

# **AGENDA FOR THE KERRVILLE CITY COUNCIL MEETING**

**TUESDAY, OCTOBER 13, 2020, 6:00 P.M.**

**CAILLOUX CITY CENTER**

**910 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  
OCTOBER 13, 2020, 6:00 PM  
CAILLOUX CITY CENTER, 910 MAIN STREET, KERRVILLE, TX**



**Council Meeting Procedures during the Disaster Declaration  
and Citizen/Public Participation Guidelines**

COVID-19 (Coronavirus) provides a unique concern in that gathering members of the public, City Council, and City staff within a physical setting constitutes a public health risk. On March 16, 2020, the Texas Governor suspended certain requirements of the Open Meetings Act to permit open meetings to occur in a fully virtual setting (telephonic/videoconference). The City Council will conduct the October 13, 2020 City Council meeting as an open public meeting. In an effort to avoid and mitigate health risks and due to limited occupancy levels in Council Chambers, City Council will convene the October 13, 2020 meeting at the Cailloux City Center, 910 Main Street.

Standard safety protocol will be observed by City Council, City staff, and citizens/visitors attending the City Council meeting at the Cailloux City Center. When entering the Cailloux City Center you will be required to sanitize hands and wear a mask. Your temperature will be taken at a temperature station with a thermal digital thermometer before entering the theater. Any persons with a temperature of 100.2 or above will not be allowed entry. Masks are required at all times in the Cailloux City Center. The public podium will be sanitized between each public speaker. Six-foot distance seating will be observed, and open seating will be designated.

Citizens wishing to speak shall submit a completed "speaker request form" to the City Secretary before City Council meeting is called to order, definitely before the item is called or read into record. Each speaker is limited to four minutes.

The Zoom platform will also be active during this meeting.

**Instructions for Zoom callers:** Dial the toll free numbers: **1-800-832-5611**. If the toll free number is not functioning, call the Zoom alternative back-up numbers **1-346-248-7799** or **1-669-900-6833**.

When your call is answered you will hear "**Welcome to Zoom, enter your Meeting ID followed by pound**". Enter in the Meeting ID below followed by the pound sign (#), when prompted enter the passcode.

The Meeting ID is **998 5810 4295#**. The passcode is **931124**.

Once you have called into the meeting, your microphone will be placed on mute and your call will be placed in the call queue. At this point, you will hear silence on the phone. Do not hang up. The moderator will unmute your microphone as he/she is going down the list. Once the meeting has started, you will be able to listen to proceedings even if your microphone is muted.

**For Regular Agenda Items:** the Zoom moderator will be accepting calls starting at 5:00 p.m. Place your call before 5:45 p.m. in order to register with the Zoom moderator and participate. You will be queued to speak. Any calls made after the 5:45 p.m. deadline will not be answered, and microphones will be kept muted. Each speaker is limited to four minutes.

**For Public Hearing Items 6A and 6B:** a caller seeking to speak on these items may call at any time prior to the item being introduced during the meeting. (However, all callers are encouraged to call between 5:00 pm, and 5:45 pm to be registered with the moderator.) A caller must use the "**raise your hand**" feature on Zoom, in order to be called upon for the Public Hearing. If a caller is using the Zoom app on a computer, tablet, or mobile phone click on "**Participants**" and click on "**Raise Hand**" button. If a caller is using a landline telephone press \*9. Each speaker is limited to four minutes.

**NOTE:** Zoom is a third party vendor which provides the ability for remote participation. Software changes may be beyond what the City can control. If the City is notified of any issues from the third party vendor, the City will notify citizens and provide alternatives for engagement and participation.

**Instructions for written comments:**

Written comments will be accepted for any agenda items, including Public Hearings. You are required to provide your first and last name, address, and identify the item you wish to comment on. All information must be provided in order for your comments to be read into record.

Written comments can be provided two different ways:

- **OPTION 1 by hard copy** – Comments may be dropped off at the City Hall Utility Payments Drop-Box on the north side of City Hall by 4:00 p.m. the afternoon of the Council meeting.
- **OPTION 2 by email** - Comments may be emailed to **shelley.mcelhannon@kerrvilletx.gov** and must be received by 4:00 p.m. the afternoon of the Council meeting. In addition, anyone may email Councilmembers via their City email addresses as specified on the City's website.

Citizens may view and hear the City Council meetings on Spectrum Channel 2 or by live-streaming via the City's website ([www.kerrvilletx.gov](http://www.kerrvilletx.gov)). City Council meetings are recorded and the recordings are posted on the City's website. Thank you for your participation!



**CITY COUNCIL AGENDA  
OCTOBER 13, 2020, 6:00 PM  
CAILLOUX CITY CENTER  
910 MAIN STREET, KERRVILLE, TX**



**CALL TO ORDER:**

**INVOCATION AND PLEDGE OF ALLEGIANCE:**

*Led by Councilmember Place 1 Gary Cochrane.*

**1 ANNOUNCEMENTS OF COMMUNITY INTEREST:**

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

**2 PRESENTATIONS:**

2.A. Kerrville Kindness award.

Attachments:

[20201013\\_Recognition\\_Kerrville Kindness CoK Make a Difference Committee.pdf](#)



2.B. Proclamation naming October 2020 as Hill Country Night Sky month.

Attachments:

[20201013\\_Proclamation\\_Hill Country Night Sky Month October 2020.pdf](#)



2.C. Status of construction of new H-E-B on Main Street.

**3 VISITORS/CITIZENS FORUM:**

*Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must fill out the speaker request form and give it to the City Secretary. The speaker request form must be submitted to the City Secretary before the item is called or read into record. City Council may not discuss or take any action on an item but may place the issue on a future agenda. Each speaker is limited to four minutes.*

**4 CONSENT AGENDA:**

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

4.A. Resolution No. 21-2020. A Resolution approving negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., regarding the Company's 2020 Rate Review Mechanism Filing.

Attachments:

[20201013\\_Reso\\_21-2020 Atmos Negotiated Settlement.pdf](#)

[20201013\\_Report\\_Model Staff.pdf](#)

[20201013\\_Documents\\_Atmos.pdf](#)

[20201013\\_Newsletter\\_ACSC.pdf](#)

4.B. Ratification of Medical Director Contract for the City of Kerrville Fire Department, Emergency Medical Services.

Attachments:

[20201013\\_Contract\\_Medical Director FY2020-2021 KFD and EMS.pdf](#)

4.C. Minutes for the City Council meeting held September 22, 2020.

Attachments:

[20201013\\_Minutes\\_City Council regular meeting 9-22-20 6pm.pdf](#)

## **END OF CONSENT AGENDA**

### **5 INFORMATION & DISCUSSION:**

5.A. Update on the final terms of the General Obligation Refunding Bonds, Series 2020 and presentation of the transaction summary.

Attachments:

[20201013\\_Presentation\\_Refunding Transaction Summary.pdf](#)

### **6 PUBLIC HEARING AND ORDINANCES, FIRST READING:**

6.A. Ordinance No. 2020-21. An Ordinance changing the zoning of an 1.93 acre property, more commonly known as 1478 State Highway 173 (Bandera Hwy); consisting of part of Lot 16, Block 2 of the Highpointe at Riverhill Subdivision; from a Single Family Zoning District (R-1) to a Neighborhood Commercial Zoning District (C-1); and providing other matters relating to this subject.

Attachments:

[20201013\\_Ordinance\\_2020-21 Zone Change 1478 Highway 173 \(Bandera Hwy\).pdf](#)

[20201013\\_Map\\_1478 Bandera Hwy.pdf](#)

[20201013\\_PublicComment\\_Pummill\\_Opposed.pdf](#)

6.B. Ordinance No. 2020-22. An Ordinance changing the zoning for a portion of a subdivision, consisting of Lot 1, Block 1, Arcadia Falls Estates, more commonly known as 2255 Arcadia Falls; from a Single Family Zoning District (R-1) to a Medium Density Zoning District (R-2); and providing other matters relating to this subject.

Attachments:

[20201013\\_Ordinance\\_2020-22 Zone Change 2255 Arcadia Falls.pdf](#)

[20201013\\_Map\\_2255 Arcadia Falls Lane.pdf](#)

### **7 ORDINANCES, SECOND READING:**



7.A. Ordinance No. 2020-18. Second reading. An Ordinance amending Chapter 60 of the Code of Ordinances, City of Kerrville, Texas. Such Chapter more commonly known as the City's Zoning Code; by amending the Zoning Code to include adding new definitions, amending regulations regarding front yard setbacks, clarifying uses within Residential Transition Zoning Districts (RT) and the Airport Zoning District, revising the formula for determining parking spaces for multi-tenant buildings, clarifying administrative processes, deleting requirements for specific building materials, and other amendments as provided.

Attachments:

[20201013\\_Ordinance\\_2020-18 Amending Chapter 60 Zoning Code Second Reading.pdf](#)



7.B. Ordinance No. 2020-19. Second Reading. An Ordinance adopting amendments to the City of Kerrville, Texas, Sign Code, as found within Chapter 92 of the City's Code of Ordinances; said amendments to establish specific regulations for signs located within a Residential Transition Zoning District (RT).

Attachments:

[20201013\\_Ordinance\\_2020-19 Adopting Amendments to the Sign Code - Second reading.pdf](#)



7.C. Ordinance No. 2020-20. Second reading. An Ordinance amending the Comprehensive Plan for the City of Kerrville, Texas, (Kerrville 2050), pursuant to Chapter 213 of the Texas Local Government Code; by amending the Thoroughfare Plan contained therein to realign future connections from Olympic Drive and deleting a proposed future connection from Bear Skin Trail to Rancho Road.

Attachments:

[20201013\\_Ordinance\\_2020-20 Amending Thoroughfare Plan K2050 - Second reading.pdf](#)

**8 CONSIDERATION AND POSSIBLE ACTION:**

8.A. Briefing and possible action as to the City's ongoing preparedness and response to COVID-19 (Coronavirus).

**9 ITEMS FOR FUTURE AGENDAS:**

*City Council may suggest items or topics for future agendas.*

**10 EXECUTIVE SESSION:**

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

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

**ADJOURN.**



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

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**SUBJECT:** Kerrville Kindness award.

**AGENDA DATE OF:** October 13, 2020    **DATE SUBMITTED:** Aug 12, 2020

**SUBMITTED BY:** Shelley McElhannon

**EXHIBITS:** [20201013\\_Recognition\\_Kerrville Kindness CoK Make a Difference Committee.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
N/A	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

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

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**SUMMARY STATEMENT:**

A citizen or company who has impacted the City of Kerrville in a positive way.

Recipient: City of Kerrville "Make a Difference Committee".

**RECOMMENDED ACTION:**

Announce recipient.



# CITY OF KERRVILLE

recognizes

## MAKE A DIFFERENCE COMMITTEE

with the October 14, 2020

### *KERRVILLE KINDNESS AWARD*

The Make A Difference Committee, formed earlier this year in response to the COVID-19 crisis and consisting of City of Kerrville employees, has raised funds for local food banks, collected food supplies for those same food banks, and continuously sent teams of volunteers to work at the monthly San Antonio Food Bank food supply distributions at Light on the Hill. The Committee has also organized a River Clean Up team for this weekend that will be collecting and disposing of trash along Town Creek.

Mayor Bill Blackburn

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Councilmember Gary Cochrane

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Councilmember Kim Clarkson

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Councilmember Judy Eychner

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Councilmember Delayne Sigerman

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

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**SUBJECT:** Proclamation naming October 2020 as Hill Country Night Sky month.

**AGENDA DATE OF:** October 13, 2020    **DATE SUBMITTED:** Sep 25, 2020

**SUBMITTED BY:** Shelley McElhannon

**EXHIBITS:** [20201013\\_Proclamation\\_Hill Country Night Sky Month October 2020.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
N/A	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

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<b>Kerrville 2050 Item?</b>	Yes
<b>Key Priority Area</b>	C - Community / Neighborhood Character and Place Making
<b>Guiding Principle</b>	D1. Create a “living room” for the community and a “front door” for visitors—a full-service destination that attracts anchor uses and increased residential and mixed-use development.
<b>Action Item</b>	N/A

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**SUMMARY STATEMENT:**

**RECOMMENDED ACTION:**

Present proclamation.



# CITY OF KERRVILLE PROCLAMATION

- WHEREAS,** the aesthetic beauty and wonder of star-filled skies are the heritage of all humankind and locally to the inhabitants of Kerrville and are therefore worthy of celebration; and
- WHEREAS,** the experience of standing beneath a star-filled night sky inspires feelings of wonder and awe, and may encourage interest in science and nature especially among young people; and
- WHEREAS,** the opportunity to view star-filled skies attracts tourists to our region and therefore economic benefit to Kerrville; and
- WHEREAS,** preserving the rich historic heritage and starry night skies of Kerrville is important to its citizens; and
- WHEREAS,** "light pollution," which is wasted energy that performs no function or task and artificial light that goes where it is not supposed to go, creates glare, light trespass, sky glow, and overlighting; and
- WHEREAS,** the historical view of the night skies has been eroding in many nearby areas and generations are growing up with limited, if any, view of the wonders of the universe; and
- WHEREAS,** solving the problem of light pollution involves making better use of outdoor lighting to direct light down to where it is needed instead of upward into the sky, putting outdoor lights on timers and using outdoor lighting only where necessary; and
- WHEREAS,** this regional effort and the preservation and celebration of our night skies is worthy of a month-long celebration.

**NOW, THEREFORE,** I, Bill Blackburn, Mayor of the City of Kerrville, Texas, do hereby proclaim October 2020 as:

## HILL COUNTRY NIGHT SKY MONTH



**IN WITNESS WHEREOF,** I have hereunto set my hand and caused the seal of the City of Kerrville to be affixed this 13 day of October 2020.

\_\_\_\_\_  
Bill Blackburn, Mayor



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

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**SUBJECT:** Status of construction of new H-E-B on Main Street.

**AGENDA DATE OF:** October 13, 2020    **DATE SUBMITTED:** Oct 02, 2020

**SUBMITTED BY:** EA Hoppe

**EXHIBITS:**

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
N/A	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

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<b>Kerrville 2050 Item?</b>	Yes
<b>Key Priority Area</b>	E - Economic Development
<b>Guiding Principle</b>	E4. Balance, broaden and diversify the City’s tax base, shifting the tax burden away from residential property owners
<b>Action Item</b>	E4.1 - Target strategic growth opportunities that will bring an increase in fiscal revenues (sales and property taxes and water/sewer fees, etc.)

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**SUMMARY STATEMENT:**

H-E-B Store Manager Greg Nichols will be on hand to present the latest construction update for the new H-E-B facility being built on Main Street in Downtown Kerrville, TX.

**RECOMMENDED ACTION:**

No action.



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

**SUBJECT:** Resolution No. 21-2020. A Resolution approving negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., regarding the Company’s 2020 Rate Review Mechanism Filing.

**AGENDA DATE OF:** October 13, 2020 **DATE SUBMITTED:** Oct 01, 2020

**SUBMITTED BY:** Keshia Franchina

**EXHIBITS:** [20201013\\_Reso\\_21-2020 Atmos Negotiated Settlement.pdf](#)  
[20201013\\_Report\\_Model Staff.pdf](#)  
[20201013\\_Documents\\_Atmos.pdf](#)  
[20201013\\_Newsletter\\_ACSC.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
n/a	n/a	n/a	n/a

**PAYMENT TO BE MADE TO:** n/a

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

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**SUMMARY STATEMENT:**

**BACKGROUND AND SUMMARY**

The City, along with 171 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism (“RRM”), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018.

On or about March 31, 2020, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2019, entitled it to additional system-wide revenues of \$141.2 million. Application of the standards set forth in ACSC's RRM Tariff required Atmos to reduce its request to \$136.3 million, \$98.7 million of which would be applicable to ACSC members. ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be \$111.5 million instead of the claimed \$136.3 million. The amount of the \$111.5 million deficiency applicable to ACSC members would be \$80.8 million.

After the Company reviewed ACSC's consultants' report, ACSC's Executive Committee and the Company negotiated a settlement whereby the Company would receive an increase of \$90 million from ACSC Cities, but with a two-month delay in the Effective Date until December 1, 2020. This should save ratepayers approximately \$9 million such that the case is functionally equivalent to ACSC's consultants' recommendation of \$80.8 million.

The Executive Committee recommends a settlement at \$90 million. The Effective Date for new rates is December 1, 2020. ACSC members should take action approving the Resolution before November 1, 2020.

## PROOF OF REVENUES

Atmos generated proof that the rate tariffs attached to the Resolution will generate \$90 million in additional revenues from ACSC Cities. That proof is attached as Attachment 1 to this Staff Report. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

## BILL IMPACT

The impact of the settlement on average residential rates is an increase of \$5.15 on a monthly basis, or 9.9 percent. The increase for average commercial usage will be \$15.48 or 6.56 percent. A bill impact comparison is attached as Attachment 2.

## SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material

adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

### RRM SAVINGS OVER GRIP

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on December 1, 2020, ACSC residents will maintain a slight economic monthly advantage over GRIP and DARR rates. See Attachment 3.

### EXPLANATION OF "BE IT RESOLVED" PARAGRAPHS:

1. This section approves all findings in the Resolution.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section makes it clear that Cities may challenge future costs associated with gas leaks like the explosion in North Dallas or the evacuation in Georgetown.
4. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional \$90 million from ACSC Cities.
5. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.
6. This section approves an exhibit to be used in future rate cases or RRM filings regarding recovery of regulatory liabilities, such as excess deferred income taxes.
7. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution approving new rate tariffs.
8. This section repeals any resolution or ordinance that is inconsistent with the Resolution.
9. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
10. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution. This section further directs that the remaining provisions of the Resolution are to be interpreted as if the offending section or clause never existed.
11. This section provides for an effective date upon passage. December 1, 2020 represents a two month delay in the Effective Date established by the RRM tariff.

12. This section directs that a copy of the signed Resolution be sent to a representative of the Company and legal counsel for ACSC.

#### CONCLUSION

The Legislature's GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex's claim that its historic cost of service should entitle it to recover \$141.2 million in additional system-wide revenues, the RRM settlement at \$90 million for ACSC Cities reflects substantial savings to ACSC Cities. ACSC's consultants produced a report indicating that Atmos had justified increased revenues for ACSC Cities of at least \$81 million. Settlement at \$90 million (equivalent to \$81 million with a two-month delay) is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution before November 1, 2020. New rates become effective December 1, 2020.

#### **RECOMMENDED ACTION:**

Adoption of Resolution No. 21-2020.

**CITY OF KERRVILLE, TEXAS  
RESOLUTION NO. 21-2020**

**A RESOLUTION APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2020 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 ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; 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’S 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**, 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 new 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 March 31, 2020, Atmos Mid-Tex filed its 2020 RRM rate request with ACSC Cities based on a test year ending December 31, 2019; and

**WHEREAS**, ACSC coordinated its review of the Atmos Mid-Tex 2019 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 \$90 million applicable to ACSC Cities with an Effective Date of December 1, 2020; 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 two month delayed Effective Date from October 1 to December 1 will save ACSC ratepayers approximately \$9 million off new rates imposed by the attached tariffs (**Exhibit A**), the impact on ratepayers should approximate the reasonable value of the rate filing found by the ACSC Consultants' Report, which was \$81 million; and

**WHEREAS**, the attached tariffs (**Exhibit A**) 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 (**Exhibit B**); and

**WHEREAS**, the settlement agreement establishes an amortization schedule for regulatory liability prepared by Atmos Mid-Tex (**Exhibit C**); 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 hereby in all things 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 \$90 million for ACSC Cities 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 2020 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 **Exhibit A**, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$90 million from customers in ACSC Cities, 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 **Exhibit B**, attached hereto and incorporated herein.

**SECTION SIX.** Subject to any future settlement or decision regarding the balance of Excess Deferred Income Tax to be refunded to ratepayers, the amortization of regulatory liability shall be consistent with the schedule found in **Exhibit C**, attached hereto and incorporated herein.

**SECTION SEVEN.** Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2020 RRM filing.

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

**SECTION NINE.** 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 TEN.** 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 ELEVEN.** 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 December 1, 2020.

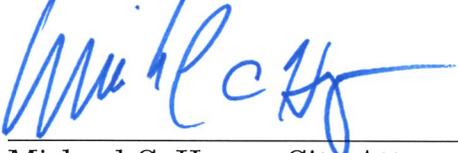
**SECTION TWELVE.** A copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink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

**PASSED AND APPROVED ON this the \_\_\_\_\_ day of \_\_\_\_\_ A.D., 2020.**

\_\_\_\_\_  
Bill Blackburn, Mayor

APPROVED AS TO FORM:

ATTEST:



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

\_\_\_\_\_  
Shelley McElhannon, City Secretary

**Exhibit A**  
**to 2020 RRM Resolution or Ordinance**

**Mid-Tex Tariffs**  
**Effective December 1, 2020**

<b>RATE SCHEDULE:</b>	<b>R – RESIDENTIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

**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:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Bill	\$ 20.25 per month
Rider CEE Surcharge	\$ 0.05 per month <sup>1</sup>
<b>Total Customer Charge</b>	<b>\$ 20.30 per month</b>
Commodity Charge – All <u>Ccf</u>	\$0.26651 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.

<sup>1</sup>Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2020.

<b>RATE SCHEDULE:</b>	<b>C – COMMERCIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

**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:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Bill	\$ 54.50 per month
Rider CEE Surcharge	\$ 0.02 per month <sup>1</sup>
<b>Total Customer Charge</b>	<b>\$ 54.52 per month</b>
Commodity Charge – All Ccf	\$ 0.11728 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.

<sup>1</sup> Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2020.

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

**Application**

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 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 3,500 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:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Meter	\$ 1,014.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4157 per MMBtu
Next 3,500 MMBtu	\$ 0.3044 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0653 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.

Surcharges: 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.

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

**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.

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

**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:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Meter	\$ 1,014.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4157 per MMBtu
Next 3,500 MMBtu	\$ 0.3044 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0653 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.

Surcharges: 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.

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

**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**

<b>RIDER:</b>	<b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

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:

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

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:

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

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

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RIDER:</b>	<b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

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	10.73	0.1545	94.79	0.7284
Austin	9.53	0.1489	211.76	0.9405
Dallas	15.77	0.1792	199.74	0.9385
Waco	9.99	0.1341	145.27	0.7110
Wichita Falls	11.61	0.1402	120.34	0.5747

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at [atmosenergy.com/mtx-wna](http://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.

**Exhibit B**  
**to 2020 RRM Resolution or Ordinance**

**Mid-Tex**  
**2020 Benchmark for Pensions**  
**and Retiree Benefits**

**ATMOS ENERGY CORP., MID-TEX DIVISION  
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL  
TEST YEAR ENDING DECEMBER 31, 2019**

Line No.	Description	Shared Services		Mid-Tex Direct		Post-Employment Benefit Plan	Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Supplemental Executive Benefit Plan		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2020 Willis Towers Watson Report as adjusted (1) (2) (3)	\$ 3,460,135	\$ 3,695,384	\$ 6,132,704	\$ 280,578	\$ 4,992,449	
2	Allocation to Mid-Tex	43.29%	43.29%	76.59%	100.00%	76.59%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 1,497,774	\$ 1,599,605	\$ 4,697,072	\$ 280,578	\$ 3,823,744	
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) (3)	\$ 1,497,774	\$ 1,599,605	\$ 4,697,072	\$ 280,578	\$ 3,823,744	\$ 11,898,774
6							
7							
8	Summary of Costs to Approve (1):						
9							
10	O&M Expense Factor (WIP_F-2.3, Ln 2)	79.55%	79.55%	37.83%	11.67%	37.83%	
11							
12							
13	Total Pension Account Plan	\$ 1,191,410	\$ 1,272,412	\$ 1,777,056	\$ 32,754	\$ 1,446,647	\$ 2,968,466
14	Total Post-Employment Benefit Plan	\$	\$	\$	\$ 32,754	\$	\$ 2,719,060
15	Total Supplemental Executive Benefit Plan	\$	\$	\$	\$ 32,754	\$	\$ 32,754
16	Total (Ln 13 + Ln 14 + Ln 15)	\$ 1,191,410	\$ 1,272,412	\$ 1,777,056	\$ 32,754	\$ 1,446,647	\$ 5,720,280
17							
18	Notes:						
19	1. Studies not applicable to Mid-Tex or Shared Services are omitted.						
20	2. Mid-Tex is proposing that the Fiscal Year 2020 Willis Towers Watson actuarial amounts shown on WIP_F-2.3 and WIP_F-2.3.1, be approved by the RRM Cities as the benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods includes only the expense amount. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CAM.						
21							
22	3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.						
23							

**Exhibit C**  
**to 2020 RRM Resolution or Ordinance**

**Mid-Tex 2020 Schedule for**  
**Amortization for Regulatory Liability**

**ATMOS ENERGY CORP., MID-TEX DIVISION  
RATE BASE ADJUSTMENTS  
TEST YEAR ENDING DECEMBER 31, 2019  
AMORTIZATION OF REGULATORY LIABILITY**

Line No.	Year Ended Dec. 31	Beginning of Year Rate Base Adjustment Amount	Annual Amortization (1)	End of Year Rate Base Adjustment Amount (2)	Corrected Balance for December 31, 2017 (3)
	(a)	(b)	(c)	(d)	(e)
1	2017		\$ -	\$ 292,268,881	\$ 292,268,881
2	2018	292,268,881	12,075,562	280,193,319	
3	2019	280,193,319	12,085,165	268,108,155	
4	2020	268,108,155	11,171,173	256,936,982	
5	2021	256,936,982	11,171,173	245,765,809	
6	2022	245,765,809	11,171,173	234,594,635	
7	2023	234,594,635	11,171,173	223,423,462	
8	2024	223,423,462	11,171,173	212,252,289	
9	2025	212,252,289	11,171,173	201,081,116	
10	2026	201,081,116	11,171,173	189,909,943	
11	2027	189,909,943	11,171,173	178,738,770	
12	2028	178,738,770	11,171,173	167,567,597	
13	2029	167,567,597	11,171,173	156,396,424	
14	2030	156,396,424	11,171,173	145,225,251	
15	2031	145,225,251	11,171,173	134,054,077	
16	2032	134,054,077	11,171,173	122,882,904	
17	2033	122,882,904	11,171,173	111,711,731	
18	2034	111,711,731	11,171,173	100,540,558	
19	2035	100,540,558	11,171,173	89,369,385	
20	2036	89,369,385	11,171,173	78,198,212	
21	2037	78,198,212	11,171,173	67,027,039	
22	2038	67,027,039	11,171,173	55,855,866	
23	2039	55,855,866	11,171,173	44,684,692	
24	2040	44,684,692	11,171,173	33,513,519	
25	2041	33,513,519	11,171,173	22,342,346	
26	2042	22,342,346	11,171,173	11,171,173	
27	2043	11,171,173	11,171,173	(0)	
28					
29	Revenue Related Tax Factor		7.16%	See WP_F-5.1	
	Revenue Related Taxes on Annual			Amortization * Tax	
30	Amortization		\$ 799,924	Factor	
31	Amortization Including Revenue		<u>\$ 11,971,097</u>	Amortization + Taxes	
32					
33	Notes:				
34	1. The annual amortization of a 26 year recovery period is based on the				
35	Reverse South Georgia Method.				
36	2. The Regulatory Liability is recorded to FERC Account 253, Sub Account 27909.				
37	3. This is the final Mid-Tex liability balance filing the Fiscal Year 2018 tax return.				

**Attachment 1 to  
Model Staff Report**

**2020 RRM**

**Proof of Revenues**

ATMOS ENERGY CORP., MID-TEX DIVISION  
RRM CITIES RATE REVIEW MECHANISM  
PROOF OF REVENUES - RRM CITIES  
TEST YEAR ENDING DECEMBER 31, 2019

Line No.	Customer Class (a)	Current (b)	Proposed (c)	Bills (d)	Ccf/MmBtu (e)	Current Revenues (f)	Proposed Revenues (g)	Increase (h)
1	<b>Residential</b>							
2	Customer Charge	\$ 19.55	\$ 20.25	13,644,834		\$ 266,756,505	\$ 276,307,889	
3	Consumption Charge	0.17423	0.26651		608,491,998	106,017,561	162,169,202	
4	Revenue Related Taxes					26,692,882	31,397,617	
5	Total Class Revenue					\$ 399,466,948	\$ 469,874,708	\$ 70,407,760
6								
7	<b>Commercial</b>							
8	Customer Charge	\$ 46.50	\$ 54.50	1,115,081		\$ 51,851,267	\$ 60,771,915	
9	Consumption Charge	0.09924	0.11728		398,510,866	39,548,218	46,737,354	
10	Revenue Related Taxes					6,544,757	7,698,315	
11	Total Class Revenue					\$ 97,944,242	\$ 115,207,584	\$ 17,263,342
12								
13	<b>Industrial &amp; Transportation</b>							
14	Customer Charge	\$ 845.50	\$ 1,014.50	7,272		\$ 6,148,476	\$ 7,377,444	
15	Consumption Charge Tier 1	\$ 0.3572	\$ 0.4157		7,769,155	2,775,142	3,229,638	
16	Consumption Charge Tier 2	\$ 0.2616	\$ 0.3044		8,666,094	2,267,050	2,637,959	
17	Consumption Charge Tier 3	\$ 0.0561	\$ 0.0653		13,696,172	768,355	894,360	
18	Revenue Related Taxes					856,339	1,012,467	
19	Total Class Revenue					\$ 12,815,362	\$ 15,151,868	\$ 2,336,505
20								
21	<b>Total Excluding Other Revenue</b>					\$ 510,226,552	\$ 600,234,159	\$ 90,007,608
22								
23								
24	<b>Revenue Related Tax Factor</b>		7.1606%					

**Attachment 2  
to 2020 RRM Staff Report**

**Bill Impact**





**Attachment 3  
to 2020 RRM Staff Report**

**RRM Monthly Savings Over GRIP and DARR Rates**

**ATMOS ENERGY CORP., MID-TEX DIVISION  
RESIDENTIAL AVERAGE RATE COMPARISON  
TEST YEAR ENDING DECEMBER 31, 2019**

	<b>ACSC Settled</b>	<b>DARR Filing</b>	<b>ATM Filing</b>	<b>Environs Filing</b>
Cust Charge	\$20.25	\$23.75	\$26.40	\$24.60
Monthly Ccf	44.5	44.5	44.5	44.5
Cons Charge	\$0.26651	\$0.19336	\$0.14846	\$0.18653
Average Mo Bill	\$32.11	\$32.35	\$33.01	\$32.90
		-\$0.24	-\$0.90	-\$0.79

## **Atmos Documents**



August 2020

## Atmos Mid-Tex and West Texas RRM Settlements

As we have previously reported, Atmos Mid-Tex and West Texas submitted their 2020 Rate Review Mechanism (RRM) tariff filings on March 31, 2020.

You may recall that Atmos has a statutory right to an annual increase in rates based on additional plant investment via a process that is referred to as GRIP. RRM is a negotiated substitute for GRIP that only exists through the exercise of Cities' original jurisdiction over rates and services. RRM is defined and controlled by ordinances that City Councils adopted. The RRM tariff reflected in Mid-Tex and West Texas city ordinances is essentially a contractual commitment agreed to by both Atmos and Cities.

### *Atmos Mid-Tex RRM Settlement*

Atmos' Mid-Tex filing was based on a system-wide increase of \$136.3 million. The portion to be allocated to the Atmos Cities Steering Committee (ACSC) member Cities was \$98.7 million. This request is significantly larger than any filing Atmos has ever made in its history. No prior request in a traditional rate case filed at the Railroad Commission has exceeded \$70 million. The largest amount previously requested from ACSC in a RRM filing was \$46.4 million in 2017. Atmos claims that 95% of the increase relates to recovery of expenses related to pipe replacement, damage prevention, and leak surveying activities. Atmos states that in 2019 it replaced 188 miles of steel pipe, 77 miles of cast iron pipe, and over 24,000 steel service lines. Atmos also reports that in 2019 it performed more than one million line-locates, and found that excavators struck its lines more than 3,500 times. Additionally, Atmos surveyed approximately 13,500 miles of pipe.

On July 1, 2020, ACSC's consultants provided a report that proposed reducing the system wide request by roughly \$25 million and suggested that the additional increase to ACSC's rates should be limited to \$80.8 million. Two of the significant issues leading to adjustments were unreasonable excessive overtime pay and incentive compensation.

After negotiations, ACSC agreed to settle the Mid-Tex RRM at \$90 million with a two month delay in the effective date. ACSC's consultants have determined that the two month delay in effective date is worth between \$9 million and \$15 million, which would essentially bring Atmos Mid Tex's increase to about \$80.8 million.

The Mid-Tex city ordinance that creates the RRM process requires implementation of new rates on October 1. Changing the date is only possible because of Atmos' concession. That delay should relieve some pressure on Councils for action during the stressful pandemic. ACSC will have until November 15 to take action approving the settlement. Atmos maintains that the settlement on ACSC's Mid-Tex RRM will result in an economic advantage over the City of Dallas' settlement on an RRM-like filing.

### *Atmos West Texas RRM Settlement*

While Atmos West Texas filed for a \$7.1 million increase, that filing was not consistent with the tariff it agreed to honor. The Company made adjustments to bring its request into compliance with the RRM tariff. Those necessary adjustments reduced the request to \$6.6 million (or roughly \$500,000 less than what would have been requested had the Company filed a traditional rate case). ACSC consultants produced a report on July 1 that suggested further adjustments of approximately \$2 million based upon a reasonableness review.

Because of COVID-19 virus issues, ACSC negotiated a delay in the October 1 Effective Date specified in the RRM tariff. After negotiations, ACSC agreed to an increase of \$5.9 million and delayed implementation for two months, until December 1. The two month delay in the Effective Date is worth around \$800,000.

West Texas Cities under RRM rates currently enjoy a slight economic advantage over Cities that remain under GRIP rates (i.e., Lubbock and Amarillo). That economic advantage will continue with the adoption of this settlement.



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

**SUBJECT:** Ratification of Medical Director Contract for the City of Kerrville Fire Department, Emergency Medical Services.

**AGENDA DATE OF:** October 13, 2020    **DATE SUBMITTED:** Oct 01, 2020

**SUBMITTED BY:** Eric Maloney

**EXHIBITS:** [20201013\\_Contract\\_Medical Director FY2020-2021 KFD and EMS.pdf](#)

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
30,000	34,612	34,612	0130-3135

**PAYMENT TO BE MADE TO:** Steven G. Nail, M.D.

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

**SUMMARY STATEMENT:**

The Fire Chief is requesting authorization from the City Council to ratify the reappointment of the EMS Medical Director Contract for Steven G. Nail, M.D.

The Medical Director is responsible for the medical direction and oversight of the EMS operations for the Kerrville Fire Department and Kerr County First Responders. The Kerrville Fire Department employs 63 Paramedics, 2 Advanced-EMT, 15 EMT-Basics and the Kerr County First Responders has 16 Paramedics and 13 EMT-Basics that perform prehospital medical care under the Medical Director’s license. Dr. Steven G. Nail has served as the EMS Medical Director since October 1, 2001. The extension to the contract provides for compensation to Steven G. Nail, M.D. in the amount of \$2,500.00 per month, totaling pay \$30,000 per year. The proposed contract is for a twelve-month period, beginning October 1, 2020, and terminating September 30, 2021.

**RECOMMENDED ACTION:**

Authorize the City Manager to renew appointment of the EMS Medical Director contract effective October 1, 2020 between the City of Kerrville and Steven G. Nail, M.D.

**MEDICAL DIRECTOR CONTRACT  
FOR THE CITY OF KERRVILLE FIRE DEPARTMENT,  
EMERGENCY MEDICAL SERVICES**

This **Medical Director Contract for the City of Kerrville Fire Department, Emergency Medical Services** ("Contract") is entered into effective as of the \_\_\_\_ day of October, 2020, by and between the **CITY OF KERRVILLE** ("City") and **STEPHEN G. NAIL, M.D.** ("Nail").

1. **Appointment.** City hereby appoints Nail as Medical Director pursuant to Section 42-73, City Code of Ordinances ("Code") to promulgate and update the system standard of care and to perform quality assurance and otherwise monitor the City's Emergency Medical Services.

2. **Term.** The services of Nail hereunder shall commence on October 1, 2020, and terminate on September 30, 2021 (the "Term"), except as otherwise set forth in this Contract.

3. **Compensation.** City agrees to pay Nail the amount of THIRTY THOUSAND AND NO/100 DOLLARS (\$30,000.00) for services rendered during the Term, said amount to be paid in twelve equal installments of (TWO THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$2,500.00), the first payment to be made on or before November 1, 2020, with each subsequent payment to be due on the first day of each month thereafter, with the last payment due hereunder to be paid on October 1, 2021.

4. **Service of Medical Director.** Nail shall perform and provide to the City those services described on the attached **Exhibit A Schedule of Services**, all in accordance with and subject to the provisions of the Code, a copy of which has been previously provided to Nail. To assist Nail in the performance of his duties, City agrees to provide to Nail the assistance as set forth on **Exhibit B**, attached hereto. Nail agrees to devote such time and effort as may be necessary and/or desirable for Nail to perform his duties and obligations in a prompt, efficient, and professional manner.

5. **Termination.** City may terminate this Contract at any time upon written notice from City to Nail, with or without cause. In such event, Nail agrees to cooperate with the City and the successor Medical Director to minimize disruption in the performance of the duties and responsibilities of Nail as set forth herein. In the event of such termination, City agrees to pay Nail compensation as herein provided through the date of cessation of services by Nail.

6. **Resignation.** Nail reserves the right to resign from this appointment upon not less than ninety (90) days prior written notice to City.

7. **Not an Employee.** Nothing contained herein shall be construed to create an employer/employee relationship between City and Nail, but instead, Nail is at all times acting as an independent contractor of City.

8. **No Assignment.** City is relying upon the expertise and abilities of Nail, and it is expressly provided that Nail may not assign, in whole or in part, the performance of any of his duties and obligations hereunder. The foregoing will not prohibit Nail from assigning from time to time another physician to be "on call" to provide EMS directives, but only during such time(s) of Nail's occasional absence and unavailability and only where Nail has provided City with prior written.

9. **Replacement of Prior Agreement.** This Contract replaces and supersedes all prior agreements or understandings between the parties.

**CITY OF KERRVILLE: MEDICAL DIRECTOR:**

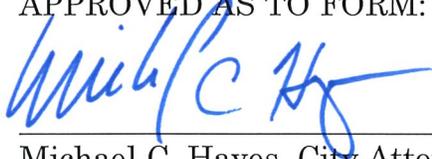
\_\_\_\_\_  
Mark L. McDaniel, City Manager

\_\_\_\_\_  
Stephen G. Nail, M.D.

ATTEST:

\_\_\_\_\_  
Shelley McElhannon, City Secretary

APPROVED AS TO FORM:



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

## SCHEDULE OF SERVICES

1. Develop medical protocols and standing orders for City-operated ambulance service, first responder service, and Kerr County First Responder program, and periodically review and revise such medical protocols and standing orders, as necessary;
2. Conduct Quality Assurance (QA) reviews and develop standards and procedures for the conduct of QA reviews;
3. Periodically conduct QA reviews of the City's EMS performance relative to specific clinical types and to revise medical protocols and such other standards of the City's EMS as may be appropriate;
4. Conduct QA reviews of individual cases as requested by any licensed physician regarding a patient of such physician or by any health care facility;
5. Approve the level of pre-hospital care which may be rendered locally by each of the EMS personnel employed by and/or volunteering with the EMS under the medical director's supervision, regardless of the level of state certification or licensure, before the certificate holder or licensee is permitted to provide such care to the public;
6. Establish and monitor compliance with field performance guidelines for EMS personnel;
7. Establish and monitor compliance with training guidelines which meet or exceed the minimum standards set forth in the Texas Department of State Health Services EMS certification regulations;
8. Determine standards and objectives for all medically related aspects of operation of the EMS including the inspection, evaluation, and approval of the system's performance specifications;
9. Function as the primary liaison between the EMS administration and the local medical community, ascertaining and being responsive to the needs of each;
10. Take or recommend appropriate remedial or corrective measures for EMS personnel, in conjunction with the Fire Chief, which may include, but are not limited to, retraining, probation, and de-authorization;
11. De-authorize a certified EMS individual from medical care duties for due cause pending review and evaluation;

12. Establish the circumstances under which a patient might not be transported;
13. Establish the circumstances under which a patient may be transported against his or her will in accordance with state law, including approval of appropriate procedures, forms, and a review process;
14. Establish criteria for selection of a patient's destination;
15. Implement a comprehensive mechanism for management of patient care incidents, including patient complaints, allegations of substandard care, and deviations from established protocols and patient care standards;
16. Comply with federal and state laws, including Chapter 773 of the Texas Health and Safety Code (Emergency Medical Services) and Title 22, Part 9, Chapter 197 of the Texas Administrative Code (Emergency Medical Services) ("TAC"); and
17. Maintain professional competence in emergency medicine, as required by 197.3(b)(17) of TAC.

## EXHIBIT B

### MEDICAL DIRECTOR ASSISTANCE

To the extent practicable, the City of Kerrville, through its Fire Department personnel, will provide the following administrative assistance to the Medical Director. Such personnel will be designated by the Fire Chief and will be subject to medical or clinical oversight by the Medical Director in the performance of such duties; but the City personnel nevertheless will be under the ultimate supervision of the City, as employer.

The typical duties of the assisting City personnel may include, but are not necessarily restricted to, the following:

1. Assist in establishing and updating ambulance and equipment standards for ambulance and first responder vehicles;
2. Assist in development of Communications Center standards and protocols;
3. Conduct inspections of ambulances, vehicles and equipment;
4. Accumulate monthly performance data for clinical and response time performance; and
5. Respond to citizen complaints regarding pre-hospital care.



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

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**SUBJECT:** Minutes for the City Council meeting held September 22, 2020.

**AGENDA DATE OF:** October 13, 2020      **DATE SUBMITTED:** Aug 12, 2020

**SUBMITTED BY:** Shelley McElhannon

**EXHIBITS:** [20201013\\_Minutes\\_City Council regular meeting 9-22-20 6pm.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
0	0	0	N/A

**PAYMENT TO BE MADE TO:** N/A

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

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**SUMMARY STATEMENT:**

Minutes for the City Council meeting held September 22, 2020 at 6:00 p.m.

**RECOMMENDED ACTION:**

Approve minutes as presented.

**CITY COUNCIL MINUTES  
REGULAR MEETING**

**KERRVILLE, TEXAS  
SEPTEMBER 22, 2020**

On September 22, 2020, at 6:00 p.m. the meeting was called to order by Mayor Bill Blackburn in the Cailloux City Center at 910 Main Street. The invocation was offered by Councilmember Delayne Sigerman, followed by the Pledge of Allegiance led by Councilmember Sigerman.

**COUNCILMEMBERS PRESENT:**

Bill Blackburn	Mayor
Judy Eychner	Councilmember, Mayor Pro Tem
Kim Clarkson	Councilmember
Gary Cochrane	Councilmember
Delayne Sigerman	Councilmember

**COUNCILMEMBER ABSENT:**

None

**CITY EXECUTIVE STAFF PRESENT:**

Mark McDaniel	City Manager
E.A. Hoppe	Deputy City Manager
Mike Hayes	City Attorney
Shelley McElhannon	City Secretary
Stuart Barron	Director of Public Works
Donna Bowyer	Network Enhancement Manager/Code Enforcement Officer
Stuart Cunyus	Public Information Officer
Amy Dozier	Chief Financial Officer
Guillermo Garcia	Executive Director for Innovation
Kim Meismer	Executive Director for General Operations
Dannie Smith	Fire Chief
Curtis Thomason	Interim Police Chief

**VISITORS PRESENT:** A list of the citizens physically present during the meeting is on file in the City Secretary's Office for the required retention period. In addition, public participation was engaged through a Zoom webinar.

**1. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

Item of Interest to the Community was presented by Kim Meismer.

**2. PRESENTATIONS:**

2A. Kerrville Kindness award.

Mayor Blackburn presented the Kerrville Kindness award to the Kerrville Public Utility Board (KPUB) employees, represented by KPUB CEO Mike Wittler.

2B. Proclaim September 2020 as Recovery Month in the City Kerrville.

Mayor Blackburn presented a proclamation stating September 2020 as Recovery Month in the City of Kerrville. Recovery Community Coalition Chairman Dale Trees accepted the proclamation.

**3. VISITORS FORUM:**

No citizens/persons spoke.

**4. CONSENT AGENDA:**

Councilmember Judy Eychner made a motion to approve the consent agenda items 4A, 4B, 4C, and 4D, and Councilmember Gary Cochrane seconded. The motion passed 5-0.

4A. Resolution No. 20-2020. A Resolution approving the budget for Kerr Emergency 9-1-1 Network for Fiscal Year 2021.

4B. Cintas rental service agreement for uniform and janitorial supplies.

4C. Execute a deductive change order for the Legion Lift Station project.

4D. Minutes for the City Council meeting held September 8, 2020.

**END OF CONSENT AGENDA**

**5. PUBLIC HEARING AND ORDINANCES, FIRST READING:**

5A. Ordinance No. 2020-18. An Ordinance amending Chapter 60 of the Code of Ordinances, City of Kerrville, Texas. Such Chapter more commonly known as the City's Zoning Code; by amending the Zoning Code to include adding new definitions, amending regulations regarding front yard setbacks, clarifying uses within Residential Transition Zoning Districts (RT) and the Airport Zoning District, revising the formula for determining parking spaces for multi-tenant buildings, clarifying administrative processes, deleting requirements for specific building materials, and other amendments as provided.

Shelley McElhannon read Ordinance No. 2020-18 caption into record.

Drew Paxton presented information and responded to questions.

Mayor Blackburn opened the public hearing at 6:28 p.m.

No citizens/persons spoke.

Mayor Blackburn closed the public hearing at 6:31 p.m.

Councilmember Eychner made a motion to approve Ordinance No. 2020-18 first reading, seconded by Councilmember Sigerman. The motion passed 5-0.

5B. Ordinance No. 2020-19. An Ordinance adopting amendments to the City of Kerrville, Texas, Sign Code, as found within Chapter 92 of the City's Code of Ordinances; said amendments to establish specific regulations for signs located within a Residential Transition Zoning District (RT).

Shelley McElhannon read Ordinance No. 2020-19 caption into record.

Drew Paxton presented information and responded to questions.

Mayor Blackburn opened the public hearing at 6:36 p.m.  
The following person(s) spoke:

- Bruce Stracke

Mayor Blackburn closed the public hearing at 6:45 p.m.

Councilmember Kim Clarkson requested amendments to the Code before second reading. Councilmember Cochrane made a motion to approve Ordinance No. 2020-19 first reading, seconded by Councilmember Eychner. The motion passed 5-0.

5C. Ordinance No. 2020-20. An Ordinance amending the Comprehensive Plan for the City of Kerrville, Texas, (Kerrville 2050), pursuant to Chapter 213 of the Texas Local Government Code; by amending the Thoroughfare Plan contained therein to realign future connections from Olympic Drive and deleting a proposed future connection from Bear Skin Trail to Rancho Road.

Shelley McElhannon read Ordinance No. 2020-20 caption into record.

Drew Paxton presented information and responded to questions.

Mayor Blackburn opened the public hearing at 6:51 p.m.

No citizens/persons spoke.

Mayor Blackburn closed the public hearing at 6:52 p.m.

Councilmember Eychner made a motion to approve Ordinance No. 2020-20 first reading, seconded by Councilmember Clarkson. The motion passed 5-0.

## **6. CONSIDERATION AND POSSIBLE ACTION:**

6A. Resolution No. 19-2020. A Resolution approving the Neighborhood Enhancement Team Program (NET) for the City of Kerrville, Texas; and a presentation of NET accomplishments within Doyle Community, and action to authorize the use of public funds to make minor improvements on private property and removal of unsafe structures.

Shelley McElhannon read Resolution No. 19-2020 caption into record.

Guillermo Garcia introduced the item. Donna Bowyer presented information, and Donna Bowyer and Mark McDaniel responded to questions.

The following person(s) spoke:

- Clifton Fifer
- Karen Mattox

Councilmember Eychner made a motion to approve Resolution No. 19-2020, and Councilmember Sigerman seconded. The motion passed 5-0.

6B. Update on status of Long Range Water Supply Plan implementation and Professional Services Agreement with Hewitt Engineers Inc. for the completion of a groundwater well in the Ellenberger Aquifer.

Shelley McElhannon read item 6B caption into record.

E.A. Hoppe introduced the item, presented information, and recognized Headwater's Board President Chris Childs, and geologists Bryant Williams, Digger Gray, and Bobby

Joines. Stuart Barron presented information, and E.A. Hoppe and Stuart Barron responded to questions.

Councilmember Cochrane made a motion to authorize the City Manager to finalize and execute a professional services agreement with Hewitt Engineering, Inc and Councilmember Eychner seconded. The motion passed 5-0.

6C. Killdeer Mountain Manufacturing Business Development Project, to include the following agreements: (a) Economic Development Grant and Real Estate Purchase Agreement. (b) Economic Development Incentive Grant Agreement with EIC for Killdeer Mountain Manufacturing. (c) Economic Development Incentive Agreement between the City of Kerrville, Texas, and the Killdeer Mountain Manufacturing Inc.

Shelley McElhannon read item 6C caption into record.

Mark McDaniel presented information and responded to questions.

The following persons spoke:

- Kristin Hedger – spoke over Zoom
- Gil Salinas with KEDC – spoke over Zoom

Councilmember Cochrane made a motion to approve and authorize the City Manager to finalize and execute the agreements and take any and all action with Killdeer Mountain Manufacturing, with the Economic Improvement Corporation, and with Kerrville Public Utility Board, and Councilmember Eychner seconded. The motion passed 5-0.

6D. Briefing and possible action as to the City's ongoing preparedness and response to COVID-19 (Coronavirus).

Shelley McElhannon read item 6D caption into record.

Fire Chief Dannie Smith presented information and responded to questions.

6E. Review of the declaration of local state of disaster due to a public health emergency, March 20, 2020.

Shelley McElhannon read item 6E caption into record.

City Council's opportunity to discuss the declaration. City Council had no comments.

## **7. INFORMATION AND DISCUSSION:**

7A. Financial update for the month ended August 31, 2020.

Shelley McElhannon read item 7A caption into record.

Amy Dozier presented information, and Amy Dozier and Chief Smith responded to questions.

## **8. ITEMS FOR FUTURE AGENDAS:**

- Update from an HEB representative regarding construction and timeline (Councilmember Sigerman)

Councilmember Sigerman made a motion to move into Executive Session under sections 551.074 personnel/officers, Chapter 551 of the Texas Government Code, and Councilmember Eychner seconded. The motion passed 5-0.

City Council convened into closed executive session at 7:50 p.m.

**9. BOARD APPOINTMENTS:**

9A. Appointment to the Zoning Board of Adjustment.

This item was discussed in closed executive session.

**10. EXECUTIVE SESSION:**

10A. Appointment to the Zoning Board of Adjustment 551.074.

10B. Killdeer Mountain Manufacturing, Inc. Business Development Project 551.071, 551.072, 551.087. This item was not discussed.

City Council reconvened in open session at 8:14 p.m.

**11. ACTIONS ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY:**

Mayor Blackburn advised no action was taken during Executive Session.

**ADJOURN.** The meeting adjourned at 9:00 p.m.

APPROVED BY COUNCIL: \_\_\_\_\_

APPROVED:

ATTEST:

\_\_\_\_\_  
Bill Blackburn, Mayor

\_\_\_\_\_  
Shelley McElhannon, City Secretary



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

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**SUBJECT:** Update on the final terms of the General Obligation Refunding Bonds, Series 2020 and presentation of the transaction summary.

**AGENDA DATE OF:** October 13, 2020    **DATE SUBMITTED:** Oct 02, 2020

**SUBMITTED BY:** Amy Dozier

**EXHIBITS:** [20201013\\_Presentation\\_Refunding Transaction Summary.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
N/A	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

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

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**SUMMARY STATEMENT:**

Anne Burger Entrekin, Regional Managing Director from Hilltop Securities, will brief City Council on the final terms of the General Obligation Refunding Bonds, Series 2020 and present the transaction summary.

**RECOMMENDED ACTION:**

No action required; information only.



## Contact

**Anne Burger Entrekin**

*Regional Managing Director*

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70 Northeast Loop 410, Suite 710

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Direct: 210.308.2200

**Colby Eckols**

*Director*

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**Mario Hernandez**

*Analyst*

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1201 Elm Street, Suite 3500

Dallas, Texas 75270

Direct: 214.953.4182

## Transaction Summary

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October 13, 2020

**Kerrville, Texas**

# S&P Rating

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# Credit Rating Commentary

## **STANDARD & POOR'S**

### **“AA”/Stable Outlook (Rating Affirmed)**

“The rating reflects the city’s:

- Very strong management;
- Very strong budget flexibility;
- Very strong liquidity;
- Strong debt and contingent liability profile;
- Strong institutional framework.

“Located in Texas Hill Country, Kerrville’s economic base recently has expanded, reflected in new commercial and residential development. Robust policies and practices support management’s ability to maintain a strong financial profile, using surplus results to cash-fund a significant portion of the city’s capital needs.”

“We view the city’s management as very strong, with strong financial policies and practices under our Financial Management Assessment methodology, indicating financial practices are strong, well embedded, and likely sustainable.”

“Kerrville’s budgetary performance in recent years has been strong, with the city generating sufficient excess revenues to fund its pay-as-you-go capital program. In addition, the general fund balance increased in four of the past five years, highlighting the city’s ability to maintain very strong reserves in line with the growing budget.”

“Kerrville’s budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2019 of 30% of operating expenditures, or \$8.6 million.”

“In our opinion, Kerrville’s liquidity is very strong, with total government available cash at 48.5% of total governmental fund expenditures and 6.5x governmental debt service in 2019.”

“In our view, Kerrville’s debt and contingent liability profile is strong.”

# Summary of Callable Bonds

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## Refunding Opportunity: Summary of Callable Bonds

### Certificates of Obligation, Series 2012

Original Principal	\$9,905,000
Callable Principal	\$6,570,000
Callable Maturities	2021-2032
Coupons	2.0% - 2.50%
Call Date	10/27/2020

### Certificates of Obligation, Series 2013

Original Principal	\$10,000,000
Callable Principal	\$6,960,000
Callable Maturities	2021-2033
Coupons	1.50% - 2.75%
Call Date	10/27/2020

Maturity	Principal	Interest Rate	Call Date
8/15/2021	\$ 495,000	2.000%	10/1/2020
8/15/2022	510,000	2.500%	10/1/2020
8/15/2023	520,000	2.500%	10/1/2020
8/15/2024	535,000	2.500%	10/1/2020
8/15/2025	545,000	2.500%	10/1/2020
8/15/2026	560,000	2.500%	10/1/2020
8/15/2027	575,000	2.500%	10/1/2020
8/15/2028	580,000	2.500%	10/1/2020
8/15/2029	600,000	2.500%	10/1/2020
8/15/2030	615,000	2.300%	10/1/2020
8/15/2031	635,000	2.500%	10/1/2020
8/15/2032	400,000	2.500%	10/1/2020
	<u>\$ 6,570,000</u>		

Maturity	Principal	Interest Rate	Call Date
8/15/2021	\$ 480,000	1.500%	10/1/2020
8/15/2022	485,000	1.500%	10/1/2020
8/15/2023	490,000	1.750%	10/1/2020
8/15/2024	500,000	2.000%	10/1/2020
8/15/2025	510,000	2.000%	10/1/2020
8/15/2026	520,000	2.000%	10/1/2020
8/15/2027	530,000	2.000%	10/1/2020
8/15/2028	540,000	2.250%	10/1/2020
8/15/2029	555,000	2.250%	10/1/2020
8/15/2030	565,000	2.500%	10/1/2020
8/15/2031	580,000	2.500%	10/1/2020
8/15/2032	595,000	2.750%	10/1/2020
8/15/2033	610,000	2.750%	10/1/2020
	<u>\$ 6,960,000</u>		

# Refunding Bonds, Series 2020

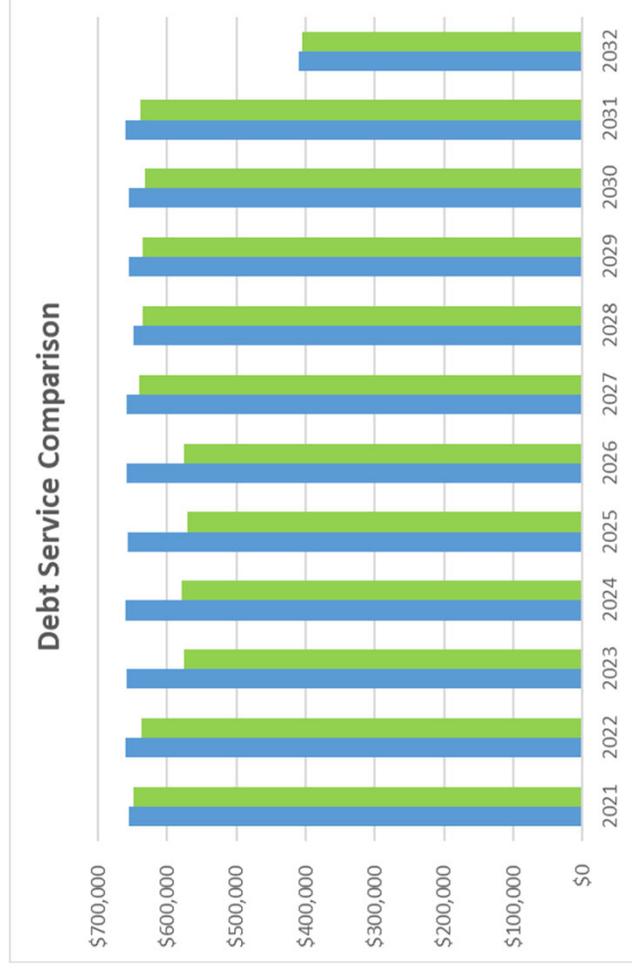
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# General Obligation Refunding Bonds, Series 2020 Certificates of Obligation, Series 2012 - Structured Savings

ACTUAL SAVINGS			
City of Kerrville, Texas			
General Obligation Refunding Bonds, Series 2020 - COs Series 2012 Structured Savings			
Date	Prior Debt Service	Refunding Debt Service	Projected Savings
9/30/2021	\$655,545	\$649,134	\$6,411
9/30/2022	660,645	636,350	24,295
9/30/2023	657,895	576,600	81,295
9/30/2024	659,895	578,850	81,045
9/30/2025	656,520	570,100	86,420
9/30/2026	657,895	575,850	82,045
9/30/2027	658,895	640,350	18,545
9/30/2028	649,520	635,600	13,920
9/30/2029	655,020	634,850	20,170
9/30/2030	655,020	632,850	22,170
9/30/2031	660,875	639,600	21,275
9/30/2032	410,000	405,600	4,400
	<u>\$7,637,725</u>	<u>\$7,175,734</u>	<u>\$461,991</u>

General Obligation Refunding Bonds, Series 2020	
Refunding Par Amount	\$5,460,000
Gross Savings	\$461,991
Average Annual Savings (2023-2026)	\$82,701
Net Present Value Savings	\$441,088
Present Value Benefit (%)	6.713%
True Interest Cost	1.243%



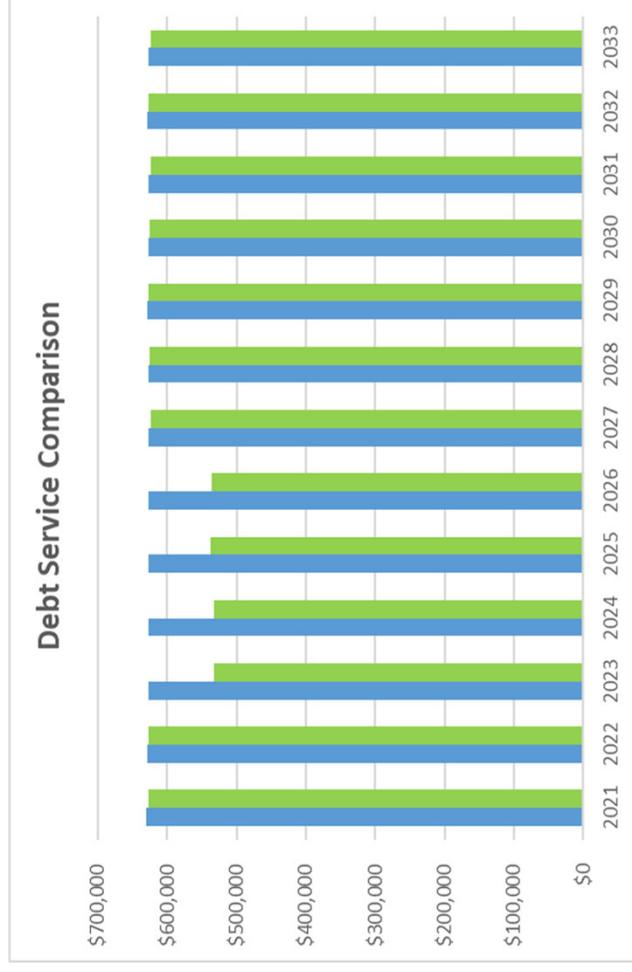
# General Obligation Refunding Bonds, Series 2020 Certificates of Obligation, Series 2013 - Structured Savings

## ACTUAL SAVINGS City of Kerrville, Texas General Obligation Refunding Bonds, Series 2020 - COs Series 2013 Structured Savings

Date	Prior Debt Service	Refunding Debt Service	Projected Savings
9/30/2021	\$630,650	\$626,296	\$4,354
9/30/2022	628,450	626,650	1,800
9/30/2023	626,175	532,900	93,275
9/30/2024	627,600	532,900	94,700
9/30/2025	627,600	537,150	90,450
9/30/2026	627,400	535,400	92,000
9/30/2027	627,000	622,900	4,100
9/30/2028	626,400	625,150	1,250
9/30/2029	629,250	626,150	3,100
9/30/2030	626,763	625,900	863
9/30/2031	627,638	624,400	3,238
9/30/2032	628,138	627,200	938
9/30/2033	626,775	624,000	2,775
	<b>\$8,159,838</b>	<b>\$7,766,996</b>	<b>\$392,841</b>

## General Obligation Refunding Bonds, Series 2020

Refunding Par Amount	\$5,785,000
Gross Savings	\$392,841
Average Annual Savings (2023-2026)	\$92,606
Net Present Value Savings	\$374,904
Present Value Benefit (%)	5.386%
True Interest Cost	1.449%



## Summary

	Projected Series 2012 Certificates <sup>(1)</sup>	Actual Series 2012 Certificates	Projected Series 2013 Certificates <sup>(1)</sup>	Actual Series 2013 Certificates
Par Amount of Bonds	\$5,410,000	\$5,460,000	\$5,680,000	\$5,785,000
Gross Savings	\$400,058	\$461,991	\$329,171	\$392,841
Net Present Value Savings	\$384,728	\$441,088	\$305,169	\$374,904
Savings as a % of Refunded Bonds	5.855%	6.713%	4.384%	5.386%
True Interest Cost	1.377%	1.243%	1.593%	1.449%
Call Date	8/15/2030	8/15/2029	8/15/2030	8/15/2029

- Actual results as compared to projections:
  - Gross Savings increased by \$125,603
  - Net Present Value Savings increased by \$126,095
  - Aggregate Savings as a % of Refunded bonds increased from 5.099% to 6.030%
  - Call Date negotiated one year sooner

(1) Preliminary numbers dated July 22, 2020

# Summary

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## Summary

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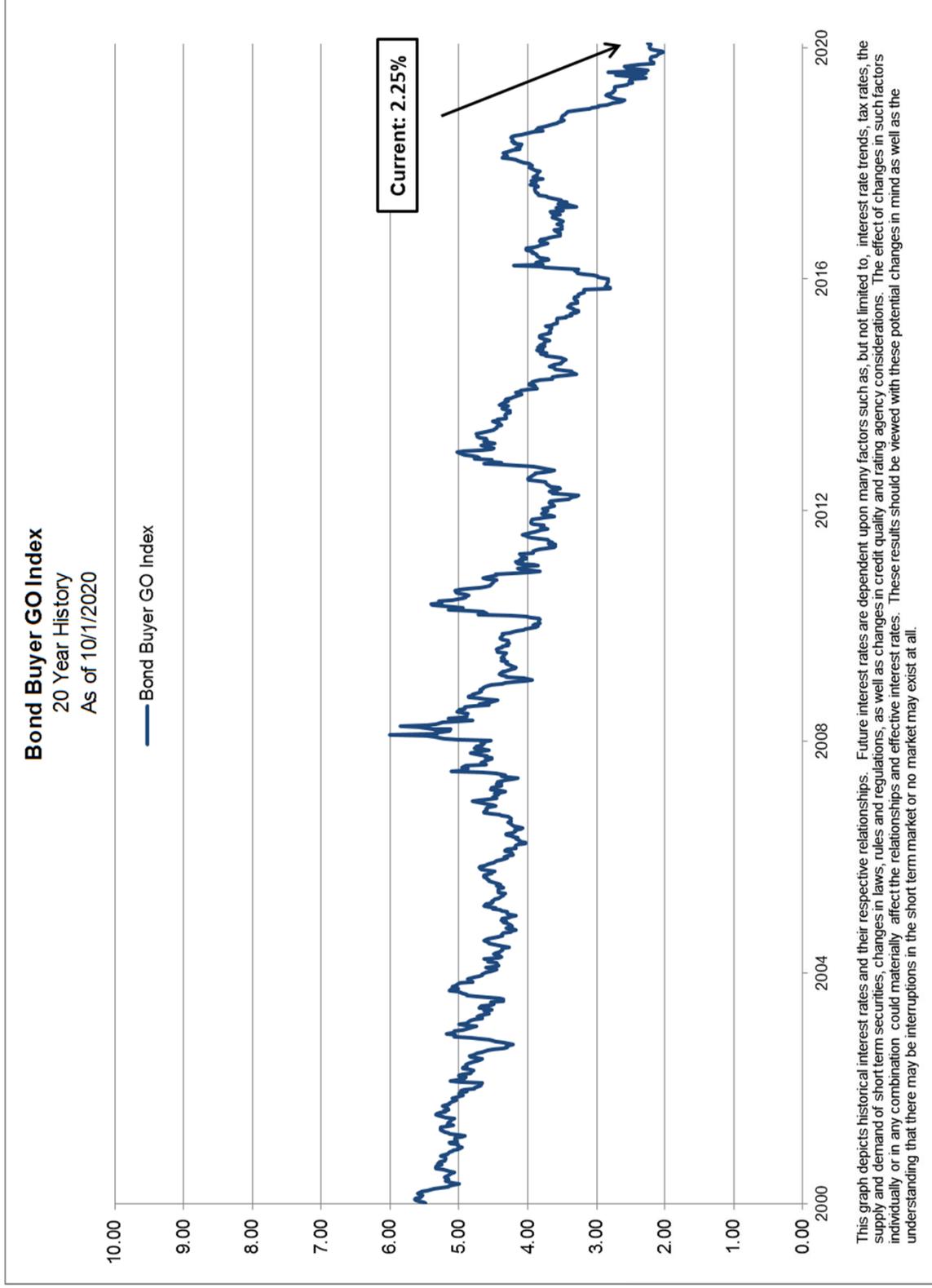
- The City achieved debt service savings by effectuating a refunding transaction at historically low municipal interest rates
- Even with very low coupons from the original bond sales, refunding the Certificates of Obligations, Series 2012 and 2013 currently projects debt service savings
- Savings were targeted to optimize both the EIC portion of the debt service and the Waterworks and Wastewater portion of the debt service

# Market Update

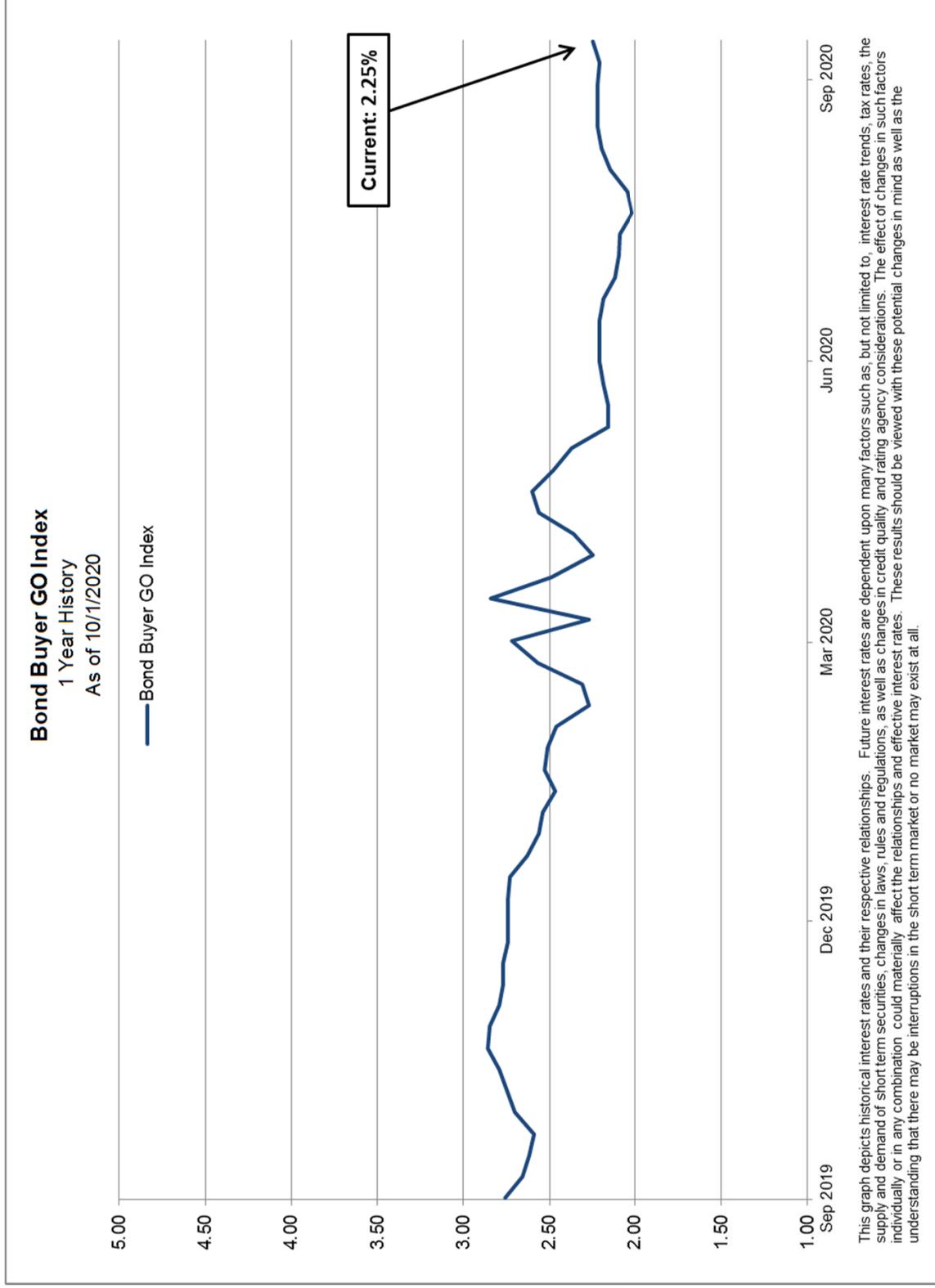
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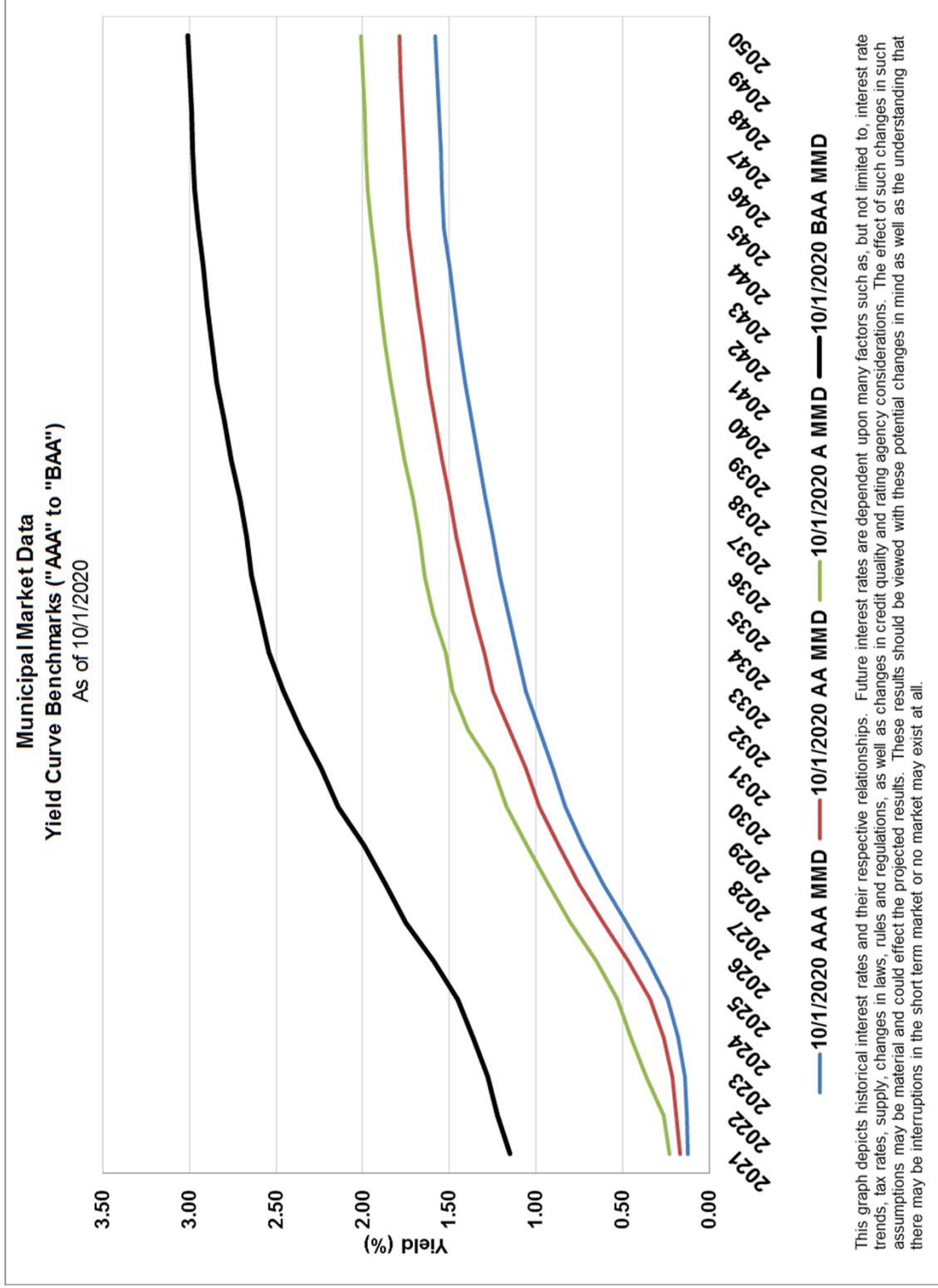
# Bond Buyer's Index of 20 Municipal Bonds



# Bond Buyer's Index of 20 Municipal Bonds



# MMD Yield Curve





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

**SUBJECT:** Ordinance No. 2020-21. An Ordinance changing the zoning of an 1.93 acre property, more commonly known as 1478 State Highway 173 (Bandera Hwy); consisting of part of Lot 16, Block 2 of the Highpointe at Riverhill Subdivision; from a Single Family Zoning District (R-1) to a Neighborhood Commercial Zoning District (C-1); and providing other matters relating to this subject.

**AGENDA DATE OF:** October 13, 2020      **DATE SUBMITTED:** Oct 02, 2020

**SUBMITTED BY:** Drew Paxton

**EXHIBITS:** [20201013\\_Ordinance\\_2020-21 Zone Change 1478 Highway 173 \(Bandera Hwy\).pdf](#)  
[20201013\\_Map\\_1478 Bandera Hwy.pdf](#)  
[20201013\\_PublicComment\\_Pummill\\_Opposed.pdf](#)

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$0	\$0	\$0	N/A

**PAYMENT TO BE MADE TO:** N/A

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

**SUMMARY STATEMENT:**

Proposal

Public hearing, consideration, and action to recommend an ordinance to change the zoning from R-1 Single Family Residential District to C-1 Neighborhood Commercial District on approximately 1.93 acres out of original Survey No. 146, Wm C. Francis, Abstract No. 137; including 1.7 acres part of Lot No. 16, Block 2, of Highpointe at Riverhill Section One-B and 0.23 acres of unplatted land, and generally located at 1478 Bandera Highway.

The applicant is proposing a future commercial development accessible only from Bandera Hwy. If a zoning change is approved, this parcel of land would require replatting prior to issuance of any building permits. This parcel already has a Bandera Hwy address and is not accessible from the Riverhill residential development due to an extremely steep hillside that separates the residential development from this parcel. It is reasonable for this parcel to be rezoned since it is unlikely that anyone would build a single family home directly adjacent to Bandera Hwy in this location, and due to direct highway access, the parcel is prime for commercial development.

#### Procedural Requirements

11 letters were mailed on 8/20/2020 to adjacent property owners. The public notice was published in the Kerrville Daily Times on 8/13/2020. At the time of drafting this Agenda Bill, only one public comment had been received (please see attached).

#### Staff Analysis and Recommendation

##### Adjacent Zoning and Land Uses:

##### Subject Property

Current Zoning: R-1 Single Family Residential

Existing Land Uses: Vacant Land

Direction: North

Current Zoning: C-3 General Commercial

Existing Land Uses: Movie Theater

Direction: East

Current Zoning: R-3 Multifamily Residential

Existing Land Uses: Assisted Living and Retirement Communities

Direction: South and West

Current Zoning: R-1 Single Family Residential

Existing Land Uses: Single Family Homes

##### Consistency with the Kerrville 2050 Comprehensive Plan:

The subject property and land directly adjacent to the south and west are designated Neighborhood Residential (NR) in the Kerrville 2050 Comprehensive Plan. Neighborhood Residential designates single family detached homes as the primary land use, however, also allows for carefully chosen locations for retail and commercial uses. This zoning change request would be consistent with the Comprehensive Plan.

Thoroughfare Plan:

The subject property is located on Bandera Hwy, a primary arterial.

Traffic Impact:

Bandera Hwy is already designed along this stretch of roadway to allow for ingress and egress of vehicles from adjacent properties. No traffic impact is anticipated.

Parking:

All parking requirements of the zoning code shall be met, therefore, adequate parking will be provided at the time of site design and construction.

Recommendation:

Because this property has highway frontage and cannot be accessed from the Riverhill single family home development, it is reasonable for this parcel to be rezoned. It is unlikely that anyone would build a single family home directly adjacent to Bandera Hwy along this stretch of roadway, and due to direct highway access, the parcel is prime for commercial development. Based on these circumstances and the consistency with the Kerrville 2050 Plan, staff recommends the rezoning request from R-1 to C-1.

On September 3rd, the Planning and Zoning Commission recommended the case for approval with a unanimous vote.

Attachments:

Location Map

Public Comments

**RECOMMENDED ACTION:**

Recommend approval of the Ordinance No. 2020-21.

**CITY OF KERRVILLE, TEXAS  
ORDINANCE NO. 2020-21**

**AN ORDINANCE AMENDING CHAPTER 60 OF THE CODE OF ORDINANCES, CITY OF KERRVILLE, TEXAS, WHICH ADOPTED ZONING REGULATIONS, USE DISTRICTS, AND A ZONING MAP IN ACCORDANCE WITH THE CITY'S COMPREHENSIVE PLAN, SUCH CHAPTER MORE COMMONLY KNOWN AS THE CITY'S ZONING CODE; BY CHANGING THE ZONING OF AN 1.93 ACRE PROPERTY ADDRESSED AS 1478 STATE HIGHWAY 173 (BANDERA HWY); CONSISTING OF PART OF LOT 16, BLOCK 2 OF THE HIGHPOINTE AT RIVERHILL SUBDIVISION AND ANOTHER PORTION OUT OF UNPLATTED LAND; WITHIN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS; FROM A SINGLE FAMILY RESIDENTIAL ZONING DISTRICT (R-1) TO A NEIGHBORHOOD COMMERCIAL ZONING DISTRICT (C-1); PROVIDING A CUMULATIVE CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE; ORDERING PUBLICATION; AND PROVIDING OTHER MATTERS RELATING TO THE SUBJECT**

**WHEREAS**, pursuant to Texas Local Government Code Sections 211.006 and 211.007, notice has been given to all parties in interest and citizens by publication in the official newspaper for the City of Kerrville, Texas ("City"), and otherwise, of a hearing held before the City Council on October 13, 2020, 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 located at 1478 State Highway 173 and comprising approximately 1.93 acres; such change to result in the removal of the property from a Single Family Residential Zoning District (R-1) to placement within a Neighborhood Commercial Zoning District (C-1); and

**WHEREAS**, on October 13, 2020, City Council held a public hearing on the zoning change referenced above pursuant to the published notice and has considered the application, comments, reports, and recommendations of the Planning and Zoning Commission and staff, public testimony, and other relevant support materials;

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

**SECTION ONE.** The Zoning Code for the City of Kerrville, Texas, as enacted by City Council and effective October 1, 2019 and included within Chapter 60 of the Code of Ordinances of the City of Kerrville, Texas, and the *Official Zoning Map* be

and the same are hereby amended to designate the following described property zoned as within a Neighborhood Commercial Zoning District (C-1):

**Legal Description: Being a certain tract or parcel of land comprising approximately 1.93 acres, 1.7 acres consisting of part of Lot No. 16, Block No. 2, and out of the Highpointe at Riverhill Subdivision, as filed at Volume 1562, Page 143 of the Kerr County real property records; and .23 acres of unplatted land; and within the City of Kerrville, Kerr County, Texas; said tract depicted at Exhibit A, attached hereto and made a part hereof for all purposes, and hereafter referred to as the "Property."**

**Address: 1478 State Highway 173**

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

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

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

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

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

**PASSED AND APPROVED ON FIRST READING, this the \_\_\_\_ day of \_\_\_\_\_, A.D., 2020.**

PASSED AND APPROVED ON SECOND AND FINAL READING, this  
the \_\_\_\_ of \_\_\_\_\_, A.D., 2020.

\_\_\_\_\_  
Bill Blackburn, Mayor

ATTEST:

\_\_\_\_\_  
Shelley McElhannon, City Secretary

APPROVED AS TO FORM:

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



# Location Map

Case # 2020-031

Location:  
1478 Bandera Hwy

## Legend

200' Notification Area - - - - -  
 Subject Properties —————



0 100 200 400

Scale In Feet

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

**From:** [Robert Pummill](#)  
**To:** [Planning Division](#)  
**Subject:** CASE 2020-031  
**Date:** Sunday, July 26, 2020 11:56:03 AM

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

Reference CASE 2020-031

We , Robert Pummill and Shirley Pummill, are the property owners of 420 and 425 Highridge Drive adjacent to property under consideration for re-zoning.

We purchased this property with the understanding the adjacent properties would remain zoned R-1.

We feel a change as requested would reduce the value of our property therefore we are IN OPPOSITION TO THE PROPOSAL.

Respectfully;

Robert and Shirley Pummill  
420 Highridge Drive  
Kerrville, Tx.



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

**SUBJECT:** Ordinance No. 2020-22. An Ordinance changing the zoning for a portion of a subdivision, consisting of Lot 1, Block 1, Arcadia Falls Estates, more commonly known as 2255 Arcadia Falls; from a Single Family Zoning District (R-1) to a Medium Density Zoning District (R-2); and providing other matters relating to this subject.

**AGENDA DATE OF:** October 13, 2020      **DATE SUBMITTED:** Oct 02, 2020

**SUBMITTED BY:** Drew Paxton

**EXHIBITS:** [20201013\\_Ordinance\\_2020-22 Zone Change 2255 Arcadia Falls.pdf](#)  
[20201013\\_Map\\_2255 Arcadia Falls Lane.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$0	\$0	\$0	N/A

**PAYMENT TO BE MADE TO:** N/A

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

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**SUMMARY STATEMENT:**

Proposal

Public hearing, consideration, and action to recommend an ordinance to change the zoning from R-1 Single Family Residential District to R-2 Medium Density Residential District on Lot 1, Arcadia Falls Estates, and generally located at 2255 Arcadia Falls Lane.

The applicant is proposing to increase the size of an existing single family residential home located within an R-2 Medium Density Residential District. The increase in home size requires the home addition to cross an adjacent property line which is not allowed by code. Although the applicant owns the adjacent property, a building permit cannot be issued until the lots are combined and the lot line issue resolved. The challenge with this request is that the adjacent property is currently dual zoned as R-1 Single Family

Residential and R-2 Medium Density Residential, not allowing replatting to combine lots. In order to be in compliance with Zoning Code and Subdivision Code and allow the parcels to be replatted, all parcels must be zoned the same. Two steps have to occur in order for the home addition to be permitted; rezoning followed by replatting. First, the R-1/R-2 dual zoned property needs to be rezoned to only R-2 so that all properties have the same zoning. Because a majority of adjacent residential properties are zoned R-2, R-2 was chosen as the most appropriate zoning change request. This rezoning then allows the applicant to proceed to step two, replatting. Now having the same zoning designation, the properties can be replatted and combined, eliminating the lot line issue and allowing the applicant to complete the building permit process.

#### Procedural Requirements

11 letters were mailed on 8/20/2020 to adjacent property owners. The public notice was published in the Kerrville Daily Times on 8/13/2020. At the time of drafting this Agenda Bill, no public comments had been received.

#### Staff Analysis and Recommendation

Adjacent Zoning and Land Uses:

Subject Property

Current Zoning: R-1 Single Family Residential

Existing Land Uses: Vacant Land

Direction: North

Current Zoning: IM Industrial and Manufacturing

Existing Land Uses: Vacant Land

Direction: South

Current Zoning: N/A

Existing Land Uses: Guadalupe River

Direction: West

Current Zoning: IM Industrial and Manufacturing / R-1 Single Family Residential

Existing Land Uses: Vacant land

Direction: East

Current Zoning: R-2 Medium Density Residential

Existing Land Uses: Single Family Detached Homes

Consistency with the Kerrville 2050 Comprehensive Plan:

The subject property and land directly adjacent to the west and east are designated Neighborhood Residential (NR) in the Kerrville 2050 Comprehensive Plan. Neighborhood Residential designates single family detached homes as the primary land use. The request for R-2 zoning is consistent with the Kerrville 2050 Plan.

Thoroughfare Plan:

The subject property is located on Arcadia Falls Lane, a private road.

Traffic Impact:

Arcadia Falls Lane is a private road. No traffic impact is anticipated.

Parking:

All parking requirements of the zoning code shall be met, therefore, adequate parking will be provided at the time of site design and construction.

Recommendation:

Because the applicant is not changing the housing density when compared to surrounding properties and is only requesting this zoning change to allow an addition to an existing home, it seems reasonable to grant this zoning change request. Based on these circumstances and the consistency with the Kerrville 2050 Plan, staff recommends the rezoning request from R-1 to R-2.

On September 3rd, the Planning and Zoning Commission recommend the case for approval with a unanimous vote.

Attachments:

Location Map

**RECOMMENDED ACTION:**

Approve Ordinance No. 2020-22.

**CITY OF KERRVILLE, TEXAS  
ORDINANCE NO. 2020-22**

**AN ORDINANCE AMENDING CHAPTER 60 OF THE CODE OF ORDINANCES, CITY OF KERRVILLE, TEXAS, WHICH ADOPTED ZONING REGULATIONS, USE DISTRICTS, AND A ZONING MAP IN ACCORDANCE WITH THE CITY'S COMPREHENSIVE PLAN, SUCH CHAPTER MORE COMMONLY KNOWN AS THE CITY'S ZONING CODE; BY CHANGING THE ZONING AND CLASSIFICATION FOR A PORTION OF A SUBDIVISION, CONSISTING OF LOT 1, BLOCK 1, ARCADIA FALLS ESTATES; MORE COMMONLY KNOWN AS 2255 ARCADIA FALLS; FROM A SINGLE-FAMILY RESIDENTIAL ZONING DISTRICT (R-1) TO A MEDIUM DENSITY RESIDENTIAL ZONING DISTRICT (R-2); PROVIDING A CUMULATIVE CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE; ORDERING PUBLICATION; AND PROVIDING OTHER MATTERS RELATING TO THE SUBJECT**

**WHEREAS**, pursuant to Texas Local Government Code Sections 211.006 and 211.007, notice has been given to all parties in interest and citizens by publication in the official newspaper for the City of Kerrville, Texas ("City"), and otherwise, of a hearing held before the City Council on October 13, 2020, which considered a report of the City's Planning and Zoning Commission regarding its recommendations on an ordinance, the adoption of which will result in the change of a zoning district for a property located at 2255 Arcadia Falls (Lot 1, Arcadia Falls Estates); such change to result in the removal of the property from a Single-family Zoning District (R-1) to placement within a Medium Density Residential Zoning District (R-2); and

**WHEREAS**, on October 13, 2020, City Council held a public hearing on the zoning change referenced above pursuant to the published notice and has considered the application, comments, reports, and recommendations of the Planning and Zoning Commission and staff, public testimony, and other relevant support materials;

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

**SECTION ONE.** The Zoning Code for the City of Kerrville, Texas, as enacted by City Council and effective October 1, 2019 and included within Chapter 60 of the Code of Ordinances of the City of Kerrville, Texas, and the *Official Zoning Map* be and the same are hereby amended to designate the following described property zoned as a Medium Density Residential Zoning District (R-2):

**Legal Description: consisting of Lot 1, Arcadia Falls Estates, within the City of Kerrville, Kerr County, Texas; said property being depicted at Exhibit A, attached hereto and made a part hereof for all purposes;**

**Address: 2255 Arcadia Falls, and hereafter referred to as the "Property."**

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

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

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

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

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

**PASSED AND APPROVED ON FIRST READING, this the \_\_\_\_ day of \_\_\_\_\_, A.D., 2020.**

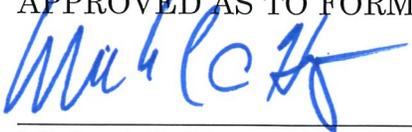
**PASSED AND APPROVED ON SECOND AND FINAL READING, this the \_\_\_\_ of \_\_\_\_\_, A.D., 2020.**

\_\_\_\_\_  
Bill Blackburn, Mayor

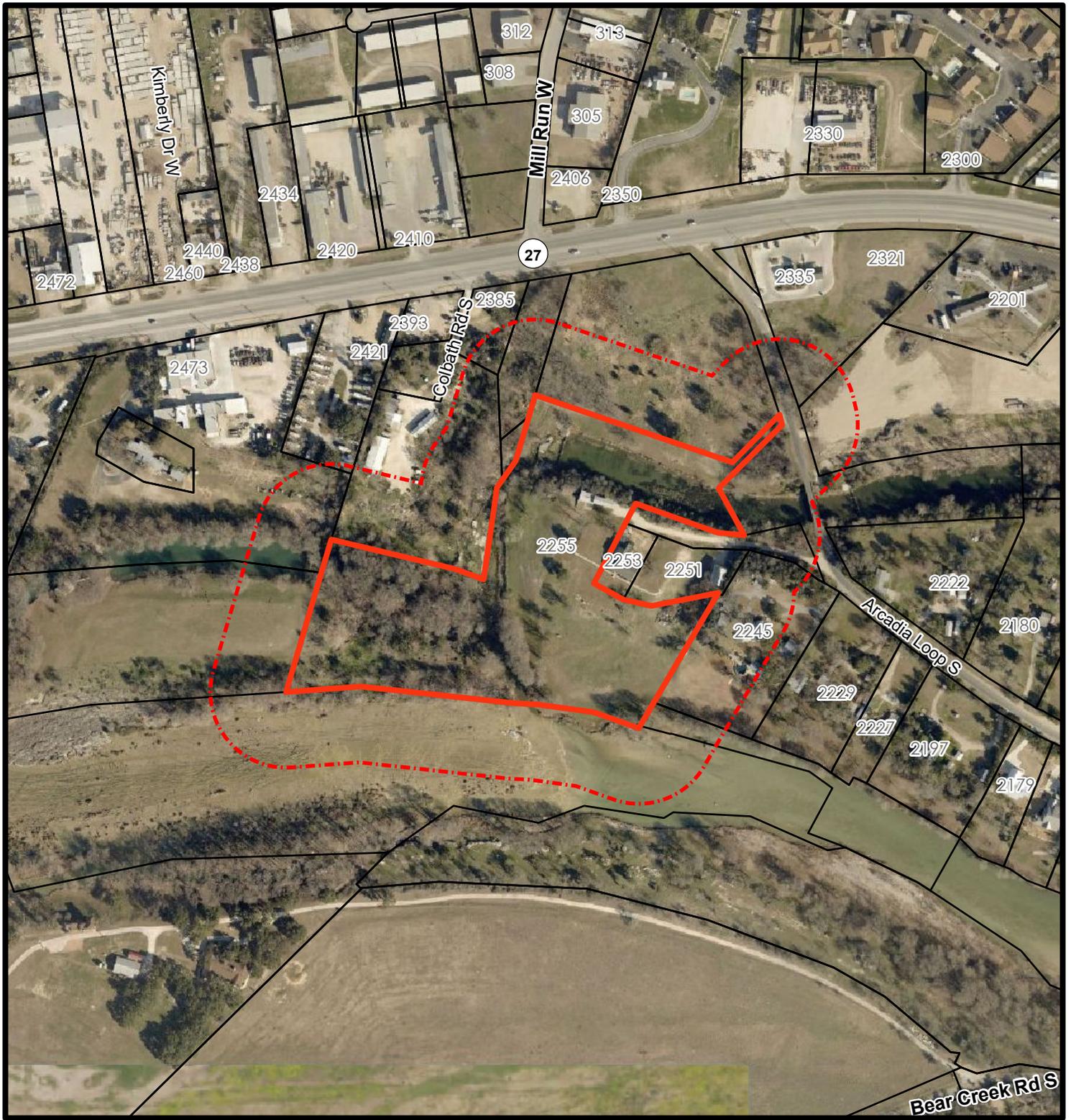
ATTEST:

\_\_\_\_\_  
Shelley McElhannon, City Secretary

APPROVED AS TO FORM:



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



# Location Map

Case # 2020-043

Location:  
2255 Arcadia Loop

## Legend

200' Notification Area - · - · -  
 Subject Properties —



0 125 250 500

Scale In Feet

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



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

**SUBJECT:** Ordinance No. 2020-18. Second reading. An Ordinance amending Chapter 60 of the Code of Ordinances, City of Kerrville, Texas. Such Chapter more commonly known as the City's Zoning Code; by amending the Zoning Code to include adding new definitions, amending regulations regarding front yard setbacks, clarifying uses within Residential Transition Zoning Districts (RT) and the Airport Zoning District, revising the formula for determining parking spaces for multi-tenant buildings, clarifying administrative processes, deleting requirements for specific building materials, and other amendments as provided.

**AGENDA DATE OF:** October 13, 2020 **DATE SUBMITTED:** Oct 07, 2020

**SUBMITTED BY:** Drew Paxton

**EXHIBITS:** [20201013\\_Ordinance\\_2020-18 Amending Chapter 60 Zoning Code Second Reading.pdf](#)

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$0	\$0	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

**Kerrville 2050 Item?** Yes

**Key Priority Area** C - Community / Neighborhood Character and Place Making

**Guiding Principle** C5. Establish clear guidelines for code enforcement and zoning, educate the public on the value and importance of property maintenance, and focus on proactive code enforcement and maintaining minimum property standards.

**Action Item**

**SUMMARY STATEMENT:**

Upon the adoption of the Kerrville Zoning Code in 2019, City Council requested a continual review of the application of the code and, if necessary, an update to the Zoning Code at least six months after implementation. The following updates are items that have been brought up through the application of the Zoning Code to several projects over the past year.

Each item was introduced to Council during a workshop on July 14th and then through a public hearing with the Planning and Zoning Commission on August 20th.

Through the City Council workshop and P&Z Commission public hearing, the items listed for updates have been reviewed and refined. A few items related to reduced parking requirements have been removed and may be reviewed at a later date.

City Council approved Ordinance No. 2020-18 first reading on September 22, 2020.

**RECOMMENDED ACTION:**

Approve Ordinance No. 2020-18 on second reading.

**CITY OF KERRVILLE, TEXAS  
ORDINANCE NO. 2020-18**

**AN ORDINANCE AMENDING CHAPTER 60 OF THE CODE OF ORDINANCES, CITY OF KERRVILLE, TEXAS, WHICH ADOPTED ZONING REGULATIONS, USE DISTRICTS, AND A ZONING MAP IN ACCORDANCE WITH THE CITY'S COMPREHENSIVE PLAN, SUCH CHAPTER MORE COMMONLY KNOWN AS THE CITY'S ZONING CODE; BY AMENDING THE ZONING CODE TO INCLUDE ADDING NEW DEFINITIONS, AMENDING REGULATIONS REGARDING FRONT YARD SETBACKS, CLARIFYING USES WITHIN RESIDENTIAL TRANSITION ZONING DISTRICTS (RT) AND THE AIRPORT ZONING DISTRICT, REVISING THE FORMULA FOR DETERMINING PARKING SPACES FOR MULTI-TENANT BUILDINGS, CLARIFYING ADMINISTRATIVE PROCESSES, DELETING REQUIREMENTS FOR SPECIFIC BUILDING MATERIALS, AND OTHER AMENDMENTS AS PROVIDED HEREIN; PROVIDING A CUMULATIVE CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE; ORDERING PUBLICATION; AND PROVIDING OTHER MATTERS RELATING TO THE SUBJECT**

**WHEREAS**, on August 27, 2019, City Council adopted Ordinance No. 2019-17, which adopted the City's Zoning Code, hereafter referred to as the Zoning Code, as effective on October 1, 2019; and

**WHEREAS**, Ordinance No. 2019-17 required City staff to report back to Council within 180 days of its adoption as to the implementation of the Zoning Code to include any recommended amendments; and

**WHEREAS**, staff reported back to the City Council as to the implementation and recommended amendments, which included input from the Joint Airport Board; and

**WHEREAS**, pursuant Section 60-73 of the Zoning Code, and in accordance with Texas Local Government Code Sections 211.006 and 211.007, notice has been given to all parties in interest and citizens by publication in the official newspaper for the City of Kerrville, Texas ("City"), and otherwise, of a hearing held before the City Council on September 22, 2020, which considered a report of the City's Planning and Zoning Commission regarding its recommendations on an ordinance, the adoption of which will result in a number of amendments to the Zoning Code as provided herein; and

WHEREAS, on September 22, 2020, City Council held a public hearing on various zoning amendments referenced above pursuant to the published notice and has considered the application, comments, reports, and recommendations of the Planning and Zoning Commission and staff, public testimony, and other relevant support materials;

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

SECTION ONE. Sec. 60-17 of the Zoning Code is amended with deletions indicated by red, strikeout (~~deleted~~) and additions indicated by blue, underline (addition) as follows:

“Sec. 60-17. - Terms defined.

:

Aircraft maintenance means the repair, adjustment or inspection of aircraft. Major repairs include alterations to the airframe, power plant, propeller and accessories. Minor repairs include normal, routine annual inspections with attendant maintenance, repair, calibration, or adjustment or repair of aircraft and their accessories.

Aircraft sales means the sale of new or used aircraft through franchises or licensed dealership or distributorship (either on a retail or wholesale basis) of an aircraft manufacturer or otherwise; and the provision of such repairs, services, and parts as necessary to meet any guarantee or warranty on new or used aircraft sold by it.

Aviation service and repair means commercial or industrial uses that are related to aviation and require direct access to an airport facility or aviation services, including assembly or sale of aircraft, air frames, air craft engines, aircraft parts or associated components, radios or navigational equipment, and similar products or services.

Aviation Facilities means landing fields, aircraft parking and service facilities, and related facilities for operation, service, fueling, repair, storage, charter, sales, and rental of aircraft, including activities directly associated with the operation and maintenance of airport facilities and the provision of safety and security.

*Bed and Breakfast Inn* means a facility, located within a nonresidential zoning district, offering short-term lodging for compensation in up to twenty (20) rooms used for lodging, and which may provide meals to those who receive lodging only.

*Church, temple, mosque, or place of worship* means any structure used principally for regular assembly for religious worship and those uses or activities which are customarily associated with the worship facility, such as a rectory/parsonage or living quarters for the principal religious leader at the facility, social centers, fellowship halls, classrooms for religious instruction, and including schools, day care, and other uses affiliated with the place of worship, provided they are on the same lot as the main sanctuary, contiguous lots, or adjacent lots within the same block.

*Development Standards* means regulations adopted by the City regarding certain development-related improvements, such as lighting, signage, landscaping, parking, and other similar elements. See Appendix B.

*Height* means the vertical distance measured from grade to the highest roof surface, average height of the highest roof surface or to the highest point of any structure erected on a roof of a building, whichever is greater; provided, however, church spires, belfries, communication antennae, and water towers shall not be considered when determining the maximum height of a structure, and excluding parapet walls less than four feet in height, chimneys, cooling towers, elevator equipment, mechanical equipment rooms, ornamental cupolas, standpipes, elevator bulkheads, or domes. See appendix, figures 3 and 4.

*Short-term rental unit* means a facility, located in a residential zoning district, used for the purpose of providing short-term lodging for compensation, architecturally designed to look like a single-family dwelling, which may also be occupied concurrently as the residence for the owner, operator, or manager of the property, or providing separate lodging units such as cabins, guest homes, or similar residential-scale structures, with no more than six bedrooms total on the property, and offering meals only to those who receive lodging, and providing that all bedrooms used as a permanent residence shall count toward the maximum six bedrooms of the short-term rental unit.”

**SECTION TWO.** The *Official Zoning Map*, as referenced within Section 60-38 of the Zoning Code, is amended to correct errors made during the adoption process as follows:

A. The properties known as 322 and 324 Mae Drive (Valley View subdivision, Block 1, Lots 9-B and 9-C) are rezoned as a Medium Density Residential (R-2) Zoning District from a Public and Institutional (PI) Zoning District from, which is consistent with the Comprehensive Plan and meets the original intent of the Zoning Code.

B. The following City-owned properties previously designated as “City Parks” are each rezoned to Public and Institutional (PI) Zoning District, which is consistent with the Comprehensive Plan and meets the original intent of the Zoning Code:

1. Habitat Park, located adjacent to and northeast of 4<sup>th</sup> Street, Kerrville, TX: from Medium Density Residential (R-2) to PI;
2. BC Richards Park, located adjacent to and southeast of Travis Street, Kerrville, TX: from Single-Family Residential (R-1) to PI;
3. Memorial Park, located at the intersection of Broadway (State Highway 27) and Water Street, Kerrville, TX: from Mixed Use (MU) to PI;
4. Westland Park, located adjacent to Woodlawn Ave. and between W. Water Street and Elm Street, Kerrville, TX: from Single-Family Residential with Accessory Dwelling Unit (R-1A) to PI; and
5. Schultz Park, located on the corner of Glen Road and East Lane, Kerrville, TX: from Single-Family Residential (R-1) to PI.

**SECTION THREE.** Sec. 60-50, subsections (a)(7), (b)(7), (c)(7), (d)(9), (f)(9), and (g)(7), of the Zoning Code are amended with deletions indicated by red, ~~strikeout~~ (~~deleted~~) and additions indicated by blue, underline (addition) as follows:

“(7) [NOTE: or (9) as appropriate] *Location of accessory buildings or structures beyond setback.*

- a. No structure in excess of 30 inches in height may exist between the front wall of any building and the front property line, except that ornamental fencing up to six feet in height and carports not exceeding the height of the primary structure areis permitted. Ornamental fencing does not include chain link fencing, which is prohibited. No

element of the fence may create a visibility obstruction or otherwise interfere with pedestrian or vehicular circulation.”

**SECTION FOUR.** Sec. 60-50, subsection (e)(8)b., of the Zoning Code is amended with deletions indicated by red, strikeout (~~deleted~~) as follows:

- “b. *Building appearance:* the building containing the accessory use shall be designed to appear as a residence, ~~with:~~
- ~~1. A wood, rock, or brick exterior;~~
  - ~~2. A roof constructed of materials and with a similar pitch to other residences in the adjoining neighborhood; and~~
  - ~~3. A front door and window(s) on the wall of the building facing the lot front or street.”~~

**SECTION FIVE.** Sec. 60-50, subsection (d)(4), of the Zoning Code is amended with additions indicated by blue, underline (addition) within its table as follows:

CHARACTERISTIC	REQUIREMENT	
	DUPLEX	TOWNHOME
Minimum Lot Size	6,000 square feet	3,000 square feet
Minimum Lot Width	60 feet	25 feet
Minimum Front Setback	<ul style="list-style-type: none"> <li>• 15 feet</li> <li>• 19 feet to a garage door or carport eave</li> </ul>	<ul style="list-style-type: none"> <li>• 15 feet</li> <li>• 19 feet to a garage door or carport eave</li> </ul>
Minimum Side Setback	<ul style="list-style-type: none"> <li>• Interior lot: 5 feet</li> <li>• Corner lot: <ul style="list-style-type: none"> <li>• 15 feet on the unattached side</li> <li>• 19 feet to a garage door or carport eave</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Interior lot: <ul style="list-style-type: none"> <li>• 0 feet</li> <li>• 10 foot separation between townhome buildings</li> </ul> </li> <li>• Corner lot: <ul style="list-style-type: none"> <li>• 0 feet on any attached side</li> <li>• 15 feet on any unattached side</li> <li>• 19 feet to a garage door or carport eave</li> </ul> </li> </ul>
Minimum Rear Setback	<ul style="list-style-type: none"> <li>• 15 feet</li> <li>• 19 feet to a garage door or carport eave</li> </ul>	<ul style="list-style-type: none"> <li>• 15 feet</li> <li>• 19 feet to a garage door or carport eave</li> </ul>
Maximum Building Height	35 feet	<ul style="list-style-type: none"> <li>• 35 feet</li> <li>• 45 feet when 100 feet or more from:</li> </ul>

CHARACTERISTIC	REQUIREMENT	
		<ul style="list-style-type: none"> <li>• R-E, R-1, or R-1A zoning</li> <li>• RM zoning if developed for other than manufactured housing;</li> <li>• Land zoned MU or PD for single-family, patio home, or duplex uses</li> </ul>
Minimum Parking	2 spaces per dwelling unit	<ul style="list-style-type: none"> <li>• 2.25 spaces per dwelling unit               <ul style="list-style-type: none"> <li>• 2 spaces for each dwelling unit</li> <li>• 0.25 spaces per dwelling unit for guest parking, to be provided in groupings distributed throughout the development</li> </ul> </li> </ul>
Alley	N/A	Access to any lot less than 45 feet in width shall be from a paved alley or right-of-way
	<b>SMALL-LOT SINGLE-FAMILY DWELLING</b>	<b>PATIO HOME</b>
Minimum Lot Size	3,300 square feet	4,000 square feet
Minimum Lot Width	30 feet	40 feet
Minimum Front Setback	10 feet build-to line	<ul style="list-style-type: none"> <li>• 15 feet</li> <li>19 feet to a garage door or carport eave</li> </ul>
Minimum Side Setback	<ul style="list-style-type: none"> <li>• Interior lot: 5 feet</li> <li>• Corner lot, street side:               <ul style="list-style-type: none"> <li>• 15 feet</li> <li>• 19 feet to a garage door or carport eave</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Mandatory 0 feet on one side</li> <li>• 10 feet on the remaining side</li> <li>• Corner lot, street side:               <ul style="list-style-type: none"> <li>• 15 feet</li> </ul> </li> <li>19 feet to a garage door or carport eave</li> </ul>
Minimum Rear Setback	19 feet to a garage door or carport eave	<ul style="list-style-type: none"> <li>• 15 feet</li> <li>• For a garage or carport adjacent to an alley:</li> </ul>

CHARACTERISTIC	REQUIREMENT	
		<ul style="list-style-type: none"> <li>• 19 feet to a garage door or carport eave; or</li> <li>• 5 feet if the garage or carport is built for two or more motor vehicles</li> </ul> Setback may be measured from the centerline of an adjacent alley, but in no instance may be less than 5 feet from the alley
Maximum Building Height	35 feet	35 feet
Minimum Parking	2 spaces per dwelling unit	2 spaces per dwelling unit
Alley	Access to any lot less than 45 feet in width shall be from a paved alley or right-of-way	Access to any lot less than 45 feet in width shall be from a paved alley or right-of-way
<b>ADDITIONAL REQUIREMENTS FOR PATIO HOMES AND SMALL-LOT SINGLE-FAMILY DWELLINGS</b>		
Wall Openings on Zero Setback Side	Solid wall with no openings (windows, doors, etc.) required, except a wall constructed of opaque materials which allow the infiltration of light that is diffused so that objects on the other side cannot be seen clearly, is permitted	
Wall Openings Near Zero Lot Line	Unless a screening fence has been constructed along the zero setback side of the property, no porch, door, or window may be constructed on any other wall of the dwelling at a distance less than five feet (5.0') from the zero setback side of the lot	
Atrium Openings	No edge of the rooftop opening of an atrium constructed on the zero setback side of a dwelling shall be less than eight feet (8.0') from ground level	
Maintenance, Overhang, and Drainage Easement	<ul style="list-style-type: none"> <li>• A maintenance, overhang, and drainage easement not less than five feet (5.0') in width must be platted on the adjacent lot running parallel to the zero setback lot line</li> <li>• A roof eave may extend 16 inches (16.0") into the easement</li> <li>• A gutter and down spout shall be required along the zero setback side of the dwelling to ensure that drainage is handled on the owner's property, and said gutter system is not included in the calculation of the eave encroachment</li> </ul>	

CHARACTERISTIC	REQUIREMENT	
Structures in Required Side Setback	Structures shall be prohibited in the required 10-foot side setback	
<b>SINGLE-FAMILY DWELLING</b>		
Minimum Lot Size	4,500 square feet	
Minimum Lot Width	45 feet	
Minimum Front Setback	<ul style="list-style-type: none"> <li>• 15 feet</li> <li>19 feet to a garage door or carport eave</li> </ul>	
Minimum Side Setback	<ul style="list-style-type: none"> <li>• Interior lot: 5 feet</li> <li>• Corner lot, street side: <ul style="list-style-type: none"> <li>• 15 feet</li> <li>• 19 feet to a garage door or carport eave</li> </ul> </li> </ul>	
Minimum Rear Setback	<ul style="list-style-type: none"> <li>• 15 feet</li> <li>• For a garage or carport adjacent to an alley: <ul style="list-style-type: none"> <li>• 19 feet to a garage door or carport eave; or</li> <li>• 5 feet if the garage or carport is built for two or more motor vehicles</li> </ul> </li> </ul> Setback may be measured from the centerline of an adjacent alley, but in no instance may be less than 5 feet from the alley	
Maximum Building Height	35 feet	
Minimum Parking	2 spaces per dwelling unit	
Alley	N/A	
<b><u>ADDITIONAL REQUIREMENTS FOR SINGLE-FAMILY DWELLING WITH ACCESSORY DWELLING UNIT</u></b>		
	<b><u>ACCESSORY DWELLING UNIT WITHIN MAIN BUILDING</u></b>	<b><u>ACCESSORY DWELLING UNIT IN A DETACHED STRUCTURE</u></b>
<b><u>Maximum Building Height</u></b>	<u>35 feet for main building including accessory dwelling unit</u>	<u>35 feet for detached structure containing accessory dwelling unit</u>
<b><u>Maximum Area of Accessory Dwelling Unit</u></b>	<u>One-half of the total floor area of the dwelling unit, excluding the area occupied by the accessory dwelling unit; floor area of the house excludes the area of any attached garage</u>	<u>• One-half of the total floor area of the main dwelling unit, excluding the area occupied by the accessory dwelling unit; floor area of the house excludes the area of any attached garage; and</u>

		<ul style="list-style-type: none"> <li>• <u>Maximum 50% of the rear yard area, bounded by the side property lines, the rear wall of the main building, and the rear property line</u></li> </ul>
<u>Minimum Parking for Dwelling with Accessory Unit</u>	<u>2 parking spaces per dwelling unit (4 spaces total for the main dwelling and an accessory dwelling unit)</u>	<u>2 parking spaces per dwelling unit (4 spaces total for the main dwelling and an accessory dwelling unit)</u>

SECTION SIX. Sec. 60-50, subsection (g)(4), of the Zoning Code is amended with deletions indicated by red, strikeout (~~deleted~~) and additions indicated by blue, underline (addition) within its table as follows:

CHARACTERISTIC	REQUIREMENT	
	SINGLE-FAMILY DWELLING	NONRESIDENTIAL USE
Minimum Lot Size	5,000 square feet	6,000 square feet
Minimum Lot Width	50 feet	60 feet
Minimum Front Setback	25 feet	<ul style="list-style-type: none"> <li>• 25 feet</li> <li>• Front yard to remain unpaved except for a driveway; parking in the front yard prohibited</li> </ul>
Minimum Side Setback	<ul style="list-style-type: none"> <li>• Interior lot: 5 feet</li> <li>• Corner lot, side street: <ul style="list-style-type: none"> <li>• 15 feet</li> <li>• 19 feet to a garage door or carport eave</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Interior lot: 5 feet</li> <li>• Corner lot, side street: <ul style="list-style-type: none"> <li>• 15 feet</li> <li>• 19 feet to a garage door or carport eave</li> </ul> </li> </ul>
Minimum Rear Setback	<ul style="list-style-type: none"> <li>• 25 feet</li> <li>• For a garage or carport adjacent to an alley: <ul style="list-style-type: none"> <li>• 19 feet to a garage door or carport eave; or</li> <li>• 5 feet if the garage or carport is built for two or more motor vehicles</li> </ul> </li> <li>• Setback may be measured from the centerline of an adjacent alley, but in</li> </ul>	<ul style="list-style-type: none"> <li>• 25 feet</li> <li>• For a garage or carport adjacent to an alley: <ul style="list-style-type: none"> <li>• 19 feet to a garage door or carport eave; or</li> <li>• 5 feet if the garage or carport is built for two or more motor vehicles</li> </ul> </li> <li>• Setback may be measured from the centerline of an adjacent alley, but in</li> </ul>

	no instance may be less than 5 feet from the alley	no instance may be less than 5 feet from the alley
<b>Maximum Building Height</b>	35 feet	35 feet
<b>Minimum Parking</b>	2 spaces per dwelling unit	Varies by use; see Section 60-101

**ADDITIONAL REQUIREMENTS FOR NONRESIDENTIAL USES**

<b>Maximum Building Area</b>	3,000 square feet for nonresidential uses allowed herein except public and institutional uses	
<b>Building Appearance</b>	<ul style="list-style-type: none"> <li>• Building designed to appear as a residence <b>with:</b> <ul style="list-style-type: none"> <li>• <del>Wood, rock, or brick exterior materials</del></li> <li>• <del>Roof of materials and pitch similar to other residences in the adjoining neighborhood</del></li> <li>• <del>Front door and window(s) required on the wall of any building facing the lot front or street</del></li> </ul> </li> </ul>	
<b>Signage</b>	See sign regulations, Development Standards	
<b>Location of Parking, Nonresidential Uses</b>	Parking to be located in the side or rear yard area	

**ADDITIONAL REQUIREMENTS FOR SINGLE-FAMILY DWELLING WITH ACCESSORY DWELLING UNIT**

	<b><u>ACCESSORY DWELLING UNIT WITHIN MAIN BUILDING</u></b>	<b><u>ACCESSORY DWELLING UNIT IN A DETACHED STRUCTURE</u></b>
<b><u>Maximum Building Height</u></b>	<u>35 feet for main building including accessory dwelling unit</u>	<u>35 feet for detached structure containing accessory dwelling unit</u>
<b><u>Maximum Area of Accessory Dwelling Unit</u></b>	<u>One-half of the total floor area of the dwelling unit, excluding the area occupied by the accessory dwelling unit; floor area of the house excludes the area of any attached garage</u>	<ul style="list-style-type: none"> <li>• <u>One-half of the total floor area of the main dwelling unit, excluding the area occupied by the accessory dwelling unit; floor area of the house excludes the area of any attached garage; and</u></li> <li>• <u>Maximum 50% of the rear yard area, bounded by the</u></li> </ul>

		<u>side property lines, the rear wall of the main building, and the rear property line</u>
<u>Minimum Parking for Dwelling with Accessory Unit</u>	<u>2 parking spaces per dwelling unit (4 spaces total for the main dwelling and an accessory dwelling unit)</u>	<u>2 parking spaces per dwelling unit (4 spaces total for the main dwelling and an accessory dwelling unit)</u>
<b>DUPLEX</b>		
<u>Minimum Lot Size</u>	<u>6,000 square feet</u>	
<u>Minimum Lot Width</u>	<u>60 feet</u>	
<u>Minimum Front Setback</u>	<ul style="list-style-type: none"> <li>• <u>15 feet</u></li> <li>• <u>19 feet to a garage door or carport eave</u></li> </ul>	
<u>Minimum Side Setback</u>	<ul style="list-style-type: none"> <li>• <u>Interior lot: 5 feet</u></li> <li>• <u>Corner lot:</u> <ul style="list-style-type: none"> <li>• <u>15 feet on the unattached side</u></li> </ul> </li> <li>• <u>19 feet to a garage door or carport eave</u></li> </ul>	
<u>Minimum Rear Setback</u>	<ul style="list-style-type: none"> <li>• <u>15 feet</u></li> <li>• <u>19 feet to a garage door or carport eave</u></li> </ul>	
<u>Maximum Building Height</u>	<ul style="list-style-type: none"> <li>• <u>35 feet</u></li> </ul>	
<u>Minimum Parking</u>	<u>2 spaces per dwelling unit</u>	

**SECTION SEVEN.** Sec. 60-51, subsection (b)(1), of the Zoning Code is amended by correcting a typographical error with the deletion indicated by red, strikethrough (~~deleted~~) and addition indicated by blue, underline (addition) as follows:

“(1) *Purpose.* The C-2 district accommodates a wider array of retail, office, and service uses than property zoned ~~C-2C-1~~, and will therefore attract customers from across the community and in the area outside the city. ....”

**SECTION EIGHT.** The following sections within the Zoning Code are amended by deleting the reference to “MU” (Mixed Use): Sections 60-50(f)(4)c., 60-50(e)(4)c., 60-51(a)(3)c., 60-51(b)(3)c., 60-51(c)(3)c., 60-51(d)(3)c., 60-52(b)(3)c., 60-52(d)(3)c., and 60-52(e)(3)c.

**SECTION NINE.** Sec. 60-52, subsection (e)(2) of the Zoning Code is amended by revising the Land Use Table for the Airport District (AD), which will include a revised Table 1, Land Use Table, as attached hereto as **Exhibit A**, and which will be published as part of the Zoning Code.

**SECTION TEN.** Sec. 60-65, subsection (1) of the Zoning Code, is amended with the deletion indicated by red, strikeout (~~deleted~~) as follows:

“(1)~~Mandatory~~ Preliminary conference. Prior to submitting an application for a zoning change, an applicant or the applicant’s authorized representative should meet with the director to receive information regarding application procedures and requirements.”

**SECTION ELEVEN.** Sec. 60-65, subsection (7) of the Zoning Code, is amended with deletions indicated by red, strikeout (~~deleted~~) and additions indicated by blue, underline (addition) as follows:

“(7) *Effect of recommendation to deny.* Where the planning and zoning commission makes a recommendation to deny a request for a zoning change, the application will not automatically be placed on a city council agenda. In order for council to consider the application pursuant to an agenda item, the applicant shall appeal the commission’s decision in writing to city council within ~~ten~~fourteen days after the commission’s recommendation to deny. The appeal will then be placed on a council regular meeting agenda as close to within thirty days as possible, to account for legal notice requirements and holiday schedule. The applicant may request an extension of no more than sixty days from the date of the commission’s denial.”

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

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

**SECTION FOURTEEN.** 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 FIFTEEN.** 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 SIXTEEN.** 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 22 day of SEPTEMBER A.D., 2020.**

**PASSED AND APPROVED ON SECOND AND FINAL READING, this the \_\_\_\_\_ of \_\_\_\_\_, A.D., 2020.**

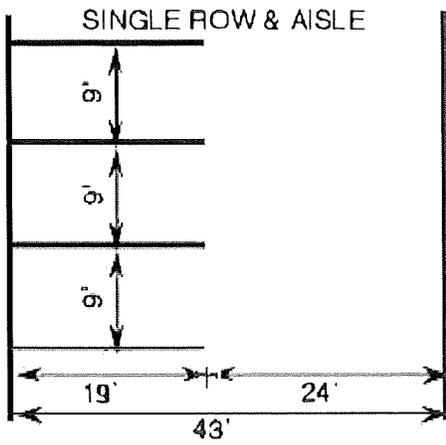
\_\_\_\_\_  
Bill Blackburn, Mayor

ATTEST:

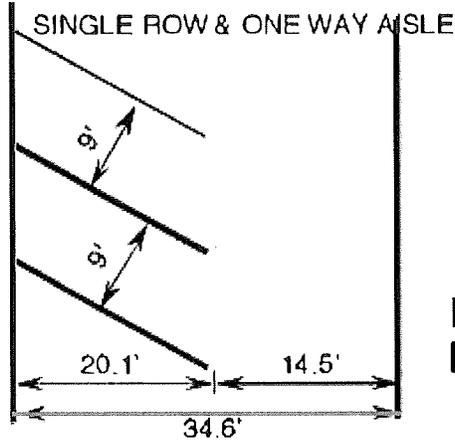
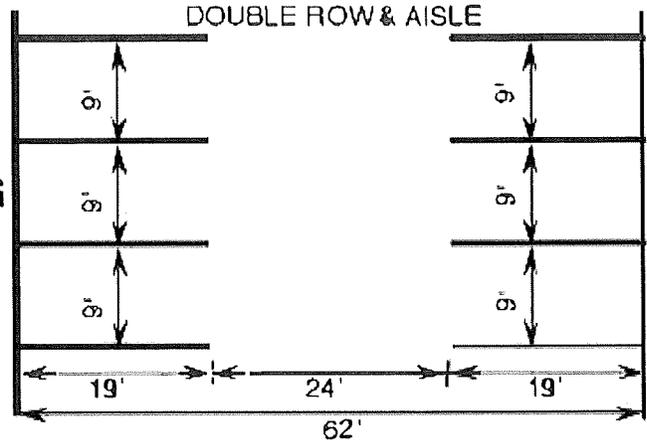
\_\_\_\_\_  
Shelley McElhannon, City Secretary

APPROVED AS TO FORM:

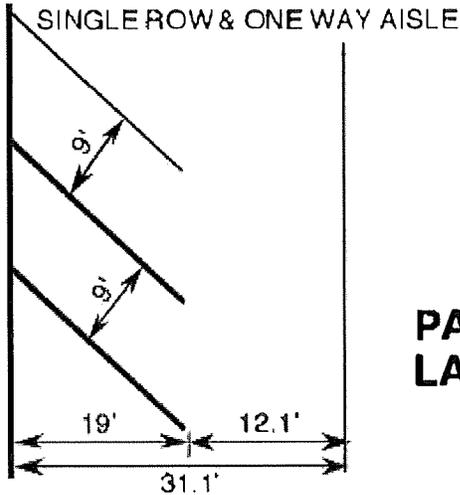
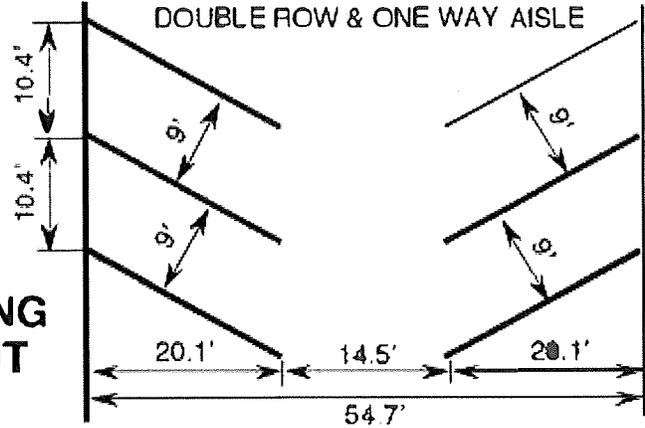
\_\_\_\_\_  
Michael C. Hayes, City Attorney



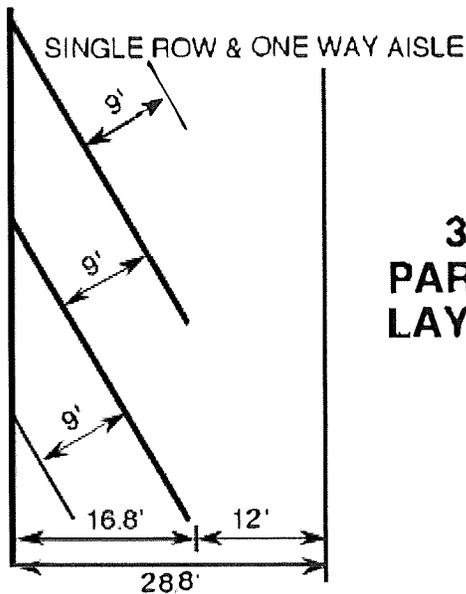
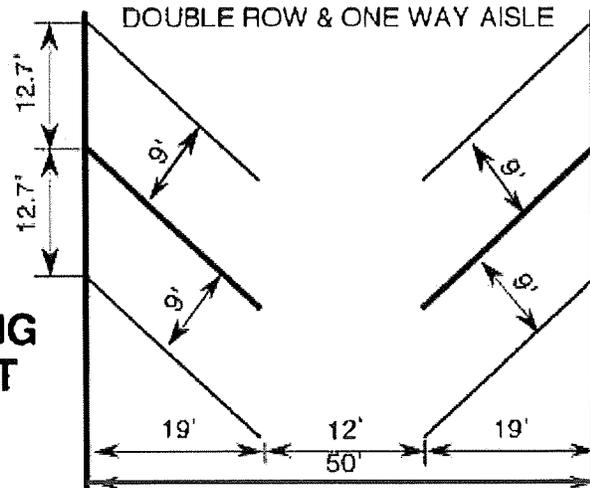
**90°  
PARKING  
LAYOUT**



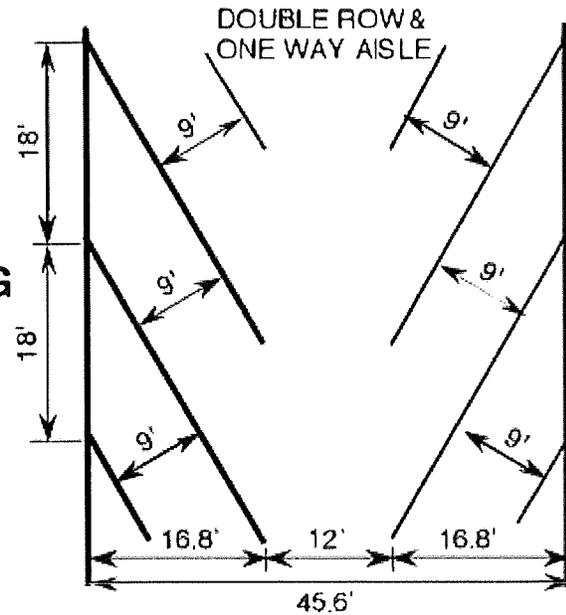
**60°  
PARKING  
LAYOUT**



**45°  
PARKING  
LAYOUT**



**30°  
PARKING  
LAYOUT**





LAND USES	Residential Districts						Nonresidential Districts						Special Districts						Notes
	R-E	R-1	R-1A	R-2	R-3	R-M	R-T	C-1	C-2	C-3	IM	DAC	MU	PI	AD	AG			
College or University, Public	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P			
Community Garden	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	P <sub>8</sub>	8a (1) Must be at least one-half mile from another Community Home measured in a direct line from the property line of each Community Home. (2) Motor vehicles that exceed the number of bedrooms may not be kept on the property or in the right-of-way of any street adjacent to the property.		
Community Home	P <sub>8A</sub>	P <sub>8A</sub>	P <sub>8A</sub>	P <sub>8A</sub>	P <sub>8A</sub>	P <sub>8A</sub>	P <sub>8A</sub>												
Concrete/Asphalt Batch Plant, Permanent											C								
Condominium (See Dwelling, Multifamily)																			
Continuing Care Facility								C	C	P		P	P						
Convenience Store with Fuel Sales									P <sub>9</sub>	P <sub>9</sub>	P <sub>9</sub>	C <sub>9</sub>	C <sub>9</sub>			P <sub>9</sub>			
Convenience Store without Fuel Sales								P	P	P	P	P	P						
Country Club	C	C	C																
Custom Manufacturing (See Manufacturing, Custom)																			
Dance Hall/Event Center																			
Day Care Services, Adult																			
Day Care Services, Children																			
Department or General Merchandise Store																			
Detention Facility																			
Dinner Theatre																			
Distillery																			
Distribution Center (See Warehousing and Distribution)																			
Dormitory, sorority or fraternity house																			
Driving Instruction School																			
Drug Store																			
Duplex (See Dwelling, Duplex)																			
Dwelling, Duplex																			
Dwelling, Live/Work																			
Dwelling, Multifamily																			
Dwelling, Patio Home (Zero Lot Line Home)																			
Dwelling, Single-Family Detached	P	P	P	P	P	P	P												
Dwelling, Single-Family Detached with Accessory Dwelling Unit	C	C	P	P <sub>11</sub>		P <sub>11</sub>	P												
Dwelling, Small-Lot Single-Family Detached																			
Dwelling, Townhome																			
Electronic Sales/Service																			
Equipment Rental, Heavy, No Outdoor Storage																			
Equipment Rental, Heavy, With Outdoor Storage																			
Equipment Rental, Light, No Outdoor Storage																			
Equipment Rental, Light, With Outdoor Storage																			
Fabric Store																			
Fabrication Processes																			
Fair/Rodeo Grounds or Exhibition Hall or Arena																			
Farm Supply Store, Retail																			
Farmers' Market																			
Feed, Grain, or Hay Storage and Sale, Bulk/Wholesale																			
Fine Arts Classes																			
Fitness Center																			
Flea Market, Indoor																			
Flea Market, Outdoor/Open Air Market																			
Florist																			
Food Processing (craft)																			
Food Processing (manufacturing)																			
Food Truck Park																			
Fuel Sales, Bulk																			
Fuel Sales, Retail																			
Fuel (Gasoline/Propane) Sales, Retail																			
Funeral Services																			
Furniture, Home Furnishings, and Home Decorating and Decor Store																			
Furniture Repair and Sale, Used																			
Garden Center/Nursery With Outside Storage																			
Garden Center/Nursery, Without Outside Storage																			
Golf Course	C	C	C																
Grocery Store																			
Guest House	P	P	P	P <sub>1</sub>			P												

10A allowed within these district by right only when located within one-half mile from an higher educational institution

11 Accessory Dwelling Unit in R-2, R-M only on lots of at least 5,000 square feet

9 Subject to requirements of Article IX 60-60(1)

9 Subject to requirements of Article IX 60-60(1)

1 Not permitted for patio homes or townhomes

LAND USES	Residential Districts							Nonresidential Districts							Special Districts					Notes			
	R-E	R-1	R-1A	R-2	R-3	R-4	R-T	C-1	C-2	C-3	IM	DAC	MU	PI	AD	AG							
Guidance Services																							
Gunsmith and Locksmith Shop																							
Halfway House	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	P <sub>5</sub>	5 Must meet the requirements of Chapter 30, Code of Ordinances. Structure must meet the standards, i.e. lot size, structure height, lot coverage, set backs, etc., for the zoning district within which it is located.
Hardware Store																							
Home Improvement Center																							
Home Occupation																							
Homeless Shelter																							
Hospital																							
Hotel (See also, Motel)																							
Independent Living Facility for Seniors																							
Jewelry Store																							
Job and Vocational Training Center																							
Junkyard																							
Kennel, Up to 11 Animals, Indoor, Pens																							
Kennel, 12 or More Animals, Indoor or Outdoor Pens																							
Landscape Nursery, Commercial/Wholesale																							
Laundromat																							
Laundry/Dry Cleaning Drop-Off/Pick-Up Station																							
Laundry/Dry Cleaning Plant																							
Limosine/Taxi Service																							
Livestock Sales, Wholesale																							
Luggage and Leather Goods Store																							
Lumber Yard																							
Machine Shop																							
Mailing Service																							
Manufactured Home or Manufactured Housing																							
Manufactured Housing Sales																							
Manufacturing, Custom (See Artisan's/Craftsman's Workshop)																							
Manufacturing, Assembly																							
Manufacturing, General																							
Microbrewery																							
Mining and Mineral Extraction																							
Mini-Storage																							
Minor Emergency/Urgent Care/Outpatient Medical Clinic																							
Modular Home																							
Motel																							
Motor Freight/Trucking Company																							
Motorcycle, All Terrain Vehicle, Personal Watercraft Dealership																							
Movie Theater																							
Museum																							
Musical Instrument Sales and Repair																							
Newspaper																							
Office, General (Business or Professional)																							
Office, Medical																							
Office Furniture, Equipment, and Supply Store																							
Outdoor Storage of Equipment and Materials as a Primary Use																							
Parking Lot or Structure, Accessory																							
Parking Lot, Stand-Alone																							
Parking Structure																							
Pawnshop With Outside Storage																							
Pawnshop, No Outside Storage																							
Payday Loan Business																							
Pet and Pet Supply Sales																							
Pet Grooming																							
Photography/Camera Supply Store																							
Portable Building Sales																							
Print Shop																							
Public or Institutional Facility or Use																							
Quadruplex (See Dwelling, Multifamily)																							
Radio or Television Station or Broadcasting Studio with Tower																							
Radio or Television Station or Broadcasting Studio without Tower																							

See Chapter 58, Kerrville Code of Ordinances

13 Subject to requirements of Article IX 60-60(10)

13 Subject to requirements of Article IX 60-60(10)

14 Subject to requirements of Article IX 60-60(2)

12 Subject to requirements of Article IX 60-60(9)

4 Drive-thru subject to requirements of Article IX 60-60(6)

LAND USES	Residential Districts										Nonresidential Districts					Special Districts					Notes
	R-E	R-1	R-1A	R-2	R-3	R-M	R-T	C-1	C-2	C-3	IM	DAC	MU	PI	AD	AG					
Recreational Skills Classes																					
Recreational Vehicle Dealership																					
Recreational Vehicle or Trailer Park																					
Rectory/Parsonage																					
Repair Shop, Household Items																					
Repair Shop, Personal Items																					
Research and Development Lab																					
Residential Care Service																					
Restaurant, Food and Beverage Shop																					
Restaurant, General, With Drive-Thru or Drive-In Service																					
Restaurant, General, Without Drive-Thru Service																					
Salvage, Reclamation, Recycling of Materials																					
Sand, Gravel, or Stone Extraction																					
Sand, Gravel, or Stone Storage and Sales																					
School, Private, Elementary																					
School, Private, Intermediate and Secondary																					
School, Public, Elementary																					
School, Public, Intermediate and Secondary																					
Second-hand/Used Goods Store With Outside Storage																					
Second-hand/Used Goods Store, No Outside Storage																					
Security Service																					
Security Systems Installation and Monitoring Company																					
Sexually Oriented Business																					
Short-term Rental Unit																					
Showroom, in Conjunction with Warehousing and Distribution																					
Showroom, without Warehousing and Distribution																					
Smoke Shop																					
Solar Energy Facility																					
Special Care Facility																					
Sporting Goods Store																					
Stables, Commercial																					
Stables, Private																					
Stationery Store																					
Tailor, Seamstress, or Needlework Shop																					
Tattoo or Permanent Cosmetics Shop, Body Piercing																					
Taxidermy Shop																					
Townhome (See Dwelling, Townhome)																					
Toy, Gift, Hobby, and Novelty Shop																					
Transportation Terminal, Bus/Aviation																					
Triplex (See Dwelling, Multifamily)																					
Truck Stop and Fueling Station																					
Utility, Local																					
Utility, Private or Franchise																					
Utility, Public																					
Veterinary Service, Large Animal, Indoor or Outdoor Pens																					
Veterinary Services, Small Animal, Indoor Pens																					
Warehousing and Distribution																					
Welding Shop																					
Wholesaling																					
Wind Energy System, Small																					
Winery																					
Wireless Telecommunications Facilities																					
Zero Lot Line Single-Family Dwelling (See Dwelling, Patio Home)																					

9 Subject to requirements of Article IX 60-60(1)

See Chapter 30, Kerrville Code of Ordinances

See Chapter 26, Kerrville Code of Ordinances

See Ordinance 2003-35

5 Subject to requirements of Article IX 60-60(7)

4 Drive-thru subject to requirements of Article IX 60-60(6)



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

**SUBJECT:** Ordinance No. 2020-19. Second Reading. An Ordinance adopting amendments to the City of Kerrville, Texas, Sign Code, as found within Chapter 92 of the City's Code of Ordinances; said amendments to establish specific regulations for signs located within a Residential Transition Zoning District (RT).

**AGENDA DATE OF:** October 13, 2020      **DATE SUBMITTED:** Oct 06, 2020

**SUBMITTED BY:** Drew Paxton

**EXHIBITS:** [20201013\\_Ordinance\\_2020-19 Adopting Amendments to the Sign Code - Second reading.pdf](#)

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$0	\$0	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

**Kerrville 2050 Item?** Yes

**Key Priority Area** C - Community / Neighborhood Character and Place Making

**Guiding Principle** C5. Establish clear guidelines for code enforcement and zoning, educate the public on the value and importance of property maintenance, and focus on proactive code enforcement and maintaining minimum property standards.

**Action Item**

**SUMMARY STATEMENT:**

Upon the adoption of the Kerrville Zoning Code in 2019, City Council requested a continual review of the application of the codes and, if necessary, an update to the Sign Code at least six months after implementation. The following updates are items that have been brought up through the application of the Sign Code to several projects over the past year.

This specific update adds a section to the Sign Code relating to signage for businesses within the Residential Transition Zoning District (RT).

Each item was introduced to Council during a workshop on July 14th and then through a public hearing with the Planning and Zoning Commission on August 20th.

ADD Redline notes for amendments as per Council discussions.

Updated area

Prohibited digital signs?

City Council approved Ordinance No. 2020-19 first reading on September 22, 2020.

**RECOMMENDED ACTION:**

Approve Ordinance No. 2020-19 on second reading.

**CITY OF KERRVILLE, TEXAS  
ORDINANCE NO. 2020-19**

**AN ORDINANCE ADOPTING AMENDMENTS TO THE CITY OF KERRVILLE, TEXAS, SIGN CODE, AS FOUND WITHIN CHAPTER 92 OF THE CITY'S CODE OF ORDINANCES; SAID AMENDMENTS TO ESTABLISH SPECIFIC REGULATIONS FOR SIGNS LOCATED WITHIN A RESIDENTIAL TRANSITION ZONING DISTRICT (RT); CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR PENALTIES NOT TO EXCEED \$2,000.00; ORDERING PUBLICATION; PROVIDING AN EFFECTIVE DATE; AND PROVIDING OTHER MATTERS RELATED TO THE SUBJECT**

**WHEREAS**, in June 2018, City Council, pursuant to its home-rule authority and Chapter 213 of the Texas Local Government Code, adopted the *City of Kerrville Comprehensive Plan – Kerrville 2050* (“Comprehensive Plan”); and

**WHEREAS**, in accordance with the Comprehensive Plan, City Council seeks to maintain the value of Kerrville’s scenic beauty and rural charm, both of which are significant attributes of the City’s quality of life, through a comprehensive regulatory program that includes zoning, subdivision control, and the regulation of signs; and

**WHEREAS**, on September 24, 2019, City Council adopted Ordinance No. 2019-23, which implemented a comprehensive rewrite of the City’s sign regulations, as found within Chapter 92 of the City’s Code of Ordinances and known as the “City of Kerrville, Texas Sign Code” (“Sign Code”); and

**WHEREAS**, in accordance with the 6-month review that City Council requested following its adoption of the City’s new Zoning Code, staff has similarly taken steps to assess the applicability and workability of the Sign Code and following such review, now recommends adoption of the amendments specified below; and

**WHEREAS**, staff believes it appropriate to amend the Sign Code by adding a new section relating to signs for commercial entities and similar operations located within Residential Transition Zoning Districts (RT); and

**WHEREAS**, staff presented these amendments to the City Council in a workshop meeting on July 14, 2020, and then presented the same information to the City’s Planning and Zoning Commission on August 20, 2020, during a public hearing; and

WHEREAS, on September 22, 2020, City Council held a public hearing on various zoning amendments referenced above pursuant to the published notice and has considered the 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. Sec. 92-8 of the Sign Code is amended with deletions indicated by red, strikeout (~~deleted~~) and additions indicated by blue, underline (addition) as follows:

**“Sec. 92-8. - Regulation of signs within the downtown arts and culture district (DAC), including the downtown core (DC); and within a residential transition district (RT).**

The following regulations apply to establishments and signs located within the downtown arts and culture district (DAC) and the downtown core (DC); and within a residential transition district (RT). Such regulations are in addition to other regulations found within this chapter unless a conflict arises between those provided here and any other, in which case the regulations found within this section will apply:

(1)Downtown arts and culture district (DAC), to include the downtown core (DC):

a. Electronic displays, freestanding signs, and feather signs are prohibited within the ~~downtown core~~DC.

~~(2)~~b. Sidewalk signs within the DAC and DC.

~~a.1.~~ One sidewalk sign is permitted for each establishment ~~within the downtown arts and culture district (DAC) and the downtown core;~~

~~b.2.~~ A sidewalk sign, prior to placement, may be required to apply for and receive a public right-of-way license agreement from the city, which grants authority to use the sign on city property and will provide conditions for its use;

~~e.3.~~ A sidewalk sign may only be used when the establishment to which it refers is open for business and shall be removed upon the close of business. A sidewalk sign may only be placed in front of the business that the sign is advertising;

~~d.4.~~ A sidewalk sign shall be placed in a manner that will not endanger public safety, create a pedestrian or traffic hazard, or create an ADA non-compliant obstacle or barrier in a sidewalk or public right-of-way, such that a clear pedestrian travel pathway of at least four feet is maintained at all times; and

~~e.5.~~ A sidewalk sign shall not exceed eight square feet in area, two feet in width, and four feet in height and shall not exceed a maximum width of 30 inches.

(2) Residential transition district (RT):

a. A freestanding or monument sign is allowed.

b. A freestanding or monument sign shall not exceed 32 square feet in area and eight feet in height, as measured from natural grade to top of structure.

c. A freestanding or monument sign shall be set back a minimum of five feet from either the front or corner property line.

d. Electronic displays shall comply with Section 92-9, but shall be turned off or only display a solid black screen from 8:00 p.m. to 6:00 a.m.

e. Nonresidential uses and properties are limited to either one freestanding or one monument sign.

f. Residential uses and properties must comply with this code and the Zoning Code with respect to the use of signs.

g. No freestanding or monument sign may be located within 25 feet of another freestanding or monument sign.

h. Signs may not be internally illuminated.

i. External illumination of a sign may not produce glare on an adjacent or property.”

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

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

**SECTION FIVE.** It is officially found and determined that the meetings at which this Ordinance is passed were open to the public as required and that public notice of the time, place, and purpose of said meetings was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

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

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

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

**PASSED AND APPROVED ON FIRST READING,** this the 22 day of ~~SEPTEMBER~~ SEPTEMBER A.D., 2020.

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

\_\_\_\_\_  
Bill Blackburn, Mayor

APPROVED AS TO FORM:

ATTEST:

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

\_\_\_\_\_  
Shelley McElhannon, City Secretary



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

**SUBJECT:** Ordinance No. 2020-20. Second reading. An Ordinance amending the Comprehensive Plan for the City of Kerrville, Texas, (Kerrville 2050), pursuant to Chapter 213 of the Texas Local Government Code; by amending the Thoroughfare Plan contained therein to realign future connections from Olympic Drive and deleting a proposed future connection from Bear Skin Trail to Rancho Road.

**AGENDA DATE OF:** October 13, 2020      **DATE SUBMITTED:** Oct 15, 2020

**SUBMITTED BY:** Drew Paxton

**EXHIBITS:** [20201013\\_Ordinance\\_2020-20 Amending Thoroughfare Plan K2050 - Second reading.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$0	\$0	\$0	N/A

**PAYMENT TO BE MADE TO:** N/A

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**Kerrville 2050 Item?** Yes  
**Key Priority Area** C - Community / Neighborhood Character and Place Making  
**Guiding Principle**  
**Action Item**

**SUMMARY STATEMENT:**

This update to the Thoroughfare Plan has come about after reviewing ongoing projects and comments from citizens.

The first amendment adjusts the conceptual alignment for a future collector around the new KISD Middle School site.

The second amendment removes a future collector from the plan. Based on the existing conditions, topography, and level of existing development, it is unlikely that this collector would be built in this location. Overall, connectivity across our community is still a goal of the Thoroughfare Plan and these adjustments are intended to provide more clarity for any future developments.

City Council approved Ordinance No. 2020-20 first reading on September 22, 2020.

**RECOMMENDED ACTION:**

Approve Ordinance No. 2020-20 on second reading.

**CITY OF KERRVILLE, TEXAS  
ORDINANCE NO. 2020-20**

**AN ORDINANCE AMENDING THE COMPREHENSIVE PLAN FOR THE CITY OF KERRVILLE, TEXAS (KERRVILLE 2050), PURSUANT TO CHAPTER 213 OF THE TEXAS LOCAL GOVERNMENT CODE; BY AMENDING THE THOROUGHFARE PLAN CONTAINED THEREIN TO REALIGN FUTURE CONNECTIONS FROM OLYMPIC DRIVE AND DELETING A PROPOSED FUTURE CONNECTION FROM BEAR SKIN TRAIL TO RANCHERO ROAD**

**WHEREAS**, City Council adopted Ordinance No. 2018-13 on June 26, 2018, which adopted the *City of Kerrville Comprehensive Plan – Kerrville 2050* (“Comprehensive Plan”); and

**WHEREAS**, the City’s long-term roadway system was addressed as part of the Comprehensive Plan’s Thoroughfare Plan (Ch. 8); and

**WHEREAS**, City Council now finds that the Comprehensive Plan should be amended to 1) realign future connections from Olympic Drive stemming from the City’s ongoing work to extend that street in conjunction with the construction of the new middle school; and 2) to delete a future connection from Bear Skin Trail to Rancho Road; and

**WHEREAS**, City Council finds that these amendments comply with Section Two of Ordinance No. 2018-13, in that such amendments are now made after careful study and consideration and on a showing of substantially changed circumstances; and

**WHEREAS**, City Council finds that a public hearing was held on the proposed revision to the Comprehensive Plan as required by law, Council has heard and considered any comments, and as such, Council finds it in the public interest to amend the Comprehensive Plan as provided herein;

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

**SECTION ONE.** The *City of Kerrville Comprehensive Plan – Kerrville 2050*, is amended as follows, each of which is depicted as set forth in **Exhibit A**:

- A) realignment of future connections from Olympic Drive; and
- B) delete a future connection from Bear Skin Trail to Rancho Road.

**SECTION TWO.** The provisions contained herein shall amend and revise, as appropriate, the provisions of Ordinance No. 2018-13. Such amendments will be accounted for on the Thoroughfare Plan by the City Manager or designee, noting the date and number of this Ordinance making the amendments. Further, that 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 THREE.** If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this Ordinance. The Council of the City of Kerrville, Texas, hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

**PASSED AND APPROVED ON FIRST READING, this the 22 day of SEPTEMBER A.D., 2020.**

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

\_\_\_\_\_  
Bill Blackburn, Mayor

APPROVED AS TO FORM:

ATTEST:

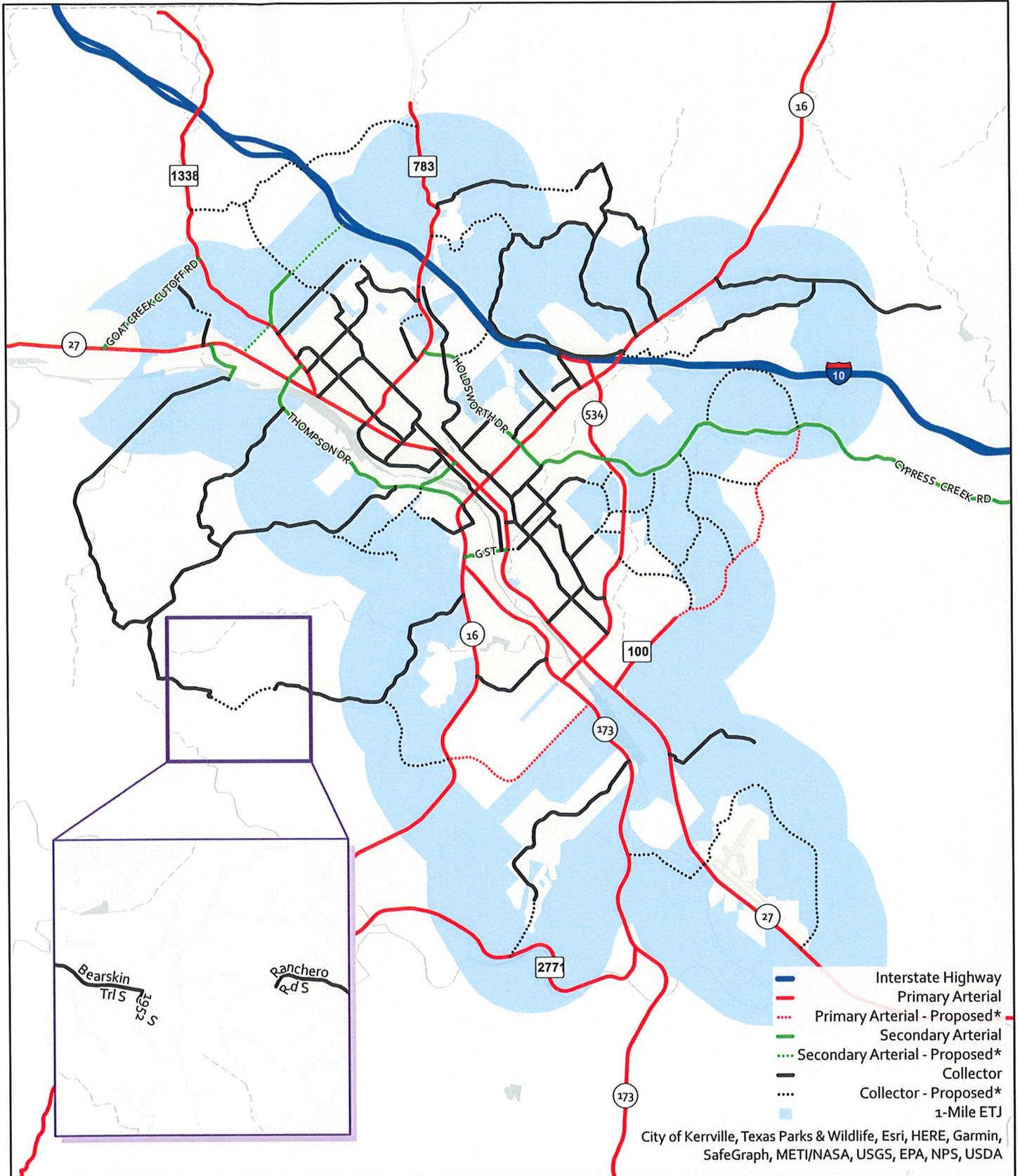


\_\_\_\_\_  
Michael C. Hayes, City Attorney

\_\_\_\_\_  
Shelley McElhannon, City Secretary

# Exhibit "A"

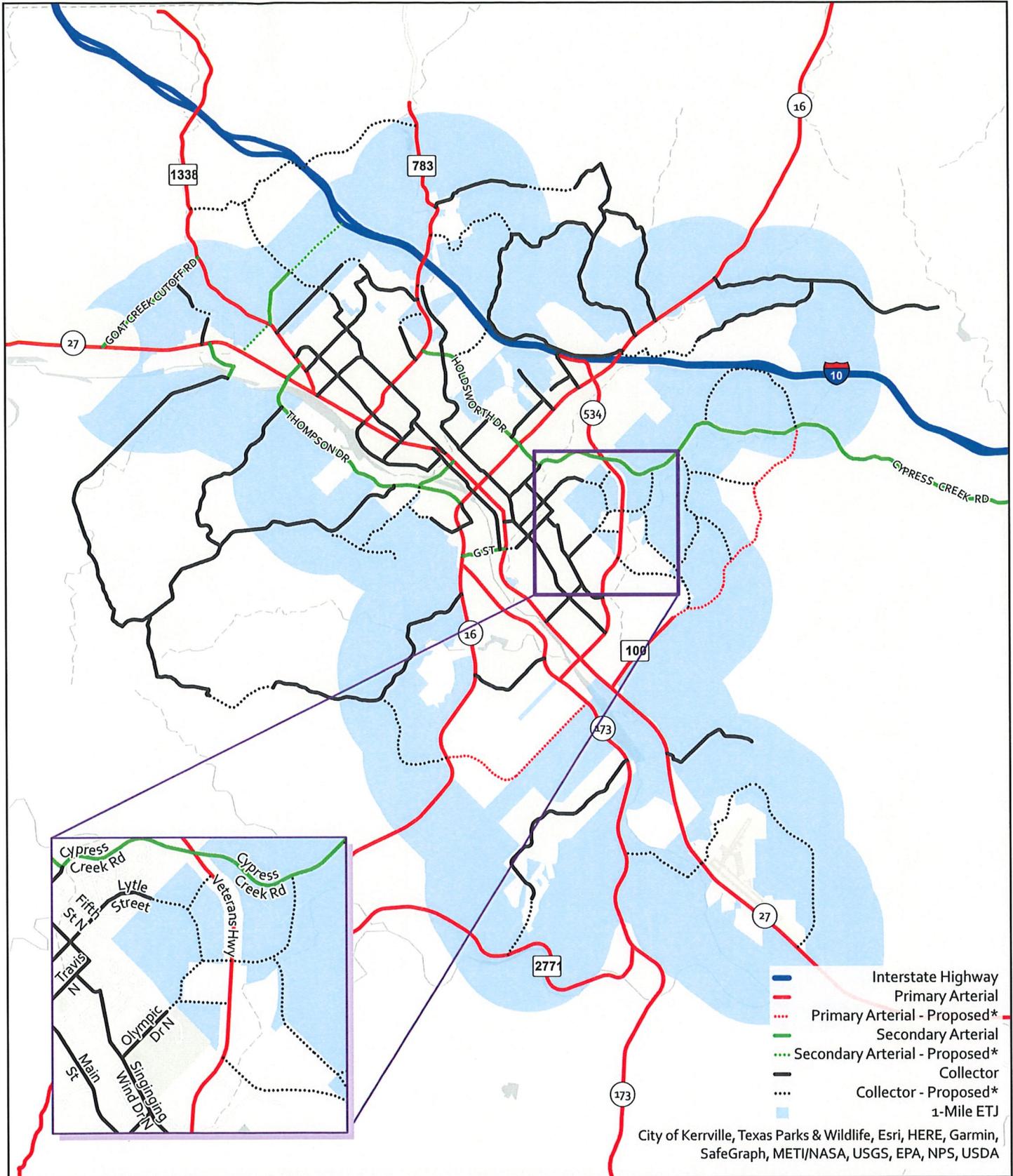
## Removal of Proposed Collector



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

# Exhibit "B"

## Realignment of Proposed Collector



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.



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

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**SUBJECT:** Briefing and possible action as to the City's ongoing preparedness and response to COVID-19 (Coronavirus).

**AGENDA DATE OF:** October 13, 2020    **DATE SUBMITTED:** Aug 12, 2020

**SUBMITTED BY:** Shelley McElhannon

**EXHIBITS:**

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
N/A	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

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

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**SUMMARY STATEMENT:**

On-going responsiveness to changing conditions and situations.

**RECOMMENDED ACTION:**

Actions for the preparedness and response to COVID-19 (Coronavirus) circumstances.