AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, MARCH 12, 2013, 6:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, MARCH 12, 2013, 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION offered by Allen Noah, Pastor of Barnett Chapel.

PLEDGE OF ALLEGIANCE TO THE FLAG led by Sam Barker of the Military Officers Association of America.

Those in attendance may stand if they wish.

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

2. RECOGNITIONS AND PRESENTATION:
2A. Recognition of City Secretary Brenda Craig for being nominated as TMCA Municipal Clerk of the Year 2012 by the Texas Municipal Clerks Association. (staff)

2B. Recognition of city for excellence in financial reporting by the Government Finance Officers Association. (staff)

3. CONSENT AGENDA:
These items are considered routine and can be approved in one motion unless a city councilmember asks for separate consideration of an item. It is recommended that city council approve the following items which will grant the mayor or city manager the authority to take all actions necessary for each approval:
3A. Minutes of the regular meeting held on January 22, 2013, and the special meeting held on January 25, 2013. (staff)

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-258-1117 for further information.
I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time, March 8, 2013 at 4:00 p. m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Deputy City Secretary, City of Kerrville, Texas

3B. A resolution amending the City of Kerrville fee schedule by eliminating the fee for copying charges at the Kerr Regional History Center. (staff)

3C. Construction contract with Kendnel Kasper Construction, Inc. for construction of improvements to the Butt-Holdsworth Memorial Library lower level project in the amount of $191,585.00 and additional change orders not to exceed a total contract amount of $229,902.00. (staff)

END OF CONSENT AGENDA

4. ORDINANCES, SECOND AND FINAL READING:

4A. An ordinance amending Article 10-IV-1 of the City of Kerrville Subdivision Code, commonly referred to as the city's "Subdivision Regulations", by amending Section 10-IV-1(B)(2)(D) of said regulations to address nonconforming lots; containing a cumulative clause; containing a savings and severability clause; providing for an effective date; ordering publication; and providing other matters related thereto. (staff)

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Economic development grant agreement between Fox Tank Company and the City of Kerrville, Texas Economic Improvement Corporation. (staff)

5B. Naming of new Scott Schreiner Golf Course Pavilion. (staff)

5C. Pending legislation from the 83rd Texas Legislature, Regular Session. (staff)

6. INFORMATION AND DISCUSSION

6A. Update on the Fiscal Year 2012 comprehensive annual financial report. (staff)

6B. Economic update. (staff)

6C. Water resources report (staff)

7. ITEMS FOR FUTURE AGENDAS

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____

Deputy City Secretary, City of Kerrville, Texas

8. 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 of Kerrville 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.

9. EXECUTIVE SESSION:

The Kerrville 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), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code, including the following matters:

Sections 551.071 and 551.072:

- River Trail
- Jefferson Street lift station
- G Street sewer project

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

11. ADJOURNMENT.

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Deputy City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Recognition of City Secretary Brenda Craig for being nominated as TMCA Municipal Clerk of the Year 2012 by the Texas Municipal Clerks Association. (staff)

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

SUBJECT: Recognition of Brenda Glenn Craig for her nomination and consideration by the Texas Municipal Clerks Association, Inc. (TMCA) for 2012 Municipal Clerk of the Year

FOR AGENDA OF: March 12, 2013 **DATE SUBMITTED**: March 8, 2013

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
$	**$**	**$**	

PAYMENT TO BE MADE TO:
REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

Ms. Craig was 1 of 14 city secretaries to be nominated for the 2012 Texas Municipal Clerk of the Year. She was selected from a membership that includes more than 900 municipal clerks throughout the State of Texas.

Ms. Craig is a certified municipal clerk through the TCMA. Certification through the TCMA program is very rigorous and requires the completion of college/university-level courses offered through the University of North Texas.

Certification requires more than 200 hours of written assignments completed, attendance of many seminars, and passing four final exams. Certification by the TCMA represents the highest level of professional achievement. Ms. Craig received her certification in January 1996. She has maintained her certification since 1996, which has required a significant amount of continuing education and research.

Ms. Craig has been an active member of the Hill Country Chapter of the TCMA and has served on the retirement committee, audit committee (two years as chairman), and as a current member of the TCMA scholarship committee for TMCA.

Ms. Craig is also the current President for the Hill Country Clerks Association, which covers a nine county area.

RECOMMENDED ACTION

Join the city manager in recognizing Ms. Brenda Glenn Craig for her nomination for the 2012 Municipal Clerk of the Year for the Texas Municipal Clerks Association, Inc. and to commend her for achieving and maintaining the highest levels of professional achievement.

Texas Municipal Clerks Association, Inc.

November 12, 2012

Brenda Craig
City Secretary
City of Kerrville
800 Junction Hwy
Kerrville, TX 78028

Dear Brenda,

Congratulations on being nominated for the Municipal Clerk of the Year for the Texas Municipal Clerks Association, Inc.

As you know, this is one of the highest honors that can be bestowed upon a municipal clerk through the Hill Country Chapter. The Executive Board and the membership are pleased to recognize you for your exemplary involvement and your many contributions to our profession. I know that the City of Kerrville is very proud of you!!!!

I am so honored to know you and having served with you, I know you have a servant's heart. The passion that you portray to all municipal clerks exemplifies a true public servant. TMCA, Inc. is pleased to honor you through this nomination

Please accept the enclosed certificate honoring you as the Municipal Clerk of the Year nominee for the Hill Country Chapter.

Sincerely

LeAnn

LeAnn Gallman, TRMC/MMC
President, TMCA, Inc.

Texas Municipal Clerks Association, Inc.
1155 Union Circle #305067, Denton, Texas 76203
940-565-3488 • municlerks@unt.edu • http://municlerks.unt.edu

The Texas
Municipal Clerks Association, Inc.

Presents this Certificate of Recognition to

Brenda Glenn Craig

Hill Country Chapter

for being nominated TMCA, Inc.
Municipal Clerk of the Year

The Texas Municipal Clerks Association, Inc., affirms that the person named above shall hold and enjoy a place of high esteem in the minds and hearts of its members. By the authority in me vested as President of the TMCA, Inc., I have hereto this day affixed my signature and the Seal of the Association on this

the 9th day of November, 2012 A.D.

Secretary

President

Agenda Item:

2B. Recognition of city for excellence in financial reporting by the Government Finance Officers Association. (staff)

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

SUBJECT: Presentation of Certificate of Achievement for Excellence in Financial Reporting.

FOR AGENDA OF: March 12, 2013 **DATE SUBMITTED**: March 8, 2013

SUBMITTED BY: Mike Erwin
Director of Finance

CLEARANCES: Todd Parton
City Manager

EXHIBITS:
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

PAYMENT TO BE MADE TO:
REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

The City of Kerrville is pleased to announce that the Department of Finance has received the Government Finance Officers Association of the United States and Canada's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its 2011 comprehensive annual financial report. The City has received this award for twenty-eight (28) years in a row beginning in 1984.

I am proud that our organization has such an outstanding track record with this award. Credit for this accomplishment is due directly to Sandra Yarbrough, Sai Vongchampa, Kathy Schneider, Trina Rodriguez and Vanessa Silva.

RECOMMENDED ACTION

The Mayor will present the award and a special recognition to the City's Finance Department.

Agenda Item:

3A. Minutes of the regular meeting held on January 22, 2013, and the special meeting held on January 25, 2013. (staff)

CITY COUNCIL MINUTES KERRVILLE, TEXAS
REGULAR MEETING JANUARY 22, 2013

On January 22, 2013, the Kerrville City Council meeting was called to order at 6:00 p.m. by Mayor Pratt in the city hall council chambers at 701 Main Street. The invocation was offered by Lieutenant Phon Kamphouthasak with the Salvation Army, followed by the Pledge of Allegiance led by Cadet Captain Romeo Garza, of the Tivy High School Junior Reserve Officer Training Corps.

COUNCILMEMBERS PRESENT:

Jack Pratt	Mayor
Stacie Keeble	Mayor Pro Tem
Gene Allen	Councilmember
Carson Conklin	Councilmember
Justin MacDonald	Councilmember

COUNCILMEMBER ABSENT: None

CITY EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Charvy Tork	Director of Information Technology Systems
Mike Erwin	Director of Finance
Robert Ojeda	Fire Chief
John Young	Police Chief
Jason Lutz	City Planner
Charlie Hastings	Director of Public Works
Laura Bechtel	Library Director
Misty Kothe	Main Street Manager

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

1. **VISITORS/CITIZENS FORUM** No visitors spoke.

2. **RECOGNITION AND COMMENDATIONS**

2A. Recognition of Citizens Police Academy Alumni Association.
Councilmember Conklin recognized the CPAAA for many of the programs they have become involved in, volunteering 1,000 hours since August 2012. Through the Blue Santa Program they helped 70 families and 148 children have a nice Christmas by providing food and toys. In addition, the CPAAA provided support to a KPD sergeant who was serving in Afghanistan, as well as his family here.

3. **CONSENT AGENDA**:

Mr. MacDonald moved for approval of items 3A through 3D; Mr. Allen seconded the motion and it passed 5-0:

3A. Approve minutes of the October 23, 2012 regular meeting, the November

13, 2012 special meeting, and the regular meeting held on November 13, 2012.
3B. Purchase of a 120H Caterpillar Motor Grader in the amount of $104,956.62 for Public Works, Street Division.
3C. Resolution No. 04-2013 changing the regular meeting time of the City Council scheduled for February 12, 2013.
3D. Council authorization for the City Manager to enter into a Professional Services Agreement with Freese & Nichols, Inc. to perform a Water System Master Plan update and provide a Master Plan for the Water Treatment Plant in an amount not to exceed $166,500.00.
END OF CONSENT AGENDA

4. ORDINANCE, FIRST AND ONLY READING:
4A. Ordinance No. 2013-01authorizing the issuance, sale and delivery of up to $10,000,000 in aggregate principal amount of "City of Kerrville, Texas Combination Tax and Revenue Certificates of Obligation, Series 2013"; securing the payment thereof by authorizing the levy of an annual ad valorem tax and a pledge of certain surplus revenues of the city's waterworks and sewer system; and approving and authorizing the execution of a paying agent/registrar agreement, an official statement and all other instruments and procedures related thereto. Mayor Pratt read the ordinance by title only.

Mr. Erwin introduced Tom Spurgeon and Richard Ramirez with First Southwest Company. Mr. Erwin noted the bond issue would fund water and sewer capital needs, and the utility rate increase passed in October 2012 would be sufficient to fund bond payments. The city's bond rating had been upgraded from AA- to AA, and the proposed interest rate was 2.103898. He recommended approval.

Mr. Allen moved to adopt Ordinance No. 2013-01 on first and only reading; Mr. Conklin seconded the motion and it passed 5-0.

5. ORDINANCES, SECOND AND FINAL READING:
5A. Ordinance No. 2013-02 amending Chapter 66, "Library," of the Code of Ordinances of the City of Kerrville, Texas; by amending Article II "Library Advisory Board" to change the composition and qualifications of the Library Advisory Board; containing a cumulative clause; containing a savings and severability clause; and providing other matters relating to this subject. Mayor Pratt read the ordinance by title only.

Ms. Bechtel noted that the ordinance was being amended as a result of the county not participating in funding library operations, and due to the addition of electronic devices at the library. The ordinance was amended after first reading to reflect council's direction that any person who maintained a library card in good standing would be eligible to serve on the library advisory board.

Mr. Parton noted the fee structure as established would allow patrons to select the desired level of service, and allowed exceptions for those persons who either donated $100 annually or who volunteered at least 10 hours a month at the library. An example of the two groups whose members could receive a library card under this were the Friends of the Library and the Genealogy Society, because they worked under the auspices of the library operation, provide research to the library, and in the case of the Friends, actively did fundraising that benefited the library. The one group that might not be covered under that exception would be the library foundation as their mission was to serve Kerr County and there was not a direct link between the foundation and the city library.

Mr. MacDonald moved to adopt Ordinance No. 2013-02 on second and final reading; Mr. Conklin seconded the motion and it passed 5-0.

5B. Ordinance No. 2013-03 amending Chapter 102 "Traffic and Vehicles," Article II "Administration; Enforcement" of the Code of Ordinances of the City of Kerrville, Texas by amending Sections 102-35 and 102-36 to increase the penalty for parking violations; adopting a new Section 102-37 to establish presumptions applicable to the adjudication of parking citations; containing a cumulative clause; containing a savings and severability clause; providing for an effective date; ordering publication; and providing other matters related thereto. Mayor Pratt read the ordinance by title only.

Mr. Parton noted the ordinance reflected changes discussed at previous meetings, increasing the parking fine from $5 to $25; however, if a fine was not paid in accordance with city policy, the fine could double to $50. The ordinance complied with the overall downtown parking strategy and was consistent with recommendations of the downtown parking committee. (Item 9A)

Mr. Conklin moved to adopt Ordinance No. 2013-03 on second and final reading; Ms. Keeble seconded the motion and it passed 5-0.

6. PUBLIC HEARING AND ORDINANCE, FIRST READING:

6A. An ordinance amending Article 10-IV-1 of the City of Kerrville Subdivision Code, commonly referred to as the City's "Subdivision Regulations", by amending Section 10-IV-1(B)(2)(D) of said regulations to address nonconforming lots; containing a cumulative clause; containing a savings and severability clause; providing for an effective date; ordering publication; and providing other matters related thereto. Mayor Pratt read the ordinance by title only.

Mr. Lutz addressed the issue of certain non-conforming lots by updating the date that exempted certain tracts of land from the city's platting requirements from January 1, 1981, to the date of passage of this ordinance; however, applicants would still have to meet other platting requirements.

Mayor Pratt declared the public hearing open at 6:19 p.m.; no one spoke; Mayor Pratt closed the public hearing at 6:19 p.m.

Mr. Allen moved to approve the ordinance on first reading; Mr. MacDonald seconded the motion and it passed 5-0.

7. **ORDINANCE, FIRST READING:**

7A. An ordinance amending the budget for Fiscal Year 2013 to account for various changes to the City's operational budgets, donation to the City's Library, and closing out and supplementing capital improvement projects.
Mayor Pratt read the ordinance by title only.

Mr. Erwin detailed the amendments: 1) $200,000 increase for demolition of former city hall; 2) $17,000 purchase of special operations unit body armor through their program income; 3) $260,000 trust donation that would go to the library memorial fund to be used on Phase II of library renovation through the capital improvement program; 4) $90,000 (fund balance) for repairs at the history center; 5) $40,000 acceptance of Peterson Foundation grant for parking garage lighting; 6) closing and moving funding for CIP. Mr. Erwin noted the donation to the library memorial fund could not be used for general library operations.

Mr. Conklin moved to approve the ordinance on first reading; Mr. Allen seconded the motion and it passed 5-0.

8. **CONSIDERATION AND POSSIBLE ACTION:**

8A. Resolution No. 05-2013 adopting the City of Kerrville Utility Master Plan.
Ms. Ondrias noted the plan prepared by Freese & Nichols, Inc. was based on information presented at several planning workshops that addressed land use assumptions, wastewater collection system, and wastewater treatment plant. The plan included an integrated capital improvement plan; she recommended adoption of the plan to be used as a guide for future capital planning.

Mr. Allen moved for approval of Resolution No. 05-2013; Mr. Conklin seconded the motion and it passed 5-0.

8B. Request by citizen to review the City's Sign Code, Chapter 6, Article II of the Code of Ordinances. John Miller stated that recent sign ordinance amendments regarding restrictions in the downtown core area made it virtually impossible for him to use his existing electronic sign at Main Street and Sidney Baker. He understood that the primary purpose of the downtown core was to relieve building setback and side lot line requirements and parking restrictions. He discussed the characteristics and boundary of the downtown core area and noted that his property was directly across the street from the downtown core. Under the new sign ordinance, electronic signs were prohibit in the downtown core and on properties across the street from the downtown core. Existing signs, such as his, were grandfathered; however, older technology limited signs to two rows of eight characters. The new sign ordinance prohibited scrolling messages and established the 4 second rule, thereby making his sign unusable.

Mr. Miller wanted to improve his sign and go to newer technology with a sign 20 sq. ft. or more (existing sign was 11 sq. ft.), but could not under the new ordinance. He noted the city's sign at the Cailloux Theater was 32 sq. ft., and it also was located directly across the street from the downtown core.

Mr. Miller noted his sign was grandfathered when the previous sign ordinance passed, and he assumed it would be grandfathered this time, but it was not. Mr. Conklin noted that even though electronic signs were prohibited in the downtown core, Mr. Miller's sign was grandfathered in that it was allowed to remain, and he could replace the sign at the same size, but not exceed 11 sq. ft. This was consistent with council's recent action on another request whereby the applicant was allowed to replace a sign at the existing size but not a larger sign.

Mr. Miller agreed that the downtown character should be maintained and that electronic signs were not appropriate in the downtown core where there were common-wall buildings and buildings right up to the sidewalks or in the public right of ways; however, his property on Main Street did not have any historic characteristics and would not affect the integrity of the downtown core. He applied to the planning and zoning commission for a variance, but PZC denied the variance. He requested:
1) The last sentence be removed under Section 6-35.1. Downtown Core, which stated: "The street borders include properties on both sides of the street." Or, as an alternative,
2) Change Ordinance 2012-05, P. Electronic Signs: 3) must operate in a way that its message remains static for a minimum of four seconds; 4) must operate in a way that all screen transitions occur within one second such that the initial message does not fade, dissolve, or travel; and 5) may not use motion, such as a scrolling message.

The following persons spoke:
1. Traci Carlson, representing the Historic Downtown Business Alliance, encouraged council to uphold the amendment to the sign code regarding downtown core. The committee had spent much time and effort on the amendments, and she felt the integrity of the sign ordinance and the downtown core would be compromised if both sides of the street were not included. Integrity was important to the downtown.

2. Bill Rector noted he was a member of the Kerr County Historical Commission and a downtown property and business owner. He served on the sign ordinance amendment committee a few months ago, and the committee intentionally placed the downtown core requirements in the ordinance to protect the historic character of the downtown area. They tried to encourage Mr. Miller to look at a sign similar to the bank at Clay and Main, or to relocate his sign to his corner on Jefferson and Sidney Baker away from the downtown core. He opined that electronic signs were not appropriate in the historic core and asked council not to allow the perimeter of the downtown core to be encroached upon by electronic signs. When questioned about another sign at Main and Sidney Baker, Mr. Rector noted that sign was not in compliance, but was grandfathered. When a change in ownership occurs, those signs would have to be removed and new signs would have to comply with the sign

ordinance, including the downtown core requirements. He felt that a lot of time and compromise went into the sign code, and if people did not want to comply, they could go before the planning and zoning commission and request a variance.

3. Bruce Stracke noted the city's sign at the Cailloux Theater was not in the downtown core or across the street from the downtown core as was Mr. Miller's sign; rather, it was a block away from the downtown core. As a downtown business owner he liked the direction the city was going, and the zoning committee was trying to correct past mistakes and make downtown the best it can be, and the city needed good guidelines to do that.

4. Jack Millikan, representing Riverside Nature Center, stated he supported Mr. Miller's proposal. Mr. Miller provided a service to the community without charge, but under the current ordinance RNC was not able to get their activities advertised on the existing sign because of limitations. He asked council to consider the whole aspect of the issue.

5. Cory Traub, owner of Pro Tech Sign Company, supported Mr. Miller's request and discussed changes in technology. He was on the committee that recently reviewed the sign ordinance, but he did not agree with 70% of the ordinance and opined there were a lot of problems with the current ordinance and recommended changes. Mr. Miller's sign would not make an ugly downtown core.

6. Carolyn Lipscomb asked when a sign was grandfathered if that applied to the scrolling aspect of the sign. She understood that new signs could not scroll but an existing screen could continue to scroll. She understood that grandfathering was never intended to render a sign useless or non-functional; if a sign was rendered useless by a change in programing, could the program be grandfathered?
Mr. Conklin noted that grandfathering applied only to the size and location of the sign; the time of the message was a programing issue and could be modified on any existing sign; therefore scrolling was not grandfathered. The issue with older signs was that they were not able to display some messages, and the ordinance did not address the type of electronic sign.

Council also discussed the following:

- Under the ordinance the downtown core restrictions applied to the entire property, so if Mr. Miller relocated his sign to Jefferson and Sidney Baker he still would not be able to make the sign larger. The sign was only grandfathered at its current location at its current size.
- Mr. Miller's business brought in tax dollars and his property was the best landscaped property in downtown.
- If Mr. Miller replatted his property, would he then be able to have a monument sign at the current location and electronic sign at Jefferson and Main.

Mr. Lutz noted that replatting was an option provided that lots established met platting requirements and signs met the restrictions of the sign ordinance. At the city's request, Mr. Miller recently replatted 12-14 lots into one lot.

• Questioned the logic of requiring a property outside of the affected boundary and on the other side of the street, having to comply with the same restrictions as property inside the boundary of the downtown core? Should properties outside the boundary be affected the same as those inside the boundary? Mr. Lutz noted the purpose was to create uniformity along the street boundary.
• Parties on both sides of the sign ordinance issue did not agree with everything in the ordinance; the sign ordinance amendments were a compromise.
• Whether a sign was used for community service messaging or not should have no bearing on sign restrictions.
• The downtown core was not created to waive setback and parking equirements; it was a distinct area and boundary established with a specific purpose in mind.

Mr. Parton suggested if the sign ordinance was opened up for review again, council may want to look at the issue of the 18" limit on awning signs.

Mr. Conklin moved to direct staff to revise the signage ordinance to delete the sentence requiring property outside the identified boundary of the downtown core to be restricted by the rules put in place governing the downtown core signage; further, for staff to bring back additional items for consideration on specific issues in the sign ordinance. Mr. MacDonald seconded the motion and it passed 5-0.

8C. <u>City's acquisition of easements with respect to the Jefferson Street Lift Station Project, G Street Sewer Project, and the River Trail</u>.
Item was deferred to executive session.

8D. <u>Project funding agreement between the City of Kerrville, Texas Economic Improvement Corporation (EIC) and the City of Kerrville, Texas for downtown streetscape design</u>.
Mr. Parton noted council previously directed staff to make application to EIC to fund a downtown streetscape master plan. On December 17 EIC approved the funding agreement based on the same scope and budget as presented to council.

Ms. Keeble moved to approve the funding agreement as presented; Mr. Allen seconded the motion and it passed 5-0.

8E. <u>Economic development grant agreement between Kerr Economic Development Corporation (KEDC) and the City of Kerrville, Texas Economic Improvement Corporation (EIC)</u>.
Mr. Parton noted this was the annual agreement between EIC and KEDC for economic development services and would provide the allocation of $127,000 to KEDC's funding request for FY2013.

Ms. Keeble moved to approve the agreement as presented; Mr. MacDonald seconded the motion and it passed 5-0.

8F. Interview team for board appointment process to include council liaison member.
Councilmember Conklin noted that the two councilmembers who comprise the interview team for board appointments did not always include the council liaison member to that board.

Mr. Conklin moved that Mr. MacDonald serve on the interview team for the planning and zoning commission, Mr. Allen on the parks and recreation advisory board interview team, and Ms. Keeble on the food service advisory board interview team. Mr. MacDonald seconded the motion and it passed 5-0.

9. INFORMATION AND DISCUSSION

9A. Report on downtown parking strategy.
Scott Rain, Chairman, and Aaron Yates, member, of the Main Street Advisory Board (MSAB) noted the MSAB and Historic Downtown Business Alliance (DBA) had worked together to identify areas of concern. They provided a downtown parking survey that identified three types of parking: public, quasi-public , (combined 914 spaces), and private (333), for a total of 1,247 within two blocks of Earl Garrett and Water Street. Many businesses did not have their own parking, and the number of employees parking in downtown daily was 290; this did not include the Schreiner One Center as those figures were not provided. Based on the findings: 1) There was a "perceived" parking shortage particularly during peak hours 11:00 a.m.-2:00 p.m. Monday-Friday; 2) Concern about some employees and business owners parking on the street and taking up valuable spaces for customers; and 3) Lack of enforcement, i.e. parking limits and fines.

Mr. Rain noted the committee recommended the following short-term solutions: 1) Raise parking fine to $25; 2) Increase parking time limit from 2 hours to 3 hours; 3) Better marketing and education of existing parking options, particularly the city's parking garage, e.g. parking signs, wayfinding signs, advertising. The city's parking garage provided covered parking, was clean, well lit, within 1-2 blocks, no time limit, and free to the public. The committee's long term recommendation was to create an employee only parking lot as land becomes available in downtown.

The following persons spoke:
1. Bill Rector noted the Historic Downtown Business Alliance had taken a pro-active approach to parking and asked employees to not park on the street and allow on-street parking for customers. The city's parking garage was clean, well lit, and free parking to the public.

2. Larry Hesketh noted there were 10-12 parking spaces behind KACC.
Mr. Rain noted the survey did not count designated business parking spaces and assumed those spaces were for KACC employees and not specifically for visitors.

Council also discussed the following:
- The downtown parking problem was a "perceived" problem.

• Public facilities and city revenue were largely tourism based; questioned whether the Kerr Arts and Cultural Center (KACC) and the Schreiner Museum had been contacted about extending the parking time from 2 hours to 3 hours as extending the time period could result in denying visitors access to those facilities.

3. Traci Carlson noted that KACC was contacted, and they felt the 3 hour parking time limit could increase the amount of time that visitors had to look at exhibits; 2 hours was not enough time, 3 was adequate, but 4 may lead to employee parking.

The consensus of the council was to direct staff to continue to work with the MSAB and DBA on the recommendations stated in the report, particularly wayfinding signage and marketing the parking garage.

9B. Report of Kerrville Economic Development Corporation activities.
Mr. Conklin reported on the following:
• Fox Tank second phase: Economic Improvement Corporation (EIC) voted on January 14 to approve the framework for a $150,000 package for infrastructure and machinery for fabrication of oil separator units; could add 30 jobs.
• Wine industry: KEDC approved business plan and objectives on December 20.
• Revolving loan fund: Businesses that would not qualify for private financing or traditional economic development incentives could draw from a revolving loan fund supported by EIC.
• Business incentive guidelines: KEDC and EIC were working to create policies and frame work.
• Prospects: 1) Odessa prospect was making their third site visit to Kerrville in February, could create between 4-20 jobs; 2) A local manufacturer was planning to invest $.5 million in new plant expansion and equipment, could create up to 65 jobs; and 3) A local manufacturing company planned the expansion of a new product line, could create up to 20 new jobs. KEDC was also looking at locations for these prospects.

9C. Budget/Economic Update.
Mr. Erwin noted that nationally the housing market was improving and unemployment was down; local sales and hotel occupancy taxes were up; and the general fund and the water/sewer fund were on budget. He noted a special council budget workshop was scheduled for Friday, January 25, 8:30 a.m.

9D. Beautification Committee Endorsement of Republic Services Good Stewards Project.
Sheri Jones, representing Republic Services, noted that Republic proposed to hold quarterly cleanups along three miles: Highway 27 in May; Holdsworth Drive in August, and Highway 173/Bandera Highway in December. Republic would also encourage participation of customers and volunteers.

Mayor Pratt noted the beautification committee approved the project January 10.

10. BOARD APPOINTMENTS:

10A. Appointment of a member of the Kerrville City Council to the Kerrville Citizen Police Academy Alumni Association Board of Directors.
Mr. Allen moved to appoint Justin MacDonald to the Kerrville Citizen Police Academy Alumni Association Board of Directors; Mr. Conklin seconded the motion and it passed 5-0.

10B. Appointments to the main street advisory board.
Mr. Conklin moved to reappoint Shelby Braswell, Scott Rain, Rich Schneider, and Aaron Yates; and to appoint Leticia Perez all with terms to expire January 31, 2015. Mr. Allen seconded the motion and it passed 5-0.

10C. Appointments to the planning and zoning commission. This matter was deferred to executive session and acted upon under Item 14 below.

11. ITEMS FOR FUTURE AGENDAS: None.

12. ANNOUNCEMENTS OF COMMUNITY INTEREST:

- Gene Smith, President of Doyle School Community Center, noted about 30 people attended the Martin Luther King celebration on January 21 at 11 a.m.
- An update was requested on the downtown underground utilities project; Mr. Parton noted staff was finalizing agreements, and there were some relocation issues with property owners. Mr. Parton will provide council an update.
- The February 12 council meeting would begin at 5:00 p.m. to allow council to attend the Mardi Gras celebration at 6:00 p.m.

13. EXECUTIVE SESSION:

Mr. Conklin moved for the city council to go into executive closed session under Sections 551.071, 551.072, and 551.074 of the Texas Government Code; the motion was seconded by Mr. MacDonald and passed 5-0 to discuss the following matters:

Section 551.074:

- Appointments to the planning and zoning commission.

Sections 551.071 and 551.072:

- Discuss the purchase, exchange, lease, sale, or value of real property, the public discussion of which would not be in the best interests of the city's bargaining position with third parties, regarding property interests related to the following public works projects:
  - Jefferson Street lift station
  - G Street sewer project
  - River trail.

At 8:02 p.m. the regular meeting recessed and council went into executive closed session at 8:06 p.m. At 9:39 p.m. the executive closed session recessed and council returned to open session at 9:40 p.m. The mayor announced that no action had been taken in executive session.

14. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

10C. Appointments to the planning and zoning commission.

Mr. MacDonald moved to reappoint John Bart Stevens and to appoint Edward Hamilton and William Morgan as regular members; and to appoint Garrett Harmon as an alternate member; all with terms to expire January 1, 2015. Mr. Conklin seconded the motion and it passed 5-0.

ADJOURNMENT. The meeting adjourned at 9:41 p.m.

APPROVED: ________________ ____________________________
Jack Pratt, Jr., Mayor

ATTEST:

____
Brenda G. Craig, City Secretary

CITY COUNCIL MINUTES KERRVILLE, TEXAS
SPECIAL MEETING JANUARY 25, 2013

On January 25, 2013, the Kerrville City Council held a special meeting, budget workshop, at 8:30 a.m. in the city hall upstairs conference room at 701 Main Street.

COUNCILMEMBERS PRESENT:

Jack Pratt	Mayor
Stacie Keeble	Mayor Pro Tem
Carson Conklin	Councilmember
Justin MacDonald	Councilmember

COUNCILMEMBER ABSENT: None

Gene Allen	Councilmember

CITY STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Mike Erwin	Director of Finance
Kim Meismer	Director of General Operations
Robert Ojeda	Fire Chief
John Young	Police Chief
Charlie Hastings	Director of Public Works
Stuart Barron	Water/Wastewater Division Manager
Susan Michelson	Municipal Court Clerk
Malcolm Matthews	Director of Parks and Recreation
Laura Bechtel	Director of Library Services

VISITORS PRESENT: None present.

DISCUSSION AND DIRECTION TO STAFF REGARDING PROPOSED FY2014 BUDGET

Mr. Parton described the FY14 budget as a sustainability plan that maintained current system programing, utility rates, tax rate, and met debt requirements, without issuing additional tax supported debt. He reviewed the council's goals and discussed efforts in the past to control expenditures in order to build the reserve fund to 25% and to achieve fiscal sustainability. He noted that interlocal contracts with the county would expire September 30, 2014, and discussions with the county should begin soon; however, the city should plan for fiscal sustainability without county participation.

Mr. Parton reviewed budget projections and noted that deferred utility systems maintenance from prior years resulted in rate increases in FY13 to cover major expenditures. Barring unknown factors, the city should be able to achieve the 20 year capital improvement plan (CIP), as recommended by Freese & Nichols at $49 million, under the current utility rate structure on a pay-as-you-go basis without issuing additional debt or a utility rate increase through 2019. The utility fund could not issue additional debt without increasing rates. Council requested staff determine what the rates would have to be to cover such a bond. He noted the 20 year CIP list did not include any annexations; as property is annexed, additional revenue and expenditures will occur. The annual projected growth rate was 1%.

Mr. Erwin noted the total FY14 revenue comprised about $8 million ad valorem tax and $5 million sales tax.

Council suggested staff place articles in the chamber newsletter about capital improvement plan projects, and utility rate comparison, and note the city was attempting to catch up with previous neglect and staying within the existing tax rate and utility fees.

Mr. Parton noted the FY14 budget was based on the following assumptions:
-Maintain current level of full time employees for foreseeable future
-3% employee raises across the board for FY14 and FY2015, and 2% raises thereafter; need to re-implement the step plan
-1.5% annualized inflation factor on recurring operating costs
-$1.0 million available for one-time capital
-Over $20 million water and sewer pay-as-you-go CIP over 10 years.

Mr. Parton noted the following outside key factors may affect the city's budget:
-Economy; he noted that 15% had to be cut from the city's budget in FY11
-Primary commercial/industrial businesses; consider increase in new businesses as well as possible closures and expansions, and tourism and events
-Legislative decisions; need to stay informed on any pending legislation that may affect the city, i.e. water issues, financing, tax reallocation to cities
-Other governmental agencies; particularly county interlocal agreements
-Inflation.

The budget anticipated 1% growth in assessed property valuation and continued sales tax recovery, and included recent annexations and business development. Mr. Erwin noted the main source of the sales tax increase was in manufacturing; tourism remained constant; and retail trade had a slight increase. Sales tax in the downtown area showed 10% growth in 2011-12 and 5% growth in the remainder of the city. New residential building permits continued to drop, down 54.29% in 2012 from 2006. Other building permits activity was down 9.94% from 2006.

Mr. Parton requested council authorize a budget amendment for FY13 to fund an employee compensation study, estimated at $45,000 for 91 positions, in order to have information in preparation for the FY14 budget. He noted the employee insurance plan had to be modified to meet the FY13 budget, and the city currently paid $6,800 per employee for health, dental, vision, and life. Ms. Meismer noted that under the Federal Health Care Act, the city's health insurance plan was considered affordable and the city would not incur a fine or penalty. Council requested that the compensation study include all benefits.

Mr. Hastings noted the city's water production supply was 45% surface, 15% ASR, 6% lake, and 34% groundwater. Mr. Barron noted that currently the city was storing all the water that was available; at this time, an additional aquifer storage recovery well was not being requested by staff.

Mr. Hastings noted the current cost per mile of street reconstruction by in-house crews was 40% less than contracting out the construction.

Mr. Erwin noted that Standard and Poors moved the city's debt rating from AA- to AA for the bond issue passed on January 22. S&P looked favorably on the city for raising its utility rates to cover debt before that debt was issued. He opined that before S&P would rate the city AAA, several things would have to occur: city adopt a debt policy, maintain consistent fund balance, and have a larger sustainable employment base. He noted that the city had a low debt rate per capita, and that debt service payments would start to fall off in 2021.

Mr. Parton noted the FY13 budget identified $600,000 in unexpended capital projects, and discussed the following priorities:
1. Central fire station: construction estimated at $400,000; renovations discussed were to extend 1800 sq. ft. to accommodate personnel and sleeping quarters, office space, training facility, laundry room, and equipment room. Also, drainage issues should be addressed; during heavy rains the drainage channeled through the truck bays. Central station is the smallest station but housed the most employees and had the most activity. Preparation of construction documents was estimated at $45,000-50,000.
2. History center: $5,000-10,000 to address structural issues, elevator shaft did not meet code; estimated $300,000-500,000 to do all renovation, elevator, structural, and second floor. Plan to submit renovation plan to foundations for grants.
3. Compensation study: discussed earlier.
4. New fire truck: set aside remainder of unexpended funds. The city's only ladder truck was 24 years old; NFPA guidelines specify 15 -20 years for first-line apparatus and up to 20 years for reserve apparatus; reliability issues with a 24 year old truck. Chief Ojeda noted this could, but not probable, affect the city's current ISO rating of 2. Estimated cost to purchase is $1.2 million; discussed lease-purchase options at 4-6% interest or bank loan purchase at 1-2% at 5-10 years. Staff noted that fire apparatus generally do not qualify for grants.

Council consensus was to instruct staff to prepare a budget amendment for the FY13 budget for the above four projects to be considered at the next meeting.

City executive staff members discussed additional specific requests:
-Chief Young noted a critical part of retaining trained officers was the police department's salary program, and noted salary compression issues between various levels and employees; he asked that the step plan be re-established. Also, he was consistently holding three vacancies plus three unfunded positions

and requested these positions be funded.
-Ms. Michelson asked council to consider funding: 1) Notification program calling system to notify defendants of pending court action, estimated at $7,000 and proposed to be funded from the technology fund which currently had a balance of $44,000; 2) Security cameras for municipal court outside and inside, estimated at $33,000 from the security fund balance of $54,000. Mr. Parton noted recurring expenses for security system may affect future budgets. The consensus of the council was to consider this in the FY14 budget.
-Chief Ojeda noted issues with retaining trained firefighter/paramedics; the city invested $20,000 for each firefighter to go through paramedic school and once certified, the person would resign and go elsewhere. He discussed a plan to increase incentive pay to attract paramedics, and a focus on hiring local people who are committed to the community.

Council requested staff provide information on the overall firefighter turnover rate, and the turnover rate of home-grown employees vs. outside hires.

-Chief Ojeda noted 2014 would be the 20th anniversary of the city taking over the EMS operation; since that time, the number of calls had increased 65%. He noted that often times all of the city's ambulances were on call at the same time, and when another EMS call comes in, the city has to decommission one fire unit to respond, taking that fire crew out of service and requiring the city to call in off-duty personnel. The city was depleting the fire service to provide EMS.
-Mr. Matthews noted the Louise Hays Park improvements and river trail projects would put additional demand on utilities and staffing requirements, which may affect future budgets.
-Ms. Bechtel noted the $200,000 shortfall in the FY13 budget for library services would have to be considered in planning future budgets.
-Mr. Barron noted the water master plan was nearing completion and it may show bottlenecks and issues that will have to be addressed. Mr. Parton noted that additional improvements may be recommended to be added to the CIP.
-Mr. Hastings noted the Allied Waste contract would expire in 2030; currently the city's waste was being transported to a landfill in San Antonio. He noted that the city initiated a landfill permit expansion permit in 2007 that was approximately 50% complete with an estimated $250,000-300,000 of work remaining, noting the permit would take several years to complete, and environmental laws were becoming more restrictive every year. He recommended the city have a landfill master plan, estimated at $25,000, which would determine landfill capacity, life of the landfill, post closure expenses, and compare the cost of the city operating the landfill and transfer station versus contracting the service.

ADJOURNMENT. The meeting adjourned at 11:45 a.m.
APPROVED: ________________ ____________________________
Jack Pratt, Jr., Mayor

ATTEST:

____
Brenda G. Craig, City Secretary

Agenda Item:

3B. A resolution amending the City of Kerrville fee schedule by eliminating the fee for copying charges at the Kerr Regional History Center. (staff)

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

SUBJECT: Amend FY2013 Fines and Fee Schedule for the Butt-Holdsworth Memorial Library to allow for complimentary printing and copying at the Kerr Regional History Center.

FOR AGENDA OF: March 12, 2013 **DATE SUBMITTED**: February 15, 2013

SUBMITTED BY: Laura Bechtel, Library Director **CLEARANCES:** Kimberly Meismer, Director of General Operations

EXHIBITS: Proposed FY2013 Fines and Fee Schedule for the Butt-Holdsworth Memorial Library.

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

Located on the Butt-Holdsworth Memorial Library campus, the Kerr Regional History Center provides access to historical and genealogical research materials, both print and electronic.

Under the current fee schedule, individuals pay $0.10 per page for items printed or copied. Staff proposes to amend the fee schedule to offer free printing and copying for patrons conducting research at the History Center. The public purpose served by providing free copies and prints at the History Center is twofold.

The History Center, a primary resource for local and family history, is a collection of materials not available for check-out. Many of the items are rare and valuable. The History Center has access to genealogical databases that are not available to patrons from home. In addition, the History Center is only open Tuesday through Saturday from 10 a.m. to 4 p.m. By granting free copies and prints, members of the public interested in researching their family history will be able gather information to conduct research off site and outside operating hours. The first goal is to promote the use of the History Center by members of the public to conduct genealogical research.

The History Center is currently manned by an entirely volunteer staff, which collects money for prints and copies made. By eliminating fees at the History Center, volunteers would not be held accountable for the collection of money. The use of a coin-operated printer and copier would not be a cost effective solution due to the low volume of printing and copying done at the History Center.

The second goal is to significantly reduce the amount of staff time required to account for the collection of money at the History Center. Two staff members are required to collect the money from the History Center. One staff member will prepare the deposit, totaling the money collected and the receipt totals. The second staff member is required to verify the deposit, due to a discrepancy between the two totals. The return for the City will be Library staff will have more time to devote to Library duties.

The History Center volunteers would enforce the rule of use of the printer and copier for historical and genealogical use only. The volunteers will monitor what is printed from the computer and generated on the copier. If the volunteer determines the items is not related to genealogical or historical research, the individual will not receive the items.

Printing and copying for a month will be capped at two reams of paper, which will be provided to the History Center at the start of each month.

If approved by Council, the History Center volunteers would oversee all printing and copying done to ensure that all work is done for historical and genealogical research.

RECOMMENDED ACTION

Staff recommends City Council approves the amended FY2013 Fines and Fee Schedule for the Butt-Holdsworth Memorial Library to allow for complimentary printing and copying at the Kerr Regional History Center.

Exhibit A

BUTT-HOLDSWORTH MEMORIAL LIBRARY FY 2013 AMENDED FEE SCHEDULE

	FINES / FEES
LIBRARY DEPARTMENT:	
Meeting Room:	
Meeting Room (per day)	$20.00
Piano (per day)	$10.00
Repair of damaged furniture, equipment or facility	Actual Cost
Gazebo:	
Gazebo (per day)	$30.00
Library Duplicating Services:	
Photocopiers (per page) - Black & White	$0.10
Photocopiers (per page) - Color	$0.25
Microform Reader/Printers (per page)	$0.10
Computer/Internet Printing (per page) - Black & White	$0.10
History Center Duplicating Services:	
Photocopiers (per page) - Black & White	$0.00
Microform Reader/Printers (per page)	$0.10
Computer/Internet Printing (per page) - Black & White	$0.00
Circulation Charges:	
Resident Card	No Charge
Nonresident Membership Materials Checkout Only (renewed each year)	$35.00
Nonresident Membership Computer Use Only (renewed each year)	$35.00
Nonresident Full Membership (renewed each year)	$65.00
Nonresident Temporary Membership Card (renewed each month)	$8.00
Library Card Replacement	$1.00
Fax Transmissions:	
United States (per page)	$1.00
International (first page)	$5.00
Each additional international page	$1.00
Any provider fees or surcharges	Actual Cost
Overdue Fines:	
· **Fines/fees between $1.00 - $4.99** – Patrons must pay $1.00 each time they use the library.	
· **Fines/fees between $5.00 – $9.99** – Patrons must pay $2.00 each time they use the library.	
· **Fines/fees $10.00 and above** – Borrowing privileges suspended.	
Books - Adults (per day/per item; $12.00 maximum)	$0.10
Books - Children (per day/per item; $5.00 maximum)	$0.10
Audiobooks and CDs (per day/per item; $12.00 maximum)	$0.10
DVDs and BluRay (per day/per item; $12.00 maximum)	$1.00
Story Time Kits (per day/per kit; $12.00 maximum)	$5.00
Other Kits (per day/per kit; $12.00 maximum)	$0.10
Overdue Electronic Device (per day; up to cost of item)	$10.00
Process Fee:	
Lost or Damaged Items - Non Electronic Device (per item plus actual replacement cost)	$6.00
Lost or Damaged Electronic Device Processing Fee	$25.00
Collection Agency Submission for Fine Non-Payment	$10.00
Electronic Device Fees	Any patron wishing to borrow an electronic device must sign a credit card authorization listing a valid credit card to be kept on file.
Electronic Device Deposit	$25.00
Electronic Device not returned according to policy	Actual Cost plus $6.00 Process Fee
Programs/Applications charged to the Library Account	
Lost / Damaged Items	Patrons who have failed to return library materials with a total value over $50 may receive a citation for violation of City of Kerrville Code of Ordinances, Section 66-39 (g) for failure to return property to the Library
Book (BHML - all ages)	Actual Cost plus $6.00 Process Fee
Book (History Center, rare, out of print)	Lesser of appraised value of item or $100
CDs (Book on CD, Music CD, MP3 CD)	Actual Cost plus $6.00 Process Fee
Individual CD in a set when available (Book, Music, or MP3)	$10.00 per disc plus $6.00 Process Fee
DVD (All ages - includes set)	Actual Cost plus $6.00 Process Fee
Kits (All ages)	Actual Cost plus $6.00 Process Fee

BUTT-HOLDSWORTH MEMORIAL LIBRARY FY 2013 AMENDED FEE SCHEDULE

	FINES / FEES
Apple iPad 2 (includes accessories) Amazon Kindle Fire (includes accessories) Dell Latitude E5410 laptop (includes accessories) Dell Latitude 2120 Mini Laptops (includes accessories) Samsung Galaxy Tablet (includes accessories)	Actual Cost of Item or next available generation of item if original is no longer on the market plus $25.00 process fee.
Electronic Device Accessories	Actual Cost plus $6.00 Process Fee
Interlibrary Loan:	
Any overdue item (per day/per item; $15.00 maximum)	$1.00
Lost or Damaged Item	Assessed by Lending Library
Lost or Damaged Item Processing (per item)	$6.00
Return Postage	No Charge
Any additional fees or charges to be determined by the lending library are the patron's responsibility	
Replacement of Miscellaneous Parts:	
CD/DVD case (Single)	$1.00
DVD case (Multiple)	$4.00
Book on CD case (Multiple, up to 12 CDs)	$12.00
Book on CD case (Multiple, up to 24 CDs)	$16.00
CD Jewel Case (Multiple, 2 disk)	$3.00
AV storage bags	$1.00
Research Fees (requested from outside of service area)	
Handling Fee/Postage	$3.00
Photocopy	$0.10/page
Fax (United States)	$1.00/per page
Fax (International)	$5.00 first page / $1.00 each additional page

CITY OF KERRVILLE, TEXAS
RESOLUTION NO. _____-2013

A RESOLUTION AMENDING THE CITY OF KERRVILLE FEE SCHEDULE BY ELIMINATING THE FEE FOR COPYING CHARGES AT THE KERR REGIONAL HISTORY CENTER

WHEREAS, the City Council of the City of Kerrville adopted a Fee Schedule by Resolution No. 91-138 on September 24, 1991, and has amended said document on a number of occasions; and

WHEREAS, City staff recommends eliminating the fee for copying charges at the Kerr Regional History Center and City Council, based upon the public purpose of promoting local and family history and reducing the amount of staff time necessary to oversee this use, has determined it is in the public interest of the citizens of Kerrville to eliminate such fee;

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

The Fee Schedule of the City of Kerrville, Texas, is amended as set forth in **Exhibit A,** attached hereto and incorporated herein by reference, such changes to be effective March 13, 2013.

PASSED AND APPROVED ON this the _____ day of ________________ A.D., 2013.

____
Jack Pratt, Jr., Mayor

APPROVED AS TO FORM:

Michael C. Hayes

____
Michael C. Hayes, City Attorney

ATTEST:

____
Brenda G. Craig, City Secretary

Agenda Item:

3C. Construction contract with Kendnel Kasper Construction, Inc. for construction of improvements to the Butt-Holdsworth Memorial Library lower level project in the amount of $191,585.00 and additional change orders not to exceed a total contract amount of $229,902.00. (staff)

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

SUBJECT: Authorization for the City Manager to execute a construction contract with Kendnel Kasper Construction, Inc. for construction of improvements to the Butt-Holdsworth Memorial Library Lower Level project in the amount of $191,585.00 and authorize the City Manager to execute additional change orders but not exceed the total amount of $229,902.00.

FOR AGENDA OF: March 12, 2013 **DATE SUBMITTED**: March 4, 2013

SUBMITTED BY: Dieter Werner, P.E.
Director of Engineering
CLEARANCES: Kristine Ondrias
Assistant City Manager KO

EXHIBITS: Bid Tabulation
Contract on file with the City Secretary

PAYMENT TO BE MADE TO: Kendnel Kasper Construction, Inc.
162 Linda Dr.
Fredericksburg, TX 78624

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
$229,902.00	**$260,000.00**	**$260,000.00**	**G95 70-13002**

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

The proposed project will consist of finish out of the lower level of the Butt-Holdsworth Memorial Library to include drywall construction, lay-in ceiling, carpet, ceramic tile, paint, millwork, storefront, wood doors, steel doors and frames. Construction plans for the proposed work were completed by Peter Lewis Architect + Associates and approved by the City February 1, 2013.

On February 26, 2013, four (4) bids were opened and the apparent low bidder was Kendnel Kasper Construction, Inc. Kasper's bid was $191,585.00. Staff recommends awarding a contingency in the amount of $38,317.00 for a total contract amount of $229,902.00.

RECOMMENDED ACTION

The Director of Engineering recommends the City Council authorize the City Manager to execute a construction contract with Kendnel Kasper Construction, Inc. for construction of improvements to the Butt-Holdsworth Memorial Library Lower Level project in the amount of $191,585.00 and authorize the City Manager to execute additional change orders but not exceed the total amount of $229,902.00.

Project Name :BHML Lower Level			
Engineering Number : PW13-003			
General Contractors	Addendum No. One Acknowledged	Bid Security	Base Bid
Kendrel Kasper Constr.	✓	✓	# 191,585.00
MJC & Associates	✓	✓	# 255,300.00
Allbrite Constructors	✓	✓	# 196,000.00
JM Lowe	✓	✓	# 212,500.00

Agenda Item:

4A. An ordinance amending Article 10-IV-1 of the City of Kerrville Subdivision Code, commonly referred to as the city's "Subdivision Regulations", by amending Section 10-IV-1(B)(2)(D) of said regulations to address nonconforming lots; containing a cumulative clause; containing a savings and severability clause; providing for an effective date; ordering publication; and providing other matters related thereto. (staff)

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

SUBJECT: **Public Hearing & Second Reading of an Ordinance amending the City of Kerrville's Subdivision Ordinance** Proposed amendments to Art. 10-IV-1 (B)(2)(d) of the City of Kerrville's Subdivision Ordinance concerning properties exempted from the city's plat requirements

FOR AGENDA OF: March 12, 2013 **DATE SUBMITTED**: March 1, 2013

SUBMITTED BY: Jason Lutz JL **CLEARANCES:** Kristine Ondrias KO

EXHIBITS: Ordinance

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
$	$	$	

PAYMENT TO BE MADE TO:
REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

Summary:

The following amendment is being proposed in order to address issues of existing non-conforming lots found in the City of Kerrville.

Art. 10-IV-1 (B)(2)(d) of the City of Kerrville's Subdivision Ordinance addresses the requirements for properties that are exempted from the City of Kerrville's plat requirements. Currently any property subdivided prior to January 1, 1981 and does not meet the city's current regulations regarding lot requirements is required to replat the property, unless they meet certain criteria.

January 1, 1981 represents the cutoff date for non-conforming lots, with the intent that all lots platted after this date shall conform to the City of Kerrville's regulations. However, several lots throughout the city have been identified as non-conforming. Due to the fact that these lots were platted after January 1, 1981, the lots are not eligible for exemption to the city's plat requirements. This has caused the denial of building permits as some lots do not have the ability to be replatted. Land owners do have the ability to seek a variance, but this method is not only costly and time consuming, but there are no guaranties that a variance may be granted.

Staff is recommending a change to the stated date of January 1, 1981 to the date that these changes would be adopted by council, after a public hearing and two ordinance readings (tentative for March. 12, 2013).

This change would allow those properties affected to begin development procedures without having to go through the variance process. This change will not remove any platting requirements that may be triggered during the development process, and any lots that do not meet the stated criteria for exemptions to the plat requirements will still be required to go through the platting process.

The Planning and Zoning Commission approved the amendments by a vote of 3-0, at their regularly scheduled meeting on January 3, 2013. During the public hearing portion of the meeting no citizens spoke on the issue.

The City Council held a public hearing and 1st ordinance reading on February 26, 2013. No citizens spoke on the issue and the ordinance amendments were approved by City Council with a vote of 5-0.

RECOMMENDED ACTION

1. Open the public hearing and receive comments.
2. Approve the amendments as presented.

CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2013-___

AN ORDINANCE AMENDING ARTICLE 10-IV-1 OF THE CITY OF KERRVILLE SUBDIVISION CODE, COMMONLY REFERRED TO AS THE CITY'S "SUBDIVISION REGULATIONS", BY AMENDING SECTION 10-IV-1(B)(2)(D) OF SAID REGULATIONS TO ADDRESS NONCONFORMING LOTS; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR AN EFFECTIVE DATE; ORDERING PUBLICATION; AND PROVIDING OTHER MATTERS RELATED THERETO

WHEREAS, the City Council of the City of Kerrville, Texas, pursuant to its authority as a home-rule municipality and Chapter 212 of the Texas Local Government Code, previously adopted regulations applicable to the subdivision of land and establishing the platting process ("Subdivision Regulations") in order to promote the health, safety, and general welfare of the City and its safe, orderly, and healthful development; and

WHEREAS, City staff recommends amending the Subdivision Regulations with respect to nonconforming lots; and

WHEREAS, Section 10-IV-1(B)(2)(d) of the Subdivision Regulations addresses the requirements for lots that are exempt from the City's platting requirements; and

WHEREAS, under the existing Subdivision Regulations, any property subdivided prior to January 1, 1981, but which does not meet the regulations regarding lot requirements, requires a replat unless certain criteria is met; and

WHEREAS, this date, January 1, 1981, represents the cutoff date for nonconforming lots, with the intent that all property subdivided after this date must comply with the Subdivision Regulations with respect to platting and lot requirements; and

WHEREAS, multiple lots throughout the City remain nonconforming even though they were platted after January 1, 1981; and

WHEREAS, these nonconforming lots are not currently eligible for an exemption from the Subdivision Regulations, which at times has meant that building permits are denied until the lot is properly replatted; and

WHEREAS, property owners currently have the authority to seek a variance under the Subdivision Regulations, but City staff recognizes that this process is both time consuming and costly and does not always afford the owner the desired outcome; and

WHEREAS, City staff recommends amending the Subdivision Regulations by changing the date and thereby exempting nonconforming lots from the regulations based upon existing criteria; and

WHEREAS, this amendment will authorize those nonconforming lots that meet certain criteria to begin the development process without having to seek a variance under the Subdivision Regulations; and

WHEREAS, this amendment will not remove all requirements under the Subdivision Regulations that may be triggered during the development process, such as public improvement requirements, and any nonconforming lot that does not meet the stated criteria for exemptions to the platting requirements must go through the replatting process; and

WHEREAS, the Kerrville Planning and Zoning Commission recommended approval of this amendment to the Subdivision Regulations after a public hearing on the matter held on January 4, 2013, at which time all persons had an opportunity to be heard; and

WHEREAS, pursuant to Texas Local Government Code §212.002, notice has been given to all persons by publication in the official newspaper and otherwise, of a hearing to be held before the City Council on January 22, 2013, to consider amendments to Article 10-IV-1, commonly referred to as the City's subdivision regulations; and

WHEREAS, such public hearing was held in the Council Chambers beginning at approximately 6:00 p.m. on January 22, 2013, as advertised;

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

SECTION ONE. Section 10-IV-1(B)(2)(d) of the City's Subdivision Ordinance is amended by adding the language that is underlined (<u>added</u>) and deleting the language that is bracketed and stricken ([~~deleted~~]) as follows:

"Art. 10-IV-1(B) PLATS

.
.
.

(2) .
.
.

d. Any property subdivided prior to [~~January 1, 1981~~] <u>February 12, 2012</u>, provided that each part of the subdivided property was adequately served by the following after the subdivision:

(1) Streets constructed and previously accepted for maintenance by the City or County, whichever is applicable;

(2) Water improvements as currently required by this or other applicable ordinances;

(3) Sanitary sewer or individual on-site sewage disposal system as currently required by this or other ordinances;

(4) Storm drainage facilities as currently required by this or other applicable ordinances, and;

(5) Easements or rights-of-way as may be currently required by this or other applicable ordinance for the installation of any of the above stated improvements;"

SECTION TWO. 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 City Council of the City of Kerrville, Texas, 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 FOUR. 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.

PASSED AND APPROVED ON FIRST READING, this 22nd day of January, 2013.

PASSED AND APPROVED ON SECOND AND FINAL READING, this _____ day of _____________, 2013.

____
Jack Pratt, Jr., Mayor

APPROVED AS TO FORM:

____
Michael C. Hayes, City Attorney

ATTEST:

____
Brenda G. Craig, City Secretary

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Agenda Item:

5A. Economic development grant agreement between Fox Tank Company and the City of Kerrville, Texas Economic Improvement Corporation. (staff)

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

SUBJECT: Funding agreement between the City of Kerrville, Texas Economic Improvement Corporation and the Fox Tank Company

FOR AGENDA OF: March 12, 2013 **DATE SUBMITTED**: March 1, 2013

SUBMITTED BY: Todd Parton, City Manager

CLEARANCES:

EXHIBITS: Funding Agreement

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
$	**$**	**$**	

PAYMENT TO BE MADE TO:
REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

At its meeting of February 25, 2013, the EIC board considered a funding agreement with the Fox Tank Company to expand its manufacturing operation at its Kerrville location. This expansion will allow for the manufacture of field separators to be used in oil and gas production. The new operation will add 30 new full time jobs – 28 machinists and welders and 2 clerical. Total gross payroll for this project will be $1.2 million per year. The amount of funding would not exceed $150,000 to include reimbursement of costs for utility extensions necessary to serve the project and the purchase and installation of cranes for the manufacture of the separators.

Attached is the final draft of the funding agreement between the Fox Tank Company and the EIC. This agreement has been drafted as per direction at the February 25, 2013 EIC meeting and has been finalized though negotiations of both entities.

RECOMMENDED ACTION

City staff recommends the consideration and approval of this funding agreement as presented.

ECONOMIC DEVELOPMENT GRANT AGREEMENT
BETWEEN FOX TANK COMPANY, INC. AND
THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

This Agreement entered into by and between FOX TANK COMPANY, INC., a Texas corporation ("Fox"), acting herein by and through its duly authorized Vice President, R. Nathan Fox ("Fox Officer"), and the CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION ("EIC"), a Texas nonprofit corporation established pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 (otherwise known as the Development Corporation Act of 1979 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code) (hereafter referred to as "the Act"), acting by and through its duly authorized President.

WITNESSETH:

WHEREAS, EIC was formed to administer the sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for projects including but not limited to:

> *Land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are for the creation or retention of primary jobs, as that term is defined by the Act, and found by the EIC to be required or suitable for the development, retention, or expansion of manufacturing and industrial facilities as provided by Section 501.101 of the Act*; and

WHEREAS, pursuant to the Act, the EIC is authorized to provide funding relating to the construction of projects which the EIC finds to be encompassed within the definition of "Projects" as that word is defined by Chapters 501 and 505 of the Act; and

WHEREAS, Fox is a manufacturer of production equipment in the oil and gas industry, including oilfield storage tanks and other specialty oilfield production products; and

WHEREAS, Fox is seeking to expand its manufacturing operations through the construction of an additional facility to be located within the City of Kerrville; and

WHEREAS, Fox intends to use the new facility to manufacture field separators, which are used in the production of oil and gas; and

WHEREAS, Fox has applied for a grant from EIC for funding necessary to build the new facility; and

WHEREAS, EIC has determined that such a grant complies with the Act and is in keeping with the mission of EIC and *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures* in that it will help develop, retain, and expand a manufacturing and industrial facility and a business enterprise and create and retain primary jobs; and

WHEREAS, based upon the terms of this Agreement, the EIC believes that a return on its investment will occur within the next ten (10) years; and

WHEREAS, the EIC finds that it will be in the public interest to enter into an agreement with Fox to provide sales tax revenues collected pursuant to the Act ("4B Revenues") to Fox for its cost necessary for the construction of a new manufacturing facility; and

WHEREAS, on February 25, 2013, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section 505.159 of the Act related to the proposed expenditure of 4B Revenues for the purposes provided above;

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

ARTICLE I.
EIC'S OBLIGATIONS

A. EIC hereby grants to Fox up to One Hundred Fifty Thousand and No/100 Dollars ($150,000.00) ("Grant") for costs relating to the design, construction, and equipping of a new manufacturing facility to be located at 117 Airport Commerce Parkway, Kerrville, Texas 78028 ("Project"). In general, the Project consists of the extension of public utilities to the property and the purchase and installation of a crane(s), the estimated costs of which are specified in the attached **Exhibit A**. The EIC derived the value of said grant from the assignment of the amount of $5,000.00 for each employee that Fox is required to employ at the Project, as specified in Article II.

B. Subject to the terms and conditions set forth in Article II, EIC will administer and provide the Grant to Fox as follows:

(1) EIC shall pay Fox an amount not to exceed One Hundred and Fifty Thousand and No/100 Dollars ($150,000.00) at the time that the City of Kerrville ("City") issues Fox a certificate of occupancy for the Project; and

(2) EIC shall administer the Grant on a reimbursable basis such that prior to any payment from EIC, Fox must first submit written evidence of costs, such as invoices, receipts, and bills of sale for review and approval. Following the submission and verification thereof, which may include on-site inspections to confirm purchase and installation, EIC shall then reimburse Fox for the cost.

C. Payments made by EIC to Fox from 4B Revenues shall be limited to the payments of "costs" as defined by the Act and as specified above for the Project.

D. In no event shall the total amount of the Grant exceed One Hundred Fifty Thousand and No/100 Dollars ($150,000.00).

ARTICLE II.
FOX'S OBLIGATIONS

A. Once the City issues a certificate of occupancy for the Project, Fox shall begin hiring employees for work at the Project.

B. Through the term of this Agreement, Fox shall comply with the following requirements with respect to its employment at the Project, such terms to be collectively referred to herein as the "Employment Requirements":

(1) the minimum level of employment must be at least thirty (30) full-time equivalent employees, which Fox must reach within one hundred twenty (120) days of its receipt of a certificate of occupancy;

(2) Sixty percent (60%) of the employees must reside and continue to reside within Kerr County during their employment;

(3) the minimum gross payroll must equal at least $1.2 million for each year of this Agreement, beginning for the year ending December 31, 2014; and

(4) each employee must work full-time, which means for purposes of this Agreement that Fox pays each employee for at least forty (40) hours of work per week, with the exception of where an employee is on some form of leave.

C. Once Fox reaches the employment of thirty (30) full-time equivalent employees for the Project, Fox shall thereafter submit to the EIC on a quarterly basis for the remaining term of this Agreement written evidence, including its quarterly tax payroll submission to the State Comptroller and a sworn statement from the Fox Officer, confirming the Employment Requirements and in particular, those employees hired for the Project, for review and verification. Fox shall submit such information to the EIC on or before the thirtieth (30) day of the month following the quarter that Fox is reporting. The failure by Fox to provide this information to EIC constitutes a breach of this Agreement.

D. Should Fox fail to comply with the Employment Requirements, Fox, as a penalty, shall provide a refund to the EIC equal to $1000.00 for each employee that fails to meet such Employment Requirements. For example, where Fox employs only twenty-five (25) full-time equivalent employees, a penalty of $5,000.00 would be assessed against Fox. Fox shall pay the refund as soon as commercially practicable after the receipt of a written demand by EIC, but in no event later than thirty (30) days from the receipt of such demand. Failure to reimburse the EIC within thirty (30) days of Fox's receipt of such demand constitutes a breach of this Agreement.

E. Within twenty-four (24) months of the EIC's payment of the Grant to Fox, Fox shall relocate all of its operations and employees from its Comfort, Texas, facility(s) to the location of the Project and/or Fox's adjacent facility(s).

F. On or before December 31, 2013, Fox must apply for ASME certification.

G. Fox will comply with all applicable development regulations of the City, to include building codes, subdivision regulations, and zoning, in its development and construction of the Project. Fox's failure to comply with this provision constitutes a breach of this Agreement.

H. Fox shall keep and maintain complete and accurate records relating to its costs of designing and constructing the Project and employment information, separate and identifiable from its other records, for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice. Fox's failure to comply with this provision constitutes a breach of the Agreement.

I. Should Fox breach this Agreement as specified herein, Fox shall pay and refund the EIC the appropriate amount specified below, which is dependent upon the length of time that this Agreement has been in existence, with each year to be considered as a calendar year from the Effective Date:

(1) Year 1 = $150,000.00
(2) Year 2 = $135,000.00
(3) Year 3 = $120,000.00
(4) Year 4 = $105,000.00
(5) Year 5 = $90,000.00
(6) Year 6 = $75,000.00
(7) Year 7 = $60,000.00
(8) Year 8 = $45,000.00
(9) Year 9 = $30,000.00
(10) Year 10 = $15,000.00

Fox shall provide any such refund to the EIC within thirty (30) days of written demand from EIC and following refund, this Agreement will terminate and Fox will have no further obligation under this Agreement.

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

ARTICLE III.
SALE OF PROJECT, MERGER OR CONSOLIDATION OF FOX

A. A sale of all or any of the assets of Fox shall not release Fox from its duties and responsibilities to EIC under the terms of this Agreement and shall not result in the assignment of this Agreement by such acquiring entity without prior written consent from EIC, which will not be unreasonably withheld; provided, that Fox's proposed successor shall have the financial condition to fully satisfy Fox's duties and responsibilities hereunder and agrees to assume Fox's responsibilities under this Agreement. EIC may, in its sole discretion, reasonably determine whether such proposed successor's financial condition is satisfactory.

B. In the event of any proposed merger or other consolidation of Fox with any third party not affiliated with Fox, Fox shall at least thirty (30) days prior to any such merger or consolidation provide EIC with information and assurance reasonably acceptable to EIC regarding: (1) the surviving entity's assumption and satisfaction of the Fox's obligations hereunder and (2) the financial condition of the surviving entity upon such merger or other consolidation to demonstrate that the surviving entity shall have the financial condition to fully satisfy Fox's duties and responsibilities hereunder. Failure to provide such information constitutes a breach of this Agreement.

C. Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed that EIC shall have no rights to approve or disapprove any sale or merger transaction of any kind involving Fox. In the event of any sale or merger involving Fox or its affiliates, the surviving entity shall assume Fox's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

ARTICLE IV.
FOX'S REPRESENTATIONS AND WARRANTIES

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

(1) Fox is a Texas corporation existing in good standing and authorized to do business in the State of Texas;

(2) Execution of this Agreement has been duly authorized by Fox and this Agreement is not in contravention of Fox's corporate charter, or any agreement or instrument to which Fox is a party or by which it may be bound as of the date hereof;

(3) No litigation or governmental proceeding is pending, or, to the knowledge of Fox Officer, threatened against or affecting Fox, which may result in a material adverse change in Fox's business, properties, or operations sufficient to jeopardize Fox's legal existence or for-profit viability; and

(4) No written application, written statement, or correspondence submitted by Fox to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of Fox Officer, contains any untrue statement of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.

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

ARTICLE V.
EIC'S REPRESENTATIONS AND WARRANTIES

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

(1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the statute under which it is governed and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;

(2) Execution of this Agreement has been duly authorized by EIC;

(3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and

(4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.

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

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

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

A. Fox becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law.

B. The appointment of a receiver of Fox, or of all or any substantial part of the Property, and the failure of such receiver to be discharged within sixty (60) days thereafter.

C. The adjudication of Fox as bankrupt.

D. The filing by Fox of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

Should any of these conditions not be cured by Fox within ninety (90) days, Fox will be considered to have breached this Agreement and EIC may, at its option, with written notice to Fox, terminate this Agreement and Fox shall be obligated to refund the EIC the appropriate amount specified in Article II. G.

ARTICLE VII.
REMEDIES

A. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in any event, within sixty (60) days after receipt of such notice. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time (but in no event later than ninety (90) days from the date of notification of such breach), the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including but not limited to, seeking specific performance and/or injunctive relief, enforcement by mandamus or by the appointment of a receiver in equity with power to charge and collect rents, purchase price payments, and loan payments and to apply the revenues from the project in accordance with this Agreement, as required by the Act. This provision and specifically the notice and time to cure shall not apply to the obligation of Fox found within Article II.B.

B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement and/or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that no party hereunder shall be entitled to recover any amounts in excess of the Grant contracted for under this Agreement.

C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not, so long as the breach or default by another party shall be continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor shall any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

ARTICLE VIII.
GENERAL PROVISIONS

A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

B. Amendment. This Agreement may be amended only by written amendment signed by both parties.

C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue shall lie in Kerr County, Texas; and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.

D. Notices. All notices given with respect to this Agreement shall be in writing and shall be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

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

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

For Fox
R. Nathan Fox
Vice President
Fox Tank Company, Inc.
South Texas Office
104 Hwy. 87
P.O. Box 658
Comfort, TX 78013
Facsimile: (830) 995-5022
Email: nathan@foxtankcompany.com

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

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

G. Term. Subject to approval by the City Council and if applicable, compliance with Section 505.160 of the Act, the term of this Agreement (the "Term") commences on February 25, 2013 (the "Effective Date"), and terminates on the earlier of (i) February 25, 2023; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Articles VI or VII; (iv) at Fox's sole and absolute discretion, upon Fox's return of the Grant funding to EIC that it has received under this Agreement; or (v) upon Fox's repayment of all monies that are demanded by EIC and are in fact required to be repaid by Fox under Article III. Upon termination of this Agreement as specified herein, all rights, duties, and obligations of any kind under this Agreement will automatically expire and terminate and be of no other force and effect.

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

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

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

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

EXECUTED AND EFFECTIVE, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board; and by Fox Tank Company, Inc., acting through its duly authorized official.

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

____
David Wampler, President

ATTEST:

____
Cheryl Brown, Recording Secretary

APPROVED AS TO FORM:

____
Michael C. Hayes, Attorney for EIC

FOX TANK, INC.

____
R. Nathan Fox, Vice President

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Exhibit A

Fox Tank Reimbursement Schedule
Phase 2 Expansion - Separator Facility

Reimbursement Item		Maximum Reimbursement
Utilities		
Extensions (Water, Sewer, Electric)	$	50,000
Subtotal	**$**	**50,000**
Equipment		
Cranes (Includes Purchase and Installation)	$	100,000
Subtotal	**$**	**100,000**
TOTAL MAXIMUM REIMBURSEMENT	**$**	**150,000**

Agenda Item:

5B. Naming of new Scott Schreiner Golf Course Pavilion. (staff)

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

SUBJECT: Naming of New Scott Schreiner Golf Course Pavilion

FOR AGENDA OF: March 12, 2013 **DATE SUBMITTED**: March 1, 2013

SUBMITTED BY: Scott McDonough
Director of Golf/Tennis

CLEARANCES: Kristine Ondrias, Asst. City Manager

EXHIBITS: Cullins Family History at Schreiner Golf Course
Naming Policy for City Properties and Facilities

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
$	**$**	**$**	

PAYMENT TO BE MADE TO:
REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

Since the 1960's to present, members of the Cullins family have led the operation and maintenance of Kerrville's Scott Schreiner Golf Course. Austin Cullins was the Golf Profession and Golf Superintendent, and his sons, Guy and Danny, continued the legacy by serving as Head Pro and Golf Course Superintendent, respectively. There has never been any formal recognition to the family for their careers spent serving public golf in our community.

With the construction of the new pavilion at the golf course underway, it is recommended that the pavilion be named after the Cullins family as a token of appreciation for their service. The pavilion construction is planned to be completed in May 2013.

The City adopted a facility naming policy in 2011 which requires the approval of the City Council to name properties/facilities. Included in that policy is the ability for the City Council to bypass or amend any of the naming policy procedures and approve or reject a naming request without initiating these policy procedures. Because the pavilion construction is moving quickly and because appropriate signage will need to be fabricated, it is further recommended that the naming policy procedures be bypassed.

RECOMMENDED ACTION

It is recommended that the City Council name the new pavilion at the Scott Schreiner Golf Course the *Cullins Family Pavilion*.

The Cullins Family

Scott Schreiner Golf Course

When someone mentions Scott Schreiner Golf Course, you can't help but think of the Cullins family name. With over 70 years of combined experience, Austin, Guy and Danny have been an important part in molding the history of a storied facility.

Austin began the legacy by moving the family to Kerrville in the late 60's while Guy and Danny were still in public school. After serving as the Professional/Superintendent from 1965-1967 at the 9-hole facility, Austin moved on to facilities in Victoria, Tyler and Denton.

With a love for the Hill Country and Kerrville in particular, Austin and Dorothy decided this is where they wanted to retire. In 1982, Austin resumed his duties as Course Superintendent and shortly after called Danny in from North Texas to join him on his staff.

The next three years were spent getting the course back to Austin's standards. During this time the course had gone through two or three professionals. In 1985 a call was made to Guy in Texarkana where he was serving as the Head Golf Professional at a private country club. After being persuaded by his father and little brother, Guy made the family reunion complete by joining the staff in 1985.

Austin and Dorothy remained at the facility as a Life Member of the P.G.A. until his retirement in 1999. Guy & Ginger are now Kerrville residents after his retirement in 2008. He too is a Life Member of the P.G.A. Danny still resides in Kerrville with his wife Trena and daughter Avery. He is a Golf Course Superintendent's Association of America member and has just begun his 32nd year as Scott Schreiner's Golf Course Superintendent.

Naming Policy for City Properties and Facilities

City of Kerrville July 26, 2011

Purpose:

The City of Kerrville Naming Policy for City owned properties and facilities has been adopted to accomplish the following:

1. ***Establish consistency and fairness in handling naming and renaming requests***
2. ***Allow an opportunity for staff, City Council, and others to perform due diligence/research***
3. ***Minimize the emotional situation that can be created***
4. ***Allow the public an opportunity to voice an opinion***
5. ***Weigh any economic or other hardships that may result***
6. ***Consider other options***

Requirements:

- Regarding an application for naming or renaming to honor an individual(s), the person(s) must have made a significant contribution to the community or facility.
- The suggested name is appropriate for the facility.
- Any renaming request of a property or facility that has previously been named after an individual, group, or event will only be considered when the original name history has been researched and included in the report to the City Council.
- Any naming/renaming should reflect the history of the community or neighborhood in which the property exists.
- Special consideration will be given for significant donations, as determined by the City Council.
- Only real property is included in this policy.
- Applicant is responsible for any significant associated costs (public or private impacts).
- Only street renamings are to be addressed by this policy, not initial naming (initial street names are provided during the platting process, then submitted to the Kerr County 911 office to ensure there are no conflicts with any existing names.).
- A public input meeting is required.
- The City Council has final authority and may choose to bypass or amend the policy procedures, approve the request, or deny the request.

Procedures:

1. The requesting party (Applicant) shall submit, in person, the original signed ***Naming Request Form*** to the City Secretary's Office at 800 Junction Hwy. Application shall include accurate information and history regarding the request.
2. The City Secretary's Office will forward a copy of the ***Naming Request Form*** to the managing department of the property or facility associated with the naming or renaming request, the City Manager, and the City Council. City staff or the City Council members may inform the City Secretary of any concerns or questions regarding the application at this time.

3. Within 60 days of the date the ***Naming Request Form*** was received by the City Secretary's Office, the assigned staff will review the application's accuracy, conflicts, history, any naming or individual information associated with the application, hold a public meeting, and present the findings with a recommendation to the City Council.
4. The Applicant may be asked to provide additional historical/background information, with the appropriate time frame added to the review period identified in #3 above.
5. If the request involves a property or facility where a City Council appointed advisory board is involved, review and action by that board shall be included in the final staff report to the City Council, with the appropriate time frame added to the review period identified in #3 above.
6. Applicant will cover any costs associated with a renaming, to include plaques, special signage, costs to individuals/businesses to change mailing addresses, etc.
7. The general public shall be made aware of the request through the notification and holding of a public meeting scheduled within the designated time frames to complete the process and held as near the property that is being requested to be named or renamed as is practical. All meetings shall be held in appropriately sized and accessible facilities.
8. The City shall place a public meeting notification in a local newspaper one time no less than 1 week and no more than 2 weeks from the scheduled meeting. The notification shall include the purpose of the meeting, the requested name or name change, the specific property/facility being requested, and the time and place of the meeting. Any other methods deemed necessary to inform the public may be used.
9. A sign not less than 8½"x11" will be conspicuously placed by the City at the property/facility being requested for the naming or renaming and adhering to the same schedule and information requirements as listed in #8 above.
10. Written public comment may be submitted to the City Secretary's Office until 5:00 p.m. of the day that the public meeting is scheduled and will be considered public testimony regarding the naming/renaming.
11. Based upon the donation or circumstances surrounding a request, the City may amend or bypass all or portions(s) of this policy.
12. Street renaming requests will require approval by the Kerr County 911 office to ensure there are no conflicts with any existing names.
13. Site amenities, furniture, and equipment may be named or labeled and donor plaques may be installed at facilities without adhering to the procedures of this policy.
14. If, after 90 days from receipt of the application by the City, no action by the City Council has been taken on a naming or renaming request, the application is considered denied.
15. No more than one naming/renaming request citywide shall be active at any given time and no more than one request citywide will be considered during a six month period.
16. The City Council may choose to bypass these procedures at any time and may reject or approve the request without initiating these policy procedures.

Agenda Item:

5C. Pending legislation from the 83rd Texas Legislature, Regular Session. (staff)

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

SUBJECT: Discussion and direction to city staff regarding pending legislation under consideration by the State of Texas 83rd Legislative Session

FOR AGENDA OF: March 12, 2013 **DATE SUBMITTED**: March 7, 2013

SUBMITTED BY: Todd Parton, City Manager **CLEARANCES:**

EXHIBITS: Legislative Update (Texas Municipal League) – March 1, 2013, Number 8

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

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

PAYMENT TO BE MADE TO:
REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The State of Texas has convened the 83rd Legislative Session. There are many bills that have been filed by members of the House of Representatives and the Senate. Many of these bills could impact the City of Kerrville. This item will be placed on each regular City Council meeting to provide an opportunity to discuss any pending bills, establish an official position on any pending bill, and officially authorize an individual to represent the City of Kerrville before an appropriate body.

Attached is a legislative update authored by the Texas Municipal League. This provides a comprehensive list and brief synopsis of each bill.

RECOMMENDED ACTION

Staff requests that the City Council review the list of bills and provide direction regarding any bill that is deemed of interest to the City of Kerrville.

Legislative UPDATE

March 1, 2013
Number 8

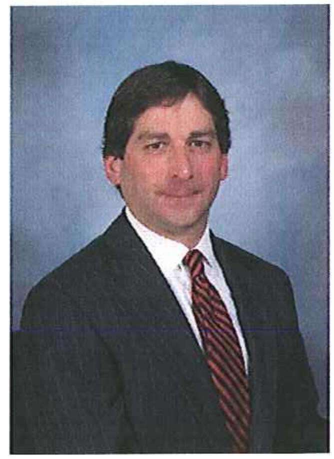
Reminder: Be Sure to Check Committee Actions and Floor Actions

In this issue (and in the weeks ahead), readers will find "Significant Committee Actions." Future issues will have those and "Significant Floor Actions." These sections of the update are extremely important because they indicate bills that have momentum. You are encouraged to read these sections carefully and to contact TML if you have questions or concerns.

May 2013 Election Law Calendar

In years past, the Texas Municipal League legal staff prepared an election calendar for general law cities. The calendar, which spelled out various deadlines for the May general election of city officers, appeared in each January issue of *Texas Town & City* magazine. Other groups annually prepare calendars as well. One of those groups is the Texas Municipal Clerks Association (TMCA), a TML affiliate. Because of the outstanding calendar prepared by TMCA, the League will no longer prepare a separate calendar. The TMCA calendar is now available online at http://municlerks.unt.edu/pdf/2013_electioncalendar.pdf. The League's legal staff remains available to answer election-related questions.

TML Names Legislator of the Month for February



Senator Kevin Eltife (R – Tyler) is the TML Legislator of the Month for February 2013. Senator Eltife represents Senate District 1, which includes Tyler, Texarkana, Kilgore, Marshall, Henderson, and Paris.

First elected to the Texas Senate in 2004, Senator Eltife currently serves as the Chairman of the Senate Committee on Administration and also serves on the Senate Business and Commerce, Economic Development, Finance, and Natural Resources Committees.

Before his election to the Texas Senate, Senator Eltife served on the Tyler city council for three terms before being elected to serve as mayor for an additional three terms. Senator Eltife is a strong supporter of cities and an outspoken critic of attempts to erode municipal authority. In a recent debt discussion at a Senate Finance Committee hearing, Senator Eltife defended local debt by pointing out that state-issued debt has actually increased at a higher rate than local debt over the last four years. Click here to watch a short video of Senator Eltife's comments in committee.

We hope that municipal leaders across Texas, and particularly those in Senator Eltife's district, express their appreciation to this outstanding leader.

Significant Committee Actions

S.B. 127 (Nelson), relating to the creation of certain funding formulas and policies and to certain public health evaluations by the Department of State Health Services. Reported from the Senate Committee on Health and Human Services.

S.B. 245 (West), relating to eligibility of children's advocacy centers for contracts to provide services for children and family members in child abuse and neglect cases. Reported from the Senate Committee on Health and Human Services.

S.B. 364 (Eltife), relating to municipal sewer service without a certificate of convenience and necessity. Reported from the Senate Committee on Natural Resources.

S.B. 390 (West), relating to the effective date of new or amended court costs or fees. Reported from the Senate Committee on Jurisprudence.

S.B. 398 (Hancock), relating to the major events trust fund. Reported from the Senate Committee on Economic Development.

City-Related Bills Filed

PROPERTY TAX

H.B. 1459 (Gooden) – Property Tax Exemption: would provide a property tax exemption for real property that is leased to an organization that meets the requirements of a charitable organization under the Tax Code if: (1) the real property is used by the organization primarily for the purpose of performing certain specific charitable functions; (2) the rental for the real property on an annual basis is not more than five percent of the property's market value; and (3) the real property is reasonably necessary for the operation of the organization. (Please see **H.J.R. 90**, below.)

H.B. 1478 (Eiland) – Appraisal Districts: would allow junior college districts to participate in the vote to appoint members to the board of directors of an appraisal district. (Companion bill is **S.B. 359** by **Hinojosa**.)

H.B. 1597 (N. Gonzalez) – Property Tax Delinquency: would: (1) require the transferee of a property tax lien to deliver notice to the property owner regarding the possibility that the taxing unit may offer an installment agreement for payment of delinquent property taxes; (2) require the tax collector for a taxing unit to enter into an installment agreement for the payment of property taxes, penalties, and interest on a residence homestead if requested by a person who is delinquent in the payment of property taxes and who has not entered into an installment agreement with the taxing unit in the previous 24 months; (3) require the installment agreement to provide for installment payments in equal amounts and a period of at least 12 months; (4) provide that a delinquency penalty does not accrue on the unpaid balance of property taxes during the period of the agreement if the property is a residence homestead; (4) require a notice of delinquency sent by a taxing unit to contain specific language regarding the ability to enter into an installment agreement; and (5) provide that a debtor is not in default under a deed of trust or other contract lien on real property used as the debtor's residence for the delinquent payment of property taxes if the debtor is in substantial compliance with an installment agreement and has given notice of the installment agreement to the mortgage servicer. (Companion bill is **S.B. 476** by **Hinojosa**.)

H.B. 1612 (Workman) – Property Tax Liens: would provide that a property tax lien is inferior to the claim of any creditor that is the holder of a purchase money security interest on personal property encumbered to a property tax lien only to the extent of the amount of taxes, and of any penalties or interest on those taxes, that would have been imposed on the personal property had the property been taxed separately on the date the tax lien attached. (Companion bill is **S.B. 586** by **Hegar**.)

H.B. 1693 (Farrar) – Property Tax Deferral: would entitle an individual to defer property tax collection or abate a suit to collect a delinquent tax imposed upon the individual's small business property that is located on a rail line.

H.B. 1712 (Lozano) – Property Tax Exemption: would provide a property tax exemption for all or part of real and personal property that a person owns or leases and that is used, constructed, acquired, stored, or installed primarily as part of an offshore spill response containment system.

H.B. 1729 (Ashby) – Property Tax: would: (1) provide that an award of attorney's fees to a property owner in a judicial appeal of a property tax determination may not exceed the lesser of $100,000 or the total amount by which the property owner's tax liability is reduced as a result of the appeal; and (2) provide that an award of attorney's fees in an appeal filed in a county with a population of 50,000 or less to an appraisal district, an appraisal review board, or chief appraiser that prevails may not exceed $15,000.

H.B. 1736 (Anchia) – Property Tax Exemption: would provide a property tax exemption for all real and personal property owned or leased by a person that is used as part or in connection with a renewable natural gas facility that converts landfill generated methane into renewable natural gas.

H.B. 1820 (Kacal) – Property Tax Payments: would allow an individual who is a disabled veteran to make installment payments of property taxes due on the individual's residence homestead.

H.J.R. 90 (Gooden) – Property Tax Exemption: would amend the Texas Constitution to provide a property tax exemption for real property that is leased to an organization that qualifies as a charitable organization and that is used by the organization primarily for the purpose of performing a charitable function. (Please see **H.B. 1459**, above.)

S.B. 656 (Paxton) – Budget and Tax Rate Adoption: would: (1) require the city council's vote to adopt a budget to be a record vote; (2) require an adopted budget that requires raising more revenue from property taxes than the previous year's budget to contain a cover page that includes: (a) a specific statement on the property tax revenue increase and amount due to new property added to the tax roll; (b) the record vote of each member of the governing body by name voting on the adoption of the budget, the ratification of the property tax increase (if the vote has been taken) and the setting of the property tax rate (if the vote has been taken); (c) the city property tax rates for the preceding and current fiscal years, including the adopted rate, effective tax rate, effective maintenance and operations tax rate, rollback tax rate, and debt rate; and (d) the total amount of bonds and other debt obligations owed by the city; (3) require a city with a website to post the cover page in (2), above, on the city's website, and keep the record vote information on the city's website for at least one year after the budget is adopted; (4) require the city council to amend a cover page to include the record vote of each member of the governing body by name following a vote on the ratification of the property tax increase and setting of the property tax rate, if the information is not included on the cover page; and (5) require a record vote on the ordinance adopting the tax rate, even if the adopted tax rate does not exceed the effective tax rate.

S.B. 657 (Paxton) – Tax Rate Adoption: would require a record vote on the ordinance adopting the property tax rate, even if the adopted tax rate does not exceed the effective tax rate.

SALES TAX

H.B. 1466 (Hughes) – Sales Tax Sourcing: would provide that, if a retailer has more than one place of business in the state, the consummation of a sale of a taxable item does not take place where the retailer first receives the order if: (1) the taxable item is shipped or delivered from a warehouse that: (a) is located in a city with a population of 5,000 or less; (b) is a place of business of the retailer; (c) the retailer entered into an economic development agreement with the municipality or an economic development corporation prior to January 1, 2009; and (d) the municipality provided information relating to the economic development agreement to the comptroller as provided by state law; and (2) the place of business of the retailer at which the retailer first receives the order is a retail outlet that is served by the warehouse.

H.B. 1511 (Larson) – Local Sales Tax Rate: would: (1) allow a city to hold an election to impose a dedicated sales and use tax for sports and venue districts, crime control and prevention districts, economic development corporations, property tax relief, or street maintenance at any rate that the city determines is appropriate that would not result in a combined rate that exceeded the maximum local sales and use tax rate of two percent; (2) allow a city to hold an election to impose its general sales and use tax at any rate that the city determines is appropriate that would not result in a combined rate that exceeded the maximum local sales and use tax rate of two percent; and (3) extend from four years to eight years the expiration date on the dedicated sales and use tax for street maintenance.

H.B. 1533 (Leach) – Sales Tax Exemption: would exempt a firearm or hunting supplies from sales and use taxes if the sale takes place during a period beginning at 12:01 a.m. on March 2 and ending at midnight on the same day.

H.B. 1623 (N. Gonzalez) – Sales Tax Exemption: would exempt from sales and use taxes the sale, storage, use, or consumption of tangible personal property used or consumed in qualified research or services if the property or services are sold, leased or rented to, or stored, used, or consumed by, a qualifying biotechnology start-up engaged in qualified research.

H.B. 1630 (Murphy) – Sales Tax Exemption: would exempt from sales and use taxes certain tangible personal property that is sold, leased, or rented to a qualifying data center or qualifying data center tenant beginning on the date a data center or tenant of a data center meets the necessary qualifications and ending on the tenth anniversary of that date. (Companion bill is **S.B. 730** by **Deuell**.)

H.B. 1660 (Thompson) – Tax Collection and Reporting: would provide that local sales taxes are considered delinquent if: (1) a person fails to correctly collect and remit to the comptroller all or part of its sales tax to a city or other local governmental entity in which the sale was consummated; and (2) a person who has collected all or part of a sales tax reports to the comptroller in error that all or part of that tax relates to a sale that occurred in a city or other local governmental entity that is not the city or entity in which the sale was consummated as determined by state sales tax sourcing law.

S.B. 730 (Deuell) – Sales Tax Exemption: this bill is the same as **H.B. 1630**, above.

S.B. 784 (Hinojosa) – Sales Tax Exemption: would exempt the sale of an emergency preparation item from sales and use taxes if the sale takes place during a period beginning at

12:01 a.m. on the Saturday before the last Monday in April and ending at midnight on the last Monday in April.

S.J.R. 35 (Patrick) – Sales Tax Limitation: would amend the Texas Constitution to provide that the legislature may not enact a general law that would impose a new, prospective state tax on the sale or use of any food, drink, or medicine. (Companion resolution is **H.J.R. 74** by **Raymond**.)

PURCHASING

S.B. 740 (Rodriguez) – Workers' Compensation: would: (1) require construction contractors and subcontractors to provide workers' compensation insurance coverage for each of their employees; (2) require a contractor to provide certification of coverage of its and any subcontractor's employees to the governmental entity; and (3) provide that, if the contractor enters into a contract with a governmental entity for a public project, the coverage must be satisfactory to the governing body of the governmental entity. (Companion bill is **H.B. 475** by **Walle**.)

ELECTIONS

H.B. 1518 (J. Sheffield) – Polling Place: would, among other things, provide that if a political subdivision is required to use countywide polling places and the political subdivision holds a joint election, the governing body of the political subdivision may designate as the polling places for any required runoff election only the polling places located in the territory or in and near the territory of the political subdivision where eligible voters reside.

H.B. 1560 (Klick) – Elections: would provide that a person commits a class A misdemeanor if the person: (1) compensates another person based on the number of voters assisted by that person; (2) presents another person with a quota of voters to be assisted; (3) engages in another practice that causes another person's compensation from or employment status with the person to be dependent on the number of voters assisted; or (4) accepts compensation for (1), (2), or (3), above.

H.B 1564 (Miller) – Elections: would increase the penalty for theft of an official ballot or official carrier envelope for an election from a state jail felony to a felony of the third degree. (Companion bill is **S.B. 554** by **Campbell**.)

H.B. 1635 (Johnson) – Voting Clerks: would allow: (1) a school district to adopt a policy excusing a student from attending school for service as a student early voting clerk in an election; (2) the early voting clerk to appoint not more than four student early voting clerks at an early voting polling place; and (3) the secretary of state to initiate or assist in the development of a statewide program promoting the use of student early voting clerks. (Companion bill is **S.B. 553** by **Uresti**.)

H.B. 1636 (Johnson) – Elections: would remove the requirement that an interpreter be a registered voter of the county in which the voter resides. (Companion bill is **S.B. 722** by **Ellis**.)

S.B. 722 (Ellis) – Elections: this bill is the same **H.B. 1636**, above.

OPEN GOVERNMENT

H.B. 1632 (Fletcher) – Identifying Information of Peace Officer: would provide that information that relates to the date of birth of peace officers and certain other law enforcement officers may not be disclosed to the public under the Public Information Act if the officer notifies the governmental body that the officer chooses to restrict public access to the information.

H.B. 1749 (Perry) – Meetings by Videoconference: would: (1) provide that a meeting of a state governmental body or a governmental body that extends into three or more counties may be held by videoconference call only if the member of the governmental body presiding over the meeting is physically present at one location of the meeting that is open to the public during the open portions of the meeting; (2) require that the notice of a meeting described in (1), above, specify the location where the member of the governmental body presiding over the meeting will be physically present; and (3) require that the location where the member of the governmental body presiding over the meeting is physically present as described in (1), above, and each remote location from which a member of the governmental body participates have two-way communication with each other location during the entire meeting.

H.J.R 94 (Burnam) – U.S. Constitution: would amend the Texas Constitution to require the legislature petition to the United States Congress to call a convention for the purpose of proposing amendments to the Constitution of the United States of America as soon as two-thirds of the several states have applied for the convention

OTHER FINANCE/ADMINISTRATION BILLS

H.B. 1449 (Kuempel) – Dog and Cat Dealers: would: (1) prohibit a person from acting as or offering to act as a person who sells or offers to sell, at retail to the public for use as pets, not fewer than 21 dogs or cats in a calendar year (a "dealer") without holding a license issued by the Texas Department of Licensing and Regulation (TDLR); (2) require that TDLR issue a license to a dealer who meets applicable requirements (after an inspection), applies on the required form, and pays the required fee; (3) impose numerous requirements on a license holder; (4) prohibit a county or city from adopting local legislation that conflicts with the dealer requirements above; (5) provide that the dealer requirements are not intended to affect the authority of a county or city to enforce local legislation generally applicable to all businesses that relates to the right, health, or safety of consumers; (6) require the Texas Commission of Licensing and Regulation (Commission) to administer the requirements and establish rules regarding applicable fee amounts; (7) require TDLR to: (a) maintain a public database of dealers who have been subject to disciplinary action; (b) prepare information of consumer interest related to dealers, including the procedure by which a consumer may make a complaint about a dealer; and (c) inspect, at least once in every 12-month period, the facility of a licensed dealer; (8) authorize TDLR to enter into an agreement with a county or city to conduct dealer inspections; (9) require a person inspecting a dealer be trained in detecting signs of animal cruelty and neglect; (10) authorize TDLR to enter into an agreement with a county or city to perform the dealer licensing and inspection duties of TDLR; (11) require that any agreement described in (10), above, provide that the county or city provide information to TDLR regarding each license issued, include provisions requiring the Commission to monitor the administration of the agreement, and authorize TDLR to resume administration on the termination of the agreement; and (12) provide that under an agreement described in (10), above, the county or city is entitled to retain any fees collected for an inspection or issuance or renewal of a license, unless the agreement provides otherwise.

H.B. 1487 (Harper-Brown) – State Grant Expenditures: would require the comptroller's searchable state expenditure database to include information that would allow a person to ascertain the specific purposes for which state grant money was used.

H.B. 1493 (King) – Texas Department of Rural Affairs: would, among other things, transfer the programs of the Texas Department of Rural Affairs to the Department of Agriculture.

H.B. 1556 (Villarreal) – Taxes: would: (1) require a select commission on periodic tax preference review to identify all state and local "tax preferences" and present a review schedule to the Legislative Budget Board every odd-numbered year under which each tax preference is reviewed once during each ten-year period; (2) require the Legislative Budget Board to evaluate all state and local tax preferences and make recommendations for continuing, repealing, or amending each preference; and (3) provide that each tax preference enacted by the legislature that becomes law after September 1, 2014, expires ten years after the date it takes effect, unless the legislature provides an earlier or later expiration date. (Please see **H.J.R. 92**, below.)

H.B. 1609 (Hughes) – State Budget: would, among other things: (1) limit the rate of growth of state appropriations in a biennium from all available sources of revenue except the federal government to not exceed the average biennial rate of growth of the state's population during the previous three state fiscal bienniums adjusted by the average biennial rate of monetary inflation over the same period; (2) allow the comptroller to determine the state sales tax rate imposed on each sale of taxable items in this state; and (3) require the comptroller to reduce the state sales tax period for a two-calendar-year period if the comptroller determines that the amount of undedicated, unencumbered anticipated revenue is sufficient to permit the reduction of the rate by at least one-tenth of one percent. (Please see **H.J.R. 93**, below.)

H.B. 1622 (Stickland) – Alcoholic Beverage Permits: would, notwithstanding any other provision of the Alcoholic Beverage Code, authorize the issuance of a wine and beer retailer's permit, a retail dealer's on-premise license, and a retail detailer's on-premise late hours license in an area in which the voters have approved each of the following ballot issues in a local election: (1) the legal sale of beer and wine for off-premise consumption only; and (2) the legal sale of mixed beverages.

H.B. 1652 (Miles) – Community Gardens: would: (1) limit the liability of an owner, lessee, or occupant of land that allows the land to be used as a community garden except in regard to an injury caused by willful or wanton acts or gross negligence by the owner, lessee, or occupant; and (2) require that an owner, lessee, or occupant of land that allows the land to be used as a community garden post and maintain a sign containing certain specified warning language.

H.B. 1676 (Price) – Texas Board of Professional Engineers: this is the Texas Board of Professional Engineers (TBPE) Sunset bill. Of particular interest to cities, the bill would continue the functions of the TBPE until 2025 and would provide that, if it appears to the TBPE that a person who is not licensed, certified, or registered as an engineer is violating the engineering law, a rule adopted under the law, or another state statute or rule relating to the practice of engineering, the TBPE, after notice and opportunity for a hearing, may issue a cease and desist order prohibiting the person from engaging in the activity. (Companion bill is **S.B. 204** by **Nichols**.)

H.B. 1691 (Capriglione) – Conflicts Disclosure: would require a local government officer to file a conflicts disclosure statement for a gift of food, lodging, transportation, or entertainment accepted, as a guest, by the officer or a family member of the officer.

H.B. 1715 (Pickett) – Payday Lending: would provide that a payday or motor vehicle title lender may not renew or roll over an extension of consumer credit more than four times.

H.B. 1717 (Price) – Texas Board of Architectural Examiners: this is the Texas Board of Architectural Examiners (TBAE) Sunset bill, which would continue the functions of the TBAE until 2025. (Companion bill is **S.B. 205** by **Nichols**.)

H.B. 1724 (Bohac) – Hotel Occupancy Taxes: would: (1) limit the amount of interest on delinquent hotel occupancy taxes to the prime interest rate plus one percent; and (2) would require a city to bring suit not later than the fourth anniversary of the date the hotel occupancy tax becomes due.

H.B. 1734 (Gutierrez) – Type A City Special Meetings: would provide that a mayor in a type A general law city must call a special meeting on the application of three aldermen. (Note: Current law makes it the mayor's option.)

H.B. 1779 (Schaefer) – Barbering and Cosmetology: would: (1) abolish state regulation of barbering and cosmetology; and (2) authorize a local health department or local health authority of a county or city to: (a) inspect an establishment providing barbering or cosmetology services to the public within the jurisdiction of the county or city; and (b) close, by order, an establishment providing barbering or cosmetology services to the public within the jurisdiction of the county or city if the establishment does not keep the establishment in a sanitary condition.

H.B. 1794 (Pitts) – City Debt: would: (1) require a political subdivision's ballot proposition for a bond to include a significant amount of information, including: (a) the total amount and per capita amount of: (i) the principal of all outstanding debt; (ii) the combined principal and interest required to pay all outstanding debt; (iii) the principal of the bonds to be authorized; and (iv) the estimated combined principal and interest required to pay the bonds to be authorized; (b) the purpose for which the bonds are to be authorized; (c) the estimated rate of interest for the bonds to be authorized; and (d) the maturity date of the bonds to be authorized; and (2) require a political subdivision issuing a bond to post a sample ballot on its website as soon as practicable after the ballot is prepared.

H.B. 1805 (Pitts) – City Debt: would, among other things: (1) provide that the attorney general may not approve a local security until the attorney general receives written notification from the Bond Review Board that the board has received information on the local security from the issuing governmental body or has agreed to a later date of submission of the information; (2) require the state bond finance office to publish an annual report on local securities; (3) require an issuer of a local security to annually provide information that the state bond finance office considers necessary for the preparation of any report; (4) require every political subdivision to prepare an annual financial report that contains financial information for each city fund, as well as a significant amount of information relating to the city's debt obligations; and (5) require a city to maintain an Internet website on which to post the annual financial report continuously along with the city's relevant contact information.

H.B. 1809 (Lucio) – Cultural Education Facilities Finance Corporations: would: (1) allow a cultural education facilities finance corporation to exercise its authority inside or outside the limits of the city that created the corporation, regardless of the population of the county in which the city is located; and (2) would amend the definition of "cultural facility" to include real property, including buildings and improvements, or equipment, furnishings, or other personal property to be used by the state or a county, city, or other governmental entity.

H.B. 1812 (Lucio) – Major Events Trust Fund: would add the Ultimate Fighting Championship to the list of events for which the major events trust fund may be used.

H.J.R. 89 (Harless) – Dedicated State Fee Diversions: would amend the Texas Constitution to, in increments beginning in 2015 and completed in 2018, prohibit the comptroller from using dedicated revenues to certify the state budget. (Companion resolution is **S.J.R. 26** by **Estes**.)

H.J.R. 92 (Villarreal) – Taxes: would amend the Texas Constitution to: (1) require the legislature to implement the necessary procedures for the periodic review of state and local "tax preferences;" and (2) provide that each tax preference enacted by the legislature that becomes law after September 1, 2014 expires ten years after the date it takes effect, unless the legislature provides an earlier or later expiration date. (Please see **H.B. 1556**, above.)

H.J.R. 93 (Hughes) – State Budget: would amend the Texas Constitution to limit the rate of growth of appropriations from all sources of revenue except the federal government and authorize the legislature to appropriate money for tax relief or tax rebates. (Please see **H.B. 1609**, above.)

S.B. 204 (Nichols) – Texas Board of Professional Engineers: this bill is the same as **H.B. 1676**, above.

S.B. 205 (Nichols) – Texas Board of Architectural Examiners: this bill is the same as **H.B. 1717**, above.

S.B. 754 (Patrick) – Government Lobbyists: would: (1) require a person registering as a lobbyist to indicate on his/her registration, if applicable, whether the person who reimburses, retains, or employs the registrant is a governmental entity or an entity that reimburses, retains, or employs the registrant on behalf of a governmental entity and the name of the governmental entity on whose behalf the registrant is reimbursed, retained, or employed; (2) require that compensation or reimbursement required to be reported by a person registering as a lobbyist be reported as an exact amount if the registrant is reimbursed, retained, or employed by a governmental entity or by another entity on behalf of a governmental entity; and (3) provide that the reimbursement, retention, or employment of a registrant by an attorney to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action on behalf of a governmental entity is not the provision of legal representation subject to attorney-client privilege and must be disclosed as required by law.

S.B. 761 (Lucio) – Medical Laboratories: would provide for the licensing and regulation of medical laboratory professionals, including providing for penalties and imposing fees. (Note: Any city that operates a crime lab should review the provisions of this bill carefully.)

S.B. 764 (Watson) – Prescribed Burning: would provide that an owner, lessee, or occupant of agricultural land is not liable for property damage or for injury or death to persons caused by or resulting from prescribed burning conducted on the land if the burning is conducted under the supervision of a certified and insured prescribed burn manager and the owner, lessee, or occupant is a governmental unit that has a self-insurance program for a certain amount of coverage.

S.B. 765 (Watson) – Major Events Trust Fund: would: (1) establish an event oversight committee consisting of the comptroller, state auditor, and one representative with significant experience in auditing procedures or fiscal matters relevant to an event from each endorsing county or city for the event; (2) provide that the event oversight committee has authority over determining the amounts of incremental increase in tax receipts related to the event if the members of the committee unanimously agree on the amounts; and (3) provide that, if an obligation is incurred under an event support contract to make a structural improvement to the site or add a fixture to the site for purposes of an event and the improvement or fixture is expected to derive most of its value in subsequent uses of the site for future events, a disbursement from the major events trust fund made for purposes of that obligation is limited to five percent of the cost of the improvement or fixture.

S.B. 770 (Uresti) – Naming of Public Property: would prohibit the naming of public property after a former elected official before the fifth anniversary of the date the former elected official last held elective office.

S.B. 789 (Hinojosa) – Gambling: would: (1) authorize the operation of video lottery games by licensed horse and greyhound racetrack operators; (2) provide for a defense for the operation of video lotteries by Indian tribes; (2) prohibit a city from imposing a tax or fee for attendance or admission to a video gaming premises unless specifically authorized by statute; and (3) create certain misdemeanor offenses for video gaming by individuals young than 21 years of age. (Please see **S.J.R. 36**, below.)

S.B. 799 (Van de Putte) – Gambling: would: (1) provide for the operation of video gaming by authorized organizations and commercial operators that are licensed to conduct bingo or lease bingo premises; (2) prohibit a city from imposing a tax or fee for attendance or admission to a video gaming premises unless specifically authorized by statute; (3) allow a video gaming retailer to conduct video gaming at a premises other than the licensed bingo premises if the city in which the premises is located holds an election in which a majority of the voters favor prohibiting bingo and the other premises are located in a jurisdiction in which a majority of the voters voting in an election held before January 1, 2013, voted in favor of legalizing bingo games; (4) authorize law enforcement personnel to be present at a retailer's video gaming premises at any time and authorize municipal peace officers to enter and inspect the premises where video gaming is conducted or video gaming equipment is found; and (5) create certain misdemeanor offenses for video gaming by individuals young than 21 years of age. (Please see **S.J.R. 37**, below.)

S.J.R. 36 (Hinojosa) – Gambling: would amend the Texas Constitution to: (1) authorize the operating of video lottery games in certain circumstances; and (2) provide that federally recognized Indian tribes are not prohibited from conducting gaming on certain Indian lands. (Please see **S.B. 798**, above.)

S.J.R. 37 (Van de Putte) – Gambling: would amend the Texas Constitution to: (1) authorize the operating of video gaming by persons and organizations licensed to conduct bingo or lease bingo premises; (2) limit video gaming operations to gaming operations in certain locations, including incorporated cities and towns, that have held elections in which the conduct of bingo games in the jurisdiction was approved by the voters; and (3) provide that federally recognized Indian tribes are not prohibited from conducting gaming on certain Indian lands. (Please see **S.B. 799**, above.)

MUNICIPAL COURTS

H.B. 1559 (Klick) – Jury Lists: would repeal the provision in current law that limits the purposes for which a list of noncitizens excused or disqualified from jury service may be used.

H.B. 1540 (Pitts) – Theft: would add "electronic payment" to the hot check statute.

H.B. 1625 (McClendon) – Criminal Discovery: would: (1) require the state's prosecutor, on request, to disclose certain information to the defendant's counsel and to permit inspection of material in possession of the state; (2) impose a continuing duty to disclose on the prosecutor; and (3) require the state's prosecutor to file a certificate of compliance with the court stating the attorney has disclosed and made available all items subject to discovery.

H.B. 1656 (Eiland) – Court Costs: would require the clerk of a municipal court to collect an emergency medical air transportation surcharge of $5 on conviction of a moving violation.

S.B. 790 (Rodriguez) – Dismissals: would require a municipal court judge to assess an administrative penalty of $20 when dismissing complaints for the certain offenses related to auto registration and similar matters.

S.B. 821 (Schwertner) – Theft: this bill is the same as **H.B. 1540**, above.

COMMUNITY AND ECONOMIC DEVELOPMENT

H.B. 20 (Kolkhorst) – Eminent Domain: would provide, in relation to the later repurchase of property acquired through eminent domain, that: (1) an entity with eminent domain authority that makes a bona fide offer to acquire property must state with specificity in the initial and final offers the public use for which the entity intends to acquire the property; (2) an entity with eminent domain authority shall disclose in writing to the property owner, at the time of acquisition of the property through eminent domain, including an acquisition through a purchase made by the entity in connection with an initial offer that, in addition to other things, that the initial use of the property is not the public use for which the property was acquired; (3) actual progress towards completion of a project no longer includes: (a) the acquisition of a tract or parcel of real property adjacent to the property for the same public use project for which the owner's property was acquired; or (b) for a governmental entity other than a port authority or navigation district, the adoption by a majority of the entity's governing body at a public hearing of a development plan for a public use project that indicates that the entity will not complete more than one action towards completion before the 10th anniversary of the date of acquisition of the property; (4) not later than the 180th day after the date an entity that acquired a real property interest through eminent domain determines that the former property owner is entitled to repurchase the property, the entity shall send by certified mail to the property owner or the owner's heirs, successors, or assigns a notice containing, among other things, a note that the initial use of the property was not the public use for which the property was acquired; and (5) after the first anniversary of the date on which real property was acquired by an entity through eminent domain, a property owner or the owner's heirs, successors, or assigns may annually request that the entity make a determination and provide a statement and other relevant information regarding, among other things, whether the initial use of the property was the public use for which the property was acquired.

H.B. 1477 (Callegari) – Disannexation: would provide that if a city fails or refuses to disannex an area pursuant to a petition alleging failure to provide services, a district court shall enter an order disannexing the area if the court finds that a valid petition was filed with the city and that the city failed to perform its obligations in accordance with the service plan or the state law governing provision of services. (Note: This bill would overturn a Supreme Court of Texas decision in favor of the City of Bryan.)

H.B. 1496 (Taylor) – Regulatory Takings/Oil and Gas: would make a city regulation that imposes or enforces a limitation that has the effect of preventing or prohibiting the development of an oil or gas well that has been permitted by the Texas Railroad Commission subject to the Private Real Property Rights Preservation Act, which would: (1) waive sovereign immunity to suit and liability for a regulatory taking; (2) authorize a private real property owner to bring suit to determine whether the governmental action of a city results in a taking; (3) require a city to prepare a "takings impact assessment" prior to imposing certain regulations; and (4) require a city to post 30-day's notice of the adoption of most regulations prior to adoption.

H.B. 1522 (Guillen) – Energy Audits: would: (1) create a state regulatory scheme relating to residential energy audits to be administered by the Texas Department of Licensing and

Regulation (TDLR); and (2) provide that a person may not perform an energy efficiency analysis, assessment, or audit or produce an energy efficiency report on a residential structure unless the person is registered with TDLR. (Companion bill is **S.B. 617** by **Carona**.)

H.B. 1553 (Rodriguez) – Platting: would lower the population bracket in current law to allow the replatting of a subdivision without vacating the preceding plat in a city of 1.3 million or more. (Companion bill is **S.B. 773** by **Uresti**.)

H.B. 1554 (J. Rodriguez) – Floodplain Management: would: (1) authorize a city to abate a violation of a floodplain management ordinance by doing the work necessary to bring real property into compliance with the ordinance if the owner of the property fails to comply with the ordinance after the city gives the owner reasonable notice and opportunity to comply; (2) authorize a city to assess costs and interest related to the abatement described in (1), above, and obtain a lien against the property; (3) provide that the lien described in (2), above, is privileged and subordinate only to tax liens and liens for street improvements; (4) provide that the lien described in (2), above, may be perfected by filing written notice of the lien with the county clerk of the county in which the property is located; and (5) require that notice of the lien in (2), above, must be in recordable form and state the name of the property owner(s), if known, the legal description of the property, and the amount due.

H.B. 1650 (Raymond) – Colonias: would, among other things: (1) require the secretary of state's classification system that allows the secretary of state to track and report on the progress of state-funded projects in providing water or wastewater services, paved roads, and other assistance to colonias to include a method for a city or county to nominate an area for identification as a colonia; (2) provide that a utility may not serve or connect any residential structure in the unincorporated area of the county with permanent water, sewer, electricity, gas, or other utility service unless the utility receives a certificate issued by the commissioners court certifying that the residential structure complies with all county regulations applicable to the structure; and (3) provide that, before an application for colonia funding through the Texas Water Development Board may be considered by the board for a project in the extraterritorial jurisdiction of a city, the applicant must demonstrate that the state's model subdivision rules have been adopted and are enforced in the extraterritorial jurisdiction by the city or the county.

H.B. 1706 (Farrar) – Breastfeeding: would: (1) prohibit a person, including a city, from interfering or restricting the right of a mother to breast-feed any place the mother has a right to be; and (2) create a civil cause of action, including injunctive relief and compensatory damages, if an individual violates this section.

H.B. 1744 (Elkins) – Technology Centers: would allow a local government, including a city, to request a contract with a state technology center under which the center provides the city with technological services or operations.

H.B. 1795 (Isaac) – Sale of Real Property: would: (1) authorize a home-rule city to contract with a broker to sell a tract of real property owned by the city and pay the broker a fee if he/she produces a ready, willing, and able buyer to purchase the property; (2) provide that if a contract is made as described in (1), above, to list a property for sale for at least 30 days with a multiple-listing service (MLS), the governing body on or after the 30th day after the date the property is listed may sell the property to a ready, willing, and able buyer who is produced by any broker using the MLS and submits the highest cash offer; and (3) allow the governing body to sell a tract of property as described in (2), above, without complying with the public auction or notice and bidding requirements prescribed by law.

H.B. 1798 (Goldman) – Emergency Services Districts: would: (1) require an emergency services district to receive the written consent of a city council if it seeks to expand the district to include territory in a city's limits or its extraterritorial jurisdiction; (2) provide that if the city council does not consent to the expansion within 60 days, a majority of the qualified voters and owners of at least 50 percent of the territory in the city limits or extraterritorial jurisdiction that would have been included in the district may petition the city council to make fire control and emergency medical and ambulance services available in the territory; (3) provide that if a city council refuses or fails to act on a petition under (2), above, the refusal or inaction serves as consent for the territory that is subject of the petition to be included in the district; (4) require an emergency services district to receive the written consent of a city council if it seeks to expand the district to include territory designated an industrial district by a city; (5) provide that if a city council consents to the expansion of a district into its city limits or extraterritorial jurisdiction, then the expansion may take place in the same manner as other territory under state law; (6) provide that a city council's consent to expansion of a district expires six months after the date consent is given; and (7) provide that this bill does not apply if a district proposes to expand in the unincorporated area of a county with a population of 3.3 million or more.

S.B. 659 (West) – Housing Assistance Programs: would provide that the Texas Department of Housing and Community Affairs shall adopt a policy providing for the debarment of a person from participation in programs administered by the department if certain conditions are met.

S.B. 672 (Carona) – Industrialized Housing and Buildings: would provide that, notwithstanding any other law, the Texas Department of Licensing and Regulation may not perform an inspection or investigation, open a complaint, initiate an administrative or enforcement action, or impose a penalty against a manufacturer, builder, or third-party inspector of industrialized housing after the first anniversary of the date of the final on-site inspection of the industrialized housing. (Companion bill is **H.B. 578** by **Geren**.)

S.B. 773 (Uresti) – Platting: this bill is the same as **H.B. 1553**, above.

S.B. 802 (Davis) – Foundation Repair Contractors: would provide: (1) for state regulation of foundation repair contractors; (2) that the bill does not affect a person's obligation to comply with a local regulation establishing a permit, inspection, or approval process in connection with foundation repair work; (3) that the standard for the practice of foundation repair work or foundation repair contracting in a local political subdivision is the standard established by local regulation if the standard is not less stringent than the standard imposed by the bill; (4) that a person who holds a license issued under the bill is not required to hold a license issued by a local political subdivision or take an examination required by a local regulation to engage in foundation repair work or foundation repair contracting; and (5) that a person who obtains a foundation repair company license shall provide notice to, and pay a fee if required by, a local political subdivision if required to perform work in the local political subdivision.

PERSONNEL

H.B. 1468 (Sheets) – Workers' Compensation: would: (1) make communications between an employer and the insurance carrier in workers' compensation cases confidential under certain circumstances; and (2) exempt these communications from release under the Public Information Act.

H.B. 1524 (Anderson) – Unions: would change the meaning of "exclusive bargaining representative" under the Labor Code to include only the group who has been selected by secret ballot/ (Note: A case currently pending at the Supreme Court of Texas, *City of Round Rock v. Rodriguez,* has yet to determine whether this chapter of the Labor Code applies to cities.) (Companion bill is **S.B. 674** by **Seliger**.)

H.B. 1531 (K. King) – Emergency Medical Services Personnel/Concealed Handguns: would provide that emergency services personnel engaged in providing emergency services in a county with a population of 50,000 or less may carry a concealed handgun while on duty.

H.B. 1574 (McClendon) – Workforce Report: would require the Texas Workforce Commission to create a report regarding the types of employment available in the state, including non-exempt, exempt, part-time, full-time, and others, and how these types affect public assistance programs in Texas.

H.B. 1577 (V. Taylor) – Retirement: would: (1) make an individual ineligible for their public retirement annuity if: (a) they are convicted of a felony or class A or B misdemeanor related to the performance of their public service; and (b) a judge makes a finding that they are ineligible; (2) prohibit a conviction from affecting the annuity of an alternate payee; (3) require the governing body of a public retirement system to create rules to implement the bill's requirements; and (4) make the system resume full payments if an individual is later determined not guilty or innocent of the crime that lead to the ineligibility.

H.B. 1697 (Farrar) – Termination of Public Safety Employees: would: (1) prohibit a city from terminating a peace officer or firefighter because the individual could not perform their job because of an on-the-job injury before they have reached maximum medical improvement; (2) give an employee a cause of action for damages and reinstatement if this policy is violated; and (3) put the burden of proof on the employee. (Companion bill is **H.B. 1430** by **Fletcher**.)

H.B. 1725 (Bohac) – Police Termination Reports: would: (1) repeal the penalty associated with a police chief's failure to change a termination report category of discharge after a Texas Commission on Law Enforcement Officer Standards and Education (TCLEOSE) appeal; and (2) require TCLEOSE to modify the category of discharge stated if an administrative law judge holds that the discharge category on the termination report was incorrect.

H.B. 1762 (Price) – Workers' Compensation: would: (1) allow a temporary employment agency's certificate of workers' compensation coverage to constitute proof of insurance coverage for the agency and the client, including a city; and (2) require a city to accept such a certificate as proof of required coverage.

H.B. 1804 (Callegari) – Retirement Benefits: would authorize a city to: (1) establish a Roth IRA program for its employees; and (2) develop procedures to allow retirement plan vendors to lend money to a participating employee. (Companion bill is **S.B. 366** by **Taylor**.)

S.B. 674 (Seliger) – Unions: this bill is the same as **H.B. 1524**, above.

S.B. 676 (Carona) – Unemployment Benefits: would: (1) require an employer to properly classify construction workers as either employees or independent contractors; (2) provide an administrative penalty for misclassification of employees; and (3) require the Texas Workforce Commission to notify a city or other governmental entity of non-compliant employers.

S.B. 738 (Watson) – Foreign Workers: would establish the Texas Essential Workers Program, which would: (1) authorize employers in certain industries that are understaffed to apply for visas for foreign workers; (2) provide a process for foreign workers to work legally in the United States for certain approved employers; and (3) require such employers to provide benefits to their foreign workers, including housing, food, certain wages, workers compensation insurance, and other benefits.

S.B. 766 (Hegar) – Volunteer Fire Fighters: would prohibit a city or the state from requiring volunteer fire fighters to be licensed or certificated.

PUBLIC SAFETY

H.B. 1497 (Taylor) – Public Safety: would require the Department of Public Safety to release all information related to a driver's license to law enforcement personnel for governmental purposes.

H.B. 1502 (Raymond) – Tasers: would: (1) make it a class A misdemeanor to tase an individual under 18 years of age for disciplinary purposes; and (2) provide for a law enforcement affirmative defense and other defenses to prosecution.

H.B. 1510 (Larson) – Animal Shelters: would make animal shelters "caretakers of animals" for purposes of veterinary care, which would give animal shelter employees additional authority to make decisions regarding an animal's veterinary care.

H.B. 1515 (McClendon) – Citations: would: (1) provide for the transfer of powers and duties related to driver's licenses and personal identifications from the Department of Public Safety (DPS) to the Department of Motor Vehicles (DMV); and (2) require that certain citations issued for operating a motor vehicle in violation of the liability insurance requirement make reference to the DMV rather than DPS.

H.B. 1520 (D. Bonnen) – Emergency Training Liability: would extend immunity from liability to individuals who: (1) are volunteer fire fighters who are engaged in training activities; and (2) private individuals who are engaged in training exercises related to assisting in hazardous situations.

H.B. 1542 (Flynn) – Texas Military: would, among many other things: (1) provide that the Texas Military Department is the state's department for Texas military affairs; and (2) repeal the provision giving a city or county the authority to call up the state military forces in an emergency situation if the governor may not be reached.

H.B. 1608 (Hughes) – Search Warrants: would: (1) allow a search warrant to be issued by a district judge for the search and seizure of information concerning the location of a cellular telephone or other wireless communications device that is wholly or partly generated by or derived from the operation of the device; (2) authorize a prosecutor or peace officer to request to seal an application and order for the warrant described in (1), above; (3) require that issuance of a warrant for location information provided by the preinstalled mobile tracking features of a cellular phone or wireless device be on the application of certain peace officers; (4) authorize certain peace officers to monitor a wireless communication device without a warrant if the device is reported stolen or there exists an immediate life-threatening situation; (5) authorize the chief of certain law enforcement agencies to apply to for a warrant to compel the production of business records disclosing location information about communication common carrier or electronic communication services customers or users; and (6) require certain publicly-available reports regarding warrants and orders described above, including information about the amount a law enforcement agency is billed by a communication common carrier or electronic communications service and the name of the law enforcement agency or prosecutor that submits an application for a warrant or order. (Companion bill is **S.B. 786** by **Hinojosa**.)

H.B. 1658 (King) – DWI: would require an officer to arrest a person and take a specimen of the person's breath or blood if the officer has probable cause to arrest the person and the person was the operator of a motor vehicle or a watercraft involved in an accident that resulted in bodily injury to another individual.

H.B. 1667 (Carter) – Release on Bond: would: (1) deny a defendant charged with burglary a second release on personal bond pending trial if the defendant violated a condition of bond when previously released on a personal bond; (2) require a defendant charged with burglary, and who has been previously convicted two or more times of burglary, to submit to electronic monitoring by a global positioning monitoring system as a condition of bond.

H.B. 1670 (Carter) – Synthetic Hallucinogens: would add a synthetic hallucinogenic substance (commonly known as 25I) to Penalty Group 2 of the Texas Controlled Substances Act. (Companion bill is **S.B. 264** by **Huffman**.)

H.B. 1671 (Carter) – Synthetic Derivative of Marihuana: would designate certain additional synthetic cannabinoids as controlled substances and controlled substance analogues under the Texas Controlled Substances Act. (Companion bill is **S.B. 263** by **Huffman**.)

H.B. 1677 (Frullo) – Missing, Abducted, and Exploited Children: would: (1) provide that the missing children and missing persons information clearinghouse: (a) receive and maintain information on attempted child abductions in Texas; (b) provide for the exchange of information regarding attempted child abductions between the clearinghouse and the National Center for Missing and Exploited Children or other similar national nonprofit; and (c) provide information regarding attempted child abductions to local law enforcement agencies to assist in locating or identifying other missing children; (2) require that, in entering information regarding a report of a missing child into the national crime information center missing person file, a local law enforcement agency indicate in the entry that the missing child is in danger if: (a) the child had been reported missing on four or more occasions in the 24-month period preceding the date of the current report; or (b) the child is in foster care or in conservatorship and had been reported missing on two or more occasions in the 24-month period preceding the date of the current report; (3) require a local law enforcement agency to immediately, but not later than two hours after receiving a report of an attempted child abduction, provide any relevant information to the clearinghouse and the center or other similar nonprofit; (4) require each law enforcement agency to provide to the clearinghouse any information regarding an attempted child abduction that the agency has jurisdiction to investigate; (5) require the Texas Commission on Law Enforcement Officer Standards and Education to adopt a rule providing that an officer first licensed by the commission on or after January 1, 2015, must complete a one-time education and training program on missing or exploited children; and (6) require that an officer receiving the intermediate or advanced proficiency certificate issued by the commission on or after January 1, 2015, complete the education and training program on missing or exploited children described in (5), above. (Companion bill is **S.B. 742** by **Carona**.)

H.B. 1690 (Fletcher) – Communicable Diseases: would grant: (1) a peace officer the authority to use reasonable force to restrain and hold certain individuals with communicable diseases to prevent the spread of communicable disease; (2) a judge or magistrate the authority to order an emergency services provider to transport an individual with a communicable disease to a hospital.

H.B. 1713 (Lozano) – Felony Forfeiture: would require the sale proceeds of property seized by a police officer during the investigation of a smuggling persons, evading arrest, or trafficking persons offense to be deposited in a fund in the treasury of the county in which the offense occurred.

H.B. 1743 (Johnson) – Drug Possession: would create a defense to prosecution for drug possession crimes, if the individual: (1) requested emergency medical assistance in response to the possible controlled substance overdose of another person, (2) was the first person to make a request for medical assistance, (3) remained on the scene until the medical assistance arrived, and (4) cooperated with medical assistance and law enforcement personnel.

H.B. 1813 (Lucio) – Fireworks: would prohibit a city from confiscating packaged, unopened fireworks.

H.B. 1816 (Cortez) – Officer Safety: would require a person operating a motor vehicle who is directed to bring the motor vehicle to a stop by a police officer at nighttime to illuminate an interior light installed in the motor vehicle immediately after stopping the vehicle.

H.B. 1738 (Naishtat) – Detention of Persons with Mental Illness: would: (1) require a peace officer to provide a "notification of detention" to a facility to which the peace officer transports a person to be included in the person's clinical file; (2) require the notification of detention to be in a specific form and include, among other things: (a) that the peace officer has reason to believe the person evidences mental illness; (b) that the peace officer believes the person evidences a substantial risk of serious harm to himself/herself or others; (c) that the peace officer believes the risk of harm is imminent; (d) specific information about the person's behavior, acts, attempts, statements, or threats observed by the peace officer; and (e) specific information about third parties who reported or observed the person's behavior; and (3) prohibit a mental health facility or hospital emergency department from requiring a peace officer to execute any form other than the form described in (2), above, as a predicate to accepting for temporary admission a person under emergency detention.

S.B. 670 (Whitmire) – Juvenile Records: would allow records relating to a child who is a party to a proceeding to be inspected or copied by specified individuals.

S.B. 686 (Huffman) – Commission on Law Enforcement Officer Standards and Education: would change the name of the Commission on Law Enforcement Officer Standards and Education to the Texas Commission on Law Enforcement. (Companion bill is **H.B. 1166** by **Villalba.**)

S.B. 687 (Huffman) – Bond Conditions: would require a defendant ordered by the court to have an alcohol monitoring device installed as a condition of bond to pay a fee not to exceed $10. (Companion bill is **H.B. 1275** by **Smith**.)

S.B. 742 (Carona) – Child Abductions: would require: (1) a local law enforcement agency to, no longer than two hours after receiving a report of an attempted child abduction, provide any relevant information regarding the attempted child abduction to the state clearinghouse and the National Center for Missing and Exploited Children; and (2) officers first licensed after January 1, 2015, or seeking an intermediate or advanced proficiency certificate, to complete an education and training program on missing or exploited children.

S.B. 744 (Nelson) – Crime Victims' Compensation Act: would expand the permissible compensation under the Crime Victims' Compensation Act to include loss of support to a dependent who is a victim.

S.B. 745 (Nelson) – Sexual Assault Programs: would allow the attorney general to award grants to sexual assault programs, including municipal programs that provide specified minimum services.

S.B. 786 (Hinojosa) – Search Warrants: this bill is the same as **H.B. 1608**, above.

S.B. 796 (Lucio) – Traffic Violations and Accidents: would provide that the Texas Department of Transportation and the Department of Public Safety shall jointly conduct a study to review the use of technology and other methods to report, track, and prevent traffic violations and accidents, including global positioning systems and speed limit signs, used by other states and countries.

S.B. 809 (Carona) – 9-1-1 Fees: would remove Public Utility Commission oversight of the 9-1-1 Equalization Surcharge.

S.B. 811 (Van de Putte) – Human Trafficking: would: (1) continue the Human Trafficking Prevention Task Force; and (2) require the task force to create a curriculum and train emergency medical services personnel and others on how to identify victims of human trafficking.

UTILITIES AND ENVIRONMENT

H.B. 1456 (Gooden) – IOU Water Rates: would provide that a county may intervene as a party in a water and sewer utility rate proceeding if the utility in the proceeding: (1) seeks to increase the rates of ratepayers who reside in the county by more than 25 percent; or (2) serves more than 3,000 ratepayers who reside in the county.

H.B. 1457 (Gooden) – IOU Water Rates: would provide that a regulatory authority (e.g., the Texas Commission on Environmental Quality or a city) may include for ratemaking purposes only 50 percent of the reasonable and necessary rate case expenses of an investor-owned utility.

H.B. 1461 (Aycock) – Water Conservation: would require a retail public utility, including a city, that experiences total water loss in any month of more than 10 percent to notify each of the utility's customers of the water loss on their next bill.

H.B. 1473 (Rodriguez) – Beverage Container Recycling: would: (1) create the Texas Beverage Container Recycling Consortium to administer incentives for recycling; (2) permit a city to establish and operate a redemption center and receive a handling fee from the Consortium; and (3) make violation of certain recycling provisions a class C misdemeanor.

H.B. 1488 (Harper-Brown) – Gas Rate Notices: would provide that, instead of mailing a customer notice of a rate increase, a gas utility may send the notice by e-mail if any customer's e-mail address is available to the utility.

H.B. 1490 (Bell) – Municipal Solid Waste Fees: would: (1) provide that municipal solid waste "tipping" fees shall be reduced to 50 percent if the unobligated balance in the municipal solid waste disposal account equals or exceeds $30,000,000 and at such time the fees shall be distributed to the waste management account; (2) provide that, if the unobligated balance in the municipal solid waste disposal account falls below $15,000,000, the fees shall be reinstated to 100 percent and equally distributed between the municipal solid waste disposal account and the waste management account; and (3) add the following to the list of permissible expenditures of the tipping fee: (a) provision of funds for natural gas fueling stations to facilitate the conversion of solid waste diesel fleets to cleaner burning natural gas in nonattainment areas and Travis, Williamson, Hays, and Bexar counties; and (b) provision of funds for municipal solid waste renewable energy projects; including, waste-to-energy, landfill biogas for electricity, wastewater treatment facility biogas projects to electricity or renewable fuel, and food/yard waste anaerobic digestion.

H.B. 1509 (Anchia) – Civil Actions: would authorize a city to bring a civil action or use quasi-judicial enforcement procedures to enforce an ordinance relating to: (1) animal care and control; and (2) water conservation measures, including watering restrictions. (Companion bill is **S.B. 654** by **West**.)

H.B. 1535 (Reynolds) – Sewage Systems: would allow a small commercial development sewage collection, treatment, and disposal system to be permitted as an on-site sewage disposal system, if certain conditions are met.

H.B. 1584 (Ritter) – Scrap Tires: would, among other things: (1) require a retail seller to contract for the transportation of scrap tires only with a licensed scrap tire transporter; (2) require an individual who stores scrap tires to store the scrap tires in a fully enclosed area or container that must be made secure by locking; and (3) provide that a retail seller shall prohibit a customer from retaining a scrap tire or used tire removed from the customer's vehicle during the purchase of a tire, unless the customer can show that the tire will be used in the customer's agricultural business.

H.B. 1600 (Cook) – Public Utility Commission: this is the Public Utility Commission (PUC) Sunset bill. Of particular interest to cities, the bill would continue the functions of the PUC until 2023 and would: (1) increase the PUC's oversight of the Electric Reliability Council of Texas; (2) on September 1, 2014, transfer to the PUC the powers, duties, functions, programs, and activities of the Texas Commission on Environmental Quality (TCEQ) relating to the economic regulation of water and sewer service, including the issuance and transfer of certificates of convenience and necessity, the determination of rates, and the administration of hearings and proceedings involving those matters; (3) provide that, by August 1, 2014, the TCEQ and the PUC shall enter into a memorandum of understanding that governs the transition; and (4) authorize the Office of Public Utility Counsel to represent the interests of residential and small commercial water consumers. (Companion bill is **S.B. 206** by **Nichols**.)

H.B. 1663 (Guillen) – Water Rate Cases: would provide that a water utility or two or more water utilities under common control and ownership may not file a statement of intent to increase its rates for the same customer more than once in a 12-month period, unless the regulatory authority determines that a financial hardship exists.

H.B. 1694 (Farrar) – Solid Waste Facilities: would: (1) prohibit a person from intentionally or knowingly disposing of used equipment eligible for collection under a manufacturer's recovery plan in a municipal solid waste landfill or incinerator; and (2) exempt an owner or operator of a municipal solid waste landfill or incinerator from prosecution for accepting used equipment for disposal at a municipal solid waste landfill if the owner or operator has: (a) made a good faith effort to comply; (b) posted in a conspicuous location a sign stating that used equipment is not accepted; and (c) notified any solid waste collector registered to dispose of waste at the landfill, in writing, that used equipment is not accepted.

H.B. 1714 (Smith) – Compliance History: would discontinue the Texas Commission on Environmental Quality's compliance history program and instead allow the commission to review an applicant's or permit holder's record of environmental violation in the preceding five years in deciding whether to issue, amend, or renew a permit.

H.B. 1772 (Turner) – Gas and Electric Utility Disconnections: would: (1) require an electric service provider or gas utility to send written notice of service disconnection to a customer and the city council, if the property is located in a city; (2) require a landlord, premises owner, or property manager to provide written notice of a service disconnection to each tenant or owner in an apartment, condominium, or building containing 10 or more dwellings that is master metered but not submetered no later than the fifth day after the date the landlord, premises owner, or property manager receives a notice of service disconnection; and (3) allow a city council to provide additional notice to property's tenants and owners after receipt of the service disconnection notice and would not prohibit a city from adopting customer safeguards that exceed the safeguards provided in the bill.

H.B. 1776 (Schaefer) – Water Rights: would relate to emergency orders made during a period of drought or other emergency shortage of water and would provide that a "drought" means a drought classified as exceptional by the National Drought Mitigation Center.

H.B. 1780 (Schaefer) – Water Rights: would relate to emergency orders made during a period of drought or other emergency shortage of water and would provide that: (1) the executive director of the Texas Commission on Environmental Quality shall notify the water rights holders who may be affected by an emergency order not later than the 30th day before the date the proposed order takes effect; (2) not later than the 14th day after the date a person receives the notice, the person may request that the commission hold a hearing to affirm, modify, or set aside the proposed order; (3) if the commission receives a request under (2), above, the commission shall hold a hearing on the proposed order before the date the proposed order takes effect and shall affirm, modify, or set aside the proposed order; and (4) if a person files a petition for judicial review of an emergency order, the court shall expedite review of the decision.

H.B. 1792 (Paddie) – Pipeline Safety: would provide that: (1) various state laws governing pipeline safety and referencing federal law are modified to reflect the current federal law cite; and (2) "hazardous liquid" includes any nonpetroleum fuel, including biofuel, that is flammable, toxic, or corrosive or would be harmful to the environment if released in significant quantities and a substance or material, other than liquefied natural gas, determined by the United States secretary of transportation to pose an unreasonable risk to life or property when transported by a hazardous liquid pipeline facility in a liquid state.

H.B. 1788 (Dale) – Texas Railroad Commission: would provide that the Railroad Commission of Texas is renamed the Texas Energy Commission.

H.B. 1796 (Isaac) – Groundwater District Permits: would require a groundwater district to renew or amend a permit without a hearing so long as the application does not change the permitted point of groundwater withdrawal, place of using the water, purpose of the water, or amount of groundwater withdrawals from the well.

H.J.R. 97 (Dale) – Texas Railroad Commission: would amend the Texas Constitution to rename the Railroad Commission of Texas as the Texas Energy Commission.

S.B. 206 (Nichols) – Public Utility Commission: this bill is the same as **H.B. 1600**, above.

S.B. 645 (Ellis) – Beverage Container Recycling: this bill is the same as **H.B. 1473**, above.

S.B. 654 (West) – Civil Actions: this bill is the same as **H.B. 1509**, above.

S.B. 668 (Seliger) – Water Conservation Advisory Council: would allow the Water Conservation Advisory Council to make both a report on progress made in water conservation and recommendations for legislation to advance water conservation to the legislature.

S.B. 701 (Hegar) – Utilities: would make it a defense to a criminal trespass charge that an individual is an employee or agent of a municipally owned utility.

S.B. 749 (Davis) – Gas Pipeline Safety: would provide that a natural gas pipeline operator: (1) shall promptly respond to any notification received by the operator relating to: (a) a gas leak or gas odor emanating from any of the operator's pipeline facilities; or (b) damage to any of the operator's pipeline facilities caused by an excavator or other outside source; (2) ensure that the operator's leak detection equipment is properly calibrated; (3) shall determine whether the leak is a "grade 1 leak" as defined by the bill; (4) on a determination that a leak is a grade 1 leak, shall make necessary repairs and take immediate action to eliminate hazardous conditions, including a list of actions included in the bill; and (5) report to the Railroad Commission about the leak and verify that the leak was repaired.

S.B. 762 (Carona) – Solid Waste Facilities: would: (1) prohibit a person from intentionally or knowingly disposing of used equipment eligible for collection under a manufacturer's recovery plan in a municipal solid waste landfill or incinerator; and (2) exempt an owner or operator of a municipal solid waste landfill or incinerator from prosecution for accepting used equipment for disposal at a municipal solid waste landfill if the owner or operator has: (a) made a good faith effort to comply; (b) posted in a conspicuous location a sign stating that used equipment is not accepted; and (c) notified any solid waste collector registered to dispose of waste at the landfill, in writing, that used equipment is not accepted.

S.B. 782 (Hinojosa) – Drainage Districts: would allow a drainage district that is located in a county bordering the United Mexican States, and that has one or more drainage ditches that empties into the Gulf of Mexico, to construct a reservoir without obtaining a permit from the state.

S.B. 815 (Davis) – Gas and Electric Utility Disconnections: this bill is the same as **H.B. 1772**, above.

S.B. 819 (Duncan) – Demolition Waste: would authorize the Texas Commission on Environmental Quality (TCEQ) to issue a permit by rule allowing a county or city with a population of 12,000 or less to dispose of demolition waste from a building if the disposal occurs on land that the county or city owns or controls and would qualify for an arid exemption under TCEQ rules.

TRANSPORTATION

H.B. 1485 (Lavender) – Transportation Funding: would provide that, to the extent permitted by federal law, the governor shall waive the state's right to receive money allocated under the federal-aid highway program and instead elect to receive the portion of the taxes appropriated to the Highway Trust Fund that is attributable to highway users in the state, as calculated by the federal law permitting the waiver and election. (Note: Texas is a net "donor" to the federal highway program, and this bill could in theory provide more funding for Texas highways.)(Companion bill is **S.B. 678** by **Paxton**.)

H.B. 1545 (Allen) – Persons with Disabilities: would: (1) require that a public transportation provider give, at the request of an individual who resides in the provider's service area and is eligible to use the provider's services designed for a person with disabilities who is unable to use the provider's bus or rail service, a written certification verifying the individual's eligibility for the provider's services; and (2) provide that the certification in (1), above, entitles the individual to obtain services from any transportation provider in the state.

H.B. 1627 (Harper-Brown) – Transportation Funding: would provide that three-quarters of the state's gas tax shall be credited to the state highway fund for the purpose of constructing and maintaining public highways.

H.B. 1700 (Farrar) – Driver's Licenses and Personal Identification: would remove the requirement that an applicant for issuance of a driver's license, personal identification certificate, or commercial driver's license provide proof of citizenship or lawful presence in the United States.

H.B. 1716 (Pickett) – Transportation Reinvestment Zones: would amend the law relating to transportation reinvestment zones (TRZs) to provide, among other things, that: (1) the governing body of the city by ordinance may designate a contiguous geographic area in the jurisdiction of the city to be a transportation reinvestment zone to promote one or more transportation projects; (2) the governing body of a city may contract with a public or private entity to develop, redevelop, or improve a transportation project in a transportation reinvestment zone and may pledge and assign all or a specified amount of money in the tax increment account to that entity, and that after a pledge or assignment is made the governing body of the city may not rescind its pledge or assignment until the contractual commitments that are the subject of the pledge or assignment have been satisfied; and (3) property may not be removed or excluded from a designated zone if any part of the tax increment account has been assigned or pledged directly by the municipality or through another entity to secure bonds or other obligations issued to obtain financing of the project or provide funding for the development of a project.

H.B. 1719 (Phillips) – Airports: would, among other things: (1) provide that the governing body of a city that operates an airport may commission an employee of the airport security force as a peace officer under the provisions of the Occupations Code governing law enforcement officers; (2) require an airport operator to apply to the U.S. Undersecretary of Transportation for to participate in the security screening opt-out program and submit related information to the Texas Department of Public Safety (DPS) and the Texas Department of Transportation (TxDOT); (3) provide that an airport operator who fails to comply with the requirements in (2), above, may not receive state funding for the operation of the airport; and (4) require that an airport operator submit to the DPS and TxDOT a written report describing the number and nature of complaints received by the airport operator from passengers concerning the behavior of Transportation Security Administration agents.

H.B. 1791 (J. Davis) – Liability: would, among other things, limit a city's liability for space flight activities conducted on property owned by a city.

H.B. 1823 (Harper-Brown) – Transportation Funding: would provide that the state revenue received from the tax imposed on the gross receipts from the rental of a motor vehicle be deposited to the state highway fund.

H.J.R. 95 (Harper-Brown) – Transportation Funding: would amend the Texas Constitution to provide that the net revenue from motor vehicle registration fees and motor fuels tax shall be used for the sole purpose of constructing and maintaining public highways.

S.B. 678 (Paxton) – Transportation Funding: this bill is the same as **H.B. 1485**, above.

S.J.R. 38 (Williams) – State Infrastructure Fund: would: (1) establish a special revolving fund in the state treasury called the state infrastructure fund which would consist of: (a) money the legislature appropriates to the fund; (b) donations made to the fund; (c) loan repayments received by the state infrastructure board; and (d) interest earned on the balance of the fund; (2) establish a state infrastructure board consisting of three members appointed by the governor, including: (a) one member knowledgeable or experienced in transportation planning; (b) one member knowledgeable or experienced in port issues; and (c) one member knowledgeable or experienced in urban planning and economic development; (3) authorize the board to use fund revenue to provide loans to political subdivisions for economic development infrastructure or for credit enhancement to political subdivisions and other governmental entities that operate or maintain mass transit or toll projects; and (4) require $3 billion to be transferred from the rainy day fund to the credit of the state infrastructure fund.

S.J.R. 39 (Williams) – Transportation Funding: would amend the Texas Constitution to: (1) create the "new capacity fund" as a special fund in the state treasury outside the general revenue fund to be administered by the Texas Transportation Commission; (2) provide that money deposited in the fund is dedicated to new capacity transportation projects, including planning of, acquisition of rights-of-way for, engineering for, design of, and construction of those projects, and may be used only for those purposes; (3) provide that the fund consists of revenue derived from: (a) any increase in motor vehicle registration fees imposed throughout the state on or after September 1, 2013; and (c) any additional motor vehicle registration fee imposed throughout the state on or after September 1, 2013; and (4) prohibit the issuance or sale of obligations of the state that are payable from or secured by a pledge of or a lien on the money in the fund.

City Officials Testify

When the legislature is in session, nothing compares to the effectiveness of city officials testifying at the Capitol. City officials who take their time to travel to Austin to speak out on important city issues should be applauded by us all.

Among the city officials who recently testified in front of legislative committees are the following:

- Aaron Crowell, Police Department Detective, Baytown
- Keith Stretcher, City Attorney, Midland

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Agenda Item:

6A. Update on the Fiscal Year 2012 comprehensive annual financial report. (staff)

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

SUBJECT: Update on the FY 2012 City of Kerrville Comprehensive Annual Financial Report (CAFR)

FOR AGENDA OF: March 12, 2013 **DATE SUBMITTED**: February 28, 2013

SUBMITTED BY: Mike Erwin, Director of Finance **CLEARANCES:** Todd Parton, City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
$	$	$	

PAYMENT TO BE MADE TO:
REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

An update on the FY 2012 City of Kerrville Comprehensive Annual Financial Report will be presented at the meeting. Staff from BKD will be present. The actual CAFR will be presented on March 26, 2013.

RECOMMENDED ACTION

No action required information purposes only.

Agenda Item:

6B. Economic update. (staff)

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

SUBJECT: Kerrville Budget/Economic Update

FOR AGENDA OF: March 12, 2013 **DATE SUBMITTED**: February 28, 2013

SUBMITTED BY: Mike Erwin MWE
Director of Finance

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Economic Update

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

PAYMENT TO BE MADE TO:
REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

The City of Kerrville staff will present and update Council on a biweekly basis as to the status of the City's budget and current economic trends affecting the City.

RECOMMENDED ACTION

No action required information purposes only.

CITY OF KERRVILLE
ECONOMIC UPDATE AS OF MARCH 6, 2013

	Current Month	Previous Month	1 Year Ago	Trend	Current Month
National					
Unemployment	7.90%	7.80%	8.30%	↔	January
Consumer Confidence	69.6	58.4	71.6	↔	February
1 year T-Bills	0.15%	0.15%	0.16%	↔	3/5/13
State					
Monthly Unemployment	6.00%	5.80%	7.10%	↔	December
Monthly Sales Tax	$2,122.8m	$2,165.9m	$2,000.9m	↑	January
Local					
Monthly Unemployment (Kerr Co.)	5.00%	4.90%	5.60%	↔	December
Median Listing Price	$160,000	$165,000	$199,000	↓	2/15/13
Monthly Sales Tax	$410,009	$568,401	$373,675	↑	March
Monthly EIC Tax	$205,004	$284,177	$186,812	↑	March
Monthly HOT	$44,373	$48,837	$42,434	↑	January

	FY13 Budget	FY13 as of 2/28/2013	FY13 % Received	FY12 as of 2/28/2012	FY12 % Received
General Fund					
Tax Revenue	$14,939,900	$10,689,376	71.55%	$10,551,521	72.76%
Property Tax	$8,050,000	$7,757,580	96.37%	$7,693,442	97.39%
Sales Tax	$4,885,000	$2,286,768	46.81%	$2,200,888	48.37%
Permits & Fees	$324,975	$125,676	38.67%	$133,602	41.24%
Intergovernmental	$1,191,000	$484,874	40.71%	$721,250	61.49%
Service Revenues	$2,411,860	$1,064,458	44.13%	$1,007,202	39.17%
Grant Revenue	$29,500	$16,144	54.73%	$17,359	65.51%
Fines & Forfeitures	$513,618	$186,343	36.28%	$203,578	41.69%
Interest & Misc.	$240,850	$103,595	43.01%	$69,305	18.21%
Transfers In	$1,250,000	$520,833	41.67%	$520,833	41.09%
Total General Fund	$20,901,703	$13,191,299	63.11%	$13,224,651	63.79%
Total General Fund Expenditures	$21,209,503	$8,455,815	39.87%	$7,771,968	38.19%
Water/Sewer Fund					
Water Sales	$4,500,000	$1,962,424	43.61%	$1,625,529	36.90%
Sewer Sales	$3,800,000	$1,427,115	37.56%	$1,542,370	41.17%
Other Revenue	$725,500	$285,126	39.30%	$322,490	43.86%
Total Water & Sewer Fund	$9,025,500	$3,674,664	40.71%	$3,490,389	39.28%
Total W&S Fund Expenditures	$8,931,239	$3,297,872	36.93%	$5,101,096	48.29%

Agenda Item:

6C. Water resources report (staff)

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

SUBJECT: Water Resources Report

FOR AGENDA OF: 3/12/13 **DATE SUBMITTED**: 2/28/13

SUBMITTED BY: Charlie Hastings CH **CLEARANCES:** Todd Parton
Public Works Director City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

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

PAYMENT TO BE MADE TO:
REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Staff will present an update on the water supply and availability as it relates to the drought.

RECOMMENDED ACTION

Information and discussion.