

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

**SUBJECT:** Recognition of the Schreiner University Women's Golf Team for their American Southwest Conference Championship and advancement to the NCAA Division III National Golf Championships.

**FOR AGENDA OF:** April 27, 2010      **DATE SUBMITTED:** April 20, 2010

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

**EXHIBITS:**

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

| <b>Expenditure</b> | <b>Current Balance</b> | <b>Amount</b>    | <b>Account</b> |
|--------------------|------------------------|------------------|----------------|
| <b>Required:</b>   | <b>in Account:</b>     | <b>Budgeted:</b> | <b>Number:</b> |
| <b>\$0</b>         | <b>\$0</b>             | <b>\$0</b>       |                |

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

**SUMMARY STATEMENT**

The Schreiner University women's golf team won their first ever conference championship at Horseshoe Bay Resorts Applerock golf course on April 18-19, 2010. The team will now compete for a NCAA Division III national championship at Mission Inn Resort near Orlando, Florida on May 11-14, 2010.

The team is headed by American Southwest Conference Coaches of the Year Anna Macosko and Ron Macosko, who also serves as the Schreiner University Athletic Director.

Members of the 2010 American Southwest Conference championship team are:

Liz Calderon,  
Katlynd Imbody,  
Surraya Minhas,  
Gabby Rosales, and  
Sarah Stillwell.

Miss Sarah Stillwell finished 2<sup>nd</sup> in the individual standings. She is a First Team All Conference selection. Miss Liz Calderon joins her as a Second Team All-Conference selection with her 6<sup>th</sup> place individual finish.

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

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**SUBJECT:** Ticket Writer Demonstration

**FOR AGENDA OF:** April 27, 2010

**DATE SUBMITTED:** April 19, 2010

**SUBMITTED BY:** Chief John Young

**CLEARANCES:** Todd Parton, City  
Manager

**EXHIBITS:**

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**



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|                    |                        |                  |                |
|--------------------|------------------------|------------------|----------------|
| <b>Expenditure</b> | <b>Current Balance</b> | <b>Amount</b>    | <b>Account</b> |
| <b>Required:</b>   | <b>in Account:</b>     | <b>Budgeted:</b> | <b>Number:</b> |
| <b>\$</b>          | <b>\$</b>              | <b>\$</b>        |                |

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

Kerrville Police Department will provide a demonstration of our automated Ticket Writers.

**RECOMMENDED ACTION**

CITY COUNCIL MINUTES  
REGULAR MEETING

KERRVILLE, TEXAS  
APRIL 13, 2010

On April 13, 2010, the Kerrville City Council meeting was called to order by Mayor Bock at 6:00 p.m. in the city hall council chambers, 800 Junction Highway. The invocation was offered by Reverend Patty Edwards of the Unity Church of the Hill Country, followed by the Pledge of Allegiance led by Bill Nolan of the Retired Military Officers Association.

**MEMBERS PRESENT:**

|                   |               |
|-------------------|---------------|
| Todd A. Bock      | Mayor         |
| R. Bruce Motheral | Mayor Pro Tem |
| Chuck Coleman     | Councilmember |
| T. Scott Gross    | Councilmember |
| Stacie Keeble     | Councilmember |

**MEMBER ABSENT:**

**STAFF PRESENT:**

|                  |                                  |
|------------------|----------------------------------|
| Todd Parton      | City Manager                     |
| Mike Hayes       | City Attorney                    |
| Brenda G. Craig  | City Secretary                   |
| Charvy Tork      | Information Technology           |
| Kevin Coleman    | Director of Development Services |
| Charlie Hastings | Director of Public Works         |
| Kim Meisner      | Director of General Operations   |
| Malcolm Matthews | Director of Parks and Recreation |
| Mike Erwin       | Director of Finance              |
| Stuart Barron    | Water and Wastewater Manager     |

**VISITORS PRESENT:** List on file in city secretary's office.

1. **VISITORS/CITIZENS FORUM:** No one spoke.

2. **RECOGNITION AND COMMENDATIONS:**

- 2A. Recognition of Melanie Gross for outstanding community service. (Mayor Bock)
- 2B. Resolution of commendation to Ben Modisett for serving on the economic improvement corporation.
- 2C. Recognition of achievement of Schreiner University and Schreiner University staff.
- 2D. Proclamation proclaiming April 12-17, 2010, as Kerrville Public School Foundation Week and supporting the KPSF Great Duck Race on April 17.

3. **CONSENT AGENDA:**

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

- 3A. Approval of minutes of the city council meetings of February 9, February 12, February 23, March 9, and March 23, 2010.
- 3B. Authorize a contract with Nelson Lewis Construction for construction of the landfill water main extension in an amount not to exceed \$400,000.00.
- 3C. Authorize the purchase of digital audio/video in-car camera systems utilizing Criminal Justice Division grant funds in the amount of \$38,344.00.
- 3D. Amendment to Hewitt Engineering, Inc. contract to address the final design modifications associated with the realignment in the Oak Hollow drainage project in the amount of \$13,880.00.

**END OF CONSENT AGENDA.**

**4. PUBLIC HEARING AND RESOLUTION:**

4A. Resolution No. 011 -2010 making findings pursuant to the requirements of the Texas Parks and Wildlife Code Chapter 26; that there is no feasible and prudent alternative to the city's change in use of an approximately 0.307 acre tract currently known as Martin Pool from its use as a public park to that of an entrance to the city's public works service utility yard; and that this project includes all reasonable planning to minimize harm to the land as a park or recreation area resulting from the proposed use. Mayor Bock read the resolution by title only.

Mr. Matthews cited state law requirements under Texas Parks and Wildlife Code, Chapter 26, Protection of Public Parks and Recreational Lands, including a public hearing prior to council action.

**AND**

4B. Resolution No. 010-2010 concerning an approximately 9.842 acre tract of land out of the J.S. Hays Survey No. 117, Abstract No. 182, within the City of Kerrville, Kerr County, Texas, and generally located north of McFarland Street and between Hays Street and Paschal Avenue, otherwise known as 310 McFarland Street, and located within the 20-C zoning district; by permitting said city-owned property to be used for major utility facilities and local utility services purposes. Mayor Bock read the resolution by title only.

Kevin Coleman noted the city could not change the land use at this site to a city utility yard without passage of a resolution by the city council. The planning and zoning commission approved the proposed resolution on April 1, 2010; staff recommended approval.

Council discussed the following:

- The history behind the name "Martin Pool." Staff noted it was named in honor of Theodore Martin, a prominent high school educator in the community. The city would continue to honor the memory of Mr. Martin through a plaque in the area.
- Where would funding come from for the public works building and yard? Mr. Barron noted the utility building and yard would be funded through utility rates.

Mayor Bock declared the public hearing open for both items 4A and 4B; no one spoke, and Mayor Bock closed the public hearing.

Mr. Coleman moved for approval of Resolution No. 011-2010; Mrs. Keeble seconded the motion and it passed 5-0.

Mr. Coleman moved for approval of Resolution No. 010-2010; Mrs. Keeble seconded the motion and it passed 5-0.

**5. PUBLIC HEARING AND ORDINANCE FIRST READING:**

5A. An ordinance creating a specific use district (SUD) for the temporary housing and fostering of domestic cats on an approximate 0.74 acre tract of land consisting of Lots 4, 5, 6, and 7, Block 67, J.A. Tivy Addition, within the city of Kerrville, Kerr County, Texas, and otherwise known as 1524 5<sup>th</sup> Street, and located within a residential cluster zoning district; adopting conditions related to the development and use within said district; containing a cumulative clause; containing a savings and severability clause; establishing a penalty or fine not to exceed \$2,000 for each day of violation of any provision hereof; ordering publication; and providing other matters relating to the subject. Mayor Bock read the ordinance by title only.

Kevin Coleman noted the purpose of a SUD was to allow a specific use not generally allowed in the district by placing certain requirements and conditions as stated in the ordinance in addition to those requirements already necessary in the existing district. In this specific request, the applicant proposed to house up to 12 cats in a structure behind their primary residence. Staff had notified all property owners within 200 feet, and a public hearing was held before the planning and zoning commission; PZC recommended approval of the SUD subject to the conditions stated in the ordinance.

Mayor Bock declared the public hearing open at 6:34 p.m. and the following persons spoke:

1. Jonathan Lusher and Chelle Dainas, applicants, noted they owned the property and the adjoining nine acres of undeveloped land. They proposed to construct a structure containing three large kennels sufficient to care for up to 12 cats and allow them space to run. They would be on site to maintain the kennels and property and care for the cats. The goal was to provide housing for cats waiting to be adopted.

2. Mary Burchell, representing the Animal Welfare Society, noted AWS and the Big Fix program had volunteers and veterinarians who worked to salvage homeless cats. Both organizations had limited resources and housing and were very supportive of this project and would help the applicants care for the cats. They supported Big Fix "trap, neuter, and shots" program.

3. Charlotte Silver, president of the Big Fix Homeless Cat Project, noted their program of "trap, neuter, and release" was good for the community, and she supported the Lusher/Dainas housing project. Their members would also volunteer to feed, clean and maintain the facility upon request by the owner.

No one else spoke and Mayor Bock closed the public hearing at 6:39 p.m.

Council also discussed the following points:

- Current city ordinance limited the number of cats to four per residence. Kevin Coleman noted that code enforcement investigation would be on a complaint basis. Regarding this SUD, if the applicant wanted to increase the number of cats above 12, they would have to come back before the council to amend SUD.
- Questioned why staff proposed a SUD (specific use district) rather than a CUP (conditional use permit). Kevin Coleman noted the proposed use was not allowed by right or condition in the RC district. The property was not eligible for a CUP and it would require an ordinance change thereby allowing such cat facility in all residential cluster districts throughout the city.
- A CUP was basically a change in zoning, which would be permanent with the property essentially resulting in spot zoning.
- Concern that the operation may become a nuisance for neighbors in the future if the use ever ceased, council questioned if the SUD ordinance could impose a six month clause. Kevin Coleman noted the SUD would terminate after two years of non activity, as stated in the zoning ordinance. A CUP would terminate six months after the operation ceased but was transferable with the property.

Mr. Hayes noted if the council wanted the SUD to be revoked after six months of non-use such as a CUP, council would have to amend the zoning ordinance to reduce the period from two years to six months; however, such change would be effective for the entire city, not just specific to this property. Mr. Hayes also noted that the owner/applicant had to apply to the city council in order to end a SUD.

Kevin Coleman noted the council could amend the zoning ordinance to change the termination clause to six months instead of two years; however, an amendment to the zoning ordinance would require public hearings before PZC and city council and two ordinance readings, which would take several months. ZOIC could consider an amendment to the SUD section of the zoning ordinance in the zoning ordinance rewrite.

Mr. Motheral proposed that the applicant's request be tabled until the zoning ordinance could be amended.

Mrs. Keeble moved for approval of the ordinance on first reading, subject to the conditions stated in the ordinance; Mr. Coleman seconded the motion and it passed 4-1 with Members Keeble, Coleman, Bock, and Gross voting in favor of the motion; and Mr. Motheral voting against the motion.

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

6A. Resolution No. 009-2010 determining what issues, activities, and matters constitute "competitive matters" relating to the management and operation of the city of Kerrville's electric utility with respect to the application of exceptions to disclosure of

public information and deliberation of public business in open meeting pursuant to Chapters 551 and 552 of the Texas Government Code. Mayor Bock read the resolution by title only.

Tracy McCuan, general manager and CEO of KPUB, advised that the KPUB board had approved their Resolution 10-05 adopting and approving the definition of "competitive matter" and the exceptions for disclosure of "competitive matters." He requested city council approve a similar resolution thereby allowing KPUB to discuss certain matters in open session that were previously designated for discussion only in executive closed session, and make non-competitive information available to the public. He noted the Texas legislature deregulated the electric utility business in 1999, thus utilities like KPUB could be in competition with private enterprises offering the same types of services. Private enterprises were not subject to the open meetings act and the public information act; therefore, the state legislature gave the same protection to municipally-owned utilities. Mr. McCuan requested competitive matters such as bidding, electric generation and systems operations information remain confidential; if such information became public, bidders would not respond. He also noted that such exemptions would not apply to other utility services like water and wastewater; the exemptions applied only to electric and gas.

Mr. Hayes noted this resolution stated the city adopted specific provisions that allowed certain things to be designated as competitive matters and that KPUB was obligated to keep that information confidential pursuant to its supply contracts. Without the resolution, KPUB would have no basis to withhold the information; this procedure and language was set out by state law.

Mr. Coleman moved for approval of Resolution No. 009-2010; Mr. Motheral seconded the motion and it passed 5-0.

6B. Interim management services for the airport for FY11.

Ms. Meisner noted the Kerrville-Kerr County Airport Board requested the city submit a proposal for airport management services for FY11. Staff prepared a proposal for services; she requested council authorize staff to submit the proposal for a sum of \$242,880, a decrease of \$8,120 from FY10, and noted the contract could be further decreased by \$1,800 by eliminating administrative support, i.e. preparing and posting agendas, and recording minutes of board meetings.

Mr. Motheral moved for approval of the airport management services for FY11 as presented. Mr. Gross seconded the motion and it passed 5-0.

6C. Direction to staff concerning the city's application to the Texas Commission on Environmental Quality for a Certificate of Convenience and Necessity (CCN) for water service.

Mr. Hastings noted on February 9 the council approved the CCN map removing all requests received by the deadline; council also instructed staff to clean up the map and remove any disconnected areas. Since that time, staff received several

additional opt out requests. He presented a revised map showing the latest opt out requests received and discussed specific requests. He noted the county requested the city remove the proposed Upper Guadalupe River Authority Center Point water service area that overlapped into the city's CCN area, the city's existing ETJ, and a portion of the city limits in the airport area. He recommended this request be denied as intentions for that area were unknown at this time. Headwaters Groundwater Conservation District and UGRA had not submitted any concerns.

Mr. Hastings noted the city of Ingram requested that the area included in their city limits and ETJ, and an area north of their ETJ be removed from the CCN. Mr. Hastings recommended removing the area inside Ingram's city limits and ETJ; however, the portion outside of Ingram's ETJ (northwest of Goat Creek Cutoff) remain in the city of Kerrville's CCN. Existing CCN holders Aqua Texas and Weidenfeld Water Works would continue to contest the city's CCN on the basis they were in the business of selling water and the city's application competed with potential customers.

Mr. Parton noted conversations would continue with the county and UGRA for how water service would be provided to the Center Point area; one option discussed was a mutual service agreement for the area.

Mr. Hastings recommended council authorize staff to revise the CCN map to reflect the following:

1. Remove areas in the original CCN map that became disconnected with the main service area as a result of granting other opt out requests.
2. Remove the two existing water service providers (Saddle Mountain Water System and Weidenfeld Water Works, Inc.) within the proposed CCN area that had been operating without a CCN and had requested to be removed.
3. Deny four additional opt out requests (Gordon Polk, Roy Kelly, Carl Mertz, and Four-T Ranch) received after the December 2009 opt out deadline. Mr. Hastings noted Mr. Mertz's property was located in the disconnected area described in Item 1 that staff had recommended be removed.
4. Remove areas within the city of Ingram's city limits and ETJ as requested by the city of Ingram.
5. Deny city of Ingram's request to remove the area outside their ETJ (northwest of Goat Creek Cutoff Road).

Council discussed the following issues:

- Stated reasons behind the CCN application and noted it was not an attempt to annex but rather to protect the people by providing sustainable water sources and fire protection.
- City water lines could be expanded into the Four-T Ranch area; if the city allowed it to opt out, it would cut off service to the area beyond Four-T.
- Areas that were allowed to opt out may develop with substandard infrastructure and without fire protection.

The following person spoke:

- Rit Jons noted council previously allowed his property to be opted out; however, neighboring properties owned by family members (Polk and Kelly) had failed to submit their opt out request by the deadline; he requested council still allow the two properties to opt out, noting the deadline had been a moving target and there were several deadlines that were not enforced by staff. If Mr. Polk and Mr. Kelly had submitted their requests by the deadline, they would have been opted out. It was a matter of property rights, they did not want to be restricted, and they could protect themselves as far as water and fire protection.

Mr. Hastings was concerned that allowing late opt outs would set precedence for other opt outs that were submitted late; also, staff had received phone calls from others who requested to opt out, but were informed that the deadline had passed.

Mrs. Keeble moved to revise the map to exclude all areas that requested to opt out. The motion died for lack of a second.

Mr. Motheral moved to adopt Mr. Hastings' recommendation except a portion of Item 3, thereby allowing the Polk and Kelly properties to opt out. The motion was seconded by Mr. Coleman and passed 4-1 with Messrs. Motheral, Coleman, Bock, and Gross voting in favor of the motion; and Mrs. Keeble voting against the motion.

6D. Discuss appointments to the building and trade boards.

Kevin Coleman noted the functions of the building and trade boards (i.e. electrical, plumbing, mechanical, etc.): 1) served as appeals board for their respective codes; 2) served as the advisory board for code amendments prior to council adoption; 3) were vital to the enforcement and interpretation of codes; and 4) the building board was the hearing body for building abatement or dilapidated structure enforcement. The total number of positions on all building boards was 28 including alternates, which were added to each board to ensure a quorum would be available to hear all matters. Staff's efforts to solicit applications to fill positions on the building trade boards had resulted in 10 applications for 17 positions currently vacant or expired, and 3 more were due to expire in May. He presented three options for consideration:

1. Leave current boards in place; appoint as many applicants as available; council recruit to fill vacancies.
2. Use option 1 and eliminate single board membership restriction established in the board rules and procedures, thereby allowing qualified persons to serve on multiple boards; this would require amendments to the board rules and procedures for building trade boards only and amendments to the specific ordinances.
3. Abolish the existing board structure, replacing the four current boards with one multi-code building board; this board would have representation from each licensed trade or professional requirement. This would require council to approve amendments to the current ordinances deleting the existing boards and creating one multi-code board. He reviewed the duties and makeup of a multi-code board.

Mr. Motheral moved to direct staff to prepare the necessary documents to adopt option 3, a 7 member board with three alternate members, one each from the three major trades of plumbing, electrical, and mechanical. Mr. Gross seconded the motion and it passed 5-0.

**7. INFORMATION AND DISCUSSION:**

7A. Economic Update. Mr. Erwin reviewed the financials for the period ending April 7, 2010. Mr. Motheral requested future updates include a year-to-year percentage comparison.

**8. BOARD APPOINTMENTS**

8A. Appointment to the Kerrville Public Utility Board. Matter was deferred to executive session.

8B. Appointments to the parks and recreation advisory board. Mrs. Keeble moved to reappoint Rustin Zuber, and to appoint Lisa Nye-Salladin, and Susan Sander, all with terms to expire March 31, 2012. Mr. Gross seconded the motion and it passed 5-0.

8C. Appointment to the golf course advisory board.

Mr. Motheral moved to appoint Matthew Walden with term to expire July 1, 2011. Mrs. Keeble seconded the motion and it passed 5-0.

8D. Appointment to the economic improvement corporation. Matter was deferred to executive session.

**9. ITEMS FOR FUTURE AGENDAS: None**

**10. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

- Upcoming candidate forums: 1) April 20, 5:30 p.m., at Schreiner College, sponsored by the board of realtors and chamber of commerce; and 2) April 22, 7:00 p.m. at KPUB office, sponsored by the League of Women Voters.
- Great Duck race April 17 (Item 2D).
- Congratulations to Travis and Kat Cochrane on the birth of their son, Noah.

**11. EXECUTIVE SESSION:**

Mr. Coleman moved for the city council to go into executive closed session under Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices) and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code of the State of Texas; the motion was seconded by Mr. Motheral and passed 5-0 to discuss the following matters:

**Section 551.071, 551.072, and 551.087:**

- Discuss the purchase, exchange, lease, sale, or value of real property for use as a city facility, the public discussion of which would not be in the best interests of the

city's bargaining position with third parties.

Section 551.074:

- Appointment to the Kerrville Public Utility Board.
- Appointment to the economic improvement corporation.
- Evaluation of city manager.

At 8:29 p.m., the regular meeting recessed and council went into executive closed session at 8:33 p.m. At 9:22 p.m., the executive closed session recessed and council returned to open session at 9:23 p.m. The mayor announced that no action had been taken in executive session.

**12. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:**

8A. Appointment to the Kerrville Public Utility Board. Mr. Motheral moved to appoint Fred Gamble with term to expire April 21, 2015. Mrs. Keeble seconded the motion and it passed 5-0.

8D. Appointment to the economic improvement corporation. Mr. Coleman moved to appoint Gregg Appel, with term to expire June 1, 2012. Mr. Gross seconded the motion and it passed 5-0.

**ADJOURNMENT.** The meeting adjourned at 9:24 p.m.

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
Todd A. Bock, Mayor

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

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

**SUBJECT:** Resolution opposing routes Y16, Y17a, Y17b, Y18, Y19a, Y19b, and Y20 of the LCRA McCamey D to Kendall to Gillespie CREZ 345-kV Transmission Line Project

**FOR AGENDA OF:** 4/27/10

**DATE SUBMITTED:** 4/23/10

**SUBMITTED BY:** David Vasquez *DV*  
Solid Waste Manager

**CLEARANCES:** Charlie Hastings *CH*  
Director of Public Works

**EXHIBITS:** Resolution, Alternative Route Segments (Sheet 6 of 6), Letter from Mayor

**AGENDA MAILED TO:** N/A

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** *RP*

| <b>Expenditure<br/>Required:</b> | <b>Current Balance<br/>in Account:</b> | <b>Amount<br/>Budgeted:</b> | <b>Account<br/>Number:</b> |
|----------------------------------|----------------------------------------|-----------------------------|----------------------------|
| \$                               | \$                                     | \$                          |                            |

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

**SUMMARY STATEMENT**

CREZ stands for competitive renewable energy zones. A CREZ is an area where wind generation facilities will be installed throughout West Texas and the Panhandle and from which transmission facilities will be built to various other areas of the state to deliver mostly renewable power to end-use consumers in the most beneficial and cost-effective manner.

LCRA Transmission Services Corporation (LCRA TSC) is one of several transmission service providers, which have been formally ordered by the Public Utility Commission of Texas (PUC) to construct the new transmission lines that will be required to connect the CREZs to the load centers throughout the state. The overall CREZ effort will approximately triple Texas' current level of wind generation capacity to 18,456 MW. The transmission lines that will connect the CREZs to the load centers will increase reliability of the Electric Reliability Council of Texas grid (ERCOT) and increase the transfer of wind and other power into various parts of the state.

LCRA TSC has combined two CREZ priority projects, McCamey D to Kendall and Kendall to Gillespie, for the purpose of filing one application with the PUC to amend its electric certificate of convenience and necessity (CCN). The application will be for the McCamey D to Kendall to Gillespie 345-kV CREZ transmission line.

LCRA TSC proposes to construct two new, 345-kilovolt (kV) transmission lines, primarily on double-circuit capable lattice structures. The first transmission line will be a double-circuit line that will connect the designated McCamey D Station, to be located in northern Schleicher

County, to the existing Kendall Station located in western Kendall County. LCRA TSC will install both circuits on this transmission line. The first transmission line may be located in portions of Schleicher, Sutton, Menard, Kimble, Mason, Gillespie, Kerr, and Kendall counties (see attached alternative route segment map for Kendall, Kerr and Gillespie counties).

The second transmission line will connect the existing Kendall Station, located in western Kendall County, to the existing Gillespie Station, located in central Gillespie County. LCRA TSC initially will install one circuit on double-circuit capable lattice structures, which will accommodate a second circuit when necessary. The second transmission line (routes Y16, Y17a, Y17b, Y18, Y19a, Y19b, and Y20) may be located in portions of Kerr, Kendall, and Gillespie counties (see attached alternative route segment map for Kendall, Kerr and Gillespie counties). At the March 23, 2010 Kerrville Council Meeting, Council directed staff to prepare a resolution opposing routes Y16, Y17a, Y17b, Y18, Y19a, Y19b, and Y20 and obtain a copy of the County resolution opposing the route. The County Commissioners anticipate adopting/revising their resolution this upcoming May to oppose the route. They have requested a copy of our resolution as soon as it's passed. The resolution has been prepared and opposes these routes on the basis of the following:

The original study provides alternate transmission line routes to connect the proposed McCamey D substation to the existing Kendall County Substation. These alternative routes provide reasonable benefits.

All cities' growth tends to gravitate to Interstate Highways. As Kerrville continues to grow and as we look forward to our growth for our ultimate city, Interstate 10 meets that strong potential growth area. These proposed transmission lines of such large structure and space taking will impact any future growth in this area.

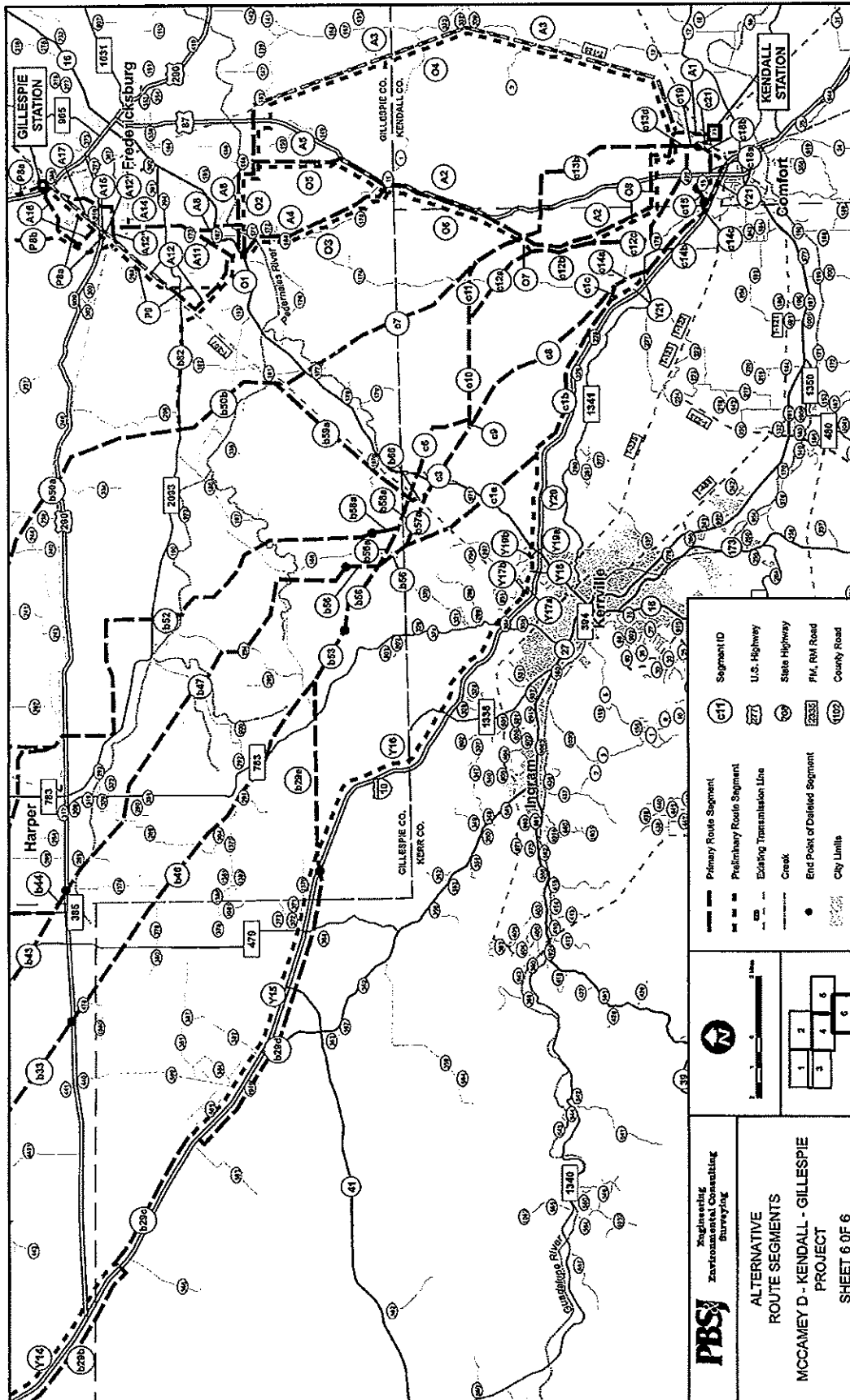
Pre-existing transmission lines already cross-cut throughout our city and we oppose any more lines that would impact our beautiful hill country scenic views. Especially on Interstate 10 since this is a highly visible, welcoming, scenic pathway to our city.

A letter opposing the transmission line route from the Mayor should accompany the resolution.

The filing date for LCRA's McCamey D to Kendall to Gillespie CREZ 345-kV transmission line project application (with alternative routes) is July 6, 2010. The Texas PUC will then consider the application and hold public hearings with an anticipated final decision by January 2011.

### **RECOMMENDED ACTION**

The Director of Public Works recommends that council adopt a resolution opposing routes Y16, Y17a, Y17b, Y18, Y19a, Y19b, and Y20 of the transmission expanded study along Interstate 10, and authorize the Mayor to submit a letter to the Public Utility Commission supporting the resolution.

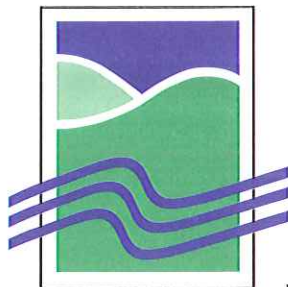


**PBS** Engineering  
Environmental Consulting  
Surveying

ALTERNATIVE  
ROUTE SEGMENTS  
MCCAMEY D - KENDALL - GILLESPIE  
PROJECT  
SHEET 6 OF 6

|                                                                                                                                                                     |                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <p>Primary Route Segment</p> <p>Preliminary Route Segment</p> <p>Existing Transmission Line</p> <p>Creek</p> <p>End Point of Deleted Segment</p> <p>City Limits</p> | <p>Segment ID</p> <p>U.S. Highway</p> <p>State Highway</p> <p>FM, RM Road</p> <p>County Road</p> |
| <p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p>                                                                                                               | <p>c11</p> <p>277</p> <p>609</p> <p>2633</p> <p>1102</p>                                         |

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## CITY OF KERRVILLE

### MAYOR AND CITY COUNCIL

800 Junction Highway  
Kerrville, Texas 78028  
830-257-8000 / [www.kerrvilletx.gov](http://www.kerrvilletx.gov)

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April 27, 2010

Public Utilities Commission of Texas  
Barry T. Smitherman, Chairman  
P.O. Box 13326  
Austin, Texas 78711-3326

Public Utility Commission of Texas  
Attn.: Central Records  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

**Ref: LCRA McCamey D - Kendall - Gillespie CREZ 345kV Transmission Line Project**

Dear Chairman Smitherman and Members of the Public Utilities Commission:

I am writing officially as Mayor of the City of Kerrville to express concerns that I and the Council have regarding the Lower Colorado River Authority Transmission Services Corporation's (LCRA) application to install electrical transmission lines along the McCamey D to Kendall to Gillespie Transmission corridor as part of the Competitive Renewable Energy Zone. This opposition is specific to the route that is identified as Y16, Y17a, Y17b, Y18, Y19a, Y19b, and Y20. Attached is a copy of the Resolution by the City Council which opposes this route.

While the Resolution specifically details the reasons for the City's opposition to the route, what follows are some reasons which I wish to highlight:

- An original study conducted by LCRA provides alternate transmission line routes to connect the proposed McCamey D substation to the existing Kendall County Substation. These alternative routes provide reasonable benefits to the LCRA.
- For the most part, all cities' growth tends to gravitate to areas adjacent to Interstate Highways. As Kerrville continues to grow, Interstate 10 will experience strong growth. These proposed transmission lines, with their large structures and space requirement, will impact future growth in this area.

- Pre-existing electric transmission lines already cross-cut throughout our City and we oppose any more lines that would impact our beautiful hill country scenic views. This is especially true of the area along and around Interstate 10 which is a highly visible, welcoming, scenic pathway into our city.

The citizens of Kerrville, the City Council, and I strongly oppose any route which will utilize the area in and around Interstate 10. I appreciate your consideration of the City's opposition to such a route.

Should you have any questions, please let me know.

Sincerely,

Todd Bock  
Mayor  
City of Kerrville

c: LCRA

**CITY OF KERRVILLE, TEXAS  
RESOLUTION NO. \_\_\_\_-2010**

**A RESOLUTION OPPOSING PLANS BY THE LOWER  
COLORADO RIVER AUTHORITY TO PLACE ELECTRICAL  
TRANSMISSION LINES RELATING TO THE  
COMPETITIVE RENEWABLE ENERGY ZONES (CREZ)  
PROJECT ALONG THE INTERSTATE 10 CORRIDOR  
WITHIN OR ADJACENT TO THE CITY'S LIMITS**

**WHEREAS**, the City Council of the City of Kerrville, Texas, supports the pursuit of renewable energy sources and recognizes the need to deliver energy to consumers; and

**WHEREAS**, the State of Texas is pursuing an aggressive strategy to increase the electricity generating capacity from renewable energy technologies; and

**WHEREAS**, a plan was developed by the Public Utilities Commission of Texas ("PUC") to construct transmission capacity to deliver power that is generated from the five designated Competitive Renewable Energy Zones ("CREZ") located in West Texas to electric customers in metropolitan areas; and

**WHEREAS**, the CREZ projects include constructing massive structures and electrical transmission lines ("CREZ Line(s)") that will cross over portions of the Hill Country, possibly including Kerr County and surrounding counties; and,

**WHEREAS**, the PUC has selected the Lower Colorado River Authority Transmission Services Corporation ("LCRA") to construct and operate the segments of the CREZ Lines that will be located throughout the Hill Country; and

**WHEREAS**, in its application filings with the PUC, LCRA has proposed a route for a CREZ Line that will connect the proposed McCamey D Substation to an existing Kendall County Substation; and

**WHEREAS**, this route, indentified as segments Y16, Y17a, Y17b, Y18, Y19a, Y19b, and Y20, will cross through the City's limits and its extraterritorial jurisdiction and follow Interstate 10; and

**WHEREAS**, Interstate 10 and the area around it (the "Interstate 10 Corridor"), which crosses or lies adjacent to the City's limits, is extremely vital to the City's interests in terms of the City's future growth and as a highly trafficked and scenic gateway into the City; and

**WHEREAS**, any such placement of CREZ Lines into the Interstate 10 Corridor will have a significant and detrimental visual impact on this area; and

**WHEREAS**, pre-existing transmission lines owned and operated by LCRA already cross-cut several areas of the City; and

**WHEREAS**, the City believes that alternative routes exist to connect the CREZ projects and areas in and around the Texas Hill Country such that LCRA could and should avoid routes that impact the Interstate 10 Corridor; and

**WHEREAS**, the City Council of the City of Kerrville, Texas, finds it to be in the public interest to adopt this Resolution which opposes LCRA's plans to construct electrical transmission lines along the Interstate 10 Corridor located within or adjacent to the City's limits;

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

**SECTION ONE.** Based upon the findings set forth and made in the above recitals, the City Council of the City of Kerrville, Texas, opposes the placement of the CREZ Lines within or adjacent to the Interstate 10 Corridor located within or adjacent to the City's boundaries.

**SECTION TWO.** To the extent that the CREZ Lines are built within the Kerrville area, the lines should use monopoles as an alternative to lattice structures.

**SECTION THREE.** Before a final decision is made as to the location of the route, the PUC should consider the negative impact on property values, aesthetics, and tourism to the Kerrville and Kerr County areas.

**SECTION FOUR.** The Mayor is directed and authorized to forward this Resolution to the LCRA and to the PUC, to be filed in the administrative proceeding as evidence of the City's position.

**PASSED AND APPROVED ON this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2010.**

\_\_\_\_\_  
Todd A. Bock, Mayor

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

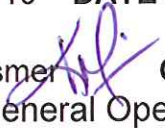
  
\_\_\_\_\_  
Michael C. Hayes, City Attorney

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

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**SUBJECT:** Approval of lease of 433 Water Street, Suite D to Mary Elizabeth Holdsworth Library Foundation

**FOR AGENDA OF:** April 27, 2010 **DATE SUBMITTED:** April 19, 2010

**SUBMITTED BY:** Kimberly Meisner  **CLEARANCES:** J. Todd Parton  
Director of General Operations City Manager

**EXHIBITS:** Lease Agreement

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**

---

| <b>Expenditure<br/>Required:</b> | <b>Current Balance<br/>in Account:</b> | <b>Amount<br/>Budgeted:</b> | <b>Account<br/>Number:</b> |
|----------------------------------|----------------------------------------|-----------------------------|----------------------------|
| \$                               | \$                                     | \$                          |                            |

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DEPARTMENT:**

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**SUMMARY STATEMENT**

The Mary Elizabeth Holdsworth Library Foundation is currently utilizing donated office space. The person who rents the space is closing that office causing the Foundation to relocate.

Jeana Krause, President of the Foundation, asked the City if she could utilize the vacant office space located at 433 Water St., Suite D (formerly the Parks & Recreation Administrative offices). She thinks it would be the perfect location for the Foundation as they would have an office on the Library campus and this would demonstrate to everyone an immediate and direct connection to the Butt Holdsworth Memorial Library. Also anyone visiting the office will be able to experience the campus as it exists gaining a perspective of the strengths and weaknesses of the campus and facilities and the need for renovation.

**RECOMMENDED ACTION**

Staff recommends Council approve the lease of 433 Water St., Suite D to the Mary Elizabeth Holdsworth Library Foundation until no longer needed by the Foundation or until the building is moved to the River Star Arts & Events Park.

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**OFFICE LEASE  
(433 Water Street, Suite D)**

Date: May 1, 2010

Landlord: City of Kerrville, Texas

Landlord's Address: 800 Junction Highway  
Kerrville, Texas 78028

Tenant: Mary Elizabeth Holdsworth Library Foundation

Tenant's Address: 433 Water Street, Suite D  
Kerrville, Texas 78028

Term (months): One year, but on a month-to-month basis

Commencement Date: May 1, 2010

Termination Date: April 30, 2011

Base Rent (yearly): \$1.00

Security Deposit: None

Permitted Use: Office and meeting facility

Tenant's Insurance: As required by Insurance Addendum

Landlord's Insurance: As required by Insurance Addendum

Tenant's Rebuilding Obligations: None, unless Tenant is responsible for damage by fire.

**Definitions**

"Building Operating Hours" means 8:00 A.M. to 5:00 P.M. Monday through Friday, except holidays.

"Common Areas" means all facilities and areas of the Building and Parking Facilities and the related land that are intended and designated by Landlord from time to time for the common, general, and nonexclusive use of all tenants of the Building. Landlord has the exclusive control over and right to manage the Common Areas.

"Essential Services" means the following services: (a) air-conditioning and heating to the Premises reasonable for the Permitted Use (exclusive of air-conditioning or heating for electronic data-processing or other specialized equipment) during Building Operating Hours and at such other times

at such additional cost as Landlord and Tenant may agree on; (b) hot and cold water for lavatory and drinking purposes; (c) electric current for normal office machines and the Building's standard lighting reasonable for the Permitted Use; and (d) lighting in Common Areas and fluorescent lights in the Building's standard light fixtures on the Premises.

"Injury" means (a) harm to or impairment or loss of property or its use, (b) harm to or death of a person, or (c) "personal and advertising injury" as defined in the form of liability insurance Tenant is required to maintain.

"Landlord" means Landlord and its agents, employees, invitees, licensees, or visitors.

"Operating Expenses" means all expenses that Landlord must reasonably pay in connection with the ownership, operation, and maintenance of the building, except principal and interest on any debt, expenditures classified as capital expenditures for federal income tax purposes, and expenses for which Tenant is required to reimburse Landlord.

"Parking Facility" means the parking area located immediately adjacent to the Building and consisting of first-come, first-serve parking spaces, except for handicapped parking spaces.

"Rent" means Base Rent plus any other amounts of money payable by Tenant to Landlord.

"Tenant" means Tenant and its agents, contractors, employees, invitees, licensees, or visitors.

### **Clauses and Covenants**

#### **A. Tenant agrees to—**

1. Lease the Premises on a month-to-month basis beginning on the Commencement Date and ending on the Termination Date.
2. Accept the Premises in their present condition "AS IS," the Premises being currently suitable for the Permitted Use.
3. Obey (a) all applicable laws relating to the use, condition, and occupancy of the Premises and Building; (b) any requirements imposed by utility companies serving or insurance companies covering the Premises or Building; and (c) any rules and regulations for the Building and Common Areas adopted by Landlord.
4. Pay yearly, the Base Rent to Landlord at Landlord's Address.
5. Obtain and pay for all utility services used by Tenant.
6. Allow Landlord to enter the Premises to perform Landlord's obligations, inspect the Premises, and show the Premises to prospective purchasers or tenants.
7. Repair, replace, and maintain any part of the Premises that Landlord is not obligated

to repair, replace, or maintain, normal wear excepted.

8. Submit in writing to Landlord any request for repairs, replacement, and maintenance that are the obligations of Landlord.

9. Vacate the Premises and return all keys to the Premises on the last day of the lease or at upon the designated date following thirty (30) days prior written notice of termination from the Landlord.

10. Arrange with Landlord in advance for any heating, air-conditioning, or electrical needs in excess of the services provided by Landlord and pay for such additional services as billed by Landlord.

**11. INDEMNIFY, DEFEND, AND HOLD LANDLORD HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE PREMISES. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE LEASE, AND (d) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.**

**B. Tenant agrees not to—**

1. Use the Premises for any purpose other than the Permitted Use.
2. Create a nuisance.
3. Interfere with any other tenant's normal business operations or Landlord's management of the Building.
4. Permit any waste.
5. Use the Premises in any way that would increase insurance premiums or void insurance on the Building.
6. Change Landlord's lock system.
7. Alter the Premises.

8. Allow a lien to be placed on the Premises.

9. Assign this lease or sublease any portion of the Premises without Landlord's prior written consent.

**C. Landlord agrees to—**

1. Lease to Tenant the Premises on a month-to-month basis beginning on the Commencement Date and ending on the Termination Date.

2. Obey all applicable laws with respect to Landlord's operation of the Building and Common Areas.

3. Provide the Essential Services.

4. Repair, replace, and maintain the (a) roof, (b) foundation, (c) Common Areas, (d) structural soundness of the exterior walls, doors, corridors, and windows, and (e) other structures or equipment serving the Premises.

**D. Landlord agrees not to—**

1. Interfere with Tenant's possession of the Premises as long as Tenant is not in default.

2. Unreasonably withhold consent to a proposed assignment or sublease.

**E. Landlord and Tenant agree to the following:**

1. *Alterations.* Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the lease and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Commencement Date, normal wear excepted.

2. *Abatement.* Tenant's covenant to pay Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant will not be entitled to abate Rent for any reason.

3. *Insurance.* Tenant and Landlord will maintain the respective insurance coverages described in the attached Insurance Addendum.

4. *Casualty/Total or Partial Destruction.* If the Premises are damaged by casualty, Landlord shall have no obligation to restore the Premises or to find Tenant an alternative space to lease. In addition, this Lease shall immediately terminate.

5. *Landlord's Decision to Close Premises, Tear Down Premises, and/or Find Alternative Use.* Tenant hereby acknowledges and affirms that this Lease is on a month-to-month basis and Landlord may terminate at any time following thirty (30) days written notice of such date

delivered to Tenant.

6. *Default by Landlord/Events.* Defaults by Landlord are failing to comply with any provision of this lease following thirty (30) days written notice from Tenant and failing to provide Essential Services to Tenant within ten (10) days after written notice.

7. *Default by Landlord/Tenant's Remedies.* Tenant's remedies for Landlord's default are to sue for damages and, if Landlord does not provide an Essential Service within thirty (30) days after default, terminate this lease.

8. *Default by Tenant/Events.* Defaults by Tenant are (a) failing to pay timely Rent, (b) abandoning or vacating a substantial portion of the Premises, and (c) failing to comply within ten (10) days after written notice with any provision of this lease other than the defaults set forth in (a) and (b) above.

9. *Default by Tenant/Landlord's Remedies.* Landlord's remedies for Tenant's default are to (a) enter and take possession of the Premises, after which Landlord may relet the Premises on behalf of Tenant and receive the rent directly by reason of the reletting, and Tenant agrees to reimburse Landlord for any expenditures made in order to relet; (b) enter the Premises and perform Tenant's obligations; and (c) terminate this lease by written notice and sue for damages. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the Premises, until the default is cured, without being liable for damages.

10. *Default/Waiver/Mitigation.* It is not a waiver of default if the nondefaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this lease does not preclude pursuit of other remedies in this lease or provided by applicable law. Landlord and Tenant have a duty to mitigate damages.

11. *Alternative Dispute Resolution.* Landlord and Tenant agree to mediate in good faith before filing a suit for damages.

12. *Attorney's Fees.* If either party retains an attorney to enforce this lease, the party prevailing in litigation is entitled to recover reasonable attorney's fees and other fees and court and other costs.

13. *Venue.* Exclusive venue is in Kerr County, Texas.

14. *Entire Agreement.* This lease, together with the attached exhibits and riders, is the entire agreement of the parties, and there are no oral representations, warranties, agreements, or promises pertaining to this lease or to any expressly mentioned exhibits and riders not incorporated in writing in this lease.

15. *Amendment of Lease.* This lease may be amended only by an instrument in writing signed by Landlord and Tenant.

16. *Limitation of Warranties.* THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.

17. *Notices.* Any notice required or permitted under this lease must be in writing. Any notice required by this lease will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this lease. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

18. *Use of Common Areas.* Tenant will have the nonexclusive right to use the Common Areas subject to any reasonable rules and regulations that Landlord may prescribe.

19. *Abandoned Property.* Landlord may retain, destroy, or dispose of any property left on the Premises upon the termination of the lease.

**CITY OF KERRVILLE**

By: \_\_\_\_\_  
Todd Parton, City Manager

**MARY ELIZABETH HOLDSWORTH  
LIBRARY FOUNDATION**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**Insurance Addendum to Lease  
(433 Water Street, Suite D)**

Date: May 1, 2010

Landlord: City of Kerrville, Texas

Tenant: Mary Elizabeth Holdsworth Library Foundation

This insurance addendum is part of the lease.

**A. Tenant agrees to:**

1. Maintain the property and/or liability insurance policies required below (mark applicable boxes) and such other insurance coverages and/or higher policy limits as may be required by Lienholder during the Term and any period before or after the Term when Tenant is present on the Premises:

**Type of Insurance**

**Minimum Policy Limit**

*Liability Insurance Policies:*

|                                                                             |                 |                |
|-----------------------------------------------------------------------------|-----------------|----------------|
| <input type="checkbox"/> Commercial general liability<br>(occurrence basis) | Per occurrence: | \$1,000,000.00 |
|                                                                             | Aggregate       | \$1,000,000.00 |

*Or*

|                                                  |                 |          |
|--------------------------------------------------|-----------------|----------|
| <input type="checkbox"/> Business owner's policy | Per occurrence: | \$ _____ |
|                                                  | Aggregate:      | \$ _____ |

*Required Endorsements:*

See Paragraph 2., below.

Designated location(s) general  
aggregate limit

\_\_\_\_\_ \$ \_\_\_\_\_

|                                          |           |
|------------------------------------------|-----------|
| Workers' compensation                    | \$500,000 |
| Employer's liability                     | \$ _____  |
| Business automobile liability            | \$ _____  |
| Excess liability                         | \$ _____  |
| <i>Or</i>                                |           |
| Umbrella liability<br>(occurrence basis) | \$ _____  |

**[Include any other desired endorsements. See chapter 18.]**

*Property Insurance Policies:*

**X** Causes of loss—special form 100 percent of replacement cost of  
 (a) all items included in the definition of Tenant's Rebuilding Obligations and (b) all of  
 Tenant's furniture, fixtures, equipment, and other business personal property located in  
 the Premises.

*Or*

|                         |                                                                                                                                                                                                                                                        |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business owner's policy | 100 percent of replacement cost of<br>(a) all items included in the<br>definition of Tenant's Rebuilding<br>Obligations and (b) all of Tenant's<br>furniture, fixtures, equipment, and<br>other business personal property<br>located in the Premises. |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

*Required Endorsements:* See Paragraph 2, below

|                                            |                                                                                                                  |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Business income and<br>additional expense: | Sufficient limits to address<br>reasonably anticipated business<br>interruption losses for a period of<br>months |
| Boiler and machinery                       | \$ _____                                                                                                         |
| Flood                                      | \$ _____                                                                                                         |
| Earth movement                             | \$ _____                                                                                                         |
| Ordinance or law coverage                  | \$ _____                                                                                                         |
| Glass                                      | Sufficient limits to cover plate glass                                                                           |
| Signs                                      | Sufficient limits to cover exterior signage                                                                      |

**[Include any other desired endorsements. See chapter 18.]**

2. Comply with the following additional insurance requirements:
  - a. The commercial general liability (or business owner's property policy) must be endorsed to name Landlord and Lienholder as "additional insureds" and must not be endorsed to exclude the sole negligence of Landlord or Lienholder from the definition of "insured contract."
  - b. Additional insured endorsements must not exclude coverage for the sole or contributory ordinary negligence of Landlord or Lienholder.
  - c. Property insurance policies must contain waivers of subrogation of claims against Landlord and Lienholder.
  - d. Certificates of insurance and copies of any additional insured and waiver of subrogation endorsements must be delivered by Tenant to Landlord before entering the Premises and thereafter at least ten days before the expiration of the policies.
3. Obtain the approval of Landlord with respect to the following: the forms of Tenant's insurance policies, endorsements and certificates, and other evidence of Tenant's Insurance; the amounts of any deductibles or self-insured retentions amounts under Tenant's Insurance; and the creditworthiness and ratings of the insurance companies issuing Tenant's Insurance.

**BUSINESS OF THE CITY COUNCIL  
CITY OF KERRVILLE, TEXAS**

**SUBJECT:** **Second Ordinance Reading: Specific Use District Request** –  
Consider a request to create a Specific Use District (SUD) to allow the temporary fostering and basic care for domestic cats either awaiting adoption or recovering from injury or neutering on property located at 1524 Fifth Street. Zoned: RC. Applicants: Chelle Dainas and Jonathan Lusher. (File No. 2010-03)

**FOR AGENDA:** April 27, 2010

**DATE SUBMITTED:** April 16, 2010

**SUBMITTED BY:** Gordon Browning, Senior Planner

*GB KC JD*

**EXHIBITS:** Location Map, Applicant's Request, Letter of Support, Draft Ordinance

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**

*W*

Mail Agenda Bill to: Chelle Dainas and Jonathan Lusher, 1524 Fifth Street, Kerrville, Texas 78028

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Project Timeline:

- February 15, 2010 – An application for a Specific Use District (SUD) is accepted by staff for review and consideration.
- March 3, 2010 – In accordance with Statute and local ordinance, notice of the required public hearing was published in The Kerrville Daily Times and notices mailed to property owners within 200-feet of the subject tract.
- March 10, 2010 – Staff review process completed.
- March 12, 2010 – Staff comments and draft ordinance to applicant.
- March 18, 2010 – Public hearing before the Planning and Zoning Commission (P&Z) and consideration of a recommendation to the City Council.
- April 13, 2010 – Public hearing before the City Council and consideration of an ordinance on first reading.
- April 27, 2010 – **Second and final ordinance reading approving the SUD.**

Definition:

A Specific Use District (SUD) is a use allowed by the City (City Council) for a specific use not normally allowed in the underlying zoning district with requirements and conditions for that use established by ordinance. The use considered should not have a potentially greater impact on the area than a permitted or conditional use within the same zoning district.

### SUD Process:

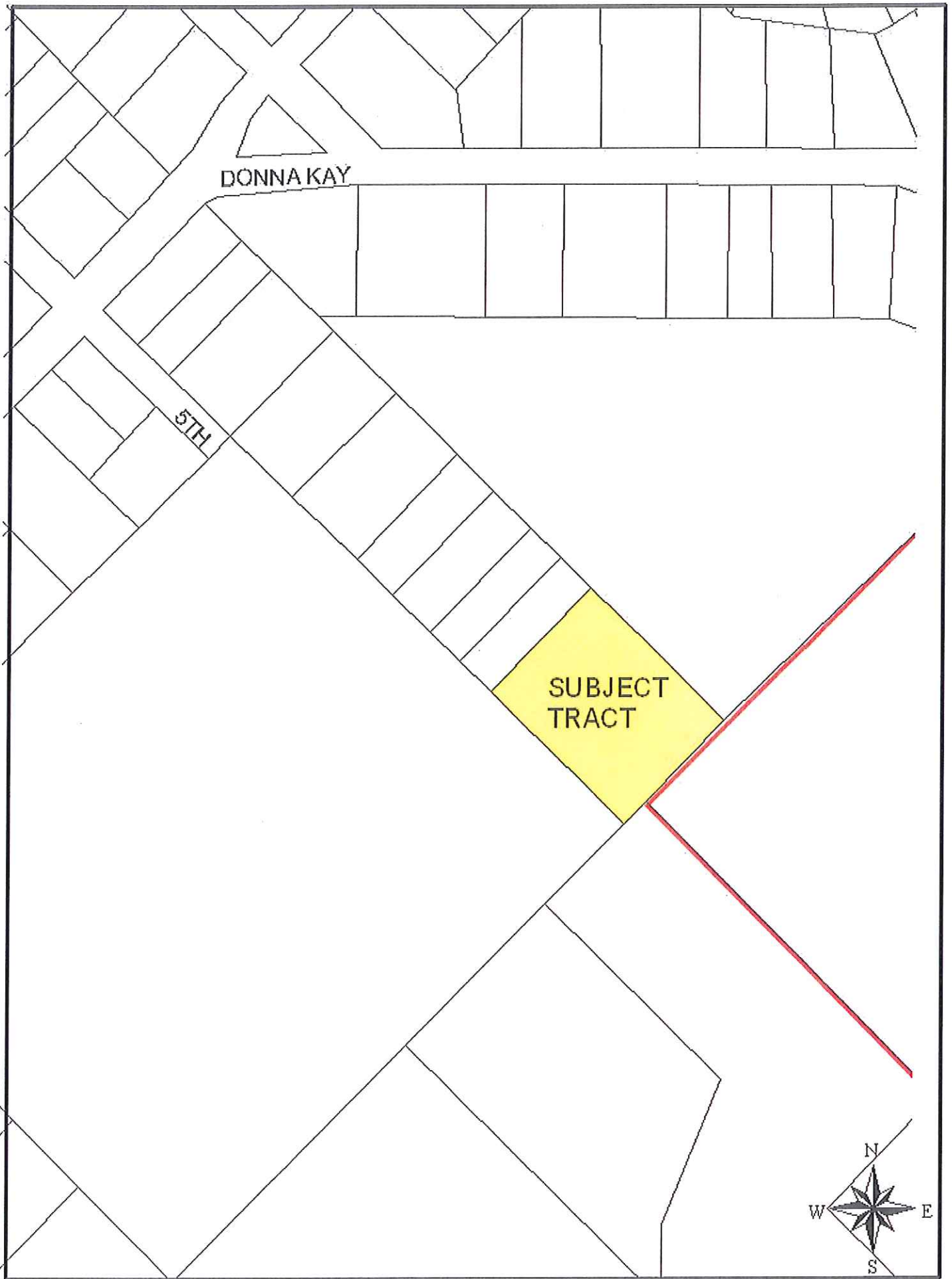
- Article 11-I-14 of the Zoning Code describes Specific Use Districts (SUD's) and the process by which they are considered. SUD's are not zoning districts but rather specific or special use districts subject to specific development regulations and conditions. A SUD is governed by a site plan and/or any other development regulations associated with a City Council approved ordinance.
- No underlying right exists to approve a SUD request. The fact that the P&Z and City Council may review an application for a zoning change does not mean it must be approved. The burden falls on the applicant to show that the use would not be a detriment to the particular area for which it is being requested.
- The P&Z and Council may impose requirements and conditions of approval as are needed to ensure that a use requested by a SUD is compatible and complementary to adjacent properties.
- The applicant's request is to provide an indoor (see Exhibit A) facility for domestic cats referred to the applicant by local animal rescues and/or Humane Societies who need auxiliary facilities for cats which might otherwise be euthanized or uncared for. The primary purpose of the SUD will be to provide the temporary fostering, shelter, food and basic care for domestic cats either awaiting adoption or recovering from injury or neutering.
- As presented in the applicant's request, the facility will be within an existing 30' x 60' climate controlled metal building. The animals, not to exceed twelve (12), will be contained in one or more kennels as shown in Exhibit C-4. No employees are anticipated, any supplies required will be brought to the facility by the applicants.
- Unless specifically addressed in the attached draft ordinance, approval of the SUD does not exempt the property owner from any other ordinance or requirement related to the property described.
- Based on the applicant's request and use proposed, staff recommends approval of the SUD.

During the Commission's public hearing (held on March 18, 2010) Charlotte Silver, 164 Forest Circle, President of the Big Fix Homeless Cat Project, spoke in favor of the request.

Following the public hearing and the applicant's presentation, the Commission recommended approval of the SUD subject to the conditions and stipulations outlined in the attached ordinance.

### **RECOMMENDED ACTION**

1. Approve requested SUD on second and final ordinance reading.



## Application for Special Use Permit

i) Name, address, and phone number of applicants:

Chelle Dainas & Jonathan Lusher  
1524 5<sup>th</sup> Street  
Kerrville, TX 78028  
(830) 257-8141

ii) Same as above

iii) Not applicable

iv) Full legal description of property: See Attachment A.

Being a 0.74 acre tract or parcel of land situated in Kerr County, Texas; being comprised of Lots 4, 5, 6 and 7, block 67 J.A. Tivy Addition to the City of Kerrville as shown on plat recorded in Volume P, Page 1, Deed Records of Kerr County.

v) Same as i)

vi) Detailed description of the proposed use(s) of the property:

- Temporary fostering, shelter, food and basic care for domestic cats either awaiting adoption or recovering from injury or neutering.
- Use will not include birthing or breeding, except as may occur to cats rescued from the wild, nor will any commercial enterprise be involved.
- Cats will be "referred" to us by local animal rescue, care, or humane societies who need auxiliary facilities for cats which might otherwise be euthanized or uncared for. It is not our intention to be the primary agency for attempting to place cats for adoption; this will remain the function of the referring agency. See letter of interest from Freeman-Fritts Animal Shelter (Attachment B).
- Cats would be confined to the kennels at all times (photo attached). It is noted these kennels would be exceptionally large, providing space and running room for the animals. The kennel already constructed as a demonstration is 20' long by 5' wide by 9' high, providing unusually spacious room for humane captivity.
- It is anticipated that the maximum number of cats would not exceed twelve (12) at any given time, and is likely to be less on an average basis.
- Traffic to the facility will be extremely limited, as no deliveries will be necessary. Nor will there be significant traffic of people viewing the cats for adoption as most of this will occur at the referring agency.

vii) Availability and location of off-street parking:

While there will be very little need for parking, Applicants' home on the property has sufficient space for over fifteen (15) vehicles in the front or East of the home. This may be seen in an accompanying photograph. Parking area is completely out of sight from any street.

Projected amount of additional traffic generated:

This will be minimal, if any at all. No deliveries are contemplated—supplies to be brought in by the Applicants in private vehicles. Little or no traffic from visitors to the cats will be generated and if any, these will be in private vehicles.

viii) Proposed number of occupants and hours of occupancy:

In that this facility is part of Applicants' home, it is under constant surveillance, and would be attended by Applicants morning, afternoon and evenings on a regular basis. Applicants (2) are the only residents of the property. No other employees are necessary or anticipated.

ix) Delivery of goods to property: None; any supplies will be brought by Applicants.

x) State or federal license required: None required.

xii) Distance of property from Guadalupe River: Approximately one and a half (1.5) miles.

xiii) Number of properties within one-half mile with similar use: None.

xiv) Use of properties within 500 feet of the perimeter: Residential only.

xv) Site Plan:

a) Location and dimensions: (See Site Plan Drawing – Attachment C).

The entire property is situated on a hill at the end of the 1500-block of 5<sup>th</sup> Street. This is a dead end street, as the 1300 block of 5<sup>th</sup>. Thus, there is no through traffic on this block. The entire property consists of .74 acres, and abuts the City Line at the East. It is approximately 160' wide by 240' deep, consisting of four (4) lots of the Tivy Addition as noted above in the legal description.

It should also be noted that the home and shed (in which the cats will be housed) are almost invisible from 5<sup>th</sup> Street, screened by elevation and natural landscaping. Furthermore, the property is screened on three sides, one by 9.41 acres owned by the Applicants, one by 4.99 acres owned by others, and one by forested land in Kerr County. On the 5<sup>th</sup> Street side, there is a vacant and forested lot of 60' width separating the next house. No houses are present on the Applicants' 9.41 acres.

b) General appearance and intended use of existing buildings:

The building to be used is a metal structure measuring 60x 30 feet. It is fully enclosed with two (2) windows on its West side, has a full concrete floor, and four (4) roll-up doors, one on each side for ventilation. The building will contain one or more large kennels for the animals (as seen in attached photograph), and will be heated and cooled to provide appropriate temperatures for them. The building is screened from 5<sup>th</sup> Street (photo attached taken from the dead end of the street) and has a tidy, well maintained appearance. See attached photos – Attachment D.

c) Approximate location of existing buildings:

In general, Applicants' home is to the East, up-grade from the actual building to be used. No other buildings are present on the Applicants' total of over ten acres.

d) Location of parking and included areas:

No additional structures are necessary or anticipated. Parking is to the East of Applicants' home, slightly up-grade from the building intended for cat use. Landscaping screens the buildings from the street, and a paved drive provides access.

e) Location of existing drainage:

The overall property/site is extremely well designed and constructed so as to channel, direct and moderate drainage from it. During heaviest rains of the last five (5) years, Applicants have found only tiny amounts of soil displaced, and none running off the property itself. There are no streams, watercourses, or water features on or near the property.

f) Existing grading, drainage and erosion control measures:

As noted, the property controls drainage with virtually no erosion. No additional impact on this capability is likely from proposed use of the metal building.

g) Relationship of property and proposed use to surrounding uses:

The property is isolated on three sides:

- On the East, it abuts the City line and an entirely forested grade proceeds East, immediately beyond City limits;
- On the South, Applicants own the adjacent property of 9.41 acres which is entirely unimproved;
- On the North is a vacant 4.99 acre property which is also entirely unimproved.
- On the 5<sup>th</sup> Street side (West) the property's grade and size of lot, as well as a vacant lot between Applicants' property and the next neighbor, effectively isolates the property.

No noise, traffic or other impact is expected on the few neighbors in proximity. Cats would be enclosed in the pictured kennels at all times.

Note attached copies from the City's GIS system, which illustrate the space around Applicants' property; (see aerial photos – Attachment E).

xvi) Non-refundable application fee of \$300 attached.

↑  
← VACANT 7  
4.99 acres

SITE PLAN  
NOT TO SCALE

✓

BLOCK 67

Lot 1

2

3

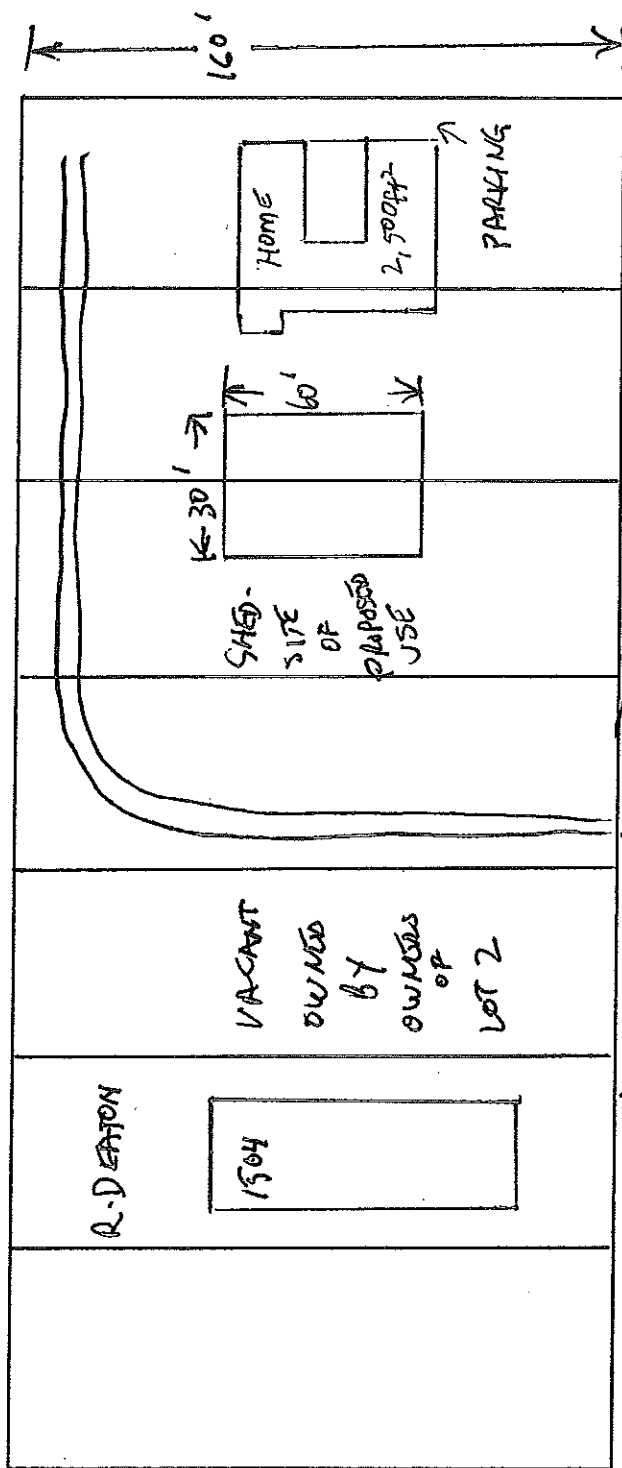
4

5

6

7

← OWNED BY APPLICANTS →



KERR  
COUNTY

1500 FIFTH ST (60')  
↑  
PRIVATE DRIVE (paved)  
VACANT 9.41 acres  
owned by Applicants ↓



EXHIBIT C-1



EXHIBIT C-2



EXHIBIT C-3



EXHIBIT C-4



EXHIBIT C-5



EXHIBIT C-6



EXHIBIT C-7



EXHIBIT C-8

**ANIMAL WELFARE SOCIETY OF KERR COUNTY, TEXAS**

A non-profit organization in association with

**FREEMAN-FRITTS CLINIC**

**515 Spur 100, Kerrville, TX**

**830-257-4144** [www.freemanfritts.com](http://www.freemanfritts.com)

February 12, 2010

To Whom It May Concern:

The Animal Welfare Society of Kerr County, TX is engaging in discussions with Chelle Dainas and Jonathan Lusher of 1524 Fifth Street, Kerrville, TX, for the welfare of homeless cat foster care. The possibility of working together will be of great benefit in expanding humane efforts for relocation of homeless socialized cats into caring homes.

Sincerely,



Mary Burchell  
Board Member

**CITY OF KERRVILLE, TEXAS  
ORDINANCE NO. 2010-\_\_\_\_\_**

**AN ORDINANCE CREATING A SPECIFIC USE DISTRICT FOR THE TEMPORARY HOUSING AND FOSTERING OF DOMESTIC CATS ON AN APPROXIMATE 0.74 ACRE TRACT OF LAND CONSISTING OF LOTS 4, 5, 6, AND 7, BLOCK 67, J.A. TIVY ADDITION, WITHIN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS, AND OTHERWISE KNOWN AS 1524 5TH STREET, AND LOCATED WITHIN A RESIDENTIAL CLUSTER ZONING DISTRICT; ADOPTING CONDITIONS RELATED TO THE DEVELOPMENT AND USE WITHIN SAID DISTRICT; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; ESTABLISHING A PENALTY OR FINE NOT TO EXCEED \$2,000 FOR EACH DAY OF VIOLATION OF ANY PROVISION HEREOF; ORDERING PUBLICATION; AND PROVIDING OTHER MATTERS RELATING TO THE SUBJECT**

WHEREAS, the City Planning and Zoning Commission and the Governing Body of the City of Kerrville, Texas, in compliance with the City Charter and the State law with reference to the creation of Specific Use Districts under Article 11-I-14 of the Zoning Code of the City of Kerrville, Texas, and amending the official zoning map adopted thereby, have given the requisite notices by United States mail, publication and otherwise; and after holding due hearings and affording a full and fair hearing to all of the property owners generally, and particularly to those interested persons situated in the affected area and in the vicinity thereof, the Governing Body of the City of Kerrville, Texas, finds that the health, safety and general welfare will be best served by the creation of a Specific Use District for the temporary housing and fostering of cats, subject to the special conditions and restrictions set out hereinafter on the property described in Section One hereof;

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

**SECTION ONE.** A Specific Use Permit is created to authorize the following described property to be developed and used for a business primarily engaged in the temporary housing and fostering of domestic cats, as further specified herein:

**Being comprised of Lots 4, 5, 6, and 7, Block 67, J.A. Tivy Addition, as described in the plat recorded at Volume 5, Page 142, Plat Records, Kerr County, Texas, hereinafter referred to as "the Property".**

**SECTION TWO.** Development and use of the Property is subject to the following conditions:

A. Authorized Uses. The Property may be developed and used for the temporary housing and fostering of domestic cats, which are awaiting adoption or recovering from injuries or medical procedures. At no time shall the number of cats being temporarily housed exceed twelve (12) cats. The intentional breeding of cats is prohibited and care shall be taken to minimize, if not eliminate, all breeding. No other uses or practices shall occur that involves

a commercial, for-profit enterprise. Each cat shall be confined to a kennel at all times, unless undergoing an examination. In no event shall any cat be released or allowed to roam free outside. All development and use is subject to other applicable City ordinances and regulations, including the existing zoning regulations applicable to the Residential Cluster Zoning District within which the property is located

**B. Development Site Plan:** The use authorized and specified in Section A, above, shall be limited to an existing accessory building as shown in **Exhibit A**.

**C. Outdoor Storage and Display:** The outdoor storage of any materials, supplies, inventory and/or equipment, whether in cargo containers or similar containers or buildings shall be prohibited.

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

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

**SECTION FIVE.** The penalty for violation of this Ordinance shall be in accordance with the general penalty provisions contained in Article 1-I-9 of the Code of Ordinances of the City of Kerrville, Texas, which provides for a fine not exceeding TWO THOUSAND DOLLARS (\$2,000.00).

**SECTION SIX.** In accordance with Section 3.07 of the City Charter and Texas Local Government Code §52.013(a), the City Clerk 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 the 13 day of April, A.D., 2010.**

**PASSED AND APPROVED ON SECOND AND FINAL READING, this the \_\_ day of \_\_\_\_\_, A.D., 2010.**

APPROVED AS TO FORM:

  
Michael C. Hayes, City Attorney

\_\_\_\_\_  
Todd A. Bock, Mayor

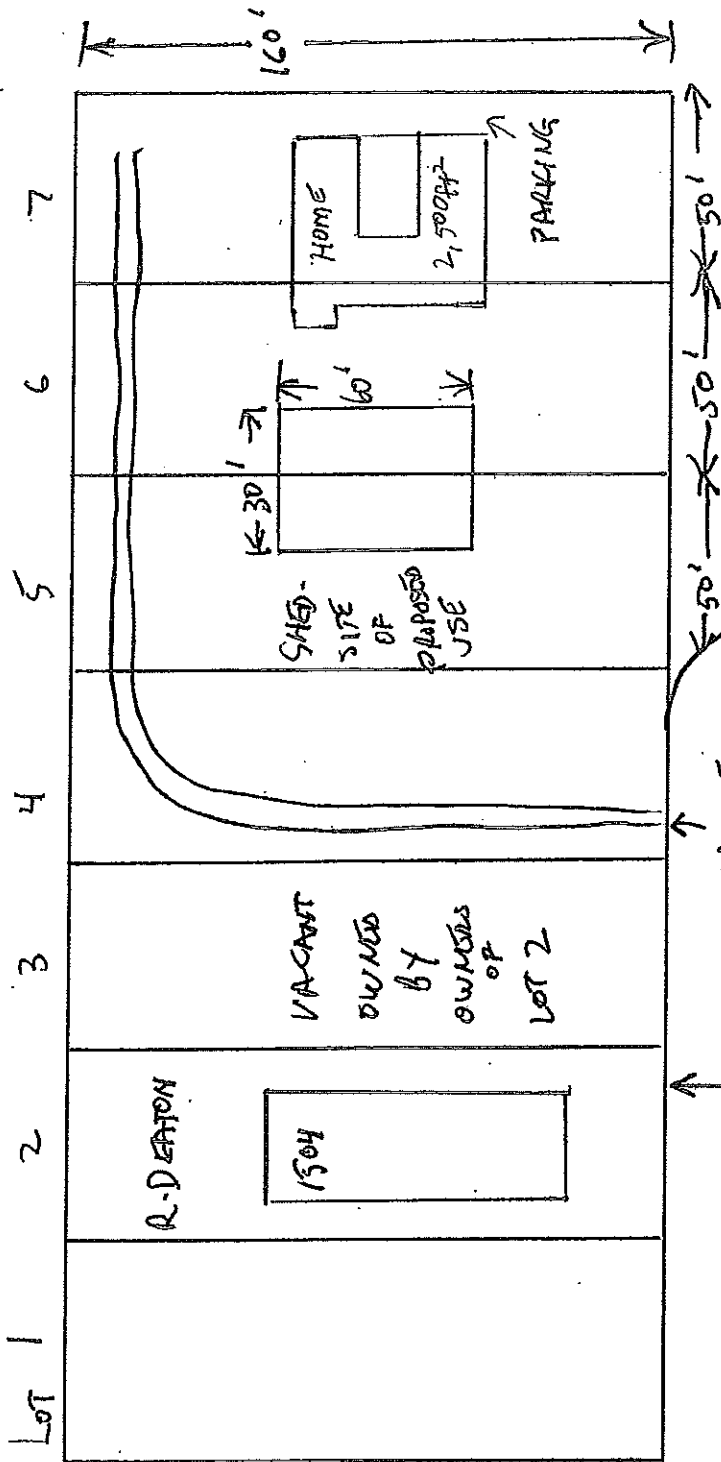
ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

↑  
 ← VACANT 7  
 4.99 acres  
 SITE PLAN  
 NOT TO SCALE

↖

BLOCK 67  
 ← OWNED BY APPLICANTS →



KERR  
 COUNTY

VACANT 9.41 acres  
 owned by Applicants

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

**SUBJECT:** First reading of an ordinance amending the water conservation plan

**FOR AGENDA OF:** 04/27/10

**DATE SUBMITTED:** 04/16/10

**SUBMITTED BY:** Charlie Hastings *CHA*  
Public Works Director

**CLEARANCES:** Todd Parton  
City Manager

**EXHIBITS:** Ordinance, Days and Times for Watering

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** *TP*

| <b>Expenditure<br/>Required:</b> | <b>Current Balance<br/>in Account:</b> | <b>Amount<br/>Budgeted:</b> | <b>Account<br/>Number:</b> |
|----------------------------------|----------------------------------------|-----------------------------|----------------------------|
| \$                               | \$                                     | \$                          |                            |

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

**SUMMARY STATEMENT**

Pursuant to the 2009 drought, lessons learned during implementation of Stage 3 of the water conservation ordinance, and Council direction, revisions to the water conservation ordinance were prepared by staff with regards to water for dust control, exceptions for athletic fields, operation of car washes, refilling or adding water to swimming pools, provisions for spray parks, lawn watering, power washing, use of a temporary fire hydrant meter, and building permits. The following is a summary of the proposed changes:

Water for dust control – currently the use of potable water for dust control is prohibited in Stages 1-4. Staff recommends the use of potable water for dust control to be permitted only during Stage 1, during subsequent stages alternative methods such as reuse water, gravel packing, tack oil, etc. can be used.

Exception for athletic fields – currently there are no exceptions for athletic fields to irrigate outside of permitted hours. Language has been added to the ordinance to allow exceptions for athletic fields to be reviewed by the City Manager on a case by case basis.

Operation of car washes – currently, operation of car washes are restricted in Stage 3 to the hours of 7am to 7pm, and in Stage 4 to the hours of 8am to 5pm. Due to enforceability issues and the differences between full service and unattended car washes, language has been added to the ordinance removing the restriction from Stages 3 and 4 (car wash operation is restricted to certain hours of the day) and placing it on Stage 5.

Refilling or adding water to swimming pools – currently, filling, refilling, or adding water to swimming pools, wading pools, and Jacuzzi-type pools is prohibited in both Stages 3 and

4. Pools are widely used for medical rehabilitation, and the amount of water it takes to keep most pools full is insignificant. In addition, prohibiting pools from adding water and allowing them to drain may cause permanent damage. Language has been added to the ordinance removing the prohibition from Stages 3 and 4 and placing it only for Stage 5.

Spray parks – currently there is no definition for spray parks in the ordinance. Kerrville is constructing a spray park at Carver Park. Spray parks are used primarily for recreation with no known medical value. A definition for spray parks has been added to the ordinance and their operation is prohibited in Stage 5.

Lawn watering – currently landscape watering with a hose-end sprinkler or automatic irrigation system is prohibited in Stages 3 and 4. A new Stage 5 has been added and the previous stages were redefined with the associated times and days for watering as shown in the attached table titled “Days and Times for Watering”.

Power washing – a definition for power washing and provisions for the use of a power washer for construction activity has been added to the ordinance; specifically it is allowed in Stages 1-4.

Temporary fire hydrant meter – a definition for a temporary fire hydrant meter and provisions for their use during Stages 1-4 has been added.

Building permits – the current ordinance prohibits additional or expanded water service connections, meters, or service lines of any kind during Stages 3 and 4; the proposed ordinance moves this restriction to Stages 4 and 5 and language has been added to prohibit granting of new building permits to avoid the potential of a building being under construction or completed before water service was available.

Other minor changes and clarifications were made to the ordinance by the City Attorney as deemed necessary by him.

### **RECOMMENDED ACTION**

The Public Works Director recommends that Council adopt the updated water conservation ordinance.

**Proposed Ordinance  
Days and Times for Watering**

| <b>Year Round<br/>(Mandatory)</b>                             | <b>Stage 1</b>                                                                                                                               | <b>Stage 2</b>                                                                                                                              | <b>Stage 3</b>                                                                                                                             | <b>Stage 4</b>                                                                        | <b>Stage 5</b>                                                        |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
|                                                               | <b>(65% of SOC)</b>                                                                                                                          | <b>(75% of SOC)</b>                                                                                                                         | <b>(85% of SOC)</b>                                                                                                                        | <b>(95% of SOC)</b>                                                                   | <b>(100% of SOC)</b>                                                  |
| Automatic Irrigation<br>and sprinklers:<br>6:00 pm - 10:00 am | Automatic Irrigation and<br>sprinklers:<br>12:00 am - 9:00 am<br>6:00 pm - 12:00 am<br>Mon 0-1<br>Tues 2-3<br>Wed 4-5<br>Thur 6-7<br>Fri 8-9 | Automatic Irrigation<br>and sprinklers:<br>4:00 am - 9:00 am<br>6:00 pm - 11:00 pm<br>Mon 0-1<br>Tues 2-3<br>Wed 4-5<br>Thur 6-7<br>Fri 8-9 | Automatic Irrigation<br>and sprinklers:<br>7:00 am - 9:00 am<br>6:00 pm - 9:00 pm<br>Mon 0-1<br>Tues 2-3<br>Wed 4-5<br>Thur 6-7<br>Fri 8-9 | Automatic Irrigation<br>and sprinklers:<br>Prohibit Use at<br>Anytime                 | Automatic Irrigation<br>and sprinklers:<br>Prohibit Use at<br>Anytime |
| Handheld or Drip<br>Irrigation:<br>Any Day or Time            | Handheld or Drip<br>Irrigation:<br>Any Day or Time                                                                                           | Handheld or Drip<br>Irrigation:<br>7:00 pm - 9:00 am<br>Any Day                                                                             | Handheld or Drip<br>Irrigation:<br>7:00 pm - 11:00 pm<br>6:00 am - 9:00 am<br>Any Day                                                      | Handheld or Drip<br>Irrigation:<br>7:00 pm - 11:00 pm<br>6:00 am - 9:00 am<br>Any Day | Handheld or Drip<br>Irrigation:<br>Prohibit Use at<br>Anytime         |

**CITY OF KERRVILLE, TEXAS**  
**ORDINANCE NO. 2010-\_\_**

**AN ORDINANCE AMENDING CHAPTER 110, ARTICLE III "WATER MANAGEMENT PLAN" OF THE CODE OF ORDINANCES OF THE CITY OF KERRVILLE, TEXAS, BY AMENDING THE WATER CONSERVATION STAGES RESULTING FROM DROUGHT CONDITIONS, AMENDING THE WATER CONSERVATION MEASURES, ADDING A NEW STAGE 5, AND ADDING A PERMIT REQUIREMENT FOR ATHLETIC FIELDS AND GOLF COURSES; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING A PENALTY FOR VIOLATION OF ANY PROVISION HEREOF; ORDERING PUBLICATION; AND PROVIDING OTHER MATTERS RELATED TO THE SUBJECT**

**WHEREAS**, the City of Kerrville treats and supplies water for public consumption; and

**WHEREAS**, as a public water supplier, state law requires the City to adopt, manage, and enforce a water conservation plan and program that contains long-term elements such as ongoing public education activities, universal metering, water accounting and estimated water savings from reuse and recycling activities, lead detection and repair, as well as other conservation techniques and activities; and

**WHEREAS**, state law also requires the City to establish specific and quantified 5 and 10 year targets and goals for total water treated and for water loss, a schedule for implementing the plan to achieve targets and goals, a method of tracking progress and the effectiveness of this plan, and a water rate structure which is cost-based and which does not encourage the excessive use of water; and

**WHEREAS**, in order to conserve the City's available water supply and protect the integrity of its water distribution system, with particular regard for domestic water use, sanitation, and fire protection; to protect and preserve public health, welfare, and safety; and to minimize the adverse impacts of water supply and production shortages or other water supply or production emergency conditions, the City Council, pursuant to Ordinance No. 2004-04, amended in its entirety the *City of Kerrville Municipal Water Conservation Plan and Drought Management Plan* ("the Water Management Plan") setting forth the City's policy with respect to procedures to be followed and measures to be implemented regarding the use and conservation of water resources within the City; and

**WHEREAS**, in order to conserve the amount of available water to be used for domestic purposes, the City Council has established limitations on certain uses of water by water customers within the City; and

**WHEREAS**, over the past two years, each stage of the Water Management Plan was triggered as the City and the Hill Country experienced significant drought conditions; and

**WHEREAS**, as a result of the drought conditions, the triggering of stages, and the implementation of the conservation measures, and with direction from City Council, staff recommends amending the Water Management Plan to amend the various stages established by the Water Management Plan, including adding a new stage; and

**WHEREAS**, the City Council of the City of Kerrville, Texas, finds that the amendments to the City's Water Management Plan are in the public interest and are necessary to protect the public health and safety;

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

**SECTION ONE.** Section 110-92 "Definitions." of the Code of Ordinances of the City of Kerrville, Texas, is amended by revising the wording to certain defined terms and adding additional defined terms as follows:

**"Sec. 110-92. Definitions.**

As used in this article, the following terms shall have the following meanings:

*Athletic field* means a sports playing field, the essential feature of which is the presence of turf grass, used primarily for organized sporting events for schools, professional sports, or sanctioned league play.

*Power washer* means a machine that uses water or a water-based product applied at high pressure greater than 499 pounds per square inch while simultaneously reducing the water flow rate to four 4 gallons per minute or less, for the purpose of cleaning impervious surfaces.

*Reclaimed water* means domestic or municipal wastewater which has been treated to a quality suitable for a beneficial use in accordance with state law.

*Seven-day average demand* means the daily average of the amount of water pumped to the City's water distribution system from all available sources for the period beginning at 12:00 a.m. on the seventh calendar day prior to the date the calculation is made and ending at 12:00 a.m. on the date the calculation is made.

*Temporary Fire Hydrant Meter* means a meter applied for from and issued by the City and intended for a temporary connection to the City's potable water supply via a City-owned fire hydrant.

*Vehicle wash facility* means a business that washes vehicles with water or a water-based product, including self-service car washes, full-service car washes, roll-over/in-bay style car washes, and fleet maintenance wash facilities.

*Water spray park* means a structure onto which water is sprayed, including water that is recycled from fountains or other devices but which no water accumulates.”

**SECTION TWO.** Section 110-94 “Prohibited Uses of Water.” of the Code of Ordinances of the City of Kerrville, Texas, is amended by amending its section heading as follows:

**“Sec. 110-94. Year-round prohibited uses of water.”**

**SECTION THREE.** Section 110-95 “Permit for newly planted lawns and landscaping.” of the Code of Ordinances of the City of Kerrville, Texas, is amended in its entirety as follows:

**Sec. 110-95. Permit for newly planted lawns and landscaping.**

(a) Newly planted lawns and landscaping shall not be watered at any time other than those hours and days allowed for all other landscaping by this article except where authorized by permit issued by the City in accordance with this article. Any such permit shall only be granted where a plant or seed is planted in or transplanted to an area within a period of time as to accomplish a reasonable establishment and maintenance of growth, which generally occurs over a three week period.

(b) Permit requirements and conditions:

(1) A permit application shall be completed by the owner of the property to be served by the City water service.

(2) A permit application shall be accompanied by written documentation indicating the planting date of the new lawn and/or landscaping.

(3) The permit shall be valid for a 30-day period from the date of issuance by the Manager.

(4) The permit shall allow additional watering outside the restricted hours and days of this article; however, in no instance shall landscape irrigation be allowed between the hours 12:00 noon and 6:00 p.m. on any day of the week.

(5) Upon the effective date of entering into Stages 3, 4, or 5, as defined by this article, the City shall not issue any new permits.

(6) A permit, once issued, shall remain in full force and effect until the earlier of its expiration date or the effective date of entering into Stage 3, as defined by this article.

(7) Following the expiration of a permit or upon the effective date of entering into Stage 3, it shall be unlawful to water new lawns and/or landscaping at any time other than those hours and days allowed for all other landscaping by this article."

**SECTION FOUR.** A new Section 110-96 "Permit for athletic fields and golf courses." of the Code of Ordinances of the City of Kerrville, Texas, is added as follows:

**"Sec. 110-96. Permit for athletic fields and golf courses.**

(a) Unless using reclaimed water in accordance with an agreement with the City, athletic fields and golf courses shall not be watered at any time other than those hours and days allowed for all other landscaping by this article except where authorized by a permit issued by the City in accordance with this article. All landscaped and out-of-play areas shall at all times adhere to the regular landscape irrigation restrictions then in place under this article.

(b) Permit requirements and conditions:

(1) A permit application shall be completed by the owner or operator of the athletic field or golf course served by City water service.

(2) A permit application shall be accompanied by an analysis of the irrigation system prepared and sealed by a licensed irrigator which shall include a zone-by-zone analysis of the irrigation system that, at a minimum, includes a review of the design appropriateness for current landscape requirements; irrigation spray heads and valves; precipitation rates expressed in inches per hour; and an annual maintenance plan that includes irrigation system maintenance, landscape maintenance, and a basic summer and winter irrigation scheduling plan. The permit application shall also include a water conservation plan indicating specific measures to reduce consumption and improve efficiency.

(3) As part of the application, the applicant shall indicate the expected precipitation rates, schedules, and run times for each applicable zone.

(4) The permit shall be valid for six (6) months from the date of issuance.

(5) The permit shall allow additional watering outside the restricted hours and days of this article; however, athletic field and golf course irrigation shall not be allowed between the hours 12:00 noon and 6:00 p.m. on any day of the week.

(6) A permit, once issued, shall remain in full force and effect until the earlier of its expiration date or the effective date of entering into Stage 3.

(7) Following the expiration of a permit or upon the effective date of entering into Stage 3, it shall be unlawful to water athletic fields or golf courses at any time other than those hours and days allowed for all other landscaping by this article, unless using reclaimed water."

**SECTION FIVE.** Section 110-96 "Water Conservation Stages Defined." of the Code of Ordinances of the City of Kerrville, Texas, is renumbered and amended in its entirety as follows:

**"Sec. 110-97. Water conservation stages defined.**

(a) *Stage 1 - Moderate water conservation conditions.* "Stage 1 - Moderate water conservation conditions" shall be deemed to exist when the City Manager finds that the seven day average water demand exceeds 65 percent of the safe operating capacity or where a water supply emergency is declared and the City Manager determines that this stage is appropriate to address the emergency.

(b) *Stage 2 - Critical water conservation conditions.* "Stage 2 - Critical water conservation conditions" shall be deemed to exist when the City Manager finds that the seven day average water demand exceeds 75 percent of the safe operating capacity or where a water supply emergency is declared and the City Manager determines that this stage is appropriate to address the emergency.

(c) *Stage 3 - Crucial water conservation conditions.* "Stage 3 - Crucial water conservation conditions" shall be deemed to exist when the City Manager finds that the seven day average water demand exceeds 85 percent of the safe operating capacity or where a water supply emergency is declared and the City Manager determines that this stage is appropriate to address the emergency.

(d) *Stage 4 - Severe water conservation conditions.* "Stage 4 -Severe water conservation conditions" shall be deemed to exist when the City Manager finds that the seven day average water demand exceeds 95 percent of the safe operating capacity or where a water supply emergency is declared and the City Manager determines that this stage is appropriate to address the emergency.

(e) *Stage 5 - Water emergency conditions.* "Stage 5 - Water emergency conditions" shall be deemed to exist when the City Manager finds that the seven day average water demand exceeds 100 percent of the safe operating capacity or where a water supply emergency is declared and the City Manager determines that this stage is appropriate to address the emergency."

**SECTION SIX.** Section 110-98 "Declaration of water conservation conditions; public notice." of the Code of Ordinances of the City of Kerrville, Texas, is renumbered and amended in its entirety as follows:

**"Sec. 110-99. Declaration of water conservation conditions and stages; public notice.**

(a) *City Manager declaration.* Upon a finding by the City Manager that "Stage 1 - Moderate water conservation conditions", "Stage 2 - Critical water conservation conditions", "Stage 3 - Crucial water conservation conditions", "Stage 4 - Severe water conservation conditions", or "Stage 5 - Water emergency conditions" exist, the City Manager shall issue notice of the commencement and/or termination of the imposition of the mandatory water conservation measures in effect for the respective stage. Said notice shall be:

- (1) Posted on the City's official bulletin board and at all public entrances and exits of City Hall and other City facilities where the public has access;
- (2) Posted on the City's internet website; and
- (3) Issued in a press release that is hand-delivered or sent by facsimile or electronic mail to:
  - a. The electronic and print media located within the City; and
  - b. The television networks located in Kerrville and San Antonio.

(b) *Contents of notice.* Each notice issued in accordance with subsection (a) shall contain at least the following information:

- (1) The effective and/or termination date of the applicable water conservation stage;
- (2) A brief description of the water conservation stage and the measures to be in effect and/or terminated;

(3) The telephone number(s) of the office to contact regarding questions about the water conservation stage in effect; and

(4) The following sentence printed in bold type: **“Failure to comply with the water conservation measures currently in effect is a violation of Chapter 110, Article III of the Kerrville City Code and, upon conviction, may result in a fine of not less than \$50.00 nor more than \$2,000.00 per offense plus court costs. Repeated violations may also result in disconnection of water service.”**

**SECTION SEVEN.** Section 110-99 “Stage 1 - Water conservation measures.” of the Code of Ordinances of the City of Kerrville, Texas, is renumbered and amended in its entirety as follows:

**“Sec. 110-100. Stage 1 - Moderate water conservation conditions.**

(a) *Stage 1 conservation measures defined.* The following water conservation measures shall be in effect at 12:01 a.m. on the day following notice of the declaration of Stage 1-Moderate water conservation conditions:

(1) Landscape watering with hose-end sprinklers or automatic irrigation systems shall be prohibited at all times except on the following days between the hours of 12:00 a.m. and 9:00 a.m. and between the hours of 6:00 p.m. and 12:00 a.m.:

- a. On Mondays for street addresses whose last digit ends in 0 or 1;
- b. On Tuesdays for street addresses whose last digit ends in 2 or 3;
- c. On Wednesdays for street addresses whose last digit ends in 4 or 5;
- d. On Thursdays for street addresses whose last digit ends in 6 or 7; or
- e. On Fridays for street addresses whose last digit ends in 8 or 9.

(2) Landscape watering is permitted at any time if conducted by means of a hand-held hose with a manual or automatic shutoff nozzle operated by one person, a faucet filled bucket or watering can with a capacity of five gallons or less, or a drip irrigation system.

(3) The use of water from a temporary fire hydrant meter shall be limited for construction and irrigation purposes at a rate not to exceed 25,000 gallons per day; in addition, the use of the water for irrigation purposes is restricted to those hours and days allowed for all other landscaping by this section.

(4) The following uses of water are prohibited:

- a. Operation of any fountain, pond, or other ornamental water feature for aesthetic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system.
- b. Washing down any sidewalk, walkway, driveway, parking lot, tennis court, or other hard-surfaced areas except when the use is required by law for the protection of health and safety or when it is required to perform duties related to construction activity and a power washer is used.

(b) *Termination of Stage 1 - Moderate water conservation conditions.* Stage 1 shall terminate at 12:01 a.m. on the day following notice of the declaration by the City Manager that the conditions triggering Stage 1 have ceased to exist for a period of 15 consecutive days. Such declaration may be made prior to the expiration of the 15 day period if, in the discretion of the City Manager, extraordinary circumstances exist, such as the occurrence of significant and/or a prolonged period of precipitation.”

**SECTION EIGHT.** Section 110-100 “Stage 2 - Water conservation measures.” of the Code of Ordinances of the City of Kerrville, Texas, is renumbered and amended in its entirety as follows:

**“Sec. 110-101. Stage 2 - Critical water conservation conditions.**

(a) *Stage 2 conservation measures defined.* The following water conservation measures shall be in effect at 12:01 a.m. on the day following notice of the declaration of Stage 2-Critical water conservation conditions:

(1) Landscape watering with hose-end sprinklers or automatic irrigation systems shall be prohibited at all times except on the following days between the hours of 4:00 a.m. and 9:00 a.m. and between the hours of 6:00 p.m. and 11:00 p.m.:

- a. On Mondays for street addresses whose last digit ends in 0 or 1;
- b. On Tuesdays for street addresses whose last digit ends in 2 or 3;
- c. On Wednesdays for street addresses whose last digit ends in 4 or 5;
- d. On Thursdays for street addresses whose last digit ends in 6 or 7; or
- e. On Fridays for street addresses whose last digit ends in 8 or 9.

(2) Landscape watering conducted by means of a hand-held hose with a manual or automatic shutoff nozzle operated by one person, a faucet filled bucket or watering can with a capacity of five gallons or less, or a drip irrigation system shall be prohibited at all times except between the hours of 7:00 p.m. and 9:00 a.m.

(3) The use of water from a temporary fire hydrant meter shall be limited for construction and irrigation purposes at a rate not to exceed 20,000 gallons per day; in addition, the use of the water for irrigation purposes is restricted to those hours and days allowed for all other landscaping by this section.

(4) The following uses of water are prohibited:

a. Operation of any ornamental fountain, pond, or other ornamental water feature for aesthetic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system.

b. Washing down any sidewalk, walkway, driveway, parking lot, tennis court, or other hard-surfaced areas except when the use is required by law for the protection of health and safety or when it is required to perform duties related to construction activity and a power washer is used.

c. Use of water for dust control.

d. Washing down buildings or structures for purposes other than immediate fire protection or when it is required to perform duties related to construction activity and a power washer is used.

e. Use of bulk potable water obtained from the City for construction purposes.

(b) *Termination of Stage 2 - Critical water conservation conditions.* Stage 2 shall terminate at 12:01 a.m. on the day following the notice of the declaration by the City Manager that the conditions triggering the Stage 2 have ceased to exist for a period of 15 consecutive days. Such declaration may be made prior to the expiration of the 15-day period if, in the discretion of the City Manager, extraordinary circumstances exist, such as the occurrence of significant and/or a prolonged period of precipitation. Upon the termination of Stage 2, the City Manager, based upon the existing conditions, has the discretion to determine which appropriate stage, if any, and the water conservation measures set forth in that stage, shall become effective.”

**SECTION NINE.** Section 110-101 "Stage 3 - Water conservation measures." of the Code of Ordinances of the City of Kerrville, Texas, is renumbered and amended in its entirety as follows:

**"Sec. 110-102. Stage 3 - Crucial water conservation conditions.**

(a) *Stage 3 conservation measures defined.* The following water conservation measures shall be in effect at 12:01 a.m. on the day following notice of the declaration of Stage 3- Crucial water conservation conditions:

(1) Landscape watering with hose-end sprinklers or automatic irrigation systems shall be prohibited at all times except on the following days between the hours of 7:00 a.m. and 9:00 a.m. and between the hours of 6:00 p.m. and 9:00 p.m.:

- a. On Mondays for street addresses whose last digit ends in 0 or 1;
- b. On Tuesdays for street addresses whose last digit ends in 2 or 3;
- c. On Wednesdays for street addresses whose last digit ends in 4 or 5;
- d. On Thursdays for street addresses whose last digit ends in 6 or 7; or
- e. On Fridays for street addresses whose last digit ends in 8 or 9.

(2) Landscape watering conducted by means of a hand-held hose with a manual or automatic shutoff nozzle operated by one person, a faucet filled bucket or watering can with a capacity of five gallons or less, or a drip irrigation system shall be prohibited at all times except between the hours of 7:00 p.m. and 11:00 p.m. and between the hours of 6:00 a.m. and 9:00 a.m.

(3) The use of water from a temporary fire hydrant meter shall be limited for construction and irrigation purposes at a rate not to exceed 15,000 gallons per day; in addition, the use of the water for irrigation purposes is restricted to those hours and days allowed for all other landscaping by this section.

(4) The following uses of water are prohibited:

- a. Operation of any ornamental fountain, pond, or other ornamental water feature for aesthetic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system.

b. Washing down any sidewalk, walkway, driveway, parking lot, tennis court, or other hard-surfaced areas except when such is required by law for the protection of health and safety or when it is required to perform duties related to construction activity and a power washer is used.

c. Use of water for dust control.

d. Washing down buildings or structures for purposes other than immediate fire protection or when it is required to perform duties related to construction activity and a power washer is used.

e. Use of bulk potable water obtained from the City for construction purposes.

(b) *Termination of Stage 3 – Crucial water conservation conditions.* Stage 3 shall terminate at 12:01 a.m. on the day following the notice of the declaration by the City Manager that the conditions triggering Stage 3 have ceased to exist for a period of 15 consecutive days. Such declaration may be made prior to the expiration of the 15-day period if, in the discretion of the City Manager, extraordinary circumstances exist, such as the occurrence of significant and/or a prolonged period of precipitation. Upon the termination of Stage 3, the City Manager, based upon the existing conditions, has the discretion to determine which appropriate stage, if any, and the water conservation measures set forth in that stage, shall become effective.”

**SECTION TEN.** Section 110-102 “Stage 4 - Water conservation measures.” of the Code of Ordinances of the City of Kerrville, Texas, is renumbered and amended in its entirety as follows:

**“Sec. 110-103. Stage 4 - Severe water conservation conditions.**

(a) *Stage 4 conservation measures defined.* The following water conservation measures shall be in effect at 12:01 a.m. on the day following notice of the declaration of Stage 4 – Severe water conservation conditions:

(1) Landscape watering with hose-end sprinklers or automatic irrigation systems shall be prohibited at all times;

(2) Landscape watering conducted by means of a hand-held hose with a manual or automatic shutoff nozzle operated by one person, a faucet filled bucket or watering can with a capacity of five gallons or less, or a drip irrigation system shall be prohibited at all times except between the hours of 7:00 p.m. and 11:00 p.m. and between the hours of 6:00 a.m. and 9:00 a.m.

(3) The use of water from a temporary fire hydrant meter shall be limited for construction and irrigation purposes at a rate not to exceed 10,000 gallons per day; in addition, the use of the water for irrigation purposes is restricted to those hours and days allowed for all other landscaping by this section.

(4) The following uses of water are prohibited:

a. Operation of any ornamental fountain, pond, or other ornamental water feature for aesthetic purposes is prohibited except where necessary to support aquatic life.

b. Washing down any sidewalk, walkway, driveway, parking lot, tennis court, or other hard-surfaced areas except when such is required by law for the protection of health and safety or when it is required to perform duties related to construction activity and a power washer is used.

c. Use of water for dust control.

d. Washing down buildings or structures for purposes other than immediate fire protection or when it is required to perform duties related to construction activity and a power washer is used.

e. Use of bulk potable water obtained from the City for construction purposes.

f. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle other than at a commercial car wash facility or service station or by a person washing any public safety vehicle on public property.

g. Use of water for a water spray park, even where such water is recirculated.

(5) No permits for new, additional, or expanded water service connections, meters, or service lines shall be granted. An exception applies where the City has already issued either a final plat for a residential lot or a commercial building permit for the site or the construction project that requires the water service.

(b) *Termination of Stage 4 - Severe water conservation conditions.* Stage 4 shall terminate at 12:01 a.m. on the day following the notice of the declaration by the City Manager that the conditions triggering Stage 4 have ceased to exist for a period of three consecutive days. Such declaration may be made prior to the expiration of the three-day period if, in the discretion of the City Manager, extraordinary circumstances exist, such as the occurrence of significant and/or a prolonged period of precipitation. Upon the termination of Stage 4, the City Manager, based upon the existing conditions, has the

discretion to determine which appropriate stage, if any, and the water conservation measures set forth in that stage, shall become effective.”

**SECTION ELEVEN.** A new Section 110-104 “Stage 5 - Water emergency conditions.” of the Code of Ordinances of the City of Kerrville, Texas, is added to provide as follows:

**“Sec. 110-104. Stage 5 - Water emergency conditions.**

(a) *Stage 5 conservation measures defined.* The following water conservation measures shall be in effect at 12:01 a.m. on the day following the notice of the declaration of Stage 5 - Water emergency conditions:

(1) Landscape watering, including handheld irrigation, with potable water shall be prohibited at all times;

(2) The following uses of water are prohibited:

a. Operation of any ornamental fountain, pond or other ornamental water feature for aesthetic purposes is prohibited except where necessary to support aquatic life.

b. Washing down any sidewalk, walkway, driveway, parking lot, tennis court, or other hard-surfaced areas except when such is required by law for the protection of health and safety.

c. Use of water for dust control.

d. Washing down buildings or structures for purposes other than immediate fire protection.

e. Use of bulk potable water obtained from the City for construction purposes.

f. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle other than by a person washing any public safety vehicle on public property.

g. Filling, refilling, or adding water to swimming pools, wading pools, and jacuzzis-type pools, which are located outside.

h. Using a fire hydrant pursuant to a temporary fire hydrant permit.

i. Use of water for a water spray park, even where such water is recirculated.

(3) Vehicle washing at a vehicle wash facility shall be prohibited at all times except between the hours of 7:00 a.m. and 7:00 p.m. A person owning or operating a vehicle wash facility shall take affirmative action to prevent use of the vehicle wash facility during the prohibited hours specified herein. Such actions shall include posting a sign indicating that the vehicle wash facility is closed and preventing vehicular access onto the property or into the washing bays. In addition, the owner/operator may also choose to disable the washing mechanisms so as to prevent operation.

(4) No permits for new, additional, or expanded water service connections, meters, or service lines shall be granted. An exception applies where the City has already issued either a final plat for a residential lot or a commercial building permit for the site or the construction project that requires the water service.

(b) *Termination of Stage 5 - water emergency conditions.* Stage 5 shall terminate at 12:01 a.m. on the day following the notice of the declaration by the City Manager that the conditions triggering Stage 5 -Water emergency conditions have ceased to exist for a period of three consecutive days. Such declaration may be made prior to the expiration of the three-day period if, in the discretion of the City Manager, extraordinary circumstances exist, such as the occurrence of significant and/or prolonged periods of precipitation. Upon the termination of Stage 2, the City Manager, based upon the existing conditions, has the discretion to determine which appropriate stage, if any, and the water conservation measures set forth in that stage, shall become effective.”

**SECTION TWELVE.** Section 110-103 “Enforcement.” of the Code of Ordinances of the City of Kerrville, Texas, is renumbered and amended in its entirety as follows:

**“Sec. 110-105. Enforcement.**

(a) *Violation of article prohibited.* It shall be unlawful for a person to use water obtained from a private well, public water supply company, or the City in a manner contrary to the provisions of this article. The penalty for violation of this article shall be in accordance with the general penalty provisions contained in chapter 1 of the Code of Ordinances but in no case shall the fine of any violation hereof be less than \$50.00. Proof of a culpable mental state is not required for conviction of an offense under this article.

(b) *Issuance of citations.* The Manager or any other personnel authorized to issue class C misdemeanor citations are authorized to issue citations for violations of this article.

(c) *Multiple violations.* If a person is convicted of:

(1) Three or more separate violations of this article within a single calendar year, the City Manager shall, upon written notice to the customer, be authorized to install a flow restriction device in the service line(s) of the customer, in which case the City Manager may place a service charge equal to the cost of the installation and subsequent removal of such device on the customer's water bill.

(2) Four or more separate violations of this article within a single calendar year, the City Manager shall, upon written notice to the customer, be authorized to discontinue water service to the premises where such multiple violations have occurred and such discontinuance of service shall continue until such time as all fines or penalties are paid in full and payment by the violator of a re-connection charge as set by the City council within the City fee schedule.

(d) *Injunction.* In addition to such other civil or criminal penalties that may be available, the City Attorney may seek an injunction in accordance with Tx. Local Gov. Code Section 54.016 against a person or entity believed to be in violation of this article.

(e) *Person responsible.* The following presumptions shall be in effect with regard to the person responsible for a violation of this article:

(1) Any person, including a person classified as a water customer, who is in apparent control of the property where a violation occurs or originates shall be presumed to be the violator.

(2) Proof that a violation occurred on a person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation.

(3) Parents shall be presumed to be responsible for the violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttable presumption that the parent directed or assisted in the commission of the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this article and that the parent could not have reasonably known of the violation.

(f) *Defenses.* It shall be a defense to a violation of this article if:

(1) The water is being used to irrigate or water the plant inventory of a wholesale or retail landscape nursery or other commercial business selling landscape or house plants;

(2) The person is using water, other than that provided by the City, that has been recirculated;

(3) The person is using water from a source other than the City's public (potable) water supply system, including:

a. reclaimed water in compliance with applicable TCEQ regulations for landscape watering. Such landscape watering with hose-end sprinklers or an automatic irrigation system shall be prohibited at all times except between the hours of 6:00 p.m. and 10:00 a.m. Landscape watering is permitted at anytime if conducted by means of a hand-held hose with a manual or automatic shutoff nozzle operated by one person, a faucet filled bucket or watering can with a capacity of five gallons or less, or a drip irrigation system; or

b. Surface water diversion rights which the person has the legal right to use.

(5) The use of the water was necessary to prevent damage or destruction to property other than landscaping plants and ground covers suffering damage from dehydration;

(6) The person is:

a. The owner, or his or her agent, of a commercial car wash or service station with a car wash;

b. The hours in which use of a commercial car wash is prohibited are posted at a location visible to customers entering or attempting to use the car wash at the time of the alleged offense;

c. Said owner or agent did not otherwise authorize the use of the car wash during the prohibited hours of operation;

(7) The person is washing down sidewalks, walkways, driveways, vehicles used to transport food and perishables, garbage trucks, or aircraft that the Manager or the City health officer determines requires frequent cleaning in order to protect the health, safety, and welfare of the public; or

(8) Operation of an automatic irrigation system was performed solely for the purpose of conducting maintenance and testing, and such operation was conducted by a licensed irrigation contractor.”

**SECTION THIRTEEN.** Section 110-104 “Variances.” of the Code of Ordinances of the City of Kerrville, Texas, is renumbered and amended in its entirety as follows:

**“Sec. 110-106. Variances.**

(a) *Authority to grant variances.* The City Manager is authorized to grant variances pursuant to the provisions of this section.

(b) *Grounds for granting variances.* A variance may be granted to authorize the use of water otherwise prohibited under this article if the City Manager finds:

- (1) That failure to grant a requested variance would adversely affect public health or sanitation;
- (2) That failure to grant the requested variance would adversely affect the health or safety of the person requesting such variance;
- (3) Compliance with this article cannot technically be accomplished during the duration of the water supply shortage or other condition for which water conservation measures are in effect;
- (4) Alternative methods can be implemented which will achieve the same level of reduction in water use as the water conservation measure from which the variance is sought; or
- (5) that the person has a disability in accordance with subsection (j) below.

(c) *Application for variance.* A person requesting a variance from the provisions of this article must file an application with the City Manager on forms promulgated by the City. Each application shall include the following information:

- (1) Name and address of the applicant(s);
- (2) A full description of the proposed water use, including, but not limited to:
  - a. The daily amount of the proposed use;
  - b. The hours of the proposed use;
- (3) A reference to the specific provision(s) of this article from which the applicant is requesting relief;

(4) A detailed statement as to how the specific provision of the article adversely affects the applicant and/or what damage or harm will occur to the applicant or others if applicant complies with this article;

(5) A description of the relief requested;

(6) The period of time for which the variance is sought;

(7) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this article and the compliance date; and

(8) Any additional information that the City Manager deems relevant and necessary in making a determination regarding the request.

(d) *Filing period.* An application for a variance requested pursuant to this section may not be filed prior to the effective date of the water conservation measure(s) from which relief is being sought.

(e) *Consideration of variance application.* The City Manager shall grant or deny the application for variance not later than 5:00 p.m. on the third City business day following delivery of the application to the City Manager. A variance shall be deemed to be approved in the manner requested in the application if the City Manager has not denied the application within the time set forth in this section.

(f) *Contents of variance.* A variance granted by the City Manager shall contain the following provisions:

(1) A description of the allowable water uses granted by the variance;

(2) A description of any conditions imposed which must be satisfied in order to maintain the variance in effect;

(3) A timetable for compliance with any conditions set forth in the variance; and

(4) Such other provisions as the City Manager determines to be reasonable and necessary.

(g) *Termination of variance.* Variances granted shall expire upon the earlier of:

(1) The date the water conservation measure from which the variance was granted is no longer in effect;

(2) The date the City Manager determines that the applicant has failed to comply with any deadline imposed with respect to compliance with the conditions set forth in the variance; or

(3) The date the City Manager specifically sets forth for termination of the variance.

(h) *Variance not a defense.* The granting of a variance shall not be a defense to a violation of the provisions of this article which occurs prior to the effective date of the variance.

(i) *Appeal of denial by City Manager.* An applicant may appeal the denial by the City Manager of an application for a variance to the City Council pursuant to the following procedures:

(1) An appeal must be filed in writing with the City Secretary not later than three City business days following the date of the denial;

(2) The appeal will be considered by the City Council at its first regularly scheduled meeting following the third City business day after the date the appeal is filed with the City Secretary;

(3) The City Council may hear testimony from the City Manager and the applicant, but shall not be required to hear such testimony;

(4) The City Council shall grant or deny the variance in accordance with the criteria set forth in subsection (b); and

(5) The City Council shall grant or deny the variance at the meeting at which the appeal is considered.

(j) *Variances for people with disabilities.* The City Manager shall grant a variance to a person to use a hose-end sprinkler or an automatic irrigation system to perform landscape watering when the use of hose-end sprinklers or automatic irrigation systems are otherwise prohibited by this article subject to the following findings:

(1) The property is a single-family residence and constitutes the permanent residence of the applicant;

(2) The applicant has provided to the City Manager a written statement from a medical doctor licensed to practice medicine in the State of Texas that the applicant is physically incapable of:

a. Walking without assistance;

b. standing for periods in excess of 15 minutes;

c. Carrying a five gallon bucket of water; or

d. Carrying a standard garden hose; and

(3) There is no other person who resides on the property with the applicant who is physically capable of performing landscape watering by means of a hand-held hose with a manual or automatic shutoff nozzle operated by one person or, a faucet filled bucket or watering can with a capacity of five gallons or less.

(k) The variance granted by the City Manager pursuant to this section may not authorize landscape watering at any time outside of the days and hours during which landscape watering is otherwise permitted by this article. Said variance may restrict landscape watering to times and days less than those otherwise allowed by this article and, with respect to automatic irrigation systems, may limit the amount of time each station of the system is allowed to run."

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

**SECTION THIRTEEN.** 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, including Ordinances 2004-04 and 2007-12; 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 FOURTEEN.** If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this Ordinance. The Council of the City of Kerrville, Texas, hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

**SECTION FIFTEEN.** The penalty for violation of this Ordinance shall be in accordance with that general penalty provision contained in Chapter 1 of the Code of Ordinances of the City of Kerrville, Texas, which provides for a fine not exceeding TWO THOUSAND DOLLARS (\$2,000.00). Each continuing day's violation under this Ordinance shall constitute a separate offense.

**SECTION SIXTEEN.** In accordance with Section 3.07 of the City Charter and Texas Local Government Code §52.013(a), the City Secretary is hereby authorized and directed to publish the

descriptive caption of this Ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

**SECTION SEVENTEEN.** In accordance with Section 3.07 of the City Charter, this Ordinance shall become effective from and after ten (10) days after publication of the caption of this Ordinance.

**PASSED AND APPROVED ON FIRST READING, this the \_\_\_\_ day of \_\_\_\_\_, A.D., 2010.**

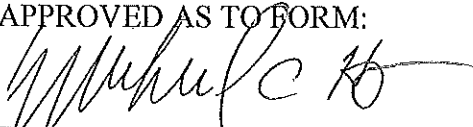
**PASSED AND APPROVED ON SECOND AND FINAL READING, this the \_\_\_\_ day of \_\_\_\_\_, A.D., 2010.**

ATTEST:

\_\_\_\_\_  
Todd A. Bock, Mayor

\_\_\_\_\_  
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

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

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

**SUBJECT:** Authorize Mayor Todd Bock to provide an official letter of support for KVHC in their effort to increase local broadcasting on the Time Warner Cable Television Network.

**FOR AGENDA OF:** April 27, 2010      **DATE SUBMITTED:** April 20, 2010

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

**EXHIBITS:** Letter of support  
KVHC email dated April 5, 2010

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

| <b>Expenditure<br/>Required:</b> | <b>Current Balance<br/>in Account:</b> | <b>Amount<br/>Budgeted:</b> | <b>Account<br/>Number:</b> |
|----------------------------------|----------------------------------------|-----------------------------|----------------------------|
| \$0                              | \$0                                    | \$0                         |                            |

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

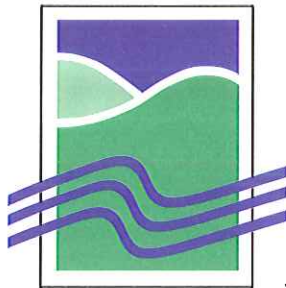
**SUMMARY STATEMENT**

KVHC provides part time broadcasting on the Time Warner cable television network. This is due to their costs to rebroadcast their local programs. KVHC has requested a letter of support for their local broadcasting efforts in an attempt to have Time Warner grant them increased broadcasting time at little or no direct expenses. Letters have also been requested of other local entities.

Currently, KVHC pays a fee to be on Time Warner Cable Channel 15 and due to the high cost of the transmission, is only purchasing time while broadcasting local shows. When severe weather or other emergencies occur, KVHC feels it needs to take action in order to better educate and inform the community. KVHC is petitioning Time Warner Cable to increase the programming to full time and has requested letters of support from regional leaders.

**RECOMMENDED ACTION**

City Staff recommends authorization for Mayor to execute the attached letter of support.



## CITY OF KERRVILLE

### MAYOR AND CITY COUNCIL

800 Junction Highway  
Kerrville, Texas 78028  
830-257-8000 / [www.kerrvilletx.gov](http://www.kerrvilletx.gov)

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April 27, 2010

Susan Hinson  
Director of Programming  
Time Warner Cable  
750 Canyon Drive  
5<sup>th</sup> Floor, Suite E  
Coppell, TX 75019

**Re: KVHC Kerrville, Texas**

Dear Director:

I am writing officially as Mayor of the City of Kerrville and on behalf of the City Council of Kerrville. We would like to recognize KVHC local channel 15 for their commitment to bringing local news and programming to the Texas Hill Country. For many years KVHC has hosted special event coverage, news and weather, and provided local emergency information on a part time basis. We would appreciate consideration that KVHC have full time access to better serve the community of Kerrville.

KVHC is an extremely important asset for the City of Kerrville and Kerr County. It is often the sole source of critical information for major events such as flooding and severe winter weather. KVHC has also become a major source of local news and information, which is extremely important for our non-metropolitan area.

Should you have any questions, please let me know.

Sincerely,

Todd Bock  
Mayor  
City of Kerrville

## Todd Parton

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**From:** Kirk Keller -- mobile [kkeller@kvhc.com]

**Sent:** Monday, April 05, 2010 9:24 AM

**To:** Mayor

**Cc:** Todd Parton

**Subject:** Letter of support -- KVHC-LP

KVHC-LP would like to requested a letter of support from the office of the Mayor for the city of Kerrville stating how important it is to have a local television station that provides valuable local news and weather. Keeping the public educated and informed is the best way to keep them safe.

As you know we are paying to be on Time Warner and due to the high cost of the retransmission we are only purchasing the time during our local shows only. We feel and have experienced several occasions when severe weather has prompted the station to take action during our regular programming, leaving the TW subscribers in harms way. Last year alone the hill country experienced two tornado and several flash flood warnings issued by the national weather service. We also received several amber alerts for missing children in 2009 as well as one already this year. All of these items are important to us as broadcasters and feel that along with Time Warner, we could better serve the community if we were on there system full time.

Time Warner has requested letters of support from our local/regional leaders... we would greatly appreciate a letter of support from the office of the Mayor for the city of Kerrville, Texas.

Once again thank you for any help you may be able to offer.

Please mail the letter to:

KVHC-LP

425 McFarland

Kerrville, Texas 78028

attn: Kirk Keller

Kirk Keller

KVHC-TV

830-792-5842 - office

830-343-7053 - cell

**BUSINESS OF THE CITY COUNCIL  
CITY OF KERRVILLE, TEXAS**

**SUBJECT:** Petition for annexation of a 3.12 acre tract out of the W. T. Crook Survey located at 327 Peterson Farm Road, adjacent to the corporate limits of the City of Kerrville. Applicant: Ms. Barbara Buxton. (File No. 2010-05)

**FOR AGENDA:** April 27, 2010

**DATE SUBMITTED:** April 16, 2010

**SUBMITTED BY:** Gordon Browning, Senior Planner



**EXHIBITS:** Location Map, Annexation Petition, Annexation Resolution, Resolution No. 91-144

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**



Mail Agenda Bill to: Ms. Barbara Buxton, 327 Peterson Farm Road, Kerrville, Texas 78028

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Request:

Ms. Barbara Buxton has filed a formal petition for the annexation of a 3.12 acre tract at 327 Peterson Farm Road, adjacent to the corporate limits of the City of Kerrville.

Staff has reviewed the application for annexation and found it to be complete. The Local Government Code requires Council to review and accept the petition prior to initiating annexation proceedings. Approving the attached petition and resolution will satisfy that requirement.

If the petition is accepted, the following timeline will be followed to complete the annexation process:

May 20, 2010

Public hearing and recommendation from the Planning and Zoning Commission.

June 22, 2010

First public hearing on the request by the City Council.

July 13, 2010

Second public hearing and first ordinance reading by the City Council.

July 27, 2010

Second and final ordinance reading by the City Council.

Background:

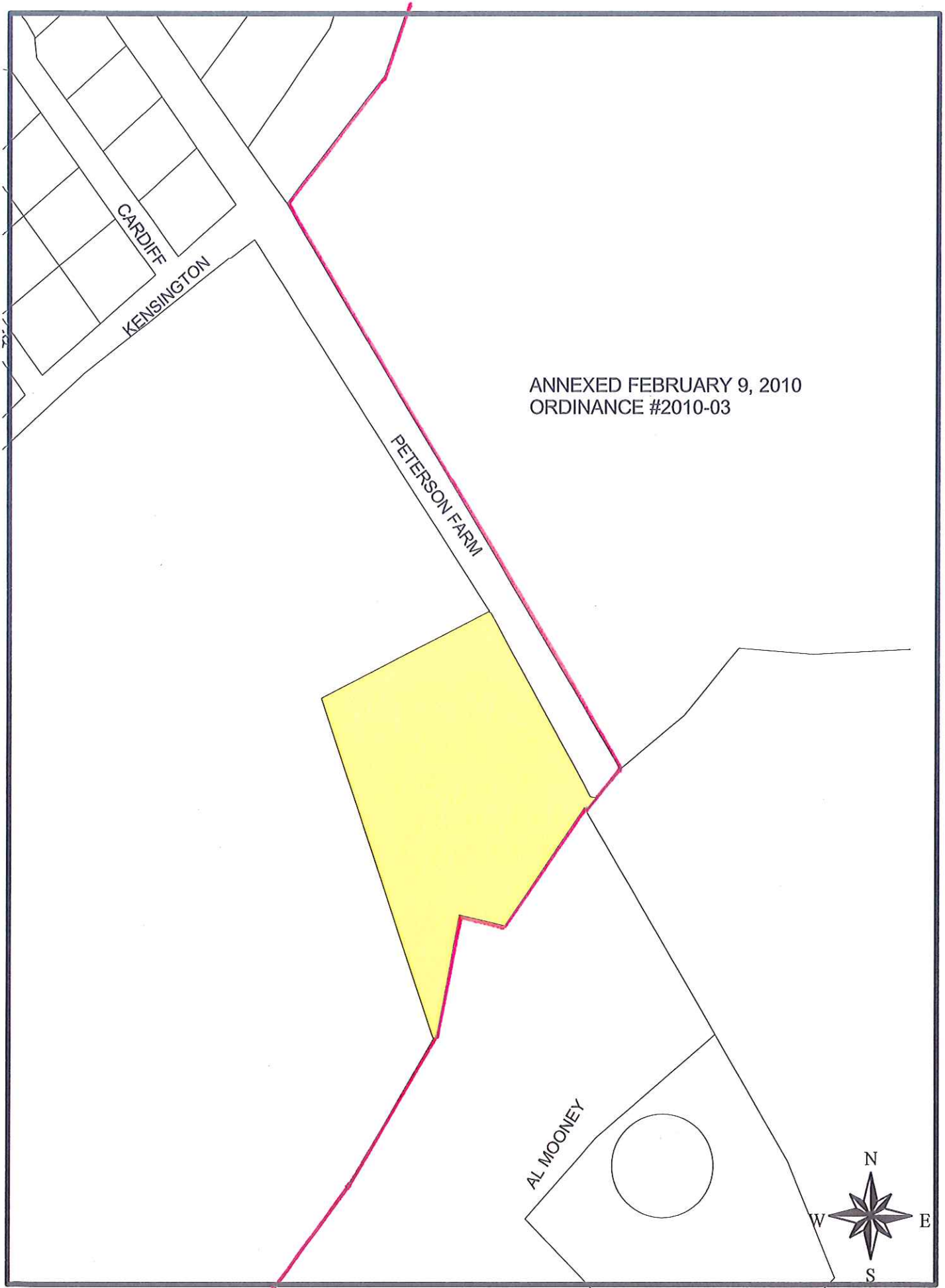
Ms. Buxton first approached the City in the summer of 2009 requesting city services, i.e. water service. Staff explained that, at that time, the City had placed a moratorium on

water connections due to the drought. Staff further explained that once the moratorium was lifted city policy requires that the petition for annexation before water service could be provided since her property is outside the city limits. Ms. Buxton's petition is based on that policy. Under the same resolution, Council retains the option to provide utility service and defer annexation.

Additionally, if Council accepts the annexation petition, staff recommends the annexation of the adjacent Peterson Farm Road right-of-way.

#### **RECOMMENDED ACTION**

1. Accept the petition, approve the resolution and direct staff to initiate the annexation process as outlined above, or
2. Direct staff to provide an out-of-service (city) water service.



ANNEXED FEBRUARY 9, 2010  
ORDINANCE #2010-03

**CITY OF KERRVILLE DEVELOPMENT SERVICES DEPARTMENT  
MASTER APPLICATION \***

**PROPERTY INFORMATION:** (Please PRINT or TYPE for all permits)

Project Address 327 Peterson Farm Rd Nearest Intersection \_\_\_\_\_  
Minor Plat/Subdivision \_\_\_\_\_ Lot \_\_\_\_\_ Block \_\_\_\_\_  
Zoning Districts \_\_\_\_\_ Comprehensive Plan Designation \_\_\_\_\_

**OWNER/APPLICANT INFORMATION:** (Please PRINT or TYPE: For all permits)

Applicant/Authorized Agent BARBARA BUXTON Phone 830-257-6026 FAX \_\_\_\_\_  
Email Address: None  
Mailing Address 327 Peterson Farm Rd City KERRVILLE State TEXAS Zip 78028  
Property Owner BARBARA BUXTON Phone 830-257-6026 FAX \_\_\_\_\_  
Email Address: None  
Mailing Address 327 Peterson Farm Rd City KERRVILLE State TEXAS Zip 78028

Transaction Code: 840.01-6236

Attach completed checklists for all projects

- |                                                                        |               |                                                             |       |
|------------------------------------------------------------------------|---------------|-------------------------------------------------------------|-------|
| <input checked="" type="checkbox"/> Annexation (2 copies /2 petitions) | <u>No Fee</u> | <input type="checkbox"/> Preliminary Plat (15 copies)       | _____ |
|                                                                        |               | \$300 + \$20/lot or \$10/acre (which ever is greater)       |       |
| <input type="checkbox"/> Administrative Appeal                         | \$150         | <input type="checkbox"/> Final Plat (15 copies)             | _____ |
|                                                                        |               | \$150 + \$10/lot                                            |       |
| <input type="checkbox"/> Preliminary Site Plan (15 copies)             | <u>No Fee</u> | <input type="checkbox"/> Preliminary Minor Plat (15 copies) | _____ |
|                                                                        |               | \$150 + 10/lot                                              |       |
| <input type="checkbox"/> Final Site Plan (15 copies)                   | <u>No Fee</u> | <input type="checkbox"/> Final Minor Plat (15 copies)       | _____ |
|                                                                        |               | \$150 + 10/lot                                              |       |
| <input type="checkbox"/> Concept Plan (15 copies)                      | \$500         | <input type="checkbox"/> Replat (15 copies)                 | _____ |
|                                                                        |               | \$150 + 10/lot                                              |       |

**For plats in the ETJ:**  
(Payment due at the time of final plat, \$200.00 per lot)

- ☐ Parkland Fee (East) \_\_\_\_\_  
08-6242  
☐ Parkland Fee (West) \_\_\_\_\_  
08-6243

**Owner's Affidavit Required for:** (Must attach to this Master Application Form)

- |                                                               |       |                                                            |       |
|---------------------------------------------------------------|-------|------------------------------------------------------------|-------|
| <input type="checkbox"/> Conditional Use Permit (CUP) Request | _____ | <input type="checkbox"/> Zoning Change Request             | _____ |
| 840. 01-6236                                                  | \$300 | 840. 01-6236                                               | \$300 |
| <input type="checkbox"/> Variance Request                     | _____ | <input type="checkbox"/> Comp. Plan Amendment Request      | _____ |
| 840. 01-6236                                                  | \$150 | 840. 01-6236                                               | \$300 |
| <input type="checkbox"/> Planned Development District Request | _____ | <input type="checkbox"/> Specific Use Permit (SUP) Request | _____ |
| 840 .01-6236                                                  | \$300 | 840. 01-6236                                               | \$300 |

Please provide a basic description of the proposed project: Hook Up to City WATER

I hereby certify that I am the owner or duly authorized agent of the owner for the purposes of this application. I further certify that I have read and examined this application and know the same to be true and correct. If any of the information provided on this application is incorrect the permit or approval may be revoked.

Owners Signature: Barbara Buxton Date: 10/23/09

APPLICATION ACCEPTED AS COMPLETE:  
3/29/10

PETITION REQUESTING ANNEXATION TO THE CORPORATE LIMITS OF THE CITY OF KERRVILLE, TEXAS, OF TEXAS ACRES OUT OF THE CRook Survey, Abstract Number 0114, KERR COUNTY TEXAS

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF KERRVILLE, TEXAS:

X BARBARA BUXTON Is the sole owner of an approximately 3.3 acre tract of land located adjacent to the incorporated limits of the City of Kerrville which is out of the Survey No. 71 Abstract No. 0114 Kerr County, Texas, and is more particularly described as follows:

SEE EXHIBIT "A".

In accordance with Texas Local Government Code §43.028,  
Y BARBARA BUXTON hereby respectfully requests and petitions that the above-described property be annexed into the incorporated limits of the City of Kerrville, Texas.  
SUBMITTED THIS 5 day of JAN, 2010

X By: Barbara Buxton  
Legally authorized signature

ACKNOWLEDGEMENT

THE STATE OF TEXAS

§  
§  
§

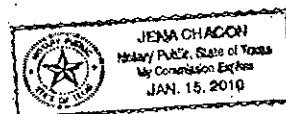
COUNTY OF KERR

This instrument was acknowledged before me on the 5 day of January, 2010  
by BARBARA BUXTON for and on behalf of  
BARBARA BUXTON.

Jena Chacon  
NOTARY PUBLIC, STATE OF TEXAS

Printed Name: JENA CHACON

My Commission Expires: JAN 15, 2010



CITY OF KERRVILLE  
RESOLUTION NO. 91-144

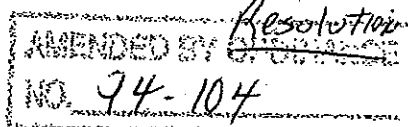
A RESOLUTION ESTABLISHING POLICY FOR WATER  
& SEWER EXTENSIONS OUTSIDE CITY LIMITS

WHEREAS, the City of Kerrville desires to encourage the growth of the City and the proper development of future subdivisions with water and sewer service meeting City standards; and,

WHEREAS, the City of Kerrville desires to cooperate with other governmental jurisdictions toward the elimination of substandard private sewerage disposal systems or contaminated private water systems that can only realistically be eliminated by connecting the City systems;

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

1. That Resolution No. 91-125 is hereby repealed in its entirety by this resolution; and
2. That it is the policy of the City to encourage the growth of the City and its tax base by the extension of necessary capital improvements, including water and sewer service within the corporate limits of the City; and,
3. That the City Council shall review and approve each request for City water and sewer service outside the corporate limits of the City; and,
4. That annexation shall be required of any land to which water or sewer service is requested, and that such annexation shall be in accordance with the laws of the State of Texas; and,
5. That exceptions to the requirement for annexation may occur if approved by the City Council and if based on the following criteria:
  - a. If the property owner outside the City limits has a failed private sewage disposal system or contaminated water system, and the City Council finds that it is not in the best interests of the City to annex said property, and the said property owner shall agree to annexation should the City later be in position to annex said property; or,
  - b. If another legal jurisdiction, such as the County, or the City of Ingram, Kerrville Independent School District, or a municipal utility district, contracts with the City to extend service into their area, and that the City finds that it is in the best interests of the City to do.



Approved by City Council  
Date: December 10, 1991  
Volume 32 Page 193

In all of the cases listed above, that the extension of utilities shall be made at the expense of the owner or the other legal jurisdiction, unless the City finds that because of a proposed industrial development project, it is in the best interest of the City to extend in part or in total the said services outside the city limits at its expense.

6. That any service outside the corporate limits shall be subject to all applicable tap fees, capital recovery fees, water and sewer rates, meter deposits, and other charges and provisions set forth in the Code of Ordinances of the City of Kerrville, as the same may be amended from time to time.

7. That additional requirements and procedures regarding out-of-city utility connections are outlined in Attachment "A," incorporated herein by reference as though fully set forth at length.

8. That there is exempted from this Resolution all out-of-City water and sewer service connections heretofore approved by the City; provided, however, that any changes in use or changes in the units served under such prior approvals will be subject to this Resolution in all respects.

9. That there is excepted from this Resolution the providing of treated surface water, on a regional basis, to augment existing groundwater supply systems as addressed in Resolution No. 91-136, and the providing of supplemental treated surface water to be subject to and in compliance with Resolution No. 91-136, and all resolutions, ordinances, rules, regulations, policies, or plans of the City of Kerrville adopted hereafter.

PASSED AND APPROVED ON FIRST READING this 10 day of December, 1991.

ATTEST:

THE CITY OF KERRVILLE, TEXAS

Sheila L. Brand  
Sheila L. Brand, City Clerk

Leonard L. Holloway  
Leonard L. Holloway, Mayor

APPROVED AS TO FORM:

WALLACE, MOSTY, MACHANN,  
JACKSON & WILLIAMS

Edith Machann 12-4-91  
Attorney for City of Kerrville

**CITY OF KERRVILLE, TEXAS  
RESOLUTION NO. \_\_\_\_-2010**

**A RESOLUTION GRANTING A PETITION REQUESTING THE ANNEXATION OF  
AN APPROXIMATELY 3.12 ACRE TRACT OUT OF THE W.T. CROOK SURVEY  
NO. 71, ABSTRACT NO. 114, WITHIN KERR COUNTY, TEXAS, AND  
CONSISTING OF THE PROPERTY ADDRESSED AS 327 PETERSON FARM  
ROAD NORTH; AND ORDERING THE PREPARATION OF AN ANNEXATION  
ORDINANCE**

**WHEREAS**, on January 5, 2010, the owner of an approximately 3.12 acre tract out of the W.T. Crook Survey No. 71, Abstract No. 114, within Kerr County, Texas, and more commonly known as 327 Peterson Farm Road, filed a petition with the City pursuant to Texas Local Government Code Section 43.028 and requested the annexation of the property; and

**WHEREAS**, having considered the petition and hearing the recommendation from City staff, the City Council of the City of Kerrville, Texas, finds it to be in the public interest to grant said petition and to initiate the annexation process, which includes the preparation of an ordinance annexing the subject property;

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

**SECTION ONE.** The petition requesting annexation of an approximately 3.12 acre tract out of the W.T. Crook Survey No. 71, Abstract No. 114, within Kerr County, Texas, and consisting of the property addressed as 327 Peterson Farm Road North, and more fully described in said petition, a copy of which is attached as **Exhibit A**, is granted.

**SECTION TWO.** City staff is directed to initiate the annexation process and to prepare an ordinance annexing the subject property described in the above-referenced petition.

**PASSED AND APPROVED ON this the \_\_\_\_ day of \_\_\_\_\_, A.D., 2010.**

ATTEST:

\_\_\_\_\_  
Todd A. Bock, Mayor

\_\_\_\_\_  
Brenda G. Craig, City Clerk

APPROVED AS TO FORM:

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

FIELD NOTES DESCRIPTION FOR 3.12 ACRES OF LAND OUT OF  
THE C.L. BUXTON LAND ALONG PETERSON FARM ROAD IN  
KERR COUNTY, TEXAS

Being all of a certain tract or parcel of land containing 3.12 acres, more or less, out of W.T. Crook Survey No. 71, Abstract No. 114 in Kerr County, Texas; that same land conveyed as 3.1 acres from Georgie O. Martin to C.L. Buxton, et al by a Warranty Deed with Vendor's Lien executed the 12th day of February, 1970 and recorded in Volume 142 at Page 515 of the Deed Records of Kerr County, Texas; and being more particularly described by metes and bounds as follows:

BEGINNING at a ½" iron stake set in the southwest right-of-way line of Peterson Farm Road, a sixty (60) ft. wide public road for the north corner of the herein described tract and said 3.1 acre tract, and the northerly east corner of a certain 56.83 acre tract conveyed from Hexagon Honeycomb Corporation Profit Sharing Plan and Trust to L. DeJuan Abel by a Special Warranty Deed executed the 24th day of September, 1993 and recorded in Volume 714 at Page 772 of the Real Property Records of Kerr County, Texas; which point bears, approximately, 3724 ft. N45°E and 1185 ft. S33°26'E from the west corner of Survey No. 71;

THENCE, with the said southwest right-of-way line of Peterson Farm Road and northeast line of said 3.1 acre tract S31°37'36"E, crossing Silver Creek 359.19 ft. to a ½" iron stake set for the east corner of the herein described tract and 3.1 acre tract, and the north corner of a certain 22.32 acre tract conveyed from Kerr County Industrial Foundation to Kerr Country Industrial and Development Foundation, Inc. by a Special Warranty Deed executed the 24th day of January, 1973 and recorded in Volume 161 at Page 51 of the Deed Records of Kerr County, Texas;

THENCE, with the common line between said 3.1 and 22.32 acre tracts: S26°48'40"W, 217.12 ft. to a fencepost; N72°41'20"W, crossing Silver Creek 64.91 ft. to a found ½" iron stake; S16°09'56"W, 97.93 ft. to a found ½" iron stake; and S25°46'11"W, 93.61 ft. to a fence anglepost in the east line of said 56.83 acre tract for the south corner of the herein described tract and 3.1 acre tract;

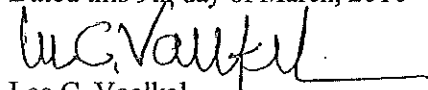
THENCE, with the common line between said 3.1 and 56.83 acre tracts: N15°01'52"W, along a fence 53.15 ft. to a fencepost near the end of a concrete wall; N19°02'18"W, along or near said concrete wall 505.54 ft. to a ½" iron stake set for the west corner of the herein described tract and 3.1 acre tract, and a reentrant corner of 56.83 acre tract; and N59°19'17"E, continuing along or near said concrete wall 253.72 ft. to the PLACE OF BEGINNING.

I hereby certify that these field notes and accompanying plat are accurate representations of the property shown and described hereon as determined by a survey made on the ground under my direction and supervision, except no survey was made to reestablish Patent Survey lines or corners; and that all property corners are as shown.

(Bearing basis = True to north based on GPS observations)

Date Surveyed: February 2, 2010  
March 9, 2010

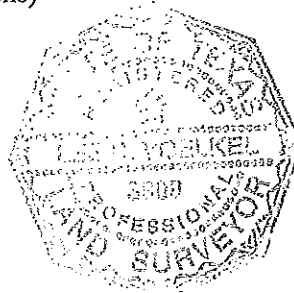
Dated this 9th day of March, 2010



Lee C. Voelkel

Registered Professional Land Surveyor No. 3909

County Surveyor for Kerr County, Texas



**VOELKEL**

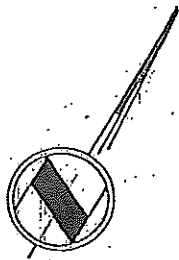
LAND SURVEYING, PLLC ♦ PHONE: 830-257-3313 ♦ 212 CLAY STREET, KERRVILLE, TEXAS 78028

EXHIBIT A

SURVEY PLAT FOR 3.12 ACRES OF LAND, MORE OR LESS, OUT OF W.T. CROOK SURVEY NO. 71, ABSTRACT NO. 114 IN KERR COUNTY, TEXAS; THAT SAME LAND CONVEYED AS 3.1 ACRES FROM GEORGIE O. MARTIN TO C.L. BUXTON, ET AL BY A WARRANTY DEED WITH VENDOR'S LIEN EXECUTED THE 12TH DAY OF FEBRUARY, 1970 AND RECORDED IN VOLUME 142 AT PAGE 515 OF THE DEED RECORDS OF KERR COUNTY, TEXAS

56.83 ACRES  
Hexagon Honeycomb to Abel  
Vol. 714 Pg 772 (Real Property Records)  
09/24/93

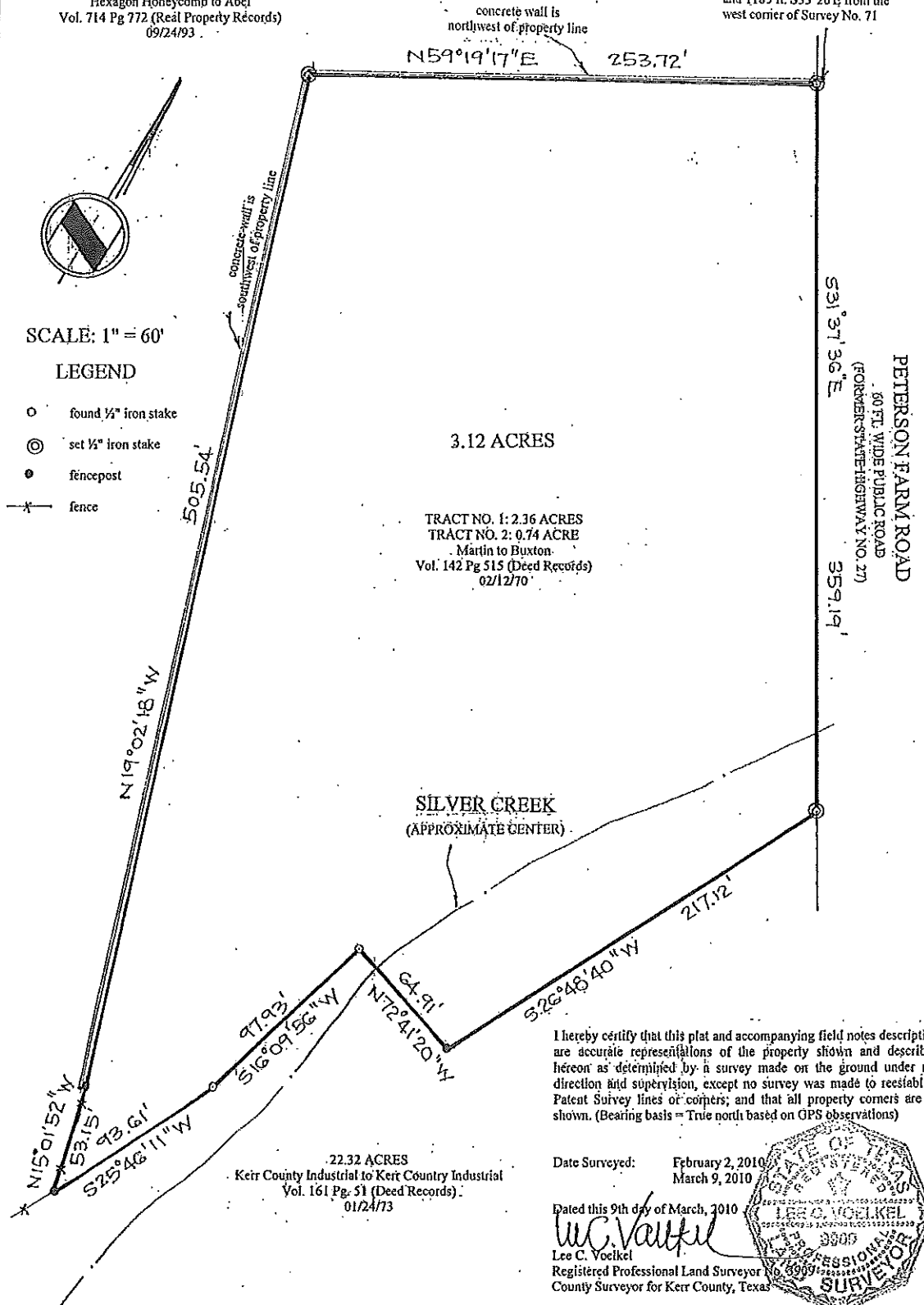
BEGINNING POINT bears,  
approximately, 3724 ft. N 45° E  
and 1185 ft. S 33° 26' E from the  
west corner of Survey No. 71



SCALE: 1" = 60'

LEGEND

- found 1/2" iron stake
- ⊙ set 1/2" iron stake
- fencepost
- fence



VOELKEL

LAND SURVEYING, PLLC ♦ PHONE: 830-257-3313 ♦ 212 CLAY STREET, KERRVILLE, TEXAS 78028

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

**SUBJECT:** Receive an update regarding the US Department of Veterans Affairs response to the community's request for information on the Veterans Administration Homeless Housing Project and provide direction to City staff.

**FOR AGENDA OF:** April 27, 2010      **DATE SUBMITTED:** April 20, 2010

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

**EXHIBITS:** Letter dated February 11, 2010 to Congressman Lamar Smith

Letter dated February 19, 2010 from Congressman Lamar Smith to Veterans Housing Administrator

Letter dated April 13, 2010 from the Secretary of the Department of Veterans Affairs to Congressman Lamar Smith

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

| <b>Expenditure</b> | <b>Current Balance</b> | <b>Amount</b>    | <b>Account</b> |
|--------------------|------------------------|------------------|----------------|
| <b>Required:</b>   | <b>in Account:</b>     | <b>Budgeted:</b> | <b>Number:</b> |
| <b>\$0</b>         | <b>\$0</b>             | <b>\$0</b>       |                |

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

**SUMMARY STATEMENT**

Pursuant to a letter from the City to Congressman Lamar Smith dated February 11, 2010, and attached as **Exhibit 1**, the City requested specific information pertaining to the Veterans Affairs Homeless Housing Project proposed for the City of Kerrville. This was one of several letters from the community to Congressman Smith requesting information about the project. On behalf of many of the local agencies and entities, Congressman Smith sent a letter to the Secretary of the Department of Veterans Affairs dated February 19, 2010, attached as **Exhibit 2**. On April 13, 2010, Congressman Smith received a response letter from the Secretary of the Department of Veterans Affairs to the request for information. A copy of this letter is attached as **Exhibit 3**. Much of the specific information requested was not addressed by the Department of Veterans Affairs.

**Recommended Action**

Staff recommends that a follow up letter be forwarded to Congressman Smith, requesting that specific data be provided in accordance with the original letter dated February 11, 2010.



**CITY OF KERRVILLE**  
**OFFICE OF THE CITY MANAGER**  
800 Junction Highway  
Kerrville, Texas 78028  
830-257-8000 / [www.kerrvilletx.gov](http://www.kerrvilletx.gov)

---

February 11, 2010

Congressman Lamar Smith  
2409 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Smith,

On behalf of the City of Kerrville I extend our sincerest gratitude for your service and all the great work you do on behalf of our community. Your sincere interest in the issues that impact Kerrville is a true inspiration to us and helps us feel that we truly matter. I am writing this letter due to one of those issues that could have a profound impact on our community, the Veterans Administration Homeless Housing Project. I have been directed to write this letter by a unanimous vote of the Kerrville City Council.

Kerrville is proud to be home of the Kerrville VA Medical Center. This center was built in 1947 and provides acute medical, intermediate medical, primary and long term care services to approximately 16,000 veterans in the Texas Hill Country. The community feels that being home to the medical center is one way that the community gives back to those who have put themselves in harms way to protect each and every one of us. We are eternally grateful and fully supportive of our active duty and retired military personnel.

In July 2009, the City of Kerrville became aware of the Veterans Administration Homeless Housing Project. A community meeting was held in Kerrville to discuss this project and to elicit community comments. However, the meeting was held with very little notice and was not very well attended. This meeting was not an effective measure of community input since the local citizens and governmental entities had no time to prepare or ensure representatives could be in attendance.

Since the community meeting there have been numerous attempts to get information from the Veterans Administration. None of these attempts has been successful. City staff understands that it is the Veterans Administration's policy not to comment on this project and that the Administration's staff is unable to provide information directly to the City of Kerrville.

It has come to our attention that the Veterans Administration has issued an RFP to construct the Homeless Housing facilities in Kerrville and that two proposals are under review. This is of great concern since we know very little about the program and its potential impact on the community and cannot get any information from the Administration. In fact, even the RFP was not easy to obtain and some of our local contractors who specialize in this type of federal work were not aware of it and were unable to locate it on the website. City staff obtained a copy of the RFP only after contacting Administration staff and being walked through the website via a phone conversation.

Kerrville would like to be able to determine whether it can fully support the Veterans Administration on this project but must withhold any such support until such time that adequate information is provided that allows us to fully evaluate it and determine the impacts it will have on the community. Kerrville respectfully requests that the following information be provided:

- 1) An overview of the project and how the facilities will be operated.
- 2) The number and types of veterans that will be cared for and whether their families will also be accommodated.
- 3) The manner in which veterans will be selected and the criteria for selection.
- 4) The support services that the Veterans Administration is planning to provide.
- 5) The support services that the community should expect to provide. Specifically regarding mental health, social work, security, and emergency medical services.
- 6) Additional opportunities for community input.
- 7) The number of employees that this project will add to the community and whether it provides opportunities for local citizens.
- 8) Income data for newly created positions.
- 9) The model(s) used to create this program.
- 10) Any analysis completed regarding the potential direct and indirect impacts to the community and the region.
- 11) Phasing for the project. Is this the first of subsequent phases and can the community expect this program to expand locally?

Again, Kerrville strongly supports any efforts to enrich the lives of our veterans and their families. Kerrville anticipates that service demands on the city and other area entities will increase in direct support of this program. These impacts must be adequately identified and fully evaluated before this program is implemented. The community does not expect there to be zero impact and needs to know what the impacts may be in order to make an informed decision.

Any help that you and your staff can provide in getting responses to our questions would be greatly appreciated. This is a very important program that deserves full due diligence to ensure that it will be successful.

Please do not hesitate to contact me if I may be of any assistance or can answer any questions.

Sincerely,



Todd Parton  
City Manager

**LAMAR SMITH**

21ST DISTRICT, TEXAS

<http://lamarsmith.house.gov>

COMMITTEE ON THE JUDICIARY

COMMITTEE ON  
SCIENCE AND TECHNOLOGY

COMMITTEE ON HOMELAND SECURITY

**Congress of the United States****House of Representatives**

February 19, 2010

The Honorable Eric K. Shinseki  
 Secretary  
 U.S. Department of Veterans Affairs  
 810 Vermont Avenue NW  
 Washington, DC 20420

Dear Secretary Shinseki,

It has come to my attention that the Department of Veterans Affairs is considering transitioning part of the Kerrville, TX V.A. Medical Center into a privately-run housing center serving homeless veterans.

The existing Medical Center has strong community support from City Government and local Veterans organizations. I am proud that this facility provides treatment and services for more than 15,000 veterans living in the Hill Country area.

A number of my constituents have contacted my office requesting additional information on "The Kerrville Mission Homeless Project" and its potential impact on the community.

To ensure that I can provide accurate information to my constituents, can you please provide my office with responses to the following questions:

1. Who will be deemed eligible for housing in this Project? Are there specific criteria that will be taken into consideration?
2. How many unites are expected to be built to accommodate the participants?
3. Approximately how many individuals will be served as this new housing center?
4. What social services will be provided by the V.A. at this housing center? Has the V.A. assessed the potential impact on local social services organizations resulting from this project? If so, could you provide me your findings?
5. What services will the residents receive from the Department of Veterans Affairs?
6. Will community input from local officials be considered in the final review process before development?

PLEASE REPLY TO:

☐ AUSTIN DISTRICT OFFICE  
 3536 BEE CAVE ROAD, #212  
 AUSTIN, TX 78746  
 (512) 306-0439  
 FAX: (512) 306-0427

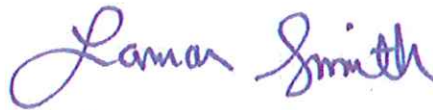
☐ KERRVILLE DISTRICT OFFICE  
 301 JUNCTION HIGHWAY, #346C  
 KERRVILLE, TX 78028  
 (830) 896-0154  
 FAX: (830) 896-0168

☐ SAN ANTONIO DISTRICT OFFICE  
 1100 N.E. LOOP 410, #640  
 SAN ANTONIO, TX 78209  
 (210) 821-5024  
 FAX: (210) 821-5947

7. Has the V.A. analyzed the impact of this project on the local community, outside of the Medical Center?
8. What will be the impact of this project on the local workforce, local housing, and the local quality of life?
9. Are there similar projects elsewhere in the United States that the community can look at to assess the local impact?

I appreciate your attention to this important issue and look forward to your prompt response.

Sincerely,

A handwritten signature in blue ink that reads "Lamar Smith". The signature is fluid and cursive, with the first name "Lamar" and last name "Smith" clearly distinguishable.

Lamar Smith  
Member of Congress



THE SECRETARY OF VETERANS AFFAIRS  
WASHINGTON

APR 14 2010

April 13, 2010

The Honorable Lamar Smith  
U.S. House of Representatives  
Washington, DC 20515

Dear Congressman Smith:

This is in response to your letter concerning the Kerrville Mission Homeless enhanced-use lease (EUL) project at the Kerrville Division of the South Texas Veterans Health Care System and your questions regarding details of the project. Approximately 107,000 Veterans are homeless on a typical night, and I have committed the Department of Veterans Affairs (VA) to ending homelessness among Veterans within 5 years. I am pleased that the Kerrville Division will play a part in accomplishing this goal.

On March 3, VA selected River Vista, LP as the preferred developer for this project. The EUL transaction process starts upon River Vista's submission of its proposed development plan for VA approval. The submission is expected in the next 90 days.

Some of the information you have requested cannot be determined until the details of a development plan are established, lease negotiations occur, the environmental and historic preservation studies are completed, and developer financing is obtained. However, I will share with you what we currently envision for this EUL project.

VA presently anticipates that this EUL project will provide transitional and/or permanent housing units, with Veterans having preference and priority status for occupancy. VA estimates that approximately 50 single occupancy units will be developed as part of the housing facility. While VA, in its capacity as the EUL lessor, is not expected to provide direct services to the selected developer or the underlying housing facility, the EUL facility is expected to provide an added benefit to local area Veterans by having close proximity and convenient access to VA services, benefits, and programs available at the Kerrville Division.

Further, this EUL project has the potential for some to-be-determined level of collaboration or cooperation between the selected developer and local social services organizations. VA hopes that the project will have a positive impact on the community, work force, and local quality of life. Finally, once a development plan has been agreed upon, the plan will be subject to local approval through the planning/zoning process.

Page 2

The Honorable Lamar Smith

VA will be pleased to update you on the progress of this project. For additional background on VA EUL projects, enclosed is a list of projects as submitted in the 2011 President's budget. VA EUL projects have been successfully executed throughout the United States.

Thank you for your continuing support of VA's mission.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric K. Shinseki". The signature is fluid and cursive, with a large, stylized "E" and "S".

Eric K. Shinseki

Enclosure

**DEPARTMENT OF VETERANS AFFAIRS**  
**Awarded Enhanced-Use Lease Projects**

|    | Location               |    | Project Type                                     | Lease Awarded |
|----|------------------------|----|--------------------------------------------------|---------------|
| 1  | Washington             | DC | Child Development Center                         | 4/20/1993     |
| 2  | Houston                | TX | Collocation/Mixed use                            | 8/23/1993     |
| 3  | West Palm Beach        | FL | Public Safety Center                             | 11/14/1994    |
| 4  | West Haven*            | CT | Child Development Center                         | 12/1/1994     |
| 5  | Big Spring*            | TX | Parking                                          | 3/8/1996      |
| 6  | Indianapolis           | IN | Consolidation                                    | 9/23/1996     |
| 7  | Bay Pines*             | FL | Child Development Center                         | 5/22/1997     |
| 8  | St. Cloud              | MN | Golf Course                                      | 7/28/1997     |
| 9  | Atlanta                | GA | Regional Office (RO) Collocation                 | 12/18/1997    |
| 10 | Portland               | OR | Single Room Occupancy (SRO)                      | 7/14/1998     |
| 11 | North Little Rock      | AR | Golf Course                                      | 10/1/1998     |
| 12 | Pershing Hall, Paris** | FR | Hotel                                            | 10/16/1998    |
| 13 | Mt. Home               | TN | Medical School                                   | 12/17/1998    |
| 14 | Sioux Falls            | SD | Parking                                          | 4/1/1999      |
| 15 | Danville               | IL | Senior Housing                                   | 4/27/1999     |
| 16 | Mt. Home               | TN | Energy                                           | 12/2/1999     |
| 17 | Indianapolis*          | IN | Nursing Home                                     | 12/6/1999     |
| 18 | Dallas                 | TX | Child Development Center                         | 12/20/1999    |
| 19 | Roseburg               | OR | Single Room Occupancy (SRO)                      | 8/1/2000      |
| 20 | Salt Lake City         | UT | Regional Office (RO) collocation                 | 5/9/2001      |
| 21 | Durham                 | NC | Mixed Use / Research                             | 1/3/2002      |
| 22 | North Chicago*         | IL | Medical School                                   | 4/10/2002     |
| 23 | Chicago (Westside)     | IL | Regional Office (RO) Collocation                 | 4/22/2002     |
| 24 | Chicago (Westside)     | IL | Parking Structure                                | 4/22/2002     |
| 25 | North Chicago          | IL | Energy Center Phase I                            | 5/21/2002     |
| 26 | Batavia*               | NY | Single Room Occupancy (SRO)                      | 5/24/2002     |
| 27 | Chicago (Westside)     | IL | Energy                                           | 8/12/2002     |
| 28 | Tuscaloosa             | AL | Hospice                                          | 9/19/2002     |
| 29 | Barbers Point          | HI | Single Room Occupancy (SRO)                      | 3/17/2003     |
| 30 | Milwaukee              | WI | Regional Office (RO) Collocation                 | 7/17/2003     |
| 31 | Hines                  | IL | Single Room Occupancy (bldg #14)                 | 8/22/2003     |
| 32 | Somerville             | NJ | Mixed Use                                        | 9/5/2003      |
| 33 | North Chicago          | IL | Energy Center Phase II                           | 10/29/2003    |
| 34 | Mound City             | IL | Interpretive/Visitor Center                      | 11/6/2003     |
| 35 | Butler                 | PA | Mental Health Facility                           | 12/18/2003    |
| 36 | Portland               | OR | Crisis Triage Center                             | 2/13/2004     |
| 37 | Charleston/MUSC        | SC | Affiliate Partnering                             | 5/18/2004     |
| 38 | Hines                  | IL | Single Room Occupancy SRO<br>Phase II (bldg #53) | 7/30/2004     |
| 39 | Minneapolis            | MN | Credit Union                                     | 8/17/2004     |
| 40 | Batavia                | NY | Assisted Living                                  | 8/24/2004     |
| 41 | Bedford                | MA | Single Room Occupancy housing                    | 9/10/2004     |
| 42 | Dayton                 | OH | Child Care Development Center<br>(bldg #401)     | 12/30/2004    |
| 43 | Dayton                 | OH | Housing Initiative (bldg #412)                   | 12/30/2004    |

|    | Location            |    | Project Type                                 | Lease Awarded |
|----|---------------------|----|----------------------------------------------|---------------|
| 44 | Chicago (Lakeside)* | IL | Realignment                                  | 1/18/2005     |
| 45 | St. Cloud           | MN | Homeless Housing                             | 5/24/2005     |
| 46 | Leavenworth         | KS | Residential Health Care                      | 8/5/2005      |
| 47 | Minneapolis         | MN | Single Room Occupancy (SRO)                  | 9/1/2005      |
| 48 | Salt Lake City II   | UT | Mixed Use --<br>Office/Retail/Restaurant     | 9/20/2006     |
| 49 | Fort Howard*        | MD | Mixed Use - Senior<br>Housing/Clinic         | 9/28/2006     |
| 50 | Butler              | PA | Homeless Residential Program                 | 4/17/2007     |
| 51 | Dayton              | OH | Homeless Housing (bldg #402)                 | 4/19/2007     |
| 52 | Columbia            | SC | Mixed Use/VARO/Realignment                   | 11/19/2007    |
| 53 | Sepulveda           | CA | Supportive Homeless Housing<br>(bldg #4)     | 12/21/2007    |
| 54 | Sepulveda           | CA | Supportive Homeless Housing<br>(bldg #5)     | 12/21/2007    |
| 55 | Dayton              | OH | Transitional Housing Facility (bldg<br>#400) | 11/05/2008    |
| 56 | Batavia             | NY | Transitional Housing                         | 12/22/2008    |
| 57 | Battle Creek        | MI | Transitional Housing                         | 12/22/2008    |
| 58 | Chillicothe         | OH | Mixed Use/Stadium                            | 12/22/2008    |
| 59 | Albany              | NY | Parking                                      | 8/05/2009     |
| 60 | Cleveland           | OH | Campus Realignment/Mixed Use                 | 10/1/2009     |

\*Lease terminated or disposed

\*\* Executed under Public Law 102-86

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

**SUBJECT:** Consideration of the disbursement of EIC funds for annual operations expenses of the Kerr Economic Development Foundation (KEDF).

**FOR AGENDA OF:** April 27, 2010

**DATE SUBMITTED:** April 23, 2010

**SUBMITTED BY:** Todd Parton  
City Manager

**CLEARANCES:** NA

**EXHIBITS:** KEDF Financial Statement – March 31, 2010

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**

|                    |                        |                  |                |
|--------------------|------------------------|------------------|----------------|
| <b>Expenditure</b> | <b>Current Balance</b> | <b>Amount</b>    | <b>Account</b> |
| <b>Required:</b>   | <b>in Account:</b>     | <b>Budgeted:</b> | <b>Number:</b> |
| <b>\$0</b>         | <b>\$0</b>             | <b>\$0</b>       |                |

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

**SUMMARY STATEMENT**

At the City Council meeting of April 13, 2010, City staff presented an agenda item regarding the disbursement of EIC funds budgeted for FY2010 to the KEDF. EIC's FY2010 budget includes a disbursement of \$25,000 for annual operations expenses.

City Council directed staff to acquire year to date financial information for KEDF prior to any action for the disbursement of the EIC funds. Attached this report is the most recent financial statement for KEDF; it shows revenues and expenditures through March 31, 2010.

KEDF's FY2010 budget anticipates contributions from EIC, City of Kerrville, Kerr County, KPUB and private contributions. Combined, these budgeted revenues total \$177,500. KEDF has received a payment from Kerr County (\$25,000) and private contributions (\$28,987.50). An additional \$5,000 in private contributions is anticipated by KEDF this month.

Routine, recurring expenses for KEDF are approximately \$12,000 per month. KEDF has approximately \$7,400 in unrestricted net earnings. With the anticipated private contribution of \$5,000 this month there is adequate, unencumbered resources to cover expenses through May 2010.

KEDF also has approximately \$59,000 in reserve funds. This reserve is from the proceeds of land sold for the airport. These reserves are equivalent to approximately 5 months of normal operating expenses.

### **OPTIONS**

1. Direct that the process to disburse EIC funds to KEDF.
2. Table/postpone consideration.
3. Direct not to initiate the process to disburse EIC funds to KEDF.

### **RECOMMENDED ACTION**

At its regular meeting of Monday, April 19, 2010, the EIC voted to disburse \$12,500 4B funds to KEDF. This recommendation was based on the following:

1. EIC's approved budget allocates \$25,000 of 4B funds to KEDF for the entirety of FY2010;
2. KEDF relied on the disbursement of these funds in preparing its annual budget and in expending its funds for this fiscal year;
3. An amount of \$12,500 corresponds with operations funded through the first 6 months of this fiscal year;
4. KEDF has operated in good faith and provided services through FY2010;
5. It is important to maintain current economic development operations until such time that the new organizational structure is implemented;
6. Members of the newly appointed Economic Development Governing Body are scheduled to complete their initial phase of work and are scheduled to make presentations to the EIC and other participating entities in June 2010; and
7. No additional funds should be allocated in anticipation of the impending implementation of the revised economic development program.

Should the City Council accept EIC's recommendation, the public hearing process will be initiated and this item presented for final consideration by the City Council in June 2010.

9:34 AM  
04/09/10  
Cash Basis

Kerr Economic Development Foundation  
**Balance Sheet**  
As of March 31, 2010

|                                | <u>Mar 31, 10</u> |
|--------------------------------|-------------------|
| ASSETS                         |                   |
| Current Assets                 |                   |
| Checking/Savings               |                   |
| 1010 - Checking Account        | 338.50            |
| 1020 - Money Market            | 15,975.20         |
| 1030 - Property Account        | 58,589.54         |
| Total Checking/Savings         | <u>74,903.24</u>  |
| Total Current Assets           | 74,903.24         |
| Fixed Assets                   |                   |
| 1500 - Equipment               | <u>4,611.45</u>   |
| Total Fixed Assets             | 4,611.45          |
| Other Assets                   |                   |
| Land                           | <u>1195334.41</u> |
| Total Other Assets             | <u>1195334.41</u> |
| TOTAL ASSETS                   | <u>1274849.10</u> |
| LIABILITIES & EQUITY           |                   |
| Liabilities                    |                   |
| Long Term Liabilities          |                   |
| N/P - HCSB                     | <u>1192956.18</u> |
| Total Long Term Liabilities    | <u>1192956.18</u> |
| Total Liabilities              | 1192956.18        |
| Equity                         |                   |
| 3000 - Fund Balance (Cent...   | 56,907.09         |
| 3040 - Equity                  | 34,884.12         |
| Unrestrict (retained earnings) | 7,395.27          |
| Net Income                     | <u>-17,293.56</u> |
| Total Equity                   | <u>81,892.92</u>  |
| TOTAL LIABILITIES & EQUITY     | <u>1274849.10</u> |

9:35 AM  
04/09/10  
Cash Basis

# Kerr Economic Development Foundation

## Balance Sheet Prev Year Comparison

As of March 31, 2010

|                                       | Mar 31, 10          | Mar 31, 09          | \$ Change         | % Change     |
|---------------------------------------|---------------------|---------------------|-------------------|--------------|
| <b>ASSETS</b>                         |                     |                     |                   |              |
| Current Assets                        |                     |                     |                   |              |
| Checking/Savings                      |                     |                     |                   |              |
| 1010 - Checking Account               | 338.50              | 733.77              | -395.27           | -53.9%       |
| 1020 - Money Market                   | 15,975.20           | 29,089.23           | -13,114.03        | -45.1%       |
| 1030 - Property Account               | 58,589.54           | 58,487.15           | 102.39            | 0.2%         |
| Total Checking/Savings                | 74,903.24           | 88,310.15           | -13,406.91        | -15.2%       |
| Total Current Assets                  | 74,903.24           | 88,310.15           | -13,406.91        | -15.2%       |
| Fixed Assets                          |                     |                     |                   |              |
| 1500 - Equipment                      | 4,611.45            | 4,611.45            | 0.00              | 0.0%         |
| Total Fixed Assets                    | 4,611.45            | 4,611.45            | 0.00              | 0.0%         |
| Other Assets                          |                     |                     |                   |              |
| Land                                  | 1,195,334.41        | 1,195,334.41        | 0.00              | 0.0%         |
| Total Other Assets                    | 1,195,334.41        | 1,195,334.41        | 0.00              | 0.0%         |
| <b>TOTAL ASSETS</b>                   | <b>1,274,849.10</b> | <b>1,288,256.01</b> | <b>-13,406.91</b> | <b>-1.0%</b> |
| <b>LIABILITIES &amp; EQUITY</b>       |                     |                     |                   |              |
| Liabilities                           |                     |                     |                   |              |
| Long Term Liabilities                 |                     |                     |                   |              |
| N/P - HCSB                            | 1,192,956.18        | 1,192,956.18        | 0.00              | 0.0%         |
| Total Long Term Liabilities           | 1,192,956.18        | 1,192,956.18        | 0.00              | 0.0%         |
| Total Liabilities                     | 1,192,956.18        | 1,192,956.18        | 0.00              | 0.0%         |
| Equity                                |                     |                     |                   |              |
| 3000 - Fund Balance (Central)         | 56,907.09           | 56,907.09           | 0.00              | 0.0%         |
| 3040 - Equity                         | 34,884.12           | 34,884.12           | 0.00              | 0.0%         |
| Unrestrict (retained earnings)        | 7,395.27            | 3,862.63            | 3,532.64          | 91.5%        |
| Net Income                            | -17,293.56          | -354.01             | -16,939.55        | -4,785.1%    |
| Total Equity                          | 81,892.92           | 95,299.83           | -13,406.91        | -14.1%       |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>1,274,849.10</b> | <b>1,288,256.01</b> | <b>-13,406.91</b> | <b>-1.0%</b> |

9:36 AM  
04/09/10  
Cash Basis

# Kerr Economic Development Foundation

## Profit & Loss YTD Comparison

March 2010

|                                 | Mar 10                   | Oct '09 - Mar 10         |
|---------------------------------|--------------------------|--------------------------|
| Ordinary Income/Expense         |                          |                          |
| Income                          |                          |                          |
| <b>INCOME</b>                   |                          |                          |
| 4025 - County of Kerr           | 0.00                     | 25,000.00                |
| 4040 - Private Contributions    | 3,000.00                 | 28,987.50                |
| 4050 - Interest Earned          | 9.30                     | 52.33                    |
| <b>Total INCOME</b>             | <u>3,009.30</u>          | <u>54,039.83</u>         |
| <b>Total Income</b>             | 3,009.30                 | 54,039.83                |
| Expense                         |                          |                          |
| <b>ADMINISTRATIVE</b>           |                          |                          |
| 5010 - Salary                   | 6,687.50                 | 40,125.00                |
| 5015 - Emp. Social Security     | 414.63                   | 2,487.78                 |
| 5016 - Emp. Medicare            | 96.97                    | 581.82                   |
| 6110 - Office Lease             | 600.00                   | 3,780.00                 |
| 7100 - Postage                  | 27.06                    | 222.24                   |
| 7120 - Telephone & Cell Service | 451.59                   | 2,691.79                 |
| 7130 - Office Supplies          | 182.68                   | 691.53                   |
| 7150 - Board Expense            | 0.00                     | 244.80                   |
| 7160 - Legal & Accounting       | 775.00                   | 775.00                   |
| 7170 - Dues & Subscriptions     | 425.00                   | 1,143.00                 |
| 7175 - Auto Allowance           | 255.65                   | 1,358.54                 |
| 7176 - Retirement Plan          | 2,900.00                 | 2,900.00                 |
| 7185 - Insurance                |                          |                          |
| Workers Comp.                   | 0.00                     | 446.00                   |
| <b>Total 7185 - Insurance</b>   | 0.00                     | 446.00                   |
| 7195 - Bank Charges             | 0.00                     | 6.00                     |
| 8140 - Training / Gov. Relation | 0.00                     | 7,968.53                 |
| <b>Total ADMINISTRATIVE</b>     | <u>12,816.08</u>         | <u>65,422.03</u>         |
| <b>LAND EXPENSES.</b>           |                          |                          |
| Property Taxes                  | 0.00                     | 117.21                   |
| <b>Total LAND EXPENSES.</b>     | 0.00                     | 117.21                   |
| <b>MARKETING</b>                |                          |                          |
| 8110 - Business Attraction      | 0.00                     | 750.00                   |
| 8130 - Bus. Retention/Expansion | 953.78                   | 2,244.15                 |
| 8150 - Internet / Website       | 550.00                   | 2,800.00                 |
| <b>Total MARKETING</b>          | <u>1,503.78</u>          | <u>5,794.15</u>          |
| <b>Total Expense</b>            | <u>14,319.86</u>         | <u>71,333.39</u>         |
| <b>Net Ordinary Income</b>      | <u>-11,310.56</u>        | <u>-17,293.56</u>        |
| <b>Net Income</b>               | <u><u>-11,310.56</u></u> | <u><u>-17,293.56</u></u> |

**Kerr Economic Development Foundation**  
**Profit & Loss Budget Performance**  
March 2010

|                                 | <u>Mar 10</u>     | <u>Budget</u>    | <u>Oct '09 - Mar 10</u> | <u>YTD Budget</u> | <u>Annual Budget</u> |
|---------------------------------|-------------------|------------------|-------------------------|-------------------|----------------------|
| Ordinary Income/Expense         |                   |                  |                         |                   |                      |
| Income                          |                   |                  |                         |                   |                      |
| INCOME                          |                   |                  |                         |                   |                      |
| 4010 - E.I.C.                   | 0.00              |                  | 0.00                    | 62,500.00         | 62,500.00            |
| 4020 - City of Kerrville        | 0.00              |                  | 0.00                    | 25,000.00         | 25,000.00            |
| 4025 - County of Kerr           | 0.00              |                  | 25,000.00               | 25,000.00         | 25,000.00            |
| 4030 - Public Contributions     | 0.00              |                  | 0.00                    | 25,000.00         | 25,000.00            |
| 4040 - Private Contributions    | 3,000.00          | 10,000.00        | 28,987.50               | 20,000.00         | 40,000.00            |
| 4050 - Interest Earned          | 9.30              |                  | 52.33                   | 0.00              | 0.00                 |
| Total INCOME                    | <u>3,009.30</u>   | <u>10,000.00</u> | <u>54,039.83</u>        | <u>157,500.00</u> | <u>177,500.00</u>    |
| Total Income                    | 3,009.30          | 10,000.00        | 54,039.83               | 157,500.00        | 177,500.00           |
| Expense                         |                   |                  |                         |                   |                      |
| ADMINISTRATIVE                  |                   |                  |                         |                   |                      |
| 5010 - Salary                   | 6,687.50          | 6,366.67         | 40,125.00               | 40,699.98         | 78,900.00            |
| 5015 - Emp. Social Security     | 414.63            | 394.73           | 2,487.78                | 2,368.38          | 4,736.76             |
| 5016 - Emp. Medicare            | 96.97             | 90.41            | 581.82                  | 542.46            | 1,084.92             |
| 5017 - TWC & FUTA               | 0.00              |                  | 0.00                    | 978.32            | 978.32               |
| 6110 - Office Lease             | 600.00            | 600.00           | 3,780.00                | 3,600.00          | 7,200.00             |
| 7100 - Postage                  | 27.06             | 41.67            | 222.24                  | 249.98            | 500.00               |
| 7110 - Printing                 | 0.00              |                  | 0.00                    | 1,000.00          | 1,000.00             |
| 7120 - Telephone & Cell Service | 451.59            | 291.67           | 2,691.79                | 1,749.98          | 3,500.00             |
| 7130 - Office Supplies          | 182.68            |                  | 691.53                  | 1,000.00          | 1,000.00             |
| 7150 - Board Expense            | 0.00              | 200.00           | 244.80                  | 400.00            | 800.00               |
| 7160 - Legal & Accounting       | 775.00            |                  | 775.00                  | 2,000.00          | 2,000.00             |
| 7170 - Dues & Subscriptions     | 425.00            |                  | 1,143.00                | 4,000.00          | 4,000.00             |
| 7175 - Auto Allowance           | 255.65            |                  | 1,358.54                | 6,000.00          | 6,000.00             |
| 7176 - Retirement Plan          | 2,900.00          | 2,500.00         | 2,900.00                | 2,500.00          | 2,500.00             |
| 7185 - Insurance                |                   |                  |                         |                   |                      |
| Bond                            | 0.00              |                  | 0.00                    |                   | 950.00               |
| Directors & Officers            | 0.00              |                  | 0.00                    |                   | 1,350.00             |
| Workers Comp.                   | 0.00              |                  | 446.00                  | 1,000.00          | 1,000.00             |
| Total 7185 - Insurance          | <u>0.00</u>       |                  | <u>446.00</u>           | <u>1,000.00</u>   | <u>3,300.00</u>      |
| 7195 - Bank Charges             | 0.00              |                  | 6.00                    |                   |                      |
| 8140 - Training / Gov. Relation | 0.00              |                  | 7,988.53                | 16,000.00         | 17,000.00            |
| Total ADMINISTRATIVE            | <u>12,816.08</u>  | <u>10,485.15</u> | <u>65,422.03</u>        | <u>84,089.10</u>  | <u>134,500.00</u>    |
| LAND EXPENSES.                  |                   |                  |                         |                   |                      |
| Property Taxes                  | 0.00              |                  | 117.21                  |                   |                      |
| Total LAND EXPENSES.            | <u>0.00</u>       |                  | <u>117.21</u>           |                   |                      |
| MARKETING                       |                   |                  |                         |                   |                      |
| 8110 - Business Attraction      | 0.00              | 750.00           | 750.00                  | 4,500.00          | 9,000.00             |
| 8120 - Advertising              | 0.00              | 1,000.00         | 0.00                    | 3,500.00          | 5,000.00             |
| 8130 - Bus. Retention/Expansion | 953.78            | 1,250.00         | 2,244.15                | 7,500.00          | 15,000.00            |
| 8150 - Internet / Website       | 550.00            | 1,166.67         | 2,800.00                | 6,999.98          | 14,000.00            |
| Total MARKETING                 | <u>1,503.78</u>   | <u>4,166.67</u>  | <u>5,794.15</u>         | <u>22,499.98</u>  | <u>43,000.00</u>     |
| Total Expense                   | <u>14,319.86</u>  | <u>14,651.82</u> | <u>71,333.39</u>        | <u>108,589.08</u> | <u>177,500.00</u>    |
| Net Ordinary Income             | <u>-11,310.56</u> | <u>-4,651.82</u> | <u>-17,293.56</u>       | <u>50,910.92</u>  | <u>0.00</u>          |
| Net Income                      | <u>-11,310.56</u> | <u>-4,651.82</u> | <u>-17,293.56</u>       | <u>50,910.92</u>  | <u>0.00</u>          |

**Kerr Economic Development Foundation**  
**Profit & Loss Budget Overview**  
October 2009 through March 2010

|                                 |                   |                   |                   |                   |                  |                  | <b>TOTAL</b>            |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|-------------------------|
|                                 | <b>Oct 09</b>     | <b>Nov 09</b>     | <b>Dec 09</b>     | <b>Jan 10</b>     | <b>Feb 10</b>    | <b>Mar 10</b>    | <b>Oct '09 - Mar 10</b> |
| <b>Ordinary Income/Expense</b>  |                   |                   |                   |                   |                  |                  |                         |
| Income                          |                   |                   |                   |                   |                  |                  |                         |
| INCOME                          |                   |                   |                   |                   |                  |                  |                         |
| 4010 - E.I.C.                   |                   |                   |                   | 62,500.00         |                  |                  | 62,500.00               |
| 4020 - City of Kerrville        |                   |                   |                   | 25,000.00         |                  |                  | 25,000.00               |
| 4025 - County of Kerr           |                   |                   |                   |                   | 25,000.00        |                  | 25,000.00               |
| 4030 - Public Contributions     |                   |                   |                   | 25,000.00         |                  |                  | 25,000.00               |
| 4040 - Private Contributions    |                   |                   |                   |                   | 10,000.00        | 10,000.00        | 20,000.00               |
| 4050 - Interest Earned          | 0.00              |                   |                   |                   |                  |                  | 0.00                    |
| <b>Total INCOME</b>             | <b>0.00</b>       |                   |                   | <b>112,500.00</b> | <b>35,000.00</b> | <b>10,000.00</b> | <b>157,500.00</b>       |
| <b>Total Income</b>             | <b>0.00</b>       |                   |                   | <b>112,500.00</b> | <b>35,000.00</b> | <b>10,000.00</b> | <b>157,500.00</b>       |
| Expense                         |                   |                   |                   |                   |                  |                  |                         |
| ADMINISTRATIVE                  |                   |                   |                   |                   |                  |                  |                         |
| 5010 - Salary                   | 6,366.63          | 8,866.67          | 6,366.67          | 6,366.67          | 6,366.67         | 6,366.67         | 40,699.98               |
| 5015 - Emp. Social Security     | 394.73            | 394.73            | 394.73            | 394.73            | 394.73           | 394.73           | 2,368.38                |
| 5016 - Emp. Medicare            | 90.41             | 90.41             | 90.41             | 90.41             | 90.41            | 90.41            | 542.46                  |
| 5017 - TWC & FUTA               | 978.32            |                   |                   |                   |                  |                  | 978.32                  |
| 6110 - Office Lease             | 600.00            | 600.00            | 600.00            | 600.00            | 600.00           | 600.00           | 3,600.00                |
| 7100 - Postage                  | 41.63             | 41.67             | 41.67             | 41.67             | 41.67            | 41.67            | 249.98                  |
| 7110 - Printing                 |                   |                   |                   | 1,000.00          |                  |                  | 1,000.00                |
| 7120 - Telephone & Cell Service | 291.63            | 291.67            | 291.67            | 291.67            | 291.67           | 291.67           | 1,749.98                |
| 7130 - Office Supplies          |                   |                   |                   | 500.00            | 500.00           |                  | 1,000.00                |
| 7150 - Board Expense            |                   |                   | 200.00            |                   |                  | 200.00           | 400.00                  |
| 7160 - Legal & Accounting       | 2,000.00          |                   |                   |                   |                  |                  | 2,000.00                |
| 7170 - Dues & Subscriptions     | 4,000.00          |                   |                   |                   |                  |                  | 4,000.00                |
| 7175 - Auto Allowance           | 6,000.00          |                   |                   |                   |                  |                  | 6,000.00                |
| 7176 - Retirement Plan          |                   |                   |                   |                   |                  | 2,500.00         | 2,500.00                |
| 7185 - Insurance                |                   |                   |                   | 1,000.00          |                  |                  | 1,000.00                |
| Workers Comp.                   |                   |                   |                   | 1,000.00          |                  |                  | 1,000.00                |
| <b>Total 7185 - Insurance</b>   |                   |                   |                   | <b>1,000.00</b>   |                  |                  | <b>1,000.00</b>         |
| 8140 - Training / Gov. Relation | 6,000.00          |                   | 10,000.00         |                   |                  |                  | 16,000.00               |
| <b>Total ADMINISTRATIVE</b>     | <b>26,763.35</b>  | <b>10,285.15</b>  | <b>17,985.15</b>  | <b>10,285.15</b>  | <b>8,285.15</b>  | <b>10,485.15</b> | <b>84,089.10</b>        |
| MARKETING                       |                   |                   |                   |                   |                  |                  |                         |
| 8110 - Business Attraction      | 750.00            | 750.00            | 750.00            | 750.00            | 750.00           | 750.00           | 4,500.00                |
| 8120 - Advertising              |                   |                   |                   | 2,500.00          |                  | 1,000.00         | 3,500.00                |
| 8130 - Bus. Retention/Expansion | 1,250.00          | 1,250.00          | 1,250.00          | 1,250.00          | 1,250.00         | 1,250.00         | 7,500.00                |
| 8150 - Internet / Website       | 1,166.63          | 1,166.67          | 1,166.67          | 1,166.67          | 1,166.67         | 1,166.67         | 6,999.98                |
| <b>Total MARKETING</b>          | <b>3,166.63</b>   | <b>3,166.67</b>   | <b>3,166.67</b>   | <b>5,666.67</b>   | <b>3,166.67</b>  | <b>4,166.67</b>  | <b>22,499.98</b>        |
| <b>Total Expense</b>            | <b>29,929.98</b>  | <b>13,451.82</b>  | <b>21,151.82</b>  | <b>15,951.82</b>  | <b>11,451.82</b> | <b>14,651.82</b> | <b>106,589.08</b>       |
| <b>Net Ordinary Income</b>      | <b>-29,929.98</b> | <b>-13,451.82</b> | <b>-21,151.82</b> | <b>96,548.18</b>  | <b>23,548.18</b> | <b>-4,651.82</b> | <b>50,910.92</b>        |
| <b>Net Income</b>               | <b>-29,929.98</b> | <b>-13,451.82</b> | <b>-21,151.82</b> | <b>96,548.18</b>  | <b>23,548.18</b> | <b>-4,651.82</b> | <b>50,910.92</b>        |

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

---

**SUBJECT:** Discuss and Possible Action on the City's Sign Ordinance

**FOR AGENDA OF:** April 27, 2010

**DATE SUBMITTED:** April 15, 2010

**SUBMITTED BY:** Kevin Coleman 

**CLEARANCES:** Kristine Ondrias 

**EXHIBITS:** Outline of Specific Amendments  
Sign Ordinance Revision Format

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

---

| <b>Expenditure<br/>Required:</b> | <b>Current Balance<br/>in Account:</b> | <b>Amount<br/>Budgeted:</b> | <b>Account<br/>Number:</b> |
|----------------------------------|----------------------------------------|-----------------------------|----------------------------|
| <b>\$</b>                        | <b>\$</b>                              | <b>\$</b>                   |                            |

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

The City's sign ordinance is meant to create a balance between the community goal of restricting unfettered use, placement and size of commercial signage, while protecting property owner options to advertise their business. In simplistic terms the City's ordinance breaks signs into three categories, prohibited signs, signs allowed and exempted from permit, and signs allowed by zoning district, but which require permits prior to installation. Generally, the Kerrville sign ordinance is fairly non-restrictive, allowing business owners the ability to sign their buildings in multiple walls, while restricting the signage allowed along property frontages and rights of way and in residential areas. The end result is ample opportunity to promote business locations, but providing protection from visual obstructions and traffic nuisances at or near streets and intersections.

Like all enforcement based ordinances, the sign ordinance should be periodically reviewed. The ordinance was adopted in 1985, and has been amended ten times since adoption. Demands from new technologies in the industry, innovative sign design, creative sign placement by property owners and a blurring of the ordinance by multiple variances over the past few years, have lessened the effectiveness of the existing ordinance. Over the past few months, a number of enforcement issues have arisen from those demands and have exposed weaknesses in the ordinance.

Under this agenda item, staff will provide Council a recommendation on a set of specific amendments to the ordinance that will clarify enforcement of those specific issues. Additionally, staff will ask for direction from Council on proceeding forward with a revision of the entire ordinance.

#### Specific Issues/Amendments

In general, an assortment of nontraditional flags, banners, vehicles and other non-permanent signage has been used along property frontage to create or increase business signage not otherwise allowed under the ordinance. Though creative, the use of this type of signage has exposed voids in the existing ordinance and created sign enforcement questions.

The attached exhibit (Outline of Specific Amendments) cites the existing language in the ordinance and proposes language that staff feels will clarify enforcement, while meeting the original intent of the ordinance.

Staff requests Council direction to bring this proposed language forward as amendments to the existing ordinance in the near future.

#### Sign Ordinance Revision

A broad revision of the ordinance is needed at some point. That broad revision would lead to a more cohesive piece of legislation that would be better understood and enforced. In that a significant portion of the ordinance is tied to the existing zoning ordinance, this broad review has been deferred until the completion of new zoning districts under the update zoning ordinance.

Alternatively, this broader revision of the sign ordinance can be initiated now, and adopted when complete. However, Council needs to know a revised sign ordinance would need to be revised to conform to the updated zoning ordinance.

The attached exhibit (Sign Ordinance Revision) outlines the make up of a Sign Review Board commissioned by Council to review the existing ordinance, research existing ordinances from other cities and propose a new sign ordinance for adoption.

Staff requests Council direction on initiating a broad sign ordinance revision, and the make up of this sign review board, and defining a timeline for its report.

#### **RECOMMENDED ACTION**

Hear report and give direction as needed.

## OUTLINE OF SPECIFIC AMENDMENTS

### Sec. 6-32. Definitions

13) Sign *flag*, means a rectangular piece of fabric of distinctive design bearing the official symbol of a nation, state or other governmental or business, and which is not permanently affixed to a sign support

#### **Change to:**

13) Sign *flag*, means a rectangular piece of fabric of distinctive design (***whose horizontal width is greater than its vertical height***) bearing the official symbol of a nation, state or other governmental or business entity, and which is not permanently affixed to a sign support

### Sec. 6-32. Definitions

(32) Sign, *unattached*, means any sign which is carried, wheeled or moved about without having to detach the sign from a secure anchoring device which is set in the ground or to a building which is set on an approved foundation; or, any sign which is not secured in a manner approved by the city building department and designed to withstand wind pressures as specified in Section 1205 of the Standard Building Code adopted by the city. Such signs are considered to be unattached as they can reasonably be expected to be blown about in high winds which may cause injuries to pedestrians and traffic safety hazards. Such signs include portable signs, A-frame signs, and sandwich signs. However, realty signs, individual contractor signs, and political election signs which are six square feet in area or less are not included in this definition, nor are signs intended for temporary use for safety reasons due to construction, dangers, traffic control, or government or community service signs which are deemed necessary to inform the public.

#### **Change to:**

(32) Sign, *unattached*, means any sign which is carried, wheeled or moved about without having to detach the sign from a secure anchoring device which is set in the ground or to a building which is set on an approved foundation; or, any sign which is not secured in a manner approved by the city building department and designed to withstand wind pressures as specified in Section 1205 of the Standard Building Code adopted by the city. Such signs are considered to be unattached as they can reasonably be expected to be blown about in high winds which may cause injuries to pedestrians and traffic safety hazards. Such signs include portable signs, A-frame signs, ***hand held signs, inflatable signs, on premise snipe signs***, and sandwich signs. However, realty signs, individual contractor signs, and political election signs which are six square feet in area or less are not included in this definition, nor are signs intended for temporary use for safety reasons due to construction, dangers, traffic control, or government or community service signs which are deemed necessary to inform the public.

### Sec. 6-33. Signs exempted from certain regulations.

(8) Flags or pennants attached to a building, but which are not extended over parking lots or other open areas, nor in any manner are supported apart from the building. Also exempted are flags, not to exceed six in number, mounted on poles which are governmental flags, or flags carrying the emblem of the business located on the same building lots. In no case shall any one flag exceed 50 square feet in size.

#### **Change to:**

(8) Flags or pennants attached to a building, but which are not extended over parking lots or other open areas, nor in any manner are supported apart from the building. Also exempted are ***pole mounted*** flags, not to exceed six in number, which are governmental flags, ***however not more than one of which may be a flag*** carrying the emblem of the business located on the same building lots. In no case shall any one flag exceed 50 square feet in size.

**Sec. 6-34. Prohibited signs**

(10) Motor vehicles or trailers whose primary purpose is as a permanent advertising device. These shall not include the placement of wagons that are of a type that once were drawn by animals and are placed upon property for historic or landscaping purposes, provided that no signs are placed thereon.

***Change to:***

(10) Motor vehicles or trailers ***operable or non operable legally licensed/ tagged or not, which contain signs as defined and is used*** and whose purpose is as an advertising device. These shall not include the placement of wagons that are of a type that once were drawn by animals and are placed upon property for historic or landscaping purposes, provided that no signs are placed thereon.

**Sec. 6-35. Signs permitted by zone.**

All of the signs listed within this section shall be required to meet the standards of this article, and, except for banner signs, shall require a permit be obtained from the building official.

(3) The following signs shall be permitted in all zoning districts except district 7-W, 8-W, 13-C, 34-S, 35-S, R-1, R-1A, R-3, RM, RC, RT or PI: f. Banner signs, if and only if:

1. The entire banner sign covers portions of (i) the outside wall of any building, or (ii) a wall or fence which is built along the perimeter of the property, or along the perimeter of a substantial part of such property.
2. The entire square footage of banner signs at one business location shall not exceed 80 square feet.
3. The banner is, and remains in good condition and without torn, or tattered portions.

***Change to:***

**Sec. 6-35. Signs permitted by zone.**

All of the signs listed within this section shall be required to meet the standards of this article, and, except for banner signs, shall require a permit be obtained from the building official.

(3) The following signs shall be permitted in all zoning districts except district 7-W, 8-W, 13-C, 34-S, 35-S, R-1, R-1A, R-3, RM, RC, RT or PI:

f. Banner signs, if and only if:

1. The entire banner sign covers portions of (i) the outside wall of any building, or (ii) a wall or fence which is built along the perimeter of the property, or along the perimeter of a substantial part of such property, ***however cannot be placed in the required front setback of a property.***
2. The entire square footage of banner signs at one business location shall not exceed 80 square feet.
3. The banner is, and remains in good condition and without torn, or tattered portions.
4. The banner ***shall be permitted for a ninety day period***

## SIGN ORDINANCE REVISION FORMAT

Create Sign Review Board commissioned by Council to review the existing ordinance, research existing ordinances from other cities and propose a new sign ordinance for adoption.

### Proposed Membership

Chamber of Commerce  
Kerrville Board of Realtor  
Sign Industry Representative  
Property Owner in Central Business District  
Resident of City of Kerrville

### Proposed timeline/process

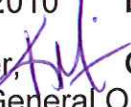
|                                   |                |
|-----------------------------------|----------------|
| Appointment by City Council       | June           |
| Review existing ordinance         |                |
| Review model ordinances           | July-September |
| Development preliminary ordinance |                |
| Public Hearings on Ordinance      | October        |
| Develop Final Ordinance           | November       |
| Adopt Ordinance                   | December       |

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

---

**SUBJECT:** Approval of the second option year of the initial contract with the employee benefit-consulting firm of City-County Benefits Service (C-CBS) for the period June 1, 2010 – May 31, 2011

**FOR AGENDA OF:** April 27, 2010 **DATE SUBMITTED:** April 14, 2010

**SUBMITTED BY:** Kim Meisner,   
Director of General Operations **CLEARANCES:** N/A

**EXHIBITS:** FY10 Notice of Intent from C-CBS  
Copy of FY09 Signature Page  
Copy of Original Signed Contract  
Two Original Signature Pages for Approval of Contract for FY11  
Exhibit A – C-CBS Proposed Professional Fees  
Exhibit B – Proposed Scope of Work

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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| <b>Expenditure</b> | <b>Current Balance</b> | <b>Amount</b>    | <b>Account</b> |
|--------------------|------------------------|------------------|----------------|
| <b>Required:</b>   | <b>in Account:</b>     | <b>Budgeted:</b> | <b>Number:</b> |
| <b>\$30,000</b>    | <b>\$</b>              | <b>\$</b>        |                |

*(Fees are a part of the Group Insurance line item and are spread among all departments.)*

**PAYMENT TO BE MADE TO:** City-County Benefits Service

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

C-CBS was formed in May 2002 as a General Partnership between Hale Benefits Analysis Services, Ltd. (formed in 2001) and Sunday and Associates, Inc. (established in 1981). They have two offices – Sugar Land and Austin. Their staff has more than a combined 70 years of experience serving public entities. Currently, they serve more than 41 Texas public entities and manage over \$420 million in benefit dollars.

C-CBS has been the benefit consultant for the City of Kerrville since June 1, 2007. Coordinated efforts between city staff and C-CBS have saved the city over \$500,000 since FY08. The annual fee paid to C-CBS has remained constant since 2007. Being sensitive to the economic situation, C-CBS has provided us with a 10% reduction in the annual fee for FY11 along with a two year rate guarantee.

**RECOMMENDED ACTION**

Staff recommends Council approve the second option year of the initial contract with the employee benefit-consulting firm of City-County Benefits Service for the period June 1, 2010 – May 31, 2011 in the amount of \$30,000.



## CITY-COUNTY BENEFITS SERVICES

245 Commerce Green Blvd., Suite 290  
Sugar Land, Texas 77478

Phone: (800) 308-2896/Direct: (281) 295-3000  
Fax: (281) 295-3020/Bob.Treacy@c-cbs.org

April 27, 2010

Kimberly Meisner  
Director of General Operations  
City of Kerrville  
800 Junction Hwy  
Kerrville, TX 78028-5069

Kim,

City-County Benefits Services (C-CBS) is pleased to present a contract extension to continue providing The City of Kerrville group employee benefit consulting services. It has been a pleasure to serve the City in this capacity. This partnership allows C-CBS to work closely with full time City staff, in a team environment, to manage the group welfare benefits program which is approaching a total annual expenditure of \$2,500,000.00.

I am proud of the work that we have "collectively" been able to accomplish in such a short period of time. The following talking points exhibit a tremendous amount of production;

### 2007/2008 Plan Year

1. A complete restructuring of the Group Medical Plan with Cigna after successful renewal negotiations. The total replacement high deductible HRA plan was replaced with a dual choice PPO/HRA plan.
2. Comprehensive group ancillary ITB process was completed for Dental, Life/STD, and Vision plan coverages. This ITB process resulted in benefit increases/lower premiums across the board while securing two (2) year rate guarantees.
3. All plans moved to an October 1 anniversary date to coincide with the budget year.
4. Reduced the SPA Minimum Premium termination liability from \$598,425 to \$385,742 allowing the City to redirect the (\$212,683) savings to general operating funds.
5. Collected a CIGNA performance guarantee penalty of \$25,000 along with reducing the "Deficit Recovery" expenses by an additional \$40,425 as a resettlement of administrative expenses.
6. Transitioned \$50,164 from Cigna control J. P. Morgan Chase bank account to the City of Kerrville control bank account.

### 2008/2009 Plan Year

1. Engaged a comprehensive group medical and Long Term Disability (LTD) ITB. The inaugural Group LTD coverage had been budgeted for the 08/09 plan year. The City secured a three (3) year rate guarantee for the LTD contract.
2. Humana was awarded the group medical/LTD contract. The contracted group medical premiums resulted in an overall premium reduction of (-1%) PPO/HRA plan year costs. The City attained three straight years of level or decreasing medical premiums.
3. Employee payroll contributions remained level for the third year in a row.
4. Implemented a Chapter 222 Tax Exempt Employee Benefit Trust to shield all premiums from State Premium Tax, reducing annual rates by approximately \$70,000.

### 2009/2010 Plan Year

1. Engaged a comprehensive ITB process for group medical, dental, and vision coverages.
2. Final medical premium rates with Humana finalized at three (3%) percent above the 2008/2009 plan year. Initial renewal premiums were eight (8%) percent above current levels. Final annual negotiated savings (-5% reduction) were approximately (\$130,665).
3. Dental/Vision contract awarded to Humana.
4. Employee payroll contributions remained level for the fourth year in a row.

We will begin work on the 2010/2011 plan year during the second quarter of the current 2010 calendar year. It appears that we have a very full agenda which will include renegotiations with all current vendors and engaging comprehensive ITBs, if warranted.

As per Article 2, "Period of Service Provision", C-CBS is forwarding notice of our intent to enter the first (2nd) option year of our initial contract. All terms and conditions set forth in the contract are in tact and agreed to by C-CBS.

Please find two (2) signature pages for authorization to extend the original contract (attached).

Thank you for your consideration.



Robert J. Treacy  
Life and Health Insurance Counselor

# **CITY OF KERRVILLE, TEXAS**

## **Group Benefits Consulting Services**

**Presented by**



**Robert J. Treacy  
City-County Benefit Services  
245 Commerce Green Blvd., Suite 290  
Sugar Land, Texas 77478  
Phone: (281) 295-3000  
Fax: (281) 295-3020**

**bob.treacy@c-cbs.org**

**[www.c-cbs.org](http://www.c-cbs.org)**

THE STATE OF TEXAS

§

KNOW BY ALL MEN PRESENTS

COUNTY OF KERR

§

§

THIS CONTRACT is made and executed in duplicate and is effective as of the 1<sup>st</sup> day of June, 2007 by and between CITY OF KERRVILLE, TEXAS, 800 Junction Highway, Kerrville, TX, 78028-5069 acting through its duly authorized representatives, and CITY-COUNTY BENEFITS SERVICES, 245 Commerce Green Blvd., Suite 290, Sugar Land, Texas 77478, (CONSULTANT).

### **AGREEMENT**

#### **Article 1. Responsibilities of the Parties**

CONSULTANT shall undertake and complete the tasks as stated in this Contract, including the attached Exhibit "A" and Exhibit "B", (together referred to hereinafter as the "Contract") and in accordance with all terms and conditions stated therein.

CITY shall designate in writing a person(s) to act as CITY's representative with respect to the services to be rendered under this Contract. Such person(s) shall have complete authority to transmit instructions, receive information, and interpret and define CITY's policies and decisions with respect to CONSULTANT's services for the Project.

CITY shall assist CONSULTANT by placing at CONSULTANT's disposal all available information pertinent to the Project including reports and any other data relative to the Project.

#### **Article 2. Period of Service**

The services to be provided under this Contract shall commence within seven (7) days after the date of final execution of this Contract by all parties as said date is so written above.

The term of this Contract shall be for two (2) years from the date of execution written above. This Contract may be renewed for three (3) additional one (1) year terms by mutual written agreement of the parties. However, each year beyond the initial one (1) year period shall be subject to the CITY appropriating funding to compensate CONSULTANT for services to be performed. Where such funding is not appropriated by CITY, this Contract shall automatically terminate.

The services called for by this Contract will be completed and all reports, documentation and other tangible materials submitted within the stipulated period indicated in the attached Exhibit "A" (the "Contract Period").

If CITY requests significant modifications or changes in the general scope, extent, or character of the Project, the time of performance of CONSULTANT's services may be adjusted equitably to reflect the additional time and expenses, if any, incurred by CONSULTANT to respond to the CITY's request.

### **Article 3. Compensation**

For all services to be rendered by CONSULTANT under this Contract, CITY shall pay to CONSULTANT an amount based on the schedule set forth in the attached Exhibit "A" not to exceed \$ 33,000.00 per annum.

CONSULTANT shall submit monthly statements for the services rendered. All monthly statements shall be in a form as specified by and acceptable to CITY. CITY shall make payment upon said statements within thirty (30) days following approval thereof.

### **Article 4. Contract Amendments**

Changes in the terms and conditions of this Contract can be made only by written amendment executed by the parties hereto prior to the changes being made.

### **Article 5. Additional Work**

If the CONSULTANT is of the opinion that any work it has been directed to perform is beyond the scope of this Contract and constitutes additional work, the CONSULTANT shall promptly notify the CITY in writing. In the event that the CITY finds that such work constitutes additional work, the CITY shall do one of the following: (a) advise the CONSULTANT of the CITY's decision and provide compensation for doing the additional work on the same basis as the original work; or (b) advise the CONSULTANT not to perform the work. If the compensation for the additional work will cause the maximum amount payable to be exceeded, a written amendment will be executed.

### **Article 6. Noncollusion**

The CONSULTANT warrants that the CONSULTANT has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT, to solicit or secure this Contract, and that the CONSULTANT has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award or making of this Contract. If the CONSULTANT breaches or violates this warranty, the CITY shall have the right to immediately terminate this Contract without liability or, at its discretion, to deduct from the Contract price or consideration, or otherwise recover the full amount of such fee, commission, brokerage fee, gift, or contingent fee.

#### **Article 7. Termination**

The CITY may terminate this Contract, with or without cause, in part or in whole, at any time before the date of completion of the work covered by this Contract. The CITY shall give written notice to the CONSULTANT at least seven (7) days prior to the effective date of termination specifying the effective date of termination.

Upon termination of this Contract, whether with or without cause, all finished or unfinished documents, data, studies, surveys, reports, maps, drawings, models, photographs, etc., prepared by the CONSULTANT shall, at the option of the CITY, be delivered to the CITY with no restriction on future use.

If this Contract is terminated by the CITY, the CITY shall compensate the CONSULTANT for services performed in accordance with the terms provided in Exhibit "A", "Professional Service Fees

#### **Article 8. Insurance**

CONSULTANT shall maintain, at no expense to CITY, a professional liability (errors and omissions) insurance policy placed with a company authorized to do business in Texas, in an amount not less than three million dollars (\$3 million) for each occurrence, one million dollars (\$1 million) in the aggregate.

#### **Article 9. Controlling Law**

Without regard to any rules on conflicts of law, this Contract shall be subject to and interpreted in conformance with the laws of the State of Texas, unless expressly provided otherwise by federal law or regulations. Venue shall occur within Kerr County, Texas.

#### **Article 10. Compliance with Laws**

The CONSULTANT shall comply with all Federal, State, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this Contract, including, without limitation, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the CONSULTANT shall furnish the CITY with satisfactory proof of its compliance therewith.

#### **Article 11. Successors and Assigns**

CITY and CONSULTANT each is hereby bound and the partners, successors, executors, administrators and legal representatives of CITY and CONSULTANT (and to the extent permitted by this Article, the assigns of CITY and CONSULTANT) are hereby bound to the other party to this Contract and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, Contracts and obligations of this Contract.

Neither CITY nor CONSULTANT shall assign, sublet or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this Contract without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Contract. Nothing contained in this paragraph shall prevent CONSULTANT from employing such independent professional associates and consultants as CONSULTANT may deem appropriate to assist in the performance of services hereunder, provided such independent associates or consultants are approved in writing in advance by CITY and are paid by CONSULTANT.

#### **Article 12. No Third-party Beneficiaries**

Nothing under this Contract shall be construed to give any rights or benefits in this Contract to anyone other than CITY and CONSULTANT, and all duties and responsibilities undertaken pursuant to this Contract will be for the sole and exclusive benefit of CITY and CONSULTANT and not for the benefit of any other party.

#### **Article 13. Special Provisions**

Any other provisions of this Contract or other documents included by reference herein to the contrary notwithstanding, the following provisions shall apply to this Contract and the respective duties and responsibilities of CITY and CONSULTANT affected thereby:

As to the contractual relationship between CONSULTANT and CITY, CONSULTANT is and shall be considered in all things an independent contractor.

This Contract shall not be subject to binding arbitration.

**Article 14. Exhibits**

The following exhibits are attached to and made a part of this Contract:

Exhibit "A" CONSULTANT's proposed Professional Fees

Exhibit "B" CONSULTANT's proposed Scope of Services

**Article 15. Entire Contract**

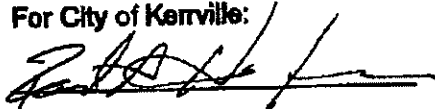
This Contract, together with the exhibit(s) identified in Article 14, constitute the entire Contract between CITY and CONSULTANT and supersede all prior or oral understandings.

**Article 16. Signatory Warranty**

The signatories to this Contract warrant that each has the authority to enter into this Contract on behalf of the party he or she represents.

IN WITNESS WHEREOF, the parties hereto have made and executed this Contract as of the day and year first above written.

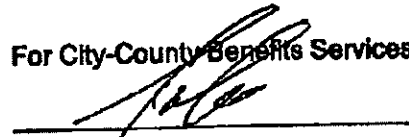
For City of Kernville:



Paul Hofmann, City Manager  
(Printed name)

May 9, 2007  
(Date)

For City-County Benefits Services:



Robert J. Treacy, LHIC  
(Printed name)

05.09.07  
(Date)

~~CONFIDENTIAL~~

APPROVED AS TO FORM

  
Michael C. Hayes, City Attorney

**Article 14. Exhibits**

The following exhibits are attached to and made a part of this Contract:

Exhibit "A" CONSULTANT's proposed Professional Fees

Exhibit "B" CONSULTANT's proposed Scope of Services

**Article 16. Entire Contract**

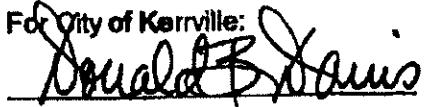
This Contract, together with the exhibit(s) identified in Article 14, constitute the entire Contract between CITY and CONSULTANT and supersede all prior or oral understandings.

**Article 17. Signatory Warranty**

The signatories to this Contract warrant that each has the authority to enter into this Contract on behalf of the party he or she represents.

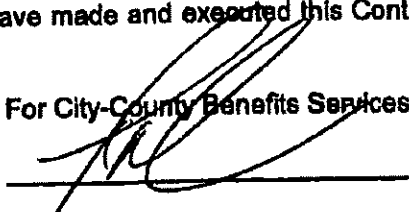
IN WITNESS WHEREOF, the parties hereto have made and executed this Contract as of the day and year first above written.

For City of Kerrville:

  
Donald B. Davis  
(Printed name)

4/15/09  
(Date)

For City-County Benefits Services:

  
Robert J. Treacy, LHIC  
(Printed name)

4.15.09  
(Date)

*(one of two originals)*

**Article 14. Exhibits**

The following exhibits are attached to and made a part of this Contract:

Exhibit "A" CONSULTANT's proposed Professional Fees

Exhibit "B" CONSULTANT's proposed Scope of Services

**Article 16. Entire Contract**

This Contract, together with the exhibit(s) identified in Article 14, constitute the entire Contract between CITY and CONSULTANT and supersede all prior or oral understandings.

**Article 17. Signatory Warranty**

The signatories to this Contract warrant that each has the authority to enter into this Contract on behalf of the party he or she represents.

**Article 18. Contract Extension**

Pursuant to Article 2 of the original contract, The City can renew the contract for three (3) additional one (1) year terms by mutual written agreement by both parties. This contract extension is the second (2<sup>nd</sup>) additional one (1) year term.

IN WITNESS WHEREOF, the parties hereto have made and executed this Contract as of the day and year first above written.

For City of Kerrville:

\_\_\_\_\_

\_\_\_\_\_  
(Printed name)

\_\_\_\_\_  
(Date)

For City-County Benefits Services:

\_\_\_\_\_

Robert J. Treacy, LHIC  
(Printed name)

April 27, 2010  
(Date)

*(one of two originals)*

### **C-CBS PROPOSED PROFESSIONAL FEES**

C-CBS will provide City of Kerrville with the services set forth in sections (A-H) of the initial year of the proposed Scope of Work for an annual fee of \$30,000 payable as follows:

1. \$11,000 annual retainer to be billed and paid within 30 days of being awarded the contact.
2. One (1) monthly payment of \$1,730.00 and ten (10) monthly payments of \$1,727.00 to be billed and paid monthly.
3. If this Agreement is terminated by the Client after completion of the competitive bid or proposal process and Implementation process the full annual Professional Fee is due to C-CBS for the period covered by benefits placed.
4. Professional Service Fees include all expenses related to carrying out the scope of services set forth in this Agreement.
5. All insurance and related services will be placed through C-CBS/SAI as agent of record net of commissions.
6. The initial professional fees are guaranteed for two (2) years. This Agreement may be renewed for three additional one year terms by mutual agreement of the parties.

**CITY OF KERRVILLE, TEXAS**  
**PROPOSED SCOPE OF WORK**

**C-CBS Proposed Scope of Services for Client**

- A. C-CBS will evaluate and provide a written assessment of the following benefit Plan(s) components.
  - 1. Employee vs. dependent utilization and cost;
  - 2. Plan administration;
  - 3. Benefit design(s) and Plan Document(s);
  - 4. Group Insurance Policies ;
  - 5. Provider networks; discounts and network service area; and
  - 6. Cost control programs.
  
- B. C-CBS will provide a financial analysis of current and projected group plan costs;
  - 1. Review historical claims data to evaluate current plan costs;
  - 2. Provide suggested benefit modifications and estimated cost impact;
  - 3. Assist in preparing upcoming plan year budget;
  - 4. Develop premium contribution strategies;
  - 5. Develop overall cost and risk management strategies; and
  - 6. As necessary develop transition strategies for the city's consideration.
  
- C. C-CBS will evaluate available enrollment and experience information to determine if the quality of the data is sufficient to provide an estimate of fully insured versus partially self-funded program costs. If the available data will not initially permit making this comparison C-CBS will assist the City in implementing the procedures necessary to secure the required information. Once the information is obtained it will require requesting both fully insured and partially self-funded proposals in order to make a final comparison. The reason for this will be it is impossible to "estimate" the reinsurance costs for the partially self-funded program(s).
  
- D. C-CBS will develop as necessary:
  - 1. Proposal specifications for:
    - a. Fully insured and Self funded group employee benefits;
    - b. Partially self-funded benefits;
      - i. Aggregate Stop Loss;
      - ii. Specific Stop Loss
      - iii. Third Party Claims Administration;
      - iv. Provider Networks;
      - v. Utilization Review/Case Management/Disease Management;
      - vi. Pharmacy Benefit Management;
    - c. Life and AD&D (if necessary);
    - d. Section 125 Flexible Spending Account Administration (if necessary);
    - e. COBRA Continuation of Coverage Administration; and
    - f. Any other benefit requested by the City.

E. C-CBS will manage the competitive proposal and when necessary the competitive bid process by providing the following:

1. Provide a sample letter to current carriers/administrators to release data to C-CBS.
2. Prepare HIPAA Business Associate Agreement(s) and other documents necessary under the HIPAA Privacy Rule to allow access by the Client and their designees to access, use, and disclose (PHI).
3. Provide sample initial and second postings for designated paper.
4. Collect and organize the data into a format conducive to receiving responses for inclusion in the competitive bids and/or competitive proposals.
5. C-CBS understands and treats all personal medical information in compliance with the requirements of HIPAA. All employees are assigned a unique identifier so that information used in the Request for Proposal and in presentation is de-identified to insure complete confidentiality.
6. Work with the Purchasing Agent to distribute the specifications to:
  - a. Vendors that have requested to be on the client's vendor list for employee benefits or benefit administration services;
  - b. A list of known qualified potential offerors for the employee benefits or services being requested; and
7. Make the specifications available in an electronic format.
8. Respond to all questions and clarifications of the bid specifications;
9. Respond to requests for additional information;
10. Prepare and distribute any addendum that may be required;
11. Secure from all proposers confirmation of their proposal; and
12. Where permissible negotiate the most favorable terms and conditions for our clients.

F. C-CBS will:

1. Prepare a spreadsheet analysis of bids/proposals/offers received so that a direct comparison can be made;
2. Where permissible enter into negotiations with qualified vendors to secure the most advantageous contract for our client;
3. Prepare a narrative, with recommendations, discussing the bids/proposals/offers and various options under consideration;
4. Assist staff and governing body in conducting finalist interviews; and
5. Make presentations and answer staff and governing body questions on the recommendations.

G. Upon completion of the procurement process C-CBS will:

1. Notify all proposers of the client's decision;
2. If necessary, develop and monitor a transition plan to a new carrier or administrator so that there is no disruption of employee benefits;
3. Review insurance policies and/or administrative service agreements to verify that they are consistent with bid/proposal responses;
4. Review employee benefits administration procedures and if necessary make recommendations to provide for efficient administration with current or new carriers or administrators;
5. Coordinate between new carriers and/or administrators and the client, enrollment of employee benefit programs;

6. Assist in the development of materials to communicate to employees any benefit changes;
7. Assist with employee education and enrollment meetings;
8. Monitor the performance of such insurance carrier, third party administrator, and other professional vendors and any other pertinent vendors;
9. Review with client quarterly reports, including claims management and financial reporting, Plan performance and provide the client an accurate and timely assessment of such reports;
10. Assist in resolving claims and or services issues with various client departments and or insurance carrier, third party administrator, managed care providers, and other related professional vendors;
11. Monitor state and federal regulatory changes that might impact the client and as necessary provide the client with recommendations for regulatory compliance; and
12. Maintain a vision to the future for cost effective products and or services as may be necessary or appropriate

H. In subsequent years if the client does not wish to enter a comprehensive bid or proposal process, C-CBS will perform the before mentioned services and negotiate the most favorable renewals possible with current vendor(s).

I. During the term of the engagement C-CBS will maintain \$3,000,000 Errors and Omissions coverage.

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

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**SUBJECT:** Unofficial analysis of the GASB liability related to post-retiree health benefits as defined in Texas Local Government Code Section 175

**FOR AGENDA OF:** April 27, 2010 **DATE SUBMITTED:** April 16, 2010

**SUBMITTED BY:** Kim Meismer, *[Signature]* **CLEARANCES:** N/A  
Director of General Operations

**EXHIBITS:** Unofficial Analysis document provided by City-County Benefit Services

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** *[Signature]*

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| <b>Expenditure<br/>Required:</b> | <b>Current Balance<br/>in Account:</b> | <b>Amount<br/>Budgeted:</b> | <b>Account<br/>Number:</b> |
|----------------------------------|----------------------------------------|-----------------------------|----------------------------|
| \$                               | \$                                     | \$                          |                            |

*(Fees are a part of the Group Insurance line item and are spread among all departments.)*

**PAYMENT TO BE MADE TO:** City-County Benefits Service

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

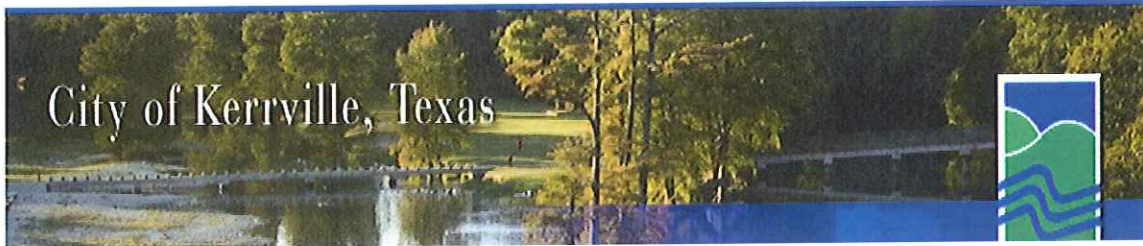
At the request of Council at the Winter Retreat, Staff contacted our benefit consultant, City-County Benefit Services (CCBS), to request an unofficial analysis of the City's liability as it relates to the requirements of Statement No. 45 of the Governmental Accounting Standards Board (GASB) as defined in Texas Local Government Code, Section 175.

The best estimate, in part based on other CCBS public entity clients of similar size, demographics, benefits, cost, and other related factors, is attached for your information.

**RECOMMENDED ACTION**

This item is for information and discussion only. No action is required at this time.

# The City of Kerrville



## Unofficial Analysis of the GASB Liability Related to Post-Retiree Health Benefits *As of May 1, 2010*

Prepared by



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Burke O. Sunday, LHIC  
**City-County Benefits Services**  
245 Commerce Green Blvd., Suite 290  
Sugar Land, Texas 77478  
Phone: (281) 295-3013  
Fax: (281) 295-3020

# The City of Kerrville



## Unofficial Governmental Accounting Standards Board Statement No. 45 Liability *As of May 1, 2010*

### I. Scope

The City of Kerrville contracted with City-County Benefit Services (CCBS) to provide an unofficial analysis – a best estimate in part based on other CCBS public entity clients of similar size, demographics, benefits, cost, and other related factors. This “unofficial” analysis will provide the City of Kerrville with an estimate of what the City’s liability might be as it relates to the requirements of Statement No. 45 of the Governmental Accounting Standards Board (GASB).

### II. Reliances

In developing this “unofficial” analysis, pertinent information was provided by the City of Kerrville and the “official” results of five (5) public entities that have already reported under GASB Statement No. 45.

### III. GASB Statement 45

The Government Accounting Standards Board published Statement No. 45 regarding the accounting and financial reporting by employers for post employment benefits other than pensions. The effect of the Statement is to cause the cost of retiree benefits to be accrued for during the working lifetime of the employees. This requires pre-funding or accruing of the liability. At the outset, there will be an initial unfunded liability. There will also be an annual required contribution to the plan which is general to the normal cost for the year and a component for the amortization of the unfunded liability. The unfunded liability is generally funded over a period not to exceed thirty (30) years.

An actuarial valuation is required at least biennially for plans with total membership of 200 or more and at least triennially for plans with total membership of fewer than 200. The benefits considered in the actuarial valuation are the post employment healthcare benefits including medical, dental, vision, hearing, and other related benefits. Other forms of post employment benefits – for example life insurance, disability, long-term care, and other benefits – when provided separately from a defined benefit pension plan are also considered.

A key provision in the GASB regulation relates to implicit subsidies. An example of an implicit subsidy would be a situation where the plan provided that an employee reimburse the plan at 100% of the blended cost, not the actual cost. For example, if the plan purchases insurance from an insurance company to provide the medical benefits at an average cost of \$400 per employee where this \$400 is paid for by all active and retired employees, a subsidy may occur. The actual underlying cost might be

\$150 for a 25 year old employee and \$600 per month for a 50 year old employee. When a person retires, and the entity provides retiree health benefits for the *blended rate*, it is easy to see that the retiree is not paying their full share of the cost. In the example above, the actual cost for the 50 year old is \$600, but he/she is reimbursing only \$400. Thus, there is a subsidy and the value of this subsidy needs to be accrued during the working lifetime of the employee.

#### IV. Texas Local Government Code Section 175.001 through Section 175.003

§ 175.001. Applicability – This chapter applies to a person who:

- (1) retires from county employment in a county with a population of 75,000 or more or municipal employment in a municipality with a population of 25,000 or more; and
- (2) is entitled to receive retirement benefits from a county or municipal retirement plan.

§ 175.002. Right to Purchase Continued Coverage

(a) A person to whom this chapter applies is entitled to purchase continued health benefits coverage for the person and the person's dependents as provided by this chapter unless the person is eligible for group health benefits coverage through another employer. The coverage shall be provided under the group health insurance plan or group health coverage plan provided by or through the employing county or municipality to its employees.

(b) To receive continued coverage under this chapter, the person must inform the employing county or municipality, not later than the day on which the person retires from the county or municipality, that the person elects to continue coverage.

(c) If the person elects to continue coverage for the person and on any subsequent date elects to discontinue such coverage, the person is no longer eligible for coverage under this chapter.

(d) If the person elects to continue coverage for any dependent and on any subsequent date elects to discontinue such coverage, the dependent is no longer eligible for coverage under this chapter.

§ 175.003. Level of Coverage

(a) The person may elect to cover the same persons who were covered under the county's or municipality's group health insurance plan or group health coverage plan through the person at the time the person left county or municipal employment, or the person may elect to discontinue coverage for one or more persons. A person who was not covered under the plan at the time the person to whom this chapter applies left county or municipal employment is not eligible for coverage under this chapter.

(b) Except as provided by Subsections (c) and (d), the level of coverage provided under this chapter at any given time is the same level of coverage provided to current employees of the county or municipality at that time.

(c) A county or municipality may substitute Medicare supplement health benefits coverage as the coverage provided for a person who receives health benefits coverage under this chapter, including a dependent, after the date that the person becomes eligible for federal Medicare benefits.

(d) The person may elect to continue coverage at a reduced level, if offered by the county or municipality.

## V. Assumptions and Comments

The City of Kerrville is not currently required to comply with the Government Accounting Standards Board Statement No. 45 because the City of Kerrville does not currently provide post employment benefits other than pensions. As noted in Section IV of this document, at some point in the future the City of Kerrville may be compelled to provide "access" to its non-pension benefits to eligible retirees as the population reaches to the 25,000 threshold.

For purposes of simplicity and ease to use of this report, we are providing the City of Kerrville just the Annual Required Cost (ARC) for five (5) cities. The Annual Required Cost (ARC) is what must be provided to the entities outside auditor for purposes of inclusion in the footnotes of the Annual Audited Financial Report. GASB Statement No. 45 does not require the reporting public entity to "fund" the ARC, only to report the liability as a footnote in the Annual Audited Financial Report.

We are not including in this report the Actuarial Present Value (Total Liability) of these five (5) cities. The purpose of this reporting is to provide the City of Kerrville a general understanding of what their Annual Required Cost (ARC) might be, assuming the City provides "access" to their eligible retirees at the "blended" or active rate/cost, when the City passes the population threshold of 25,000. A "discount" rate of 4.00% is used for each of the five (5) cities. Discount rate is defined as the interest rate that the entity is able to earn on their invested assets.

The higher the "discount" rate (interest rate), the lower the Actuarial Present Value (Total Liability) and the Annual Required Cost (ARC). Interest rates are at a historical low, that being said, the "discount" rate that is used by the actuaries of these five (5) cities, tends to be a rate that is more reflective of long term interest rates and rates that are more consistent with the most recent past. All of the "moving parts" of the actuarial report must be defensible if ever challenged by a governmental body. At this point and time a 4% discount rate has been deemed acceptable and defensible.

### City #1 -

531 Active/Retired Employees  
Annual Required Cost (ARC) @ 4.00%: \$461,050

### City #2 -

415 Active/Retired Employees  
Annual Required Cost (ARC) @ 4.00%: \$128,817

City #3 -

261 Active/Retired Employees

Annual Required Cost (ARC) @ 4.00%: \$52,000

City #4 -

465 Active/Retired Employees

Annual Required Cost (ARC) @ 4.00%: \$346,171

City #5 -

196 Active/Retired Employees

Annual Required Cost (ARC) @ 4.00%: \$290,842

As you can see there is a discrepancy from one city to the next. The results of each city is based on their own actual claims experience for the period evaluated. The demographics (age and gender) of each entity plays a role in the outcome, along with the plan benefits, large claims activity, and the claims triangle lag.

## VI. Summary

Actuarial science is a "science". To find out what an entities GASB liability is – an actuarial study must be done to assure accuracy for required reporting purposes. It is difficult to take the results of a group of public entities and come up with a projection/assumption of what another public entity Annual Required Cost (ARC) might be – as noted above, there are a number of moving parts that are used in the study that ultimately provides the actual ARC. That being said, as noted in Section 1 – Scope, the City of Kerrville is requesting a good faith estimate to assist the City for future planning purposes

Utilizing the results of the five (5) cities noted in Section V of this report, our good faith estimate of the City of Kerrville's ARC is approximately \$243,625, based on a 4% "discount" rate. This was determined by primarily using the results of City #1, City #4, and City #5 – as they are probably more representative of the demographics, plan benefits, and claims activity of the City of Kerrville.

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

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**SUBJECT:** Update on redesign of City website

**FOR AGENDA OF:** April 27, 2010      **DATE SUBMITTED:** April 1, 2010

**SUBMITTED BY:** Travis Cochran      **CLEARANCES:** Kim Meisner  
Director of Information Technology      Director of General Operations

**EXHIBITS:**

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**

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| <b>Expenditure</b> | <b>Current Balance</b> | <b>Amount</b>    | <b>Account</b> |
|--------------------|------------------------|------------------|----------------|
| <b>Required:</b>   | <b>in Account:</b>     | <b>Budgeted:</b> | <b>Number:</b> |
| \$                 | \$                     | \$               | \$             |

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

IT staff met with the website vendor, Civic Plus, for a kick-off meeting on March 31, 2010. Discussion during this meeting consisted of reviewing the transition process and establishing milestones and due dates. The following milestones were established:

- Site Standards & Content Review Meeting – April 9, 2010
- Final Design Approval – May 14, 2010
- Go Live Date – July 2, 2010

**RECOMMENDED ACTION**

This item is presented for informational purposes only – no action is required by Council.

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

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**SUBJECT:** Update from Staff on Library Renovation Project

**FOR AGENDA OF:** April 27, 2010

**DATE SUBMITTED:** April 13, 2010

**SUBMITTED BY:** Antonio Martinez  
Library Director

**CLEARANCES:** Kimberly Meisner  
Director of General Operations

**EXHIBITS:**

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**

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| <b>Expenditure<br/>Required:</b> | <b>Current Balance<br/>in Account:</b> | <b>Amount<br/>Budgeted:</b> | <b>Account<br/>Number:</b> |
|----------------------------------|----------------------------------------|-----------------------------|----------------------------|
| \$                               | \$                                     | \$                          |                            |

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DEPARTMENT:**

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**SUMMARY STATEMENT**

Staff will introduce Jeana Krause, the Executive Director of the newly established Mary Elizabeth Holdsworth Library Foundation. She will provide an update of her activities.

**RECOMMENDED ACTION**

No action is recommended at this time.

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

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**SUBJECT:** Kerrville Budget/Economic Update

**FOR AGENDA OF:** April 27, 2010

**DATE SUBMITTED:** April 16, 2010

**SUBMITTED BY:** Mike Erwin  
Director of Finance

**CLEARANCES:** Todd Parton  
City Manager

**EXHIBITS:** Economic Update  
**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**



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| <b>Expenditure<br/>Required:</b> | <b>Current Balance<br/>in Account:</b> | <b>Amount<br/>Budgeted:</b> | <b>Account<br/>Number:</b> |
|----------------------------------|----------------------------------------|-----------------------------|----------------------------|
| \$                               | \$                                     | \$                          |                            |

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

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**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 APRIL 22, 2010**

|                     | Current Month | Previous Month | 1 Year Ago | Trend | Current Month |
|---------------------|---------------|----------------|------------|-------|---------------|
| <b>National</b>     |               |                |            |       |               |
| Unemployment        | 9.70%         | 9.70%          | 8.60%      | ↔     | March         |
| Consumer Confidence | 52.5          | 46.4           | 26         | ↑     | March         |
| 1 year T-Bills      | 0.41%         | 0.39%          | 0.51%      | ↑     | 4/21/10       |

|                      |            |            |            |   |       |
|----------------------|------------|------------|------------|---|-------|
| <b>State</b>         |            |            |            |   |       |
| Monthly Unemployment | 8.20%      | 8.20%      | 7.00%      | ↔ | March |
| Monthly Sales Tax    | \$1,458.9m | \$1,595.2m | \$1,582.0m | ↓ | March |

|                                 |           |           |           |   |          |
|---------------------------------|-----------|-----------|-----------|---|----------|
| <b>Local</b>                    |           |           |           |   |          |
| Monthly Unemployment (Kerr Co.) | 6.00%     | 6.50%     | 5.80%     | ↓ | February |
| Median Listing Price            | \$187,500 | \$185,000 | \$197,000 | ↔ | 4/21/10  |
| Monthly Sales Tax               | \$320,921 | \$326,272 | \$519,723 | ↑ | April    |
| Monthly EIC Tax                 | \$160,461 | \$163,136 | \$259,862 | ↑ | April    |
| Monthly HOT                     | \$80,796  | \$43,821  | \$68,058  | ↑ | April    |

|                           | FY10<br>Budget      | FY10<br>YTD         | FY10<br>% Received | FY09<br>YTD         | FY09<br>% Received |
|---------------------------|---------------------|---------------------|--------------------|---------------------|--------------------|
| <b>General Fund</b>       |                     |                     |                    |                     |                    |
| Tax Revenue               | \$15,055,218        | \$11,097,149        | 73.71%             | \$11,589,111        | 73.85%             |
| Property Tax              | \$8,468,618         | \$7,751,496         | 91.53%             | \$7,621,781         | 92.49%             |
| Sales Tax                 | \$4,624,000         | \$2,541,347         | 54.96%             | \$3,012,356         | 58.79%             |
| Permits & Fees            | \$370,750           | \$188,108           | 50.74%             | \$250,913           | 57.91%             |
| Intergovernmental         | \$695,156           | \$364,789           | 52.48%             | \$560,510           | 67.17%             |
| Service Revenues          | \$3,311,183         | \$1,591,386         | 48.06%             | \$1,940,484         | 59.16%             |
| Grant Revenue             | \$10,000            | \$10,525            | 105.25%            | \$32,157            | 105.19%            |
| Fines & Forfeitures       | \$504,510           | \$285,222           | 56.53%             | \$281,327           | 65.55%             |
| Interest & Misc.          | \$460,211           | \$325,667           | 70.76%             | \$218,966           | 46.04%             |
| Transfers In              | \$1,260,825         | \$783,943           | 62.18%             | \$501,320           | 56.55%             |
| <b>Total General Fund</b> | <b>\$21,667,853</b> | <b>\$14,646,789</b> | <b>67.60%</b>      | <b>\$15,374,787</b> | <b>69.69%</b>      |

|                                     |                    |                    |               |                    |               |
|-------------------------------------|--------------------|--------------------|---------------|--------------------|---------------|
| <b>Water/Sewer Fund</b>             |                    |                    |               |                    |               |
| Water Sales                         | \$5,060,000        | \$2,223,784        | 43.95%        | \$2,658,142        | 58.24%        |
| Sewer Sales                         | \$3,900,000        | \$2,154,208        | 55.24%        | \$1,964,345        | 55.40%        |
| Other Revenue                       | \$669,500          | \$475,580          | 71.04%        | \$467,246          | 64.86%        |
| <b>Total Water &amp; Sewer Fund</b> | <b>\$9,629,500</b> | <b>\$4,853,571</b> | <b>50.40%</b> | <b>\$5,089,733</b> | <b>57.64%</b> |