AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY AUGUST 23, 2011, 6:00 P.M.

CITY HALL COUNCIL CHAMBERS

800 JUNCTION HIGHWAY, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, AUGUST 23, 2011, 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
800 JUNCTION HIGHWAY, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION offered by Reverend Bill Blackburn of Partners in Ministry.

PLEDGE OF ALLEGIANCE TO THE FLAG led by Brooke Meismer.

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

2. CONSENT AGENDA:
These items are considered routine and can be approved in one motion unless a councilmember asks for separate consideration of an item. It is recommended that council approve the following items which will grant the Mayor or City Manager the authority to execute all documents necessary for each transaction:

2A. Approval of the minutes of the special and regular Kerrville City Council meetings held August 9. (staff)

2B. Authorize execution of a contract with M & C Fonseca Construction Company for the construction of the Burleson Boulevard drainage project in an amount not to exceed $370,000.00. (staff)

2C. Authorize execution of a contract with BKD, LLP to provide auditing services for fiscal years ending September 30, 2011, 2012, and 2013 with option for 2014 and 2015 in the amount of $54,590 annually. (staff)

2D. A resolution amending the City of Kerrville fee schedule by revising fees charged for various services and uses provided or offered by the city. (staff)

2E. A resolution adopting amendments to the City of Kerrville investment policy regarding the investment of city funds in accordance with the public funds investment act. (staff)

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.
I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: August 19, 2011 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

2F. Approval of the investment policy of the City of Kerrville, Texas Economic Improvement Corporation. (staff)

2G. Authorize termination of the tax collection contract between the City of Kerrville and Kerr County. (staff)

2H. Authorize execution of the administrative services contract between the City of Kerrville and the City of Kerrville, Texas Economic Improvement Corporation for fiscal year 2012. (staff)

END OF CONSENT AGENDA

3. PUBLIC HEARING:

3A. Proposed ad valorem (property) tax rate for tax year 2011/fiscal year 2012. (Staff)

4. ORDINANCE, SECOND AND FINAL READING:

4A. An ordinance approving a negotiated resolution between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the company's fourth annual rate review mechanism filing in all cities exercising original jurisdiction; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement and finding the rates to be set by the attached tariffs to be just and reasonable; requiring the company to reimburse cities' reasonable ratemaking expenses; repealing conflicting resolutions or ordinances; determining that this ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this ordinance to the company and the committee's legal counsel. (staff)

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Disbursement of the hotel occupancy tax funds for fiscal year 2012. (staff)

5B. Update and possible direction concerning the use of gray water reuse systems. (staff)

5C. Submission of funding requests to the City of Kerrville, Texas Economic Improvement Corporation for various capital projects.

5D. Consideration of interlocal agreements between the City of Kerrville and Kerr County regarding public safety, library, airport, and animal control operations.

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I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: August 19, 2011 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

6. INFORMATION AND DISCUSSION:

6A. Budget and economic update. (staff)

7. BOARD APPOINTMENTS:

7A. Building board of adjustment and appeals. (staff)

7B. Kerrville-Kerr County joint airport board. (staff)

7C. Library advisory board. (staff)

8. ITEMS FOR FUTURE AGENDA

9. ANNOUNCEMENTS OF COMMUNITY INTEREST:

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

10. EXECUTIVE SESSION:

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

Section 551.071:

- Contemplated litigation involving a claim against C&C Groundwater Services regarding aquifer storage recovery well 3 (ASR3).

Section 551.071:

- Consult with attorney about pending or contemplated litigation or settlement of same relating to Janet Holmes vs. City of Kerrville, Texas, No. SA10CA0970 OG (U.S.D.C. Western District, San Antonio Division).

Section 551.074:

- Appointment/reappointment to the Kerrville-Kerr County Joint Airport Board.

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: August 19, 2011 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig

City Secretary, City of Kerrville, Texas

11. ACTION ON ITEM DISCUSSED IN EXECUTIVE SESSION

13. ADJOURNMENT.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: August 19, 2011 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

Agenda Item:
(Staff)

2A. Approval of the minutes of the special and regular Kerrville City Council meetings held August 9.

CITY COUNCIL MINUTES
OF SPECIAL MEETING

KERRVILLE, TEXAS
AUGUST 9, 2011

On August 9, 2011, the Kerrville City Council meeting was called to order by Mayor Wampler at 4:30 p.m. in the city hall council chambers, 800 Junction Highway.

MEMBERS PRESENT:

David Wampler	Mayor
Gene Allen	Mayor Pro Tem
Carson Conklin	Councilmember
T. Scott Gross	Councilmember
Stacie Keeble	Councilmember

MEMBER ABSENT: None

STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Brenda G. Craig	City Secretary
Travis Cochrane	Director of Information Technology
Mike Erwin	Director of Finance
Robert Ojeda	Fire Chief
Kim Meismer	Director of General Operations
Mindy Wendele	Director of Business Programs

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

HEAR REQUESTS FOR FUNDING FROM FY12 HOTEL/MOTEL OCCUPANCY TAX RECEIPTS

Mr. Erwin noted that funding contracts would be scheduled for council action on a future agenda.

Council reviewed applications and heard presentations from organizations:

Texas Folk Music Foundation	$50,000
Hill Country Arts Foundation	34,150
Kerr Arts and Cultural Center	28,800
Kerr County Fair Association	3,229
Museum of Western Art	35,000
Riverside Nature Center	8,915
Playhouse 2000	25,100
Symphony of the Hills Association	2,000
Texas Arts and Crafts Educational Foundation, Inc.	42,875
Kerrville Convention & Visitors Bureau	$855,000

Sudie Burditt, Convention and Visitors Bureau, noted the CVB request included $105,000 for nine months funding for the special events project in addition to CVB's annual budget request. The special events project proposed a marketing plan designed to expand tourism business, as previously discussed with city council

ADJOURNMENT:
The meeting adjourned at 5:09 p.m.

APPROVED: ____________________ ____________________________
ATTEST: David Wampler, Mayor

____
Brenda G. Craig, City Secretary

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
AUGUST 9, 2011

On August 9, 2011, the Kerrville City Council meeting was called to order by Mayor Wampler at 6:00 p.m. in the city hall council chambers, 800 Junction Highway. The invocation was offered by Mike Hayes, followed by the Pledge of Allegiance led by Ron Hackett, of the Military Officers Association of America.

MEMBERS PRESENT:

David Wampler	Mayor
Gene Allen	Mayor Pro Tem
Carson Conklin	Councilmember
T. Scott Gross	Councilmember
Stacie Keeble	Councilmember

MEMBER ABSENT: None

EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Brenda G. Craig	City Secretary
Kristine Ondrias	Assistant City Manager
Travis Cochrane	Director of Information Technology
Mike Erwin	Director of Finance
Kevin Coleman	Director of Development Services
Charlie Hastings	Director of Public Works
Kim Meismer	Director of General Operations
John Young	Police Chief
Daniel Schwartz	Library Director

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

1. VISITORS/CITIZENS FORUM:

1A. Dennis Foster reported the Kerr Fest event on August 5-7 was a success with 800-900 people attending the rodeo and activities. He appreciated the support of the city and asked that council support the proposed renovation of the Kerr County Youth Exhibition Center so that more events could be held there.

2. CONSENT AGENDA:

Mr. Allen asked that item 2B be removed from the consent agenda.

Mr. Conklin moved for approval of items 2A and 2C; Ms. Keeble seconded the motion and it passed 5-0:

2A. Approval of the minutes of the regular Kerrville City Council meeting held July 26, 2011; and the special meetings held July 21, July 25, July 29, and August 2, 2011; and the minutes of the City of Kerrville, Texas Employee Benefits Trust held July 26, 2011.

2C. Resolution No. 028-2011 appropriating all revenue from the hotel occupancy tax for fiscal year 2012 pursuant to state law and city policy.
END OF CONSENT AGENDA

2B. Resolution No. 027-2011 approving the budget for fiscal year 2012 for the Kerr Emergency 9-1-1 Network.
Mr. Allen questioned if any rent was being paid either by or to the city for the property on Coronado Drive. Bill Amerine, executive director of 9-1-1 noted that 9-1-1 operations were funded through citizens' telephone bills, and no funds were received by the city or county for the 9-1-1 operating budget. The 9-1-1 office was located at the Schreiner One Center on Water Street.

Mr. Allen moved from approval of Resolution No. 027-2011; Mr. Conklin seconded the motion and it passed 5-0.

3. ORDINANCES, SECOND AND FINAL READING:

3A. Ordinance No. 2011-15 authorizing and allowing, under the Texas State Law governing the Texas Municipal Retirement System, "updated service credits" in said system on an annual basis for service performed by qualifying members of such system who at the effective date of the allowance are members of the City of Kerrville; and establishing an effective date for the ordinance. Mayor Wampler read the ordinance by title only.

Ms. Meismer noted no changes since first reading and recommended approval.

Mr. Allen moved for adoption of Ordinance No. 2011-15 on second and final reading; Ms. Keeble seconded the motion and it passed 5-0.

3B. Ordinance No. 2011-16 amending Chapter 66, "Library," of the Code of Ordinances of the City of Kerrville, Texas, by amending Article II "Library Advisory Board", concerning the creation, powers, and authority of the library advisory board; containing a cumulative clause; containing a savings and severability clause; and providing other matters relating to this subject. Mayor Wampler read the ordinance by title only.

Mr. Schwartz noted no changes since first reading and recommended approval.

Mr. Conklin moved for adoption of Ordinance No. 2011-16 on second and final reading; Mr. Gross seconded the motion and it passed 5-0.

4. ORDINANCES, FIRST READING:

4A. An ordinance approving a negotiated resolution between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the company's fourth annual rate review mechanism filing in all cities exercising original jurisdiction; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement and finding the rates to be set by the attached tariffs to be just and reasonable; requiring the company to reimburse cities' reasonable ratemaking expenses; repealing conflicting resolutions or ordinances; determining that this ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this ordinance to the company and the committee's legal counsel. Mayor Wampler read the ordinance by title only.

Mr. Hayes noted Atmos filed for a $15.7 million rate increase in April 2011. The City of Kerrville was a member of the Atmos Cities Steering Committee (ACSC), a group of 154 cities. The city pays an annual membership fee to ACSC to hire legal counsel and consultants to review information submitted by Atmos regarding proposed rate increases. ACSC fees were based on population; Kerrville's fee was less than $1,000. The ordinance recommended by ACSC, which settled the matter, authorized Atmos to collect $6.6 million through customer rates to recover expenses associated with a steel service line replacement program. He noted that without ACSC, cities would be on their own to fight Atmos rate increases.

The following person spoke:
1. Ruth Spradling questioned how often such ordinances occurred. Mr. Hayes noted that Atmos generally applied for a rate increase annually.

Mr. Gross moved for approval of the ordinance on first reading; Mr. Conklin seconded the motion and it passed 5-0.

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Resolution No. 029-2011 setting forth the ad valorem tax rate to be considered for adoption for the 2011 tax year; calling two public hearings; and calling a public hearing as required by both the city's charter and state law prior to the adoption of the fiscal year 2012 budget.
Mr. Erwin noted the proposed FY12 budget presented to council on July 26 proposed the ad valorem tax rate remain $0.5625 the same as FY11; the effective tax rate was $0.5888, thus the total property taxes raised in FYF 12 would be 4.4% less than FY11 or $314,000. He noted that by adopting the same tax rate of $0.5625 instead of the effective tax rate of $0.5888, taxes on the average house ($158,000) would be $41.55 less than FY11.

Ms. Keeble moved for approval of Resolution No. 029-2011; Mr. Conklin seconded the motion and it passed 5-0.

5B. Interlocal agreements between the City of Kerrville and Kerr County regarding fire, emergency medical services, library, airport, and animal control operations.
Mr. Parton noted that council approved three of the agreements: animal control, fire and emergency medical services, and library services at the July 26 meeting;

those agreements had been forwarded to the county for signature. Notice was received from the county that those agreements had been accepted and were in final legal review. Staff was coordinating a meeting with representatives of the city council, county commissioners' court, and the airport board to finalize the joint airport agreement, and he noted topics of discussion that the group would focus on, including the airport budget, contingency allocations, reimbursement process, and airport five year capital improvement plan.

The council also discussed the following:
- Airport budget contained $130,000 in unallocated reserve funds from previous year; the undesignated cash reserve fund should be used to reduce the amount to be allocated by the city and county to fund the airport in FY12.
- Expectation that the airport board provide accountability for their budget in accordance with standard budgetary and accounting principles.
- Airport board should provide budget for operations, not build a reserve fund.
- The pay back on T-hangars was 72 years; council had not seen a performa report on T-hangars, but the project did not appear to be viable from an investment stand point.
- Airport board should prepare a business plan on how to make the airport self-sustaining and alleviate subsidy from the owners over the next 5-10 years.
- Did the airport budget include income from fuel surcharge? Mr. Parton noted the airport budget forecast $190,000 in revenue, including fuel surcharge receipts.

Mr. Parton noted the airport board was working on a master plan and business plan for the airport; this would help in preparation of a capital improvement plan.

DW county pattern is to over fund so remainder can be used for capital improvements or grant match. Budget and not build reserve.

5C. Update regarding Lower Colorado River Authority Transmission Services Corporation (LCRA-TSC) application for the proposed McCamey D to Kendall to Gillespie CREZ project PUC Docket No. 38354; City of Kerrville, Kerrville Public Utility Board, and City of Junction v. PUC, Cause No. D-1-GV-000324, in the 98th District Court of Travis County. Item was deferred to executive session.

6. INFORMATION AND DISCUSSION:

6A. Library update.
Mr. Schwartz noted the library had been operating out of the history center for about one month. He reported July figures: checkouts at 14,970; number of library cardholders at 3,538 with 54.47% city and 42.71% county; and computer usage averaged 35 minutes per hour with 827 users.

6B. Budget and economic update.
Mr. Erwin reported local unemployment at 7.1%; local sales tax at $381,444; EIC tax at $190,696; and hotel occupancy tax at $111, 096. As of July 31, general fund revenue was at $17,969,148; expenditures at $15,650,602; water/sewer

fund revenue was at $8,046,904; expenditures at $6,859,822. Regarding the national stock market decline, he noted that financial advisors recommended the city stand fast and make no changes at this time. He advised that there was a new legislative changes that will require changes to the investment policy.

7. ITEMS FOR FUTURE AGENDA None.

8. ANNOUNCEMENTS OF COMMUNITY INTEREST: None.

9. EXECUTIVE SESSION:
Ms. Keeble moved for the city council to go into executive closed session under Sections 551.071 (consultation with attorney), of the Texas Government Code; the motion was seconded by Mr. Allen and passed 5-0 to discuss the following:
Section 551.071:

- LCRA Transmission Services Corporation proposed McCamey D to Kendall to Gillespie 345-kV CREZ Transmission Line in Schleicher, Sutton, Menard, Kimble, Mason, Gillespie, Kerr, and Kendall Counties, Texas. Public Utility Commission of Texas (PUC) Docket No. 38354; City of Kerrville, Kerrville Public Utility Board, and City of Junction v. PUC, Cause No. D-1-GV-000324, in the 98th District Court of Travis County.
- Consult with attorney about pending or contemplated litigation or settlement of same relating to Janet Holmes vs. City of Kerrville, Texas, No. SA10CA0970 OG (U.S.D.C. Western District, San Antonio Division).

At 6:50 p.m. the regular meeting recessed and council went into executive closed session at 6:54 p.m. At 8:00 p.m. the executive closed session recessed and council returned to open session at 8:00 p.m. Mayor Wampler announced that no action had been taken in executive session.

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION: None.

11. ADJOURNMENT. The meeting adjourned at 8:00 p.m.

APPROVED: ______________ ______________________________
David Wampler, Mayor

ATTEST:

____
Brenda G. Craig, City Secretary

Agenda Item:

(Staff)

2B. Authorize execution of a contract with M & C Fonseca Construction Company for the construction of the Burleson Boulevard drainage project in an amount not to exceed $370,000.00.

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

SUBJECT: Authorization for the City Manager to execute a construction contract with M & C Fonseca Construction Company for the construction of the Burleson Boulevard Drainage project in an amount not to exceed $370,000.00.

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED:** August 10, 2011

SUBMITTED BY: Michael Wellborn, P.E. Director of Engineering MW

CLEARANCES: Kristine Ondrias Assistant City Manager KO

EXHIBITS: Contract
Bid Tabulation

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
$298,000.00	**$303,912.90**	**$300,000.00**	**G70**
$72,000.00	**$386,049.09**	**$500,000.00**	**G84**

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

SUMMARY STATEMENT

As part of FY 2008 Budget, City Council approved the Burleson Boulevard Drainage Improvement project as an approved Capital Improvement Project. This project calls for the installation of an underground storm sewer system under Burleson Boulevard and Meadowview Lane to convey stormwater under SH27 to the Guadalupe River. The project was created to address localized flooding problems in the Habitat for Humanity subdivision located along Burleson Boulevard, Fuller Street, and Baker Street.

This Capital Improvement Project is funded by a 2008 General Fund transfer (Fund 70) of $55,000.00 for engineering and land acquisition and $300,000.00 from 2009 General Fund Debt. Based upon utility conflicts, the flat topography of the project site, and TxDOT's shallow drainage structures underneath SH 27, the proposed storm sewer alignment was adjusted to the east and modified to include a new SH 27 crossing and Guadalupe River outfall. During the City Council 2009 Fall Retreat, staff asked Council to authorize the modifications and use funds from the Remedial Drainage project (G84) to cover anticipated overages. Council agreed to the use of the Remedial Drainage funds and staff then released the design consultant (Hewitt Engineering) to prepare a preliminary design and easement documents. Of the original $355,000.00 budget, $57,000.00 of these funds has already been allocated as follows:

- $17,040.00 for preliminary engineering services awarded to Harvey Engineering.

This contract was terminated prior to finalization of preliminary report.

- $9,300.00 for preliminary engineering & surveying services awarded to Hewitt Engineering.
- $29,050.00 for final engineering & surveying services awarded to Hewitt Engineering.
- $1,610.00 for acquisition, advertisement, and other miscellaneous items.

The easement acquisitions were finalized in February of this year. The project's construction documents were completed and advertised for bids in July, 2011. Nine (9) bids were received for the project on the August 9, 2011 bid opening date. The lowest qualified bidder was M & C Fonseca Construction Company who bid the project at $334,850.00.

The Director of Engineering recommends awarding the project to M & C Fonseca Construction Company at a not to exceed amount of $370,000.00 to cover the base bid of $334,850.00 plus an additional 10.5% contingency of $35,150.00.

RECOMMENDED ACTION

The Director of Engineering recommends that Council authorize the City Manager to execute a construction contract for the Burleson Boulevard Drainage Improvement project with M & C Fonseca Construction Company in an amount not to exceed $370,000.00.

Project Name : Burleson Boulevard Drainage Improvements				
Engineering Number : PW08-036				
General Contractors	Addendum No. One Acknowledged	Addendum No. Two Acknowledged	Bid Security Provided	**Base Bid**
M & C Fonseca Construction	√	√	√	$334,850.00
Nelson Lewis, Inc.	√	√	√	$336,310.00
Pesado Construction	√	√	√	$380,265.00
Relmco, Inc.	√	√	√	$395,181.00
Heartland Midwest, Inc	√	√	√	$423,680.00
Allen Keller	√	√	√	$433,416.00
RTM Construction Co.	√	√	√	$468,215.00
Pipe Layers, Inc.	√	√	√	$506,840.00
Lewis Contractors, Inc.	√	√	√	$514,070.00

Section 070

CITY OF KERRVILLE

CONSTRUCTION CONTRACT

This agreement made this day by and between the City of Kerrville, Texas, called "City," and the undersigned "Contractor" as follows:

1. THE WORK

The Contractor shall perform all the work as required by this contract for:

> Installation of approximately 1,460 linear feet of 29" x 18" arch pipe and 36-inch storm sewer and associated manholes, inlets and pavement improvements in Kerrville, Texas, as detailed in Section 090 "Description of Work".

The following are incorporated herein:

a. General Provisions
b. Technical Specifications
c. Addenda issued prior to receipt of Bid
d. Plans
e. Instructions to Bidders
f. Proposal

Some of such documents may not be physically attached hereto but are on file at City Hall, and copies may be obtained upon request.

2. TIME

Construction substantial completion time will be **180** calendar days and **10** calendar days after for final completion from the date of written notice to proceed. Working days are defined in specification section 123.20. The Contractor's obligations to the project however, are not complete and retainage will not be released until all disturbed areas within Kerrville right-of-way have been re-vegetated to the satisfaction of the City Engineer.

3. LIQUIDATED DAMAGES

Liquidated damages are hereby established for work which is not substantially complete in the amount of Three Hundred Dollars ($300.00) per working day for each working day after the date established in the Notice to Proceed. The City may offset any such liquidated damages against any sums from time to time due by the City to Contractor.

The completion time assumes that fifteen percent of the working days are "bad weather days," days on which the work cannot proceed; therefore, the time for completion shall not be extended on account of bad weather until the said number of assumed "bad weather days" has been exceeded.

The time for completion shall not be extended except by written memorandum executed by the Contractor and the City Manager. Contractor shall make written application to the City not later than ten (10) days after the day, event, or cause claimed by Contractor to be a delay. Failure to make such written claim within such time shall result in a waiver by Contractor of an extension based on those particular days, events, or causes. If, for example, this contract assumes twenty (20) bad weather days and Contractor desired a one-day extension for the twenty-first day of rain, Contractor shall make a written claim not later than ten (10) days after the occurrence of such twenty-first day.

The said amount per day is not a penalty but an agreed amount of actual damages which are difficult to calculate. Such damages include loss of staff time, answering complaints by citizens who have been inconvenienced by the work, City Council time, loss of use, and other damages difficult to reasonably anticipate or calculate.

4. PAYMENTS

The City shall pay the Contractor ninety-five percent (95%) of the portion of Contract Sum properly allocable to labor, materials, and equipment incorporated in the Work and constructed in place, less the aggregate of previous payments made by the City. No payments for materials on-hand or stored at the site will be made. All retainages from progress payments shall be withheld without liability for interest. Upon acceptance, the City shall make payment to Contractor such that one hundred percent (100%) of the completed work has been paid.

The City may choose to award a contract for the amount of the base bid plus no or any combination of additive alternates.

5. LIABILITY INDEMNITY

THE CONTRACTOR AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF KERRVILLE, TEXAS, AND ALL OF THEIR RESPECTIVE OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, LOSSES, PROPERTY DAMAGES, AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OF DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PROPERTY ON ACCOUNT OF ANY NEGLIGENT ACT OF THE CONTRACTOR, THE CITY OF KERRVILLE, TEXAS, OR ANY OF THEIR RESPECTIVE OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, OR SUBCONTRACTORS IN THE EXECUTION, SUPERVISION, AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT, WHETHER OR NOT THE ACT OR OMISSION OF THE CITY OR ANY OF THEIR RESPECTIVE OFFICERS, EMPLOYEES, OR AGENTS WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH THE NEGLIGENCE OF THE CONTRACTOR OR ITS OFFICERS, EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS, IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT.

6. LIABILITY INSURANCE

Prior to the commencement of any work and not later than fifteen (15) days following the execution of this contract, the Contractor shall furnish the City copies of paid-up policies (to the City Risk Manager/City Hall) providing Liability and Workman's Compensation Coverage as follows minimum limits):

	TYPE OF INSURANCE	LIMITS
a.	Workman's Compensation covering all employees	Statutory
b.	Employer's Liability	$<u>100,000.00</u>
c.	Comprehensive General Liability	
	Bodily Injury & Property Damage (per occurrence)	<u>$1,000,000.00</u>
	Aggregate	<u>$1,000,000.00</u>
	(Premises/Operations Products/Completed Operations/Independent Contractors/Contractual Liability/Coverages may not be excluded). XCU must be supplied if any exposure.	
d.	Business Automobile Liability covering owned vehicles, rented and non-owned vehicles and employee non-ownership	
	Bodily Injury Property Damage (per occurrence)	$<u>1,000,000.00</u>
	Aggregate	$<u>1,000,000.00</u>

<u>The Commercial General Liability and the Automobile Liability policies shall name the City of Kerrville, Texas, as additional insured and all policies shall provide for a waiver of subrogation in favor of the City of Kerrville</u>. The policy and any renewal certificate shall provide that the City be notified thirty (30) days prior to cancellation or modification of any coverage. Language to the effect that the company will "Endeavor" or "Attempt" to so notify the City of Kerrville is not sufficient.

Renewal certificates must be received by the City at least ten (10) days prior to any cancellation date. Policies will be in effect until final acceptance or cancellation of this contract, unless otherwise specified. The City may, at its sole option, terminate this agreement and file a claim on the Contractor's bid bond if the Contractor fails to deliver the required policies and certificates within 15 days after execution of this contract.

It shall be the responsibility of the Contractor to insure that all Subcontractors comply with the same insurance requirements as the said Contractor.

7. CASUALTY INSURANCE

In the event the work includes structures or buildings susceptible to damage by fire, windstorm, or other casualty, then the Contractor before being authorized to begin work shall furnish the City a duplicate original of an insurance policy naming the City of Kerrville as an additionally insured. Such insurance shall insure both the City of Kerrville and Contractor, during the term of the work, against loss by fire, windstorm, vandalism, theft, or other casualty. Such policy shall be in the total amount of this contract.

8. QUALITY OF WORK

All work shall be of good workmanship. Contractor shall comply with all applicable City of Kerrville Codes as well as all applicable professional and technical standards. Materials shall be of first quality.

9. CHANGES AND EXTRAS

No change of this Contract, whether for additional work, additional compensation, or other, shall be effective unless prior thereto a written change order has been authorized by the City Engineer.

10. ADDENDA

Contractor acknowledges the receipt of the following addenda:

Add. #1
1. Dated: Aug. 5, 2011 Acknowledged by: ________

Add. #2
2. Dated: Aug. 5, 2011 Acknowledged by: ________

11. AWARD OF CONTRACT

The lowest qualified bidder will be awarded the base bid plus any combination of additive alternates pending availability of funds and City Council approval.

12. CONTRACT SUM

Proposal: Contractor agrees to provide all labor, materials, and all incidentals necessary to complete "The Work" for the following Unit Prices:

ITEM NO.	APPROX. QUANTITY	UNIT	DESCRIPTION OF ITEM	UNIT PRICE	TOTAL AMOUNT
BASE BID					
1	1	LS	Mobilization and Bonds (5% of Base Bid Max)		$10,000.00
2	390	LF	29-inch x 18-inch storm sewer arch pipe complete and in place	$55.00	$21,450.00
3	950	LF	36-inch storm sewer pipe complete and in place	$60.00	$57,000.00
4	120	LF	36-inch storm sewer pipe bored and jacked under SH 27 complete and in place	$500.00	$60,000.00
5	2	EA	Type C curb opening inlet complete and in place	$5,000.00	$10,000.00
6	1	EA	Drop inlet complete and in place	$4,000.00	$4,000.00
7	4	EA	Type 2 manholes complete and in place	$4,000.00	$16,000.00
8	1300	SY	Asphalt paving replacement complete and in place	$70.00	$91,000.00
9	18	SY	Concrete pavement replacement complete and in place	$50.00	$900.00
10	500	LF	Concrete curb replacement complete and in place	$12.00	$6,000.00
11	80	SY	Concrete sidewalk replacement complete and in place	$50.00	$4,000.00
12	1	LS	Line A Outfall structure including headwall and dissipater blocks complete and in place	$3,000.00	$3,000.00
13	1	LS	Line B Outfall structure including headwall complete and in place	$2000.00	$2,000.00
14	15	CY	Rock riprap at Line A outfall complete and in place	$100.00	$1,500.00
15	1	LS	Landscaping and Wood Fence Replacement	$5,000.00	$5,000.00
16	1	LS	Existing channel regarding complete and in place	$5,000.00	$5,000.00
17	1	LS	Traffic control-complete in place	$7000.00	$7,000.00
18	1	LS	Material testing-complete in place	$8,000.00	$8,000.00
19	1	LS	Construction staking-complete in place	$3,000.00	$3,000.00
20	1	AA	CONTINGENCY to be used only at the direction and approval (in writing) from the City Engineer	$ 20,000	$ 20,000
			TOTAL BASE BID	$66,897.00	$334,850.00

COMPLETED BY

M&C Fonseca Const Co Inc
General Contractor Name

8-5-6
Date

[signature]
General Contractor Representative

President/owner
Title

Sub-Contractors:

NAME	ADDRESS	PHONE	WORK TO BE PERFORMED
1.			
2.			
3.			

(Attach additional sheet if required)

INSURANCE AGENT

NAME ADDRESS PHONE POLICY

1. Hutto & Dalchau P.O.Box 216 Llano, TX 78643 325-247-5152

2.

3.

BONDING AGENT

NAME ADDRESS PHONE POLICY

1. South Coast Surety 1031 Calle Recodo Ste D. San Clemente CA 92673

2.

3.

Signed this 5 day of Aug, 2011

Attest: M & C Fonseca Const Co Contractor

Secretary BY:
(if bid by a Corporation)

Title: President/owner

SEAL

Business Address:

1901 Prairie Creek Rd
Granite Shoals TX 78654

Phone: 830-596-1741

Fax: 830-596-1824

ACCEPTED THIS ____________

day of ____________, 2011

By: ____________
Todd Parton, City Manager
City of Kerrville, Texas.

ATTEST:

____
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

____
Mike Hayes, City Attorney

ADDENDUM NO. 1

Date of Addendum: August 5, 2011

PROJECT NAME: Burleson Boulevard Drainage Improvements

BID DATE: August 9, 2011 (There is no change to the Bid Date.)

FROM: John M. Hewitt, P.E. Design Engineer
Hewitt Engineering Inc.
TBPE Firm No. F-10739
716 Barnett Street
Kerrville, Texas 78028

TO: **Prospective Bidders**

This Addendum consisting of three pages forms a part of the Bidding Documents and will be incorporated into Contract Document, as applicable. Insofar as the original Project Manual and Drawings are inconsistent, this Addendum governs. Acknowledge receipt of the Addendum by signing Paragraph 10 of Section 070-City of Kerrville Construction Contract. FAILURE TO DO SO MAY SUBJECT BIDDER TO DISQUALIFICATION.

CHANGES TO PROJECT MANUAL

SPECIFICATIONS

1. Section 070-Construction Contract and Bid Form-Remove and replace page 070-5 containing the Bid Form with the attached new page 070-5. Bid item 8 has been updated.

CHANGES TO DRAWINGS

1. Sheet 2-General Notes-Remove and replace Note 1 under CONFLICT WITH OTHER UTILITIES-with the following note:

   1. The storm sewer alignment may cross existing water, wastewater, gas, electric or telephone utilities, including fiber optic cable. ***Contractor should pay particular attention to potential fiber optic cable in abandoned railroad right-of-way between Station 6+20 and Station 7+70.***

2. Sheet 13-Add the following note:

   1. Manhole ring and cover shall be located over the outlet pipe for the curb inlet.

BIDDERS QUESTIONS AT PRE-BID CONFERENCE

1) How many days are in the construction contract?

   Construction substantial completion time will be 180 calendar days and 10 calendar days after for final completion from the date of written notice to proceed.

2) Can excavated material be taken to the City of Kerrville landfill off Loop 534 without a dump fee?

   Yes. The contractor must coordinate disposal requirements with Dieter Werner, Project Manager.

STATE OF TEXAS
JOHN M. HEWITT
66142
LICENSED
PROFESSIONAL ENGINEER

8-5-11

ITEM NO.	APPROX. QUANTITY	UNIT	DESCRIPTION OF ITEM	UNIT PRICE	TOTAL AMOUNT
BASE BID					
1	1	LS	Mobilization and Bonds (5% of Base Bid Max)		$
2	415	LF	29-inch x 18-inch storm sewer arch pipe complete and in place	$	$
3	950	LF	36-inch storm sewer pipe complete and in place	$	$
4	120	LF	36-inch storm sewer pipe bored and jacked under SH 27 complete and in place	$	$
5	2	EA	Type C curb opening inlet complete and in place	$	$
6	1	EA	Drop inlet complete and in place	$	$
7	3	EA	Type 2 manholes complete and in place	$	$
8	1300	SY	Asphalt paving replacement complete and in place	$	$
9	45	SY	Concrete pavement replacement complete and in place	$	$
10	500	LF	Concrete curb replacement complete and in place	$	$
11	90	SY	Concrete sidewalk replacement complete and in place	$	$
12	1	LS	Line A Outfall structure including headwall and dissipater blocks complete and in place	$	$
13	1	LS	Line B Outfall structure including headwall complete and in place	$	$
14	25	CY	Rock riprap at Line A outfall complete and in place	$	$
15	1	LS	Landscaping and Wood Fence Replacement	$	$
16	1	LS	Existing channel regarding complete and in place	$	$
17	1	LS	Traffic control-complete in place	$	$
18	1	LS	Material testing-complete in place	$	$
19	1	LS	Construction staking-complete in place	$	$
20	1	AA	CONTINGENCY to be used only at the direction and approval (in writing) from the City Engineer	$ 20,000	$ 20,000
			TOTAL BASE BID	$	$

ADDENDUM NO. 2

Date of Addendum: August 5, 2011

PROJECT NAME: Burleson Boulevard Drainage Improvements

BID DATE: August 9, 2011 (There is no change to the Bid Date.)

FROM: John M. Hewitt, P.E. Design Engineer
Hewitt Engineering Inc.
TBPE Firm No. F-10739
716 Barnett Street
Kerrville, Texas 78028

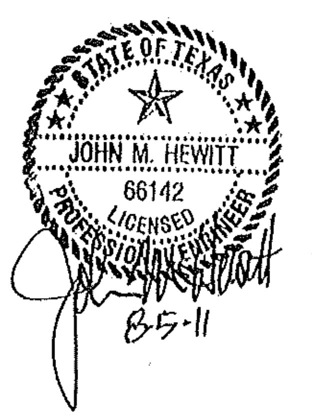
TO: **Prospective Bidders**

This Addendum consisting of two pages forms a part of the Bidding Documents and will be incorporated into Contract Document, as applicable. Insofar as the original Project Manual and Drawings are inconsistent, this Addendum governs. Acknowledge receipt of the Addendum by signing Paragraph 10 of Section 070-City of Kerrville Construction Contract. FAILURE TO DO SO MAY SUBJECT BIDDER TO DISQUALIFICATION.

CHANGES TO PROJECT MANUAL

SPECIFICATIONS

1. Section 070-Construction Contract and Bid Form-Remove and replace page 070-5 in Project Manual and Addendum No. 1 containing the Bid Form with the attached new page 070-5.



Agenda Item:
(Staff)

2C. Authorize execution of a contract with BKD, LLP to provide auditing services for fiscal years ending September 30, 2011, 2012, and 2013 with option for 2014 and 2015 in the amount of $54,590 annually.

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

SUBJECT: Selection of accounting firm for annual independent audit for fiscal years ending September 30, 2011, 2012 and 2013 with option for 2014 and 2015.

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED**: August 11, 2011

SUBMITTED BY: Mike Erwin MUE
Director of Finance

CLEARANCES: Todd Parton
City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
$54,590	$	$ 28,500.00	01-870-312
		$ 28,500.00	02-890-312

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The City of Kerrville issued a Request for Qualifications for Professional Auditing Services on June 15, 2011. Ten audit firms were mailed Request for Qualifications for Professional Auditing Service packages. Four audit firms, Neffendorf, Knopp, Horry & Doss, P.C.; BKD, LLP; Null-Lairson, P.C.; and Thompson, Williams, Biediger, Kastor & Young, L.C. responded. The Director of Finance and Finance staff evaluated all responses and recommend BKD, LLP based on qualifications, auditing experience in cities of similar and larger size, timeliness and value.

Staff met and reviewed the recommendation with the Audit Committee.

RECOMMENDED ACTION

The Director of Finance recommends approval for the City Manager to execute a contract with BKD, LLP to provide auditing services for the City of Kerrville for fiscal years ending September 30, 2011, 2012 and 2013 with options for 2014 and 2015.

BKD LLP
CPAs & Advisors

14241 Dallas Parkway, Suite 1100
Dallas, TX 75254-2961
972.702.8262 Fax 972.702.0673 www.bkd.com

August 18, 2011

Honorable David Wampler, Mayor
Members of City Council
Mr. Todd Parton, City Manager
Mr. Mike Erwin, Director of Finance
City of Kerrville, Texas
800 Junction Hwy
Kerrville, Texas 78028

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide to the City of Kerrville, Texas.

ENGAGEMENT OBJECTIVES

We will audit the basic financial statements of the City of Kerrville, Texas as of and for the year ended September 30, 2011 in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the *State of Texas Uniform Grant Management Standards*, issued by the Governor's Office of Budget Planning, and the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations.* We will also perform agreed upon procedures related to the City of Kerrville's report to the Texas Commission on Environmental Quality (TCEQ).

The objectives of our audit are:

- ✓ Expression of an opinion on the conformity of your financial statements, in all material respects, with accounting principles generally accepted in the United States of America.
- ✓ Issuance of a report on your compliance based on the audit of your financial statements.
- ✓ Issuance of a report on your internal control over financial reporting based on the audit of your financial statements.
- ✓ Expression of an opinion on your compliance, in all material respects, with the types of compliance requirements described in the *U. S. Office of Management and Budget Circular A-133 Compliance Supplement* that are applicable to each of your major federal award programs.

- ✓ Issuance of a report on your internal control over compliance based on the audit of your compliance with the types of compliance requirements that are applicable to each of your major federal and state award programs.

- ✓ Issuance of a report on your schedule of expenditures of federal and state awards.

- ✓ Expression of an opinion on your compliance, in all material respects, with the types of compliance requirements described in the *State of Texas Uniform Grant Management Standards*, issued by the Governor's Office of Budget and Planning that are applicable to each of your major state award programs.

- ✓ Issuance of a report on agreed upon procedures to the City of Kerrville's report to the TCEQ.

OUR RESPONSIBILITIES

Auditing standards generally accepted in the United States of America, *Government Auditing Standards* and OMB Circular A-133 require that we plan and perform:

- ✓ The audit of the financial statements to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud.

- ✓ The audit of compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement applicable to each major federal award program to obtain reasonable rather than absolute assurance about whether noncompliance having a direct and material effect on a major federal award program occurred.

Accordingly, a material misstatement or noncompliance having a direct and material effect may remain undetected.

Our audit of the financial statements is designed to detect misstatements and noncompliance that, in our judgment, could have a material effect on the financial statements taken as a whole. Consequently, our audit will not necessarily detect errors or fraud resulting in an immaterial misstatement of the financial statements.

Likewise, our audit of compliance with the types of compliance requirements applicable to each major federal and state award program is designed to detect noncompliance having a direct and material effect on a major program. Consequently, our audit will not necessarily detect noncompliance having an indirect and material or an immaterial effect on any program.

An audit also includes obtaining an understanding of the entity and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures to be performed. An audit is not designed to provide assurance on internal control over financial reporting or on internal control over compliance or to identify material weaknesses or significant deficiencies.

However, we will communicate to you any matter that comes to our attention that we consider a material weakness or significant deficiency. Because of the limits of internal control, errors, fraud, illegal acts or instances of noncompliance may occur and not be detected. Also, in the future, procedures could become inadequate because of changes in conditions or deterioration in design or operation. Two or more people may also circumvent controls, or management may override the system.

We are available to perform additional procedures with regard to fraud detection and prevention at your request, subject to completion of our normal engagement acceptance procedures. The actual terms and fees of such an engagement would be documented in a separate letter to be signed by you and BKD.

Kevin Kemp is responsible for supervising the engagement and authorizing the signing of the report or reports.

If, for any reason, we are unable to complete our audit of the financial statements or our audit of compliance with the types of compliance requirements applicable to each major federal and state award program or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of this engagement. If we discover conditions that may prohibit us from issuing a standard report, we will notify you as well. In such circumstances, further arrangements may be necessary to continue our engagement.

YOUR RESPONSIBILITIES

To facilitate our audit, management is responsible for making all financial records documentation and other financial and compliance related information available to us. At the conclusion of our engagement, management will provide to us a letter acknowledging certain responsibilities outlined in this engagement letter and confirming:

- The availability of this information
- Certain representations made during the audits for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

Management is responsible for the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, for adjusting the financial statements to correct material misstatements and for identifying and ensuring compliance with the laws, regulations, contracts and grants applicable to your activities including your federal award programs. Management is also responsible for establishing and maintaining effective internal control over financial reporting and compliance and setting the proper tone; creating and maintaining a culture of honesty and high ethical standards; and establishing appropriate controls to prevent, deter and detect fraud, illegal acts and instances of noncompliance.

The results of our tests of compliance and internal control over financial reporting performed in connection with our audit of the financial statements may not fully meet the reasonable needs of report users. Management is responsible for obtaining audits, examinations, agreed-upon procedures or other engagements that satisfy relevant legal, regulatory or contractual requirements or fully meet other reasonable user needs.

OTHER SERVICES

We will provide you with the following nonattest services:

- Assistance in preparing a draft of the comprehensive annual financial report

In addition, we may perform other services for you not covered by this engagement letter. You agree to assume full responsibility for the substantive outcomes of the services described above and for any other services that we may provide, including any findings that may result.

You also acknowledge that those services are adequate for your purposes and that you will establish and monitor the performance of those services to ensure that they meet management's objectives. Any and all decisions involving management functions related to those services will be made by you, and you accept full responsibility for such decisions. We understand that you will designate a management-level individual to be responsible and accountable for overseeing the performance of those services, and that you will have determined this individual is qualified to conduct such oversight.

ENGAGEMENT FEES

Our fees will be $54,590 that includes a 3% charge to cover items such as copies, postage and other delivery charges, supplies, technology-related costs such as computer processing, software licensing, research and library databases and similar expense items.

Our pricing for this engagement and our fee structure is based upon the expectation that our invoices will be paid promptly. We will issue progress billings during the course of our engagement, and payment of our invoices is due upon receipt. Interest will be charged on any unpaid balance after 30 days at the rate of 10% per annum.

Our engagement fee does not include any time for post-engagement consultation with your personnel or third parties, consent letters and related procedures for the use of our reports in offering documents, inquiries from regulators or testimony or deposition regarding any subpoena. Charges for such services will be billed separately.

Our fees may also increase if our duties or responsibilities are increased by rulemaking of any regulatory body or any additional new accounting or auditing standards. We will consult with you in the event any other regulations or standards are issued that may impact our fees.

If our invoices for this or any other engagement you may have with BKD are not paid within 30 days, we may suspend or terminate our services for this or any other engagement. In the event our work is suspended or terminated as a result of nonpayment, you agree we will not be responsible for any consequences to you.

OTHER ENGAGEMENT MATTERS AND LIMITATIONS

Our workpapers and documentation retained in any form of media for this engagement are the property of BKD. We can be compelled to provide information under legal process. In addition, we may be requested by regulatory or enforcement bodies to make certain workpapers available to them pursuant to authority granted by law or regulation. You agree that we have no legal responsibility to you in the event we provide such documents or information.

To the extent permitted by the laws of the State of Texas, you agree to indemnify and hold harmless BKD and its personnel from any claims, liabilities, costs and expenses relating to our services under this agreement attributable to false or incomplete representations by management, except to the extent determined to have resulted from the intentional or deliberate misconduct of BKD personnel.

To the extent permitted by the laws of the State of Texas, you agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

Either of us may terminate these services at any time. Both of us must agree, in writing, to any future modifications or extensions. If services are terminated, you agree to pay us for time expended to date.

If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

This engagement letter, along with the request for proposal and contract, represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on heirs, successors and assigns of you and BKD.

We may from time to time utilize third-party service providers, *e.g.*, domestic software processors or legal counsel, or disclose confidential information about you to third-party service providers in serving your account. We remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your information.

In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information. In the event we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider.

We will, at our discretion or upon your request, deliver financial or other confidential information to you electronically via email or other mechanism. You recognize and accept the risk involved, particularly in email delivery as the Internet is not necessarily a secure medium of communication as messages can be intercepted and read by those determined to do so.

You agree you will not modify these documents for internal use or for distribution to third parties. You also understand that we may on occasion send you documents marked as draft and understand that those are for your review purpose only, should not be distributed in any way unless pursuant to a legal requirement.

If you intend to include these financial statements and our report in an offering document at some future date, you agree to seek our permission to do so at that time. You agree to provide reasonable notice to allow sufficient time for us to perform certain additional procedures.

Any time you intend to publish or otherwise reproduce these financial statements and our report and make reference to our firm name in any manner in connection therewith, you agree to provide us with printers' proofs or masters for our review and approval before printing or other reproduction. You will also provide us with a copy of the final reproduced material for our approval before it is distributed. Our fees for such services are in addition to those discussed elsewhere in this letter.

You agree to notify us if you desire to place these financial statements or our report thereon on an electronic site. You recognize that we have no responsibility as auditors to review information contained in electronic sites.

Any time you intend to reference our firm name in any manner in any published materials, including on an electronic site, you agree to provide us with draft materials for our review and approval before publishing or posting such information.

BKD is a registered limited liability partnership under Missouri law. Under applicable professional standards, partners of **BKD, LLP** have the same responsibilities as do partners in a general accounting and consulting partnership with respect to conformance by themselves and other professionals in BKD with their professional and ethical obligations. However, unlike the partners in a general partnership, the partners in a registered limited liability partnership do not have individual civil liability, directly or indirectly, including by way of indemnification, contribution, assessment or otherwise, for any debts, obligations or liabilities of or chargeable to the registered limited liability partnership or each other, whether arising in tort, contract or otherwise.

If the above arrangements are acceptable to you, please sign the enclosed copy of this letter and return it to us. If the signed copy you return to us is in electronic form, you agree that such copy shall be legally treated as a "duplicate original" of this agreement.

BKD, LLP

BKD, LLP

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

City of Kerrville, Texas

____
Signature

____
Printed Name and Title

Date: ______________________________

CONTRACT

This professional services contract is executed this 24th day of August, 2011 by and between the City of Kerrville, Texas, hereinafter called the City, and BKD, LLP.

WHEREAS, the City issued a Request for Proposal for an Independent Audit; and

WHEREAS, BKD, LLP submitted a proposal to provide such professional services;

WITNESSETH: IN CONSIDERATION of mutual promises of the parties contained herein and other good and valuable consideration, the parties agree as follows:

1. BKD, LLP shall provide the City with the necessary professional services to audit all funds including those which are covered under the provisions of the Single Audit Act, a federal law that applies to entities that accept federal funds.

2. The term of the contract shall run from the date of execution and shall automatically terminate following the submission and the City's acceptance of a completed audit for the City's fiscal year which ended September 30, 2015. During this time period, the City may terminate the contract each year as part of its budget considerations.

3. The professional accounting services shall be provided in accordance with the terms and conditions set forth in the Request for Proposal, attached hereto as Exhibit A. An engagement letter will be executed each year by authorized representatives of both parties, a copy of which is attached hereto as Exhibit B.

4. BKD, LLP shall be compensated for services rendered under this contract in accordance with the terms and conditions set forth in the Exhibits. No work shall be performed beyond the present scope of this contract without express prior written approval by either the City Manager or the governing body of the City, as appropriate.

5. The City or BKD, LLP shall have the right to terminate the contract upon 30 days written notice.

6. In the event of a conflict between any terms and conditions of this contract and the Exhibits, the terms and conditions of the Exhibits shall take precedence.

7. Neither party may assign any of its rights or delegate any of its obligations under this contract, without the express written consent of the other.

8. It is agreed that the failure of any party to invoke any of the available remedies under this contract or under law in the event of one or more breaches or defaults by any party under the contract shall not be construed as a waiver of such provisions and conditions and shall not prevent the parties from invoking such remedies in the event of any future breach or default.

9. Each paragraph of this contract is severable from all other paragraphs. In the event any court of competent jurisdiction determines that any paragraph or subparagraph is invalid or unenforceable for any reason, all remaining paragraphs and subparagraphs shall remain in full force and effect.

10. This contract shall be interpreted according to and enforced under the laws of the State of Texas. Venue shall occur in Kerr County, Texas.

11. This contract contains the entire agreement of both parties hereto, and no other oral or written agreement shall be binding on the parties hereto. This contract supersedes all prior agreements, contracts and understandings of any kind between the parties relating to the subject matter hereof. This contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this professional services contract on or as of the date first written above.

CITY OF KERRVILLE, TX

____
David Wampler, Mayor

ATTEST:

____
Brenda Craig, City Secretary

BKD, LLP

By: Kevin Kemp

Title: **Partner**

System Review Report

To the Partners of BKD, LLP
and the Center for Public Company
Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BKD, LLP (the firm) applicable to non-SEC issuers in effect for the year ended May 31, 2008. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*; audits of employee benefit plans, and an audit performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice applicable to non-SEC issuers of BKD, LLP in effect for the year May 31, 2008 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. BKD, LLP has received a peer review rating of *pass*.

Clifton Gunderson LLP

July 31, 2008

Attachment to the Peer Review Report of BKD LLP
Description of the Peer Review Process

Overview

Firms enrolled in the AICPA Center for Public Company Audit Firms (the Center) Peer Review Program have their system of quality control periodically reviewed by independent peers. These reviews are system and compliance oriented with the objective of evaluating whether:

> The reviewed firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers has been designed to meet the requirements of the Quality Control Standards established by the AICPA.
>
> The reviewed firm's quality control policies and procedures applicable to non-SEC issuers were being complied with to provide the firm with reasonable assurance of complying with professional standards.

A peer review is based on selective tests and directed at assessing whether the design of and compliance with the firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers provides the firm with reasonable, not absolute, assurance of complying with professional standards. Consequently a peer review on the firm's system of quality control is not intended to, and does not, provide assurance with respect to any individual engagement conducted by the firm or that none of the financial statements audited by the firm should be restated.

The Center's Peer Review Committee (PRC) establishes and maintains peer review standards. At regular meetings and through report evaluation task forces, the PRC considers each peer review, evaluates the reviewer's competence and performance, and examines every report, letter of comments, and accompanying response from the reviewed firm that states its corrective action plan before the peer review is finalized. The Center's staff plays a key role in overseeing the performance of peer reviews working closely with the peer review teams and the PRC.

Once the PRC accepts the peer review reports, letters of comments, and reviewed firms' responses, they are maintained in a file available to the public. In some situations, the public file also includes a signed undertaking by the firm agreeing to specific follow-up action requested by the PRC.

Firms that perform audits or play a substantial role in the audit of one or more SEC issuers, as defined by the Public Company Accounting Oversight Board (PCAOB), are required to be registered with and have their accounting and auditing practice applicable to SEC issuers inspected by the PCAOB. Therefore, we did not review the firm's accounting and auditing practice applicable to SEC issuers.

Planning the Review for the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers

To plan the review of BKD LLP, we obtained an understanding of (1) the nature and extent of the firm's accounting and auditing practice, and (2) the design of the firm's system of quality control sufficient to assess the inherent and control risks implicit in its practice. Inherent risks were assessed by obtaining an understanding of the firm's practice, such as the industries of its clients and other factors of complexity in serving those clients, and the organization of the firm's personnel into practice units. Control risks were assessed by obtaining an understanding of the design of the firm's system of quality control, including its audit methodology, and monitoring procedures. Assessing control risk is the process of evaluating the effectiveness of the reviewed firm's system of quality control in preventing the performance of engagements that do not comply with professional standards.

Performing the Review of the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers

Based on our assessment of the combined level of inherent and control risks, we identified practice units and selected engagements within those units to test for compliance with the firm's system of quality control. The engagements selected for review included engagements performed under the Government Auditing Standards, audits performed under FDICIA, a multi-office audit, and audits of Employee Benefit Plans. The engagements selected for review represented a cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagement reviews included examining working paper files and reports and interviewing engagement personnel.

The scope of the peer review also included examining selected administrative and personnel files to determine compliance with the firm's policies and procedures for the elements of quality control pertaining to independence, integrity, and objectivity; personnel management; and acceptance and continuance of clients and engagements. Prior to concluding the review, we reassessed the adequacy of scope and conducted a meeting with firm management to discuss our findings and recommendations.

Agenda Item:
(Staff)

2D. A resolution amending the City of Kerrville fee schedule by revising fees charged for various services and uses provided or offered by the city.

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

SUBJECT: Resolution Approving FY 12 Fee Schedule

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED**: August 16, 2011

SUBMITTED BY: Mike Erwin ME
Director of Finance

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Resolution, FY 12 Fee Schedule

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

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

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

SUMMARY STATEMENT

The attached fee schedule is proposed for FY 12. The schedule shows the FY11 approved and the FY 12 proposed fees. The proposed schedule was given to Council at the August 22, 2011 work session.

RECOMMENDED ACTION

Approve resolution to accept the FY 12 fee schedule.

CITY OF KERRVILLE, TEXAS
RESOLUTION NO. _____-2011

A RESOLUTION AMENDING THE CITY OF KERRVILLE FEE SCHEDULE BY REVISING FEES CHARGED FOR VARIOUS SERVICES AND USES PROVIDED OR OFFERED BY THE CITY

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

WHEREAS, City staff recommends fees charged for various services and uses provided or offered by the City be changed, and the City Council has determined it is in the public interest of the citizens of Kerrville to revise such fees;

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

The Fee Schedule of the City of Kerrville, Texas, shall be amended as set forth in **Exhibit A**, attached hereto and incorporated herein by reference, such changes to be effective October 1, 2011.

PASSED AND APPROVED ON this the _____ day of ________________ A.D., 2011.

____
David Wampler, Mayor

APPROVED AS TO FORM:

____
Michael C. Hayes, City Attorney

ATTEST:

____
Brenda G. Craig, City Secretary

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FY12 Proposed changes to Fee Summary				
Department	**Fee Name**	**FY11 Adopted**	**FY12 Proposed**	**Difference**
Finance	Recycling Bins (each)	$6.00	Move to Solid Waste Landfill	-$6.00
Finance	Use of Reclaim Water at Schreiner Municipal Golf Course	$0.30	$0.38	$0.08
KSP	Second vehicle pass for additional vehicles registered at the same address	$12.50	$15.00	$2.50
	Reservation Fee, Cancellation Fee, Transfer Fee (Required by contract with TPWD)	$5.00	$10.00	$5.00
	Trailer Dump Fee (only if not camping in park) No Entrance Fee if dumping only.	$15.00	$25.00	$10.00
Parks & Recreation	SPECIAL EVENTS PERMIT (per application)	$25.00	$30.00	$5.00
Parks & Recreation	Practice Use No Lights (per hour)	$10.00	$15.00	$5.00
Parks & Recreation	Practice Use With Lights (per hour)	$15.00	$20.00	$5.00
Fire	Permit for Storage and/or Use of Liquid Propane Gas	$40.00	$100.00	$60.00
Fire	Permit for Storage of Portable LP-Gas Containers Awaiting Use or Resale		$20.00	New
Fire	Permit for Use, Storage or Handling of Compressed Gases in Excess of Amounts Listed in Table 105.6.8 of the 2006 edition *International Fire Code*		$100.00	New
Fire	Permit for Spray Room, Dip Tank or Booth Used for Application of Flammable or Combustible Finishes		$75.00	New
Fire	Permit for Industrial Oven Installation		$100.00	New
Fire	Fire Pump and Related Equipment Installation/Modification		$100.00	New
Fire	Fire Inspections Requested/Scheduled Outside of Normal Business Hours			
	Non-Holiday		$60.00	New
	City Recognized Holiday		varies	New
Fire	Fire Inspections Requested/Scheduled Outside of Normal Business Hours			
	Non-Holiday		**$60 Per hour, 2 hours minimum. The minimum fee must be paid in advance of the inspection. Any balance due must be paid within 24 hours.**	New
	City Recognized Holiday		**Fee is calculated Holiday Pay of the employee plus applicable benefits, minimum 2 hours. The minimum fee must be paid in advance of the inspection. Any balance due must be paid within 24 hours.**	New
Library	Meeting Room			
	Use of kitchen	$5.00	$0.00	Eliminated
Library	CDs (per day/per item; $12.00 maximum)		$0.10	New
Library	Meeting Room (per day)	$16.00	$20.00	$4.00
Library	Electronic Equipment		TBD	New
Library	Damaged equipment and accessories		**Actual replacement cost of item or next available generation of item if original is no longer on the market plus $25.00 processing fee.**	New
Library	Accessories only		**Actual Cost plus $6.00 Process Fee**	New
Library	Lost/Damage Item		**Lending Library determines Charge**	New
Library	**Overdo Fines**			
	Books - Adults (per day/per item; $12.00 maximum)	0.1 ($8 Max)	0.1 ($12 max)	Increased Max
	Books - Children (per day/per item; $5.00 maximum)	0.1 ($4 max)	0.1 ($5 max)	Increased Max
	CDs (per day/per item; $12.00 maximum)	0.1 ($8 Max)	0.1 ($12 max)	Increased Max
Library	**Replacement of Miscellaneous Parts:**			
	CD/DVD case (Single)		$2.00	New
	Book on CD case (Multiple, up to 12 CDs)	$8.00	$12.00	$4.00
	Book on CD case (Multiple, up to 24 CDs)	$12.00	$16.00	$4.00
	CD Jewel Case (Multiple, 2 disk)	$4.00	$3.00	-$1.00
	DVD case (Multiple)	$7.00	$4.00	-$3.00

FY12 Proposed changes to Fee Summary				
Department	Fee Name	FY11 Adopted	FY12 Proposed	Difference
Library	Lost/Damaged			
	Books (BHML - all ages)		Actual Cost plus $6.00 Process Fee	New
	Books (History Center, rare, out of print)		Lesser of appraised value of item or $100.00	New
	CDs (Books on CD, music CD)		Actual Cost plus $6.00 Process Fee	New
	Replacement of individual CD in a set - Music or Book on CD (when available)		$10.00 per disc plus $6.00 process fee	New
	DVDs (all ages - including sets)		Actual Cost plus $6.00 Process Fee	New
	Kits (all kits)		Actual Cost plus $6.00 Process Fee	New
	Replacement MP3 CD		Actual Replacement Cost plus $6.00 process fee	New
	Replacement Play-a-ways		Actual Replacement Cost plus $6.00 process fee	New
Inspection	Building, Construction & Demo permits (commercial and Multifamily)			
	$1,000 or greater	same as residential	$5.00 for each thousand or fraction thereof	New
Health Services	Semi Public Pools/Spas (single pool facilities)	$40.00	$75.00	$35.00
	Each Additional Pool or Spa	$40.00	$25.00	-$15.00
	Seasonal (non-hazardous foods)(Permit valid for 10 months)		$50.00	New
	Seasonal (non-hazardous foods per event)		$10.00	New
	Seasonal (potentially hazardous foods)(valid for 10 months)		$100.00	New
	Seasonal (Potentially hazardous foods per event)		$15.00	New
	Unrestricted Mobile Food Establishment		150 plus Peddlers permit	New
	Restricted Mobile Food Establishment		50 plus Peddlers permit	New
PW - Streets	TRAFFIC CONTROL FEE (PER MAN HOUR)		$40.00	New
	BANNER PERMIT ADMINISTRATION FEE	$20.00	$25.00	$5.00
	SIDEWALK CAFÉ, PER TABLE		$50.00	New
Landfill	RECYCLING BINS (each)		$6.50	New
UTC	WATER TAPS:			
	3/4" tap - Material, labor and equipment	$1,312.00	$1,420.20	$108.20
	1" tap - Material, labor and equipment	$1,365.00	$1,489.20	$124.20
UTC	SEWER TAPS:			
	4" tap - Material, labor and equipment - Out of manhole	$1,399.00	$1,441.40	$42.40
	6" tap - Material, labor and equipment - Out of manhole	$1,500.00	$1,560.00	$60.00
	6" tap - Material, labor and equipment - With manhole	$3,473.00	$3,712.00	$239.00
Laboratory	Oil and Grease	$40.00	$45.00	$5.00
	Water Sample Collection Fees (inside of city limits only)		$25.00	New

ADMINISTRATION FEE SCHEDULE

	FY 11 ADOPTED	FY 12 Proposed
ADMINISTRATION DEPARTMENT:		
AMBULANCE LICENSE (per year)	$250.00	$250.00
COPIES OF PUBLIC INFORMATION:		
Standard size paper copy (per page)	$0.10	$0.10
Non-standard size copy:		
Computer diskettes (each)	$1.00	$1.00
Computer magnetic tape (each)	$10.00	$10.00
VHS video casette (each)	$2.50	$2.50
Audio casette (each)	$1.00	$1.00
Oversized Paper copy (per page)	$0.50	$0.50
Other	Actual Cost	Actual Cost
Labor charge (per hour and if applicable under state law)	$15.00	$15.00
Overhead charge (if applicable under State law)	20% of Personnel Charge	20% of Personnel Charge
Microfiche or microfilm charge:		
Paper copy (per page)	$0.10	$0.10
Fiche or film copy	Actual Cost	Actual Cost
Remote document retrieval charge	Actual Cost	Actual Cost
FAX TRANSMISSIONS:		
Local (per page)	$0.10	$0.10
Long distance, same area code (per page)	$0.50	$0.50
Long distance, different area code (per page)	$1.00	$1.00
Other costs	Actual Cost	Actual Cost
JUNK YARD OPERATION LICENSE	$5.00	$5.00
NATURAL GAS TRANSPORTED THROUGH PIPELINE:		
during the preceding month for consumption or use within the City.		
PEDDLERS AND SOLICITORS FEE:		
Base Charge (per year)	$600.00	$600.00
For Each Additional Person-		
Thirty days	$10.00	$10.00
One Year	$100.00	$100.00
Deposit	$750.00	$750.00
Exemptions		
Temporary special events, sales and festivals sponsored by charitable organizations recognized as such by the United States' Internal Revenue Service.		
Temporary special events, sales and festivals sponsored by governmental subdivisions, including school districts, Chamber of Commerce and Junior Chamber of Commerce.		
Texas State Arts and Crafts Fair and other special events such as the Easter Chili Cook-off or Jimmy Rodgers Jubilee, as approved by Council, provided that the organizer/operator of said events provides the information required for an open air market.		
Traveling salesman or solicitor calling only upon commercial businesses in the City.		
Garage sales.		
A business with a separate business location in the City that furnished proof of payment to the City of all ad valorem and personal property taxes then due.		
Six or more businesses that are organized in a sales show, convention, or similar sales by an indoor shopping mall, hotel or similar sponsor.		
Businesses conducted in an open air market in compliance with all laws and zoning regulations applicable thereto.		
Sale of fresh produce (fruit, nuts, and vegetables).		
Sale of firewood.		
SEXUALLY ORIENTED BUSINESSES		
Annual License Fee	$500.00	$500.00
Annual Fee per Employee	$50.00	$50.00
VEHICLE FOR HIRE PERMIT	$25.00	$25.00
TRAVELING SHOW AND EXHIBITION LICENSE (30 days)	$100.00	$100.00
Exceptions-		
Carnivals, circuses, travel-shows, tent shows, exhibits, menagerie which are actually operated by volunteers of a public school located in Kerr County, or a bona fide charity located in Kerr County, or a service organization located in Kerr County.		

BUSINESS DEVELOPMENT FEE SCHEDULE

BUSINESS DEVELOPMENT DEPARTMENT:	FY 11 ADOPTED	FY 12 Proposed
DOWNTOWN RESTOOM AFTER HOURS USE (Between 5:30 PM and 9:30 AM)		
User Fee Per Day:		
More than 4 hours	$50.00	$50.00
Less than 4 hours	$25.00	$25.00
Deposit	$100.00	$100.00

FINANCE FEE SCHEDULE

FINANCE DEPARTMENT:	FY 11 ADOPTED	FY 12 Proposed
RETURNED ITEM HANDLING (check, bank draft, etc.)	$25.00	$25.00
NEW ACCOUNT FEE (for water, sewer or garbage)	$25.00	$25.00
UTILITY CUSTOMER DEPOSIT		
Residential	$75.00	$75.00
Commercial	$75.00	$75.00
Maximum of double the amount of estimated average month usage;		
the actual amount of the deposit to be set between such minimum and		
maximum by the Director of Finance.		
SERVICE CHARGE (includes turn-off, turn-on, pull/lock meter, or any service requiring a trip to the location)		
During Working Hours	$25.00	$25.00
After Hours	$50.00	$50.00
RECYCLING BINS (each)	$6.00	Move to SolidWaste
USE OF TYPE I RECLAIMED WATER FOR IRRIGATION OF		
THE SCOTT SCHREINER MUNICIPAL GOLF COURSE		
Per 1,000 gallons	$0.30	$0.38
BULK SALE OF TYPE 1 RECLAIMED WATER		
Up to 3,000 gallons per load	$10.00	$10.00
Greater than 3,000 gallons per load	$17.50	$17.50
LIEN FILING FEE	Actual Cost	Actual Cost

FIRE FEE SCHEDULE

	FY 11 ADOPTED	FY 12 Proposed
FIRE		
Copies of Public Information	See Administrative Fee Schedule	See Administrative Fee Schedule
FAX Transmissions	See Administrative Fee Schedule	See Administrative Fee Schedule
Plan Review Fee (Credited Toward Permit When Permit is Approved)	50% of Permit Fee	50% of Permit Fee
Outdoor Burning Permits		
Ceremonial Fire Permits (Bonfires)	$250.00	$250.00
Controlled Burns	$150.00	$150.00
Permit for Storage and/or Use of Liquid Propane Gas	$40.00	$100.00
Permit for Storage of Portable LP-Gas Containers Awaiting Use or Resale		$20.00
Amounts Listed in Table 105.6.8 of th e2006 edition *International Fire Code*		$100.00
Blasting Permit	$150.00	$150.00
Commercial Bar-B-Que Pit Permit	$25.00	$25.00
Under Ground Fuel Storage Tank Removal Permit (per site)	$75.00	$75.00
Tent Permit	$20.00	$20.00
or Combustible Finishes		$75.00
Permit for Industrial Oven Installation		$100.00
Canopy Permit	$20.00	$20.00
Membrane Structure Permit	$20.00	$20.00
Liquid Propane Tank Installation Permit (per tank)	$75.00	$75.00
Under/Above Ground Combustible or Flammable Liquid Fuel Storage Tank:		
Repair/Replace Existing Tanks or Product Lines:		
Per Tank	$40.00	$40.00
Per Site Product Line Replacement/Repair	$40.00	$40.00
Water Flow Test	$75.00	$75.00
Professional Pyrotechnical Display	$250.00	$250.00
Fire Sprinkler:		
Above Ground System		
New Installation	$100 per system + $.25 per sprinkler head.	$100 per system + $.25 per sprinkler head.
Repair/Remodel/Addition	$100 per system + $.25 per sprinkler head.	$100 per system + $.25 per sprinkler head.
Underground Fire Sprinkler or Standpipe Main	$75 per system	$75 per system
Above Ground Fire Standpipe System Only	$75 per system	$75 per system
Fire Pump and Related Equipment Installation/Modification		$100.00
Fire Alarm Installation:	$75.00	75 per system + $1.00 per device
Fire Alarm Repair/Remodel:	$75.00	75 per system + $1.00 per device
All Other Fire Protection Systems *	$75.00	75 per system
False Fire Alarm Fee *		
More than 3 times but fewer than 6 in preceding 12 month period	$50.00	$50.00
More than 5 times but fewer than 8 in preceding 12 month period	$75.00	$75.00
More than 8 or more times in preceding 12 month period	$100.00	$100.00
Re-inspection Fee (Excludes annual fire inspections)	$100.00	$100.00
Fire Inspections Requested/Scheduled Outside of Normal Business Hours		
Non-Holiday		$60 Per hour, 2 hours minimum. The minimum fee must be paid in advance of the inspection. Any balance due must be paid within 24 hours.
City Recognized Holiday		Fee is calculated Holiday Pay of the employee plus applicable benfits, minimum 2 hours. The minimum fee must be paid in advance of the inspection. Any balance due must be paid within 24 hours.
Hazardous Materials Permit	$100.00	$100.00
Flammable and Combustible Liquids Storage / Handling / Dispensing Permit	$75.00	$75.00
Miscellanious Combustible Storage Permit	$75.00	$75.00
High Pile Storage Permit	$75.00	$75.00
State Mandated Occupancy Inspection Outside City Limits		
Daycare (7 or fewer children), Foster Care, Adoption	$50.00	$50.00
Daycare (7 or more children), Halfway Houses, Group Care, MHMR	$75.00	$75.00
Youth Camps and Day Camps	$150.00	$150.00
Schools and Instructional Facilities	$150.00	$150.00
Hospital, Nursing Home, Assisted Living Facility Inspection	$150.00	$150.00
All Other	$100.00	$100.00
Fire Pump Acceptance Test	$100.00	$100.00
Event Permit (Carnivals and Fairs)	$75.00	$75.00
Hot Work Permit	$50.00	$50.00
Amusement Building Permit	$50.00	$50.00
Exhibit or Trade Show Permit	$50.00	$50.00
Change of Ocupancy Inspection	$20.00	$20.00
Investigation Fee for Issuance of Permit After Construction Is Started Without an Appoved Permit	Equal to Permit Fee	Equal to Permit Fee
Fee for Appeal to Building Board of Adjustment and Appeals	$150.00	$150.00
EMS:		
Basic Life Support	$405.40	$405.40
Basic Life Support (Emergency)	$648.64	$648.64
Advanced Life Support I	$486.48	$486.48
Advanced Life Support I (Emergency)	$770.26	$770.26
Advanced Life Support II	$1,114.86	$1,114.86
Specialty Care Transport	$1,114.86	$1,114.86
Aid Only, No Transport	$150.00	$150.00
Dedicated Standby		
For first two hours (per hour)	$100.00	$100.00
Per hour after first two hours	$75.00	$75.00
Response Fee	$75.00	$75.00
Local Transport (No Supplies)	$150.00	$150.00
Return (No Supplies)	$150.00	$150.00
Mileage (per loaded mile)	$20.82	$20.82
Supply/Procedure Charges:		
IV Administration	$20.00	$20.00
Medication Administration	$30.00	$30.00
Bandaging & Splinting	$20.00	$20.00

GOLF FEE SCHEDULE

SCOTT SCHREINER MUNICIPAL GOLF COURSE FEES:	FY 11 ADOPTED FEES		FY 12 Proposed FEES	
	9 Holes	18 Holes	9 Holes	18 Holes
Green Fees:				
Regular:				
Weekday	$11.00	$18.00	$11.00	$18.00
Weekend and holidays *	$17.00	$24.00	$17.00	$24.00
Member:				
Weekday	$5.00	$6.00	$5.00	$6.00
Weekend and holidays *	$6.00	$7.00	$6.00	$7.00
Junior:				
Weekday	$2.75	$4.00	$2.75	$4.00
Weekend and holidays *	$5.50	$6.75	$5.50	$6.75
Cart Rental:				
Full Cart	$11.00	$22.00	$11.00	$22.00
Half Cart	$6.00	$11.00	$6.00	$11.00
Trail Fee:				
Member Private Cart w/ annual Private Cart Fee	$4.00	$7.00	$4.00	$7.00
Non-member Private Cart	$6.00	$12.00	$6.00	$12.00
Private Cart Passenger w/ annual Private Cart Fee	$4.00	$7.00	$4.00	$7.00
Private Cart Passenger w/o annual Private Cart Fee	$5.50	$11.00	$5.50	$11.00
Member Dues:				
Annual Golf - First Family Member	N/A	$500.00	N/A	$500.00
Annual Golf - Second Family Member	N/A	$400.00	N/A	$400.00
Quarter Golf - First Family Member	N/A	$200.00	N/A	$200.00
Annual Private Cart	N/A	$220.00	N/A	$220.00
Note: All annual fees shall expire on the same date. Should a second annual fee be required, it shall be prorated to expire on the same date as the first annual fee with all subsequent payments due and payable at the same itme				
Cart Storage:				
Annual	N/A	$420.00	N/A	$420.00
Quarter	N/A	$140.00	N/A	$140.00
The City will not accept payments for more than one period in advance (annual or quarter), nor will the City Pro or his representative.				
Special Golf Fees:				
Senior Rates (65 and older)				
Non-Member - Weekday (includes green fee only) Cart Separate		$13.00		$13.00
		Drops cart		Drops cart
Twilight Fees:				
Starts at 2:00 PM (includes green fee only) Cart separate				
Member - Weekday		$3.00		$3.00
Member - Weekend *		$4.00		$4.00
Non-Member - Weekday		$11.00		$11.00
Non-Member - Weekend *		$14.75		$14.75
Tournament/Promotional Fees (minimum standard is 25 individual players):				
Standard group rate for 25+ players Weekday / Weekend Afternoons		25.00/player		25.00/player
Standard group rate for 25+ players Weekend mornings		35.00/ player		35.00/ player
and to broaden the customer base by attracting golfers from nearby communities.				
Driving Range Fees				
Small Bucket		$3.00		$3.00
Large Bucket		$5.00		$5.00
Driving Range Membership - Annual		$300.00		$300.00
Driving Range Membership - Quarterly		$100.00		$100.00
Rental Clubs	$15.00	$25.00	$15.00	$25.00
Pull Carts	$3.00	$6.00	$3.00	$6.00

*** Weekend rates are in place Friday through Sunday***

KERRVILLE/SCHREINER PARK FEE SCHEDULE

PARKS AND RECREATION DEPARTMENT: *Kerrville/Schreiner Park Fees*	FY 11 ADOPTED	FY 12 Proposed
Daily Entrance Fees:		
Adult (13 and over), not to exceed $10 per car.	$ 4.00	$ 4.00
Child (12 and under)	$ 1.00	$ 1.00
Seniors (over 65, regardless of residency)	$ 2.00	$ 2.00
Annual Day Use Pass (per vehicle) valid ONLY at Kerrville-Schreiner Park	$ 25.00	$ 25.00
Second vehicle pass for additional vehicles registered at the same address	$ 12.50	$ 15.00
Group School-Sponsored Trip (entrance fee per person 13 through 18)(not overnight)	$ 0.50	$ 0.50
City of Kerrville employees will be exempt from Daily Entrance Fees only; all other fees apply.		
Facility Use Fees:		
Camping per day. (Fees cover up to 4 persons per site. Maximum of 8 persons allowed per site; any persons over the 4 included in fee structure are subject to the daily entrance fees).		
Tent Site W/Water	$ 20.00	$ 20.00
Monthly rate for general campsites ONLY is year-around	$ 297.00	$ 297.00
RV Site - 30 AMP W/Water, No Sewer **Sites 221 - 235 and 317 - 323**	$ 23.00	$ 23.00
Monthly rate from September 15 through May 15 (includes all utilities)	$ 413.00	$ 413.00
RV Site - 30 AMP W/Water and Sewer Hookups **Sites 211-220 RIVERSIDE ONLY**	$ 26.00	$ 26.00
Monthly rate from September 15 through May 15 (includes all utilities)	$ 490.00	$ 490.00
RV Site - 30 AMP W/Water and Sewer Hookups **Sites 111-130 Deerfield Loop ONLY**	$ 26.00	$ 26.00
Monthly rate from September 15 through May 15 (includes all utilities)	$ 528.00	$ 528.00
RV Site -50 AMP W/Water and Sewer Hookups **SITES 201-210**	$ 28.00	$ 28.00
Sites 201-210 with 50 amp/30 amp/ 20 amp connections are on the **RIVERSIDE ONLY**		
Monthly rate from September 15 through May 15 (includes all utilities)	$ 561.00	$ 561.00
Mini-cabins, beds provided for 4 persons, (NO PETS) Hotel/motel taxed included. Cabins are air-conditioned , heated, have table and chairs, campfire rings (pit/grill), and picnic tables. No linens provided. $25 security deposit required.	$ 60.00	$ 60.00
Overflow Camping Area (available ONLY when all other sites are taken)	$ 20.00	$ 20.00
Big Cabin--beds provided for 6 persons (NO PETS) Hotel / motel tax applies. Cabin is air conditioned, heated, and a picnic table with combination campfire pit/grill. Cabin has small refrigerator, microwave oven, coffee maker, toaster, can opener, and a limited supply of dishes. Customer needs to bring towels, as well as any additional microwavable kitchen items which might be needed. Fee covers entrance fees for up to 4 persons; any in excess of those 4 subject to daily entrance fee schedule. $50 security deposit required.	$ 110.00	$ 110.00
Ranch House--beds provided for 8 persons (NO PETS) Hotel / motel tax applies. Cabin is air conditioned, heated, and a picnic table with combination campfire pit/grill. Ranch has refrigerator, microwave oven, coffee maker, toaster, can opener, and a limited supply of dishes. Customer needs to bring towels, as well as any additional microwavable kitchen items which might be needed. Fee covers entrance fees for up to 4 persons; any in excess of those 4 subject to daily entrance fee schedule. $200 security deposit required.	$ 200.00	$ 200.00
For all non-group overnight facilities, pay for 6 nights and the 7th night is a no charge (Year-around / NON_REFUNDABLE)		
Two microwaves ovens refrigerator/ freezer. Full width serving bar and tables with seating for approximately 100 persons.	$ 145.00	$ 145.00
and refrigerator/ freezer. It has 8 folding banquet tables with 50 chairs. Customer must reserve 2 days for overnight usage.	$ 300.00	$ 300.00
Group Picnic Area (G.P.A.) Capacity is 100 people. Locations as available. Fee cover entrance fees for up to 10 people.	$ 50.00	$ 50.00
Amphitheater with a capacity of 220 people (contact the park for information and reservations)	$ 100.00	$ 100.00
When rented in conjunction with the Group Recreation Hall	$ 25.00	$ 25.00
Reservation Fee, Cancellation Fee, Transfer Fee (Required by contract with TPWD)	$ 5.00	$ 10.00
Trailer Dump Fee (only if not camping in park) No Entrance Fee if dumping only.	$ 15.00	$ 25.00
Shower Fee (only if not camping in park).	$ 5.00	$ 5.00
Excess Vehicle Parking (charged for all vehicles beyond the two per site limit)	$ 5.00	$ 5.00
Butterfly Garden (for exclusive use for private events)--does not include Entrance Fees	$ 50.00	$ 50.00
Extra person occupancy fee	$ 3.00	$ 3.00

LIBRARY FEE SCHEDULE

	FY 11 ADOPTED	FY 11 ADOPTED
LIBRARY DEPARTMENT:		
Meeting Room:		
Meeting Room (per day)	$16.00	$20.00
Use of kitchen or any event with food served (Additional charge; no cooking allowed)	$5.00	
Piano (concert) (per day)	$10.00	$10.00
Piano (student recitals) (per day)	$20.00	$20.00
Repair of damaged furniture, equipment or facility	Actual Cost	Actual Cost
Gazebo:		
Gazebo (per day)	$30.00	$30.00
Duplicating Services:		
Photocopiers (per page) - Black & White	$0.10	$0.10
Photocopiers (per page) - Color	$0.25	$0.25
Microform Reader/Printers (per page)	$0.10	$0.10
Computer/Internet Printing (per page) - Black & White	$0.10	$0.10
Computer/Internet Printing (per page) - Color	$0.25	$0.25
Circulation Charges:		
Library Card (Kerr County Resident)	No Charge	No Charge
Nonresident Card (renewed each year)	$25.00	$25.00
Temporary Visitor Card (per month)	$3.00	$3.00
Library Card Replacement (first one free)	$1.00	$1.00
Fax Transmissions:		
United States (per page)	$1.00	$1.00
International (first page)	$5.00	$5.00
Each additional international page	$1.00	$1.00
Any provider fees or surcharges	Actual Cost	Actual Cost
Overdue Fines:		
Books - Adults (per day/per item; $12.00 maximum)	$0.10	$0.10
Books - Children (per day/per item; $5.00 maximum)	$0.10	$0.10
Audiotapes and CDs (per day/per item; $8.00 maximum)	$0.10	$0.10
CDs (per day/per item; $12.00 maximum)		$0.10
DVDs/Videos (per day/per item; $12.00 maximum)	$1.00	$1.00
Story Time Kits (per day/per kit; $12.00 maximum)	$1.00	$1.00
Other Kits (per day/per kit; $12.00 maximum)	$1.00	$1.00
Laptops (per day/per item; $50.00 maximum)	$5.00	$5.00
Electronic Equipment		TBD
Process Fee:		
Any lost or damaged materials (per item plus actual replacement cost)	$6.00	$6.00
Electronic Equipment:		
Damaged equipments and accessories		Actual replacement cost of item or next available generation of item if original is no longer on the market plus $25.00 processing fee.
Accessories only		Actual Cost plus $6.00 Process Fee
Replacement of items:		
	$800.00, plus $15.00 Processing Fee	$800.00, plus $15.00 Processing Fee
	Actual replacement cost, plus $6.00 Processing Fee	Actual replacement cost, plus $6.00 Processing Fee
	$10.00 per disk, plus $6.00 Processing Fee	$10.00 per disk, plus $6.00 Processing Fee
	$6.00 per cassette tape, plus $6.00 Processing Fee	$6.00 per cassette tape, plus $6.00 Processing Fee
Interlibrary Loan:		
Any overdue item (per day/per item; $15.00 maximum)	$1.00	$1.00
Lost/Damage Item		Lending Library determines Charge
Lost Item Processing (per item plus lending library's charges)	$6.00	$6.00
Return Postage	Per Pound Library Rate	Per Pound Library Rate
Replacement of Miscellaneous Parts:		
Audiocassette case (Single)	$0.50	
Audiocassette case (Multiple, 1-5 tapes)	$5.00	
Audiocassette case (Multiple, 5-10 tapes)	$7.00	
Audiocassette case (Multiple, 10-15 tapes)	$10.00	
Video/CD/DVD cassette case (Single)	$1.00	$1.00
CD/DVD case (Single)		$2.00
Book on CD case (Multiple, up to 12 CDs)	$8.00	$12.00
Book on CD case (Multiple, up to 24 CDs)	$12.00	$16.00
CD Jewel Case (Multiple, 2 disk)	$4.00	$3.00
DVD case (Multiple)	$7.00	$4.00
Video cassette case (Multiple, more than 2)	$10.00	
AV storage bags	$1.00	$1.00
Lost/Damaged		
Books (BHML - all ages)		Actual Cost plus $6.00 Process Fee
Books (History Center, rare, out of print)		Lesser of appraised value of item or $100.00
CDs (Books on CD, music CD)		Actual Cost plus $6.00 Process Fee
Replacement of individual CD in a set - Music or Book on CD (when available)		$10.00 per disc plus $6.00 process fee
DVDs (all ages - including sets)		Actual Cost plus $6.00 Process Fee
Kits (all kits)		Actual Cost plus $6.00 Process Fee
Replacement MP3 CD		Actual Replacement Cost plus $6.00 process fee
Replacement Play-a-ways		Actual Replacement Cost plus $6.00 process fee
Research Fees (requested from outside of service area)		
Handling Fee/Postage	$3.00	$3.00
Photocopy	$0.10/page	$0.10/page
Fax (United States)	$1.00/page	$1.00/page
Fax (International)	$5.00 for first page, $1.00 each additional page	$5.00 for first page, $1.00 each additional page

MUNICIPAL COURT FEE SCHEDULE		
MUNICIPAL COURT	**FY 11 ADOPTED**	**FY 12 Proposed**
On-Line Transaction Fee	**$1.50**	**$1.50**
Municipal Court Technology Fee	**$4.00**	**$4.00**
Building Security Fee	**$3.00**	**$3.00**

PARK AND RECREATION FEE SCHEDULE

	FY 11 ADOPTED FEES	FY 12 Proposed FEES
PARKS AND RECREATION DEPARTMENT:		
PARK FEES:		
SPECIAL EVENTS PERMIT (per application)	$25.00	$30.00
Boardwalk Pavilion (per hour, 4hr. Max)	$100.00	$100.00
LHP - Pavilion & BBQ Area with tables, Restrooms, 1/2 day		
Resident	$75.00	$75.00
Non-Resident	$100.00	$100.00
Deposit	$100.00	$100.00
LHP - Pavilion & BBQ Area with tables, Restrooms, All day		
Resident	$125.00	$125.00
Non-Resident	$150.00	$150.00
Deposit	$150.00	$150.00
Carver Park BBQ, 10 Tables, RR, Pavilion, All day		
Resident	$75.00	$75.00
Non-Resident	$100.00	$100.00
Deposit	$100.00	$100.00
Small Park Pavilions		
1/2 day	$25.00	$25.00
All day	$40.00	$40.00
Deposit	$25.00	$25.00
Includes LM Park, LH Park, Schultz, Elm Creek, Westland, Singing Winds		
Guadalupe Park Athletic Lights (per hour)	$15.00	$15.00
Centennial Stage		
With tent and electricity	$600.00	$600.00
Without tent, with electricity	$125.00	$125.00
Without tent, without electricity	$50.00	$50.00
Deposit	$150.00	$150.00
SOFTBALL FEES:		
League Players Fee (per participant)	$5.00	$5.00
Field per Day, no Lights	$150.00	$150.00
Field per Day, with lights	$175.00	$175.00
Tournament Clean-up and key deposit	$150.00	$150.00
Deposit for Bases & Equipment	$100.00	$100.00
Practice Use No Lights (per hour)	$10.00	$15.00
Practice Use With Lights (per hour)	$15.00	$20.00
TENNIS CENTER FEES:		
Court Fees-		
All ages - 1½ hour per person/singles reservation	$3.00	$3.00
2 Hours per doubles reservation		
Tournament Fees-		
One court fee per player per day	Negotiated in contract	Negotiated in contract
Exemptions-		
KISD Tournaments and Practice	$0.00	$0.00
Schreiner College Tournaments	$0.00	$0.00
Annual Fees -		
Juniors (under 21 years) per year	$90.00	$90.00
Adults per year	$150.00	$150.00
Family per year	$225.00	$225.00
KISD Joint Use Fee (per year)	$0.00	$0.00
SWIMMING POOL FEES:		
Olympic Pool - Admissions - Adult (13 and over)	$3.00	$3.00
Olympic Pool - Admissions - Children (4 to 12)	$3.00	$3.00
Olympic Pool - Admissions - Children (3 and under with accompanying parent)	$0.00	$0.00
Olympic Pool - Admissions - Non-swimmers all ages	$1.00	$1.00
Summer Individual Pass	$50.00	$50.00
Summer Family Pass - up to 4 family members	$100.00	$100.00
Summer Family Pass - Additional member	$20.00	$20.00
Private Pool Rental - 2 hours / includes lifeguards	$200.00	$200.00
Pool Pavilion Rental - 2 hours / does not include cost of pool admission	$20.00	$20.00
Swim Lessons (per person)	$35.00	$35.00

INSPECTION FEE SCHEDULE

	FY 11 ADOPTED	FY 12 Proposed
BUILDING INSPECTION:		
PROFESSIONAL AND OCCUPATIONAL LICENSES:		
General Contractor License	$500.00	$500.00
General Contractor License Renewal	$100.00	$100.00
General Contractor License / Single Project (currently charged at GC rate)	$100.00	$100.00
Master Electrician License	$0.00	$0.00
Master Electrician License Renewal	$0.00	$0.00
Restricted Master Electrician License	$0.00	$0.00
Journeyman Electrician License	$0.00	$0.00
Apprentice Electrician License Renewal	$0.00	$0.00
BUILDING, CONSTRUCTION & DEMOLITION PERMITS (single family residential):		
(By value of construction)		
$1,000 and less	$25.00	$25.00
$1,000 to $50,000	$25.00 for the first $1,000.00, plus $5.00 for each additional thousand or fraction thereof, to and including $50,000.00	$25.00 for the first $1,000.00, plus $5.00 for each additional thousand or fraction thereof, to and including $50,000.00
$50,000 to $100,000	$270.00 for the first $50,000.00 plus $4.00 for each additional thousand or fraction thereof, to and including $100,000	$270.00 for the first $50,000.00 plus $4.00 for each additional thousand or fraction thereof, to and including $100,000
$100,000 to $500,000	$470.00 for the first $100,000.00 plus $3.00 for each additional thousand or fraction thereof, to and including $500,000.00	$470.00 for the first $100,000.00 plus $3.00 for each additional thousand or fraction thereof, to and including $500,000.00
$500,000 and up	$1,670.00 for the first $500,000.00 plus $2.00 for each additional thousand or fraction thereof.	$1,670.00 for the first $500,000.00 plus $2.00 for each additional thousand or fraction thereof.
Re-Inspection Fee	see recommended changes	see recommended changes
Demolition and Moving Deposit	$500.00	$500.00
*For commercial properties over $500,000 in value, fees will be determined by actual cost of service.		
BUILDING, CONSTRUCTION & DEMOLITION PERMITS (commercial and multifamily):		
(By value of construction)		
$1,000 and less	$25.00	$25.00
$1,000 or greater	Same as Residential	$5.00 for each thousand or fraction thereof
Demolition and Moving Deposit	$500.00	$500.00
*For commercial properties over $500,000 in value, upon approval of the City Manager, fees may be determined by actual cost of service.		
BUILDING, CONSTRUCTION & DEMOLITION PLAN REVIEW	50% of Building Permit Fee	50% of Building Permit Fee
Plan review fee is due at permit application		
ELECTRICAL PERMITS	$40.00	$40.00
Circuits	$2.00	$2.00
Fixtures	$0.50	$0.50
Motors (1 HP and smaller)	$2.00	$2.00
Motors (over 1 to 10 HP)	$2.50	$2.50
Motors (over 10 to 25 HP)	$3.00	$3.00
Motors (over 25 HP)	$5.00	$5.00
Services	$7.50	$7.50
Services (per additional meter)	$7.50	$7.50
Appliances (range, water heater, dishwasher, disposal, dryer, etc.)	$2.00	$2.00
Equipment (welder)	$3.00	$3.00
Equipment (transformers)	$5.00	$5.00
Equipment (others)	$3.00	$3.00
Signs	$5.75	$5.75
Neon Signs For Transformer	$1.00	$1.00
Re-Inspection Fee	see recommended changes	see recommended changes

Value of Construction to be determined by the greater of		
Value quoted by contractor		
Value calculated using the ICC Project Valuation Tables as updated		
Plan review fee to be paid at time of permit submittal		
Leave fee at 1/2 of permit fee for first review. Initial review fee includes review of minor changes.		
Create fee for major second review due to substantail submittal, or major proect changes - bills at $60/hour		
Reinspection Fee		
First Reinspection Fee	$0.00	$0.00
Second Reinspection - same permit	$100.00	$100.00
Subsquent Reinspection - same permit	$150.00	$150.00
Change of Contractor on Active Permit		
Adminstrative fee	$100.00	$100.00
plus		
Reissue permit based on percentage of work completed/remaining on project	per fee schedule	per fee schedule
Special Inspection Fee		
Business Hour Inspection - Scheduled	$50 per permit same address	$50 per permit same address
Off Hour Inspection - Scheduled	$50 per hour/two hour minimum	$50 per hour/two hour minimum
Off Hour Inspection - Emergency	$50 per hour/four hour minimum	$50 per hour/four hour minimum
IRRIGATION SYSTEM PERMITS (LAWN SPRINKLER SYSTEM)		
City Water Customers		
Permit = $30 + $3 per $1,000 of valuation		
Plan Review = 50% of Permit fee		
Non-City Water Customers		
Permit = $45 + $100 per inspection (minimum 2 inspections)		
Plan Review = 50% of Permit fee		
PLUMBING AND GAS PERMITS	$30.00	$30.00
Fixtures	$2.50	$2.50
Building Drain	$7.50	$7.50
Water Heater and/or Vent	$10.00	$10.00
Gas Piping 1 to 5 outlets	$10.00	$10.00
Piping For Water Treatment	$7.50	$7.50
Replace Sewer Yard Line	$10.00	$10.00
MECHANICAL PERMITS		
Initial Fee:	$30.00	$30.00
First $1,000.00 value, or part thereof	$15.00	$15.00
Each additional $1,000.00 value over first $1,000.00	$3.00	$3.00
Inspection Fee:		
Add or replace electrical wiring or panel	$15.00	$15.00
Replacement equipment	$15.00	$15.00
New equipment	$15.00	$15.00
Alter existing equipment	$10.00	$10.00
Re-inspection Fee	see recommended changes	see recommended changes
CHANGE OF OCCUPANCY (EXISTING STRUCTURES)	$20.00	$20.00
BUILDING REPORTS (NOT FOR RESALE)	$5.00	$5.00
ISSUANCE OF PERMIT (BUILDING, ELECTRICAL, MECHANICAL, PLUMBING, IRRIGATION, ETC.) AFTER CONSTRUCTION PROJECT IS STARTED, FIRST OCCURRENCE BY CONTRACTOR	ater of double the original perimit fee or	f double the original perimit fee or $75
ISSUANCE OF PERMIT (BUILDING, ELECTRICAL, MECHANICAL, PLUMBING, IRRIGATION, ETC.) AFTER CONSTRUCTION PROJECT IS STARTED, SUBSEQUENT OCCURRENCES BY CONTRACTOR	ater of double the original perimit fee or	f double the original perimit fee or $250
FEE FOR APPEAL TO BUILDING BOARD OF ADJUSTMENTS AND APPEALS FEE	$150.00	$150.00
Mechanics Board of Adjustments and Appeals, Plumbing Board of Adjustments and Appeals,		
Electrical Board of Adjustments and Appeals		

HEALTH FEE SCHEDULE

HEALTH DIVISION:	FY 11 ADOPTED	FY 12 Proposed
Health Permits (By total floor area - square footage)		
0 < 1,000	$70.00	$70.00
1,000 - 1,900	$85.00	$85.00
2,000 - 2,900	$100.00	$100.00
3,000 - 3,999	$125.00	$125.00
4,000 - 4,999	$150.00	$150.00
5,000 - 10,000	$200.00	$200.00
> 10,000	$350.00	$350.00
Catering Establishment Permits		
0 < 1,000	$70.00	$70.00
1,000 - 1,900	$85.00	$85.00
2,000 - 2,900	$100.00	$100.00
3,000 - 3,999	$125.00	$125.00
4,000 - 4,999	$150.00	$150.00
5,000 - 10,000	$200.00	$200.00
> 10,000	$350.00	$350.00
Bars and Lounges - Free Standing		
0 < 1,000	$70.00	$70.00
1,000 - 1,999	$85.00	$85.00
2,000 - 2,999	$100.00	$100.00
3,000 - 3,999	$125.00	$125.00
4,000 - 4,999	$150.00	$150.00
5,000 - 10,000	$200.00	$200.00
>10,000	$350.00	$350.00
Exemptions:		
Taxing Authorities		
Non-profit Organizations		
Late fee, Health Permits purchased after October 15 (in addition to permit fee)	$50.00	$50.00
Seasonal Permits (valid for 6 months)	$60.00	
Non-profit Organization Health Permit	$10.00	$10.00
Certificate of Occupancy Inspection	$50.00	$50.00
Food Establishment Plan Review	$25.00	$25.00
First Reinspection Fee	$0.00	$0.00
Second Reinspection - same violation	$100.00	$100.00
Subsquent Reinspection - same violation	$150.00	$150.00
Off Hour Inspection - Emergency	$50 per hour/four hour minimum	$50 per hour/four hour minimum
Follow-up Inspections	$0.00	$0.00
Follow-up Inspections (any additional follow up inspection)	$0.00	$0.00
Sanitation Inspections and Environmental Inspections (foster homes, day care, pools)	$40.00	$40.00
Semi Public Pools/Spas (single pool facilities)	$40.00	$75.00
Each additional Pool or Spa	$40.00	$25.00
Temporary Food Service Establishment (valid 14 days) SPECIAL EVENT	$35.00	$35.00
Temporary Permit (14 days)	$35.00	$35.00
Seasonal (non-hazardous foods)	$50.00	$50.00
Seasonal (non-hazardous foods)(Permit valid for 10 month permit)		$50.00
Seasonal (non-hazardous foods per event)		$10.00
Seasonal (potentially hazardous foods)(Permit valid for 6 months)	$100.00	
Seasonal (potentially hazardous foods)(Permit valid for 10 months)		$100.00
Seasonal (potentiall hazardous foods per event)		$15.00
Seasonal (hazardous foods $10.00 per unit per event)	10.00/month	
Certification	$65.00	
Re-certification	$40.00	
Late Fee for Fixed/Mobile Facilities	$50.00	
Manifest Books (each)	$5.00	$5.00
Mobile Food Preparation Vehicle	$150.00	
Mobile Non-Food Preparation Vehicle	$50.00	
Unrestricted Mobile Food Establishment		150 plus peddlers permit
Restricted Mobile Food Establishment		50 plus peddlers permit
Catering License (annual)	$70.00	$70.00
General Service Catering Vehicle (each)	$75.00	$75.00
Vegetable/Fruit Vendor (per vehicle)	$50.00	
Vending Machine Service Vehicle	$40.00	
Registration Fee (temporary vendors outside city to vend inside city)	$20.00	
Registration Fee for Food Facility located outside city to Cater inside City	$600.00	
Replace lost, stolen or damaged Health Permit or Food Handlers Certificate	$5.00	$5.00
Peddler Permit	See Administrative Fee Schedule	See Administrative Fee Schedule

PLANNING FEE SCHEDULE		
	FY 11 ADOPTED	FY 12 Proposed
PLANNING DIVISION:		
ZONING AND SUBDIVISION FEES:		
Concept Plans	$500.00	$500.00
Preliminary Plats	$300.00 plus the greater of $20.00 per lot or $10.00 per acre*	$300.00 plus the greater of $20.00 per lot or $10.00 per acre*
Final Plats, Minor Plats, Replats, Vacating Plats, Development Plats, Amending Plats	$150.00 plus the greater of $10.00 per lot	$150.00 plus the greater of $10.00 per lot
*Where the ADOPTED subdivision contains lots of more than 5 acres each, and is to be used for agricultural purposes (to include the preservation of open/natural space), recreational or single-family residential purposes, the City Planning and Zoning Commission		
Minor Plat, Replat, Vacating Plat, Amending Plat	See Final Plat Fee	See Final Plat Fee
Zoning Map Amendment (Planned Development, Special Use Permit)	$300.00	$300.00
Text Amendment	$300.00	$300.00
Zoning Variance	$150.00	$150.00
Appeal to City Council or Planning & Zoning Commission	$15.00	$15.00
Administrative Appeal	$150.00	$150.00
Comprehensive Plan Amendment	$300.00	$300.00
Land Use Permit	$25.00	$25.00
In case, where legal notice of public hearing is required and applicant deferrs scheduled action, reapplication is required based on fee for original application		

POLICE FEE SCHEDULE

POLICE DEPARTMENT:	FY 11 ADOPTED	FY 12 Proposed
ACCIDENT REPORTS	$6.00	$6.00
ALARM SERVICE (Police)	$25.00	$25.00
FALSE ALARM FEE *		
More than 3 times but fewer than 6 in preceding 12 month period	$50.00	$50.00
More than 6 times but fewer than 8 in preceding 12 month period	$75.00	$75.00
More than 8 or more times in preceding 12 month period	$100.00	$100.00
FINGERPRINTING	$10.00	$10.00
FUNERAL ESCORT SERVICE		
(minimum of 2 officers with 2 hours per officer)	$120.00	$120.00
HOUSE MOVING & OTHER ESCORT	$30.00	$30.00
LETTERS OF CLEARANCE	$10.00	$10.00
OFFENSE/INCIDENT REPORTS	$4.00	$4.00
PARADE FEES AND DEPOSITS:		
Deposits-		
Class A	$250.00	$250.00
Class B	$750.00	$750.00
Class C	$100.00	$100.00
Parade Fees-		
Class A	$50.00	$50.00
Class B	$100.00	$100.00
Class C	$25.00	$25.00
STOCK DRIVER PERMIT	$5.00	$5.00
ALARM SERVICE PERMIT FEE *		
Residential	$50.00	$50.00
Commercial	$100.00	$100.00

ENGINEERING & PUBLIC WORKS FEE SCHEDULE

	FY 11 ADOPTED	FY 12 Proposed
PUBLIC WORKS DEPARTMENT:		
TRAFFIC CONTROL FEE (PER MAN HOUR)		$40.00
BANNER PERMIT	$60.00	$60.00
BANNER PERMIT ADMINISTRATION FEE	$20.00	$25.00
STREET SIGNS	$250.00	$250.00
SIDEWALK CAFÉ, PER TABLE		$50.00
ENGINEERING DEPARTMENT		
FLOODPLAIN DEVELOPMENT PERMIT	$25.00	$25.00
MAPPING INFORMATION:		
Subdivision Specifications (per copy)	$25.00	$25.00
City Survey Coordinate System Book	$30.00	$30.00
8.5"X11" (each)		
B&W	$3.00	$3.00
Color	$5.00	$5.00
11"x17" (each)		
B&W	$5.00	$5.00
Color	$7.00	$7.00
24" X 36"		
B&W	$10.00	$10.00
Color	$25.00	$25.00
36"x54" ETJ Maps (each)	$25.00	$25.00
Digital Map on Disk (each)	$30.00	$30.00
CONSTRUCTION INSPECTION OVERTIME	35.00/HR	35.00/HR
LAND RECORD FILING FEES*		
First page	$5.00	$5.00
Second page and each additional	$4.00	$4.00
Names in excess of 5 names to be indexed	$0.25	$0.25
Records Management Fees per document	$5.00	$5.00
Courthouse Security Fee per document	$1.00	$1.00
Records Archive Fee per document	$5.00	$5.00

* Fees are subject to change based on the County's fee schedule, and will be charged accordingly

SOLID WASTE FEE SCHEDULE

	FY 11 ADOPTED	FY 12 Proposed
PUBLIC WORKS DEPARTMENT:		
SOLID WASTE COLLECTION SERVICE LICENSE		
Application Fee:		
Small Waste Collector	$150.00	$150.00
Collection Vehicle (each)	$5.00	$5.00
Waste Collector	$250.00	$250.00
Collection Vehicle (each)	$5.00	$5.00
Application Renewal:		
Small Waste Collector	$75.00	$75.00
Collection Vehicle (each)	$5.00	$5.00
Waste Collector	$100.00	$100.00
Collection Vehicle (each)	$5.00	$5.00
SOLID WASTE DISPOSAL SERVICE		
Municipal Solid Waste - Compacted (per ton)	$40.30	$40.30
Municipal Solid Waste - Compacted minimal (less than 360 lbs.)	$9.17	$9.17
Municipal Solid Waste - Loose (per ton)	$40.30	$40.30
Municipal Solid Waste - Loose minimal (less than 360 lbs.)	$9.17	$9.17
Municipal Solid Waste - Compacted (Weight scale not operational) (per yard)	$9.21	$9.21
Municipal Solid Waste - Compacted minimal (Weight scale not operational) (per yard)	$9.21	$9.21
Municipal Solid Waste - Loose - (Weight scale not operational) (per yard)	$9.21	$9.21
Municipal Solid Waste - Loose minimal (Weight scale not operational) (per yard)	$9.17	$9.17
Surcharge (per ton)	$11.00	$11.00
Special waste - Asbestos (per ton)	$40.30	$40.30
Special waste - Asbestos minimal (less than 360 lbs.)	$9.17	$9.17
Special waste - Liquids (per gallon)	$0.23	$0.23
Small Tire (each)	$2.34	$2.34
Large Tire (each)	$11.65	$11.65
Small Animal (each)	$7.75	$7.75
Large Animal (each)	$29.83	$29.83
Weight/Scale (each)	$1.07	$1.07
Ticket/Copy (each)	$2.13	$2.13
Pull Off (each)	$5.85	$5.85
Loads not covered with tarp or net (per occurrence)	$5.00	$5.00
Residential Garbage Collection (per month)	$5.29	$5.29
Disposal Pass Through (per month)	$4.26	$4.26
Mobile Home Service (per month)	$3.97	$3.97
Disposal Pass Through (per month)	$4.26	$4.26
Composting (per month)	$1.93	$1.93
Recycling (per month)	$3.17	$3.17
SOLID RECYCLING SERVICE		
RECYCLING BINS (each)		$6.50

Water, Wastewater and Laboratory FEE SCHEDULE

WATER AND WASTEWATER DIVISIONS:	FY 11 ADOPTED	FY 12 Proposed
WATER TAPS:		
3/4" tap - Material, labor and equipment	$1,312.00	$1,420.20
1" tap - Material, labor and equipment	$1,365.00	$1,489.20
Water taps above 1" in size will be quoted using current pricing for meter and other materials.		
WATER METER SET/INSTALL, IF THE WATER TAP EXISTS		
3/4 X 5/8 meter- Material, labor and equipment	$200.00	$200.00
3/4" meter - Material, labor and equipment	$175.00	$175.00
1" meter - Material, labor and equipment	$250.00	$250.00
Water meters above 1" in size will be quoted using current pricing for meter and other materials.		
SEWER TAPS:		
4" tap - Material, labor and equipment - Out of manhole	$1,399.00	$1,441.40
6" tap - Material, labor and equipment - Out of manhole	$1,500.00	$1,560.00
6" tap - Material, labor and equipment - With manhole	$3,473.00	$3,712.00
Additional charge per foot of depth for manholes over 8 feet deep	$200.00	$200.00
SEPTAGE:		
Septage/chemical toilet waste received at treatment plant (per gallon)	$0.08	$0.08
LABOR AND EQUIPMENT FOR REQUESTED SERVICES:		
Labor (per hour/per person)	$23.40	$23.40
Backhoe/Loader (per hour)	$45.00	$45.00
Dump Truck	$30.00	$30.00
Hydro-jet Sewer Cleaning Truck (per hour)	$95.00	$95.00
Air Compressor (per hour)	$12.50	$12.50
Televising Wastewater Mains (per hour - includes crew and equipment)	$150.00	$150.00
Service Truck with tools (per hour)	$25.00	$25.00
Backflow Prevention Test (Reduced Pressure Zone Device, each test)	$100.00	$100.00
Backflow Prevention Test (Double Check Device, each test)	$70.00	$70.00
Scale Fee	$1.00	$1.00
Water Violation Reconnect Fee	$25/$50	$25/$50
Inspection Fee (For Privately installed water + wastewater tap)	$50.00	$50.00
WATER WELL LICENSE APPLICATION	$50.00	$50.00
LABORATORY SERVICES (by parameter, per each test):		
Alkalinity (as CaCO2)	$20.00	$20.00
Ammonia Nitrogen	$30.00	$30.00
Total BOD5	$33.00	$33.00
Carbonaceous BOD5	$40.00	$40.00
Chlorides	$10.00	$10.00
Conductivity	$5.00	$5.00
Iron	$15.00	$15.00
Hardness, Total	$15.00	$15.00
Nitrogen, Nitrate	$18.00	$18.00
Nitrogen, Nitrite	$18.00	$18.00
Oil and Grease	$40.00	$45.00
Phosphorous, Total	$20.00	$20.00
Solids, Total Dissolved	$35.00	$35.00
Solids, Total Suspended	$15.00	$15.00
Solids, Volatile Suspended	$15.00	$15.00
Sulfates	$15.00	$15.00
Total Organic Carbon	$50.00	$50.00
BACTEROLOGICAL TEST		
Total Coliform/E. Coli (presence/absense)	$16.00	$16.00
Coliform, Fecal (count)	$20.00	$20.00
Total Coliform/E. Coli Enumeration (Quanti-Tray)	$18.00	$18.00
Heterotrophic Plate Count	$20.00	$20.00
SAMPLE COLLECTION FEE		
Water Sample Collection Fees (inside of city limits only)		$25.00
STANDARD ANAYLSIS PACKAGE (DRINKING WATER)		
Included: Alkalinity, Chlorides, Conductivity, Total Hardness, Iron, Nitrate, Sulfate, Total Dissolved Solids, Total Coliform/E. coli.	$100.00	$100.00

WATER RECORDS FEE SCHEDULE		
Water Records and Collections	FY 11 ADOPTED	FY 12 Proposed
WATER RATES - INSIDE CITY**		
RESIDENTIAL		
Monthly Account Maintenance Fee	$11.43	$11.43
0 - 6000 gallons (per 1,000 gallons)	$2.66	$2.66
6,001 - 15,000 gallons (per 1,000 gallons)	$3.06	$3.06
15,001 - 25,000 gallons (per 1,000 gallons)	$3.98	$3.98
25,001 - 50,000 gallons (per 1,000 gallons)	$5.17	$5.17
50,001 and up gallons (per 1,000 gallons)	$6.72	$6.72
COMMERCIAL		
Monthly Account Maintenance Fee	$11.43	$11.43
0 - 25,000 gallons (per 1,000 gallons)	$3.03	$3.03
25,001 - 50,000 gallons (per 1,000 gallons)	$3.48	$3.48
50,001 and up gallons (per 1,000 gallons)	$4.01	$4.01
IRRIGATION		
Monthly Account Maintenance Fee	$11.43	$11.43
0 -15,000 gallons (per 1,000 gallons)	$3.98	$3.98
15,001 - 25,000 gallons (per 1,000 gallons)	$4.98	$4.98
25,001 and up gallons (per 1,000 gallons)	$6.47	$6.47
FIRE HYDRANT METERS		
Monthly Account Maintenance Fee	$62.40	$62.40
Deposit	$2,750.00	$2,750.00
Meter Set-up or Move	$150.00	$150.00
New Account Fee	$25.00	$25.00
0 -15,000 gallons (per 1,000 gallons)	$3.98	$3.98
15,001 - 25,000 gallons (per 1,000 gallons)	$4.98	$4.98
25,001 and up gallons (per 1,000 gallons)	$6.47	$6.47
EFFLUENT OR RE-USE (per 1,000 gallons)	$0.38	$0.38
(Unless otherwise agreed to in separate instrument contract)		
SEWER RATES - INSIDE CITY**		
RESIDENTIAL		
Monthly Account Maintenance Fee	$8.55	$8.55
Per 1,000 gallons	$4.37	$4.37
COMMERCIAL		
Monthly Account Maintenance Fee	$8.55	$8.55
Per 1,000 gallons	$4.70	$4.70
Water by the Truck Load		
REUSE WATER		
0 - 3,000 gallons	$10.00	$10.00
3,000 - 8,000 gallons	$17.50	$17.50
BULK POTABLE WATER		
0 - 3,000 gallons	$12.50	$12.50
3,000 - 8,000 gallons	$20.00	$20.00
**Customers outside city limits rates are 1 1/2 times above rates.		

Agenda Item:
(Staff)

2E. A resolution adopting amendments to the City of Kerrville investment policy regarding the investment of city funds in accordance with the public funds investment act.

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

SUBJECT: Approval of a resolution updating the investment policy of the City of Kerrville

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED**: August 11, 2011

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

EXHIBITS: Resolution, City's Investment Policy
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

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

SUMMARY STATEMENT

The City is updating the City's investment policy and investment strategy to reflect legislative changes from the State. The changes are outlined below:

> Before purchase of FDIC insured brokered certificates of deposits, the Investment Officer must verify the FDIC status of the bank.
>
> The Investment Officer on a weekly basis must monitor the credit rating on all authorized investments in the portfolio.
>
> The Investment Officer on no less than a weekly basis shall monitor the status and ownership of all banks issuing brokered CDs owned by the City.

The city's investment strategy was last approved by Council in June 2011.

RECOMMENDED ACTION

Staff requests approval of this resolution.

CITY OF KERRVILLE, TEXAS
RESOLUTION NO. ___-2011

A RESOLUTION ADOPTING AMENDMENTS TO THE CITY OF KERRVILLE INVESTMENT POLICY REGARDING THE INVESTMENT OF CITY FUNDS IN ACCORDANCE WITH THE PUBLIC FUNDS INVESTMENT ACT

WHEREAS, the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) requires a city to annually review its investment policy with respect to the investment of public funds collected and held by the city pending the need to spend said funds; and

WHEREAS, City staff has reviewed the City's current investment policy and recommends amendments to said policy, including the investment strategy contained therein; and

WHEREAS, the City Council of the City of Kerrville, Texas, having reviewed said policy, concurs in the City staffs' recommendation and finds that it is in the public interest to extend said policy and readopt same with amendments;

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

The City of Kerrville, Texas, investment policy, as adopted by Resolution 063-2006, and which includes the investment strategy, is amended as indicated in **Exhibit A.**

PASSED AND APPROVED ON this the _____ day of __________, A.D., 2011.

ATTEST:

____
David Wampler, Mayor

____
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

____
Michael C. Hayes, City Attorney

City of Kerrville, Texas
Investment Policy

1. General Policy

It is the policy of the City of Kerrville (the "City") to administer its funds and the investment of those funds, as its highest public trust. The funds shall be invested in a manner, which provides for maximum safety of principal through risk management and diversification while meeting the City's daily cash needs. The investment of the City's funds should provide a reasonable investment return. The earnings from investment will be used in a manner that best serves the interests of the City.

The City shall administer its investment activities in conformance with the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), the Public Collateral Act (Texas Government Code, Chapter 2257) and in conformance with any applicable state and federal regulations, applicable bond resolution requirements, and this Investment Policy.

2. Scope

This Investment Policy governs the investment of all financial assets of the City as accounted for in the City's Comprehensive Annual Financial Report. This includes the financial assets of the following funds:

a. general fund,
b. special revenue fund,
c. capital project fund,
d. enterprise fund,
e. reserve fund,
f. trust and agency funds, to the extent not required by law or existing contract to be kept segregated and managed separately,
g. debt service fund, including reserve and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately, and
h. any new fund created by the City, unless specifically exempted from this Policy by the City Council or by law.

3. Goals and Objectives

Investment of the City funds shall be governed by the following investment objectives, in their order of priority:

a. **Safety**
Safety of principal is the foremost objective of the investment program of the City. Investment shall be undertaken in a manner that seeks to ensure the preservation of capital and avoids security defaults or erosion of market values. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

b. **Liquidity**
The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonable anticipated. Ongoing cash flow analysis will be used to identify changing liquidity needs. Demand deposits or other liquid investments should be maintained in an amount greater than or equal to one sixth (1/6) of the City's total annual operating budget in order to avoid the need to liquidate securities prior to maturity,

To the extent possible, the City will attempt to match its investment maturities with anticipated liabilities and cash flow requirements. Unless matched to a specific cash flow requirement, the City will not directly invest in any securities maturing more than two (2) years from the date of purchase.

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Such specific cash flow requirements would include operating funds, construction funds, and debt service funds.

To reflect the cash flow requirements and risk tolerance levels of the City, the weighted average maturity of the overall portfolio shall not exceed 180 days.

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c. **Diversification**
In order to minimize investment and market risk, the City will diversify its investments by market sector (security type) and maturity. The portfolio will be designed to avoid unreasonable risks within one market sector or from an individual financial institution.

d. **Yield**
The City's investment portfolio shall be designed with the objective of attaining a reasonable rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio. The portfolio(s) risk shall be measured quarterly against a benchmark based on cash flow analysis and the authorized portfolio structure. The overall portfolio shall have a maximum weighted average maturity of six (6) months. To measure the overall risk of the portfolio, a benchmark of the six-month Treasury Bill shall be reported.

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Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The City shall maintain a cash management program, which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services.

4. Investment Strategy

In compliance with the Act and as an integral part of the administration of the City's investment activities, the City Council shall annually adopt a written Investment Strategy .
The City maintains one commingled portfolio for investment purposes which incorporates the specific investment strategy considerations and the unique characteristics of the fund groups represented in the portfolio:

A. The investment strategy for operating, enterprise and special revenue funds has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. The secondary objective is to create a portfolio structure which will experience minimal volatility. This may be accomplished by purchasing high quality, short- to medium-term maturity securities (0-2 years) which will complement each other in a laddered maturity structure permitting some extension for yield enhancement. The maximum dollar weighted average maturity of six (6) months or less will be calculated using the stated final maturity date of each security.

B. The investment strategy for debt service funds shall have as its primary objective the assurance of available funds adequate to fund the debt service obligations on a timely basis. Successive debt service dates will be fully funded before extension.

C. The investment strategy for reserve funds shall have as its primary objective the ability to generate a revenue stream to the debt service funds from high quality securities with a low degree of volatility. The potential for loss shall be further controlled through the purchase of securities within the desired maturity range.

D. The investment strategy for capital projects or capital project funds will have as its primary objective assurance that anticipated cash flows are matched and provide adequate investment liquidity. At least

10% total liquidity is planned to provide flexibility and for unanticipated project outlays. The stated final maturity dates of securities held may not exceed the estimated project completion date.

The City shall pursue an active versus a passive portfolio management strategy. That is, securities may be sold before they mature if market conditions present an opportunity for the City to benefit from the trade. The investment officer and adviser will continuously monitor the contents of the portfolio, the available markets, and the relative value of competing instruments to adjust the portfolio in response to market conditions.

5. Investment Officers

The City's Director of Finance is authorized to administer the investment activities of the City and, is designated as Investment Officer for the purposes of this Policy. Upon recommendation of the City Manger, the City Council may designate one or more additional qualified employees or an SEC Registered Investment Advisor, as Investment Officer(s). The designation of additional Investment Officers shall be by resolution, or award of contract. Authority and designation as Investment Officer is effective until rescinded by the City, expiration of the officer's term, or until termination of employment.

All Investment Officer(s) shall be familiar with this Policy and its underlying procedures. No Investment Officer may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Director of Finance.

A trading resolution is established by adoption of this Investment Policy authorizing the Investment Officer(s) to engage in investment transaction on behalf of the City. The persons so authorized to transact business are also authorized to approve wire transfers used in the process of investing.

Training

All Investment Officer(s) shall attend ten (10) hours of training in accordance with the Act within twelve (12) months of assuming responsibilities and attend (10) hours of training each successive two-year period. Training shall be provided or endorsed by the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, and the Texas Municipal League. Training should include topics such as investment controls, security risk, market risks, diversification of the investment portfolio and compliance with State laws.

6. Standard of Care

The standard of care to be used by the City's Investment Officer(s) shall be the "prudent person standard" and shall be applied in the context of managing the overall portfolio, rather than a consideration as to the prudence of a single investment; and whether the investment decision was consistent with this investment policy. The standard states:

Investment shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of the capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority:

(1) preservation and safety of principal;
(2) liquidity,
(3) diversification; and
(4) yield.

Investment Officer(s) acting in accordance with the Investment Policy and exercising due diligence, shall be relieved of personal liability for an individual security's credit risk or market price change, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

An investment officer of the City who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest. For the purpose of this paragraph, an investment officer has a personal business relationship with a business organization if:

1. the investment officer owns 10% or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization.
2. funds received by the investment officer from the business organization exceed 10% of the investment officer's gross income for the previous year; or
3. the investment officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the investment officer.

7. Standard of Ethics

Investment Officer(s) shall act as custodians of the public trust and shall refrain from any transaction that might involve a conflict of interest or the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence. Investment Office(s) shall refrain from personal business activity that could conflict with proper execution of the investment program or that could impair their ability to make impartial investment decisions.

An Investment Officer who has a personal or business relationship with an individual or organization seeking to sell an investment to the City shall file a disclosure statement with the Texas Ethics Commission and the City Council in accordance with the Act.

8. Investment Advisors, Investment Pools, and Broker/Dealers

The City recognizes that all investment decisions regarding the City's portfolio are ultimately the responsibility of the City Council and its Investment Officers. However, all investment advisors and broker/dealers conducting business with the City shall make every reasonable effort to adhere to the spirit, philosophy, and specific terms of this Investment Policy. All investment advisors and broker/dealers shall avoid recommending or suggesting transaction outside the spirit, philosophy, and specific terms of this Investment Policy.

a. Broker/Dealers

A list of not less than five authorized broker/dealers shall be maintained to assure a competitive process. Investment Officers will establish the criteria, monitor the service, and evaluate the broker/dealers based on their:

1. adherence to the City's policies and strategies,
2. transaction pricing,
3. responsiveness to the City's requests for service and information
4. the quality of communications, and
5. understanding of the inherent fiduciary responsibility of public funds.

Financial Institutions and broker/dealers who desire to transact business with the City must supply the following documents to the Investment Officer or Investment Advisor (as applicable):

- Current year audited financial statements
- Financial Institutions Regulatory Agency (FINRA) certification and FINRA's Central Depository Registration (CRD) number.
- Proof of Texas State Securities registration.

Broker/dealers shall also provide timely trade documentation and confirmations.

Certification

Before transacting any business with the City, the Director of Finance shall present each broker/dealer with a current copy of the City's Investment Policy and an authorized representative of the firm shall, in writing to the City, certify substantially to the effect that:

1. the broker/dealer has received and reviewed the City's Investment Policy, and
2. the firm has implemented reasonable procedures and controls to preclude investments with the City not authorized by the Policy.

The City shall not enter into any investment transaction with a broker/dealer prior to receiving the certification.

If material changes are made to the Investment Policy, an updated copy shall be provided to the authorized broker/dealer for re-certification.

b. **Investment Pools**

Investment pools shall be required to furnish to the investment officer an information statement in accordance with the Act.

Investment pools must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 90 days.

c. **Investment Advisor**

The City may contract with another investing entity registered under the 15 U.S.C. Section 80b-1 et seq. to invest its funds. A contract made under authority of this subsection may not be for a term longer than two years. A renewal or extension of the contract must be made by the City Council by order, ordinance, or resolution.. The investing entity will be held to the same standards of this Policy as the Investment Officer.

Investment advisors shall be required to be registered with the U.S. Security and Exchange Commission and shall provide their SEC ADV Form to the City on an annual basis.

The Director of Finance shall present investment advisors with a current copy of the City's Investment Policy and an authorized representative of the firm shall, in writing, certify substantially to the effect that:

1. the applicable advisors have received and reviewed the City's Investment Policy, and
2. the firm has implemented reasonable procedures and controls to preclude investments with the City not authorized by the Policy.

The City shall not enter into any investment transaction with an investment advisor prior to receiving the certification.

9. Authorized Investments

Authorized investments under this Policy shall be limited to the instruments listed below as further described by the Act.

a. Obligations of the United States Government, its agencies and instrumentalities, excluding mortgage backed securities, with a stated final maturity not to exceed two (2) years.

b. Fully collateralized or insured certificates of deposit from banks doing business in Texas with a final stated maturity not to exceed twelve (12) months. Certificates of deposit shall be:

1. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or

2. secured by obligations as defined by this Policy, and
3. governed by a written Depository Agreement that complies with federal and state regulations for properly securing a pledged security interest.

c. Commercial paper rated A1/P1 or its equivalent by two (2) nationally recognized rating agencies and with a final stated maturity not to exceed one hundred eighty five (185) days from the date of issuance.

d. An AAA-rated SEC registered money market mutual funds, striving to maintain a $1 net asset value, continuously rated not less than AAA or equivalent by at least one nationally recognized rating firm. An AAA-rated money market mutual fund must have a dollar-weighted average stated maturity of 60 days or fewer.

e. Constant-dollar, AAA-rated or AAA-m rated Texas Local Government Investment Pools, approved by resolution of the City Council and conforming in every respect to the Act.

The City shall not invest, in the aggregate, more than 90 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in approved investment pools.

The City investment in any investment pool shall not exceed 5 percent of the total assets of the pool.

f. Fully collateralized repurchase agreements transacted with a primary securities dealer as defined by the Federal Reserve, under a written Master Repurchase Agreement, with a defined termination date, secured by obligations as defined by this Policy held by an independent third party custodian approved by the City, and with a stated final maturity not to exceed ninety (90) days.

This authorization includes flexible repurchase agreements ("flex repos") to be utilized only in the investment of bond proceeds with a stated final maturity not to exceed the expenditure plan on the bond proceeds.

g. Fully collateralized or insured demand deposit accounts at authorized City depositories, under the provisions of a written collateral/depository agreement.

h. State and municipal obligations of any state rated not less than AA by two nationally recognized rating agencies and with a stated maturity not to exceed two years.

i. FDIC insured *brokered certificates of deposit* securities purchased from a broker or a bank in Texas, delivered versus payment to the City's safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer or Adviser must verify the FDIC status of the bank on www.2fdic.gov/idasp/main_bankfind.asp to assure that the bank is FDIC insured.

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Unauthorized Securities

The City is not authorized to invest in the following securities:

1. Interest-Only mortgaged backed securities (IO) whose payment represents only the coupon payments on outstanding principal balances of underlying mortgage.
2. Principal-Only mortgage backed securities (PO) whose payment represents only the principal stream from underlying mortgages.
3. Collateralized mortgage obligations (CMO) with a stated final maturity date of greater than ten (10) years.
4. Collateralized mortgage obligations the interest rate which is determined by an index that adjusts opposite to the change in a market index.

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the City until this policy has been amended and the amended version adopted by the City Council.

Delivery versus Payment

All security transactions shall be transacted on a delivery versus payment (DVP) basis in order to ensure that the City has total control of its investments and its funds at all times.

Competitive Bidding

All investment transactions, including certificates of deposit, will be made on a competitive basis to assure that the City is receiving fair market prices. Bids for certificates of deposit may be solicited orally, in writing, electronically, or in any combination of those methods.

10. Collateralization

Consistent with the requirements of the Act and the Public Funds Collateral Act, the City shall require collateral on all repurchase agreements and all time and demand deposits above the limits of federal insurance.

Time and Demand Deposits- Pledged Collateral

Financial institutions serving as City depositories will be required to execute a Depository Agreement with the City outlining, among other conditions, collateral conditions and limitations. The Agreement shall define the City's rights to the collateral in case of default, bankruptcy or closing,

Collateral authorized by the City will be limited to the following

1. Obligations of the US Government, its agencies and instrumentalities, including mortgage backed securities, which pass the bank test.
2. Obligations of any US state, their agencies and instrumentalities, and municipalities rated A or better by two nationally recognized rating agencies.

Collateral pledged to the City must be maintained with a margin of 102% of the time or demand amounts being collateralized. The banking institution shall be held contractually liable for monitoring and maintaining the required margins at all time. All collateral shall be held by an independent third party banking institution outside the holding company of the pledging bank. A clearly marked evidence of ownership (safekeeping receipt) must be provided to the City for all securities pledged and must clearly state that the security is pledged to the City. Substitution of collateral shall only be made after prior written approval by the City.

The pledging institution shall be responsible for providing a monthly report, preferably from the custodian, on pledged collateral listing at a minimum, the security description, cusip, par value, maturity, and current market value.

Repurchase Agreement- Owned Collateral

Collateral under a master repurchase agreement is owned by the City under a buy-sell transaction. It will be held by an independent third party safekeeping agent approved by the City under an executed SIMFA Master Repurchase Agreement. Collateral with a market value totaling 102% of the principal and accrued interest is required and the counter-party is responsible for the monitoring and maintaining of collateral and margins at all times.

11. Safekeeping and Custody of City Owned Securities

The laws of the State, this Policy, and prudent treasury management require that all securities be settled on a delivery versus payment basis and be held in safekeeping by an independent third party financial institution approved by the City. The City shall contract with its banking services depository or another financial institution(s) as Custodian for the safekeeping of any securities owned by the City. The designated Custodian will be responsible for the clearing and safekeeping of all security trades and will provide a monthly report of holdings. All securities held by the Custodian on behalf of the City shall be evidenced by a safekeeping receipt.

12. Diversification

Diversification by security types shall be established by the following maximum percentages of investment type to the total City investment portfolio:

Obligations of the US Government	90%
Obligations of US Agencies/Instrumentalities	90%
Certificates of Deposit	90%
Limitation by banking institution	15%
Commercial Paper	20%
Limitation by Issuer	10%
Money Market Mutual Funds	70%
Limitation by ownership in fund	5%
Constant Dollar Texas Investment Pools	90%
Limitation by ownership in fund	5%
State and municipal Obligations	15%

Maximum percentages listed above are to be based on amortized book value.

13. Internal Control

The Director of Finance shall maintain a system of internal controls over the investment activities of the City and his/her subordinate employees. The control shall be designed to address fraud, employee error, misrepresentation by third parties, unanticipated market changes, and imprudent actions. Controls deemed most important would include: control of collusion, separation of duties, custody and safekeeping, delegation of authority, securities losses and remedial actions, and documentation on all transactions.

The City's internal controls over investment activities, and quarterly investment reports, shall be reviewed annually by the City's independent auditor as part of the annual audit process. Any irregularities or suggestions for improvement shall be reported to the City Council.

Cash Flow Forecasting
Cash flow forecasting is a control designed to protect and sustain cash flow requirements of the City. The Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions of investment purposes.

Monitoring Credit Rating
The Investment Officer or investment adviser shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall notify the City Manager of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, within two weeks after the loss of the required rating.

Monitoring FDIC Coverage

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The Investment Officer or Investment Adviser shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the City based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer shall immediately liquidate any brokered CD which places the City above the FDIC insurance level.

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14. Reporting

Not less than quarterly, the Director of Finance shall report to the City Council regarding the City's investment activities for the quarter in compliance with the Act. The reports shall contain sufficient information to permit an informed outside reader to evaluate the performance of the investment program. At a minimum the report shall include:

-description of each investment and depository position.
-book and market values at the beginning and end of the reporting period
-additions, and changes to the market value during the period
-book value and market value of each separately invested asset at the beginning and end of the reporting period market sector and fund
-maturity date of each separately invested asset
-account, fund, or pooled group fund for which each investment was acquired
-earnings for the period
-overall yield for the portfolio(s) in comparison to its benchmark yield for the period

Market prices for market value calculations shall be obtained from independent sources. The quarterly report shall be signed by the Investment Officer and Investment Advisor as applicable.

15. Depositories

The City will designed one banking institution through a competitive process as its central banking services provider at least every five (5) years. In selecting a depository, the services, cost of services, credit worthiness, earnings potential, and collateralization of each financial institution shall be considered. This institution will be used for normal banking services including disbursement, deposits, and safekeeping of securities.

Depository agreements, executed in accordance with FIRREA (Financial Institutions Resource and Recovery Enforcement Act), will be established before funds are transferred.

Other banking institutions from which the City may purchase certificates of deposit will also be designated as depositories and must execute a written depository (collateral) contract in accordance with the provisions of this Policy.

16. Policies and Strategy Review

The City Council shall review and adopt the City Investment Policy and incorporated Investment Strategy not less than annually. The City Council shall adopt a written instrument by resolution stating that it has reviewed the Policy and Strategy and the adopting resolution shall record any changes made.

The City's investment activities shall be reviewed annually by the City's independent auditors as part of the annual audit process. The objective of the review shall be to ascertain compliance of the City's investment activities with the Investment Policy, Investment Strategy, and the Act. Any irregularities shall be reported to the City Council through a report as prescribed by the audit engagement agreement.

Agenda Item:
(Staff)

2F. Approval of the investment policy of the City of Kerrville, Texas Economic Improvement Corporation.

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

SUBJECT: Approval of the investment policy of the City of Kerrville, Texas Economic Improvement Corporation

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED**: August 11, 2011

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

EXHIBITS: EIC's Investment Policy
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

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

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

SUMMARY STATEMENT

The EIC has adopted, based on recommendation from Patterson & Associates, the City's Investment Advisor, its own investment policy. The policy reflects the Public Funds Investment Act.

RECOMMENDED ACTION

Staff requests approval of EIC investment policy.

Economic Improvement Corporation

City of Kerrville, Texas
Investment Policy

Adopted ~~December 2011~~August 2011

1. General Policy

It is the policy of the Economic Improvement Corporation (the "EIC") of the City of Kerrville (the "City") to administer its funds and the investment of those funds, as its highest public trust. The funds shall be invested in a manner, which provides for the safety of principal through risk management and diversification while meeting all the cash needs. Investments should provide a reasonable investment return and the earnings will be used in a manner that best serves the interests of the EIC and the City.

This Policy is designed to be in conformance with the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), and any applicable state and federal regulations, and applicable bond resolution requirements.

2. Scope

This Policy will govern the investment of all the financial assets (including, but not limited to the three funds: Sales Tax Improvement, EIC Debt Service and EIC Projects) of the EIC, with the exclusion of real-estate assets

3. Goals and Objectives

Investment of EIC funds shall be governed by the following investment objectives, in their order of priority:

a. **Safety**
Safety of principal is the foremost objective of the investment program. Investment shall be undertaken in a manner that seeks to ensure the preservation of capital and avoids security defaults or erosion of market values. To attain this objective, diversification will be used to limit potential losses on individual securities.

b. **Liquidity**
The investment portfolio will remain sufficiently liquid to enable EIC to meet all operating requirements that might be reasonable anticipated. Ongoing cash flow analysis will be used to identify changing liquidity needs and anticipate cash needs. A liquidity buffer of cash equivalent investments should be maintained to meet unanticipated liabilities.

To the extent possible, EIC will attempt to match its investment maturities with anticipated liabilities and cash flow requirements. EIC will not directly invest in any securities maturing more than two (2) years from the date of purchase.

To reflect overall cash flow requirements and risk tolerance levels of EIC, the weighted average maturity of the overall portfolio shall not exceed ~~one year~~ 185 days.

c. **Diversification**
In order to minimize investment and market risk, EIC will diversify its investments by security type and maturity. The portfolio will be designed to avoid unreasonable risks within one market sector or from an individual financial institution.

d. **Yield**
EIC's investment portfolio shall be designed with the objective of attaining a reasonable yield throughout budgetary and economic cycles, commensurate with investment risk constraints and the cash flow characteristics of the portfolio. The portfolio(s) risk shall be measured quarterly against a benchmark which is based on anticipated cash flow analysis and the authorized portfolio structure. The overall portfolio shall have a maximum weighted average maturity of 185 days. To measure the overall risk of the portfolio, a benchmark of the 26 week Constant Maturity Treasury Bill plus 10% shall be reported.

4. Investment Strategy

All EIC funds are to be commingled in one portfolio for investment purposes and efficiency. The investment strategy of the portfolio has as its primary objective to assure that anticipated cash flows are matched and adequate liquidity maintained with minimal volatility. The portfolio will be structured with high credit quality, short and intermediate term securities to minimize market, liquidity, and credit risks. The maximum dollar weighted average maturity of the portfolio will be 185 days calculated on stated maturity dates.

5. Investment Officers

Under the Administrative Services Contract between EIC and the City, the Investment Officer designated for the City shall act as the Investment Officer of the EIC. The Board may designate additional qualified employees or an SEC Registered Investment Advisor, as Investment Officer(s). The designation of all Investment Officers shall be by Board resolution. Authority and designation as Investment Officer is effective until rescinded by the EIC, expiration of the officer's term, or until termination of employment.

All Investment Officer(s) shall be familiar with this Policy and its underlying procedures. No Investment Officer may engage in an investment transaction except as provided under the terms of this Policy and its supporting procedures.

A trading resolution is established by adoption of this Investment Policy authorizing the Investment Officer(s) to engage in investment transaction on behalf of the EIC. The persons so authorized to transact business are also authorized to approve wire transfers used in the process of investing.

Training
All Investment Officer(s) shall attend ten (10) hours of training in accordance with the Act within twelve (12) months of assuming responsibilities and attend (10) hours of training in each successive two-year period. Training costs shall be provided by the EIC with Board approved training courses. Training should include topics such as investment controls, security risk, market risks, diversification of the investment portfolio and compliance with State laws.

6. Standard of Care

The standard of care to be used by the Investment Officer(s) shall be the "prudent person standard" and shall be applied in the context of managing the overall portfolio, rather than a consideration as to the prudence of a single investment; and whether the investment decision was consistent with this Investment Policy. The standard states:

Investment shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of the capital and the probable income to be derived.

Investment Officer(s) acting in accordance with the Investment Policy and exercising due diligence, shall be relieved of personal liability for an individual security's credit risk or market price change, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

An investment officer who has any personal or business relationship with a business organization offering to engage in an investment transaction with the EIC shall file a statement disclosing that personal business interest to the Board.

7. Standard of Ethics

Investment Officer(s) shall act as custodians of the public trust and shall refrain from any transaction that might involve a conflict of interest or the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence. Investment Office(s) shall refrain from personal business activity that could conflict with proper execution of the investment program or that could impair their ability to make impartial investment decisions.

An Investment Officer who has a personal or business relationship with an individual or organization seeking to sell an investment to the EIC shall file a disclosure statement with the Texas Ethics Commission and the Board.

8. Investment Advisors, Investment Pools, and Broker/Dealers

The EIC recognizes that all investment decisions regarding the portfolio are ultimately the responsibility of the Board. However, all investment advisors and broker/dealers conducting business with the EIC shall make every reasonable effort to adhere to the spirit, philosophy, and specific terms of this Investment Policy.

Broker/Dealers
A list of not less than five authorized broker/dealers (or banks) shall be maintained to assure a competitive process. The Investment Officer(s) will establish the criteria, monitor the service, and evaluate the broker/dealers based on their experience and responsiveness to the City's requests for service and information.

Financial Institutions and broker/dealers who desire to transact business with the EIC must supply the following documents to the Investment Officer or Investment Advisor (as applicable):

- Current year audited financial statements
- Financial Institutions Regulatory Agency (FINRA) certification and FINRA's Central Depository Registration (CRD) number.
- Proof of Texas State Securities registration.

Broker/dealers shall provide timely trade documentation and confirmations.

Certification
Before transacting any business with the EIC, the Investment Officer shall present each broker/dealer with a current copy of the EIC's Investment Policy and an authorized representative of the firm shall, in writing , certify substantially to the effect that:

1. the broker/dealer has received and reviewed the Investment Policy, and
2. the firm has implemented reasonable procedures and controls to preclude investments with the EIC not authorized by the Policy.

The EIC shall not enter into any investment transaction with a broker/dealer prior to receiving the certification.

If material changes are made to the Investment Policy, an updated copy shall be provided to the authorized broker/dealer for re-certification.

Investment Advisor (Investment Manager)

The EIC may contract with another investing entity registered under the 15 U.S.C. Section 80b-1 et seq. to invest its funds. The Adviser will be held to the same standards of this Policy as the Investment Officer.

Investment advisors shall be registered with the U.S. Security and Exchange Commission and shall provide their SEC ADV Form to the EIC on an annual basis.

The EIC shall present investment advisors with a current copy of the Investment Policy and an authorized representative of the firm shall, in writing, certify substantially to the effect that:

1. the applicable advisors have received and reviewed the EIC's Investment Policy, and
2. the firm has implemented reasonable procedures and controls to preclude investments with the EIC not authorized by the Policy.

The EIC shall not enter into any investment transaction with an investment advisor prior to receiving the certification.

9. Authorized Investments

Authorized investments under this Policy shall be limited to the instruments listed below as further described by the Act.

a. Obligations of the United States Government, its agencies and instrumentalities, excluding mortgage backed securities, with a stated final maturity not to exceed two (2) years.

b. Obligations of the State of Texas, its agencies or political subdivisions, excluding mortgage backed securities, with a stated final maturity not to exceed two (2) years.

c. FDIC insured certificates of deposit from banks doing business in Texas with a final stated maturity not to exceed twelve (12) months. Certificates of deposit shall be guaranteed or insured by the Federal Deposit Insurance Corporation or its successor.

d. Share certificates of credit unions doing business in Texas and insured by the National Credit Union Share Insurance Fund or its successor and not to exceed twelve (12) months to maturity.

e. AAA-rated, SEC registered money market mutual funds, striving to maintain a $1 net asset value.

f. Constant-dollar, AAA-rated Texas Local Government Investment Pools, approved by resolution of the Board and conforming in every respect to the Act.

The EIC investment in any investment pool shall not exceed ten percent of the total assets of the pool.

g. Fully collateralized repurchase agreements transacted with a primary securities dealer as defined by the Federal Reserve, under a written Master Repurchase Agreement, with a defined termination date, secured by obligations as defined by this Policy held by an independent third party custodian approved by the EIC, and with a stated final maturity not to exceed one hundred eighty (180) days.

h. FDIC insured demand deposit accounts in banks doing business in Texas under a written depository agreement.

i. FDIC insured *brokered certificates of deposit* securities purchased from a broker or a bank in Texas, delivered versus payment to the City's safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer or Adviser must verify the FDIC status of the bank on www.2fdic.gov/idasp/main_bankfind.asp to assure that the bank is FDIC insured.

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Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Percentage of Portfolio (Maximum)
U.S. Treasury Obligations	80%
U.S. Government Agencies and	100%
Instrumentalities	100%
Local Government Investment Pool	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	
Money Market Mutual Funds	20%
State and municipal Obligations	20%

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the EIC until this policy has been amended and the amended version adopted by the Board.

Delivery versus Payment

All security transactions shall be transacted on a delivery versus payment (DVP) basis in order to ensure that the EIC has total control of its investments and its funds at all times.

Competitive Bidding

All investment transactions, including certificates of deposit, will be made on a competitive basis to assure that the EIC is receiving fair market prices.

10. Collateralization

The EIC is not a "public unit" as defined by FDIC regulations and is therefore not eligible to have pledged collateral from a bank. Bank time and demand deposits must be maintained under the FDIC insured limit, currently $250,000 per bank holding company.

Repurchase Agreement- Owned Collateral

Collateral under a master repurchase agreement is owned by the EIC under a buy-sell transaction. It will be held by an independent third party safekeeping agent approved by EIC under an executed Master Repurchase Agreement. Collateral with a market value totaling 102% of the principal and accrued interest is required and the counter-party is responsible for the monitoring and maintaining of collateral and margins at all times.

11. Safekeeping and Custody of EIC Owned Securities

The laws of the State, this Policy, and prudent treasury management require that all securities be settled on a delivery versus payment basis and be held in safekeeping by an independent third party financial institution approved ~~by the EIC~~through the Administrative Services Contract. EIC, through the contract ~~-~~shall contract with its banking services depository or another financial institution(s) as Custodian for the safekeeping of any securities owned. The designated Custodian will be responsible for the clearing and safekeeping of all security trades and will provide a monthly report of holdings. All securities held by the Custodian on behalf of the EIC shall be evidenced by a safekeeping receipt.

12. Internal Control

The Investment Officer(s) shall maintain a system of internal controls over the investment activities and subordinate employees. The control shall be designed to address fraud, employee error, misrepresentation by third parties, unanticipated market changes, and imprudent actions. Controls deemed most important would include: control of collusion, separation of duties, custody and safekeeping, delegation of authority, securities losses and remedial actions, and documentation on all transactions.

The quarterly investment reports shall be reviewed annually by the City's independent auditor as part of the City's annual audit process. Any irregularities shall be reported to the Board.

Cash Flow Forecasting

Cash flow forecasting is a control designed to protect and sustain cash flow requirements. The Investment Officer(s) will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

Monitoring Credit Rating

The Investment Officer or investment adviser shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall notify the City Manager of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, within two weeks after the loss of the required rating.

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Monitoring FDIC Coverage

The Investment Officer or Investment Adviser shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the City based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer shall immediately liquidate any brokered CD which places the City above the FDIC insurance level.

13. Reporting

Not less than quarterly, the Investment Officer(s) shall report to the Board regarding the EIC's investment activities for the quarter in compliance with the Act. The reports shall contain sufficient information to permit an informed outside reader to evaluate the performance of the investment program. At a minimum the report shall include:

-description of each investment and depository position,
-book and market values at the beginning and end of the reporting period
-the change in market value during the period
-book value and market value of each separately invested asset at the beginning and end of the reporting period market sector
- -earnings for the period
-overall yield in comparison to its benchmark yield for the period
-maturity date of each separately invested asset that has a maturity date.

Market prices for market value calculations shall be obtained from independent sources. The quarterly report shall be signed by the Investment Officer and Investment Advisor, as applicable.

14. Depositories

The EIC, through the Administrative Services Contract will designate one banking institution through a competitive process as its central banking services provider at least every five (5) years or utilize the banking services under the existing City contract. This institution will be used for normal banking services including disbursement, deposits, and safekeeping of securities.

Other banking institutions from which the EIC may purchase certificates of deposit will also be designated as depositories.

15. Policies and Strategy Review

The Board shall review and adopt the Investment Policy and incorporated Investment Strategy not less than annually. The Board shall adopt a written instrument by resolution stating that it has reviewed the Policy and Strategy and the adopting resolution shall record any changes made.

Economic Improvement Corporation

City of Kerrville, Texas
Investment Policy

Adopted August 2011

1. General Policy

It is the policy of the Economic Improvement Corporation (the "EIC") of the City of Kerrville (the "City") to administer its funds and the investment of those funds, as its highest public trust. The funds shall be invested in a manner, which provides for the safety of principal through risk management and diversification while meeting all the cash needs. Investments should provide a reasonable investment return and the earnings will be used in a manner that best serves the interests of the EIC and the City.

This Policy is designed to be in conformance with the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), and any applicable state and federal regulations, and applicable bond resolution requirements.

2. Scope

This Policy will govern the investment of all the financial assets (including, but not limited to the three funds: Sales Tax Improvement, EIC Debt Service and EIC Projects) of the EIC, with the exclusion of real-estate assets

3. Goals and Objectives

Investment of EIC funds shall be governed by the following investment objectives, in their order of priority:

a. **Safety**
Safety of principal is the foremost objective of the investment program. Investment shall be undertaken in a manner that seeks to ensure the preservation of capital and avoids security defaults or erosion of market values. To attain this objective, diversification will be used to limit potential losses on individual securities.

b. **Liquidity**
The investment portfolio will remain sufficiently liquid to enable EIC to meet all operating requirements that might be reasonable anticipated. Ongoing cash flow analysis will be used to identify changing liquidity needs and anticipate cash needs. A liquidity buffer of cash equivalent investments should be maintained to meet unanticipated liabilities.

To the extent possible, EIC will attempt to match its investment maturities with anticipated liabilities and cash flow requirements. EIC will not directly invest in any securities maturing more than two (2) years from the date of purchase.

To reflect overall cash flow requirements and risk tolerance levels of EIC, the weighted average maturity of the overall portfolio shall not exceed ~~one year~~ 185 days.

c. **Diversification**
In order to minimize investment and market risk, EIC will diversify its investments by security type and maturity. The portfolio will be designed to avoid unreasonable risks within one market sector or from an individual financial institution.

d. **Yield**
EIC's investment portfolio shall be designed with the objective of attaining a reasonable yield throughout budgetary and economic cycles, commensurate with investment risk constraints and the cash flow characteristics of the portfolio. The portfolio(s) risk shall be measured quarterly against a benchmark which is based on anticipated cash flow analysis and the authorized portfolio structure. The overall portfolio shall have a maximum weighted average maturity of 185 days. To measure the overall risk of the portfolio, a benchmark of the 26 week Constant Maturity Treasury Bill plus 10% shall be reported.

4. Investment Strategy

All EIC funds are to be commingled in one portfolio for investment purposes and efficiency. The investment strategy of the portfolio has as its primary objective to assure that anticipated cash flows are matched and adequate liquidity maintained with minimal volatility. The portfolio will be structured with high credit quality, short and intermediate term securities to minimize market, liquidity, and credit risks. The maximum dollar weighted average maturity of the portfolio will be 185 days calculated on stated maturity dates.

5. Investment Officers

Under the Administrative Services Contract between EIC and the City, the Investment Officer designated for the City shall act as the Investment Officer of the EIC. The Board may designate additional qualified employees or an SEC Registered Investment Advisor, as Investment Officer(s). The designation of all Investment Officers shall be by Board resolution. Authority and designation as Investment Officer is effective until rescinded by the EIC, expiration of the officer's term, or until termination of employment.

All Investment Officer(s) shall be familiar with this Policy and its underlying procedures. No Investment Officer may engage in an investment transaction except as provided under the terms of this Policy and its supporting procedures.

A trading resolution is established by adoption of this Investment Policy authorizing the Investment Officer(s) to engage in investment transaction on behalf of the EIC. The persons so authorized to transact business are also authorized to approve wire transfers used in the process of investing.

Training
All Investment Officer(s) shall attend ten (10) hours of training in accordance with the Act within twelve (12) months of assuming responsibilities and attend (10) hours of training in each successive two-year period. Training costs shall be provided by the EIC with Board approved training courses. Training should include topics such as investment controls, security risk, market risks, diversification of the investment portfolio and compliance with State laws.

6. Standard of Care

The standard of care to be used by the Investment Officer(s) shall be the "prudent person standard" and shall be applied in the context of managing the overall portfolio, rather than a consideration as to the prudence of a single investment; and whether the investment decision was consistent with this Investment Policy. The standard states:

Investment shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of the capital and the probable income to be derived.

Investment Officer(s) acting in accordance with the Investment Policy and exercising due diligence, shall be relieved of personal liability for an individual security's credit risk or market price change, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

An investment officer who has any personal or business relationship with a business organization offering to engage in an investment transaction with the EIC shall file a statement disclosing that personal business interest to the Board.

7. Standard of Ethics

Investment Officer(s) shall act as custodians of the public trust and shall refrain from any transaction that might involve a conflict of interest or the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence. Investment Office(s) shall refrain from personal business activity that could conflict with proper execution of the investment program or that could impair their ability to make impartial investment decisions.

An Investment Officer who has a personal or business relationship with an individual or organization seeking to sell an investment to the EIC shall file a disclosure statement with the Texas Ethics Commission and the Board.

8. Investment Advisors, Investment Pools, and Broker/Dealers

The EIC recognizes that all investment decisions regarding the portfolio are ultimately the responsibility of the Board. However, all investment advisors and broker/dealers conducting business with the EIC shall make every reasonable effort to adhere to the spirit, philosophy, and specific terms of this Investment Policy.

Broker/Dealers
A list of not less than five authorized broker/dealers (or banks) shall be maintained to assure a competitive process. The Investment Officer(s) will establish the criteria, monitor the service, and evaluate the broker/dealers based on their experience and responsiveness to the City's requests for service and information.

Financial Institutions and broker/dealers who desire to transact business with the EIC must supply the following documents to the Investment Officer or Investment Advisor (as applicable):

- Current year audited financial statements
- Financial Institutions Regulatory Agency (FINRA) certification and FINRA's Central Depository Registration (CRD) number.
- Proof of Texas State Securities registration.

Broker/dealers shall provide timely trade documentation and confirmations.

Certification
Before transacting any business with the EIC, the Investment Officer shall present each broker/dealer with a current copy of the EIC's Investment Policy and an authorized representative of the firm shall, in writing , certify substantially to the effect that:

1. the broker/dealer has received and reviewed the Investment Policy, and
2. the firm has implemented reasonable procedures and controls to preclude investments with the EIC not authorized by the Policy.

The EIC shall not enter into any investment transaction with a broker/dealer prior to receiving the certification.

If material changes are made to the Investment Policy, an updated copy shall be provided to the authorized broker/dealer for re-certification.

Investment Advisor (Investment Manager)

The EIC may contract with another investing entity registered under the 15 U.S.C. Section 80b-1 et seq. to invest its funds. The Adviser will be held to the same standards of this Policy as the Investment Officer.

Investment advisors shall be registered with the U.S. Security and Exchange Commission and shall provide their SEC ADV Form to the EIC on an annual basis.

The EIC shall present investment advisors with a current copy of the Investment Policy and an authorized representative of the firm shall, in writing, certify substantially to the effect that:

1. the applicable advisors have received and reviewed the EIC's Investment Policy, and
2. the firm has implemented reasonable procedures and controls to preclude investments with the EIC not authorized by the Policy.

The EIC shall not enter into any investment transaction with an investment advisor prior to receiving the certification.

9. Authorized Investments

Authorized investments under this Policy shall be limited to the instruments listed below as further described by the Act.

a. Obligations of the United States Government, its agencies and instrumentalities, excluding mortgage backed securities, with a stated final maturity not to exceed two (2) years.

b. Obligations of the State of Texas, its agencies or political subdivisions, excluding mortgage backed securities, with a stated final maturity not to exceed two (2) years.

c. FDIC insured certificates of deposit from banks doing business in Texas with a final stated maturity not to exceed twelve (12) months. Certificates of deposit shall be guaranteed or insured by the Federal Deposit Insurance Corporation or its successor.

d. Share certificates of credit unions doing business in Texas and insured by the National Credit Union Share Insurance Fund or its successor and not to exceed twelve (12) months to maturity.

e. AAA-rated, SEC registered money market mutual funds, striving to maintain a $1 net asset value.

f. Constant-dollar, AAA-rated Texas Local Government Investment Pools, approved by resolution of the Board and conforming in every respect to the Act.

The EIC investment in any investment pool shall not exceed ten percent of the total assets of the pool.

g. Fully collateralized repurchase agreements transacted with a primary securities dealer as defined by the Federal Reserve, under a written Master Repurchase Agreement, with a defined termination date, secured by obligations as defined by this Policy held by an independent third party custodian approved by the EIC, and with a stated final maturity not to exceed one hundred eighty (180) days.

h. FDIC insured demand deposit accounts in banks doing business in Texas under a written depository agreement.

i. FDIC insured *brokered certificates of deposit* securities purchased from a broker or a bank in Texas, delivered versus payment to the City's safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer or Adviser must verify the FDIC status of the bank on www.2fdic.gov/idasp/main_bankfind.asp to assure that the bank is FDIC insured.

j.

Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Percentage of Portfolio (Maximum)
U.S. Treasury Obligations	80%
U.S. Government Agencies and	100%
Instrumentalities	100%
Local Government Investment Pool	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	
Money Market Mutual Funds	20%
State and municipal Obligations	20%

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the EIC until this policy has been amended and the amended version adopted by the Board.

Delivery versus Payment

All security transactions shall be transacted on a delivery versus payment (DVP) basis in order to ensure that the EIC has total control of its investments and its funds at all times.

Competitive Bidding

All investment transactions, including certificates of deposit, will be made on a competitive basis to assure that the EIC is receiving fair market prices.

10. Collateralization

The EIC is not a "public unit" as defined by FDIC regulations and is therefore not eligible to have pledged collateral from a bank. Bank time and demand deposits must be maintained under the FDIC insured limit, currently $250,000 per bank holding company.

Repurchase Agreement- Owned Collateral

Collateral under a master repurchase agreement is owned by the EIC under a buy-sell transaction. It will be held by an independent third party safekeeping agent approved by EIC under an executed Master Repurchase Agreement. Collateral with a market value totaling 102% of the principal and accrued interest is required and the counter-party is responsible for the monitoring and maintaining of collateral and margins at all times.

11. Safekeeping and Custody of EIC Owned Securities

The laws of the State, this Policy, and prudent treasury management require that all securities be settled on a delivery versus payment basis and be held in safekeeping by an independent third party financial institution approved through the Administrative Services Contract. EIC, through the contract shall contract with its banking services depository or another financial institution(s) as Custodian for the safekeeping of any securities owned. The designated Custodian will be responsible for the clearing and safekeeping of all security trades and will provide a monthly report of holdings. All securities held by the Custodian on behalf of the EIC shall be evidenced by a safekeeping receipt.

12. Internal Control

The Investment Officer(s) shall maintain a system of internal controls over the investment activities and subordinate employees. The control shall be designed to address fraud, employee error, misrepresentation by third parties, unanticipated market changes, and imprudent actions. Controls deemed most important would include: control of collusion, separation of duties, custody and safekeeping, delegation of authority, securities losses and remedial actions, and documentation on all transactions.

The quarterly investment reports shall be reviewed annually by the City's independent auditor as part of the City's annual audit process. Any irregularities shall be reported to the Board.

Cash Flow Forecasting

Cash flow forecasting is a control designed to protect and sustain cash flow requirements. The Investment Officer(s) will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

Monitoring Credit Rating

The Investment Officer or investment adviser shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall notify the City Manager of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, within two weeks after the loss of the required rating.

Monitoring FDIC Coverage

The Investment Officer or Investment Adviser shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the City based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer shall immediately liquidate any brokered CD which places the City above the FDIC insurance level.

13. Reporting

Not less than quarterly, the Investment Officer(s) shall report to the Board regarding the EIC's investment activities for the quarter in compliance with the Act. The reports shall contain sufficient information to permit an informed outside reader to evaluate the performance of the investment program. At a minimum the report shall include:

-description of each investment and depository position,
-book and market values at the beginning and end of the reporting period
-the change in market value during the period
-book value and market value of each separately invested asset at the beginning and end of the reporting period market sector
- -earnings for the period
-overall yield in comparison to its benchmark yield for the period
-maturity date of each separately invested asset that has a maturity date.

Market prices for market value calculations shall be obtained from independent sources. The quarterly report shall be signed by the Investment Officer and Investment Advisor, as applicable.

14. Depositories

The EIC, through the Administrative Services Contract will designate one banking institution through a competitive process as its central banking services provider at least every five (5) years or utilize the banking services under the existing City contract. This institution will be used for normal banking services including disbursement, deposits, and safekeeping of securities.

Other banking institutions from which the EIC may purchase certificates of deposit will also be designated as depositories.

15. Policies and Strategy Review

The Board shall review and adopt the Investment Policy and incorporated Investment Strategy not less than annually. The Board shall adopt a written instrument by resolution stating that it has reviewed the Policy and Strategy and the adopting resolution shall record any changes made.

Agenda Item:
(Staff)

2G. Authorize termination of the tax collection contract between the City of Kerrville and Kerr County.

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

SUBJECT: Termination of the tax collection contract between the City of Kerrville and Kerr County

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED**: August 16, 2011

SUBMITTED BY: Mike Erwin MWE
Director of Finance

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Contract with County

AGENDA MAILED TO:
APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

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

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

SUMMARY STATEMENT

The City entered into a contract with Kerr County in 1984 and amended the contract in 1993 for tax collections. The County receives 1% of collections as compensation for the billing and collecting of the City's taxes. The City considers it in their best interest to terminate this contract as of January 31, 2012 by giving notice prior to September 1, 2011 as required by the contract.

Current charges for this service are approximately $100,000 per year. In addition, Kerr County has recently executed agreements with other area taxing agencies at one-half of what the City has been charged. (0.5% of collections).

City staff has discussed contracting for the tax collections with KISD staff. KISD staff has stated that the District is willing and able to provide the services and estimate that the rate would be 0.43% of collections, a reduction in cost of approximately $57,000 per year.

RECOMMENDED ACTION

Direct the City Manager to notify the County of its intention to terminate the tax collection contract prior to September 1, 2011, and negotiate a contract for the service with the KISD.

TAX COLLECTION CONTRACT

This Tax Collection Contract made and beginning on January 31, 1985, by and between the County of Kerr and the City of Kerrville, as follows:

1. Term. This Contract shall begin on January 31, 1985, and shall terminate on January 31, 1989, unless sooner terminated as provided hereinbelow.

2. Tax Collections. The County agrees to collect on behalf of the City all ad valorem taxes, penalties and interest due, or which may become due to the City of Kerrville during the time this Contract is in effect, and, in addition delinquent taxes, penalties and interest for taxes assessed during the prior contract between the parties. The obligation of the County hereunder is to bill and collect current and delinquent taxes, penalty and interest, but the obligation hereunder does not include the obligation to appraise properties nor to assess them.

3. Records. The City, without further cost, shall, at any time be permitted to inspect and copy all records, including appraisals, assessments, bills, statements, computer tapes, any and all other material in the possession of the County in any way pertaining to the appraisal and assessment of City properties and the billing and collecting of City taxes, penalties and interest. In the event of the termination of this contract, the City shall be entitled to have all such records and materials, or copies thereof, turned over to the City.

Approved by City Council
Date: Sept 11, 1984
Volume 22 Page 181

4. Termination. Either party may terminate this contract as of January 31 of any calendar year by giving written notice of such termination prior to September 1 of the preceding calendar year.

5. Disagreement on Collection of Taxes. In the event that the County elects not to tax certain properties (for example, bank stock) and the City elects to tax such properties, then the Kerr County Tax Collector shall be obligated to collect such taxes on behalf of the City, or the City, at its election, may collect such taxes on its own.

6. Compensation. The County, as compensation for the obligations assumed hereunder, shall be paid one per cent (1%) of the current and delinquent ad valorem City taxes, penalty and interest actually collected on behalf of the City.

7. Unusual Litigation. In the event that litigation arises with regard to the appraisal, assessment, billing or collection of any City tax (other than tax delinquency suits) then both the County and the City, if parties to such litigation, shall bear their own respective attorney's fees and expenses.

8. Remittance of Collection to City of Kerrville. The County Tax Collector shall remit all taxes, penalties and interest collected for the City of Kerrville, less compensation to the County, to the Director of Finance and Services. The County shall provide an itemization showing all collections and adjustments with the remittance. Remittance shall be made daily when receipts on hand exceed $2,500.00. When receipts on hand are less than $2,500.00 remittance will be made weekly.

9. Delinquent Taxes After Termination. After expiration of this contract, County shall furnish City an itemization of all delinquent taxes, penalties, and interest, and City shall be obligated to collect same.

EXECUTED by the City of Kerrville on this the 11 day of September, 1984.

CITY OF KERRVILLE

By [signature]
A. J. Brough
Mayor

ATTEST:
[signature]
Sheila L. Brand
City Clerk

APPROVED AS TO FORM:

[signature] Sept 6 1984
Thomas S. Terrell
City Attorney

EXECUTED by the County of Kerr on this the 9th day of October, 1984.

COUNTY OF KERR

By [signature]
Gordon S. Morriss
County Judge

ATTEST:
[signature]
County Clerk & Ex-Officio Clerk of the Commissioners' Court,
Kerr County, Texas
Patricia Dye

THE STATE OF TEXAS
THE COUNTY OF KERR

On this the 11 day of September, 1984, A. J. Brough, Mayor of the City of Kerrville, appeared before me, and executed the foregoing for the purposes and consideration therein expressed and in the capacity therein stated, and as the act and deed of the City of Kerrville, as approved by the City Council of Kerrville, Texas at their regular meeting on the 11 day of September, 1984.

[signature]
Notary Public
State of Texas

AMENDMENT
CITY OF KERRVILLE - KERR COUNTY
TAX COLLECTION CONTRACT

The City of Kerrville and Kerr County hereby enter into this amendment to the Tax Collection Contract dated January 31, 1985, as follows:

1. The Tax Collection Contract is extended and shall continue on a year-to-year basis (February 1 of each year to January 31 of the following year) unless terminated as herein provided. Termination of the Tax Collection Contract may be made by either party, effective as of January 31 of any calendar year, by giving written notice of such termination prior to September 1 of the preceding calendar year.

2. Except as modified herein, all terms and provisions of the existing Tax Collection Contract remain in effect.

Signed effective as of the 1st day of February, 1993.

CITY OF KERRVILLE

By: Joe Herring, Jr.
JOE HERRING, JR., Mayor

ATTEST

Sheila L. Brand
SHEILA L. BRAND, City Clerk

APPROVED AS TO FORM:

WALLACE, MOSTY, MACHANN,
JACKSON & WILLIAMS

By: E. Dwaine Machann 1-20-93
E. DWAINE MACHANN Date
City Attorney

KERR COUNTY

By: W G Stacy
W. G. STACY, County Judge

ATTEST

Patricia Dye
PATRICIA DYE, County Clerk

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Approved by City Council
Date: Jan 26 1993
Volume 32 Page 337

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Agenda Item:
(Staff)

2H. Authorize execution of the administrative services contract between the City of Kerrville and the City of Kerrville, Texas Economic Improvement Corporation for fiscal year 2012.

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

SUBJECT: Consideration of approval for the administrative services contract between the City of Kerrville and the Economic Improvement Corporation for FY12

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED**: August 18, 2011

SUBMITTED BY: Mindy N. Wendele, Director of Business Programs **CLEARANCES:** Todd Parton, City Manager

EXHIBITS: Contract

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

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

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

SUMMARY STATEMENT

The City of Kerrville provides services to the Economic Improvement Corporation on an annual basis including project management, engineering, financial, legal and administrative support. EIC pays the city $100,000 for these services.

The EIC approved the FY2012 budget during their July 18, 2011 meeting therefore providing funds for administrative services.

RECOMMENDED ACTION

Approve contract.

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

THIS CONTRACT is entered into and effective as of the 1st day of October, 2011, by and between the City of Kerrville, Texas, ("City") and the City of Kerrville, Texas Economic Improvement Corporation ("EIC") for and in consideration of the following promises and conditions:

ARTICLE I
SERVICES PROVIDED BY CITY

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

1. Engineering and Project Management Services: City agrees to provide engineering services, including, but not limited to, design, bid, and construction phases for EIC projects; provided, however, for projects which will require an expenditure of more than $25,000.00 for construction, specialized engineering services and administration, or supervision and/or coordination of contracts between the EIC and consulting engineers, prior approval of the City Manager shall be required before commencement of such services. City further agrees to provide the necessary labor and overhead to conduct project management services for all projects which are authorized by the EIC to be funded in whole or in part by sales tax revenues generated pursuant to the authority of Chapters 501, 502, and 505 of the Texas Local Government Code, as amended.

2. Legal Services: City agrees the City Attorney will be the legal advisor of, and attorney for, the EIC, which representation will include review of documents, contracts, and other instruments as to form and legality, and conduct of legal research and, if requested, issuance of legal memoranda or opinions. In the provision of legal services by the City Attorney, the City Attorney shall provide such services only if the provision of legal services to the EIC does not unreasonably impair his ability to provide legal services to the City. Furthermore, in the event the City Attorney determines that a legal or ethical conflict exists between the City and the EIC, the EIC agrees that the City Attorney may continue to represent the City on such matter notwithstanding such conflict provided the City Attorney has made reasonable disclosure of the conflict to the president of the EIC. Notwithstanding this paragraph, EIC shall at all times retain the right to hire counsel of its own choice at EIC expense.

3. Financial Services: City agrees to provide accounting services, including, but not limited to, accounts receivable, accounts payable, investments, record keeping, and financial reporting and audit.

4. Administrative Services: City agrees to provide the services of the City Manager on an as needed basis for meetings and consultation. The City Manager's office shall provide secretarial and other clerical services, including, taking minutes and preparation of resolutions and correspondence related to the operation of the EIC. In addition, the Director of Business Programs will manage the Initial Response Team by accepting project applications, consulting with applicants, evaluating proposals, and presenting applications to the EIC.

ARTICLE II
COMPENSATION

In consideration of the provision by City to EIC of the services described in Article I, above, EIC agrees to pay to City the sum of $100,000.00. It is agreed by the parties hereto that the compensation described in this Article II is equal to the reasonable value of the services anticipated to be provided by City to the EIC. City shall deduct the payment required hereunder upon receipt of said sales tax revenues from the Comptroller of Public Accounts for the State of Texas.

ARTICLE III
TERM

The Term of this Contract shall commence on October 1, 2011, and end on September 30, 2012, subject to earlier termination as herein provided, and extension by agreement of the parties hereto.

ARTICLE IV
TERMINATION

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

ARTICLE V
GOVERNING LAW

This Contract shall be governed by and construed in accordance with the laws of the State of Texas.

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

CITY OF KERRVILLE, TEXAS

By:________________________
Jeffrey Todd Parton, City Manager

ATTEST:

____
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

By:________________________________
Greg Appel, President

ATTEST:

____
Tony Roberts, Secretary-Treasurer

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Agenda Item:

(Staff)

3A. Proposed ad valorem (property) tax rate for tax year 2011/fiscal year 2012.

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

SUBJECT: Public Hearing – Ad Valorem Tax Rate for Tax Year 2011/Fiscal Year 2012

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED**: August 11, 2011

SUBMITTED BY: Mike Erwin ME
Director of Finance

CLEARANCES: Todd Parton
City Manager

EXHIBITS:
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

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

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

SUMMARY STATEMENT

At the August 9, 2011 Council meeting, council voted to establish the proposed ad valorem tax rate for 2011 at \$0.5625/\$100 value. This rate is \$0.0263 or 4.4% below the effective tax rate of \$0.5888. The City is not required to not the two public hearings on the tax rate, but in the interest of transparency chooses to do so.

This is the first hearing on the proposed tax rate of \$0.5625/\$100 and the second hearing is scheduled for Tuesday. September 13, 2011.

RECOMMENDED ACTION

Hold a public hearing on the tax rate.

Agenda Item:
(Staff)

4A. An ordinance approving a negotiated resolution between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the company's fourth annual rate review mechanism filing in all cities exercising original jurisdiction; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement and finding the rates to be set by the attached tariffs to be just and reasonable; requiring the company to reimburse cities' reasonable ratemaking expenses; repealing conflicting resolutions or ordinances; determining that this ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this ordinance to the company and the committee's legal counsel.

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

SUBJECT: Settlement of 2011 Atmos Rate Filing (RRM)

FOR AGENDA OF: Aug. 23, 2011 **DATE SUBMITTED**: Aug. 18, 2011

MCH

SUBMITTED BY: Mike Hayes, City Attorney **CLEARANCES:**

EXHIBITS: Ordinance; Rate Schedule (tariffs)

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

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

SUMMARY STATEMENT

The City of Kerrville, along with approximately 154 other cities served by Atmos Energy Mid-Tex Division ("Atmos"), is a member of the Atmos Cities Steering Committee ("ACSC"). In April 2011, Atmos filed an application with the City to increase natural gas rates pursuant to the Rate Review Mechanism ("RRM") tariff. The RRM process was previously approved by the City as part of the settlement of the Atmos 2007 Statement of Intent to increase rates. This is the fourth annual RRM filing.

Atmos initially sought a $15.7 million rate increase. The City worked with ACSC to analyze the evidence offered by Atmos to support its request to increase rates. The attached Ordinance is the result of negotiations between ACSC and Atmos to resolve issues raised by ACSC during the review and evaluation of Atmos' filing. The Ordinance resolves Atmos' filing by authorizing supplemental revenue of $6.6 million to be recovered through the customer charge component of rates to cover direct incremental costs associated with a steel service line replacement program approved as part of last year's rate adjustment. All other relief requested by Atmos is denied.

ACSC recommends that all ACSC Cities adopt the Ordinance implementing the rate change.

RECOMMENDED ACTION

The City Attorney recommends adoption of the Ordinance on first reading.

CITY OF KERRVILLE, TEXAS

ORDINANCE NO. 2011-_____

AN ORDINANCE APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS CITIES STEERING COMMITTEE AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S FOURTH ANNUAL RATE REVIEW MECHANISM FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES; REPEALING CONFLICTING RESOLUTIONS OR ORDINANCES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE COMMITTEE'S LEGAL COUNSEL

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

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC" or "Steering Committee"), a coalition of approximately 154 similarly situated cities served by Atmos Mid-Tex that have joined together to facilitate the review of and response to natural gas issues affecting rates charged in the Atmos Mid-Tex service area (such participating cities are referred to herein as "ACSC Cities"); and

WHEREAS, pursuant to the terms of the agreement settling the Company's 2007 Statement of Intent to increase rates, ACSC Cities and the Company worked collaboratively to develop a Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process controlled in a three-year experiment by ACSC Cities as a substitute to the current GRIP process instituted by the Legislature; and

WHEREAS, the City took action in 2008 to approve a Settlement Agreement with Atmos Mid-Tex resolving the Company's 2007 rate case and authorizing the RRM Tariff; and

WHEREAS, the 2008 Settlement Agreement contemplates reimbursement of ACSC Cities' reasonable expenses associated with RRM applications; and

WHEREAS, the Steering Committee and Atmos Mid-Tex agreed to extend the RRM process in reaching a settlement in 2010 on the third RRM filing; and

WHEREAS, on or about April 1, 2011, the Company filed with the city its fourth annual RRM filing, requesting to increase natural gas base rates by $15.7 million; and

WHEREAS, ACSC coordinated its review of Atmos Mid-Tex's RRM filing by designating a Settlement Committee made up of ACSC representatives, assisted by ACSC attorneys and consultants, to resolve issues identified by ACSC in the Company's RRM filing; and

WHEREAS, independent analysis by ACSC's rate expert concluded that Atmos Mid-Tex is unable to justify an increase over current rates except for undisputed costs of $6.6 million to cover the steel service line replacement program initiated in 2010; and

WHEREAS, the ACSC Settlement Committee, as well as ACSC lawyers and consultants, recommend that ACSC Cities approve the attached rate tariffs ("Attachment A" to this Ordinance), which will increase the Company's revenue requirement by $6.6 million to extend current recovery of incremental direct costs of the steel service line replacement program authorized by ACSC Cities in ordinances passed in 2010; and

WHEREAS, the attached tariffs implementing new rates are consistent with the negotiated resolution reached by ACSC Cities and are just, reasonable, and in the public interest.

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

SECTION ONE. The findings set forth in this Ordinance are hereby in all things approved.

SECTION TWO. The City Council finds the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable and new tariffs which are attached hereto and incorporated herein as **Attachment A**, are just and reasonable and are hereby adopted.

SECTION THREE. Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC Cities in processing the Company's rate application.

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

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

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

SECTION SEVEN. This Ordinance shall become effective from and after its passage with rates authorized by attached Tariffs to be effective for bills rendered on or after September 1, 2011.

SECTION EIGHT. A copy of this Ordinance shall be sent to Atmos Mid-Tex, care of David Park, Vice President Rates and Regulatory Affairs, at Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED ON FIRST READING, this the 9th **day of** August**, A.D., 2011.**

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ day of ___________________, A.D., 2011.

David Wampler, Mayor

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary

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MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

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

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

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

Charge	Amount
Customer Charge per Bill	$ 7.50 per month
Commodity Charge – All Mcf	$ 2.5116 per Mcf

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

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

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

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

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

Agreement
An Agreement for Gas Service may be required.

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

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application
Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 3,000 Mcf.

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

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

Charge	Amount
Customer Charge per Bill	$ 16.75 per month
Commodity Charge - All Mcf	$ 1.0217 per Mcf

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

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

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

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

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

Agreement
An Agreement for Gas Service may be required.

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

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application
Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

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

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

Charge	Amount
Customer Charge per Meter	$ 450.00 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.2750 per MMBtu
Next 3,500 MMBtu	$ 0.2015 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0433 per MMBtu

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

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

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

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

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

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

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

Agreement
An Agreement for Gas Service may be required.

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

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

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

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

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

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

Charge	Amount
Customer Charge per Meter	$ 450.00 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.2750 per MMBtu
Next 3,500 MMBtu	$ 0.2015 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0433 per MMBtu

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

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

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

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

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

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

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

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

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

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

Agreement
A transportation agreement is required.

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

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

<u>Agenda Item:</u>
(Staff)

5A. Disbursement of the hotel occupancy tax funds for fiscal year 2012.

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

SUBJECT: Appropriate the disbursement of Hotel Occupancy Tax funds for the fiscal year 2012.

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED**: August 16, 2011

SUBMITTED BY: Mike Erwin
Director of Finance

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Spreadsheet
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

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

SUMMARY STATEMENT

On July 26, 2011 several groups made presentations to the City Council requesting funding from the Hotel Occupancy Tax for the 2012 fiscal year. The amount of funding available for FY 2012 is $900,000.

RECOMMENDED ACTION

Staff recommends Council approve specific amounts of appropriation of the Hotel Occupancy Tax funds for FY2012 to each entity and that the funding is subject to entering into a contract with the City.

COUNCIL DISTRIBUTION WORKSHEET
FY 12 DISTRIBUTION CALCULATION - $900,000 AVAILABLE

FY12 Proposed

Requesting Organization	Documented Hotel Nights	Requested Amount	RECOMMENDATION
Purpose - Advertising			
Kerrville Convention & Visitors Bureau	129,100	$750,000	
Special Events		$105,000	
Subtotal	**129,100**	**$855,000**	$0

Total Allocation	$0
Maximum of	**$900,000**

Purpose - Encouragement of Arts		Total Requested	Last Year Arts CO-OP	Last Year Independent Funding	Arts CO-OP Request	RECOMMENDATION	Independent Funding Request	RECOMMENDATION
Texas Folk Music Foundation	1,292	$50,000	$3,800	$3,800				
Hill Country Arts Foundation	1,800	$34,150	$7,300	$17,000				
Kerr Arts and Cultural Center	176	$28,800	$8,600	$6,610				
Kerr County Fair Association	160	$3,229		$2,000				
Museum of Western Art	1,200	$35,000	$9,600	$6,604				
Riverside Nature Center	480	$8,915		$4,200				
Playhouse 2000	200	$25,100	$12,821	$787				
Symphony of the Hills Association	N/A	$2,000	$1,600	$3,058				
Texas Arts and Crafts Educational Foundation, Inc.	2,462	$42,875	$9,800	$27,420				
					$0		**$0**	
					Subtotal Arts Coalition	**$0**	**+ Subtotal Independent**	**$0**
Subtotals of Requests	**7,770**	**$230,069**						

= **$0**

Agenda Item:
(Staff)

5B. Update and possible direction concerning the use of gray water reuse systems.

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

SUBJECT: Update and possible direction concerning the use of graywater reuse systems

FOR AGENDA OF: 8/23/11 **DATE SUBMITTED**: 8/12/11

SUBMITTED BY: Charlie Hastings. P.E. CA
Public Works Director

CLEARANCES: Kevin Coleman KMC
Director of Development Services

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

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

SUMMARY STATEMENT

At the 6/28/11 meeting, Council directed staff to model the effects of amending the City plumbing code to allow graywater reuse systems in the City of Kerrville and prepare a draft ordinance. At the 7/26/11 meeting, staff requested additional time to research the use of graywater and confirm its potential effectiveness. The results of that study are included in this agenda.

Documents researched include Graywater Awareness and Usage Study prepared by the NPD Group for the Soap and Detergent Association as well as the White Paper on Graywater prepared by Bahman Sheikh, PhD, P.E. for the American Water Works Association, Water Environment Federation and Water Reuse Association.

While the use of graywater systems have an obvious water conservation benefit, there are other factors that were taken into consideration to more fully evaluate the effects it will have on the Kerrville wastewater collection and treatment facilities. The effects of allowing graywater reuse systems are summarized in the table below.

Pros:	Cons:
Promotes potable water conservation.	Up front capital cost is high for retrofit, return on investment is approximately 10 years.
Less wastewater treatment, more capacity for growth.	Higher concentration of wastewater, harder to meet permit. Low flow causes higher collection system maintenance. Less effluent for resale or potable use.
Initial implementation and low participation rate of systems that capture the maximum potential of the graywater resource (i.e. 15-38% with a median of 22.6%) would have little to no effect on overall wastewater system.	Participation rate of more than 44% would result in unacceptable wastewater concentrations and low flows Regulation needed to distribute participation evenly (if too many particpate in one area the wastewater flow will not be sufficient to push solids through the wastewater main).
Implementation with eventual full participation of systems that capture a small amount of the graywater resource (i.e. 10%) would have no effect on the overall wastewater system.	Microbial content of graywater is high, thus, state of Texas limits use to subsurface.

Should council consider moving forward with graywater systems intended to capture the maximum potential (i.e. 15-38% with a median of 22.6%), the following key issues should be addressed:

- Limitation of participation to 44% overall and for any given location.
- Even distribution of participation to avoid wastewater collection issues (i.e. not enough wastewater flow to push solids through the collection system).
- Enforcement and policing efforts (note that it is difficult to write and enforce an ordinance that will, at some point in the future, result in denying applications for grey water reuse systems based on the 44% cap and even distribution requirements).

Should council consider moving forward with graywater systems intended to capture a small amount of the graywater resource (i.e. 10%) the following key issues should be addressed:

- Limitation of graywater system capture rate to approximately 10% (typically one source such as a clothes washer, shower, bath, or faucet).

- Application of graywater must be limited to subsurface to minimize human exposure (already a requirement by the State of Texas).
- Permitting and inspection efforts are anticipated to be nominal.

RECOMMENDED ACTION

The Director of Public Works and Director of Development Services recommend that council direct staff to prepare an ordinance that amends the plumbing code to allow the use of graywater reuse systems intended to capture a small amount (approximately 10%) of the graywater resource.

Agenda Item:
(Staff)

5C. Submission of funding requests to the City of Kerrville, Texas Economic Improvement Corporation for various capital projects.

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

SUBJECT: Submission of funding requests from the City of Kerrville, Texas, to the Kerrville Economic Improvement Corporation for various capital projects.

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED:** August 18, 2011

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS:
None

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

PAYMENT TO BE MADE TO:
REVIEWED BY THE FINANCE DEPARTMENT: NA

SUMMARY STATEMENT

The City Council and EIC Board met in a special called meeting on August 10, 2011 to discuss an economic development strategy for the community. City staff discussed projects listed with the Five Year Capital Improvement Plan pertaining to infrastructure and quality of life projects.

Together, the two groups prioritized a list of improvements they would like to see funded. Additional discussion centered around funding opportunities and options.

The priority list is as follows:

- Harper Highway Utility Improvements, Phase II
- River Trail, Phases I, II, III
- Louise Hays Park Improvements
- Downtown Streetscape Improvements

The Harper Highway Utility Improvements, Phase II, was presented to EIC on February 21, 2011. The request was tabled and no action was taken. The project was re-addressed on August 15, 2011 during a regular meeting of the EIC Board. The Board voted to approve the funding request and directed staff to draft a funding agreement for consideration at the September 19, 2011 meeting along with the required public hearing.

Staff will brief the Council on the discussion concerning the River Trail Phases, Louise Hays Park Improvements and the Downtown Streetscape Improvements.

RECOMMENDED ACTION

Receive information and provide direction to staff to proceed with additional funding requests.

Agenda Item:
(Staff)

5D. Consideration of interlocal agreements between the City of Kerrville and Kerr County regarding public safety, library, airport, and animal control operations.

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

SUBJECT: Consideration of interlocal agreements between the City of Kerrville and Kerr County regarding fire, emergency medical services, library, airport and animal control operations.

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED:** August 17, 2011

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS: None

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

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

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

SUMMARY STATEMENT

Executed and filed copies of the agreements for public safety (fire and ems), library, and animal control services have been received from Kerr County and there will be provisions to extend these services over the next three fiscal years provided that funding is allocated by the parties.

A tentative meeting has been scheduled to meet with representatives of the city, county, and airport for Tuesday, August 23, 2011. It is anticipated that the 6 key points discussed at the City Council meeting of August 9, 2011, will be covered. Staff will brief the council on the results of the meeting.

The 6 points discussed by the City Council on August 9, 2011, were:

1. Establishing a capitalization limit of $5,000,
2. Limiting contingency allocations to no more than 5% of the total M&O allocations,
3. Providing for a process for the Joint Airport Board President to declare an emergency allowing him to use airport contingency funds (emergency powers would need to be defined in the agreement,
4. Limit spending to the total budgeted allocation formally approved by both owners,

5. Limiting the ability to transfer funds between line items to no more than 10% of the total funds allocated for maintenance and operations expenses, and
6. Converting from a pre-payment process to a reimbursement process for actual airport expenses in order to prevent an undue buildup of unspent capital in the airport's coffers.

Additional discussion topics will likely include a way to implement a 5-year financial plan and a more detailed and specific capital improvement plan.

RECOMMENDED ACTION

There are no additional staff recommendations at this time.

Agenda Item:
(Staff)

6A. Budget and economic update.

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

SUBJECT: Kerrville Budget/Economic Update

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED**: August 11, 2011

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

EXHIBITS: Economic Update
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

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

SUMMARY STATEMENT

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

RECOMMENDED ACTION

No action required information purposes only.

CITY OF KERRVILLE
ECONOMIC UPDATE AS OF AUGUST 17, 2011

	Current Month	Previous Month	1 Year Ago	Trend	Current Month
National					
Unemployment	9.10%	9.20%	9.50%	↔	July
Consumer Confidence	59.5	57.6	51	↑	July
1 year T-Bills	0.11%	0.14%	0.24%	↓	8/16/11
State					
Monthly Unemployment	8.80%	7.90%	8.40%	↑	June
Monthly Sales Tax	$1,859.8m	$1,722.6m	$1,686.5m	↑	July
Local					
Monthly Unemployment (Kerr Co.)	7.10%	6.40%	6.30%	↑	June
Median Listing Price	$224,000	$219,000	$208,000	↑	8/1/11
Monthly Sales Tax	$477,039	$381,444	$443,423	↑	August
Monthly EIC Tax	$238,491	$190,696	$221,711	↑	August
Monthly HOT	$111,096	$78,535	$108,058	↔	July

	FY11 Budget	FY11 as of 07/31/2011	FY11 % Received	FY10 as of 07/31/2010	FY10 % Received
General Fund					
Tax Revenue	$14,647,100	$13,413,131	91.58%	$13,024,101	86.51%
Property Tax	$8,240,000	$8,256,533	100.20%	$8,113,487	95.81%
Sales Tax	$4,500,000	$3,874,112	86.09%	$3,672,254	79.42%
Permits & Fees	$402,450	$286,017	71.07%	$256,296	69.13%
Intergovernmental	$707,013	$637,241	90.13%	$574,228	82.60%
Service Revenues	$2,578,260	$2,104,562	81.63%	$2,579,749	77.91%
Grant Revenue	$22,571	$27,515	121.90%	$10,525	105.25%
Fines & Forfeitures	$477,710	$458,572	95.99%	$422,659	83.78%
Interest & Misc.	$235,372	$282,955	120.22%	$467,421	101.57%
Transfers In	$1,000,000	$899,742	89.97%	$969,918	76.93%
Total General Fund	$20,070,476	$18,109,734	90.23%	$18,304,896	84.48%
Total General Fund Expenditures	$20,070,476	$15,909,404	79.27%	$17,668,349	78.69%
Water/Sewer Fund					
Water Sales	$4,400,000	$4,204,071	95.55%	$3,390,831	6.29%
Sewer Sales	$3,760,000	$3,014,153	80.16%	$3,059,631	7.17%
Other Revenue	$782,124	$829,245	106.02%	$703,500	105.08%
Total Water & Sewer Fund	$8,942,124	$8,047,469	90.00%	$7,153,962	74.29%
Total W&S Fund Expenditures	$9,242,124	$7,139,167	77.25%	$6,913,062	72.96%

Agenda Item:
(Staff)

7A. Building board of adjustment and appeals.

BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS

SUBJECT: Appointments to the Building Board of Adjustment and Appeals

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED**: August 12, 2011

SUBMITTED BY: Brenda Craig BC
City Secretary

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Board Sheet

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

SUMMARY STATEMENT

Consider appointments to the following board:

Building Board of Adjustment and Appeals: Five terms to expire August 31, 2011: Garrett Harmon, Architect; James (Jim) Maxwell, Engineer; Kenneth Bledsoe, Contractor; Dwayne Downey, Active Member of the Construction Industry; and John Priour, Alternate.

RECOMMENDED ACTION

Consider appointments.

BUILDING BOARD OF ADJUSTMENT AND APPEALS

		Telephone	Orig. Appt.	Re-Appt. Date	Exp. Date
i	HARMON, GARRETT 701 Lee Street Architect	895-4510 (O) 257-5859 (H)	09-14-10		08-31-11
ii	MAXWELL, JAMES (JIM) 911 Panorama Dr. Professional Engineer	895-0032 (O) 895-2630 (H)	09-14-10		08-31-11
iii	LUCK, CALVIN 1200 Spur 100 Master Electrician	830-928-1459 (O) 896-9333 (H)	09-14-10		08-31-12
iv	TREMPER II, CHARLES 702 Fay Dr. Master Plumber	739-4194 (O) 730-4194 (H)	09-14-10		08-31-12
v	UNDERWOOD, LEE 807 Rim Rock S. Mechanical Contractor	896-4083 (O) 896-4083 (H)	09-14-10		08-31-12
vi	BLEDSOE, KENNETH 1308 Paragon Place Contractor	377-8300 (O) 896-8845 (H)	09-14-10		08-31-11
vii	DOWNEY, DWAYNE 403 Earl Drive Active Construction Industry	257-2104 (O) 377-2087 (H)	09-14-10		08-31-11

ALTERNATES:

(*)	LOWERY, DANIEL 512 Elm St.	739-7876 (O) 896-1804 (H)	09-14-10		08-31-12
(*)	PRIOUR, JOHN 132 Cedar Drive E.	792-5900 (O) 739-5900 (H)	09-14-10		08-31-11

CITY STAFF:

Jeff Finley — 258-1176 (O)
Chief Building Official

Qualifications: Members shall be composed of the following:

i an architect licensed to practice in the state;

ii a professional engineer licensed to practice in the state;

iii a master electrician licensed to practice in the state;

iv an unrestricted master plumber licensed to practice in the state;

v a mechanical contractor with a Class A state license;

vi a person licensed by the city as a contractor;

vii a person that is active in the construction industry; provided, however, if the city council determines that there is no architect or professional engineer available to serve on the board, then council shall select a second person meeting this description to serve.

(*) alternate members shall be qualified as one of the following: master electrician, master plumber or mechanical contractor.

Alternate board members shall attend all meetings and are subject to the attendance requirement applicable to the board; however, alternate members shall serve only in the absence of one or more regular members and shall then act as a regular member for that entire meeting. Members shall be residents of the county and operate or be employed by a business located within the city; however, no two (2) members, regular or alternate, may be employed by or have an ownership interest in the same business or firm.

Powers and Duties:

(1) To hear appeals of decisions and interpretations of the chief building official and fire code official and to consider variances to the standardized building codes as more specifically described in Sec. 26-251 of Ordinance No. 2010-15. No appeal may arise out of the city's issuance of citation for violation of any of the standardized building codes as the procedure for the consideration and decision regarding citations is solely under the purview and authority of the municipal court. In addition, the board shall have no authority to waive, and is prohibited from waiving, any requirement of the standardized building codes; and

(2) Recommend amendments to this chapter; any standardized building code adopted by the city council; or any other code, application, or process applicable to the city's review, application, interpretation, and enforcement of the standardized building codes with the goal toward addressing any deficiencies, voids, inconsistencies, inefficiencies, or technical errors; and

(3) To hear appeals, issue orders, and fulfill other duties pursuant to the authority established in Article VII of this Chapter for unsafe building abatement.

Term of Office: Two years.

No regular member shall serve more than two consecutive full terms on the board without having at least one full year off of the Board between terms; provided, however, if the city council finds that it has not received applications from other qualified candidates, the city council may reappoint an incumbent member of the board notwithstanding the restrictions of this subsection.

Quorum: Four members

Number of Members: Seven members, and two alternates

Officers: The board shall elect a chair and vice-chair who shall be appointed from among its voting members. The board shall appoint such officers at the first meeting of the
board held after September 1 of each year. Officers shall serve a term of one year and all
such terms shall end on August 31 after the date of election or until a successor is
elected, but in every case each subsequent term shall end on August 31. An officer of the board
may not serve in the office elected for more than two consecutive terms.

Meeting Time & Place: At least quarterly at the call of the chair, City Hall

Absences: As established in the Procedural Rules for Kerrville City Boards.

Established by: Ordinance No. 2010-15

Revised: August 12, 2011

Agenda Item:

7B. Kerrville-Kerr County joint airport board.

BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS

SUBJECT: Appointment/Reappointment to the Kerrville-Kerr County Joint Airport Board

FOR AGENDA OF: August 23, 2011

DATE SUBMITTED: August 19, 2011

SUBMITTED BY: Brenda Craig
City Secretary BC

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Board List
Letters from Bruce McKenzie, Airport Manager, dated March 25 and August 4, 2011.

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

SUMMARY STATEMENT

Consider appointment/reappointment to the Kerrville-Kerr County Joint Airport Board; two terms expired on June 1, 2011; Stephen King and Fred Vogt.

RECOMMENDED ACTION

Consider appointment/reappointment of Ed Livermore and Stephen King as recommended by the Kerrville-Kerr County Joint Airport Board in letters dated March 25 and August 4, 2011.

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

	Telephone	Orig. Appt.	Re-Appt. Date	Exp. Date
KING, STEVE President 242 Creekwood Rd. E-mail swking242@windstream.net	257-3063 (O) 285-3063 (C)	04-25-06	08-12-08	06-01-11
VOGT, FRED Vice-President 263 Turkey Valley E-mail fredvogt@ktc.com	895-0856 (H)	05-22-07	08-12-08	06-01-11
COWDEN, MARK 477 Freedom Trail E-mail mcowden@ssbtexas.com	895-2000 (O) 367-3306 (H)	10-14-08	03-23-10	06-01-12
MOSER, TOM 240 Ranch House Rd. E-mail tmoser@ktc.com	792-0497 (O) 896-7688 (H)	10-14-08	03-23-10	06-01-12
WALTERS, ROGER "COREY" 222 Sidney Baker South, Ste. 305 E-mail cw717@ktx.com	257-6300 (O)	10-27-09	03-23-10	06-01-12

Airport Board Staff:

Bruce McKenzie — 896-9399 (O)
Airport Manager

Laurie DeJohn-Ermey
Executive Assistant

Qualifications: It is deemed desirable that all board members possess and will contribute a balance of expertise in business, financial, aviation, or management training and experience.

Powers and Duties: The board may exercise on behalf of the city and county any power possessed by either and those specifically provided by the code, including the power to lease property and facilities, and to buy and sell goods as an incident to the operation of the airport. However, the board is not authorized to impose a property tax, sell bonds, or otherwise enter into other debt instruments, dispose of airport property, or exercise the power of eminent domain without the prior written consent of the city and county. The board, following the prior written consent of the city and county, has the authority to apply for and to execute grant funding agreements. The board may improve, equip, maintain, operate, manage, regulate, protect, and police the airport. The board may realign, alter, acquire, abandon, or close a portion of a roadway or alleyway without a showing of paramount importance if the portions to be realigned, altered, acquired, abandoned, or closed are in the geographical boundaries of the airport at the time of or after the realignment, alteration, acquisition, abandonment, or closing. The board shall have the responsibility and be in charge of the property, improvements, and other assets of the airport and shall be in charge of the disbursement of airport funds for airport purposes. The board shall also cause records to be kept of any and all revenues and disbursements. The board shall establish a fund to be maintained for the purpose of depositing all revenues of the airport. This fund shall be kept and managed by the board and shall be established at a bank with a branch in Kerr County. Federal, state, or other contributions or loans and the revenue obtained from the operation of the airport

KERRVILLE
ERV
KERR COUNTY

Kerrville
Kerr County
Joint Airport
Board

Stephen King
President

Fred Vogt
Vice President

Mark Cowden
Board Member

Tom Moser
Board Member

Corey Walters
Board Member

March 25, 2011

Mike Erwin
City of Kerrville
800 Junction Highway
Kerrville, TX 78028

Dear Mr. Erwin,

The terms of two Airport Board members (President Stephen King and Vice President Fred Vogt) are due to expire June 1, 2011. At the March 21, 2011 Airport Board meeting, Mr. King agreed to serve another term on the Kerrville-Kerr County Joint Airport Board. Mr. Vogt is going to resign his position, but agreed to serve until July 31, 2011, or until a new Board member is seated.

Pursuant to the Interlocal Agreement, which became effective August 13, 2008, this letter is to inform the City of Kerrville that the above referenced members will continue to serve at least one more term. The City Council has previously approved these members to serve on the Airport Board.

Thank you,

Bruce D. McKenzie

Bruce McKenzie

1877 Airport Loop
Kerrville, Texas 78028
Ph (830)896-9399 Fax (830)896-9440
www.kerrvilleairport.com

KERRVILLE
ERV
KERR COUNTY
LOUIS SCHREINER FIELD

Kerrville/Kerr County Airport
Bruce McKenzie, Airport Manager
1877 Airport Loop
Kerrville, TX 78028
bruce.mckenzie@kerrvilleairport.com

August 4, 2011

Kerr County Commissioners' Court
Kerr County Courthouse
700 Main Street
Kerrville, Texas 78028

Kerrville City Council
Kerrville City Hall
800 Junction Highway
Kerrville, Texas 78028

Re: Airport Board Member Nomination

Commissioners & Councilmembers,

In accordance with Section 3 (d) of the Interlocal Agreement for the Continued Existence of a Joint Airport Board to Provide Management of Kerrville/Kerr County Airport, the Joint Airport Board unanimously agreed at our Board meeting on August 1, 2011, to nominate Ed Livermore to fill the current vacancy on the Board.

We interviewed Mr. Livermore along with two other applicants, and believe he is the best qualified by virtue of his mix of knowledge, experience, and interest in the development of our Airport. Background information on Mr. Livermore is attached.

We respectfully request your approval of this nomination.

Sincerely,

S. W. King

Stephen King
Airport Board President

Kerrville/Kerr County Joint Airport Board
Application for Consideration of Appointment

Name: Livermore (Last) Edward (First) Knowles (Middle)

Home Address: 3004 Pinnacle Club Ct No. 2, Kerrville, Texas 78028 (Street) 830-895-2820 (Home Phone No.)

EMAIL Address (Optional): elivermo@ktc.com

Mailing Address: 3004 Pinnacle Club Ct No. 2, Kerrville, Texas 78028

(Business Phone /Fax)

Employer/Business: Retired (Name/Address)

Occupation: ______

Are you a qualified voter in Kerr County? * X Yes ___ No

Kerrville: X Yes ___ No

Please complete the following:

Education: Please see attached

Business, Financial or Management Experience: Please see attached

Aviation Industry Experience: Pilot for 41 years; very well versed in GA Issues; AOPA member

Pilot: X Yes ___ No Aircraft Owner: X Yes ___ No

Please specify membership on any other governmental board/commission/committee:

None now, see attached

Please provide a brief narrative outlining your reasons for seeking appointment to the Joint Airport Board. (A brief letter and/or a resume' is preferable.)

Schreiner Field is one of Kerr County's gateways. Service to the flying public is important to our local economy and business development. I'm also an active user of the airport. I want to help the airport continue to expand and improve its service and value even more to the people of our country.

Signature 4-04-11 Date

*Term of appointment 2 years.

Return sealed application to Kerrville/Kerr County Joint Airport Board President, c/o Airport Manager, 1877 Airport, Kerrville, TX 78028; 830-896-9399.

NOTE: When filed, this will become a public document and may be disclosed per Texas Public Information Act. Your application will be kept on file for 12 months.

RECEIVED APR 0 4 2011

Biographical Information of

Edward K. Livermore Jr.
3004 Pinnacle Club Drive, No. 2, Kerrville, TX 78028

1-830-895-2820

email: elivermo@ktc.com

Career Highlights:

2003-2006 Director, Edmond Bank & Trust, Edmond, OK.

1970-1998 Editor & Publisher of The Edmond Sun, the daily newspaper serving Edmond, Oklahoma. Other publications owned and operated during this period were the Guthrie (OK) News-Leader, Mineral Wells (TX) Index, Oklahoma City Buyer's Guide, Palo Pinto (TX) County Shopper and various weekly operations bought and sold over the years.

1968-1970 Advertising sales and management at the Grand Junction (Colo) Daily Sentinel and the Altus (OK) Times.

1966-1968. U.S. Army. 1st Lieutenant, Armor Branch. Tank platoon leader and tank company commander, 24th Infantry Division, Germany.

1964 Editor of the OU Daily, University of Oklahoma.

Summer 1964: UPI Bureau, London, England.

1950 - 1966 Began newspaper career as a route carrier. Throughout youth and adult years worked in virtually every daily newspaper position including composition, pressroom, advertising sales and news reporting & news management.

Leadership:

- 2005-2006 – President, Cedar Creek Racquet Club, Cashiers, NC.
- 1993-1994 - President of the Oklahoma Press Association (OPA).
- 1990-1993 - Director of the Southern Newspaper Publishers Association (SNPA).
- Former president of the Edmond Area Chamber of Commerce.
- Former chairman of the Board of Regents for Oklahoma Colleges 1975-1983
- Frequent AP and UPI editorial and news reporting sweepstakes winner
- Fund-raiser for local charities
- Lobbyist before the Oklahoma legislature on First Amendment issues.
- Chaired a multi-year successful lobbying effort before Congress to construct a major reservoir; also chaired reservoir dedication.

- In 1994, 95 & 96, chaired, organized and led three annual statewide celebrations; the first commemorated the WWII service of members of the 45th Infantry Division, the second event highlighted the Centennial of the Oklahoma Oil & Gas Industry and the third "saluted" the importance of Tinker AFB to Oklahoma.
- Member 1975-1990, Inter American Press Association (IAPA) which represents newspapers in all the Americas. Attended meetings and conferences throughout this hemisphere.
- Toured the Soviet Union in 1987 as part of a group composed of journalists and retired national security professionals.
- Active alumnae, University of Oklahoma and the University of Central Oklahoma.
- Active member, Sub Chapter S Association, Washington, DC. Lobbied before Congress on behalf of Sub S corporation owners, 1996-1998.

Awards:

- Citizen of the Year for Edmond, Oklahoma, 1980.
- Also received frequent recognition by AP, UPI and the Oklahoma Press Association for column writing and editorial leadership.
- Our Edmond and Guthrie publications were recognized in 1995 and 1998 as Oklahoma's outstanding daily newspapers.
- Named Distinguished Alumnae, University of Oklahoma School of Journalism.

Published Works:

- For 29 years, wrote a daily page one column in The Edmond Sun. The column was frequently re-published by other newspapers and on the Internet. All are currently available on www.edmondsun.com.

Personal Interests:

- Flying (commercial, instrument, multi-engine license - currently owner of a Beechcraft Bonanza)
- Avid golfer
- Reading, principally non-fiction (novels, history, biographies and politics)
- Snow skiing, backpacking and scuba diving
- Have traveled extensively in Europe, England, the USSR, New Zealand, Australia, Central and South America and Caribbean.

Professional Positions:

- Former Owner, Editor & Publisher: The Edmond SUN, a daily newspaper serving Edmond, Oklahoma, and Guthrie News-Leader (Guthrie, Okla.).
- Former chairman and majority owner, Oklahoma City Buyers Guide and Mineral Wells Index (Texas).
- President and partner of Central Oklahoma Newspaper Group.

Education:

- BA, Journalism and Economics from the University of Oklahoma, 1966.
- Dozens of professional seminars over my publishing career.
- Attended National Security Seminars at both the Army and Navy War Colleges.
- 30 years of experience editing, writing, owning and publishing daily newspapers.

Place of birth: Oklahoma City, Oklahoma

References:

- Joe Benham, Kerrville, TX, 1-830-896-6323.

- Dr. Roger Webb, president, University of Central Oklahoma. 1-405-341-6927 or by email: webb@ucok.edu

- Phil Parduhn, Owner, Pelco Products, Edmond, OK; 405-340-3434.

- Ray Hibbard, current publisher, Edmond Life & Leisure, longtime professional associate and friend. 1-405-340-3311 or by email: rhibbard@edmondsun.com

- Dr. David Boren, president, University of Oklahoma. Former member, U.S. Senate. 1-405-325-3916 or by email: sevans@ou.edu

- Burns Hargis, president, Oklahoma State University, 1-405-744-6387 or by email: osupres@okstate.edu

Married: **Marcia Harrell Livermore**, University of Oklahoma J School grad BA '66. Ms. Livermore was a working partner in the Livermore publishing businesses. We have two adult children and two grandchildren.

Agenda Item:
(Staff)

7C. Library advisory board.

BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS

SUBJECT: Appointment to the Library Advisory Board

FOR AGENDA OF: August 23, 2011 **DATE SUBMITTED**: August 11, 2011

SUBMITTED BY: Brenda Craig BC **CLEARANCES:**
City Secretary

EXHIBITS: Board List

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

SUMMARY STATEMENT

Consider appointment to the following board:

Library Advisory Board: One term expired November 22, 2010: Kay Hayes.

RECOMMENDED ACTION

Consider appointment.

LIBRARY ADVISORY BOARD

		Telephone	Orig. Appt.	Re-Appt. Date	Exp. Date
*	HAYES, KAY Vice-Chair Box 1004 Center Point 78010	634-2152 (H) 257-2122 (O)	10-11-05	11-13-07	11-22-10
**	CARR, JUDY 103 Creekside Dr.	895-3740 (H)	11-23-10		11-22-12
***	EHRENREICH, JOHN 520 Sand Bend Dr.	896-0858 (H)	01-18-11		11-22-12
**	MARTIN, DIANA K. 3931 Kite Ct.	896-3300 (H)	03-10-09	01-12-10	11-22-11
*	MOSELEY, JANET 151 Bluff Hill Rd., Hunt, Texas 78024	238-4436 (H)	07-09-07	12-08-08	11-22-11

EX OFFICIO MEMBERS:

		Telephone	Orig. Appt.
	Scott Gross City Council, Place 3 2908 Dry Hollow PO Box 291277	792-5555 (O) 210-363-1144 (C)	03-09-10
	Jonathan Letz County Commissioner, Pct. 3 Kerr County Courthouse 700 Main St.	792-2216 (O)	03-09-10
	Daniel Schwartz Library Director 800 Junction Hwy	258-1260 (O)	11-15-10
****	Mike Bowlin 425 Water St. Kerrville Genealogical Society		03-09-10

CITY STAFF:

Kim Meismer 258-1140 (O)
Director of General Operations
800 Junction Highway 377-7691 (C)

Qualifications: Two board members shall be appointed by Kerrville City Council; two board members shall be appointed by Kerr County Commissioners Court; one board member shall be appointed by The Friends of the Butt-Holdsworth Memorial Library

Powers and Duties:	The Board is an advisory board to the city council; shall have the authority to hold meetings within the city and to consider and make recommendations to the Council from time to time on any and all matters pertaining to the Library. Upon a majority vote of the total membership.
Term of Office:	All Board appointments shall serve two (2) year terms. No Board member shall serve more than two (2) consecutive two (2) year term on the Board without having at least one (1) full year off of the Board between terms. A majority of the members' terms shall expire in even-number years with the remaining members' terms expiring in odd-numbered years.
Quorum:	Three members
Number of Members:	Five members
Meeting Time & Place:	Third Tuesday of Every Month; 4:00 pm – 5:00 pm; City Council Chambers
Absences:	Any member who is absent from twenty-five percent (25%) of the board's regular meetings during any twelve (12) month period, or who is absent from any three (3) consecutive regular meetings, shall be considered for removal by the City Council. The staff member has the responsibility of reporting a member's non-attendance to the City Council in writing, and the City Secretary shall notify the board member in writing that their non-attendance has been reported to the City Council. However, a member whose absences are directly related to a medical or family emergency may seek consideration from the board upon which they serve to qualify such absences as excused.
Established by:	Ordinance No. 1967-17; amended by Ordinance Nos. 80-5, 84-14, 84-58, 85-01, 87-24, 87-60, 87-61, and 2005-19 (in its entirety); Resolution Nos. 045-2006, 107-2006, 076-2007, and 122-2007 did not change this board. Code of Ordinances: Chapter 66 - Article II – Sections 66-31 through 66-34; Amended by Ordinance No. 2010-05.
Revised:	November 25, 2010

* Appointed by Kerr County Commissioners Court – voting member

** Appointed by Kerrville City Council – voting member

*** Appointed by Friends of the Butt-Holdsworth Memorial Library

**** Appointed By Kerrville Genealogical Society