

AGENDA FOR THE KERRVILLE CITY COUNCIL MEETING

TUESDAY, SEPTEMBER 10, 2024, 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

SEPTEMBER 10, 2024 6:00 PM

CITY HALL, 701 MAIN STREET, KERRVILLE, TEXAS



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

Citizens may view and hear City Council meetings on Spectrum Channel 2 or by live-stream 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 meeting begin. Each speaker is limited to four minutes.

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

Pursuant to Section 46.03, Penal Code (places weapons prohibited), a person may not carry a firearm or other weapon on this property.

Thank you for your participation!

CALL TO ORDER: By Mayor Joe Herring, Jr.

INVOCATION AND PLEDGE OF ALLEGIANCE: Led by Councilmember Brenda Hughes.

1. **ANNOUNCEMENTS OF COMMUNITY INTEREST:** Announcement of items of community interest, including expressions of thanks, congratulations, or condolences; holiday schedules; recognitions of city officials, employees, or other citizens; 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. **PRESENTATIONS:**
 - 2.A Proclamation regarding September 11 Walk to Honor and Remember; and Kerrville Kindness Awards to Kerr County Veteran Service Officers. (Mayor J Herring Jr)
 - 2.B Proclamation recognizing September 17-23, 2024 as the United States Constitution week, presented to the Daughters of the American Revolution. (Mayor J Herring, Jr)
 - 2.C Proclamation recognizing September 2024 as National Recovery month. (E Maloney, Fire Chief)
 - 2.D Commendation of Recognition JAM Broadcasting. (Mayor J Herring, Jr)
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, staff, or member of the public 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 Resolution No. 39-2024. A Resolution approving the budget for Kerr Emergency 9-1-1 Network for Fiscal Year 2025. (C McCall, Police Chief)
Attachment: 20240910_Reso 39-2024 Approve FY25 Budget -Kerr 911.pdf

4.B Resolution No. 38-2024. A Resolution supporting the agreement with Texas Department of Transportation (TxDOT) to install license plate readers in TXDOT's Right-of-Way. (C McCall, Police Chief)
Attachment: 20240910_Reso 38-2024 Agreement TxDOT license plate readers.pdf

 4.C General Contract for CDW Government LLC for the purchase of City of Kerrville Backup Solution; purchase a backup solution for City's critical servers in the amount not to exceed \$140,000.00. (C Tork, IT Director)
Attachment: 20240910_Contract_CDWG LLC_Critical servers.pdf

 4.D Fund agreement between the City of Kerrville and the Community Foundation of the Texas Hill Country for the creation of a Kerrville First Responders Fund. (M Hornes, Assistant City Manager)
Attachment: 20240910_Fund Agmt CF_KFRF.pdf

 4.E Amendment to a Professional Services Agreement with Freese and Nichols, Inc. for design-build advisor services for the renovations to Heart of the Hills Heritage Center (HHHC). (M Hornes, Assistant City Manager)
Attachment: 20240910_PSA Amend FNI HHHC.pdf

4.F City Council workshop minutes August 27, 2024. (S McElhannon, City Secretary)
Attachment: 20240910_Minutes CC workshop 8-27-24.pdf

4.G City Council meeting minutes August 27, 2024. (S McElhannon, City Secretary)
Attachment: 20240910_Minutes CC meeting 8-27-24.pdf

END OF CONSENT AGENDA.

5. PUBLIC HEARING AND ORDINANCES, FIRST READING:

5.A Ordinance No. 2024-23. An Ordinance levying an Ad Valorem (Property) Tax for the use and support of the Municipal Government for the City of Kerrville, Texas, for Fiscal Year 2025; apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid. (J Behrens, Director of Finance)
Attachment: 20240910_Ord 2024-23 Ad Valorem Tax Property Rate FY2025.pdf

5.B Ordinance No. 2024-24. An Ordinance adopting the annual budget for the City of Kerrville, Texas, Fiscal Year 2025; providing appropriations for each city department and fund; containing a cumulative clause; and containing a savings and severability clause. (J Behrens, Director of Finance)
Attachment: 20240910_Ord 2024-24 Approve FY2025 Annual Budget.pdf

5.C Ordinance No. 2024-21. An Ordinance amending Chapter 60 of the Code of Ordinances, City of Kerrville, Texas; by changing the zoning of an approximate 5.51 acre property known as 2029 Junction Highway (SH 27); from a Planned Development Zoning District (PDD) to a General Commercial Zoning District (C-3); and providing other matters relating to the subject. (D Paxton, Director of Zoning and Development)
Attachments: 20240910_Ord 2024-21 PDD zoning to C3_2029 Junction Hwy.pdf
PZ-2024-19_Future Land Use (Current) Map.pdf
PZ-2024-19_Current Zoning.pdf
SCA4_K2050.pdf

6. CONSIDERATION AND POSSIBLE ACTION:

6.A Resolution No. 37-2024. A Resolution approving a negotiated settlement between the Atmos Cities Steering Committee (ACSC) and Atmos Energy Corp., Mid-Tex Division regarding the Company's 2024 rate review mechanism filing; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attachment establishing a benchmark for pensions and retiree medical benefits; requiring the company to reimburse ACSC's reasonable ratemaking expenses; determining that this resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this resolution to the company and the ACSC's legal counsel. (M Hayes, City Attorney)

Attachments: [20240910_Reso 37-2024 Settlement_ACSC Atmos_2024 RRM Filings.pdf](#)
[20240910_2024 Annual Gas Cost Filing.pdf](#)
[20240910_Average Bill RRM.pdf](#)



6.B General Contract for the Schreiner Golf Course Improvement Project in an amount not to exceed \$ _____. (A Boyle, Director of Parks & Recreation)

Attachment: [20240910_Contract_Golf Course Renovation -draft.pdf](#)



6.C Project Funding Agreement between the City of Kerrville, TX, Economic Improvement Corporation (EIC) and the City of Kerrville, TX; for the development and construction of an extension to the City's River Trail from the Tranquility Island Bridge to the Scenic Downtown Overlook (pavilion). (M Hornes, Assistant City Manager)

7. BOARD APPOINTMENTS:

7.A Appointments to the Tax Increment Reinvestment Zone Number One (TIRZ #1) Board of Directors, and appoint TIRZ Chair. (*This item is eligible for Executive Session 551.074*) (S McElhannon, City Secretary)

8. 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 of Chapter 551 of the Texas Government Code. City Council also reserves the right to meet in executive session on the following issues:

8.A Appointments to the Tax Increment Reinvestment Zone Number One (TIRZ #1) Board of Directors, and appoint TIRZ Chair. (551.074) (S McElhannon, City Secretary)

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

10. ITEMS FOR FUTURE AGENDAS: City Council may suggest items or topics for future agendas.

ADJOURN.



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

SUBJECT: Proclamation regarding September 11 Walk to Honor and Remember; and Kerrville Kindness Awards to Kerr County Veteran Service Officers. (*Mayor J Herring Jr*)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** July 26, 2024

SUBMITTED BY: Mayor Herring, Councilmember Harris

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:

Councilmember Harris has requested a proclamation recognizing the patriots who served in the 20 years following the attacks on September 11, 2001.

September 11, 2024, 5:00PM at Trailhead Beer Garden including a 1.7 mile walk

RECOMMENDED ACTION:

Proclamation.



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

SUBJECT: Proclamation recognizing September 17-23, 2024 as the United States Constitution week, presented to the Daughters of the American Revolution. (*Mayor J Herring, Jr*)

AGENDA DATE OF: September 10, 2024 **DATE SUBMITTED:** September 4, 2024

SUBMITTED BY: Mayor Herring

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:

RECOMMENDED ACTION:

Present proclamation.



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

SUBJECT: Proclamation recognizing September 2024 as National Recovery month. (*E. Maloney, Fire Chief*)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** July 26, 2024

SUBMITTED BY: Eric Maloney, Fire Chief

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:

RECOMMENDED ACTION:

Present proclamation.



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

SUBJECT: Commendation of Recognition JAM Broadcasting. (*Mayor J Herring, Jr*)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** August 26, 2024

SUBMITTED BY: Dalton Rice, City Manager

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:

RECOMMENDED ACTION:

Recognition.



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

SUBJECT: Resolution No. 39-2024. A Resolution approving the budget for Kerr Emergency 9-1-1 Network for Fiscal Year 2025. (*C McCall, Police Chief*)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** August 29, 2024

SUBMITTED BY: Chris McCall, Police Chief

EXHIBITS:

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

This is the budget as approved by the Kerr 9-1-1 Board of Managers. Kerr 9-1-1 requires the City to approve the budget, however, the City does not provide financial support to this organization.

RECOMMENDED ACTION:

Approve Resolution No. 39-2024.

ATTACHMENTS:

[20240910_Reso 39-2024 Approve FY25 Budget -Kerr 911.pdf](#)

CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 39-2024

**A RESOLUTION APPROVING THE BUDGET FOR KERR
EMERGENCY 9-1-1 NETWORK FOR FISCAL YEAR 2025**

WHEREAS, in accordance with Section 772.309 of the Texas Health and Safety Code, the Executive Director of the Kerr Emergency 9-1-1 Network has prepared and presented to City Council a budget for the Network's fiscal year commencing January 1, 2025; and

WHEREAS, City Council finds it to be in the public interest to approve said budget;

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

The City Council of the City of Kerrville, Texas, approves the 2025 Fiscal Year Budget for the Kerr Emergency 9-1-1 Network as presented and set forth in **Exhibit A**.

PASSED AND APPROVED ON this the _____ day of _____, A.D., 2024.

Joe Herring, Jr., Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Shelley McElhannon, City Secretary



Subject: Proposed 2025 Budget Summary

08/29/2024

1. 100 Revenue. Estimated Net Income: \$459,000.00, a 5.52% increase over FY 2024. There is a decrease in wireline and VOIP income and increases in both Wireless and Interest Income.
2. 200 Payroll. Payroll expenses include a 2.34% overall salary increase for current staff members, and a 12.50% projected increase in health care insurance costs. Payroll overhead includes staff salaries, payroll taxes, retirement account contributions, employee life insurance and Texas Workforce Commission unemployment insurance costs. TCDRS will see an increase in this category, the effective rate increased due to payments to retirees. Overall, there is an increase of 5.01% in costs compared to last year.
3. 300 Operations (PSAP/Call Centers). This expense category includes all operation and maintenance expenses for the Public Safety Answering Point (911 backroom server / telephony equipment / software) and the two call centers (KPD & KCSO). Kerr 9-1-1 is projected to see an increase for the ESInet charge for 2025 as costs are just now being realized. Projected costs will jump to \$110,000.00 for 2025, compared to \$108,000 projected for 2024. The NextGen 9-1-1 expenditure is the result of an unfunded mandate from the State of Texas 87th Legislative Session. Since Kerr 9-1-1 has implemented NextGen Core Services with the ESInet, there are three other line items in this category that have been eliminated resulting in an overall projected decrease of 6.21% from last year.
4. 400 Direct Services. Direct Services will have a projected increase compared to the previous year. The projected Rent category is expected to increase by 4.81% compared to last year. Direct services include office supplies, office equipment repair/replacement, district liability insurance, staff professional training, office space lease, attorney, bookkeeping, auditor, and other professional service expenses, and banking fees.
5. 500 Miscellaneous. Misc. expenses are projected to increase by \$1,500.00 or 3.53% compared to 2024. Misc. expenses include Aerial Imagery costs, dues and subscriptions, public education / advertising, Texas 9-1-1 Alliance meetings and NENA/APCO conferences.
6. 700: PSAP Equipment Replacement Fund: This category will be reduced to \$40,000 to fund the PSAP capital replacement account. The capital replacement fund is utilized for PSAP equipment upgrades.

Capital Considerations: The capital cash account will have an estimated balance of \$1,660,898.48 at the end of 2024 from nominal interest, scheduled PSAP Equipment Replacement Fund transfers, and a disbursement of Proposition 8 funds from the State of Texas. We expect our end-of-2025 capital balance to be about \$1,580,598.

This final figure includes all projected expenses of \$123,000.00 and revenue of \$42,700.00. The primary source of revenue is from operating fund transfers, and 9-1-1 sign sales cost-recovery.

9-1-1 Emergency Service Fee: The Texas Health and Safety Code – Chapter 772.314 (d): *The board shall set the amount of the fee each year as part of the annual budget.*

For the 2025 budget, Kerr 9-1-1 will keep the service fee of \$0.75 per month for all classes of service (Residential, Business, Trunk, VOIP).

Vision for 2025:

1. Continued 9-1-1 sign sales.
2. Continued 9-1-1 public education.
3. Continued migration of telephony service providers to the ESInet.

Conclusions:

1. The 2025 proposed budget is a deficit budget due to the unfunded mandate by the State of Texas directing all 9-1-1 entities across the state to make the switch to NextGen 9-1-1 Core Services (ESInet).
2. This budget adequately addresses the expected operating needs of our district in providing state-of-the-art 9-1-1 workstations/software and to continue our efforts to enhance and maintain our 9-1-1 connectivity as well as maintaining our Geographic Information Systems (GIS).
3. Our district's vision and public-funds stewardship is based firmly on the state and local government codes, guided by conservative spending and liberal savings policies.
4. Kerr 9-1-1 Board of Managers Budget approval date: 08/29/2024.



Mark Del Toro
Executive Director
Kerr Emergency 9-1-1 Network

Kerr Emergency 911 Network
2025 Operating Budget
Proposed

	Approved 2024 Operating Budget	2024	2025 Proposed	Delta	% Change
100 - Revenue					
101 - Local 911 Service	110,000.00	105,000.00	-5,000.00	-4.55%	
105 - Wireless Emergency Income	265,000.00	272,000.00	7,000.00	2.64%	
110 - VoIP Service Fees	45,000.00	38,000.00	-7,000.00	-15.56%	
120 - Interest Income	15,000.00	44,000.00	29,000.00	193.33%	
130 - Miscellaneous Income	0.00	0.00	0.00	#DIV/0!	
Total 100 - Revenue	435,000.00	459,000.00	24,000.00	5.52%	
200 - Payroll Expense					
210 - Salary	136,800.00	140,000.00	3,200.00	2.34%	
212 - Payroll Taxes	10,944.00	11,200.00	256.00	2.34%	
213 - Medical Insurance Expense	48,000.00	54,000.00	6,000.00	12.50%	
214 - TCDRS Expense Company	12,500.00	13,500.00	1,000.00	8.00%	
215 - TCDRS OTLI	260.00	260.00	0.00	0.00%	
225 - Texas Workforce Commission	100.00	100.00	0.00	0.00%	
230 - Excess Vacation Payout	0.00	0.00	0.00	#DIV/0!	
Total 200 - Payroll Expense	208,604.00	219,060.00	10,456.00	5.01%	
300 - Operations (PSAP)					
315 - 911 Call Taker Training	4,000.00	5,000.00	1,000.00	25.00%	
321 - AT&T Wireless Tariff	1,900.00	0.00	-1,900.00	-100.00%	
331 - Text to 9-1-1 Charges	4,000.00	4,000.00	0.00	0.00%	
332 - ALI Service Charge	18,000.00	0.00	-18,000.00	-100.00%	
335 - TX DIR ALI MPLS	8,500.00	0.00	-8,500.00	-100.00%	
337 - AT&T SR Fees	4,500.00	4,500.00	0.00	0.00%	
340 - ESInet Charge	108,000.00	110,000.00	2,000.00	1.85%	
350 - PSAP Trunk Charges	19,000.00	10,000.00	-9,000.00	-47.37%	
355 - Language Translation Services	500.00	500.00	0.00	0.00%	
356 - Redundant IP Connection	0.00	1,800.00	1,800.00	#DIV/0!	
357 - PSAP Fiber KPD/KCSO	2,000.00	2,100.00	100.00	5.00%	
366 - Wireless Redundancy MRC	800.00	800.00	0.00	0.00%	
370 - PSAP Repairs & Maintenance	14,000.00	35,000.00	21,000.00	150.00%	
Total 300 - Operations (PSAP)	185,200.00	173,700.00	-11,500.00	-6.21%	
400 - Direct Services					
410 - Office Supplies	2,000.00	3,040.00	1,040.00	52.00%	
412 - Office Equipment & Repairs	4,500.00	5,000.00	500.00	11.11%	
420 - Liability Insurance	3,900.00	4,100.00	200.00	5.13%	
430 - Professional Development	4,000.00	3,000.00	-1,000.00	-25.00%	
440 - Rent	26,000.00	28,000.00	2,000.00	7.69%	
450 - Professional Fees	20,000.00	20,000.00	0.00	0.00%	
460 - Postage & Delivery	600.00	750.00	150.00	25.00%	
490 - Bank Service Charges	100.00	150.00	50.00	50.00%	
Total 400 - Direct Services	61,100.00	64,040.00	2,940.00	4.81%	
500 - Miscellaneous					
502 - Pictometry Annual Payment	12,000.00	13,000.00	1,000.00	8.33%	
520 - Dues & Subscriptions	1,000.00	1,000.00	0.00	0.00%	
530 - Public Education & Advertising	3,000.00	3,000.00	0.00	0.00%	
550 - Telecommunications	8,500.00	9,000.00	500.00	5.88%	
560 - Sundry	2,000.00	2,000.00	0.00	0.00%	
570 - Texas 911 Alliance Meetings	8,000.00	8,000.00	0.00	0.00%	
575 - Nena/APCO Conferences	8,000.00	8,000.00	0.00	0.00%	
Total 500 - Miscellaneous	42,500.00	44,000.00	1,500.00	3.53%	

**Kerr Emergency 911 Network
2025 Operating Budget
Proposed**

700 - PSAP Equipment Replacement Account	710 - Operating to Capital Fund Transfer	50,000.00	40,000.00	-10,000.00 -20.00%
Total 700 - PSAP Equipment Replacement Account		50,000.00	40,000.00	-10,000.00 -20.00%
Annual Budget Totals		547,404.00	540,800.00	-6,604.00 -1.21%
Net Income		435,000.00	459,000.00	24,000.00 5.52%
Projected Budget Surplus/Deficit		(112404.00)	(81800.00)	-30,604.00 27.23%

**Kerr Emergency 911 Network
2025 Capital Budget
Proposed**

A 2025 Budget Capital Account	Comments
<hr/>	
Capital Expenses - 800	
804 - Sign Materials	\$3,000.00
809 - Misc GIS Upgrade Projects	\$50,000.00
813 - PSAP Relocation	\$50,000.00
888 - Misc Upgrade Projects	\$20,000.00
 Total - 800	 \$123,000.00
<hr/>	
Capital Income - 900	
901 - Sign Sales (Recovery)	\$2,700.00
902 - Equipment Replacement Fund Transfers	\$40,000.00
Total - 900	\$42,700.00
 2025 Starting Capital Balance (Est.)	 \$1,660,898.48
2025 Capital Expenses	\$123,000.00
2025 Capital Income	\$42,700.00
 Projected End-of-2025 Capital Account Balance	 \$1,580,598.48



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

SUBJECT: Resolution No. 38-2024. A Resolution supporting the agreement with Texas Department of Transportation (TxDOT) to install license plate readers in TXDOT's Right-of-Way. (C McCall, Police Chief)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** August 28, 2024

SUBMITTED BY: Chris McCall, Police Chief

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:

A Resolution authorizing the City Manager to execute a Multi-use Agreement for the City's use of existing infrastructure owned by TxDot on State Highway 16 and State Highway 27.

RECOMMENDED ACTION:

Approve Resolution No. 38-2024, and authorize the City Manager to execute a Multiple use Agreement with Texas Department of Transportation.

ATTACHMENTS:

[*20240910_Reso 38-2024 Agreement TxDOT license plate readers.pdf*](#)

CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 38-2024

**A RESOLUTION SUPPORTING THE AGREEMENT
WITH TXDOT TO INSTALL LICENSE PLATE
READERS IN TXDOT'S RIGHT-OF-WAY**

WHEREAS, the City of Kerrville has requested Texas Department of Transportation (TxDOT) to permit the installation, maintenance, and operation of license plate readers on TxDOT'S right-of-way along State Highways 16 and 27; and

WHEREAS, the City Council authorizes the City Manager to execute the agreement, attached at Exhibit A, between TxDOT and the City of Kerrville; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds it to be in the public interest to support the installation of license plate readers on in TxDOT's right-of-way within the City; and

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

SECTION ONE. City Council supports the agreement with TxDOT for the installation of license plate cameras within TxDOT's right-of-way along State Highways 16 and 27.

PASSED AND APPROVED ON this the _____ A.D.,
2024.

Joe Herring Jr., Mayor

APPROVED AS TO FORM:


William L. Tatsch, Asst. City Attorney

ATTEST:

Shelley McElhannon, City
Secretary



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

SUBJECT: General Contract for CDW Government LLC for the purchase of City of Kerrville Backup Solution; purchase a backup solution for City's critical servers in the amount not to exceed \$140,000.00. (C Tork, IT Director)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** August 23, 2024

SUBMITTED BY: Charvy Tork

EXHIBITS:

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$140,000	\$145,000	\$145,000	18-1807-5300

PAYMENT TO BE MADE TO: CDWG

Kerrville 2050 Item? Yes

Key Priority Area F - Public Facilities and Services

Guiding Principle N/A

Action Item N/A

SUMMARY STATEMENT:

The City currently uses a backup solution called Veritas Backup Exec for backing up City servers. However, this solution has proven inadequate for our needs in several key areas:

- Insufficient Storage Capacity: Backup Exec does not provide the necessary storage capacity to retain backups for an acceptable duration
- Lack of Efficient Compression: Backup Exec lacks the advanced compression capabilities required to optimize storage use, resulting in larger backup sizes and inefficient use of storage resources
- Extended Backup Times: The backup process with Veritas is time-consuming, impacting system performance and reducing overall efficiency.

Lack of Cost Effective Cloud Integration: Backup Exec offers a limited number CJIS-compliant cloud storage solution, limiting our options for secure cloud backups

The proposed Veeam solution addresses these issues by providing a robust, scalable solution that not only meets but exceeds our current and future backup needs.

Benefits of Veeam:

- Advanced Compression: Veeam's advanced compression technology significantly reduces backup sizes, optimizing storage use and reducing costs.

- Faster Backup and Recovery: Veeam offers faster backup and recovery times, minimizing downtime and improving overall system performance.
- CJIS-Compliant Cloud Backup: Veeam allows for seamless integration with CJIS-compliant cloud storage solutions, ensuring secure and compliant offsite backups.
- Scalability: Veeam's scalable architecture ensures that our backup solution can grow with the City's needs, providing long-term reliability and cost-effectiveness.
- Enhanced Data Protection: Veeam offers advanced features such as instant recovery, backup validation, and automated testing to ensure data integrity and availability.
- Immutable Data Certification: Veeam is certified for immutable data, which means that once data is backed up, it cannot be altered or deleted. This provides an additional layer of security, protecting the City's critical data from ransomware attacks and other malicious activities.

The City is proposing the purchase of the Veeam solution as our backup solution. The cost of implementation, hardware and software services is estimated to be \$130,382.85. This includes services and maintenance for the term of five years. The purchase will be with CDWG using the Texas DIR TSO 3763 purchasing contract for purchasing compliance. Funding has been allocated for the purchase of the solution in FY2024. The total cost of the solution came in at a lower cost than the allocated budget.

RECOMMENDED ACTION:

Staff recommends that the Council approve the purchase of proposed solution as the City's backup solution and authorize the City Manager to execute the contract.

ATTACHMENTS:

[*20240910_Contract_CDWG LLC_Critical servers.pdf*](#)

GENERAL CONTRACT - VENDOR
CDW GOVERNMENT LLC/City of Kerrville Backup Solution

THIS CONTRACT, entered into this _____ day of _____, 2024, by and between the **City of Kerrville, Texas**, hereinafter referred to as the "Owner," and **CDW Government LLC**, an Illinois Limited Liability Company with its mailing address being 200 North Milwaukee Avenue, Vernon Hill, Illinois 60061, hereinafter referred to as the "Vendor," is made for the following considerations:

1. The Vendor shall provide the goods and services described in the quote attached hereto as **Exhibit A**, and incorporated herein by reference **in an amount not to exceed \$140,000.00**.
2. Whenever the words "Owner's Representative" or "representative" are used in this contract, it shall be understood as referring to Charvy Tork, Director of Information Technologies, or to such other representative as may be authorized by the Owner to act in any particular capacity under this agreement.
3. The Vendor shall comply with all laws, ordinances, rules and regulations governing the Vendor's performance of the contract.
4. **VENDOR UNDERSTANDS AND AGREES THAT THE CITY IS PROHIBITED BY ARTICLE XI, SECTION 7 OF THE TEXAS CONSTITUTION FROM INDEMNIFYING VENDOR. THEREFORE, CITY SHALL NOT INDENMIFY, HOLD HARMLESS, OR GUARANTEE TO MAKE WHOLE VENDOR RELATING TO ANY CLAIMS OF ANY NATURE THAT COULD BE RAISED AGAINST VENDOR ARISING OUT OF THE USE OR CONDITION OF THE GOODS OR PRODUCTS SUBJECT TO THIS AGREEMENT.**
5. **Prohibition Against Boycotting Israel.** Contractor hereby verifies the following per Section 2271.02, Texas Government Code:
 1. Contractor does not boycott Israel; and
 2. Contractor will not boycott Israel during the term of the Agreement.
6. **Prohibition Against Business with Iran, Sudan, or Foreign Terrorist Organization.** Contractor warrants, covenants, and represents that Contractor is not engaged in business with Iran, Sudan, or any company identified on the list referenced in Section 2252.152, Texas Government Code.
7. **Prohibition on Contracts with Companies Boycotting Energy Companies.** Contractor hereby verifies the following per Section 2276.002, Texas Government Code:

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

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

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

9. Prohibition on Contracts with Companies Related to Certain Countries. Where this Agreement pertains to “critical infrastructure,” as defined by Section 2275.0101, Texas Government Code, Vendor 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.

10. In the event of conflict between the provisions of any attachments or exhibits to this Contract and the provisions of this Contract, the provisions of this Contract shall prevail.

11. Each person signing below represents that he or she is duly authorized to execute this Agreement on behalf of the party indicated below by his or her name and agrees on behalf of such party that such party will be bound by the terms of this Agreement.

OWNER: City of Kerrville, Texas

By: _____
Dalton Rice, City Manager

CONTRACTOR: CDW Government LLC

By: _____
Anup Streedharan, Senior Manager
Program Management

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FUNDING

Julie Behrens, Director of Finance

APPROVED AS TO FORM:



William L. Tatsch
Assistant City Attorney

APPROVED AS TO CONTENT:

Charvy Tork
Director of Information Technology

T:\Legal\IT\Contracts\Vendor Contract_CDWG LLC_083024 .docx

		\$ 116,062.85	
Customer:	City of Kerrville	Quote Number:	240823A
Contact:	Charvy Tork	Quote Date:	August 23, 2024
Address:	219 Clay St	Prepared By:	Alyssa McArthur-Guzman
	Kerrville TX	Phone:	(312)547-2602
Phone:		Email:	alysmca@cdwg.com
QTY	SERVICE	DESCRIPTION	UNIT COST
1	P46252-B21	HPE AL STG SVR 4120 24LFF CTO System	\$ 4,137.95
1	P46252-B21#ABA	HPE Alletra 4120 24LFF CTO System	\$ -
2	P50794-B21	INT Xeon-G 6426Y Kit HPE AL STG SVR 41X0	\$ 1,813.02
12	P43322-K21	HPE 16GB 1Rx8 PC5-4800B-R Smart Kit	\$ 440.70
1	P50873-B21	HPE AL STG SVR 4120 2LFF LP Prim Kit	\$ 147.78
28	P37669-K21	HPE 18TB SAS 7.2K LFF LP ISE MV HDD	\$ 1,587.73
1	P51783-B21	HPE AL STG SVR 4120 2LFF Sec LP Kit	\$ 147.78
1	P01366-B21	HPE 96W Smart Stg Li-ion Batt 145mm Kit	\$ 38.22
1	P61479-B21	HPE AL STG SVR 41X0 SR 32p FIO Stg Cntrl	\$ 2,364.55
1	R2J63A	HPE SN1610E 32Gb 2p FC HBA	\$ 3,009.37
2	P10115-B21	BCM 57414 10/25GbE 2p SFP28 OCP3 Adptr	\$ 291.07
4	845398-B21	HPE 25Gb SFP28 SR 100m Transceive	\$ 498.92
2	P44712-B21	HPE 1800W-2200W FS Ti Ht Plg PS Kit	\$ 493.68
1	BD505A	HPE iLO Adv 1-srv Lic 3yr Support	\$ 166.34
1	P50885-B21	HPE AL STG SVR 4120 NVMe M.2 Enable Kit	\$ 59.11
1	P51945-B21	HPE AL STG SVR 4120 OCP2 x8 CPU2 Kit	\$ 88.67
1	P50887-B21	HPE DL3X5 Serial Port Enable Kit	\$ 25.36
1	822731-B21	HPE 2U Shelf-Mount Adjustable Rail Kit	\$ 45.52
1	P48183-B21	HPE NS204i-u Gen11 Ht Plg Boot Opt Dev	\$ 683.67
2	P51833-B21	HPE AL STG SVR 4120 Stnd Heat Sink Kit	\$ 65.03
1	P59379-B21	HPE AL STG SVR 4120 Cage2-CPU1 FIO Mode	\$ 0.59
1	S1E12AAE	HPE GreenLake COM En 3y Up Alletra 4K	\$ 319.21
1	S1Q92AAE	Veeam New Associated Platform SW Trk	\$ 0.95
1	HU4A6A3	HPE 3Y Tech Care Essential SVC	\$ -
1	HU4A6A300G9	HPE Alletra Storage Server 4120 Support	\$ 3,825.08
1	210-AZDS	PowerEdge R450 Server (MSRP: \$20,617.05)	\$ 528.25
1	379-BDTF	2.5 Chassis	\$ -
1	379-BDSS	SAS/SATA Backplane	\$ -
1	461-AAIG	Trusted Platform Module 2.0 V3	\$ 27.31
1	321-BGQS	8x2.5" (SAS/SATA) 1 CPU	\$ 44.13
1	338-CBWK	Intel Xeon Silver 4314 2.4G, 16C/32T, 10.4GT/s, 24M Cache, Turbo, HT (135W) DDR4-2666	\$ 419.00
1	374-BBBX	No Additional Processor	\$ -
1	412-AAVV	Blank for 1CPU Configuration	\$ -
1	412-ABBC	Heatsink for CPU less or equal 165W	\$ -
1	370-AAIP	Performance Optimized	\$ -
1	370-AEVR	3200MT/s RDIMMs	\$ -
1	780-BCDS	Unconfigured RAID	\$ -
1	405-AAZB	PERC H755 SAS Front	\$ 910.01
1	750-ACFR	Front PERC Mechanical Parts, front load	\$ 13.79
1	750-AABF	Power Saving Dell Active Power Controller	\$ -

1	800-BBDM	UEFI BIOS Boot Mode with GPT Partition	\$ -	\$ -
1	384-BCTZ	Standard Fan x5	\$ 41.09	\$ 41.09
1	450-AMDH	Dual, Hot-Plug, Redundant Power Supply (1+1), 600W MM	\$ 245.22	\$ 245.22
1	330-BBVF	Riser Config 0, 1xOCP 3.0(x16)+1x16LP	\$ 27.31	\$ 27.31
1	329-BGHZ	PowerEdge R450 Motherboard with Broadcom 5720 Dual Port 1Gb On-Board LOM	\$ -	\$ -
1	540-BCRT	Intel Ethernet X710 Quad Port 10GbE SFP+, OCP NIC 3.0	\$ 260.11	\$ 260.11
1	325-BECJ	LCD Bezel	\$ 54.89	\$ 54.89
1	350-BCFL	Dell EMC Luggage Tag (x8)	\$ -	\$ -
1	330-BBTB	BOSS Riser for R450/R650xs	\$ 35.86	\$ 35.86
1	403-BCNX	BOSS controller card + with 2 M.2 Sticks 480GB (RAID 1)	\$ 542.03	\$ 542.03
1	611-BBBF	No Operating System	\$ -	\$ -
1	605-BBFN	No Media Required	\$ -	\$ -
1	385-BBQV	iDRAC9, Enterprise 15G	\$ 134.89	\$ 134.89
1	350-BCEM	No Quick Sync	\$ -	\$ -
1	379-BCSF	iDRAC, Factory Generated Password	\$ -	\$ -
1	379-BCQX	iDRAC Service Module (ISM), NOT Installed	\$ -	\$ -
1	379-BCQY	iDRAC Group Manager, Disabled	\$ -	\$ -
1	770-BCJI	A11 drop-in/stab-in Combo Rails Without Cable Management Arm	\$ 41.09	\$ 41.09
1	429-AAIQ	No Internal Optical Drive	\$ -	\$ -
1	631-AACK	No Systems Documentation, No OpenManage DVD Kit	\$ -	\$ -
1	340-CVKF	PowerEdge R450 Shipping	\$ -	\$ -
1	343-BBRQ	PowerEdge R450 x8 Short Drive Shipping Material	\$ 27.31	\$ 27.31
1	389-DYLZ	PowerEdge 1U CCC Marking, No CE Marking	\$ -	\$ -
1	389-DYMB	Dell/EMC label (BIS) for Chassis	\$ -	\$ -
1	859-3804	Dell Hardware Limited Warranty Plus Onsite Service	\$ 68.11	\$ 68.11
1	859-3818	ProSupport Next Business Day Onsite Service After Problem Diagnosis 5 Years	\$ 245.53	\$ 245.53
1	859-3838	ProSupport 7x24 Technical Support and Assistance 5 Years	\$ 499.57	\$ 499.57
1	989-3439	Thank you choosing Dell ProSupport. For tech support, visit //www.dell.com/support or call 1-800- 945-3355	\$ -	\$ -
1	911-0418	Onsite Installation Declined	\$ -	\$ -
4	370-AEVQ	16GB RDIMM, 3200MT/s, Dual Rank	\$ 258.46	\$ 1,033.83
2	400-AVEZ	2.4TB 10K RPM SAS ISE 12Gbps 512e 2.5in Hot-plug Hard Drive	\$ 321.07	\$ 642.15
2	450-AALV	Power Cord - C13, 3M, 125V, 15A (North America, Guam, North Marianas, Philippines, Samoa, Vietnam)	\$ -	\$ -
5	7382000	Veeam Data Platform Premium 10 instance pack. 5 Years Subscription	\$ 7,619.00	\$ 38,095.00
			FREIGHT:	\$ -
			GRAND TOTAL:	\$ 116,062.85

Corporate Headquarters:

Will Call & Third Party Pickup
200 North Milwaukee Ave.
Vernon Hills, IL 60061

Please remit payment to:

CDW Government
75 Remittance Drive, Suite 1515
Chicago, IL 60675-1515

SERVICES PROPOSAL

PROJECT FUNDAMENTALS

Project Name:	Backup Solution	Requested By (Sales):
Customer Name:	CITY OF KERRVILLE, TX	Rendell Green 847-465-6000 rendell.green@cdw.com
SELLER Affiliate:	CDW Direct LLC	
Effective Date:	July 11, 2024	Submitted By (SA/ISA):
Version:	1.0	Jason Childers Charlotte Brantley

CUSTOMER-DESIGNATED LOCATIONS

Location(s)	Service(s)		
City of Kerrville, TX 219 Clay Street Kerrville, TX 78028	<input type="checkbox"/> Assessment <input checked="" type="checkbox"/> Configuration <input checked="" type="checkbox"/> Design <input checked="" type="checkbox"/> Implementation	<input type="checkbox"/> Knowledge Transfer <input checked="" type="checkbox"/> Project Management <input type="checkbox"/> Reconfiguration <input type="checkbox"/> Reinstallation	<input type="checkbox"/> Staff Augmentation <input type="checkbox"/> Support <input type="checkbox"/> Training <input type="checkbox"/> Custom Work

PROJECT SCOPE

City of Kerrville (Client) has reached out to the CDW Data Protection and Information Management (DPIM) professional services team to assist in implementing the following Veeam Data Platform consisting of the following:

- Site 1:
 - Veeam Backup & Replication Server
 - Veeam Enterprise Manager Server
 - VeeamONE Server
 - Linux Hardened Repository

CDW will lead the detailed planning, design, and implementation as detailed in the Project Scope below.

Project Overview - Veeam Backup & Replication, Veeam Enterprise Manager, VeeamONE Plan and Design Phase

- Conduct a planning session,
 - Provide an architecture review of the solution.
 - Identify requirements for the Veeam operating environment.
 - Determine operating system requirements.
 - Determine filesystem layout/naming convention for new servers.
 - Determine versions and cycles needed to meet client requirements.
 - Determine cloud object storage service to be used for Capacity and Archive tiers; provide secured credentials to integrate Veeam Backup & Replication Scale-Out Backup Repo connectivity.
 - Determine DR plan and backup and recovery configuration.
- Conduct an implementation review meeting.
 - Review goals and objectives.
 - Review schedules.
 - Review project tasks.
- Provide a low-level design that identifies the specific build requirements.

- Create a project plan/task list.

Installation and Configuration

- Work with Customer to make any necessary changes as identified above.
- Define machines, physical or virtual, that will be used for the following roles:
 - Backup server(s)
 - Repository server(s)
 - Proxy server(s)
- Confirm SQL database and accounts (DB and Service) for Veeam Backup & Replication and VeeamONE
- Confirm SQL database approach (PostgreSQL, SQL Express, Local licensed or Remote) for Veeam Backup & Replication and VeeamONE
- Install and configure Veeam Backup & Replication Server
 - Install, configure, and harden the physical server that will be used for Veeam Backup and Replication (**CLIENT**)
 - Install and configure Veeam Backup and Replication protection for up to one (1) VMware vCenter Server.
 - Install/configure proxy server.
 - Create/configure up to three (3) Protection Groups and Agent Installation(s)
 - Create backup jobs for the following workloads:
 - Up to three (3) physical servers
 - Up to three (3) virtual machines
 - Up to three (3) MSSQL databases
- Install/configure Linux Hardened Repository
 - Install, configure, and harden the physical server that will be used for the Linux Hardened Repository (**CLIENT**)
 - Install Veeam's Linux Hardened Repository data mover service.
 - Configure Scale-out Backup Repository Capacity tier and integrate with storage service with credentials provided by the client team.
 - Configure Scale-out Backup Repository Archive tier and integrate with storage service with credentials provided by the client team.
- Install and configure VeeamONE
 - Install and configure Veeam ONE
 - Integrate Veeam ONE with Veeam Backup and Replication infrastructure to report on environment.
- Install and configure Veeam Enterprise Manager (virtualized)

Testing

- Test recovery of backup jobs
 - Demonstrate recovery techniques to end user engineers as knowledge transfer.
 - Perform a test restore of a full VM (up to 3 restores)
 - Perform a test restore of an individual item on a physical server (up to 3 restores)
 - Perform a test restore of a non-prod transactional system (DB, Exchange, etc)
- Demonstrate activation to end user engineer as knowledge transfer.

Additional Tasks:

Customer Responsibilities

- Provide proper equipment racks to support installed equipment.
- Provide a proper electrical source for equipment power.
- Installation of power components (PDUs, UPS, power whips, etc.) needed to deploy the solution.
- Cabling tasks external to the solution, attaching to the upstream network and/or storage environments.
- Network switch and firewall configuration tasks.

- Customer to perform OS Install, updates and hardening of the OS on all provisioned VMs or servers needed by solution

Additional Assumptions

- Networking and Data protection personnel are available at the time of the equipment deployment in the data center.
- Any backup types not defined above are out of scope of this project.
- Project will be completed remotely; travel is not included.

Assumptions

- Functioning hardware and/or software as outlined in the “Scope of Services” section.

Out of Scope

Services not specified in this SOW are considered out of scope and will be addressed with a separate SOW or Change Order.

PROJECT SCHEDULING

Customer and Seller, who will jointly manage this project, will together develop timelines for an anticipated schedule (“Anticipated Schedule”) based on Seller’s project management methodology. Any dates, deadlines, timelines or schedules contained in the Anticipated Schedule, in this SOW or otherwise, are estimates only, and the Parties will not rely on them for purposes other than initial planning.

TOTAL FEES

The total fees due and payable under this SOW (“Total Fees”) include both fees for Seller’s performance of work (“Services Fees”) and any other related costs and fees specified in the Expenses section (“Expenses”). Unless otherwise specified, taxes will be invoiced but are not included in any numbers or calculations provided herein.

Seller will invoice for the Total Fees.

SERVICES FEES

Services Fees hereunder are FIXED FEES, meaning that the amount invoiced for the Services will be \$14,320.00.

The invoiced amount of Services Fees will equal the amount of fees applicable to each completed project milestone, as specified in Table 1.

Table 1 – Services Fees

Project Milestones	Percentage	Fees
Completion of Work	100%	\$14,320.00
Totals	100%	\$14,320.00

EXPENSES

All services under this SOW will be performed remotely; therefore, neither travel time nor direct expenses will be billed for this project.

The parties agree that there will be no travel required for this project.

NOT FOR SIGNATURE

THIS DOCUMENT IS A DRAFT INTENDED ONLY FOR USE IN THE REVIEW OF TEXT APPLICABLE TO A POSSIBLE SERVICES ENGAGEMENT. IT DOES NOT CONSTITUTE A CONTRACT OR A PROPOSAL FOR A CONTRACT. THE CONTENT OF THIS DOCUMENT, AS IT MAY BE NEGOTIATED BY THE PARTIES, IS INTENDED TO BE INCORPORATED INTO A STATEMENT OF WORK, WHICH WILL INCLUDE OTHER PROVISIONS AND WHICH WILL BE GOVERNED BY ADDITIONAL TERMS AND CONDITIONS. A PARTY'S SIGNATURE OR OTHER INDICATION OF APPROVAL ON OR RELATED TO THIS DOCUMENT SHALL HAVE NO BINDING OR CONTRACTUAL EFFECT.



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TERMS AND CONDITIONS

SALES AND SERVICE PROJECTS

PLEASE READ THESE TERMS AND CONDITIONS VERY CAREFULLY

THE TERMS AND CONDITIONS OF PRODUCT SALES AND SERVICE PROJECTS ARE LIMITED TO THOSE CONTAINED HEREIN. ANY ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS IN ANY FORM DELIVERED BY YOU ("CUSTOMER") ARE HEREBY DEEMED TO BE MATERIAL ALTERATIONS AND NOTICE OF OBJECTION TO THEM AND REJECTION OF THEM IS HEREBY GIVEN.

BY ACCEPTING DELIVERY OF THE PRODUCTS OR BY ENGAGING THE CDW AFFILIATE IDENTIFIED ON THE INVOICE, STATEMENT OF WORK OR OTHER CDW DOCUMENTATION ("SELLER") TO PROVIDE PRODUCT OR PERFORM OR PROCURE ANY SERVICES, CUSTOMER AGREES TO BE BOUND BY AND ACCEPTS THESE TERMS AND CONDITIONS, UNLESS CUSTOMER AND SELLER HAVE SIGNED A SEPARATE AGREEMENT, IN WHICH CASE THE SEPARATE AGREEMENT WILL GOVERN.

ANY GENERAL DESCRIPTION OF THE TYPES OF PRODUCTS OR SERVICES AND RESULTS THEREOF POSTED ON ANY SELLER WEBSITE OR MOBILE APPLICATION DO NOT CONSTITUTE PART OF THE AGREEMENT BETWEEN SELLER AND CUSTOMER.

Important Information About These Terms and Conditions

These Terms and Conditions constitute a binding contract between Customer and Seller and are referred to herein as either "Terms and Conditions" or this "Agreement". Customer accepts these Terms and Conditions by making a purchase from or placing an order with Seller or shopping on any Seller Website or Mobile Application (each, a "Site") or otherwise requesting products (the "Products") or engaging Seller to perform or procure any Services (as this and all capitalized terms are defined herein). These Terms and Conditions are subject to change without prior notice, except that the Terms and Conditions posted on a Site at the time Customer places an order or signs a Statement of Work will govern the order in question unless otherwise agreed in writing by

and added). Notwithstanding the foregoing, title to software will remain with the applicable licensor(s), and Customer's rights therein are contained in the license agreement between such licensor(s) and Customer.

Services

Customers may order services (collectively, "Services") from or through Seller from time to time. Certain Services may be provided by third parties, including, but not limited to, extended warranty service by manufacturers, and are sold by Seller as distributor or sales agent ("Third Party Services").

In the case of Third Party Services, Customer shall consider the third party to be the contracting party and the third party shall be the party responsible for providing the services to the Customer and Customer will look solely to the third party for any loss, claims or damages arising from or related to the provision of such Third Party Services. Customer and Customer's Affiliates (defined below) hereby release Seller and Seller's Affiliates (defined below) from any and all claims arising from or relating to the purchase or provision of any such Third Party Services. Any amounts, including, but not limited to, taxes, associated with Third Party Services which may be collected by Seller will be collected solely in the capacity as an independent sales agent. For purposes of this Agreement (a) "Affiliate" means, with respect to Seller, entities that Control, are Controlled by, or are under common Control with Seller; and, with respect to Customer, entities both that Control are Controlled by, or are under common Control with Customer, and (b) "Control" or "Controlled" means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs of another whether by ownership of shares, ability to appoint officers, contract or otherwise.

Where Services are ordered in a Statement of Work, each Statement of Work hereby incorporates these Terms and Conditions and constitutes a separate agreement with respect to the Services performed. Seller, or any of its Affiliates on behalf of Seller, may execute a Statement of Work. In the event of an addition to or a conflict between any term or condition of the Statement of Work and these Terms and Conditions, these Terms and Conditions will control, except as expressly amended in the applicable Statement of Work by specific reference to this Agreement. Each such amendment will be applicable only with respect to such Statement of Work and not to future Statements of Work. Changes to the scope of the Services described in a Statement of Work will be made only in a writing executed by authorized representatives of both parties. Seller will have no obligation to commence work in connection with any such change, unless and until the change is agreed upon in that writing executed by both parties. All such changes to the scope of the Services will be governed by these Terms and Conditions and the applicable Statement of Work. Each Statement of Work may be signed in separate counterparts each of which shall be deemed an original and all of which together will be deemed to be one original.

number. Terms of payment are within Seller's sole discretion. In connection with Services being performed pursuant to a Statement of Work, Customer will pay for the Services in the amounts and in accordance with any payment schedule set forth in the applicable Statement of Work. If no payment schedule is provided, Customer will pay for the Services as invoiced by Seller. Invoices are due and payable within the time period specified on the invoice, measured from the date of invoice, subject to continuing credit approval by Seller. Seller, or any of its Affiliates on behalf of Seller may issue an invoice to Customer. Seller may invoice Customer separately for partial shipments, and Seller may invoice Customer for all of the Services described in a Statement of Work or any portion thereof. Customer agrees to pay interest on all past-due sums at the lower of one and one-half percent (1.5%) per month or the highest rate allowed by law. Customer will pay for, and will indemnify and hold Seller and its Affiliates harmless from, any applicable sales, use, transaction, excise or similar taxes and any federal, state or local fees or charges (including, but not limited to, environmental or similar fees), imposed on, in respect of or otherwise associated with any Statement of Work, the Products or the Services. Customer must claim any exemption from such taxes, fees or charges at the time of purchase and provide Seller with the necessary supporting documentation. In the event of a payment default, Customer will be responsible for all of Seller's costs of collection, including, but not limited to, court costs, filing fees and attorneys' fees. In addition, if payments are not received as described above, Seller reserves the right to suspend Services until payment is received. Customer hereby grants to Seller a security interest in the Products to secure payment in full. Customer authorizes Seller to file a financing statement reflecting such security interest. Except as otherwise specified on an applicable Statement of Work, Customer will reimburse Seller for all reasonable out-of-pocket expenses incurred by Seller in connection with the performance of the Services, including, but not limited to, travel and living expenses.

Export Sales

If this transaction involves an export of items (including, but not limited to, commodities, software or technology) subject to the Export Administration Regulations, such items were exported from the United States by Seller in accordance with the Export Administration Regulations. Customer agrees that it will not divert, use, export or re-export such items contrary to United States law. Customer expressly acknowledges and agrees that it will not export, re-export, or provide such items to any entity or person within any country that is subject to United States economic sanctions imposing comprehensive embargoes without obtaining prior authorization from the United States Government. The list of such countries subject to United States economic sanctions or embargoes may change from time to time but currently includes Cuba, Iran, Sudan, and Syria. Customer also expressly acknowledges and agrees that it will not export, re-export, or provide such items to entities and persons that are ineligible under United States law to receive such items, including but not limited to, any person or entity on the United States Treasury Department's list of Specially Designated Nationals or on the United States Commerce Department's Denied Persons List, Entity List, or Unverified List. In addition, manufacturers' warranties for exported Products may vary or may be null and void for Products

STATEMENT OF WORK THAT EXPRESSLY AMENDS SELLER'S WARRANTY, AND SUBJECT TO APPLICABLE LAW, SELLER MAKES NO OTHER, AND EXPRESSLY DISCLAIMS ALL OTHER, REPRESENTATIONS, WARRANTIES, CONDITIONS OR COVENANTS, EITHER EXPRESS OR IMPLIED (INCLUDING WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, DURABILITY, TITLE, ACCURACY OR NON-INFRINGEMENT) ARISING OUT OF OR RELATED TO THE PERFORMANCE OR NON-PERFORMANCE OF THE SERVICES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY RELATING TO THIRD PARTY SERVICES, ANY WARRANTY WITH RESPECT TO THE PERFORMANCE OF ANY HARDWARE OR SOFTWARE USED IN PERFORMING SERVICES AND ANY WARRANTY CONCERNING THE RESULTS TO BE OBTAINED FROM THE SERVICES. THIS DISCLAIMER AND EXCLUSION SHALL APPLY EVEN IF THE EXPRESS WARRANTY AND LIMITED REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE. CUSTOMER ACKNOWLEDGES THAT NO REPRESENTATIVE OF SELLER OR OF ITS AFFILIATES IS AUTHORIZED TO MAKE ANY REPRESENTATION OR WARRANTY ON BEHALF OF SELLER OR ANY OF ITS AFFILIATES THAT IS NOT IN THIS AGREEMENT OR IN A STATEMENT OF WORK EXPRESSLY AMENDING SELLER'S WARRANTY.

Customer shall be solely responsible for daily back-up and other protection of its data and software against loss, damage or corruption. Customer shall be solely responsible for reconstructing data (including but not limited to data located on disk files and memories) and software that may be lost, damaged or corrupted during the performance of Services. SELLER, ITS AFFILIATES, AND ITS AND THEIR SUPPLIERS, SUBCONTRACTORS AND AGENTS ARE HEREBY RELEASED AND SHALL CONTINUE TO BE RELEASED FROM ALL LIABILITY IN CONNECTION WITH THE LOSS, DAMAGE OR CORRUPTION OF DATA AND SOFTWARE, AND CUSTOMER ASSUMES ALL RISK OF LOSS, DAMAGE OR CORRUPTION OF DATA AND SOFTWARE IN ANY WAY RELATED TO OR RESULTING FROM THE SERVICES.

Seller will not be responsible for and no liability shall result to Seller or any of its Affiliates for any delays in delivery or in performance which result from any circumstances beyond Seller's reasonable control, including, but not limited to, Product unavailability, carrier delays, delays due to fire, severe weather conditions, failure of power, labor problems, acts of war, terrorism, embargo, acts of God or acts or laws of any government or agency. Any shipping dates or completion dates provided by Seller or any purported deadlines contained in a Statement of Work or any other document are estimates only.

Pricing Information; Availability Disclaimer

Seller reserves the right to make adjustments to pricing, Products and Service offerings for reasons including, but not limited to, changing market conditions, Product discontinuation, Product unavailability, manufacturer price changes, supplier price changes and errors in advertisements. All orders are subject to Product availability and the availability of Personnel to perform the Services. Therefore, Seller cannot guarantee that it will be able to fulfill Customer's orders. If Services are being performed on a time and materials basis, any estimates provided by

Products solely for Customer's internal use. Customer will have no ownership or other property rights thereto and Customer shall have no right to use any such Work Product for any other purpose whatsoever. Customer acknowledges that Sellers may incorporate intellectual property created by third parties into the Work Product ("Third Party Intellectual Property"). Customer agrees that its right to use the Work Product containing Third Party Intellectual Property may be subject to the rights of third parties and limited by agreements with such third parties.

Confidential Information

Each party anticipates that it may be necessary to provide access to information of a confidential nature of such party, the Affiliates or a third party (hereinafter referred to as "Confidential Information") to the other party in the performance of this Agreement and any Statement of Work. "Confidential Information" means any information or data in oral, electronic or written form which the receiving party knows or has reason to know is proprietary or confidential and which is disclosed by a party in connection with this Agreement or which the receiving party may have access to in connection with this Agreement, including but not limited to the terms and conditions of each Statement of Work. Confidential Information will not include information which: (a) becomes known to the public through no act of the receiving party; (b) was known to the receiving party, or becomes known to the receiving party from a third party having the right to disclose it and having no obligation of confidentiality to the disclosing party with respect to the applicable information; or (c) is independently developed by agents, employees or subcontractors of the receiving party who have not had access to such information. To the extent practicable, Confidential Information should be clearly identified or labeled as such by the disclosing party at the time of disclosure or as promptly thereafter as possible, however, failure to so identify or label such Confidential Information will not be evidence that such information is not confidential or protectable.

Each party agrees to hold the other party's Confidential Information confidential for a period of three (3) years following the date of disclosure and to do so in a manner at least as protective as it holds its own Confidential Information of like kind but to use no less than a reasonable degree of care. Disclosures of the other party's Confidential Information will be restricted (i) to those individuals who are participating in the performance of this Agreement or the applicable Statement of Work and need to know such Confidential Information for purposes of providing or receiving the Products or Services or otherwise in connection with this Agreement or the applicable Statement of Work, or (ii) to its business, legal and financial advisors, each on a confidential basis. Each party agrees not to use any Confidential Information of the other party for any purpose other than the business purposes contemplated by this Agreement and the applicable Statement of Work. Upon the written request of a party, the other party will either return or certify the destruction of the Confidential Information of the other party.

If a receiving party is required by law, rule or regulation, or requested in any judicial or administrative proceeding or by any governmental or regulatory authority, to disclose

Installation Indemnity Agreement, a form of which is provided at <http://www.cdw.com/forms/indemnity/app.asp>

Arbitration

Any claim, dispute, or controversy (whether in contract, tort or otherwise, whether preexisting, present or future, and including, but not limited to, statutory, common law, intentional tort and equitable claims) arising from or relating to the Products, the Services, the interpretation or application of these Terms and Conditions or any Statement of Work or the breach, termination or validity thereof, the relationships which result from these Terms and Conditions or any Statement of Work (including, to the full extent permitted by applicable law, relationships with third parties who are not signatories hereto), or Seller's or any of its Affiliates' advertising or marketing (collectively, a "Claim") WILL BE RESOLVED, UPON THE ELECTION OF ANY OF SELLER, CUSTOMER OR THE THIRD PARTIES INVOLVED, EXCLUSIVELY AND FINALLY BY BINDING ARBITRATION. If arbitration is chosen, it will be conducted pursuant to the Rules of the American Arbitration Association. If arbitration is chosen by any party with respect to a Claim, neither Seller nor Customer will have the right to litigate that Claim in court or to have a jury trial on that Claim or to engage in pre-arbitration discovery, except as provided for in the applicable arbitration rules or by agreement of the parties involved. Further, Customer will not have the right to participate as a representative or member of any class of claimants pertaining to any Claim. Notwithstanding any choice of law provision included in these Terms and Conditions, this arbitration agreement is subject to the Federal Arbitration Act (9 U.S.C. §§ 1-16). The arbitration will take place exclusively in Chicago, Illinois. Any court having jurisdiction may enter judgment on the award rendered by the arbitrator(s). Each party involved will bear its own cost of any legal representation, discovery or research required to complete arbitration. The existence or results of any arbitration will be treated as confidential. Notwithstanding anything to the contrary contained herein, all matters pertaining to the collection of amounts due to Seller arising out of the Products or Services will be exclusively litigated in court rather than through arbitration.

Personal Data

If and to the extent that Seller will process Personal Data on behalf of Customer in the provision of Services under this Agreement, the Data Processing Agreement provided at <https://www.cdw.com/content/cdw/en/terms-conditions/cdw-data-processing-agreement.html> shall apply to such processing and is incorporated by reference. As used herein, "Personal Data" means any information that identifies relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household in connection with the Services performed for Customer, including without limitation any information that qualifies as "personal information" or "personal data" under data protection laws applicable to Seller.

permit, or consent to make the Services available within a jurisdiction, Seller has the right not to make available or terminate the Service to the Customer's Affiliate(s) in such jurisdiction without any liability whatsoever to the Customer or its Affiliates. For purposes of this Agreement, "Laws" means any applicable federal, state, provincial, local, municipal, regional, foreign, international, multinational or other constitution, law, statute, treaty, rule, regulation, regulatory or legislative requirement, ordinance, license, restriction, judicial or administrative order, code, common law or other pronouncement having the effect of law.

Customer and Seller are solely obligated to address and resolve all claims, controversies or disputes associated with provision of Services (including any damages or injuries to a party's foreign Affiliates) in the United States as provided in the Arbitration clause above. In the event a party's foreign Affiliate brings suit or makes a claim or demand against the other party or an Affiliate of the other party located outside of the United States, such party will work with its foreign Affiliate to dismiss the suit, claim, or demand, and such party will bring such suit, claim or demand against the other party directly in the United States instead. In addition, such party will reimburse the other party or the other party's Affiliates for any of the costs or expenses that the other party or the other party's Affiliates reasonably incurred while responding to the suit, claim or demand brought by such party's foreign Affiliate.

Version Date: June 23, 2023

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

SUBJECT: Fund agreement between the City of Kerrville and the Community Foundation of the Texas Hill Country for the creation of a Kerrville First Responders Fund. (*M Hornes, Assistant City Manager*)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** August 27, 2024

SUBMITTED BY: Michael Hornes, Assistant City Manager

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? Yes

Key Priority Area F - Public Facilities and Services

Guiding Principle N/A

Action Item F2.1 - Devote the necessary resources (funding, equipment) to ensure quality fire, police and EMS services

SUMMARY STATEMENT:

RECOMMENDED ACTION:

Approve the agreement between the City of Kerrville and the Community Foundation for the creation of the First Responders Fund.

ATTACHMENTS:

[20240910_Fund Agmt_CF_KFRF.pdf](#)



COMMUNITY FOUNDATION

of the

TEXAS HILL COUNTRY

Fund Agreement

On August 21, 2024, the Community Foundation of the Texas Hill Country (hereinafter referred to as "the Community Foundation" or "the Foundation") and the City of Kerrville, Texas, (hereinafter referred to as "the City of Kerrville" or "the City") enter into the following Agreement, which establishes the Kerrville First Responders Fund (hereinafter referred to as "the Fund") for the purpose of supporting the City of Kerrville's Police and Fire Departments, subject to the following terms and conditions:

1. The Community Foundation will exercise full control over all funds deposited into the Kerrville First Responders Fund. Any grant from the Fund will be paid to the City and solely used for the support of the Kerrville Police Department and/or the Kerrville Fire Department. Any changes in the purposes for which grant funds are spent must be approved in writing by the Community Foundation before implementation. The Community Foundation retains the right, if the City of Kerrville breaches this Agreement, or if the City's conduct jeopardizes the Community Foundation's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.
2. Any tangible or intangible property, including copyrights, obtained or created by the City of Kerrville as part of this partnership will remain the property of the City of Kerrville.

3. The City of Kerrville may solicit gifts, contributions, and grants to the Kerrville First Responders Fund of the Community Foundation. The City of Kerrville's choice of funding sources to be approached and the text of the City's fundraising materials are subject to the Community Foundation's prior written approval. All grant agreements with institutional funding sources will be executed by the Community Foundation. The cost of any reports or other compliance measures required by such funding sources will be borne by the Fund or the City of Kerrville – not the Community Foundation.
4. The Community Foundation will provide accounting and related financial management services associated with the Fund. The City may access the Fund's balance, debits, credits, and investment return, all of which will be available at any time through the Foundation's online portal.
5. The Fund is subject to an administrative charge of 2% on each incoming gift, which will be deducted by the Community Foundation to defray the cost of administering the Fund. The Fund will periodically be assessed an investment management fee that is in accordance with the fees charged by the investment managers and advisors used by the Foundation. Fees are reviewed periodically and may increase or decrease from time to time. In addition, the Foundation may require to be reimbursed from the Fund for legal, accounting, or other professional fees incurred on behalf of the Fund; the lifetime cap on such expenses is \$1,000. Fees projected to exceed the cap will not be paid unless and until a mutually agreed upon payment plan is established by the parties.
6. Assets of the Fund may be commingled for purposes of investment with other assets of the Foundation. Control over the investment or reinvestment of such assets and the asset management of the Fund will be exercised exclusively by the Foundation.

Upon signing of this Agreement, the City of Kerrville wishes the monies to be invested in the:

Fully Diversified Investment Account, *or the*
 Short Term Cash Equivalents Account

7. Grant requests to the Fund must be in the form of a letter and signed by the City Manager of the City of Kerrville. The letter must describe the charitable purpose of the requested funds. The Internal Revenue Service (IRS) defines “charitable purpose” here: <https://www.irs.gov/charities-non-profits/charitable-purposes>. The IRS definition will be this Agreement’s guiding principle on what types of requests are for a charitable purpose.
8. An advisory committee comprised of the Foundation’s Chief Executive Officer, the City Manager, the Fire Chief and the Police Chief of the City of Kerrville will oversee the strategy of the Fund and, when necessary, provide recommendations. All grant approvals are made by the Foundation’s Board of Trustees, not the advisory committee.
9. The City of Kerrville will submit an annual report – in the form of a one-page letter – to the Community Foundation on the charitable activities supported by the Fund. The first report is due by December 31, 2025. The second report is due by December 31, 2026, and so on, for as long as the Fund exists. If there are no grants from the Fund in a given year, a report is not required.
10. No grants from the Fund are allowed to be used in any attempt to influence legislation within the meaning of IRC Section 501(c)(3).

11. The City of Kerrville will not use any portion of a Fund grant:

- a. to participate or intervene in any political campaign on behalf or in opposition to any candidate for public office;
- b. to induce or encourage violations of law or public policy;
- c. to cause any private inurement or improper private benefit to occur, or
- d. to take any other action inconsistent with IRC Section 501(c)(3).

12. The City of Kerrville will notify the Community Foundation immediately of changes in the City's staff or volunteers responsible for achieving the grant purpose.

13. In the event that there are no grants made from the Fund for a period of 10 years *or* in the event the City of Kerrville no longer wishes to have the Fund exist, the Foundation's Board of Trustees will grant the fund balance to the City of Kerrville Police Department to be used for charitable pursues and then close the Fund.

14. Nothing in this agreement will constitute the naming of the City of Kerrville as an agent or legal representative of the Community Foundation for any purpose whatsoever except as specifically and to the extent set forth herein. This Agreement will not be deemed to create any relationship of agency, partnership, or joint venture between the parties hereto, and the City of Kerrville will make no such representations.

15. If a dispute arises relating to this Agreement and is not resolved, the parties involved in such dispute should first proceed in good faith to submit the matter to mediation. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. In the event the entire dispute is not resolved within 30 calendar days from the date written notice requesting mediation is sent by one party to the other(s), the mediation, unless otherwise agreed, will terminate.

16. This Agreement is governed by and construed in accordance with the laws of the State of Texas applicable to agreements made and to be performed entirely within the State. Any legal dispute related to this Agreement will have its venue in Kerr County, Texas.

17. This Agreement supersedes any prior oral or written understandings or communications between the parties and constitutes the entire agreement to the parties with respect to the subject matter hereof. This Agreement may not be amended or modified, except in a writing signed by all parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement:

For the **City of Kerrville, Texas:**

Dalton Rice
City Manager

Date

For the **Community Foundation of the Texas Hill Country:**

Austin Dickson
Chief Executive Officer

Date



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

SUBJECT: Amendment to a Professional Services Agreement with Freese and Nichols, Inc. for design-build advisor services for the renovations to Heart of the Hills Heritage Center (HHHC). (M Hornes, Assistant City Manager)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** September 3, 2024

SUBMITTED BY: Michael Hornes, Assistant City Manager

EXHIBITS:

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$81,000	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item? Yes

Key Priority Area D - Downtown Revitalization

Guiding Principle N/A

Action Item D1.6 - Support new anchors in the Downtown, such as the A. C. Schreiner Mansion or the Arcadia, to increase public and visitor traffic

SUMMARY STATEMENT:

Freese and Nichols, Inc. (FNI) understands that the City of Kerrville (City) is seeking professional services for performing as a Design-Build Advisor to the City on its Heart of the Hills Heritage Center Project. The Project will consist of the renovation and conversion of the historic A.C. Schreiner House on the Butt Holdsworth Memorial Library Campus into a new public museum and City offices as well as other improvements to the site including an Entry Plaza, Amphitheater, Pavilion, Parking, Arbor, Overlook, Trail / Trailhead, Outdoor Display and Market and Gathering Spaces. The City is utilizing the Design Build Project Delivery method, in accordance with Texas Government Code 2269, to secure the services of a qualified Design-Build firm (team) to perform the described improvements to the facility.

Texas Government Code 2269.305 states that a governmental entity (municipality) shall designate an architect or engineer independent of the design-build firm to act as the governmental entity's representative for the duration of the project. FNI will provide these services to the City on an as needed basis throughout the project including during the procurement, preconstruction and construction phases.

The following amendment to the PSA with Freese and Nichols will continue the work that FNI has done so far and get us through the construction phase of the project. City Council

approved an initial agreement, which called preconstruction services up to for \$10,000. The following amendment adds \$81,000 to the contract and includes final preconstruction services, procurement and construction administration. Please see the attached contract with attached scope of services.

RECOMMENDED ACTION:

Approve the amendment to the professional services agreement with Freese and Nichols for design build advisor services for the renovations to the A.C. Schreiner House.

ATTACHMENTS:

[*20240910_PSA Amend FNI HHHC.pdf*](#)

**AMENDMENT TO A
PROFESSIONAL SERVICES AGREEMENT**
FIRM: Freese and Nichols, Inc. | PROJECT-SERVICES: Heart of the Hills
Heritage Center – Design-Build Advisor Services
ORIGINAL CONTRACT #2022-44

THIS AMENDMENT TO A PROFESSIONAL SERVICES AGREEMENT (“Amendment”) is entered into the ____ day of _____, 2024 (“Effective Date”), by and between the **CITY OF KERRVILLE, TEXAS** (“CITY”) and **FREESE AND NICHOLS, INC.** (“CONSULTANT”), and at times, collectively referred to herein as “parties.”

WHEREAS, CITY previously hired CONSULTANT to perform certain work and services as set forth in the Professional Services Agreement (“Agreement”) entered into between the parties on or about May 17, 2022; and

WHEREAS, CITY now requires additional work, which the CONSULTANT has agreed to perform for additional consideration, as specified in the document attached as **Exhibit A**;

NOW, THEREFORE, the parties agree as follows:

I. AMENDED SCOPE OF WORK

The “CONSULTANT’S SERVICES” described in Section I. of the Agreement is amended to include the additional services set forth in the proposal attached hereto as Exhibit A and incorporated herein by reference.

II. PAYMENT

In addition to the compensation set forth in the Agreement, CITY shall pay CONSULTANT the additional fees set forth in Exhibit A hereto for the amended scope of work as provided for in Section I., above.

III. AMENDMENT SUBJECT TO AGREEMENT

This Amendment is subject to the provisions and conditions set forth in the Agreement. Except as amended here, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Effective Date.

CITY
THE CITY OF KERRVILLE

CONSULTANT
FREESE AND NICHOLS, INC.

Dalton Rice, City Manager

John New, Vice President

ATTEST:

APPROVED AS TO FUNDING:

Shelley McElhannon, City Secretary

Julie Behrens, Director of Finance

APPROVED AS TO FORM:



William L. Tatsch, Asst. City Attorney

APPROVED AS TO CONTENT:

Stuart Barron, Executive Director of
Public Works and Engineering

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EXHIBIT "A"
City of Kerrville
Heart of the Hills Heritage Center Project – Design-Build Advisor Services

Project Understanding

Freese and Nichols, Inc. (FNI) understands that the City of Kerrville (City) is seeking professional services for performing as a Design-Build Advisor to the City on its Heart of the Hills Heritage Center Project. The Project will consist of the renovation and conversion of the historic A.C. Schreiner House on the Butt-Holdsworth Memorial Library Campus into a new public museum and City offices as well as other improvements to the site including an Entry Plaza, Amphitheater, Pavilion, Parking, Arbor, Overlook, Trail / Trailhead, Outdoor Display and Market and Gathering Spaces. The City intends to utilize the Design-Build Project Delivery method, in accordance with Texas Government Code 2269, to secure the services of a qualified Design-Build firm (team) to perform the described improvements to the facility.

Texas Government Code 2269.305 states that a governmental entity (municipality) shall designate an architect or engineer independent of the design-build firm to act as the governmental entity's representative for the duration of the project. FNI will provide these services to the City on an as needed basis throughout the project including during the procurement, preconstruction and construction phases.

Scope of Services

Task A: Project Management

A1. Administration

Perform general administration duties for the project, including progress meeting scheduling, general correspondence, office administration, and monthly invoicing.

A2. Communication

- A. Support the DB Team with the establishment of a communication plan.
- B. Attend periodic meetings to exchange information regarding the progress of the project.
- C. Review and provide input on agendas prior to the meetings, attend meetings, and review the meeting minutes for completeness and accuracy.
- D. Submit monthly project progress reports.

A3. Schedule

Review master summary schedule, on a monthly basis, developed by DB Team that will provide an executive level bar chart, tracking project progress throughout the project.

A4. Budget

Review a projected spend plan and cash flow curve, on a monthly basis, developed by DB Team that will provide an executive level overview of the financial status throughout the project.

A5. Quality Control

Review the quality assurance/quality control ("QA/QC") program provided by the DB Team.

A6. Progress Reports

Provide monthly Project progress reports and submit invoices on or before the 25th day of each month for the previous month's effort.

A7. Project Controls

Monitor Project integration, scope, schedule, cost, quality, staff resources, communications, risk analysis, Project Management Information System, and overall project management provided by the DB Team.

A8. Project Kickoff Meeting

FNI will meet with the City to review the scope, project team, and schedule.

Task B: Procurement Services

B1. Design-Build Justification Memorandum

FNI will prepare a draft Design-Build Project Delivery Method justification memo that provides the basis for consideration of a delivery method other than the traditional design-bid-build method.

B2. Council Resolution

FNI will prepare a draft City Council Resolution for use by Staff to submit to Council for official approval to allow the use of the Design-Build Project Delivery Method.

B3. Design-Build Letter of Interest

FNI will prepare a draft Design-Build Letter of Interest for issuance to the area construction community making any interested parties aware of an upcoming design-build project in Kerrville including a project description.

B4. Design-Build Request for Qualifications

FNI will prepare a draft Request for Qualifications for Design-Build services for the project.

B5. Design-Build Request for Proposals

FNI will prepare a draft Request for Proposals for those firms/teams that are shortlisted after review of the Statements of Qualifications. Should interviews be desired by the City, FNI will assist in preparing for and conducting these interviews.

Task C: Pre-Construction Services

C1. Design-Build Agreement

FNI will assist the City in the development of the Design-Build agreement to be executed by the Design-Builder and the City.

C2. Pre-Construction Meeting

FNI will assist the City in the preparation for and conducting of a pre-construction meeting with the Design-Build team, City staff, and other stakeholders.

C3. Stakeholder Coordination

Support the DB Team in obtaining permits and coordinating design elements with stakeholders.

C4. Guaranteed Maximum Price (GMP) Development

Monitor the development of the GMP and review for overall compliance to the contract documents, overall project objectives, cost, schedule and quality.

C5. Bid Package Review

Review the bid packages and procurement schedule provided by the DB Team for compliance with project scope.

C6. Document Control

Periodically review the web based PMIS system provided and managed by the DB Team.

C7. Review of Opinion of Probable Cost

Review the OPCC prepared by the DB Team at the SD, DD and CD deliverables.

C8. Review of Design Deliverables

Review design documents prepared by the DB Team at the SD, DD and CD deliverables (total of 3 reviews).

Task D: Construction Services

D1. Construction Site Visits and Progress Meetings

~~FNI will be support the City on a limited basis during construction by making site visits and attending construction progress meetings only upon the request of the City.~~

D1. Construction Site Visits and Progress Meetings

Make periodic site visits and attend bi-weekly construction progress meetings with the entire project team and other parties as appropriate throughout the project.

D2. Construction Quality

Periodically observe the work to determine if the work is proceeding in accordance with the contract documents. FNI will review documents submitted by the DB Team including test reports, equipment installation reports, commissioning reports, and other documents required by the contract documents.

D3. Document Control

Review an electronic project management information system provided by the DB Team. FNI will review monthly reports prepared by the DB Team to monitor the status of all submittals in the review process.

D4. Submittal Review

Perform a cursory review of submittals (ie. shop drawings, RFIs, etc.) and facilitate reviews of submittals

by the City when applicable. These reviews are intended to be cursory in nature to verify submittal contents are in general conformance with the construction documents. Note that it is the DB Team's responsibility to prepare and verify that submittal contents strictly conform to the construction documents. The DB Team must identify all components and accessories in the submittal necessary for a complete assembly that will be installed in accordance with all applicable codes and regulations, and that will have the aesthetic and operational characteristics that meets the overall intent of the form and function of the facility.

D5. Schedule Management

Review the baseline and the monthly construction progress schedules submitted by the DB Team.

D6. Cost Management

Review the schedule of values and payment requests prepared by the DB Team. Review the monthly cash flow projections provided by the DB Team. Verify quantities of work in place, review the payment requests and supporting documentation, and provide the City its opinion of alignment between the payment requested and the actual work completed, and a recommendation for payment as appropriate.

D7. Issue Management

Periodically review the Issues Log developed by DB Team and facilitate the resolution of any issue that requires City input or involvement. If necessary, provide an interpretation of the drawings and specifications when questions arise concerning the meaning or intent as it pertains to City defined items.

D8. Change Management

Review the procedures for administering changes to the construction contract developed by the DB Team. Review the documentation of requested contract modifications and subsequent change order documents for approved changes and have them executed appropriately.

D9. Discipline Specific Inspection

Perform inspections of parts of the project at appropriate stages of construction (ie. HVAC system, electrical systems, etc.)

D10. Project Commissioning and Completion

Observe start-up and commissioning of the facility and all the building systems planned and conducted by the DB Team.

When the DB Team requests that substantial completion be granted for the Project (or applicable portions thereof), FNI will conduct a review of the Project with the City to determine conformance or non-conformance with the Project design and construction documents. FNI will prepare a list of deficiencies to be corrected by the DB Team before substantial completion is granted and any partial release or reduction of retainage is approved.

Conduct a final review of the Project with the City for conformance with all the Project documents. FNI will confirm work is complete and in accordance with the Project documents prior to recommending final payment.

Assist the City in obtaining warranties, spare parts, operation and maintenance manuals, as-built

drawings, and facility keys from the DB Team. FNI will review and confirm that the DB Team has submitted all required documents to the City prior to recommending the final payment.

Assist the City in the preparation of a Substantial Completion Checklist to ensure that all AHJ's (Authorities Having Jurisdiction) have approved the facility for a Certificate of Occupancy.

D11. Material Transfer

Facilitate the transfer and acceptance of City furnished equipment or materials. Facilitate the transfer and acceptance of any DB Team furnished spare parts, materials, keys, etc.

D12. Record Drawings

Review as-built drawings provided by the DB Team and verify that they accurately reflect the actual project components and conditions.

D13. Deliverables

Submit site visit reports, monthly summary reports, and other correspondence as outlined in other sections of this scope of work.

Limitations of Authority of Owner Representative

- A. FNI will not authorize any deviation from the contract documents or substitution of materials or equipment (including "or-equal" items) without authorization from the City.
- B. FNI will not undertake any of the responsibilities of the DB Team.
- C. FNI does not guarantee the DB Team's performance.
- D. FNI will not advise on, issue directions relative to or assume control over any aspect of the means, methods, techniques, sequences, or procedures of construction unless such advice or directions are specifically required by the contract documents.
- E. FNI will not advise on, issue directions regarding or assume control over safety precautions and programs in connection with the work or any activities or operations of the City or the DB Team.

FNI will endeavor to protect the City in providing these services however, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or any safety precautions and programs relating in any way to the condition of the premises, the work of the Contractor or any Subcontractor.

Schedule

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

Services	Duration
Procurement Services	March 2022-March 2023
Pre-Construction Services	April 2023 – September 2024
Construction Services	October 2024 – December 2025

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

Compensation

Compensation to FNI for the Basic Services shall be the not to exceed amount of \$10,000. Tasks under supplemental services would be a lump sum if the City authorizes these services. If FNI sees the Scope of Services changing so that additional services are needed FNI will notify City for City's written approval before proceeding.

Basic Services

Task A – Project Management (Task A1 and A2)	Included in Tasks below
Task B – Procurement Services	\$5,000
Task C – Preconstruction Services (Task C1 and C2)	\$5,000
Total Basic Services (Lump Sum)	\$10,000

Supplemental Services

Task A – Project Management (Task A1 thru A8)	Included in Tasks Below
Task C – Preconstruction Services (Task C3 thru C8)	\$23,000
Task D – Construction Management Services	\$58,000
Total Supplemental Services (Lump Sum)	\$81,000

Additional Services

1. Furnishing design, regulatory/stakeholder coordination, construction management, construction administration, Resident Representation, and/or any type of construction inspection services.
2. Assisting City in the defense or prosecution of litigation in connection with or in addition to those services contemplated by this proposal.
3. Any other services not specifically identified in the basic services.

Project Name		Project Fee Summary					
Detailed Cost Breakdown		Basic Services		Special Services			
Phase	Task	Activity	Basic or Special	Task Description	Joel Kokemor	Marissa Mendez	Labor
				Preconstruction Services			Total Hours
				C1 DB Agreement	8	12	20
				C2 Precon Meeting	3	3	9
				C3 Stakeholder Coordination	8	8	8
				C4 GMP Development	8	8	8
				C5 Bid Packages Review	8	8	8
				C6 Document Control	16	16	16
				C7 Review OCC	12	12	12
				C8 Review of Design Deliverables (3 Total)	18	18	18
				Construction Management Services			
				D1 Site Visits and Progress Meetings (24@2hrs)	48	20	68
				D2 Construction Quality	12	12	12
				D3 Document Control	24	24	24
				D4 Submittal Review (1@2hrs/see)	20	20	20
				D5 Schedule Management	12	12	12
				D6 Cost Management	12	12	12
				D7 Issue Management	12	12	12
				D8 Change Management	12	12	12
				D9 Discipline Specific Inspections (4@4hrs/see)	16	16	16
				D10 Project Commissioning and Completion (2 trips)	16	16	16
				D11 Material Transfer	8	8	8
				D12 Record Drawings	Total Hours / Quantity	286	32
						318	



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

SUBJECT: City Council workshop minutes August 27, 2024. (S McElhannon, City Secretary)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** August 29, 2024

SUBMITTED BY: Shelley McElhannon, City Secretary

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:

City Council workshop minutes August 27, 2024 at 4:00 p.m.

RECOMMENDED ACTION:

Approve minutes as presented.

ATTACHMENTS:

[20240910_Minutes CC workshop 8-27-24.pdf](#)

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

**AUGUST 27, 2024 4:00 PM
701 MAIN STREET, KERRVILLE, TEXAS**

CALL TO ORDER: On August 27, 2024 at 4:00 p.m., the City Council workshop was called to order by Mayor Joe Herring, Jr. at City Hall Council Chambers, 701 Main Street.

COUNCILMEMBERS PRESENT:

Joe Herring, Jr., Mayor
Jeff Harris, Council Place 2
Kent McKinney, Council Place 3
Brenda Hughes, Council Place 4/Mayor Pro Tem

COUNCILMEMBERS ABSENT:

Delayne Sigerman, Council Place 1

CITY STAFF PRESENT:

Dalton Rice, City Manager
Mike Hayes, City Attorney
Michael Hornes, Asst City Manager
Kim Meismer, Asst City Manager
Shelley McElhannon, City Secretary

Ashlea Boyle, Director Parks & Recreation
Kyle Burow, Director Engineering
Chris McCall, Police Chief
Drew Paxton, Director Zoning & Development

VISITOR(S) PRESENT:

Katharine Boyette, Community Arts Program Director Kerrville Convention & Visitors Bureau

1. PUBLIC COMMENT: None

The following person(s) spoke:

- William Rector
- Phillip Christian

2. INFORMATION AND DISCUSSION:

2A. Proposed funding request to the City's Tax Increment Reinvestment Zone No. 1 (TIRZ #1) for costs associated with engineering/design for a roundabout at the intersection of Schreiner Street and Clay Street.

Michael Hornes provided information and responded to questions. Item will be brought back to Council.

2B. Current downtown river trail project and recommendations for next steps.

Michael Hornes provided information and responded to questions. Item will be brought back to Council.

2C. Presentation of Tree Preservation regulations.

Drew Paxton provided information and responded to questions. Item will be brought back to Council.

2D. Community Arts Program Update.

Ashley Boyle and Katharine Boyette provided information and responded to questions.

Councilmember Brenda Hughes made a motion to convene Executive Session under 551.087 (deliberation regarding economic development negotiations), seconded by

Councilmember Kent McKinney. The motion passed 4-0. At 4:56 p.m., the open workshop recessed and Council convened into closed Executive Session.

3. EXECUTIVE SESSION:

3A. Bluewood Multifamily Development (551.087)

At 5:31 p.m., the closed Executive Session adjourned. No action taken during executive session, and the workshop adjourned immediately following executive session.

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

ADJOURN. The workshop adjourned at 5:31 p.m.

APPROVED BY COUNCIL: _____ ATTEST:

Joe Herring, Jr., Mayor

Shelley McElhannon, City Secretary



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

SUBJECT: City Council meeting minutes August 27, 2024. (S McElhannon, City Secretary)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** August 29, 2024

SUBMITTED BY: Shelley McElhannon, City Secretary

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:

City Council meeting minutes August 27, 2024 at 6:00 p.m.

RECOMMENDED ACTION:

Approve minutes as presented.

ATTACHMENTS:

[20240910_Minutes CC meeting 8-27-24.pdf](#)

**CITY COUNCIL MINUTES
REGULAR MEETING**

**KERRVILLE, TEXAS
AUGUST 27, 2024 6:00 PM**

On August 27, 2024 at 6:00 p.m., Mayor Joe Herring, Jr. called the Kerrville City Council meeting to order in City Hall Council Chambers, 701 Main Street. Councilmember Kent McKinney provided the invocation and led the Pledge of Allegiance.

COUNCILMEMBERS PRESENT:

Joe Herring, Jr., Mayor
Jeff Harris, Councilmember Place 2
Kent McKinney, Councilmember Place 3
Brenda Hughes, Councilmember Place 4/Mayor Pro Tem

COUNCILMEMBER ABSENT:

Delayne Sigerman, Councilmember Place 1

CITY EXECUTIVE STAFF:

Dalton Rice, City Manager
Mike Hayes, City Attorney
Michael Hornes, Asst City Manager
Kim Meismer, Asst City Manager
Shelley McElhannon, City Secretary
Julie Behrens, Director of Finance

Jacob Bogusch, Finance Compliance
Ashlea Boyle, Director of Parks & Recreation
Stuart Cunyus, Public Information Officer
Chris McCall, Police Chief
Drew Paxton, Director Zoning/Development

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.

Katharine Boyette, Community Art Program Director, Kerrville Convention & Visitors Bureau
Sharon Constantinides, Chief Appraiser Kerr Central Appraisal District
Stacy Esquivel, South Texas Program Specialist Mother's Against Drunk Drivers
Steve Schulte, General Counsel MacDonald Companies

1. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Community announcements and information provided by Councilmember Jeff Harris.

2. PRESENTATION(S):

2A. Mothers Against Drunk Driving Annual DWI Enforcement Awards.

Chief Chris McCall and Stacy Esquivel presented the Mothers Against Drunk Driving Annual DWI Enforcement Awards to Kerrville Police Department personnel.

3. VISITORS FORUM: No person(s) signed up to speak.

The following person(s) spoke:

- John "Rock" Conbescung
- Mike and Jan Pieraccini
- Gary Noller

4. CONSENT AGENDA:

Shelley McElhannon read items 4A, 4B, and 4C captions into record. Councilmember Kent McKinney pulled item 4B. Councilmember Brenda Hughes motioned to approve items 4A, 4C, 4D, 4E, 4F, 4G, and 4H, seconded by Councilmember Harris. Motion passed 4-0.

4A. Ordinance No. 2024-19, second reading. An Ordinance creating a "Planned Development District" (Zoning) to authorize Medium Density Residential District uses and Short-Term Rental units; consisting of Comanche Trace Phase 13, Block D, Lots 1 through 6; and more commonly

known as 3001, 3003, 3005, 3007, 3009, and 3011 Club House Road; and Comanche Trace Phase 18, Lots 7 through 28, and more commonly known as 4528 Comanche Trace Drive, Units 7 through 28; adopting a concept plan and conditions; and providing other matters relating to the subject. (PASSED UNANIMOUSLY ON 1ST READING).

4C. Ordinance No. 2024-22, second reading. An Ordinance amending Chapter 2, "Administration", Article IV "Boards and Commissioners", Section 2-91 "Senior Services Advisory Committee" of the Code of Ordinances of the City of Kerrville, Texas; by revising the meeting schedule, and providing other matters relating to this subject. (PASSED UNANIMOUSLY ON 1ST READING).

4D. Tower Lease Agreement between Advantage Towers, LLC and the City of Kerrville, Texas.

4E. Construction Agreement with Bennett Paving, Inc. for the 2024 Street Maintenance Project in the amount of \$1,125,015.00.

4F. Non-exclusive License Agreement between City of Kerrville and Hill Country United Soccer Club for use of the Kerrville Sports Complex.

4G. City Council workshop minutes August 13, 2024.

4H. City Council meeting minutes August 13, 2024.

END OF CONSENT AGENDA.

4B. Ordinance No. 2024-20, second reading. An Ordinance amending Ordinance Nos. 2019-14 and 2021-25 which created and then amended a Planned Development District on an approximate 58.74 acre tracts of land out of the Joseph S. Anderson Survey No. 141, Abstract No. 2, and the J.S. Sayder Survey No. 142, Abstract No. 290; generally located north of and in the 1000 to 1200 block of Thompson Drive (Spur 98); this amendment to revise the previously adopted Land Use Table; and providing other matters relating to the subject. (PASSED UNANIMOUSLY ON 1ST READING).

Drew Paxton provided information and responded to questions.

Councilmember Hughes made a motion to approve item 4B second reading, seconded by Councilmember McKinney. The motion passed 4-0.

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Resolution No. 36-2024. A Resolution providing for the City's approval or disapproval of the Kerr Central Appraisal District's Fiscal Year 2025 budget.

Mayor Herring read Resolution No. 36-2024 caption into record.
Julie Behrens and Sharon Constantinides provided information.

Councilmember McKinney made a motion to approve Resolution No. 36-2024, seconded by Councilmember Hughes. The motion passed 4-0.

5B. Proposed amendment(s) to Ordinance No. 2024-10, which authorized the vacation, abandonment, and closure of a segment of a public right-of-way known as Knapp Road.

Councilmember Hughes motioned to table this item until the September 10, 2024 meeting, seconded by Councilmember Harris. Motion to table passed 4-0.

The following person(s) signed up to speak on item but passed when called:

- George Baroody

5C. Designation of Rights in Artwork Murals (Agreements) for “Birds and Blossoms”, “River Reflections”, and “Life Beneath the Surface” between the City of Kerrville, Texas and DAAS, the artist.

Ashlea Boyle and Katharine Boyette provided information and responded to questions.

Councilmember Hughes made a motion to approve the agreements, seconded by Councilmember McKinney. The motion passed 4-0.

6. INFORMATION AND DISCUSSION:

6A. Financial report for month-ended July 31, 2024.

Julie Behrens provided information and responded to questions. Information only, no action.

7. BOARD APPOINTMENTS:

7A. Appointment to the Building Board of Adjustment and Appeals.

Councilmember Harris made a motion to reappoint Jennifer Hyde and Wayne Uecker as a regular member, and Crystal Smith as an alternate member, seconded by Councilmember Hughes. The motion passed 4-0.

7B. Appointment to member(s) to the Main Street Advisory Board.

Mayor Herring made a motion to reappoint Lanza Teague and appoint Debbi Lehr as members, seconded by Councilmember McKinney. The motion passed 4-0.

8. EXECUTIVE SESSION: Executive Session was not called nor convened, and item 8A was not discussed.

8A. Appointment to the Building Board of Adjustment and Appeals.

9. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY. N/a

10. ITEM(S) FOR FUTURE AGENDAS: None

ADJOURN. The meeting adjourned at 6:42 p.m.

APPROVED BY COUNCIL: _____

APPROVED:

ATTEST:

Joe Herring Jr., Mayor

Shelley McElhannon, City Secretary



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

SUBJECT: Ordinance No. 2024-23. An Ordinance levying an Ad Valorem (Property) Tax for the use and support of the Municipal Government for the City of Kerrville, Texas, for Fiscal Year 2025; apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid. (*J Behrens, Director of Finance*)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** August 5, 2024
2024

SUBMITTED BY: Julie Behrens , Director of Finance

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:

RECOMMENDED ACTION:

Approve Ordinance No. 2024-23 first reading.

ATTACHMENTS:

[*20240910_Ord 2024-23 Ad Valorem Tax Property Rate FY2025.pdf*](#)

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2024-23**

**AN ORDINANCE LEVYING AN AD VALOREM (PROPERTY)
TAX FOR THE USE AND THE SUPPORT OF THE MUNICIPAL
GOVERNMENT FOR THE CITY OF KERRVILLE, TEXAS, FOR
FISCAL YEAR 2025; 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 (property) tax must be levied to provide for expenses and improvements for the City of Kerrville, Texas, during Fiscal Year 2025 (Oct. 1, 2024-Sept. 30, 2025); 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 2025; and

WHEREAS, after due deliberation, study, and consideration of the proposed tax rate for Fiscal Year 2025, 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 2025, a tax of **\$0.5595** 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 2025 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 **\$0.4189** 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 2025

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 **\$0.1406** on each one hundred dollars (\$100.00) valuation of such property.

SECTION TWO. The ad valorem taxes levied are due on October 1, 2024, and may be paid up to and including January 31, 2025, without penalty, but if not paid, such taxes are delinquent on February 1, 2025; 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, 2024, and the remaining one-half is paid before July 1, 2025.

SECTION THREE. No discounts are authorized on property tax payments made prior to January 31, 2025.

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 2.77% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$11.30.

FIRST READING:

[MOTION TO STATE AS FOLLOWS: *Motion to approve Ordinance No. 2024-23 and that the property tax rate be increased by the adoption of a tax rate of \$0.5595, which is effectively a 2.77% percent increase in the tax rate.*]

City Secretary to take record vote as follows:

	YES	NO
Joe Herring, Jr., Mayor	_____	_____
Delayne Sigerman, Place 1	_____	_____
Jeff Harris, Place 2	_____	_____
Kent McKinney., Place 3	_____	_____
Brenda Hughes, Place 4	_____	_____

PASSED AND APPROVED ON FIRST READING, this the _____ day of _____, A.D., 2024.

SECOND READING:

[MOTION TO STATE AS FOLLOWS: *Motion to approve Ordinance No. 2024-23 and that the property tax rate be increased by the adoption of a tax rate of \$0.5595, which is effectively a 2.77% percent increase in the tax rate.*]

City Secretary to take record vote as follows:

	YES	NO
Joe Herring, Jr., Mayor	_____	_____
Delayne Sigerman, Place 1	_____	_____
Jeff Harris, Place 2	_____	_____
Kent McKinney, Place 3	_____	_____
Brenda Hughes, Place 4	_____	_____

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ day of _____, A.D., 2024.

Joe Herring, Jr., Mayor

APPROVED AS TO FORM:

draft

Michael C. Hayes, City Attorney

ATTEST:

Shelley McElhannon, City Secretary



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

SUBJECT: Ordinance No. 2024-24. An Ordinance adopting the annual budget for the City of Kerrville, Texas, Fiscal Year 2025; providing appropriations for each city department and fund; containing a cumulative clause; and containing a savings and severability clause. (*J Behrens, Director of Finance*)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** August 5, 2024

SUBMITTED BY: Julie Behrens, Director of Finance

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:

RECOMMENDED ACTION:

Approve Ordinance No. 2024-24 first reading.

ATTACHMENTS:

[*20240910_Ord 2024-24 Approve FY2025 Annual Budget.pdf*](#)

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2024-24**

**AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE
CITY OF KERRVILLE, TEXAS, FISCAL YEAR 2025; 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 or before July 31, 2024, 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, 2024, and ending September 30, 2025 (sometimes referred to as "Fiscal Year 2025" or "FY2025"); 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 September 10, 2024, 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 time 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 2025, 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 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 deemed to provide a complete financial plan of City funds and activities for the

Fiscal Year 2025, 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. :

- Financial Management Policy
- Investment Policy
- Purchasing Policy
- Real Estate Policy
- Travel 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. 2024-24 to adopt the City's budget for Fiscal Year 2025 on 1st reading.*]

City Secretary to take record vote as follows:

	YES	NO
Joe Herring, Jr., Mayor	_____	_____
Delayne Sigerman, Place 1	_____	_____
Jeff Harris, Place 2	_____	_____
Kent McKinney, 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., 2024.

SECOND READING:

[1ST MOTION TO STATE AS FOLLOWS: *Motion to approve Ordinance No. 2024-24 to adopt the City's budget for Fiscal Year 2025 on 2nd reading.*]

City Secretary to take record vote as follows:

	YES	NO
Joe Herring Jr., Mayor	_____	_____
Delayne Sigerman, Place 1	_____	_____
Jeff Harris, Place 2	_____	_____
Kent McKinney, 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., 2024.

Joe Herring, Jr., Mayor

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney



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

SUBJECT: Ordinance No. 2024-21. An Ordinance amending Chapter 60 of the Code of Ordinances, City of Kerrville, Texas; by changing the zoning of an approximate 5.51 acre property known as 2029 Junction Highway (SH 27); from a Planned Development Zoning District (PDD) to a General Commercial Zoning District (C-3); and providing other matters relating to the subject. (*D Paxton, Director of Zoning and Development*)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** August 29, 2024

SUBMITTED BY: Drew Paxton, Planning Director

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:

Proposal: An ordinance to change the zoning from Planned Development District, PD 99-12, to C-3 General Commercial on approximately 5.51 acres out of Martinez Survey 124, ABS A0247, Kerr County, TX (KCAD Property ID 15546 and 15552); and more commonly known as 2029 Junction Hwy. (Case No. PZ-2024-19)

The applicant would like to change the zoning from PD to C-3 to allow more flexibility for future development. The property has been operated as a U-Haul dealership & shipping container storage and sales yard for the previous 15 to 20 years. The applicant believes that the proper zoning for the property should now be C-3 to better conform with the neighboring properties along Junction Hwy for future development. The shipping container business would remain in operation as a nonconforming use, however, any future development would be required to conform with approved C-3 zoning guidelines. Based on the existing PD use, surrounding uses, and future land use designations, the request seems reasonable.

Procedural Requirements: The City, in accordance with state law, mailed 15 letters on 7/18/2024 to adjacent property owners. The City published a similar notice in the Hill Country Community Journal on 7/10/2024. In addition, a public hearing notification sign was posted on the property frontage on 7/19/2024. At the time of drafting this agenda bill, no public comments had been received.

Staff Analysis and Recommendation

Consistency with the Kerrville 2050 Comprehensive Plan: The property is located within the Strategic Catalyst Area No. 4 (SCA 4), a narrow band of commercial and industrial land uses that nearly touches the City's border with Ingram. SCA 4 along State Hwy 27 will be a commercial area that maintains distinctive character with surrounding neighborhoods. Allowable place types within SCA 4 are Community Commercial, Regional Commercial, Heavy Commercial and Light Industrial. SCA 4 appears to support the requested zoning change. As such, this request is consistent with the goals of the Kerrville 2050 Comprehensive Plan.

Adjacent Zoning and Land Uses:

Subject Property

Current Zoning: PD 99-12, Planned Development District

Existing Land Uses: U-Haul Dealership & Shipping Container Storage & Sales

Direction: North

Current Zoning: Hwy 27 and C-3 General Commercial

Existing Land Uses: Hwy 27 and Commercial Businesses

Direction: South

Current Zoning: R-2 Medium Density Residential

Existing Land Uses: Residential Development

Direction: West

Current Zoning: C-3 General Commercial & R-2 Medium Density Residential

Existing Land Uses: Commercial Development and Residential Development

Direction: East

Current Zoning: C-3 General Commercial

Existing Land Uses: Commercial Development

Thoroughfare Plan: There is no impact on the thoroughfare system since the land use is not changing.

Traffic Impact: There is no traffic impact since the land use is not changing.

Parking: Off-street parking is existing and adequate for the current use. Any future use or development will need to meet current off-street parking requirements.

Recommendation: Based on consistency with the Kerrville 2050 Comprehensive Plan and the fact that the current use is not changing, staff recommends the case for approval.

The Planning and Zoning Commission recommended approval with a unanimous vote.

RECOMMENDED ACTION:

Approve Ordinance No. 2024-21 on first reading.

ATTACHMENTS:

[*20240910_Ord 2024-21 PDD zoning to C3_2029 Junction Hwy.pdf*](#)

[*PZ-2024-19_Future Land Use \(Current\) Map.pdf*](#)

[*PZ-2024-19_Current Zoning.pdf*](#)

[*SCA4_K2050.pdf*](#)

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2024-21**

**AN ORDINANCE AMENDING CHAPTER 60 OF THE CODE OF
ORDINANCES, CITY OF KERRVILLE, TEXAS; BY CHANGING
THE ZONING OF AN APPROXIMATE 5.51 ACRE PROPERTY
KNOWN AS 2029 JUNCTION HIGHWAY (SH 27); FROM A
PLANNED DEVELOPMENT ZONING DISTRICT (PDD) TO A
GENERAL COMMERCIAL ZONING DISTRICT (C-3); AND
PROVIDING OTHER MATTERS RELATING TO THE SUBJECT**

WHEREAS, pursuant to Texas Local Government Code Sections 211.006 and 211.007, the City of Kerrville, Texas (City) gave notice to all parties in interest and citizens by publication in the official newspaper for the City, and otherwise, of a hearing held before the City Council on September 10, 2024, which considered a report of the City's Planning and Zoning Commission regarding its recommendations on this Ordinance, the adoption of which will result in the change of a zoning district for the property known as 2029 Junction Highway and comprising approximately 5.51 acres; such change to result in the removal of the property from a Planned Development (Zoning) District (PDD) to placement within a General Commercial Zoning District (C-3); and

WHEREAS, on September 10, 2024, City Council held a public hearing on this zoning change 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. City Council amends the Zoning Code for the City of Kerrville, Texas, Chapter 60 of the Code of Ordinances of the City of Kerrville, Texas (Zoning Code), and the *Official Zoning Map* to designate the following described property as zoned within a General Commercial Zoning District (C-3):

Legal Description: Being a 5.51 acre tract out of the Martinez Survey No. 124, Abstract No. 247; said property depicted at **Exhibit A**, attached hereto and made a part hereof for all purposes, and hereafter referred to as the "Property."

Address: 2029 Junction Highway (State Highway 27), Kerrville, Texas 78028.

SECTION TWO. The City Manager 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 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. This Ordinance repeals Ordinance No. 99-12, as adopted on August 24, 1999, and which created the Planned Development (Zoning) District (PDD) on the Property.

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 _____ day of _____, A.D., 2024.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ of _____, A.D., 2024.

ATTEST:

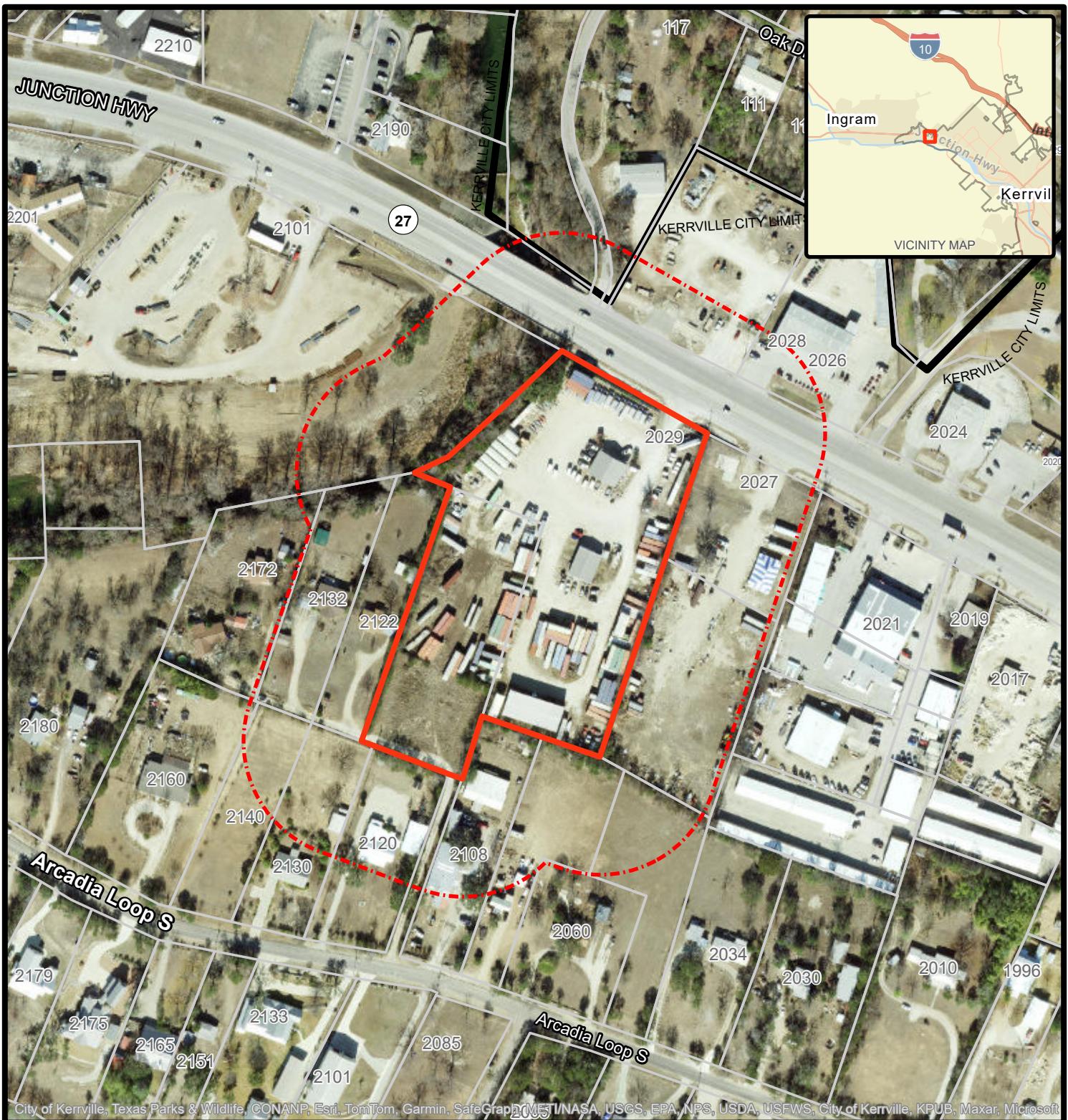
Joe Herring, Jr., Mayor

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:


Michael C. Hayes, City Attorney

EXHIBIT A



Location Map

Case # PZ-2024-19

Location:

2029 Junction Hwy

Legend

- Subject Properties (Red Solid Line)
- 200 Feet Notification Area (Dashed Red Line)



0 75 150 300

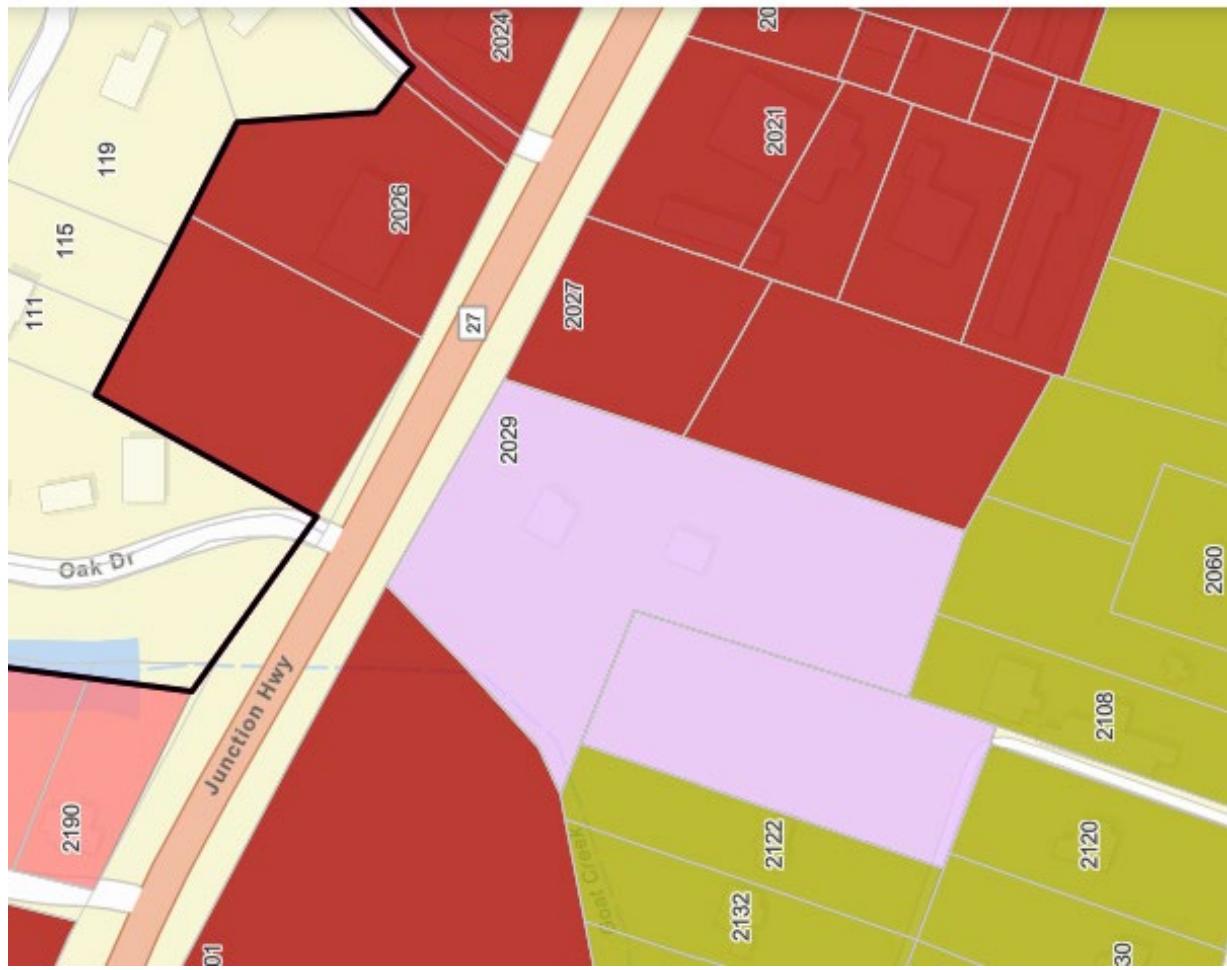
Scale In Feet

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.



Zoning District (Current)

- RE Estate Residential
- R-1 Single-Family Residential
- R-1A Single-Family Residential with Accessory Dwelling Unit
- R-2 Medium Density Residential
- R-3 Multifamily Residential
- RM Residential Mix
- RT Residential Transition
- C-1 Neighborhood Commercial
- C-2 Light Commercial
- C-3 General Commercial
- IM Industrial and Manufacturing
- DAC Downtown Arts and Culture
- MU Mixed Use
- PD Planned Development
- PI Public and Institutional
- AD Airport
- AG Agriculture
- DC Downtown Core



Strategic Catalyst Area 4

Strategic Catalyst Area 4 is the northwestern-most area, a narrow band of commercial and industrial land uses that nearly touches the City's border with Ingram. SCA 4 along State Highway 27 will be a commercial area that maintains the distinctive character of the surrounding neighborhoods.

Defining Characteristics: SH 27 is the city's northwest gateway. Major intersections are at Goat Creek and Harper roads.

Allowable Place Types: Community Commercial, Regional Commercial, Heavy Commercial - Light Industrial

Place Type Distinctions: Community Commercial should be present throughout SCA 4, while Regional Commercial would more appropriate on the eastern side closer to the Harper Road/SH 27 intersection. The Heavy Commercial - Light Industrial place type will be more appropriate along the existing cluster near the SH 27/Mill intersection on the far west side.

Size: 553 acres

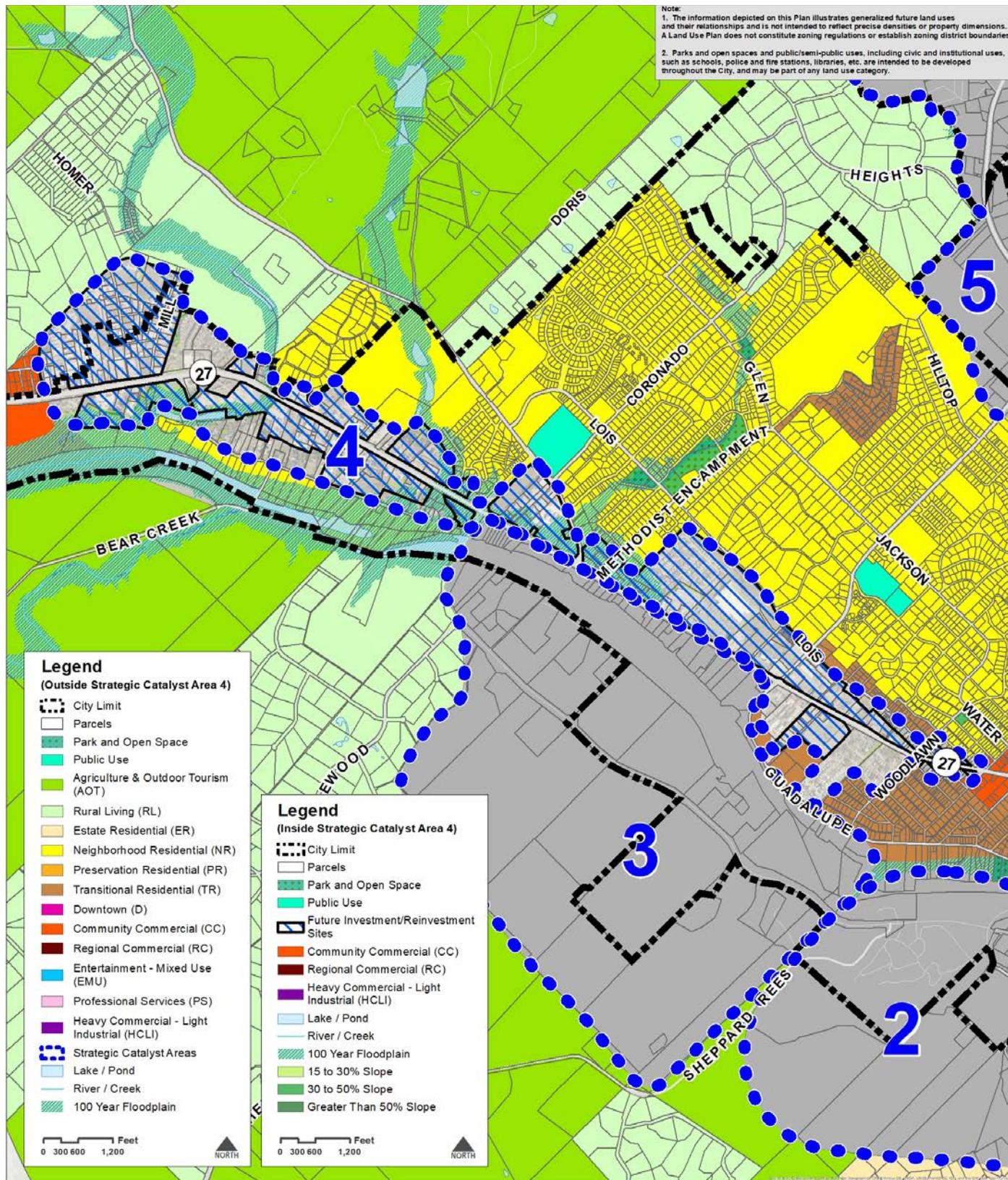
Developable Sites: 376 acres

Residents: 1,432

Jobs: 2,403



Figure 11: Strategic Catalyst Area 4





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

SUBJECT: Resolution No. 37-2024. A Resolution approving a negotiated settlement between the Atmos Cities Steering Committee (ACSC) and Atmos Energy Corp., Mid-Tex Division regarding the Company's 2024 rate review mechanism filing; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attachment establishing a benchmark for pensions and retiree medical benefits; requiring the company to reimburse ACSC's reasonable ratemaking expenses; determining that this resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this resolution to the company and the ACSC's legal counsel. (M Hayes, City Attorney)

AGENDA DATE OF: September 10, 2024 **DATE SUBMITTED:** August 15, 2024

SUBMITTED BY: Kelly Hagemeier

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:

A Resolution of the City Council of the City of Kerrville, Texas, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2024 rate review mechanism filing; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attachment establishing a benchmark for pensions and retiree medical benefits; requiring the company to reimburse ACSC's reasonable ratemaking expenses; determining that this resolution was passed in

accordance with the requirements of the Texas open meetings act; adopting a savings clause; declaring an effective date; and requiring delivery of this resolution to the company and the ACSC's legal counsel.

RECOMMENDED ACTION:

Approve Resolution No. 37-2024.

ATTACHMENTS:

[*20240910_Reso 37-2024 Settlement_ACSC Atmos_2024 RRM Filings.pdf*](#)

[*20240910_2024 Annual Gas Cost Filing.pdf*](#)

[*20240910_Average Bill RRM.pdf*](#)

**CITY OF KERRVILLE
RESOLUTION NO. 37-2024**

A RESOLUTION APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (ACSC) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2024 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL

WHEREAS, the City of Kerrville, Texas (City) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (Atmos Mid-Tex or Company), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (ACSC), a coalition of similarly-situated cities served by Atmos Mid-Tex (ACSC Cities) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (RRM) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (GRIP) process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2024, Atmos Mid-Tex filed its 2024 RRM rate request with ACSC Cities based on a test year ending December 31, 2023; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2024 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$164.7 million on a system-wide basis with an Effective Date of October 1, 2024; and

WHEREAS, ACSC agrees that Atmos' plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (**Attachment 1**) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (**Attachment 2**); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications.

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

SECTION ONE. The findings set forth in this Resolution are approved.

SECTION TWO. Without prejudice to future litigation of any issue identified by ACSC, City Council finds that the settled amount of an increase in revenues of \$164.7 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2024 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

SECTION THREE. Despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

SECTION FOUR. The existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as **Attachment 1**, are just and reasonable, and are designed to allow Atmos

Mid-Tex to recover annually an additional \$164.7 million on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

SECTION FIVE. The ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on **Attachment 2**, attached hereto and incorporated herein.

SECTION SIX. Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2024 RRM filing.

SECTION SEVEN. To the extent any resolution or ordinance previously adopted by Council is inconsistent with this Resolution, it is hereby repealed.

SECTION EIGHT. The meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

SECTION NINE. If any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

SECTION TEN. Consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2024.

SECTION ELEVEN. A copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED ON this _____ day of
_____ A.D., 2024.

Joe Herring, Jr., Mayor

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 22.95 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 23.00 per month
Commodity Charge – All Ccf	\$0.58974 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharge: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2024.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 81.75 per month
Rider CEE Surcharge	\$ 0.00 per month ¹
Total Customer Charge	\$ 81.75 per month
Commodity Charge – All Ccf	\$ 0.19033 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2024.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	I – INDUSTRIAL SALES
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 200 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 200 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,587.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.6553 per MMBtu
Next 3,500 MMBtu	\$ 0.4799 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.1029 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharge: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,587.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.6553 per MMBtu
Next 3,500 MMBtu	\$ 0.4799 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.1029 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharge: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = \frac{R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}}{}$$

Where

i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.

HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class

NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j^{th} customer in i^{th} rate schedule is computed as:

$$WNA_i = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j^{th} customer in i^{th} rate schedule.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT		
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF		
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024		

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	9.52	0.1526	88.98	0.7485
Austin	8.87	0.1343	213.30	0.9142
Dallas	12.38	0.2024	185.59	1.0974
Waco	8.71	0.1219	130.62	0.7190
Wichita Falls	10.20	0.1394	117.78	0.6435

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2023

Line No.	Description (a)	Shared Services		Mid-Tex Direct		Supplemental Executive Benefit Plan (e)	Adjustment Total (g)
		Pension Account Plan (b)	Post- Employment Benefit Plan (c)	Pension Account Plan (d)	Post- Employment Benefit Plan (e)		
1	Proposed Benefits Benchmark - Fiscal Year 2024 Willis Towers Watson Report as adjusted	\$ 1,402,365	\$ (1,146,666)	\$ 2,186,549	\$ (4,070,086)	\$ 278,107	
2	Allocation Factor	45.93%	45.93%	82.00%	82.00%		100.00%
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 644,172	\$ (526,717)	\$ 1,792,929	\$ (3,337,394)	\$ 278,107	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%		100.00%
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4)	\$ 644,172	\$ (526,717)	\$ 1,792,929	\$ (3,337,394)	\$ 278,107	\$ (1,148,903)
6	O&M Expense Factor (WP_F-2.3, Ln 2)	81.70%	81.70%	38.85%	38.85%	11.24%	
7	Summary of Costs to Approve:						
8	Total Pension Account Plan	\$ 526,315	\$ (430,349)	\$ 696,536	\$ (1,296,547)	\$ 31,256	\$ 1,222,851
9	Total Post-Employment Benefit Plan						(1,726,896)
10	Total Supplemental Executive Benefit Plan						31,256
11	Total (Ln 10 + Ln 11 + Ln 12)	\$ 526,315	\$ (430,349)	\$ 696,536	\$ (1,296,547)	\$ 31,256	\$ (472,789)



Chris Felan
Vice President
Rates & Regulatory Affairs

August 13, 2024

TO THE GOVERNING BODY OF ALL MUNICIPALITIES SERVED BY ATMOS ENERGY CORP., MID-TEX DIVISION

On August 13, 2024, Atmos Energy Corp., Mid-Tex Division (the "Company"), filed its Annual Gas Cost Reconciliation Filing for the twelve-month period ended June 30, 2024. This report has been prepared in accordance with the Order of the Railroad Commission of Texas under Gas Utilities Docket No. 9400. This report reconciles the Company's expenditures for gas with the billing of those costs to residential, commercial, and industrial customers for the period noted above. This filing is for informative purposes only and no action is required on your city's part.

Enclosed is a copy of the schedules filed with the Commission.

Should you have any questions, please contact me at 214-206-2568.

Sincerely,

A handwritten signature in black ink that reads "Chris Felan". The signature is fluid and cursive, with "Chris" on top and "Felan" below it.

Chris Felan
Vice President, Rates and Regulatory Affairs
Atmos Energy, Mid-Tex Division



Chris Felan
Vice President
Rates & Regulatory Affairs

August 13, 2024

Ms. Kari French
Assistant Executive Director and Division Director – Oversight and Safety
Railroad Commission of Texas
1701 North Congress Avenue
P. O. Box 12967
Austin, Texas 78711-2967

Re: Docket Compliance, GUD No. 9400, Atmos Energy Corp., Mid-Tex Division
Annual Gas Cost Reconciliation Filing

Dear Ms. French:

Attached is Atmos Energy Corp., Mid-Tex Division's (the "Company") Gas Cost Reconciliation filing for the twelve-month period ended June 30, 2024. This report has been prepared in accordance with the order of the Railroad Commission of Texas under Gas Utilities Docket ("GUD") No. 9400.

In response to the Railroad Commission of Texas Audit No. 06-037, Auditor's Recommendation, the Company has included an additional schedule (Schedule 10) in the filing to reflect the percentage of Lost and Unaccounted for Gas for the reconciliation period. The Company has not included the cost of odorant in gas cost as directed by the Commission; however, the Company again reiterates that it does not agree with this position. Finally, the gas cost portion of bad debts written off has been included in accordance with the system-wide application of the Rider GCR (Gas Cost Recovery) provisions.

The Company is requesting an exception to the Final Order issued in GUD 9400, Finding of Fact 121, which directs the Reconciliation Factor to be determined for the "succeeding October through June billing months." In this filing, the Company is requesting the Reconciliation Factor be determined using the months of November through March. The Company has included the standard calculation of the Reconciliation Factor over the nine (9) month period designated in GUD 9400 of (\$0.0161) and an alternative calculation of the Reconciliation Factor over a five (5) month period of (\$0.0206). The Company will refund the over collection over a five (5) month period.

Included in this filing is my certification, a Table of Contents that provides a listing and description of each document, and all of the reconciliation schedules and workpapers listed on the Table of Contents. Copies of this filing are being provided to all incorporated municipalities served by Atmos Energy Corp., Mid-Tex Division.

Should there be any questions related to this filing, please call me on 214-206-2568.

Sincerely,



Chris Felan
Vice President, Rates and Regulatory Affairs
Atmos Energy, Mid-Tex Division

Attachments:

cc:

Mr. Mark Evarts, Railroad Commission of Texas
Ms. Sarah Montoya-Foglesong, Railroad Commission of Texas
Ms. Yvonne Jackson, Railroad Commission of Texas
Mr. Alexander Schoch, Railroad Commission of Texas

**ATMOS ENERGY CORP., MID-TEX DIVISION
ANNUAL GAS COST RECONCILIATION FILING
FOR THE PERIOD ENDED JUNE 30, 2024
PREPARED IN ACCORDANCE WITH THE ORDER OF
THE RAILROAD COMMISSION OF TEXAS UNDER
GAS UTILITIES DOCKET NO. 9400**

The attached Annual Gas Cost Reconciliation Filing for the period ended June 30, 2024, was prepared by me or under my direct supervision. I hereby certify that the information contained therein is true and correct and that the Filing was prepared in accordance with the order of the Railroad Commission of Texas in Gas Utilities Docket No. 9400.



Chris Felan
Vice President
Rates & Regulatory Affairs

Filed: August 13, 2024

**ATMOS ENERGY CORP., MID-TEX DIVISION
ANNUAL GAS COST RECONCILIATION FILING
FOR THE PERIOD ENDED JUNE 30, 2024**

**ATMOS ENERGY CORP., MID-TEX DIVISION
ANNUAL GAS COST RECONCILIATION FILING
FOR THE PERIOD ENDED JUNE 30, 2024**

TABLE OF CONTENTS

Document Title	Document Description
Schedule 1	Calculation of Reconciliation Factor
Schedule 2	Summary of (Over)/Under Recovery
Schedule 3	Gas Cost Incurred
Schedule 4	Gas Cost Incurred - By Month
Schedule 5	Gas Cost Billed
Schedule 6	Summary of Net Gas Cost Written Off
Schedule 7	Interest Calculation
Schedule 8	Estimated Volume Calculation for (Refund)/Surcharge
Schedule 9	Summary of (Over)/Under Recovery from Previous Filing
Schedule 10	Lost And Unaccounted For Gas ("LUG") Calculation
WP/Billed Gas Cost	Gas Cost Billed - By Month
WP/LUG-Related Mcf	LUG-Related Volumes/Quantities - By Month

ATMOS ENERGY CORP., MID-TEX DIVISION
ANNUAL GAS COST RECONCILIATION FILING
FOR THE PERIOD ENDED JUNE 30, 2024

CALCULATION OF RECONCILIATION FACTOR

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
	(a)	(b)	(c)
9-MONTH REFUND PER GUD 9400 (Oct - June)			
1	Total Amount to (Refund)/Surcharge	\$ (2,129,945)	Schedule 2, Col. (b), Line 13
2			
3	Total Estimated Rate R, Rate C and Rate I Mcf	<u>132,437,794</u>	Schedule 8, Col. (b), Line 11
4			
5	Reconciliation Factor (McF)	<u><u>\$ (0.0161)</u></u>	Line 1 divided by Line 3
5-MONTH REFUND PER GUD 9400 (Nov - March)			
1	Total Amount to (Refund)/Surcharge	\$ (2,124,129)	Schedule 2, Col. (c), Line 13
2			
3	Total Estimated Rate R, Rate C and Rate I Mcf	<u>102,891,801</u>	Schedule 8, Col. (c), Line 6
4			
5	Reconciliation Factor (McF)	<u><u>\$ (0.0206)</u></u>	Line 1 divided by Line 3

ATMOS ENERGY CORP., MID-TEX DIVISION
ANNUAL GAS COST RECONCILIATION FILING
FOR THE PERIOD ENDED JUNE 30, 2024

SUMMARY OF (OVER)/UNDER RECOVERY

Line No.	Description (a)	9-Month Per GUD 9400		5-Month Alternative Proposal		Reference (d)
		Amount (b)	Amount (c)	Amount (d)	Amount (e)	
1	Gas Cost Incurred	\$ 371,503,555	\$ 371,503,555			Schedule 3, Col. (c), Line 17
2						
3	Gas Cost Billed		381,329,255	381,329,255		Schedule 5, Col. (e), Line 14
4	Total Gas Cost (Over)/Under Recovered	\$ (9,825,700)	\$ (9,825,700)			Line 1 minus Line 3
5						
6						
7	Amount Remaining from Previous Filing		(790,008)	(790,008)		Schedule 9, Col. (b), Line 7
8	Net Gas Cost Written Off		7,746,091	7,746,091		Schedule 6, Col. (h), Line 13
9						
10						
11	Interest		739,672	745,488		Schedule 7, Col. (f), (i), Line 27
12						
13	Total Amount to (Refund)/Surcharge	\$ (2,129,945)	\$ (2,124,129)			Line 5 plus Line 7 plus Line 9 plus Line 11

**ATMOS ENERGY CORP., MID-TEX DIVISION
ANNUAL GAS COST RECONCILIATION FILING
FOR THE PERIOD ENDED JUNE 30, 2024**

GAS COST INCURRED

Line No.	FERC Account (a)	Description (b)	Amount (c)
			Schedule 4, Col. (n)
1	800	Natural Gas Well Head Purchases	\$ -
2	801	Natural Gas Field Line Purchases	- -
3	802	Natural Gas Gasoline Plant Outlet Purchases	- -
4	803	Natural Gas Transmission Line Purchases	327,512,768
5	805	Other Gas Purchases	(355,165)
6	806	Exchange Gas	537,511
7	808.1	Gas Withdrawn From Storage - Debit	57,101,021
8	808.2	Gas Delivered To Storage - Credit	(29,144,280)
9	812	Gas Used for Other Utility Operations - Credit	(150,017)
10	858	Transmission and Compression of Gas by Others	21,986,235
11			
12			
13		Total Gas Cost Incurred	\$ 377,488,074
14			
15	805	Less: Total Imbalance Fees (1)	\$ 5,984,519
16			
17		Total Gas Cost Less Imbalance Fees	\$ 371,503,555

Note:
1. Reference Schedule 4, Line 19.

ATMOS ENERGY CORP., MID-TEX DIVISION
ANNUAL GAS COST RECONCILIATION FILING
FOR THE PERIOD ENDED JUNE 30, 2024

GAS COST INCURRED - BY MONTH

Line No.	FERC Account	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	800 - Natural Gas Well Head Purchases						
2	801 - Natural Gas Field Line Purchases						
3	802 - Natural Gas Gasoline Plant Outlet Purchases						
4	803 - Natural Gas Transmission Line Purchases	16,716,634.50	15,448,236	11,402,653	14,342,144	29,601,817	49,764,586
5	805 - Other Gas Purchases-Curtailment Overpull						
6	805 - Other Gas Purchases-CNG Charges						
7	805 - Other Gas Purchases-Other Gas Costs						
8	805 - Other Gas Purchases-Recovery of Gas Loss	(11,468)	(7,643)	(75,771)	(37,683)	(26,780)	(19,639)
9	806 - Exchange Gas	(17,681)	91,204	(149,533)	(54,715)	(49,120)	(97,620)
10	808.1 - Gas Withdrawn From Storage - Debit						
11	808.2 - Gas Delivered To Storage - Credit						
12	812 - Gas Used for Other Utility Operations - Credit	(6,321,110)	(6,012,930)	(2,966,451)	(3,847,193)	3,010,061	10,282,300
13	858 - Transmission and Compression of Gas-Demand Storage	(6,564)	(9,166)	(2,330)	(21,800)	(2,049,781)	(1,627,576)
14	858 - Transmission and Compression of Gas by Others	597,500	597,500	597,500	597,500	597,500	597,500
15		10,028	9,684	227,563	2,986,258	3,323,266	
16	Total Gas Cost Incurred	\$ 10,967,341	\$ 10,117,284	\$ 8,815,752	\$ 15,111,764	\$ 34,056,808	\$ 62,213,680
17	Total Imbalance Fees	(213,178)	(69,204)	(55,830)	(60,961)	(155,906)	(134,658)
18							
19							
20							
21							
22	Total Gas Cost Less Imbalance Fees	\$ 10,754,163	\$ 10,048,080	\$ 8,759,922	\$ 15,050,803	\$ 33,900,902	\$ 62,079,022

ATMOS ENERGY CORP., MID-TEX DIVISION
ANNUAL GAS COST RECONCILIATION FILING
FOR THE PERIOD ENDED JUNE 30, 2024

GAS COST INCURRED - BY MONTH

Line No.	FERC Account	Jan-24 (h)	Feb-24 (i)	Mar-24 (j)	Apr-24 (k)	May-24 (l)	Jun-24 (m)	Total Amount (n)
1	800 - Natural Gas Well Head Purchases							-
2	801 - Natural Gas Field Line Purchases							-
3	802 - Natural Gas Gasoline Plant Outlet Purchases							-
4	803 - Natural Gas Transmission Line Purchases							-
5	805 - Other Gas Purchases-Curtailment Overpull							-
6	805 - Other Gas Purchases-CNG Charges							-
7	805 - Other Gas Purchases-Other Gas Costs							-
8	805 - Other Gas Purchases-Recovery of Gas Loss	(10,912)	(28,823)	(55,519)	(32,111)	(37,277)	(11,539)	(355,165)
9	806 - Exchange Gas	804,168	(8,140)	(238,568)	(215,604)	434,408	38,712	537,511
10	808.1 - Gas Withdrawn From Storage - Debit	25,043,527	10,044,153	4,815,033	0	0	0	57,101,021
11	808.2 - Gas Delivered To Storage - Credit	(2,384,639)	(3,462,428)	(57,106)	156,601	630,784	(1,202,450)	(29,144,280)
12	812 - Gas Used for Other Utility Operations - Credit	(5,028)	(36,297)	(19,238)	(11,884)	(8,446)	(6,982)	(150,017)
13	858 - Transmission and Compression of Gas-Demand Storage	597,500	597,500	420,000	825,000	10,205	7,447,500	14,538,735
14	858 - Transmission and Compression of Gas by Others	2,745,461	2,422,599	2,570,004	211,384	12,199		
15								
16								
17	Total Gas Cost Incurred	\$ 161,259,400	\$ 49,029,457	\$ 24,939,720	\$ (518,108)	\$ (1,231,330)	\$ 2,726,306	377,488,074
18								
19	Total Imbalance Fees		(185,027)	(2,989,048)	(909,476)	(163,770)	74,148	(1,121,609)
20								
21								
22	Total Gas Cost Less Imbalance Fees						\$ 1,157,182	\$ 1,604,697
								371,503,555

ATMOS ENERGY CORP., MID-TEX DIVISION
ANNUAL GAS COST RECONCILIATION FILING
FOR THE PERIOD ENDED JUNE 30, 2024

GAS COST BILLED

Line No.	Month-Yr	Billed Volumes/Quantities			Total Gas Cost Recovered (1)
		Rate R (Mcf)	Rate C (Mcf)	Rate I (MMBtu)	
(a)	(b)	(c)	(d)	(e)	
1	July-23	2,119,520	2,739,194	175,543	\$ 11,553,784
2	August-23	1,849,985	2,414,550	239,823	13,465,520
3	September-23	1,808,516	2,613,104	(1,416)	13,804,792
4	October-23	2,155,458	2,803,650	221,723	13,248,585
5	November-23	5,475,294	3,951,703	273,981	25,903,471
6	December-23	9,883,815	5,326,550	570,241	50,054,319
7	January-24	19,546,972	9,349,252	382,049	88,079,662
8	February-24	17,139,974	9,347,804	542,485	86,604,620
9	March-24	7,617,730	5,765,584	327,797	40,096,990
10	April-24	5,049,840	4,394,622	351,571	17,759,107
11	May-24	3,075,926	3,473,433	290,015	11,244,986
12	June-24	2,487,813	3,025,611	254,556	9,513,419
13					
14	Total	78,210,843	55,205,058		3,628,368 \$ 381,329,255

Note:

1. Reference Workpaper WP/Billed Gas Cost, column (i).

ATMOS ENERGY CORP., MID-TEX DIVISION
 ANNUAL GAS COST RECONCILIATION FILING
 FOR THE PERIOD ENDED JUNE 30, 2024

SUMMARY OF NET GAS COST WRITTEN OFF
 All Areas For The Period of July, 2023 - June, 2024

Line No.	Month-Yr	Gas Cost Written Off	Margin Written Off	Tax and Other Written Off	Total Written Off	Gas Cost Collected	Margin Collected	Net	Cumulative Net
(a)	(b)	(c)	(d)	(e)=(b)+(c)+(d)	(f)	(g)	(h)=(g)+(f)	(i)	
1	July-23	722,168	1,007,756	31,178	1,761,103	(21,338)	(34,309)	700,831	700,831
2	August-23	1,083,345	1,503,767	59,019	2,646,131	(28,984)	(44,065)	1,054,360	1,755,191
3	September-23	886,962	1,271,160	56,324	2,214,447	(80,018)	(182,302)	806,944	2,562,135
4	October-23	1,149,296	1,928,467	76,489	3,154,252	(80,769)	(128,119)	1,068,527	3,630,662
5	November-23	1,146,403	2,134,576	92,927	3,373,906	(91,858)	(92,107)	1,054,545	4,685,207
6	December-23	632,535	1,409,378	44,320	2,086,233	(81,134)	(59,731)	551,401	5,236,608
7	January-24	362,700	970,577	23,111	1,356,388	(97,217)	(76,112)	265,483	5,502,091
8	February-24	625,287	1,234,026	54,040	1,913,353	(41,470)	(41,066)	583,817	6,085,908
9	March-24	604,681	1,787,374	63,915	2,455,970	(40,772)	(47,681)	563,909	6,649,817
10	April-24	296,747	901,556	41,550	1,239,852	(44,570)	(56,312)	252,177	6,901,994
11	May-24	337,890	828,166	53,531	1,219,586	(28,245)	(45,056)	309,645	7,211,639
12	June-24	561,513	971,572	100,554	1,633,639	(27,061)	(40,731)	534,452	7,746,091
13	Total	\$ 8,409,526	\$ 15,948,377	\$ 696,958	\$ 25,054,860	\$ (663,435)	\$ (847,589)	\$ 7,746,091	

ATMOS ENERGY CORP., MID-TEX DIVISION
 ANNUAL GAS COST RECONCILIATION FILING
 FOR THE PERIOD ENDED JUNE 30, 2024

INTEREST CALCULATION

Line No.	Month/Year	Monthly Under Recovery (1)	Cumulative (Over)/Under Recovery (1)	9-Month Per GUD 9400			5-Month Alternative Proposal		
				Interest Rate (2)	Amount of (Refund)/Surcharge (3)	Monthly Interest (4)	Cumulative (Over)/Under Recovery (5)	Amount of (Refund)/Surcharge (5)	Monthly Interest (4)
1	July-23	\$ (98,790)	\$ (98,790)	1.190%	\$ (100)	\$ (100)	\$ (98,790)	\$ (100)	\$ (100)
2	August-23	\$ (2,363,080)	\$ (2,461,870)	1.190%	\$ (2,488)	\$ (2,488)	\$ (2,461,870)	\$ (2,488)	\$ (2,488)
3	September-23	\$ (4,237,926)	\$ (6,699,796)	1.190%	\$ (6,553)	\$ (6,553)	\$ (6,699,796)	\$ (6,553)	\$ (6,553)
4	October-23	\$ 2,870,745	\$ (3,829,051)	1.190%	\$ (3,870)	\$ (3,870)	\$ (3,829,051)	\$ (3,870)	\$ (3,870)
5	November-23	\$ 9,051,976	\$ 5,222,925	1.190%	\$ 5,108	\$ 5,108	\$ 5,222,925	\$ 5,108	\$ 5,108
6	December-23	\$ 12,576,104	\$ 17,799,029	1.190%	\$ 17,989	\$ 17,989	\$ 17,799,029	\$ 17,989	\$ 17,989
7	January-24	\$ 73,260,194	\$ 91,059,223	4.900%	\$ 378,956	\$ 378,956	\$ 91,059,223	\$ 378,956	\$ 378,956
8	February-24	\$ (39,980,394)	\$ 51,078,829	4.900%	\$ 198,858	\$ 198,858	\$ 51,078,829	\$ 198,858	\$ 198,858
9	March-24	\$ (15,502,837)	\$ 35,575,992	4.900%	\$ 148,055	\$ 148,055	\$ 35,575,992	\$ 148,055	\$ 148,055
10	April-24	\$ (18,188,808)	\$ 17,387,184	4.900%	\$ 70,025	\$ 70,025	\$ 17,387,184	\$ 70,025	\$ 70,025
11	May-24	\$ (12,092,523)	\$ 5,294,661	4.900%	\$ 22,034	\$ 22,034	\$ 5,294,661	\$ 22,034	\$ 22,034
12	June-24	\$ (7,374,270)	\$ (2,079,609)	4.900%	\$ (8,375)	\$ (8,375)	\$ (2,079,609)	\$ (8,375)	\$ (8,375)
13	Beg. Balance Prior Filing (6)	\$ (790,008)	\$ (2,869,617)	4.900%	\$ (2,869,617)	\$ (2,869,617)	\$ (2,869,617)	\$ (2,869,617)	\$ (2,869,617)
14	July-24		\$ (2,869,617)	4.900%	\$ (2,869,617)	\$ (2,869,617)	\$ (2,869,617)	\$ (2,869,617)	\$ (2,869,617)
15	August-24		\$ (2,869,617)	4.900%	\$ (2,869,617)	\$ (2,869,617)	\$ (2,869,617)	\$ (2,869,617)	\$ (2,869,617)
16	September-24		\$ (2,869,617)	4.900%	\$ (2,869,617)	\$ (2,869,617)	\$ (2,869,617)	\$ (2,869,617)	\$ (2,869,617)
17	October-24		\$ (2,755,405)	4.900%	\$ (114,212)	\$ (114,212)	\$ (2,869,617)	\$ (114,212)	\$ (114,212)
18	November-24		\$ (2,551,395)	4.900%	\$ (204,011)	\$ (204,011)	\$ (2,607,023)	\$ (204,011)	\$ (2,607,023)
19	December-24		\$ (2,171,247)	4.900%	\$ (380,148)	\$ (380,148)	\$ (2,117,714)	\$ (380,148)	\$ (2,117,714)
20	January-25		\$ (1,522,818)	4.900%	\$ (648,428)	\$ (648,428)	\$ (1,283,085)	\$ (648,428)	\$ (1,283,085)
21	February-25		\$ (963,044)	4.900%	\$ (559,774)	\$ (559,774)	\$ (562,568)	\$ (559,774)	\$ (562,568)
22	March-25		\$ (525,981)	4.900%	\$ (437,063)	\$ (437,063)	\$ (562,568)	\$ (437,063)	\$ (562,568)
23	April-25		\$ (268,807)	4.900%	\$ (257,174)	\$ (257,174)	\$ (562,568)	\$ (257,174)	\$ (562,568)
24	May-25		\$ (124,514)	4.900%	\$ (144,293)	\$ (144,293)	\$ (562,568)	\$ (144,293)	\$ (562,568)
25	June-25		0	4.900%	\$ (124,514)	\$ (124,514)	\$ (562,568)	\$ (124,514)	\$ (562,568)
26									
27	Total		\$ (2,869,617)		\$ 739,672			\$ (2,869,617)	\$ 745,488

Notes:

1. Reference Schedule 4 (Gas Cost Incurred), Line 22 (by month) minus Schedule 5 (Gas Cost Billed), column (e) by month plus Schedule 6 (Net Gas Cost Written Off), column (h) by month.
2. Interest rate is based on the PUCT/RRC rate for over and under billings.
3. Reference Schedule 8, column (b) by month divided by Schedule 8, line 11, column (b) multiplied by Schedule 7 line 27, column (b).
4. For column (f), the monthly interest amount is calculated by taking column (c) x column (a), divided by 365 days in the year x the total number of days in each month. For column (i), the monthly interest amount is calculated by taking column (g) x column (d), divided by 365 days in the year x the total number of days in each month.
5. Reference Schedule 8, column (b) by month divided by Schedule 8, line 6, column (c) multiplied by Schedule 7 line 27, column (b).
6. Reference Schedule 9, Line 7(b).

ATMOS ENERGY CORP., MID-TEX DIVISION
ANNUAL GAS COST RECONCILIATION FILING
FOR THE PERIOD ENDED JUNE 30, 2024

ESTIMATED VOLUME CALCULATION FOR (REFUND)/SURCHARGE

Line No.	Month-Yr	Total Estimated Volume (1)	Volume Sub-Totals (c)	Time Periods (d)
(a)	(b)	(c)		(d)
1	October-24	5,271,064		
2	November-24	9,415,453		
3	December-24	17,544,479		
4	January-25	29,926,097		
5	February-25	25,834,556		
6	March-25	20,171,216	102,891,801	5-month Sub-Total (Nov - Mar)
7	April-25	11,869,016		
8	May-25	6,659,392		
9	June-25	5,746,521		
10				
11	Total for 9 months		<u>132,437,794</u>	

Note:

1. Source - Mid-Tex FY2025 Forecasted Volumes from Mid-Tex Finance

ATMOS ENERGY CORP., MID-TEX DIVISION
ANNUAL GAS COST RECONCILIATION FILING
FOR THE PERIOD ENDED JUNE 30, 2024

SUMMARY OF (OVER)/UNDER RECOVERY FROM PREVIOUS FILING

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> (b)	<u>Reference</u> (c)
1	Prior (Over)/Under Gas Cost Recovery	\$ (9,773,306)	Prior Year Gas Cost Reconciliation Sch 2, Line 13(c) - Line 11(c)
2	Amount (Refunded) /Surcharged to Customers	(9,104,205)	For the Periods November 2023 through March 2024
4	Interest	(120,907)	
6	Total Amount to (Refund)/Surcharge from Previous Filing	\$ <u><u>(790,008)</u></u>	Line 1 minus Line 3 plus Line 5

ATMOS ENERGY CORP., MID-TEX DIVISION
 ANNUAL GAS COST RECONCILIATION FILING
 FOR THE PERIOD ENDED JUNE 30, 2024

LOST AND UNACCOUNTED FOR GAS ("LUG") CALCULATION

Line No.	Description	Mcf or Percent	Reference
	(a)	(b)	(c)
1	Net Purchase Volume	140,435.301	WP/LUG-Related Mcf Col (b), Ln 13
2	Less: Total Sales Volume	137,062.547	WP/LUG-Related Mcf Col (f), Ln 13
3	Less: Company Use Volume	57,691	WP/LUG-Related Mcf Col (g), Ln 13
4	LUG Volume	<u>3,315.062</u>	Line 1 minus Lines 2 and 3
5	LUG Percent	<u>2.36%</u>	Line 4 divided by Line 1

WORKPAPERS

ATMOS ENERGY CORP., MID-TEX DIVISION
 ANNUAL GAS COST RECONCILIATION FILING
 FOR THE PERIOD ENDED JUNE 30, 2024

GAS COST BILLED - BY MONTH

Line No.	Month-Yr (a)	Rate R		Rate C		Rate I		Total Billed	
		Volume (b)	Amount (c)	Volume (d)	Amount (e)	Volume (f)	Amount (g)	Volume (h)	Amount (i)
1	Jul-23	2,119,520	4,887,026	2,739,194	6,231,533	175,543	435,224	5,034,257	11,553,783.93
2	Aug-23	1,849,985	5,595,162	2,414,550	7,173,151	239,823	697,207	4,504,358	13,465,520.15
3	Sep-23	1,808,516	5,412,610	2,613,104	7,742,521	(1,416)	649,661	4,420,204	13,804,792.29
4	Oct-23	2,155,458	5,411,767	2,803,650	7,168,499	221,723	668,318	5,180,831	13,248,584.90
5	Nov-23	5,475,294	15,040,772	3,951,703	10,861,025	273,981	1,674	9,700,978	25,903,471.33
6	Dec-23	9,883,815	32,067,214	5,326,550	17,094,671	570,241	892,434	15,780,606	50,054,318.54
7	Jan-24	19,546,972	58,640,592	9,349,252	28,226,513	382,049	1,212,558	29,278,274	88,079,662.32
8	Feb-24	17,139,974	54,750,787	9,347,804	29,585,971	542,485	2,267,862	27,030,263	86,604,620.14
9	Mar-24	7,617,730	22,062,025	5,765,584	16,991,233	327,797	1,043,732	13,711,111	40,096,989.76
10	Apr-24	5,049,840	8,744,437	4,394,622	7,989,854	351,571	1,024,816	9,796,033	17,759,106.80
11	May-24	3,075,926	5,018,590	3,473,433	5,721,561	290,015	504,835	6,839,374	11,244,986.13
12	Jun-24	2,487,813	4,083,506	3,025,611	5,011,983	254,556	417,930	5,767,980	9,513,418.52
13	Grand Total	78,210,843.23	221,714,488.77	55,205,057.89	149,798,516.30	3,628,368.00	9,816,249.74	137,044,269.12	\$ 381,329,254.81

ATMOS ENERGY CORP., MID-TEX DIVISION
 ANNUAL GAS COST RECONCILIATION FILING
 FOR THE PERIOD ENDED JUNE 30, 2024

LUG-RELATED VOLUMES/QUANTITIES - BY MONTH

Line No.	Month-Yr	Net Purchase Mcf	Billed Volumes/Quantities					Company Use (Mcf)
			Rate R (Mcf)	Rate C (Mcf)	Industrial (Mcf)	Total (Mcf)	(f)=(c)+(d)+(e)	
1	July-23	4,505,713	2,119,520	2,739,194	197,890	5,056,604		(3,656)
2	August-23	4,364,010	1,849,985	2,414,550	237,001	4,501,536		(3,925)
3	September-23	4,389,391	1,808,516	2,613,104	414	4,422,034		(775)
4	October-23	7,623,330	2,155,458	2,803,650	220,817	5,179,925		(7,279)
5	November-23	13,346,371	5,475,294	3,951,703	273,071	9,700,068		(5,233)
6	December-23	20,619,893	9,883,815	5,326,550	568,909	15,779,274		(3,408)
7	January-24	38,960,041	19,546,972	9,349,252	382,403	29,278,628		(1,338)
8	February-24	16,562,037	17,139,974	9,347,804	542,617	27,030,395		(12,496)
9	March-24	11,263,400	7,617,730	5,765,584	328,256	13,711,570		(6,191)
10	April-24	7,545,082	5,049,840	4,394,622	351,462	9,795,924		(4,269)
11	May-24	6,071,234	3,075,926	3,473,433	289,260	6,838,619		(4,891)
12	June-24	5,184,801	2,487,813	3,025,611	254,546	5,767,970		(4,232)
13	Total	140,435,301	78,210,843	55,205,058	3,646,646	137,062,547		(57,691)

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2023

Line No.	Description (a)	Current (b)	Proposed (c)	Change	
				Amount (d)	Percent (e)
1	Rate R @ 42.8 Ccf				
2	Customer charge				
3	Consumption charge	42.8	CCF X \$ 0.48567	\$ 22.25	
4	Rider GCR Part A	42.8	CCF X \$ 0.27958	20.79	
5	Rider GCR Part B	42.8	CCF X \$ 0.47494	11.97	
6	Subtotal			20.33	
7	Rider FF & Rider TAX	\$ 75.34 X	0.07196 =	\$ 75.34	
8	Total			5.42	
9				<u>\$ 80.76</u>	
10	Customer charge				
11	Consumption charge	42.8	CCF X \$ 0.58974	\$ 22.95	
12	Rider GCR Part A	42.8	CCF X \$ 0.27958	25.24	
13	Rider GCR Part B	42.8	CCF X \$ 0.47494	11.97	
14	Subtotal			20.33	
15	Rider FF & Rider TAX	\$ 80.49 X	0.07196 =	\$ 80.49	
16	Total			5.79	
17				<u>\$ 86.28</u>	<u>\$ 5.52</u>
					6.84%

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2023

Line No.	Description (a)	Current (b)	Proposed (c)	Change	
				Amount (d)	Percent (e)
18	Rate C @ 363.6 Ccf				
19	Customer charge				
20	Consumption charge	363.6	CCF X	\$ 0.18280	\$ 72.00
21	Rider GCR Part A	363.6	CCF X	\$ 0.27958	= 66.47
22	Rider GCR Part B	363.6	CCF X	\$ 0.33806	= 101.67
23	Subtotal				
24	Rider FF & Rider TAX	\$ 363.07	X	0.07196	= 122.93
25	Total			\$ 363.07	\$ 363.07
26					
27	Customer charge				
28	Consumption charge	363.6	CCF X	\$ 0.19033	\$ 81.75
29	Rider GCR Part A	363.6	CCF X	\$ 0.27958	\$ 69.21
30	Rider GCR Part B	363.6	CCF X	\$ 0.33806	= 101.67
31	Subtotal				
32	Rider FF & Rider TAX	\$ 375.56	X	0.07196	= 122.93
33	Total			\$ 27.03	\$ 375.56
34				\$ 402.59	\$ 13.39
					3.44%

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2023

Line No.	Description (a)	Current (b)	Proposed (c)	Change Amount Percent (d) (e)	
				Amount (d)	Percent (e)
35	Rate I @ 1335 MMBTU				
36	Customer charge				
37	Consumption charge	1,335	MMBTU	X	\$ 0.7484 =
38	Consumption charge	0	MMBTU	X	\$ 0.5963 =
39	Consumption charge	0	MMBTU	X	\$ 0.2693 =
40	Rider GCR Part A	1,335	MMBTU	X	\$ 2.7303 =
41	Rider GCR Part B	1,335	MMBTU	X	\$ 0.7337 =
42	Subtotal				\$ 979.37
43	Rider FF & Rider TAX	\$ 7,004.64	X	0.07196 =	\$ 504.08
44	Total				<u><u>\$ 7,508.72</u></u>
45					
46	Customer charge				
47	Consumption charge	1,335	MMBTU	X	\$ 0.6553 =
48	Consumption charge	0	MMBTU	X	\$ 0.4799 =
49	Consumption charge	0	MMBTU	X	\$ 0.1029 =
50	Rider GCR Part A	1,335	MMBTU	X	\$ 2.7303 =
51	Rider GCR Part B	1,335	MMBTU	X	\$ 0.7337 =
52	Subtotal				
53	Rider FF & Rider TAX	\$ 7,086.12	X	0.07196 =	\$ 509.94
54	Total				<u><u>\$ 7,596.06</u></u>
55					1.16%

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2023

Line No.	Description (a)	Current (b)	Proposed (c)	Change	
				Amount (d)	Percent (e)
56	Rate T @ 4645 MMBTU				
57	Customer charge				
58	Consumption charge	1,500	MMBTU X \$ 0.5684	\$ 1,382.00	
59	Consumption charge	3,145	MMBTU X \$ 0.4163	852.60	
60	Consumption charge	0	MMBTU X \$ 0.0893	1,309.08	
61	Rider GCR Part B	4,645	MMBTU X \$ 0.7337	-	
62	Subtotal			<u>3,407.90</u>	
63	Rider FF & Rider TAX	\$ 6,951.58 X	0.07196	\$ 6,951.58	
64	Total			<u>500.26</u>	
65				<u><u>\$ 7,451.84</u></u>	
66	Customer charge				
67	Consumption charge	1,500	MMBTU X \$ 0.6553	\$ 1,587.75	
68	Consumption charge	3,145	MMBTU X \$ 0.4799	982.95	
69	Consumption charge	0	MMBTU X \$ 0.1029	1,509.08	
70	Rider GCR Part B	4,645	MMBTU X \$ 0.7337	-	
71	Subtotal			<u>3,407.90</u>	
72	Rider FF & Rider TAX	\$ 7,487.68 X	0.07196	\$ 7,487.68	
73	Total			<u><u>538.84</u></u>	
				<u><u>\$ 8,026.52</u></u>	<u><u>\$ 574.68</u></u>
					7.71%



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

SUBJECT: General Contract for the Schreiner Golf Course Improvement Project in an amount not to exceed \$_____. (A Boyle, Director of Parks & Recreation)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** August 29, 2024

SUBMITTED BY: Ashlea Boyle, Director Parks & Recreation

EXHIBITS:

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	\$4,000,000	Project Number 70-23014

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item? Yes

Key Priority Area P - Parks / Open Space / River Corridor

Guiding Principle N/A

Action Item P5.11 - Explore potential bond funding for enhancements to the Scott Schreiner Golf Course related to replacing the greens and renovating the bathrooms

SUMMARY STATEMENT:

On November 13, 2023, the Economic Improvement Corporation (EIC) held a public hearing and passed a resolution authorizing the issuance of \$20M of sales tax revenue bonds for several quality-of-life projects, including the Scott Schreiner Golf Course. The Kerrville City Council subsequently passed a resolution and approved the bond issuance on November 14, 2023. On March 26, 2024, the City Council approved a funding agreement between the EIC and the City in the amount of \$4M for the Scott Schreiner Golf Course Improvement Project. A Request for Proposals (RFP) was issued on July 23, 2024, and four submissions were received on August 27, 2024. A review committee consisting of city staff and consultants rated the proposals based on the scoring criteria in the RFP packet. The next step is negotiating a contract based on the review committee's rankings. Staff is requesting confirmation from the City Council for the City Manager to proceed with negotiating and finalizing a contract with the highest-ranked proposer. If negotiations fail with the highest-ranked proposer, staff will cease negotiations in writing and proceed with the next highest proposer until an agreement has been finalized.

RECOMMENDED ACTION:

Authorize the City Manager to negotiate and finalize the agreement for the project.

ATTACHMENTS:

[*20240910_Contract_Golf Course Renovation -draft.pdf*](#)

GENERAL CONTRACT
/Schreiner Golf Course Renovation

THIS CONTRACT, entered into this _____ day of _____, 2024, by and between the **City of Kerrville, Texas**, hereinafter referred to as the "Owner," and _____, a _____ with its mailing address being _____, hereinafter referred to as the "Contractor," is made for the following considerations:

1. The Vendor shall provide the services described in the proposal or quote attached hereto as **Exhibit A**, and incorporated herein by reference **in the amount of \$_____**.
2. Whenever the words "Owner's Representative" or "representative" are used in this contract, it shall be understood as referring to Ashlea Boyle, Director of Parks and Recreation, or to such other representative as may be authorized by the Owner to act in any particular capacity under this agreement.
3. Unless otherwise stipulated, the Contractor shall provide and pay for all materials, supplies, machinery, equipment, tools, superintendence, labor, insurance, and all water, light, power, fuel, transportation and all other facilities necessary for the execution and completion of the work covered by the contract documents. Unless otherwise specified, all materials shall be new and both workmanship and materials shall be of a good quality. The Contractor shall, if required, furnish satisfactory evidence as to the kind and quality of materials. Materials or work described in words that so applied have well known, technical or trade meanings shall be held to refer to such recognized standards.
4. The Vendor shall comply with all laws, ordinances, rules and regulations governing the Vendor's performance of the contract, including the pulling or required permits.
5. All work shall be done and all materials furnished in strict conformity with the contract.
6. The Owner's Representative:
 - a. May make periodic visits to the site to observe the progress and quality of the executed work and to determine, in general, if the work is proceeding in accordance with the contract documents;
 - b. Will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the work, nor be responsible for the construction means, methods, techniques, sequences or procedures, or the safety precautions incident thereto; and

- c. Will not be responsible for the Contractor's failure to perform the work in accordance with the contract.
7. All minor detail of the work not specifically mentioned in the Specifications but which is obviously necessary for the proper completion of the work, such as the proper connection of new work to old, shall be considered as incidental to and a part of the work for which the prices are named in this contract. The Contractor will not be entitled to any additional compensation therefor unless specifically stated otherwise. Otherwise the term "extra work" as used in this contract shall be understood to mean and include all work that may be required by Owner to be done by the Contractor to accomplish any alteration or addition to the work as shown on the Specifications. It is agreed that the Contractor shall perform all extra work under the direction of the Owner's Representative when presented with a written work order signed by the Owner's Representative, subject, however, to the right of the Contractor to require written confirmation of such extra work order by the Owner. Payment for extra work shall be as agreed in the work order.
8. The Contractor shall at all times exercise reasonable precaution for the safety of employees and others on or near the work and shall comply with all applicable provisions of federal, state, and municipal laws and building codes.
9. **THE CONTRACTOR AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF KERRVILLE, TEXAS AND ALL OF ITS OFFICERS, AGENTS, AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, LOSSES, PROPERTY DAMAGES, AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PROPERTY ON ACCOUNT OF ANY NEGLIGENT ACT OR OMISSION OF THE CONTRACTOR OR ANY OF CONTRACTOR'S OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, OR SUBCONTRACTORS IN THE EXECUTION, SUPERVISION, AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THEIR PERFORMANCE OF THIS AGREEMENT.**
10. **CONTRACTOR AGREES THAT IT WILL INDEMNIFY AND SAVE THE OWNER HARMLESS FROM ALL CLAIMS GROWING OUT OF ANY DEMANDS OF SUBCONTRACTORS, LABORERS, WORKMEN, MECHANICS, MATERIALMEN, AND SUPPLIERS OF MACHINERY AND PARTS THEREOF, EQUIPMENT, POWER TOOLS, ALL SUPPLIES INCURRED IN THE FURTHERANCE OF THE PERFORMANCE OF THIS CONTRACT.** When Owner so requests,

contractor shall furnish satisfactory evidence that all obligations of the nature hereinabove designated have been paid, discharged or waived.

11. Contractor shall provide and maintain in full force and effect during the term of this Agreement the following types of insurance and liability coverage:

A. Workers Compensation Insurance: To the extent required by Texas Labor Code §406.096, certify to the Owner by its signature below that Contractor has in effect workers' compensation insurance to cover Contractor's employees.

B. Automobile Liability Insurance: with either a combined limit of \$1,000,000 per occurrence for bodily injury and property damage or split limits of \$1,000,000 for bodily injury per person per occurrence and \$1,000,000 for property damage per occurrence. Coverage must include all owned, hired, and non-owned motor vehicles used in the performance of this Agreement by CONSULTANT or its employees.

C. General Liability Insurance: on a per occurrence basis with limits of \$1,000,000 for each occurrence and for fire damage and for Bodily Injury and Property Damage, \$1,000,000. Coverage for Premises, Operations, Products, and Completed Operations shall be \$2,000,000. This coverage must protect the public or any person from injury or property damages sustained by reason of CONSULTANT or its employees providing the Services. The general aggregate must be \$2,000,000.

D. Professional Liability Errors and Omissions Insurance: with limits of \$1,000,000 per occurrence covering all work performed by CONSULTANT, its employees, subcontractors, or independent contractors. If this coverage may only be obtained on a "claims made" basis, the certificate of insurance must clearly state coverage is on a "claims made" basis and coverage must remain in effect for at least two years after final payment with CONSULTANT continuing to furnish the City certificates of insurance.

E. Subcontractor: in the case of any work sublet, CONSULTANT shall require subcontractor and independent contractors working under the direction of either CONSULTANT or a subcontractor to carry and maintain the same workers compensation and liability insurance required of CONSULTANT.

F. Qualifying Insurance: the insurance required by this Agreement must be written by non-assessable insurance company licensed to do business in the State of Texas and currently rated "B" or better by the

A.M. Best Companies. With the exception of Professional Liability Errors and Omissions Insurance, all policies must be written on a “per occurrence basis” and not a “claims made” form.

Contractor shall not commence work under this contract until it has obtained all required insurance and provided certificates of insurance to the City. Contractor shall not cause any insurance to be canceled or permit any insurance to lapse during the terms of this contract or the six-month period following completion, in the case of a claims-made policy. All policies shall include a clause to the effect that the policies may not be canceled, reduced, restricted, or limited until thirty (30) calendar days after Owner has received written notice of such cancellation or change. In the case of any work sublet, Contractor shall require subcontractor(s) and independent contractor(s) working under the direction of either Contractor or a subcontractor to carry and maintain the same workers compensation and liability insurance required of Contractor.

12. It is agreed by and between the parties that a Performance Bond and a Payment Bond shall be furnished by the Contractor in favor of Owner. The Performance Bond and Payment Bond shall be executed by a surety company authorized to do business in the State of Texas, and copies of the Performance Bond and Payment Bond shall be provided to the Owner's Representative before any work is commenced.
13. Contractor shall promptly remove from Owner's premises all materials condemned by the Owner's Representative on account of failure to conform to the contract, whether actually incorporated in the work or not, and Contractor shall at its own expense promptly replace such condemned materials with other materials conforming to the requirements of the contract. Contractor shall also bear the expense of restoring all work of other contractors damaged by any such removal or replacement. If Contractor does not remove and replace any such condemned materials within a reasonable time after a written notice by the Owner, Owner may remove and replace it at Contractor's expense.
14. Neither the final payment nor any provision in this contract shall relieve the Contractor of responsibility for faulty materials or workmanship, and he shall remedy any defects due thereto and pay for any damage to other work resulting therefore, which shall appear within a period of one (1) year from the date of substantial completion. The Owner shall give notice of observed defects with reasonable promptness.
15. The Owner may, on account of subsequently discovered evidence, withhold the whole or part of any payment to such extent as may be necessary to protect itself from loss on account of:

- a. Defective work not remedied.
- b. Claims filed or reasonable evidence indicating possible filing of claims.
- c. Failure of the Contractor to make payments promptly to subcontractors or for material or labor that the Owner may pay as an agent for the Contractor.
- d. Damages to another contractor or subcontractor.

When the above grounds are removed, or the Contractor provides a surety bond satisfactory to the Owner, which will protect the Owner in the amount withheld because of them, payment will be issued subject to paragraph number 17.

- 16. This contract may not be assigned in any way without the specific, written consent of the Owner.
- 17. Owner shall pay Contractor \$_____ upon execution of this Agreement. Owner will retain \$_____, which it will pay after all work is completed by the Contractor and the Owner has inspected and approved that work. The Owner shall be the final judge of when work is completed by the Contractor.
- 18. This Contract shall be governed by and construed in accordance with the Laws of the State of Texas. Venue for any suits arising from or related to this contract shall be in Kerr County, Texas.
- 19. In the event of conflict between the provisions of any attachments or exhibits to this Contract and the provisions of this Contract, the provisions of this Contract shall prevail.
- 20. Each person signing below represents that he or she is duly authorized to execute this Agreement on behalf of the party indicated below by his or her name and agrees on behalf of such party that such party will be bound by the terms of this Agreement.
- 21. Prohibition Against Boycotting Israel. Contractor hereby verifies the following per Section 2271.02, Texas Government Code:
 - 1. Contractor does not boycott Israel; and
 - 2. Contractor will not boycott Israel during the term of the Agreement.
- 22. Prohibition Against Business with Iran, Sudan, or Foreign Terrorist Organization. Contractor warrants, covenants, and represents that Contractor

is not engaged in business with Iran, Sudan, or any company identified on the list referenced in Section 2252.152, Texas Government Code.

23. Prohibition on Contracts with Companies Boycotting Energy Companies. Contractor hereby verifies the following per Section 2276.002, Texas Government Code:

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

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

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

25. Prohibition on Contracts with Companies Related to Certain Counties. Where this Agreement pertains to “critical infrastructure,” as defined by Section 2275.0101, Texas Government Code, Vendor 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.

OWNER: City of Kerrville, Texas

By: _____
Dalton Rice, City Manager

ATTEST:

Shelley McElhannon, City Secretary

CONTRACTOR:

By: _____
name, position

APPROVED AS TO FUNDING

Julie Behrens, Director of Finance

APPROVED AS TO FORM:

William L. Tatsch
Assistant City Attorney

APPROVED AS TO CONTENT:

Ashlea Boyle
Director of Parks and Recreation

T:\Legal\PARKS & RECREATION\Kerrville Schreiner Park\Contracts\Projects\General Contract_course renovation_072924 (Draft).docx



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

SUBJECT: Project Funding Agreement between the City of Kerrville, TX, Economic Improvement Corporation (EIC) and the City of Kerrville, TX; for the development and construction of an extension to the City's River Trail from the Tranquility Island Bridge to the Scenic Downtown Overlook (pavilion). (M Hornes, Assistant City Manager)

AGENDA DATE OF: September 10, **DATE SUBMITTED:** August 29, 2024

SUBMITTED BY: Michael Hornes, Assistant City Manager

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? Yes

Key Priority Area P - Parks / Open Space / River Corridor

Guiding Principle N/A

Action Item P6.5 - Continue developing a vision/plan and identify funding options to extend the River Trail

SUMMARY STATEMENT:

Staff recommends the cancellation of the current Downtown River Trail construction project from Tranquility Island to the overlook pavilion. Cancelling the agreement with EIC will allow city staff to focus on obtaining the necessary easements from Tranquility Island past the overlook and all the way down to the G Street bridge. Once complete, the City can begin applying for funding through the Texas Department of Transportation's (TxDOT) Transportation Alternatives (TA) program. By pursuing this course of action, the City of Kerrville can ensure a more comprehensive, well-planned, and financially supported project that meets long-term community goals.

The Downtown River Trail project is a key component of Kerrville's broader vision for enhancing connectivity, promoting outdoor recreation, and boosting economic development through increased tourism. The current phase of construction, extending from Tranquility Island to the overlook pavilion, has encountered challenges related to securing the necessary easements. Without these easements, the project cannot proceed as planned, which has led to delays, increased costs, and an approaching construction completion deadline.

TxDOT Transportation Alternatives program offers an opportunity to secure substantial funding for projects like the River Trail. This program supports the construction of multi-use trails, pedestrian and bicycle infrastructure, and other improvements that align with the City's objectives. Applying for this funding would require the project to be paused to ensure compliance with TxDOT requirements and to maximize the potential financial support.

Staff recommends that the City Council approve the cancellation of the current construction efforts for the River Trail segment between Tranquility Island to the overlook pavilion.

RECOMMENDED ACTION:

City Council provide direction.



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

SUBJECT: Appointments to the Tax Increment Reinvestment Zone Number One (TIRZ #1) Board of Directors, and appoint TIRZ Chair. *(This item is eligible for Executive Session 551.074) (S McElhannon, City Secretary)*

AGENDA DATE OF: September 10, **DATE SUBMITTED:** August 30, 2024

SUBMITTED BY: Shelley McElhannon, City Secretary

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 N/A

Action Item N/A

SUMMARY STATEMENT:

Four terms expire September 30, 2024.

Three applications have been received: Judy Eychner, Andrew Gay, Crystal Smith.

Interview Team: Mayor Joe Herring, Jr. and Councilmember Delayne Sigerman.

Staff liaison: Michael Hornes and Anello Zanoni.

RECOMMENDED ACTION:

Appoint members to the TIRZ #1 Board of Directors, and appoint TIRZ Chair.