

AGENDA FOR THE KERRVILLE CITY COUNCIL MEETING

TUESDAY, AUGUST 23, 2022, 6:00 P.M.

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



CITY COUNCIL MEETING AGENDA

AUGUST 23, 2022, 6:00 PM

CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS



Council Meeting Procedures, City Council and City Staff Safety Measures, and Citizen Participation Guidelines

COVID-19 (Coronavirus) provides a unique concern in that gathering members of the public, City Council, and City staff within a physical setting constitutes a public health risk. Taking this into account, standard safety protocols will be observed by City Council, City staff, and citizens/visitors attending the meeting. Masks are voluntary and highly encouraged. Visitor seating will be designated.

Citizens may view and hear City Council meetings on Spectrum Channel 2 or by live-streaming via the City's website (www.kerrvilletx.gov). City Council meetings are recorded and the recordings are posted on the City's website.

Citizens wishing to speak during a meeting shall submit a completed "speaker request form" to the City Secretary before the item is introduced, but are encouraged to submit the form before the meetings begin. Each speaker is limited to four minutes.

Thank you for your participation!

CALL TO ORDER: By Mayor Judy Eychner

INVOCATION AND PLEDGE OF ALLEGIANCE: Led by Councilmember Place 2 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 PRESENTATION(S):

2.A. Recognition of Kerrville Police Department Officers for dedication to public safety through DWI reduction efforts.

3 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.

4 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:

4.A. Agreement with Calgon Carbon Corporation for the purchase of Granular Activated Carbon for the Total Trihalomethanes filtration system at the Water Treatment Plant, not to exceed \$186,689.

[Attachment: 20220823_Quote_Calgon GAC for TTHM.pdf](#)

4.B. Administrative Services contract between City of Kerrville and City of Kerrville Texas Economic Improvement Corporation.

[Attachment: 20220823_Contract_EIC Administrative Services FY23.pdf](#)

4.C. Economic Development Grant Agreement between Kerr Economic Development Corporation and the City of Kerrville Texas Economic Improvement Corporation.
[Attachment: 20220823_Economic Development Grant Agreement KEDC.pdf](#)

4.D. City of Kerrville Funding Agreement with Kerr Economic Development Corporation.
[Attachment: 20220823_Funding Agreement_KEDC.pdf](#)

4.E. City Council workshop minutes, August 09, 2022.
[Attachment: 20220823_Minutes CC workshop 8-09-22 4pm.pdf](#)

4.F. City Council meeting minutes, August 09, 2022.
[Attachment: 20220823_Minutes CC meeting 8-09-22 6pm.pdf](#)

4.G. City Council workshop minutes, August 16, 2022.
[Attachment: 20220823_Minutes Council workshop 8-16-22 10am.pdf](#)

END OF CONSENT AGENDA.

5 PUBLIC HEARING AND ORDINANCES, FIRST READING:

5.A. Ordinance No. 2022-25. An Ordinance adopting the annual budget for the City of Kerrville, Texas, Fiscal Year 2023; providing appropriations for each City department and fund; containing a cumulative clause; and containing a savings and severability clause.
[Attachment: 20220823_Ord 2022-25 FY2023 Budget.pdf](#)

5.B. Ordinance No. 2022-26. An Ordinance levying an Ad Valorem Tax for the use and support of the Municipal Government for the City of Kerrville, Texas, for Fiscal Year 2023; apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid.
[Attachment: 20220823_Ord 2022-26 Ad Valorem Tax rate FY2023.pdf](#)

6 ORDINANCE(S), ONE READING:

6.A. Ordinance No. 2022-27. An Ordinance approving the issuance of voter-approved General Obligation Bonds.
An Ordinance authorizing the issuance, sale and delivery of \$_____ in aggregate principal amount of "City of Kerrville, Texas General Obligation Bonds, Series 2022"; making provisions for the payment of interest thereon and the principal thereof; approving and authorizing the execution of all instruments and procedures related thereto including a paying agent/registrar agreement, a purchase contract and an official statement; and declaring an effective date.
[Attachment: 20220823_Ord 2022-27 DRAFT General Obligation Bonds.pdf](#)

7 ORDINANCES, SECOND READING:

7.A. Ordinance No. 2022-23, second reading. An Ordinance creating a "Planned Development District" (Zoning) for Light Commercial Uses and a Stand-Alone Parking Lot on an approximately 1.49 acre property, consisting of Lot 21-R, Block G, B.F. Cage Addition; within the City of Kerrville, Kerr County, Texas; and more commonly known as 820 Sidney Baker and 829 Clay Street; adopting a concept plan and conditions related to the development and use of said lot; and providing other matters relating to the subject.
[Attachments:](#)
[20220823_Ord 2022-23 PDD 820 Sidney Baker 2nd reading.pdf](#)
[20220823_Letters opposition Juarez Reeves Stewart.pdf](#)

7.B. Ordinance No. 2022-24, second reading. An Ordinance amending Chapter 60 of the Code of Ordinances, City of Kerrville, Texas; by changing the zoning of an approximate 22.03 acre tract out of the Samuel Wallace Survey No. 113, Abstract No. 347; more commonly known as the north side of the 2300 block of E. Main; from a Medium Density Residential

Zoning District (R-2) to a Multifamily Residential Zoning District (R-3); and providing other matters relating to the subject. (*Appeal by Applicant*)

Attachments:

[20220823_Ord 2022-24 Zone change R3 2300 E Main 2nd reading.pdf](#)
[20220823_Letter opposition Wall.pdf](#)

8 CONSIDERATION AND POSSIBLE ACTION:

8.A. Construction Agreement with Viking Construction, Inc. for 2022 Slurry Seal project in the amount of \$314,894.50.

[Attachment: 20220823_Letter and Bid_2022 Slurry Seal.pdf](#)

8.B. Core & Main purchase of materials for Advanced Metering Infrastructure (AMI) project, not to exceed \$218,138.00.

9 BOARD APPOINTMENTS:

9.A. Appointments to the Main Street Advisory Board.

9.B. Appointments to the Senior Services Advisory Committee.

9.C. Appointments to the Tax Increment Reinvestment Zone Number One (TIRZ), Board of Directors, and appoint TIRZ Chair. (*This item is eligible for Executive Session 551.074*)

9.D. Appointments to the Zoning Board of Adjustment. (*This item is eligible for Executive Session 551.074*)

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

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

12 ITEMS FOR FUTURE AGENDAS: *Council may suggest items or topics for future agendas.*

ADJOURN.



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

SUBJECT: Recognition of Kerrville Police Department Officers for dedication to public safety through DWI reduction efforts.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Aug 19, 2022

SUBMITTED BY: Shelley McElhannon

EXHIBITS:

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:

Recognition of six KPD Officers who were honored by Mothers Against Drunk Driving and the Texas Department of Transportation.

The Commitment Hero Award was presented to Officer Jonathan Collier, Officer Tyler Cottonware, Officer Jeff Robitaille, Officer Ruben Valencia, and Officer Daniel Virdell.

The Outstanding Service Award was presented to Sgt Ed Holloway.

The Kerrville Police Department was recognized with the Outstanding Agency Award.

RECOMMENDED ACTION:

Recognize KPD Officers and the Kerrville Police Department.



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

SUBJECT: Agreement with Calgon Carbon Corporation for the purchase of Granular Activated Carbon for the Total Trihalomethanes filtration system at the Water Treatment Plant, not to exceed \$186,689.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Aug 11, 2022

SUBMITTED BY: Stuart Barron

EXHIBITS: [20220823_Quote_Calgon GAC for TTHM.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$186,689 annually FY2022-FY2025	\$0 FY2022 (recommend use of contingency) FY2023- Budget = \$190K		02-0202-2500

PAYMENT TO BE MADE TO: Calgon Carbon Company

Kerrville 2050 Item? Yes

Key Priority Area W - Water / Waste-Water / Drainage

Guiding Principle

Action Item

SUMMARY STATEMENT:

The Total Trihalomethanes (TTHM) filtration system has 4 chambers for Granular Activated Carbon (GAC) filtration. As discussed in budget workshop and in budget presentation, this GAC needs to be replaced annually now that the TTHM project is complete and the system has been operational.

Staff have been working to source this carbon for several months. Only two companies carry this product, and Calgon has an available supply. The other company has no supply for the foreseeable future and cannot provide a quote. By acting on this now, we can ensure this necessary filtration media is replaced without further supply delays. Staff recommends replacing two units annually.

In FY2022, no contingency has been utilized in the Water Fund, and staff recommends use of contingency for this purchase. By committing to this agreement now, we are able to lock in the price for 4 fiscal years. This agreement will allow Calgon to ensure supply for the two units now and two beginning in FY2023, which will essentially be a full new set of carbon.

A copy of the agreement is available for viewing in the City Secretary Office.

RECOMMENDED ACTION:

Authorize City Manager to finalize and execute agreement with Calgon Carbon Corporation and to authorize purchase as outlined.



CALGON CARBON CORPORATION
ACTIVATED CARBON SCOPE OF SUPPLY FOR Kerrville, TX WTP

Contact: Jeff Renaud	Email: jeff.renaud@kerrvilletx.gov
Project: 2022-Model 1240 Exchange-Vessel 1&2	Date: 7/25/2022
Location: Kerrville, TX	Title: Quote #10768

GAC Volume: 80,000lbs
GAC Turnkey Exchange Pricing: 2022/2023 \$186,689 all inclusive
*Pricing beginning 1/1/2024-12/31/2026 subject to calendar year adjustments as supported by PPI detailed.

ITEMS INCLUDED:

- Product: Filtrasorb 400
- Quantity: 80,000 lbs
- Scope: Empty and Exchange (2) Model 1240 vessels 1 vessel at a time. Remove 80,000lbs of spent GAC from Vessels and replace with 80,000lbs virgin F400.
- All related labor and equipment (trucks, hoppers, hoses, etc), except utilities detailed below

ITEMS NOT INCLUDED IN THIS OFFER:

- Owner to provide clean water source for movement of GAC to and from filter via eduction
- Drain access for excess water from carbon transfer (water will be gray with carbon fines)
- Disinfection (if necessary) not included
- Any applicable taxes not included

SPECIFICATIONS:

- Pricing is based on supply contract through 2026: Pricing detailed herein will be established pricing through 12/31/2023 to include an 80,000lb exchange in 2022 for \$186,689 and an extension of current pricing for an 80,000lb exchange in 2023 at same pricing (\$186,689/all-inclusive exchange). Pricing January 1, 2024, through December 31, 2026 will be based upon base pricing of \$186,689 as detailed and/or allowed for an annual increase as supported by PPI indices detailed in accompanying attachment(s). Increase if required would initiate at the beginning of each calendar year beginning 1/1/2024 through 12/31/2026.
- To Summarize:

- 2022 Pricing unchanged from quote from January 2022 at \$186,689 for all-inclusive 80,000lb exchange of Filtrasorb 400 to be conducted in 2022.
- 2023: Pricing to stay same at \$186,689 for all inclusive 80,000lb exchange of Filtrasorb 400 through 12/31/2023.
- 2024: Pricing 1/1/2024-12/31/2024 would utilize current pricing in both 2022 and 2023 (\$186,689/80K exchange) as base cost but subject to increase as supported in PPI index upon review.
- 2025: Pricing would utilize adjusted 2024 pricing as base price but could be subject to increase as supported in PPI index upon review through 12/31/2025.
- 2026: Pricing would utilize adjusted 2025 pricing as base price but could be subject to increase as supported in PPI index upon review through 12/31/2026.

SPECIAL TERMS AND CONDITIONS:

1. Unless otherwise noted, or until other Terms and Conditions are provided, this Offer is made only under Calgon Carbon Corporation's General Terms and Conditions for Purchase. PO Submission should include comment of acceptance to Calgon Carbon's Terms and Conditions.
2. Pricing provided is exclusive of any Sales Tax.
3. Scope of Supply/Pricing does not include any Payment or Performance Bonds. Costs for any such Bond (if necessary or requested by the Purchaser) will be added to the quoted pricing.
4. Upon acknowledgement of any Purchase Order, the Buyer will be requested to complete a Credit Application and provide Tax Exemption Documentation.
5. The quoted price of \$186,689/80,000lb exchange is valid until 12/31/2023 from the date of this Scope of Supply document (
6. Pricing is 2022 product provision of contract to extend through 2026. Expected 80,000lb exchanges annually through 2026.

Schedule:

Schedule:

1. Delivery: 8+ weeks after receipt of approved purchase order and after carbon acceptance testing has been completed
2. Completion: Changeout will take approximately 2-3 days on site

For Information or to Place an Order, Contact:

Dan Iorio

Calgon Carbon Corporation

Regional Sales Manager-Midwest, NA

Dan.Iorio@Kuraray.com

(618) 612-3112



**TO BE CONSIDERED BY
ECONOMIC IMPROVEMENT CORPORATION
CITY OF KERRVILLE, TEXAS**



SUBJECT: Administrative Services contract between City of Kerrville and City of Kerrville Texas Economic Improvement Corporation.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Aug 12, 2022

SUBMITTED BY: Michael Hornes

EXHIBITS: [20220823_Contract_EIC Administrative Services FY23.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	N/A
Action Item	N/A

SUMMARY STATEMENT:

The attached Administrative Services contract outlines the services provided to EIC by the City of Kerrville. Article I of the agreement spells out the list of services provided, including Engineering, Legal, Financial, Administrative and others.

In consideration of the provision by City to EIC of the services described in Article I, above, EIC shall pay City \$200,000.00 for the term specified below. It is agreed by the parties that this compensation is equal to the reasonable value of the services anticipated to be provided by City to the EIC. City shall deduct the payment required hereunder upon receipt of said sales tax revenues from the Comptroller of Public Accounts for the State of Texas.

On August 16, 2022, EIC unanimously approved the contract.

RECOMMENDED ACTION:

Approve the Administrative Services contract between City of Kerrville and City of Kerrville Texas Economic Improvement Corporation.

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

THIS CONTRACT is entered into as of the ____ day of August 2022, by and between the City of Kerrville, Texas, ("City"), and the City of Kerrville, Texas Economic Improvement Corporation ("EIC") for and in consideration of the following promises and conditions:

**ARTICLE I
SERVICES PROVIDED BY CITY**

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

- A. Engineering and Project Management Services:** City agrees to provide project management services to include coordination and oversight of both internal and external engineering, design, bid process, and all construction phases for EIC-funded projects that involve improvements to City and/or public property. City may contract engineering, project management, or construction services that may be necessary and EIC agrees to pay for such services as part of a project, which will be specified within a project agreement, and which is authorized by the EIC to be funded in whole or in part by sales tax revenues generated pursuant to the authority of Chapters 501, 502, and 505 of the Texas Local Government Code.
- B. Legal Services:** City agrees the City Attorney will be the legal advisor of, and attorney for, EIC, which representation will include review of documents, contracts, and other instruments as to form and legality, the conduct of legal research, and, if requested, the issuance of legal opinions. In the provision of legal services by the City Attorney, the City Attorney shall provide such services only if the provision of legal services to EIC does not unreasonably impair his ability to provide legal services to the City. For example, in the event the City Attorney determines that a legal or ethical conflict exists between the City and the EIC, the EIC agrees that the City Attorney may continue to represent the City on such matter notwithstanding such conflict; provided, however, that the City Attorney has made full disclosure of the existence, nature, implications, possible adverse consequences, and advantages involved, if any, of common representation regarding the conflict to the president of the EIC. Further and where a conflict exists, EIC may hire counsel of its own choice at EIC expense, subject to its budget, to include any undesignated reserve cash balance but not to exceed an overall expense of \$50,000.00. The City Attorney may contract at times for specialized legal services with respect to a project approved by EIC and EIC shall pay for such services.
- C. Financial Services:** City agrees to provide accounting, banking, and investment services, including accounts receivable, accounts payable, disbursement of funds

per agreements, investments, record keeping, financial reporting, and an audit of all funds. The City will provide a report at each regular monthly meeting of the EIC, such report to include a statement of revenues and expenditures for all funds and a cash flow analysis.

- D. Administrative Services:** City will provide services from the City Manager to include secretarial and other clerical services, including taking minutes and preparation of resolutions and correspondence related to the operation of EIC. City staff will also respond to all open records requests in compliance with state law, on behalf of the EIC. The City Manager or designee will engage with the EIC in a manner comparable to the role identified by Section 6.04 of the City Charter.
- E. Investment Officer:** The City Manager will designate City Finance Department personnel to serve as the EIC's investment officer in accordance with the City's *Investment Policy*, as may be amended.
- F. Regulatory Financial Reporting:** The City's Finance Department shall prepare all financial reports required by state and federal regulatory agencies.
- G. Annual Audit:** The City's Finance Department shall include the EIC's financial information as part of the City's *Annual Comprehensive Financial Report* (ACFR).
- H. Project Reports:** The City Manager or designee shall provide a report at each regular monthly meeting of the EIC on all ongoing projects, which are subject to a funding agreement with the EIC. These reports shall include the status and estimated completion date of each project and verification that performance criteria are being met.
- I. Staff Reports:** When applicable and requested by the EIC, the City Manager or designee shall prepare a report on each application for EIC funds, such report to include the following information:
 - 1. Complete Application
 - 2. Financial Impact Analysis
 - a. Total payroll
 - b. Payroll multiplier
 - c. Sales and ad valorem tax generation
 - 3. Return on Investment Analysis

- a. Property tax – City, County, and KISD
- b. Sales tax – City and County
- c. Payroll multiplier
- d. Timeline by which return is realized

4. Feasibility Analysis

- a. Land – size, zoning, platting, building/fire codes
- b. Building – size, suitability, condition
- c. Infrastructure – water, wastewater, streets, drainage, electricity, public safety

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

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

ARTICLE II COMPENSATION

In consideration of the provision by City to EIC of the services described in Article I, above, EIC shall pay City **\$200,000.00** for the term specified below. It is agreed by the parties that this compensation is equal to the reasonable value of the services anticipated to be provided by City to the EIC. City shall deduct the payment required hereunder upon receipt of said sales tax revenues from the Comptroller of Public Accounts for the State of Texas.

ARTICLE III TERM

The term of this Contract commences on October 1, 2022, and ends on September 30, 2023, subject to earlier termination as provided herein and extension by agreement of the parties hereto.

ARTICLE IV TERMINATION

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

ARTICLE V GOVERNING LAW

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

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

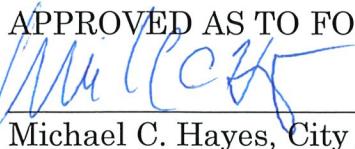
CITY OF KERRVILLE, TEXAS

By: _____
E.A. Hoppe, City Manager

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:


Michael C. Hayes, City Attorney

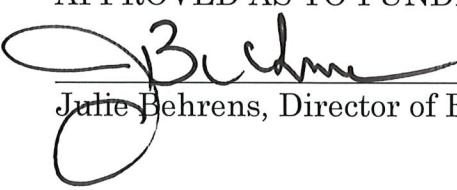
**CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT
CORPORATION**

By: _____
Greg Richards, President

ATTEST:


Kesha Franchina, Secretary of EIC

APPROVED AS TO FUNDING:


Julie Behrens, Director of Finance



**TO BE CONSIDERED BY
ECONOMIC IMPROVEMENT CORPORATION
CITY OF KERRVILLE, TEXAS**



SUBJECT: Economic Development Grant Agreement between Kerr Economic Development Corporation and the City of Kerrville Texas Economic Improvement Corporation.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Aug 12, 2022

SUBMITTED BY: Michael Hornes

EXHIBITS: [20220823_Economic Development Grant Agreement KEDC.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$62,500	\$62,500	\$62,500	01-0190-4300

PAYMENT TO BE MADE TO: KEDC

Kerrville 2050 Item?	Yes
Key Priority Area	E - Economic Development
Guiding Principle	E4. Balance, broaden and diversify the City's tax base, shifting the tax burden away from residential property owners
Action Item	E2.1 - Retain the existing KEDC general concept, which views the City/KEDC/County/businesses as partners

SUMMARY STATEMENT:

City of Kerrville contributions along with contributions from Kerr County, KEIC and KPUB, make up the revenue for KEDC each year. The City contribution, helps fund programs and marketing that seeks to advance the work of Kerrville 2050 and continue the implementation of action items championed within that document.

Recommended action, approve the Economic Development Grant Agreement between Kerr Economic Development Corporation and the City of Kerrville Texas Economic Improvement Corporation.

RECOMMENDED ACTION:

Approve the Economic Development Grant Agreement between Kerr Economic Development Corporation and the City of Kerrville Texas Economic Improvement Corporation.

**ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN KERR
ECONOMIC DEVELOPMENT CORPORATION AND THE CITY OF
KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**

This Agreement entered into by and between **KERR ECONOMIC DEVELOPMENT CORPORATION** ("KEDC"), a Texas nonprofit corporation; and the **CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION** ("EIC"), a Type B Economic Development Corporation established pursuant to Chapters 501, 502, and 505 of the Texas Local Government Code, as amended (*i.e.*, the Development Corporation Act and hereafter referred to as "the Act"); each acting by and through their duly authorized officers. KEDC and EIC are sometimes collectively referred to herein as "Parties" and individually as "Party".

WITNESSETH:

WHEREAS, EIC was formed to administer the sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for projects to enhance economic development and/or the quality of life within the Kerrville area; and

WHEREAS, pursuant to the Act, the EIC is authorized to provide funding for promotional expenses, such expenses which are used to advertise or publicize the City for the purpose of developing new and expanded business enterprises; and

WHEREAS, KEDC is a 501(c)6 private non-profit entity whose purpose is to support and promote the retention, expansion, and attraction of business entities in Kerr County in a manner that complements the efforts of its economic development partners and enhances the quality of life for residents of Kerrville and surrounding areas; and

WHEREAS, KEDC has applied for funding from EIC for marketing to expand and increase its efforts toward the promotion of economic development and for programming to facilitate retention and recruitment of businesses, workforce development, entrepreneur development, stakeholder communication, and development of policy and incentives in the Kerrville area; and

WHEREAS, EIC finds that the formation of KEDC was intended to promote and develop new or expanded business enterprises and to foster the creation or retention of "primary jobs," as that term is defined by the Act; and

WHEREAS, Section 505.102 of the Act provides that a Type B corporation may contract with another private corporation to (1) carry out an industrial development program or objective; or (2) assist with the development or operation of an economic development program or objective consistent with the purposes and duties specified by the Act; and

WHEREAS, pursuant to Section 505.103 of the Act, EIC is limited to spending not more than 10 percent of its current annual revenues for promotional expenses in any given year; and

WHEREAS, EIC has determined that funding KEDC pursuant to this Agreement (“Grant”) complies with the Act and is in keeping with the mission of EIC and *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures* in that it will enhance business development and/or the “quality of life” within the community; and

WHEREAS, EIC finds that it will be in the public interest to enter into an agreement with KEDC to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to KEDC for costs related to marketing expenses for economic development; and

WHEREAS, on August 15, 2022, in a meeting open to the public in accordance with the Texas Open Meetings Act, EIC deliberated as to the proposed expenditure of 4B revenues for the purposes provided above;

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

ARTICLE I **EIC'S OBLIGATIONS**

A. Subject to terms found elsewhere in this Agreement, EIC hereby grants KEDC funding up to the following annual amounts during the term of this Agreement:

(1) EIC shall pay KEDC \$312,500.00 for the first year of this Agreement. EIC shall divide this amount into equal quarterly payments (\$78,125.00), each of which it shall pay within ten (10) business days after the beginning of each calendar quarter.

(2) KEDC, subject to subsection 1.C., is eligible to receive an amount up to 10% greater than the payment for the previous year for each of the remaining two years of this Agreement, said payment subject to the payment schedule specified above.

B. EIC's payments to KEDC are solely intended for KEDC's costs directly related to: i) carrying out an industrial development program or objective as more specifically described in Section II., below; and ii) assisting with the development and operation of an economic development program or objective consistent with the purposes and duties specified by the Act. Such activities are collectively referred to herein as “Economic Development.”

C. Potential payments made by EIC to KEDC for the second and third year of this Agreement are subject to the following:

- (1) EIC's appropriation of funds for such payments in the budget year for which they are paid. Any payment made by EIC to KEDC must be made solely from the annual budgeting and appropriations of EIC. In the event that EIC does not appropriate funds in any fiscal year for a payment(s) under this Agreement, EIC will not be liable to KEDC for any such or future payments and either the EIC or KEDC will have the right to terminate this Agreement, to be effective at the end of EIC's then existing fiscal year (September 30); and
- (2) EIC's annual review, consideration, and approval of KEDC's fulfillment of its obligations, as specified within ARTICLE II.

- D. In no event shall the total amount of the Grant from EIC to KEDC exceed One Million Thirty Four Thousand Three Hundred and Seventy Five and 00/100 Dollars (\$1,034,375.00).
- E. KEDC specifically agrees that EIC shall only be liable to KEDC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to KEDC for any other actual or consequential damages, direct or indirect; interest; attorney fees; or costs of court for any act of default by EIC under the terms of this Agreement.

ARTICLE II. **KEDC'S OBLIGATIONS**

- A. Pursuant to the purposes for which the Grant was awarded and in strict accordance with Section 505.102 of the Texas Local Government Code, KEDC shall use the Grant for only those costs directly resulting from its Economic Development. Toward this end, KEDC will conduct Economic Development pursuant to its adopted "mission", "objectives", and "target markets" as specified in its *Draft Strategic Plan Summary Outline and Findings* (the "Business Plan") dated July 15, 2022 and attached as **Exhibit A**. In addition, in fulfilling its obligations under this Agreement, KEDC shall comply with its *3-Year 2023-2025 Strategic Plan* (the "Plan of Work") scheduled for review and approval by KEDC on or before December 31, 2022; and associated performance metrics for FY 2021-2022, which are specified in KEDC's funding request to EIC dated July 15, 2022 ("Metrics"), and attached as **Exhibit B**. KEDC may not change the Business Plan or Plan of Work without providing prior written notice to EIC. However, where KEDC pursues funding for the year(s) beyond the first year of this Agreement, KEDC, as part of its notice to EIC that it is seeking such funding, shall submit an updated Business Plan, Plan of Work, and Metrics to EIC, each of which indicating any changes that it has made to said documents.
- B. KEDC shall hire and employ sufficient professional personnel to perform its Economic Development obligations, including an Executive Director.

C. KEDC shall maintain complete and accurate records relating to its costs and expenditures made for Economic Development as specified in **KEDC's 2022-2023 budget** as approved by its Board of Directors and attached as **Exhibit C**. KEDC shall update its budget annually for each remaining year of this Agreement and provide copies to EIC following approval of each budget by its Board of Directors. KEDC shall maintain such records separate and identifiable from its other records and for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.

D. KEDC, either through its Executive Director or another KEDC representative (collectively referred to herein as "Executive Director"), shall appear at each regular meeting of the EIC and make a presentation regarding its Economic Development pursuant to a regularly posted agenda item. Additionally, the Executive Director shall attend the "GO TEAM" meetings as scheduled by the City of Kerrville for the vetting of projects and applications for 4B Revenues.

E. KEDC shall only be liable to EIC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by KEDC under the terms of this Agreement.

ARTICLE III. **KEDC'S REPRESENTATIONS AND WARRANTIES**

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

- (1) KEDC is a Texas 501(c)6 private non-profit corporation existing in good standing and authorized to do business in the State of Texas;
- (2) Execution of this Agreement has been duly authorized by KEDC and this Agreement is not in contravention of KEDC's corporate charter, or any agreement or instrument to which KEDC is a party or by which it may be bound as of the date hereof;
- (3) No litigation or governmental proceeding is pending, or, to the knowledge of the Executive Director, threatened against or affecting KEDC, which may result in a material adverse change in KEDC's business, properties or operations sufficient to jeopardize KEDC's legal existence; and
- (4) No written application, written statement or correspondence delivered by KEDC to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of the Executive Director, contains any untrue statement of a material fact or

fails to state any material fact necessary to keep the statements contained therein from being misleading.

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

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

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

- (1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the statute under which it is governed and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;
- (2) Execution of this Agreement has been duly authorized by EIC;
- (3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and
- (4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.

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

ARTICLE V. **MAJOR FORCES PREVENTING KEDC FROM CARRYING OUT ITS OBLIGATIONS UNDER THIS AGREEMENT**

If, by reason of force majeure, such as fire, flood, windstorm, drought, or other act of God, act of war, act of terrorism, labor strike, or economic downturn affecting KEDC, KEDC is reasonably unable to fulfill its obligations under this Agreement, KEDC shall use reasonable and diligent efforts to rectify the situation to allow it to perform its obligations specified herein with all due haste. In the event that the situation cannot be rectified within six (6) months after the occurrence of the force majeure, either party may terminate this Agreement by providing thirty (30) days advance written notice to the other without further liability hereunder. To the extent that KEDC has not expended funds from the Grant, KEDC shall immediately, but in

any event within ten (10) days, return such funding to the EIC and to other funding stakeholders on a pro-rata basis.

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

Under any of the following conditions EIC may, at its option, after fifteen (15) days written notice to KEDC, suspend its further performance under this Agreement until such time as KEDC shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:

- A.** The KEDC becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law.
- B.** The appointment of a receiver of KEDC, or of all or any substantial part of its property, and the failure of such receiver to be discharged within sixty (60) days thereafter.
- C.** The adjudication of KEDC as bankrupt.
- D.** The filing by KEDC of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.
- E.** KEDC ceases to exist as a legal organization under state law.

Should any of these conditions not be cured by KEDC within a period of three (3) months EIC may, at its option, with written notice to KEDC, terminate this Agreement and KEDC shall have no further obligations hereunder.

ARTICLE VII.
REMEDIES

- A.** Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in any event, within sixty (60) days after receipt of such notice. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time (but in no event later than ninety (90) days from the date of notification of such breach), the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach,

including but not limited to, seeking specific performance and/or injunctive relief, enforcement by mandamus or by the appointment of a receiver in equity with power to charge and collect rents, purchase price payments, and loan payments and to apply the revenues from the project in accordance with this Agreement, as required by the Act.

- B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that no party hereunder shall be entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that no party hereunder shall be liable to the other party for any other actual or consequential damages for any act of default by such party under the terms of this Agreement.
- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not, so long as the breach or default by another party shall be continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor shall any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

ARTICLE VIII. GENERAL PROVISIONS

- A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.
- B. Amendment. This Agreement may be amended only by written amendment signed by both parties.
- C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue shall lie in Kerr County, Texas; and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.
- D. Notices. All notices given with respect to this Agreement shall be in writing and shall be deemed to have been properly given for all purposes (i) if sent by

a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

1. EIC

President

City of Kerrville, Texas, Economic Improvement Corporation
701 Main Street
Kerrville, Texas 78028
Facsimile: (830) 792-3850

With a copy to:

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

2. KEDC Executive Director

1700 Sidney Baker Suite 100
Kerrville, Texas 78028
Phone: (830) 896-1175

E. Assignment. This Agreement shall be binding upon the parties hereto and their successors and assigns. This Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party shall be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement. KEDC may, without written consent of EIC, assign this Agreement to any entity controlled and 100 percent owned by KEDC or by the parent, subsidiary or affiliate of KEDC provided the entity assumes all of KEDC's obligations and liabilities under this Agreement; agrees to comply with all provisions of this Agreement; has the legal, managerial, technical and financial ability to properly perform and discharge such obligations and liabilities; and such abilities are each at least as great as those of KEDC and KEDC provides a written guarantee of such assignee's performance in a form reasonably acceptable to EIC. EIC shall be advised in writing of such assignment and of the entity's qualifications at least sixty (60) days before such assignment occurs.

F. Parties In Interest. Nothing in this Agreement shall entitle any party other than KEDC or EIC to any claim, cause of action, remedy or right of any kind except as expressly provided in Article VII.

G. Term. The term of this Agreement (the "Term") shall commence on October 1, 2022 (the "Effective Date"), and shall terminate on the earlier of: (i) September 30, 2025; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Article VII; (iv) at KEDC's sole and absolute discretion but only upon and subject to KEDC's return of all Grant funding to EIC that it has received under this Agreement; or, (v) upon KEDC's repayment of all monies that are demanded by EIC. Upon termination of this Agreement as specified herein, all rights, duties and obligations of any kind under this Agreement shall automatically expire and terminate and be of no other force and effect.

H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arm's length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.

I. Indemnity. IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES THAT KEDC, IN PERFORMING ITS OBLIGATIONS HEREUNDER, IS ACTING INDEPENDENTLY, AND EIC ASSUMES NO RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH TO KEDC. KEDC AGREES TO INDEMNIFY AND HOLD HARMLESS EIC, ITS OFFICERS AND AGENTS, AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY KEDC'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR BY ANY NEGLIGENT ACT OR OMISSION OF KEDC, ITS OFFICER, AGENTS, ASSOCIATES OR EMPLOYEES, IN THE PERFORMANCE OF THIS AGREEMENT; AND NOTHING HEREIN SHALL BE CONSTRUED AS A WAIVER OF ANY GOVERNMENTAL IMMUNITY AVAILABLE TO EIC UNDER TEXAS LAW.

J. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.

K. Prohibition on Contracts with Companies Boycotting Israel. KEDC hereby verifies the following per Section 2271.002, Texas Government Code:

1. KEDC does not boycott Israel; and
2. KEDC will not boycott Israel during the term of the Agreement.

L. Prohibition Against Business with Iran, Sudan, or Foreign Terrorist Organization. KEDC warrants, covenants, and represents that KEDC is not engaged in business with Iran, Sudan, or any company identified on the list referenced in Section 2252.152, Texas Government Code.

M. Prohibition on Contracts with Companies Boycotting Energy Companies. KEDC hereby verifies the following per Section 2274.002, Texas Government Code:

1. KEDC does not boycott energy companies; and
2. KEDC will not boycott energy companies during the term of the Agreement.

N. Written Verification as to Firearm Entities. KEDC hereby verifies the following per Section 2274.002, Texas Government Code:

1. KEDC does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and
2. KEDC will not discriminate against a firearm entity or firearm trade association during the term of the Agreement.

O. Prohibition on Contracts with Companies Related to Certain Countries. Where this Agreement pertains to “critical infrastructure”, as defined by Section 2274.0101, Texas Government Code, KEDC verifies (1) that it is not owned by or the majority of stock or other ownership interest of the company is not held or controlled by: (a) individuals who are citizens of China, Iran, North Korea, Russia, or other designated countries; or (b) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or other designated countries; or (2) headquartered in China, Iran, North Korea, Russia, or other designated countries.

P. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination shall survive termination.

Q. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

EXECUTED AND EFFECTIVE, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board, and by Kerrville Economic Development Corporation, acting through its Executive Director.

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

Gregory Richards, President

ATTEST:

Kesha Franchina, Secretary to the Corporation

APPROVED AS TO FORM:

Michael C. Hayes, Attorney for the EIC

**KERRVILLE ECONOMIC
DEVELOPMENT CORPORATION**

Gilberto Salinas, Executive Director



STRATEGIC PLAN SUMMARY OUTLINE & FINDINGS

From the KEDC Stakeholder Retreat

July 15, 2022

EXECUTIVE SUMMARY: The five stakeholders of the KEDC convened on June 6, 2022 for a three-hour retreat to create alignment around recommendations for future economic development activities. This retreat was a follow up to the 2019 retreat which identified three major goal areas:

1. Increase collaboration and cooperation with a regional approach to economic development
2. Develop an economic development strategic plan / road map and ensure the KEDC remains as an independent entity specific for growth and industry
3. Realign assets for growth

KEDC successfully implemented several of the 2019's recommendations.

Highlights include establishing an independent EDC and a rapid response to COVID-19's impacts with KerrEDGE and KerrvilleTogether.com.

Events such as the Business and Innovation Forum, Quarterly Industry Roundtables and KEDC's support of the Hill Country Economic Summit have helped local stakeholders better collaborate, resulting in continued local industry growth.

The region's successes have been featured in more than 100 media features and have received national and international 3rd party recognition for workforce, marketing and business retention & expansion efforts.

During the June 2022 retreat, participants reflected on recent trends, ongoing initiatives in Kerrville and Kerr County, and a competitive advantage to identify a recommended path forward for KEDC.

RECOMMENDATIONS FOR THE KEDC: Based on an analysis of trends, current community goals, and feedback from retreat participants, KEDC should prioritize the following over the next 3 years:

- i. Continue collaborating with other organizations at the local, county and state level to identify solutions to challenges and capitalize on opportunities.
- ii. While maintaining a focus on economic development, expand KEDC's role to act as a convener by bringing key organizations and leaders together to discuss issues affecting economic growth.
- iii. Build the local talent pipeline so that residents have pathways to available job opportunities and employers have a strong pool of talent.



STAKEHOLDER RETREAT OUTCOMES: The following are trends which will have the greatest influence on Kerrville's economy in this decade, as per the stakeholder retreat, one-on-one interviews and national economic development data and variables:

- Housing (affordability and availability)
- Workforce availability
- Remote work
- Aerospace and aviation
- Short term rentals
- Recreation and tourism
- Metro growth from Central Texas
- Perception of growth
- Walkability
- Wage growth and inflation

TOP FIVE KEDC PRIORITIES MOVING FORWARD:

- I. Workforce development and talent attraction
- II. Acting as a connector and convener
- III. Support small business and entrepreneurs
- IV. Corporate recruitment, retention and cluster development
- V. Marketing and Telling The Kerrville Story

NEXT STEPS, STRATEGIC PLAN APPROVAL & IMPLEMENTATION:

Strategic Plan Summary Outline & Findings	July
Draft Plan of Action, KEDC Board Review	August
TIP Presentation to KEDC Board	September
Final Edits, Additions to Plan	October
Approval of Strategic Plan, KEDC Board	November
Presentations to Stakeholder Entities	December
Plan Implementation by KEDC Staff	2023-2025

KERRVILLE ECONOMIC DEVELOPMENT CORPORATION

Budget Request FY 22-23

	Actual FY 18-19	Actual FY 19-20	Actual FY 20-21	Projected FY 21-22	Proposed Budget FY 22-23
Income					
40000 Income - Stakeholder funding					
40100 City of Kerrville	24,500	50,000	39,500	62,500	62,500
40200 EIC	140,000	220,000	197,500	312,500	312,500
40300 Kerr County	24,500	45,920	39,500	62,500	62,500
40400 KPUB	24,500	50,000	39,500	62,500	62,500
Total 40000 Income - Stakeholder Funding	213,500	365,920	316,000	500,000	500,000
4100 Sponsored Events					
41100 KerrEDC TopForty			2,000	4,000	4,000
41200 KerrEDGE			1,308		1,500
41300 Business & Innovation Forum			5,930	12,000	12,000
Total 4100 Sponsored Event Income			9,239	16,000	17,500
Uncategorized Income			32,812		
71000 Carryover Income	88,083	28,002	85,878	-29,897	-15,364
Total Income	301,583	393,922	443,928	486,103	502,136
Expenses					
60000 Business Expenses					
60100 Business Recruitment	4,396	17,897	9,100	4,365	6,000
60300 Website	16,683	4,022	11,022	12,000	12,000
60400 Marketing	4,000	8,084	11,258	10,631	10,000
60600 Design (Brochures, Publications)	4,406	1,441	5,846		
Total 60000 Business Expenses	29,486	31,443	37,226	26,996	28,000
61000 Contract Services					
61200 Accounting Fees	1,315	1,125	1,000	1,000	1,000
61300 Outside Contract Services	31,032	3,700	5,338	15,000	15,000
61400 Legal Fees			9,703		
61500 KEDC Service Agreement	55,400	32,150	8,900	8,900	2,400
Total 61000 Contract Services	87,747	36,975	24,941	24,900	18,400
63000 Operations					
63200 Supplies	1,828	1,016	1,864	252	2,000

63300 Telephone, Internet		304	474	500	500
63400 Training	3,640	2,390	1,550	169	1,500
63600 Postage	51	144	115	9	200
63700 Office Lease		4,800	9,660	9,600	9,600
63800 Software/Hardware	1,455	50	1,800	6,023	2,000
63900 IT Support Services		65			500
63910 Dues & Subscriptions	4,765	5,021	11,297	9,823	8,000
63920 Contingencies					
Total 63000 Operations	11,740	13,790	26,760	26,376	24,300
65000 Other Types of Expenses					
65100 Insurance - Liability, D and O	875	900	900	1,000	1,000
Total 65000 Other Types of Expenses	875	900	900	1,000	1,000
66000 Payroll Expenses					
66100 Board Discretionary	10,000		20,600	15,000	25,000
66200 Health Insurance		1,760	7,943	8,000	8,000
Retirement	11,847	5,287	11,141	12,000	12,000
Taxes	1,410	14,120	16,727	17,000	17,000
Wages	92,308	181,804	228,098	235,000	235,000
Total 66000 Payroll Expenses	115,565	202,971	284,509	287,000	297,000
68000 Travel and Meetings					
68100 Meals & Board Meetings	9,805	2,636	2,422	3,000	3,000
68200 Travel	6,411	7,210	4,309	5,000	5,000
68300 Mileage/Cell Phone	413	4,558	7,341	6,000	6,000
68400 Conference, Retreats, OOT	5,539	1,562	4,462	39,000	42,900
Total 68000 Travel and Meetings	22,168	15,965	18,535	53,000	56,900
69000 Sponsored Events Expenses					
69100 KerrEDC TopForty			11,201	17,000	12,000
69200 KerrEDGE			34,587	11,890	15,000
69300 Business & Innovation Forum			28,667	47,305	20,000
Total 69000 Sponsored Events Expenses			74,455	76,195	47,000
Reimbursements	6,000	6,000	6,500	6,000	6,000
Total Expenses	273,580	308,045	473,825	501,467	478,600
Net Operating Income	28,003	85,878	-29,897	-15,364	23,536
EOY Fund Balance	\$36,991.78	\$101,456.59	91,738.68		

Sponsored Event Net Operating Income

	Actual FY 18-19	Actual FY 19-20	Actual FY 20-21	Projected FY 21-22	Proposed Budget FY 22-23
Total 41000 Sponsored Event Income			9,238.56	16,000.00	17,500.00
Total 69000 Sponsored Events Expenses			-74,455.17	-76,195.00	-47,000.00
Net Operating Income from Sponsored Events			-65,216.61	-60,195.00	-29,500.00

Total 41000 Sponsored Event Income

Total 69000 Sponsored Events Expenses

Net Operating Income from Sponsored Events



July 15, 2022

Chairman Greg Richards, and Board Members
Kerrville Economic Improvement Corporation
701 Main Street
Kerrville, TX 78028

RE: Funding Request for FY 2022/2023

Dear Mr. Richards:

The Kerr Economic Development Corporation continues on its mission of fostering the economic growth of the greater Kerrville area through the support of local industry, recruitment of companies, creation and retention of quality jobs, expansion of capital investment and infusion of new tax dollars into our community.

Please consider this letter as our request for annual funding of the KEDC.

Since our last budget request, the KEDC has worked on the following projects and programs for the Kerrville area:

- Hosted Texas Workforce Commissioner Brian Daniel and his announcement of \$188,000 in JET Grand Funds for the Ingram Independent School District. His visit has resulted in the development of several workforce programs for local companies.
- Recognized by the Texas Economic Development Council with the Economic Development and Workforce Excellence Award in the category of 15,000 to 40,000 population. The KEDC was No. 1 in the state in its respective division for its strategy and efforts in economic development during and post-pandemic.
- The continued development of the KerrEDGE Entrepreneur Center, which counts with more than 50 members and has launched a string of small start ups in the area.
- Supported Killdeer Mountain Manufacturing in the workforce and supply chain needs. The company has already hired 50-plus local employees, exceeding its goal of 50 employees by the end of 2022.
- Supported the Kerrville Airport in the recruitment of Rice Aircraft Services as part of our strategy to cultivate an aerospace and aviation cluster in the airport industrial area.
- Launched the inaugural KEDC Business & Innovation Forum 2021 at the Arcadia Theater, which attracted 260 attendees both in person and virtual. The 3-day event provided a series of entrepreneurial and leadership seminars as well as business networking opportunities.
- Convened a series of Quarterly Industry Roundtable discussions with Kerrville's top private employers.
- Coordinated three Industry Signing Showcase events where we recognized 30 Kerrville area graduating seniors who had been hired by local employers, specifically in the trades, medical and tourism sectors.



- Hosted the Stakeholder Retreat with our five stakeholder groups – EIC, City, County, KPUB and KEDC. The KEDC is currently compiling the data and information from the retreat with the consulting firm TIP Strategies for our Three Year Economic Development Strategic Plan.

We continue working, meeting and exceeding the goals and objectives set forth by the original 2-Year Roadmap & Economic Development Ecosystem, approved by all of our respective boards and stakeholders.

We appreciate your continued support in helping with the overall mission of growing and diversifying the economic base of the greater Kerrville area.

Sincerely,

A handwritten signature in black ink, appearing to read "Gilberto Salinas".

Gilberto Salinas
Executive Director
Kerr Economic Development Corp.
1700 Sidney Baker, Ste. 100
Kerrville, Texas 78028



**TO BE CONSIDERED BY
ECONOMIC IMPROVEMENT CORPORATION
CITY OF KERRVILLE, TEXAS**



SUBJECT: City of Kerrville Funding Agreement with Kerr Economic Development Corporation.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Aug 11, 2022

SUBMITTED BY: Michael Hornes

EXHIBITS: [20220823_Funding Agreement_KEDC.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	E4. Balance, broaden and diversify the City's tax base, shifting the tax burden away from residential property owners
Action Item	E4.1 - Target strategic growth opportunities that will bring an increase in fiscal revenues (sales and property taxes and water/sewer fees, etc.)

SUMMARY STATEMENT:

The City of Kerrville helps fund the Kerr Economic Development Corporation in addition to several other partner agencies in the community, including Kerr County, the Kerrville Public Utility Board, and the City of Kerrville Economic Improvement Corporation.

RECOMMENDED ACTION:

Approve Funding Agreement with Kerr Economic Development Corporation and The City of Kerrville.

STATE OF TEXAS
COUNTY OF KERR

§ CITY OF KERRVILLE FUNDING
§ AGREEMENT WITH KERR ECONOMIC
§ DEVELOPMENT CORPORATION

This Agreement entered this _____ day of _____, 2022, by and between the **City of Kerrville, Texas** ("CITY"), and the **Kerr Economic Development Corporation** ("KEDC"), a non-profit organization of the State of Texas.

W I T N E S S E T H

WHEREAS, CITY desires to contract with KEDC for an economic development program and it is considered to be in the best interests of both CITY and KEDC for KEDC to provide these economic development services to CITY; and

WHEREAS, CITY's intent in entering into this Agreement is to accomplish a public purpose and it believes that it will receive a sufficient public benefit for the funds it contributes;

NOW, THEREFORE, CITY and KEDC agree as follows:

1. Services.

- a. KEDC will conduct economic development pursuant to its adopted "mission", "objectives", and "target markets" as specified in its *Draft Strategic Plan Summary Outline and Findings* (the "Business Plan") dated July 15, 2022 and attached as **Exhibit A**. In addition, in fulfilling its obligations under this Agreement, KEDC shall comply with its *3-Year 2023-2025 Strategic Plan* (the "Plan of Work") scheduled for review and approval by KEDC on or before December 31, 2022; and associated performance metrics for FY 2021-2022, which are specified in KEDC's funding request to EIC dated July 15, 2022 ("Metrics"), and attached as **Exhibit B**. KEDC may not change the Business Plan or Plan of Work without providing prior written notice to CITY.
- b. KEDC shall hire and employ sufficient professional personnel to perform its Economic Development obligations, including an Executive Director.
- c. KEDC shall maintain complete and accurate records relating to its costs and expenditures made for Economic Development as specified in KEDC's 2022-2023 budget as approved by its Board of Directors and attached as **Exhibit C**. KEDC shall update its budget annually for each remaining year of this Agreement and provide copies to CITY following approval of each budget by its Board of Directors. KEDC shall maintain such records separate and identifiable from its other records and for three (3) years following the termination of this Agreement. CITY and its representatives shall be entitled to inspect the records during the term of this Agreement

and for three (3) years thereafter, upon reasonable notice.

d. KEDC, either through its Executive Director or another KEDC representative (collectively referred to herein as "Executive Director"), shall, when requested by the City Manager, appear at a regular meeting of the City Council and make a presentation regarding its economic development pursuant to a posted agenda item. Additionally, the Executive Director shall attend the "GO TEAM" meetings as scheduled by CITY for the vetting of projects and incentive requests.

e. KEDC shall only be liable to EIC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by KEDC under the terms of this Agreement.

2. Payment. In consideration for these economic development services and as a means of contributing for a portion of the costs, CITY agrees to pay KEDC **\$62,500.00** for the term of this Agreement. CITY shall divide this amount into equal quarterly payments (\$15,625.00), each of which it shall pay within ten (10) business days after the beginning of each calendar quarter.

3. Records. In order to insure proper financial accountability, CITY reserves the right to require reasonable requirements regarding the segregation and handling of all funds paid by CITY to KEDC under this Agreement and KEDC agrees to abide by all such requirements. At least annually, KEDC shall furnish to the City Manager: a) a financial statement which KEDC shall have prepared according to generally accepted accounting principles and shall, at a minimum, encompass all aspects of the operation and provision of KEDC's services under this Agreement; and b) an audit report prepared by a certified public accountant. CITY may request additional financial information it deems necessary or appropriate to assist CITY in analyzing a request for financial assistance or verifying the accuracy of any payment due KEDC or accuracy of KEDC's financial records or viability as an organization. Any duly authorized agent of CITY shall be entitled to inspect and audit all books and records of KEDC for compliance with the terms of this Agreement.

4. Independent Contractor/Indemnity. It is acknowledged, understood, and agreed that KEDC shall be considered an independent contractor or donee for the purposes of this Agreement and shall in no manner incur any expenses or liability on behalf of the CITY. **KEDC FURTHER AGREES TO HOLD CITY HARMLESS FOR ANY AND ALL CLAIMS BY THIRD PARTIES FOR ANY INJURIES, DAMAGES, OR LIABILITY ARISING UNDER OR OCCASIONED BY KEDC IN CONNECTION WITH THIS AGREEMENT, KEDC'S WORK, OR THE SERVICES IT PROVIDES.**

5. Notice. Any notice required to be given under the terms of this Agreement shall be effective if and when given in writing and mailed by certified mail

to the addresses listed below:

CITY:	KEDC:
City Manager	President
City of Kerrville, Texas	Kerr Economic Development
City Hall	Corporation
701 Main Street	1700 Sidney Baker, Suite 100
Kerrville, TX 78028	Kerrville, TX 78028
(830) 258-1105	(830) 896-1157

6. Assignment. KEDC may not assign this Agreement without the prior written consent of CITY.

7. Termination. Notwithstanding the agreed upon term, this Agreement may be terminated upon the occurrence of any of the following, in which case KEDC shall immediately, but in no case longer than thirty (30) days, return to CITY the prorated share of CITY's payment in accordance with Section 2, above:

- a. the giving of written notice by either party to the other party at least ninety (90) days prior to the desired effective termination date;
- b. the termination of the corporate existence of KEDC;
- c. the insolvency of KEDC, the filing of a petition in bankruptcy either by or against KEDC, an assignment by KEDC for the benefit of creditors, or if KEDC goes dormant and/or ceases operations for any reason for thirty (30) days or more; and/or
- d. the breach by KEDC of any of the terms of this Agreement and the continuation of such breach for a period of ten (10) days after written notice is given by CITY to KEDC of such breach.

8. Term. The term of this Agreement shall be from October 1, 2022, through September 30, 2023.

9. Open Records. KEDC understands that receipt of payment for these services may subject all or part of KEDC's records to the Texas Public Information Act.

10. Minority Representation on Board. KEDC is encouraged to obtain minority representation on its Board of Directors.

EXECUTED on the date above stated.

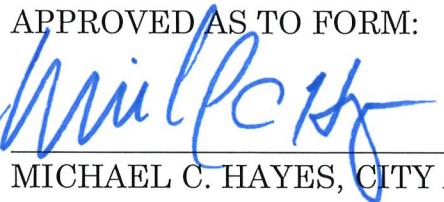
CITY OF KERRVILLE, TEXAS

E.A. HOPPE
CITY MANAGER

ATTEST:

SHELLEY MCELHANNON, CITY SECRETARY

APPROVED AS TO FORM:



MICHAEL C. HAYES, CITY ATTORNEY

**KERR ECONOMIC
DEVELOPMENT CORPORATION,
KEDC**

GILBERTO SALINAS
EXECUTIVE DIRECTOR



STRATEGIC PLAN SUMMARY OUTLINE & FINDINGS

From the KEDC Stakeholder Retreat

July 15, 2022

EXECUTIVE SUMMARY: The five stakeholders of the KEDC convened on June 6, 2022 for a three-hour retreat to create alignment around recommendations for future economic development activities. This retreat was a follow up to the 2019 retreat which identified three major goal areas:

1. Increase collaboration and cooperation with a regional approach to economic development
2. Develop an economic development strategic plan / road map and ensure the KEDC remains as an independent entity specific for growth and industry
3. Realign assets for growth

KEDC successfully implemented several of the 2019's recommendations.

Highlights include establishing an independent EDC and a rapid response to COVID-19's impacts with KerrEDGE and KerrvilleTogether.com.

Events such as the Business and Innovation Forum, Quarterly Industry Roundtables and KEDC's support of the Hill Country Economic Summit have helped local stakeholders better collaborate, resulting in continued local industry growth.

The region's successes have been featured in more than 100 media features and have received national and international 3rd party recognition for workforce, marketing and business retention & expansion efforts.

During the June 2022 retreat, participants reflected on recent trends, ongoing initiatives in Kerrville and Kerr County, and a competitive advantage to identify a recommended path forward for KEDC.

RECOMMENDATIONS FOR THE KEDC: Based on an analysis of trends, current community goals, and feedback from retreat participants, KEDC should prioritize the following over the next 3 years:

- i. Continue collaborating with other organizations at the local, county and state level to identify solutions to challenges and capitalize on opportunities.
- ii. While maintaining a focus on economic development, expand KEDC's role to act as a convener by bringing key organizations and leaders together to discuss issues affecting economic growth.
- iii. Build the local talent pipeline so that residents have pathways to available job opportunities and employers have a strong pool of talent.



STAKEHOLDER RETREAT OUTCOMES: The following are trends which will have the greatest influence on Kerrville's economy in this decade, as per the stakeholder retreat, one-on-one interviews and national economic development data and variables:

- Housing (affordability and availability)
- Workforce availability
- Remote work
- Aerospace and aviation
- Short term rentals
- Recreation and tourism
- Metro growth from Central Texas
- Perception of growth
- Walkability
- Wage growth and inflation

TOP FIVE KEDC PRIORITIES MOVING FORWARD:

- I. Workforce development and talent attraction
- II. Acting as a connector and convener
- III. Support small business and entrepreneurs
- IV. Corporate recruitment, retention and cluster development
- V. Marketing and Telling The Kerrville Story

NEXT STEPS, STRATEGIC PLAN APPROVAL & IMPLEMENTATION:

Strategic Plan Summary Outline & Findings	July
Draft Plan of Action, KEDC Board Review	August
TIP Presentation to KEDC Board	September
Final Edits, Additions to Plan	October
Approval of Strategic Plan, KEDC Board	November
Presentations to Stakeholder Entities	December
Plan Implementation by KEDC Staff	2023-2025

KERRVILLE ECONOMIC DEVELOPMENT CORPORATION

Budget Request FY 22-23

	Actual FY 18-19	Actual FY 19-20	Actual FY 20-21	Projected FY 21-22	Proposed Budget FY 22-23
Income					
40000 Income - Stakeholder funding					
40100 City of Kerrville	24,500	50,000	39,500	62,500	62,500
40200 EIC	140,000	220,000	197,500	312,500	312,500
40300 Kerr County	24,500	45,920	39,500	62,500	62,500
40400 KPUB	24,500	50,000	39,500	62,500	62,500
Total 40000 Income - Stakeholder Funding	213,500	365,920	316,000	500,000	500,000
4100 Sponsored Events					
41100 KerrEDC TopForty			2,000	4,000	4,000
41200 KerrEDGE			1,308		1,500
41300 Business & Innovation Forum			5,930	12,000	12,000
Total 41000 Sponsored Event Income			9,239	16,000	17,500
Uncategorized Income			32,812		
71000 Carryover Income	88,083	28,002	85,878	-29,897	<u>-15,364</u>
Total Income	301,583	393,922	443,928	486,103	502,136
Expenses					
60000 Business Expenses					
60100 Business Recruitment	4,396	17,897	9,100	4,365	6,000
60300 Website	16,683	4,022	11,022	12,000	12,000
60400 Marketing	4,000	8,084	11,258	10,631	10,000
60600 Design (Brochures, Publications)	4,406	1,441	5,846		
Total 60000 Business Expenses	29,486	31,443	37,226	26,996	28,000
61000 Contract Services					
61200 Accounting Fees	1,315	1,125	1,000	1,000	1,000
61300 Outside Contract Services	31,032	3,700	5,338	15,000	15,000
61400 Legal Fees			9,703		
61500 KEDC Service Agreement	55,400	32,150	8,900	8,900	2,400
Total 61000 Contract Services	87,747	36,975	24,941	24,900	18,400
63000 Operations					
63200 Supplies	1,828	1,016	1,864	252	2,000

63300 Telephone, Internet		304	474	500	500
63400 Training	3,640	2,390	1,550	169	1,500
63600 Postage	51	144	115	9	200
63700 Office Lease		4,800	9,660	9,600	9,600
63800 Software/Hardware	1,455	50	1,800	6,023	2,000
63900 IT Support Services		65			500
63910 Dues & Subscriptions	4,765	5,021	11,297	9,823	8,000
63920 Contingencies					
Total 63000 Operations	11,740	13,790	26,760	26,376	24,300
65000 Other Types of Expenses					
65100 Insurance - Liability, D and O	875	900	900	1,000	1,000
Total 65000 Other Types of Expenses	875	900	900	1,000	1,000
66000 Payroll Expenses					
66100 Board Discretionary	10,000		20,600	15,000	25,000
66200 Health Insurance		1,760	7,943	8,000	8,000
Retirement	11,847	5,287	11,141	12,000	12,000
Taxes	1,410	14,120	16,727	17,000	17,000
Wages	92,308	181,804	228,098	235,000	235,000
Total 66000 Payroll Expenses	115,565	202,971	284,509	287,000	297,000
68000 Travel and Meetings					
68100 Meals & Board Meetings	9,805	2,636	2,422	3,000	3,000
68200 Travel	6,411	7,210	4,309	5,000	5,000
68300 Mileage/Cell Phone	413	4,558	7,341	6,000	6,000
68400 Conference, Retreats, OOT	5,539	1,562	4,462	39,000	42,900 *stakeholder retreat
Total 68000 Travel and Meetings	22,168	15,965	18,535	53,000	56,900
69000 Sponsored Events Expenses					
69100 KerrEDC TopForty			11,201	17,000	12,000
69200 KerrEDGE			34,587	11,890	15,000
69300 Business & Innovation Forum			28,667	47,305	20,000
Total 69000 Sponsored Events Expenses			74,455	76,195	47,000
Reimbursements	6,000	6,000	6,500	6,000	6,000
Total Expenses	273,580	308,045	473,825	501,467	478,600
Net Operating Income	28,003	85,878	-29,897	-15,364	23,536
EOY Fund Balance	\$36,991.78	\$101,456.59	91,738.68		

Sponsored Event Net Operating Income

	Actual FY 18-19	Actual FY 19-20	Actual FY 20-21	Projected FY 21-22	Proposed Budget FY 22-23
Total 41000 Sponsored Event Income			9,238.56	16,000.00	17,500.00
Total 69000 Sponsored Events Expenses			-74,455.17	-76,195.00	-47,000.00
Net Operating Income from Sponsored Events			-65,216.61	-60,195.00	-29,500.00



July 15, 2022

Chairman Greg Richards, and Board Members
Kerrville Economic Improvement Corporation
701 Main Street
Kerrville, TX 78028

RE: Funding Request for FY 2022/2023

Dear Mr. Richards:

The Kerr Economic Development Corporation continues on its mission of fostering the economic growth of the greater Kerrville area through the support of local industry, recruitment of companies, creation and retention of quality jobs, expansion of capital investment and infusion of new tax dollars into our community.

Please consider this letter as our request for annual funding of the KEDC.

Since our last budget request, the KEDC has worked on the following projects and programs for the Kerrville area:

- Hosted Texas Workforce Commissioner Brian Daniel and his announcement of \$188,000 in JET Grand Funds for the Ingram Independent School District. His visit has resulted in the development of several workforce programs for local companies.
- Recognized by the Texas Economic Development Council with the Economic Development and Workforce Excellence Award in the category of 15,000 to 40,000 population. The KEDC was No. 1 in the state in its respective division for its strategy and efforts in economic development during and post-pandemic.
- The continued development of the KerrEDGE Entrepreneur Center, which counts with more than 50 members and has launched a string of small start ups in the area.
- Supported Killdeer Mountain Manufacturing in the workforce and supply chain needs. The company has already hired 50-plus local employees, exceeding its goal of 50 employees by the end of 2022.
- Supported the Kerrville Airport in the recruitment of Rice Aircraft Services as part of our strategy to cultivate an aerospace and aviation cluster in the airport industrial area.
- Launched the inaugural KEDC Business & Innovation Forum 2021 at the Arcadia Theater, which attracted 260 attendees both in person and virtual. The 3-day event provided a series of entrepreneurial and leadership seminars as well as business networking opportunities.
- Convened a series of Quarterly Industry Roundtable discussions with Kerrville's top private employers.
- Coordinated three Industry Signing Showcase events where we recognized 30 Kerrville area graduating seniors who had been hired by local employers, specifically in the trades, medical and tourism sectors.



- Hosted the Stakeholder Retreat with our five stakeholder groups – EIC, City, County, KPUB and KEDC. The KEDC is currently compiling the data and information from the retreat with the consulting firm TIP Strategies for our Three Year Economic Development Strategic Plan.

We continue working, meeting and exceeding the goals and objectives set forth by the original 2-Year Roadmap & Economic Development Ecosystem, approved by all of our respective boards and stakeholders.

We appreciate your continued support in helping with the overall mission of growing and diversifying the economic base of the greater Kerrville area.

Sincerely,

A handwritten signature in black ink, appearing to read "Gilberto Salinas".

Gilberto Salinas
Executive Director
Kerr Economic Development Corp.
1700 Sidney Baker, Ste. 100
Kerrville, Texas 78028



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

SUBJECT: City Council workshop minutes, August 09, 2022.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Aug 12, 2022

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20220823_Minutes CC workshop 8-09-22 4pm.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:

City Council workshop minutes held August 09, 2022 at 4:00 p.m., City Hall Council Chambers.

RECOMMENDED ACTION:

Approve minutes as presented.

**CITY COUNCIL WORKSHOP MINUTES
CITY HALL COUNCIL CHAMBERS**

**AUGUST 09, 2022 4:00 PM
701 MAIN STREET, KERRVILLE, TEXAS**

CALL TO ORDER: On August 09, 2022 at 4:00 p.m., the City Council workshop was called to order by Mayor Judy Eychner at the City Hall Council Chambers, 701 Main Street.

COUNCILMEMBERS PRESENT:

Judy Eychner, Mayor
Kim Clarkson, Mayor Pro Tem, Councilmember Place 2
Roman Garcia, Councilmember Place 1
Joe Herring Jr, Councilmember Place 3
Brenda Hughes, Councilmember Place 4

COUNCILMEMBER ABSENT: None

CITY STAFF PRESENT:

E.A. Hoppe, City Manager	Sureena Cripps, Accounts Payable Specialist
Mike Hayes, City Attorney	Mary Day, Customer Service Supervisor
Michael Hornes, Asst City Manager	Deidre Flores, Asst Director Parks & Recreation
Kim Meismer, Asst City Manager	Guillermo Garcia, Exec Director Innovation
Shelley McElhannon, City Secretary	Eric Maloney, Fire Chief
Kristen Akers, Finance Administrator	Trina Rodriguez, Asst Director Finance
Julie Behrens, Director of Finance	Cody Scott, Finance Compliance Coordinator
Jacob Bogusch, Accounting Assist	Randi VanWinkle, Accounting Specialist

VISITORS PRESENT: A list of the citizen speakers present during the meeting is on file in the City Secretary's Office for the required retention period.

Louis Amstoy, Media

1. **PUBLIC COMMENT:** The following person(s) spoke:

- Peggy McKay

2. **INFORMATION, DISCUSSION:**

2A. Presentation of the Fiscal Year 2023 Proposed Budget.

Julie Behrens introduced the Finance Staff. Julie Behrens, E.A. Hoppe, and Trina Rodriguez provided information and responded to questions.

ADJOURN. The workshop adjourned at 5:52 p.m.

APPROVED BY COUNCIL: _____

ATTEST:

Judy Eychner, Mayor

Shelley McElhannon, City Secretary



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

SUBJECT: City Council meeting minutes, August 09, 2022.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Aug 12, 2022

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20220823_Minutes CC meeting 8-09-22 6pm.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:

City Council meeting minutes held August 09, 2022 at 6:00 p.m., City Hall Council Chambers.

RECOMMENDED ACTION:

Approve minutes as presented.

**CITY COUNCIL MINUTES
REGULAR MEETING**

**KERRVILLE, TEXAS
AUGUST 09, 2022 6:00 PM**

On August 09, 2022 at 6:02 p.m., Mayor Judy Eychner called the Kerrville City Council meeting to order in City Hall Council Chambers, 701 Main Street. Councilmember Roman Garcia provided the invocation and led the Pledge of Allegiance.

COUNCILMEMBERS PRESENT:

Judy Eychner	Mayor
Kim Clarkson	Mayor Pro Tem, Councilmember Place 2
Roman Garcia	Councilmember Place 1
Joe Herring, Jr.	Councilmember Place 3
Brenda Hughes	Councilmember Place 4

COUNCILMEMBER ABSENT: None

CITY EXECUTIVE STAFF:

E.A. Hoppe, City Manager	Stuart Cunyus, Public Information Officer
Mike Hayes, City Attorney	Deidre Flores, Asst Director Parks & Rec
Michael Hornes, Asst City Manager	Guillermo Garcia, Exec Dir Innovation
Kim Meismer, Assistant City Manager	Eric Maloney, Fire Chief
Shelley McElhannon, City Secretary	Chris McCall, Police Chief
Julie Behrens, Director of Finance	Drew Paxton, Planning Director

VISITORS PRESENT: A list of the citizen speakers present during the meeting is on file in the City Secretary's Office for the required retention period.

1. ANNOUNCEMENTS OF COMMUNITY INTEREST: Announcements of Community Interest provided by Stuart Cunyus, Mayor Eychner, and Councilmember Kim Clarkson.

2. PRESENTATIONS:

2A. Kerrville Kindness Award presented to Sylvia Fritz Dobbs, David Fritz, and Mini Mart.

Mayor Eychner presented the Kerrville Kindness Award to Sylvia Fritz Dobbs, David Fritz, and Mini Mart for sponsorship of the annual Fourth of July fireworks show. Deidre Flores represented the Parks and Recreation Department.

Shelley McElhannon read general business protocols of conduct into record.

3. VISITORS FORUM: The following person(s) spoke:

- James Wright

Mayor Eychner informed Council that by the request of the Applicant, Item 5F: Resolution No. 49-2022 will be pulled from this agenda and deferred until the September 13, 2022 City Council meeting.

4. CONSENT AGENDA:

Shelley McElhannon read the Consent agenda captions into record.

Councilmember Clarkson made a motion to approve the consent agenda items 4A through 4E, seconded by Councilmember Brenda Hughes. The motion passed 5-0.

4A. Purchase of laptops and docking stations necessary for the operations of the Police Body Cameras not to exceed \$96,792.10, as approved by Council on 7-12-2022.

4B. City of Kerrville Town Hall meeting minutes, July 25, 2022.

4C. City Council workshop minutes, July 26, 2022.

4D. Employee Benefits Trust meeting minutes July 26, 2022.

4E. City Council meeting minutes, July 26, 2022.

END OF CONSENT AGENDA.

5 PUBLIC HEARINGS AND RESOLUTIONS:

5A. Resolution No. 44-2022. A Resolution granting a Conditional Use Permit to authorize a Short-Term Rental Unit on the property consisting Lot 1, Block 1, Limestone Beach Addition; and more commonly known as 1959 Arcadia Loop S.; said property is located within a Medium Density Residential Zoning District (R-2); and making said permit subject to conditions and restrictions.

Shelley McElhannon read Resolution No. 44-2022 caption into record.

Drew Paxton provided general information and timelines regarding Code amendments for short-term rentals.

Drew Paxton provided information and responded to questions regarding Resolution No. 44-2022.

- The applicant's representative Matt Sletton spoke.

Mayor Eychner opened the public hearing at 6:27 p.m.

The following person(s) spoke:

- Nikki Caines
- Peggy McKay

Mayor Eychner closed the public hearing at 6:39 p.m.

Mike Hayes provided information and responded to questions.

Councilmember Joe Herring, Jr. made a motion to adopt Resolution No. 44-2022n granting a conditional use permit, seconded by Councilmember Hughes. The motion passed 5-0.

5B. Resolution No. 45-2022. A Resolution granting a Conditional Use Permit to authorize a Short-Term Rental Unit on the property consisting of part of Lot 3, Lot 4, of Block 4, Fairview Addition; and more commonly known as 330 Guadalupe; said property is located within a Single-Family Residential with Accessory Dwelling Unit Zoning District (R-1A); and making said permit subject to conditions and restrictions.

Shelley McElhannon read Resolution No. 45-2022 caption into record.

Drew Paxton provided information and responded to questions.

- Applicant Larry Howard spoke.

Mayor Eychner opened the public hearing at 6:43 p.m.

The following person(s) spoke:

- Peggy McKay (declined when called)

Mayor Eychner closed the public hearing at 6:43 p.m.

Councilmember Hughes made a motion to approve Resolution No. 45-2022, seconded by Councilmember Clarkson. The motion passed 5-0.

5C. Resolution No. 46-2022. A Resolution granting a Conditional Use Permit to authorize a Short-Term Rental Unit on the property consisting of Lot 1A, of the replat of Lots 1-A and 1-B, Block 81, JA Tivy Addition; and more commonly known as 1229 Jefferson; said property is located within a Single-Family Residential with Accessory Dwelling Unit Zoning District (R-1A); and making said permit subject to conditions and restrictions.

Shelley McElhannon read Resolution No. 46-2022 caption into record. Drew Paxton provided information and responded to questions.

- Applicant Valerie Grimes spoke.

Mayor Eychner opened the public hearing at 6:46 p.m.

The following person(s) spoke:

- Peggy McKay (withdrew name)

Mayor Eychner closed the public hearing at 6:47 p.m.

Councilmember Clarkson made a motion to approve Resolution No. 46-2022, seconded by Councilmember Herring. The motion passed 5-0.

5D. Resolution No. 47-2022. A Resolution granting a Conditional Use Permit to authorize a Short-Term Rental Unit on the property consisting of Lot 19, Block 1, Meadowview Estates Addition; and more commonly known as 426 Meadowview; said property is located within a Single-Family Residential Zoning District (R-1); and making said permit subject to conditions and restrictions.

Shelley McElhannon read Resolution No. 47-2022 caption into record.

Drew Paxton provided information and responded to questions.

- Applicants Catalina and Jon Landon spoke.

Mayor Eychner opened the public hearing at 6:53 p.m.

The following person(s) spoke:

- Peggy McKay (withdrew name)

Mayor Eychner closed the public hearing at 6:53 p.m.

Councilmember Hughes made a motion to approve Resolution No. 47-2022, seconded by Councilmember Herring. The motion passed 5-0.

5E. Resolution No. 48-2022. A Resolution granting a Conditional Use Permit to authorize a Short-Term Rental Unit on the property consisting of Lot 3B, Block 45, Westland Addition; and more commonly known as 410 Circle; said property is located within a Single-Family Residential Zoning District (R-1); and making said permit subject to conditions and restrictions. (Appeal by Applicant)

Shelley McElhannon read Resolution No. 48-2022 caption into record.

Drew Paxton provided information and responded to questions.

- Applicant Patrick and Susan Dunn spoke.

Mayor Eychner opened the public hearing at 7:02 p.m.

The following person(s) spoke:

- Mary Olden
- Gail Wright

- Kathy Loring
- Peggy McKay (withdrew name)
- Bruce Stracke
- George Waring

Mayor Eychner closed the public hearing at 7:10 p.m.

Councilmember Clarkson made a motion to approve Resolution No. 48-2022, seconded by Councilmember Hughes. The motion passed 5-0.

Mayor Eychner provided information regarding the licensing of Short-Term Rentals.

5F. Resolution No. 49-2022. A Resolution granting a Conditional Use Permit to authorize a Short-Term Rental Unit on the property consisting of Lot 11-A, Block 5, Village Glen Addition; and more commonly known as 1701 Foothills; said property is located within a Single-Family Residential Zoning District (R-1); and making said permit subject to conditions and restrictions. (Appeal by Applicant)

This item was deferred at the request of the Applicant.

6 PUBLIC HEARINGS AND ORDINANCES, FIRST READING:

6A. Ordinance No. 2022-23. An Ordinance creating a "Planned Development District" (Zoning) for Light Commercial Uses and a Stand-Alone Parking Lot on an approximately 1.49 acre property, consisting of Lot 21-R, Block G, B.F. Cage Addition; within the City of Kerrville, Kerr County, Texas; and more commonly known as 820 Sidney Baker and the property formerly known as 829 Clay; adopting a concept plan and conditions related to the development and use of said lot; and providing other matters relating to the subject.

Shelley McElhannon read Ordinance No. 2022-23 caption into record.

Drew Paxton and Mike Hayes provided information and responded to questions.

Mayor Eychner opened the public hearing at 7:30 p.m.

The following person(s) spoke:

- Wayne Frankland
- Peggy McKay (withdrew name)
- Julee Reeves
- MerriLee Stewart Jones
- Wayne Frankland

Mayor Eychner closed the public hearing at 7:39 p.m.

Drew Paxton provided clarification.

Councilmember Herring made a motion to adopt Ordinance No. 2022-23 with amending Section J to include screening on three sides of that parking lot. Mike Hayes questioned if the motion included moving forward with the P&Z's recommendations, in which Councilmember Herring confirmed. The motion was seconded by Councilmember Clarkson. The motion passed 4-1 with Mayor Eychner, Councilmember Clarkson, Councilmember Herring, and Councilmember Hughes voting in favor, and Councilmember Garcia voting opposed.

6B. Ordinance No. 2022-24. An Ordinance amending Chapter 60 of the Code of Ordinances, City of Kerrville, Texas; by changing the zoning of an approximate 22.03 acre tract out of the Samuel Wallace Survey No. 113, Abstract No. 347; more commonly known as the North Side

of the 2300 Block of E. Main; from a Medium Density Residential Zoning District (R-2) to a Multifamily Residential Zoning District (R-3); and providing other matters relating to the subject. (Appeal by Applicant)

Shelley McElhannon read Ordinance No. 2022-24 caption into record.

Drew Paxton provided information and responded to questions.

Applicant Bruce Stracke spoke.

Mayor Eychner opened the public hearing at 7:54 p.m.

No citizens spoke.

Mayor Eychner closed the public hearing at 7:54 p.m.

Councilmember Clarkson made a motion to adopt Ordinance No. 2022-24, seconded by Councilmember Hughes. The motion passed 5-0.

7 CONSIDERATION AND POSSIBLE ACTION:

7A. Resolution No. 43-2022. A Resolution setting forth the Ad Valorem (property) tax rate to be considered for adoption for the 2022 tax year; said rate to be \$0.5752 per \$100 of assessed value; and calling a public hearing prior to the adoption of the tax rate and the Fiscal Year 2023 budget.

Shelley McElhannon read Resolution No. 43-2022 caption into record.

Julie Behrens provided information and responded to questions.

Councilmember Hughes made a motion to approve Resolution No. 43-2022, seconded by Councilmember Herring. The motion passed 5-0.

7B. Resolution No. 50-2022. A Resolution approving negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., regarding the Company's 2022 Rate Review Mechanism Filing.

Shelley McElhannon read Resolution No. 50-2022 caption into record.

Mike Hayes provided information and responded to questions.

Councilmember Hughes made a motion to adopt Resolution No. 50-2022, seconded by Councilmember Herring. The motion passed 5-0.

7C. Professional Service Agreement for Special Districts Consulting and Administrative Services with MuniCap, Inc.

Shelley McElhannon read Item 7C caption into record.

Michael Hornes provided information and responded to questions.

Councilmember Garcia made a motion to authorize the City Manager to finalize and execute a Professional Services Agreement with MuniCap, Inc for consulting and administrative services, seconded by Councilmember Clarkson. The motion passed 5-0.

Councilmember Garcia made a motion to enter executive session under 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), and 551.087 (deliberation regarding economic development negotiations), seconded by Councilmember Hughes. The motion passed 5-0. Closed Executive Session convened at 8:11 p.m.

8 EXECUTIVE SESSION:

- 8A. Workforce Housing development projects. (551.071, 551.072, 551.087)
- 8B. Economic Improvement downtown projects. (551.071, 551.072, 551.087)

The closed executive session adjourned, and City Council returned to open session at 8:26 p.m. No action was taken during executive session.

9 ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY: None

10 ITEM(S) FOR FUTURE AGENDAS: None

ADJOURN. The meeting adjourned at 8:26 p.m.

APPROVED BY COUNCIL: _____

APPROVED:

ATTEST:

Judy Eychner, Mayor

Shelley McElhannon, City Secretary



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

SUBJECT: City Council workshop minutes, August 16, 2022.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Aug 12, 2022

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20220823_Minutes Council workshop 8-16-22 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:

City Council workshop minutes held August 16, 2022 at 10:00 a.m., City Hall Council Chambers.

RECOMMENDED ACTION:

Approve minutes as presented.

**CITY COUNCIL WORKSHOP MINUTES
CITY HALL COUNCIL CHAMBERS**

**AUGUST 16, 2022 10:00 AM
701 MAIN STREET, KERRVILLE, TEXAS**

CALL TO ORDER: On August 16, 2022 at 10:00 a.m., the City Council workshop was called to order by Mayor Judy Eychner at the City Hall Council Chambers, 701 Main Street.

COUNCILMEMBERS PRESENT:

Judy Eychner, Mayor
Kim Clarkson, Mayor Pro Tem, Councilmember Place 2
Roman Garcia, Councilmember Place 1
Joe Herring Jr, Councilmember Place 3
Brenda Hughes, Councilmember Place 4

COUNCILMEMBER ABSENT:

None

CITY STAFF PRESENT:

E.A. Hoppe, City Manager	Stuart Cunyus, Public Information Officer
Mike Hayes, City Attorney	Misty Gordon, EMS Assistant
Michael Hornes, Asst City Manager	Jonathan Lamb, Police Sergeant
Kim Meismer, Asst City Manager	Eric Maloney, Fire Chief
Shelley McElhannon, City Secretary	Curtis Thomason, Asst Police Chief
Stuart Barron, Exec Dir PW & Eng	

VISITORS PRESENT: None

Councilmember Roman Garcia made a motion City Council enter executive session under 551.076 (deliberation regarding security devices) and 551.089 (deployment or specific occasions for implementation of security personnel, critical infrastructure, or security devices), seconded by Councilmember Joe Herring, Jr. The motion passed 5-0.

At 10:00 a.m., Mayor Eychner recessed the open workshop and convened closed executive session.

1. EXECUTIVE SESSION:

1A. Active Shooter Incident Management training.

The closed executive session adjourned, and Council returned to open session at 10:59 a.m. No action was taken during executive session.

2. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION IF ANY: None

3. INFORMATION AND DISCUSSION:

3A. Presentation from Kerrville Fire Department as to training in response to bleeding emergencies (Stop the Bleed).

Chief Eric Maloney and Misty Gordon provided information and responded to questions.

4. PUBLIC COMMENTS: None

ADJOURN. The workshop adjourned at 11:52 a.m.

APPROVED BY COUNCIL: _____ ATTEST:

Judy Eychner, Mayor

Shelley McElhannon, City Secretary



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

SUBJECT: Ordinance No. 2022-25. An Ordinance adopting the annual budget for the City of Kerrville, Texas, Fiscal Year 2023; providing appropriations for each City department and fund; containing a cumulative clause; and containing a savings and severability clause.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Aug 11, 2022

SUBMITTED BY: Julie Behrens

EXHIBITS: [20220823_Ord 2022-25 FY2023 Budget.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
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PAYMENT TO BE MADE TO:

Kerrville 2050 Item? No

Key Priority Area F - Public Facilities and Services

Guiding Principle F1. Commit to maintaining high-quality, cost-effective public services and facilities consistent with anticipated growth and ensure cost-effective use and maintenance of these assets

Action Item

SUMMARY STATEMENT:

The FY2023 Proposed Budget continues to advance many Kerrville 2050 Guiding Principles and City Council priorities. Overall revenues total \$71,121,222, while overall expenditures total \$99,161,170. Expenditures exceed revenues in other funds primarily due to capital projects that were funded in previous years. The General Fund is balanced with \$35,359,039 in revenues and expenditures. The Water Fund is balanced with \$14,682,944 in revenues and expenditures. The proposed property tax rate is \$.5752 which is higher than the rate of \$.5093 from FY2022 due to voter-approved issuance of general obligation bonds to be used for a new Public Safety Facility. The Maintenance & Operations (M&O) portion of the tax rate is \$.4341, which is used to support the General Fund, is lower than the M&O rate of \$.4358 in FY2022.

The FY2023 Proposed Budget includes an increase in the General Fund and the Water Fund due to the impacts of ongoing inflation including fuel, supplies, and labor.

City Council Retreat was held in May of 2022 to revisit Council Priorities and Budget Workshops were held in June and July and were open to the public. The FY2023 Proposed Budget was filed in accordance with the City Charter, on July 31, 2022. Notice of Public Hearing was published in the Kerrville Daily Times and is running on the City's public access channel five times per day.

In addition, the notice and all budget information is available on the City's website, in the City Secretary's office at 701 Main Street, and at the Butt-Holdsworth Memorial Library at 505 Water Street.

The first reading and vote for the ordinance to adopt the FY2023 Proposed Budget will occur following the public hearing on August 23, 2022. The second ordinance reading and vote will occur on September 13, 2022.

RECOMMENDED ACTION:

Approve Ordinance No. 2022-25, on first reading.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2022-25**

**AN ORDINANCE ADOPTING THE ANNUAL
BUDGET FOR THE CITY OF KERRVILLE, TEXAS,
FISCAL YEAR 2023; PROVIDING
APPROPRIATIONS FOR EACH CITY
DEPARTMENT AND FUND; CONTAINING A
CUMULATIVE CLAUSE; AND CONTAINING A
SAVINGS AND SEVERABILITY CLAUSE**

WHEREAS, in accordance with Sections 8.01 and 8.03 of the City Charter and Section 102.005 of the Texas Local Government Code, the City Manager, on July 31, 2022, prepared and filed with the City Secretary and had placed on the City's website, a proposed budget for the City of Kerrville, Texas, for the fiscal year beginning October 1, 2022, and ending September 30, 2023 (sometimes referred to as "Fiscal Year 2023" or "FY2023"); and

WHEREAS, in accordance with Section 8.03 of the City Charter and Sections 102.006 and 102.065 of the Texas Local Government Code, and after providing the required public notice in the City's official newspaper not less than ten days prior to the date of the public hearing, a public hearing was duly held on August 23, 2022, at the time and place set forth in the public notice, said date being more than fifteen days subsequent to the filing of the proposed budget by the City Manager, at which all interested persons were given an opportunity to be heard for or against any item within the proposed budget; and

WHEREAS, after due deliberation, study, and consideration of the proposed budget, to include the opportunity of making any amendments to the budget proposed by the City Manager that City Council has determined are (1) warranted by law or (2) in the best interest of the taxpayers of the City, City Council is of the opinion that the Official Budget for the Fiscal Year 2023, with any such amendments described and discussed, should be approved and adopted, in accordance with Section 8.05 of the City Charter and Section 102.007 of the Texas Local Government Code;

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

SECTION ONE. The Official Budget of the City of Kerrville, Texas, a copy of which is on file in the office of the City Secretary, at the Butt-Holdsworth Memorial Library, and on the City's website referenced by the date and number of this Ordinance, and incorporated herein by reference as if fully set out herein, is adopted, in accordance with Article VIII of the City Charter and Chapter 102 of the Texas Local Government Code.

SECTION TWO. The appropriations by department, fund, or other organization unit and the authorization and allocation for each program or activity

are hereby deemed to provide a complete financial plan of City funds and activities for the Fiscal Year 2023, in accordance with Section 8.04 of the City Charter and Chapter 102 of the Texas Local Government Code.

SECTION THREE. The following policies, which City Council has previously approved, are included within the budget document referenced in Section One. Some of the policies include amendments, as indicated, which City Council hereby approves. City Council may revise a policy(s) before the adoption of next year's budget, by the adoption of a resolution indicating the revisions. The policies are as follows:

- Financial Management Policy
- Investment Policy
- Purchasing Policy
- Real Estate Policy
- Travel Policy
- Vehicle and Equipment Replacement Policy
- Fee Schedule

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

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

THE MEMBERS OF CITY COUNCIL VOTED AS FOLLOWS IN ACCORDANCE WITH THE CITY CHARTER AND STATE LAW:

FIRST READING:

[1ST MOTION TO STATE AS FOLLOWS: *Motion to approve Ordinance No. 2022-25 to adopt the City's budget for Fiscal Year 2023 on 1st reading.*]

City Secretary to take record vote as follows:

	YES	NO
Judy Eychner, Mayor	_____	_____
Roman Garcia, Place 1	_____	_____
Kim Clarkson, Place 2	_____	_____
Joe Herring, Jr., Place 3	_____	_____
Brenda Hughes, Place 4	_____	_____

[2ND MOTION TO STATE AS FOLLOWS: *Motion ratifying vote to adopt a budget that will require raising more revenue from property taxes than the previous fiscal year.*]

PASSED AND APPROVED ON FIRST READING, this the _____ day of _____ A.D., 2022.

SECOND READING:

[1ST MOTION TO STATE AS FOLLOWS: *Motion to approve Ordinance No. 2022-25 to adopt the City's budget for Fiscal Year 2023 on 2nd reading.*]

City Secretary to take record vote as follows:

	YES	NO
Judy Eychner, Mayor	_____	_____
Roman Garcia, Place 1	_____	_____
Kim Clarkson, Place 2	_____	_____
Joe Herring, Jr., Place 3	_____	_____
Brenda Hughes, Place 4	_____	_____

[2ND MOTION TO STATE AS FOLLOWS: *Motion ratifying vote to adopt a budget that will require raising more revenue from property taxes than the previous fiscal year.*]

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ day of _____, A.D., 2022.

Judy Eychner, Mayor

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:

A handwritten signature in blue ink, appearing to read "Michael C. Hayes".

Michael C. Hayes, City Attorney



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

SUBJECT: Ordinance No. 2022-26. An Ordinance levying an Ad Valorem Tax for the use and support of the Municipal Government for the City of Kerrville, Texas, for Fiscal Year 2023; apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Aug 11, 2022

SUBMITTED BY: Julie Behrens

EXHIBITS: [20220823_Ord 2022-26 Ad Valorem Tax rate FY2023.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
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PAYMENT TO BE MADE TO:

Kerrville 2050 Item? Yes

Key Priority Area E - Economic Development

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

SUMMARY STATEMENT:

The proposed tax rate for the Fiscal Year 2023 (2022 tax year) is \$0.5752 per \$100 of assessed value, which is higher than the No New Revenue Rate of \$0.4611 and equal to the voter approval rate of \$0.5752. The Debt (I & S) portion of the tax rate is increasing from \$0.0735 in FY2022 to \$0.1411 in FY2023 due to voter-approved sale of general obligation bonds for a new Public Safety Facility. The Maintenance & Operations (M&O) portion of the rate is decreased from \$0.4358 in FY2022 to \$0.4341 in FY2023 due to an increase in property valuations and growth.

RECOMMENDED ACTION:

Approve Ordinance No. 2022-26 on first reading.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2022-26**

**AN ORDINANCE LEVYING AN AD VALOREM TAX FOR THE
USE AND THE SUPPORT OF THE MUNICIPAL GOVERNMENT
FOR THE CITY OF KERRVILLE, TEXAS, FOR FISCAL YEAR
2023; APPORTIONING EACH LEVY FOR SPECIFIC PURPOSES;
AND PROVIDING WHEN TAXES SHALL BECOME DUE AND
WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID**

WHEREAS, City Council finds that an ad valorem tax must be levied to provide for expenses and improvements for the City of Kerrville, Texas, during Fiscal Year 2023 (Oct. 1, 2022-Sept. 30, 2023); and

WHEREAS, City Council further finds that an ad valorem tax must be levied to provide for the payment of principal and interest on outstanding debt maturing in Fiscal Year 2023; and

WHEREAS, after due deliberation, study, and consideration of the proposed tax rate for Fiscal Year 2023, City Council has determined that adoption of the rate is in the best interest of the taxpayers of the City and it should be adopted in accordance with law;

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

SECTION ONE. There is hereby levied and there shall be collected for the use and support of the municipal government of the City of Kerrville, Texas, and to provide interest and sinking funds for the Fiscal Year 2023, a tax of **\$0.5752** on each one hundred dollars (\$100.00) valuation of all property, comprising real, personal, and mixed, within the corporate limits of the City subject to taxation, for the specific purposes herein set forth:

A. For current expenditures of the City and for the general improvement, use, and support of the City and its property (*i.e.*, expenditures for maintenance and operations), there is hereby levied and ordered to be assessed and collected for the Fiscal Year 2023 on all property situated within the corporate limits of the City, and not exempt from taxation by a valid law, an ad valorem tax rate of **\$0.4341** on each one hundred dollars (\$100.00) valuation of such property.

B. For the purpose of paying principal and interest and providing payments into various debt service funds for each issue of tax supported debt, there is hereby levied and ordered to be assessed and collected for the Fiscal Year 2023 on all property situated within the corporate limits of the City and not exempt from taxation by a valid law, an ad valorem tax for each issue of debt described

in this Section, the sum of such levies being **\$0.1411** on each one hundred dollars (\$100.00) valuation of such property.

SECTION TWO. The ad valorem taxes levied are due on October 1, 2022, and may be paid up to and including January 31, 2023, without penalty, but if not paid, such taxes are delinquent on February 1, 2023; provided, however, in accordance with Section 31.03(a) of the Texas Tax Code, the ad valorem taxes due hereunder may, at the option of the taxpayer, be paid in two payments without penalty or interest so long as the first payment of one-half of the taxes levied is paid before December 1, 2022, and the remaining one-half is paid before July 1, 2023.

SECTION THREE. No discounts are authorized on property tax payments made prior to January 31, 2023.

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

SECTION FIVE. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 4.6% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$14.10.

FIRST READING:

[MOTION TO STATE AS FOLLOWS: *Motion to approve Ordinance No. 2022-26 and that the property tax rate be increased by the adoption of a tax rate of \$0.5752, which is effectively a 12.94% percent increase in the tax rate.*]

City Secretary to take record vote as follows:

	YES	NO
Judy Eychner, Mayor	_____	_____
Roman Garcia, Place 1	_____	_____
Kim Clarkson, Place 2	_____	_____
Joe Herring, Jr., Place 3	_____	_____
Brenda Hughes, Place 4	_____	_____

PASSED AND APPROVED ON FIRST READING, this the _____ day of _____, A.D., 2022.

SECOND READING:

[MOTION TO STATE AS FOLLOWS: *Motion to approve Ordinance No. 2022-26 and that the property tax rate be increased by the adoption of a tax rate of \$0.5752, which is effectively a 12.94% percent increase in the tax rate.*]

City Secretary to take record vote as follows:

	YES	NO
Judy Eychner, Mayor	_____	_____
Roman Garcia, Place 1	_____	_____
Kim Clarkson, Place 2	_____	_____
Joe Herring, Jr., Place 3	_____	_____
Brenda Hughes, Place 4	_____	_____

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ day of _____, A.D., 2022.

Judy Eychner, 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: Ordinance No. 2022-27. An Ordinance approving the issuance of voter-approved General Obligation Bonds.

An Ordinance authorizing the issuance, sale and delivery of \$ _____ in aggregate principal amount of "City of Kerrville, Texas General Obligation Bonds, Series 2022"; making provisions for the payment of interest thereon and the principal thereof; approving and authorizing the execution of all instruments and procedures related thereto including a paying agent/registrar agreement, a purchase contract and an official statement; and declaring an effective date.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Jul 01, 2022

SUBMITTED BY: Julie Behrens

EXHIBITS: [20220823_Ord 2022-27 DRAFT General Obligation Bonds.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
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PAYMENT TO BE MADE TO:

Kerrville 2050 Item?	Yes
Key Priority Area	F - Public Facilities and Services
Guiding Principle	F1. Commit to maintaining high-quality, cost-effective public services and facilities consistent with anticipated growth and ensure cost-effective use and maintenance of these assets
Action Item	F2.4 - Consider bond funding for a new public safety building/complex

SUMMARY STATEMENT:

On May 7, 2022, City of Kerrville citizens/voters approved the issuance of City of Kerrville General Obligation Bonds for the construction of a new Public Safety Facility, including land, professional services, construction, and furniture, fixtures, and equipment.

The attached Ordinance is a draft, to be updated and presented in City of Kerrville format with the actual costs once pricing is received on August 23, 2022.

After Ordinance approval, the City Manager and City staff, along with the Financial Advisor and Bond Counsel, will complete all necessary contracts and other actions necessary to complete the bond sale and deliver the funds to the City. Bond proceeds will be received on September 15, 2022.

RECOMMENDED ACTION:

Approve Ordinance No. 2022-27 authorizing the City Manager to enter into all contracts and take any other action necessary to complete the sale and delivery of General Obligation Bonds. (This Ordinance requires one reading only, mandated by the State of Texas).

DRAFT

ORDINANCE NO. 2022-27

**ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND
DELIVERY OF \$_____ IN AGGREGATE PRINCIPAL
AMOUNT OF "CITY OF KERRVILLE, TEXAS GENERAL
OBLIGATION BONDS, SERIES 2022"; MAKING
PROVISIONS FOR THE PAYMENT OF INTEREST
THEREON AND THE PRINCIPAL THEREOF; APPROVING
AND AUTHORIZING THE EXECUTION OF ALL
INSTRUMENTS AND PROCEDURES RELATED THERETO
INCLUDING A PAYING AGENT/REGISTRAR AGREEMENT,
A PURCHASE CONTRACT AND AN OFFICIAL
STATEMENT; AND DECLARING AN EFFECTIVE DATE**

DATE OF APPROVAL: AUGUST 23, 2022

ORDINANCE NO. 2022-27

**ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF
\$_____ IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF
KERRVILLE, TEXAS GENERAL OBLIGATION BONDS, SERIES 2022";
MAKING PROVISIONS FOR THE PAYMENT OF INTEREST THEREON
AND THE PRINCIPAL THEREOF; APPROVING AND AUTHORIZING
THE EXECUTION OF ALL INSTRUMENTS AND PROCEDURES
RELATED THERETO INCLUDING A PAYING AGENT/REGISTRAR
AGREEMENT, A PURCHASE CONTRACT AND AN OFFICIAL
STATEMENT; AND DECLARING AN EFFECTIVE DATE**

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

WHEREAS, the **CITY OF KERRVILLE, TEXAS** (the "City" or "Issuer") 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 January 14, 2020; and

WHEREAS, on May 7, 2022, a bond election (the "Election") was held in the City during which a majority of the qualified voters of the City favorably approved the issuance of up to \$45,000,000 in principal amount of general obligation bonds for the purposes described in Section 1 of this Ordinance; and

WHEREAS, the City Council of the City now deems it necessary and advisable to authorize, issue, and deliver all of said voted bonds as the first and final installment of bonds approved by the voters at said election, which amount represents and is equal to the \$_____ that the Issuer will receive as "original issue premium" on the sale of such bonds (as described in Section 15 of this Ordinance), less \$_____ (representing and equal to Underwriter's discount on such bonds as described in Section 15 of this Ordinance), less \$_____ to pay other costs of issuance of such bonds, all as permitted by Section 1201.042(d)(3), Texas Government Code, as amended, and less \$_____ of additional proceeds which will be deposited into the interest and sinking fund related to the bonds herein authorized, and shall thereafter have no remaining voted authority relating to the Election; and

WHEREAS, the Bonds hereinafter authorized and designated are to be issued and delivered pursuant to the Election and Chapters 1251 and 1331, Texas Government Code, as amended, and other applicable laws of the State of Texas; and

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

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, THAT:

SECTION 1. AMOUNT AND PURPOSE OF THE BONDS. The bond or bonds of the Issuer further described in Section 2 of this Ordinance and referred to herein as the "Bonds" are hereby authorized to be issued and delivered in the aggregate principal amount of \$ _____ **FOR THE PURPOSE OF DESIGNING, ACQUIRING, CONSTRUCTING, PURCHASING, RENOVATING, IMPROVING, UPGRADING, UPDATING, AND EQUIPPING A PUBLIC SAFETY FACILITY, INCLUDING POLICE, FIRE, EMERGENCY OPERATIONS, MUNICIPAL COURT, AND RELATED ADMINISTRATIVE AND INFORMATION TECHNOLOGY SERVICES, AND THE PURCHASE OF LAND, EASEMENTS, RIGHTS-OF-WAY, AND OTHER REAL PROPERTY INTERESTS NECESSARY THEREFOR OR INCIDENTAL THERETO, AND COMPLETING RELATED LANDSCAPING, THE LEVYING OF A TAX IN PAYMENT AND PAYING COSTS OF ISSUANCE.**

SECTION 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND MATURITIES OF BONDS. Each bond issued pursuant to and for the purpose described in Section 1 of this Ordinance shall be designated: "**CITY OF KERRVILLE, TEXAS GENERAL OBLIGATION BOND, SERIES 2022**", and initially there shall be issued, sold and delivered hereunder one fully registered bond, without interest coupons, dated September 1, 2022 in the aggregate principal amount of \$ _____, numbered T-1 (the "Initial Bond"), with Bonds issued in replacement thereof being in the denomination of \$5,000 or any integral multiple thereof and numbered consecutively from R-1 upward, all payable to the initial registered owner thereof (with the Initial Bond being payable to the initial purchaser designated in Section 15 hereof), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"), and the Bonds shall mature and be payable serially on **February 15** in each of the years and in the principal amounts, respectively, as set forth in the following schedule:

YEAR OF MATURITY	PRINCIPAL AMOUNT	YEAR OF MATURITY	PRINCIPAL AMOUNT
2024		2039	
2025		2040	
2026		2041	
2027		2042	
2028		2043	
2029		2044	
2030		2045	
2031		2046	
2032		2047	
2033		2048	

2034		2049	
2035		2050	
2036		2051	
2037		2052	
2038			

The term “Bonds” as used in this Ordinance shall mean and include, the Bonds initially issued and delivered pursuant to this Ordinance and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto; the term “Bond” shall mean, any of the Bonds.

SECTION 3. INTEREST. The Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BOND set forth in this Ordinance to their respective dates of maturity at the following rates per annum:

YEAR OF MATURITY	INTEREST RATE (%)	YEAR OF MATURITY	INTEREST RATE (%)
2024		2039	
2025		2040	
2026		2041	
2027		2042	
2028		2043	
2029		2044	
2030		2045	
2031		2046	
2032		2047	
2033		2048	
2034		2049	
2035		2050	
2036		2051	
2037		2052	
2038			

Said interest shall be payable in the manner provided and on the dates stated in the FORM OF BOND set forth in this Ordinance.

SECTION 4. CHARACTERISTICS OF THE BONDS; APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT. (a) Registration, Transfer, and Exchange; Authentication.

The Issuer shall keep or cause to be kept at the designated corporate trust office of **U.S. Bank Trust Company, National Association, Houston, Texas** (the “Paying Agent/Registrar”) books or records for the registration of the transfer and exchange of the Bonds (the “Registration Books”), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided. Attached hereto as Exhibit A is a copy of the Paying Agent/Registrar Agreement between the Issuer and the Paying Agent/Registrar which is hereby approved in substantially final form, and the Mayor or Mayor Pro Tem and City Secretary of the Issuer are hereby authorized to execute the Paying Agent/Registrar Agreement and approve any changes in the final form thereof.

The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Bonds shall be made within three business days after request and presentation thereof. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Bond or Bonds shall be paid as provided in the FORM OF BOND set forth in this Ordinance. Registration of assignments, transfers and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for transfer and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing transfer and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, and particularly Subchapter D and Section 1201.067 thereof, the duty of transfer and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the transferred and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/ Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 50 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) shall be payable as to principal and interest, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Ordinance. The Initial Bond are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in exchange for the Initial Bond issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Bond delivered on the closing date (as further described in subparagraph (i) below) shall have attached thereto the Comptroller's Registration Certificate substantially in the form set forth in the FORM OF BOND below, manually executed by the Comptroller of Public Accounts of the State of Texas or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity and shall be an entity registered with the Securities and Exchange Commission. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry Only System for Bonds. The Bonds issued in exchange for the Bonds initially issued to the purchaser specified in Section 15 herein shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York (“DTC”), and except as provided in subsection (i) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created (“DTC Participant”) to hold securities to facilitate the clearance and settlement of securities transaction among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the Ordinance of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words “Cede & Co.” in this Ordinance shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfers Outside Book-Entry Only Systems. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in

the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

(g) *Payments to Cede & Co.* Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Issuer to DTC.

(h) *DTC Letter of Representation.* The officers of the Issuer are herein authorized for and on behalf of the Issuer and as officers of the Issuer to enter into one or more Letters of Representation with DTC establishing the book-entry only system with respect to the Bonds.

(i) *Delivery of Initial Bond.* On the closing date, one Initial Bond representing the entire principal amount of the series of Bonds, payable in stated installments to the initial registered owner named in Section 15 of this Ordinance or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and City Secretary of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to the initial registered owner or its designee one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity.

SECTION 5. FORM OF BOND. The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas (to be attached only to the Bonds initially issued and delivered pursuant to this Ordinance), shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance.

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FORM OF BOND

R-	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF KERRVILLE, TEXAS GENERAL OBLIGATION BOND SERIES 2022	PRINCIPAL AMOUNT
		\$ _____

<u>INTEREST RATE(%)</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NO.</u>
	February 15, _____	September 15 2022	

REGISTERED OWNER:

PRINCIPAL AMOUNT:	DOLLARS
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ON THE MATURITY DATE specified above, the **CITY OF KERRVILLE, TEXAS** (the "Issuer"), being a political subdivision of the State of Texas located in Kerr County, Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), the Principal Amount specified above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months) from the Date of Delivery, at the Interest Rate per annum specified above, payable on February 15, 2023, and semiannually on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for redemption prior to maturity, at the designated trust office of **U. S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, Houston, Texas**, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the Ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter pro-

vided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Registered Owner appearing on the Registration Books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for redemption and payment at the designated corporate trust office of the Paying Agent/Registrar (unless the redemption date is a regularly scheduled interest payment date, in which case accrued interest on such redeemed Bonds shall be payable in the regular manner described above). The Issuer covenants with the Registered Owner of this Bond that on or before each principal payment date, interest payment date and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated as of September 1, 2022, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of \$_____ **FOR THE PURPOSE OF DESIGNING, ACQUIRING, CONSTRUCTING, PURCHASING, RENOVATING, IMPROVING, UPGRADING, UPDATING, AND EQUIPPING A PUBLIC SAFETY FACILITY, INCLUDING POLICE, FIRE, EMERGENCY OPERATIONS, MUNICIPAL COURT, AND RELATED ADMINISTRATIVE AND INFORMATION TECHNOLOGY SERVICES, AND THE PURCHASE OF LAND, EASEMENTS, RIGHTS-OF-WAY, AND OTHER REAL PROPERTY INTERESTS NECESSARY THEREFOR OR INCIDENTAL THERETO, AND COMPLETING RELATED LANDSCAPING, THE LEVYING OF A TAX IN PAYMENT AND PAYING COSTS OF ISSUANCE.**

ON FEBRUARY 15, 20____, or on any date thereafter, the Bonds of this Series maturing on and after February 15, 20____, may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price of the principal amount of Bonds called for redemption, plus accrued interest thereon to the

date fixed for redemption. The Issuer shall determine the maturity or maturities, and the principal amount of Bonds within each maturity, to be redeemed. If less than all Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar at random and by lot.

ADDITIONALLY, THE BONDS maturing on February 15 in the years 20__, 20__ and 20__ (the "Term Bonds") are subject to mandatory redemption prior to maturity in part by lot, at a price equal to the principal amount thereof plus accrued interest to the date of redemption, on February 15 in the respective years and principal amounts shown below:

TERM BONDS MATURING FEBRUARY 15, 20__		TERM BONDS MATURING FEBRUARY 15, 20__	
Mandatory Redemption Date	Redemption Amount (\$)	Mandatory Redemption Date	Redemption Amount (\$)
February 15, 20__		February 15, 20__	
February 15, 20__		February 15, 20__	
February 15, 20__ (maturity)		February 15, 20__ (maturity)	

TERM BONDS MATURING FEBRUARY 15, 20__	
Mandatory Redemption Date	Redemption Amount (\$)
February 15, 20__	
February 15, 20__ (maturity)	

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of such mandatory redemption requirements may be reduced, at the option of the Issuer, by the principal amount of any such Term Bonds which, prior to the date of the mailing of notice of such mandatory redemption, (i) shall have been acquired by the Issuer and delivered to the Paying Agent/Registrar for cancellation, (ii) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer, or (iii) shall have been redeemed pursuant to the optional redemption provisions described in the preceding paragraph and not theretofore credited against a mandatory redemption requirement.

AT LEAST 30 DAYS prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the Registered Owner of each Bond to be

redeemed at its address as it appeared on the Registration Books maintained by the Paying Agent/Registrar on the day such notice of redemption is mailed. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Ordinance.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Ordinance, this Bond, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring and exchanging any Bond or portion thereof shall be paid by the Issuer, but any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer or exchange as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a general obligation of the Issuer, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due, and as such principal matures, have been levied and ordered to be levied against all taxable property in the Issuer, and have been pledged for such payment, within the limits prescribed by law.

THE ISSUER also has reserved the right to amend the Bond Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Bonds.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Mayor or Mayor Pro Tem of the Issuer, and countersigned with the manual or facsimile signature of the City Secretary of the Issuer, and the official seal of the Issuer has been duly impressed, or placed in facsimile, on this Bond.

Countersigned:

(facsimile signature)
City Secretary, City of Kerrville, Texas

(facsimile signature)
Mayor [Pro Tem], City of Kerrville, Texas

(ISSUER SEAL)

FORM OF REGISTRATION CERTIFICATE
OF THE COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts
of the State of Texas

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in exchange for a bond or bonds, or a portion of a bond or bonds of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION**
HOUSTON, TEXAS
Paying Agent/Registrar

By _____
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Registered Owner of this Bond, or duly authorized representative or attorney thereof, hereby sells, assigns and transfers this Bond and all rights hereunder unto _____

_____/_____/_____

(Assignee's Social Security or
Taxpayer Identification Number) (Please print or typewrite Assignee's name and address,
including zip code)

and hereby irrevocably constitutes and appoints _____
attorney to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books
with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by
a member firm of the New York Stock
Exchange or a commercial bank or trust
company.

NOTICE: The signature above must
correspond with the name of the Registered
Owner as it appears upon the front of this
Bond in every particular, without alteration or
enlargement or any change whatsoever.

INITIAL BOND INSERTIONS

The Initial Bond shall be in the form set forth above except that:

- (A) Immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.
- (B) The first paragraph shall be deleted and the following shall be inserted:

"ON THE RESPECTIVE MATURITY DATES specified below, the **CITY OF KERRVILLE, TEXAS** (the "Issuer"), being a political subdivision of the State of Texas located in Kerr County, Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), the respective Principal Installments specified below, and to pay interest thereon (calculated on the basis of a 360-day year composed of twelve 30-day months) from the Delivery Date, at the respective Interest Rates per annum specified below, payable on February 15, 2023, and semiannually on each August 15 and February 15 thereafter to the respective Maturity Dates specified below, or the date of redemption prior to maturity. The respective Maturity Dates, Principal Installments and Interest Rates for this Bond are set forth in the following schedule:

MATURITY DATE (FEBRUARY 15)	PRINCIPAL INSTALLMENT	INTEREST RATE	MATURITY DATE (FEBRUARY 15)	PRINCIPAL INSTALLMENT	INTEREST RATE

[Insert principal and interest information from Sections 2 and 3 above]

- (C) The Initial Bond shall be numbered "T-1."

SECTION 6. INTEREST AND SINKING FUNDS; TAX LEVY. A special Interest and Sinking Fund for the Bonds (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Bonds, and the Interest and Sinking Fund shall be established and maintained by the Issuer at an official depository bank of the Issuer. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and shall be used only for paying the interest on and principal of the Bonds. All ad valorem taxes levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Bonds or interest thereon are outstanding and unpaid, the Issuer shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of its Bonds as such principal matures (but

never less than 2% of the original principal amount of the Bonds as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of the Issuer, with full allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the Issuer for each year while any of the Bonds or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

SECTION 7. CONSTRUCTION FUND. There is hereby created and established in the depository of the Issuer, a fund to be called the *City of Kerrville, Texas General Obligation Bonds (Series 2022) Construction Fund* (herein called a “Construction Fund”). All of the proceeds from the sale and delivery of the Bonds (other than (1) proceeds to be deposited into the Escrow Fund as provided in Section 17 of this Ordinance; (2) accrued interest and (3) any premium on the Bonds, if any, that is not used by the Issuer to pay costs of issuance in accordance with the provisions of Section 1201.042(d), Texas Government Code, as amended, which amounts shall be deposited into the Interest and Sinking Fund) shall be deposited in the Construction Fund. Money in the Construction Fund shall be subject to disbursements by the Issuer for payment of all costs incurred in carrying out the purpose for which the Bonds are issued, including but not limited to costs for construction, engineering, architecture, financing, financial consultants and legal services related to the project being financed with proceeds of the Bonds and the issuance of the Bonds. All funds remaining on deposit in the Construction Fund upon completion of the projects being financed with the proceeds from the Bonds, if any, shall be transferred to the Interest and Sinking Fund.

SECTION 8. INVESTMENTS. Funds on deposit in the Interest and Sinking Fund and Construction Fund shall be secured by the depository bank of the Issuer in the manner and to the extent required by law to secure other public funds of the Issuer and may be invested from time to time in any investment authorized in the Public Funds Investment Act (Chapter 2256, Texas Government Code) and the Issuer's investment policy adopted in accordance with the provisions of the Public Funds Investment Act; provided, however, that investments purchased for and held in the Interest and Sinking Fund shall have a final maturity no later than the next principal or interest payment date for which such funds are required, and investments purchased for and held in the Construction Fund shall have a final maturity of not later than the date the Issuer reasonably expects the funds from such investments will be required to pay costs of the projects for which the Bonds were issued. Income and profits from such investments shall be deposited in the Fund which holds such investments; however, any such income and profits from investments in the Construction Fund may be withdrawn by the Issuer and deposited in the Interest and Sinking Fund to pay all or a portion of the interest next coming due on the Bonds. It is further provided, however, that any interest earnings on Bond proceeds which are required to be rebated to the United States of America pursuant to Section 13 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

SECTION 9. EMPOWERED. The City Manager and Director of Finance are hereby ordered to do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund in ample time to pay such items of principal and interest.

SECTION 10. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date on the date the governing body

of the Issuer adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

SECTION 11. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. (a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Chapter 1201, Texas Government Code, as amended, this Section of this Ordinance shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 4(a) of this Ordinance for Bonds issued in exchange for other Bonds.

SECTION 12. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION, BOND INSURANCE, AND CUSIP NUMBERS. The Mayor or Mayor Pro Tem of the Issuer is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel (with an appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the Issuer), a statement regarding the issuance of a municipal bond insurance policy to secure payment of debt service on the Bonds, if any, and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds.

SECTION 13. COVENANTS REGARDING TAX-EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds of the Bonds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of three years or less or, in the case of a refunding bond, for a period of 90 days or less, until such proceeds are needed for the purpose for which the Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the

bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Director of Finance to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation Of, and Limitation On, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Ordinance (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant

if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Written Procedures. Unless superseded by another action of the Issuer, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitration and rebate, the City Council hereby adopts and establishes the instructions attached hereto as Exhibit B as the Issuer's written procedures.

SECTION 14. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"EMMA" means the Electronic Municipal Market Access system established and maintained by the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The Issuer shall provide annually to the MSRB through EMMA financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by this Ordinance being the information described in Exhibit C hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide (1) unaudited financial statements for such fiscal year within such required time, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements become available.

If the Issuer changes its fiscal year, it will notify the MSRB through EMMA of the date of the new fiscal year end prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this paragraph (b).

The financial information to be provided pursuant to this paragraph (b) may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB through EMMA or filed with the SEC.

(c) Event Notices.

The Issuer shall file notice of the following events with respect to the Bonds to the MSRB through EMMA in a timely manner and not more than 10 business days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of the holders of the Bonds;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer, and (b) the Issuer intends the words used in the immediately preceding paragraphs 15 and 16 and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The Issuer shall file notice with the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments. The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with Section 11 of this Ordinance that causes Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY,

WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(e) Format, Identifying Information, and Incorporation by Reference. All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Financial information and operating data to be provided pursuant to subsection (b) of this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

(f) Written Procedures. The Issuer hereby adopts, as a supplement (and not as a substitution or in replacement of) to the Issuer's existing informal policies and procedures pertaining to compliance with the Rule, the Written Procedures Relating to Continuing Compliance with the Rule, attached hereto as Exhibit C. The Issuer shall follow such written procedures to assure compliance with the undertaking described above in this Section 14. The written procedures can be amended

at the sole discretion of the Issuer and any such amendment will not be deemed to be an amendment to the undertaking described in this Section 14.

SECTION 15. SALE AND DELIVERY OF THE BONDS. The Bonds are hereby initially sold and shall be delivered to **FHN FINANCIAL CAPITAL MARKETS** (the "*Underwriter*") for cash at a purchase price to \$_____ (which amount is equal to the par value thereof, plus an original issue premium of \$_____, and less Underwriter's discount of \$_____), and no accrued interest, all pursuant to the terms and provisions of a Purchase Contract in substantially the form attached hereto as Exhibit D which the Mayor, Mayor-Pro Tem, City Manager, and Director of Finance are each individually authorized to execute and deliver. In satisfaction of Section 1201.022(a)(3), Texas Government Code, and upon consultation with the City's Financial Advisor, the City Council hereby determines that the final terms of the Bonds as set forth in this Ordinance are in the City's best interests. The City will deliver to the Underwriter an Initial Bond in the aggregate principal amount of \$_____, payable in principal installments on the dates and in the principal amounts shown in Section 2 hereof, and bearing interest at the rates for each respective maturity as shown in Section 3 hereof. The Bonds shall initially be registered in the name of **FHN FINANCIAL MARKETS**.

SECTION 16. APPROVAL OF OFFICIAL STATEMENT. The City hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement, or amendment thereto, and approves the distribution of the Official Statement in the reoffering of the Bonds by the Underwriter in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement for the Bonds, dated August 15, 2022, prior to the date hereof is hereby ratified and confirmed. The City Council finds and determines that the Preliminary Official Statement and the Official Statement were and are "deemed final" as of each of their respective dates within the meaning, and for the purpose, of Rule 15c2-12 promulgated under authority granted by the Federal Securities and Exchange Act of 1934.

SECTION 17. AUTHORITY FOR OFFICERS TO EXECUTE DOCUMENTS AND APPROVE CHANGES. The Mayor, Mayor Pro Tem, City Secretary, City Manager, and Director of Finance of the Issuer, and all other officers, employees, and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bonds, the sale of the Bonds, the Official Statement, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Bonds, the Mayor or Mayor Pro Tem, City Secretary, City Manager, Assistant City Manager, Director of Finance, the City Attorney and Bond Counsel are hereby authorized and directed to approve any technical changes or correction to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy any requirements of the provider of a municipal bond insurance policy, if any, or (iii) obtain the approval

of the Bonds by the Attorney General's office. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The City Manager and the Director of Finance are further authorized to pay to the Attorney General of Texas prior to the delivery of the Bond, for the Attorney General's review of the transcript of proceedings related to the Bond, the amount required pursuant to Section 1202.004, Texas Government Code, as amended.

SECTION 18. ORDINANCE A CONTRACT; AMENDMENTS. This Ordinance shall constitute a contract with the Registered Owners of the Bonds, binding on the Issuer and its successors and assigns, and shall not be amended or repealed by the Issuer as long as any Bond remains outstanding except as permitted in this Section. The Issuer may, without the consent of or notice to any Registered Owners, amend, change, or modify this Ordinance as may be required (i) by the provisions hereof, (ii) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iii) in connection with any other change which is not to the prejudice of the Registered Owners. The Issuer may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided that without the consent of all of the Registered Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest thereon, (ii) give any preference to any Bond over any other Bond, (iii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Bonds required for consent to any such amendment, change, modification, or rescission. Whenever the Issuer shall desire to make any amendment or addition to or rescission of this Ordinance requiring consent of the Registered Owners, the Issuer shall cause notice of the amendment, addition, or rescission to be sent by first class mail, postage prepaid, to the Registered Owners at the respective addresses shown on the Registration Books. Whenever at any time within one year after the date of the giving of such notice, the Issuer shall receive an instrument or instruments in writing executed by the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding affected by any such amendment, addition, or rescission requiring the consent of the Registered Owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Registered Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

SECTION 19. SECURITY INTEREST. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the ad valorem taxes granted by the Issuer under Section 6 of this Ordinance, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the ad valorem taxes granted by the Issuer under Section 6 of this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the

applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 20. INTERESTED PARTIES. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Issuer, the Underwriter and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Underwriter and the registered owners of the Bonds.

SECTION 21. INCORPORATION OF RECITALS. The Issuer hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the Issuer hereby incorporates such recitals as a part of this Ordinance.

SECTION 22. SEVERABILITY. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 23. EFFECTIVE DATE. Pursuant to the provisions of Section 1201.028, Texas Government Code, this Ordinance shall become effective immediately after its is approved by the City Council.

[The remainder of this page left blank intentionally.]

***ADOPTED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, TEXAS AT A
REGULAR MEETING HELD ON THE 23rd DAY OF AUGUST, 2022.***

ATTEST:

City Secretary
City of Kerrville, Texas

APPROVED:

Mayor
City of Kerrville, Texas

(ISSUER SEAL)

** ** ** ** **

[SIGNATURE PAGE TO BOND ORDINANCE]

EXHIBIT A

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

THE PAYING AGENT/REGISTRAR AGREEMENT IS OMITTED AT THIS POINT
AS IT APPEARS IN EXECUTED FORM ELSEWHERE IN THIS TRANSCRIPT.

EXHIBIT B

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Bonds, the Director of Finance (the "Responsible Person"), will:

- (i) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Bonds does not exceed an amount equal to the debt service on the Bonds in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Bonds for the immediately preceding 12-month period;
- (ii) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and
- (iv) assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every 5 years after the date of delivery of the Bonds (the "Issue Date"), and (B) within 30 days after the date the Bonds are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Bonds the Responsible Person will:

- (i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- (ii) monitor whether, at any time the Bonds are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- (iii) monitor whether, at any time the Bonds are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- (iv) monitor whether, at any time the Bonds are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- (v) determine whether, at any time the Bonds are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- (vi) determine whether, at any time the Bonds are outstanding, the facilities are sold or otherwise disposed of; and

(vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the facilities.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Bonds and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Bonds. If any portion of the Bonds is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Person. The Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed or refinanced with the proceeds of the Bonds. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION; AND WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH THE RULE

I. Description of Annual Financial Information.

The following information is referred to in Section 14(b) of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Issuer to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The annual audited financial statements of the Issuer or the unaudited financial statements of the Issuer in the event audited financial statements are not completed within six months after the end of any fiscal year.

2. Within six months after the end of any fiscal year, all quantitative financial information and operating data with respect to the Issuer of the general type included in the Official Statement under Tables 1 through 6 and 8 through 15.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

II. Written Procedures Relating to Continuing Compliance with the Rule

1. Capitalized terms used in this Exhibit C shall have the meanings assigned thereto in the Ordinance.

2. The Issuer is aware that the Rule was amended (the “Rule Amendment”) as of February 27, 2019 (the “Effective Date”) and has accommodated this Rule Amendment by adding subparagraphs (15) and (16) to Section 14(c) of the Ordinance.

3. The Issuer now establishes the following written procedures for satisfying its obligations pursuant to its undertaking described in Section 14 (the “Undertaking”), which written procedures have been developed based on the Issuer's informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the Issuer's obligations under the Rule, the advice from and discussions with the Issuer's internal senior staff (including staff charged with administering the Issuer's financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the “Compliance Team”):

(a) the Director of Finance, or their assignee, (the "Compliance Officer") shall be responsible for satisfying the Issuer's obligations pursuant to the Undertaking through adherence to these written procedures;

(b) the Compliance Officer shall establish reminder or "tickler" systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the Issuer's information of the type described in Section 14 of the Ordinance;

(c) the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 14(c) of the Ordinance;

(d) the Compliance Officer shall work with external consultants of the Issuer, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the Issuer and notice of the occurrence of any of the events referenced in (a) and (b) above, respectively, the foregoing being required to satisfy the terms of the Undertaking;

(e) the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the Issuer, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Bonds;

(f) upon identification of any Financial Obligation meeting the materiality standard identified in (e) above, the Compliance Officer shall establish a process for identifying and monitoring any Issuer agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;

(g) the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the Issuer;

4. The Compliance Officer shall annually review these written procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any "participating underwriter" (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the Issuer's internal staff identified by the Compliance Officer to assist with the Issuer's satisfaction of the terms and provisions of the Undertaking.

EXHIBIT D

FORM OF PURCHASE CONTRACT

THE PURCHASE CONTRACT IS OMITTED AT THIS POINT
AS IT APPEARS IN EXECUTED FORM ELSEWHERE IN THIS TRANSCRIPT.



**TO BE CONSIDERED BY THE
PLANNING AND ZONING COMMISSION
CITY OF KERRVILLE, TEXAS**



SUBJECT: Ordinance No. 2022-23, second reading. An Ordinance creating a "Planned Development District" (Zoning) for Light Commercial Uses and a Stand-Alone Parking Lot on an approximately 1.49 acre property, consisting of Lot 21-R, Block G, B.F. Cage Addition; within the City of Kerrville, Kerr County, Texas; and more commonly known as 820 Sidney Baker and 829 Clay Street; adopting a concept plan and conditions related to the development and use of said lot; and providing other matters relating to the subject.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Aug 12, 2022

SUBMITTED BY: Drew Paxton

EXHIBITS: [20220823_Ord 2022-23 PDD 820 Sidney Baker 2nd reading.pdf](#)
[20220823_Letters opposition Juarez Reeves Stewart.pdf](#)

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

SUMMARY STATEMENT:

Proposal: An ordinance to change the zoning from C-2 Light Commercial and RT Residential Transition to Planned Development District on Lot 21R, Block G, Cage Addition; and more commonly known as 820 Sidney Baker Street and 829 Clay Street, Kerrville, TX 78028.

Procedural Requirements: The City, in accordance with state law, mailed 23 letters on 7/14/2022 to adjacent property owners. The City published a similar notice in the Kerrville Daily Times on 7/7/2022. Notice of public hearing signs were also posted on both property frontages.

At the time of drafting this agenda bill, Development Services has received three comments.

Staff Analysis and Recommendation

Adjacent Zoning and Land Uses:

Subject Property

Current Zoning: C-2 Light Commercial and RT Residential Transition

Existing Land Use: Existing commercial and a vacant tract

Direction: North

Current Zoning: C-2 Light Commercial and RT Residential Transition

Existing Land Uses: Commercial (permitted and non-conforming)

Direction: East

Current Zoning: C-2 Light Commercial

Existing Land Uses: single-family residential

Direction: West

Current Zoning: RT Residential Transition

Existing Land Uses: church

Direction: South

Current Zoning: RT Residential Transition

Existing Land Uses: single family home

Consistency with the Kerrville 2050 Comprehensive Plan (“Comp Plan”): The subject property is partially within the Strategic Catalyst Area 7 and the balance of the property is located in a Transitional Residential place type area. This catalyst area encapsulates the Sidney Baker Street/Hwy 16 corridor between the Strategic Catalyst Area 6 and Interstate 10. Place types include Transitional Residential, Community Commercial, and Regional Commercial. The proposed PDD with the various uses as defined fits within the Transitional Residential place type.

Thoroughfare Plan: The subject property is located on and has access to Sidney Baker Street, an arterial and Clay Street, a local street.

Traffic Impact: With the conditions contained within the proposed PDD ordinance, traffic impacts should be limited.

Parking: N/A

Case Summary: The applicant is requesting a zoning change from C-2 and RT to a PDD to allow for the existing commercial development and a stand-alone parking lot.

Recommendation: Staff recommends approval of the zoning request.

On July 28th, the Planning and Zoning Commission recommended the Planned Development District with amended conditions with a unanimous vote.

The P&Z recommended the following amendments:

1. No vehicular access shall be allowed to and from Clay Street. All traffic shall access from the Sidney Baker Street property. A gate for emergency access may be installed if required by the Fire Marshal. Such gate to remain cloaked at all times, subject to emergencies.
2. The screening fence shall be required across the front of the Clay Street lot, with a 15' setback.
3. Solid waste collection bins and dumpsters are prohibited.

On August 09, 2022, City Council approved Ordinance No. 2022-23 on first reading, with the P&Z's recommendations and a three-sided screening fence, by a 4-1 vote.

RECOMMENDED ACTION:

Approve Ordinance No. 2022-23 on second reading.

D R A F T 8/19/22

CITY OF KERRVILLE, TEXAS ORDINANCE NO. 2022-23

AN ORDINANCE CREATING A “PLANNED DEVELOPMENT DISTRICT” (ZONING) FOR LIGHT COMMERCIAL USES AND A STAND-ALONE PARKING LOT ON AN APPROXIMATELY 1.49 ACRE PROPERTY, CONSISTING OF LOT 21-R, BLOCK G, B.F. CAGE ADDITION; WITHIN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS; AND MORE COMMONLY KNOWN AS 820 SIDNEY BAKER AND 829 CLAY STREET; ADOPTING A CONCEPT PLAN AND CONDITIONS RELATED TO THE DEVELOPMENT AND USE OF SAID LOT; AND PROVIDING OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, the Planning and Zoning Commission of the City of Kerrville, Texas and the governing body of the City of Kerrville, in compliance with the laws of the State of Texas and the ordinances of the City Kerrville, have given requisite notice by publication and otherwise, and after holding due hearings and affording a full and fair hearing to all property owners generally and to all persons interested and situated in the affected area and in the vicinity thereof, the governing body, in the exercise of the legislative discretion, has concluded that the City’s Zoning Code and Zoning Map should be amended as provided herein;

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

SECTION ONE. The property described in **Exhibit A** (the “Property”) is removed from a Light Commercial Zoning District (C-2) and a Residential Transition Zoning District (RT), based upon its previous configuration as separate properties, and placed within a newly created Planned Development District (“PDD”) for development and use as provided herein.

SECTION TWO. The Property may be developed and used but only in accordance with the following conditions:

A. Permitted Uses: The following uses are permitted within the PDD subject to the conditions provided herein and the applicable regulations for each use as provided within the Zoning Code:

1) The portion of the Property located at 820 Sidney Baker Street (“Portion A”) – Portion A may only be used for those permitted and conditional uses as allowed in the Light Commercial (C-2) Zoning District as provided within the Zoning Code.

2) The portion of the Property formerly addressed as 829 Clay Street (“Portion B”) – Portion B may only be used for a Stand-Alone

Parking Lot (“Parking Lot”), defined as parking surface or series of surfaces used or intended to be used for the parking or circulation of vehicles for which a fee may or may not be charged, and for no other purpose or use. Parking on the Parking Lot shall only be for the benefit of employees, customers, and others that are actively using Portion A.

Because Portion A and Portion B now exist as a single lot, the dividing line between each, for purposes of this PDD, will consist of the western edge of the concrete driveway behind the building on Portion A, such line as indicated on the Concept Plan attached as **Exhibit B**.

- B. Prohibited Uses:** Any use not specifically allowed in Portion A or Portion B as specified within subsections A.1) and 2) is expressly prohibited.
- C. Concept Plan:** The development and use of the Property shall be substantially in accordance with the Concept Plan. Minor modifications to number and alignment of buildings, building areas and footprints, open spaces, and pedestrian access shown on the Concept Plan may be made so long as the general alignment of building areas and lot layout are substantially maintained and the location and boundary of the lot is not altered.
- D. Setbacks:** Parking spaces on Portion B shall maintain a setback of a minimum of 15 feet (15.0') from the Property line adjacent to Clay Street. This open space area shall be landscaped and permanently maintained with healthy, growing landscaping, but with such landscaping not impairing sight distances for vehicles exiting Portion B.
- E. Parking:** The design, number of parking spaces, and aisle dimensions shall comply with the Concept Plan. All required parking shall be marked and kept available for customers, employees, and others using the Property. No parking may occur in front of any building which may be constructed on Portion B or within the setback. The Parking Lot and driveway between Portion A and Portion B shall be used to provide for vehicular access traveling between the two areas. Vehicles are prohibited from entering or exiting from Portion B from or onto Clay Street. The Property owner shall install a gate or similar barrier to prevent such ingress or egress, which shall comply with the City’s fire code. In addition, the Property owner shall install signage to notify all drivers of this regulated use.

F. Parking Lighting: All outside pole lights shall be of a full cut-off design and shall be located, shielded, and aimed in such a manner so as not to allow light to directly fall on adjacent roadways and/or properties. Up-lighting is prohibited.

G. Parking Lot and Travel Lane Surface: The vehicle traveling lanes and parking spaces shall be asphalt or concrete in order to prevent mud, dirt, or other loose materials from being removed from the Property and tracked onto the public rights-of-way by vehicles traveling from the Property.

H. Signage: The design, installation, location, and maintenance of signs shall comply with City sign regulations existing at the time of permitting for the sign, except for the signs required by this subsection.

1) Required Signs for Portion B:

a) Three signs shall be required for Portion B in order to notify drivers of the regulated use:

- i.** Signs Stating “Do Not Enter” located on the gate or barrier preventing access from Clay Street with one facing toward Clay Street and the other toward Portion B.
- ii.** A sign stating “Parking for Employees and Customers of 820 Sidney Baker Business Only”, located near the access from Portion A to Portion B.

b) Signs required by subsection H.1):

- i.** Shall not exceed six square feet in area;
- ii.** Shall not exceed six feet in height;
- iii.** Shall not be placed closer than five feet to any property or right-of-way line; and
- iv.** Shall be permanently mounted or installed;

2. Any additional sign applied for Portion B shall meet the sign regulations for the Residential Transition (RT) Zoning District. The signs required by

subsection 2(H)(1) do not count towards the total number of signs otherwise allowed by City ordinances.

I. Landscaping Regulations: Landscaping shall be installed in accordance with the following:

1. Planting materials planted on the Property shall be from the list of recommended plants set forth in the most recent edition of *Recommended Plants for the Kerrville Area* published by the City at the time of planting.
2. All landscaping shall be maintained in a healthy, growing condition.

J. Screening: Screening: Screening shall be required along each property line of Portion B (*i.e.*, three sides, northeast, northwest, and southwest). Screening is subject to the following:

1. Any fence constructed on the northeast and southwest property lines from the 15-foot setback line to the rear of Portion B shall be a minimum of 6 feet tall.
2. Any fence constructed along the property line adjacent to Clay Street, the northwest property line, shall be setback 15 feet. This fence shall be a minimum of 3 feet.
3. If any fence is constructed from the Property line of Portion B adjacent to Clay Street to the 15-foot setback line, it shall not exceed 30 inches in height.
4. Vegetative screening is permissible to substitute or supplement any fencing used to screen so long any vegetative screening from the 15-foot setback line to the rear of Portion B is a minimum of 6 feet tall and is of a dense hedge or plant material that is alive and maintained in a healthy condition.

K. Trash and Other Solid Waste: Solid waste collection bins and dumpsters are prohibited on Portion B.

L. Outdoor Storage and Display: The outdoor storage of any materials, supplies, inventory, and/or equipment, whether in cargo containers or

similar containers or buildings, is prohibited except on a temporary basis for construction-related purposes.

M. Vested Rights: The Concept Plan constitutes a “permit” as defined in Chapter 245, Texas Local Government Code, as amended, that is deemed filed with the City on the effective date of this ordinance.

SECTION THREE. The City Manager or designee is authorized and directed to amend the City’s official zoning map to reflect the change in districts adopted herein and to take other actions contemplated by and in accordance with the City’s Zoning Code.

SECTION FOUR. The provisions of this Ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided however, to the extent of any irreconcilable conflict with the provisions of this Ordinance and other ordinances of the City of Kerrville governing the use and development of the Property and which are not expressly amended by this Ordinance, the provisions of this Ordinance shall be controlling.

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

SECTION SIX. The penalty for violation of this Ordinance shall be in accordance with the general penalty provisions contained in Section 1-7, Chapter 1 of the Code of Ordinances of the City of Kerrville, Texas, which provides for a fine not exceeding TWO THOUSAND DOLLARS (\$2,000.00).

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

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

PASSED AND APPROVED ON FIRST READING, this the 09 day of
August, A.D., 2022.

PASSED AND APPROVED ON SECOND AND FINAL READING, this
the day of , A.D., 2022.

Judy Eychner, Mayor

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney

ATTEST:

Shelley McElhannon, City Secretary

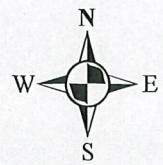


Location Map

Case # PZ-2022-035

Location:
820 Sidney Baker St N
& 829 Clay St N

Legend
200' Notification Area
Subject Properties



0 50 100 200

Scale In Feet

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





From: [Drew Paxton](#); [Steve Melander](#); [Planning Division](#)
To: [Drew Paxton](#); [Steve Melander](#)
Subject: RE:Case PZ-2022-35
Date: Tuesday, July 26, 2022 2:37:31 PM

EXTERNAL EMAIL: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Kerrville Planning & Zoning Commission, 7/25/2022

RE: CASE: PZ-2022-35

We would like to express our deepest concerns with the ordinance/zoning change slated for 820 Sidney Baker St. and 829 Clay St. We want to acknowledge the efforts of the commission and the City of Kerrville in their litigation efforts to maintain the residential area intact and protected. While you may have to approve the change, we are adamantly opposed to granting the property owner “carte blanche” to do whatever he wants. It is well within the powers of the City to create and implement Covenants, to limit unintended use or permissions for a property owner(s). The fact is now this change will affect the residents of Clay St, Myrta St. and Barnett St. with increased traffic flow. And lower quality-of-life for the residents, not to mention the wildlife they are fortunate enough to have and currently enjoy. You know, all the good things that life in a small town is supposed to have. We ask you to mitigate it, by setting forth guidelines and common-sense restrictions on how traffic will ingress or egress to Clay St. This would be reasonable considering the City of Kerrville’s pledge to support neighborhoods in the “2050 plan”.

Secondly, the jump from RT-Residential Transition to PD-Planned Development District is an excessive zoning designation for a proposed parking lot. It also goes completely against Kerrville’s 2050 plan that was approved by this Commission! There has never been (and none in the 2050 plan) PD-Planned Development zones in the immediate area and therefore should be considered as excessive. We ask for a C1-Residential commercial designation as it would be more appropriate. At the very least it should be considered.

Lastly, it appears that the property owner has already removed the fencing from the property line that borders 820 Sidney Baker St. and 829 Clay St., and allowed parking on the unpaved portion of the lot. If this is a harbinger of how he “operates”, it doesn’t bode well for the families that have lived on Clay St. long before his building existed. You can give an inch, without giving a mile. Thank you for your consideration.

Jerry and Santa Juarez

To: [Drew Paxton](#); [Steve Melander](#)
Subject: Letter of protest regarding the upcoming public hearing on July 28
Date: Thursday, July 21, 2022 9:46:59 PM

EXTERNAL EMAIL: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Sir,

Regarding the public hearing coming up July 28 for the Planning and Zoning commission to consider changing the zoning which will affect the Clay Street neighborhood:

A local man purchased a home at 829 Clay St, which backs up to his business facing Sidney Baker St. After moving the house, he requested to turn this lot into a parking lot for his restaurant, (which is against zoning) and he was denied on two requests. I attended those meetings and appreciated the response on this matter from the Planning and Zoning commission.

It is my understanding this businessman also wants through traffic from Sidney Baker to Clay St. In my opinion, this situation shows a lack of respect for the neighborhood where he chooses to run his business.

I believe the city of Kerrville spent quite a bit of money defending its decision to deny this man a conditional use permit for the parking lot in a law suit. The city lost and now this man will be allowed to have his parking lot next to a home on Clay St and across from other homes - homes with children and elderly and pets. The parking lot is bad enough but now he is to be allowed through traffic from Sidney Baker to Clay St., which will further denigrate the neighborhood. Clay St has a shopping center with through traffic from Sidney Baker onto Clay St and this was against zoning but allowed years ago. I remember this was discussed in one of the previous meetings on this issue. Now we are allowing something else that is bad for the residents of Clay St. Parking lots bring more than parked cars. They bring cars " cutting through" the shopping center to

avoid a stop light, they bring dumpsters and trash trucks beeping and backing up to empty the dumpster at early hours of the morning, people walking through the lot that are not there for the shopping or dining, people parking there and hanging out at 2 AM, people using the dumpster if it is not locked, the dumpster being left open when overstuffed with trash which then blows all over residents yards. I know because I deal with these issues all the time with the shopping center and parking area by our home. There too It has worsened since a fence section was removed allowing access from the shopping center into the back of our property and a vacant lot next door. Yes that is a different issue but the problems affecting homeowners are much the same.

The value of a neighborhood is in the people - those who invested in the neighborhood and spent years paying off a home mortgage and raising children there and now choose to spend their golden years there. This request to change the zoning can bring increased traffic, safety issues, noise, lack of green space, light pollution, a view of light poles; None of this is welcome in a neighborhood that seeks merely to exist peacefully.

I thought Kerrville's long range plan included developing residential areas in town. Why then no protection for one already in existence? Granted the lot is currently an eye sore - the center section of the fence was removed months ago, forcing residents to stare at the back of the commercial building. I thought the fence was supposed to be in place to block, or soften the view in a transitional zoning area.

Now he has removed most of the fence, I suppose in anticipation of his parking lot. Cars have been parking in the grassy lot and I have observed cars entering and exiting the lot from Clay St.

In town residential neighborhoods must deal with traffic noise from nearby busy streets and the sound of live music that can be heard over one's television and air conditioner. These things come with living in town. But the residents deserve protection from encroachment.

I'm sure the owner is sorry he bought a lot that was not zoned for his desired use but why should his mistake affect the neighborhood?

What happens if another business on Sidney Baker wants to expand behind them and is able to purchase a lot on Clay Street? Can they expand their business and parking onto Clay St too? After all, one person got by with it. I appreciate the city's efforts to fight this issue to protect this quiet neighborhood street from further commercial encroachment; that means something to me.

Thank you

**JuLee Reeves
853 Clay St
Kerrville Tx 78028**

From: [Drew Paxton](#)
To: [Drew Paxton](#)
Subject: Zoning Meeting July 28, 2022 Protest
Date: Thursday, July 28, 2022 7:47:02 AM

EXTERNAL EMAIL: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

To Responsible City Official:

Why in the hell are you as a city official once again entertaining the intrusive, intimidating and harassing behavior of a businessman (who last time I checked) isn't a resident of Kerrville and whose ulterior motives are well known, selfish and only designed to increase his profits on the backs of the very elderly residents who were the very first, or descendants of the very first, citizens of Kerrville?

Once again Mr. Motheral is at it again in front of the city trying to bully his way to build a parking lot with a primary entrance onto Clay Street. He has the gall to attempt to force his way no matter that there have been numerous official city decisions against his empire building efforts. Additionally, the opinions of the long-time residents have been made in the negative again, and again, and again.

I am a longtime resident of Kerrville and retired here after a 30-year career in the U.S. Army. My mother has lived here all of her life in the house at the top of Clay Street. This home was built in the late 1800's at the time Kerrville first became a city when my great grandfather was Kerrville's first medical doctor. The old joke in our family is that half the residents of Kerrville back then were born on our antique dining room table!

Although in disrepair, this house is mere feet from where Mr. Motheral intends to build his parking lot to provide access to his restaurant and commercial strip on Sidney Baker street (and we are sure this is just the start). My mother is on a fixed income and without the city's intervention does not have the financial means to either fight Mr. Motheral or move elsewhere. She intends to live in this house until her last day on earth and I want to make her life as comfortable as possible.

Please do your job as a trustee and steward of the values of what Kerrville espouses and stand up for the most vulnerable, long-time residents of Kerrville who built this city and made it what it is today and who actually live here.

Just say no to Mr. Motheral's request to "commercialize" Clay Street.

Thank you.

Respectfully,
Bill Stewart
Colonel, U.S. Army Retired



**TO BE CONSIDERED BY THE
PLANNING AND ZONING COMMISSION
CITY OF KERRVILLE, TEXAS**



SUBJECT: Ordinance No. 2022-24, second reading. An Ordinance amending Chapter 60 of the Code of Ordinances, City of Kerrville, Texas; by changing the zoning of an approximate 22.03 acre tract out of the Samuel Wallace Survey No. 113, Abstract No. 347; more commonly known as the north side of the 2300 block of E. Main; from a Medium Density Residential Zoning District (R-2) to a Multifamily Residential Zoning District (R-3); and providing other matters relating to the subject. (Appeal by Applicant)

AGENDA DATE OF: August 23, 2022 **DATE** Aug 12, 2022
SUBMITTED:

SUBMITTED BY: Drew Paxton

EXHIBITS: [20220823_Ord 2022-24 Zone change R3 2300 E Main 2nd reading.pdf](#)
[20220823_Letter opposition Wall.pdf](#)

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

SUMMARY STATEMENT:

Proposal: An ordinance to change the zoning from R-2 Medium Density Residential to R-3 Multifamily Residential on approximately 22.03 acres tract of land out of the Samuel Wallace Survey No. 113, Abstract No. 347, in the city of Kerrville, Kerr County, Texas; part of a certain 54.206 acre tract conveyed from Four States Financial Corporation to Hervey Square; and more commonly known as 2300 block of East Main Street.

Procedural Requirements: The City, in accordance with state law, mailed 43 letters on 6/23/2022 to adjacent property owners. The City published a similar notice in the Kerrville Daily Times on 6/16/2022.

At the time of drafting this agenda bill, Development Services has received one comment.

Staff Analysis and Recommendation:

Adjacent Zoning and Land Uses:

Subject Property

Current Zoning: R-2 Medium Density Residential

Existing Land Use: Vacant Land

Direction: North

Current Zoning: PI, Public and Institutional

Existing Land Uses: Schreiner University property

Direction: East

Current Zoning: R-1 Single Family Residential

Existing Land Uses: single-family residential

Direction: West

Current Zoning: R-3 and PI

Existing Land Uses: vacant land (R-3) Atmos Energy Office (PI)

Direction: South

Current Zoning: PDD for multifamily residential

Existing Land Uses: apartments

Consistency with the Kerrville 2050 Comprehensive Plan (“Comp Plan”): The subject property is within the Strategic Catalyst Area 9 and is identified as a future investment site. This catalyst area is focused on Schreiner University and the future development and reinvestment in the surrounding area. The primary place types for this catalyst area are Neighborhood Residential and Transitional Residential. The Transitional Residential place type is primarily multifamily development. Based on the catalyst area and place types, the request is consistent with the Kerrville 2050 Future Land Use Plan.

Thoroughfare Plan: The subject property is located on and has access to East Main Street, a collector street, as required for multifamily developments.

Traffic Impact: Future traffic impacts will be reviewed through the TIA Worksheet through the development and subdivision of this property.

Parking: All off-street parking requirements will be met through the final project design and approval.

Case Summary: The applicant is requesting a zoning change from R-2 to R-3 to allow for multifamily development.

Recommendation: Because the request is consistent with the Kerrville 2050 Future Land Use Plan, the staff recommends approval of the zoning request.

On July 28th, the Planning & Zoning voted 3-3 on this case. A tie vote equates to a refusal of the application.

On August 09, 2022, the City Council approved Ordinance No. 2022-24 on first reading, with a unanimous vote.

RECOMMENDED ACTION:

Approve Ordinance No. 2022-24 on second reading.

CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2022-24

AN ORDINANCE AMENDING CHAPTER 60 OF THE CODE OF ORDINANCES, CITY OF KERRVILLE, TEXAS; BY CHANGING THE ZONING OF AN APPROXIMATE 22.03 ACRE TRACT OUT OF THE SAMUEL WALLACE SURVEY NO. 113, ABSTRACT NO. 347; MORE COMMONLY KNOWN AS THE NORTH SIDE OF THE 2300 BLOCK OF E. MAIN; FROM A MEDIUM DENSITY RESIDENTIAL ZONING DISTRICT (R-2) TO A MULTIFAMILY RESIDENTIAL ZONING DISTRICT (R-3); AND PROVIDING OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, pursuant to Texas Local Government Code Sections 211.006 and 211.007, notice has been given to all parties in interest and citizens by publication in the official newspaper for the City of Kerrville, Texas (“City”), and otherwise, of a hearing held before the City Council on August 9, 2022, which considered a report of the City’s Planning and Zoning Commission regarding its recommendations on this Ordinance, a change in zoning which will result in the property commonly known as the north side of the 2300 block of E. Main and comprising approximately 22.03 acres; such change to result in the removal of the property from a Medium Density Residential Zoning District (R-2) to placement within a Multifamily Residential Zoning District (R-3); and

WHEREAS, on August 9, 2022, City Council held a public hearing on the zoning change referenced above pursuant to the published notice and has considered the application, comments, reports, and recommendations of the Planning and Zoning Commission and staff, public testimony, and other relevant support materials;

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

SECTION ONE. The Zoning Code for the City of Kerrville, Texas, Chapter 60 of the Code of Ordinances of the City of Kerrville, Texas, and the *Official Zoning Map* are hereby amended to designate the following described property zoned as within a Multifamily Residential Zoning District (R-3):

Legal Description: Being a 22.03 acre tract out of the Samuel Wallace Survey No. 113, Abstract No. 347, and being a portion of a 54.206 acre tract; said property depicted at **Exhibit A**, attached hereto and made a part hereof for all purposes, and hereafter referred to as the “Property.”

Common Description: the north side of the 2300 block of E. Main, Kerrville, Texas 78028.

SECTION TWO. The City Manager or designee is authorized and directed to amend the City's *Official Zoning Map* to reflect the change in districts adopted herein and to take other actions contemplated by and in accordance with the City's Zoning Code.

SECTION THREE. The provisions of this Ordinance are 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 expressly repealed to the extent of any such inconsistency or conflict.

SECTION FOUR. The terms and provisions of this Ordinance shall be deemed to be severable in that if any portion of this Ordinance is declared to be invalid, the same shall not affect the validity of the other provisions of this Ordinance.

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

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

PASSED AND APPROVED ON FIRST READING, this the 09 day of August, A.D., 2022.

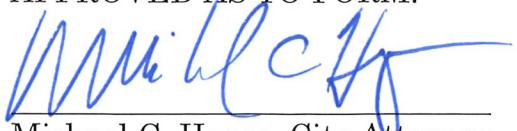
PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ of _____, A.D., 2022.

Judy Eychner, Mayor

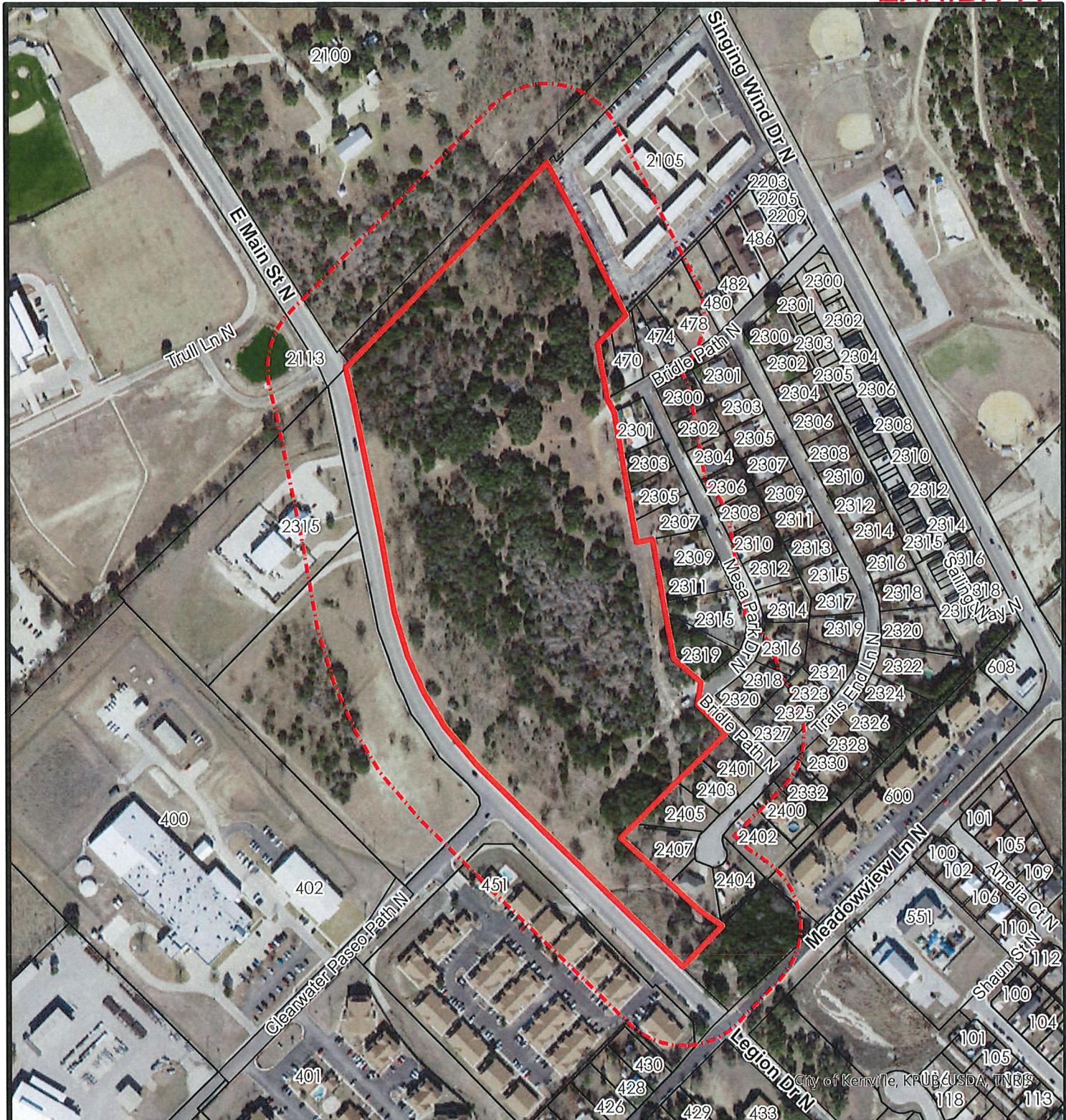
ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney



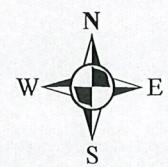
Location Map

Case # PZ-2022-033

Location:
Kerr CAD Property ID #17053

Legend

200' Notification Area Subject Properties



0 125 250 500

Scale In Feet

To: [Planning Division](#)
Subject: Public Hearing CASE PZ-2022-33
Date: Thursday, June 30, 2022 9:36:16 PM

EXTERNAL EMAIL: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I am in opposition to this proposal. It not only will affect the wildlife but also destroy too many trees behind my property.

Jo Alice Wall
2301 Mesa Park Drive



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

SUBJECT: Construction Agreement with Viking Construction, Inc. for 2022 Slurry Seal project in the amount of \$314,894.50.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Aug 12, 2022

SUBMITTED BY: Kyle Burow

EXHIBITS: [20220823_Letter and Bid_2022 Slurry Seal.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$314,894.50	\$730,005.26	\$2,050,000.00	01-0161-2420

PAYMENT TO BE MADE TO: Viking Construction, Inc.

Kerrville 2050 Item?	Yes
Key Priority Area	M - Mobility / Transportation
Guiding Principle	M4. Place a high priority on the maintenance of existing streets
Action Item	M4.2 - Continue implementing the plan for street repairs, including a timeline and funding, based on the road conditions data collection and evaluation completed in 2016

SUMMARY STATEMENT:

As part of the adopted FY2019 budget, 6S Engineering, Inc. was hired to update the Pavement Master Plan and reassess the current street conditions and maintenance practices. The 6S Engineering, Inc. team evaluated the current street condition assessment gathered for each street segment to analyze the deterioration estimates based on the effectiveness of the current street repair methods and degradation of street segments compared to the initial report, combined multiple street segments to minimize construction costs, and reevaluated the prioritization of streets. The prioritization of all streets were based on PCI, Ride Condition Index (RCI), and Roadway Classification (i.e. Collector, Residential). Upon completion of the analysis, 6S Engineering, Inc. developed a 10-year maintenance plan to assist with future budgeting and maintenance methods to be adopted by City Council. The maintenance plan was adopted and the City consulted 6S Engineering, Inc. to develop construction specifications for the 2022 Street Maintenance project.

The scope of this project is to provide slurry seal maintenance method for approximately 13.9 lane miles of roadway for Year 4 of the updated Pavement Management Plan. The slurry seal project will complete the yearly street maintenance preceded by the roadway repair maintenance and crack seal that prepare the roads for the slurry seal project to be completed. The project was placed for advertisement, the bid opening was held and two bids were received, with Viking Construction, Inc. as the apparent low bid. Staff, along with 6S Engineering, Inc. evaluated the contractor and recommend awarding the base bid contract amount of \$314,894.50.

RECOMMENDED ACTION:

Authorize the City Manager to finalize and execute a construction contract.



ENGINEERING, INC
TBPE F-18435

August 12, 2022

Mr. Kyle Burow, P.E., CFM
City of Kerrville
701 Main Street
Kerrville, TX 78028

Reference: 2022 Slurry Seal Project- Bid Recommendation

Dear Mr. Burow:

6S Engineering, Inc. has reviewed the bid proposal for the above referenced project. There were (2) bidders for the project. It is recommended that Viking Construction be awarded the Base Bid contract for the Base Bid amount of \$314,894.50. If there are any questions or concerns, please do not hesitate to contact us.

Sincerely,

A handwritten signature in blue ink that reads 'Jess W. Swaim'.

Jess Swaim, P.E.
Vice President

APPARENT LOW BIDDERS

2022 Slurry Seal Project

ID: 21-025

Bid Summary	
Engineers Estimate	No Estimate
Total Bids	2
AMLT \$	\$65,725.50
AMLT %	18.9%
Average Bid	\$347,757.25

	Bidder	BASE BID
1	viking construction <i>Submitted: 8/02/2022 9:04:25 AM</i>	\$314,894.50
2	Intermountain Slurry Seal, Inc. <i>Submitted: 8/01/2022 5:21:2022 PM</i>	\$380,620.00

Bids opened at: 8/02/2022 3:00:10 PM



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

SUBJECT: Core & Main purchase of materials for Advanced Metering Infrastructure (AMI) project, not to exceed \$218,138.00.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Aug 11, 2022

SUBMITTED BY: Julie Behrens

EXHIBITS:

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$218,137.52	\$275,000 (CIP)	\$275,000 (Phase III) FY2023	71-7100-5500

PAYMENT TO BE MADE TO: Core & Main

Kerrville 2050 Item? Yes

Key Priority Area F - Public Facilities and Services

Guiding Principle W1. Develop and maintain long-range water plans that prioritize infrastructure needs and identify funding sources.

Action Item

SUMMARY STATEMENT:

The final phase of the Advanced Metering Infrastructure (AMI) project is budgeted as part of the FY2023 Community Investment Plan (capital projects). Staff requests permission to order these materials in advance of the start of the fiscal year due to supply chain issues. As of 8-11-2022, Core & Main is advising that antennas & registers have a 3 - 4 month delay in shipment. Meter box lids have a 6-9 month delay for shipment. In order to complete the final phase of this project in FY2023, it is imperative that we order necessary materials as soon as possible.

RECOMMENDED ACTION:

Authorize the City Manager to finalize and execute the purchase of materials needed for completion of the AMI project.



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

SUBJECT: Appointments to the Main Street Advisory Board.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Jul 11, 2022

SUBMITTED BY: Shelley McElhannon

EXHIBITS:

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	D1. Create a "living room" for the community and a "front door" for visitors—a full-service destination that attracts anchor uses and increased residential and mixed-use development.
Action Item	N/A

SUMMARY STATEMENT:

September 2022, the Board will have four vacancies.

Two of these vacancies are Ex Oficio members who would like to continue to serve: Ex Officio member Rachel Fitch and Ex Officio member Katherine Howard. Both are eligible for reappointment.

Three applications have been received: Diana Howard (eligible for reappointment), Emily Phillips, and Lanza Teague.

Mayor Judy Eychner and Councilmember Place 1 Roman Garcia are the Board interview team.

Senior Analyst Megan Folkerts is staff liaison.

RECOMMENDED ACTION:

Appoint members.



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

SUBJECT: Appointments to the Senior Services Advisory Committee.

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Jul 08, 2022

SUBMITTED BY: Shelley McElhannon

EXHIBITS:

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	C - Community / Neighborhood Character and Place Making
Guiding Principle	C3. Promote the use of inclusive processes to capture the voices of the citizenry in decision making
Action Item	C1.6 - Provide service options for elderly persons who want to stay in their homes

SUMMARY STATEMENT:

Six vacancies will exist September 30, 2022.

Five applications have been received: Marilyn Cizmich (eligible for reappointment), Mike Ezer, Christina Klima (eligible for reappointment), Karen Mattox (eligible for reappointment), Kenneth Zysko.

Councilmember Place 2 Kim Clarkson and Councilmember Place 3 Joe Herring, Jr are the Board interview team.

Assistant City Manager Kim Meismer is staff liaison.

RECOMMENDED ACTION:

Appoint members.



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

SUBJECT: Appointments to the Tax Increment Reinvestment Zone Number One (TIRZ), Board of Directors, and appoint TIRZ Chair. (This item is eligible for Executive Session 551.074)

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Jul 11, 2022

SUBMITTED BY: Shelley McElhannon

EXHIBITS:

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	E - Economic Development
Guiding Principle	E4. Balance, broaden and diversify the City's tax base, shifting the tax burden away from residential property owners
Action Item	N/A

SUMMARY STATEMENT:

Four vacancies will exist September 30, 2022.

Four applications have been received: Kenneth Early - current Board Chair (eligible for reappointment), John Harrison (eligible for reappointment), Pat Murray (eligible for reappointment), and Mindy Wendele - current Board Vice-Chair (eligible for reappointment).

Mayor Judy Eychner and Councilmember Place 1 Roman Garcia are the Board interview team.

Assistant City Manager Michael Hornes is staff liaison.

RECOMMENDED ACTION:

Appoint members to the TIRZ Board of Directors, and appoint TIRZ Chair.



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

SUBJECT: Appointments to the Zoning Board of Adjustment. (This item is eligible for Executive Session 551.074)

AGENDA DATE OF: August 23, 2022 **DATE SUBMITTED:** Jul 11, 2022

SUBMITTED BY: Shelley McElhannon

EXHIBITS:

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:

Five vacancies will exist September 30, 2022 (three regular members and two alternate members).

Four applications have been received: Pablo Brinkman (eligible for reappointment), Aimee Farrell, Lynn Niles, and Becky Nutt.

Mayor Judy Eychner and Councilmember Place 4 Brenda Hughes are the Board interview team.

Planning Director Drew Paxton is staff liaison.

RECOMMENDED ACTION:

Appoint members.