AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, NOVEMBER 22, 2011, 6:00 P.M.

CITY HALL COUNCIL CHAMBERS

800 JUNCTION HIGHWAY, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, NOVEMBER 22, 2011, 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
800 JUNCTION HIGHWAY, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION offered by Reverend Bob Allen, First United Methodist Church.

PLEDGE OF ALLEGIANCE TO THE FLAG led by Jackson Bernard, Boy Scouts of America Troop 111, Notre Dame Catholic Church.

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. PRESENTATION:
2A Resolution by the Kerrville Area Chamber of Commerce in support of the parks and trail improvement project. (Traci Carlson)

2B. Official statement by the Kerrville Economic Development Corporation in support of the parks and trail system improvement project.

3. 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 take all actions necessary for each approval:

3A. Approval of the minutes of the regular city council meetings held October 25 and November 8, 2011. (staff)

3B. Professional services agreement with Freese & Nichols, Inc. to perform a wastewater collection system master plan update and provide a master plan for the wastewater treatment plant in an amount not to exceed $149,900.00. (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: November 18, 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

3C. Project funding agreement between the City of Kerrville, Texas and the City of Kerrville, Texas Economic Improvement Corporation for Harper Highway utility improvement Phase II project in an amount not to exceed $1,000,000.00. (staff)

3D. Purchase of three new replacement vehicles for the police department. (staff)

3E. Municipality master service interlocal contract between Harris County Department of Education and the City of Kerrville. (staff)

END OF CONSENT AGENDA

4. ORDINANCE, SECOND AND FINAL READING:

4A. An ordinance to continue the taxation of tangible personal property, goods-in-transit, which would otherwise be exempt pursuant to Texas Tax Code Section 11.253. (staff)

5. ORDINANCE, FIRST READING:

5A. An ordinance amending the budget for fiscal year 2012 to account for changes in the status of various capital improvement projects; and to amend other city funds to account for balances for approved purposes. (staff)

6. INFORMATION AND DISCUSSION:

6A. Water resources report. (staff)

6B. Budget and economic update. (staff)

7. BOARD APPOINTMENTS:

7A. Parks and recreation advisory board: Consider the removal of Stephen Roberts and the appointment of a new member with term to expire March 31, 2013. (staff)

8. ITEMS FOR FUTURE AGENDAS

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.

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: November 18, 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

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 matter:

- Section 551.071 and 551.087:

Discuss or deliberate regarding commercial or financial information that the City Council has received from a business prospect that the Council seeks to have locate, stay, or expand in the City and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to such business prospect.

11. **ACTION ON ITEM DISCUSSED IN EXECUTIVE SESSION**

12. **ADJOURNMENT.**

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: November 18, 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

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

2A Resolution by the Kerrville Area Chamber of Commerce in support of the parks and trail improvement project. (Traci Carlson)

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

SUBJECT OF REQUEST: Presentation of a resolution by the Kerrville Area Chamber of Commerce in support of the Parks and Trail System Improvement Project.

AGENDA DATE: November 22, 2011 **DATE SUBMITTED**: November 18, 2011

REQUESTED/SUBMITTED BY: Traci Carlson **PHONE:** 830-896-1155

ORGANIZATION REPRESENTING: Kerrville Area Chamber of Commerce
MAILING ADDRESS: 1700 Sidney Baker, Kerrville, TX, 78028

EMAIL ADDRESS: president @kerrvilletx.com

EXHIBITS/INFORMATION:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

WILL THIS ITEM REQUIRE CITY COUNCIL TO AUTHORIZE THE EXPENDITURE OF CITY FUNDS? YES: _____ NO: X

IF YES, STATE AMOUNT REQUESTED: $__________

DESCRIPTION OF REQUEST

Presentation of a resolution by the Kerrville Economic Development Corporation in support of the Parks and Trail System Improvement Project.

RECOMMENDED COUNCIL ACTION

Agenda Item:
(Chief Young)

2B. Official statement by the Kerrville Economic Development Corporation in support of the parks and trail system improvement project.

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

SUBJECT OF REQUEST: Official statement by the Kerrville Economic Development Corporation in support of the Parks and Trail System Improvement Project.

AGENDA DATE: November 22, 2011 **DATE SUBMITTED**: November 18, 2011

REQUESTED/SUBMITTED BY: Ray Watson **PHONE:** 830-896-1157

ORGANIZATION REPRESENTING: Kerrville Economic Development Corporation
MAILING ADDRESS: 1700 Sidney Baker, Kerrville, TX, 78028

EMAIL ADDRESS: kedc@kerr-edc.com

EXHIBITS/INFORMATION:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

WILL THIS ITEM REQUIRE CITY COUNCIL TO AUTHORIZE THE EXPENDITURE OF CITY FUNDS? YES: ______ NO: __X__

IF YES, STATE AMOUNT REQUESTED: $__________

DESCRIPTION OF REQUEST

Presentation of a resolution by the Kerrville Economic Development Corporation in support of the Parks and Trail System Improvement Project.

RECOMMENDED COUNCIL ACTION

Agenda Item:
(Staff)

3A. Approval of the minutes of the regular city council meetings held October 25 and November 8, 2011. (staff)

CITY COUNCIL MINUTES KERRVILLE, TEXAS
REGULAR MEETING OCTOBER 25, 2011

On October 25, 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 Fern Lancaster, First Assembly of God Church, followed by the Pledge of Allegiance led by Chase Hall and Ben McCright, Boy Scouts of America Troop 111, Notre Dame Catholic Church.

COUNCILMEMBERS PRESENT:

David Wampler	Mayor
Carson Conklin	Councilmember
T. Scott Gross	Councilmember
Stacie Keeble	Councilmember

COUNCILMEMBER ABSENT:

Gene Allen	Mayor Pro Tem

CITY EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Teri Kinsey	Deputy City Secretary
Kristine Ondrias	Assistant City Manager
Travis Cochrane	Director of Information Technology
Mike Erwin	Director of Finance
Charlie Hastings	Director of Public Works
Mindy Wendele	Director of Business Programs
Kevin Coleman	Director of Development Services
Robert Ojeda	Fire Chief
John Young	Police Chief

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

1. **VISITORS/CITIZENS FORUM**: Nobody spoke

2. **RECOGNITIONS AND COMMENDATIONS**:

2A. Resolution of commendation was presented to Carolyn Lipscomb for serving on the zoning board of adjustment.

3. **CONSENT AGENDA**:

Mr. Conklin moved for approval of items 3A – 3C; Ms. Keeble seconded the motion and it passed 4-0:

3A. Approval of the minutes of the regular city council meeting held October 11, 2011.

3B. Resolution No. 042-2011 authorizing the submission of documentation of eminent domain authority in Texas to the Texas Comptroller; such documentation

will detail the city's legal authority to exercise eminent domain in compliance with Senate Bill 18.
3C. Submission of a grant application to the Cailloux Foundation for street equipment.

END OF CONSENT AGENDA

4. ORDINANCE, FIRST READING:
4A. An ordinance abandoning, vacating, and closing two public right-of-ways consisting of Rodriguez Street as it extends between Water Street and Main Street (State Highway 27) and the alley which intersects with Rodriguez Street and extends between Francisco Lemos Street and Hays Street; said right-of-ways comprise 0.719 acre, more or less, and are out of Blocks 46 and 47 Schreiner's Addition, within the City of Kerrville, Kerr County, Texas; making a finding that neither the street nor the alley is required for present or future public use; providing for the terms and conditions of abandonment, vacation, and closure; and authorizing the city manager to take all necessary actions to effectuate the abandonment, vacation, and closure. Mayor Wampler read the ordinance by title.

Ms. Keeble moved for approval of the ordinance on first reading; Mr. Gross seconded the motion and it passed 4-0.

5. CONSIDERATION AND POSSIBLE ACTION:
5A. Discussion of the INTERLOCAL AGREEMENT FOR THE CONTINUED EXISTENCE OF A JOINT AIRPORT BOARD TO PROVIDE MANAGEMENT OF KERRVILLE/KERR COUNTY AIRPORT and the airport budget.
Mr. Conklin attended the first airport planning committee meeting, at that time they reviewed the airport's master plan and how it was being implemented, arranged future quarterly meetings, and discussed the direction of the airport and what the current issues. The Joint Airport Board agreed to include line items to fit the budget amounts, as per the interlocal agreement and then have the governing entities approve that budget. Mayor Wampler added that there were no projects related to the airport that are included in the city's capital improvement projects list but future improvements will be needed and should start being discussed, including the sustainability of the Mooney facility.

5B. Settlement agreement regarding complaint of Cecil R. Atkission and City of Kerrville against Lower Colorado River Authority Transmission Services Corporation, Public Utility Commission of Texas (PUC), Docket No. 39516.
Mr. Hayes stated he would present this matter at the November 8th meeting.

6. INFORMATION AND DISCUSSION:
6A. Presentation by Kerrville Public Utility Board General Manager Tracy McCuan regarding KPUB's recent decisions on LCRA and CPS Energy.
Mr. McCuan announced that CPS Energy of San Antonio would be Kerrville Public Utility Board's (KPUB) new primary power supplier as of June 25, 2016.

The Lower Colorado River Authority (LCRA) would continue to supply 16% of KPUB's annual energy requirements and the supply source for the remaining 16% was undetermined. Beginning in 2017, 10% of KPUB's power will come from renewable sources and will increase each year until 2023. Mr. McCuan summarized the past agreement with LCRA and why KPUB chose not to renew their agreement with LCRA and gave a brief timeline of the actions leading up to their decision. The new agreement with CPS Energy would be for 7½ years with a possible 3 year extension and would not be a full requirements contract. Mr. McCuan also outlined the following:

- General provisions
- Forecasted energy supply requirements
- Renewable energy
- Remaining base load components.

6B. Kerrville Triathlon event update.
Ms. Wendele reported that the triathlon was a success and presented an overview of participant turnout, results, and testimonials. The dates for the 2012 Triathlon will be September 28 – 30.

6C. Water resources report.
Mr. Hastings reported the river flow was down 18% of normal flow. Groundwater was 40 ft. low; aquifer storage and recovery had used about 200M gallons this year, an all-time high. Stored water was at about 800M gallons down to 600M. The city has contacted the state water master's office to see about banking water during the winter months. He also stated that a televised public service announcement was prepared by Mayor Wampler.

6D. Budget and economic update.
Mr. Erwin reported city sales tax dropped 3.9%. Financial institutions nationwide were predicting slow recession recovery and that the recession would continue in 2012. As of September 30, 2011, general fund revenue was at $20.2 million and expenditures at $19.5 million; water/sewer fund revenue at $9.8 million, and expenditures at $8.5 million.

7. BOARD APPOINTMENTS:
7A. Golf course advisory board. Mr. Conklin moved to appoint Rusty Hendrickson to fill an unexpired term to end July 1, 2012, due to a resignation. Ms. Keeble seconded the motion and it passed 4-0.

8. ITEMS FOR FUTURE AGENDAS

- Watering times to accommodate day light savings time.

9. ANNOUNCEMENTS OF COMMUNITY INTEREST:

- Hill Country Pumpkin Run on Saturday, October 29th, 7:30 am at the KROC Center.
- Harvest Fest at the KROC on October 29th, beginning at 10:00 am.

- Partners in Ministry hosting Sean Elliot at Inn of the Hills on November 8th, from 6pm – 8pm.

10. <u>EXECUTIVE SESSION</u>:
Mr. Gross moved for the city council to go into executive closed session under Sections 551.071 (consultation with attorney), and 551.087 (deliberation regarding economic development negotiations) of the Texas Government Code; the motion was seconded by Mr. Conklin and passed 4-0 to discuss the following items:

- <u>Section 551.071</u>:

Cause No. SA11CA0116 - FB; Louis V. Doss and Carolyn Doss, individually and d/b/a Mulligan's Pub v. Chief John M. Young, et al.; in the United States District Court for the Western District of Texas, San Antonio Division.

- <u>Section 551.071 and 551.087</u>:

Discuss or deliberate regarding commercial or financial information that the City Council has received from a business prospect that the Council seeks to have locate, stay, or expand in the City and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to such business prospect.

At 7:04 p.m. the regular meeting recessed and council went into executive closed session at 7:14 p.m. At 8:20 p.m. the executive closed session recessed and council returned to open session at 8:21 p.m. Mayor Wampler announced that no action had been taken in executive session.

11. <u>ACTION ON ITEM DISCUSSED IN EXECUTIVE SESSION</u>: None.

12. <u>ADJOURNMENT</u>. The meeting adjourned at 8:22 p.m.

APPROVED: ____________ ______________________

David Wampler, Mayor

ATTEST:

____
Teri Kinsey, Deputy City Secretary

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
NOVEMBER 8, 2011

On November 8, 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 Eldon Sheffer, Director of Church Relations, Schreiner University, followed by the Pledge of Allegiance led by Russ Holmer, Military Officers Association of America.

COUNCILMEMBERS PRESENT:

David Wampler	Mayor
Carson Conklin	Councilmember
T. Scott Gross	Councilmember
Stacie Keeble	Councilmember

COUNCILMEMBER ABSENT:

Gene Allen	Mayor Pro Tem

CITY 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
Charlie Hastings	Director of Public Works
Kim Meismer	Director of General Operations
Mindy Wendele	Director of Business Programs
Robert Ojeda	Fire Chief

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

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

2. **CONSENT AGENDA**:

Mr. Conklin moved for approval of items 2A – 2F; Ms. Keeble seconded the motion and it passed 4-0:

2A. Resolution No. 043-2011 cancelling the regular meeting of the city council scheduled for December 27, 2011.

2B. Agreement with the Kerrville Convention & Visitors Bureau, Inc. for the use of hotel occupancy tax funds for promoting the arts advertising committee.

2C. Award contract to Library Interiors of Texas for furniture and its installation for the Butt-Holdsworth Memorial Library in an amount not to exceed $201,500.00.

2D. Work order amendment to the professional services agreement with Peter Lewis Architect + Associates, PLLC for design of the renovation and expansion project at the Butt-Holdsworth Memorial Library in an amount not to exceed $25,000.00 for a total contract amount not to exceed $146,000.00.

2E. Work order amendment to the professional services agreement with Freese and Nichols, Inc. for additional design services of the Birkdale lift station and new force main/co-mingle box at the wastewater treatment plant in an amount not to exceed $117,000.00.
2F. Professional services agreement with Freese and Nichols, Inc. to provide preliminary engineering survey and design of the Jefferson lift station force and gravity mains in an amount not to exceed $71,000.00.
END OF CONSENT AGENDA

3. ORDINANCE, SECOND AND FINAL READING:
3A. An ordinance abandoning, vacating, and closing two public right-of-ways consisting of Rodriguez Street as it extends between Water Street and Main Street (State Highway 27) and the alley which intersects with Rodriguez Street and extends between Francisco Lemos Street and Hays Street; said right-of-ways comprise 0.719 acre, more or less, and are out of Blocks 46 and 47 Schreiner's Addition, within the City of Kerrville, Kerr County, Texas; making a finding that neither the street nor the alley is required for present or future public use; providing for the terms and conditions of abandonment, vacation, and closure; and authorizing the city manager to take all necessary actions to effectuate the abandonment, vacation, and closure. Mayor Wampler read the ordinance by title. Mr. Parton noted staff reviewed and evaluated the abandonment and recommended approval of the ordinance; no changes were made since first reading.

Ms. Keeble moved for approval of the ordinance on first reading; Mr. Gross seconded the motion and it passed 4-0.

4. PUBLIC HEARING AND ORDINANCE, FIRST READING:
4A. An ordinance to continue the taxation of tangible personal property, goods-in-transit, which would otherwise be exempt pursuant to Texas Tax Code Section 11.253. Mayor Wampler read the ordinance by title.
Mr. Hayes noted recent legislative changes required cities to take action to provide for the taxation of goods in transit. Previous city councils enacted an ordinance that did not approve the exemption. He noted that staff had verified with KCAD that currently no property in Kerr County would be affected. If council passed the ordinance, goods that qualified would be taxed; however, the council had the opportunity to waive the tax as economic incentive for businesses.

Mayor Wampler declared the public hearing open at 6:07 p.m.; no one spoke; Mayor Wampler closed the public hearing at 6:07 p.m.

Mr. Gross moved for approval of the ordinance on first reading; Mr. Conklin seconded the motion and it passed 4-0.

5. CONSIDERATION AND POSSIBLE ACTION:
5A. Cast the City of Kerrville's ballot for Kerr Central Appraisal District Board of Directors 2012 to 2013 term of office.

Mr. Parton noted in October the city council nominated William H. Moody. The KCAD ballot contained five nominees for the five positions; the city had 724 votes. He recommended casting 720 votes for Mr. Moody and one vote for each of the other candidates in order to have standing in the unlikely event of a recall of any of the board members in the future.

Ms. Keeble moved to cast the city's 724 votes as follows: William H. Moody, 720; Mark Bigott, 1; Kirk Griffin, 1; Charles Lewis, 1; and Ray Orr, 1. Mr. Conklin seconded the motion and it passed 4-0.

5B. Renaming of the City of Kerrville's lake on Guadalupe Street north of the water treatment plant dam. Mr. Hastings noted the dam was originally constructed by the Upper Guadalupe River Authority and the ownership was transferred to the city in the 1990s. On October 11 the city council presented an application to name the lake Sunset Lake. A public hearing was held on November 2; four persons spoke with the following results: Lake of the Hills, 1; City Lake, 1; and Sunset Lake, 2. He noted that 34% of the responders in a newspaper poll supported the name Sunset Lake and many suggested a name that would honor Marine Corporal Jacob Leicht. Mr. Hastings recommended the lake be named Sunset Lake.

The following person spoke:

- Joe Luther suggested the lake be named after the Commander of the US Naval Fleet during World War II, Fleet Admiral Nimitz. Admiral Nimitz was a graduate of Tivy High School and Kerrville's most distinguished military officer. Mr. Luther stated he was a member of the local American Veterans (47 members) and the board voted unanimously to name the lake for Admiral Nimitz. Mr. Luther noted he had not attended the public hearing, nor had any other members of the AMVETS. He recommended a historic marker be placed at the lake to recognize Admiral Nimitz's contributions to the community; he further suggested the adjacent city park and playground be named Nimitz Park.

The following points were also discussed by council:

- Council was following the process established for naming/renaming city property.
- The other two area lakes had official names.
- Historic identity would be more significant and last for generations; need signage to have more impact in the name.

Mr. Gross moved to name the lake "Sunset Lake"; Ms. Keeble seconded the motion. The motion failed 2-2 with Mr. Gross and Ms. Keeble voting in favor of the motion, and Mr. Conklin and Mr. Wampler voting against the motion.

Mayor Wampler noted the city could receive additional input and the matter could be placed on a future agenda for further consideration.

Ms. Keeble moved to name the lake "Nimitz Lake"; Mr. Conklin seconded the motion and it passed 4-0.

5C. Landscape watering times under Ch. 110, Article III "Water Management Plan" of the City of Kerrville's Code of Ordinances.
Mr. Hastings noted the city was currently in Stage 4 with landscape watering permitted from 6-9 a.m. and 7-11 p.m. by hand, drip irrigation, or buckets. The fee for violating the ordinance was $350. With the change in season, the council had requested an item be placed on the agenda to discuss changing the watering schedule to accommodate watering during daylight hours in the winter months.

Council also discussed the following:
- Most vegetation was going dormant and did not need as much water in winter.
- Changing the times would be confusing for the public and make enforcement more difficult; keep it simple.

No action was taken by the city council on this matter.

5D. Settlement agreement regarding complaint of Cecil R. Atkission and City of Kerrville against Lower Colorado River Authority Transmission Services Corporation, Public Utility Commission of Texas (PUC), Docket No. 39516.
Mr. Hayes reported when PUC issued the order to LCRA regarding the route of the CREZ line, LCRA did not understand that USDA would not allow the line on their property. So when the route was moved to I-10, the city and Cecil Atkission filed a complaint with PUC concerning the impact to the Hwy. 16 and I-10 intersection, and eventually the county joined in that complaint. The attorneys worked with LCRA regarding their agreement with TxDOT to allow the bulk of the line between Hwy. 16 and Harper Road along I-10 to go into state right of way to lessen the impact to private property owners. Mr. Hayes recommended the city enter into the settlement agreement with LCRA which would have the impact of dismissing the complaint before PUC. He expressed disappointment in that the city had requested LCRA keep the city involved in the discussions regarding the final agreement with TxDOT, and they would not agree to do so. Mr. Atkission was ready to settle, and let LCRA reach an agreement with TxDOT. Mr. Hayes noted LCRA would still have to go through the permitting process with TxDOT, and the city had done its best to protect private property along the I-10 corridor.

Mr. Conklin moved to approve the settlement agreement; Ms. Keeble seconded the motion and it passed 4-0.

6. INFORMATION AND DISCUSSION:

6A. Allied Waste's notice of solid waste curbside garbage and recycling collection day changes, including removal of Saturday collection.
Mr. Hastings noted the August 2006 collection agreement with Allied Waste allowed for changes in the collection routes or days subject to city approval. AW proposed to change from a six-day to a five-day collection schedule, which would affect 50-75% of the households city wide. He reviewed advantages of the proposed route change e.g. public safety and less disturbance in neighborhoods

on Saturdays. Waste collection for commercial customers would not be affected by the change as businesses contracted with AW directly and the city was not involved. The city would advertise the new route schedule on the city website and the calendar to be mailed in December. Allied would provide a one month grace period in January 2012 to allow citizens to adjust to the new schedule.

Rudy Rodriguez, representing Allied Waste, discussed AW's desire to average out their workload by condensing the same workload into five days. He proposed the scheduling change become effective January 1, 2012; AW would be responsible for advertising the change.

6B. Update on the city hall construction project.
Ms. Ondrias noted on March 8 the city council authorized the mayor to sign an agreement with the Cailloux Foundation that would allow the city to move through the design process with Peter Lewis Architect Associates. On November 8, eight bids were opened, and the low bidder was Huser Construction at $2,409,000. Staff would move forward in negotiations with the Cailloux Foundation to prepare documents for council's consideration to accept the deed; he anticipated construction to begin January with completion in October/November 2012.

6C. Water resources report.
Mr. Hastings presented graphs depicting the amount of rainfall from 2007-2011 and aquifer storage recovery storage from 1998-2011. The long range forecast predicted continued drought through 2012. Currently the city was not injecting water into the ASR and probably would not until significant rainfall was received. The city was currently in Stage 4 and likely would remain in Stage 4 for a while. The city's current demand was 500 mgd.

6D. Budget and economic update.
Mr. Erwin noted the sales tax increase of 19% in October was an anomaly caused by several factors. He reviewed general fund and water/sewer fund revenue and expenditures. The national job report indicated unemployment remained over 9%, and he noted that historically job recovery had improved at a faster rate following recessions than it was currently.

7. ITEMS FOR FUTURE AGENDAS None.

8. ANNOUNCEMENTS OF COMMUNITY INTEREST:
8A. Tuesday, November 15, 5:30 – 7:00 p.m., Inn of the Hills, the city council will be hosting a town hall meeting; the public was encouraged to attend.
8B. November 19, 6:00 p.m., downtown Kerrville, holiday lighted parade.
8C. December 10, 5-7 p.m. at Schreiner Park Recreation Hall, Supper with Santa.
8D. November 9, 1 p.m., first test of the nationwide emergency system.
8E. November 20, 7 p.m., at the Kroc Center, a community Thanksgiving worship service.

9. <u>EXECUTIVE SESSION</u>:
Ms. Keeble moved for the city council to go into executive closed session under Sections 551.071 (consultation with attorney), and 551.087 (deliberation regarding economic development negotiations) of the Texas Government Code; the motion was seconded by Mr. Conklin and passed 4-0 to discuss the following items:

- <u>Section 551.071 and 551.087</u>:

Discuss or deliberate regarding commercial or financial information that the City Council has received from a business prospect that the Council seeks to have locate, stay, or expand in the City and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to such business prospect.

At 7:12 p.m. the regular meeting recessed and council went into executive closed session at 7:12 p.m. At 7:27 p.m. the executive closed session recessed and council returned to open session at 7:28 p.m. Mayor Wampler announced that no action had been taken in executive session.

10. <u>ACTION ON ITEM DISCUSSED IN EXECUTIVE SESSION</u>: None.

11. <u>ADJOURNMENT</u>. The meeting adjourned at 7:28 p.m.

APPROVED: ______________

____
David Wampler, Mayor

ATTEST:

____
Brenda G. Craig, City Secretary

Agenda Item:
(Staff)

3B. Professional services agreement with Freese & Nichols, Inc. to perform a wastewater collection system master plan update and provide a master plan for the wastewater treatment plant in an amount not to exceed $149,900.00. (staff)

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

SUBJECT: Council authorization for the City Manager to enter into a Professional Services Agreement with Freese & Nichols, Inc. to perform a Wastewater Collection System Master Plan update and provide a Master Plan for the Wastewater Treatment Plant in an amount not to exceed $149,900.00.

FOR AGENDA OF: November 22, 2011 **DATE SUBMITTED**: November 18, 2011

SUBMITTED BY: Kristine Ondrias KO **CLEARANCES:** Todd Parton
Assistant City Manager City Manager

EXHIBITS: Professional Services Agreement

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: TP

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
$149,900.00	**$200,000.00**	**$200,000.00**	**W94**

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

SUMMARY STATEMENT

In 2007, the City of Kerrville contracted with Freese & Nichols, Inc. to provide a Water / Wastewater System Master Plan. The master plan was completed in 2008 and has served as the City's plan for infrastructure improvements through the Capital Improvements Program. This master plan did not evaluate the treatment system facility or contemplate treatment plant needed improvements for future growth of the city.

Staff is recommending entering into a professional services agreement with Freese & Nichols, Inc. to update the existing Wastewater System Master Plan as well as develop a Wastewater Treatment Plant Master Plan. As part of the Master Plan process, the following tasks will be completed:

Task A: Project Kickoff and Data Collection
Task B: Update Land Assumptions & Load Projects for 5, 10 and 20 year conditions
Task C: Wastewater Collection System Model Update and Model Callibration
Task D: Wastewater Treatment Plant Condition Assessment
Task E: Evaluation of Existing Wastewater Treatment Plant Capacity
Task F: Wastewater System Alternative Analysis
Task G: Integrated Wastewater System Capital Improvement Plan

Throughout the above tasks/processes, staff will update the City Council of the progress as well as seek necessary input regarding items such as land assumptions, growth projections and project priorities. Freese & Nichols, Inc. will prepare a draft master plan report approximately six months from notice to proceed.

RECOMMENDED ACTION

Staff recommends the City Council authorize the City Manager to enter into a Professional Services Agreement with Freese & Nichols, Inc. to perform a Wastewater Collection System Master Plan update and provide a Master Plan for the Wastewater Treatment Plant in an amount not to exceed $149,900.00.

Professional Engineering Services Agreement

Between

Freese and Nichols, Inc., and City of Kerrville

THIS AGREEMENT is made as of this ______ day of ____________, 2011, between the CITY OF KERRVILLE, a Texas home rule municipality with principal offices at 800 Junction Highway, Kerrville, Texas, 78028-5069, hereinafter referred to as "CLIENT", and Freese and Nichols, Inc., with its offices located at 4040 Broadway, Suite 600, San Antonio, Texas 78209, hereinafter referred to as "ENGINEER", for the performance of professional engineering services in consideration of the following terms, conditions, and agreements:

PART I. SERVICES

ENGINEER shall perform all work described in the proposal attached hereto as **Exhibit A**.

A. ENGINEER shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports, and other services furnished by ENGINEER under this Agreement, ENGINEER shall, without additional compensation, correct or revise any errors, omissions or other deficiencies in his designs, drawings, specifications, reports and others services.

B. ENGINEER hereby agrees to comply with all Federal, State, and Local laws and ordinances applicable to the work or services under this Agreement.

C. ENGINEER shall hold periodic conferences with CLIENT or CLIENT's representatives to the end that the project as developed shall have the full benefit of CLIENT's experience and knowledge and be consistent with CLIENT's objectives for this project.

D. ENGINEER shall periodically report project status to CLIENT as is appropriate to keep CLIENT informed regarding project progress.

E. ENGINEER shall perform all services under this Agreement in a manner which is consistent with generally accepted standards of professional engineering practice.

PART II. CLIENT'S RESPONSIBILITIES

A. CLIENT shall provide all criteria and full information as to CLIENT's requirements for the Project; designate a person to act with authority on CLIENT's behalf in respect of all aspects of the Project; examine and respond promptly to ENGINEER's submissions; and give prompt written notice to ENGINEER whenever CLIENT observes or otherwise becomes aware of any defect in ENGINEER's submissions.

B. CLIENT shall also do the following and pay all costs incident thereto:

Furnish to ENGINEER, upon ENGINEER's notification that data is required, core borings, probings and subsurface explorations, hydrographic surveys, laboratory tests and inspections of samples, materials and equipment and similar data; appropriate professional interpretations of all of the foregoing; environmental assessment and impact statements; geologic assessments, environmental impact studies, and endangered species studies; and any other information previously made available to CLIENT, which may be required by ENGINEER; all of which ENGINEER may rely upon as accurate in performing ENGINEER's services provided, however, ENGINEER shall not be entitled to rely on any inaccuracy or incompleteness of information or services provided by CLIENT or at CLIENT's direction if a professional engineer using generally accepted engineering practices and procedures would have discovered such inaccuracy or incompleteness without reviewing any other data other than the document or information provided.

Guarantee access to and make all provisions for ENGINEER to enter upon public and private property.

Provide such legal, accounting, independent cost estimating and insurance counseling services as may be required for the Project, any auditing service required in respect of contractor(s)' applications for payment, and any inspection services to determine if contractor(s) are performing the work legally.

C. CLIENT shall pay all non-labor costs incident to obtaining bids or proposals from contractor(s).

PART III. WORK ORDER AMENDMENTS

A. CLIENT may at any time, by written Work Order, make changes relating to services to be performed. If such changes cause an increase or decrease in ENGINEER's cost of, or time required for, performance of any services, an agreeable equitable adjustment shall be made and reflected in a properly executed Work Order. ENGINEER must assert any claim for adjustment under this clause in writing within thirty (30) calendar days from the date of receipt by ENGINEER of the notification of change, unless CLIENT grants a further period of time before the date of final payment under this Agreement.

B. No services for which additional compensation will be charged by ENGINEER shall be furnished without a properly executed Work Order signed by CLIENT.

C. In the event that there are modifications and/or additions to regulatory requirements relating to the services to be performed under this Agreement after the date of execution of this Agreement, the increased or decreased cost of performance of the services provided in this Agreement and subsequent Work Orders shall be reflected in an appropriate Work Order.

PART IV. COMPENSATION

CLIENT agrees to pay ENGINEER for Professional Services in accordance with the descriptions, definitions, terms and conditions as set forth in **Exhibit A**.

PART V. PAYMENTS

ENGINEER will invoice CLIENT in accordance with the terms and conditions as set forth in **Exhibit A**. CLIENT agrees to promptly pay ENGINEER at its office located at 4055 International Plaza, Suite 200, Fort Worth, Texas 76109, the full amount of each such invoice upon receipt. In no event shall ENGINEER's failure to invoice constitute a default under the terms and conditions of this Agreement.

PART VI. INSURANCE

ENGINEER shall procure and maintain the following types and limits of insurance for the duration of this Agreement:

Type of Insurance	Minimum Limits of Liability
Workers' Compensation	Statutory
Employer's Liability	$250,000.00
Commercial General Liability-Personal Injury/Property Damage	$1,000,000.00 combined single limit per occurrence
Automobile Liability	$1,000,000.00 combined single limit per occurrence – Hired car, owned and non-owned autos
Professional Liability	$1,000,000 per claim

The commercial general liability insurance required above will include contractual liability coverage. The commercial general liability and automobile liability policies shall be endorsed to name the CLIENT as an additional insured, and all policies shall be endorsed to show a waiver of subrogation in favor of CLIENT. ENGINEER shall direct that a certificate of insurance be delivered to CLIENT before any services are performed pursuant to this Agreement. Such certification of insurance shall provide for not less than thirty (30) days written notice to CLIENT prior to cancellation or material modification by endorsement of any insurance referenced therein and shall indicate that all required coverage and endorsements are in effect.

PART VII. TERMINATION

A. CONDITIONS OF TERMINATION

This Agreement and/or Work Order(s) may be terminated without cause at any time prior to completion of ENGINEER's services, either by CLIENT or by ENGINEER, upon written notice to the other at the address of record. Upon receipt of written notice from CLIENT to discontinue work, ENGINEER shall discontinue work under this Agreement immediately. In the event CLIENT terminates the Agreement based on CLIENT's reasonable opinion ENGINEER has failed or refused to prosecute the work efficiently, promptly, or with diligence, ENGINEER shall have fifteen (15) business days, from the receipt of written notification by CLIENT, to cure such failure to perform in accordance with the terms of the Agreement.

B. ACTIONS ON TERMINATION

Upon any termination, ENGINEER shall: (1) promptly discontinue all Services affected (unless a termination notice from CLIENT directs otherwise); and (2) upon full payment for services, deliver or otherwise make available to CLIENT all documents, data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by ENGINEER in performing this Agreement, whether completed or in process.

C. COMPENSATION PAYABLE ON TERMINATION

On termination, by either CLIENT or ENGINEER, CLIENT shall pay ENGINEER with respect to all contracted services rendered and expenses incurred before termination an amount fixed by applying the ENGINEER's Standard hourly rates, in force at the time of termination, to all services performed to date, in addition to termination settlement costs ENGINEER reasonably incurs relating to commitments which had become firm before the termination; however, in no case shall CLIENT be required to pay ENGINEER more than the amount set forth in this Agreement.

PART VIII. MISCELLANEOUS

A. REUSE OF DOCUMENTS

All documents, including Drawings and Specifications prepared or furnished by ENGINEER pursuant to this Agreement, are instruments of service with respect to the PROJECT, are the property of both CLIENT and ENGINEER, and may be used by both CLIENT and ENGINEER, as they deem necessary in their reasonable discretion. Either CLIENT or ENGINEER may retain copies, reproduce copies, and disseminate copies of said Instruments of Service as are reasonably necessary for the construction and on-going maintenance of the Project. Not later than 90 days after substantial completion, ENGINEER shall deliver to CLIENT one (1) set of Record Drawings in CADD format incorporating all Addenda and Change Orders and consisting of one set of compact disks; provided, however, ENGINEER reserves the right to remove all indicia of ownership and/or involvement from the disc/magnetic tape provided to CLIENT. The original CADD data will be retained by ENGINEER. CLIENT hereby releases and holds harmless ENGINEER from any claims, losses, or liability resulting from CLIENT's use of the Instruments of Service in a manner not authorized on this project by this Agreement. Any reuse without written verification or adaptation by ENGINEER, for the specific purposes intended will be at CLIENT's sole risk and without liability or legal exposure to ENGINEER. Any such verification or adaptation by ENGINEER will entitle ENGINEER to further compensation at rates to be agreed upon by CLIENT and ENGINEER.

B. OPINION OF COST

Since ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over the contractor(s)' method of determining prices, or over competitive bidding or market conditions, ENGINEER's opinions of probable Project Cost and Construction Cost are to be made on the basis of ENGINEER's experience and qualifications and represent ENGINEER's best judgment as an experienced and qualified professional engineer, familiar with the construction industry; but ENGINEER cannot and does not warrant or guarantee ENGINEER's opinions of cost as an "actual" cost and if an "actual" "Construction Cost" is required, and/or desired, then, construction bids should be obtained by CLIENT from appropriate sources. Opinions of cost may be supplied to applicable municipalities for bonding purposes and no representations, warranties, or guarantees are rendered hereby to any other person or entity. Opinions of cost for presentation to any mortgagee or lending institution will only be prepared by ENGINEER at CLIENT's specific request. Preparation of such may involve substantial additional cost to CLIENT and ENGINEER cannot and does not warrant or guarantee such opinion of cost as an "Actual" cost.

C. TRENCH SAFETY DESIGN

ENGINEER shall not perform any service for design of Trench Safety Systems and/or Trench Excavation Safety during construction and said services are specifically excluded from the provision of this Agreement.

D. LATE PAYMENT

If CLIENT fails to make any payment due ENGINEER for services and expenses in accordance with Part VI herein, within thirty (30) calendar days from the date of ENGINEER's invoice, thereafter the amounts due ENGINEER shall include a charge at the rate of 1.50 % per month, calculated from the date of the invoice, and in addition, ENGINEER may, after giving ten (10) business days written notice to CLIENT, suspend services under this Agreement until ENGINEER has been paid in full all amounts due for services and expenses.

E. ATTORNEY'S FEES

In the event ENGINEER's invoices for services are given to an attorney for collection, or if suit is brought for collection, or if they are collected through probate, bankruptcy, or other judicial proceeding , then CLIENT shall pay ENGINEER all costs of collection, including the maximum attorney's fees allowed by Law and court costs, in addition to other amounts due.

F. PERIOD OF SERVICE

ENGINEER shall diligently pursue completion of services in accordance with the timely completion specified in **Exhibit A** and shall promptly inform CLIENT of any anticipated delay. ENGINEER shall not be liable or responsible for any delays caused by circumstances beyond ENGINEER's control.

G. CONSTRUCTION OBSERVATION

During the Construction Phase, ENGINEER shall make visits to the site at intervals appropriate to the various stages of construction to observe as an experienced and qualified design professional the progress and quality of the executed work of contractor(s) and to determine in general if such work is proceeding in accordance with ENGINEER's design, drawings, specifications, and other instructions.

ENGINEER shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by contractor(s) or the safety precautions and programs incident to the work of contractor(s).

H. SALES AND USE TAXES

Not applicable. CLIENT is a tax-exempt entity. CLIENT will provide ENGINEER with a current copy of CLIENT's tax-exempt certificate.

I. SUCCESSORS AND ASSIGNS

CLIENT and ENGINEER each binds himself, and his partners, successors, executors, administrators, and assigns to partners, successors, executors, administrators, in respect to all covenants of this Agreement. Neither CLIENT nor ENGINEER shall assign, sublet, or transfer their interest in this Agreement without written consent of the other. Nothing herein shall be construed as giving any rights or benefits hereunder to anyone other than CLIENT or ENGINEER.

J. CONTROLLING LAW; VENUE

This Agreement is to be governed by and construed in accordance with the laws of the State of Texas. Venue for any disputes between CLIENT and ENGINEER arising from or related to this Agreement shall be in Kerr County, Texas.

K. SEVERABILITY AND WAIVER

In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall continue to be valid and binding upon the parties. One or more waivers by either party of any provision, term, condition or covenant shall not be construed as a waiver of a subsequent breach of the same by the other party.

L. EXTENT OF AGREEMENT

This Agreement, including **Exhibit A**, and any and all amendments, modifications, and supplements duly executed by the parties in accordance with this Agreement, govern and supersede any and all inconsistent or contradictory terms, prior oral or written representations or understandings, conditions or provisions set forth in any purchase orders, requisition, request for proposal, authorization of services, notice to proceed or other form or document issued by CLIENT with respect to the project or ENGINEER's services.

M. AMENDMENTS

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made a part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement. No one has authority to make variations in, or additions to the terms of this Agreement on behalf of ENGINEER other than the undersigned Principal, and then only in writing.

Executed on this ______ day of ____________________________, 2011.

CITY OF KERRVILLE	FREESE & NICHOLS, INC.
BY:____________________________	BY:____________________________
Jeffrey Todd Parton	Name
City Manager	____________________________
	Title

ATTEST:

____
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

Michael C. Hayes
____
Michael C. Hayes, City Attorney

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Exhibit A
Scope of Services

City of Kerrville
Wastewater Treatment Plant and Collection System Master Plan Update

Task A – Project Kickoff and Data Collection

A1. Project Kickoff Meeting: Freese and Nichols, Inc. (FNI) will meet with the City to review the scope, project team and schedule of the project, perform a preliminary plant walkthrough and present a data request memorandum. The data request memorandum will include:

- Plans and specifications
- Past reports
- Current TDPES permit and sludge management plan
- TCEQ inspection reports for the past 5 years
- Operating data for the past 3 years
- Wastewater collection system GIS data
- Lift Station inventory and operations data
- Other pertinent data

A2. Inventory of WWTP Facility Assets: FNI will develop an inventory of WWTP facilities including pipelines and valves larger than 6-inch, treatment equipment, treatment structures, and electrical equipment. For each asset include (where available and appropriate) date of installation, type of equipment, manufacturer, rated capacity, diameter, actuator type, motor size, materials of construction, intended service and information on maintenance history, problems and failures (if known).

A3. Obtain Updated Wastewater Collection System Data: FNI will meet with the City to review the current mapping of the wastewater collection system, and identify any error in connectivity, pipe sizes or missing wastewater lines. FNI and the City will also review the most current lift station inventory and pump operations data.

Task B – Update Land Use Assumptions & Wastewater Load Projections for 5 year, 10 year & 20 year conditions

B1. Conference Call with City to Discuss Proposed Land Uses throughout Future Service Area and Timing of Growth: FNI will conduct a conference call with the City to discuss the existing land uses and current and projected populations and update as necessary for 5 year, 10 year, and 20 year conditions including out to the City's one mile ETJ.

B2. Update Land Use Assumptions for 5-year, 10-year & 20 year Conditions: FNI will utilize the City's Planning Department data and other resources to develop land use assumptions for 5-year, 10-year and 20 year conditions.

B3. Develop Wastewater Load Projections: FNI will use the updated land use assumptions, City SCADA data and input from the City's staff to estimate existing wastewater flows and to develop future wastewater flows for 5 year, 10 year and 20 year projections for residential and commercial land uses. FNI will develop the wastewater flows utilizing per capita flow, peaking factors, and Infiltration/Inflow (I/I) values in accordance with TCEQ guidelines and wastewater system planning best practices.

B4. Distribute Future Wastewater Flows throughout City – FNI will distribute future wastewater flows throughout each sewer basin using land use assumptions and recent utility billing data. Large industrial and commercial demands will be distributed as point loads to the wastewater system model.

B5. Land Use Assumption and Wastewater Load Conference Call: Conduct a conference call meeting with the City to present assumptions, methodology, and results of Land Use Assumptions and wastewater load development.

Task C. Wastewater Collection System Model Update and Model Calibration

C1. Update Wastewater Collection System Model: FNI will utilize GIS mapping of the wastewater system and record drawings of major wastewater projects to update the wastewater system model for 8-inch and larger wastewater lines and other critical wastewater lines. FNI will update lift station facility and operational data to the model to represent the 2011 wastewater system conditions.

C2. Distribute Existing Wastewater Flows throughout City and Conduct Model Verification: FNI will distribute calculated wastewater flows throughout the model and conduct model verification by adjusting peaking values and wastewater flow distribution.

Task D: Wastewater Treatment Plant Condition Assessment

D1. Develop Facility Prioritization Scoring System: In consultation with City staff, FNI will develop prioritization scoring system criteria. Scoring system for the condition of facilities based on several criteria such as material, age, capacity, history of repairs, criticality, etc., will be used to prioritize projects. The criteria may include issues with electrical, mechanical, structural, safety, etc.

D2. Conduct WWTP Site Visits: FNI will Conduct one (1), two- day site visit along with City staff to collect data on existing facilities as described above, evaluating the various components. Assign condition scores based on observations during the site visit.

D3. Perform WWTP Process Unit Criticality Scoring: In consultation with City staff, FNI will evaluate the criticality of major process units and principal equipment by assessing the capacity provided, impact to permit requirements, system redundancy and ease/speed of replacement among other factors. FNI will assign a criticality score to each process unit.

D4. Prioritize WWTP Rehabilitation Projects: FNI will utilize scoring system to prioritize rehabilitation projects. FNI will provide phasing of improvements and outline of a potential schedule and cost for rehabilitation and/or replacement of aging facilities and reasons to implement rehabilitation or replacement. System renewal costs will be calculated and summarized based on the prioritized rehabilitation projects. Rehabilitation projects will be combined with new construction projects in the CIP.

Task E. Evaluation of Existing Wastewater Treatment Plant Capacity

E1. Develop Hydraulic Model of Existing WWTP: FNI will develop a hydraulic model of the existing treatment plant. The calibrated model will be used to evaluate plant hydraulics for future conditions including process modifications.

E2. Evaluate WWTP Process Capacity: FNI will evaluate the process capacity of the existing treatment plant based on TCEQ Chapter 217 criteria and on currently accepted engineering design principles.

E3. Evaluate Regulatory Compliance: FNI will evaluate compliance with existing regulations including TCEQ Chapter 217 and the TPDES permit for the plant. FNI will identify possible regulatory requirements that might affect future discharge permit requirements.

E4. WWTP Capacity and Condition Assessment Workshop: FNI will conduct a workshop with City staff to review the results of the conditions assessments, the rehabilitation prioritization, the plant capacity analysis, and to brainstorm alternatives for expanding treatment capacity.

Task F - Wastewater System Alternative Analysis

F1. Wastewater System Alternative Development: FNI will evaluate the following alternatives for the development of a future wastewater system capital improvements plan:

- **Alternative 1: Upgrade and Expand Existing WWTP**
  - This alternative consists of using the existing land and expanding the WWTP onsite to serve all of the City's 20 year growth.
- **Alternative 2: Construct New WWTP adjacent to Existing WWTP**
  - This alternative consists of maintaining the existing WWTP at its current capacity and constructing a new WWTP adjacent to serve the remainder of the City's 20 year growth

- **Alternative 3: Construct New WWTP at a Location to be determined**
  - This alternative consists of maintaining the existing WWTP at its current capacity and constructing a new WWTP at a location to be determined.

F2. Evaluate WWTP Improvement Alternatives: FNI will evaluate alternatives for plant modifications including new treatment plants based on regulatory requirements and existing plant deficiencies identified by the hydraulic and process evaluation. The WWTP alternative evaluation will include process flow diagrams, site selection for a new plant, site plans, Opinion of Probable Construction Cost, 20-year life cycle cost, and intangible benefits and costs. The results of the alternative evaluation will be recommended modifications and additions to the existing plant and/or conceptual design for a new plant.

F3. Evaluate Wastewater Collection System Improvement Alternatives for Future Conditions: FNI will utilize the collection system model to simulate a number of system improvement alternatives to meet future growth. Wastewater collection facilities and lines will be sized to meet 20 year peak wet weather flows. The collection system improvements will be the same for Alternatives 1 & 2, while the improvements for Alternative 3 will have an appropriate plan for serving flows to the new WWTP location.

FNI will update the Opinion of Probable Construction Costs for each proposed project. Costs will be in Year 2012 dollars and will include engineering and contingencies. The Collection System alternative evaluation will include construction costs, project flow based triggers and a map showing project locations.

F4. Meet with City to Review Alternatives Evaluation - FNI will meet with the City to review the alternatives evaluation results and discuss path forward for integrated CIP development.

Task G - Integrated Wastewater System Capital Improvement Plan

G1. Develop Integrated Capital Improvement Plan: FNI will develop a 20 year CIP for the treatment plant based on the recommended modifications and additions from the plant capacity and condition assessment. The CIP will be phased with critical modifications having first priority followed by improvements that address growth and future regulatory requirement. FNI will develop a 20 year CIP scheduling of projects based upon wastewater collection system modeling requirements and reliability needs, and mapping showing project locations. The CIP will include peak flow based triggers for each project to assist the City in the timing of each project for budget planning purposes. Each CIP project will include the number of existing and projected Living Unit Equivalents (LUE) that contributes to each improvement. FNI will integrate both 20 year CIPs for the WWTP and the collection system into one Wastewater System CIP in accordance with City staff budgeting methodology.

G2. Conduct an Integrated CIP Workshop: FNI will conduct a workshop with City Staff and City Council to review the results of the alternative analysis and the proposed integrated CIP.

G3. Draft Wastewater Master Plan Update Report: FNI will prepare a draft report that summarizes the methodology and results of the Wastewater Treatment and Collection System Master Plan. FNI will submit the ten (10) hard copies and a PDF file of the draft report to the City for comments.

G4. Final Wastewater Master Plan Update Report: FNI will incorporate comments on the draft report and submit the final report to the City. FNI will submit ten (10) hard copies and a PDF file of the final report to the City.

SUMMARY OF WWTP & COLLECTION SYSTEM MASTER PLAN UPDATE DELIVERABLES

1. TM-1 – WWTP Condition Assessment and Existing Plant Capacity Analysis (with Workshop)
2. WWTP and Collection System Master Plan Report

SUMMARY OF WWTP & COLLECTION SYSTEM MASTER PLAN UPDATE FEE

Task A - Project Kickoff and Data Collection		$5,500
Task B - Develop Land Use Assumptions and Wastewater Load Projections		$12,100
Task C - Wastewater Collection System Model Update and Model Calibration		$8,600
Task D - Wastewater Treatment Plant Condition Assessment		$12,000
Task E – Evaluation of Existing Wastewater Treatment Plant Capacity		$20,800
Task F – Wastewater System Alternative Analysis		$37,000
Task G – Integrated Wastewater System Capital Improvement Program		$53,900
	Total	**$149,900**

SCHEDULE FOR WWTP & COLLECTION SYSTEM MASTER PLAN UPDATE

WWTP Capacity and Condition Workshop: 90 days after Notice to Proceed (NTP)
CIP Workshop and Draft Master Plan Report: 120 days after NTP
Final Master Plan Report: 15 days after receiving City comments on Draft Report

Agenda Item:
(Staff)

3C. Project funding agreement between the City of Kerrville, Texas and the City of Kerrville, Texas Economic Improvement Corporation for Harper Highway utility improvement Phase II project in an amount not to exceed $1,000,000.00. (staff)

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

SUBJECT: Approval of a funding agreement between the City of Kerrville, Texas Economic Improvement Corporation and City of Kerrville regarding the Harper Highway Phase II Improvement Project

FOR AGENDA OF: November 22, 2011 **DATE SUBMITTED**: November 10, 2011

SUBMITTED BY: Mindy N. Wendele, Director of Business Programs **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:
$1,000,000.00	**$3,500**	**$1,003,500**	40-800-306

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

SUMMARY STATEMENT

On September 19, 2011, city staff made a presentation and funding request concerning a second phase to the Harper Highway Improvement Project constructed earlier this year. Phase II of the project includes a utility extension loop on Harper Highway between Old Harper Road and IH 10.

Following the presentation, the EIC board members voted to direct staff to hold a public hearing and draft a funding agreement. A public hearing was conducted on October 17, 2011, and funding agreement presented and approved for $1,000,000.00.

RECOMMENDED ACTION

Approve funding agreement.

PROJECT FUNDING AGREEMENT BETWEEN THE CITY OF KERRVILLE, TEXAS AND THE CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION (HARPER HIGHWAY UTILITY IMPROVEMENT, PHASE II PROJECT)

THIS PROJECT FUNDING AGREEMENT is entered into this _____ day of ____________________, 2011, by and between the City of Kerrville, Texas ("City"), a Texas home-rule municipality, and the City of Kerrville, Texas Economic Improvement Corporation ("Corporation"), a Texas non-profit corporation established by City pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code (otherwise known as the Development Corporation Act of 1979 and hereafter called "the Act").

WITNESSETH:

WHEREAS, pursuant to Chapter 505 of the Act, Corporation is authorized to undertake, or to provide funding to City to undertake, projects which the Corporation finds to be encompassed by the definition of "projects", as that word is defined in Chapters 501 and 505 of the Act; and

WHEREAS, EIC was formed to administer the sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for projects, as defined, including:

Expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises; and

WHEREAS, City proposes to construct approximately 4,000 linear feet of a twelve inch (12") water main and more than 3,000 linear feet of a wastewater (sanitary sewer) main (the "Project"); and

WHEREAS, the Project, which is more specifically referred to as "Phase 2 of the Harper Road Utility Extension Project", will expand the service area for both water and wastewater services from the City for properties within this commercial gateway; and

WHEREAS, the Project will allow for the development of new and expanded businesses for properties along and adjacent to Harper Road (FM 783) as well as open additional service areas for future business development; and

WHEREAS, Corporation finds that the construction of the City Project as described generally above constitutes a "project" as defined by the Act; and

WHEREAS, Corporation finds that it will be in the public interest to enter into this Agreement with City to provide sales tax revenues collected pursuant to the Act ("4B Revenues") to City for costs related to the City Project; and

WHEREAS, on September 19, 2011, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, Corporation held a public hearing pursuant to Section 501.072 of the Act related to the proposed expenditure of 4B Revenues for the City Project;

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

1. **"City Project" Defined:** When used in this Agreement, the phrase "City Project" shall mean the project summary as described in **Exhibit A** attached hereto and included herein for all purposes. Said description shall not be substantively altered in any respect without the prior approval of the Corporation.

2. **Agreement to Fund Portion of City Project:** Corporation agrees to provide to City an amount up to and not to exceed $1,000,000.00 in 4B Revenues to be used for the design, bidding, construction, and installation of the City Project. The City is hereby authorized to make payments for the herein described purposes directly from the Sales Tax Improvement Fund (Fund 40) or by making a transfer of 4B Revenues from the Sales Tax Improvement Fund (Fund 40) to one or more funds described in the City's approved budget. Transfers shall be limited to the actual amount of the payment draws submitted by the selected contractor(s) and/or the actual costs to City related to the City Project.

3. **Eligible Costs:** Payments made by City from 4B Revenues as authorized by Section 2, above, shall be limited to the payment of "costs" as defined in the Act.

4. **Applicable Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. The Agreement is entered into and fully performable within Kerr County, Texas. Accordingly, venue for any cause of action arising pursuant to this Agreement shall be proper only in Kerr County, Texas.

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

CITY OF KERRVILLE, TEXAS

By:__________________________
David Wampler, Mayor

ATTEST:

____
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

____
Michael C. Hayes, City Attorney

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

By:__________________________
Gregg Appel, President

ATTEST:

____
Tony Roberts, Secretary for the Corporation

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Agenda Item:
(Staff)

3D. Purchase of three new replacement vehicles for the police department. (staff)

BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS

SUBJECT: Authorization to purchase 3 new police department replacement vehicles.

FOR AGENDA OF: November 22, 2011 **DATE SUBMITTED**: November 11, 2011

SUBMITTED BY: Chief John Young **CLEARANCES:** Mike Erwin – Finance Director

EXHIBITS: Vehicle Spec and Bid Sheets

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
$88,465.00	**$150,000.00**	**$88,465.00**	**18-800-503**

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

SUMMARY STATEMENT

Staff incompliance with state purchasing law and the City's purchasing policy distributed a public notice requesting sealed bids for three (3) new replacement vehicles for the police department. Bids were due at 3:00PM on November 9, 2011. Additionally, staff used an advertised price from the local government-purchasing cooperative Buyboard as a bid. Two local vendors submitted bids, but the bids did not comply with the specifications required by the bid notices. As such, staff believes that Buyboard's listed price for the required vehicles is the lowest and best bid at a total cost of $88,465 for three (3) new replacement vehicles.

RECOMMENDED ACTION

We consider the local government-purchasing cooperative Buyboard to be a bidder and recommend that City Council award the bid under their program.

2012 – FOUR DOOR POLICE UNITS

2012 Police Vehicle

Full size Police Vehicle Package
4 Door Sedan Police Patrol Vehicle – Rear Wheel Drive
General Requirements:
No less than 118" wheelbase
No less than 204" in length
No less than 74" in width
No less than 6.0L V-8 Engine – (355 HP), Active Fuel Management and E85 FlexFuel capability
Tires shall be P235/50R18 or equivalent – Bolt-on Center Caps
Mounted full size P235/50R18 Spare
Power rack-and –pinion steering with oil cooler

Body:

Full Rubber Floor
Power Seats/Lumbar-Driver, Cloth Bucket Front/Vinyl Rear Bench

Chassis:

Automatic Transmission: 6 speed with sport shift mode, with transmission cooler
Power Brakes, Heavy-Duty 4-wheel disc antilock Brake System (ABS) Required
Heavy-Duty Police Suspension
Factory Air Conditioning-Heater-Defroster
Rear Defogger
Dual Batteries
Front/Rear Strobes
Power Supply
Console Mounting Base
SA315P Siren Mount
Flasher System Front/Rear
Single Key Fleet 6E3
Grille Lamp Siren/Speaker Wiring
Trunk Cargo Mat
Wiring for Customer Connection to Front Door Speakers
Wiring-Horn Siren Circuit-Inline
Radio – AM/FM-CD
Special Two Tone Paint – Four Doors/Roof
Power Mirrors
Power Windows

Power Door Locks
Tilt steering wheel – Cruise Control
Auxiliary Dome Lamp
Trunk Slide Tray
Spotlamp - left hand
No dealership insignia
GM Warranty 5YR/100,000 Powertrain
Two-year inspection sticker
FOB-Kerrville Service Center

PRICE PER UNIT ______________________________

WRITTEN PRICE______________________________

BID FORM

2012 Police Vehicles

Vehicles:	Quantity	Unit Price	Total Extended Price
Make: DODGE Model: CHARGER	3	$29,528	$88,584
Preparation and Processing Fee	3	N/C →	N/C →
Delivery Fee	3	N/C →	N/C →
Net Total	3	$29,528	$88,584

Vehicle Detailed Specifications (attach sheet(s) if additional space needed):

2012 Full size Police Vehicle Package	Chassis: Heavy duty police suspension. Power Brakes; ABS - Anti lock brake system. Factory Air Conditioning - Heater - Defroster.
General: Full Size Police Vehicle Package 120.20" WB; 199.90" length; 75.00" in width. 5.7L V-8 HEMI with 5 Speed Auto. Trans.	
Body: 4 DOOR Sedan Police Patrol Vehicle - Rear wheel Drive.	
See Attached Invoice!	Warranty: Transferable 5 year/100,000 Mile PowerTrain Limited Warranty.

Estimated Delivery Date: January 25, 2012

Company Name Crenwelge Motors

Signature Ed Nemec

Print Name Ed Nemec

Email Address ednemec@crenwelge.com

Address 301 Main St.
Kerrville, TX 78028

Telephone 830-896-4835

Proposed Prices Valid Until: (Show Date) January 25, 2012

(Proposed Pricing Must be Valid for a minimum of 60 days from Bid Opening Date)

BID FORM

2012 Police Vehicles

Vehicles: 2013	Quantity	Unit Price	Total Extended Price
Make: FORD Model: TAURUS INTERCEPTOR	3	32728.88	98186.64
Preparation and Processing Fee	3		
Delivery Fee	3		
Net Total	3	32728.88	98186.64

Vehicle Detailed Specifications (attach sheet(s) if additional space needed):

2012 Full size Police Vehicle Package	Chassis:
General:	
Body: SEE ATTACNMENT	Warranty: 5 YR 100,000 POWERTRAIN

Estimated Delivery Date: __________

Company Name KEN STOEPEL FORD

Signature __________

Print Name TERRY MASSEY

Email Address TMASSEY@STOEPELFORD.COM

Address 400 SIDNEY BAKER
KERRVILLE TX 78028

Telephone 830-257-5553

Proposed Prices Valid Until: (Show Date) __________

(Proposed Pricing Must be Valid for a minimum of 60 days from Bid Opening Date)

QUOTE# 001 CONTRACT PRICING WORKSHEET

End User: CITY OF KERRVILLE	Contractor: CALDWELL COUNTRY
Contact Name: SAI VONGCHAMPA	CALDWELL COUNTRY
Email: SAI.VONGCHAMPA@KERRVILLETX.GOV	Prepared By: Averyt Knapp
Phone #: 830-258-1122	Email: aknapp@caldwellcountry.com
Fax #:	Phone #: 800-299-7283 or 979-567-6116
Location City & State: KERRVILLE	Fax #: 979-567-0853
Date Prepared: NOVEMBER 10, 2011	Address: P. O. Box 27, Caldwell, TX 77836
Contract Number: BUY BOARD #358-10	Tax ID # 14-1856872

Product Description: 2012 CHEVROLET CAPRICE PPV 1EW19

A Base Price & Options:	$29,355.

B Published Options

Code	Description	Cost	Code	Description	Cost
	6.0LV8-FFV, REAR WHEEL DRIVE, 6-SPD AUTOMATIC, AIR CONDITION, AMFM-CD, TILT, CRUISE, POWER SEATS/LUMBAR-DRIVER PASSENGER, CLOTH BUCKET FRONT/VINYL REAR BENCH, FULL RUBBER FLOOR, FULL SIZE SPARE, DUAL BATTERIES, TRUNK SLIDE TRAY, FRONT/REAR STROBES, POWER SUPPLY, CONSOLE MOUNTING BASE, SA315P, FLASHER SYSTEM FRONT/REAR, LH SPOTLIGHT, POWER MIRRORS, POWER WINDOWS, POWER LOCKS, TILT, CRUISE, REAR DEFOGGER, SINGLE KEY FLEET 6E3, GRILLE LAMP SIREN/SPEAKER WIRING, AUXILARY DOME LAMP, TRUNK CARGO MAT, WIRING FOR CUSTOMER CONNECTION TO FRONT DOOR SPEAKERS, WIRING-HORN SIREN CIRCUIT-INLINE, SPECIAL TWO TONE PAINT-FOUR DOORS/ROOF, GM WARRANTY 5YR/100,000 POWERTRAIN @ N/C	INCL			

				CALDWELL COUNTRY PO BOX 27 CALDWELL, TEXAS 77836	
Subtotal B					INCL
C Unpublished Options					
Code	Description	Cost	Code	Description	Cost
Subtotal C					
D Other Price Adjustments (Installation, Delivery, Etc…)					
Subtotal D					INCL
E Unit Cost Before Fee & Non-Equipment Charges (A+B+C+D)					$29,355
X Quantity Ordered					3
Subtotal E					$88,065
F Non-Equipment Charges (Trade-In, Warranty, Etc…)					
BUY BOARD					$400
G. Color of Vehicle: BLACK & WHITE (4 DOORS/ROOF-$780 INCL)					INCL
H. Total Purchase Price (E+F)					$88,465

Estimated Delivery Date:	120-150 DAYS APPX

Agenda Item:

(Staff)

3E. Municipality master service interlocal contract between Harris County Department of Education and the City of Kerrville. (staff)

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

SUBJECT: Authorize a Municipality Master Service Inter-local Contract between Harris County Department of Education and the City of Kerrville

FOR AGENDA OF: November 22, 2011 **DATE SUBMITTED**: November 11, 2011

SUBMITTED BY: Travis Cochrane **CLEARANCES:** Kim Meismer
Director of Information Technology Director of General Operations
EXHIBITS: Contract

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

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

SUMMARY STATEMENT

As a part of the FY 2012 budget, City Council approved a virtual desktop project for the replacement of traditional desktop computers. In order to obtain the best prices, the city traditionally uses pre-negotiated discounted contracts through the Texas Department of Information Resources (Texas DIR). These pre-negotiated contracts allow us to take advantage of the purchasing volume of the entire state of Texas giving us greater discounts than if we negotiated on our own.

The Harris County Department of Education (HCDE) has adopted a similar program where they utilize the purchase power of their membership to negotiate discounted contracts with hundreds of vendors. The primary difference between the two is the Texas DIR is limited to Information Technology related items, while the HCDE covers a wider range of items relevant to their membership.

In order to obtain the best prices from the selected vendor for this project, the City needs to join the HCDE purchasing cooperative. Membership is free and requires approval of an Inter-local contract between the two entities pursuant to Chapter 791 of the Texas Government Code.

RECOMMENDED ACTION

Staff recommends Council authorize the City Manager to sign a Municipality Master Service Inter-local Contract between Harris County Department of Education and the City of Kerrville.

Municipality Master Service Interlocal Contract
Between Harris County Department of Education
&City of Kerrville

Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 271, Subchapter F of the Texas Local Government Code, this Interlocal and Cooperative Purchasing Program Contract ("Contract") is made and entered into by and between the Harris County Department of Education ("HCDE"), located in Houston, Texas, and City of Kerrville ("CITY"), located in Kerrville, Texas, for the purpose of providing services.

Preamble

HCDE is a local governmental entity established to promote education in Harris County, Texas and is also duly authorized to provide programs and services in the State of Texas. Both HCDE and CITY desire to set forth, in writing, the terms and conditions of their agreement.

General Terms and Conditions

In consideration of the mutual covenants and conditions contained in this Contract and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound agree as follows:

1. Term. This Contract is effective from the date of the last signature and shall automatically renew unless either party gives thirty (30) days prior written notice of non-renewal. This Contract may be terminated by either party with or without cause with thirty (30) days written notice. See other means of terminating the contract in Article 11, below. Any such notice shall be sent according to Article 8.

2. Agreement. The terms of this Contract shall apply and will be considered a part of any Addendum for programs and services delivered by HCDE. This Contract and the attached and incorporated Addendum, purchase orders, or exhibits, if any, contain the entire agreement of the parties and there are no representations, agreements, arrangements, or undertakings, oral or written, between the parties to this Contract other than those set forth in this Contract and duly executed in writing.

3. Purpose and Scope of Work.

   A. HCDE agrees to:
   - Provide CITY with subsequent independent contracts and/or descriptive offerings of each of the programs and services that HCDE provides through its respective divisions.
   - Provide services upon the submission of independent contracts or purchase orders within the HCDE divisions.
   - Conduct, as a minimum, an annual audit or survey, as appropriate, for each of the programs.

   B. CITY agrees to:
   - Participate in any or all of the services that HCDE has to offer.
   - Submit purchase order(s) or independent contract(s) for each of the programs it wishes to purchase and/or collaborate.
   - Agree to follow the terms and conditions of each independent contract or purchase orders for each of the programs.

- Designate a person to act under the direction of, or on behalf of, CITY in all matters relating to each respective program delivered.
- Make payments directly to a vendor under a contract or purchase order made for each of the programs.
- Be responsible for a vendor's compliance with provisions relating to the quality of items and terms of delivery, to the extent provided in this Contract.

4. As is. HCDE makes this Contract available to HCDE participating entities "as is" and are under no obligation to revise the terms, conditions, scope, prices, and/or any requirements of the Contract for the benefit of CITY.

5. Assignment. Neither this Contract nor any duties or obligations entered in subsequent contracts because of this agreement shall be assignable by either party without the prior written acknowledgment and authorization of both parties.

6. Conflict of Interest. During the Term of HCDE's service to CITY, CITY, its personnel and agents, shall not, directly or indirectly, whether for CITY's own account or with any other person or entity whatsoever, employ, solicit or endeavor to entice away any person who is employed by HCDE.

7. Contract Amendment. This Contract may be amended only by the mutual agreement of all parties in writing to be attached to and incorporated into this Contract.

8. Notice. Any notice provided under the terms of this Contract by either party to the other shall be in writing and shall be sent by **certified mail, return receipt requested.** Notice to shall be sufficient if made or addressed as follows:

Harris County Department of Education	City of Kerrville
Attn: John E. Sawyer, Ed.D.	Attn: Todd Parton
County School Superintendent	Title: City Manager
6300 Irvington Blvd.	Address 1: 800 Junction Highway
Houston, Texas 77022	Address 2: Kerrville, TX 78028
713-694-6300	Phone: 830-258-1105
	Email: todd.parton@kerrvilletx.gov

9. Relation of Parties. It is the intention of the parties that CITY is independent of HCDE and not an employee, agent, joint venturer, or partner of HCDE and nothing in this Contract shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer or partner, between HCDE and CITY or HCDE and any of CITY's agents.

10. Non-Exclusivity of Services. Nothing in this Contract may be construed to imply that HCDE has exclusive right to provide CITY these services. During the Term of Contract, CITY reserves the right to use all available resources to procure other professional services as needed and, in doing so, will not violate any rights of HCDE.

11. Termination. This Contract may be terminated prior to the expiration of the Term hereof as follows:
    - By CITY upon 30 days notice if the work/service is not provided in a satisfactory and proper manner after a remedy has been reported and discussed;
    - By mutual written agreement of the parties, upon thirty (30) days prior notice; or

- By either party immediately if the other party commits a material breach any of the terms of this Contract and no remedial action can be agreed upon by the parties.

12. Master Contract. This Contract can be utilized as the Master Contract. The general terms and conditions in this Contract will serve to outline the working relationship between HCDE and the CITY. Both parties agree to allow the CITY to use any or all of the following programs and/or services with no charge from HCDE: Choice Facility Partners (CFP), Gulf Coast Food Cooperative, Purchasing Cooperative, Drug Testing Services and Fuel Cooperative.

    The CITY agrees to adhere to the terms and conditions set forth for the programs and/or services as contracted under these programs. All other programs and/or services provided by HCDE requiring a fee will need an addendum to the approved Master Interlocal Contract. The specific terms and conditions of the addendum will govern that individual contract. In the case of a conflict between the Master Contract and any addendum, the provisions of the addendum will govern.

13. Severability. In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the Contract shall be construed as if such invalid, illegality, or unenforceable provision had never been contained in it.

14. Governing Law and Venue. This Contract shall be governed by and construed in accordance with the laws of the State of Texas. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Contract shall be in Harris County, Texas.

15. Authorization. Each party acknowledges that the governing body of each party to the Contract has authorized this Contract.

16. Benefit for Signatory Parties Only. Neither this Contract, nor any term or provisions hereof, not any inclusion by reference, shall be construed as being for the benefit of any party not in signatory hereto.

In witness whereof, HCDE and CITY have executed this Contract to be effective on the date specified in Article 1. Term above:

______________________________ Name of City	Harris County Department of Education
______________________________ Authorized Signature	______________________________
______________________________ Printed Name	John E. Sawyer, Ed.D.
______________________________ Title	County School Superintendent
______________________________ Date	______________________________ Date

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

____
David Wampler, Mayor

APPROVED AS TO FORM:

____
Heather Stebbins, Assistant City Attorney

ATTEST:

____
Brenda G. Craig, City Secretary

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Agenda Item:
(Staff)

4A. An ordinance to continue the taxation of tangible personal property, goods-in-transit, which would otherwise be exempt pursuant to Texas Tax Code Section 11.253. (staff)

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

SUBJECT: Ordinance to continue the taxation of tangible personal property, goods-in-transit, which would otherwise be exempt pursuant to Texas Tax Code §11.253

FOR AGENDA OF: Nov. 22, 2011 **DATE SUBMITTED:** Nov. 10, 2011

SUBMITTED BY: Mike Hayes MCH
City Attorney

CLEARANCES:

EXHIBITS: None

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

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

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

SUMMARY STATEMENT

Recent changes to the Texas tax code mean the City Council must once again decide whether it wants to opt in or out of the goods-in-transit tax exemption. Legislation passed during last June's special session modified the law relating to property taxes on certain types of "goods-in-transit." A property tax exemption, referred to as the "Super Freeport" exemption, allows a local option exemption for goods traveling elsewhere in Texas and can be claimed when the goods are at certain warehouses not owned by the owner of the goods. The legislation, Senate Bill 1, requires cities to take action between Oct. 1, 2011, and Dec. 31, 2011, to provide for the taxation of goods-in-transit in 2012 and subsequent years. The City must conduct a public hearing prior to doing so. The City has opted out of the exemption since 2007, meaning that it currently collects property taxes on goods that are stored in warehouses for less than 175 days and then shipped to other locations in the state. Article I of Chapter 94 "Taxation" of the City's Code of Ordinances sets out this exemption. Senate Bill 1's requirements for local action to institute or affirm opting out of the exemption apply regardless of any action taken by a city in the past to tax Super Freeport goods. In other words, any city that wishes to collect property taxes on Super Freeport goods in 2012 must now conduct a public hearing and take action within the specific timeframe. Failure to take official action within the timeframe will mean that the goods-in-transit will be exempt from taxation in 2012.

RECOMMENDED ACTION

Adopt ordinance on second reading.

CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2011-_____

AN ORDINANCE TO CONTINUE THE TAXATION OF TANGIBLE PERSONAL PROPERTY, GOODS-IN-TRANSIT, WHICH WOULD OTHERWISE BE EXEMPT PURSUANT TO TEXAS TAX CODE SECTION 11.253

WHEREAS, the 82nd Texas Legislature, during its Special Session, enacted Senate Bill 1 ("SB1"), which amended Texas Tax Code Section 11.253, under which personal property consisting of goods-in-transit, as newly defined, are exempt from taxation; and

WHEREAS, SB1 added a new subsection (j-1) to Section 11.253, which provides for a local option under which a taxing unit may tax the otherwise exempt goods-in-transit, but only where the governing body of such taxing unit, after a public hearing, takes official action to tax such personal property; and

WHEREAS, the City Council previously adopted Ordinance No. 2007-21, which added Article I to Chapter 94 "Taxation" of the City's Code of Ordinances, and which provided that a person is not entitled to an exemption from taxation of the appraised value of that portion of the person's personal property that consists of goods-in-transit; and

WHEREAS, on the 8th day of November, 2011, the City Council held a public hearing as required by Section 1-n (d), Article VIII, Texas Constitution, at which members of the public were permitted to speak for or against the taxation of goods-in-transit; and

WHEREAS, following the public hearing, the City Council finds it to be in the public interest to continue to tax such goods-in-transit, as could be exempted by Texas Tax Code Section 11.253, for tax year 2012 and all subsequent years;

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

SECTION ONE. Findings. The findings set forth above are hereby found to be true and correct and are adopted for all purposes.

SECTION TWO. Goods-in-transit to Remain Taxed. Goods-in-transit, as defined Texas Tax Code 11.253(a)(2), as amended by Senate Bill 1, enacted by the 82nd Texas Legislature in Special Session, shall remain subject to taxation by the City of Kerrville, Texas, which affirms the previous action of City Council and its adoption of Article I, Chapter 94 of the City's Code of Ordinances, and specifically Section 94-2(b).

SECTION THREE. Severability Clause. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance is declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance since the same would have been enacted by the City Council without the incorporation of this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION FOUR. Effective Date. This Ordinance shall be in full force and effect from and after its passage, as provided by the City Charter and the laws of the State of Texas.

PASSED AND APPROVED ON FIRST READING, this the 8th **day of** November **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 Clerk

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Agenda Item:
(Staff)

5A. An ordinance amending the budget for fiscal year 2012 to account for changes in the status of various capital improvement projects; and to amend other city funds to account for balances for approved purposes. (staff)

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

SUBJECT: First Reading of an Ordinance Amending the FY 2012 Budget

FOR AGENDA OF: November 22, 2011 **DATE SUBMITTED**: November 14, 2011

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

EXHIBITS: Ordinance, Spreadsheet
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: ME/

SUMMARY STATEMENT

Staff requests to amend the FY 2012 City of Kerrville's budget to reflect the following changes to the Operating Budget and the opening, amendments and closures in the following Capital Improvement Programs.

Operating Budgets

Library – Move $26,500 from the General fund operating budget to the Library furniture project, (G96), new amount $226,500.

Water and Sewer Fund – Move $1,000,000 of retained earnings from the Water and Sewer Fund to the Water and Sewer Debt Service Fund to increase the fund balance to one year debt service payment and move $1,000,000 of Water and Sewer retained earnings to the City Hall project, (G96).

General Fund – Recognize $100,000 of additional revenue from the sale of Rodriquez Street and increase the street maintenance expenditures by the $100,000.

General Fund – Recognize $100,000 in PEG revenue and expenditures in the General Fund.

Capital Improvement Projects

Butt-Holdsworth Memorial Library Renovation/Expansion (G95) – Increase the project budget by $100,000 with the receipt of a gift from $2,165,000 to $2,265,000.

Butt-Holdsworth Memorial Library Renovation/Expansion (G95) – Recognize revenue of $27,500 from Library Endowment Fund and increase expenses by the $27,5000 for security gate at library.

Butt-Holdsworth Memorial Library Roof (L01) – Close project and transfer balance of $19,656.94 to Butt-Holdsworth Memorial Library Renovation/Expansion (G95)

Library Furniture Project (G96) – Increase the budget from $200,000 to $226,500 with $26,500 from the Library's General Fund operating budget.

Art in Public Places – Create a new Arts in Public Places project, $73,000.

City Hall Project (G88) – Increase the budget from $2,119,233 to $3,119,233 with additional funding from the Water and Sewer Fund.

Paver Purchase – Create a new project for the purchase of a paver in the amount not to exceed $300,000 with $30,000 from the General Fund's Street Department and the remaining amount from a grant.

Water/Wastewater Master Plan – Combine the regional water plan (W94) and the regional wastewater plan (W95) into one master plan.

RECOMMENDED ACTION

Staff recommends the City Council approve the first reading of an ordinance amending the FY 2012 budget and authorize staff to make all necessary entries and adjustments to reflect the attached changes.

CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2011-_____

AN ORDINANCE AMENDING THE BUDGET FOR FISCAL YEAR 2012 TO ACCOUNT FOR CHANGES IN THE STATUS OF VARIOUS CAPITAL IMPROVEMENT PROJECTS; AND TO AMEND OTHER CITY FUNDS TO ACCOUNT FOR BALANCES FOR APPROVED PURPOSES

WHEREAS, Ordinance No. 2011-19, dated September 27, 2011, adopted the Fiscal Year 2012 Budget; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds that amending the City's Fiscal Year 2012 Budget is in the best interest of the citizens of the City of Kerrville;

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

In accordance with Section 8.07 of the City Charter, the Official Budget for Fiscal Year 2012 shall be amended as set forth in **Exhibit A.**

PASSED AND APPROVED ON FIRST READING, this the ________ day of __________________________, 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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Budget Amendment 11/22/2011

Name	FUNDS	Current Budget	Amended Budget	Increase/(Decrease)	Reason
General Fund - Library Furniture Project	01-865-102	$26,500	$0	($26,500)	move to Library furniture project
Water & Sewer Fund - Debt Service and City Hall	02-35197	$4,600,000	$2,600,000	($2,000,000)	move to debt service and City Hall
General Fund - Sale of Rodriquez St.	01-6701	$100	$100,100	$100,000	Sale of Rodriquez St.
	01-870-207b	$0	$100,000	$100,000	Additional street maintenance funds
General Fund - PEG	01-6126	$0	$100,000	$100,000	Recognize use of PEG funds
	01-870-311	$0	$100,000	$100,000	Use of PEG funds

Name	PROJECTS	Approved Budget	Amended Budget	Increase/(Decrease)	Reason
Library Renovation	G95	$2,165,000	$2,265,000	$100,000	Gift of $100,000
Library Renovation	G95	$2,165,000	$2,192,500	$27,500	Library Endowment Fund disbursement
Library Roof	L01	$126,365	$106,708	$19,657	Move to Library Renovation (G95)
Library Renovation	G95	$2,265,000	$2,284,657	$19,657	Moved from Library Roof (L01)
Library Furniture	G96	$200,000	$226,500	$26,500	Move from Operating Budget
Art in Public Places	New	$0	$73,000	$73,000	Create a new Art in Public Places Project
City Hall Project	G88	$2,119,233	$3,119,233	$1,000,000	Water & Sewer Funding for City Hall
Paver Purchase	New	$0	$300,000	$300,000	Purchase of a New Paver
Master Plan	W94 & W95	$200,000	$200,000	$0	Combine two regional plans into one master plan

Exhibit A

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

6A. Water resources report. (staff)

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

SUBJECT: Water Resources Report

FOR AGENDA OF: 11/22/11 **DATE SUBMITTED:** 11/10/11

SUBMITTED BY: Charlie Hastings CH
Public Works Director

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 FINANCE DIRECTOR:

SUMMARY STATEMENT

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

RECOMMENDED ACTION

Information and discussion.

Agenda Item:
(Staff)

6B. Budget and economic update. (staff)

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

SUBJECT: Kerrville Budget/Economic Update

FOR AGENDA OF: November 22, 2011 **DATE SUBMITTED**: November 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 NOVEMBER 14, 2011

	Current Month	Previous Month	1 Year Ago	Trend	Current Month
National					
Unemployment	9.00%	9.10%	9.70%	↔	October
Consumer Confidence	39.8	46.4	49.9	↓	October
1 year T-Bills	0.09%	0.11%	0.23%	↔	11/10/11
State					
Monthly Unemployment	8.40%	8.40%	8.00%	↔	September
Monthly Sales Tax	$1,874.6m	$1,756.1m	$1,617.7m	↑	October
Local					
Monthly Unemployment (Kerr Co.)	7.00%	6.70%	6.20%	↑	September
Median Listing Price	$223,000	$223,000	$215,000	↑	11/1/11
Monthly Sales Tax	$405,230	$439,922	$415,401	↓	November
Monthly EIC Tax	$202,615	$219,934	$184,602	↓	November
Monthly HOT	$69,508	$61,806	$67,898	↑	October

	FY12 Budget	FY12 as of 10/31/2011	FY12 % Received	FY11 as of 10/31/2010	FY11 % Received
General Fund					
Tax Revenue	$14,401,600	$581,091	4.03%	$735,856	5.02%
Property Tax	$7,900,000	$126,188	1.60%	$349,252	4.31%
Sales Tax	$4,550,000	$439,922	9.67%	$369,252	8.21%
Permits & Fees	$323,980	$28,198	8.70%	$28,549	7.09%
Intergovernmental	$1,173,000	$200,000	17.05%	$145,115	20.53%
Service Revenues	$2,571,246	$177,349	6.90%	$212,811	8.25%
Grant Revenue	$26,500	$0	0.00%	$0	0.00%
Fines & Forfeitures	$488,310	$45,570	9.33%	$48,522	10.16%
Interest & Misc.	$217,770	$15,560	7.15%	$36,503	15.51%
Transfers In	$1,250,000	$104,167	8.33%	$83,333	8.33%
Total General Fund	$20,452,406	$1,151,934	5.63%	$1,290,689	6.43%
Total General Fund Expenditures	$20,052,133	$1,820,359	9.08%	$1,747,772	8.71%
Water/Sewer Fund					
Water Sales	$4,404,842	$406,038	9.22%	$424,993	9.66%
Sewer Sales	$3,746,176	$321,551	8.58%	$304,114	8.09%
Other Revenue	$735,226	$74,007	10.07%	$53,854	3.66%
Total Water & Sewer Fund	$8,886,244	$801,596	9.02%	$782,961	8.13%
Total W&S Fund Expenditures	$8,809,460	$723,952	8.22%	$646,389	6.99%

Agenda Item:
(Staff)

7A. Parks and recreation advisory board: Consider the removal of Stephen Roberts and the appointment of a new member with term to expire March 31, 2013. (staff)

BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS

SUBJECT: Appointment to the Parks and Recreation Advisory Board

FOR AGENDA OF: November 22, 2011 **DATE SUBMITTED:** November 14, 2011

SUBMITTED BY: Brenda Craig BC
City Secretary

CLEARANCES:

EXHIBITS: Board List

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

SUMMARY STATEMENT

Consider appointment to the following board:

Parks and Recreation Advisory Board: One term to expire on March 31, 2013; replacement of Stephen Roberts.

RECOMMENDED ACTION

Consider appointment.

PARKS AND RECREATION ADVISORY BOARD

	Telephone	Orig. Appt.	Re-Appt. Date	Exp. Date
ZUBER, RUSTIN Chairperson 514 East Lane	895-2829 (O) 895-4913 (H) 895-1673 (F)	04-08-08	04-13-10	03-31-12
MCMAHON, DIANE Vice-Chairperson 1904 Danielle Drive	896-3195 (H)	04-14-09	04-12-11	03-31-13
CARDWELL, DANA 1225 Virginia	285-5095 (C)	09-28-10	04-12-11	03-31-13
GARDNER, JIM 200 Fairway Dr.	285-2129 (C)	04-14-09	04-12-11	03-31-13
LIPSCOMB, DAVID 909 Lake Drive	895-4232 (H)	04-12-11		03-31-13
NYE-SALLADIN, LISA 1015 Morningside Dr.	377-7198 (C) 896-3834 (H)	04-13-10		03-31-12
ROBERTS, STEPHEN 2410 Memorial Blvd.	370-1630 (H) 257-0625 (O)	09-28-10	04-12-11	03-31-13
SANDER, SUSAN 500 Josephine	329-6923 (C) 896-7936 (H)	04-13-10		03-31-12

COUNCIL LIAISON:

Stacie Keeble 3533 La Cumbre Drive	895-7725 (H)

CITY STAFF:

Kristine Ondrias, Assistant City Manager	258-1106 (O)
Malcolm Matthews Director of Parks & Recreation	258-1150 (O)

Qualifications: A majority shall be residents of the city of Kerrville, and all shall be residents of Kerr County.

Powers and Duties: Shall constitute an advisory board to the city council and shall periodically assist city staff in procedural matters. The board shall have authority to hold hearings in the city and to consider and make recommendations to the city council in writing on any and all matters pertaining to the city's parks and recreation system.

Term of Office: Two years with a maximum of two terms. No member shall serve more than two terms without having at least one full year off between terms.

Quorum: Five

Members: Eight

Meeting Time & Place:	Third Thursday, 8:30 a.m., City Council Chambers
Absences:	Any member having three consecutive unexcused absences shall have his membership reviewed by the board. By majority vote, the board may recommend to the council that such member be removed from office. The council may then act upon such recommendation and either remove or retain such member.
Established by:	Ordinance No. 1984-37, amended by Ordinance No. 1987-24
Code of Ordinances:	Chapter 74 - Article II – Sections 74-31 through 74-38
Revised:	April 14, 2011