | | | |
| Water Sales | 6,487,507 | 619,515 | 586,503 | (33,012) | 424,625 | 161,879 |
| Sewer Sales | 5,525,753 | 461,150 | 458,072 | (3,078) | 433,566 | 24,506 |
| Reuse Sales | 154,181 | 14,723 | 19,085 | 4,361 | 3,074 | 16,011 |
| Other Revenue | 868,153 | 60,181 | 66,862 | 6,681 | 66,429 | 433 |
| Total Revenue | 13,035,594 | 1,155,569 | 1,130,522 | (25,047) | 927,694 | 202,828 |
| Expenditures | 13,035,594 | 1,055,391 | 1,002,125 | 53,265 | 956,432 | 45,693 |
| Net | - | 100,178 | 128,397 | 28,218 | (28,738) | 157,135 |

Water Fund Revenues



Water Fund Expenditures



Other Funds Summary

| Fund | Total | Year to Date | Year to Date | Better / | Year to Date | Change |
|----------------------------------|-----------|--------------|--------------|-------------|--------------|-----------|
| | FY2020 | FY2020 | FY2020 | (Worse) | FY2019 | from |
| | Budget | Budget | Actual | than Budget | Actual | FY2019 |
| Development Services Fund | | | | | | |
| Revenues | | | | | | |
| Permits & Fees | 688,870 | 185,739 | 187,148 | 1,409 | 24,995 | 162,153 |
| Transfer In | 237,422 | 19,785 | 19,785 | - | 59,057 | (39,272) |
| Total Revenue | 926,292 | 205,524 | 206,933 | 1,409 | 84,052 | 122,881 |
| Expenditures | 926,292 | 48,345 | 42,335 | 6,010 | 47,112 | (4,777) |
| Net | - | 157,179 | 164,598 | 7,419 | 36,940 | 127,658 |
| Golf Fund | | | | | | |
| Revenues | 997,537 | 84,188 | 65,017 | (19,171) | 57,141 | 7,876 |
| Expenditures | 997,537 | 66,560 | 64,134 | 2,427 | 68,511 | (4,377) |
| Net | - | 17,627 | 883 | (16,744) | (11,370) | 12,253 |
| Hotel Occupancy Tax Fund | | | | | | |
| Revenues | 1,458,500 | 98,104 | 113,938 | 15,834 | 91,642 | 22,296 |
| Expenditures | 1,458,500 | 10,208 | - | 10,208 | 16,667 | (16,667) |
| Net | \$ - | \$ 87,896 | \$ 113,938 | \$ 26,042 | \$ 74,976 | \$ 38,962 |



Refunding Update

- **Series 2011A**
 - Original issuance of **\$3.5M** for River Trail
 - Debt Service paid by EIC
 - Par amount refunded: **\$2.435M**
- **Series 2019 Refunding**
 - Par amount issued: **\$2.285M**
 - Gross Savings: **\$98,187**
 - Present Value of Savings: **\$89,996**
 - Percentage Savings: **3.6959%**
 - True Interest Cost: **2.0386%**
- **Pricing occurred on December 3, 2019**
- **Closing scheduled for December 18, 2019**



City of Kerrville
Financial Summary
For the Month Ended October 31, 2019

| Fund | Total | Year to Date | Year to Date | Better / | Year to Date | Change | Variance |
|--|--------------|--------------|--------------|-------------|--------------|--------------|-----------------|
| | FY2020 | FY2020 | FY2020 | (Worse) | FY2019 | from | |
| | Budget | Budget | Actual | than Budget | Actual | FY2019 | Explanation |
| General Fund | | | | | | | |
| Revenues | | | | | | | |
| Property Tax | \$ 9,922,412 | \$ 382,460 | \$ 391,215 | \$ 8,755 | \$ 525,254 | \$ (134,039) | |
| Sales Tax | 7,470,865 | 595,610 | 589,565 | (6,045) | 569,505 | 20,060 | |
| Other Revenue | 11,368,800 | 696,365 | 855,475 | 159,110 | 646,261 | 209,214 | note A |
| Total Revenue | 28,762,077 | 1,674,435 | 1,836,255 | 161,820 | 1,741,019 | 95,236 | |
| Expenditures | 28,762,077 | 1,641,397 | 1,626,164 | 15,233 | 1,961,180 | (335,016) | note B |
| Net | - | 33,038 | 210,091 | 177,053 | (220,161) | 430,251 | |
| Water Fund (Operating - excludes debt related revenue and expenditures) | | | | | | | |
| Revenues | | | | | | | |
| Water Sales | 6,487,507 | 619,515 | 586,503 | (33,012) | 424,625 | 161,879 | note C |
| Sewer Sales | 5,525,753 | 461,150 | 458,072 | (3,078) | 433,566 | 24,506 | |
| Reuse Sales | 154,181 | 14,723 | 19,085 | 4,361 | 3,074 | 16,011 | |
| Other Revenue | 868,153 | 60,181 | 66,862 | 6,681 | 66,429 | 433 | |
| Total Revenue | 13,035,594 | 1,155,569 | 1,130,522 | (25,047) | 927,694 | 202,828 | |
| Expenditures | 13,035,594 | 1,055,391 | 1,002,125 | 53,265 | 956,432 | 45,693 | |
| Net | - | 100,178 | 128,397 | 28,218 | (28,738) | 157,135 | |
| Development Services Fund | | | | | | | |
| Revenues | | | | | | | |
| Permits & Fees | 688,870 | 185,739 | 187,148 | 1,409 | 24,995 | 162,153 | note D |
| Transfer In | 237,422 | 19,785 | 19,785 | - | 59,057 | (39,272) | |
| Total Revenue | 926,292 | 205,524 | 206,933 | 1,409 | 84,052 | 122,881 | |
| Expenditures | 926,292 | 48,345 | 42,335 | 6,010 | 47,112 | (4,777) | |
| Net | - | 157,179 | 164,598 | 7,419 | 36,940 | 127,658 | |
| Golf Fund | | | | | | | |
| Revenues | 997,537 | 84,188 | 65,017 | (19,171) | 57,141 | 7,876 | |
| Expenditures | 997,537 | 66,560 | 64,134 | 2,427 | 68,511 | (4,377) | |
| Net | - | 17,627 | 883 | (16,744) | (11,370) | 12,253 | |

City of Kerrville
Financial Summary
For the Month Ended October 31, 2019

| Fund | Total | Year to Date | Year to Date | Better / | Year to Date | Change | Variance |
|---------------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|--------------------|
| | FY2020 | FY2020 | FY2020 | (Worse) | FY2019 | from | |
| | Budget | Budget | Actual | than Budget | Actual | FY2019 | Explanation |
| Hotel Occupancy Tax Fund | | | | | | | |
| Revenues | 1,458,500 | 98,104 | 113,938 | 15,834 | 91,642 | 22,296 | |
| Expenditures | 1,458,500 | 10,208 | - | 10,208 | 16,667 | (16,667) | |
| Net | \$ - | \$ 87,896 | \$ 113,938 | \$ 26,042 | \$ 74,976 | \$ 38,962 | |

Notes:

- A. **Other Revenue** - Other revenue is better than budget primarily due to a timing issue. Both the October and November payments from Kerr County for Fire/EMS services were received in October.
- B. **General Fund Expenditures** - FY2020 General Fund expenditures are lower than FY2019 primarily due to a timing issue. An annual liability insurance payment was made in October in FY2019 and in November in FY2020.
- C. **Water Sales** - FY2020 revenue is higher than FY2019 due to record rainfall and flooding in FY2019 that reduced irrigation water consumption.
- D. **Permits & Fees** - October 2019 includes almost \$150K in fees related to HPMS and HEB construction projects.



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

SUBJECT: Appointments to the Planning and Zoning Commission. (This item is eligible for discussion in executive session).

AGENDA DATE OF: December 10, 2019 **DATE SUBMITTED:** Nov 01, 2019

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20191210_Board Appointment_Planning and Zoning Commission roster.pdf](#)

| Expenditure Required: | Remaining Budget Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|---|-------------------------|------------------------|
| N/A | N/A | N/A | N/A |

PAYMENT TO BE MADE TO: N/A

| | |
|-----------------------------|---|
| Kerrville 2050 Item? | Yes |
| Key Priority Area | E - Economic Development |
| Guiding Principle | D9. Other (Plug in where appropriate) |
| Action Item | E1.4 - Improve the processes for business recruitment, expansion and retention among stakeholders, EIC and KEDC |

SUMMARY STATEMENT:

Due to one resignation and two expiration of terms, three regular member positions are vacant. The two members who's terms expire January 1, 2020 are both eligible for reappointment.

Seven applications have been received: Shane Bourgeois, Tricia Byrom (reappointment), Ronny Carroll, David Jones (reappointment), Bill Morgan, Ed Perry, and Linda Stilwell.

RECOMMENDED ACTION:

Appoint members to the Planning and Zoning Commission.



City of Kerrville
701 Main Street
Kerrville, Texas 78028
(830)257-8000

PLANNING & ZONING

First & Third Thursday of each month @ 4:30pm

| NAME | APPT | EXPIRES | TERM # |
|--------------------------|---|-----------------|--------|
| Garrett Harmon, Co-Chair | Alternate appt 6/25/2013 Member appt 12/13/2016 – 12/31/2018 Member re-appt 1/8/2019 | 1/1/2021 | 2 |
| Tricia Byrom | Member appt 6/12/2018 | 1/1/2020 | 1 |
| T David Jones | Alternate appt 12/13/2016 Alternate re-appt 1/09/2018 Member appt 6/12/2018 | 1/1/2020 | 0 |
| David Lipscomb | Member appt 10/22/2019 | 1/1/2021 | 0 |
| Cliff Tuttle | Member appt 10/22/2019 | 1/1/2021 | 0 |
| Rustin Zuber | Alternate appt 12/10/2013 Member appt 12/13/2016 – 12/31/2018 Member re-appt 1/9/2019 | 1/1/2021 | 2 |
| Vacant | | 1/1/2022 | 0 |

City Staff: Drew Paxton, Planning Director

Qualifications: At least five members shall be residents and eligible voters of the city; two members may reside in the city's extraterritorial jurisdiction (ETJ) and must be an eligible voter of Kerr County.

Functions: 1. Shall formulate and recommend to the City Council for adoption a Comprehensive Plan for the orderly growth and development of the city's and its environs. The commission may review and recommend such changes in the plan as it finds will facilitate the movement of people and goods, and the health, recreation, safety and general welfare of the citizens of the city.

2. Shall formulate a zoning ordinance as may be deemed best to carry out the goals of the Comprehensive Plan; hold public hearings; make recommendations to city council relating to the creation, amendment, and implementation of zoning regulations and districts as provided in state law.

3. Review Subdivision Plans and Plats, and shall exercise all powers of a commission as to approval or disapproval of plans, plats, or replats as set out by state law and the city's subdivision regulations.

4. Shall consider and make recommendations on applications for changes in zoning and may initiate for consideration at public hearings proposals for the original zoning of annexed areas or for the change of zoning district boundaries.

5. Shall consider and take appropriate action on variances to the City's subdivision regulations and any other ordinances as prescribed by City Council. Variances to the terms of the Zoning Code, excluding the list of permitted land uses, shall be reviewed by the Board of Adjustment as authorized by Chapter 211, Texas Local Government Code, as amended.

6. Shall from time to time recommend such changes to the Zoning Code, subdivision regulations, development standards, and any other ordinance city council assigns to its review, that will facilitate the general health, safety and welfare of the citizens of the city.

Membership: 7 Regular Members **Quorum:** 4 **Established by:** Zoning Code, Ordinance No. 2019-17

Term: 2 years. **Term Limit:** 3 consecutive full terms. **Revised:** October 01, 2019