CITY OF KERRVILLE, TEXAS

ANNUAL BUDGET

FISCAL YEAR 2019

KERRVILLE

YOUR VOICE
YOUR CITY

REQUIRED DISCLOSURE

In accordance with the passage of S.B. No. 656, Section 102.007 of the Texas Local Government Code was amended to require that the following information be included as the cover page for a budget document:

City of Kerrville
Fiscal Year 2018-2019

This budget will raise less revenue from property taxes than last year's budget by an amount of $35,794, which is a 0.4% decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is $121,449.

The record vote for each member of the governing body by name voting on the adoption of the Fiscal Year 2019 (FY2019) budget is as follows:

	August 28, 2018	September 11, 2018
Bill Blackburn, Mayor	yes	yes
Vincent Voelkel, Place 1	yes	yes
George Baroody, Place 2	yes	yes
Judy Eychner, Place 3	yes	yes
Delayne Sigerman, Place 4	yes	yes

Property Tax Comparison	**2017-2018**	**2018-2019**
Property Tax Rate	$0.5514/100	$0.5514/100
Effective Tax Rate	$0.5514/100	$0.5538/100
Effective Maintenance and Operations Tax Rate	$0.4779/100	$0.4801/100
Rollback Tax Rate	$0.5912/100	$0.5920/100
Debt Rate	$0.0735/100	$0.0735/100

At the end of FY2018, the total debt obligation (including outstanding principal and scheduled interest payments) for the City of Kerrville secured by property taxes is $64,634,341. This amount includes debt that is paid through 4B sales tax revenues and Water Fund revenue. In the event that such amounts are insufficient to pay debt service, the City will be required to assess an ad valorem tax to pay for these obligations. More information regarding the City's debt obligation, including current and future year's payment requirements, can be found in the Debt Service Funds section of the budget document.

CITY COUNCIL AND STAFF

Kerrville City Council

Mayor	Bill Blackburn
Place 1	Vincent Voelkel
Place 2	George Baroody
Place 3	Judy Eychner
Place 4 & Mayor Pro-Tem	Delayne Sigerman

City of Kerrville Staff

City Manager	Mark McDaniel
Deputy City Manager	E.A. Hoppe
Chief Financial Officer	Amy Dozier
Assistant Finance Director	Julie Smith

The Community Vision

As part of the Kerrville 2050 Comprehensive Plan process, community leaders converged around key ideas and common themes expressed by citizens during numerous public outreach opportunities. These ideas and themes were transformed into a shared vision of the future. The Vision Statement below, developed based on input from the Community Retreat and the work of the Comprehensive Plan Steering Committee, was approved in December 2017 and guided the course of the remainder of the effort:

Kerrville will be a vibrant, welcoming and inclusive community that:

Respects and protects the natural environment that surrounds it;

Seeks to attract economic growth and development;

Provides opportunities for prosperity, personal enrichment and intellectual growth for people of all ages; and

Does so while preserving the small-town charm, heritage, arts and culture of the community.

This statement is a direct reflection of the values and priorities of residents, workers, business owners, students, and community leaders. It encapsulates the City's energy and its willingness to embrace growth so long as it occurs with an understanding, an appreciation, and a goal of preserving Kerrville's history and small-town character.

KERRVILLE 2050

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Kerrville

Texas

For the Fiscal Year Beginning

October 1, 2017

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Kerrville for its annual budget for the fiscal year beginning October 1, 2017.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan and communications device.

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YOUR VOICE
YOUR CITY

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KERRVILLE

YOUR VOICE
YOUR CITY

CITY MANAGER'S MESSAGE

CITY MANAGER'S MESSAGE

July 31, 2018

Dear Honorable Mayor Blackburn, Councilmembers and Citizens of Kerrville:

It is my privilege to submit the Fiscal Year 2019 (FY2019) Budget for the City of Kerrville. With a theme of ***"Your Voice, Your City"***, this budget is balanced and advances many of the guiding principles of Kerrville 2050 as articulated by our community over the last year. Some of the major initiatives in this budget are as follows:

1. Enhanced funding for more street repairs and maintenance, as well as an update to the streets master plan.
2. A new drainage master plan.
3. Expansion of the Legion Lift Station.
4. Improvement of the City's water quality with a TTHM mitigation project.
5. First full-year operation of new reuse pond and corresponding irrigation system.
6. A study to scope and cost a new public safety complex.
7. Improvements to Development Services operations, including implementation of new software.
8. A rewrite of the City's development code.
9. Retention and recruitment of a highly qualified and well-trained workforce.
10. Additional programming for Kerrville's important tourism industry.
11. More staff support for Downtown, economic development and workforce housing initiatives.
12. Downtown and garage streetscape improvements.
13. Renovation of the H-E-B Tennis Center.
14. Enhancements to Scott Schreiner Golf Course.

Budget Philosophy

The proposed budget anticipates modest economic growth through FY2019 and beyond, and it is built upon a philosophy that includes the following fiscal approaches:

1. Sustainability – a budget that uses conservative revenue projections and does not use one-time revenues to fund on-going or recurring expenditures.
2. Balanced – for the City's largest operating funds, expenditures do not exceed revenues.
3. Maintains Current Tax Rate – for a 10th consecutive year, no property tax rate increase is proposed. The total property tax rate remains at $0.5514.
4. Water and Sewer Rates – after remaining unchanged since 2012, water and sewer volumetric rates are proposed to increase by 4% and 2%, respectively.
5. No Use of Fund Balance – General Fund and Water Fund do not use fund balance to meet regular, recurring expenditures.

General Fund

The General Fund is the City's general operating fund and the largest fund of the City. It includes government services such as Police, Fire and EMS, Parks and Recreation, and Streets. In addition, administrative and internal services (City Council, City Secretary, City Attorney, Administration, Information Technology, Human Resources, Finance) are a part of the General Fund. These services are funded primarily by property tax and sales tax.

The FY2019 budget for the General Fund includes $27,203,510 in revenues and expenses, resulting in a balanced budget that reflects an increase of 3.5% from FY2018 budget. Major variances are as follows:

Revenues

- Property Tax (+ 1.2%) - The property tax revenue is based on the 2018 certified tax roll provided by the Kerr Central Appraisal District. According to the certified tax roll, the City experienced only 1.5% growth in taxable assessed value, with appraised land values up 1.3% and appraised improvement values up 2.8%. The effective tax rate is $0.5538 per $100 of assessed value which is higher than our proposed and current tax rate of $0.5514 (*this will result in a decrease in revenue raised from property taxes*).
- Sales Tax (+ 1.3%) – The sales tax increase is driven by low unemployment, growth in residential and commercial building permits, stable and established large taxpayers, and economic benefits associated with a full year of operations at the Kerrville Sports Complex.
- Service Revenue (+ 10.8%) - The service revenue includes an estimated payment $200,000 from the Ambulance Supplemental Payment Program (ASPP), a state program that partially reimburses EMS providers for unrecovered costs related to Medicaid patients. In addition, the FY2019 budget includes an increase in solid waste revenue due to a surcharge fee increase from $11 per ton to $13 per ton.
- Operating Transfers In (+ 10.6%) - Operating transfers reflect a larger street use fee (from 2% to 3%), a small increase in fees related to support services, and a $25,000 transfer in from the Hotel Occupancy Fund to partially fund a new Tourism & Events Coordinator position.
- All Other Income (+ 3.1%) – All other income includes increases in other taxes and franchise fees, permits and fees, recreation revenue, and interest and miscellaneous income.

Expenditures

- Personnel (+ 4.6%) – The personnel expense increase in the General Fund is primarily due to several adjustments for Police and Fire personnel. These include a 2% cost of living adjustment, measures to resolve compression issues in step pay plans, a 4% increase for positions eligible for an every other year step plan increase and provisions to enhance abilities to recruit and fill public safety positions. The total cost of these adjustments is over $400,000. General government employees are budgeted to receive an average 3% merit increase. In addition, the FY2019 budget includes six new employees. This includes one at Kerrville Schreiner Park, two at Kerrville Sports Complex, one in Community Events, one in Engineering and one in General Operations. Personnel increases are somewhat offset by a newly budgeted ($73,000) in projected salary vacancy savings.
- All Other Expenses (+ 0.8%) – Other expenses include increases in supplies, maintenance and other expense categories.

Kerrville has seen modest increases to its General Fund revenues, and staff's multi-year forecast indicates that modest increases could be anticipated for the next several years. Based on the multi-year forecast, it is expected that the City's

current tax rate will remain the same and services and programs provided in the FY2019 budget may be maintained into the future with relatively minor adjustments made during each annual budget.

General Debt Service and Capital Funds

Kerrville has been able to complete major capital projects without increasing the property tax rate and while maintaining an impressive AA bond rating issued by Standard and Poor's. During the FY2010 budget process, City Council established a policy that no new property tax supported debt would be issued that would require an increase in taxes. According to this policy, there will be no new property tax supported debt until the City sees growth in its tax base and/or reductions in the current level of outstanding debt. For FY2019, Kerrville's property tax supported debt service payment is $1,437,321. In FY2020, tax supported debt payments drop to just under $1 million, then again in FY2023 to just over $500 thousand. With modest growth in the tax base and debt laddering off in FY2020, it is anticipated that the City would not contemplate the issuance of new tax supported debt earlier than FY2020.

The Council has many options for funding debt to pay for new major capital projects. One option is to place public safety, street, drainage, and/or parks bond propositions before the voters on one ballot. Another option may be to hold multiple bond elections over time, while a third would be to continue to issue certificates of obligation. In any case, debt would be sold in tranches over several years and staggered to layer into existing debt to avoid a tax rate increase.

Historically, Kerrville has issued certificates of obligation to support utility and Economic Improvement Corporation sales tax projects, with this debt service secured, but not supported by the City's full faith and credit/tax rate. Otherwise, Kerrville's existing tax supported debt service burden is very low at 7.35 cents per $100 of assessed value on the overall tax rate. Kerrville's tax supported debt ratio is roughly half of that for cities that are of similar size and financial stability as determined through comparable bond ratings.

Water Fund

The Water Fund is the City's second largest fund and accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide those services are accounted for in this fund, including Water Production, Water Reclamation, Water Distribution, and Utility Billing.

The FY2019 budget for the Water Fund includes $12,530,732 in revenues and expenditures, resulting in a balanced budget that reflects an increase of 2.2% from FY2018 budget. Major variances are as follows:

Revenues

- Service revenues (+ 2.0%) - Service revenues are increasing due to a 4% increase in volumetric water rates, a 2% increase in volumetric sewer rates, various increases in meter and tap fees, and as estimated 1.5% growth in number of customers. When combined, the above volumetric rate increases amount to $1.31 per month for the average usage per household.

Expenditures

- Personnel (+ 5.7%) – The personnel expense increase is due to the addition of one position in Water Distribution, merit increases that average 3% for all employees, and a small increase in the actuarially calculated contribution rate for retirement benefits through the Texas Municipal Retirement System.
- All Other Expenses (+ 1.0%) – Other expenses include increases in supplies, services, and a $250,000 contingency. As large emergency repairs (such as wells and pumps) occur during the year, the contingency will be transferred to specific line items in the appropriate Water Fund departments. Other expenses are partially offset by decreases in maintenance expenses, capital outlays and operating transfers out.

Water Fund Debt Service and Capital Funds

The City's water capital projects in FY2019 primarily include the Legion Lift Station expansion and a TTHM Mitigation project. The Legion Lift Station project carries an estimated cost of $9,850,000 and will be funded with a $2,000,000 contribution from Kerrville's Economic Improvement Corporation and debt funding from the Texas Water Development Board (TWDB) for the remainder. The TTHM Mitigation project will also be funded with TWDB debt.

Golf Fund

In FY2018, the City transferred an additional $200,000 from the General Fund to the Golf Fund to reset the Golf Fund's negative cash balance position. In FY2019, the Golf Fund is proposing a balanced budget of $1,015,947. The budget includes small user fee increases, ongoing support from the General Fund added to the budget in FY2018, and a new $10,000 transfer from the Hotel Occupancy Fund to support tourism related to tournaments. Other improvements programmed are items such as overseeding of greens for winter play, net replacements, and minor drainage repairs.

Hotel Occupancy Tax

The Hotel Occupancy Tax (HOT) Fund has seen a steady growth in collections since FY2012, and projected revenue for FY2019 is expected to reach $1,329,750. The large majority of spending from this fund is to support the Kerrville Convention and Visitors Bureau in the amount of $942,000, which represents a 3% increase from the prior year's budget. Additional funding has been budgeted for annual events like Fourth on the River, Festival of the Arts, the Kerrville Triathlon, and City golf tournaments. For FY2019, it is proposed that funding be increased to $100,000 for operational and grant match support of Playhouse 2000. Playhouse 2000 manages the Cailloux Theater and produces various performances.

The fund balances in both the main Hotel Occupancy Tax (HOT) Fund and the HOT Reserve Fund are not programmed, but may be partially requested in FY2019 to fund a new tourism venue(s).

Conclusion

The FY2019 Budget reflects the City's efforts to focus on our future, meet desired levels of services, and maintain fiscal discipline. It also strongly supports what I have referred to as my three "E's" or approaches toward achievement of excellence: engagement with citizens, economic opportunity, and empowerment of employees. I look forward to citizen and City Council involvement as we carry out this plan together in the coming year.

Sincerely,

Mark L. McDaniel
City Manager

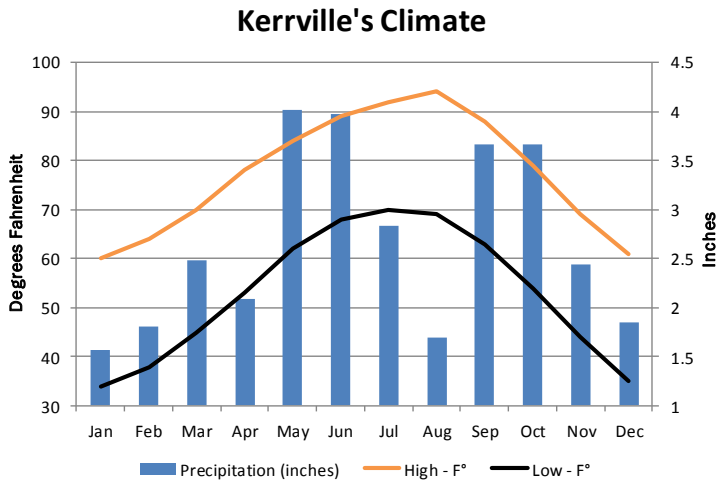
KERRVILLE

YOUR VOICE
YOUR CITY

CITY PROFILE

LOCATION

Kerrville is ideally located in the heart of the Texas Hill Country, 65 miles northwest of San Antonio and 102 miles southwest of Austin. Other major metropolitan areas, Dallas and Houston, are both less than 300 miles from Kerrville. Our city is the county seat for Kerr County and easily accessible from Interstate Highway 10 or State Highways 16, 27 and 173.



CLIMATE

At an elevation of 1,645 above sea level, Kerrville has a semi-arid climate, averaging approximately 31 inches of rain per year. August is the warmest month with an average high temperature in the mid-nineties. January is the coldest month with average lows in the mid-thirties.

TOPOGRAPHY

The Guadalupe River runs through Kerrville, providing the City not only with drinking water, but with ample recreational opportunities, beautiful views and tourist appeal. Kerrville boasts an almost 5 mile long River Trail and a beautiful downtown riverfront park, Louise Hays Park. Louise Hays Park offers a splash pad, amphitheater, dog park, covered pavilions and playscapes. In addition, Kerrville-Schreiner Park offers visitors 517 acres of trails, camping, fishing, swimming and recreation on the Guadalupe River.

Guadalupe River running through Kerrville-Schreiner Park.

EDUCATION AND CHURCHES

Kerrville Independent School District has four elementary schools, one 6th grade school, one middle school, one high school and a total enrollment of almost 5,000. In addition, Kerrville has numerous private schools and one university. With an enrollment of almost 1,400 students, Schreiner University continues to expand. In the past decade, Schreiner has added a new athletic and events center, a fitness center, residence halls, and student apartments. In 2016, the university received a $5.6 million grant for STEM programs at universities recognized for service to Hispanic students. Plus, Schreiner is known for its nationally recognized shooting sports (2018 National Championship) and men's golf (2014 National Championship) teams. The Kerrville area is also home to more than 90 churches and religious organizations.

The campus at Schreiner University

CULTURE AND RECREATION

Cultural and recreational opportunities abound in Kerrville. Kerrville offers festivals, parks, pools, golf courses, river activities, a triathlon, museums, galleries, performing arts, and more.

Events & Festivals	Recreation	Arts & Museums
Kerrville Chalk Fest	Kerrville Triathlon	Cailloux Theater
Kerrville Festival of the Arts	River Activities	Playhouse 2000
Kerrville Folk Festival	Area Parks & River Trail	Symphony of the Hills
4th on the River	3 Golf Courses	Museum of Western Art
Holiday Lighted Parade	Easter Bicycle Tour	Kerr Arts & Cultural Center

Fireworks display at 4th on the River

2018 feature artist at Kerrville Chalk Festival

Holiday Lighted Parade

DEMOGRAPHIC AND ECONOMIC INFORMATION

POPULATION	
2017 Estimate	24,292
2010 Census	22,347
AVERAGE HOUSEHOLD SIZE	2.2
AVERAGE FAMILY SIZE	2.8
2016 MEDIAN AGE	47.3
POPULATION BY AGE	
under 18 years	18.3%
18 years and over	81.7%
21 years and over	76.2%
65 and over	27.2%
POPULATION BY GENDER	
Female	52.6%
Male	47.4%
POPULATION BY RACE	
White	66.6%
Hispanic or Latino	27.9%
African American	2.7%
Asian	1.2%
Other	1.6%
EDUCATION (AGE 25+)	
No High School Diploma	13.9%
High School Diploma	27.7%
College, No Diploma	26.5%
Associate's Degree	5.2%
Bachelor's Degree	16.5%
Graduate/Professional Degree	10.3%

MEDIAN HOUSEHOLD INCOME	$ 40,770
MEAN HOUSEHOLD INCOME	$ 57,080
PER CAPITA INCOME	$ 25,307
HOUSING	
Median home value	$ 157,300
up to $149,999	47.8%
$150,000 to $199,999	16.1%
$200,000 to $299,999	24.8%
$300,000 to $499,999	8.3%
$500,000 to $999,999	1.6%
$1,000,000 or more	1.5%
Total housing units	10,614
Occupied housing units	91.6%
Vacant housing units	8.4%
Owner occupied	58.5%
Renter occupied	41.5%
UNEMPLOYMENT RATE	3.3%
September 2018	
MEAN TRAVEL TIME TO WORK	14.3 minutes
MAJOR EMPLOYERS IN KERR COUNTY	**EMPLOYEES**
Peterson Health	1096
Kerrville Independent School District	703
James Avery Craftsman	685
Kerrville State Hospital	538
H-E-B	400
Kerrville Veterans Administration Hospital	400
City of Kerrville	308
Kerr County	308
Mooney International	167
Fox Tank	107
	4,712
All Others	15,540
TOTAL EMPLOYED	20,252

sources: US Census Bureau, Bureau of Labor Statistics and Kerrville Economic Development Corporation

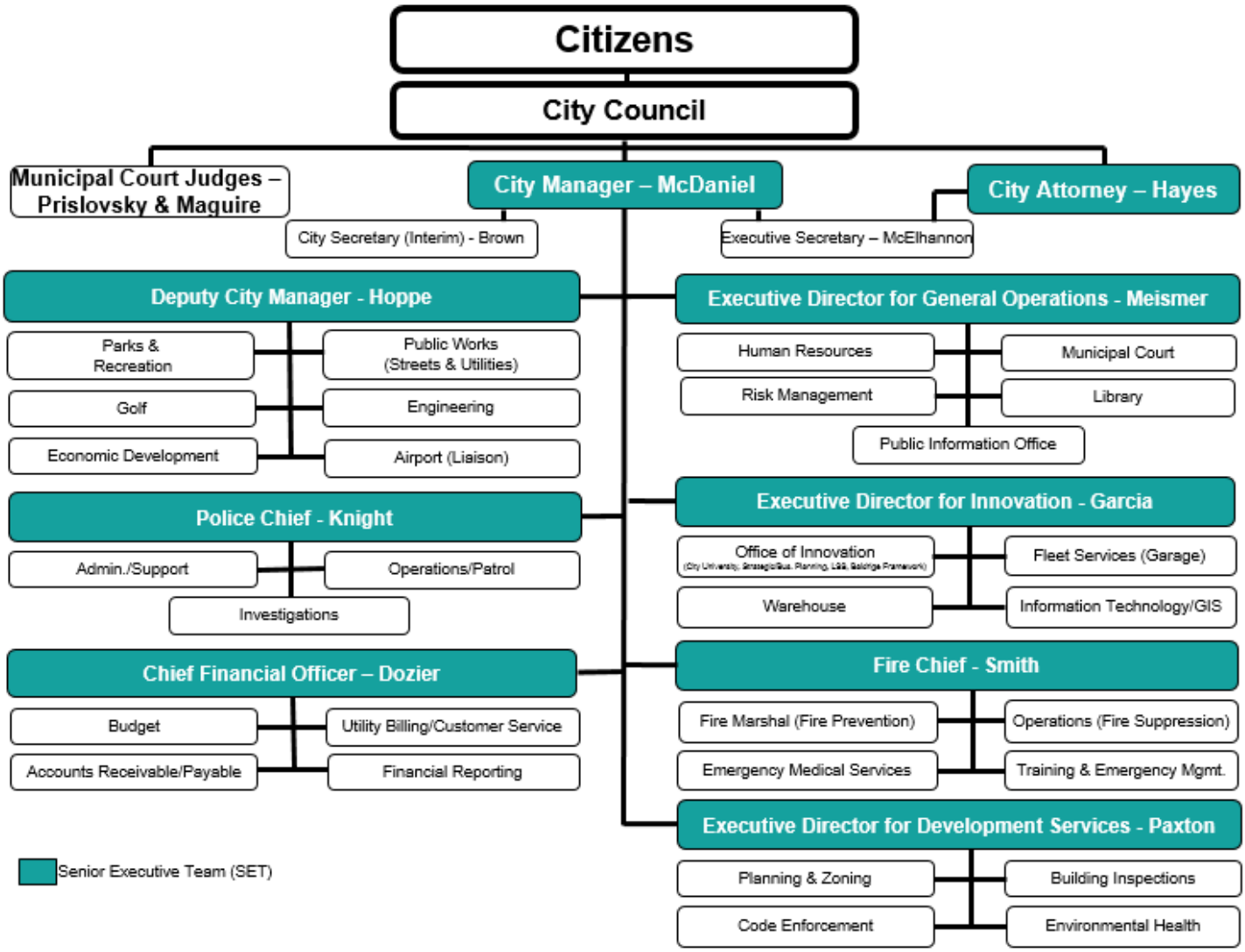
HISTORY

In 1856, Joshua Brown donated four acres of land located on the Guadalupe River to Kerr County. The tract of land became known as Kerrsville and was established as the new county seat of Kerr County. Eventually, no one knows why or when, the “s” in Kerrsville was dropped and the settlement became known as Kerrville.

Early settlers were typically merchants or ranchers of German origin. The opening of the cattle trails to Kansas in the 1870’s contributed to the early growth of Kerrville, drawing new settlers to the area and fostering business expansion. As a result of this growth, the citizens voted to establish Kerrville as an incorporated city in 1889.

After incorporation, Captain Joseph A. Tivy was elected to be the first mayor of Kerrville. The early city administrators oversaw city development and were responsible for establishing the public schools. To honor the Captain’s crucial role in this process, Kerrville’s high school is named Tivy High School.

The Kerrville Water Works Company began to provide water service in 1894. Telephone service was started shortly after in 1896. The City began to pave the streets in 1912. Kerrville adopted a new City Charter and became a home rule city in 1942. Today, Kerrville is the principal commercial center for the area and has grown to a population of over 24,000 residents.


Citizens
City Council
Municipal Court Judges – Prislovsky & Maguire
City Manager – McDaniel
City Attorney – Hayes
City Secretary (Interim) - Brown
Executive Secretary – McElhannon
Deputy City Manager - Hoppe
Parks & Recreation
Public Works (Streets & Utilities)
Golf
Engineering
Economic Development
Airport (Liaison)
Police Chief - Knight
Admin./Support
Operations/Patrol
Investigations
Chief Financial Officer – Dozier
Budget
Utility Billing/Customer Service
Accounts Receivable/Payable
Financial Reporting
Executive Director for General Operations - Meismer
Human Resources
Municipal Court
Risk Management
Library
Public Information Office
Executive Director for Innovation - Garcia
Office of Innovation
Fleet Services (Garage)
Warehouse
Information Technology/GIS
Fire Chief - Smith
Fire Marshal (Fire Prevention)
Operations (Fire Suppression)
Emergency Medical Services
Training & Emergency Mgmt.
Executive Director for Development Services - Paxton
Planning & Zoning
Building Inspections
Code Enforcement
Environmental Health
Senior Executive Team (SET)

BUDGET SUMMARY

BUDGET SUMMARY

#	Fund Name	Estimated Beginning Fund Balance	Revenue	%	Expenditure	Net	Estimated Ending Fund Balance
	PROGRAM FUNDS						
1	General	$ 8,157,269	$ 27,203,510	50.5%	$ 27,203,510	-	$ 8,157,269
2	Water	12,472,502	12,530,732	23.2%	12,530,732	-	12,472,502
3	Garage	34,069	346,857	0.6%	346,857	-	34,069
5	Employee Benefit Trust	318,945	3,000,000	5.6%	3,167,500	(167,500)	151,445
8	Parkland Dedication	154,226	37,250	0.1%	100,000	(62,750)	91,476
13	Police Special Revenue	60,980	24,550	0.0%	24,200	350	61,330
14	Golf	(185,372)	1,015,947	1.9%	1,015,947	-	(265,372)
15	Library Memorial	431,719	33,000	0.1%	25,850	7,150	438,869
16	HOT Reserve	391,797	5,850	0.0%	-	5,850	397,647
18	General Asset Replacement	2,869,576	40,000	0.1%	1,403,853	(1,363,853)	1,505,723
19	Water Asset Replacement	425,581	213,000	0.4%	496,600	(283,600)	141,981
20	Hotel Occupancy Tax Fund	1,169,842	1,329,750	2.5%	1,329,750	-	1,169,842
21	P.E.G. Special Revenue	51,595	50,300	0.1%	50,000	300	51,895
22	Muni Court Special Revenue	79,021	37,750	0.1%	26,740	11,010	90,031
26	Landfill	631,655	84,902	0.2%	-	84,902	716,557
28	Landfill Post Closure	2,187,135	76,858	0.1%	-	76,858	2,263,993
29	Development Services	-	1,218,688		1,218,688	-	-
50	General Debt Service	1,144,466	2,616,911	4.9%	2,550,207	66,704	1,211,170
53	Water Debt Service	1,540,912	3,930,583	7.3%	3,902,583	28,000	1,568,912
68	History Center	199,145	16,200	0.0%	12,494	3,707	202,851
84	Cailloux Theater Endowment	682,619	10,275	0.0%	44,275	(34,000)	648,619
85	Grant Fund	3,117	-	0.0%	-	-	3,117
90	Insurance Reserve	246,309	80,000	0.1%	80,000	-	246,309
	TOTAL	$ 33,067,108	$ 53,902,912	97.7%	$ 55,529,785	$ (1,626,872)	$ 31,360,235
	CAPITAL PROJECT FUNDS						
70	General Capital Projects Fund	2,793,546	1,491,200	10.3%	4,274,145	(2,782,945)	10,601
71	Water Capital Projects Fund	4,315,139	13,020,000	89.7%	15,299,208	(2,279,208)	2,035,931
	TOTAL	$ 7,108,686	$ 14,511,200	100.0%	$ 19,573,353	$ (5,062,153)	$ 2,046,533
	COMPONENT UNIT FUNDS						
40	Economic Improvement Corp	1,804,149	3,514,052	63.2%	3,482,686	31,366	1,835,515
75	EIC Projects	2,850,000	2,050,000	36.8%	1,000,000	1,050,000	3,900,000
	TOTAL	$ 4,654,149	$ 5,564,052	100.0%	$ 4,482,686	$ 1,081,366	$ 5,735,515

BUDGET SUMMARY

CITY OF KERRVILLE
CONSOLIDATED BUDGET SUMMARY
FISCAL YEAR 2019

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES				
	General Fund	Debt Service	Other Govt	Water	Other Water	Golf	Internal Service	COMBINED TOTAL
UNRESTRICTED								
BEGINNING FUND BALANCE	$ 8,157,269	$ -	$ -	$ 12,472,502	$ -	$ (185,372)	$ 353,014	$ 20,797,412
REVENUES								
Property Tax	9,553,070	1,482,225	-	-	-	-	-	11,035,295
Sales Tax	7,049,268	-	-	-	-	-	-	7,049,268
Other Taxes	1,898,700	-	1,363,250	-	1,000,000	-	-	4,261,950
Permits and Fees	14,645	-	545,000	-	-	-	-	559,645
Intergovernmental Revenue	1,424,114	1,112,186	-	-	-	-	3,000,000	5,536,300
Service Revenues	3,675,831	-	38,150	12,496,232	-	-	346,332	16,556,545
Recreation Revenue	607,456	-	-	-	-	933,947	-	1,541,403
Grant Revenue	22,000	-	1,039,700	-	11,950,000	-	-	13,011,700
Fines and Forfeitures	572,225	-	37,000	-	-	-	-	609,225
Interest and Miscellaneous	317,111	22,500	243,450	34,500	113,000	2,000	525	733,086
Operating Transfer In	2,069,090	-	1,270,022	-	4,100,583	80,000	-	7,519,695
TOTAL REVENUES	**27,203,510**	**2,616,911**	**4,536,572**	**12,530,732**	**17,163,583**	**1,015,947**	**3,346,857**	**68,414,112**
EXPENDITURES								
FOR COMPARATIVE PURPOSES THE SAME EXPENDITURES ARE SHOWN GROUPED BY CATEGORY (VIEW #1) AND BY FUNCTION (VIEW #2)								
VIEW #1 - EXPENDITURES by CATEGORY								
Personnel	19,253,368	-	780,990	3,216,591	-	604,016	306,377	24,161,343
Supplies	1,351,587	-	127,670	833,343	-	168,948	18,600	2,500,147
Maintenance	2,867,326	-	136,676	858,679	1,128,208	43,748	11,245	5,045,882
Services	2,377,194	700	2,059,390	967,886	257,000	188,686	3,177,185	9,028,041
Other Expenses	438,357	2,467,373	346,792	336,691	4,150,583	10,550	950	7,751,295
Capital Outlay	78,965	-	4,724,275	130,895	14,162,600	-	-	19,096,735
Operating Transfers Out	836,713	82,134	414,200	6,186,647	-	-	-	7,519,695
TOTAL EXPENDITURES	27,203,510	2,550,207	8,589,993	12,530,732	19,698,391	1,015,947	3,514,356	75,103,138
VIEW #2 - EXPENDITURES by FUNCTION								
Public Safety	13,840,918	-	24,200	-	-	-	-	13,865,118
Parks and Recreation	2,817,453	-	100,000	-	-	1,015,947	-	3,933,400
Streets	3,326,708	-	-	-	-	-	-	3,326,708
General Government	7,218,430	-	8,465,793	-	-	-	3,514,356	19,198,580
Water	-	-	-	12,530,732	15,795,808	-	-	28,326,540
Debt Service	-	2,550,207	-	-	3,902,583	-	-	6,452,791
TOTAL EXPENDITURES	27,203,510	2,550,207	8,589,993	12,530,732	19,698,391	1,015,947	3,514,356	75,103,138
TOTAL EXPENDITURES	**27,203,510**	**2,550,207**	**8,589,993**	**12,530,732**	**19,698,391**	**1,015,947**	**3,514,356**	**75,103,138**
CHANGE IN NET POSITION	-	66,704	(4,053,421)	-	(2,534,808)	-	(167,500)	(6,689,025)
UNRESTRICTED								
ENDING FUND BALANCE	$ 8,157,269	$ -	$ -	$ 12,472,502	$ -	$ (185,372)	$ 185,515	$ 14,108,387

CONSOLIDATED CITY BUDGET

The FY2019 budget for all funds totals $68,414,112 in revenues and $75,103,138 in expenditures, including transfers between funds and capital project spending. In accordance with City Council guidelines, the budget is fiscally sustainable. Our 2 largest funds, the General Fund and Water Fund, show balanced FY2019 budgets. The 23 other funds included in the consolidated city total show revenues exceeding expenses by $6,689,025 due primarily to capital projects expenditures.

Due to the multi-year nature of most capital projects, it is common for project funding (shown in a budget as revenue) to occur in a different fiscal year than project expenditures. All projects are funded before contracts are awarded. City Council approves capital project contracts.

Please note that the consolidated budget does not include component unit funds related to the Economic Improvement Corporation. In accordance with financial reporting guidelines, these funds are presented separately.

CONSOLIDATED CITY BUDGET NET OF TRANSFERS

Accounting standards require us to account for financial transactions in separate funds. This means that transfers into a fund are shown as a revenue for that fund and transfers out of a fund are shown as an expenditure. Also, internal service funds, such as our City Garage, generate all of their revenue by billing the funds that use their services. When the revenue of one fund is considered the expense of another fund, the result is effectively a double counting when the budget is viewed at a consolidated level.

Without careful consideration of interfund activity, the casual user might misunderstand the size and economic impact of the consolidated budget. To aid in transparency, we will show two views of the consolidated budget. One view will include interfund activity and the second view will show the consolidated totals net of interfund activity. The first view reflects the required fund accounting, while the second view facilitates a better understanding of the true economic impact of the budget.

After eliminating the impact of interfund activity, the consolidated revenue budget for FY2019 is $56,894,182 and consolidated expenses are $65,124,611.

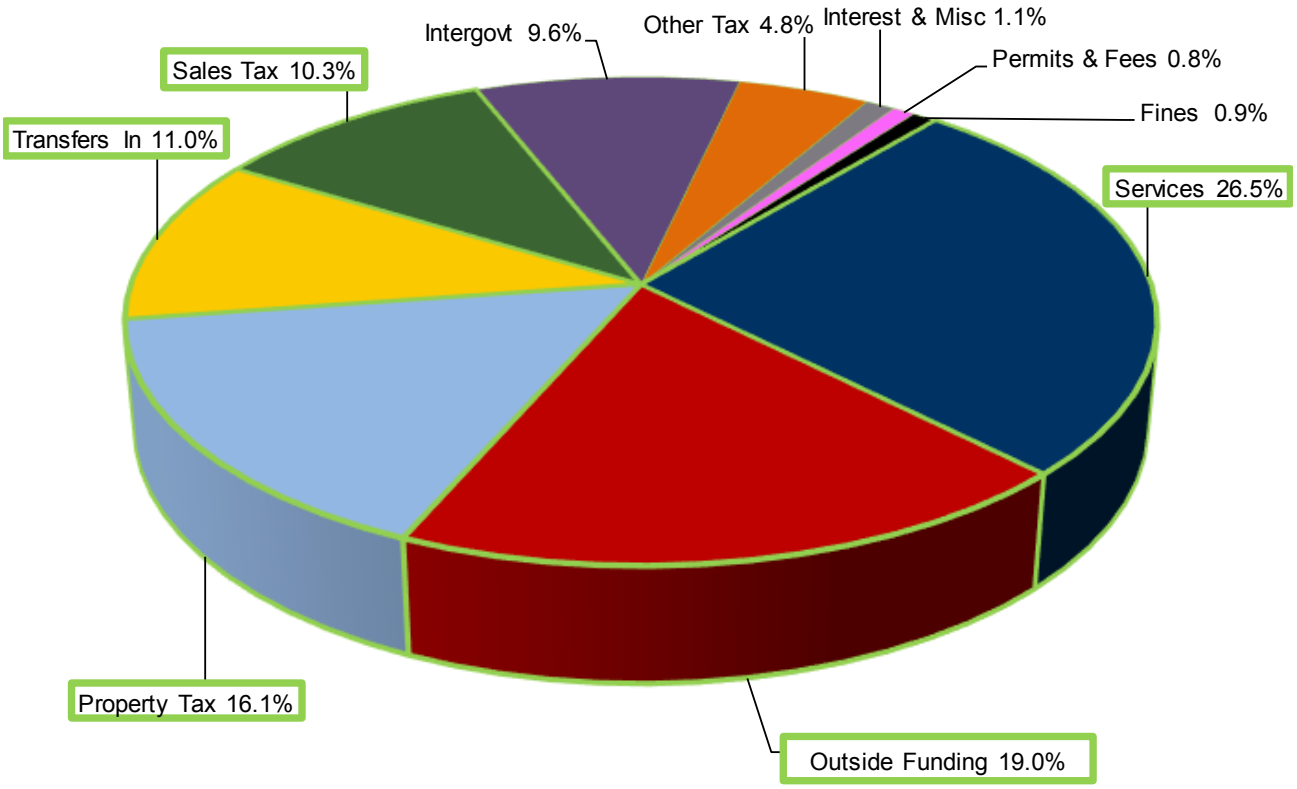
CONSOLIDATED REVENUE

FY2019 citywide budgeted revenues total $68,414,112. Primary revenue sources are service revenue (utility, EMS and parks), property tax, transfers in, sales tax and intergovernmental revenue. Each of these revenue sources are expected to increase in FY2019.

REVENUE SOURCES

Primary revenue sources for the City are charges for services, outside funding, property tax, transfers in, and sales tax. Together, these categories make up 82.9% of total budgeted revenues.

Citywide - Revenue Sources



Revenue Type	FY2019 Budget	%
Services	$ 18,097,948	26.5%
Outside Funding	13,011,700	19.0%
Property Tax	11,035,295	16.1%
Transfers In	7,519,695	11.0%
Sales Tax	7,049,268	10.3%
All Others	11,700,206	17.1%
TOTAL	$ 68,414,111	100.0%

The **SERVICES** category includes charges for water, sewer, EMS, parks and recreation, library and other miscellaneous services.

OUTSIDE FUNDING includes almost $12 million in debt funding from the Texas Water Development Board. Also included in this category are outside grants and donations.

PROPERTY TAX is a $0.5514 tax levied on each $100 of assessed real property value.

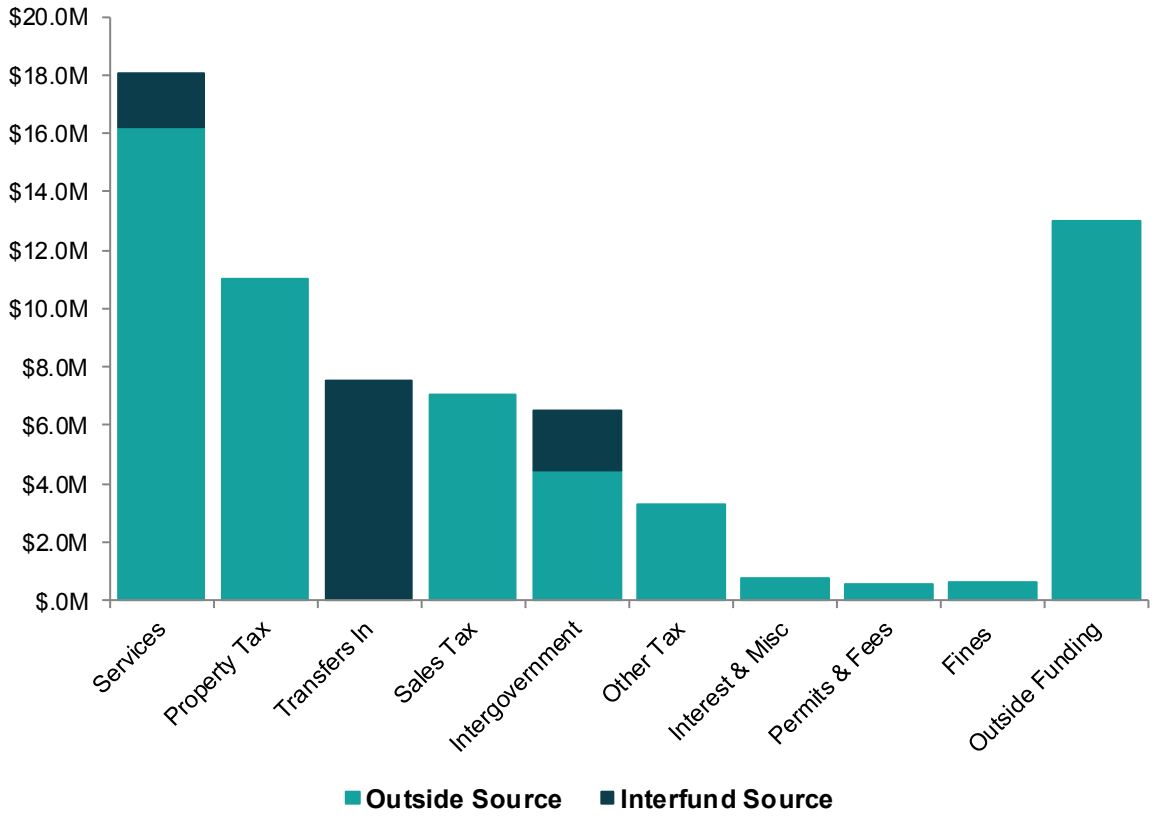
TRANSFERS IN represents transfers between funds. The largest transfers are from the Water Fund to the Water Debt Service Fund and from Water Fund to the General Fund to reimburse the General Fund for administrative services and street use.

SALES TAX is a 1% tax levied on eligible retail sales, rentals, leases and taxable services.

REVENUE SOURCES - NET OF INTERFUND ACTIVITY

To measure the true economic impact of the budget, it is helpful to eliminate the effect of interfund activity. Interfund activity represents payments between funds, rather than outside cash coming in to the City. Accounting standards require that these be accounted for as revenue in the receiving fund and an expenditure in the fund transferring the money out. The chart below shows that revenue coming from outside sources is budgeted at $56,894,182 for FY2019.

Citywide Revenues



Revenue Type	Outside Source	Interfund Source	Total Revenue
Services	$ 16,210,213	$ 1,887,735	$ 18,097,948
Property Tax	11,035,295	-	11,035,295
Transfers In	-	7,519,695	7,519,695
Sales Tax	7,049,268	-	7,049,268
Intergovernment	4,423,800	2,112,500	6,536,300
Other Tax	3,261,950	-	3,261,950
Interest & Misc	733,086	-	733,086
Permits & Fees	559,645	-	559,645
Fines	609,225	-	609,225
Outside Funding	13,011,700	-	13,011,700
TOTAL	$ 56,894,182	$ 11,519,930	$ 68,414,111

REVENUE FORECASTING

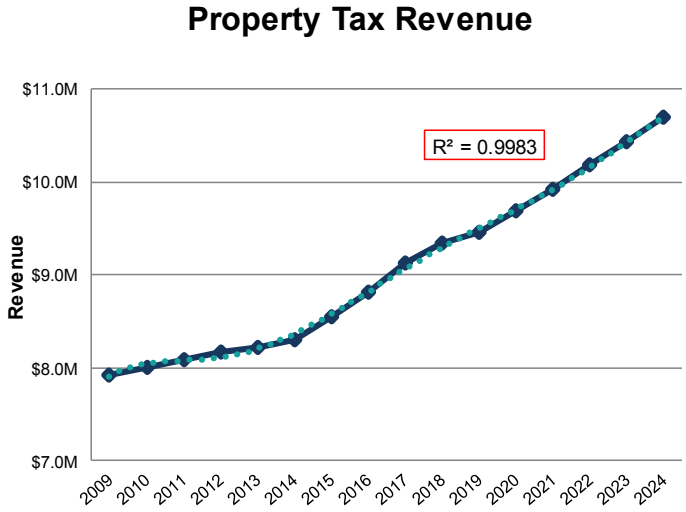
The City of Kerrville uses a two step revenue forecast methodology:

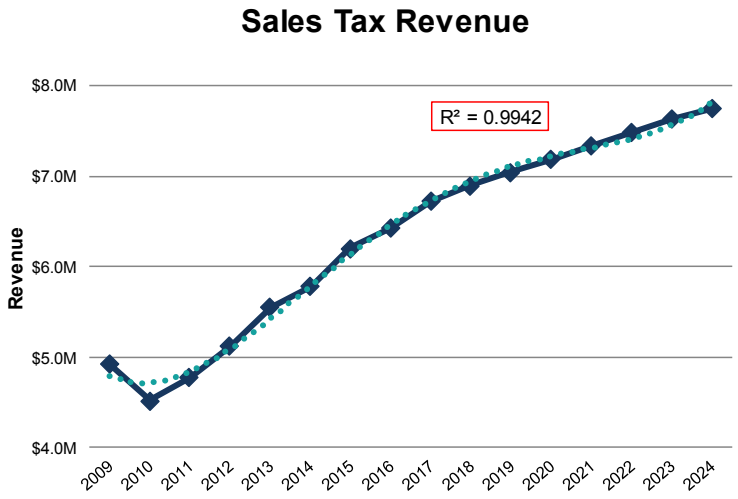
1. Regression analysis
2. External factor unique impact analysis

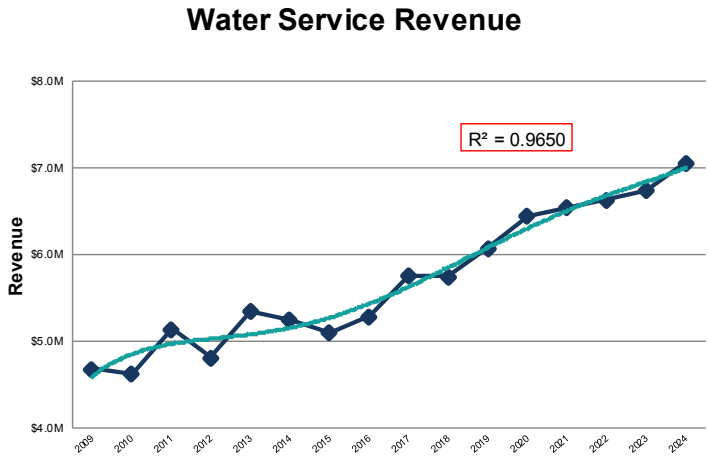
Regression analysis

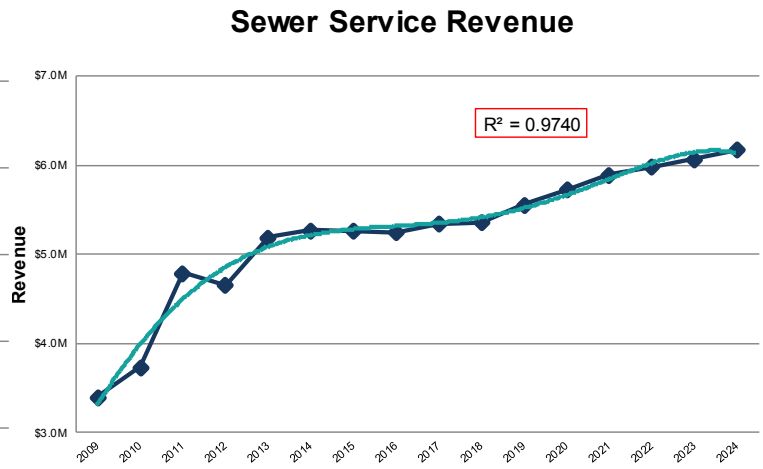
We begin our forecast process by performing regression analysis on historical data to develop a predictive model. Due to the curved path seen historically in all of our major revenue streams, we found that using a polynomial regression model results in the best goodness of fit (R^2 value closest to 1).

The charts below show examples of this analysis for the major revenue sources of property tax, sales tax, water service, and sewer service.









REVENUE FORECASTING

External factor unique impact analysis

Once we have developed a predictive model using regression analysis, we adjust the predictions to account for unique external factors. For FY2019, these factors include:

1. **Property tax revenue** -

   a. Rate - The property tax rate remained the same at $0.5514 per $100 of assessed value. By keeping the property tax rate unchanged, our property tax rate is lower than the effective rate (a hypothetical property tax rate that would give a city the same amount of revenue as it had in the previous fiscal year).

   b. Property appraisals - In accordance with State law, property values are determined by an independent property appraisal district. The City receives a certified tax roll at the end of July that includes valuations on existing and new property. The tax levy calculated from this roll is adjusted to account for valuation challenges and collection rates. Based on this analysis, we are estimating an increase of 1.2% from FY2018.

2. **Sales tax revenue -**

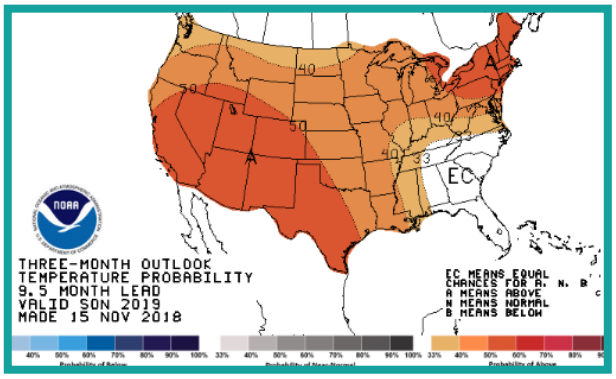
   a. Overall economy - Sales tax is heavily dependent on the health of the overall economy. We closely monitor unemployment figures, oil prices, statewide sales tax trends, the consumer price index and consumer confidence, then adjust our trend analysis accordingly. Economists are generally predicting continued low unemployment and growth in the 3% range for the greater San Antonio area in 2019. However, many experts continue to caution about a possible impending recession given that the current expansion is the 2nd longest in US history. Given this information, we are estimating a 2.2% increase from FY2018.

   b. Sector Analysis - Retail represents our largest sales tax sector followed by the accommodation and food services sector. We perform detailed monthly analysis on our confidential sales tax information, paying particular attention to the financial results and future plans of our largest taxpayers. Our large taxpayers are stable and established companies with plans to maintain or grow operations in Kerrville. In addition, Kerrville has added several new restaurants.

3. **Water and sewer service revenue -**

   a. Rates - We have adjusted our forecasts to include volumetric rates increases of 4% for water and 2% for sewer in FY2019.

   b. Climate - Predicting the weather is one of our most difficult budget challenges. A wet year results in lower water revenues due to decreased irrigation. A very dry year results in lower revenues due to water restrictions. NOAA is currently predicting that 2019 will be warmer than normal, with average rainfall. Therefore, we are predicting a small volume increase due to account growth and weather.



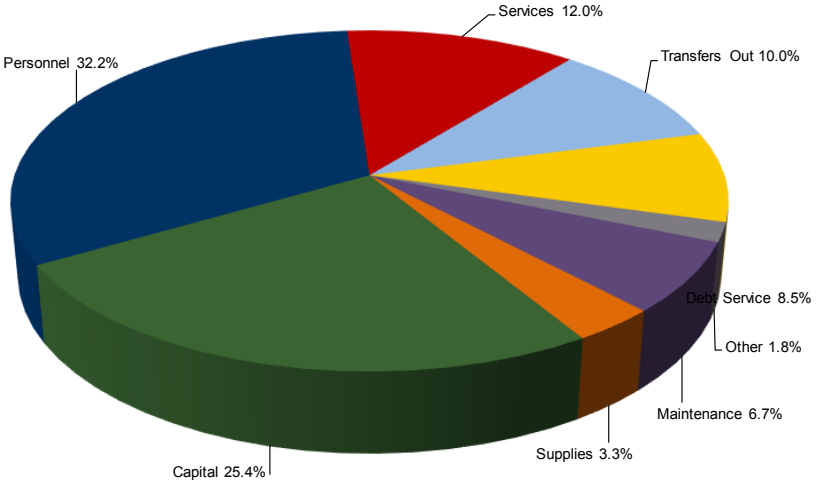
CONSOLIDATED EXPENDITURES

Consolidated citywide expenditures for FY2019 are budgeted at $75,103,138, including internal transfers. As previously mentioned, these numbers do not include expenditures for the Economic Improvement Corporation, which are presented as a separate component unit.

BY CATEGORY

Personnel is the largest category of expenditure, representing 32.2% of the total. Public safety employees are receiving a 2% cost of living raise in addition to their step salary plan increases and an additional adjustment to the step salary plan to resolve compression issues. General government employees will receive merit based increases. Other large categories are capital outlay (Tennis Center, Legion Lift Station, TTHM mitigation, etc.) and services (employee healthcare, insurance, tax and EMS billing services).

Citywide - Expenditure by Category



Expenditure Type	Outside Source	Interfund Source	Total Expenditures
Personnel	$ 22,048,841	$ 2,112,500	$ 24,161,341
Services	9,028,043	-	9,028,043
Transfers Out	-	7,519,695	7,519,695
Debt Service	6,367,956	-	6,367,956
Other	1,383,339	-	1,383,339
Maintenance	4,699,550	346,332	5,045,882
Supplies	2,500,147	-	2,500,147
Capital	19,096,735	-	19,096,735
TOTAL	$ 65,124,611	$ 9,978,527	$ 75,103,138

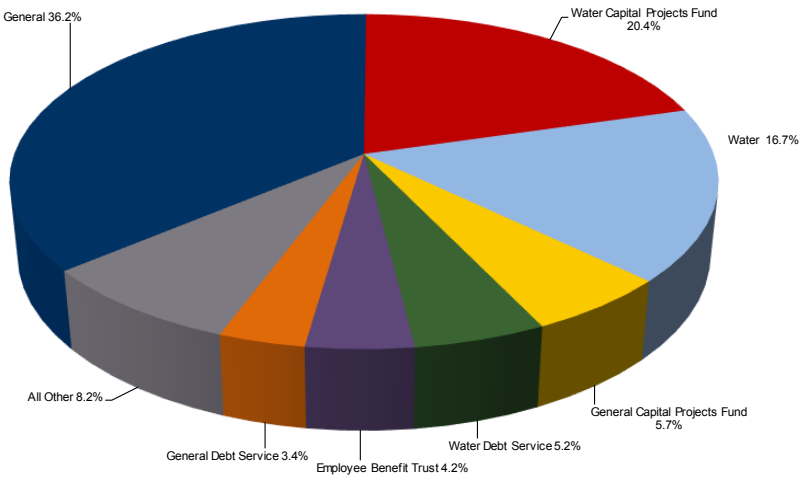
BY CATEGORY - NET OF INTERFUND ACTIVITY

It is helpful to assess the true economic impact of the citywide budget by eliminating transfers between funds. The outside source column shows true cash expenditures planned citywide for FY2019.

BY FUND

The General Fund accounts for 36.2% of the City's expenditures. Police, Fire, Parks and Streets are the major departments included in this fund. The Water Fund with its Water Production, Water Reclamation, Water Distribution, and Utility Billing departments represents 16.7% of the expense. Capital projects accounts for 26.1% and smaller funds make up the remaining amount.

Citywide - Expenditure by Fund



KERRVILLE

YOUR VOICE
YOUR CITY

FIVE YEAR FISCAL FORECAST

FIVE YEAR FISCAL FORECAST- GENERAL FUND

GENERAL FUND - FIVE YEAR FISCAL FORECAST

	FY17 Actual	FY18 Estimated	FY19 Budget	FY20 Forecast	FY21 Forecast	FY22 Forecast	FY23 Forecast
BEGINNING FUND BALANCE	$ 7,879,828	$ 8,416,866	$ 8,157,269	$ 8,157,269	$ 8,291,457	$ 8,291,457	$ 8,291,457
REVENUES							
Property Tax	9,334,622	9,422,167	9,553,070	9,791,897	10,036,694	10,287,612	10,544,802
Sales Tax	6,721,841	6,899,129	7,049,268	7,190,253	7,334,058	7,480,739	7,630,354
Other Taxes & Franchise Fees	1,753,223	1,979,378	1,898,700	1,946,168	1,994,822	2,044,692	2,095,810
Permits and Fees	15,305	19,973	14,645	15,011	15,386	15,771	16,165
Intergovernmental Revenue	1,263,641	1,372,133	1,424,114	1,459,717	1,496,210	1,533,616	1,571,956
Service Revenues	3,348,762	3,534,440	3,675,831	3,767,727	3,861,920	3,958,468	4,057,430
Grant Revenue	40,742	129,461	22,000	22,550	23,114	23,692	24,284
Fines and Forfeitures	630,475	612,060	572,225	586,531	601,194	616,224	631,629
Interest and Miscellaneous	297,704	354,569	317,111	325,039	333,165	341,494	350,032
Operating Transfer In	3,934,338	1,870,867	2,069,090	2,120,817	2,173,837	2,228,183	2,283,888
TOTAL REVENUES	27,894,786	26,788,473	27,203,510	27,848,351	28,508,609	29,184,654	29,876,866
EXPENDITURES							
Personnel	17,124,053	18,215,408	19,253,368	19,830,969	20,425,898	21,038,675	21,669,836
Supplies	1,255,717	1,286,524	1,351,587	1,371,861	1,392,438	1,413,325	1,434,525
Maintenance	1,954,358	2,737,682	2,867,326	2,910,336	2,953,991	2,998,301	3,043,276
Services	2,059,827	2,467,292	2,377,194	2,412,852	2,449,044	2,485,780	2,523,067
Other Expenses	282,132	218,092	438,357	444,932	451,606	458,380	465,256
Capital Outlay	298,809	123,557	78,965	80,149	81,352	82,572	83,811
Operating Transfers Out	4,065,657	755,117	836,713	663,064	630,515	642,340	653,019
TOTAL EXPENDITURES	27,040,554	25,803,672	27,203,510	27,714,163	28,384,845	29,119,374	29,872,788
CHANGE IN NET POSITION	854,232	984,801	-	134,188	123,763	65,280	4,078
FUND BALANCE DRAW DOWN	(750,000)	(900,000)	-	-	-	-	-
CAFR PRESENTATION ADJUSTMENT	432,806	(89,713)	-	-	-	-	-
CONTRACTUAL COMMITMENT	-	(254,686)	-	-	-	-	-
ENDING FUND BALANCE	$ 8,416,866	$ 8,157,269	$ 8,157,269	$ 8,291,457	$ 8,415,221	$ 8,480,500	$ 8,484,579
DEV SVCS OPERATING EXP	$ 755,944	$ 707,814	$ 1,218,688	$ 864,673	$ 890,613	$ 917,331	$ 944,851
Reserve %	30.6%	30.9%	28.7%	29.0%	28.7%	28.2%	27.5%
Reserve Target (25%)	6,949,124	6,627,872	7,105,549	7,144,709	7,318,865	7,509,176	7,704,410
Over (Under) Reserve	1,467,742	1,529,397	1,051,719	1,146,748	1,096,356	971,324	780,169

For presentation and comparison purposes, Development Services is presented as if it was in a separate fund in all years.

Key assumptions for FY20 - FY23:

1. Property Tax revenue grows at 2.5% annually
2. Sales tax revenue growth at 2.0% annually
3. Other revenues grow at 2.5% annually
4. Personnel expenses grow at 3.0% annually
5. Other expenses grow by 1.5% annually

FIVE YEAR FISCAL FORECAST - WATER FUND

WATER FUND - FIVE YEAR FISCAL FORECAST

	FY17 Actual	FY18 Estimated	FY19 Budget	FY20 Forecast	FY21 Forecast	FY22 Forecast	FY23 Forecast
BEGINNING FUND BALANCE	$ 6,669,347	$11,625,043	$ 12,472,502	$ 12,472,502	$ 12,488,813	$ 12,493,291	$ 12,493,291
REVENUES							
Service Revenues	11,878,947	11,970,638	12,496,232	13,050,131	13,337,918	13,545,860	13,758,920
Interest and Miscellaneous	17,825	78,151	34,500	35,087	35,683	36,290	36,907
Transfer In	-	414,622	-	-	-	-	-
TOTAL REVENUES	11,896,772	12,463,411	12,530,732	13,085,217	13,373,601	13,582,149	13,795,827
EXPENDITURES							
Personnel	2,920,139	2,981,324	3,216,591	3,313,089	3,412,482	3,514,856	3,620,302
Supplies	672,103	640,632	833,343	858,343	871,218	884,286	897,551
Maintenance	697,080	952,582	858,679	901,613	946,693	994,028	1,043,730
Services	803,987	986,086	967,886	987,244	1,002,052	1,017,083	1,032,339
Other Expenses	59,102	76,498	336,691	343,425	348,576	353,805	359,112
Capital Outlay	162,451	130,976	130,895	133,513	135,516	137,548	139,612
Operating Transfers Out	6,340,871	5,847,854	6,186,647	6,531,680	6,652,586	6,674,111	6,693,857
TOTAL EXPENDITURES	11,655,734	11,615,952	12,530,732	13,068,906	13,369,123	13,575,718	13,786,502
CHANGE IN NET POSITION	241,038	847,459	-	16,311	4,478	6,431	9,324
NONCASH ADJUSTMENTS	4,714,658	-	-	-	-	-	-
ENDING FUND BALANCE	$11,625,043	$12,472,502	$12,472,502	$12,488,813	$12,493,291	$12,499,722	$12,502,615
CASH + RECEIVABLES	$ 3,536,943	$ 3,839,927	$ 4,008,527	$ 4,186,206	$ 4,278,522	$ 4,345,225	$ 4,413,570
RESERVE %	30.3%	33.1%	32.0%	32.0%	32.0%	32.0%	32.0%

Key assumptions for FY20 - FY23:

1. Water rate increase of 6.0% in FY2020
2. Sewer rate increase of 2.0% in FY2020 and FY2021
3. Personnel expenditures grow at 3.0% annually
4. Maintenance expenditures grow by 5.0% annually
5. All other expenditures grow by 1.5% annually

KERRVILLE

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BUILDING THE BUDGET

BUILDING THE BUDGET - KEY PRIORITY AREAS

KEY PRIORITY AREAS

After extensive input from the community over a nine month period, Kerrville 2050 identified the following key priority areas:

1. **Community & Neighborhood Character / Placemaking**
2. **Downtown Revitalization**
3. **Economic Development**
4. **Housing**
5. **Mobility / Transportation**
6. **Parks, Open Space & The River Corridor**
7. **Public Facilities & Services**
8. **Water, Wastewater & Drainage**

Every function performed by the City ties directly back to one of these Kerrville 2050 key priority areas. The key priority areas govern the preparation of the budget as well as the operation of each department. Accordingly, this budget book presents FY2019 objectives for each department along with the key priority area to which the objective relates on the departmental information pages found within the fund sections.

KERRVILLE 2050

BUDGET PHILOSOPHY

To prepare a budget, the City establishes a fiscal approach and then applies the principles of priority based budgeting.

Fiscal Approach

1. Sustainability— the City's budget uses conservative revenue projections and does not use one-time revenues to fund on-going or recurring expenditures.
2. Balanced—for the City's largest operating funds, expenditures do not exceed revenues.
3. Maintains current tax rate—for a 10th consecutive year, no property tax rate increase.
4. Water and sewer rates—after remaining unchanged since 2012, water and sewer volumetric rates are increased by 4% and 2%, respectively.
5. No use of fund balance—General Fund and Water Fund do not use fund balance to meet regular, recurring expenditures.

Priority Based Budgeting

Priority based budgeting offers a structured process to effectively allocate scarce resources. Using this approach, the City identifies its key priority areas and allocates funds based on how effectively a program or service aligns with the priorities that the community has deemed to be of greatest value.

In 2018, the community completed a comprehensive plan, called Kerrville 2050. Kerrville 2050 is the official statement of our community's long-term vision for the future. It consists of a set of coordinated plans such as land use, transportation, economic development, parks, etc. Kerrville 2050 was developed over nine months with input from hundreds of citizens. The plan was officially adopted by City Council in June 2018 and provides the key priority areas for the this budget.

Each City department has developed a business plan that ties to the key priority areas in Kerrville 2050. The business plans identify objectives for each department and serve as the basis for a department's budget request.

During the budget process, the Finance Department identifies the amount of available resources. On the expenditures side, each department identifies priorities. Using the Kerrville 2050 key priorities as a guide, the priorities are scored and ranked. Resources are allocated accordingly. Metrics are gathered to create accountability for results and continually monitor progress.

BUILDING THE BUDGET - PURPOSE & PROCESS

PURPOSE

The City of Kerrville's budget serves four primary purposes:

1. Policy Tool – The budget process allows the City Council, City Manager, and all department directors to comprehensively review the direction of the City and to direct its activities by allocating financial resources to achieve its goals. The budget process will also facilitate the evaluation of City programs to determine their effectiveness and allocate resources to those programs that require additional support.

2. Operational Guide – The budget provides financial control by setting forth legislative and administrative guidance to City employees regarding the character and scope of their activities in both summary and detail form.

3. Financial Plan – The budget outlines the manner in which the financial resources of the City are managed during the budget period. This allocation of resources is based on an understanding of both the current year's needs and a long-term view. The budget takes into account unforeseen contingencies and provides a process for periodic adjustments.

4. Communication Medium – The budget book provides management, Council, and readers of the budget book a comprehensive tabulation of information regarding both the character and scope of City activities. The budget process seeks to communicate a clear policy at a usable level of detail to City employees, to communicate significant policy issues and options in a form that can be acted upon by City officials, and to communicate the plans of the City to its constituents in a manner which affords them an opportunity to provide meaningful comments to the elected officials.

PROCESS

The following steps are completed to build the budget:

Priority Based Budgeting - The following steps are completed as part of the priority based budgeting approach:

1. Finance identifies available resources
2. Departments create department level business plans
3. Department priorities are identified through the business plans
4. Departments quantify their prioritized budget requests
5. The Budget Committee (City Manager, Deputy City Manager, Executive Director for Innovation and CFO) meets with each department individually to review their requests
6. The Budget Committee scores requests and prioritizes funding allocations
7. Metrics are tracked for ongoing service/program evaluation

PROCESS (CONTINUED)

Preliminary Budget - A preliminary budget is assembled and presented to Council by the City Manager during a series of budget workshops in June and July. The preliminary budget focuses on priorities for the coming year and summarizes expected revenues and expenditures by fund.

Proposed Budget –Following any changes to the preliminary budget, the City Manager formally submits a proposed budget to the City Secretary by July 31st. This budget includes all funds and departments. The City Manager prepares a budget presentation for Council shortly after the proposed budget is submitted.

Public Hearings and Adoption – By statute, tax rate public hearings must be held after a proposed budget is submitted if the proposed tax rate is higher than the effective rate. In addition, a public hearing for the proposed budget is held after the proposed budget is filed. After the required public hearings, the City Council must approve separate ordinances, each requiring two readings, approving the budget and the tax rate before the end of September. The new budget is effective as of October 1.

Note that for the FY2019 budget, the City's effective tax rate was HIGHER than the proposed tax rate. This very unusual occurrence meant that no public hearings were required for the tax rate. Accordingly, the second reading of each ordinance occurred during the first City Council meeting in September.

MONITORING AND AMENDMENT

Monitoring - During the fiscal year, actual revenues and expenditures are closely monitored against the budget. Monthly reports are provided by Finance staff to the City's management team. Financial updates are given to Council monthly during regular City Council meetings. In addition, all departments have access to the City's general ledger software to facilitate continual monitoring of their budgets.

Amendment – The budget can be amended during the year to account for unforeseen events. The City Manager can approve department requests for reallocation of funding as long as the request results in a $0 net impact to the fund. The City Council must authorize all changes to the budget that result in a change to the net position of a particular fund.

FY2019 BUDGET CALENDAR

February

February 8 – March 2 – Departments prepare line item budgets

March

March 2 - Department budget proposals and fee schedule changes due

March 5 – March 29 – Department budget reviews with department directors and Budget Committee

April

April 2 – April 20 – Budget revisions based on priority based budgeting allocations

April 25 – Preliminary tax roll received from Kerr Central Appraisal District

May

May 1 – May 31 – Finance staff prepare draft budget

June

June 19 - City Council budget workshop—General Fund

July

July 23 - City Council budget workshop—Water Fund, Capital Projects, Other Funds

July 30 – Chief Appraiser certifies rolls for taxing units

July 31 – Proposed budget filed with City Secretary

August

August 14 - City Manager presents FY2019 Budget to City Council
Resolution to set proposed tax rate

August 28 – Public hearing for budget
First Reading—Budget Ordinance
First Reading—Tax Ordinance

September

September 11 – Second Reading—Budget Ordinance
Second Reading—Tax Ordinance
Fee Schedule Resolution

October

October 1 – FY2019 budget goes into effect

BUDGET BASIS

BASIS OF ACCOUNTING

The accounting and financial reporting policies of the City conform to Generally Accepted Accounting Principles (GAAP) and the accounting principles prescribed by the Governmental Accounting Standards Board (GASB). The City uses ***fund accounting*** to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds - Governmental activities, which normally are supported by taxes, grants, and intergovernmental revenues, are reported in governmental funds. The largest governmental fund is the General Fund. Other governmental funds include special revenue funds, debt service funds, and general capital projects. Governmental fund financial statements are reported using the current financial resources measurement focus and the ***modified accrual basis of accounting***. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Proprietary Funds - The proprietary fund category includes enterprise and internal service funds. These funds are used to account for activities that are similar to private sector businesses. The largest proprietary fund is the Water Fund. Proprietary fund financial statements are reported using the economic resources measurement focus and the ***accrual basis of accounting***. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow.

BASIS OF BUDGETING

In most cases, the City's budget follows the same basis as the accounting and financial reporting previously described. Exceptions to this treatment are as follows:

Capital Items - For budget purposes, the full purchase price of a capital item is shown as an expenditure in the year the item is purchased. Accordingly, depreciation expense is not budgeted. In the Comprehensive Annual Financial Report (CAFR), capital items are recorded as assets when purchased and depreciated over the useful life of the item.

Compensated Absences - Compensated absences, which include accrued but not used vacation leave, are not budgeted. This item is reported as an expense in the CAFR.

Debt Service - The City budgets for all debt service payments, both principal and interest, as an expenditure in the debt service fund. In the CAFR, principal payments reduce the balance sheet liability for the debt.

Amortization - Similar to the policy for depreciation, amortization is not budgeted, but it is recorded in the CAFR according to GAAP.

BUILDING THE BUDGET - FUND STRUCTURE

FUND ACCOUNTING

Fund accounting is used for both budgeting and accounting purposes. Each fund is established for a specific purpose and is considered a separate accounting entity.

The flow of revenues and expenditures within each fund is somewhat like a bank checking account. Revenues are deposited into the checking account throughout the fiscal year and are used to fund operations and services. At the end of the fiscal year, any excess of revenues over expenditures is "deposited" into the savings account known as fund balance. The fund balance can be reserved or designated to be spent for future projects, including capital needs, or be used for events that are unforeseen or unusual in nature.

City Council must approve, or appropriate, any expenditure from the various funds, including expenditures from reserves. The authorization is typically granted before the fiscal year begins, but it can also be done with approval from City Council anytime during the year, if sufficient funds are available.

FUND STRUCTURE

In accordance with the Governmental Accounting Standards Board (GASB), our annual report is grouped in reporting sections for governmental funds, proprietary funds and component unit funds. Within each GASB grouping are fund types: general, capital projects, special revenue, debt service, enterprise, internal service, and economic improvement. The next level down is individual funds, which are shown below with our internally assigned fund number in parenthesis.

Governmental Funds Category

General
- General Fund (01)
- Police Special Programs (07)
- General Asset Replacement (18)
- Landfill Closure (26)
- Landfill Post Closure (28)
- Development Services (29)
- Insurance Reserve (90)

Capital Projects
- General CIP (70)
- Parkland Dedication (08)

Special Revenue
- Police Special Revenue (13)
- Library Memorial (15)
- Hotel Occupancy Tax Reserve (16)
- Hotel Occupancy Tax (20)
- PEG Special Revenue (21)
- Muni Court Special Revenue (22)
- Remschel-Deering History Center (68)
- Cailloux Theater Endowment (84)
- Grant Fund (85)

Debt Service
- General Debt Service (50)

Proprietary Funds Category

Major Enterprise
- Water Fund (02)
- Water Asset Replacement (19)
- Water Debt Service (53)
- Water Capital Projects (71)

Non Major Enterprise
- Golf Course Fund (14)

Internal Service
- Garage (03)
- Employee Benefit Trust Fund (05)

Component Unit Funds Category

Economic Improvement Corporation
- Economic Improvement Corporation (40)
- Economic Improvement Projects (75)

BUILDING THE BUDGET - FUND STRUCTURE

General Funds – The General category is a governmental fund type that includes the majority of City services. Services provided in this category include: City Council, City Secretary, City Attorney, City Administration, Human Resources, Finance, Information Technology, Municipal Court, Police, Fire/EMS, Planning, Building Services, Code Compliance, Parks and Recreation, Engineering, Streets, and Library. The following funds are included in the General category:

1. General Fund
2. Police Special Programs Fund
3. General Asset Replacement Fund
4. Development Services Fund
5. Landfill Closure Fund
6. Landfill Post Closure Fund
7. Insurance Reserve Fund

Capital Projects Funds - The following funds are governmental funds used to account for resources that are restricted, committed or assigned to expenditure for capital outlays:

1. General CIP Fund
2. Parkland Dedication Fund

Special Revenue Funds - The following funds are governmental funds used to account for specific revenue sources that are legally restricted or committed to expenditure for specified purposes:

1. Police Special Revenue Fund
2. Library Memorial Fund
3. Hotel Occupancy Tax Reserve Fund
4. Hotel Occupancy Tax Fund
5. PEG Special Revenue Fund
6. Municipal Court Special Revenue Fund
7. Remschel-Deering History Center Fund
8. Cailloux Theater Endowment Fund
9. Grant Fund

Debt Service Fund - The following fund is a governmental fund type, also known as an interest and sinking fund, and is used to account for the accumulation and expenditure of funds required to make principal and interest payments on tax supported debt:

1. General Debt Service Fund

Enterprise Funds - The following funds are proprietary funds used to account for business type activities that are financed primarily through fees charged for goods or services provided:

1. Water Fund
2. Water Asset Replacement Fund
3. Water Debt Service Fund
4. Water Capital Projects Fund
5. Golf Course Fund

Internal Service Funds - The following funds are proprietary funds used to account for goods and services provided to other City departments on a cost reimbursement basis:

1. Garage Fund
2. Employee Benefit Trust Fund

Component Units Funds - GASB Statement No. 14 defines component units as legally separate organizations for which the elected officials of the primary government are financial accountable. They may be a governmental organization, a nonprofit corporation or a for profit corporation. Component unit funds are NOT part of the citywide budget totals presented in this book and are presented separately in the CAFR. The City's Component Unit Funds presented in this book include:

1. Economic Improvement Corporation
2. Economic Improvement Projects Fund

BUILDING THE BUDGET - GUIDE TO DEPT PAGES

The first page of each department section is arranged as follows:

Fund name

Department name

Description of department responsibilities

Department mission

GENERAL FUND - CITY SECRETARY

City Secretary

The City Secretary's department is dedicated to providing accurate and efficient record keeping and election services for the City Council, staff, and citizens of Kerrville.

DEPARTMENT RESPONSIBILITIES

- **Document Management**: responsible for maintaining official records of the city, including Charter, Code of Ordinances, resolutions, contracts, leases, studies, etc.
- **Recording Secretary**: responsible for preparing agendas, attending meetings, and preparing minutes for the City Council, Economic Improvement Corporation, Main Street Advisory Board and Golf Course Advisory Board.
- **Boards and Commissions:** responsible for processing appointments to all city boards, providing board member training on open government, rules and procedures and posting agendas for all meetings.
- **Elections:** responsible for managing all city elections in accordance with state law.
- **Open records requests:** responsible for processing all public information requests in accordance with the law.

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Prepared meeting agendas and minutes for 111 meetings
- Processed 155 additional permanent documents
- Responded to 192 open records requests
- Held one election

FY2019 OBJECTIVES

Key Priority Area: Public Facilities and Services

- Facilitate election process
- Process public information requests
- Implement process for filing documents at the courthouse
- Assess and organize city studies in the vault
- Review contracts and destroy in accordance with State records retention schedule
- TCMA recertification requirements
- Implement automated, paperless agenda management system

Kerrville 2050 Key Priority Area (presented in bold) to which department objectives relate

Specific department objectives to be completed in FY2019

An interesting or little known fun fact that relates to this department

Did you know?

City Secretary Brenda Craig retired on August 17, 2018 after 37 years of service!

Department accomplishments primarily from FY2017 and may include significant accomplishments completed during FY2018

BUILDING THE BUDGET - GUIDE TO DEPT PAGES

The next pages of the department section present performance measure as well as revenue and expenditure by line item as shown below:

Fund name

Department name

GENERAL FUND - INFORMATION TECHNOLOGY

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Public Facilities & Services	Unified communication system availability %	99.4%	99.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Email system availability %	99.4%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%
	Average monthly hits to City website	62,099	62,099	57,210	53,885	59,653	57,461	56,916
	Percentage of successful backup	92.5%	99.0%	100.0%	100.0%	100.0%	14.0%	100.0%
	Amount of data stored on city servers	36.6	30.0	33.8	41.2	40.0	40.0	40.0
	Percentage of time network infrastructure is available	99.1%	99.1%	100.0%	100.0%	100.0%	100.0%	100.0%
	Percentage of time Tier 2 and above systems are available	99.07%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%
	Number of viruses quarantined and removed	334	300	71	26	29	42	168
	Total number of IT support request responded to successfully	4,166	4,164	1,018	1,074	1,327	1,044	4,463
	Critical - responses within 1 hr., resolution within 2 hrs.	97.10%	95.00%	97.07%	92.37%	97.77%	97.90%	95.74%
	High - response within 2 hrs., resolution within 4 hrs.	96.60%	90.00%	92.57%	91.8%	91.97%	90.27%	92.11%
	Normal - response within 4 hrs., resolution within 2 days	91.50%	88.00%	92.23%	90.77%	92.70%	89.90%	91.90%
	Low - response within 8 hrs., resolution within 5 days	89.60%	85.00%	91.40%	92.27%	89.37%	89.90%	91.90%

Performance Measures for each department that focus on measuring outputs that support the Key Priority Areas of Kerrville 2050

YOUR VOICE
YOUR CITY
kerrville2050.com

Kerrville 2050 logos can be found throughout this book, reflecting the theme of our budget book as well as the our City's guiding principles.

BUILDING THE BUDGET - GUIDE TO DEPT PAGES

The next pages of the department section present budget line item detail for revenues and expenditures are shown below:

Fund name

Department name

GENERAL FUND – RECREATION

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Parks And Rec - Programs	$ 9,538	$ 12,000	$ 20,775	$ 22,000
Cailloux Foundation	10,000	10,000	11,200	10,000
July 4th Fireworks-Sponsor	11,952	12,000	11,952	-
General Resources	118,498	162,330	152,227	153,752
Total Revenues	**149,988**	**196,330**	**196,155**	**185,752**
Expenditures				
Salaries	80,734	90,386	91,138	97,805
Benefits	25,713	27,881	27,291	28,906
Travel and Training	2,614	5,922	5,643	5,074
Total Personnel Services	**109,060**	**124,189**	**124,072**	**131,785**
Office Supplies	134	-	68	-
Tools and Equipment	49	-	250	1,100
Fuel	518	700	800	750
Wearing Apparel	23	241	241	1,000
Other Supplies	14,466	21,618	21,259	7,850
Total Supplies and Materials	**15,189**	**22,559**	**22,618**	**10,700**
Vehicle	99	29	122	29
Total Maintenance and Repairs	**99**	**29**	**122**	**29**
Utilities	641	876	1,364	1,128
Professional Services	16,239	31,730	31,002	23,600
Insurance	200	200	300	200
Advertising	6,624	14,885	14,630	18,000
Total Services	**23,704**	**47,691**	**47,296**	**42,928**
Other	1,935	1,862	2,048	310
Total Other Expenses	**1,935**	**1,862**	**2,048**	**310**
Total Expenditures	**$ 149,988**	**$ 196,330**	**$ 196,155**	**$ 185,752**

If a department specifically generates revenue, the line items are shown in this section. General resources revenue represents expenditures not funded by department specific revenue.

Subtotals for each expenditure category are shown on the green lines

Total expenditures represent the combined total of all expenditure categories for the department

FY2018 Budget numbers reflect the final budget, which includes amendments approved by City Council and line item transfers approved by the City Manager.

CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2018-17

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE CITY OF KERRVILLE, TEXAS, FISCAL YEAR 2019; PROVIDING APPROPRIATIONS FOR EACH CITY DEPARTMENT AND FUND; CONTAINING A CUMULATIVE CLAUSE; AND CONTAINING A SAVINGS AND SEVERABILITY CLAUSE

WHEREAS, in accordance with Section 8.01 of the City Charter and Section 102.005 of the Texas Local Government Code, the City Manager prepared and filed with the City Secretary by July 31, 2018, a proposed budget for the City of Kerrville, Texas, for the fiscal year beginning October 1, 2018, and ending September 30, 2019; and

WHEREAS, in accordance with Section 8.04 of the City Charter and Sections 102.006 and 102.0065 of the Texas Local Government Code, and after providing the required public notice in the City's official newspaper not less than 10 days prior to the date of the public hearing, a public hearing was duly held on August 28, 2018, at the time and place set forth in the public notice, said date being more than fifteen days subsequent to the filing of the proposed budget by the City Manager, at which time all interested persons were given an opportunity to be heard for or against any item within the proposed budget; and

WHEREAS, after due deliberation, study, and consideration of the proposed budget, and after making such amendments to the budget proposed by the City Manager that the City Council has determined are (1) warranted by law or (2) in the best interest of the taxpayers of the City, the City Council is of the opinion that the Official Budget for the Fiscal Year 2019, with the amendments described and discussed, should be approved and adopted, in accordance with Section 8.06 of the City Charter and Section 102.007 of the Texas Local Government Code;

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

SECTION ONE. The Official Budget of the City of Kerrville, Texas, a copy of which is on file in the office of the City Secretary, referenced by the date and number of this Ordinance, and incorporated herein by reference as if fully set out herein, is adopted, in accordance with Section 8.06 of the City Charter and Chapter 102 of the Texas Local Government Code.

SECTION TWO. The appropriations by department, fund, or other organization unit and the authorization and allocation for each program or activity are hereby deemed to provide a complete financial plan of City funds and activities

for the Fiscal Year 2019, in accordance with Section 8.05 of the City Charter and Chapter 102 of the Texas Local Government Code.

SECTION THREE. The following policies, which City Council has previously approved, are included within the budget document referenced in Section One. Some of the policies include amendments, as indicated, which City Council hereby approves. City Council may revise a policy(s) before the adoption of next year's budget, by the adoption of a resolution indicating the revisions. The policies are as follows:

- **Financial Management Policy**
- **Investment Policy**
- **Purchasing Policy**
- **Real Estate Policy**
- **Travel Policy**
- **Vehicle and Equipment Replacement Policy**
- **Fee Schedule**

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

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

FIRST READING:

City Secretary to take record vote as follows:

	YES	NO
Bill Blackburn, Mayor	✓	
Vincent C. Voelkel, Place 1	✓	
George Baroody, Place 2	✓	
Judy Eychner, Place 3	✓	

Delayne Sigerman, Place 4	✓	

PASSED AND APPROVED ON FIRST READING, this the 28th day of August, A.D., 2018.

SECOND READING:

City Secretary to take record vote as follows:

	YES	NO
Bill Blackburn, Mayor	✓	
Vincent C. Voelkel, Place 1	✓	
George Baroody, Place 2	✓	
Judy Eychner, Place 3	✓	
Delayne Sigerman, Place 4	✓	

PASSED AND APPROVED ON SECOND AND FINAL READING, this the 11th day of September, A.D., 2018.

Bill Blackburn

Bill Blackburn, Mayor

ATTEST:

Cheryl Brown

Cheryl Brown, Interim City Secretary

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney

CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2018-18

AN ORDINANCE LEVYING AN AD VALOREM TAX FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT FOR THE CITY OF KERRVILLE, TEXAS, FOR FISCAL YEAR 2019; APPORTIONING THE LEVY FOR SPECIFIC PURPOSES; AND PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID

WHEREAS, City Council finds that an ad valorem tax must be levied to provide for current expenses and improvements for the City of Kerrville, Texas, during the fiscal year 2019; and

WHEREAS, City Council further finds that an ad valorem tax must be levied to provide for the payment of principal and interest on outstanding debt maturing in the fiscal year 2019; and

WHEREAS, after due deliberation, study, and consideration of the proposed tax rate for the fiscal year 2019, City Council has determined that adoption of the rate is in the best interest of the taxpayers of the City and it should be adopted in accordance with law;

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

SECTION ONE. There is hereby levied and there shall be collected for the use and support of the municipal government of the City of Kerrville, Texas, and to provide interest and sinking funds for the fiscal year 2019, a tax of **$0.5514** on each one hundred dollars ($100.00) valuation of all property, real, personal, and mixed, within the corporate limits of the City subject to taxation, for the specific purposes herein set forth:

(A) For the current expenditures of the City of Kerrville and for the general improvement, use, and support of the City and its property, there is hereby levied and ordered to be assessed and collected for the fiscal year 2019 on all property situated within the corporate limits of the City, and not exempt from taxation by law, an ad valorem tax rate of **$0.4779** on each one hundred dollars ($100.00) valuation of such property.

(B) For the purpose of paying principal and interest and providing payments into various debt service funds for each issue of tax supported debt, there is hereby levied and ordered to be assessed and collected for the fiscal year 2019 on all property situated within the corporate limits of the City and not exempt from taxation by law, an ad valorem tax for each issue

of debt described in this Section, the sum of such levies being **$0.0735** on each one hundred dollars ($100.00) valuation of such property.

SECTION TWO. The ad valorem taxes levied are due on October 1, 2018, and may be paid up to and including January 31, 2019, without penalty; but if not paid, such taxes are delinquent on February 1, 2019, provided, however, in accordance with Section 31.03(a) of the Texas Tax Code, the ad valorem taxes due hereunder may, at the option of the taxpayer, be paid in two payments without penalty or interest so long as the first payment of one-half of the taxes levied is paid before December 1, 2018, and the remaining one-half is paid before July 1, 2019.

SECTION THREE. No discounts are authorized on property tax payments made prior to January 31, 2019.

SECTION FOUR. All taxes become a lien upon the property against which assessed and the designated City tax collector for the City is authorized and empowered to enforce the collection of such taxes according to the Constitution and Laws of the State of Texas and ordinances of the City, and shall by virtue of the tax rolls, fix and establish a lien by levying upon such property, whether real or personal, for the payment of said taxes, penalty, and interest. All delinquent taxes shall bear interest and other charges from date of delinquency as prescribed by state law.

PASSED AND APPROVED ON FIRST READING, this the 28th **day of** August**, A.D., 2018.**

PASSED AND APPROVED ON SECOND AND FINAL READING, this the 11th **day of** September**, A.D., 2018.**

Bill Blackburn

Bill Blackburn, Mayor

ATTEST:

Cheryl Brown

Cheryl Brown, Interim City Secretary

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney

KERRVILLE

YOUR VOICE
YOUR CITY

GENERAL FUND

KERRVILLE

YOUR VOICE
YOUR CITY

GENERAL FUND BUDGET SUMMARY

GENERAL FUND - BUDGET SUMMARY

GENERAL FUND - BUDGET SUMMARY

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget	Budget % Change
BEGINNING FUND BALANCE	$ 7,879,828	$ 8,416,866	$ 8,416,866	$ 8,157,269	
REVENUES					
Property Tax	9,334,622	9,439,359	9,422,167	9,553,070	1.2%
Sales Tax	6,721,841	6,960,601	6,899,129	7,049,268	1.3%
Other Taxes & Franchise Fees	1,753,223	1,858,200	1,979,378	1,898,700	2.2%
Permits and Fees	15,305	16,550	19,973	14,645	-11.5%
Intergovernmental Revenue	1,263,641	1,381,387	1,372,133	1,424,114	3.1%
Service Revenue	3,348,762	3,317,053	3,534,440	3,675,831	10.8%
Recreation Revenue	554,134	515,545	594,296	607,456	17.8%
Grant Revenue	40,742	76,064	129,461	22,000	-71.1%
Fines and Forfeitures	630,475	627,800	612,060	572,225	-8.9%
Interest and Miscellaneous	297,704	235,511	354,569	317,111	34.6%
Operating Transfer In	3,934,338	1,870,867	1,870,867	2,069,090	10.6%
TOTAL REVENUES	27,894,786	26,298,938	26,788,473	27,203,510	3.4%
EXPENDITURES					
Personnel	17,124,053	18,409,189	18,215,408	19,253,368	4.6%
Supplies	1,255,717	1,333,873	1,286,524	1,351,587	1.3%
Maintenance	1,954,358	2,781,738	2,737,682	2,867,326	3.1%
Services	2,059,827	2,479,089	2,467,292	2,377,194	-4.1%
Other Expenses	282,132	224,614	218,092	438,357	95.2%
Capital Outlay	298,809	129,870	123,557	78,965	-39.2%
Operating Transfers Out	4,065,657	935,435	755,117	836,713	-10.6%
TOTAL EXPENDITURES	27,040,554	26,293,808	25,803,672	27,203,510	3.5%
CHANGE IN NET POSITION	854,232	5,129	984,801	-	
FUND BALANCE DRAW DOWN	(750,000)	(900,000)	(900,000)	-	
CAFR PRESENTATION ADJUSTME	432,806	-	(89,713)	-	
CONTRACTUAL COMMITMENT	-	-	(254,686)	-	
ENDING FUND BALANCE	$ 8,416,866	$ 7,521,996	$ 8,157,269	$ 8,291,457	
DEV SVCS OPERATING EXP	$ 755,944	$ 784,342	$ 707,814	$ 1,218,688	
Reserve %	30.6%	28.1%	30.9%	28.7%	
Reserve Target (25%)	6,949,124	6,573,452	6,627,872	7,105,549	
Over (Under) Reserve	1,467,742	948,544	1,529,397	1,051,719	

For presentation and comparison purposes, Development Services is presented as if it was in a separate fund in all years.

GENERAL FUND - BUDGET SUMMARY

The General Fund is the general operating fund and the largest fund of the City. It includes government services such as Police, Fire and EMS, Parks and Recreation, and Streets. In addition, administrative and internal services (City Council, City Secretary, City Attorney, Administration, Information Technology, Human Resources, Finance) are a part of the General Fund. These services are funded primarily by property tax and sales tax. For accounting and financial reporting purposes, this is considered a governmental fund that uses the modified accrual basis of accounting.

Beginning in FY2019, Development Services (Planning, Building Services, and Code Compliance) will be broken out into a Development Services Fund. For presentation and comparison purposes, these functions are shown as part of the new fund for all years presented.

The FY2019 budget for the General Fund includes $27.2 million in revenues and expenses, resulting in a balanced budget. Variance analysis on property tax, sales tax and changes over $150,000 between the FY2018 budget and FY2019 budget is as follows:

1. **Property tax** - up 1.2% - This number is based on the 2018 certified tax roll provided by KCAD. The City's levy increased 1.5% over the 2017 tax roll. Market value on the 2018 tax roll is $46.5 million higher than the previous year. 56% of the increase is due to new market value, while 46% of the increase relates to changes in existing property. In addition, we anticipate a $75,860 tax rebate will be paid to James Avery Craftsman in accordance with their 380 agreement.
2. **Sales tax** - up 1.3% - We began by projecting sales tax for FY2019 based on the first 10 months of actual revenue in FY2018. We are estimating that FY2018 sales tax will exceed FY2017 sales tax by 2.6%. Economists are predicting growth in our area of at least 3% over the next year. In addition, low unemployment, growth in residential and commercial building permits, stable and established large taxpayers, and the opening of the Kerrville Sports Complex in January 2018 provide reasons for FY2019 sales tax to see continued growth. Based on these factors, we are estimating a 2.2% increase over estimated FY2018 sales tax revenue.
3. **Service revenue** - up 10.8% - FY2019 includes an estimated payment of $200,000 from the Ambulance Supplemental Payment Program (ASPP). ASPP is a state program that partially reimburses EMS providers for unrecovered costs related to Medicaid patients. In addition, the FY2019 budget includes an increase in solid waste revenue due to a surcharge fee increase from $11 per ton to $13 per ton.
4. **Operating Transfer In** - up 10.6% - FY2019 includes an increase in the transfer in from the Water Fund. The street use fee portion of that transfer has been increased from 2% to 3% of Water revenues. The increase is directly increasing the Street Department paving budget. The portion of the fee related to support services has increased due to new billing for Parks Maintenance mowing at well sites and lift stations, a Public Works Administrative Assistant position, and new staff in Engineering. FY2019 includes a new $25,000 transfer in from the Hotel Occupancy Fund to partially fund a Tourism & Events Coordinator position.

5. **Personnel** - up 4.6% - The increase is due to several factors. FY2019 includes a 2% cost of living adjustment plus an increase to resolve compression issues in the step pay plans for public safety employees. General government employees are budgeted to receive an average 3% merit increase. In addition, the FY2019 budget includes 6 new employees (1 at Kerrville-Schreiner Park, 2 at Kerrville Sports Complex, 1 in Community Events, 1 in Engineering and 1 in General Operations).

6. **Other Expenses** - up 95.2% - FY2019 includes $250,000 in contingency that is budgeted in the other expense category.

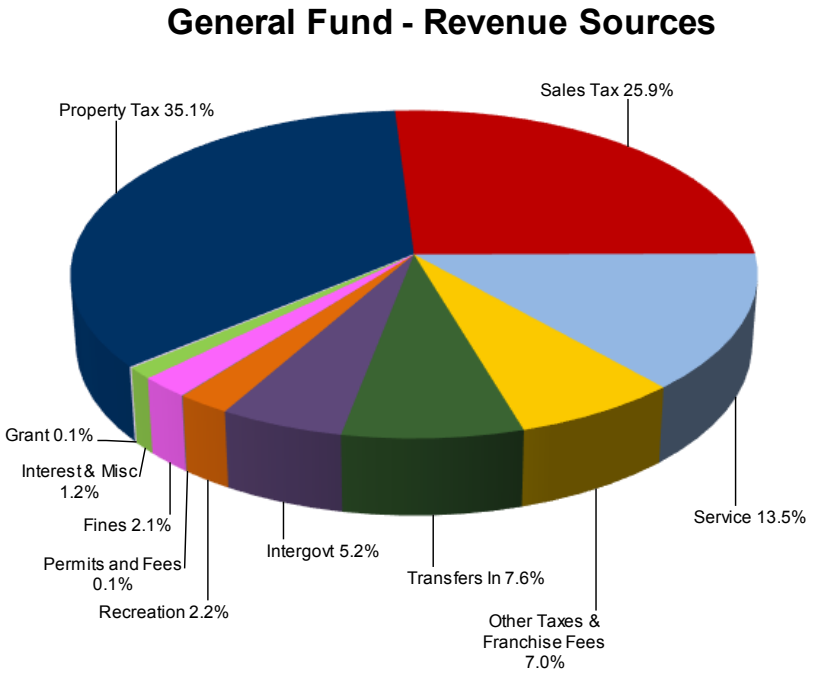
KERRVILLE 2050

GENERAL FUND REVENUES

GENERAL FUND REVENUES

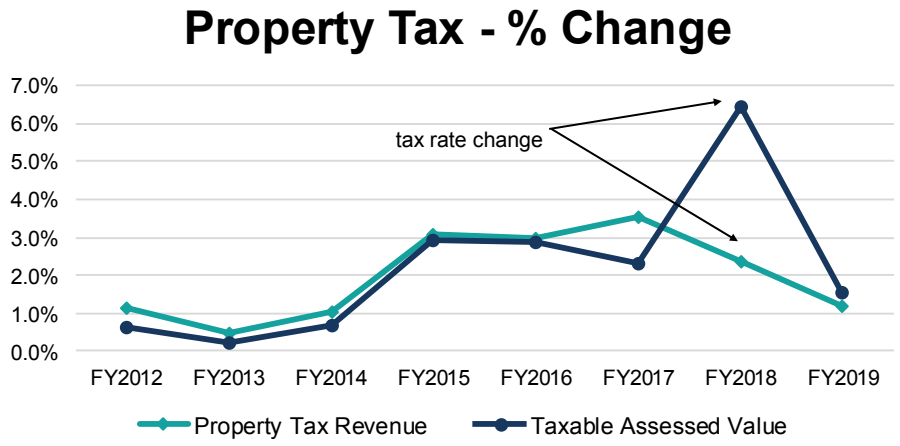
FY2019 budgeted revenue totals $27,203,510, which is 3.4% higher than FY2018 budgeted revenue. The increase is due primarily to increases in property tax, sales tax, service revenue from EMS and Solid Waste, and transfers in.

Property tax and sales tax are the largest revenue categories, accounting for 61.0% of total revenue.



PROPERTY TAX

The City's largest revenue source, property tax, is expected to increase 1.2% to $9,553,070 in FY2019. The FY2019 budget assumes that the property tax rate remains unchanged at $0.5514 per $100 of assessed value. $0.4779 of that rate will be used to support maintenance and operations in the General Fund. The remaining $0.0735 goes directly to retire debt through the General Debt Service Fund. The property tax revenue budget assumes a 98% collection rate of the 2018 certified tax roll. This collection rate is consistent with our historical average. The levy has increased 1.5% from FY2018 due to increases in market value from a combination of new market value ($26 million) and increases on existing properties ($20 million). Offsetting property tax revenue is a $75,860 rebate related to a 380 agreement with James Avery Craftsman.

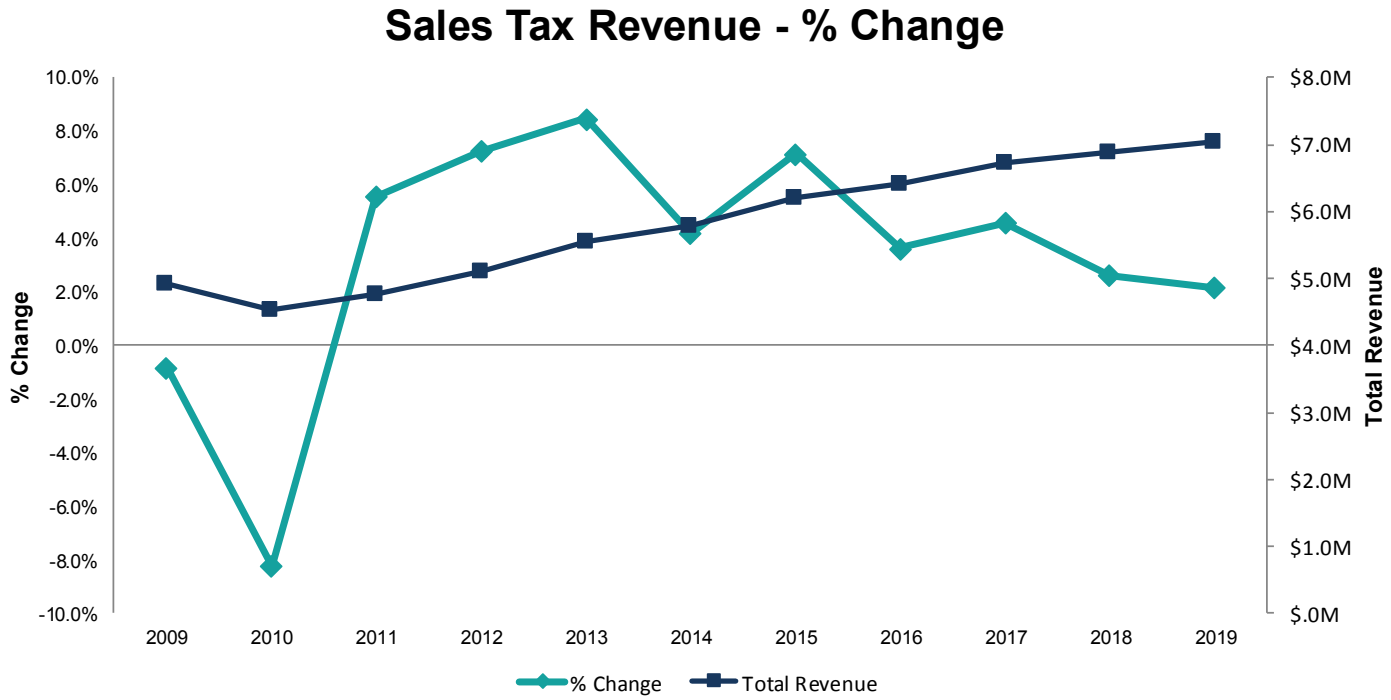


Year	Rate	M&O	I&S
FY2012	0.5625	0.4890	0.0735
FY2013	0.5625	0.4890	0.0735
FY2014	0.5625	0.4890	0.0735
FY2015	0.5625	0.4890	0.0735
FY2016	0.5625	0.4890	0.0735
FY2017	0.5625	0.4890	0.0735
FY2018	0.5514	0.4779	0.0735
FY2019	0.5514	0.4779	0.0735

SALES TAX

The graph below shows the volatility of the City's second largest revenue source, sales tax. Sales tax is expected to generate $7,049,268 in FY2019 revenue, an increase of 1.3% compared to the FY2018 budget. FY2017 sales tax revenue growth was driven by roof and auto repairs needed following a hail storm in Kerrville. In FY2018, growth in some sales tax categories has been offset by declines in hail damage related categories like construction and auto repair, leading to a projected growth of 2.6% compared to FY2017.

Economists are predicting growth in our area of at least 3% over the next year. In addition, low unemployment, growth in residential and commercial building permits, stable and established large taxpayers and the opening of the Kerrville Sports Complex in January 2018 provide reasons for FY2019 sales tax growth to exceed FY2018 growth. Based on these factors we are estimating a 2.2% increase over estimated FY2018 sales tax revenue.



SERVICE REVENUE

Services are forecasted to generate $3,675,831 in FY2019 revenue, an increase of 10.8% compared to the FY2018 budget. Significant changes to service revenue include:

- $200,000 for an estimated payment from the Ambulance Supplemental Payment Program (ASPP). ASPP is a state program that partially reimburses EMS providers for unrecovered costs related to Medicaid patients.
- $83,750 from a new fee that the Police Department will charge to escort oversize loads through town.
- $82,800 related to an increase in the Solid Waste Surcharge from $11 to $13 per ton for disposing of waste at the landfill.

TRANSFERS IN

Transfer in from the Water Fund - The Water Fund pays for a portion of support services provided by the General Fund. Costs for each department are allocated based on applicable measures as shown below.
In FY2019, the support services fee has increased due to:

- The addition of a charge from Parks Maintenance for mowing and landscape maintenance at 22 well sites, 1 lift station, and the right of way around Water Fund property
- A portion of additional staff in Engineering and Public Works Administration
- Street Use Fee has increased from 2% to 3% of Water Fund revenues. The additional 1% is going directly to increase the FY2019 paving budget in the Streets department. Much of the Water Fund infrastructure is located under streets. Repairs often necessitate cutting and repairing the street.

Description	FY2019 Amount	Allocation %	Allocation basis
City Council	$ 4,795	40%	Average Water % of operating + CIP budget
City Secretary	75,346	40%	Average Water % of operating + CIP budget
City Attorney	114,004	40%	Average Water % of operating + CIP budget
City Administration	232,715	40%	Average Water % of operating + CIP budget
Human Resources	57,763	15%	% of Water FTE
Finance	221,196	43%	% of Water assets
Information Technology	513,717	46%	% of Water related software expense
Parks Maintenance	25,805		Estimated hours * average salary
Engineering	243,397	50%	Average Water % of CIP budget
Public Works Admin	106,007		Public Works Director - Water of total Public Works budget
			Public Works Admin Asst - % of hours spent on Water work
General Operations	72,678	40%	Average Water % of operating + CIP budget
Support Services Fee	1,667,424		
Street Use Fee	376,666		
Total	$ 2,044,090		

Management Fee Comparison			
Description	FY2017	FY2018	FY2019
City Council	4,523	3,675	4,795
City Secretary	85,495	69,352	75,346
City Attorney	123,086	105,409	114,004
City Admin	325,916	252,169	232,715
Human Resources	177,121	57,232	57,763
Finance	200,721	186,337	221,196
Information Technology	603,851	543,669	513,717
Parks Maintenance	-	-	25,805
Engineering	179,059	214,063	243,397
Public Works Admin	63,636	78,812	106,007
General Operations	135,930	109,711	72,678
Support Services Fee	1,899,338	1,620,429	1,667,424

PRIOR YEAR COMPARISON

In FY2018, we changed our cost allocation methodology, which lowered the annual Support Services Fee. The table to the left shows three years of comparative information. FY2019 is 2.9% higher than the FY2018 allocation primarily due to the addition of a charge from Parks Maintenance for mowing and landscaping at 22 well sites and 1 lift station.

TRANSFERS IN - CONTINUED

Transfer in from the Hotel Occupancy Fund - In FY2019, the Hotel Occupancy Fund will transfer $25,000 to the General Fund to help fund a new Tourism and Events Coordinator position in the Community Events department. This position will focus on additional programming that supports Kerrville's important tourism industry. The new position will assist with new events, marketing, and sports opportunities. New events in FY2019 include:

- Expanded Concert Series
- River Fest
- River Trail Christmas Lights Event

KERRVILLE 2050

KERRVILLE

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YOUR CITY

GENERAL FUND REVENUES BY LINE ITEM

GENERAL FUND - REVENUES

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Property Tax - Current	9,121,201	9,311,859	9,338,510	9,448,930
Property Tax - Prior Year	112,496	75,000	75,393	95,000
Property Tax - Penalty & Interest	100,925	52,500	84,123	85,000
Property Tax - 380 Agreements	-	-	(75,860)	(75,860)
Sales And Use Tax	6,721,841	6,960,601	6,899,129	7,049,268
Mixed Beverage Tax	72,427	74,000	87,059	73,000
Franchise Fee - KPUB	1,200,001	1,300,000	1,350,248	1,320,000
Franchise Fee - Natural Gas	158,598	169,000	193,951	170,000
Telephone R.O.W. Use Fee	52,605	60,000	56,010	55,600
Franchise Fee - Taxicabs	100	200	150	100
Franchise Fee - Cable	269,492	255,000	291,960	280,000
Total Taxes & Franchise Fees	**17,809,686**	**18,258,160**	**18,300,674**	**18,501,038**
KPD - Parade Permits	100	50	350	100
KPD - Alarm Permit Fee	2,100	2,000	1,868	2,100
Alcoholic Beverage License	8,190	10,000	13,155	8,200
Manifest Books	665	250	435	250
Banner Fee	2,930	3,000	2,835	2,820
Banner Admin. Fee	1,320	1,250	1,330	1,175
Total Permits and Fees	**15,305**	**16,550**	**19,973**	**14,645**
State - Emergency Management	6,153	24,000	17,294	16,000
Kerr County - Emergency Mgt	1,542	1,440	997	1,440
Kerr County- Fire/EMS Contract	1,204,152	1,231,505	1,231,505	1,279,450
KISD-School Resource Officer	51,793	124,442	122,337	127,224
Total Intergovernmental	**1,263,641**	**1,381,387**	**1,372,133**	**1,424,114**
Child Support - Admin Fee	1,165	1,100	1,048	1,080
Library - Kerr County Resident	33,014	-	(4,268)	-
Library - Non-Resident Fees	3,676	3,500	4,178	3,700
Library - Gazebo Rental	30	60	100	30
Library - Meeting Room	441	500	360	540
Library - Copies	1,191	1,000	1,249	1,000
Library - Fax Machine	11	100	-	20
Library - Internet Printing	5,634	5,250	6,683	5,900
Library - Inter-Library Mailing	1,374	1,500	1,846	1,400
KPD - Accident Reports	2,109	2,800	1,967	2,300
KPD - Funeral Procession Fees	12,555	12,800	14,675	13,000
KPD - Finger Printing	1,222	1,000	1,030	1,100
KPD - Offense Reports	722	600	1,327	700
KPD - Letters Of Clearance	180	-	40	100
KPD - Oversize Load Escort	-	-	-	83,750
SW - Recycling Proceeds	742	700	425	700
SW - Curbside Recycle Proceeds	11,857	4,800	4,045	12,500
SW - Hauler Fee	685	680	-	475

GENERAL FUND - REVENUES

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
SW - Admin Fee	87,891	89,100	90,710	90,000
SW - Surcharge	737,676	696,000	665,348	778,800
EIC - Admin Svc Fee	100,000	100,000	100,000	180,000
EMS - Medical Records	1,350	1,000	1,698	1,200
EMS - Base Rate	4,296,135	3,654,934	4,538,759	4,580,000
EMS - Mileage	1,775,032	1,503,673	1,524,580	1,680,000
EMS - Transfer Agreement	3,284	10,903	3,065	4,000
EMS - On-Site Standby	16,325	10,185	4,483	16,000
EMS - Aid Only	29,130	7,252	42,097	18,000
EMS - Response Fee	55,500	47,749	51,225	48,000
EMS - Charges Disallowed	(1,618,638)	(1,863,669)	(2,134,794)	(2,296,664)
EMS - Bad Debt Write-Off	(2,211,529)	(976,464)	(1,387,436)	(1,551,800)
Total Services	**3,348,762**	**3,317,053**	**3,534,440**	**3,675,831**
KSP - Annual Permit	15,460	15,900	17,228	19,890
KSP - Day Pass	28,175	30,200	27,637	40,500
KSP - Excess Vehicle Fee	3,665	3,175	3,719	3,000
KSP - Pecan Loop-30 Amp	51,455	41,500	52,247	48,720
KSP - Deerfield Loop-30 Amp	95,866	85,000	95,539	96,936
KSP - Sycamore Circle-50 Amp	63,482	53,800	65,970	64,290
KSP - Tent Site	39,666	31,300	33,766	44,000
KSP - Mountain View Loop (W/E)	49,162	33,900	49,810	47,850
KSP - Mini Cabins	98,202	91,000	101,785	104,500
KSP - Park Cabin	11,041	14,200	11,743	12,535
KSP - Ranch House	9,870	16,800	12,711	10,070
KSP - Group Recreation Hall	11,810	14,300	13,850	12,000
KSP - Group Dining Hall	4,280	4,260	4,965	4,205
KSP - Equipment Rental	237	500	60	-
KSP - Dump Station	250	200	275	200
KSP - Cancellation Fee	9,802	11,540	11,844	10,000
KSP - Leased Concession	6,591	6,000	5,857	6,000
KSP - Ancillary Item Sales	2,763	1,500	2,602	2,000
KSP - Public Deer Hunt	3,200	3,200	3,202	2,400
Aquatics - Admissions	12,051	10,000	12,590	11,000
Aquatics - Programs	8,712	7,400	12,580	9,000
Aquatics - Rentals	2,340	1,500	4,460	2,000
Parks And Rec - Programs	9,538	12,000	20,775	22,000
Parks And Rec - Rentals	16,517	11,270	14,740	16,400
KSC - Soccer League Fees	-	14,000	9,500	13,000
KSC - Soccer - Field Rental	-	1,100	1,020	1,960
KSC - Concessions	-	-	3,821	3,000
Total Recreation	**554,134**	**515,545**	**594,296**	**607,456**

GENERAL FUND - REVENUES

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
MC - City Portion Omnibase	1,185	1,200	1,048	1,175
MC - Time Payments/City	5,758	4,800	5,314	5,300
MC - Time Pmts/Adm. Of Justice	1,436	1,200	1,329	1,300
MC - Municipal Court Fine	478,061	462,000	484,443	444,000
MC - 10% Collection Fee	21,817	28,000	23,008	22,000
MC - Warrant Fees Collected	13,365	13,200	10,695	13,500
MC - Arrest Fee Collected	24,437	25,200	19,533	22,000
MC - Special Expense Fee	46,783	49,200	38,869	40,000
MC - Parking Court Cost	50	-	12	-
MC - Child Safety Fine	12,551	16,800	3,650	-
MC - Traffic	10,839	11,400	8,087	10,000
MC - Contempt Fine	1,459	2,100	1,622	1,500
MC - Judicial Support Fee/City	2,937	3,000	2,370	1,800
Library - Extended Use Fees	7,835	7,500	8,681	8,000
Library - Lost Books/Equipment	1,389	1,200	2,602	1,500
Library - Past Due Collections	572	-	798	150
KPD - False Alarm Fees	-	1,000	-	-
Total Fines and Forfeitures	**630,475**	**627,800**	**612,060**	**572,225**
Cailloux Foundation	10,000	10,000	11,200	10,000
AACOG Grant	-	-	6,842	-
Republic Services	-	-	10,000	-
July 4th Fireworks-Sponsor	11,952	12,000	11,952	12,000
Police - Grants/Donations	-	-	16,628	-
Fire - Grants/Donations	2,154	37,670	37,670	-
EMS - Grants/Donations	14,286	16,394	16,394	-
Donation - Parks	2,350	-	18,775	-
Total Grants and Donations	**40,742**	**76,064**	**129,461**	**22,000**
Asset Disposal Proceeds	1,457	-	-	-
Returned Item Fee	25	-	85	50
Election Filing Fee	300	400	300	300
Restitution	-	500	-	-
Soccer Lease	275	-	250	-
UPS - Lease	15,350	15,444	14,455	16,094
Building Lease	96,067	96,067	98,386	96,067
9-1-1 Revenue	4,000	-	-	-
Radio Control Airplane Lease	100	100	100	100
Pcard Rebate	9,890	11,000	12,696	10,500
ICT/DIR Rebate	885	1,000	416	900
Recovery Of Bad Debts	70	-	40	-
EMS - Bad Debt Recovered	56,990	50,000	57,398	54,000

GENERAL FUND - REVENUES

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Mowing/Cleaning	-	-	1,129	-
Interest Revenue	100,748	51,000	160,743	127,500
Holiday Parade Entry & Misc	-	-	60	1,600
Miscellaneous Revenue	11,546	10,000	8,511	10,000
Total Interest and Miscellaneous	**297,704**	**235,511**	**354,569**	**317,111**
Transfer In - Water Fund	1,899,338	1,865,739	1,865,739	2,044,090
Transfer In - HOT	-	-	-	25,000
Transfer In - WS Capital Projects	2,035,000	-	-	-
Transfer In - Main Street	-	5,128	5,128	
Total Transfer In	**3,934,338**	**1,870,867**	**1,870,867**	**2,069,090**
Total Revenues	**27,894,786**	**26,298,938**	**26,788,473**	**27,203,510**

For presentation and comparison purposes, Development Services is presented as if it was a separate fund in all years.

KERRVILLE

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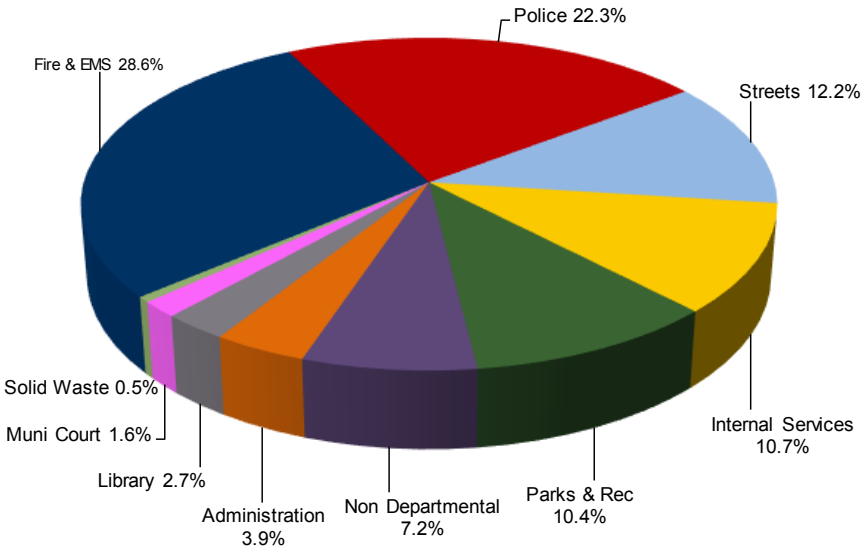
GENERAL FUND EXPENDITURES

GENERAL FUND - EXPENDITURES

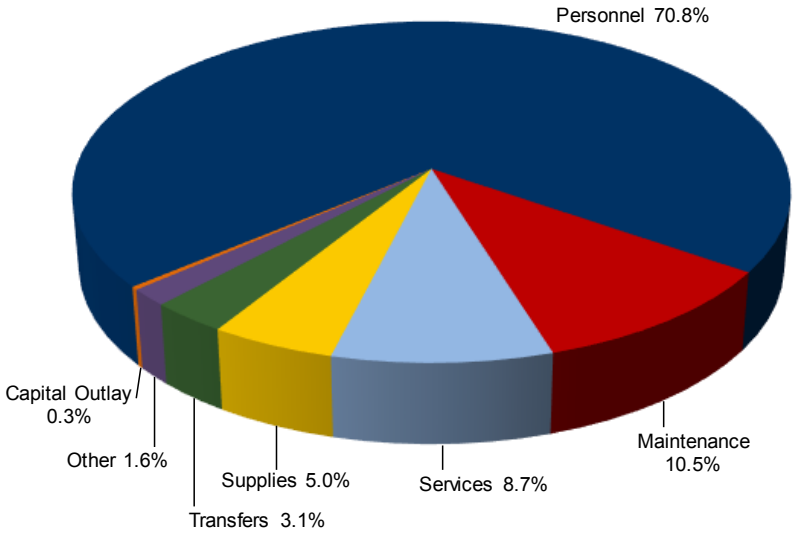
BY DEPARTMENT

Public Safety (Police, Fire & EMS) and Streets departments account for 63.1% of expenditures. In FY2019, Public Safety departments are budgeted to receive a 2% cost of living adjustment. In addition, their compensation plans, called step plans, have been adjusted upward to remove previous compression issues between steps. Finally, the budget includes a 4% raise for Public Safety employees eligible for an every other year increase based on their anniversary date. The Streets department has Increased their paving budget to $1.6 million in FY2019 with additional revenue raised by increasing the Street Use Fee for the Water Fund from 2% to 3% of Water Fund revenues.

General Fund - Expenditure by Department



General Fund - Expenditure by Category



BY CATEGORY

At 70.8%, personnel is the largest spending category in the General Fund. FY2019 includes Public Safety increases as described above. In addition, general government employees are budgeted to receive an average 3% merit increase. Personnel expense also includes medical and retirement benefits. Medical premiums are budgeted at $6,500 per employee. City employees participate in a retirement plan through the Texas Municipal Retirement System. The City provides a 2 to 1 match to the employee's contribution. The City's actuarially calculated contribution rate to TMRS is 10.24% of employee pay for 2019.

GENERAL FUND EXPENDITURES BY DEPARTMENT

City Council

The City Council provides leadership and policy direction to the City.

DEPARTMENT RESPONSIBILITIES

- **City Governance:** responsible for the care, oversight and direction of the City
- **Policy Setting:** responsible for determining the needs of the community and setting intermediate and long range policies consistent with those needs
- **Financial Planning:** responsible for approving a balanced budget with adequate reserves to ensure sustainability

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Adopted the Kerrville 2050 Comprehensive Plan
- Approved a balanced budget with a tax rate that is lower than the effective tax rate
- Opened the Kerrville Sports Complex
- Began pumping reuse water from the reuse pond
- Created a downtown Tax Increment Reinvestment Zone
- Reduced debt through a refinancing in December 2017 and received approval from Texas Water Development Board for two subsidized debt issuances.

Did you know?

Kerrville's mayor is a retired minister who holds a PhD, is the author of five books, and has completed post doctoral studies at Oxford University in England.

FY2019 OBJECTIVES

Key Priority Area: Economic Development

- Promote new retail development
- Support growth of the tourism industry
- Develop policies and programs focused on attracting, retaining, and expanding businesses
- Update development codes through Kerrville 2050 Code Review Committee

Key Priority Area: Public Facilities & Services

- Enhance programming and funding for street maintenance
- Complete Public Safety Facility and Aquatics studies
- Develop City's long range water supply plan

Key Priority Area: Downtown Revitalization

- Support growth of small businesses
- Encourage public events that promote arts, culture, and music in downtown area

GENERAL FUND - CITY COUNCIL

Performance Measures

This department does not track performance measures.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Transfer In - Water Fund	$ 4,523	$ 3,675	$ 3,675	$ 4,819
General Resources	7,423	15,268	15,080	7,170
Total Revenues	**11,946**	**18,943**	**18,755**	**11,989**

Expenditures				
Salaries	3,404	3,750	3,243	5,250
Benefits	262	274	248	389
Travel and Training	7,748	14,243	14,588	5,600
Total Personnel Services	**11,414**	**18,266**	**18,079**	**11,239**
Office Supplies	436	505	505	300
Wearing Apparel	20	-	-	-
Postage and Shipping	64	-	-	-
Other Supplies	12	-	-	300
Total Supplies and Materials	**532**	**505**	**505**	**600**
Other	-	171.85	171.85	150
Total Other Expenses	**-**	**172**	**172**	**150**
Total Expenditures	**$ 11,946**	**$ 18,943**	**$ 18,755**	**$ 11,989**

City Secretary

The City Secretary's office is dedicated to providing accurate and efficient record keeping and election services for the City Council, staff, and citizens of Kerrville.

DEPARTMENT RESPONSIBILITIES

- **Document Management**: responsible for maintaining official records of the City, including Charter, Code of Ordinances, resolutions, contracts, leases, studies, etc.
- **Recording Secretary**: responsible for preparing agendas, attending meetings, and preparing minutes for the City Council, Economic Improvement Corporation, Main Street Advisory Board, and Golf Course Advisory Board
- **Boards and Commissions:** responsible for processing appointments to all City boards, providing board member training regarding open government, rules and procedures, and posting agendas for all meetings
- **Elections:** responsible for managing all City elections in accordance with state law
- **Open records requests:** responsible for processing all public information requests in accordance with the law

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Prepared meeting agendas and minutes for 111 meetings
- Processed 155 additional permanent City documents
- Responded to 192 open records requests
- Held one election
- Implemented automated, paperless agenda management system

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Facilitate election process
- Process public information requests
- Implement process for filing documents at the courthouse
- Assess and organize City studies in the vault
- Review contracts and destroy in accordance with State records retention schedule
- Complete TCMA recertification requirements

Did you know?

City Secretary Brenda Craig retired in August 2018 after 37 years of service!

GENERAL FUND - CITY SECRETARY

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Public Facilities & Services	Additional documents maintained	155	160	30	25	38	50	143
	Agenda/meetings/minutes	111	110	25	26	32	35	118
	Legal notices processed	54	15	3	2	2	8	15
	Permit apps-vehicle for hire & liquor	15	15	3	2	2	2	9
	Board members processed	78	50	11	5	34	15	65
	Open records requests processed	192	195	41	44	57	34	176

KERRVILLE 2050

GENERAL FUND - CITY SECRETARY

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Election Filing Fee	$ 300	$ 400	$ 300	$ 300
Transfer In - Water Fund	85,495	69,352	69,352	75,346
EIC - Admin Services Fee	2,000	2,000	2,000	3,000
General Resources	83,273	140,660	131,131	109,719
Total Revenues	**171,068**	**212,412**	**202,783**	**188,366**

Expenditures				
Salaries	120,157	153,311	144,888	130,386
Benefits	34,142	39,290	38,631	35,964
Travel and Training	4,684	2,927	3,255	4,282
Total Personnel Services	**158,983**	**195,527**	**186,774**	**170,632**
Office Supplies	331	120	81	100
Tools and Equipment	-	-	-	250
Total Supplies and Materials	**331**	**120**	**81**	**350**
Utilities	478	564	556	564
Professional Services	2,770	3,265	2,245	4,695
Insurance	364	275	350	450
Advertising	1,590	3,000	3,113	2,400
Total Services	**5,202**	**7,104**	**6,265**	**8,109**
Other	6,552	9,660	9,664	9,275
Total Other Expenses	**6,552**	**9,660**	**9,664**	**9,275**
Total Expenditures	**$ 171,068**	**$ 212,412**	**$ 202,783**	**$ 188,366**

City Attorney

The City Attorney provides legal advice and acts as the attorney for the City Council as well as all departments and boards of the City. The City Attorney helps these entities achieve their missions in defensible, law-abiding, and socially acceptable manners.

DEPARTMENT RESPONSIBILITIES

- **General counsel:** responsible for providing legal advice and preparing or approving proposed ordinances, resolutions, contracts, and other legal documents
- **Legal representation:** responsible for representing or monitoring the representation of the City in civil litigation and proceedings
- **Prosecution:** responsible for conducting all Municipal Court prosecutions of Class C misdemeanors

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Monitored outside litigation including suits against police officers
- Drafted and/or reviewed contracts, including economic development agreements
- Assisted with the development of new Personnel Policies and Procedures
- Attended all City Council and EIC meetings to ensure legality of proceedings

Did you know?

The City Attorney contracts with an outside attorney to act as prosecutor for Municipal Court cases.

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Incorporate reviews of the City's mission, vision, and goals
- Advise the Charter Review Commission during a 5-year review of the City's Charter
- Maintain individual Municipal Law accreditation with the Texas City Attorneys Association
- Increase interdepartmental knowledge of PIA requests to reduce dependence on attorney for PIA replies to requestors

Key Priority Area: Community & Neighborhood Character / Placemaking:

- Provide legal guidance and review of updated building and zoning code rewrite process

GENERAL FUND - CITY ATTORNEY

Performance Measures

This department does not track performance measures.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Transfer In - Water Fund	$ 123,086	$ 105,409	$ 105,409	$ 114,004
EIC - Admin Svc Fee	7,000	7,000	7,000	10,500
General Resources	121,496	146,503	145,954	160,505
Total Revenues	**251,582**	**258,912**	**258,363**	**285,009**

Expenditures				
Salaries	157,126	161,282	161,704	165,969
Benefits	32,018	34,487	33,182	35,731
Travel and Training	3,984	5,850	4,809	5,850
Total Personnel Services	**193,129**	**201,619**	**199,695**	**207,550**
Office Supplies	154	450	325	841
Tools and Equipment	-	-	985	89
Postage and Shipping	208	275	-	-
Total Supplies and Materials	**362**	**725**	**1,310**	**930**
Utilities	562	564	556	564
Professional Services	55,222	54,000	53,744	72,800
Total Services	**55,784**	**54,564**	**54,300**	**73,364**
Other	2,307	2,004	3,058	3,165
Total Other Expenses	**2,307**	**2,004**	**3,058**	**3,165**
Total Expenditures	**$ 251,582**	**$ 258,912**	**$ 258,363**	**$ 285,009**

City Administration

City Administration provides professional management of City Council policy initiatives; directs, supports, and creates systems that allow departments to anticipate and respond to customer expectations; establishes and promotes a positive working relationship with community leaders; ensures the economic viability and sustainability of the City; operates in accordance with the Texas City Management Code of Ethics.

DEPARTMENT RESPONSIBILITIES

- **Administration:** responsible for administering programs to ensure the policies and initiatives of the City Council are implemented efficiently and effectively in accordance with all legal requirements
- **Intergovernmental Affairs:** responsible for developing and maintaining relationships with other agencies and governments
- **Public Information:** responsible for communicating with citizens and media outlets as the single voice for City information
- **Economic Development:** responsible for business development activities through the Economic Improvement Corporation, Chamber of Commerce, Convention and Visitors Bureau, and a partnership with Kerrville Economic Development Corp.

Did you know?

Deputy City Manager EA Hoppe received the Credentialed Manager designation from ICMA in 2018.

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Completed and adopted the Kerrville 2050 comprehensive plan with unprecedented public engagement
- Established City University for employee training and empowerment
- Launched departmental business planning
- Implemented internal campaign to support core values to “STEP up to make a difference”
- Restructured Development Services department for improved customer service
- Completed the final installation of reuse water system

FY2019 OBJECTIVES

Key Priority Area: Economic Development

- Promote new retail development
- Support growth of the tourism industry with new Community Events initiatives
- Complete Legion Lift Station project by early 2020 to allow capacity for additional growth

Key Priority Area: Public Facilities & Services

- Enhance programming and funding for street maintenance
- Complete Public Safety Facility and Aquatics studies and Tennis Center renovations
- Develop City’s long range water supply plan
- Complete TTHM mitigation project by early 2020.

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Economic Development	Total property tax rate	$0.5625	$0.5514	$0.5514	$0.5514	$0.5514	$0.5514	$0.5514
	Bond rating	AA	AA	AA	AA	AA	AA	AA
Public Facilities & Services	Web Inquiries	142	n/a	64	75	76	91	167
	Web Inquiries processed within 3 business days	141	n/a	60	72	70	85	155
	Press Releases	167	180	52	68	69	60	129
	Social media posts	462	540	136	188	185	159	344
	Total Facebook followers	2,772	3,000	2,846	3,049	3,650	3,921	3,921
	Total Twitter followers	447	470	448	480	527	579	579
	Total YouTube subscribers	58	n/a	62	70	79	90	90
	Total YouTube views	5,200	n/a	2,300	1,900	2,100	1,840	8,140

GENERAL FUND - CITY ADMINISTRATION

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Transfer In - Water Fund	$ 325,916	$ 252,169	$ 252,169	$ 232,715
EIC - Admin Svc Fee	34,000	34,000	34,000	51,000
General Resources	279,653	444,471	444,370	467,009
Total Revenues	**639,569**	**730,640**	**730,539**	**750,724**

Expenditures				
Salaries	392,434	541,134	540,228	556,319
Benefits	106,226	131,546	131,806	129,636
Travel and Training	6,695	16,568	16,774	15,205
Total Personnel Services	**505,355**	**689,248**	**688,807**	**701,160**
Office Supplies	7,844	2,464	2,670	2,549
Tools and Equipment	11,519	8,012	8,012	513
Postage and Shipping	19	75	-	-
Other Supplies	282	1,410	1,459	1,435
Total Supplies and Materials	**19,665**	**11,961**	**12,141**	**4,497**
Equipment	-	4,877	3,876	2,785
Technology	900	996	996	5,069
Total Maintenance and Repairs	**900**	**5,873**	**4,872**	**7,854**
Utilities	2,394	2,841	3,644	3,816
Professional Services	104,651	11,700	10,597	20,125
Insurance	644	350	278	250
Advertising	1,114	1,000	1,430	2,197
Total Services	**108,802**	**15,891**	**15,949**	**26,388**
Other	4,847	7,667	8,770	10,825
Total Other Expenses	**4,847**	**7,667**	**8,770**	**10,825**
Total Expenditures	**$ 639,569**	**$ 730,640**	**$ 730,539**	**$ 750,724**

Significant changes for FY2019 include:

- Addition of 5 summer interns from Schreiner University
- Addition of a copier lease and software maintenance related to City University

Human Resources

Human Resources ensures a fair and equitable workplace for the employees of the City of Kerrville and protects the assets of the City through its risk management program. In addition, HR ensures the City will not discriminate against any employee or applicant for employment because of race, color, national origin, sex, religion, age or any other unlawful basis in accordance with applicable federal, state and local laws.

DEPARTMENT RESPONSIBILITIES

- **HR Management:** responsible for ensuring compliance with federal, state and local laws; providing competitive compensation analysis; and ensuring adequate and affordable benefits packages for employees
- **Risk Management:** responsible for maintaining property, liability, and workers compensation coverage for all City properties, vehicles, equipment, employees, and functions in order to maintain a safe working environment for our employees
- **Support Services:** responsible for ensuring all City policies are followed; providing training opportunities for all employees; ensuring timely payroll processing in compliance with FLSA; and assisting departments with recruiting qualified candidates

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Maintained compliance with federal, state and local laws
- Successfully negotiated an employee benefits package with minimal impact to the City and no impact to the employees
- Reviewed and revised the Employee Personnel Policy and Procedures Manual
- Successfully converted to Incode 10 software for HR and Payroll
- Implemented self-service software system for employee payroll

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Improve the productivity and efficiency of the Human Resources Operations
- Maintain good financial management of resources assigned
- Create online application process
- Provide educational opportunities for Human Resource staff

Did you know?

Human Resources has received and processed an average of 1,002 applications for employment per year for the last five years.

GENERAL FUND - HUMAN RESOURCES

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Public Facilities & Services	Negotiated benefits program rate per employee per year	$6,500	$6,500	$6,500	$6,500	$6,500	$6,500	$6,500
	Number of new property & liability claims processed	85	75	12	5	8	9	34
	Number of lost time workers' compensation claim	4	10	0	5	0	1	6
	Number of employees processed (includes seasonal)	59	65	15	6	35	11	67
	Number of applications received	876	875	207	161	111	224	703
	Employees leaving employment (excludes seasonal)	33	40	12	11	7	15	45
	Turnover rate (%)	10.70%	12.60%	3.80%	3.50%	2.20%	4.70%	9.50%

KERRVILLE 2050

GENERAL FUND - HUMAN RESOURCES

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Child Support - Admin Fee	$ 1,165	$ 1,100	$ 1,048	$ 1,080
Transfer In - Water Fund	177,121	57,232	57,232	57,763
General Resources	171,520	308,827	299,129	323,101
Total Revenues	**349,806**	**367,159**	**357,408**	**381,944**
Expenditures				
Salaries	244,616	249,592	248,103	258,476
Benefits	68,399	70,352	69,526	71,524
Travel and Training	3,021	5,860	2,937	5,860
Total Personnel Services	**316,036**	**325,804**	**320,566**	**335,860**
Office Supplies	3,887	7,374	6,349	5,180
Tools and Equipment	71	10	509	4,200
Chemical and Medical	-	-	-	-
Postage and Shipping	-	80	123	80
Other Supplies	359	100	74	100
Total Supplies and Materials	**4,317**	**7,564**	**7,055**	**9,560**
Utilities	640	684	666	684
Professional Services	18,688	21,240	19,055	26,000
Insurance	400	500	500	500
Advertising	2,331	1,750	994	1,500
Total Services	**22,059**	**24,174**	**21,214**	**28,684**
Other	7,395	9,617	8,573	7,840
Total Other Expenses	**7,395**	**9,617**	**8,573**	**7,840**
Total Expenditures	**$ 349,806**	**$ 367,159**	**$ 357,408**	**$ 381,944**

Finance

Finance provides good stewardship of public resources and assets through sound financial management practices that ensure fiscal sustainability.

DEPARTMENT RESPONSIBILITIES

- **Budgeting:** responsible for preparing and monitoring the City's annual budget, including preparation of this book, and dissemination of regular financial updates to City departments and City Council
- **Financial Reporting:** responsible for preparing and reporting financial statements in accordance with accounting standards, including coordination of the annual audit and Comprehensive Annual Financial Report (CAFR)
- **Financial Management:** responsible for accounts payable, general ledger, fixed asset management and treasury management services for the City

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Refinanced $17.2M in certificate of obligation debt through an advance refunding in December 2017. True interest cost of the refunding is 2.47% and will save the City $1.2M over the life of the debt
- Completed a financial software conversion
- Maintained a budget variance of less than 2.5% on General Fund revenues and expenditures for FY2017
- Received GFOA excellence awards for our FY2017 Comprehensive Annual Financial Budget Report and FY2018 Budget

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Prepare and submit a balanced budget to City Council utilizing priority-based budgeting
- Continue to enhance transparency processes and increase accessibility of information
- Complete the audited FY2018 Comprehensive Annual Financial Report by March 31, 2019
- Streamline fixed asset accounting processes to ensure accuracy and completeness
- Manage investments in accordance with the City's Investment Policy
- Enhance cash flow forecasting methodology and process

Did you know?

Sandra Yarbrough retired as Director of Finance in March 2018 after 34 years of service!

Performance Measures

Key Priority Area	Measure	FY2018 Goal	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual
Public Facilities & Services and Economic Development	Receive budget award from GFOA	Y	Y	Y	Y	Y	Y
	Submit fiscally sustainable budget to Council	< 5.0%	Y	Y	Y	Y	Y
	Revenue budget variance (General Fund)	< 5.0%	1.1%	0.71%	1.6%	2.5%	2.2%
	Expenditure budget variance (General Fund)	Y	-3.2%	-3.05%	-3.1%	-1.3%	-1.1%
	Complete audited CAFR by March 31	Y	Y	Y	Y	Y	Y
	Continuing disclosure report by March 31	0.25	Y	Y	Y	Y	Y
	General Fund Balance Reserve	15.0%-25.0%	27.0%	28.0%	34.5%	30.6%	Not Yet Available
	Bond Rating	AA	AA	AA	AA	AA	AA
	Investment Return	1.8%	n/a	n/a	n/a	0.9%	1.5%

KERRVILLE 2050

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Interest Revenue	$ 100,748	$ 51,000	$ 160,743	$ 127,500
Transfer In - Water Fund	200,721	186,337	186,337	316,991
EIC - Admin Svc Fee	6,000	6,000	6,000	9,000
General Resources	95,875	185,362	72,867	278,656
Total Revenues	**403,344**	**428,699**	**425,947**	**732,147**

Expenditures				
Salaries	309,813	324,620	324,928	309,265
Benefits	86,586	89,647	89,188	86,969
Travel and Training	2,231	2,160	2,275	5,428
Total Personnel Services	**398,630**	**416,427**	**416,391**	**401,663**
Office Supplies	2,285	1,764	1,214	2,500
Tools and Equipment	300	1,714	1,148	950
Postage and Shipping	8	-	-	-
Total Supplies and Materials	**2,593**	**3,478**	**2,362**	**3,450**
Utilities	520	564	556	564
Professional Services	-	6,150	4,678	324,170
Insurance	550	650	925	650
Total Services	**1,070**	**7,364**	**6,158**	**325,384**
Other	1,051	1,430	1,036	1,650
Total Other Expenses	**1,051**	**1,430**	**1,036**	**1,650**
Total Expenditures	**$ 403,344**	**$ 428,699**	**$ 425,947**	**$ 732,147**

Significant changes for FY2019 include:

- Professional services previously paid from the General Operations department have been moved to Finance. These services include:
    1. Investment management
    2. Financial Statement audit
    3. Fraud Hotline
    4. Sales tax audits
    5. KCAD fee for property appraisal
    6. Property tax collections
    7. Continuing disclosure review
    8. Arbitrage calculations

Information Technology

Information Technology provides the highest quality technology based services, in the most cost effective manner to facilitate the City's mission.

DEPARTMENT RESPONSIBILITIES

- **Communication systems:** responsible for communication systems within the City such as email, voice and messaging, website, and broadcasting of public meetings
- **Data management:** responsible for providing the management, storage, backup, and recovery services of all the City data
- **Network management:** responsible for configuring, supporting, and managing the network equipment connecting remote offices with the City's data center
- **Technology support services:** responsible for support of City staff by providing break/fix services on technology citywide
- **Multimedia design and desktop publishing:** responsible for creating graphical design aspects for web, print, and video productions
- **GIS Services:** responsible for developing, documenting, and implementing GIS applications

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Completed software migrations for Municipal Court, Finance, and Utility Billing
- Upgraded GIS Portal
- Produced "Cooking with Fire" program for Public Education and Government channels
- Implemented Granicus for City Secretary's office
- Completed Public Safety software upgrade
- Completed Virtual Machine Host upgrades
- Completed network expansion for the Sports Complex

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Provide technology support and solutions to enhance the City's overall service
- Focus on increasing the use of GIS resources and improving operational capabilities
- Achieve and guarantee a robust, secure and sustainable institutional infrastructure that serves as the foundation for City technical operations

Did you know?

Charvy Tork, Director of Information Technology, obtained the Certified Government Chief Information Officer accreditation in June 2018.

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Public Facilities & Services	Unified communication system availability %	99.4%	99.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Email system availability %	99.4%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%
	Average monthly hits to City website	62,099	62,099	57,210	53,885	59,653	57,461	56,916
	Percentage of successful backup	92.5%	99.0%	100.0%	100.0%	100.0%	14.0%	100.0%
	Amount of data stored on City servers	36.6	30.0	33.8	41.2	40.0	40.0	40.0
	Percentage of time network infrastructure is available	99.1%	99.1%	100.0%	100.0%	100.0%	100.0%	100.0%
	Percentage of time Tier 2 and above systems are available	99.07%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%
	Number of viruses quarantined and removed	334	300	71	26	29	42	168
	Total number of IT support request responded to successfully	4,166	4,164	1,018	1,074	1,327	1,044	4,463
	Critical - responses within 1 hr., resolution within 2 hrs.	97.10%	95.00%	97.07%	92.37%	97.77%	97.90%	95.74%
	High - response within 2 hrs., resolution within 4 hrs.	96.60%	90.00%	92.57%	91.8%	91.97%	90.27%	92.11%
	Normal - response within 4 hrs., resolution within 2 days	91.50%	88.00%	92.23%	90.77%	92.70%	89.90%	91.90%
	Low - response within 8 hrs., resolution within 5 days	89.60%	85.00%	91.40%	92.27%	89.37%	89.90%	91.90%

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YOUR CITY
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GENERAL FUND - INFORMATION TECHNOLOGY

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Transfer In - Water Fund	$ 534,448	$ 474,042	$ 474,042	$ 513,717
EIC - Admin Svc Fee	2,000	2,000	2,000	3,000
General Resources	585,303	648,631	606,787	602,736
Total Revenues	**1,121,751**	**1,124,673**	**1,082,829**	**1,119,454**

Expenditures				
Salaries	315,849	392,875	392,724	404,560
Benefits	87,689	105,404	107,162	110,253
Travel and Training	6,677	7,473	5,961	6,664
Total Personnel Services	**410,216**	**505,752**	**505,846**	**521,477**
Office Supplies	2,022	2,238	2,211	924
Tools and Equipment	117,997	90,239	85,249	94,300
Chemical and Medical	-	25	-	25
Fuel	245	344	241	234
Postage and Shipping	98	125	88	75
Other Supplies	81	75	4	100
Total Supplies and Materials	**120,443**	**93,046**	**87,794**	**95,658**
Building, Structure and Land	3,467	13,400	13,173	2,300
Vehicle	24	279	59	109
Equipment	89,019	103,459	90,991	98,977
Technology	263,230	244,369	241,376	261,665
Total Maintenance and Repairs	**355,740**	**361,507**	**345,597**	**363,050**
Utilities	122,440	119,409	103,745	123,179
Professional Services	9,883	13,800	10,112	-
Total Services	**132,322**	**133,209**	**113,857**	**123,179**
Other	4,467	3,159	3,155	16,089
Total Other Expenses	**4,467**	**3,159**	**3,155**	**16,089**
Machinery, Tools and Equipment	98,563	28,000	26,580	-
Total Capital Outlay	**98,563**	**28,000**	**26,580**	**-**
Total Expenditures	**$ 1,121,751**	**$ 1,124,673**	**$ 1,082,829**	**$ 1,119,454**

Significant changes for FY2019 include:

- Capital expenditures for technology items, such as servers, have been moved to the Asset Replacement Fund to facilitate better tracking and long term planning

Municipal Court

The Municipal Court strives to ensure that all case processing within the Court is handled in an efficient, fair, and timely manner. Municipal Court has jurisdiction in the areas of traffic and parking violations, Class C misdemeanors, truancy, and City ordinance violations.

DEPARTMENT RESPONSIBILITIES

- **Court Administration and Case Management:** responsible for filing of Class C misdemeanors, creating dockets for trials and hearings, conducting trials, and issuing warrants
- **Collection Services:** responsible for daily collection and consideration of fine payments

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Filed 8,383 cases
- Filed 99% of cases within 24 hours of the citation issuance
- Collected $1,031,156.00 in fines and costs
- Upgraded court software to Incode 9
- Purchased payment kiosk to add 24 hour payment option and improve customer service

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Ensure the efficient processing of customers through a kiosk for payments and software update to court module
- Investment in Court staff training to ensure expertise in customer service and court procedures
- Ensure that court cases are processed efficiently and provide professional customer service
- Attend TMCEC seminar to help educate staff regarding changes in legislation and to keep certifications up-to-date
- Increase number of automated reminder calls to defendants in order to reduce number of warrants
- Increase the use of JACK (Justified Automated Collections Kiosk)

Did you know?

The center turn lane is not a merge lane and can only be used to make a left turn.

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Public Facilities & Services	Cases Filed within 24 hours of citation receipt	100%	100%	100%	100%	100%	100%	100%
	Number of cases filed	8,383	n/a	1,757	1,560	1,364	1,427	6,108
	Warrants issued within 30 days of failure to appear	33%	n/a	54%	26%	31%	55%	43%
	Warrants served within 60 days of issuance	62%	n/a	73%	51%	65%	83%	74%
	Total Fees Collected	$1,031,158	n/a	$222,539	$225,943	$198,221	$207,818	$854,521

KERRVILLE 2050

GENERAL FUND - MUNICIPAL COURT

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
MC - City Portion Omnibase	$ 1,185	$ 1,200	$ 1,048	$ 1,175
MC - Time Payments/City	5,758	4,800	5,314	5,300
MC - Time Pmts/Adm. Of Justice	1,436	1,200	1,329	1,300
MC - Municipal Court Fine	478,061	462,000	484,443	444,000
MC - 10% Collection Fee	21,817	28,000	23,008	22,000
MC - Warrant Fees Collected	13,365	13,200	10,695	13,500
MC - Arrest Fee Collected	24,437	25,200	19,533	22,000
MC - Special Expense Fee	46,783	49,200	38,869	40,000
MC - Parking Court Cost	50	-	12	-
MC - Child Safety Fine	12,551	16,800	3,650	-
MC - Traffic	10,839	11,400	8,087	10,000
MC - Contempt Fine	1,459	2,100	1,622	1,500
MC - Judicial Support Fee/City	2,937	3,000	2,370	1,800
Excess to General Resources	(189,980)	(178,545)	(164,751)	(126,901)
Total Revenues	**430,699**	**439,555**	**435,229**	**435,674**

Expenditures				
Salaries	322,358	333,170	331,004	320,084
Benefits	87,958	88,824	87,869	87,715
Travel and Training	3,284	2,733	2,784	3,780
Total Personnel Services	**413,599**	**424,727**	**421,657**	**411,579**
Office Supplies	5,081	5,314	4,268	5,808
Tools and Equipment	2,635	-	-	110
Chemical and Medical	-	25	-	25
Fuel	857	793	897	1,275
Wearing Apparel	224	263	263	260
Other Supplies	83	-	-	250
Total Supplies and Materials	**8,880**	**6,395**	**5,428**	**7,728**
Building, Structure and Land	400	436	610	3,000
Vehicle	713	203	152	854
Total Maintenance and Repairs	**1,113**	**640**	**762**	**3,854**
Utilities	5,928	6,944	6,752	8,340
Professional Services	503	248	105	3,448
Insurance	675	601	526	575
Total Services	**7,107**	**7,793**	**7,382**	**12,363**
Other	-	-	-	150
Total Other Expenses	**-**	**-**	**-**	**150**
Total Expenditures	**$ 430,699**	**$ 439,555**	**$ 435,229**	**$ 435,674**

Police

The Kerrville Police Department is dedicated to the protection of life and property, the preservation of peace and the prevention of crime in our community. The department believes in proactive enforcement and community problem-solving to enhance the quality of life for everyone in Kerrville.

DEPARTMENT RESPONSIBILITIES

- **Patrol and Crime Prevention:** responsible for providing a police presence in neighborhoods, responding to calls for service, investigating traffic crashes, managing traffic, and collaborating on community initiatives
- **Investigations and Evidence:** responsible for investigating criminal offenses and working with crime victims and other agencies to address social and criminal offenses
- **Communications:** responsible for answering and dispatching calls for service for the City of Kerrville Police and Fire and EMS departments. Serves as the Public Safety Answering Point (PSAP) for the entire Kerr County 911 system
- **Community Service:** responsible for establishing partnerships with citizens in order to improve safety and quality of life within the community

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Responded to 16,506 calls for service with an average response time of less than 6.5 minutes
- Completed 735 criminal investigations
- Processed and stored 5,181 pieces of evidence
- Conducted 39 community outreach programs
- Provided active shooter response training to 201 community members
- KPD officers participated in 4,113 hours of mandated and specialty training

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Reduce crime in our community
- Reduce response time on calls for service
- Improve the efficiency of the public safety dispatch center
- Improve traffic safety
- Improve opportunities for staff development
- Improve application of technology as a force multiplier and efficiency tool

Did you know?

The Police department hosts a free two week Junior Citizens Police Academy every summer for children ages 11 -14 who are interested in law enforcement.

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Public Facilities & Service	Total Priority 1&2 (P1/2) emergency calls responses	10,190	n/a	2,074	1,942	2,196	2,064	8,276
	Average arrival time from dispatch to P1/2 calls (min)	6.23	n/a	6.50	6.58	6.51	6.43	6.51
	Total calls for service responses	17,164	n/a	3,662	3,415	3,791	3,666	14,534
	Total in-custody arrest reports generated	2,254	n/a	454	442	510	443	1,849
	Reports generated from crimes and emergency response	5,043	n/a	1,147	1,051	1,123	991	4,312
	Citations issued	8,217	n/a	1,723	1,862	1,623	1,423	6,631
	Accident investigations completed	547	n/a	144	119	117	122	502
	Reactive criminal investigations completed	513	n/a	102	105	114	101	422
	Proactive criminal investigations completed	221	n/a	46	69	48	61	224
	Case load per proactive investigator	55	n/a	15	23	16	20	75
	Number of evidence items processed and stored	5,248	n/a	1,426	1,270	1,244	1,177	5,117
	Response time to dispatch emergency calls (min)	2.0	n/a	3.3	3.8	3.8	2.9	3.4
	Response time to dispatch all calls (min)	3.2	n/a	4.5	4.8	4.3	3.7	4.3
	All calls handled by dispatch (KFD & KPD)	46,247	n/a	9,640	8,463	9,185	9,315	36,603
	911 Calls transferred to other agencies (%)	13%	n/a	15%	14%	13%	13%	14%
	Major crimes per 1,000 population	7.24	n/a	6.44	4.54	4.63	0.49	5.20
	Number of Reports Processed	4,143	n/a	914	842	957	837	3,550
	Completed request for information	93	n/a	32	18	15	22	87

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Public Facilities & Service	Completed request for information	93	n/a	32	18	15	22	87
	Subpoenas and court orders processed	973	n/a	222	272	283	271	1,048
	Training class conducted by KPD	27	n/a	6	5	7	9	27
	Number of officers trained by KPD	363	n/a	67	42	79	127	315
	Community outreach programs conducted	18	n/a	26	13	22	14	75
	Hours expended in media relations	373	n/a	58	48	35	36	177
	Citizen Police Academy completed	3	n/a	1	0	2	1	4
	Citizen Police Academy graduates	59	n/a	18	0	25	0	43
	Calls for service on KISD campuses	768	n/a	349	420	345	208	1,322
	Offense committed at KISD campuses	3	n/a	8	3	1	3	15
	Arrest made from investigations at KISD campuses	3	n/a	8	3	1	3	15

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GENERAL FUND - POLICE

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
KPD - Parade Permits	$ 100	$ 50	$ 350	$ 100
KPD - Alarm Permit Fee	2,100	2,000	1,868	2,100
KISD-School Resource Officer	51,793	124,442	122,337	127,224
KPD - Accident Reports	2,109	2,800	1,967	2,300
KPD - Funeral Procession Fees	12,555	12,800	14,675	13,000
KPD - Finger Printing	1,222	1,000	1,030	1,100
KPD - Offense Reports	722	600	1,327	700
KPD - Letters Of Clearance	180	-	40	100
KPD - Oversize Load Escort	-	-	-	83,750
KPD - False Alarm Fees	-	1,000	-	-
General Resources	5,351,435	5,623,907	5,473,535	5,826,654
Total Revenues	**5,422,215**	**5,768,599**	**5,617,129**	**6,057,029**

Expenditures				
Salaries	3,829,811	3,980,073	3,893,830	4,212,725
Benefits	1,130,608	1,169,331	1,148,258	1,209,966
Travel and Training	36,023	47,750	42,846	71,150
Total Personnel Services	**4,996,442**	**5,197,154**	**5,084,934**	**5,493,841**
Office Supplies	11,520	15,004	11,636	15,554
Tools and Equipment	23,592	61,667	61,799	41,808
Chemical and Medical	11,697	10,886	9,836	19,528
Fuel	81,979	98,000	89,075	100,000
Wearing Apparel	19,732	31,546	29,671	36,770
Postage and Shipping	224	550	295	550
Other Supplies	20,610	27,832	23,651	20,533
Total Supplies and Materials	**169,354**	**245,485**	**225,963**	**234,743**
Building, Structure and Land	17,078	21,685	22,493	12,000
Vehicle	40,523	45,011	45,276	39,011
Equipment	13,619	19,285	9,903	24,495
Technology	55,988	85,017	82,065	84,527
Total Maintenance and Repairs	**127,208**	**170,998**	**159,737**	**160,033**
Utilities	51,661	53,081	48,596	53,081
Professional Services	63,824	77,678	79,437	91,928
Insurance	-	700	800	300
Leases/Rents	9,389	12,396	9,395	12,396
Total Services	**124,873**	**143,855**	**138,227**	**157,705**
Other	4,337	11,107	8,268	10,707
Total Other Expenses	**4,337**	**11,107**	**8,268**	**10,707**
Total Expenditures	**$ 5,422,215**	**$ 5,768,599**	**$ 5,617,129**	**$ 6,057,029**

Significant changes for FY2019 include:

- The following salary adjustments:
    1. 2% cost of living increase
    2. Adjustment to the Police step plan to address compression issues between steps
    3. Scheduled 4% step plan increases that occur every other year on the employee's anniversary date

These changes address compression and market competiveness issues in Public Safety.

FY2018 Estimated includes:

- Salary savings related to staffing vacancies

KERRVILLE 2050

Fire Department Divisions

The primary mission of the Kerrville Fire Department is the preservation of life, property and the environment by providing the citizens of Kerrville and Kerr County 24-hour protection through fire suppression, rescue operations, emergency medical services, fire prevention efforts, and emergency preparedness.

Section Organization

The Fire Department is divided into 4 separate divisions: Fire, Fire Marshal, EMS, and Emergency Management that all report to the Fire Chief. This section shows a combined view as well as detail on the individual divisions as follows:

1. Fire Department
   A. Combined performance measures
   B. Combined expenditures by line item
2. Fire Division
   A. Responsibilities, accomplishments, and goals
   B. Revenues and expenditures by line item
3. Fire Marshal Division
   A. Responsibilities, accomplishments, and goals
   B. Revenues and expenditures by line item
4. EMS Division
   A. Responsibilities, accomplishments, and goals
   B. Revenues and expenditures by line item
5. Emergency Management Division
   A. Responsibilities, accomplishments, and goals
   B. Revenues and expenditures by line item

Performance Measures

Performance measures are tracked for the entire department and not by individual division.

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Public Facilities & Service	Smoke Alarm Program	710	500	339	12	277	5	282
	Fire prevention inspections	593	600	193	130	237	242	479
	Special Event & Emergency Planning	11	12	2	2	8	2	10
	Fire response time (min)	4.8	5.0	4.9	5.3	4.4	Not Yet Available	4.9
	First Responder response time (min)	4.4	5.0	4.4	4.3	4.3	Not Yet Available	4.3
	EMS response time (min)	5.1	5	5.3	5.5	5.2	Not Yet Available	5.3
	Continuing education hours	15,990	15,200	3,261	4,308	5,098	5,130	17,797

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GENERAL FUND - FIRE DEPARTMENT

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Kerr County- Fire/EMS Contract	$ 1,204,030	$ 1,231,381	$ 1,231,381	$ 1,279,450
State - Emergency Management	6,153	24,000	17,294	16,000
Kerr County - Emergency Mgt	1,542	1,440	997	1,440
Fire - Grants/Donations	2,154	37,670	37,670	-
EMS - Medical Records	1,350	1,000	1,698	1,200
EMS - Base Rate	4,296,135	3,654,934	4,538,759	4,580,000
EMS - Mileage	1,775,032	1,503,673	1,524,580	1,680,000
EMS - Transfer Agreement	3,284	10,903	3,065	4,000
EMS - On-Site Standby	16,325	10,185	4,483	16,000
EMS - Aid Only	29,130	7,252	42,097	18,000
EMS - Response Fee	55,500	47,749	51,225	48,000
EMS - Charges Disallowed	(1,618,638)	(1,863,669)	(2,134,794)	(2,296,664)
EMS - Bad Debt Write-Off	(2,211,529)	(976,464)	(1,387,436)	(1,551,800)
EMS - Grants/Donations	2,154	37,670	37,670	-
EMS - Bad Debt Recovered	56,990	50,000	57,398	54,000
General Resources	3,661,552	3,705,956	3,456,956	3,934,264
Total Revenues	**7,281,164**	**7,483,680**	**7,483,043**	**7,783,890**

Expenditures				
Salaries	4,885,462	5,127,858	5,137,942	5,230,183
Benefits	1,353,887	1,419,155	1,395,686	1,421,666
Travel and Training	51,226	72,051	55,927	107,096
Total Personnel Services	**6,290,576**	**6,619,064**	**6,589,555**	**6,758,945**
Office Supplies	6,829	9,138	7,424	10,103
Tools and Equipment	125,171	87,420	83,850	78,975
Chemical and Medical	177,394	155,499	155,564	159,688
Fuel	87,723	101,225	99,909	105,813
Wearing Apparel	76,120	62,771	62,266	89,395
Postage and Shipping	691	810	446	860
Other Supplies	14,981	13,836	13,389	14,340
Total Supplies and Materials	**488,908**	**430,700**	**422,848**	**459,174**

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Expenditures				
Building, Structure and Land	30,179	40,489	29,990	19,860
Vehicle	55,179	45,526	60,976	54,278
Equipment	52,768	35,547	37,561	45,632
Technology	17,410	13,390	15,983	21,197
Total Maintenance and Repairs	**155,535**	**134,952**	**144,510**	**140,967**
Utilities	62,757	64,024	67,187	95,077
Professional Services	143,609	159,187	182,748	263,187
Insurance	100	200	400	200
Leases/Rents	46,282	46,372	46,288	46,439
Total Services	**252,748**	**269,783**	**296,622**	**404,903**
Other	40,648	29,181	29,508	19,902
Total Other Expenses	**40,648**	**29,181**	**29,508**	**19,902**
Vehicles	24,699			
Machinery, Tools and Equipment	28,050			
Total Capital Outlay	**52,749**	**-**	**-**	**-**
Total Expenditures	**$ 7,281,164**	**$ 7,483,680**	**$ 7,483,043**	**$ 7,783,890**

Significant changes for FY2019 include:

- The following salary adjustments:
    1. 2% cost of living increase
    2. Adjustment to the Fire step plan to address compression issues between steps
    3. Scheduled 4% step plan increases that occur every other year on the employee's anniversary date

These changes address compression and market competiveness issues in Public Safety.

- Emergency Management and Training is being broken out into it's own division in FY2019 for better tracking and transparency. In previous years, these expenses were recorded in the Fire and EMS division budgets.

Fire

The primary mission of the Kerrville Fire Department is the preservation of life, property, and the environment by providing the citizens of Kerrville and Kerr County 24-hour protection through fire suppression, rescue operations, emergency medical services and fire prevention efforts.

DEPARTMENT RESPONSIBILITIES

- **Emergency Operations:** responsible for providing high quality fire protection and advanced life support that saves lives and minimizes the ravaging effects of fire
- **Administration:** responsible for preparing and monitoring the budget and grant applications, implementing policies and procedures, and overseeing daily operations
- **Community Service:** responsible for community programs including fire safety education; home safety surveys; smoke detector distribution and installation; ceremonial duties; school presentations; and charitable fund raisers

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Responded to over 2,400 calls with an average emergency response time of less than 5 minutes for Fire and First Responder calls
- Received the TML Municipal Excellence Award for the Smoke Alarm Outreach Program
- Purchased a Zodiac boat for the Technical Rescue Team to improve the capacity to respond to water rescues in Kerrville and Kerr County
- Deployed six personnel across Texas to support the rescue efforts for Hurricane Harvey
- Ordered a new Sutphen Fire Engine to replace a 1997 FMC fire engine

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Manage department assets and budget utilizing sound fiscal practices
- Develop an exceptional team by investing in employees through education and training
- Achieve operational efficiency through proven policies and practices
- Provide excellent customer care and service
- Collaborate and enhance county, regional, and national relationships and efficiency tools

Did you know?

The Water Operations Team added a Zodiac rescue boat making them a highly functional Technical Rescue Team.

GENERAL FUND - FIRE DIVISION

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Kerr County- Fire/EMS Contract	$ 775,473	$ 792,473	$ 792,473	$ 822,928
Fire - Grants/Donations	2,154	37,670	37,670	-
General Resources	3,907,908	3,996,116	3,996,089	3,889,004
Total Revenues	**4,685,535**	**4,826,259**	**4,826,232**	**4,711,932**

Expenditures				
Salaries	3,318,584	3,520,351	3,531,392	3,444,556
Benefits	898,306	950,500	933,616	918,672
Travel and Training	32,802	35,810	32,718	11,830
Total Personnel Services	**4,249,692**	**4,506,662**	**4,497,726**	**4,375,059**
Office Supplies	4,505	3,888	3,718	4,191
Tools and Equipment	82,861	37,825	39,198	40,186
Chemical and Medical	3,396	500	928	5,500
Fuel	24,984	30,000	29,804	30,000
Wearing Apparel	66,259	59,596	59,720	79,995
Postage and Shipping	528	500	259	550
Other Supplies	12,963	13,096	13,064	12,880
Total Supplies and Materials	**195,496**	**145,405**	**146,691**	**173,302**
Building, Structure and Land	23,347	40,489	29,068	19,860
Vehicle	19,205	23,233	36,865	27,497
Equipment	27,367	13,295	14,573	23,000
Technology	1,573	455	1,178	1,755
Total Maintenance and Repairs	**71,492**	**77,472**	**81,684**	**72,112**
Utilities	54,933	56,044	59,305	61,884
Professional Services	6,615	-	-	3,375
Insurance	-	100	200	100
Leases/Rents	19,776	19,866	19,776	19,866
Total Services	**81,324**	**76,010**	**79,281**	**85,225**
Other	34,782	20,711	20,849	6,235
Total Other Expenses	**34,782**	**20,711**	**20,849**	**6,235**
Vehicles	24,699	-	-	-
Machinery, Tools and Equipment	28,050	-	-	-
Total Capital Outlay	**52,749**	**-**	**-**	**-**
Total Expenditures	**$ 4,685,535**	**$ 4,826,259**	**$ 4,826,232**	**$ 4,711,932**

Emergency Management

The primary function of the City of Kerrville's Emergency Management Department is to ensure the emergency preparedness of the City in order to maintain safety for all citizens. The City's Emergency Management plan consists of specific hazard plans focusing on management procedures for Fire, EMS, Law Enforcement, Shelter and Mass Care, Evacuations, and Donations.

DEPARTMENT RESPONSIBILITIES

- **Emergency Management:** responsible for coordination of local planning, preparedness, training, and exercises of the emergency plan for the City of Kerrville
- **Training:** responsible for coordinating Fire and EMS professional development and continuing education programs for all department personnel

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Established shelter locations and coordinated sheltering activities with Kerr County during Hurricane Harvey
- Emergency Management Coordinator and Chief Financial Officer attended disaster accounting classes
- Conducted training for all firefighters on the sheltering process in preparation for future disasters
- TEEX certification obtained by attending personnel
- Stop the bleed program initiated and 140 stop the bleed kits distributed using AACOG Grant funds

Did you know?

Since 1983 the City of Kerrville has met the legal requirements in its emergency preparedness and planning efforts as required by the State of Texas.

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Provide emergency management training to all City staff
- Conduct emergency drills among City employees to ensure preparedness
- Conduct community training to enhance emergency preparedness of citizens
- Provide emergency planning materials to citizens
- Achieve operational efficiency through proven policies and practices
- Provide excellent customer care and service
- Build industry relationships through regional and national training seminars

GENERAL FUND - EMERGENCY MGMT & TRAINING

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
State - Emergency Management	$ 6,153	$ 24,000	$ 17,294	$ 16,000
Kerr County - Emergency Mgt	1,542	1,440	997	1,440
General Resources	(7,696)	(25,440)	(18,291)	205,987
Total Revenues	**-**	**-**	**-**	**223,427**

Expenditures				
Salaries	-	-	-	83,428
Benefits	-	-	-	21,194
Travel and Training	-	-	-	85,006
Total Personnel Services	**-**	**-**	**-**	**189,628**
Fuel	-	-	-	2,888
Wearing Apparel	-	-	-	325
Total Supplies and Materials	**-**	**-**	**-**	**3,213**
Vehicle	-	-	-	336
Total Maintenance and Repairs	**-**	**-**	**-**	**336**
Utilities	-	-	-	24,301
Total Services	**-**	**-**	**-**	**24,301**
Other	-	-	-	5,950
Total Other Expenses	**-**	**-**	**-**	**5,950**
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ 223,427**

Significant changes for FY2019 include:

- Emergency Management and Training is being broken out into it's own division in FY2019 for better tracking and transparency. In previous years, these expenses were recorded in the Fire and EMS division budgets.

Fire Marshal

The Kerrville Fire Marshal's office identifies and eliminates potential fire hazards and reduces the frequency and effects of fire through education, code administration, enforcement, plan review, and fire origin/cause investigations.

DEPARTMENT RESPONSIBILITIES

- **Inspection and Plan Review:** responsible for ensuring all commercial buildings in the City are in compliance with the currently adopted fire code
- **Investigation:** responsible for determining the origin and cause of a fire to further fire prevention education and accountability for intentionally set fires
- **Community Service:** responsible for community programs including fire safety education, school presentations, and home visits

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Hosted the Youth Fire Prevention and Intervention Program
- Conducted a live burn at the Kerrville Home Depot in October to kick off Fire Prevention Month in order to show the importance of smoke detectors and to demonstrate the rapid growth of fire
- Completed Lean Six Sigma project for fire inspections
- Participated in a multi-city review of the 2018 International Fire Code

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Increase arson investigation training for staff
- Expand annual fire prevention inspections
- Manage department assets and budget utilizing sound fiscal practices.
- Develop an exceptional team by investing in employees through education and training
- Achieve operational efficiency through proven policies and practices
- Provide excellent customer care and service
- Collaborate and enhance county, regional and national relationships

Did you know?

Fire inspections are designed for public safety and are conducted at any building entered by the general public. There is no charge for these inspections.

GENERAL FUND - FIRE MARSHAL DIVISION

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
General Resources	$ 209,470	$ 221,150	$ 220,722	$ 234,568
Total Revenues	**209,470**	**221,150**	**220,722**	**234,568**

Expenditures				
Salaries	157,655	155,645	155,247	164,793
Benefits	40,443	40,368	40,005	42,024
Travel and Training	2,677	2,500	2,108	5,600
Total Personnel Services	**200,775**	**198,513**	**197,360**	**212,418**
Office Supplies	198	2,600	1,003	1,880
Tools and Equipment	279	9,065	10,420	3,618
Fuel	1,976	1,925	2,045	1,925
Wearing Apparel	-	1,000	150	650
Postage and Shipping	-	70	-	70
Other Supplies	490	500	-	500
Total Supplies and Materials	**2,942**	**15,160**	**13,618**	**8,643**
Vehicle	164	1,769	2,129	669
Technology	2,495	2,935	4,821	9,054
Total Maintenance and Repairs	**2,659**	**4,704**	**6,950**	**9,723**
Utilities	1,026	1,128	1,112	2,040
Professional Services	300	-	-	-
Total Services	**1,326**	**1,128**	**1,112**	**2,040**
Other	1,767	1,645	1,682	1,745
Total Other Expenses	**1,767**	**1,645**	**1,682**	**1,745**
Total Expenditures	**$ 209,470**	**$ 221,150**	**$ 220,722**	**$ 234,568**

EMS

The Fire Department's EMS division provides a superior level of emergency service in order to continually improve the quality of life, health and safety for the citizens we serve.

DEPARTMENT RESPONSIBILITIES

- **Field Operations:** responsible for providing continuous emergency medical response and inter-facility transfers for sick and injured citizens in Kerrville and Kerr County
- **Billing and Collections:** responsible for monitoring the billing and collections for over 6,900 customers each year

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Responded to over 5,200 calls for service with an average emergency response time of just over 5 minutes within the City
- Maintained a 38% EMS billing collection rate for over 7,000 customers compared to a 28% Texas average and 31% National average
- Graduated 6 Firefighters to the Paramedic certification level from UTSA Health Science Center
- Received the HB3588 and TOB911 grants for $12,392 that was applied toward specialized medical equipment
- Remounted one 2010 Dodge ambulance on a 2018 Dodge 4500 chassis

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Manage department assets and budget utilizing sound fiscal practices
- Develop an exceptional team by investing in employees through education and training
- Achieve operational efficiency through proven policies and practices
- Provide excellent customer care and service
- Collaborate and enhance county, regional and national relationships

Did you know?

EMS is purchasing a Lucas device in FY2019. A Lucas device delivers automatic chest compressions to a patient in cardiac arrest. The device delivers high quality compressions even under difficult conditions and for extended periods of time.

GENERAL FUND - EMS DIVISION
Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Kerr County- Fire/EMS Contract	$ 428,557	$ 438,908	$ 438,908	$ 456,522
EMS - Medical Records	1,350	1,000	1,698	1,200
EMS - Base Rate	4,296,135	3,654,934	4,538,759	4,580,000
EMS - Mileage	1,775,032	1,503,673	1,524,580	1,680,000
EMS - Transfer Agreement	3,284	10,903	3,065	4,000
EMS - On-Site Standby	16,325	10,185	4,483	16,000
EMS - Aid Only	29,130	7,252	42,097	18,000
EMS - Response Fee	55,500	47,749	51,225	48,000
EMS - Charges Disallowed	(1,618,638)	(1,863,669)	(2,134,794)	(2,296,664)
EMS - Bad Debt Write-Off	(2,211,529)	(976,464)	(1,387,436)	(1,551,800)
EMS - Grants/Donations	2,154	37,670	37,670	-
EMS - Bad Debt Recovered	56,990	50,000	57,398	54,000
Excess to General Resources	(448,130)	(485,871)	(741,564)	(395,296)
Total Revenues	**2,386,160**	**2,436,270**	**2,436,089**	**2,613,962**

Expenditures				
Salaries	1,409,223	1,451,862	1,451,302	1,537,405
Benefits	415,139	428,287	422,064	439,776
Travel and Training	15,747	33,741	21,101	4,660
Total Personnel Services	**1,840,109**	**1,913,889**	**1,894,468**	**1,981,841**
Office Supplies	2,125	2,650	2,703	4,032
Tools and Equipment	42,031	40,530	34,233	35,171
Chemical and Medical	173,998	154,999	154,636	154,188
Fuel	60,763	69,300	68,059	71,000
Wearing Apparel	9,861	2,175	2,396	8,425
Postage and Shipping	163	240	187	240
Other Supplies	1,529	240	325	960
Total Supplies and Materials	**290,470**	**270,135**	**262,539**	**274,016**
Building, Structure and Land	6,832	-	922	-
Vehicle	35,810	20,525	21,982	25,777
Equipment	25,401	22,252	22,988	22,632
Technology	13,342	10,000	9,984	10,388
Total Maintenance and Repairs	**81,385**	**52,776**	**55,876**	**58,796**
Utilities	6,798	6,852	6,769	6,852
Professional Services	136,694	159,187	182,748	259,812
Insurance	100	100	200	100
Leases/Rents	26,506	26,506	26,512	26,573
Total Services	**170,098**	**192,645**	**216,229**	**293,337**
Other	4,099	6,825	6,976	5,972
Total Other Expenses	**4,099**	**6,825**	**6,976**	**5,972**
Total Expenditures	**$ 2,386,160**	**$ 2,436,270**	**$ 2,436,089**	**$ 2,613,962**

Parks and Recreation Combined

The City of Kerrville Parks and Recreation Department provides quality, innovative, diverse, and safe parks, facilities and recreation programs to our citizens and visitors.

Section Organization

Parks and Recreation is divided into 7 separate divisions including Kerrville-Schreiner Park, Aquatics, Parks Maintenance, Sports Complex, Recreation, Tennis Center, and the newly created Community Events division. All divisions report to the Director of Parks and Recreation. This section shows a combined view as well as detail on the individual divisions as follows:

1. Parks and Recreation combined expenditure by line item
2. Kerrville-Schreiner Park
   A. Responsibilities, accomplishments, and goals
   B. Performance measures
   C. Revenues and expenditures by line item
3. Aquatics
   A. Responsibilities, accomplishments, and goals
   B. Performance measures
   C. Revenues and expenditures by line item
4. Parks Maintenance
   A. Responsibilities, accomplishments, and goals
   B. Performance measures
   C. Revenues and expenditures by line item
5. Sports Complex
   A. Responsibilities, accomplishments, and goals
   B. Performance measures
   C. Revenues and expenditures by line item

Continued on next page.

Parks and Recreation Continued

6. Recreation
    A. Responsibilities, accomplishments, and goals
    B. Performance measures
    C. Revenues and expenditures by line item
7. Tennis Center
    A. Responsibilities and objectives
    B. Revenues and expenditures by line item
8. Community Events
    A. Responsibilities and goals
    B. Performance measures
    C. Revenues and expenditures by line item

GENERAL FUND - PARKS & RECREATION

Revenues by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
KSP - Annual Permit	$ 15,460	$ 15,900	$ 17,228	$ 19,890
KSP - Day Pass	28,175	30,200	27,637	40,500
KSP - Excess Vehicle Fee	3,665	3,175	3,719	3,000
KSP - Pecan Loop-30 Amp	51,455	41,500	52,247	48,720
KSP - Deerfield Loop-30 Amp	95,866	85,000	95,539	96,936
KSP - Sycamore Circle-50 Amp	63,482	53,800	65,970	64,290
KSP - Tent Site	39,666	31,300	33,766	44,000
KSP - Mountain View Loop (W/E)	49,162	33,900	49,810	47,850
KSP - Mini Cabins	98,202	91,000	101,785	104,500
KSP - Park Cabin	11,041	14,200	11,743	12,535
KSP - Ranch House	9,870	16,800	12,711	10,070
KSP - Group Recreation Hall	11,810	14,300	13,850	12,000
KSP - Group Dining Hall	4,280	4,260	4,965	4,205
KSP - Equipment Rental	237	500	60	-
KSP - Dump Station	250	200	275	200
KSP - Cancellation Fee	9,802	11,540	11,844	10,000
KSP - Leased Concession	6,591	6,000	5,857	6,000
KSP - Ancillary Item Sales	2,763	1,500	2,602	2,000
KSP - Public Deer Hunt	3,200	3,200	3,202	2,400
Aquatics - Admissions	12,051	10,000	12,590	11,000
Aquatics - Programs	8,712	7,400	12,580	9,000
Aquatics - Rentals	2,340	1,500	4,460	2,000
Parks And Rec - Programs	9,538	12,000	20,775	22,000
Parks And Rec - Rentals	16,517	11,270	14,740	16,400
KSC - Soccer League Fees	-	14,000	9,500	13,000
KSC - Soccer - Field Rental	-	1,100	1,020	1,960
KSC - Concessions	-	-	3,821	3,000
Cailloux Foundation	10,000	10,000	11,200	10,000
July 4th Fireworks-Sponsor	11,952	12,000	11,952	12,000
Donation - Parks	2,350	-	18,775	-
Transfer In - HOT	-	-	-	25,000
General Resources	1,624,455	2,229,878	2,127,649	2,162,997
Total Revenues	**2,202,891**	**2,767,423**	**2,763,871**	**2,817,453**

Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Expenditures				
Salaries	1,135,045	1,310,822	1,324,805	1,478,716
Benefits	391,242	439,752	435,285	491,449
Travel and Training	16,232	25,697	22,661	21,764
Total Personnel Services	**1,542,519**	**1,776,271**	**1,782,751**	**1,991,929**
Office Supplies	7,107	6,523	7,195	6,512
Tools and Equipment	41,183	75,558	81,881	29,245
Chemical and Medical	40,879	60,179	59,169	80,070
Fuel	30,523	36,928	36,335	49,845
Wearing Apparel	11,605	17,714	16,883	14,794
Postage and Shipping	71	58	103	50
Other Supplies	95,827	108,146	102,808	150,916
Total Supplies and Materials	**227,194**	**305,105**	**304,375**	**331,432**
Building, Structure and Land	105,987	109,045	109,470	109,696
Vehicle	23,977	12,429	9,425	13,149
Equipment	10,072	15,230	15,772	21,130
Technology	3,612	3,065	3,012	3,800
Water System	-	-	-	300
Total Maintenance and Repairs	**143,648**	**139,769**	**137,680**	**148,075**
Utilities	143,985	393,530	391,097	235,749
Professional Services	63,871	81,070	80,003	47,310
Insurance	600	700	699	800
Advertising	7,550	16,335	15,295	22,475
Leases/Rents	4,647	26,502	26,554	36,431
Total Services	**220,652**	**518,137**	**513,649**	**342,765**
Other	2,447	2,221	2,350	3,252
Total Other Expenses	**2,447**	**2,221**	**2,350**	**3,252**
Machinery, Tools and Equipment	66,431	25,920	23,067	-
Total Capital Outlay	**66,431**	**25,920**	**23,067**	**-**
Total Expenditures	**$ 2,202,891**	**$ 2,767,423**	**$ 2,763,871**	**$ 2,817,453**

Kerrville-Schreiner Park

Kerrville-Schreiner Park operates and maintains a 517 acre park that includes 154 overnight facilities, day use facilities, hiking and biking trails, river access, concessions, and special event venues.

DEPARTMENT RESPONSIBILITIES

- **Operations and maintenance:** responsible for operating and maintaining all Kerrville-Schreiner park grounds and facilities
- **Customer service:** responsible for all Parks and Recreation system reservations and administrative support

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Hosted the Texas Parks & Wildlife Department's annual bow hunt in order to control the deer population at KSP
- Exceeded budget expectations with one of the most successful years in park history, generating over a half a million dollars in revenue
- Increased revenue $47,000 compared to FY2017

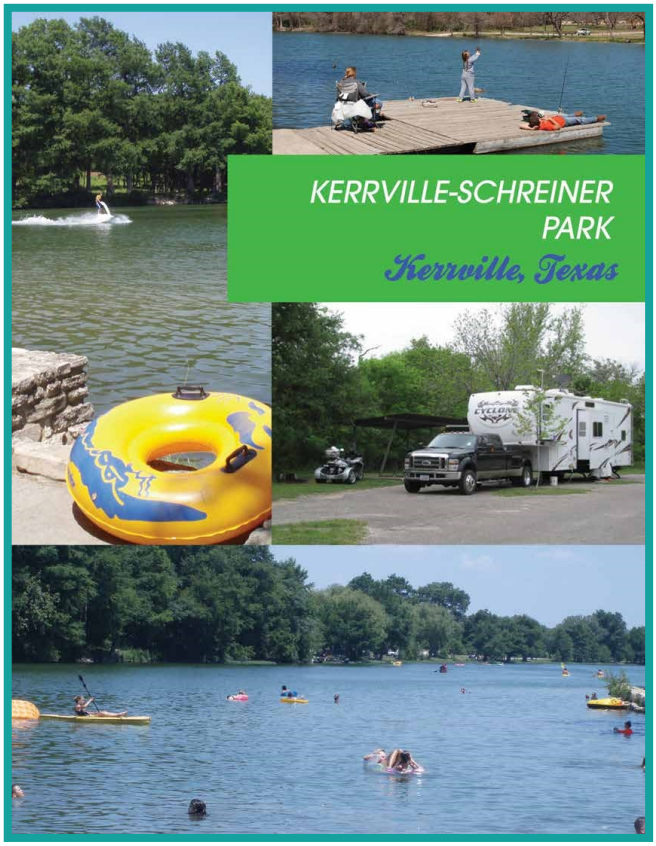
Did you know?

Kerrville-Schreiner Park is open 362 days out of the year; only closing for Thanksgiving Day, Christmas Day, and New Year's Day.

FY2019 OBJECTIVES

Key Priority Area: Parks, Open Space & The River Corridor

- Maintain a quality park and facilities
- Invest in staff by providing adequate resources and training opportunities
- Invest in park improvements to address and maintain aging infrastructure to improve services
- Provide excellent customer service through customer interactions and service
- Increase public usage of the park through advertising and awareness



GENERAL FUND - KERRVILLE-SCHREINER PARK

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Parks, Open Space & The River Corridor	% of YTD expenditures covered by revenues	125%	115%	93%	138%	109%	104%	116%
	Reservations processed (all parks & activities)	15,749	13,000	3,151	3,870	5,433	4,329	16,783
	Reservations processed by office staff	13,772	12,500	2,747	3,108	4,794	3,866	14,515
	Online reservations	1,977	2,100	404	762	639	463	2,268
	KSP occupancy rate	31%	35%	52%	36%	41%	35%	38%

KERRVILLE 2050

GENERAL FUND - KERRVILLE-SCHREINER PARK

Revenues by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
KSP - Annual Permit	$ 15,460	$ 15,900	$ 17,228	$ 19,890
KSP - Day Pass	28,175	30,200	27,637	40,500
KSP - Excess Vehicle Fee	3,665	3,175	3,719	3,000
KSP - Pecan Loop-30 Amp	51,455	41,500	52,247	48,720
KSP - Deerfield Loop-30 Amp	95,866	85,000	95,539	96,936
KSP - Sycamore Circle-50 Amp	63,482	53,800	65,970	64,290
KSP - Tent Site	39,666	31,300	33,766	44,000
KSP - Mountain View Loop (W/E)	49,162	33,900	49,810	47,850
KSP - Mini Cabins	98,202	91,000	101,785	104,500
KSP - Park Cabin	11,041	14,200	11,743	12,535
KSP - Ranch House	9,870	16,800	12,711	10,070
KSP - Group Recreation Hall	11,810	14,300	13,850	12,000
KSP - Group Dining Hall	4,280	4,260	4,965	4,205
KSP - Equipment Rental	237	500	60	-
KSP - Dump Station	250	200	275	200
KSP - Cancellation Fee	9,802	11,540	11,844	10,000
KSP - Leased Concession	6,591	6,000	5,857	6,000
KSP - Ancillary Item Sales	2,763	1,500	2,602	2,000
KSP - Public Deer Hunt	3,200	3,200	3,202	2,400
Excess to General Resources	(69,768)	(9,257)	(67,908)	(25,331)
Total Revenues	**435,208**	**449,018**	**446,901**	**503,765**

GENERAL FUND - KERRVILLE-SCHREINER PARK

Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Expenditures				
Salaries	251,586	258,023	258,362	271,560
Benefits	89,351	90,794	90,734	99,828
Travel and Training	245	500	125	985
Total Personnel Services	**341,182**	**349,317**	**349,220**	**372,373**
Office Supplies	5,445	4,604	5,531	5,114
Tools and Equipment	1,083	7,577	6,778	7,415
Chemical and Medical	1,258	716	540	1,835
Fuel	4,749	6,453	5,679	5,016
Wearing Apparel	1,331	1,876	1,688	2,600
Postage and Shipping		8	7	
Other Supplies	4,098	4,992	4,911	6,626
Total Supplies and Materials	**17,964**	**26,225**	**25,133**	**28,606**
Building, Structure and Land	11,825	13,442	12,963	18,180
Vehicle	3,998	1,400	1,339	5,210
Equipment	1,756	300	294	4,100
Technology	3,612	3,065	3,012	3,800
Water System	-	-	-	300
Total Maintenance and Repairs	**21,190**	**18,207**	**17,608**	**31,590**
Utilities	53,425	53,969	54,567	69,221
Insurance	300	400	300	500
Advertising	926	900	73	1,300
Leases/Rents	-	-	-	175
Total Services	**54,651**	**55,269**	**54,940**	**71,196**
Other	221	-	-	-
Total Other Expenses	**221**	**-**	**-**	**-**
Total Expenditures	**$ 435,208**	**$ 449,018**	**$ 446,901**	**$ 503,765**

Significant changes for FY2019 include:

- Addition of a Park Ranger position
- Staff reorganization bringing KSP maintenance under the Parks Maintenance division

Tennis Center

The H-E-B Tennis Center provides a safe and well maintained recreation opportunity for the citizens of Kerrville.

DEPARTMENT RESPONSIBILITIES

- The H-E-B Tennis Center is operated and managed by a contracted tennis professional. Accordingly, this department does not track department responsibilities, accomplishments, goals, performance measures or personnel counts.

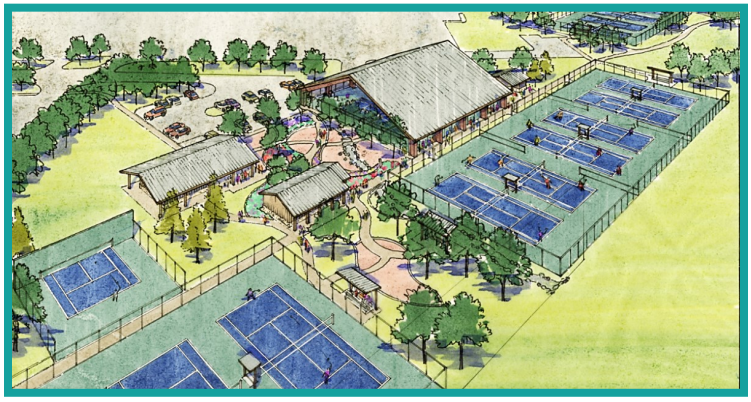
FY2019 OBJECTIVES

Key Priority Area: Parks, Open Space & The River Corridor

- Complete Tennis Center Renovation project
- Maintain professional relationship with contracted tennis professional

Did you know?

The HEB Tennis Center features 14 lighted courts and one practice wall.



GENERAL FUND - TENNIS CENTER

Performance Measures

This department does not track performance measures.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
General Resources	$ 8,406	$ 11,107	$ 10,736	$ 13,748
Total Revenues	**8,406**	**11,107**	**10,736**	**13,748**

Expenditures				
Tools and Equipment	766	1,400	986	1,000
Chemical and Medical	4	-	-	1,878
Other Supplies	237	400	399	-
Total Supplies and Materials	**1,007**	**1,800**	**1,385**	**2,878**
Building, Structure and Land	3,119	1,337	1,103	5,150
Total Maintenance and Repairs	**3,119**	**1,337**	**1,103**	**5,150**
Utilities	4,280	4,970	5,189	5,720
Professional Services	-	3,000	3,000	-
Advertising	-	-	59	-
Total Services	**4,280**	**7,970**	**8,248**	**5,720**
Total Expenditures	**$ 8,406**	**$ 11,107**	**$ 10,736**	**$ 13,748**

Aquatics

Aquatics provides safe and fun recreational opportunities at the Olympic Pool, Carver Park Sprayground, and the Louise Hays Park Fountain Plaza.

DEPARTMENT RESPONSIBILITIES

- **Pool Operations:** responsible for safe operations at the Olympic Pool, Carver Park Sprayground, and the Louise Hays Park Fountain Plaza, that meet all state and federal regulations, including lifeguard licensing
- **Programs:** responsible for structured activities at the Olympic Pool, including lifeguard training, swim lessons, open swim, lap swim, rentals, and events

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Met or exceeded expectations on all operational safety audits at the Olympic Pool by Jeff Ellis & Associates, Inc.
- Olympic Pool was open 58 days and Carver Park Sprayground was open 187 days – both increases from FY 17
- Swim Lesson participation was at 69% of its capacity – up 16% from FY 17
- One lifeguard team won the State Championship Lifeguard Competition
- One lifeguard team was Runner Up at the State Lifeguard Competition

Did you know?

For the third year in a row, one of the City of Kerrville Lifeguard Teams was recognized as State Champions and the other as State Runner Up in the Lifeguard Competition.

FY2019 OBJECTIVES

Key Priority Area: Parks, Open Space & The River Corridor

- Invest in improvements and updates to address aging infrastructure, evolve with current trends to increase opportunities for programming, recreation and leisure activities and services
- Invest in staff by providing adequate resources for staffing levels and training opportunities
- Provide quality services and maximize revenue stream
- Increase marketing opportunities
- Continue training competitive lifeguard teams

GENERAL FUND - AQUATICS

Performance Measures

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Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Parks, Open Space & The River Corridor	Pool Admissions	13,024	10,000	n/a	n/a	6,608	7,259	13,867
	Swim Lessons - Group	168	200	n/a	n/a	140	68	208
	Swim Lessons - Private	15	25	n/a	n/a	22	15	37
	Swim Lessons - Total Registrants	183	225	n/a	n/a	162	83	245

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Aquatics - Admissions	$ 12,051	$ 10,000	$ 12,590	$ 11,000
Aquatics - Programs	8,712	7,400	12,580	9,000
Aquatics - Rentals	2,340	1,500	4,460	2,000
General Resources	94,550	155,715	144,941	131,693
Total Revenues	**117,653**	**174,615**	**174,571**	**153,693**
Expenditures				
Salaries	56,253	87,500	87,331	80,000
Benefits	4,304	6,858	6,681	5,920
Travel and Training	8,179	10,650	10,527	6,293
Total Personnel Services	**68,736**	**105,008**	**104,539**	**92,213**
Office Supplies	46	200	229	200
Tools and Equipment	435	400	348	2,055
Chemical and Medical	14,612	15,993	16,203	17,252
Fuel	33	-	-	-
Wearing Apparel	3,640	3,326	3,391	2,614
Other Supplies	872	13,878	12,982	4,100
Total Supplies and Materials	**19,640**	**33,797**	**33,152**	**26,221**
Building, Structure and Land	4,150	6,580	6,650	3,000
Equipment	-	650	434	2,190
Total Maintenance and Repairs	**4,150**	**7,230**	**7,084**	**5,190**
Utilities	19,856	22,740	23,562	23,484
Professional Services	5,272	5,290	5,701	5,585
Advertising	-	550	533	1,000
Total Services	**25,128**	**28,580**	**29,796**	**30,069**
Total Expenditures	**$ 117,653**	**$ 174,615**	**$ 174,571**	**$ 153,693**

FY2018 and FY2019 include additional staff hours for an expanded pool season.

Parks Maintenance

Parks Maintenance is responsible for grounds and structure maintenance at City parks, buildings, and other City owned sites, in addition to managing all park and building construction projects.

DEPARTMENT RESPONSIBILITIES

- **Parks / Grounds Maintenance:** responsible for maintaining the grounds and facilities at City parks, along right of ways, well sites, and all other City owned sites
- **Building Maintenance:** responsible for maintaining and repairing all 38 municipally owned buildings and for custodial services for 10+ City buildings
- **Projects:** responsible for planning and construction park renovations and repairs

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Completed landscaping improvements at the History Center
- Completed improvements to the pedestrian bridges at Elm Creek Park
- Completed the installation of the Guadalupe Bass sculpture in Louise Hays Park
- Completed various construction projects at the Kerrville Sports Complex
- Mowed and maintained grounds and facilities of 23 parks, 4.2 miles of River Trail, 350 acres of parks, River Trail, street rights-of-way, well sites and more
- Operated and maintained the Carver Sprayground and Louise Hays Park Fountain Plaza
- Replaced the benches at the downtown pavilion

FY2019 OBJECTIVES

Key Priority Area: Parks, Open Space & The River Corridor

- Maintain quality parks and facilities for the community as a whole
- Invest in staff by providing adequate resources for staffing levels and training opportunities
- Invest in park improvements and updates to address aging infrastructure, evolve with current trends, and to increase opportunities for programming, recreation and leisure activities and services
- Provide excellent customer service through working relationships with internal and external customers

Did you know?

October 2018 flooding tested the integrity and design of the River Trail for the first time. The trail sustained no structural damage and reopened quickly following debris removal,

GENERAL FUND - PARKS MAINTENANCE

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Parks, Open Space & The River Corridor	Grounds maintenance sites/acreage	171/350	171/350	171/350	171/350	171/350	171/350	171/350
	Reservations in Parks (excluding KSP)	832	700	183	174	308	335	1,000
Public Facilities & Services	Buildings maintained	38	38	38	38	38	38	38
	Building work orders processed	147	150	53	44	45	52	194

KERRVILLE 2050

GENERAL FUND - PARKS MAINTENANCE

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Parks And Rec - Rentals	$ 16,517	$ 11,270	$ 14,740	$ 16,400
Donation - Parks	2,350	-	18,775	-
General Resources	1,222,214	1,264,302	1,241,298	1,276,131
Total Revenues	**1,241,081**	**1,275,572**	**1,274,813**	**1,292,531**

Expenditures				
Salaries	671,514	701,515	713,306	765,851
Benefits	245,485	258,391	254,949	264,886
Travel and Training	4,345	7,235	6,169	6,886
Total Personnel Services	**921,344**	**967,141**	**974,424**	**1,037,623**
Office Supplies	393	674	733	564
Tools and Equipment	9,833	14,410	22,115	9,850
Chemical and Medical	17,428	13,270	13,797	19,892
Fuel	23,611	23,725	23,766	32,654
Wearing Apparel	4,713	10,375	9,063	6,070
Postage and Shipping	71	50	60	50
Other Supplies	39,268	33,040	31,290	40,320
Total Supplies and Materials	**95,316**	**95,544**	**100,824**	**109,400**
Building, Structure and Land	84,899	66,396	65,638	71,550
Vehicle	19,760	10,500	7,747	7,000
Equipment	5,724	6,300	7,348	6,900
Total Maintenance and Repairs	**110,383**	**83,196**	**80,733**	**85,450**
Utilities	56,011	61,772	61,620	58,188
Professional Services	42,360	41,050	40,300	750
Leases/Rents	76	750	147	750
Total Services	**98,446**	**103,572**	**102,066**	**59,688**
Other	292	199	199	370
Total Other Expenses	**292**	**199**	**199**	**370**
Machinery, Tools and Equipment	15,300	25,920	16,567	-
Total Capital Outlay	**15,300**	**25,920**	**16,567**	**-**
Total Expenditures	**$ 1,241,081**	**$ 1,275,572**	**$ 1,274,813**	**$ 1,292,531**

Significant changes for FY2019 include:

- Project Management Contractor has been moved from Parks Maintenance to Engineering

Sports Complex

The City of Kerrville Sports Complex provides quality baseball, softball, and soccer practice, game and tournament facilities to local and regional athletes.

DEPARTMENT RESPONSIBILITIES

- **Maintenance:** responsible for all athletic turf maintenance and management, field marking, sports equipment maintenance, and building and grounds maintenance for the 104 acre Kerrville Sports Complex
- **Operations:** responsible for managing field rentals, use agreements, the D-BAT tenant, and facilitating sporting leagues and tournaments

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Dedicated and opened the Kerrville Sports Complex in January of 2018
- Maintained 18 soccer fields (approximately 20 acres)
- Maintained 11 baseball and softball fields
- Facilitated one local high school's winter soccer season (boys and girls teams)
- Facilitated two local youth soccer leagues for their spring season
- Facilitated one youth local baseball league
- Hosted over 400 baseball /softball teams
- Hosted multiple tournaments

FY2019 OBJECTIVES

Key Priority Area: Parks, Open Space & The River Corridor

- Maintain quality facilities to the highest standards
- Invest in staff by providing adequate resources for staffing levels and training opportunities
- Add equipment to increase opportunities for programming and recreation activities
- Provide excellent customer service through customer interactions and service

Did you know?

Local hotels reported over 7,000 room nights booked related to athletes competing at the Sports Complex from January to December 2018.

GENERAL FUND - KERRVILLE SPORTS COMPLEX

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Parks, Open Space & The River Corridor	Approximate number of soccer participants	n/a	n/a	390	315	543	795	1,338
	Gallons of irrigation water used (thousands)	n/a	n/a	12,073	162	14,066	15,912	42,212
	Total D-BAT tournaments	n/a	n/a	n/a	1	12	7	19
	Total D-Bat leagues/clinics	n/a	n/a	n/a	n/a	4	7	11
	Number of baseball/softball field rentals	n/a	n/a	n/a	85	120	86	206

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GENERAL FUND - KERRVILLE SPORTS COMPLEX

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
KSC - Soccer League Fees	$ -	$ 14,000	$ 9,500	$ 13,000
KSC - Soccer - Field Rental	-	1,100	1,020	1,960
KSC - Concessions	-	-	3,821	3,000
General Resources	250,556	645,681	646,354	539,301
Total Revenues	**250,556**	**660,781**	**660,695**	**557,261**
Expenditures				
Salaries	74,958	173,397	174,668	232,300
Benefits	26,390	55,828	55,631	79,914
Travel and Training	849	1,390	197	2,525
Total Personnel Services	**102,197**	**230,616**	**230,496**	**314,739**
Office Supplies	1,088	1,045	634	634
Tools and Equipment	29,017	51,771	51,405	4,175
Chemical and Medical	7,577	30,200	28,629	39,213
Fuel	1,612	6,050	6,091	11,425
Wearing Apparel	1,898	1,896	2,501	2,510
Postage and Shipping	-	-	36	-
Other Supplies	36,885	34,218	31,967	57,780
Total Supplies and Materials	**78,078**	**125,180**	**121,264**	**115,737**
Building, Structure and Land	1,995	21,290	23,116	11,816
Vehicle	120	500	217	910
Equipment	2,592	7,980	7,697	7,940
Total Maintenance and Repairs	**4,707**	**29,770**	**31,030**	**20,666**
Utilities	9,772	249,203	244,795	78,008
Insurance	100	100	100	100
Leases/Rents	4,571	25,752	26,408	27,146
Total Services	**14,443**	**275,055**	**271,303**	**105,254**
Other	-	160	104	865
Total Other Expenses	**-**	**160**	**104**	**865**
Machinery, Tools and Equipment	51,131	-	6,500	-
Total Capital Outlay	**51,131**	**-**	**6,500**	**-**
Total Expenditures	**$ 250,556**	**$ 660,781**	**$ 660,695**	**$ 557,261**

Significant changes for FY2019 include:

- Addition of two Maintenance Worker positions
- A full year of reuse water for irrigation

Recreation

Recreation provides community based programming for youth and adults, including sports leagues and special events such as the Daddy Daughter Dance and Get Outdoors Day.

DEPARTMENT RESPONSIBILITIES

- **Programs:** responsible for creating and operating recreational programs such as sports leagues and tournaments
- **Special Events:** responsible for planning community wide special events throughout the year such as the Daddy Daughter Dance, Get Outdoors Day, Movies in the Park, Kerrville Triathlon, Kerrville Chalk Festival, Wet-n-Wag, 4th of July Fireworks, Family Fright Night, Holiday Lighted Parade, and more

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Hosted 17 diverse special events for the community
- Hosted successful soccer and flag football leagues
- Increased activities and overall success of the Family Fright Night and Get Outdoors events
- Increased number of summer concerts in the park
- Hosted 92 parade entries for the Holiday Lighted Parade

FY2019 OBJECTIVES

Key Priority Area: Parks, Open Space & The River Corridor

- Ensure continued success in events by providing adequate resources for staffing levels and training opportunities
- Increase sports league programming
- Provide quality programming and special events for citizens of all ages and areas of interest
- Increase marketing opportunities to improve participation in special events
- Create awareness of parks system and programming

Did you know?

February 2018 marked the 10 year anniversary of the Daddy-Daughter Dance. This event has become a staple in the community, growing from 200 people its first year to over 500 in 2018!

GENERAL FUND – RECREATION

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Public Facilities & Services	% of YTD direct expenditure covered by revenues	61%	n/a	n/a	n/a	n/a	n/a	40%
	Daddy/Daughter Dance attendance	325	500	500	0	0	0	500
	Special event applications processed	19	22	3	3	8	7	21
	Special event hosted	17	17	3	1	5	8	17
	Sports league participants	60	120	0	166	120	125	411

KERRVILLE 2050

GENERAL FUND – RECREATION

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Parks And Rec - Programs	$ 9,538	$ 12,000	$ 20,775	$ 22,000
Cailloux Foundation	10,000	10,000	11,200	10,000
July 4th Fireworks-Sponsor	11,952	12,000	11,952	-
General Resources	118,498	162,330	152,227	153,752
Total Revenues	**149,988**	**196,330**	**196,155**	**185,752**

Expenditures				
Salaries	80,734	90,386	91,138	97,805
Benefits	25,713	27,881	27,291	28,906
Travel and Training	2,614	5,922	5,643	5,074
Total Personnel Services	**109,060**	**124,189**	**124,072**	**131,785**
Office Supplies	134	-	68	-
Tools and Equipment	49	-	250	1,100
Fuel	518	700	800	750
Wearing Apparel	23	241	241	1,000
Other Supplies	14,466	21,618	21,259	7,850
Total Supplies and Materials	**15,189**	**22,559**	**22,618**	**10,700**
Vehicle	99	29	122	29
Total Maintenance and Repairs	**99**	**29**	**122**	**29**
Utilities	641	876	1,364	1,128
Professional Services	16,239	31,730	31,002	23,600
Insurance	200	200	300	200
Advertising	6,624	14,885	14,630	18,000
Total Services	**23,704**	**47,691**	**47,296**	**42,928**
Other	1,935	1,862	2,048	310
Total Other Expenses	**1,935**	**1,862**	**2,048**	**310**
Total Expenditures	**$ 149,988**	**$ 196,330**	**$ 196,155**	**$ 185,752**

Significant Change for FY2019:

- The 4th of July expenses have been moved to the Community Events department

Community Events

The Community Events division of Parks and Recreation was newly created in this fiscal year. This division will focus on supporting action items outlined in Kerrville 2050 including enhancing programming to attract tourism and providing additional community events.

DEPARTMENT RESPONSIBILITIES

- **Programming:** responsible for planning community events and activities and designing programs in order to attract tourism
- **Marketing:** responsible for promotions, plus written and electronic marketing concepts
- **Financial Management:** responsible for spending, tracking and reporting appropriate use of Hotel Occupancy tax funding

FY2019 OBJECTIVES

Key Priority Area: Economic Development

- Plan programming to support Kerrville's tourism industry

Key Priority Area: Public Facilities & Services

- Plan community events that cater to the interests of all citizens
- Improve advertising for community events in order to increase attendance

Did you know?

The Community Events division is newly established this fiscal year.

GENERAL FUND - COMMUNITY EVENTS

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
July 4th Fireworks-Sponsor	$ -	$ -	$ -	$ 12,000
Transfer In - HOT	-	-	-	25,000
General Resources	-	-	-	73,702
Total Revenues	**-**	**-**	**-**	**110,702**

Expenditures				
Salaries	-	-	-	31,200
Benefits	-	-	-	11,995
Total Personnel Services	**-**	**-**	**-**	**43,195**
Tools and Equipment	-	-	-	3,650
Other Supplies	-	-	-	34,240
Total Supplies and Materials	**-**	**-**	**-**	**37,890**
Professional Services	-	-	-	17,375
Advertising	-	-	-	2,175
Leases/Rents	-	-	-	8,360
Total Services	**-**	**-**	**-**	**27,910**
Other	-	-	-	1,707
Total Other Expenses	**-**	**-**	**-**	**1,707**
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ 110,702**

This is a new department in FY2019. It has been broken out for better transparency around the Kerrville 2050 action items that include enhancing programming for Kerrville's tourism industry and providing additional community events. Department expenditures include:

- 4th of July fireworks display
- Concert series band fees
- Holiday parade
- Family Fright Night
- Movies in the Park
- Get Outdoors Day
- River Festival
- River Trail Christmas Lights Event
- Wet N Wag
- Tourism & Events Coordinator position that is partially funded by the Hotel Occupancy Fund

Engineering

Engineering provides consistent, thorough, and accurate professional engineering services, support, and oversight to ensure efficient, economic, and safe development of public infrastructure constructed as part of private or public capital improvement projects.

DEPARTMENT RESPONSIBILITIES

- **Design Services:** responsible for providing in-house civil construction plans, details, and specifications for various capital projects
- **Capital Projects Management:** responsible for a capital projects program that includes designing, inspecting, and managing contracts for the City's Community Investment Plan
- **Development Services:** responsible for reviewing plans for private development involving public infrastructure to ensure compliance with design standards, specifications, and engineering principles
- **Floodplain Administration:** responsible for managing development within the Special Flood Hazzard Areas within the City limits

Did you know?

The City completed a reuse pond in 2018. Instead of putting treated sewer water back in to the river, the water is now pumped to a reuse pond. From there, reuse water is pumped to large irrigation users like golf courses, conserving potable water.

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Provided project inspections for 10 capital projects throughout the City
- Enhanced GIS system detail and accuracy by providing public infrastructure information
- Reviewed plans and provided construction inspections for private development of public infrastructure to ensure compliance with design standards and code

FY2019 OBJECTIVES

Key Priority Area: Economic Development

- Ensure fiscal responsibility of project budgets
- Elevate customer service and engagement through efficient and effective processing and accessibility of data
- Invest in updating policies and procedures for development design specifications
- Develop cross-training and other programs to retain and motivate high quality staff
- Improve communication processes for both citizens and consultants in order to promote City and private development projects

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Economic Development	Capital project reviews completed in 21 days or less %	36%	50%	50%	55%	40%	56%	48%
	Private development reviews completed in 21 days or less %	64%	50%	50%	45%	60%	44%	52%
	# of reviews completed	79	60	22	20	20	16	78
	Determinations and permits issued	35	12	2	5	6	4	17
	Fire Flow analyses completed	19	12	8	5	5	7	25

GENERAL FUND - ENGINEERING

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Transfer In - Water Fund	$ 179,059	$ 214,063	$ 214,063	$ 243,397
EIC - Admin Svc Fee	49,000	49,000	49,000	73,500
General Resources	125,020	123,302	92,098	170,947
Total Revenues	**353,078**	**386,365**	**355,161**	**487,845**

Expenditures				
Salaries	264,276	271,800	258,382	328,665
Benefits	72,123	75,420	71,065	90,386
Travel and Training	1,870	3,730	1,758	6,466
Total Personnel Services	**338,269**	**350,949**	**331,205**	**425,517**
Office Supplies	1,996	4,492	258	3,174
Tools and Equipment	1,159	15,823	13,107	4,842
Fuel	2,532	3,988	3,359	4,550
Wearing Apparel	1,966	2,025	2,488	2,325
Postage and Shipping	33	200	-	200
Other Supplies	76	100	118	300
Total Supplies and Materials	**7,762**	**26,627**	**19,329**	**15,390**
Vehicle	454	2,008	1,014	418
Technology	3,990	2,150	-	2,249
Total Maintenance and Repairs	**4,444**	**4,158**	**1,014**	**2,667**
Utilities	2,473	4,080	3,483	3,420
Professional Services	-	-	-	40,300
Total Services	**2,473**	**4,080**	**3,483**	**43,720**
Other	130	550	130	550
Total Other Expenses	**130**	**550**	**130**	**550**
Total Expenditures	**$ 353,078**	**$ 386,365**	**$ 355,161**	**$ 487,845**

Significant changes for FY2019 include:

- New Construction Inspector position that will focus on public infrastructure inspections which will allow other Engineering personnel to more efficiently assist Development Services with plan reviews
- Project management contractor has been moved from Parks Maintenance to Engineering

FY2018 Estimated includes:

- Salary savings related to a staffing vacancy

Streets / Public Works Administration

The Streets department works to improve the quality of life of citizens through maintenance and operation of street and drainage infrastructure. The Public Works Admin is a newly created position that will support the Public Works Department as a whole.

DEPARTMENT RESPONSIBILITIES

- **Streets/ROW:** responsible for street and right of way (ROW) operation and maintenance including herbicide, street sweeping, alley repair, sight obstruction removal, tree trimming, and bridge maintenance and repair
- **Traffic/Street Lighting:** responsible for the installation, maintenance, inspection and repair of all traffic control devices including traffic signals, school flashers, and pavement markings. Additional responsibilities include collecting traffic data, in-house sign fabrication, and managing requests for street light installation and repair. Street lights are operated and maintained by Kerrville Public Utility Board (KPUB). This service is paid for from the Streets budget.
- **Paving:** responsible for pavement rehabilitation including crack seal, pothole repair, utility cut repair, milling, overlay and reconstruction
- **Drainage:** responsible for inspection, maintenance, and repair of all drainage systems including cleaning, grading and erosion control

Did you know?

Asphalt is favored over concrete because it provides a smoother ride, which leads to better fuel efficiency in vehicles.

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Established a drainage maintenance and rehabilitation program
- Committed additional funds and staff hours to beautification efforts
- Dedicated 1,948 staff hours to drainage and rehabilitation
- Reconstructed 1.17 lane miles of roadway
- Overlaid 4.45 lane miles of roadway
- Slurry sealed 4.62 lane miles of roadway

FY2019 OBJECTIVES

Key Priority Area: Mobility / Transportation

- Manage allocated funding to ensure that services are provided in a cost effective manner
- Evaluate daily operations to identify potential deficiencies make necessary improvements
- Invest in staff training so that missions and goals are achieved with optimal knowledge and awareness
- Utilize City resources prior to outsourcing services

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Mobility / Transportation	Man-hours of general ROW maintenance	2,176	2,550	950	965	937	942	1,879
	Man-hours for traffic operations and maintenance	2,110	2,365	598	489	517	507	2,111
	Number of street lights in operation	2,710	2,710	2710	2711	2,712	2,712	2,711
	Number of street lights maintenance completed	33	30	4	4	2	4	14
	Condition index rating	79	80	80	80	80	80	80
	Potholes repaired	2,208	1,800	465	385	95	289	1,234
	Crack seal miles repaired	n/a	10	n/a	n/a	40	40	80
	Overlay miles	5	5	1	1	1	1	4
	Reconstructed miles	5	5	1	n/a	n/a	n/a	3
Drainage	Man-hours of drainage operation and Maintenance	2,613	2,535	1209	936	707	139	2,991

GENERAL FUND - STREETS/PUBLIC WORKS ADMIN

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Transfer In - Water Fund (Street Use)	$ -	$ 245,309	$ 245,309	$ 376,666
Transfer In - WF (Public Works Admin)	63,636	78,812	78,812	106,007
General Resources	2,199,969	2,781,996	2,774,009	2,844,036
Total Revenues	**2,263,605**	**3,106,117**	**3,098,130**	**3,326,708**

Expenditures				
Salaries	724,188	742,192	739,579	839,597
Benefits	243,254	250,950	245,632	271,374
Travel and Training	2,375	6,386	6,841	6,347
Total Personnel Services	**969,816**	**999,528**	**992,052**	**1,117,318**
Office Supplies	2,231	1,712	1,629	2,012
Tools and Equipment	37,783	39,425	41,599	24,386
Chemical and Medical	743	1,151	1,123	4,500
Fuel	45,030	49,558	49,517	47,338
Wearing Apparel	10,637	10,164	9,848	16,319
Postage and Shipping	-	310	306	100
Other Supplies	34,415	36,525	37,607	36,700
Total Supplies and Materials	**130,839**	**138,844**	**141,629**	**131,354**
Building, Structure and Land	2,219	4,242	4,355	3,000
Vehicle	57,777	68,480	68,553	47,280
Equipment	10,701	17,710	15,933	19,200
Technology	-	-	-	48
Street	788,545	1,551,136	1,551,039	1,680,880
Total Maintenance and Repairs	**859,241**	**1,641,568**	**1,639,881**	**1,750,408**
Utilities	291,101	315,279	314,574	284,708
Professional Services	2,873	5,928	5,968	38,000
Leases/Rents	7,115	1,500	1,505	1,000
Total Services	**301,089**	**322,707**	**322,048**	**323,708**
Other	2,620	3,470	2,520	3,920
Total Other Expenses	**2,620**	**3,470**	**2,520**	**3,920**
Total Expenditures	**$ 2,263,605**	**$ 3,106,117**	**$ 3,098,130**	**$ 3,326,708**

Significant changes for FY2019 include:

- Receptionist position has been moved from Administration to this department in order to better support administrative needs for Public Works departments
- Street use fee paid by the Water Fund was increased from 2% to 3% of revenues, generating an additional $126K for the General Fund. This increase was used to directly increase the street maintenance budget.

Solid Waste

To protect public health and safety, Solid Waste provides safe, efficient, and environmentally responsible integrated municipal solid waste services. Solid Waste contracts with Republic Services to provide curbside services including collection of regular garbage, recyclables, yard waste, and bulky items. The department also oversees Republic Services' operation of the City landfill, transfer station, composting facility and recycling drop off location.

DEPARTMENT RESPONSIBILITIES

- **Customer Service:** responsible for providing customer service to City residents by acting as a liaison between the City and the collection contractor, Republic Services
- **City Contracts:** responsible for overseeing both contracts with Republic Services, which include, Landfill Operations and Disposal Agreement and the Collection Agreement for Residential Solid Waste and Recyclable Materials
- **Community Outreach:** responsible for providing assistance and information to the public on various environmental topics
- **Public Health** - responsible for collecting and disposing of dead animals within the City limits

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Recycled over 365 tons of material collected at the Recycling Drop off Station
- Secured grant funding for a Household Hazardous Waste collection event to be held in FY2019
- Secured grant funding to improve recycling opportunities both internally and externally
- Joined forces with Kerr County and collected over 14 tons of Hazardous Waste, over 5 tons of unwanted electronics, and over 500 unwanted tires

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Coordinate with Republic Services to resolve issues in a timely manner
- Look at implementing a web based inquiry for residents
- Secure long-term capacity at the landfill
- Implement more environmental initiatives
- Evaluate revenue opportunities in order to fund more programs

Did you know?

Reducing consumption and reusing items are the two most effective ways to produce less waste. Can you reuse water bottles or take your own bags to the grocery store?

GENERAL FUND - SOLID WASTE

Performance Measures

Key Priority Area	Measurement	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Public Facilities & Service	Material recycled (tons)	365	375	105	115	100	93	414
	Recycle Drop Off Site - Number of vehicles	17,450	17,500	4581	4,532	4,684	4,404	18,201
	Landfill/Transfer Station - Solid waste transferred OUT (tons)	72,773	7,200	16629	16,511	17,629	17,691	68,460
	Landfill/Transfer Station - Solid waste place IN landfill (tons)	8,932	9,000	2196	3,140	2,487	2,016	9,839
	Residential garbage collected (tons)	5,700	5,500	1435	1,472	1,510	1,435	5,852
	Residential recycling collected (tons)	1,230	1,500	321	304	315	290	1,230
	Residential yard waste collected (tons)	921	950	173	213	225	117	728
	Percentage of waste diverted from landfill	27%	30%	25%	26%	26%	22%	25%
	Bulk waste curbside (tons)	173	200	40	n/a	91	n/a	131
	Buk waste drop off (tons)	120	150	n/a	59	n/a	65	124
	Total vouchers issued for bulk waste	363	375	n/a	201	n/a	150	351
	Number of dead animals picked up	854	850	209	143	133	148	633
	Total vehicles that dropped of items	624	700	525	n/a	n/a	n/a	525
	Total HHW tons collected during the event	20	20	20.6	n/a	n/a	n/a	21
	Total tires collected during the event	600	600	565	n/a	n/a	n/a	565

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GENERAL FUND - SOLID WASTE

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
SW - Recycling Proceeds	$ 742	$ 700	$ 425	$ 700
SW - Curbside Recycle Proceeds	11,857	4,800	4,045	12,500
SW - Hauler Fee	685	680	-	475
SW - Admin Fee	87,891	89,100	90,710	90,000
SW - Surcharge	737,676	696,000	665,348	778,800
Excess to General Resources	(712,555)	(617,696)	(592,690)	(735,749)
Total Revenues	**126,295**	**173,584**	**167,838**	**146,726**

Expenditures				
Salaries	18,963	32,180	32,501	33,812
Benefits	6,366	12,084	12,256	12,455
Travel and Training	192	2,190	1,693	2,210
Total Personnel Services	**25,521**	**46,454**	**46,450**	**48,477**
Office Supplies	-	466	365	96
Tools and Equipment	260	635	661	944
Chemical and Medical	17	155	91	270
Fuel	919	4,441	3,576	4,483
Wearing Apparel	-	1,630	249	801
Postage and Shipping	1,000	-	15	-
Other Supplies	9,562	1,133	1,018	2,637
Total Supplies and Materials	**11,758**	**8,459**	**5,975**	**9,230**
Vehicle	107	2,849	1,520	-
Equipment	-	-	-	24
Total Maintenance and Repairs	**107**	**2,849**	**1,520**	**24**
Utilities	-	312	-	120
Professional Services	80,237	104,510	104,395	77,625
Total Services	**80,237**	**104,822**	**104,395**	**77,745**
Other	8,673	11,000	9,499	11,250
Total Other Expenses	**8,673**	**11,000**	**9,499**	**11,250**
Total Expenditures	**$ 126,295**	**$ 173,584**	**$ 167,838**	**$ 146,726**

Significant changes for FY2019 include:

- A household hazardous waste event funded from this department in FY2018 will be funded in FY2019 using environmental project money set aside in a project fund

Butt-Holdsworth Memorial Library

The Library serves as an information center for our community, offering a wide variety of materials and services for education, entertainment, and enrichment in a welcoming and helpful environment.

DEPARTMENT RESPONSIBILITIES

- **Reference:** responsible for helping patrons answer research questions with relevant information
- **Circulation:** responsible for assembling, organizing, and making accessible materials which offer opportunities for personal, educational, cultural, and recreational enrichment. Librarians develop collections, services, and programs which respond to individual and community needs.
- **Programs:** responsible for providing opportunities for patrons of all ages to participate in library activities and programs and encourage lifelong learning

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Celebrated our 50th anniversary
- Celebrated the grand reopening of the Kerr Regional History Center
- Circulated 113,171 items and were visited by 93,503 patrons
- Assisted with 10,373 reference questions
- Offered 244 programs that were attended by 6647 children and 3977 adults

Did you know?

The mural in the library was painted by Merrill Doyle. It depicts events in the history of Kerr County between 1534 and 1887.

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Provide a vibrant library collection that will inspire people of all ages to read, view and listen for pleasure
- Be good stewards of taxpayer dollars
- Expand awareness of the Kerr Regional History Center (KRHC) so that it may communicate the story of Kerrville and Kerr County to members of the community and visitors
- Promote lifelong learning in the community through educational and recreational programming for all ages
- Invest in training to ensure continued proficient support by staff to library patrons and visitors
- Provide excellent library experience to all patrons and visitors
- Develop the library into a leading technology center that will address the needs and wants of the community

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Public Facilities & Services	Library reference transactions	10,373	10,000	2,071	3,134	2,683	2,281	10,169
	Internet/electronic resources used	31,464	34,800	9,087	5,542	5,871	6,167	26,667
	Number of library materials circulated	113,171	109,800	25,481	29,505	33,154	36,048	124,188
	Gate count	93,503	90,000	20,395	24,154	25,494	26,059	96,102
	# of programs	244	216	59	62	73	61	255
	Adult attendance	681	650	137	189	236	174	736
	Juvenile attendance	9,943	9,000	1,408	1,826	4,691	3,100	11,025

GENERAL FUND - LIBRARY

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Library - Kerr County Resident	$ 33,014	$ -	$ (4,268)	$ -
Library - Non-Resident Fees	3,676	3,500	4,178	3,700
Library - Gazebo Rental	30	60	100	30
Library - Meeting Room	441	500	360	540
Library - Copies	1,191	1,000	1,249	1,000
Library - Fax Machine	11	100	-	20
Library - Internet Printing	5,634	5,250	6,683	5,900
Library - Inter-Library Mailing	1,374	1,500	1,846	1,400
Library - Extended Use Fees	7,835	7,500	8,681	8,000
Library - Lost Books/Equipment	1,389	1,200	2,602	1,500
Library - Past Due Collections	572	-	798	150
General Resources	642,198	743,649	706,585	708,417
Total Revenues	**697,364**	**764,259**	**728,815**	**730,657**

Expenditures				
Salaries	373,121	400,443	390,051	410,296
Benefits	123,275	126,561	126,146	129,272
Travel and Training	553	1,303	1,322	938
Total Personnel Services	**496,949**	**528,307**	**517,519**	**540,506**
Office Supplies	5,195	8,182	6,930	7,436
Tools and Equipment	3,165	3,136	1,192	1,234
Chemical and Medical	7	35	24	20
Fuel	237	275	256	275
Postage and Shipping	4,200	4,200	4,196	4,400
Other Supplies	8,244	7,250	5,013	7,107
Total Supplies and Materials	**21,047**	**23,078**	**17,611**	**20,472**
Building, Structure and Land	13,704	29,273	22,041	13,334
Vehicle	17	65	15	65
Equipment	9,576	9,314	9,471	9,913
Technology	31,847	35,556	30,884	12,647
Total Maintenance and Repairs	**55,144**	**74,208**	**62,411**	**35,959**
Utilities	31,462	38,436	33,708	35,616
Professional Services	19,647	21,280	20,655	19,140
Community Support	-	3,000	3,000	-
Total Services	**51,108**	**62,716**	**57,363**	**54,756**
Library Collection	73,116	75,950	73,910	78,965
Total Capital Outlay	**73,116**	**75,950**	**73,910**	**78,965**
Total Expenditures	**$ 697,364**	**$ 764,259**	**$ 728,815**	**$ 730,657**

Significant changes for FY2019 include:

- FY2018 Technology Maintenance included a one-time upfront cost associated with converting to new software

General Operations

This department is used to account for expenditures that benefit the entire General Fund, but can not be easily identified as relating to an individual department. Accordingly, the department only has budgeted expenditures with no responsibilities, accomplishments, objectives or performance measures.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
General Resources	$ 6,057,217	$ 3,161,790	$ 2,977,231	$ 1,947,897
Total Revenues	**6,057,217**	**3,161,790**	**2,977,231**	**1,947,897**

Expenditures				
Salaries	-	-	-	(23,000)
Benefits	20,374	88,600	88,560	115,306
Travel and Training	36,226	25,492	24,567	20,492
Total Personnel Services	**56,601**	**114,092**	**113,126**	**112,798**
Office Supplies	5,561	5,019	4,653	6,440
Tools and Equipment	16,174	500	514	500
Chemical and Medical	622	300	166	300
Fuel	132	726	253	138
Postage and Shipping	21,315	16,000	18,564	15,000
Other Supplies	5,877	9,236	7,967	2,370
Total Supplies and Materials	**49,682**	**31,781**	**32,118**	**24,748**
Building, Structure and Land	49,248	48,054	43,332	67,800
Vehicle	199,172	192,663	192,202	188,785
Equipment	2,858	3,500	3,564	3,000
Total Maintenance and Repairs	**251,278**	**244,217**	**239,098**	**259,585**
Utilities	76,184	81,300	78,658	68,100
Professional Services	313,955	419,710	423,285	-
Insurance	251,466	269,100	272,462	275,000
Advertising	437	1,750	1,716	250
Leases/Rents	5,522	6,030	5,261	6,070
Joint Ventures	46,735	25,000	25,000	25,000
Total Services	**694,299**	**802,890**	**806,382**	**374,420**
Community Support	152,303	92,000	87,000	56,500
Other	37,397	41,375	44,391	283,132
Total Other Expenses	**189,700**	**133,375**	**131,391**	**339,632**

GENERAL FUND - GENERAL OPERATIONS

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Expenditures				
Transfer Out - Golf	-	280,000	280,000	70,000
Transfer Out - Asset Replacement	1,705,073	1,048,543	1,048,543	-
Transfer Out - Development Services	249,584	324,892	144,574	666,713
Transfer Out - General Debt Service	66,000	32,000	32,000	-
Transfer Out - General CIP	2,795,000	150,000	150,000	100,000
Transfer Out - Main Street	-	-	-	-
Total Transfers Out	**4,815,657**	**1,835,435**	**1,655,117**	**836,713**
Total Expenditures	**$ 6,057,217**	**$ 3,161,790**	**$ 2,977,231**	**$ 1,947,897**

Significant changes for FY2019 include:

- Addition of Project Manager position
- Budgeted salary savings of $73,000 for staff vacancies that will occur during the year
- Professional services previously paid from the General Operations department have been moved to Finance. These services include:
    1. Investment management
    2. Financial statement audit
    3. Fraud hotline
    4. Sales tax audits
    5. KCAD fee for property appraisal
    6. Property tax collections
    7. Continuing disclosure review
    8. Arbitrage calculations
    9. Banking and credit card fees

KERRVILLE

YOUR VOICE
YOUR CITY

DEVELOPMENT SERVICES FUND

DEVELOPMENT SVCS FUND - BUDGET SUMMARY

DEVELOPMENT SERVICES FUND - BUDGET SUMMARY

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget	Budget % Change
BEGINNING FUND BALANCE	$ -	$ -	$ -	$ -	
REVENUES					
Permits and Fees	506,358	459,450	510,000	510,000	11.0%
Operating Transfer In	249,584	349,312	209,843	708,688	102.9%
TOTAL REVENUES	755,943	808,762	719,843	1,218,688	50.7%
EXPENDITURES					
Personnel	659,908	738,478	648,060	777,490	5.3%
Supplies	13,527	10,666	10,666	19,150	79.5%
Maintenance	1,834	1,170	1,170	1,380	17.9%
Services	79,224	56,716	58,216	38,576	-32.0%
Other Expenses	1,450	1,731	1,731	2,892	67.0%
Operating Transfers Out	-	-	-	379,200	
TOTAL EXPENDITURES	755,943	808,762	719,843	1,218,688	50.7%
CHANGE IN NET POSITION	$ -	$ -	$ -	$ -	

For presentation and comparison purposes, Development Services is presented as if it was in a separate fund in all years.

Beginning in FY2019, Development Services will be broken out into its own fund to provide focus on improvements and enhance transparency. This fund accounts for Planning, Building Services and Code Compliance activities of the City. Kerrville 2050 specifically identified the need for to improve these activities in the Community & Neighborhood Character/Placemaking key priority area. In FY2019, the Development Services Fund plans to undertake a code rewrite project and implement new software. These projects have been identified as critical steps necessary to overhaul the operations of the department.

DEVELOPMENT SERVICES FUND REVENUES BY LINE ITEM

DEVELOPMENT SVCS FUND - REVENUES

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Contractor License	39,600	33,000	38,400	39,000
Building Permits	196,214	190,000	250,151	202,000
Electrical Permits	27,712	25,000	27,899	27,000
Plumbing And Gas Permits	32,928	28,000	30,685	30,000
Backflow Inspection Fee	3,000	4,000	5,200	3,000
Tear Down Permit	520	350	280	500
Zoning And Subdivision Fees	15,723	10,000	12,740	15,000
Mechanical Permits	31,218	23,000	29,716	32,000
Moving Permit	160	-	200	120
Sidewalk Fee	500	-	-	500
Irrigation Permit	903	1,500	2,359	1,000
Copies - Specs & Plans	-	-	-	-
Control Burn Permits	-	-	300	-
Lp Gas Permit	750	1,300	1,425	1,050
Tent Permit	500	600	480	580
Fire Sprinkler - No Bldg Permit	1,200	800	5,000	1,500
Fire Alarm - Commercial Only	600	400	2,000	1,550
Fire Alarm - Repair/Remodel	250	400	200	-
Waterflow Test Permit	1,050	1,000	1,580	750
Plan Check Fee	118,356	105,000	119,720	120,000
Flood Plain Permit Fee	425	-	275	100
Health Permit - Sanitation	3,105	3,100	3,040	3,100
Health Permit - Mobile	-	100	-	150
Health Permit - Seasonal	880	1,000	1,235	900
Health Permit - Fixed Facility	20,465	19,000	20,452	19,000
Hotel - Annual Permit	750	800	750	750
Vendor/Solicitor Permit	2,500	3,500	1,980	3,000
Group Home - Annual Permit	6,600	7,600	6,950	6,950
Group Home - Other Fees	450	-	225	500
Total Permits and Fees	**506,358**	**459,450**	**563,241**	**510,000**
Transfer In - General Fund	249,584	324,892	144,574	666,713
Transfer In - Water Fund	-	-	-	41,974
Total Transfers In	**249,584**	**324,892**	**144,574**	**708,688**
Total Revenues	**755,943**	**784,342**	**707,814**	**1,218,688**

DEVELOPMENT SERVICES FUND EXPENDITURES BY DEPARTMENT

Planning

Planning administers and enforces ordinances and codes for land use, zoning, and subdivision standards in addition to facilitating collaboration between the City Council, planning boards and commissions, citizens, and developers.

DEPARTMENT RESPONSIBILITIES

- **Planning:** responsible for reviewing residential and commercial permits to ensure compliance with all codes and ordinances
- **Boards and Committees:** responsible for facilitating meetings and ordinance updates with the Planning & Zoning Commission and the Zoning Board of Adjustment
- **Customer Service:** responsible for assisting developers and property owners with development and renovation that complies with current codes and ordinances

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Assisted with the completion and adoption of the Kerrville 2050 Comprehensive Plan
- Updated the Home Occupation ordinance
- Added regulations for Network Node Cell towers

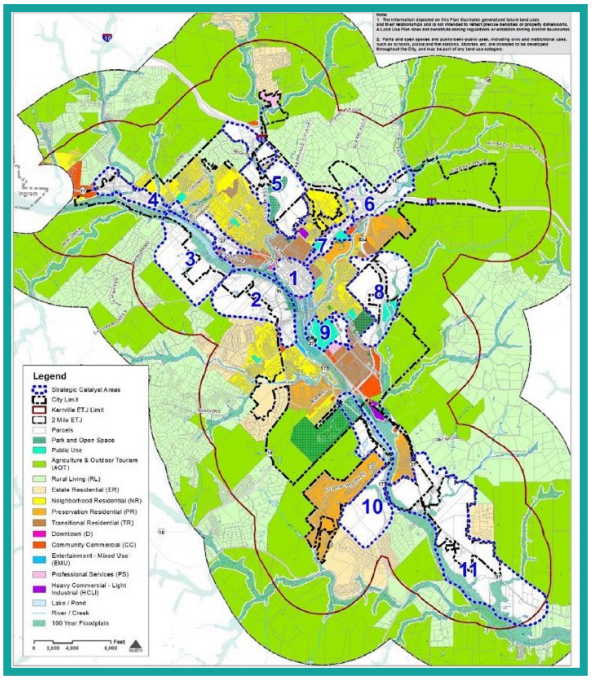
Did you know?

The City's zoning code requires that new Mobile Home Rental Communities construct a private park for the use of residents that is not less than 5 percent of the total area of the community.

FY2019 OBJECTIVES

Key Priority Area: Community & Neighborhood Character / Placemaking

- Operate department with a high degree of customer satisfaction
- Create efficient and effective administrative case review process
- Update planning forms to prepare for online submissions
- Increase public understanding of the importance of sound planning practices by working with the Chamber of Commerce to create a "Development Services 101" course for citizens
- Implement cross-training program for staff to improve productivity



DEVELOPMENT SVCS FUND - PLANNING

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Community & Neighborhood Character / Placemaking	Plats/Replats	34	n/a	8	4	7	6	25
	Zoning and Planning/DSP cases processed	33	n/a	8	10	8	9	35
	Board of Adjustment cases	14	n/a	1	4	5	3	13

Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Expenditures				
Salaries	123,910	91,645	83,540	118,418
Benefits	39,850	31,060	27,748	33,856
Travel and Training	2,669	2,800	2,500	2,377
Total Personnel Services	**166,430**	**125,505**	**113,788**	**154,651**
Office Supplies	801	1,036	982	1,211
Tools and Equipment	5,253	1,255	1,233	650
Wearing Apparel	-	250	78	125
Postage and Shipping	39	100	36	-
Other Supplies	86	345	-	500
Total Supplies and Materials	**6,179**	**2,986**	**2,329**	**2,486**
Technology	1,050	-	-	-
Total Maintenance and Repairs	**1,050**	**-**	**-**	**-**
Utilities	1,185	1,020	981	684
Professional Services	66,704	17,320	17,320	-
Insurance	100	100	100	-
Total Services	**67,989**	**18,440**	**18,400**	**684**
Other	550	674.94	674.94	589
Total Other Expenses	**550**	**675**	**675**	**589**
Total Expenditures	**$ 242,198**	**$ 147,605**	**$ 135,192**	**$ 158,410**

Building Services

Through consistent enforcement of a well defined building code and a proactive relationship with the building industry, Building Services commits to ensure the safety of buildings and structures in our community and work with the construction industry to maintain a standard of construction quality in the City of Kerrville.

DEPARTMENT RESPONSIBILITIES

- **Inspection:** responsible for reviewing and inspecting buildings and structure plans
- **Permits**: responsible for issuing permits for construction projects
- **Enforcement:** responsible for enforcing building codes through the inspection and permit process
- **Customer service:** responsible for assisting developers and property owners with the permit process in an expedient and efficient manner

DEPARTMENT ACCOMPLISHMENTS

In FY2017, we:

- Issued 875 permits
- Performed 4,606 Inspections
- Completed inspections within 24 hours of request

Did you know?

With the conversion to the new Development Services software, "My Government Online", customers will be able to track the progress of projects, permits, and inspections through their online portal.

FY2019 OBJECTIVES

Key Priority Area: Community & Neighborhood Character / Placemaking

- Ensure practical fiscal position through efficient use of funds
- Expand public outreach and education
- Invest in Building Services staff education and training to ensure building and life safety compliance for the community
- Provide staff with effective tools to perform at peak performance
- Provide excellent customer service

DEVELOPMENT SVCS FUND - BUILDING SERVICES

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Community & Neighborhood Character / Placemaking	Total number of permits	875	n/a	281	278	331	292	1,182
	Total number of inspections	4,606	n/a	769	871	945	1,078	3,663
	Next day inspections	100%	n/a	100%	100%	100%	100%	100%

Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Expenditures				
Salaries	288,872	362,158	323,945	374,674
Benefits	83,011	102,862	94,872	104,989
Travel and Training	2,031	3,788	4,092	10,809
Total Personnel Services	**373,914**	**468,809**	**422,909**	**490,473**
Office Supplies	1,631	3,179	3,258	4,590
Tools and Equipment	572	1,442	1,316	4,328
Chemical and Medical	14	50	-	90
Fuel	1,559	1,700	2,048	1,558
Wearing Apparel	924	860	726	975
Postage and Shipping	519	150	102	350
Other Supplies	-	50	348	100
Total Supplies and Materials	**5,219**	**7,431**	**7,797**	**11,991**
Vehicle	530	560	128	784
Total Maintenance and Repairs	**530**	**560**	**128**	**784**
Utilities	2,259	3,120	2,499	2,916
Professional Services	7,850	7,215	7,215	4,000
Insurance	200	100	100	100
Total Services	**10,309**	**10,435**	**9,814**	**7,016**
Other	805	626	1,028	823
Total Other Expenses	**805**	**626**	**1,028**	**823**
Total Expenditures	**$ 390,776**	**$ 487,861**	**$ 441,676**	**$ 511,086**

FY2018 Estimated includes:

- Salary savings related to a staffing vacancies

Code Compliance

Through consistent enforcement of a well defined building code and a proactive relationship with the building industry, Building Services commits to ensure the safety of buildings and structures in our community and work with the construction industry to maintain a standard of construction quality in the City of Kerrville.

DEPARTMENT RESPONSIBILITIES

- **Inspection:** responsible for inspecting all commercial restaurants, commercial kitchens, pools, and convenience stores for health and safety hazards
- **Enforcement:** responsible for enforcing codes related to buildings, grounds, and nuisances
- **Customer service:** responsible for developing programs and relationships within the community to beautify our City through voluntary compliance with codes

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Issued 208 Fixed Facility Health Permits
- Issued 45 Commercial Pool Permits per year
- Issued 38 Temporary Health Permits per year
- Completed 422 enforcement cases (proactive and reactive)
- Completed 519 health inspections

FY2019 OBJECTIVES

Key Priority Area: Community & Neighborhood Character / Placemaking

- Ensure practical fiscal position through efficient use of funds
- Expand public outreach and education
- Invest in Building Services staff education and training
- Ensure building and life safety compliance for the community
- Provide staff with effective tools to perform at peak efficiency
- Provide excellent customer service
- Rewrite enforcement codes
- Update software

Did you know?

While chickens are allowed within the City limits, you cannot keep more than 50 baby chicks at one time, and roosters old enough to crow are a violation of City ordinance.

DEVELOPMENT SVCS FUND - CODE COMPLIANCE

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Community & Neighborhood Character / Placemaking	Routine Inspections	n/a	n/a	96	83	75	61	315
	New-Pre-Op, Site Visits etc.	n/a	n/a	16	6	14	20	56
	Complaints-follow ups, Compliance	n/a	n/a	20	19	10	16	65
	Temporary Event inspections	38	n/a	15	5	14	23	57
	Pools	45	n/a	0	0	30	16	46
	Reactive code enforcement cases	n/a	n/a	60	52	95	90	297
	Proactive code enforcement cases	n/a	n/a	30	30	19	17	96
	Boarding Home/Group Home	n/a	n/a	0	3	15	2	20

Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Expenditures				
Salaries	89,644	94,324	93,222	97,228
Benefits	28,265	29,368	28,847	30,124
Travel and Training	1,657	3,063	1,433	5,014
Total Personnel Services	**119,566**	**126,754**	**123,502**	**132,367**
Office Supplies	837	467	703	716
Tools and Equipment	328	493	584	2,580
Chemical and Medical	7	9	9	-
Fuel	575	700	729	688
Wearing Apparel	381	600	572	640
Postage and Shipping	-	38	38	-
Other Supplies	-	50	-	50
Total Supplies and Materials	**2,129**	**2,357**	**2,635**	**4,673**
Vehicle	254	610	63	596
Total Maintenance and Repairs	**254**	**610**	**63**	**596**
Utilities	259	876	828	876
Professional Services	667	17,733	3,619	30,000
Total Services	**926**	**18,609**	**4,447**	**30,876**
Community Support	-	-	-	1,000
Other	95	545	299	480
Total Other Expenses	**95**	**545**	**299**	**1,480**
Total Expenditures	**$ 122,969**	**$ 148,876**	**$ 130,946**	**$ 169,992**

General Operations

This department is used to account for expenditures that benefit the entire General Fund, but can not be easily identified as relating to an individual department. Accordingly, the department only has budgeted expenditures with no responsibilities, accomplishments, objectives or performance measures.

Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Expenditures				
Transfer Out - General CIP	-	-	-	379,200
Total Transfer Out	**-**	**-**	**-**	**379,200**
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ 379,200**
Net Expenditures	**$ -**	**$ -**	**$ -**	**$ (379,200)**

Significant changes for FY2019 include:

- $300,000 transfer to General Capital Projects fund for a code rewrite project
- $79,200 transfer to General Capital Projects fund for new software

WATER FUND

KERRVILLE

YOUR VOICE
YOUR CITY

WATER FUND BUDGET SUMMARY

WATER FUND - BUDGET SUMMARY

WATER FUND - BUDGET SUMMARY

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget	Budget % Change
BEGINNING FUND BALANCE	$ 6,669,347	$ 11,625,043	$ 11,625,043	$ 12,472,502	
REVENUES					
Service Revenues	11,878,947	12,247,155	11,970,638	12,496,232	2.0%
Interest and Miscellaneous	17,825	18,300	78,151	34,500	88.5%
Transfer In	-	414,622	414,622	-	-
TOTAL REVENUES	11,896,772	12,680,077	12,463,411	12,530,732	-1.2%
EXPENDITURES					
Personnel	2,920,139	3,043,948	2,981,324	3,216,591	5.7%
Supplies	672,103	659,350	640,632	833,343	26.4%
Maintenance	697,080	1,002,069	952,582	858,679	-14.3%
Services	803,987	1,009,830	986,086	967,886	-4.2%
Other Expenses	59,102	73,459	76,498	336,691	358.3%
Capital Outlay	162,451	145,715	130,976	130,895	-10.2%
Operating Transfers Out	6,340,871	6,331,085	5,847,854	6,186,647	-2.3%
TOTAL EXPENDITURES	11,655,734	12,265,455	11,615,952	12,530,732	2.2%
CHANGE IN NET POSITION	241,038	414,621	847,459	-	
NONCASH ADJUSTMENTS	4,714,658	-	-	-	
ENDING FUND BALANCE	$11,625,043	$12,039,664	$12,472,502	$12,472,502	
CASH + RECEIVABLES	$ 3,536,943	$ 3,839,927	$ 3,839,927	$ 4,008,527	
RESERVE %	30.3%	31.3%	33.1%	32.0%	

WATER FUND - BUDGET SUMMARY

The Water Fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide those services are accounted for in this fund, including Water Production, Water Reclamation, Water Distribution, and Utility Billing. For accounting and financial reporting purposes, the Water Fund is considered an enterprise fund that uses the full accrual basis of accounting.

The FY2019 budget for the Water Fund includes $12.5 million in revenues and expenditures, resulting in a balanced budget. This budget anticipates having cash and current receivables on hand of $4.0 million at the end of FY2019, creating a reserve of 32.0% of annual expenditures. Variance analysis on changes over $100,000 is as follows:

1. **Service Revenues** - up 2.0% - Service revenues are increasing due to a 4% increase in volumetric water rates, a 2% increase in volumetric sewer rates, various increases in meter and tap fees, and an estimated 1.5% growth in number of customers.
2. **Transfer In** - down to 0 - FY2018 includes a one time transfer from the Debt Service Fund related to the December 2017 debt refinancing.
3. **Personnel** - up 5.7% - The increase is due to the addition of one position in Water Distribution, merit increases that average 3% for all employees, and a small increase in the actuarially calculated contribution rate for retirement benefits through the Texas Municipal Retirement System.
4. **Supplies** - up 26.4% - The increase is due to anticipated increases in chemical prices as well as a full year of operation at the reuse pond.
5. **Maintenance** - down 14.3% - FY2018 included expenditures for several large pump and well repairs that we anticipate will not recur in FY2019.
6. **Other Expenses** - up 358.3% - FY2019 includes $250,000 in contingency that is budgeted in the other expense category. As large emergency repairs (such as wells and pumps) occur during the year, the contingency budget will be transferred from this line item to a specific line item in the appropriate department.
7. **Operating Transfer Out** - down 2.3% - FY2018 included $347,218 in capital projects related transfers that will not recur in FY2019.

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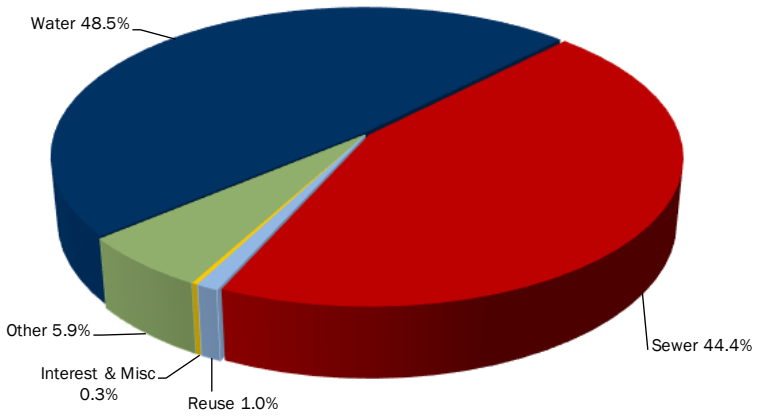
WATER FUND REVENUES

WATER FUND REVENUES

FY2019 budgeted revenue totals $12.5 million, which includes rate increases of 2% for water and 4% for sewer services.

Water sales comprises 48.5% of all revenue. Sewer service is the second largest revenue source at 44.4%.

Water Fund - Revenue Sources

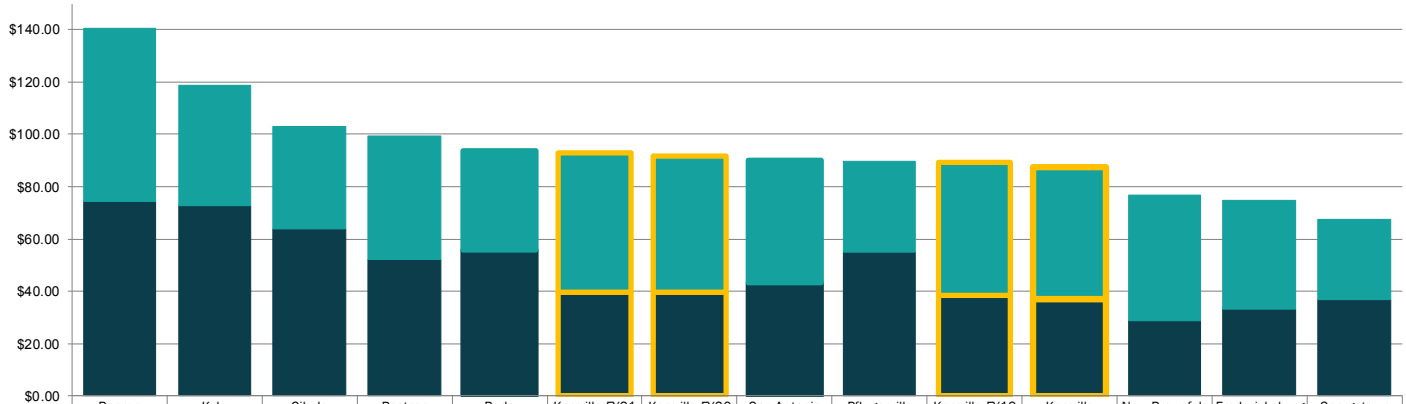


RATES

The City increased volumetric water rates by 4% and volumetric sewer rates by 2% in FY2019. In addition, our longer range plan contemplates a 6% water rate increase in FY2020 and 2% sewer rate increases in both FY2020 and FY2021. These increases are needed to fund major improvements such as the expansion of the Legion Lift Station and a project mandated by the Texas Commission on Environmental Quality to reduce a disinfection by-product called total trihalomethanes (TTHM) in our water supply. The rate increases also fund annual operating cost increases, such as personnel and supply expense.

The graph below shows that in comparison to the FY2018 rate in other cities, Kerrville's FY2018 rates are low. Even with increases through FY2021, Kerrville's rates remain in the mid-range compared to FY2018 rates in other cities. Six of the ten comparison cities had rate increases of 1.4% to 7.0% in FY2018. Two have already announced increases of 4.7% and 6.2% in FY2019. The rate increases will add $1.84 to an 8,000 gallon residential monthly bill.

Water and Sewer Fees - Residential - 8,000 gallons

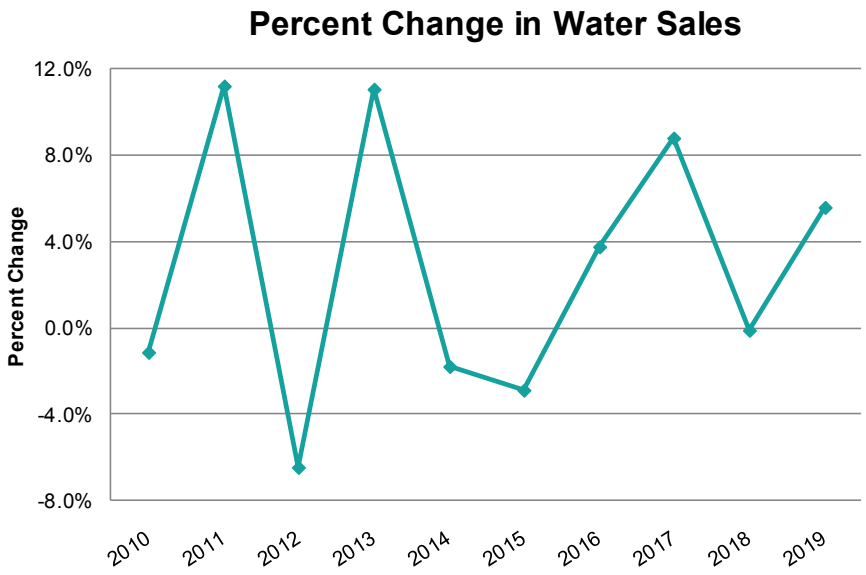


	Boerne	Kyle	Cibolo	Bastrop	Buda	Kerrville FY21	Kerrville FY20	San Antonio	Pflugerville	Kerrville FY19	Kerrville	New Braunfels	Fredericksburg	Georgetown
Sewer	$65.82	$45.83	$39.25	$47.53	$37.68	$52.89	$52.03	$46.92	$34.90	$51.19	$50.36	$48.13	$41.83	$30.65
Water	$74.57	$72.83	$63.90	$52.01	$55.90	$39.87	$39.87	$43.26	$54.95	$38.29	$37.28	$28.65	$33.13	$37.00
Total	$140.39	$118.66	$103.15	$99.54	$93.58	$92.76	$91.90	$90.18	$89.85	$89.48	$87.64	$76.78	$74.96	$67.65

Water Sewer

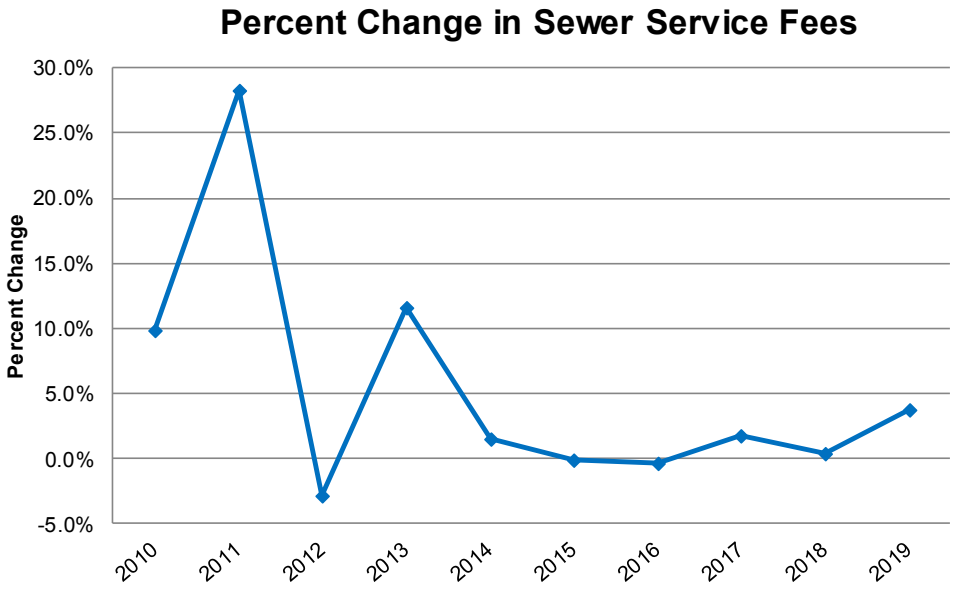
WATER SALES

The graph below shows the volatility of the Water Fund's largest revenue source, water sales. Water sales vary widely between years due to rainfall and drought restrictions. FY2017 was an average rainfall year. Rainfall for the fiscal year totaled 31.08 inches, which compares to an 86 year average of 31.17 inches. Accordingly, we recalibrated our revenue forecast models to use FY2017 as a base year. Our FY2019 budget begins with consumption data from FY2017 and layers on account growth and rate adjustments assumptions to calculate the FY2019 water sales budget.



SEWER SERVICE

Sewer service revenue represents the amount billed to customers for their sewer service. We are not able to meter actual sewer usage, so instead we bill a flat rate for residential sewer service. The residential rate is calculated annually for each account and is based on an average of actual water consumption during the winter months. As the graph shows, sewer revenues are difficult to forecast. Our FY2019 budget factors in anticipated growth as well as a 2% volumetric rate increase.



REUSE SALES

In FY2018, the City completed work on a reuse pond. Before the reuse pond was built, water was sent through the sewer system to the Water Reclamation facility. The water was cleaned and treated at the facility and then released back into the Guadalupe River. The reuse pond allows the City to capture the treated water rather than put it back into the river. The water is not potable, but can be used for irrigation.

In FY2019, the City will send reuse water to eight customers. We estimate that these customers will use almost 260 million gallons of reuse water in FY2019. Irrigating with reuse water rather than potable water has a significant impact on the amount of potable water available for Kerrville citizens and is part of the City's plan to protect and preserve our most valuable natural resource.

Consumption estimates for Comanche Trace, Scott Schreiner Golf Course, Kerrville Independent School District, Landfill Soccer Fields, and Kerr County Animal Control are based on historical averages with FY2017 used as the primary base year. Kerrville Sports Complex has one year of consumption activity. It is difficult to judge if first year of use is a valid average, considering the fields were not used during approximately half of the year. In addition, the Sports Complex has plans to irrigate additional landscaped acreage in FY2019. Schreiner University has no historical reuse data, so FY2019 estimates are subject to change. Riverhill's contract specifies that they must buy at least 30 million gallons of reuse water annually, beginning within 14 months of the reuse water becoming available. Reuse water was not be available to Riverhill until the end of July 2018, so we are assuming that Riverhill's reuse water consumption will not begin until FY2020. A breakdown of the estimated consumption by customer is as follows:

Reuse Customer	Estimated Consumption	Revenue
Comanche Trace	93,000,000	$ 35,484
Kerrville Sports Complex	60,000,000	22,944
Scott Schreiner Golf Course	57,000,000	21,804
Schreiner University	30,000,000	19,644
Riverhill	-	144
KISD	15,000,000	11,394
Landfill Soccer Fields	4,884,211	2,000
Kerr County Animal Control	103,100	211
Truck Haulers		9,000
	259,987,311	$122,625

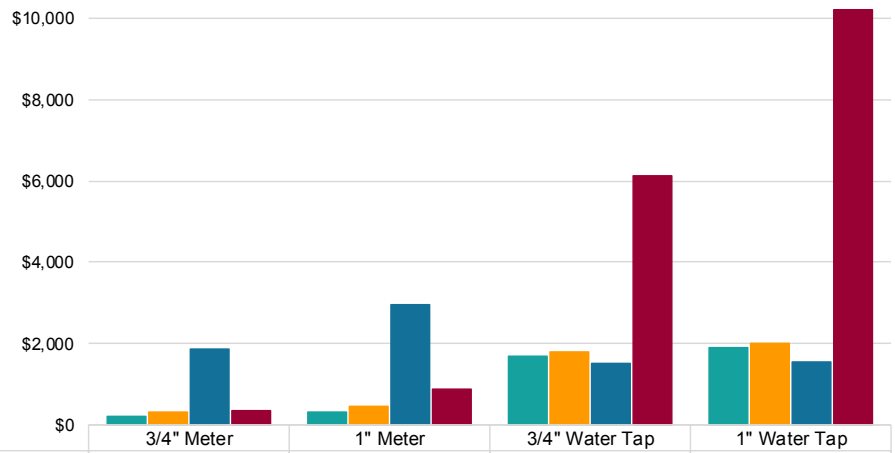
OTHER FEES

The FY2019 budget proposes fee changes on meters, water taps, sewer taps, and new account fees. The meter and tap changes are needed to cover increased labor and material cost. The change in the new account fee structure will encourage customers to take advantage of electronic options for billing and payment, which will allow Utility Billing to serve a larger number of accounts without increasing staff.

METERS WITH EXISTING TAP	Current Fee	New Fee	Change
5/8" Meter- Material, labor, & equipment	$ 200	$ 300	$ 100
3/4" Meter-Meter, labor, & equipment	200	300	100
1" Meter-Meter, labor & equipment	300	450	150
1 1/2" Meter - Meter, labor, & equipment	525	650	125
WATER TAPS			
3/4" Tap--Material, labor, & equipment	1,694	1,800	106
1" Tap --Material, labor, & equipment	1,883	2,000	117
1 1/2" Tap-Material, labor, & equipment	3,504	3,650	146
1" Water service split	568	700	132
2" Water service; commercial/domestic	4,445	4,600	155
2" Water service; irrigation	3,445	3,500	55
SEWER TAPS			
4" Sewer Tap	1,528	1,600	73
4" Internal Drop	1,254	1,300	46
6" Tap out of manhole	1,646	1,700	54
6" Tap & manhole	3,835	4,000	165
NEW ACCOUNTS			
New Account Set Up Fee	25	30	5
New Account Set Up Fee w/ auto pay **OR** ebill	15	20	5
New Account Set Up Fee w/ auto pay **AND** ebill	n/a	$ 15	n/a

This analysis shows that even with fee increases, Kerrville's fee structure is lower than surrounding cities.

Sampling of Meter and Tap Fees



	3/4" Meter	1" Meter	3/4" Water Tap	1" Water Tap
Kerrville Current Fee	200	300	1,694	1,883
Kerrville Proposed Fee	300	450	1,800	2,000
Fredericksburg	1,840	2,944	1,500	1,550
Boerne	350	875	6,122	10,203

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WATER FUND REVENUES BY LINE ITEM

WATER FUND - REVENUES

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Water Sales	5,755,002	5,808,929	5,750,069	6,072,434
Reuse Water Sales	75,773	117,462	72,528	122,625
Water Tap	55,841	62,000	107,229	67,200
Sewer Service	5,338,455	5,608,764	5,357,415	5,559,473
Sewer Tap	51,547	38,850	24,212	44,000
Waste Disposal	342,486	354,000	390,609	360,000
New Meters	21,718	10,000	24,243	24,000
Requested Service/Repair	11,088	15,000	18,812	15,000
Water Sample Test	10,936	12,800	11,325	13,000
Wastewater Sample Test	4,257	4,400	4,681	4,500
Capacity Analysis	500	1,500	1,000	1,500
Service Charge	49,245	50,000	30,465	50,000
New Account Fee	42,175	40,000	39,036	41,000
New Account Fee - Auto Pay	1,380	1,050	735	1,500
Late Fee / Penalty	118,545	122,400	138,280	120,000
Total Services	**11,878,947**	**12,247,155**	**11,970,638**	**12,496,232**
Returned Item Fee	1,775	2,000	2,025	2,000
Recovery Of Bad Debts	300	500	-	500
Interest Revenue	15,424	10,800	27,696	27,000
Miscellaneous Revenue	325	5,000	48,431	5,000
Total Interest and Miscellaneou	**17,825**	**18,300**	**78,151**	**34,500**
Transfer In - Debt Service	-	-	414,622	-
Total Transfers In	**-**	**-**	**414,622**	**-**
Total Revenues	**11,896,772**	**12,265,455**	**12,463,411**	**12,530,732**

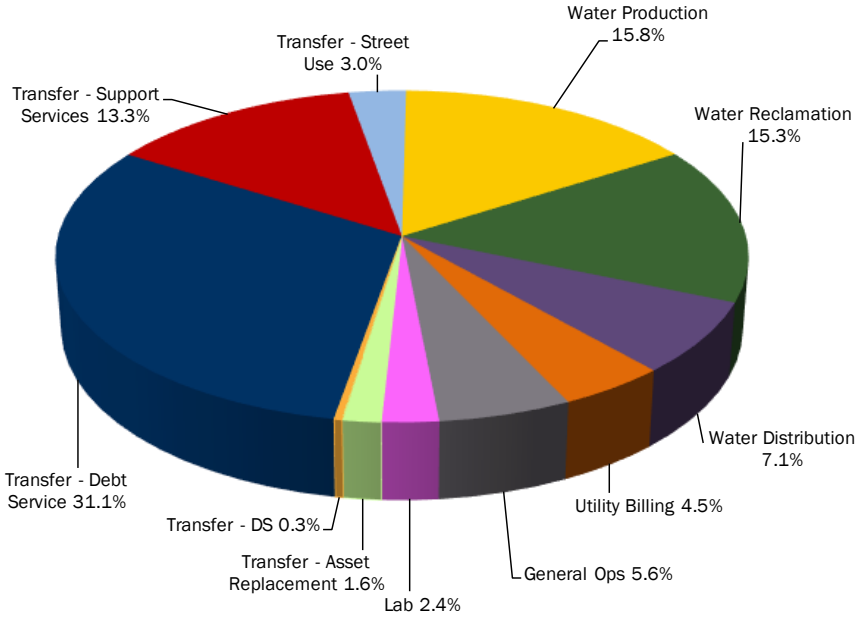
WATER FUND EXPENDITURES

WATER FUND - EXPENDITURES

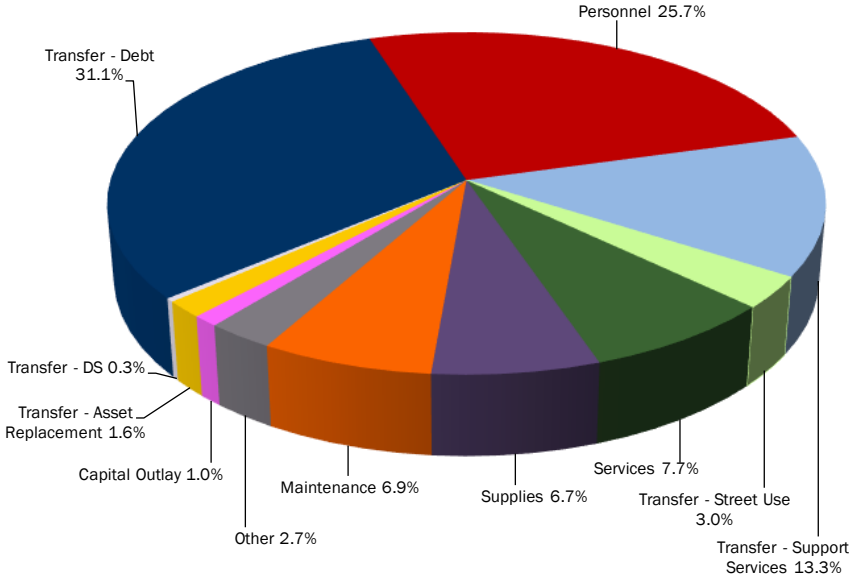
BY DEPARTMENT

Water Production, Water Reclamation, and Water Distribution are the largest operating departments in the Water Fund. Other large expenditures include transfers out for debt service and to the General Fund for support services and a street use fee. The FY2019 debt service transfer includes the first payment on the Texas Water Development Board debt for the Legion Lift Station expansion. The transfer to the General Fund is explained in more detail on the following page.

Water Fund - Expenditure by Department



Water Fund - Expenditure by Category



BY CATEGORY

From this view, transfers to debt service are the largest category of expenditure. The second largest category is personnel. FY2019 includes a new position in the Water Distribution department. In addition, employees are budgeted to receive an average 3% merit increase. The third largest category is a transfer to the General Fund to pay for the support services it provides to the Water Fund. The transfer to the General Fund is explained in more detail on the following page.

TRANSFERS OUT

Transfer out to the General Fund - The Water Fund pays for a portion of support services provided by the General Fund. Costs for each department are allocated based on applicable measures as shown below.

In FY2019, the support services fee has increased due to:

- The addition of a charge from Parks Maintenance for mowing and landscape maintenance at 22 well sites, 1 lift station, and the right of way around Water Fund property
- A portion of additional staff in Engineering and Public Works Administration
- Street Use Fee has increased from 2% to 3% of Water Fund revenues. The additional 1% is going directly to increase the FY2019 paving budget in the Streets department. Much of the Water Fund infrastructure is located under streets. Repairs often necessitate cutting and repairing the street.

Description	FY2019 Amount	Allocation %	Allocation basis
City Council	$ 4,795	40%	Average Water % of operating + CIP budget
City Secretary	75,346	40%	Average Water % of operating + CIP budget
City Attorney	114,004	40%	Average Water % of operating + CIP budget
City Administration	232,715	40%	Average Water % of operating + CIP budget
Human Resources	57,763	15%	% of Water FTE
Finance	221,196	43%	% of Water assets
Information Technology	513,717	46%	% of Water related software expense
Parks Maintenance	25,805		Estimated hours * average salary
Engineering	243,397	50%	Average Water % of CIP budget
Public Works Admin	106,007		Public Works Director - Water of total Public Works budget Public Works Admin Asst - % of hours spent on Water work
General Operations	72,678	40%	Average Water % of operating + CIP budget
Support Services Fee	1,667,424		
Street Use Fee	376,666		
Total	$ 2,044,090		

Management Fee Comparison			
Description	FY2017	FY2018	FY2019
City Council	4,523	3,675	4,795
City Secretary	85,495	69,352	75,346
City Attorney	123,086	105,409	114,004
City Admin	325,916	252,169	232,715
Human Resources	177,121	57,232	57,763
Finance	200,721	186,337	221,196
Information Technology	603,851	543,669	513,717
Parks Maintenance	-	-	25,805
Engineering	179,059	214,063	243,397
Public Works Admin	63,636	78,812	106,007
General Operations	135,930	109,711	72,678
Support Services Fee	1,899,338	1,620,429	1,667,424

PRIOR YEAR COMPARISON

In FY2018, we changed our cost allocation methodology, which lowered the annual Support Services Fee. The table to the left shows three years of comparative information. FY2019 is 2.9% higher than the FY2018 allocation primarily due to the addition of a charge from Parks Maintenance for mowing and landscaping at 22 well sites and 1 lift station.

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WATER FUND EXPENDITURES BY DEPARTMENT

Utility Billing

The Utility Billing department sets up new customer accounts, provides timely and accurate utility billing services including meter reading, billing, collection, and customer service. Utility Billing maintains the City's meter infrastructure and installs new meters.

DEPARTMENT RESPONSIBILITIES

- **Billing and Collections:** responsible for billing utility services in a timely and accurate manner, collecting and recording customer payments, establishing new utility service and general customer service
- **Meter Services:** responsible for meter reading, meter maintenance and general customer service

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Upgraded infrastructure by updating our Utility Billing software to Incode 10
- Partnered with Public Works to implement a low-flow toilet rebate program that encourages water conservation
- Improved meter reading efficiency and accuracy by replacing meter lids that blocked transmission signals
- Initiated incentive program for customers in order to increase electronic billing and auto pay participation
- Increased electronic payments from customers to 47% of total payments received
- Provided service to 10,141 accounts
- Achieved a collection rate of 98%
- Read over 120,800 meters
- Completed 12,013 service orders
- Set 48 new meters

FY2019 OBJECTIVES

Key Priority Area: Public Facilities & Services

- Increase payment options for customers with the addition of an interactive voice response phone payment system
- Continue to increase the number of electronic payments and e-bills to reduce costs
- Improve customer service through the development of more standardized processes
- Create and utilize online customer application

Key Priority Area: Water, Wastewater & Drainage:

- Continue to maintain and upgrade infrastructure through consistent meter maintenance processes
- Improve meter installation processes

Did you know?

Fiscal Year 2017 was actually an average rainfall year! Total rainfall for the year was 31.08 inches, which is just 0.35 inches more than the 30-year average of 30.73 inches.

WATER FUND - UTILITY BILLING

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Public Services & Facilities	Utility bills collected within 25 days	98.0%	98.2%	98.3%	98.3%	98.3%	98.3%	98.3%
	Electronic payments	43%	35%	38%	40%	43%	46%	46%
	Electronic bills	NA	20%	n/a	n/a	n/a	n/a	18%
	Service Orders	12,013	n/a	2,678	2,721	2,791	3,066	11,256
	Transactions in office	71,860	n/a	17,219	17,288	17,078	19,066	70,651
	Total water sold (million gallons)	1,347	n/a	330	217	342	393	1,282

KERRVILLE 2050

WATER FUND - UTILITY BILLING

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Service Charge	$ 49,245	$ 50,000	$ 30,465	$ 50,000
New Account Fee	42,175	40,000	39,036	41,000
New Account Fee - Auto Pay	1,380	1,050	735	1,500
Late Fee / Penalty	118,545	122,400	138,280	120,000
Returned Item Fee	1,775	2,000	2,025	2,000
Recovery Of Bad Debts	300	500	-	500
General Resources	372,766	325,260	329,414	349,291
Total Revenues	**586,186**	**541,210**	**539,955**	**564,291**

Expenditures				
Salaries	306,209	275,303	274,974	284,410
Benefits	105,769	93,341	93,812	95,592
Travel and Training	815	-	-	2,650
Total Personnel Services	**412,793**	**368,644**	**368,786**	**382,652**
Office Supplies	2,835	2,194	2,301	2,296
Tools and Equipment	18,225	1,735	1,680	3,050
Chemical and Medical	306	250	231	250
Fuel	4,615	4,670	5,228	4,950
Wearing Apparel	1,552	1,832	1,060	1,110
Postage and Shipping	46,127	41,200	42,201	48,000
Other Supplies	757	880	549	2,002
Total Supplies and Materials	**74,418**	**52,761**	**53,251**	**61,658**
Vehicle	1,083	510	560	1,044
Equipment	2,949	3,585	3,582	3,600
Technology	3,123	820	1,073	1,634
Water System	28,396	53,750	51,966	57,000
Total Maintenance and Repairs	**35,551**	**58,665**	**57,181**	**63,277**
Utilities	2,095	2,054	2,217	2,304
Professional Services	10,629	13,486	14,269	13,900
Insurance	600	500	599	500
Total Services	**13,324**	**16,040**	**17,086**	**16,704**
Machinery, Tools and Equipment	19,500	-	-	-
Water System	30,600	45,100	43,652	40,000
Total Capital Outlay	**50,100**	**45,100**	**43,652**	**40,000**
Total Expenditures	**$ 586,186**	**$ 541,210**	**$ 539,955**	**$ 564,291**

Water Production

Water Production focuses on producing high quality drinking water using native groundwater wells, surface water from the Guadalupe River and Aquifer Storage and Recovery (ASR) wells as water sources.

- **Water Treatment and Storage:** responsible for treating water from the Guadalupe River and the Lower Trinity Aquifer to drinking water standards and storing excess drinking water into aquifer storage and recovery (ASR) wells for use during times of need
- **Water Pressure and Volume:** responsible for moving drinking water to storage tanks using booster stations to provide the necessary pressure and volume to meet daily customer demand and emergency fire flow requirements
- **Water Data Collection:** responsible for recording tank and aquifer levels, pumping flow, pumping totals, chemical usage, disinfection levels, treatment parameters, and historical data to comply with regulatory requirements

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Installed land application piping for the backwash water
- Installed wellhead protection at the Legion Monitor Well
- Upgraded (5) sites with electrical tie-ins for generators
- Installed new laser track turbidimeters
- Removed and disposed of 1.5 million pounds of water plant sludge
- Completed required maintenance at Nimitz Dam
- Painted Kerrville North Tank and (4) well sites

FY2019 OBJECTIVES

Key Priority Area: Water, Wastewater & Drainage:

- Improve the water quality program to meet TTHM standards set by EPA
- Provide excellent customer service and educational information
- Upgrade and maintain infrastructure to improve efficiencies and water quality
- Invest in training to ensure staff is operating in a safe and competent manner

Did you know?

It takes water to treat water. Almost two million gallons of finished water is recycled back into the treatment process to make an average of one hundred million gallons produced each month.

WATER FUND - WATER PRODUCTION

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Water, Wastewater & Drainage	Average daily raw surface water treated (MG)	3.771	4.025	3.498	3.670	4.267	3.366	3.765
	Average daily treated surface water stored in ASR (MG)	0.637	0.654	0.421	0.858	0.379	0.222	0.507
	Average daily treated surface water recovered from ASR	0.148	0.150	0.060	n/a	0.102	0.410	0.122
	Average daily treated surface water distributed (MG)	3.188	3.455	2.950	3.184	3.858	3.074	3.304
	Average daily ground water distributed (MG)	0.543	0.540	0.279	0.324	0.369	0.807	0.700
	Total surface water stored in ASR (MG)	849.922	915.000	865.710	942.882	968.369	951.113	951.113
	Peak day (MGD)	4.895	6.350	4.519	4.719	5.727	6.400	6.400
	Lowest safe operating capacity	9.758	6.750	9.758	9.758	7.883	7.883	7.883

WATER FUND - WATER PRODUCTION

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Water Sales	$ 5,755,002	$ 5,808,929	$ 5,750,069	$ 6,072,434
Excess to General Resources	(4,062,110)	(3,850,549)	(3,791,961)	(4,091,894)
Total Revenues	**1,692,892**	**1,958,380**	**1,958,108**	**1,980,540**

Expenditures				
Salaries	645,750	680,422	677,478	721,405
Benefits	190,920	204,305	202,125	211,786
Travel and Training	7,929	7,743	7,847	13,503
Total Personnel Services	**844,599**	**892,471**	**887,450**	**946,694**
Office Supplies	3,212	1,522	1,378	3,158
Tools and Equipment	5,572	7,651	7,789	40,242
Chemical and Medical	234,962	180,561	179,662	232,260
Fuel	7,440	7,790	8,586	11,249
Wearing Apparel	3,435	4,807	5,329	4,693
Postage and Shipping	7,884	9,284	9,284	14,870
Other Supplies	4,692	6,183	6,195	8,112
Total Supplies and Materials	**267,197**	**217,798**	**218,223**	**314,583**
Building, Structure, Land Maintenance	2,889	22,905	23,010	12,960
Vehicle	3,133	2,768	2,769	5,336
Equipment	58,259	43,623	43,502	55,680
Technology	4,960	5,287	5,287	7,974
Street Maintenance	-	301	301	2,600
Water System	149,494	347,866	344,179	170,654
Wasterwater System	-	-	-	850
Total Maintenance and Repairs	**218,735**	**422,751**	**419,049**	**256,054**
Utilities	298,390	336,789	336,079	341,304
Professional Services	26,223	28,401	36,691	59,450
Adverstising	-	-	-	600
Lease / Rent	794	12,500	12,496	2,850
Total Services	**325,407**	**377,690**	**385,266**	**404,204**
Other	36,954	42,370	42,332	59,005
Total Other Expenses	**36,954**	**42,370**	**42,332**	**59,005**
Machinery, Tools and Equipment	-	5,300	5,788	-
Total Capital Outlay	**-**	**5,300**	**5,788**	**-**
Total Expenditures	**$ 1,692,892**	**$ 1,958,380**	**$ 1,958,108**	**$ 1,980,540**

Water Distribution

Water Distribution provides 24/7 construction support and maintenance for the City's water and wastewater infrastructure. Water Distribution also installs new water and sewer taps for new development.

DEPARTMENT RESPONSIBILITIES

- **Construction, Maintenance, and Repair:** responsible for the construction, maintenance, and repair of City water and wastewater infrastructure
- **Fire Hydrant Program:** responsible for installation, maintenance and repair of all fire hydrants located within the City's distribution system

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Relocated over 600 feet of water mains
- Started a valve exercising program
- Responded to over 1,500 Texas 811 utility locate requests
- Completed over 2,000 customer requested work orders, including new taps and other repairs
- Set 48 new meters

FY2019 OBJECTIVES

Key Priority Area: Water, Wastewater & Drainage:

- Ensure that all fire hydrants within the distribution system are properly maintained
- Exercise 25 percent of the control valves in the distribution system
- Evaluate all existing water valves and make necessary replacements
- Ensure valve locations in GIS are accurate

Key Priority Area: Public Facilities & Services

- Provide a high level of customer service by responding to all dig test requests within the allowed time, responding to any main leaks within 3 hours, and making all necessary notifications to the public when needed
- Invest in training so staff is operating with optimal knowledge of safety and operations

Did you know?

The City of Kerrville has over 215 miles of water mains, over 1,400 fire hydrants, and over 5,500 control valves in the distribution system.

WATER FUND - WATER DISTRIBUTION

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Water, Wastewater & Drainage	Customer service calls	2,158	2,100	524	640	357	712	2,233
	% of customer service calls responded to within 24 hours	96%	95%	94%	96%	95%	98%	95.75%
	Water main leak/break calls	100	80	22	21	12	7	62
	% of water main leaks responded to within 24 hours	100%	100%	100%	100%	100%	1	100%
	Man-hours for distribution system point repairs	13,790	14,000	3,840	3,840	3,840	3,840	15,360
	Linear footage of water main replaced	859	800	146	58	250	527	981
	Linear footage of new water mains constructed in-house	359	480	82	129	380	52	643
	# of new fire hydrants installed	2	4	0	1	1	0	2
	# of fire hydrants replaced	2	4	0	1	1	0	2
	# of fire hydrants repaired	213	150	33	23	16	34	106
	Total # of fire hydrants in system	1,415	1,420	1,415	1,416	1,417	1,471	1,417

KERRVILLE 2050

WATER FUND - WATER DISTRIBUTION

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Water Tap	$ 55,841	$ 62,000	$ 107,229	$ 67,200
Sewer Tap	51,547	38,850	24,212	44,000
New Meters	21,718	10,000	24,243	24,000
Requested Service/Repair	11,088	15,000	18,812	15,000
General Resources	600,055	702,260	563,268	736,618
Total Revenues	**740,248**	**828,110**	**737,763**	**886,818**

Expenditures				
Salaries	395,449	420,863	384,480	466,845
Benefits	126,795	131,530	124,585	147,223
Travel and Training	2,382	3,692	2,806	4,850
Total Personnel Services	**524,627**	**556,085**	**511,870**	**618,918**
Office Supplies	675	670	721	591
Tools and Equipment	16,132	11,855	11,908	15,642
Chemical and Medical	302	404	339	404
Fuel	12,884	15,302	14,233	13,690
Wearing Apparel	4,744	7,415	5,246	8,908
Postage and Shipping	-	80	20	100
Other Supplies	7,553	11,599	10,608	11,397
Total Supplies and Materials	**42,290**	**47,325**	**43,074**	**50,732**
Building, Structure, Land Maintenance	2,885	1,240	1,311	1,820
Vehicle	10,141	18,146	21,255	15,298
Equipment	4,642	3,110	2,191	5,724
Technology	-	-	-	96
Street Maintenance	19,157	24,280	16,298	23,615
Water System	37,188	64,925	48,446	62,810
Waster Reclamation System	1,236	5,840	2,878	4,235
Total Maintenance and Repairs	**75,250**	**117,541**	**92,379**	**113,598**
Utilities	3,538	10,500	7,899	11,244
Professional Services	154	-	-	-
Total Services	**3,692**	**10,500**	**7,899**	**11,244**
Other	963	1,344	1,004	1,431
Total Other Expenses	**963**	**1,344**	**1,004**	**1,431**
Machinery, Tools and Equipment	7,242	-	-	-
Water System	81,312	78,575	68,443	79,020
Water Reclamation System	4,872	16,740	13,094	11,875
Total Capital Outlay	**93,426**	**95,315**	**81,536**	**90,895**
Total Expenditures	**$ 740,248**	**$ 828,110**	**$ 737,763**	**$ 886,818**

Water Reclamation

Water Reclamation collects and treats wastewater so that it can be reused for irrigation purposes or released back into the waters of Texas, meeting all environmental and regulatory requirements.

- **Wastewater Collection and Treatment:** responsible for treating wastewater through biological, chemical, and filtration processes so that it meets all TCEQ and EPA standards and can be reused for irrigation or discharged back into Texas waterways
- **Plant Maintenance and Repair:** responsible for operation, maintenance, and repair of the Water Reclamation Treatment Facility
- **Collection System:** responsible for the maintenance and repair of 227 miles of collection lines, 3,168 sewer manholes, and 25 lift stations
- **Reclaimed Water System:** responsible for operating system in compliance with TCEQ and EPA rules. This maintenance consists of overseeing the distribution system, including pumps and lines; ensuring that reuse customers comply with proper storage and usage; and maintaining the new reuse pond

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Cleaned 373,830 linear feet of various sized sanitary sewer collection lines
- Televised and inspected 47,937 linear feet of sanitary sewer collection lines
- Treated over 760 million gallons of wastewater
- Dewatered and transported 679 dry metric tons of sludge
- Distributed over 165 million gallons of reclaimed water that was used for irrigation
- Completed the regional reuse pond and distribution system
- Completed design for the new Legion Lift Station

FY2019 OBJECTIVES

Key Priority Area: Water, Wastewater & Drainage:

- Maintain compliance with TCEQ permit for all operations
- Maintain satisfactory levels of customer service and engagement
- Provide an environment that motivates staff and encourages professional development
- Maintain fiscal responsibility for operations throughout the division

Did you know?

Only 3% of the Earth's water is drinkable, meaning that it is very important to treat and reuse water.

WATER FUND - WATER RECLAMATION

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Water, Wastewater & Drainage	Average daily wastewater treatment (MG)	2.050	2.200	1.940	1.940	1.960	2.060	1.975
	Man-hours for lift station/WWTP maintenance & repair	7,997	7,500	2,612	2,316	2,610	2,750	10,288
	Sanitary sewer overflows	5	15	1	1	2	0	4
	% of sanitary sewer overflows responded to within 24 hours	100%	100%	100%	100%	100%	100%	100%
	Man-hours for collection system maintenance	3,912	7,500	799	736	257	1,146	2,938
	SCADA service calls	79	150	15	13	21	31	80
	% of SCADA service calls responded to within 24 hours	100%	100%	100%	100%	100%	100%	100%
	Customer service calls	70	120	17	12	14	22	65
	% of customer service calls responded to within 24 hours	100%	100%	100%	100%	100%	100%	100%
	Footage of collection lines televised/inspected	47,937	50,000	17,364	46,196	5,816	9,939	79,315
	Footage of collection lines cleaned	373,830	200,000	24,040	33,358	8,847	63,629	129,874
	Average daily effluent water sold	0.470	0.500	0.160	0.290	0.570	0.550	0.393

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WATER FUND - WATER RECLAMATION

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Reuse Water Sales	$ 75,773	$ 117,462	$ 72,528	$ 122,625
Sewer Service	5,338,455	5,608,764	5,357,415	5,559,473
Waste Disposal	342,486	354,000	390,609	360,000
Excess to General Resources	(4,061,954)	(4,270,634)	(4,068,304)	(4,122,488)
Total Revenues	**1,694,760**	**1,809,593**	**1,752,249**	**1,919,610**

Expenditures				
Salaries	668,303	732,480	728,784	737,525
Benefits	213,849	223,042	224,285	227,855
Travel and Training	7,341	14,130	8,701	27,564
Total Personnel Services	**889,493**	**969,652**	**961,770**	**992,944**
Office Supplies	3,064	4,459	3,120	4,370
Tools and Equipment	13,780	20,796	21,363	21,122
Chemical and Medical	207,883	223,598	214,684	295,790
Fuel	17,333	27,358	30,071	20,591
Wearing Apparel	7,655	10,006	8,355	10,768
Postage and Shipping	424	780	174	780
Other Supplies	11,411	13,513	8,948	13,795
Total Supplies and Materials	**261,550**	**300,509**	**286,716**	**367,215**
Building, Structure, Land Maintenance	14,208	27,962	17,450	27,490
Vehicle	10,345	10,760	12,329	8,714
Equipment	117,370	68,937	76,736	104,153
Technology	-	2,250	2,107	1,898
Street Maintenance	-	3,625	495	2,780
Water System	55	-	-	-
Waster Reclamation System	111,842	105,315	107,023	83,048
Total Maintenance and Repairs	**253,819**	**218,849**	**216,139**	**228,083**
Utilities	232,159	270,249	252,512	269,292
Professional Services	15,082	12,763	9,512	24,884
Lease / Rent	4,487	13,438	6,827	12,938
Total Services	**251,729**	**296,450**	**268,851**	**307,114**
Other	19,244	24,133	18,772	24,253
Total Other Expenses	**19,244**	**24,133**	**18,772**	**24,253**
Machinery, Tools and Equipment	7,650	-	-	-
Water Reclamation System	11,275	-	-	-
Total Capital Outlay	**18,925**	**-**	**-**	**-**
Total Expenditures	**$ 1,694,760**	**$ 1,809,593**	**$ 1,752,249**	**$ 1,919,610**

Laboratory

The Laboratory (Lab) provides sampling and analysis support to the Water Production and Water Reclamation Divisions. The Lab also responds to environmental complaints and wastewater overflows in addition to assisting in wastewater pre-treatment operations.

DEPARTMENT RESPONSIBILITIES

- **Internal Testing:** the Lab is responsible for providing sampling and analysis support for Water Production and Water Reclamation to ensure compliance with TCEQ and EPA regulations
- **External Testing:** the Lab provides water and wastewater testing for a fee to commercial and private customers in the region

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Performed approx. 4200 lab tests for the Water Reclamation Plant
- Performed over 900 lab tests for Water Production
- Performed over 800 water analyses on public samples
- Performed approximately 400 tests on grease trap samples

FY2019 OBJECTIVES

Key Priority Area: Water, Wastewater & Drainage:

- Maintain NELAC Certification at Laboratory
- Provide quality testing of samples for Water Production & Water Reclamation
- Provide sampling, sample analysis, and tracking of grease trap program
- Maintain fiscal responsibility for all laboratory and pretreatment operations
- Streamline laboratory procedures and protocols to ensure cost effective practices
- Provide cross-training training to increase versatility and ensure TCEQ compliance
- Maintain a high level of service to new and existing customers

Did you know?

Running hot tap water will NOT help grease float through sewer pipes because the water will eventually cool down and solidified grease will build up on pipe walls.

WATER FUND - LABORATORY

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Water, Wastewater & Drainage	# of tests for Water Treatment Plant (incl. Special Projects: TTHM etc.)	935	900	214	249	228	197	888
	# of tests for Water Reclamation Plant (incl. spills)	4,181	4,000	934	958	960	961	3,813
	# of tests for public samples	819	780	236	211	203	238	888
	# of tests for grease trap	372	360	75	90	140	115	420
	# of tests for QC & Lab Accreditation (estimate)	4,163	4,000	964	996	1,010	997	3,967

KERRVILLE 2050

WATER FUND - LABORATORY

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
Water Sample Test	$ 10,936	$ 12,800	$ 11,325	$ 13,000
Wastewater Sample Test	4,257	4,400	4,681	4,500
General Resources	257,677	273,373	262,475	279,223
Total Revenues	**272,870**	**290,573**	**278,481**	**296,723**

Expenditures				
Salaries	158,629	165,927	161,131	173,713
Benefits	53,760	54,839	54,144	56,595
Travel and Training	5,384	5,930	5,318	5,075
Total Personnel Services	**217,773**	**226,695**	**220,593**	**235,383**
Office Supplies	856	1,170	1,099	1,685
Tools and Equipment	4,145	13,179	12,751	6,059
Chemical and Medical	18,549	22,806	22,533	27,060
Fuel	425	550	431	500
Wearing Apparel	1,370	1,380	1,171	1,600
Postage and Shipping	31	350	196	350
Other Supplies	1,027	1,282	1,186	1,650
Total Supplies and Materials	**26,404**	**40,717**	**39,367**	**38,904**
Building, Structure, Land Maintenance	5,765	1,900	125	1,800
Vehicle	341	1,280	247	710
Equipment	11,354	8,600	7,622	8,280
Technology	-	-	-	24
Total Maintenance and Repairs	**17,460**	**11,780**	**7,995**	**10,814**
Utilities	4,271	4,500	3,858	4,620
Professional Services	5,072	4,800	4,685	5,000
Total Services	**9,343**	**9,300**	**8,544**	**9,620**
Other	1,891	2,080	1,982	2,002
Total Other Expenses	**1,891**	**2,080**	**1,982**	**2,002**
Total Expenditures	**$ 272,870**	**$ 290,573**	**$ 278,481**	**$ 296,723**

General Operations

This department is used to account for expenditures that benefit the entire General Fund, but can not be easily identified as relating to an individual department. Accordingly, the department only has budged expenditures with no responsibilities, accomplishments, objectives, or performance measures.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Revenues				
General Resources	$ 6,672,421	$ 6,837,590	$ 6,340,787	$ 6,882,750
Total Revenues	**6,672,421**	**6,837,590**	**6,340,787**	**6,882,750**

Expenditures				
Benefits	34,498	30,400	30,854	40,000
Total Personnel Services	**34,498**	**30,400**	**30,854**	**40,000**
Other Supplies	244	240	-	250
Total Supplies and Materials	**244**	**240**	**-**	**250**
Vehicle	82,469	159,837	159,839	154,147
Water System	13,797	12,646	-	32,706
Total Maintenance and Repairs	**96,266**	**172,483**	**159,839**	**186,853**
Utilities	494	-	-	-
Professional Services	111,250	206,000	204,875	119,000
Insurance	88,716	93,600	93,566	100,000
Advertising	31	250	-	-
Total Services	**200,492**	**299,850**	**298,441**	**219,000**
Other	50	3,533	3,799	250,000
Total Other Expenses	**50**	**3,533**	**3,799**	**250,000**
Transfer Out - General Fund	1,899,338	1,865,739	1,865,739	2,044,090
Transfer Out - WS Asset Replacement	-	150,000	150,000	200,000
Transfer Out - Development Services	-	-	-	41,974
Transfer Out - WS Debt Service	4,043,020	3,968,128	3,484,897	3,900,583
Transfer Out - General Capital Projects	-	75,000	75,000	-
Transfer Out - WS Capital Projects	398,513	272,218	272,218	-
Total Transfers Out	**6,340,871**	**6,331,085**	**5,847,854**	**6,186,647**
Total Expenditures	**$ 6,672,421**	**$ 6,837,590**	**$ 6,340,787**	**$ 6,882,750**

KERRVILLE

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DEBT SERVICE FUNDS

DEBT SERVICE OVERVIEW

OVERVIEW

The City uses separate funds called Debt Service Funds in order to budget for annual principal and interest payments on outstanding debt. The General Debt Service Fund uses the modified accrual accounting method, like the General Fund. The Water Debt Service Fund is combined with other Water Funds for annual financial reporting and uses the full accrual method of accounting, like other enterprise funds.

The City has an AA rating from Standard & Poor's rating service for its general obligation debt. This rating indicates a high credit quality and investment grade status.

DEBT LIMITS

There are no dollar amount limits for tax supported debt under state law or the City's home rule charter. However, there are property tax limits that impact the amount of debt a city can issue. The Texas Constitution limits property tax for a home rule city of over 5,000 in population to not more $2.50 per $100 of assessed value. Kerrville's $0.5514 total tax rate is well below the $2.50 constitutional limit.

The Texas Attorney General's Administrative Code limits the debt service portion of the levy to no more than $1.50 per $100 of assessed value. The City's Financial Management Policy directs that debt service obligations for the General Fund should not cause the debt portion of the tax rate to exceed 25% of the total tax rate. Kerrville debt rate for FY2019 is $0.0735 or 13.3% of the total $0.5514 tax rate and much less than the $1.50 Administrative Code limit.

Debt for the Water Fund is limited by City's Financial Management Policy that is adopted by the City Council. The Council has directed that annual Water Fund debt service not exceed 35% of the Water Fund annual revenue. For the FY2019 budget, this limit means that debt service should be less than $4.4 million. Actual debt service in FY2019 is 31.1% of revenue at $3.9 million.

DEBT CHANGES

The City issued $17.2 million in refunding bonds in December 2017. These bonds refinanced multiple issuances of both General Fund and Water Fund debt, resulting in a debt service savings of $1.2 million through FY2030.

In addition, the City anticipates issuing Water Fund debt to fund the Legion Lift Station expansion project and the TTHM mitigation project. The debt will be in the form of Certificates of Obligation issued through the Texas Water Development Board (TWDB). TWDB offers subsidized interest rates for qualifying water related projects in Texas. The Legion Lift Station project qualifies for a 1.30% interest rate subsidy through the Clean Water State Revolving Fund. The TTHM Mitigation project qualifies for a 1.35% subsidy through the Drinking Water State Revolving Fund. The City anticipates borrowing $7.85 million for the Legion Lift Station expansion project and $4.1 million for the TTHM mitigation project. FY2019 includes an estimated first debt payment on the Legion Lift Station debt. We anticipate that the first payment will be due on the TTHM mitigation project debt in FY2020.

The City anticipates holding a bond election in November 2019. The City will propose issuing new debt without raising taxes in order to fund General Fund projects, such as a Public Safety Complex.

GENERAL DEBT SERVICE FUND

GENERAL DEBT SERVICE FUND

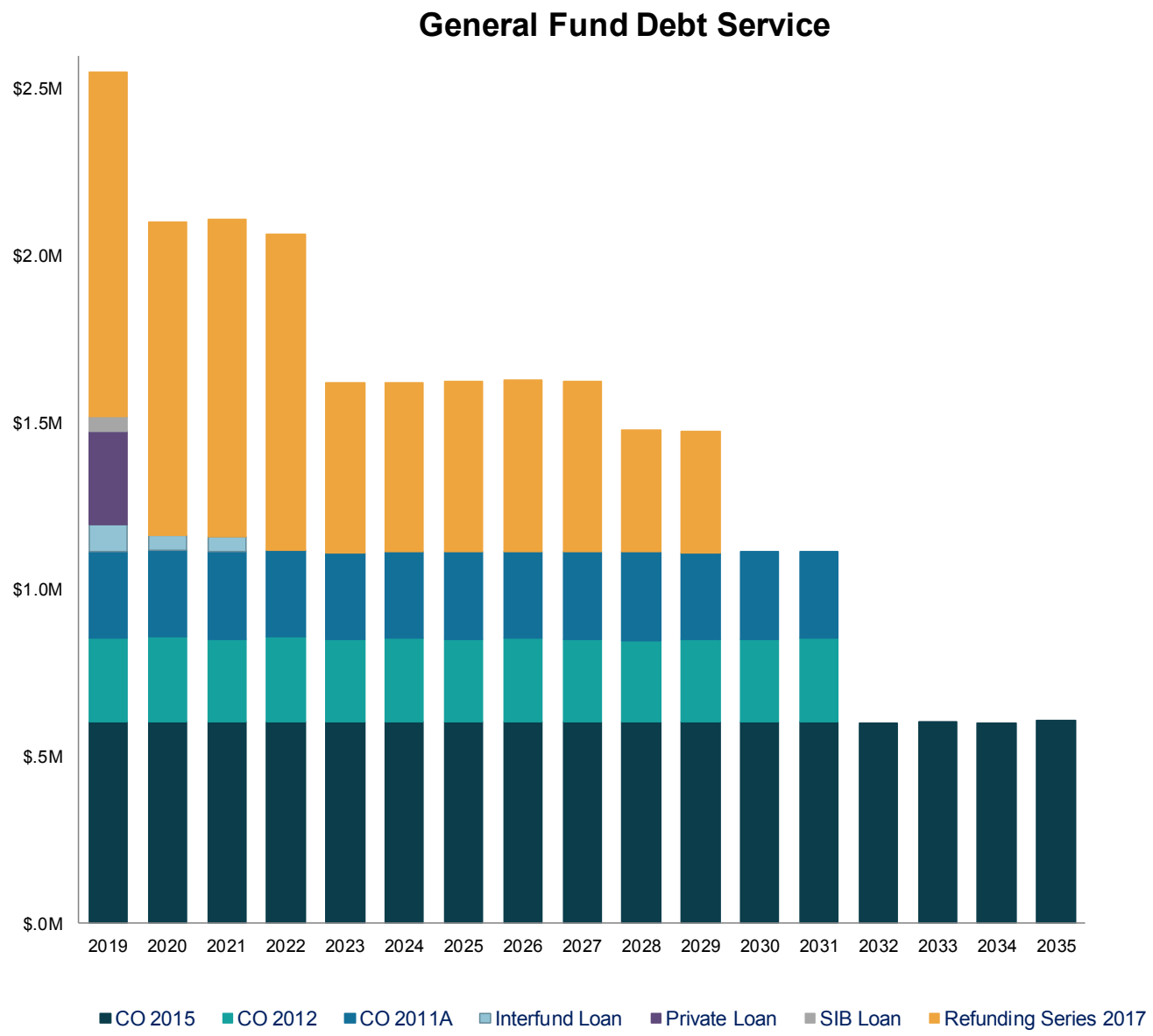
Debt service is funded primarily from property tax revenue. In addition, the Economic Improvement Corporation contributes funds raised from 4B sales tax to pay for the River Trail and Kerrville Sports Complex related debt.

Expenditures represent both principal and interest payments for debt service.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Restricted Fund Balance	**$ 1,165,079**	**$ 1,138,463**	**$ 1,138,463**	**$ 1,144,466**
Revenues				
Property Tax - Current	1,369,578	1,423,682	1,435,753	1,453,225
Property Tax - Prior Year	16,680	15,000	10,930	16,000
Property Tax - Penalty & Interest	14,635	12,000	12,734	13,000
Total Taxes	**1,400,893**	**1,450,682**	**1,459,418**	**1,482,225**
EIC - Debt Funding	1,114,736	1,118,653	1,118,653	1,112,186
Total Intergovernmental	**1,114,736**	**1,118,653**	**1,118,653**	**1,112,186**
Donation	16,572	-	11,260	-
Total Grants and Donations	**16,572**	**-**	**11,260**	**-**
Interest Revenue	13,366	10,000	27,587	22,500
Total Interest and Miscellaneous	**13,366**	**10,000**	**27,587**	**22,500**
Transfer In - General Fund	66,000	32,000	32,000	-
Total Transfer In	**66,000**	**32,000**	**32,000**	**-**
Total Revenues	**2,611,568**	**2,611,335**	**2,648,917**	**2,616,911**
Expenditures				
Professional Services	700	1,000	400	700
Total Services	**700**	**1,000**	**400**	**700**
Debt Principal	1,832,893	2,018,152	2,018,152	1,907,201
Debt Interest	722,456	538,216	542,226	560,171
Total Other Expenses	**2,555,349**	**2,556,368**	**2,560,378**	**2,467,373**
Transfer Out - Landfill Closure	37,902	37,902	37,902	37,902
Transfer Out - Landfill Post Closure	44,233	44,233	44,233	44,232
Total Transfer Out	**82,135**	**82,135**	**82,135**	**82,134**
Total Expenditures	**2,638,184**	**2,639,503**	**2,642,913**	**2,550,207**
Net Revenue (Expenditures)	**(26,616)**	**(28,168)**	**6,004**	**66,704**
Ending Restricted Fund Balance	**$ 1,138,463**	**$ 1,110,295**	**$ 1,144,466**	**$ 1,211,170**

GENERAL DEBT SERVICE FUND

The chart below shows annual debt service through FY2035. This schedule is subject to change if additional debt is issued following a potential bond election in November 2019.



GENERAL DEBT SERVICE FUND

The table below shows annual debt service through FY2035. This schedule is subject to change if additional debt is issued following a potential bond election in November 2019.

General Fund Debt Schedule

	SIB Loan	Interfund Loan	CO 2011A	CO 2012	Private Loan	CO 2015	Refunding Series 2017	Total Payments
2019	$44,055	$82,135	$258,506	$250,330	$279,881	$603,350	$1,031,250	$2,549,507
2020		44,233	259,756	251,630		605,850	940,200	2,101,669
2021		44,233	260,906	247,830		603,150	950,625	2,106,744
2022			257,006	254,030		605,350	946,475	2,062,861
2023			257,806	249,030		602,350	508,325	1,617,511
2024			257,995	249,030		605,200	506,325	1,618,550
2025			262,744	248,904		602,600	509,625	1,623,873
2026			262,031	248,655		604,700	512,750	1,628,136
2027			260,913	248,280		602,463	509,750	1,621,405
2028			264,147	242,780		604,950	366,100	1,477,977
2029			261,575	247,280		602,025	362,100	1,472,980
2030			263,300	246,530		602,625		1,112,455
2031			259,463	251,125		602,775		1,113,363
2032						601,200		601,200
2033						603,481		603,481
2034						599,406		599,406
2035						606,206		606,206

SIB Loan, Interfund Loan, Private Loan and Refunding Series 2017 are property tax supported

CO 2011A, CO 2012, and CO 2015 are 4B sales tax supported

There are no dollar amount limits for tax supported debt under state law or the City's home rule charter. However, there are property tax limits that impact the amount of debt a city can issue. The Texas Constitution limits property tax for a home rule city of over 5,000 in population to not more $2.50 per $100 of assessed value. Kerrville's $0.5514 total tax rate is well below the $2.50 constitutional limit.

The Texas Attorney General's Administrative Code limits the debt service portion of the levy to no more than $1.50 per $100 of assessed value. The City's Financial Management Policy directs that debt service obligations for the General Fund should not cause the debt portion of the tax rate to exceed 25% of the total tax rate. Kerrville debt rate for FY2019 is $0.0735 or 13.3% of the total $0.5514 tax rate and much less than the $1.50 Administrative Code limit.

The table below shows analysis on how much new debt could potentially be issued while keeping the debt portion of the tax rate (I&S tax rate) at $0.0735 per $100 of assessed value. The analysis assumes a potential bond election in May 2019 with debt issued in tranches as shown below.

Debt Service Model - General Fund

Debt Capacity Analysis

Year	DEBT SERVICE						REVENUE	CASH	RATE
	2020 $11 M/3.00%	2021 $2.5 M/3.00%	2023 $9.5 M/3.00%	Total New Debt Service	Existing Annual Debt Service (excludes EIC supported)	Total Annual Debt Service	I & S TAX REVENUE	SURPLUS CASH PROJECTION	I&S TAX RATE
2019					1,437,321	1,437,321	1,482,225	44,904	0.0735
2020	393,167			393,167	984,433	1,377,599	1,519,281	141,681	0.0735
2021	493,100	37,083		530,183	994,858	1,525,041	1,557,263	32,222	0.0735
2022	520,900	130,000		650,900	946,475	1,597,375	1,597,751	376	0.0735
2023	673,550	128,350	140,917	942,817	508,325	1,451,142	1,637,695	186,554	0.0735
2024	560,900	126,700	478,000	1,165,600	506,325	1,671,925	1,678,638	6,713	0.0735
2025	563,100	130,050	500,850	1,194,000	509,625	1,703,625	1,720,604	16,979	0.0735
2026	560,000	128,250	492,550	1,180,800	512,750	1,693,550	1,763,619	70,069	0.0735
2027	561,750	131,450	490,950	1,184,150	509,750	1,693,900	1,807,709	113,809	0.0735
2028	563,200	129,500	489,200	1,181,900	366,100	1,548,000	1,852,902	304,902	0.0735

KERRVILLE

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WATER DEBT SERVICE FUND

WATER DEBT SERVICE FUND

The City uses Water Fund debt to finance significant public infrastructure projects such as wells, lift stations, pump stations, transmission lines and water lines. The City refinanced some of its existing debt in FY2018 and anticipates issuing new debt in FY2019 to fund a lift station expansion and an additional filtration system at the water treatment plant. The FY2019 budget includes an estimated first payment on the debt required for the Legion Lift Station project. Actual debt service will depend on the interest rate at the time of debt issuance.

Revenue in this fund is transferred in from the Water Fund. Budgeted expenditures represent both principal and interest payments for debt service.

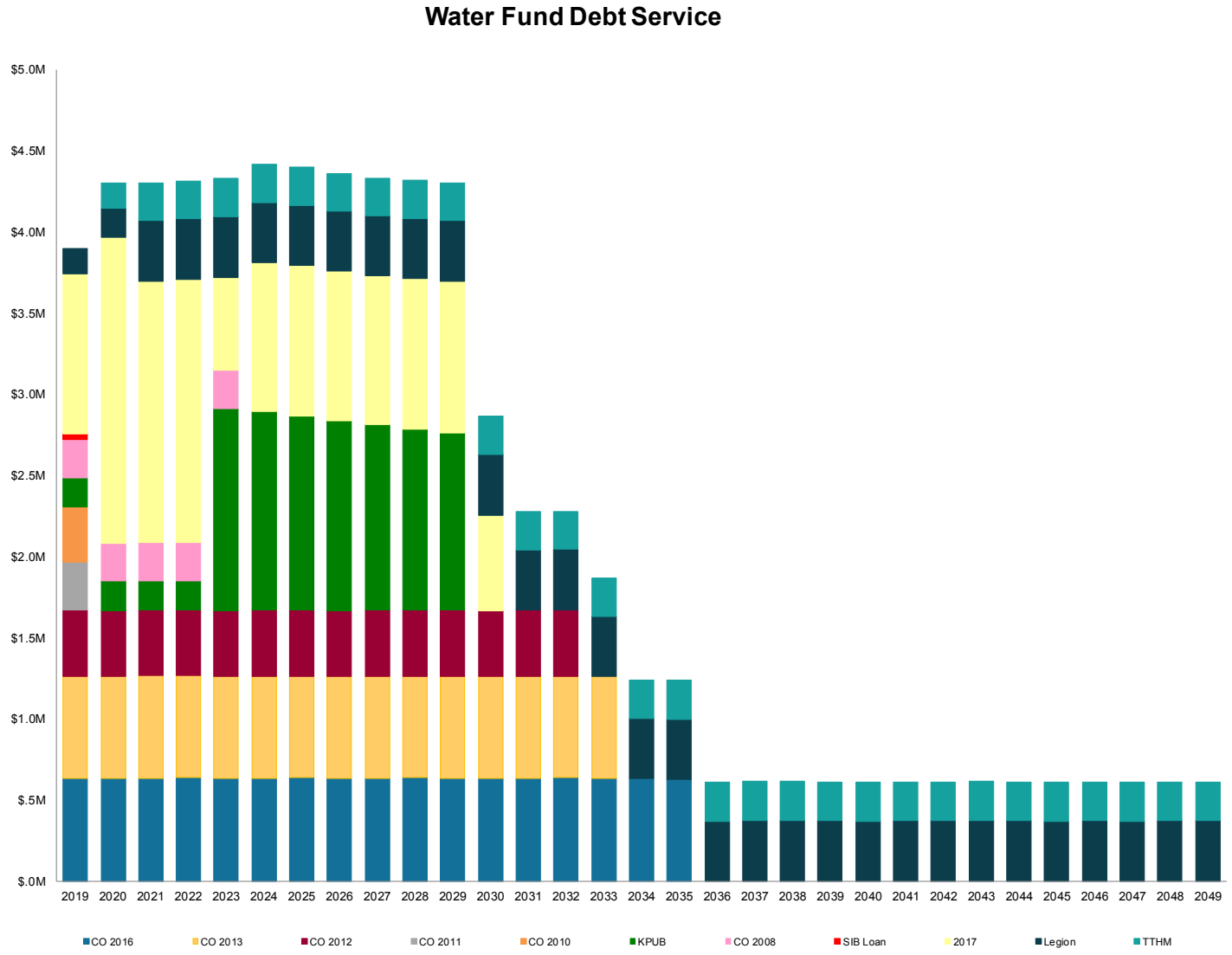
Debt for the Water Fund is limited by City Council policy. The Council has directed that annual Water Fund debt service not exceed 35% of the Water Fund annual revenue. For the FY2019 budget, this limit means that debt service should be less than $4.4 million. Actual debt service in FY2019 is 31.1% of revenue at $3.9 million.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Restricted Fund Balance	**$ 1,675,202**	**$ 1,949,567**	**$ 1,949,567**	**$ 1,540,912**
Revenues				
Interest Revenue	18,654	15,000	28,103	30,000
Total Interest and Miscellaneous	**18,654**	**15,000**	**28,103**	**30,000**
Transfer In - Water Fund	4,043,020	3,968,128	3,484,897	3,900,583
Total Transfer In	**4,043,020**	**3,968,128**	**3,484,897**	**3,900,583**
Total Revenues	**4,061,673**	**3,983,128**	**3,513,000**	**3,930,583**
Expenditures				
Professional Services	1,730	2,000	900	2,000
Total Services	**1,730**	**2,000**	**900**	**2,000**
Debt Principal	2,706,003	2,152,208	2,143,488	2,634,626
Debt Interest	1,079,576	1,418,067	1,362,644	1,265,958
Total Other Expenses	**3,785,579**	**3,570,275**	**3,506,133**	**3,900,583**
Transfer Out - Water Fund	-	414,622	414,622	-
Total Transfer Out	**-**	**414,622**	**414,622**	**-**
Total Expenditures	**3,787,308**	**3,986,897**	**3,921,655**	**3,902,583**
Net Revenue (Expenditures)	**274,365**	**(3,769)**	**(408,655)**	**28,000**
Ending Restricted Fund Balance	**$ 1,949,567**	**$ 1,945,798**	**$ 1,540,912**	**$ 1,568,912**

WATER DEBT SERVICE FUND

The chart below shows annual debt service through FY2049. The debt service for the two issuances from the Texas Water Development Board (TWDB) are estimated. Final debt service numbers are subject to the actual interest rate at the time of issuance.

Water Fund debt is supported by revenues generated in the Water Fund. This graphic representation shows when debt ladders off, indicating capacity to issue additional debt if needed for capital projects at that time.



WATER DEBT SERVICE FUND

The table below shows detail for annual debt service by issuance through 2049. The debt service for the two issuances from the Texas Water Development Board (TWDB) are estimated. Final debt service numbers are subject to the actual interest rate at the time of issuance.

Water Fund Debt Schedule

	SIB Loan	CO 2008	CO 2010	CO 2011	CO 2012	CO 2013	CO 2016	KPUB	Refunding Series 2017	Estimated Legion Lift TWDB Debt	Estimated TTHM TWDB Debt	Total Payments
2019	$ 36,045	$235,298	$341,550	$ 291,200	$ 409,615	$629,675	$632,750	$ 180,000	$ 989,450	$ 155,000		$ 3,900,583
2020		233,638			408,715	627,700	630,900	180,000	1,884,250	181,625	156,250	4,303,078
2021		231,812			407,715	630,650	633,750	180,000	1,613,550	371,513	232,388	4,301,378
2022		234,819			406,615	628,450	636,150	180,000	1,623,800	372,125	234,688	4,316,647
2023		232,493			408,865	626,175	633,100	1,245,000	574,850	372,625	236,875	4,329,983
2024					410,865	627,600	634,750	1,219,286	917,925	373,013	233,950	4,417,389
2025					407,615	627,600	635,950	1,193,571	929,050	368,288	236,025	4,398,099
2026					409,240	627,400	631,450	1,167,857	922,175	368,563	232,988	4,359,673
2027					410,615	627,000	631,850	1,142,143	918,925	368,725	234,950	4,334,208
2028					406,740	626,400	635,825	1,116,429	930,300	368,775	236,800	4,321,269
2029					407,740	629,250	633,200	1,090,714	936,200	373,713	233,538	4,304,355
2030					408,490	626,763	632,750		587,600	373,425	235,275	2,864,303
2031					409,750	627,638	631,850			373,025	231,900	2,274,163
2032					410,000	628,138	635,500			372,513	233,525	2,279,676
2033						626,775	633,550			371,888	235,038	1,867,251
2034							631,150			371,150	236,438	1,238,738
2035							628,300			370,300	237,725	1,236,325
2036										369,338	238,900	608,238
2037										373,263	239,963	613,226
2038										371,963	240,913	612,876
2039										370,550	236,750	607,300
2040										369,025	237,588	606,613
2041										372,388	238,313	610,701
2042										370,525	238,925	609,450
2043										373,550	239,425	612,975
2044										371,350	239,813	611,163
2045										369,038	240,088	609,126
2046										371,613	240,250	611,863
2047										368,963	240,300	609,263
2048										371,200	235,238	606,438
2049										375,463	235,175	610,638

WATER DEBT SERVICE FUND

The table below shows debt capacity based on the City's self-imposed limit of debt service not exceeding 35% of Water Fund revenues. Debt service for the two issuances from the Texas Water Development Board (TWDB) are estimated. Final debt service numbers are subject to the actual interest rate at the time of issuance. This analysis shows capacity for additional debt issuances in FY2023 and FY2027. New issuances would be used to fund capital projects.

This analysis is subject to change and updates based on changing interest rates and capital project information.

Debt Service Model - Water Fund
Debt Capacity Analysis

Year	Legion Lift	TTHM	CIP	CIP				REVENUE		
	2018 $7.85/2.25% 30 yr TWDB	2019 $4.1/2.25% 30 yr TWDB	2023 $10.0/3.0%	2027 $4.0/4.0%	Total New Debt Service	Existing Annual Debt Service	Total Annual Debt Service	Water Fund Revenue Forecast	35% of Revenue Limit	Remaining Capacity
2019	155,000				155,000	3,745,583	3,900,583	12,528,732	4,385,056	484,473
2020	181,625	156,250			337,875	3,965,203	4,303,078	13,085,217	4,579,826	276,748
2021	371,513	232,388			603,901	3,697,477	4,301,378	13,373,601	4,680,760	379,383
2022	372,125	234,688			606,813	3,709,834	4,316,647	13,582,149	4,753,752	437,106
2023	372,625	236,875	333,333		942,833	3,720,483	4,663,316	13,795,827	4,828,539	165,223
2024	373,013	233,950	481,400		1,088,363	3,810,426	4,898,789	14,217,269	4,976,044	77,255
2025	368,288	236,025	672,350		1,276,663	3,793,786	5,070,449	14,553,961	5,093,886	23,437
2026	368,563	232,988	692,706		1,294,257	3,758,122	5,052,379	14,900,664	5,215,232	162,853
2027	368,725	234,950	695,556	214,111	1,513,342	3,730,533	5,243,875	15,257,710	5,340,198	96,324
2028	368,775	236,800	670,750	294,000	1,570,325	3,715,694	5,286,019	15,625,443	5,468,905	182,887

Assumptions:

1. Water rate increases:
   FY2019 - 4%
   FY2020 - 6%
2. Sewer rate increases:
   FY2019 - 2%
   FY2020 - 2%
   FY2021 - 2%

KERRVILLE

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COMMUNITY INVESTMENT PLAN

COMMUNITY INVESTMENT PLAN

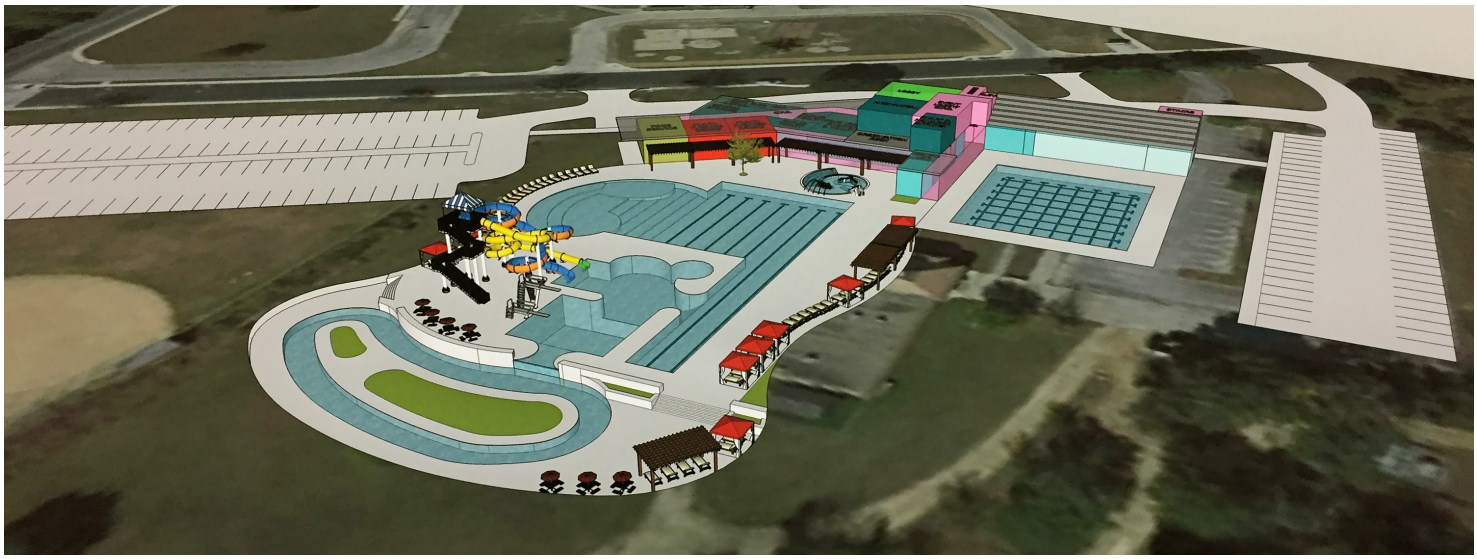
WHAT IS THE COMMUNITY INVESTMENT PLAN?

The Community Investment Plan is a 10 year capital project plan that focuses on priorities identified in the Kerrville 2050 Comprehensive Plan. Due to the multi-year nature of most projects, the budget focus is on the project budget rather than a fiscal year budget. Budgeting for a project is difficult before plans are complete and bids are received. In addition, priorities over a ten year period are subject to change. Therefore, the Community Investment Plan is reviewed and updated annually to incorporate new information.

WHAT IS A CAPITAL IMPROVEMENT PROJECT?

Capital improvement project funds may be used for:

- A single project that spans more than one fiscal year
- Projects costing more than $25,000
- Improvement projects that are capitalized as a City owned asset
- A large maintenance project that does not result in a new asset
- Expenditures such as professional services that do not create a capitalizable asset, for example master plans or feasibility studies



Concept drawing from the City's aquatics feasibility study.

HOW ARE PROJECTS PAID FOR?

Capital projects are paid for in a variety of ways including:

- Cash transfers from General Fund or Water Fund
- Debt (General or Water)
- Grants and donations
- 4B funds from the Economic Improvement Corporation

KERRVILLE

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GENERAL CAPITAL PROJECTS FUND

CITY OF KERRVILLE

General Capital Projects Fund

			GENERAL FUND PROJECTS					
			ACTUAL		ESTIMATED	PREDESIGN ESTIMATE		
	PROJECT FUNDING	TOTAL	Previous Years	FY2017	FY2018	FY2019	FY2020	FY2021
1	Beginning Fund Balance			$ 11,659,007	$ 7,217,744	$ 2,793,546	$ 10,601	$ 56,601
2	Certificates of Obligation - General Fund supported	2,719,391	2,719,391					
3	Certificates of Obligation - EIC supported	13,259,745	13,259,745					TBD
4	General Obligation Bonds - General Fund supported	23,000,000					11,000,000	2,500,000
5	Pay As You Go - transfer from General operating	5,131,871	2,542,671	760,000	150,000	479,200	300,000	200,000
6	Pay As You Go - transfer from EIC	4,013,036	1,684,517	1,378,519	950,000			
7	Pay As You Go - transfer from Water Fund	3,110,000	1,000,000	2,035,000	75,000			
8	Pay As You Go - transfer from other funds	910,331	652,734	257,597				
9	Pay As You Go - interest income	440,454	125,080	79,545	65,830	12,000	6,000	82,500
10	Pay As You Go - asset disposal proceeds	641,640		641,640				
11	Grant / Donation / Outside Funding	3,315,476	739,456	1,196,385	379,635	1,000,000		
	TOTAL FUNDING AVAILABLE	56,541,944	22,723,594	18,007,693	8,838,209	4,284,746	11,316,601	2,839,101
	PROJECT EXPENDITURES							
1	Kerrville Sports Complex	10,500,000	1,485,875	8,536,004	478,121			
2	Indoor Athletic Facility (leased by D-BAT)	2,196,000	90,820	1,494,100	611,080			
3	Fire/EMS Reserve - transfer to asset replacement	1,200,000			1,200,000			
4	Street Improvement Carryover	1,178,800		150	1,178,650			
5	Tennis Center Renovation	1,500,000		8,625	152,875	1,338,500		
6	River Trail	6,525,000	5,545,046	218,110	761,843			
7	AC Schreiner Mansion - 529 Water St.	1,089,390	1,505	31,588	56,296	1,000,000		
8	Parking Garage Repairs	750,000			750,000			
9	Landfill Permitting	757,597	257,596	171,716	147,761	180,523		
10	Comprehensive Plan	375,000		43,238	331,761			
11	Building Services HVAC	43,825			43,825			
12	Aquatics Center	100,000			100,000			TBD
13	City Hall Security	25,000			25,000			
14	Wayfinding Signs	7,450			7,450			
15	Development Services Software	79,200				79,200		
16	Public Safety Complex	10,150,000				150,000	10,000,000	
17	Code Rewrite	300,000				300,000		
18	Clock Tower Elevator	210,000				210,000		
19	Drainage Master Plan	300,000				200,000	100,000	
20	Pavement Master Plan	100,000				100,000		
21	Environmental Project	25,000				25,000		
22	Library Complex (History Center)	618,416	416,701	201,715				
23	Body Cameras (Purchase and Replace)	189,720	75,836	52,290			10,000	51,594
24	City Hall	3,175,650	3,154,628	21,023				
25	Downtown & Garage Streetscape Improvements	765,100	36,579	11,389	200,000	467,132	50,000	
26	Streets and Drainage Improvements	7,000,000					1,000,000	
27	Fiber Infrastructure	TBD						TBD
28	Facilities Master Plan	75,000						75,000
29	Park Improvements	5,000,000						2,500,000
30	Fire Station 3 remodel	500,000						
31	Simulcast FD Primary Radio Channel	375,000						
32	Kerrville 2050 Projects	1,000,000				100,000	100,000	100,000
33	Reserve for Library & Wayfinding restricted funds	123,790				123,790		
	TOTAL PROJECTS	56,234,937	11,064,587	10,789,949	6,044,662	4,274,145	11,260,000	2,726,594
	REMAINING BALANCE	$ 307,007	$11,659,007	$7,217,744	$2,793,546	$ 10,601	$ 56,601	$ 112,507

*** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY ***

GENERAL CAPITAL PROJECTS FUND

General Capital Projects Fund

		GENERAL FUND PROJECTS						
		PREDESIGN ESTIMATE						
	PROJECT FUNDING	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
1	Beginning Fund Balance	$ 112,507	$ 124,507	$ 1,138,007	$ 1,153,007	$ 663,507	$ 677,007	$ 304,507
2	Certificates of Obligation - General Fund supported							
3	Certificates of Obligation - EIC supported							
4	General Obligation Bonds - General Fund supported		9,500,000					
5	Pay As You Go - transfer from General operating	100,000	100,000	100,000	100,000	100,000	100,000	100,000
6	Pay As You Go - transfer from EIC							
7	Pay As You Go - transfer from Water Fund							
8	Pay As You Go - transfer from other funds							
9	Pay As You Go - interest income	12,000	13,500	15,000	10,500	13,500	2,500	2,500
10	Pay As You Go - asset disposal proceeds							
11	Grant / Donation / Outside Funding							
	TOTAL FUNDING AVAILABLE	224,507	9,738,007	1,253,007	1,263,507	777,007	779,507	407,007
	PROJECT EXPENDITURES							
1	Kerrville Sports Complex							
2	Indoor Athletic Facility (leased by D-BAT)							
3	Fire/EMS Reserve - transfer to asset replacement							
4	Street Improvement Carryover							
5	Tennis Center Renovation							
6	River Trail							
7	AC Schreiner Mansion - 529 Water St.							
8	Parking Garage Repairs							
9	Landfill Permitting							
10	Comprehensive Plan							
11	Building Services HVAC							
12	Aquatics Center							
13	City Hall Security							
14	Wayfinding Signs							
15	Development Services Software							
16	Public Safety Complex							
17	Code Rewrite							
18	Clock Tower Elevator							
19	Drainage Master Plan							
20	Pavement Master Plan							
21	Environmental Project							
22	Library Complex (History Center)							
23	Body Cameras (Purchase and Replace)							
24	City Hall							
25	Downtown & Garage Streetscape Improvements							
26	Streets and Drainage Improvements		6,000,000					
27	Fiber Infrastructure	TBD	TBD					
28	Facilities Master Plan							
29	Park Improvements		2,500,000					
30	Fire Station 3 remodel				500,000			
31	Simulcast FD Primary Radio Channel						375,000	
32	Kerrville 2050 Projects	100,000	100,000	100,000	100,000	100,000	100,000	100,000
33	Reserve for Library & Wayfinding restricted funds							
	TOTAL PROJECTS	100,000	8,600,000	100,000	600,000	100,000	475,000	100,000
	REMAINING BALANCE	$ 124,507	$ 1,138,007	$ 1,153,007	$ 663,507	$ 677,007	$ 304,507	$ 307,007

*** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY ***

CIP - TENNIS CENTER RENOVATION

CITY OF KERRVILLE | **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Tennis Center Renovation

DEPARTMENT:
Parks and Recreation Department

DESCRIPTION:
Tennis Center renovation will include improvements to court surfacing, lighting, signage, fencing, nets, sidewalks, the pro shop building, pavilion, landscaping, irrigation, drainage and parking.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Debt													-
Pay as You Go - transfer from EIC	750,000	750,000											1,500,000
Other													-
TOTAL FUNDING	**750,000**	**750,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,500,000**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost	**8,625**	**152,875**	**1,338,500**										**1,500,000**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Operations & Maintenance*				**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**		**80,000**

*We do not anticipate any additional Tennis Center personnel, but this impact assumes small increases for additional maintenance or utilities.

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - AC SCHREINER MANSION

CITY OF KERRVILLE — **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
AC Schreiner Mansion (529 Water St.)

DESCRIPTION:
Renovation of this historic home that was donated to the City in 2016 will include upgrades to make the home and restrooms ADA compliant, installation of central heat and air conditioning, addition of a fire suppression and alarm system as well as various plumbing, electrical and structural upgrades.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Certificates of Obligation - General Fund supported	74,390												74,390
Pay as You Go - transfer from General Fund	15,000												15,000
Other - Donation			1,000,000										1,000,000
TOTAL FUNDING	**89,390**	**-**	**1,000,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,089,390**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost	**33,093**	**56,296**	**1,000,000**										**1,089,389**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Personnel	12,329	12,699	13,080	13,472	13,876	14,292	14,721	15,163	15,618	16,086	16,569	17,066	174,970
Operations & Maintenance	5,880	6,174	6,483	11,807	12,397	13,017	13,668	14,351	15,069	15,822	16,613	17,444	148,726
TOTAL OPERATING COST	**18,209**	**18,873**	**19,562**	**25,279**	**26,273**	**27,309**	**28,389**	**29,514**	**30,687**	**31,909**	**33,182**	**34,510**	**323,696**

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - LANDFILL PERMITTING

CITY OF KERRVILLE — **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Landfill Permitting

DESCRIPTION:
The intent of this permitting project is to obtain a Landfill Expansion Permit from TCEQ, which will increase the life span and projected usability of the landfill to approximately 101 years, securing long term disposal needs for the Kerrville community. With the current level of waste generated in Kerr County, the life span of the landfill site without expansion is approximately 7 years.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Debt													-
Pay as You Go - transfer from Landfill Closure Fund	757,597												757,597
Other													-
TOTAL FUNDING	**757,597**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**757,597**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost	**429,313**	**147,761**	**180,523**										**757,597**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL

This project pays for the engineering studies and governemental fees required to obtain an expanded permit. We do not anticipate any change to our operations due to the permit.

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - DEVELOPMENT SERVICES SOFTWARE

CITY OF KERRVILLE | **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Development Services Software

DESCRIPTION:
The Development Services department plans to implement new software in FY2019 that will provide better customer service, reporting and tracking of permits and fees. Development Services is currently evaluating software options.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Debt													-
Pay as You Go - transfer from Development Services Fund			79,200										79,200
Other													-
TOTAL FUNDING	-	-	**79,200**	-	-	-	-	-	-	-	-	-	**79,200**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost			**79,200**										**79,200**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Operations & Maintenance				**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**180,000**

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - PUBLIC SAFETY COMPLEX

CITY OF KERRVILLE — **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Public Safety Complex

DESCRIPTION:
A new public safety complex would house the Police Department, Municipal Court, and possibly Fire Administration. This new building would replace existing buildings to alleviate significant space and maintenance issues.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
General Obligation Bonds - General Fund supported				10,000,000									10,000,000
Pay as You Go - transfer from General Fund		150,000											150,000
Other - Interest Income													-
TOTAL FUNDING	**-**	**150,000**	**-**	**10,000,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,150,000**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost			**150,000**	**10,000,000**									**10,150,000**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL

FY2019 project cost represents a feasability study for a new Public Safety Complex. Information from this study is needed before associated operating costs can be estimated for the building after it is completed.

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - CODE REWRITE

CITY OF KERRVILLE | **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Development Services Code Rewrite

DESCRIPTION:
This project pays for professional services required to rewrite the City's Development Services codes.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Debt													-
Pay as You Go - transfer from Development Services Fund			300,000										300,000
Other													-
TOTAL FUNDING	-	-	**300,000**	-	-	-	-	-	-	-	-	-	**300,000**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost			**300,000**										**300,000**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
There is no operating budget impact to this project.													

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - CLOCK TOWER ELEVATOR

CITY OF KERRVILLE **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Clock Tower Elevator

DESCRIPTION:
The clock tower elevator continues to go out of service on a regular basis because the elevator is exposed to weather and elements. This project proposes enclosing the elevator to alleviate current maintenance and safety issues.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Debt													-
Pay as You Go - asset disposal proceeds	210,000												210,000
Other													-
TOTAL FUNDING	**210,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**210,000**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost			**210,000**										**210,000**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL

We anticipate that this project may reduce maintenance costs as the enclosed elevator should require fewer repairs.

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CITY OF KERRVILLE **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Drainage Master Plan and Pavement Master Plan

DESCRIPTION:
This project includes costs for outside professional services to update our drainage and pavement master plans.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Debt													-
Pay as You Go - transfer from General Fund	200,000		100,000										300,000
Other													-
TOTAL FUNDING	**200,000**	**-**	**100,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**300,000**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Drainage Master Plan			**200,000**										**200,000**
Pavement Master Plan			**100,000**										**100,000**
TOTAL PROJECT COST	**-**	**-**	**300,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**300,000**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL

Results from these plan updates may result in additional maintenance costs or projects in future years.

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - ENVIRONMENTAL PROJECT

CITY OF KERRVILLE | **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Environmental Project

DESCRIPTION:
This project provides funding for a hazardous waste collection event.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Debt													-
Pay as You Go - transfer from General Fund	25,000												25,000
Other													-
TOTAL FUNDING	**25,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,000**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost			**25,000**										**25,000**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL

There is no operating budget impact to this project.

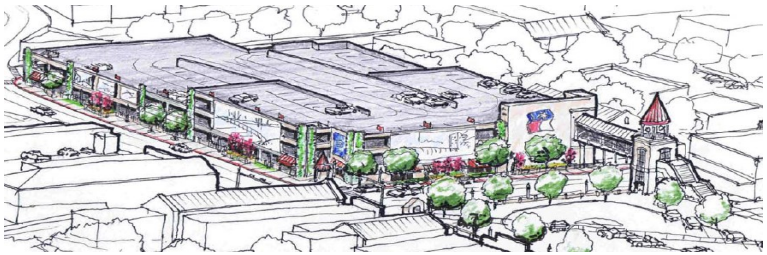
***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - DOWNTOWN AND GARAGE STREETSCAPE

CITY OF KERRVILLE — **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Downtown Streetscape

DESCRIPTION:
This project is for the design and construction of aesthetic improvements to the downtown streetscape, including items such as landscaping, lighting and signage.



FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Debt													-
Pay as You Go - transfer from EIC	565,100	200,000											765,100
Other													-
TOTAL FUNDING	**565,100**	**200,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**765,100**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost	**47,968**	**200,000**	**467,132**	**50,000**									**765,100**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Operations & Maintenance					**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**24,000**

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

WATER CAPITAL PROJECTS FUND

CITY OF KERRVILLE

Water Capital Projects Fund

			WATER FUND PROJECTS					
			ACTUAL		ESTIMATED	PREDESIGN ESTIMATES		
PROJECT FUNDING		TOTAL	Previous Years	FY2017	FY2018	FY2019	FY2020	FY2021
1	Beginning Fund Balance			$24,171,149	$15,471,061	$4,315,139	$2,035,932	$2,542,932
2	Certificates of Obligation	31,573,823	12,573,823					
3	KPUB Loan	7,500,000	7,500,000					
4	TWDB - Legion Lift	7,850,000				7,850,000		
5	TWDB - TTHM Mitigation	4,100,000				4,100,000		
6	Pay As You Go - EIC Funding	5,044,908	44,908	1,500,000	1,500,000	1,000,000	1,000,000	
7	Pay As You Go - Transfer from Water Fund	7,021,970	5,701,239	398,513	272,218			
8	Pay As You Go - Transfer from General Fund	37,000	37,000					
9	Pay As You Go - Other funds	245,292	245,292					
10	Pay As You Go - Interest income	1,363,825	234,359	208,745	109,722	70,000	57,000	58,500
	TOTAL FUNDING AVAILABLE	64,736,818	26,336,621	26,278,407	17,353,001	17,335,139	3,092,932	2,601,432
Anticipated Rate Adjustments:								
	Water					4%	6%	
	Sewer					2%	2%	2%
PROJECT EXPENDITURES								
1	Reuse System	21,803,000	1,600,381	9,474,950	10,727,668			
2	Legion Lift Station	9,850,000		115,555	618,445	9,116,000		
3	Kerrville North Tank maintenance	270,721		215,216	55,504			
4	Water Utility Building	1,348,123	470,376	877,747				
5	TTHM Mitigation	4,412,000		26,795	285,205	4,100,000		
6	Rehabilitate Oxidation Ditch at WWTP	800,000		41,792	300,000	458,208		
7	Rehabilitate Conventional Plant Clarifier at WTP	1,500,000		28,961	801,039	670,000		
8	New ASR Well / Headwaters Well	1,123,695		23,695		350,000		
9	Wastewater Collection/ Plant Master Plan Update*	200,000				200,000		
10	System Looping	500,000				100,000	100,000	100,000
11	Long Range Water Plan	55,000				55,000		
12	Water Distribution/ Plant Master Plan Update*	400,000					200,000	
13	15"/18"/21" Interceptors downstream of Knapp LS	2,600,000						
14	Knapp Wet Well & 12" Force Main	2,400,000						
15	Meter register replacement (partner w KPUB)	1,500,000						
16	Lois Tank Repaint	400,000						
17	Stadium Tank 2 Repaint	400,000						
18	Rehab RAS Pump Station	50,000						
19	21" Interceptor downstream Jefferson LS	1,900,000						
20	Water Treatment Plant for Potable Reuse	5,097,348	94,715	2,634				
21	1 MG Clearwell Expansion	2,950,000						
22	12"/18" Interceptor upstream of Knapp LS	2,350,000						
23	Capital Contingency for oversizing, etc.	2,750,000			250,000	250,000	250,000	250,000
	TOTAL PROJECTS	64,659,887	2,165,472	10,807,346	13,037,861	15,299,208	550,000	350,000
	REMAINING BALANCE	$ 76,932	$24,171,149	$15,471,061	$4,315,139	$2,035,932	$2,542,932	$2,251,432

*** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY ***

*Future projects may be adjusted or changed due to master plan updates

WATER CAPITAL PROJECTS FUND

Water Capital Projects Fund

		WATER FUND PROJECTS						
		PREDESIGN ESTIMATES						
PROJECT FUNDING		FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
1	Beginning Fund Balance	$2,251,432	$1,961,432	$3,416,432	$1,344,432	$1,325,432	$1,307,932	$2,057,932
2	Certificates of Obligation		10,000,000				4,000,000	5,000,000
3	KPUB Loan							
4	TWDB - Legion Lift							
5	TWDB - TTHM Mitigation							
6	Pay As You Go - EIC Funding							
7	Pay As You Go - Transfer from Water Fund				150,000	150,000	150,000	200,000
8	Pay As You Go - Transfer from General Fund							
9	Pay As You Go - Other funds							
10	Pay As You Go - Interest income	60,000	105,000	78,000	81,000	82,500	150,000	69,000
	TOTAL FUNDING AVAILABLE	2,311,432	12,066,432	3,494,432	1,575,432	1,557,932	5,607,932	7,326,932

Anticipated Rate Adjustments:

Water

Sewer

PROJECT EXPENDITURES								
1	Reuse System							
2	Legion Lift Station							
3	Kerrville North Tank maintenance							
4	Water Utility Building							
5	TTHM Mitigation							
6	Rehabilitate Oxidation Ditch at WWTP							
7	Rehabilitate Conventional Plant Clarifier at WTP							
8	New ASR Well / Headwaters Well		750,000					
9	Wastewater Collection/ Plant Master Plan Update*							
10	System Looping	100,000	100,000					
11	Long Range Water Plan							
12	Water Distribution/ Plant Master Plan Update*		200,000					
13	15"/18"/21" Interceptors downstream of Knapp LS		2,600,000					
14	Knapp Wet Well & 12" Force Main		2,400,000					
15	Meter register replacement (partner w KPUB)		1,500,000					
16	Lois Tank Repaint		400,000					
17	Stadium Tank 2 Repaint		400,000					
18	Rehab RAS Pump Station		50,000					
19	21" Interceptor downstream Jefferson LS			1,900,000				
20	Water Treatment Plant for Potable Reuse							5,000,000
21	1 MG Clearwell Expansion						950,000	2,000,000
22	12"/18" Interceptor upstream of Knapp LS						2,350,000	
23	Capital Contingency for oversizing, etc.	250,000	250,000	250,000	250,000	250,000	250,000	250,000
	TOTAL PROJECTS	350,000	8,650,000	2,150,000	250,000	250,000	3,550,000	7,250,000
	REMAINING BALANCE	$1,961,432	$3,416,432	$1,344,432	$1,325,432	$1,307,932	$2,057,932	$ 76,932

*** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY ***

*Future projects may be adjusted or changed due to master plan updates

CIP - LEGION LIFT STATION

CITY OF KERRVILLE — **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Legion Lift Station

DESCRIPTION:
A lift station moves wastewater from a lower elevation to a higher elevation. The City's existing sewer system has no additional capaCity for new service or growth on the east side of Kerrville. This lift station will significantly increase sewer capacity and growth opportunities on the east side of town. Legion Lift Station is located near the intersection of Loop 534 and Hwy 27, behind Back 40 Supply.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
TWDB Certificates of Obligation - Water Fund supported			7,850,000										7,850,000
Pay as You Go - transfer from EIC		1,000,000	1,000,000										2,000,000
Other													-
TOTAL FUNDING	**-**	**1,000,000**	**8,850,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,850,000**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost	**115,555**	**618,445**	**9,116,000**										**9,850,000**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Operations & Maintenance				2,000	2,100	2,205	2,315	2,431	2,553	2,680	2,814	2,955	22,053

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - TTHM MITIGATION

CITY OF KERRVILLE — **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
TTHM Mitigation

DESCRIPTION:
In certain places, the City's water supply contains disinfection byproducts called total trihalomethanes (TTHM) that are in excess of TCEQ standards. The City is required by TCEQ to reduce TTHM levels. Outside engineering firm, Freese and Nichols, has designed a filtration treatment strategy to mitigate TTHMs.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
TWDB Certificates of Obligation - Water Fund supported			4,100,000										4,100,000
Pay as You Go - transfer from Water Fund	312,000												312,000
Other													-
TOTAL FUNDING	**312,000**	**-**	**4,100,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,412,000**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost	**26,795**	**285,205**	**4,100,000**										**4,412,000**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Operations & Maintenance				400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	3,600,000

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - REHABILITATE OXIDATION DITCH

CITY OF KERRVILLE | **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Rehabilitate Oxidation Ditch at WWTP

DESCRIPTION:
The City's wastewater treatment process involves transferring water into an oxidation ditch where oxygen is added to the water through mixing, spraying and pushing oxygenated water to the bottom. The oxygen feeds microorganisms which naturally clean the water. The City has only one oxidation ditch. This project involves ditch cleaning and replacing baffles that push the oxygenated water to the bottom of the ditch.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Certificates of Obligation - Water Fund supported	685,227												685,227
Pay as You Go - transfer from Water Fund	114,773												114,773
Other													-
TOTAL FUNDING	**800,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**800,000**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost	**41,792**	**300,000**	**458,208**										**800,000**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL

This is a maintenance project at an exisiting facility, so there is no operating budget impact.

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - REHABILITATE CLARIFIER

CITY OF KERRVILLE — **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Rehabilitate Conventional Plant Clarifier at WTP

DESCRIPTION:
The clarifier settles solids out of the water as part of the water treatment process at the Water Treatment Plant.
This project is for necessary maintenance and repair to the City's only clarifier.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Certificates of Obligation - Water Fund supported	816,250												816,250
Pay as You Go - transfer from Water Fund	376,602												376,602
Pay as You Go - Interest Income	307,148												307,148
TOTAL FUNDING	**1,500,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,500,000**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost	**28,961**	**801,039**	**670,000**										**1,500,000**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL

This is a maintenance project at an exisiting facility, so there is no operating budget impact.

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - HEADWATERS WELL

CITY OF KERRVILLE — **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
New ASR Well / Headwaters Well

DESCRIPTION:
This project is for a future water source. In FY2018, Headwaters Ground Water Conservation District plans to begin work on a new well. The City will pay for additional design components in the initial drilling phase that are required to finish out the well as an ASR well in the future. At a future date, the City has the option to purchase the well from HGWC and convert it to an ASR well.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Certificates of Obligation - Water Fund supported	373,695						750,000						1,123,695
Pay as You Go													-
Other													-
TOTAL FUNDING	**373,695**	**-**	**-**	**-**	**-**	**-**	**750,000**	**-**	**-**	**-**	**-**	**-**	**1,123,695**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost	**23,695**		**350,000**				**750,000**						**1,123,695**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL

The FY2019 costs relate to exploratory drilling with the possibility of converting a well to an ASR well at some point in the future. There is no operating budget impact to this portion of the project.

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - WASTEWATER MASTER PLAN UPDATE

CITY OF KERRVILLE | **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Wastewater Collection/Plant Master Plan Update

DESCRIPTION:
Update to the City's wastewater collection/plant master plan. This plan is created by professional engineers and updated approximately every 5 years. The last update was completed in 2012. The master plan serves as a development plan for capital projects. In addition, developers use the plan to assess wastewater system capacity.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Certificates of Obligation - Water Fund supported	200,000												200,000
Pay as You Go - transfer from Water Fund													-
Other													-
TOTAL FUNDING	**200,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**200,000**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost			**200,000**										**200,000**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL

Future projects may be adjusted or changed due to master plan updates.

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - SYSTEM LOOPING

CITY OF KERRVILLE — **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
System Looping

DESCRIPTION:
This project increases system looping in order to create more constantly flowing water and less discarded water from line flushing.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Certificates of Obligation - Water Fund supported	500,000												500,000
Pay as You Go													-
Other													-
TOTAL FUNDING	**500,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**500,000**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost			**100,000**	**100,000**	**100,000**	**100,000**	**100,000**						**500,000**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

CIP - LONG RANGE WATER PLAN

CITY OF KERRVILLE — **COMMUNITY INVESTMENT PLAN**

PROJECT NAME:
Long Range Water Plan

DESCRIPTION:
This project funds a long range water plan prepared by outside engineers and legal counsel.

FUNDING SOURCE	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Certificates of Obligation - Water Fund supported	55,000												55,000
Pay as You Go - transfer from Water Fund													-
Other													-
TOTAL FUNDING	**55,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**55,000**

PROJECT COST	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Total Project Cost			**55,000**										**55,000**

OPERATING BUDGET IMPACT	PRIOR YRS	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Future projects may be adjusted or changed due to the long range water plan.													

***** THE COMMUNITY INVESTMENT PLAN IS REVIEWED AND ADJUSTED ANNUALLY *****

KERRVILLE

YOUR VOICE
YOUR CITY

GOLF COURSE FUND

Golf Course Fund

Scott Schreiner Golf Course provides citizens and guests of Kerrville with an exceptional golf experience including excellent customer service and immaculate course conditions at a reasonable price. The Golf Course Fund is an enterprise fund for financial reporting purposes.

DEPARTMENT RESPONSIBILITIES

- **Course Operation and Administration:** responsible for daily operation and administration of the golf course including scheduling, tournament administration, capital improvements, lease management, marketing, and financial management
- **Pro-Shop:** responsible for operating a well stocked pro-shop with knowledgeable employees that provides desired inventory at a competitive price
- **Course Maintenance:** responsible for maintaining excellent course conditions that meet United States Golf Association specifications using sustainable and recommended turf management techniques

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Removed Quinlan Creek Dam
- Completed course-wide tree trimming project
- Enhanced landscaping around practice facility
- Replaced tees, pins, and flags
- Reconfigured equipment and storage in maintenance area
- Negotiated a new maintenance lease agreement with Toro
- Added Under Armor as a vendor

FY2019 OBJECTIVES

Key Priority Area: Parks, Open Space & The River Corridor

- Maintain the day-to-day operations of the 18 hole Championship golf course and practice facility consistent with USGA standards and recommendations
- Establish customer service experiences that exceeds expectations
- Provide a well stocked pro-shop with the latest brands of equipment

Did you know?

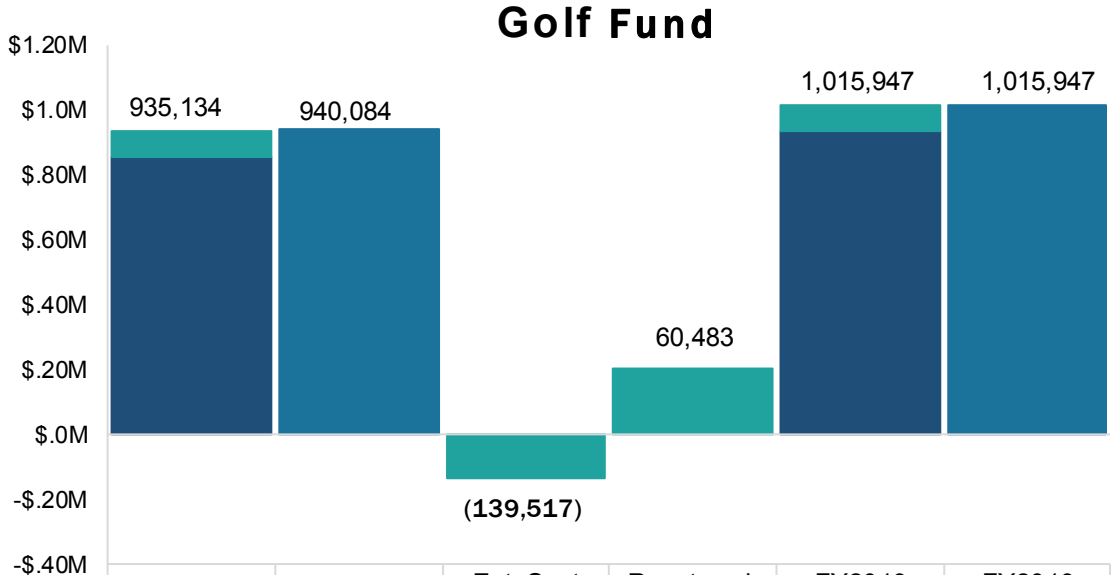
Scott Schreiner Golf Course is the home course for many area schools including the 2018 State Champion Lady Warriors of Ingram Tom Moore High School and the Schreiner University Men's 2014 NCAA Division III National Golf Championship team.

GOLF FUND

Expenditures in the Golf Fund have exceeded revenues for the last several years, resulting in a negative cash balance for the fund. In FY2018, City Council approved a budget amendment for a one time transfer of $200,000 from the General Fund to the Golf Fund. In FY2019, Golf is proposing a balanced budget. Projected revenues have increased due to small fee increases and increased traffic assumptions due to the following course improvements:

- Improved maintenance with new equipment through a refinanced lease
- Over-seeding of greens
- Net replacements

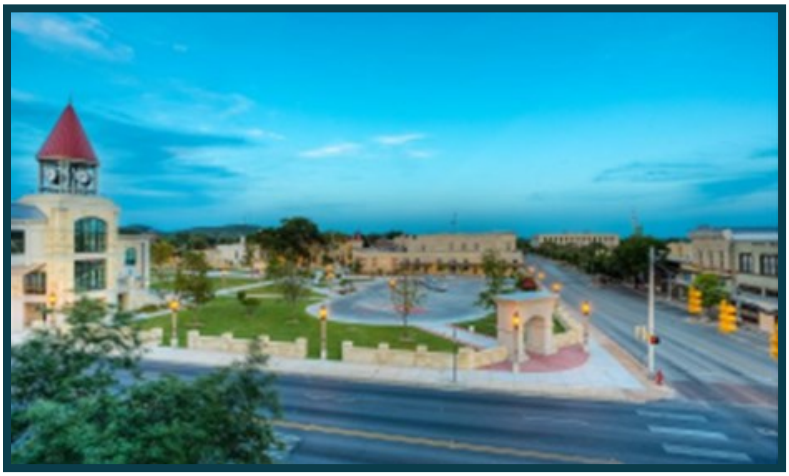
Note that the Golf Fund will continue to have a negative fund balance due to non-cash expenses for depreciation and pension, however, the $200,000 transfer will give the Golf Fund a positive cash balance.



	FY2018 Est. Revenue	FY2018 Est. Expense	Est. Sept 2018 Cash Balance	Reset cash balance transfer	FY2019 Revenue Budget	FY2019 Expense Budget
Transfer In	80,000			200,000	80,000	
Golf	855,134	940,084	(139,517)	-	935,947	1,015,947
Total	935,134	940,084	(139,517)	60,483	1,015,947	1,015,947

Performance Measures

Key Priority Area	Measure	FY2017 Actual	FY2018 Goal	FY2018 Qtr 1	FY2018 Qtr 2	FY2018 Qtr 3	FY2018 Qtr 4	FY2018 Actual
Parks, Open Space & The River Corridor	Bad weather days	58	50	30	40	2	7	79
	Rounds played	25,978	26,000	5,913	4,953	6,491	6,110	23,467
	Dollars generated per round	$15.12	$18.85	$15.75	$14.62	$16.52	$18.56	$16.36



KERRVILLE 2050

Revenues by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Fund Balance	**$ (50,386)**	**$ (276,237)**	**$ (276,237)**	**$ (185,372)**
Revenues				
Green Fees	387,534	420,000	383,878	437,100
Cart Rentals	214,940	235,847	226,184	233,847
Private Cart Rental	3,665	4,000	3,131	4,000
Membership Dues	77,913	75,000	74,253	73,000
Driving Range	27,066	26,000	26,330	26,000
Golf Merchandise	89,628	92,000	81,112	92,000
Food Sales	20,293	23,000	18,195	23,000
Beer Sales	41,129	45,000	41,932	45,000
Total Recreation Revenue	**862,168**	**920,847**	**855,014**	**933,947**
Timely Discount	945	1,000	-	1,000
Miscellaneous Revenue	579	1,000	120	1,000
Total Interest and Miscellaneous	**1,524**	**2,000**	**120**	**2,000**
Transfer In - General Fund	-	280,000	280,000	70,000
Transfer In - Hotel Occupancy Fund	-	-	-	10,000
Total Interest and Miscellaneous	**-**	**280,000**	**280,000**	**80,000**
Total Revenues	**863,692**	**1,202,847**	**1,135,134**	**1,015,947**

Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Expenditures				
Salaries	403,751	415,830	404,369	455,078
Benefits	194,956	143,845	136,244	146,938
Travel and Training	1,958	1,600	1,675	2,000
Total Personnel Services	**600,664**	**561,275**	**542,289**	**604,015**
Office Supplies	1,970	3,300	2,496	3,234
Tools and Equipment	9,603	10,535	9,406	10,435
Chemical and Medical	27,708	23,320	17,621	23,343
Fuel	7,950	6,000	6,651	5,225
Wearing Apparel	3	1,500	707	1,500
Postage and Shipping	187	300	508	350
Cost of Goods Sold	122,497	122,000	100,367	110,700
Other Supplies	12,497	19,892	12,480	14,161
Total Supplies and Materials	**182,414**	**186,847**	**150,236**	**168,948**
Building, Structure, Land Maintenance	1,053	4,112	3,685	20,029
Vehicle	2,928	3,665	3,714	3,515
Equipment	15,391	23,900	23,170	20,204
Technology	1,230	1,500	1,380	-
Total Maintenance and Repairs	**20,602**	**33,177**	**31,950**	**43,748**
Utilities	60,512	71,469	72,284	60,766
Professional Services	17,943	18,800	17,010	15,120
Insurance	7,224	7,300	7,497	7,400
Advertising		500	-	500
Equipment Lease	107,346	104,900	103,593	104,900
Total Services	**193,025**	**202,969**	**200,385**	**188,686**
Community Support	5,850	8,000	5,650	-
Other	9,879	12,019	9,575	10,550
Total Other Expenses	**15,729**	**20,019**	**15,225**	**10,550**
Machinery-Tools-Equipment	32,921	-	-	-
Total Capital Outlay	**32,921**	**-**	**-**	**-**
Total Expenditures	**1,045,354**	**1,004,287**	**940,084**	**1,015,947**
Net Revenue (Expenditures)	**(181,662)**	**198,560**	**195,050**	**-**
Non Cash Adjustments	**(44,188)**	**(80,000)**	**(104,186)**	**(80,000)**
Ending Fund Balance	**(276,237)**	**(157,677)**	**(185,372)**	**(265,372)**
Ending Cash Balance	**$ (140,209)**	**$ 58,351**	**$ 60,483**	**$ 60,483**

OTHER FUNDS

GENERAL ASSET REPLACEMENT FUND

The General Asset Replacement Fund is a governmental fund type that is consolidated with the General Fund for financial reporting purposes. The fund is dedicated for the replacement of General Fund capital items such as fleet vehicles, heavy equipment, and IT purchases.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Committed Fund Balance	**$ 113,405**	**$ 1,263,835**	**$ 1,263,835**	**$ 2,869,576**
Revenues				
Asset Disposal Proceeds	30,394	25,000	31,207	25,000
Interest Revenue	5,101	250	33,807	15,000
Miscellaneous Revenue	2	-	-	-
Total Interest and Miscellaneous	**35,496**	**25,250**	**65,014**	**40,000**
Transfer In - General Fund	1,705,073	1,048,543	1,048,543	-
Transfer In - Gen Capital Projects	-	1,200,000	1,200,000	-
Transfer In - Insurance Reserve	-	34,168	34,168	-
Total Transfer In	**1,705,073**	**2,282,711**	**2,282,711**	**-**
Total Revenues	**1,740,569**	**2,307,961**	**2,347,725**	**40,000**
Expenditures				
Tools and Equipment	1,980	-	49,880	-
Total Supplies and Materials	**1,980**	**-**	**49,880**	**-**
Vehicles	479,485	1,087,900	508,917	1,263,000
Machinery-Tools-Equipment	108,674	183,400	183,188	140,853
Total Capital Outlay	**588,159**	**1,271,300**	**692,104**	**1,403,853**
Total Expenditures	**590,139**	**1,271,300**	**741,984**	**1,403,853**
Net Revenue (Expenditures)	**1,150,430**	**1,036,661**	**1,605,742**	**(1,363,853)**
Ending Committed Fund Balance	**$ 1,263,835**	**$ 2,300,496**	**$ 2,869,576**	**$ 1,505,723**

GENERAL ASSET REPLACEMENT FUND

The General Asset Replacement Fund is a governmental fund type that is consolidated with the General Fund for financial reporting purposes. The fund is dedicated for the replacement of General Fund capital items such as fleet vehicles, heavy equipment, and IT purchases.

FY2019 expenditures include:

- Pumper Truck - $650K (replacing 2001 model)
- 2 Ambulance Box Remounts - $149K each (14 year life for box, 7 year chassis life)
- 2 Vehicles for Fire - $87K for both (replacing 2008 and 2009 models)
- 3 Patrol Vehicles - $37K each (replacing 2013 and 2014 models)
- 2 Parks Maintenance Trucks - $30K each (replacing 2001 and 2002 models)
- 1 Streets Truck - $30K (replacing 2005 model)
- 1 Building Services Truck - $27K (replacing 2007 model)
- 1 Mower and 1 Topdresser at Kerrville Sports Complex - $55K total for both
- 2 Mowers and 1 Cart at Kerrville-Schreiner Park - $25K total for both
- 1 Chest Compression Device - $20K
- 2 Servers and a Wireless Controller - $41K for all

Vehicle and equipment replacement needs in the next 5 years are expected to be between $450,000 and $500,000 annually. The Fire Department is purchasing 2 Pumper Trucks at $650,000 each. Those trucks are originally budgeted in FY2018 and FY2019, however due to the long lead time for orders, the trucks are expected to be delivered and paid for in FY2019 and FY2020. Accordingly, FY2020 will contain budget for the 2nd Pumper Truck.

WATER ASSET REPLACEMENT FUND

The Water Asset Replacement Fund is an enterprise fund for financial reporting purposes dedicated for the replacement of Water Fund capital items such as fleet vehicles and heavy equipment.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Fund Balance	**$ 372,712**	**$ 338,416**	**$ 338,416**	**$ 425,581**
Revenues				
Asset Disposal Proceeds	29,871	5,000	3,723	10,000
Interest Revenue	3,336	1,000	5,785	3,000
Total Interest and Miscellaneous	**33,207**	**6,000**	**9,508**	**13,000**
Transfer In - Water Fund	-	150,000	150,000	200,000
Transfer In - Insurance Reserve	-	19,649	19,649	-
Total Transfer In	**-**	**169,649**	**169,649**	**200,000**
Total Revenues	**33,207**	**175,649**	**179,157**	**213,000**
Expenditures				
Tools and Equipment		-	-	-
Total Supplies and Materials	**-**	**-**	**-**	**-**
Vehicles	67,503	97,200	55,235	129,600
Machinery-Tools-Equipment	-	36,800	36,757	367,000
Total Capital Outlay	**67,503**	**134,000**	**91,992**	**496,600**
Total Expenditures	**67,503**	**134,000**	**91,992**	**496,600**
Net Revenue (Expenditures)	**(34,296)**	**41,649**	**87,165**	**(283,600)**
Ending Fund Balance	**$ 338,416**	**$ 380,065**	**$ 425,581**	**$ 141,981**

FY2019 expenditures include:

- Vacuum Excavation Trailer - $105,000
- Well Site Generators - $150,000
- Wheel Loader for Water Production—$80,000
- Two 72” Mowers for Water Reclamation - $22,000
- Lab generator - $10,000
- Water Reclamation Dump Truck - $84,000 (replacing 2000 model)
- Water Reclamation 1 Ton Truck - $45,600 (replacing 2002 model)

Vehicle and equipment replacement needs in the next 5 years are expected to be approximately $150,000 annually.

HOTEL OCCUPANCY TAX FUND

The Hotel Occupancy Tax Fund is a special revenue fund in the governmental funds category for financial reporting purposes that accounts for revenues and expenditures related to the hotel/motel occupancy tax received by the City. Money in this fund must be used to promote the convention and tourism industry in Kerrville.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Restricted Fund Balance	**$ 698,644**	**$ 911,839**	**$ 911,839**	**$ 1,169,842**
Revenues				
Occupancy Tax	1,218,988	1,200,000	1,333,802	1,313,250
Total Tax Revenue	**1,218,988**	**1,200,000**	**1,333,802**	**1,313,250**
Interest Revenue	6,908	5,000	14,907	16,500
Total Interest and Miscellaneous	**6,908**	**5,000**	**14,907**	**16,500**
Total Revenues	**1,225,895**	**1,205,000**	**1,348,709**	**1,329,750**
Expenditures				
Professional Services	2,700	45,200	40,707	17,000
Advertising	875,000	915,000	915,000	942,000
Total Services	**877,700**	**960,200**	**955,707**	**959,000**
Community Support	75,000	125,000	75,000	75,000
Other	50,000	90,000	60,000	260,750
Total Other Expenses	**125,000**	**215,000**	**135,000**	**335,750**
Building and Structure	10,000	-	-	-
Total Capital Outlay	**10,000**	**-**	**-**	**-**
Transfer Out - General Fund	-	-	-	25,000
Transfer Out - Golf	-	-	-	10,000
Total Transfer Out	**-**	**-**	**-**	**35,000**
Total Expenditures	**1,012,700**	**1,175,200**	**1,090,707**	**1,329,750**
Net Revenue (Expenditures)	**213,195**	**29,800**	**258,002**	**-**
Ending Restricted Fund Balance	**$ 911,839**	**$ 941,639**	**$ 1,169,842**	**$ 1,169,842**

FY2019 funding includes:

- CVB Funding: $942K (3% increase over FY2018)
- Arts Coop (administered by CVB): $60K
- 4th on the River, Festival of the Arts and Triathlon: $25K for each event
- Playhouse 2000: $50K for operations, $50K grant matching
- Contingency funds of $101K
- Events Coordinator position in General Fund: $25K
- Golf Tournaments: $10K

HOTEL OCCUPANCY TAX RESERVE FUND

The HOT Reserve Fund is a special revenue fund in the governmental funds category for financial reporting purposes that accounts for funds that originated from hotel occupancy tax and will be used for activities or projects that promote tourism in Kerrville.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Restricted Fund Balance	**$ 382,558**	**$ 385,971**	**$ 385,971**	**$ 391,797**
Revenues				
Interest Revenue	3,413	1,500	5,826	5,850
Total Interest and Miscellaneous	**3,413**	**1,500**	**5,826**	**5,850**
Total Revenues	**3,413**	**1,500**	**5,826**	**5,850**
Expenditures				
Transfer Out - Gen Capital Projects	-	-	-	-
Total Supplies and Materials	**-**	**-**	**-**	**-**
Total Expenditures	**-**	**-**	**-**	**-**
Net Revenue (Expenditures)	**3,413**	**1,500**	**5,826**	**5,850**
Ending Restricted Fund Balance	**$ 385,971**	**$ 387,471**	**$ 391,797**	**$ 397,647**

The fund balances in the Hotel Occupancy Tax Fund and Hotel Occupancy Tax Reserve Fund are currently earmarked for future tourism facilities.

Garage

The Garage Fund is an internal service fund established to account for the costs of operating a maintenance facility for City owned vehicles and equipment. All funds with vehicles are assessed a charge for the garage.

DEPARTMENT RESPONSIBILITIES

- **Preventative Maintenance:** responsible for providing routine and preventative maintenance to vehicles and equipment
- **Response Maintenance:** responsible for repairing vehicles and equipment in a timely and cost effective manner
- **Predictive Maintenance:** responsible for the analyzing repairs and developing a predictive model to anticipate break downs before they occur to reduce unscheduled repairs and costs
- **Emergency Response:** responsible for responding to roadside emergencies of the City owned fleet
- **Inventory, Purchasing, and Fleet Management:** responsible for citywide ordering of supplies and inventory as well as overall fleet management services

DEPARTMENT ACCOMPLISHMENTS

In the last year, we:

- Improved inventory control process for managing vehicle parts
- Implemented new fleet management software
- Implemented organizational standards to ensure cleanliness, organization, and management of the garage

FY2019 OBJECTIVES

Key Priority Area: Mobility & Transportation

- Ensure fiscal responsibility of assigned budget
- Provide and maintain a cost effective fleet management system
- Provide internal customer with exceptional service
- Provide exceptional, efficient, and effective processes for repair and maintenance of the fleet
- Provide staff with opportunities to engage in professional and personal growth

Did you know?

The garage repairs everything from the small engines of chain saws and generators to the large diesel engines of large dump trucks.

Performance Measures

Key Priority Area	Measure	FY2017 Actual	2018 Goal	QTR 1	QTR 2	QTR 3	QTR 4	YTD 2018
Public Services & Facilities	Total Maintenance Cost	not available	not available	not available	not available	$18,486	$236,388	$254,874
	Maintenance Count	not available	not available	not available	not available	202	254	456
	Avg Cost Per Equipment	not available	not available	not available	not available	$151	$138	$145
	Age Rating	not available	not available	not available	not available	10.77	10.77	10.77
	Fuel Cost	$38,247	not available	not available	not available	$76,891	$83,330	$160,221
	Surplus items sold	$19,440	not available	$4,177	$28,228	$7,823	$0	$40,228
	Inventory Value	$19,440	not available	$17,321	$7,418	$12,077	$12,104	$12,230

KERRVILLE 2050

GARAGE FUND

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Fund Balance	**$ 32,797**	**$ 26,700**	**$ 26,700**	**$ 34,069**
Revenues				
Maintenance Contracts	284,363	355,650	355,650	346,332
Total Service Revenue	**284,363**	**355,650**	**355,650**	**346,332**
Interest Revenue	236	-	6,307	-
Miscellaneous Revenue	509	-	8,609	525
Total Interest and Miscellaneous	**744**	**-**	**14,915**	**525**
Total Revenues	**285,108**	**355,650**	**370,566**	**346,857**
Expenditures				
Salaries	183,197	225,550	220,362	229,633
Benefits	79,094	74,006	82,521	74,344
Travel and Training	460	747	525	2,400
Total Personnel Services	**262,751**	**300,304**	**303,408**	**306,377**
Office Supplies	280	652	649	652
Tools and Equipment	5,498	17,497	22,307	12,100
Chemical and Medical	674	520	578	720
Fuel	861	1,063	1,178	1,318
Wearing Apparel	1,965	2,310	2,343	2,310
Other Supplies	1,933	1,600	1,568	1,500
Total Supplies and Materials	**11,211**	**23,641**	**28,622**	**18,600**
Building, Structure, Land Maintenance	7	1,253	2,990	3,892
Vehicle	(480)	5,744	11,707	544
Equipment	9,538	7,303	7,700	6,810
Total Maintenance and Repairs	**9,065**	**14,300**	**22,397**	**11,245**
Utilities	4,335	5,436	4,815	5,436
Professional Services	430	250	355	250
Insurance	3,412	3,400	3,599	4,000
Total Services	**8,177**	**9,086**	**8,768**	**9,686**
Other	-	8,320		950
Total Other Expenses	**-**	**8,320**	**-**	**950**
Total Expenditures	**291,204**	**355,651**	**363,196**	**346,857**
Net Revenue (Expenditures)	**(6,097)**	**-**	**7,369**	**-**
Ending Fund Balance	**$ 26,700**	**$ 26,700**	**$ 34,069**	**$ 34,069**

EMPLOYEE BENEFIT TRUST FUND

The Employee Benefit Trust Fund is an internal service fund in the proprietary funds financial reporting category used to account for insurance payments for employee health care. Expenditures from this fund are made in accordance with Texas Insurance Code, Chapter 222, which establishes trusts for the payment of employee benefit premiums. Fund balance may be used to absorb the cost of increased premiums so that employee contributions can remain unchanged or increase at a lower rate.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Fund Balance	**$ 707,098**	**$ 542,146**	**$ 542,146**	**$ 318,945**
Revenues				
City and Employee Premiums	2,769,059	2,990,000	2,828,211	3,000,000
Refunded Claims	2,223	-	-	-
Total Revenues	**2,771,282**	**2,990,000**	**2,828,211**	**3,000,000**
Expenditures				
Professional Services	30,000	30,000	30,000	30,000
Insurance	2,906,234	3,116,400	3,021,411	3,137,500
Total Services	**2,936,234**	**3,146,400**	**3,051,411**	**3,167,500**
Total Expenditures	**2,936,234**	**3,146,400**	**3,051,411**	**3,167,500**
Net Revenue (Expenditures)	**(164,952)**	**(156,400)**	**(223,201)**	**(167,500)**
Ending Fund Balance	**$ 542,146**	**$ 385,746**	**$ 318,945**	**$ 151,445**

PARKLAND DEDICATION FUND

The Parkland Dedication Fund is a capital projects fund for financial reporting purpose that allocates a portion of new construction permit revenue for the purchase and development of future parkland. Funds are reserved by location, according to whether the new construction is located east or west of Sidney Baker Street.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Committed Fund Balance	**$ 48,990**	**$ 106,019**	**$ 106,019**	**$ 154,226**
Revenues				
Parkland Fee - East	24,110	12,000	38,346	30,000
Parkland Fee - West	4,475	3,500	7,750	5,000
Total Fees	**28,585**	**15,500**	**46,096**	**35,000**
Interest Revenue	736	200	2,111	2,250
Total Interest and Miscellaneous	**736**	**200**	**2,111**	**2,250**
Transfer In - Gen Capital Projects	27,708	-	-	-
Total Transfers In	**27,708**	**-**	**-**	**-**
Total Revenues	**57,029**	**15,700**	**48,207**	**37,250**
Expenditures				
Building and Structures	-	-	-	100,000
Total Capital Outlay	**-**	**-**	**-**	**100,000**
Total Expenditures	**-**	**-**	**-**	**100,000**
Net Revenue (Expenditures)	**57,029**	**15,700**	**48,207**	**(62,750)**
Ending Committed Fund Balance	**$ 106,019**	**$ 121,719**	**$ 154,226**	**$ 91,476**

POLICE SPECIAL REVENUE FUND

The Police Special Revenue Fund is a special revenue fund in the governmental funds category for financial reporting purposes that accounts for revenue restricted for Police related expenditures. Revenue includes distributions from the State of Texas for law enforcement officer standards and education (LEOSE). This funding must be used for law enforcement training. In addition, funds awarded to the City through a judgement of forfeiture that arises from seized cash or proceeds from the sale of seized items are recorded in this fund and must be used for law enforcement related expenditures.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Restricted Fund Balance	**$ 17,442**	**$ 34,052**	**$ 34,052**	**$ 60,980**
Revenues				
State - LEOSE - PD	4,511	4,000	3,763	4,000
State - LEOSE - Fire Marshal	801	800	795	800
Proceeds - Seized Items sold	3,392	3,000	8,103	3,000
Restitution	442	500	391	500
Cash Seizures Awarded	13,835	10,000	22,167	15,000
Interest Revenue	507	250	1,179	750
Miscellaneous Revenue	10,361	500	1,987	500
Total Interest and Miscellaneous	**33,849**	**19,050**	**38,384**	**24,550**
Transfer In - Police Special Programs	7,265	-	-	-
Total Transfers In	**7,265**	**-**	**-**	**-**
Total Revenues	**41,114**	**19,050**	**38,384**	**24,550**
Expenditures				
Travel and Training	2,416	3,050	-	3,500
Total Personnel Services	**2,416**	**3,050**	**-**	**3,500**
Office Supplies	-	3,500	188	1,200
Tools and Equipment	14,109	500		10,000
Other Supplies	-	1,500	777	1,500
Total Supplies and Materials	**14,109**	**5,500**	**964**	**12,700**
Other	7,978	10,500	10,492	8,000
Total Other Expenses	**7,978**	**10,500**	**10,492**	**8,000**
Total Expenditures	**24,503**	**19,050**	**11,456**	**24,200**
Net Revenue (Expenditures)	**16,610**	**-**	**26,928**	**350**
Ending Restricted Fund Balance	**$ 34,052**	**$ 34,052**	**$ 60,980**	**$ 61,330**

LIBRARY MEMORIAL FUND

The Library Memorial Fund is a special revenue fund in the governmental funds category for financial reporting purposes that accounts for contributions from private sources that must be used for special programs or other expenses at the Butt-Holdsworth Memorial Library. An organization called Friends of the Library (FOTL) is the primary source of annual contributions.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Committed Fund Balance	**$ 180,596**	**$ 339,723**	**$ 339,723**	**$ 431,719**
Revenues				
Friends of the Library Contribution	25,001	25,000	25,001	25,000
Donations	153,296	1,500	82,345	1,500
Total Grants	**178,297**	**26,500**	**107,346**	**26,500**
Oil and Gas Revenue	1,014	500	774	500
Interest Revenue	2,853	1,500	5,946	6,000
Total Interest and Miscellaneous	**3,867**	**2,000**	**6,720**	**6,500**
Total Revenues	**182,164**	**28,500**	**114,066**	**33,000**
Expenditures				
Other Supplies	4,516	3,600	2,953	3,800
Total Supplies and Materials	**4,516**	**3,600**	**2,953**	**3,800**
Professional Services	2,964	4,200	2,935	4,500
Advertising	356	400	309	400
Total Services	**3,320**	**4,600**	**3,244**	**4,900**
Other	31	150	35	150
Total Other Expenses	**31**	**150**	**35**	**150**
Books and Records	15,170	16,650	15,839	17,000
Total Capital Outlay	**15,170**	**16,650**	**15,839**	**17,000**
Total Expenditures	**23,036**	**25,000**	**22,071**	**25,850**
Net Revenue (Expenditures)	**159,127**	**3,500**	**91,995**	**7,150**
Ending Committed Fund Balance	**$ 339,723**	**$ 343,223**	**$ 431,719**	**$ 438,869**

PEG SPECIAL REVENUE FUND

PEG is an acronym for Public, Educational, and Governmental access television channels. PEG Special Revenue Fund is a special revenue fund in the governmental funds category for financial reporting purposes that accounts for franchise fee revenue received from cable providers that is restricted for use on expenditures which directly support PEG access channel facilities.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Restricted Fund Balance	**$ 3,860**	**$ 42,537**	**$ 42,537**	**$ 51,595**
Revenues				
Franchise Fee - PEG	52,848	50,000	58,567	50,000
Total Fee Revenue	**52,848**	**50,000**	**58,567**	**50,000**
Interest Revenue	101	-	401	300
Total Interest and Miscellaneous	**101**	**-**	**401**	**300**
Total Revenues	**52,949**	**50,000**	**58,968**	**50,300**
Expenditures				
Tools and Equipment	4,246	14,820	14,761	11,500
Total Supplies and Materials	**4,246**	**14,820**	**14,761**	**11,500**
Technology Maintenance	4,778	9,400	35,148	-
Total Maintenance and Repairs	**4,778**	**9,400**	**35,148**	**-**
Machinery, Tools and Equipment	5,248	25,780	-	38,500
Total Capital Outlay	**5,248**	**25,780**	**-**	**38,500**
Total Expenditures	**14,272**	**50,000**	**49,909**	**50,000**
Net Revenue (Expenditures)	**38,677**	**-**	**9,058**	**300**
Ending Restricted Fund Balance	**$ 42,537**	**$ 42,537**	**$ 51,595**	**$ 51,895**

MUNICIPAL COURT SPECIAL REVENUE FUND

The Municipal Court Special Revenue Fund is a special revenue fund in the governmental funds category for financial reporting purposes that accounts for fees received by the court that are restricted for court technology, court security, and child safety or truancy related expenditures.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Restricted Fund Balance	**$ 45,725**	**$ 81,310**	**$ 81,310**	**$ 79,021**
Revenues				
MC - Child Safety Fine	-	-	1,875	8,000
MC - Technology Fee	19,642	16,800	15,832	16,800
MC - Security Fee	14,716	12,000	11,874	12,000
MC - Truancy Fee	650	-	250	200
Total Fines and Forfeitures	**35,008**	**28,800**	**29,831**	**37,000**
Interest Revenue	577	-	1,391	750
Total Interest and Miscellaneous	**577**	**-**	**1,391**	**750**
Total Revenues	**35,585**	**28,800**	**31,222**	**37,750**
Expenditures				
Equipment Maintenance		650	-	650
Technology Maintenance	-	5,107	4,442	1,290
Total Maintenance and Repairs	**-**	**5,757**	**4,442**	**1,940**
Professional Services	-	300	-	300
Total Services	**-**	**300**	**-**	**300**
Machinery, Tools and Equipment	-	29,069	29,069	24,500
Total Capital Outlay	**-**	**29,069**	**29,069**	**24,500**
Total Expenditures	**-**	**35,126**	**33,511**	**26,740**
Net Revenue (Expenditures)	**35,585**	**(6,326)**	**(2,289)**	**11,010**
Ending Restricted Fund Balance	**$ 81,310**	**$ 74,984**	**$ 79,021**	**$ 90,031**

LANDFILL FUND

The Landfill Fund is a governmental fund type that is consolidated with the General Fund for financial reporting purposes. The fund is used to account for funds that are restricted for uses related to purchasing, developing, extending, closing, or otherwise pursuing additional capacity for the City's landfill or any other method of solid waste disposal.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Restricted Fund Balance	**$ 722,095**	**$ 546,263**	**$ 546,263**	**$ 631,655**
Revenues				
Environment Fee	38,086	37,920	38,375	38,000
Total Tax Revenue	**38,086**	**37,920**	**38,375**	**38,000**
Interest Revenue	5,777	5,000	9,115	9,000
Total Interest and Miscellaneous	**5,777**	**5,000**	**9,115**	**9,000**
Transfer In - General Debt Service	37,902	37,902	37,902	37,902
Total Transfer In	**37,902**	**37,902**	**37,902**	**37,902**
Total Revenues	**81,765**	**80,822**	**85,392**	**84,902**
Expenditures				
Transfer Out - Gen Capital Projects	257,597	-	-	-
Total Transfer Out	**257,597**	**-**	**-**	**-**
Total Expenditures	**257,597**	**-**	**-**	**-**
Net Revenue (Expenditures)	**(175,832)**	**80,822**	**85,392**	**84,902**
Ending Restricted Fund Balance	**$ 546,263**	**$ 627,085**	**$ 631,655**	**$ 716,557**

LANDFILL POST CLOSURE FUND

The Landfill Post Closure Fund is a governmental fund type that is consolidated with the General Fund for financial reporting purposes. The fund is used to account for funds that are restricted for post closure expenses of the Subtitle D permitted landfill that is currently accepting waste, and to provide financial assurance required by the TCEQ for the 30 year period after the landfill no longer accepts waste.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Restricted Fund Balance	**$ 2,047,511**	**$ 2,110,409**	**$ 2,110,409**	**$ 2,187,135**
Revenues				
Interest Revenue	18,665	15,000	32,494	32,625
Total Interest and Miscellaneous	**18,665**	**15,000**	**32,494**	**32,625**
Transfer In - General Debt Service	44,233	44,233	44,233	44,233
Total Transfer In	**44,233**	**44,233**	**44,233**	**44,233**
Total Revenues	**62,898**	**59,233**	**76,727**	**76,858**
Expenditures				
	-	-	-	-
Total Expenditures	**-**	**-**	**-**	**-**
Net Revenue (Expenditures)	**62,898**	**59,233**	**76,727**	**76,858**
Ending Restricted Fund Balance	**$ 2,110,409**	**$ 2,169,641**	**$ 2,187,135**	**$ 2,263,993**

REMSCHEL-DEERING HISTORY CENTER FUND

The Remschel-Deering History Center Fund is a special revenue fund in the governmental funds category for financial reporting purposes that accounts for the History Center's operating revenues and expenditures.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Committed Fund Balance	**$ 145,140**	**$ 184,132**	**$ 184,132**	**$ 199,145**
Revenues				
Library - Copies	14	50	22	50
Library - Internet Printing	64	250	93	100
Microform Printing	-	50	-	-
Total Service Revenue	**77**	**350**	**114**	**150**
Deering Trust Income	47,144	32,358	18,274	13,200
Donation	856	-	1,041	-
Total Grants and Donations	**48,000**	**32,358**	**19,315**	**13,200**
Interest Revenue	1,518	300	2,895	2,850
Miscellaneous Revenue	0	10	-	-
Total Interest and Miscellaneous	**1,519**	**310**	**2,895**	**2,850**
Total Revenues	**49,596**	**33,018**	**22,324**	**16,200**
Expenditures				
Travel and Training	-	305	304	-
Total Personnel Services	**-**	**305**	**304**	**-**
Office Supplies	832	1,041	672	1,010
Tools and Equipment	2,277	440	-	-
Chemical and Medical	-	20	-	10
Postage and Shipping	-	300	201	300
Other Supplies	899	365	11	-
Total Supplies and Materials	**4,009**	**2,166**	**884**	**1,320**
Building, Structure, Land Maintenance	496	2,095	1,227	1,736
Equipment	1,375	2,350	249	2,446
Total Maintenance and Repairs	**1,871**	**4,445**	**1,476**	**4,182**
Utilities	3,255	5,412	3,397	4,992
Professional Services	1,097	1,300	738	1,000
Total Services	**4,351**	**6,712**	**4,136**	**5,992**
Library Collection	373	895	513	1,000
Total Capital Outlay	**373**	**895**	**513**	**1,000**
Total Expenditures	**10,604**	**14,523**	**7,311**	**12,494**
Net Revenue (Expenditures)	**38,992**	**18,495**	**15,012**	**3,707**
Ending Committed Fund Balance	**$ 184,132**	**$ 202,628**	**$ 199,145**	**$ 202,851**

CAILLOUX THEATER ENDOWMENT FUND

The Cailloux Theater Endowment Fund is a special revenue fund in the governmental funds category for financial reporting purposes. The endowment agreement specifies that fund revenue can be used to maintain the Kathleen C. Cailloux City Center for the Performing Arts. No more than 5% of the corpus may be used annually. Maintenance expenses at the Kit Werlein Annex are not eligible for reimbursement from this fund.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Restricted Fund Balance	**$ 700,197**	**$ 704,057**	**$ 704,057**	**$ 682,619**
Revenues				
Interest Revenue	6,240	5,000	10,475	10,275
Total Interest and Miscellaneous	**6,240**	**5,000**	**10,475**	**10,275**
Total Revenues	**6,240**	**5,000**	**10,475**	**10,275**
Expenditures				
Building, Structure, Land Maintenance	2,380	31,913	31,913	44,275
Total Maintenance and Repairs	**2,380**	**31,913**	**31,913**	**44,275**
Total Expenditures	**2,380**	**31,913**	**31,913**	**44,275**
Net Revenue (Expenditures)	**3,860**	**(26,913)**	**(21,437)**	**(34,000)**
Ending Restricted Fund Balance	**$ 704,057**	**$ 677,144**	**$ 682,619**	**$ 648,619**

GRANT FUND

The Grant Fund is a special revenue fund reported in the governmental funds category for financial reporting purposes. It is used to account for grant money received and spent. Revenues and expenditures are not budgeted until grants have been awarded.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Restricted Fund Balance	**$ 3,117**	**$ 3,117**	**$ 3,117**	**$ 3,117**
Revenues				
Police Grants	92,102	28,304	28,304	-
Recycle Grants	10,197	-	-	-
Total Grants and Donations	**102,299**	**28,304**	**28,304**	**-**
Total Revenues	**102,299**	**28,304**	**28,304**	**-**
Expenditures				
Tools and Equipment	-	28,304	28,304	-
Total Supplies and Materials	**-**	**28,304**	**28,304**	**-**
Professional Services	10,197	-	-	-
Total Services	**10,197**	**-**	**-**	**-**
Machinery, Tools and Equipment	92,102	-	-	-
Total Capital Outlay	**92,102**	**-**	**-**	**-**
Total Expenditures	**102,299**	**28,304**	**28,304**	**-**
Net Revenue (Expenditures)	**-**	**-**	**-**	**-**
Ending Restricted Fund Balance	**$ 3,117**	**$ 3,117**	**$ 3,117**	**$ 3,117**

INSURANCE RESERVE FUND

The Insurance Reserve Fund is a governmental fund type that is consolidated with the General Fund for financial reporting purposes. The fund accounts for losses incurred by the City for physical damages to fleet, equipment, and buildings.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Committed Fund Balance	**$ 314,851**	**$ 369,281**	**$ 369,281**	**$ 246,309**
Revenues				
Reimbursement - Vehicle/Equipment	53,454	30,000	34,106	40,000
Reimbursement - Building/Structure	213,552	30,000	17,901	40,000
Total Interest and Miscellaneous	**267,006**	**60,000**	**52,007**	**80,000**
Total Revenues	**267,006**	**60,000**	**52,007**	**80,000**
Expenditures				
Tools and Equipment	-	-	653	-
Total Supplies and Materials	**-**	**-**	**653**	**-**
Building, Structure, Land Maintenance	124,199	91,162	93,369	40,000
Vehicle	88,378	30,000	27,140	40,000
Total Maintenance and Repairs	**212,576**	**121,162**	**120,509**	**80,000**
Transfer Out - Gen Asset Replacement	-	34,168	34,168	-
Transfer Out - Water Asset Replacement	-	19,649	19,649	-
Total Transfer Out	**-**	**53,817**	**53,817**	**-**
Total Expenditures	**212,576**	**174,979**	**174,979**	**80,000**
Net Revenue (Expenditures)	**54,430**	**(114,979)**	**(122,972)**	**-**
Ending Committed Fund Balance	**$ 369,281**	**$ 254,302**	**$ 246,309**	**$ 246,309**

MAIN STREET FUND

The Main Street Program Fund is a is a governmental fund type that is consolidated with the General Fund for financial reporting purposes. The fund accounts for special programs and projects that promote the downtown Main Street area. Note that for FY2019 expenditures related to Main Street will be transferred back to the General Fund and this fund will no longer be used going forward.

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Assigned Fund Balance	**$ 42,123**	**$ 10,304**	**$ 10,304**	**$ -**
Revenues				
Interest Revenue	184	-	63	-
Mardi Gras Sponsorship	2,500	-	-	-
Mardi Gras Beverage	1,388	3,000	-	-
Holiday Parade	1,769	1,700	1,620	-
Brick Sales	200	500	100	-
Miscellaneous Revenue	-	350	588	-
Total Interest and Miscellaneous	**6,040**	**5,550**	**2,371**	**-**
Total Revenues	**6,040**	**5,550**	**2,371**	**-**
Expenditures				
Travel and Training	73	-	-	-
Total Personnel Services	**73**	**-**	**-**	**-**
Tools and Equipment	200	-	-	-
Other Supplies	2,141	-	285	-
Total Supplies and Materials	**2,341**	**-**	**285**	**-**
Professional Services	4,784	250	105	-
Advertising	2,662	1,600	968	-
Lease / Rent	10,018	5,100	5,590	-
Total Services	**17,465**	**6,950**	**6,663**	**-**
Other	1,366	1,135	600	-
Total Other Expenses	**1,366**	**1,135**	**600**	**-**
Building and Structures	16,614	-	-	-
Total Capital Outlay	**16,614**	**-**	**-**	**-**
Transfer Out - General Fund	-	5,128	5,128	-
Total Transfer Out	**-**	**5,128**	**5,128**	**-**
Total Expenditures	**37,859**	**13,213**	**12,675**	**-**
Net Revenue (Expenditures)	**(31,819)**	**(7,663)**	**(10,304)**	**-**
Ending Assigned Fund Balance	**$ 10,304**	**$ 2,641**	**$ -**	**$ -**

COMPONENT UNIT FUNDS

GASB Statement No. 14 defines component units as legally separate organizations for which the elected officials of the primary government are financial accountable. They may be a governmental organization, a nonprofit corporation or a for profit corporation.

Component unit funds are NOT part of the citywide budget totals presented in this book.

EIC FUND

The Economic Improvement Corporation (EIC) Fund is a fiduciary fund that is a Component Unit of the City. This fund accounts for the collection and disbursement of funds received through a half cent 4B sales tax. The fund is governed by the EIC Board. The Board proposes the budget before it is approved and adopted by the City Council. The EIC Board contracts with the City to provide management services such accounting, legal and secretarial.

EIC guidelines specify that the funds must be used for the following categories of projects that are permitted for Section 4B funds:

1. Business Development
2. Quality of Life
3. Public Infrastructure

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Fund Balance	**$ 4,332,486**	**$ 2,827,307**	**$ 2,827,307**	**$ 1,804,149**
Revenues				
Sales Tax	3,360,593	3,476,206	3,449,171	3,469,052
Total Tax Revenue	**3,360,593**	**3,476,206**	**3,449,171**	**3,469,052**
Interest Revenue	28,043	15,000	76,846	45,000
Miscellaneous Revenue	1,000	-	10,000	-
Total Interest and Miscellaneous	**29,043**	**15,000**	**86,846**	**45,000**
Total Revenues	**3,389,636**	**3,491,206**	**3,536,017**	**3,514,052**
Expenditures				
Office Supplies	80	500	105	500
Total Supplies and Materials	**80**	**500**	**105**	**500**
Professional Services	100,000	100,000	100,416	230,000
Kerr Economic Development Corp	180,000	140,000	140,000	140,000
Total Services	**280,000**	**240,000**	**240,416**	**370,000**
Debt Service	1,114,735	1,318,653	1,118,653	1,112,186
Total Other Expenses	**1,114,735**	**1,318,653**	**1,118,653**	**1,112,186**
Category 1 - Business Development	500,000	500,000	500,000	500,000
Category 2 - Quality of Life	1,000,000	950,000	950,000	250,000
Category 3 - Public Infrastructure	2,000,000	1,750,000	1,750,000	1,250,000
Total Transfer Out to Project Fund	**3,500,000**	**3,200,000**	**3,200,000**	**2,000,000**
Total Expenditures	**4,894,815**	**4,759,153**	**4,559,174**	**3,482,686**
Net Revenue (Expenditures)	**(1,505,179)**	**(1,267,947)**	**(1,023,157)**	**31,366**
Ending Fund Balance	**$ 2,827,307**	**$ 1,559,360**	**$ 1,804,149**	**$ 1,835,515**

EIC PROJECTS FUND

The EIC Projects Fund is used to account for funding for individual projects that the EIC Board approves. EIC guidelines specify that the funds must be used for the following categories of projects that are permitted for Section 4B funds:

1. Business Development
2. Quality of Life
3. Public Infrastructure

Revenues & Expenditures by Line Item

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Budget
Beginning Fund Balance	**$ 2,089,019**	**$ 2,100,000**	**$ 2,100,000**	**$ 2,850,000**
Revenues				
Transfer In - EIC	3,500,000	3,200,000	3,200,000	2,050,000
Total Transfers In	**3,500,000**	**3,200,000**	**3,200,000**	**2,050,000**
Total Revenues	**3,500,000**	**3,200,000**	**3,200,000**	**2,050,000**
Expenditures				
Building and Structure	13,360	-	-	-
Total Maintenance	**13,360**	**-**	**-**	**-**
Professional Services	607,529	-	-	-
Total Services	**607,529**	**-**	**-**	**-**
Project Contribution	2,867,130	2,700,000	2,450,000	1,000,000
Total Other Expenses	**2,867,130**	**2,700,000**	**2,450,000**	**1,000,000**
Transfer Out - EIC	1,000	-	-	-
Total Transfers Out	**1,000**	**-**	**-**	**-**
Total Expenditures	**3,489,019**	**2,700,000**	**2,450,000**	**1,000,000**
Net Revenue (Expenditures)	**10,981**	**500,000**	**750,000**	**1,050,000**
Ending Fund Balance	**$ 2,100,000**	**$ 2,600,000**	**$ 2,850,000**	**$ 3,900,000**

KERRVILLE

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APPENDIX

KERRVILLE

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PERSONNEL SCHEDULES

FULL TIME EMPLOYEES (FTE) BY DEPARTMENT

Department	FY2017	FY2018	FY2019
General Fund Personnel Count			
City Secretary	2	2	2
City Attorney	1	1	1
City Administration	6	6	5
Human Resources	4	4	4
Finance	5	5	5
Information Technology	5	6	6
Municipal Court	6	6	6
Police	71	72	72
Fire	49	49	48
Emergency Mgmt & Training	0	0	1
Fire Marshal	2	2	2
EMS	27	26	26
Kerrville-Schreiner Park	7	7	8
Parks Maintenance	20	20	20
Sports Complex	2	4	6
Recreation	2	2	2
Community Events	0	0	1
Engineering	4	5	5
Streets	18	18	19
Solid Waste	0	1	1
Library	9	9	9
General Operations	0	0	1
Total General Fund	**240**	**245**	**250**
Development Services Fund Personnel Count			
Planning	3	2	2
Building Services	5	5	6
Code Compliance	2	2	2
Total Development Services Fund	**10**	**9**	**10**
Water Fund Personnel Count			
Utility Billing	8	7	7
Water Production	12	13	13
Water Distribution	9	9	10
Water Reclamation	15	15	15
Utility Lab	4	4	4
Total Water Fund	**48**	**48**	**49**
Garage Fund Personnel Count			
Garage	**4**	**5**	**5**
Golf Fund Personnel Count			
Golf Course Maintenance	7	7	7
Golf Pro Shop	3	3	3
Total Golf Fund	**10**	**10**	**10**
Total City FTEs	**312**	**317**	**324**

GENERAL GOVERNMENT PAY PLAN

City of Kerrville						
General Government Pay Plan						
Effective October 1, 2018						
Pay Grade	**Position Title**	**FLSA**	**Min**	**Mid**	**Max**	**Hourly Min**
12	Library Shelver (PT/9)	NE	$19,602	$23,513	$27,425	9.42
13	Pro Shop Attendant (PT/15)	NE	$20,563	$24,671	$28,780	9.89
13	Pro Shop Attendant (PT/20)	NE	$20,563	$24,671	$28,780	9.89
13	Pro Shop Attendant	NE	$20,563	$24,671	$28,780	9.89
14	N/A	NE	$21,590	$25,903	$30,217	10.38
15	N/A	NE	$22,661	$27,184	$31,708	10.89
16	Building Maintenance Worker/Custodian	NE	$23,775	$28,517	$33,281	11.43
16	Groundskeeper - Golf	NE	$23,775	$28,517	$33,281	11.43
17	Admin Clerk - Police - Property-Evidence Unit	NE	$24,956	$29,938	$34,920	12.00
17	Admin Clerk - Police - Records & Investigations	NE	$24,956	$29,938	$34,920	12.00
17	Library Clerk (PT/15)	NE	$24,956	$29,938	$34,920	12.00
17	Library Clerk	NE	$24,956	$29,938	$34,920	12.00
17	Maintenance Specialist	NE	$24,956	$29,938	$34,920	12.00
18	Facility Coordinator - (PT) - Grant Funded	NE	$26,201	$31,424	$36,668	12.60
18	Maintenance Worker - Parks	NE	$26,201	$31,424	$36,668	12.60
18	Maintenance Worker - Sports Complex	NE	$26,201	$31,424	$36,668	12.60
18	Maintenance Worker - Kerrville Schreiner Park	NE	$26,201	$31,424	$36,668	12.60
18	Office Clerk - Kerrville Schreiner Park	NE	$26,201	$31,424	$36,668	12.60
19	Utility Clerk	NE	$27,490	$32,975	$38,482	13.22
20	Municipal Court Deputy Clerk	NE	$28,845	$34,614	$40,383	13.87
21	Distribution/Collection Operator	NE	$30,288	$36,341	$42,394	14.56
21	EMS Billing Coordinator	NE	$30,288	$36,341	$42,394	14.56
21	Laboratory Assistant	NE	$30,288	$36,341	$42,394	14.56
21	Library Assistant	NE	$30,288	$36,341	$42,394	14.56
21	Light Equipment Operator - Streets	NE	$30,288	$36,341	$42,394	14.56
21	Recreation Coordinator	NE	$30,288	$36,341	$42,394	14.56
21	Tourism & Event Coordinator	NE	$30,288	$36,341	$42,394	14.56
21	Senior Utility Clerk	NE	$30,288	$36,341	$42,394	14.56
21	Wastewater Collections Operator I	NE	$30,288	$36,341	$42,394	14.56
21	Water Production Operator I	NE	$30,288	$36,341	$42,394	14.56
21	Water Reclamation Operator I	NE	$30,288	$36,341	$42,394	14.56
22	Equipment Operator - Golf Maintenance	NE	$31,795	$38,296	$44,797	15.29
22	Equipment Operator - Parks Maintenance	NE	$31,795	$38,296	$44,797	15.29
22	Drainage	NE	$31,795	$38,296	$44,797	15.29
22	Equipment Operator - Sports Complex	NE	$31,795	$38,296	$44,797	15.29
22	Meter Technician	NE	$31,795	$38,296	$44,797	15.29

GENERAL GOVERNMENT PAY PLAN

Pay Grade	Position Title	FLSA	Min	Mid	Max	Hourly Min
23	Administrative Assistant - Development Services	NE	$33,369	$40,034	$46,699	16.04
23	Administrative Assistant - Public Works	NE	$33,369	$40,034	$46,699	16.04
23	Administrative Assistant - Fire	NE	$33,369	$40,034	$46,699	16.04
23	Administrative Assistant - Police	NE	$33,369	$40,034	$46,699	16.04
23	Supervisor, Administrative Records - Police	NE	$33,369	$40,034	$46,699	16.04
23	Assistant Municipal Court Administrator	NE	$33,369	$40,034	$46,699	16.04
23	Heavy Equipment Operator - Streets	NE	$33,369	$40,034	$46,699	16.04
23	Traffic Controls Technician	NE	$33,369	$40,034	$46,699	16.04
24	Human Resources Assistant	NE	$35,030	$42,022	$49,037	16.84
24	Crew Leader - Building Maintenance/Custodians	NE	$35,030	$42,022	$49,037	16.84
24	Crew Leader - Downtown Parks	NE	$35,030	$42,022	$49,037	16.84
24	Crew Leader - Parks	NE	$35,030	$42,022	$49,037	16.84
24	Crew Leader - Kerrville Schreiner Park	NE	$35,030	$42,022	$49,037	16.84
24	Crew Leader - ROW Mowing & Drainage	NE	$35,030	$42,022	$49,037	16.84
24	Crew Leader - Streets	NE	$35,030	$42,022	$49,037	16.84
24	Crew Leader - Water Distribution	NE	$35,030	$42,022	$49,037	16.84
24	Permit Technician	NE	$35,030	$42,022	$49,037	16.84
24	Golf Course Maintenance Coordinator	NE	$35,030	$42,022	$49,037	16.84
24	Wastewater Collections Operator II	NE	$35,030	$42,022	$49,037	16.84
24	Water Production Maintenance Technician	NE	$35,030	$42,022	$49,037	16.84
24	Water Reclamation Maintenance Technician	NE	$35,030	$42,022	$49,037	16.84
24	Water Production Operator II	NE	$35,030	$42,022	$49,037	16.84
24	Water Reclamation Operator II	NE	$35,030	$42,022	$49,037	16.84
25	Accounting Specialist	NE	$36,778	$44,120	$51,484	17.68
25	Accounts Payable Specialist	NE	$36,778	$44,120	$51,484	17.68
25	City Marshal	NE	$36,778	$44,120	$51,484	17.68
25	Deputy City Secretary	NE	$36,778	$44,120	$51,484	17.68
25	Health Specialist	NE	$36,778	$44,120	$51,484	17.68
25	Laboratory Analyst	NE	$36,778	$44,120	$51,484	17.68
25	Pretreatment Specialist - Lab	NE	$36,778	$44,120	$51,484	17.68
25	Purchasing Specialist	NE	$36,778	$44,120	$51,484	17.68
26	Code Enforcement Officer	NE	$38,613	$46,327	$54,041	18.56
26	Heavy Equipment Mechanic - Garage	NE	$38,613	$46,327	$54,041	18.56
26	Vehicle & Equipment Mechanic/Technician	NE	$38,613	$46,327	$54,041	18.56
26	Water Production Specialist	NE	$38,613	$46,327	$54,041	18.56
26	Water Reclamation Technician	NE	$38,613	$46,327	$54,041	18.56
27	Executive Secretary	NE	$40,536	$48,644	$56,751	19.49
27	Asst Water Distribution Superintendent	NE	$40,536	$48,644	$56,751	19.49
27	Asst Wastewater Collections Superintendent	NE	$40,536	$48,644	$56,751	19.49
27	Water Production Chief Operator	NE	$40,536	$48,644	$56,751	19.49
27	Water Reclamation Chief Operator	NE	$40,536	$48,644	$56,751	19.49

GENERAL GOVERNMENT PAY PLAN

Pay Grade	Position Title	FLSA	Min	Mid	Max	Hourly Min
28	Building Inspector	NE	$42,547	$51,047	$59,548	20.46
28	Sports Complex Supervisor	NE	$42,547	$51,047	$59,548	20.46
28	Construction Inspector	NE	$42,547	$51,047	$59,548	20.46
28	Human Resources Analyst	NE	$42,547	$51,047	$59,548	20.46
28	Technical Support Analyst	NE	$42,547	$51,047	$59,548	20.46
29	Senior Inspector	NE	$46,895	$56,270	$65,645	22.55
30	Lead Pro Shop Attendant	E	$47,476	$49,480	$51,484	22.83
30	Office Manager - Kerrville Schreiner Park	E	$47,476	$49,480	$51,484	22.83
30	Parks & Recreation Specialist	E	$47,476	$49,480	$51,484	22.83
30	Utility Billing Manager	E	$47,476	$50,759	$54,041	22.83
30	Golf Course Maintenance Superintendent	E	$47,476	$52,114	$56,751	22.83
30	Librarian - Patron Services	E	$47,476	$52,114	$56,751	22.83
30	Librarian - Youth Services	E	$47,476	$52,114	$56,751	22.83
30	Meter Technician Supervisor	E	$47,476	$52,114	$56,751	22.83
30	Laboratory Manager	E	$47,476	$54,998	$62,520	22.83
30	Communications Manager - Police	E	$47,476	$56,561	$65,645	22.83
30	Garage Supervisor	E	$47,476	$56,561	$65,645	22.83
30	Multimedia Coordinator	E	$47,476	$56,561	$65,645	22.83
30	GIS Coordinator	E	$47,476	$56,561	$65,645	22.83
31	Assistant Street Division Manager	E	$49,234	$59,067	$69,923	23.67
31	Accounting Manager	E	$49,234	$59,067	$69,923	23.67
31	Public Information Officer	E	$49,234	$59,067	$69,923	23.67
31	Manager for Strategic Initiatives	E	$49,234	$59,067	$69,923	23.67
31	Sports Complex Manager	E	$49,234	$59,067	$69,923	23.67
32	Engineering Construction Manager	E	$51,681	$62,017	$72,354	24.85
32	Engineering Project Manager	E	$51,681	$62,017	$72,354	24.85
33	Assistant Library Director	E	$54,260	$65,099	$75,959	26.09
33	Superintendent of Park Operations & Facilities	E	$54,260	$65,099	$75,959	26.09
34	Street Division Manager	E	$56,969	$68,355	$79,740	27.39
34	Systems Administrator	E	$56,969	$68,355	$79,740	27.39
34	Water Distribution Superintendent	E	$56,969	$68,355	$79,740	27.39
34	Wastewater Collections Superintendent	E	$56,969	$68,355	$79,740	27.39
34	Water Production Superintendent	E	$56,969	$68,355	$79,740	27.39
34	Water Reclamation Superintendent	E	$56,969	$68,355	$79,740	27.39
35	Assistant Director of Building Services	E	$59,810	$73,250	$86,711	28.75
35	Chief Planning Officer	E	$59,810	$73,250	$86,711	28.75
35	Chief Building Official	E	$59,810	$73,250	$86,711	28.75
35	Assistant Director of Public Works	E	$59,810	$73,250	$86,711	28.75
35	Municipal Court Administrator	E	$59,810	$73,250	$86,711	28.75
36	N/A	E	$62,801	$76,913	$91,047	30.19

GENERAL GOVERNMENT PAY PLAN

Pay Grade	Position Title	FLSA	Min	Mid	Max	Hourly Min
37	Assistant Director of Finance	E	$65,907	$80,723	$95,561	31.69
37	City Secretary	E	$65,907	$80,723	$95,561	31.69
37	Director of Golf	E	$65,907	$80,723	$95,561	31.69
38	Library Director	E	$69,185	$84,744	$100,303	33.26
39	Director of Information Technology	E	$72,638	$88,961	$105,307	34.92
40	Assistant Chief of Police	E	$76,265	$93,419	$110,574	36.67
40	Deputy Fire Chief	E	$76,265	$93,419	$110,574	36.67
41	Director of Parks & Recreation	E	$82,422	$100,958	$119,495	39.63
42	Director of Building Services	E	$86,544	$106,006	$125,469	41.61
42	Director of Engineering	E	$86,544	$106,006	$125,469	41.61
42	Director of Public Works	E	$86,544	$106,006	$125,469	41.61
44	Chief of Police	E	$95,414	$116,872	$138,330	45.87
44	Fire Chief	E	$95,414	$116,872	$138,330	45.87
44	Chief Financial Officer	E	$95,414	$116,872	$138,330	45.87
44	Executive Director for General Operations	E	$95,414	$116,872	$138,330	45.87
44	Executive Director for Development Services	E	$95,414	$116,872	$138,330	45.87
44	Executive Director for Strategic Initiatives	E	$95,414	$116,872	$138,330	45.87
46	Deputy City Manager	E	$105,194	$128,851	$152,509	50.57
47	N/A	E	$110,454	$135,294	$160,134	53.10
48	City Attorney	E	$115,977	$142,059	$168,141	55.76
49	City Manager	E	$121,775	$149,162	$176,548	58.55

FIRE PAY PLAN

FIRE STEP PLAN

FY 2019 (Effective October 1, 2018)

GRADE	POSITION		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
			2 Years	2 Years	2 Years	2 Years	2 Years	2 Years	2 Years
FD-1	**EMS Crew (12 hr)**	**ANNUAL** (1976 Annual Hrs / 76 Hrs/Pay Period)	**32,128.50**	**33,413.64**	**34,750.18**	**36,140.19**	**37,585.80**	**39,089.23**	**40,652.80**
		HOURLY	16.26	16.91	17.59	18.29	19.02	19.78	20.57
FD-3	**Firefighter (24 hr)**	**ANNUAL** (2912 Annual Hrs / 112 Hrs/Pay	**46,216.93**	**48,065.61**	**49,988.24**	**51,987.77**	**54,067.28**	**56,229.97**	
		HOURLY	15.87	16.51	17.17	17.85	18.57	19.31	
FD-4	**Fire Apparatus Driver (24 hr)**	**ANNUAL** (2912 Annual Hrs / 112 Hrs/Pay	**58,484.03**	**60,823.39**	**63,256.32**	**65,786.57**	**68,418.04**		
		HOURLY	20.08	20.89	21.72	22.59	23.50		
FD-5	**Lieutenant (24 hr)**	**ANNUAL** (2912 Annual Hrs / 112 Hrs/Pay	**69,117.48**	**71,882.18**	**74,757.47**	**77,747.77**			
		HOURLY	23.74	24.68	25.67	26.70			
FD-5A	**Deputy Fire Marshal (8 hr)**	**ANNUAL** (2080 Annual Hrs / 80 Hrs/Pay Period)	**69,117.48**	**71,882.18**	**74,757.47**	**77,747.77**			
		BIWEEKLY	2,658.36	2,764.70	2,875.29	2,990.30			
		HOURLY	33.23	34.56	35.94	37.38			
FD-8	**Battalion Chief (24 hr)**	**ANNUAL** (2912 Annual Hrs / 112 Hrs/Pay	**78,206.42**	**81,334.68**	**84,588.06**	**87,971.59**			
		HOURLY	26.86	27.93	29.05	30.21			
FD-8A	**Division Chief - EMS Coordinator (8 hr)** **Division Chief - Fire Marshal (8 hr)** **Division Chief - Training/EMC (8 hr)**	**ANNUAL** (2080 Annual Hrs / 80 Hrs/Pay Period)	**78,206.42**	**81,334.68**	**84,588.06**	**87,971.59**			
		BIWEEKLY	3,007.94	3,128.26	3,253.39	3,383.52			
		HOURLY	37.60	39.10	40.67	42.29			

FY2019 - 2% Step Plan Adjustment, Lieutenant, Deputy Fire Marshal, BC, Division Chief - Eliminate Step 1 through Step 3, Driver-Eliminate Step 1 and Step 7, FF-Eliminate Step 1, EMS Crew -Eliminate Step 1 and add one step at end - Effective 10/1/2018

FY2018 - 2% Step Plan Adjustment - Effective 10/1/2017

FY2017 - 3% Step Plan Adjustment - Effective 10/1/2016

FY2016 - 4% Step Plan Adjustment - Effective 10/1/2015

FY2015 = 5% Step Plan Adjustment - Effective 10/1/2014

Catch Up of FY2014 Missed Steps - Effective 10/1/2014

Re-Start Regular Step Increases - Effective 10/1/2014

Certification Pay = Master $125/month, Advanced $75/month, Intermediate $50/month, Paramedic 2 $425/month, Paramedic 1 $350/month, EMT Intermediate $75/month, EMT Basic $50/month, Fire Emergency Mgmt. 1 $100/month, Fire Emergency Mgmt. 2 $200month

POLICE PAY PLAN

POLICE STEP PLAN											
FY 2019 (EFFECTIVE OCTOBER 1, 2018)											
GRADE	POSITION		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9
			2 Years	2 Years	2 Years	2 Years	2 Years	2 Years	2 Years	2 Years	2 Years
PD-A	**Telecommunications Specialist-Police Dispatch**	**ANNUAL**	**39,724.93**	**41,313.93**	**42,966.48**	**44,685.14**	**46,472.55**	**48,331.45**	**50,264.71**	**52,275.30**	**54,366.31**
		BIWEEKLY	1,527.88	1,589.00	1,652.56	1,718.66	1,787.41	1,858.90	1,933.26	2,010.59	2,091.01
		HOURLY	19.10	19.86	20.66	21.48	22.34	23.24	24.17	25.13	26.14
PD-1	**Police Officer, Evidence Officer, Investigator**	**ANNUAL**	**48,077.80**	**50,000.91**	**52,000.95**	**54,080.99**	**56,244.23**	**58,493.99**	**60,833.75**		
		BIWEEKLY	1,849.15	1,923.11	2,000.04	2,080.04	2,163.24	2,249.77	2,339.76		
		HOURLY	23.11	24.04	25.00	26.00	27.04	28.12	29.25		
PD-3	**Sergeant**	**ANNUAL**	62185.85	**64,673.28**	**67,260.22**	**69,950.62**	**72,748.65**	**75,658.59**	**78,684.94**		
		BIWEEKLY	2,391.76	2,487.43	2,586.93	2,690.41	2,798.02	2,909.95	3,026.34		
		HOURLY	29.90	31.09	32.34	33.63	34.98	36.37	37.83		
PD-4	**Police Lieutenant**	**ANNUAL**	**81,832.34**	**85,105.63**	**88,509.86**	**92,050.25**					
		BIWEEKLY	3,147.40	3,273.29	3,404.23	3,540.39					
		HOURLY	39.34	40.92	42.55	44.25					

FY2019 - 2% Step Plan Adjustment, Lieutenant - Eliminate Step 1 through Step 4 and Step 9, Sergeant - Eliminate Step 1 and Step 9, Police Officer - Eliminate Step 1 and Step 9, Telecommunications Specialist - Eliminate Step 1 and Step 2 and add two new steps on end to keep nine steps total - Effective 10/1/2018.

FY2018 - 2% Step Plan Adjustment - Effective 10/1/2017

FY2017 - 3% Step Plan Adjustment - Effective 10/1/2016

FY2016 - 5% Step Plan Adjustment - Effective 10/1/2015

FY2015 = 5% Step Plan Adjustment - Effective 10/1/2014

Catch Up of FY2014 Missed Steps - Effective 10/1/2014

Re-Start Regular Step Increases - Effective 10/1/2014

Certification Pay = Master $125/month, Advanced $75/month, Intermediate $50/month
Telecommunicator Master $75/month, Advanced $50/month, Intermediate $25/month

FINANCIAL MANAGEMENT POLICY

FINANCIAL MANAGEMENT POLICY

PURPOSE

The City of Kerrville, Texas financial policies set forth the basic framework for the fiscal management of the City. These policies were developed within the parameters established by applicable provisions of the Texas Local Government Code and the City of Kerrville City Charter. The policies are intended to assist the City Council and City staff in evaluating current activities and proposals for future programs. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

Debt and arbitrage compliance policies are included in the financial policies in lieu of their own separate policies.

ANNUAL BUDGET

The fiscal year of the City of Kerrville shall begin on October 1 of each calendar year and will end on September 30 of the following calendar year. The fiscal year will also be established as the accounting and budget year.

Each year, the City Manager shall prepare a budget to cover all proposed expenditures of the government of the City for the succeeding year. Such budget shall be carefully itemized so as to make as clear a comparison as practicable between expenditures included in the proposed budget and actual expenditures for the same or similar purposes for the preceding year. The budget shall also show, as definitely as possible, each of the various projects for which appropriations are set up in the budget, and the estimated amount of money carried in the budget for each of these projects. The budget shall also contain a complete financial statement of the City showing all outstanding obligations of the City, the cash on hand to the credit of each and every fund, the funds received from all sources during the previous year, the funds available from all sources during the ensuing year, the estimated revenue available to cover the proposed budget, and the estimated rate of tax which will be required.

On or before the 31st day of July of each year, the City Manager shall submit to the City Council and City Secretary a budget for the ensuing fiscal year and an accompanying budget message. The full text of the proposed budget and message shall be made available for public review in the office of the City Secretary, at the City's library, and prominently linked on the City's website.

The fiscal year of the City government shall begin on the first day of October each year and shall end on the last day of September the following year. Such year shall constitute the budget year of the City government.

The City Manager's budget message shall explain the budget both in fiscal terms and in terms of the work programs, linking those programs to organizational goals and community priorities. It shall outline the proposed financial policies of the City for the ensuing fiscal year and the impact of those policies on future years. It shall describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures, and revenues together with the reasons for such changes, summarize the City's debt position, including factors affecting the ability to raise resources through debt issues, and include such other material as the City Manager deems desirable.

CITY COUNCIL ACTION ON BUDGET

Notice and Hearing. The City Council shall publish the general summary of the budget and a notice stating:

1. The times and places where copies of the message and budget are available for inspection by the public, and
2. The time and place, not less than two weeks after such publication, for a public hearing(s) on the budget.

Amendment before Adoption. After the public hearing, the City Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for an estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than total estimated income.

Adoption. The City Council shall adopt the budget on or before the 30th day of September of the fiscal year currently ending. If it fails to adopt the budget by this date, the budget proposed by the City Manager shall go into effect.

"Publish" defined. As used in this section, the term "publish" means to print in the contemporary means of information sharing, which includes, a newspaper of general circulation which is published in the City, and on the City's website. In addition, the budget shall be made available in the office of the City Secretary and in the City's library.

BUDGET

The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year and, except as required by law or this Charter, shall be in such form as the City Manager deems desirable or the City Council may require for effective management and an understanding of the relationship between the budget and the City's strategic goals. The budget shall begin with a clear general summary of its contents; shall show in detail all estimated income, indicating the proposed property tax levy; and all proposed expenditures, including the amount of salary or compensation of officers and employees and debt service for the ensuing fiscal year; and shall be so arranged as to show comparative figures for actual and estimated income and expenditures of the current fiscal year and actual income and expenditures of the preceding fiscal year. It shall indicate in separate sections:

1. The proposed goals and expenditures for current operations during the ensuing fiscal year, detailed for each fund by department or by other organization unit, and program, purpose or activity, method of financing such expenditures, and methods to measure outcomes and performance related to the goals;

2. Proposed longer-term goals and capital expenditures during the ensuing fiscal year, detailed for each fund by department or by other organization unit when practicable, the proposed method of financing each such capital expenditure, and methods to measure outcomes and performance related to the goals; and

3. The proposed goals, anticipated income and expense, profit and loss for the ensuing year for each utility or other enterprise fund or internal service fund operated by the City, and methods to measure outcomes and performance related to the goals. For any fund, the total of proposed expenditures shall not exceed the total of estimated income plus carried forward fund balance exclusive of reserves.

APPROPRIATION AND REVENUE ORDINANCES

To implement the adopted budget, the City Council shall adopt, prior to the beginning of the fiscal year:

1. An appropriation ordinance making appropriations by department, fund, or other organizational unit and authorizing an allocation for each program or activity; and

2. A tax levy ordinance authorizing the property tax levy or levies and setting the tax rate or rates.

AMENDMENTS AFTER ADOPTION

Supplemental Appropriations. If during or before the fiscal year the City Manager certifies that there are available for appropriation revenues in excess of those estimated in the budget, the City Council by ordinance may make supplemental appropriations for the year up to the amount of such excess.

Emergency Appropriations. To address a public emergency affecting life, health, property, or the public peace, the City Council may make emergency appropriations. Such appropriations may be made by emergency ordinance in accordance with the provisions of Section 3.06 of the City charter. To the extent that there are no available unappropriated revenues or a sufficient fund balance to meet such appropriations, the Council may by such emergency ordinance authorize the issuance of emergency notes, which may be renewed from time to time, but the emergency notes and renewals of any fiscal year shall be paid or refinanced as long-term debt not later than the last day of the fiscal year next succeeding that in which the emergency appropriation was made.

Reduction of Appropriations. If at any time during the fiscal year it appears probable to the City Manager that the revenues or fund balances available will be insufficient to finance the expenditures for which appropriations have been authorized, the manager shall report to the City Council without delay, indicating the estimated amount of the deficit, any remedial action taken by the manager, and recommendations as to any other steps to be taken. The Council shall then take such further action as it deems necessary to prevent or reduce any deficit and for that purpose it may, by ordinance, reduce or eliminate one or more appropriations.

Transfer of Appropriations. At any time during or before the fiscal year, the City Council may, by resolution, transfer part or all of the unencumbered appropriation balance from one department, fund, or organizational unit to the appropriation for other departments or organizational units or a new appropriation. The manager may transfer funds among programs within a department, fund, or organizational unit and shall report such transfers to the Council in writing in a timely manner.

Limitation; Effective Date. No appropriation for debt service may be reduced or transferred, except to the extent that the debt is refinanced and less debt service is required, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof. The supplemental and emergency appropriations and reduction or transfer of appropriations authorized by this section may be made effective immediately upon adoption.

INDEPENDENT AUDIT

As soon as practicable after the close of each fiscal year, an independent audit shall be made of all accounts of the City government by certified public accountants, to be selected by the Council, who have no personal interest directly or indirectly in the financial affairs of the City government. The results of this audit shall be published immediately upon its completion.

BASIS OF ACCOUNTING AND BUDGETING

The City's finances shall be accounted for in accordance with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB).

1. The accounts of the City are organized and operated based on funds and account groups. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. Governmental

funds are used to account for the government's general government activities and include the General, Special Revenue, Debt Service and Capital Project Funds.

2. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Substantially all revenues are considered susceptible to accrual. Ad valorem, sales, hotel, franchise and tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.

3. The City utilizes encumbrance accounting for its governmental fund types, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

4. The City's proprietary fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

The City's annual budgets shall be prepared and adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds except the capital projects funds, which adopt project-length budgets. Also, depreciation of fixed assets is not recognized in proprietary fund budgets. All annual appropriations lapse at fiscal year-end. Under the City's budgetary process, outstanding encumbrances are reported as restricted fund balances and do not constitute expenditures or liabilities since the commitments will be appropriated and honored the subsequent fiscal year.

The issuance of Statement 34 by GASB has influenced the creation and reporting of individual funds. GASB 34 essentially mandates dual accounting systems: one for government-wide (i.e. the government as a single entity) reporting and another for individual fund reporting. Under GASB 34 for individual funds, the City will continue utilizing the accounting and budgeting processes as described in paragraphs (1) and (2) of this section. However, because GASB 34 mandates the flow of economic resources measurement focus and accrual basis of accounting for the government-wide reporting, extensive reconciliation must be performed to present aggregated fund information in the government-wide reporting model. Therefore, individual operating funds will be created with the objective of reducing fund to government-wide reconciliation as much as possible. When appropriate, individual funds will be examined as to whether it will be appropriate to account for them as proprietary fund types.

The Governmental Accounting Standards Board (GASB) issued Statement Number 54, *"Fund Balance Reporting and Governmental Fund Type Definitions"* effective for periods after June 15, 2010. The objective of this Statement was to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes limitations on the purposes for which Fund Balance can be used.

a. *Non-spendable Fund Balance* – Some assets reported in governmental funds may be inherently non-spendable from the vantage point of the current period.

i. Assets that will never convert to cash such as prepaid items or inventories,

ii. Assets that will not convert to cash soon enough to affect the current period such as non-financial assets held for resale or resources that must be maintained intact pursuant to legal or contractual requirements such as capital of a revolving loan fund

b. *Restricted Fund Balance* – This represents the portion of fund balance that is subject to externally enforceable legal restrictions. Such restrictions are typically imposed by parties altogether outside the City such as creditors, grantors, contributors or other governments.

Restrictions can also arise when the authorization to raise revenues is conditioned upon the revenue being used for a particular purpose.

c. *Committed Fund Balance* – This represents the portion of fund balance whose use is constrained by limitations that the City imposes on itself by City Council (highest decision making level) and remains binding unless removed in the same manner. The City does not use committed funds in its normal course of business.

i. Requires action by City Council to commit fund balance

Ii. Formal City Council action is necessary to impose, remove or modify a constraint reflected in the committed fund balance

d. *Assigned Fund Balance* – This describes the portion of fund balance that reflects the City's intended use of resources. This authority rests with City Manager and is delegated to staff through the use of encumbrances.

e. *Unassigned Fund Balance* – This describes total fund balance in the General Fund in excess of non-spendable, restricted, committed and assigned fund balance.

FINANCIAL REPORTING

Following the conclusion of the fiscal year, the City's Director of Finance shall cause to be prepared a Comprehensive Annual Financial Report (CAFR) in accordance with generally accepted accounting and financial reporting principles established by GASB. The document shall also satisfy all criteria of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program.

The CAFR shall show the status of the City's finances based on GAAP. The CAFR shall show fund revenues and expenditures on both a GAAP basis and budget basis for comparison purposes. In all but two cases, this reporting conforms to the way the City prepares its budget. Compensated absences (accrued but unused vacation leave) are not reflected in the budget but are accounted for in the CAFR's long-term debt account group. Depreciation expense is not shown in the budget's proprietary funds, although the full purchase price of equipment and capital improvements is reflected as uses of working capital.

Included as part of the CAFR shall be the results of the annual audit prepared by independent certified public accountants designated by the City Council.

The Director of Finance shall issue reports to the City Council reflecting the City's financial condition as requested, but not less than once a quarter.

Financial reporting should reflect budget to actual comparisons.

REVENUES

To protect the City's financial integrity, the City will maintain a diversified and stable revenue system to shelter it from fluctuations in any one revenue source. Recognizing that sales tax is a volatile, unpredictable source of revenue, the City will attempt to reduce its dependence on sales tax revenue.

For every annual budget, the City shall levy two property tax rates: operation/maintenance and interest and sinking. The debt service levy shall be sufficient for meeting all principal and interest payments associated with the City's outstanding general obligation debt for that budget year. The interest and sinking levy and related debt service expenditures shall be accounted for in the Debt Service Fund. The operation and maintenance levy shall be accounted for in the General Fund. The operation and maintenance levy will be established within the eight percent rollback rate as defined by the State of Texas Property Tax Code. City Council will consider exceeding the rollback rate only after options have been presented by staff to avoid the rollback by increasing revenue from other sources or reducing expenditures.

The City will maintain a policy of levying the lowest tax rate on the broadest tax base. The City may consider providing tax abatements or other incentives to encourage development.

The City will establish user charges and fees at a level that attempts to recover the full cost of providing the service.

1. User fees, particularly utility rates, should identify the relative costs of serving different classes of customers.
2. Where possible, utility rates should be designed to reduce peak (hour and day) demands on the utility systems.
3. The City will make every reasonable attempt to ensure accurate measurement of variables impacting taxes and fees (e.g. verification of business sales tax payments, verification of appraisal district property values, and accuracy of water meters).

The City will attempt to maximize the application of its financial resources by obtaining supplementary funding through agreements with other public and private agencies for the provision of public services or the construction of capital improvements.

The City will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees, and charges.

When developing the annual budget, the City Manager shall project revenues from every source based on actual collections from the preceding year and estimated collections of the current fiscal year, while taking into account known circumstances that will impact revenues for the new fiscal year. The revenue projections for each fund should be made conservatively, so that total actual fund revenues exceed budgeted projections.

One Time or unpredictable revenues are discouraged for use for ongoing expenditures.

Funding will be used from the most restricted to least restricted when different funding sources are available.

OPERATING EXPENDITURES

Expenditures shall be accounted, reported, and budgeted for in the following major categories:

1. Personnel
2. Supplies
3. Maintenance
4. Services
5. Other Expenses
6. Capital Outlay

The annual budget shall appropriate sufficient funds for operating, recurring expenditures necessary to maintain established (i.e., status quo) quality and scope of City services.

The City will constantly examine the methods for providing public services in order to reduce operating, recurring expenditures and/or enhance quality and scope of public services with no increase to cost.

Personal service expenditures will reflect the minimum staffing needed to provide established quality and scope of City services. To attract and retain employees necessary for providing high-quality service, the City shall maintain a compensation and benefit package competitive with the public and, when quantifiable, private service industries.

Supply expenditures shall be sufficient for ensuring the optimal productivity of City employees.

Maintenance expenditures shall be sufficient for addressing the deterioration of the City's capital assets to ensure the optimal productivity of the capital assets. Maintenance should be conducted to ensure a relatively stable level of maintenance expenditures for every budget year.

The City will utilize contracted labor for the provision of City services whenever private contractors can perform the established level of service at less expense to the City. The City will regularly evaluate its agreements with private contractors to ensure the established levels of service are performed at the least expense to the City.

Capital equipment is defined as equipment that exceeds $5,000.00 and has a useful life of at least one year. Existing capital equipment shall be replaced when needed to ensure the optimal productivity of City employees.

Expenditures for additional capital equipment shall be made only to enhance employee productivity, improve quality of service, or expand scope of service.

To assist in controlling the growth of operating expenditures, operating departments will submit their annual budgets to the City Manager within a ceiling calculated by the City Manager. Projected expenditures that exceed the ceiling must be submitted as separate budget adjustment requests. The City Manager will recommend the adjustment requests to the City Council, which will vote on the requests.

FUND BALANCE

The annual budget shall be presented to City Council with the General Fund and the Water & Sewer Fund's reflecting an unassigned fund balance or unrestricted net position that is 15 to 25 percent of that fund's annual operating expenditures. To satisfy the particular needs of individual funds, unassigned fund balances may be established which exceed the 25 percent minimum.

Fund balance that exceeds the minimum level established for each fund may be appropriated for non-recurring capital projects or debt.

The City will exercise diligence in avoiding the appropriation of fund balance for recurring operating expenditures. In the event fund balance is appropriated for recurring operating expenditures to meet the needs of the Kerrville community, the budget document shall include an explanation of the circumstances requiring the appropriation and the methods to be used to arrest the future use of fund balance for operating expenditures.

FUND TRANSFERS

Transfer may occur when one fund provides goods or services to another fund. Fund transfers may occur when surplus fund balances are used to support nonrecurring capital expenses or when needed to satisfy debt service obligations. Transfers are permitted between funds to support economic development programs.

DEBT EXPENDITURES

The City will issue debt only to fund capital projects that cannot be supported by current, annual revenues.

To minimize interest payments on issued debt, the City will seek to maintain a rapid debt retirement policy by issuing debt with maximum maturities not exceeding 20 years, except in instances when the capital improvements will significantly benefit the community beyond the 20-year period. Retirement of debt principal will be structured to ensure consistent annual debt payments.

The City will attempt to maintain base bond ratings (prior to insurance) of AA- or better (Standard & Poor's) on its general obligation debt.

When needed to minimize annual debt payments, the City will obtain insurance for new debt issues.

Debt service obligations for the General Fund shall not cause the I&S tax rate to exceed 25% of the total tax rate.

Debt Obligations in the Water Fund shall not exceed 35% of the annual revenues.

The Director of Finance shall include in the Comprehensive Annual Financial Report (CAFR) a report summarizing all debt outstanding by type (tax supported and revenue backed), remaining balance of bond proceeds, update of arbitrage liability, and update of pertinent legislative changes.

The City shall retain an independent financial advisor for advice on the structuring of new debt, financial analysis of various options, the rating review process, the marketing of debt issue, marketability of City obligations, sale and post-sale services, the review of the official statement, and other services, as necessary. The City will seek the advice of the financial advisor on an ongoing basis.

The City shall retain bond counsel for legal and procedural advice on all debt issues. Bond counsel shall advise the City Council in all matters pertaining to its bond ordinance(s) and/or resolutions(s). The City will also seek the advice of bond counsel on all other types of debt and on any other questions involving federal tax or arbitrage law.

The preparation of the Official statement is the responsibility of the financial advisor in concert with the Director of Finance. Information for the Official statement is gathered from departments/divisions throughout the City.

The City will take all appropriate steps to comply with federal disclosure rules (i.e., Securities and Exchange Commission Rule 15c2-12). The City will provide annual and material event disclosure to information repositories throughout the term of securities for the benefit of the primary and secondary municipal markets as required by Rule 15c2-12.

When feasible and economical, obligations shall be issued by competitive rather than negotiated sales.

The City will follow a policy of full compliance with all arbitrage rebate requirements of the federal tax code and Internal Revenue Service regulations, and will perform (internally or by contract consultants) arbitrage rebate calculations for each issue subject to rebate as necessary. Each year the City will evaluate the needs for arbitrage calculation for that year.

CAPITAL PROJECT EXPENDITURES

The City will develop a multi-year plan for capital projects, which identifies all projects likely to be constructed within a five-year horizon. The multi-year plan will reflect for each project the likely source of funding and attempt to quantify the project's impact to future operating expenditures.

Capital projects will be constructed to:

1. Protect or improve the community's quality of life.
2. Protect or enhance the community's economic vitality.
3. Support and service new development.

To minimize the issuance of debt, the City will attempt to support capital projects with appropriations from operating revenues or excess fund balances (i.e., "pay-as-you-go").

UTILITY CAPITAL EXPENDITURES

The City will design utility rates sufficient for both current and long term obligations.

LONG-TERM FINANCIAL PLANS

The City will adopt every annual budget in context of a long-term financial plan for the General Fund and Water Fund. Financial plans for other funds may be developed as needed.

The General Fund long-term plan will establish assumptions for revenues, expenditures and changes to fund balance over a five-year horizon. The assumptions will be evaluated each year as part of the budget development process.

FACILITY CONSTRUCTION; BEST VALUE METHODS FOR ENTERING INTO CONTRACT

For purposes of this section, the term "facility" means buildings the design and construction of which are governed by accepted building codes; such term does not include (i) highways, roads, streets, bridges, utilities, water supply projects, water plants, wastewater plants, water and wastewater distribution or conveyance facilities, wharves, docks, airport runways and taxiways, drainage projects, or related types of projects associated with civil engineering construction, or (ii) buildings or structures that are incidental to projects that are primarily civil engineering construction projects.

In entering into and awarding a contract for the construction, rehabilitation, alteration, or repair of a facility, the City shall use one of the following methods that provides the best value for the City (such methods being those set forth in Section 271.113(a) of the Texas Local Government Code):

1. Competitive bidding;
2. Competitive sealed proposals for construction services;
3. A design-build contract;
4. A contract to construct, rehabilitate, alter, or repair facilities that involve using a construction manager; or
5. A job order contract for the minor repair, rehabilitation, or alteration of a facility.

The use or implementation of any of such methods shall comply in all respects with Chapter 271, Subchapter H of the Texas Local Government Code and any other applicable law.

The determination of which of the best value methods set forth in subparagraph (b) shall be used shall be made before advertising as required by law. The authority of the City Council to make such determination is hereby delegated to the City Manager (or the City Manager's designee), and the City Manager (and any designee of the City Manager) is hereby authorized to make such determination.

INVESTMENT POLICY

INVESTMENT POLICY AND STRATEGY

I. GENERAL POLICY

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

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

II. SCOPE

This Policy governs the investment of all financial assets of the City as accounted for in the City's Comprehensive Annual Financial Report ("CAFR"). This includes the financial assets of all funds reported in the CAFR other than the Kerrville Public Utility Board and Kerrville Joint Airport Board, both of which are set up and operated as entities separate from the City.

III. GOALS AND OBJECTIVES

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

A. Safety - Safety of principal is the foremost objective of the investment program of the City. Investment shall be undertaken in a manner that seeks to ensure the preservation of capital and avoids security defaults or erosion of market values.

B. Liquidity - The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that are reasonably anticipated. Ongoing cash flow analysis will be used to identify changing liquidity needs. Demand deposits or other liquid investments should be maintained as a liquidity buffer for unanticipated expenses. To the extent possible, the City will attempt to match its investment maturities with anticipated liabilities and cash flow requirements. To reflect the cash flow requirements and risk tolerance levels of the City, the weighted average maturity of the overall portfolio shall not exceed one (1) year.

C. Diversification– In order to minimize investment and market risk, the City will diversify its investments by market sector (security type) and maturity.

D. Yield - The City's investment portfolio shall be designed with the objective of attaining a reasonable rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio. The portfolio(s) risk shall be measured quarterly against a benchmark based on cash flow analysis and the authorized portfolio structure. The overall portfolio shall have a maximum weighted average maturity of one (1) year. To measure the overall risk of the portfolio, a benchmark of the six-month Treasury Bill shall be reported.

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

IV. INVESTMENT STRATEGY

The City maintains one commingled portfolio for investment purposes which incorporates the specific investment strategy consideration and the unique characteristics of the fund groups represented in the portfolio as follows:

A. The investment strategy for operating, enterprise, and special revenue funds has as its primary objective the assurance that anticipated liabilities are matched and adequate investment liquidity provided. The secondary objective is to create a portfolio structure which will experience minimal volatility. This may be accomplished by purchasing high credit quality securities in a laddered maturity structure that permits some extension for yield enhancement. The maximum dollar weighted average maturity of one (1) year or less will be calculated using the stated final maturity date of each security.

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

C. The investment strategy for reserve funds shall have as its primary objective the ability to generate a revenue stream.

D. The investment strategy for capital projects or capital project funds will have as its primary objective the assurance that anticipated cash flows are matched and provide adequate investment liquidity. The stated final maturity dates of securities held may not exceed the estimated project completion date.

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

V. INVESTMENT OFFICERS

The Director of Finance, Assistant Director of Finance, and Accounting Manager are authorized to administer the investment activities of the City and, are designated as "Investment Officers" for the purposes of this Policy. City Council may designate one or more additional qualified employees or an SEC registered Investment Advisor, as Investment Officer(s). The designation of additional Investment Officers shall be by City Council Policy adoption and/ or award of contract. Authority and designation as an Investment Officer is effective until rescinded by the City, expiration of the officer's term, or until termination of employment. Investment Officers shall be familiar with this Policy. No Investment Officer may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Director of Finance. A trading resolution is established by adoption of this Policy authorizing any Investment Officer to engage in investment transactions and open City designated accounts for time and demand deposits on behalf of the City. The persons so authorized to transact business are also authorized to approve wire transfers used in the process of investing.

VI. TRAINING

All Investment Officers shall comply with training requirements under state law.

VII. STANDARD OF CARE

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

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

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

An Investment Officer shall refrain from personal business activity that could conflict with proper execution of the investment program or that could impair their ability to make impartial investment decisions. An Investment Officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest to the City and the Texas Ethics Commission.

VIII. STANDARD OF ETHICS

An Investment Officer shall act as custodians of the public trust and shall refrain from any transaction that might involve a conflict of interest, the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence.

IX. AUTHORIZED PROFESSIONAL SERVICES AND INVESTMENTS

The City recognizes that all investment decisions regarding the City's portfolio are the responsibility of the City Council, which directs its Investment Officers. Thus, all Investment Advisors and brokers/dealers conducting business with the City shall make every reasonable effort to adhere to the spirit, philosophy, and specific terms of this Policy. All Investment Advisors and brokers/dealers shall avoid recommending or suggesting transactions outside the spirit, philosophy, and specific terms of this Policy and toward that end, shall adhere to the following:

A. Brokers/Dealers – A list of not less than five authorized brokers/dealers shall be maintained to assure a competitive process. *See* **Exhibit A** for a list of approved brokers/dealers. Investment Officers will establish the criteria, monitor the service, and evaluate the brokers/dealers based on their:

    1. Adherence to the City's policies and strategies;
    2. Responsiveness to the City's requests for service and information;
    3. The quality of communications; and
    4. Understanding of the inherent fiduciary responsibility of public funds

B. Information/Qualifications – All broker/dealers will be furnished with a copy of the current investment policy. Financial Institutions and brokers/dealers who desire to transact business with the City must supply the following documents to the Investment Officer or Investment Advisor (as applicable):

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

    Brokers/dealers shall also provide timely trade documentation and confirmations. In order to perfect delivery versus payment, no authorized brokers/dealers or their affiliated bank will be used for safekeeping.

C. Certification – Before transacting any business with the City, an Investment Officer or Investment Advisor shall present each pool in which the City participates with a current copy of the Policy and an authorized representative of the pool shall, in writing to the City, certify substantially to the effect that:

1. The pool has received and reviewed the Policy; and
2. The pool has implemented reasonable procedures and controls to preclude investments with the City not authorized by the Policy.

If material changes are made to the Policy, an updated copy shall be provided to all authorized broker/ dealers.

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

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

1. Obligations of the United States Government, its agencies and instrumentalities, excluding mortgage backed securities, with a stated final maturity not to exceed two (2) years.
2. Fully collateralized or FDIC insured depository certificates of deposit (CD) from banks doing business in Texas with a final stated maturity not to exceed eighteen (18) months. Funds shall be collateralized in accordance with the Policy and governed by a written agreement that complies with federal and state regulations for properly securing a pledged security interest.
3. FDIC insured brokered certificates of deposit securities from a bank in any US state, delivered versus payment to the City's safekeeping agent, not to exceed one (1) year to maturity. Before purchase, the Investment Officer must verify the FDIC status of the bank to assure that the bank is FDIC insured.
4. Fully insured share certificates from credit unions in Texas not to exceed eighteen (18) months to stated maturity and insured by the National Credit Union Share Insurance Fund or its successor.
5. Commercial paper rated A1/P1 or its equivalent by two (2) nationally recognized rating agencies and with a final stated maturity not to exceed one hundred eighty five (185) days from the date of issuance.
6. AAA-rated SEC registered money market mutual funds which strives to maintain a $1net asset value and complies with SEC Rule 2a-7.
7. Constant-dollar, AAA-rated (or equivalent) rated Texas Local Government Investment Pools, approved by resolution of the City Council which strive to maintain a $1 net asset value and complies with the Act The City investment in any investment pool shall not exceed 5 percent of the total assets of the pool.
8. Fully insured or collateralized interest bearing accounts of any bank in Texas. Fully collateralized or insured demand deposit accounts at authorized City depositories, under the provisions of a written collateral/depository agreement.
9. State and municipal obligations of any state rated not less than A by two (2) nationally recognized rating agencies and with a stated maturity not to exceed two (2) years.
10. Fully collateralized repurchase agreements transacted with a primary securities dealer as defined by the Federal Reserve, under a written master repurchase agreement, with a defined termination date, secured by obligations as defined by this Policy held by an independent third party custodian approved by the City, and with a stated final maturity not to exceed ninety (90) days.

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

X. DELIVERY VERSUS PAYMENT

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

XI. COMPETITIVE BIDDING

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

XII. MONITORING CREDIT RATINGS

The Investment Officer or Investment Adviser shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security(s) falls below the minimum rating required by this Policy, the Investment Officer or Adviser shall notify the Finance Director of the loss of rating, conditions affecting the rating, and possible loss of principal with liquidation options available, to determine liquidation options within five (5) business days after the loss of the required rating.

XIII. MONITORING FDIC STATUS

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

XIV. COLLATERALIZATION

Consistent with state law requirements, the City shall require collateral market value equal to 102% of total deposits including accrued interest on all repurchase agreements and all time and demand deposits above the limits of federal insurance.

XV. TIME AND DEMAND DEPOSITS- PLEDGED COLLATERAL

Financial institutions serving as City depositories will be required to execute a depository agreement with the City outlining, among other conditions, collateral conditions and limitations. The agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing. Collateral authorized by the City will be limited to the following:

A. Obligations of the US Government, its agencies and instrumentalities, including mortgage backed securities, which pass the Federal Reserve bank test

B. Obligations of any US state, their agencies and instrumentalities, and municipalities rated A or better by two (2) nationally recognized rating agencies

Collateral pledged to the City must be maintained with a market value margin of 102% of the total time or demand amounts being collateralized including accrued interest. The banking institution shall be held contractually liable for monitoring and maintaining the required margins daily. All collateral shall be held by an independent third party banking institution outside the holding company of the pledging bank. A clearly marked evidence of ownership must be provided

to the City for all securities pledged and must clearly state that the security is pledged to the City. Substitution of collateral shall only be made after prior written approval by the City.

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

XVI. REPURCHASE AGREEMENT- OWNED COLLATERAL

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

XVII. SAFEKEEPING OF CITY-OWNED SECURITIES

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

XVIII. DIVERSIFICATION

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

Obligations of the US Government	90%
Obligations of US Agencies/Instrumentalities	90%
Depository Certificates of Deposit (CD)	90%
Limitation by banking institution	15%
Brokered Certificate of Deposit (CD) Securities	20%
Credit Union Share Certificates	10%
Commercial Paper	20%
Limitation by Issuer	10%
Money Market Mutual Funds	70%
Limitation by ownership in fund	5%
Constant Dollar Texas Investment Pools	90%
Limitation by ownership in fund	5%
State and municipal Obligations	25%

Maximum percentages listed above are to be based on the portfolio's amortized book value at the time of purchase.

XIX. INTERNAL CONTROL

The Director of Finance shall maintain a system of internal controls over the investment activities of the City and his/her subordinate employees. The controls shall be designed to address fraud, employee error, misrepresentation by third parties, unanticipated market changes, and imprudent actions. Controls deemed most important include: control of collusion, separation of duties, custody and safekeeping, delegation of authority, securities losses, and remedial actions, and documentation on all transactions. The City's internal controls over investment activities and quarterly investment reports shall be reviewed annually by the City's independent auditor as part of the annual audit process. Any irregularities or suggestions for improvement shall be reported to the City Council.

XX. CASH FLOW FORECASTING

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

XXI. REPORTING

Not less than quarterly, the Director of Finance shall report to the City Council regarding the City's investment activities for the quarter in compliance with the Act. The reports shall contain sufficient information to permit an informed outside reader to evaluate the performance of the investment program and be prepared in accordance with the Act. Market prices for market value calculations shall be obtained from independent sources. The quarterly report shall be signed by the Investment Officer and Investment Advisor as applicable.

XXII. DEPOSITORIES

The City will designate one banking institution through a competitive process as its central banking services provider at least every five (5) years. In selecting a depository, the services, cost of services, credit worthiness, earnings potential, and collateralization of each financial institution shall be considered. This institution will be used for normal banking services including disbursement, deposits, and safekeeping of securities. A depository agreement(s), executed in accordance with FIRREA (Financial Institutions Resource and Recovery Enforcement Act), shall be established before funds are transferred. Other banking institutions from which the City may purchase depository certificates of deposit (CD) will also be designated as depositories and must execute a written depository (collateral) contract in accordance with the provisions of this Policy if funds exceed FDIC insurance limits.

XXIII. POLICIES AND STRATEGY REVIEW

City Council shall review and adopt an investment policy and strategy annually in conjunction with the adoption of the budget. Additional changes to the Policy can be adopted by City Council as needed. The adopting resolution shall reference any changes made to the Policy.

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

EXHIBIT A

AUTHORIZED BROKER / DEALERS

1. Bank of America Merrill Lynch
2. Piper Jaffray
3. FTN Financial
4. Intl F.C. Stone
5. Mizuho Securities
6. Morgan Stanley
7. Mutual Securities
8. Raymond James
9. RBC Capital Markets
10. Stifle Nicolaus
11. Williams Group
12. Cantor Fitzgerald

KERRVILLE

YOUR VOICE
YOUR CITY

PURCHASING POLICY

PURCHASING POLICY

CITY OF KERRVILLE PURCHASING POLICY AND PROCEDURES

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INTRODUCTION

This is the Purchasing Policy and Procedures Manual ("manual") for the City of Kerrville, Texas ("City"). Texas law is the primary authority for purchasing procedures, and therefore, portions of this manual use language taken directly from state statutes. At other times, the manual paraphrases and generalizes state law in an effort to assist in the understanding and application of purchasing requirements. This manual does not address every purchasing situation. Should a City employee have any questions or when an unusual situation occurs, please consult the City's Finance and/or Legal departments.

1. PURCHASING GOALS

A. Ensure compliance with Federal, State, and local purchasing laws

B. Establish policies and procedures that maintain the integrity of the purchasing process, encourage competition, and achieve cost savings

C. Procure goods and services of the requested quality and quantity from responsible sources using the most efficient and economical means at the best possible price with availability when and where they are needed

2. GENERAL PURCHASING GUIDELINES

A. **Purchasing Authorization**. The City Manager, pursuant to the City's Charter and City Council's approval of this manual, has delegated purchasing authority and responsibilities with respect to the purchasing of goods and services to certain City positions including members of the Finance Department with purchasing certifications and training, as well as Department Directors and their designees. City Council authorizes the City Manager to sign contracts that are below thresholds for which explicit City Council approval is required.

B. Public Funds Agreements. In addition, the City Council authorizes the City Manager to enter into agreements to grant public funds to various organizations as appropriated by the budget. Such grants include proceeds from occupancy tax and funding related to community support.

The following table provides general guidelines for purchases and the required quotes/bids. (More specific information follows):

CITY OF KERRVILLE APPROVAL REQUIREMENTS			
Total Amount of Request	**Type of Bid/Quotes Required**	**Responsible for Bid/Quotes**	**Approvals Required**
More than $50,000	Competitive bids/proposals opened at a public meeting.	Department or Project Manager with assistance from Finance as necessary	City Council & City Manager
$25,000 to $49,999.99	3 written quotes based on like products. Attach quotes to PO and include quote information in PO description box in Incode.	Department or Project Manager with assistance from Finance as necessary	Department Director and/or Finance Department
$5,000.00 to $24,999.99	3 written quotes based on like products. Attach quotes to PO and include quote information in PO description box in	Department with assistance from Finance as necessary	Department Director
up to $4,999.99	Efforts made to obtain the best value for the City.	Department with assistance from Finance as necessary	Supervisor or Manager and Directors

* PO = Purchase Order

3. PURCHASING CONSIDERATIONS

3.1 Tax Exempt Status

The City is exempt from federal, state, and local taxes except in most cases. An exemption certificate is available from the Finance Department to provide to City's vendors or contractors.

3.2 Historically Underutilized Business (HUB)

Section 252.0215 of the Texas Local Government Code (TLGC) requires Texas cities to contact at least two (2) historically underutilized businesses (HUB) on a rotating basis when making any expenditure of more than $3,000.00 but less than $50,000.00. A HUB vendor list may be obtained at www.window.state.tx.us/procurement. If the list fails to identify a disadvantaged business in Kerr County, the City is not required to follow this requirement.

4. COMPETITIVE BIDDING

4.1 Legal Requirements

Pursuant to state law, before the City may enter into a contract that requires an expenditure greater than $50,000.00 (including insurance and technology), the City must (Ch. 252, Subch. B, TX. Local Gov't Code):

A. Comply with the procedure established by state law for competitive sealed bidding or competitive sealed proposals;

B. Use the reverse auction procedure as defined by Section 2155.062(d) of the Government Code for purchasing; or

C. Comply with a method described by Chapter 2269 (Contracting and Delivery Procedures for Construction Projects) of the Government Code

4.2 Alternative Delivery Methods

The City may use the best-value competitive bidding process, competitive sealed proposal method, construction manager-agent method, construction manager-at-risk method, design-build method, and the job order contract method for public procurement in place of the standard competitive bidding method that is also allowed under Chapter 2269 of the Government Code or Chapters 252 and 271 of the TLGC. The City may use any of the alternative delivery methods for any project involving an improvement to real property.

4.3 Exemptions

Section 252.022 of the TLGC provides the following exemptions from competitive bidding:

A. a procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the City's residents or to preserve the property of the City;

B. a procurement necessary to preserve or protect the public health or safety of the City's residents;

C. a procurement necessary because of unforeseen damage to public machinery, equipment, or other property;

D. a procurement for personal, professional, or planning services;

E. a procurement for work that is performed and paid for by the day as the work progresses;

F. a purchase of land or a right-of-way;

G. a procurement of items that are available from only one source, including:

H. items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;

I. films, manuscripts, or books;

J. gas, water, and other utility services;

K. captive replacement parts or components for equipment;

L. books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials;

M. a purchase of rare books, papers, and other library materials for a public library;

N. paving drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements;

O. personal property sold:

1. at an auction by a state licensed auctioneer;
2. at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code;

3. by a political subdivision of this state, a state agency of this state, or an entity of the federal government; or
4. under an interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391;

P. services performed by blind or severely disabled persons;

Q. goods purchased by a municipality for subsequent retail sale by the municipality;

R. electricity;

S. advertising, other than legal notices;

T. purchases made through an existing state contract (Chapter 271, Subchapter D), cooperative purchasing program (Chapter 271, Subchapter F) or interlocal cooperation (Interlocal Cooperation Act)

5. BID PROCESS

Only City Council has the authority to approve and award bids, proposals, and contracts that exceed $50,000.00. State law (§252.021, TLGC) provides that purchases estimated at greater than $50,000.00 require advertising which requests sealed bids or proposals. The Department or Project Manager, with assistance from Finance when requested, is responsible for the advertisement and distribution of the requests for bids or proposals. City Council is responsible for selecting and approving the bid or proposal, in accordance with state law. Criminal penalties may apply to those who fail to comply with competitive bidding requirements.

Bid Process:

A. The Department or Project Manager will prepare bid specifications, bidder mailing lists, advertising dates and schedule the bid opening date, time and location. Where appropriate, the City will utilize website notices for national advertising.

B. The City must publish a notice indicating the time and place at which the bids or proposals will be publicly opened and read aloud. The notice must be published at least once a week for two consecutive weeks. The first publication must appear before the 14th day before the date that the bids or proposals are publicly opened and read aloud. The notice must be placed in the City's official newspaper.

C. The City Secretary will receive bids and maintain them in a locked file until the date of the bid opening. At the time of the bid opening, the City Secretary will present all bids to the Department or Project Manager for opening, review, and analysis. The City will reject as nonresponsive any bid or proposal which is received after the due date and time. The time stamp in the City Secretary's Office will be the official time.

D. The Department or Project Manager will conduct the bid opening and read the bids aloud at the designated time and place. Bid openings are open to the public.

E. Pursuant to state law, the City must award bids on the basis of the lowest responsible bidder or the bid that provides the best value. As for "best value", the City, pursuant to law, may consider:

1. the price

2. reputation of the bidder, including safety record and financial capability

3. reputation of the bidder's goods or services

4. the quality of the bidder's goods or services, including proposed personnel
5. the extent to which the goods and services meet the City's needs
6. the bidder's past relationship with the City
7. the impact to the City's ability to comply with HUB requirements
8. total long-term cost to the City of acquiring the goods or services
9. any other relevant criteria that the City listed in the specifications (§252.043, TLGC)

F. After reviewing the bids, the Department or Project Manager will prepare an agenda bill with the staff recommendation for Council approval and award.

G. The City has the option to reject any or all bids even if only one bid is received. (§ 252.043(f), 271.027(a), TLGC)

6. GENERAL CONTRACT REQUIREMENTS

6.1 Bids with Residents vs Non-Residents

A. If two or more bidders have bids that are identical in nature and amount, with one bidder being a resident of the City and the other bidder or bidders being non-residents, the City must select the resident bidder or reject all bids. (§271.901, TLGC)

B. For contracts less than $100,000, if the City receives one or more competitive bids or quotations from a bidder whose principal place of business is in the City and whose bid is within five percent (5%) of the lowest bid price received by the City from a bidder who is not a resident of the City, the City may enter into a contract with the lowest bidder or the bidder whose principal place of business is in the City if the City Council determines, in writing, that the local bidder offers the City the best combination of contract price and additional economic development opportunities for the City created by the contract award, including the employment of residents of the City and increased tax revenues to the City. (§271.9051, TLGC)

6.2 Bonding for Public Works Projects

State law requires contractors to submit bonds to the City for bids, payment, and performance of contracts on certain public works projects. State law establishes standards for when the bonds are required and the amount of the bond. A corporate surety duly authorized and admitted to do business in the State of Texas must issue the bonds. Although the term "public work" is not defined by statute, it is generally understood to mean the construction, repair, or renovation of a structure, road, highway, utilities, or other improvement or addition to real property. Bonds are required in the following amounts:

A. Bid bond. A bid bond, in the amount of 10% of the proposed contract price, is required where a contract is in excess of $100,000.00.

B. Performance bond. A performance bond, in the total amount of the contract, is required if the contract is in excess of $100,000.00.

C. Payment bond. A payment bond is required if the contract is in excess of $50,000.00, in the total amount of the contract. The bond is intended solely for the protection of all claimants supplying labor and material in the prosecution of the work provided for in the contract.

D. Maintenance bond. In addition to the above statutorily required bonds, the City will require a maintenance bond for all public work projects for a minimum time period of one year. (Ch. 2253, TX. Gov't Code)

6.3 Bonds for Non-Public Works Projects

Based upon good business practices, whenever the City enters into a contract for the purchase of a product system or service in which the system or service will be of little value to the City until it is complete, then the City may require performance and payment bonds.

6.4 Change Orders

Section 252.048 of the TLGC allows change orders as long as the contract price is not increased by more than 25% and the change order is not being used to purchase new products or to create an entirely new pro ject. Pursuant to this section, the City Manager has authority to approve such change orders that are less than $50,000. Change orders over $50,000 are subject to City Council approval.

6.5 Insurance Requirements

Where the City contracts with an outside party (contractor, consultant, vendor, or concessionaire) for goods or services, the contract should include indemnity and hold harmless provisions that appropriately transfer the project risks from the City to the contractor. Because the contractor may or may not have the financial re sources to account for the risks, the City requires the contractor to purchase and maintain valid insurance to help ensure the financial security required by the City. The insurance types and amounts are as follows:

A. Workers Compensation. Workers Compensation covering all employees per the state statutory requirement is required on all contracts.

B. Liability Insurance. The following insurance is required on all contracts over $15,000.00:

1. Employer's Liability of $100,000;
2. Comprehensive General Liability and Bodily Injury & Property Damage $1,000,000 (per occurrence and aggregate); and
3. Business Automobile Liability covering owned vehicles, rented and non-owned vehicles, and employee non ownership Bodily Injury Property Damage $1,000,000 (per occurrence and aggregate).

C. **Reasonable Coverage.** Although insurance coverage is not required for every project, and limits will vary by exposure, understanding insurance is important to assure that all of the City's potential liabilities and exposures from a project are properly and reasonably protected. Where questions arise about the types of insurance or amounts, the Department should contact the City's Director of General Operations.

7. ADDITIONAL EXEMPTION INFORMATION

7.1 Professional Services

A. Section 252.022 of the TLGC specifically exempts contracts for professional services from the competitive bidding requirements. The Professional Services Procurement Act states that a City may not use traditional competitive bidding procedures to obtain the services of architects, engineers, certified public accountants, land surveyors, physicians, optometrists or state-certified real estate appraisers. If the professional services desired by the City do not fall under the Professional Services Procurement Act, state law permits the services to be obtained with or without the use of competitive bidding, as the City desires.

B. Fees must be fair and reasonable, consistent with and not in excess of published recommended practices and fees of applicable professional organizations, and not in excess of any maximums specified by state law.

C. The Professional Services Procurement Act specifies that when obtaining architectural, engineering, or land surveying services, the City must first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications; and then attempt to negotiate a contract with that provider at a fair and reasonable price. If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural, engineering, or land surveying services, the City must formally end negotiations with that provider, select the next most highly qualified provider, and attempt to negotiate a contract with that provider at a fair and reasonable price. The City must continue this process to select and negotiate with providers until a contract is entered into.

D. The Professional Services Procurement Act does not specify the exact process by which a City may procure accounting, medical, optometrist or real estate appraisal services. The law merely prohibits obtaining these services through competitive bidding and requires that such services be selected on the basis of demonstrated competence and qualifications.

7.2 Emergency Purchases

Emergency purchases occur when a situation arises that is unforeseen and must be remedied immediately. Pursuant to state law, emergency purchases are exempt from the bidding process. An emergency is described as follows:

- Acts of God (e.g., flood damage, tornado)
- Machinery that is critical to the operation of the City and rendered out of service
- To preserve or protect the health and safety of the municipalities of residents
- Procurement necessary because of unforeseen damage to public machinery, equipment, or other property (§252.022(a)(1-3) TLGC)

Where an emergency exists and a purchase estimated at being over $5,000.00 is required, the following procedure will be used:

A. The Department should notify Finance of the purchase and attach an emergency justification form (see Exhibit B) and attach it to the PO.

B. If the emergency purchase causes a department to exceed their annual budget, the Department Director will work with the City Manager and, if necessary, City Council, to secure funding needed for the purchase.

7.3 Sole Source Purchases

According to Section 252.022 TLGC, competitive bidding requirements do not apply to items that are available from only one source due to patents, copyrights, secret processes, or natural monopolies. Items such as captive replacement parts or components may be considered as sole source items.

A. Sole source purchases greater than $5,000.00. The Department must contact the vendor or manufacturer for verification and justification as to why the procurement is sole source. Documentation on vendor letterhead or on the sole source form (see Exhibit A) should be attached to the purchase order.

B. **Sole source purchases greater than $50,000.00**. Sole source purchases greater than $50,000.00 must be reviewed by the City Manager and approved by City Council. Documentation on vendor letterhead or on the sole source form (see Exhibit A) should be attached to the purchase order.

C. **Expiration**. Sole source documentation is valid for two years.

7.4 Insurance

All purchases of insurance related products are processed through the Director of General Operations. Cities must seek competitive bids or proposals when purchasing insurance that will cost more than $50,000. Chapter 252 of the TLGC does not specifically address the need to use competitive bidding or proposals if a City's liability coverage is gained through participation in a group risk pool. Under state law, the coverage provided by risk pools is not considered to be insurance or subject to the traditional requirements applicable to insurance policies. Therefore, most risk pools take the position that statutory procurement requirements do not apply. (§252.021, TLGC)

8. OTHER PURCHASING ARRANGEMENTS

8.1 Warranties and Service Agreements

A Department should include any requirement for warranties or service agreements in the purchase specifications documents. It is the responsibility of each Department to maintain and actively monitor their department's agreements, schedule service calls under the agreements, and renew agreements as necessary.

8.2 Simple Leases (auto, office equipment, etc.)

Competitive bidding or proposal requirements apply to any lease of personal property that will require an expenditure of more than $50,000 in City funds, unless the expenditure is covered by a specific statutory exception that would relieve the City from the duty to bid or seek proposals on the item. For example, if the lease were for an item that was necessary to preserve or protect the public health or safety of the City's residents, the City would not be under a duty to use competitive bidding or proposals for its acquisition.

8.3 Lease Purchase Agreements

Normal statutory procurement requirements generally apply to these lease purchase agreements. That is, a lease purchase agreement for personal property shall be competitively procured unless the type of item purchased is covered by a specific exception to the statutory procurement requirements. Competitive bidding requirements do not apply to the lease of real property.

9. PURCHASING METHODS

9.1 Purchase Order

Most purchases are made using a purchase order (PO) that is processed through Incode. The PO is prepared and approved by the department requesting the purchase. The completed and approved PO is submitted along with all supporting documentation (invoice, receipt, bids or quotes (if necessary), sole source or emergency justification forms (if necessary)) to Accounts Payable. Accounts Payable must have a W-9 on file for all vendors in order to make payment. Accounts Payable processes payments for approved purchase orders weekly.

9.2 Purchasing Card (P-card)

A. Overview. The City issues and authorizes the use of Purchasing Cards (P-card) to efficiently purchase goods or services needed for City business that require immediate payment. The P-card is designed to delegate the authority and capability to purchase limited items directly to an authorized employee. A P-card will enable authorized employees to purchase non-restricted goods directly from vendors without the issuance of a purchase order. Authorized employees may use a P-card with vendors that accept VISA. P-cards are ordered through the Finance Department with a P-card Request form (see Exhibit C).

B. Responsibilities:

1. The Finance Director and Finance Coordinator are the administrators for the P-card program.
2. A Department Director, where appropriate, may authorize an employee(s) under their direction to use a P-card. The Director will make recommendations to the Finance Department as to recommended limits on the account, to include monthly spending limits, number of transactions per day, number of transactions per billing cycle, and merchant category restrictions.
3. An employee authorized to use a P-card must sign a Purchasing Card Cardholder Agreement prior to being issued a P-card. The employee is responsible for not only protecting the card, but is also responsible and accountable for all purchases made using the P-card. The employee will assume responsibility that all purchases made with the P-card adhere to this policy and will insure that no unauthorized purchases are made. The City will consider unauthorized purchases to be misappropriation of City funds that violates City policy and potentially state law. The employee authorized to use the P-card and the Department Director are responsible for the integrity and accuracy of P-card purchases and as such, are responsible for receipts for all P-card purchases and transactions. All purchases processed against a P-card must be made by, or under the immediate direction of, the employee to whom the card is issued. P-card receipts must specify all purchased items. Receipts that show only a total amount without any itemized details are unacceptable. The employee must inform the merchant of the City's tax-exempt status. The City may hold the employee personally responsible for items purchased without the supporting documentation.
4. The Finance Department will return incomplete receipts to the P-card holder and the Department Director who will then be responsible for obtaining a detailed receipt or attaching a signed statement.
5. P-card holders who do not retain acceptable receipts for P-Card purchases may have their authority for using the P-card revoked. The Finance Coordinator will notify a Department Director concerning any misuse of a P-card.

C. Reconciliation. Finance places spending limits and other restrictions on each P-card issued to an authorized employee depending on the purchasing authority of the cardholder. The Department must maintain receipts for each purchase throughout the month. During the month and at month's end the Department may view all purchases online. The Department must review the charges, print the register, and reconcile the amounts with the receipts for the purchases. The Department must then forward the register and receipts to Finance.

D. Disputed Charges. An authorized employee who is issued a P-card holder is responsible for attempting to resolve any dispute with a vendor. If a resolution is not possible, the employee must immediately notify the bank of the disputed item and follow the bank's dispute process. The employee shall keep the Finance Department informed of any such charge.

E. **Termination or Transfer of Employee**. When an employee who has been issued a P-card terminates from City employment or transfers from a Department, the Department Director should notify the Finance Coordinator of the change immediately. The employee's P-card approver will be responsible for a final reconciliation of the employee's P-card account.

F. **Loss of P-card**. A P-card holder must report a lost P-card immediately but in any event, within one business day of discovered loss. The City may hold an employee liable for any losses not covered by the protection plan. The City may also hold an employee responsible for the cost of a replacement card.

G. **Travel Expenses**. All travel expenses paid for using a P-card must be documented in accordance with the City's Travel Policy.

9.3 Petty Cash

A Department may submit a request for petty cash to the Finance Department. The request and disbursement must not exceed $100.00. If cash payment is necessary due to unforeseeable circumstances, the Finance Director may approve expenditure over the $100.00 limit.

A. **Maintaining Petty Cash** Petty cash vouchers, receipts, and cash on hand should equal the total amount authorized for the petty cash fund. The Finance Department will issue a petty cash voucher to a Department at the time money is advanced for an employee to make purchases on the City's behalf. The sales receipt must be attached to the petty cash voucher after the purchase. The petty cash voucher should include the amount and description of the expenditure, the expense account number, and be signed and dated by the recipient the Department. Vouchers may not be used as a substitute for a sales receipt. If a Department maintains a departmental petty cash, the Department should turn in petty cash vouchers with receipts attached to the Finance Department to exchange for cash in reimbursing the departmental petty cash.

B. **Petty Cash Audits** The Finance Department will periodically audit petty cash funds to verify the custodian is compliant with the petty cash policies and procedures.

10. DISPOSAL OF SURPLUS PROPERTY

All Departments shall review their assets and supplies each year and determine whether any items are no longer needed. A Department shall submit a list of any surplus, obsolete, or unused supplies, materials or equipment to Finance, including a description, make, model, and serial number, if applicable. Finance, in coordination with a Department, may transfer items between Departments based upon needs. Where equipment or durable goods are deemed to be surplus, obsolete, or unused, Finance may attempt to sell the property using an online auction or competitive bid. In addition, property can be traded in toward the purchase of new property. Proceeds received will be credited to the fund that owned the property. When an asset has been sold, it will be removed from the fixed asset register.

11. ETHICS REQUIREMENTS

11.1 City Policies

The City demands the highest ethical standards of conduct from its employees and from vendors or contractors dealing with the City. City employees engaged in purchasing must comply with the following ethical standards:

A. **Gratuities.** Certain kinds of conduct such as offering gifts, gratuities, or discounts to City employees to influence their decisions in the purchasing process are expressly prohibited. The City may reject a bid or cancel a contract without liability if it is determined by the City that gratuities were offered or given by a vendor or contractor, or an agent or representative of the vendor or contractor, to any officer or employee of the City with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such a contract. In the event a contract is cancelled by the City pursuant to this provision, the City will be entitled, in addition to any other rights and remedies, to recover and withhold the amount of the cost incurred by the vendor or contractor in providing such gratuities.

B. **Confidential information.** It is a violation of City policy for any employee to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

C. **Purchase of materials, equipment, and supplies for personal use.** Employees may only purchase City property for personal use if purchased through the City's normal disposal of surplus property procedures including public or online auction.

D. **Purchases for personal, private use.** Employees may not use the purchasing power of the City to make purchases for personal, private use.

E. **Travel, meals, and other expenses paid by vendor or contractor.** Travel costs to a vendor's or contractor's site shall be paid by the vendor or contractor only if the bid or proposal solicitation states that such visits would be at the vendor's or contractor's expense. The City will pay all other travel costs.

11.2 State Requirements

City officials and employees must comply with various state laws with respect to purchasing. The following provides a summary and the general requirements of the laws:

A. **Chapter 171, Texas Local Gov't Code.**

Chapter 171 of the Texas Local Government Code regulates a local public official's conflicts of interest. The law defines "local public official" as an elected official, such as a Councilmember, or an appointed official (paid or unpaid) who exercises responsibilities that are more than advisory in nature.

1. The law prohibits a local public official from voting or participating in any matter involving a business entity or real property in which the official has a substantial interest if an action on the matter will result in a special economic effect on the business that is distinguishable from the effect on the public or, in the case of a substantial interest in real property, it is reasonably foreseeable that the action will have a special economic effect on the value of the property, distinguishable from its effect on the public.
2. A local public official who has such interest is required to file, before a vote or decision on any matter involving the business entity or real property, an affidavit with City Secretary, stating the nature and extent of the interest.
3. A local public official is required to abstain from participating in the matter.
4. A local public official who is required to file an affidavit is not required to abstain from participating in the matter if a majority of the members of the governing body have a substantial interest and file affidavits of similar interests on the same official matter.

B. **Chapter 176, Texas Local Gov't Code.**

Chapter 176 of the Texas Local Government Code is a related ethics law.

1. Chapter 176 of the Texas Local Government Code is applicable to the City. The law also applies to a local government corporation, board, commission, district or authority whose members are appointed by City Council and local government officers. Local government officers include (1) a mayor or City Council member, (2) a director, superintendent, administrator, president or any other person who is designated as the executive officer of the local government entity; and (3) an agent (including an employee) of the local government entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor.
2. An officer is required to file a conflicts disclosure statement if:
   a. the officer or officer's family member has an employment or other business relationship with a vendor that results in the officer or officer's family member receiving taxable income of more than $2,500 in the preceding twelve months.
   b. the officer or officer's family member accepts one or more gifts from a vendor with an aggregate value of more than $100 in the preceding 12 months.
   c. an officer has a family relationship with a vendor.
3. **Anyone meeting this condition or circumstance should consult with the Finance Department and/or the Legal Department with respect to this law.**

C. Chapter 252, Texas Local Government Code.

Chapter 252 of Texas Local Government Code contains laws related to competitive bidding.

1. If a person fails to comply with the competitive bidding or competitive proposal procedures required by Chapter 252, Texas Local Government Code, that person may be convicted of a Class B or C misdemeanor, removed from office or employment and made ineligible to hold office in the state or to be employed by the City for four years after the conviction. This includes a situation in which a person makes or authorizes separate, sequential, or component purchases in an attempt to avoid competitive bidding requirements.
2. State law specifies that if a City enters into a contract without complying with the competitive bidding or competitive proposal requirements of Chapter 252, the contract is void. (§252.061, TX. Local Gov't Code)

D. Section 2252.908, Texas Government Code (HB 1295).

Section 2252.908 relates to interested party disclosures and applies to contracts entered into after January 1, 2016. The bill provides that:

1. The City is prohibited from entering into a contract with a business entity unless the business entity submits a disclosure of interested parties (i.e., discloses a person who has a controlling interest in the business or who actively participates in facilitating the contract for the business) if the contract requires an action OR vote by the City Council before the contract may be signed;
2. The disclosure must be on a form prescribed by the Texas Ethics Commission; and
3. The City must, not later than 30 days after receiving a disclosure, submit a copy to the Texas Ethics Commission.

EXHIBIT A

CITY OF KERRVILLE
Sole Source Vendor Statement

_____ is the sole source for the following item, product or service:

_____

_____

Competition for this purchase is precluded due to:

__ patent __ monopoly __ copyright __ book

__ secret process __ film __ manuscript

__ a captive replacement part or component for equipment

__ other – _____

I certify the accuracy of the information provided above and the validity of my organization's sole source status.

_____ _____
Signature of Authorized Official Title of Authorized Official

_____
Date

this form is valid for 2 years from the date of signature

EXHIBIT B

CITY OF KERRVILLE
Emergency Justification

This questionnaire has been designed to assist staff in providing information necessary in the processing of emergency requisitions for the purchase of products and/or services. Please complete and forward to Purchasing. If more space is needed, please attach additional page(s).

REQUISITION NO.:_____

1. State the reason for the emergency purchase by explaining what the emergency is and/or what caused the emergency situation**:**

2. State the financial or operational damage/risk that will occur if needs are not satisfied immediately (do not simply say there will be a loss or some damage):

3. State why the needs were not or could not be anticipated so that goods/services could not have been purchased following standard procedures:

4. State the reason and process used for selecting the vendor (attach all quotes/proposals received from other sources, if applicable):

5. State the part of the City's Purchasing Policy this Emergency Purchase falls under.

I certify that the above statements are true and correct, and that no other material fact or consideration offered or given has influenced this recommendation for an emergency procurement.

Submitted By: _____

_____ _____
Authorized Signature Date

Department Director: _____

_____ _____
Authorized Signature Date

EXHIBIT C

CITY OF KERRVILLE
Request for Purchasing Card (P-card)

TO: Finance

FROM: _____

DEPARTMENT: _____

DATE: _____

I request that the Finance Department issue the following employee a City Purchasing Card (P-card) for the purpose of making purchases in the normal course of authorized City business.

Employee's Full Name (print): _____

Employee Title: _____

Single Item Purchase Limit (Not to exceed $3,000):_____

Daily Transaction Limit ($): _____

Monthly Transaction Limit ($): _____

Restrictions:_____

Requested By: _____
Department Director Signature

Approved By: _____
P-card Administrator Signature

Finance use only:
Date card ordered: _____ Unique ID: _____ Login ID: _____
Date card received: _____ Date card issued to P-card holder: _____

P-card holder signature: _____

EXHIBIT D

CITY OF KERRVILLE
Purchasing Card (P-card) Cardholder Agreement

I, _____ hereby agree to comply with the **Purchasing Card (P-card)** policy and procedures and the following terms and conditions regarding my use of the card. As a cardholder, I have read and understand the **City of Kerrville Purchasing Policy and Procedures, which includes the P-card policy**.

1. I understand that I am being entrusted with a valuable tool, the P-card. I will be making financial commitments on behalf of the City of Kerrville. I will always obtain the best value for the City by using the P-card wisely and with discretion.
2. I agree to use this card for official City business and approved purchases only. I fully understand that my misuse or abuse of the P-card will result in revocation of the card and appropriate disciplinary action, which may include termination of my employment. I also agree to attend training on the use of this card as prescribed by the Finance Department.
3. The following acts are prohibited, and I understand that this is not an exclusive or exhaustive list:

- Expenditures for personal purposes
- Cash advances or refunds
- Expenditures for entertainment, including but not limited to the purchase of alcoholic beverages
- Purchases under contracts, unless an emergency exception is granted
- Separate, sequential, and component purchases or transactions made with intent to circumvent state law or City policy
- Transaction amounts greater than the limits on the P-card issued to me
- Failure to submit proper documentation with each monthly statement

4. I understand I do not own the P-card and that the City has issued the card to me so that I can conduct authorized City business in an efficient, expeditions, and cost-effective manner. I agree to return the P-card immediately upon request or upon termination of employment (including retirement and resignation). Should I be transferred between Departments or positions, qualify for extended leave, or undergo an organizational change that causes my duties to no longer necessitate the use of the P-card, I agree to return it immediately.
5. If the card is lost or stolen, I agree to immediately notify the Finance Department and my Department Director.

I understand and agree that my use of the P-card is subject to the following specific purposes or restrictions:

_____

_____	_____	_____	
Employee Signature	Date	Department	
_____	_____	_____	_____
Department Director	Date	Finance Representative	Date

Transaction Limit: $_____ Monthly Limit: $_____

REAL ESTATE POLICY

REAL ESTATE POLICY

PURPOSE:

It is the intent of the City to strategically utilize its inventory of real estate to further the City's goals while avoiding the unnecessary acquisition of additional real estate. The purpose of this policy helps ensure that decisions regarding the acquisition and/or disposition of real estate reflect effective and efficient use of the City's current real property assets, a long-term vision, and a balance of operational, financial, environmental, and other relevant factors. Decisions regarding the acquisition or disposition of real estate should also consider plans and policies adopted by the City Council that provide guidance for the use of property located within identified geographic areas.

POLICY AND PROCEDURE:

1. *Preliminary Decision*. Proper planning activities involve the appropriate balance of fact-finding, public input, and expertise under a defined scope to determine the needs of the City. Initially, a Department Director shall consult with the City Manager regarding the necessity to purchase real estate for a particular project or need. The City Manager will be responsible for consultant selection, if applicable, to assist with the preliminary decision making process. Consultants will be chosen in accordance with applicable state laws and related City policies and procedures. Special cases for acquisitions not included in specific projects, including when a property owner contacts the City, will be evaluated and handled individually as the situation dictates. Council will make both initial and final decisions concerning real estate acquisitions over $50,000. Council will make its decisions based on information gathered from any combination of staff reports and/or outside consultant information.

2. *Authorization*. The City Manager is authorized to approve the City's acceptance of easements, rights-of-way, license agreements, use agreements, and similar property interests pursuant in part to the City's application of its subdivision regulations and the requirement of dedication of various property interests for public use. In addition, the City Manager is authorized to acquire a property interest whose value is less than $50,000. However, City Council must make decisions regarding acquisitions for any property interest with a value of more than $50,000.

3. *Preliminary Evaluation*. Staff will a) conduct a general analysis to determine the overall feasibility of a proposed acquisition; and b) prepare an assessment reflecting as many relevant factors as deemed appropriate. These factors can be revisited or further expanded upon as the acquisition process continues.

4. *Due Diligence.* All real estate acquisitions will undergo the proper due diligence to protect the City's immediate and long-term interests. Inspections, including environmental and other studies, may be necessary to protect the City. This includes situations where an owner wants to donate real estate to the City, which the

City may decide to accept. The City may hire a real estate consultant to assist with this process. Emphasis will be placed on confirmation of real estate decisions made.

5. *Determination of Fair Market Value*. When identified real estate is determined to be necessary and appropriate for completion of a project, an estimation of fair market value shall be obtained for each tract or property interest. If probable value of a tract is less than $50,000, an estimate of fair market value may be obtained from tax appraisal records or from an informal analysis. The fair market value of any tract with a probable cost greater than $50,000 or where acquisition involves the use of eminent domain shall be determined by an appraisal from a licensed independent real estate appraiser. In addition, the City, pursuant to Section 252.051, Tx. Local Gov't Code, may not purchase property wholly or partly with bond proceeds until it obtains an independent appraisal of the property's market value. The determination of fair market value shall be presented to the City Council or City Manager as appropriate when authorization to purchase real estate is granted.

6. *Negotiation/Offers*. The City Manager may enter into preliminary negotiations once City Council has given approval for a project or specific acquisition. The City Manager, however, has no authority to commit the City to a binding contract in excess of $50,000. Except where an acquisition cost is less than $50,000, City Council must make the decision regarding the acquisition of real estate. Any negotiations entered into by the City prior to final authorization by City Council, when needed, must clearly communicate that the final decision is to be made by City Council.

7. *Title Insurance and Reports*. Title reports and title insurance policy, when necessary, from a title insurance and abstract company shall be obtained for all real estate purchases, where appropriate. The report shall state an opinion of current record title ownership and the list of all liens or records filed against the property. Responsibility of the costs for these items will be negotiated between the buyer and seller.

8. *Deeds and Contracts*. Deeds, Contracts of Sale, and other documents needed to convey title or clear title may be prepared or reviewed by the City Attorney or other consultant attorney. All purchase contracts will be subject to satisfying all contingencies before closing. Where the City Attorney does not prepare the documents, the Department Director or City Manager shall ensure that the City Attorney is informed of the pending purchase and has an opportunity to review all of the documents prior to the actual sale and closing.

9. *Taxes.* All taxes that have accrued but which are not due should either be paid at closing or immediately thereafter. The Department Director or City Manager shall verify that the City ownership of the property is reflected on the current tax rolls.

10. *Filing and Recording of Documents*. The City Secretary is responsible for verifying the recording of all deeds and other documents requiring filing and/or recording in the County Clerk's Office. Documents recorded at the County Clerk's Office shall have a return address to the County Clerk's office and after filed and/or recorded, all documents shall be delivered to the City Secretary and maintained within that office.

11. *Disposal of Real Property*. When the City Manager and/or City Council has determined that any real estate (real property, easements, rights-of-way) owned by the City is no longer needed, the property may be sold or disposed of in accordance with state and/or federal law. The City Manager shall seek approval from City Council for each disposition of real property unless the property interest involves the vacation of an easement, other than right-of-way, that the City is not using and has no plans to use. The City may terminate the sale procedures used at any time and may reinitiate the same or different procedures at a later date. When appropriate, appraisals will be conducted to ensure the City's interests are protected when disposing of real property.

12. *Eminent Domain*. Where it becomes necessary, the City Manager may consult with the City Attorney concerning recommendation to and/or advising City Council on the use of eminent domain proceedings and decisions to employ experts needed in the process.

13. *Applicability.* These policies and procedures are intended as guidelines for the City. No express or implied rights or responsibilities are intended to be created for any party by these policies and procedures. Failure to comply with these policies and procedures is not intended to give any party the right to change, rescind, or delay any decision or transaction or to provide any claim for damages or other relief. These policies and procedures apply to all City departments and to all acquisitions of real estate by the City, except as otherwise provided by ordinance, charter, or existing law.

14. *Legal Consistency and Compliance*. This policy shall be interpreted and applied in accordance with federal, state, and local law. In addition, any proposed real estate acquisition shall be consistent with the City's Comprehensive Plan and other applicable planning policies whenever possible. The City Attorney should be consulted as needed in proposed acquisitions and at minimum, on the following matters: (a) compliance of proposed acquisition actions with local, state, and federal ordinances, statutes, regulations, plans, and policies; (b) the need for specific analyses, including applicable environmental studies; and (c) the form and substance of any proposed transaction documents for Council adoption. This policy is not intended to supersede policies or procedures reflected in any ordinances or resolutions adopted by the City Council and that specifically authorize the acquisition of real estate. In cases of inconsistency or conflict, the specific policies adopted by the City Council for the property in question shall prevail. Where superseding requirements are in effect, this policy remains applicable to the extent practicable.

TRAVEL POLICY

TRAVEL POLICY

City of Kerrville

Travel Policy

The City maintains an Accountable Plan under IRS guidelines (IRS Publication 463). This means that reimbursement for an employee's or official's business related travel expenses is NOT considered taxable income.

Authorization

An employee must estimate the cost of travel, check for available budget, and obtain approval from their supervisor prior to incurring any business travel expense. If the cost of the trip is expected to exceed $1,000, the employee/official must complete the "Travel Authorization Form" located at P:/Forms/Finance and submit the signed form to Accounts Payable prior to the trip.

Eligible Expenses

Employees/officials are eligible to receive reimbursement for the following:

1. Registration for conferences, seminars, classes, etc.
2. Lodging
3. Per diem meal allowance (must involve an overnight stay)
4. Transportation – air travel, mileage, car rental, shuttle, taxi, tolls, parking, public transportation
5. Miscellaneous – necessary expenses for items such as internet access, copies, etc.

Lodging

- Room rate and tax will be reimbursed to an employee/official.
- Best efforts should be used to obtain a reasonable rate, including use of government rates when available. If the employee/official is staying at a conference/convention hotel, reimbursement is limited to the conference or convention rate.
- Reimbursement is based on the single room rate unless the lodging is for more than one City employee/official.

Per diem meal allowance

- Per diem is a daily allowance paid to a traveler to cover the cost of meals. If the traveler does not use the entire per diem for meals, the traveler may keep the remainder and the difference is not taxable income. If the traveler's meal expense exceeds the per diem amount, the traveler will not be reimbursed for the additional amount.
- **Per the IRS, per diem meal allowance is allowed only for travel that includes an overnight stay**. Day trip meals are not eligible for reimbursement.
- Meals are reimbursed using a standard daily rate (per diem) set annually by the US General Services Administration (GSA). Determine the rate for a destination at gsa.gov/perdiem. The employee/official should attach a copy of the rate obtained at this site to the expense report. This rate covers the cost of meals, tax, and tip. No receipts are required.
- Per diem on departure and return travel days is calculated at 75% of the daily rate.

Transportation

- Air travel –
  - → Employees/officials should book the lowest available airfare that reasonably meets travel needs.

- → Air travel should be coach class or lower and booked in advance to avoid premium last minute pricing.
- → Employees/officials should minimize luggage fees by checking as few bags as possible.

- Mileage –
  - → Mileage is payable when an employee/official uses a personal vehicle for business travel.
  - → Mileage is reimbursed at the IRS standard mileage rate.
  - → Mileage should be calculated **from the work place** (not home) to the travel destination with mapquest.com mileage documentation attached to the expense report.
  - → Employee/official must be properly insured to use their own vehicle and should attach a copy of their personal insurance ID card to the expense report.
  - → Employees/officials receiving a vehicle allowance are eligible for mileage reimbursement ONLY for destinations more than 75 miles (each way) from their work place.
  - → Mileage reimbursement represents reimbursement for all vehicle related expenses including gas, wear and tear, and personal auto insurance.
- Car rental –
  - → Employees/officials should choose the least expensive car rental company and car class that will meet the business needs of the trip.
  - → Additional insurance coverage through the rental car agency is not necessary.
  - → Rental cars should be returned with a full tank of gas to avoid more expensive fuel rates.
- Gas –
  - → Gas is a valid travel expense only when using a City vehicle or rental car.
  - → Gas for personal vehicles is not a valid travel expense as it is included in mileage reimbursement.

Payment Methods

Purchase Card

A City issued purchase card (pcard) is the preferred method of payment for travel expenses such as registration, hotel, airfare, car rental and gas. Pcards should not be used for meals reimbursed by per diem or gas for personal vehicles.

Gas Card

Gas cards are available for check out from Accounts Payable. These cards can be used if an employee/official is traveling in a City-owned vehicle and does not have a pcard.

Travel Advance

A personal travel advance can be requested for meal per diems. Checks payable directly to a hotel, conference, etc. can also be requested in advance. Mileage reimbursement must be requested following the trip.

Expense Report

An expense report should be submitted within 1 week following the trip that details the entire cost of the trip, including the amount of remaining reimbursement requested. Reimbursement will be paid through the purchase order ("PO") process either as a check or direct deposit. Please contact Accounts Payable to set up direct deposit for expense reimbursement.

Documentation

Travel forms can be found under P:/Forms/Finance. The following items document travel expenses:

1. Travel Authorization Form – **required only for trips > $1,000**. Signed form must be turned in to Accounts Payable prior to trip.
2. Travel Advance Form – submit this form with a PO **only if requesting a travel advance**. Personal travel advances should be submitted 2 weeks prior to departure.
3. Travel Expense Report – ****REQUIRED FOR ALL BUSINESS TRAVEL EVEN IF NO EMPLOYEE/OFFICAL REIMBURSEMENT IS REQUESTED****

   Submit the Travel Expense Report form with a PO (if requesting employee/official reimbursement) within 1 week of returning from a trip. In order to meet IRS documentation requirements, a Travel Expense Report package must include:

   a. Date, time, destination and business purpose of the trip.

   b. Itemized receipts (original or copies) for registration, lodging, airfare, car rental, and other miscellaneous expenses, even if the expenses were paid with a pcard or another PO.

   c. NO receipts for meals reimbursed through per diem.

   d. Mapquest.com showing mileage from the work place to the destination if requesting mileage reimbursement.

   e. Gsa.gov/perdiem showing per diem rate for travel destination.

   f. All travel expenses must be documented on this form even if they were paid for using a pcard, gas card, or travel advance. Attach duplicate copies of pcard, gas card, or travel advance receipts to the expense report in order to meet IRS recordkeeping requirements.
4. Excess Reimbursement – any excess reimbursement received must be repaid to the City within 1 week of returning from a trip. Note that excess reimbursement does not apply to unspent, but allowable per diem.

Traveling with Family Members

Traveling with family members is permitted, but the City will reimburse expense related to the employee/official only. Lodging is reimbursed at the single room rate. Any difference in rate in order to accommodate family members must be paid for by the employee/official. Rental cars are reimbursed at the lowest rate. Any difference in rate needed to accommodate family members must be paid for by the employee/official. This same methodology applies to any other applicable charges. Employees/officials are prohibited from using City-owned vehicles for family travel. Family members are fully responsible for their own travel expenses.

Audit and Records Requirements

All travel expenses are subject to review, IRS audits, annual financial audits, and public records requests. Following the guidelines in this policy will ensure that travel reimbursements meet audit requirements and remain non-taxable.

VEHICLE AND EQUIPMENT REPLACEMENT POLICY

VEHICLE AND EQUIPMENT REPLACEMENT POLICY

Vehicle and Equipment Replacement Policy

Purpose: To provide a fiscally responsible vehicle and equipment replacement policy, which will enable the City of Kerrville to maximize asset utilization while maintaining a positive public image and being fiscally responsible in our budgeting and fleet replacement programs.

Summary: It is generally accepted that all types of mechanical devices have a finite life. The length of that life depends on many factors, including vehicle mileage and engine hours, quality of the preventative maintenance program, quality of driver training program, whether the mechanical device was used within the design parameters, was manufactured on a customer or commercial chassis, quality of workmanship by the original manufacture, quality of the components used, and availability of replacement parts, to name a few.

Additional Considerations: There are three aspect of vehicle life span: (1) service life, which is the length of time that a vehicle can be expected to perform in a functional and reliable manner under the service demands and operating condition to which it is exposed; (2) technological life, which is the ability of the vehicle to continue to perform in a functional and reliable manner when changes in service demands, technology and performance standards occur; and (3) economic life, which is the length of time that a vehicle can be operated and maintained in a cost-effective manner.

Category "A" Consists of the front-line emergency response vehicles which include marked patrol and traffic units, fire apparatus such as engines, aerial apparatus or ladder trucks, brush trucks, rescue trucks, and ambulances, which are used as front-line emergency response vehicles. The front-line life span of marked police vehicles is three (3) years of service or at/or before 100,000 miles. The front-line life-span of fire apparatus is fifteen (15) years and has a reserve life-span of additional five (5) years. The ambulance front-line life-span is four (4) years and a reserve life-span for an additional three (3) years. This includes seven (7) years maximum life–span for chassis replacement with the module remount onto a new chassis after the initial seven (7) years, providing a total of fourteen (14) year life-span of the module.

Category "B" Consists of heavy use vehicles which are used to serve the public on a day-to-day basis and pull trailers and/or equipment. Due to the heavy use, these vehicles may be scheduled for replacement at 100,000 miles or ten (10) years provided the maintenance cost is considerably higher than vehicles of the same type.

Category "C" Consists of all other cars and pickups, which include pool vehicles. These vehicles are generally assigned to departments and should not be replaced earlier than 100,000 miles or twelve (12) years provided the maintenance cost is not considerably higher than vehicles of the same type.

Category "D" Consists of other off-road equipment (loader, backhoe, mules, gators, mowers, etc.) that are used to serve the public on an"as needed" basis. Replacement of this category may be made after 2,500 operating hours or twelve (12) years, or provided the maintenance cost is considerably higher than equipment of the same type.

Category "E" Consists of light equipment (weed-eaters, chain saws, pumps, generators, trailers, and other small hand-operated equipment) which are used to serve the public on an "as needed" basis. Replacements in the category may be made after the total maintenance cost exceeds the original price of a particular piece of equipment.

Early Replacement The consideration of early replacement of a vehicle often arises when major expenditures are necessary to restore it to a safe operating condition (e.g. major component failure or incident damage). The economic effect of such repairs cannot be avoided because the cost is normally about the same whether the vehicle is sold in un-repaired condition or restored to repaired condition.

However, replacement prior to the normal criteria for vehicles will result in an acceleration of all future replacement cost cycles required to satisfy a continuing vehicle need. This acceleration of cost cycles causes a sizable increase in the total present value cost of all fixture cycles and should be avoided whenever possible. Major vehicle repairs should always be made, with two exceptions:

1. Major expenditures for repair should not be made when the cost of the repair plus the vehicle salvage in un-repaired condition exceeds its wholesale value in repaired condition.
2. Major deferrable expenditures should not be made when a vehicle is in the final six months of its retention cycle. During this period the penalty for replacement is small and, therefore, the vehicle should be replaced rather than repaired.

Use point range system to determine replacement consideration.

Point Ranges for Replacement Consideration for “B” and “C”

Point Scale	Condition	Description
20 points & under	Excellent	Do not replace
21 to 25 points	Very Good	Re-evaluate and include in five year forecast
26 to 31 points	Fair	Qualifies to replace if M/R cost exceed 60% of cost
32 to 37 points	Poor	Replacement if funds are budgeted
Above 38 points	Failed	Needs priority replacement

Point Range Chart Note: The City may decide to retain a vehicle beyond the stated criteria after an evaluation of anticipated usage, repairs and operating costs. Each City vehicle and small equipment have been placed in a specific category (as listed below) in order to allow for uniformity in replacement standards.

Point Range and Guidelines

Factor	Points	Description
Vehicle or Equipment Age	1	Each year of chronological age
	1	Each 100 hours over 2,500 hours
	1	Each 10,000 miles of usage
Factor	**Points**	**Description**
Vehicle or Equipment Use	1	Standard sedan, pickup, SUV
	2	Service pickup or truck with utility bed
	3	Vehicle that pulls trailer or equipment, hauls heavy loads, and/or continuous off-road usage
	4	Vehicle/equipment used in road treatment
Factor	**Points**	**Description**
Reliability (Preventive maintenance not included)	1	In shop one time within six month time period, no major breakdowns/road side assistance call in same period
	2	In shop one time within six month time period, 1 or more road side assistance call within same period.
	3	In shop more than twice within six month time period, 2 or more breakdown/road side assistance call in same period.
	4	In shop more than three times within six month time period, 2 or more breakdowns/ road side assistance call in same period
Factor	**Points**	**Description**
Maintenance Cost (Preventive maintenance not included)	1	Annual maintenance cost are less than or equal to 20% of replacement cost
	2	Annual maintenance cost are 21-40% of replacement cost
	3	Annual maintenance cost are 41-60% of replacement cost
	4	Annual maintenance cost are 61-80% of replacement cost
	5	Annual maintenance cost greater than or equal to 81% or replacement cost
Factor	**Points**	**Description**
Overall Condition (Exterior, interior and add-ons)	1	No visual damage or rust
	2	Minor imperfections in body and paint, interior (no rips, tears, etc.)
	3	Noticeable imperfections in body and paint surface, minor rust, minor damage for add-on equipment, worn interior (one or more rips, tears, etc.)
	4	Poor paint and body condition, rust (holes, interior (rips, tears, burns, cracked dash) and major damage to add-on equipment.

Garage staff will provide annual maintenance cost percentage ratio

Worksheet for Replacement Consideration

Use point range and guidelines to make determination

Unit #_____ **Category:_____**

Department Evaluation

Data	Description/Notes	Points
Year/Age		
Mileage/Hours		
Use Type		
Reliability		
Maintenance Cost		
Overall Condition		
	Total	

Evaluated by: Date:

Garage Staff Evaluation

Data	Description/Notes	Points
Year/Age		
Mileage/Hours		
Use Type		
Reliability		
Maintenance Cost		
Overall Condition		
	Total	

Evaluated by: Date:

Recommended action:

KERRVILLE

YOUR VOICE
YOUR CITY

GLOSSARY OF TERMS

GLOSSARY OF TERMS

ACCOUNT NUMBER
A line item code defining appropriation.

ACCRUAL ACCOUNTING
A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they occur.

ACCRUAL BASIS
Method of accounting that recognizes revenue when earned, rather than when collected. Expenses are recognized when incurred rather than when paid.

ADMINISTRATIVE SUPPORT
Administrative Support is funding transferred to the General Fund from enterprise funds for specific central administrative functions that benefit those funds, such as the City Manager's Office, the Finance Department, or the Human Resources Department.

AD VALOREM TAX
Also known as the PROPERTY TAX, the ad valorem tax is payable at a rate per $100 of taxable property value. The City Council sets the ad valorem tax rate every year as part of the budget process. A portion of the tax funds General Fund operations. The remaining portion funds General Obligation Debt Service.

ALLOT (ALLOTMENT)
To allot is to divide an appropriation into amounts that may be encumbered or expended during a time period.

AMENDED BUDGET
Amended budget, as used throughout the budget document, represents the original adopted budget plus any amendments passed by the City Council as of September 30 each year. This figure does not include prior year encumbrances or re-appropriations.

APPROPRIATION
Appropriation is the legal device by which the City Council authorizes the spending of City funds for specific purposes. Appropriations are usually limited in the amount and timeframe for expenditure.

APPROVED BUDGET
Approved budget, as used in fund summaries and department and program summaries within the budget document, represents the budget as originally adopted by the City Council.

ASSESSED VALUATION

A government sets a valuation upon real estate or other property as a basis for levying taxes. An assessed valuation represents the appraised valuation less any exemptions.

BAD DEBT

The U.S. Comptroller of the Currency, Administrator of National Banks defines a bad debt as an unsecured debt for which interest or payment is past due and unpaid for six months (and which is not in process of collection). Some businesses set aside a reserve on their books to offset losses from bad debts.

BALANCED BUDGET

A budget in which planned expenditures can be met by current income from taxation and other central government receipts.

BASIS OF ACCOUNTING

Basis of Accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial records of the City, regardless of the measurement focus applied. Accounting records for governmental fund types are maintained on a modified accrual basis, with revenue being recorded when available and measurable, and expenditures being recorded when services or goods are received and the liabilities are incurred.

BASIS OF BUDGETING (See also MODIFIED ACCRUAL)

The City's basis for budgeting is the modified accrual basis for governmental funds, including the General Fund. Budgeting for proprietary funds, which includes enterprise and internal service funds, is essentially on the full accrual basis. Encumbrances are recognized by both governmental and proprietary funds since encumbrances represent a commitment of funding for goods and services.

BEGINNING BALANCE

The beginning balance is the residual non-restricted funds brought forward from the previous fiscal year (ending balance).

BONDS

Bonds are debt instruments that require repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate or formula for determining the interest rate.

BOND DEBT

That portion of indebtedness represented by outstanding bonds.

BUDGET AMENDMENT

A revision of the adopted budget that, when approved, replaces the original provision and increases or decreases the budget appropriation.

BUDGET CALENDAR

The schedule of key dates that a government follows in preparation and adoption of the budget.

BUDGET ORDINANCE

The schedule of key dates that a government follows in preparation and adoption of the budget.

BUDGET PERIOD

The period for which a budget is approved or a budget ordinance is adopted. Normally coincides with the fiscal year.

BUDGET TRANSFER

A procedure utilized by City Departments to revise budget appropriations within the departmental operating budget accounts.

BUDGETARY CONTROL

Budgetary control is the management of a government or enterprise in accordance with an approved budget for the purpose of keeping spending within available appropriations and available revenues.

BUDGETARY EXPENDITURES

Budgetary expenditures are decreases in net assets. In contrast to conventional expenditures, budgetary expenditures do not include amounts represented by non-current liabilities.

BUDGET

A budget is a plan of financial operation embodying an estimate of proposed expenditures and the means of financing them.

CAPITAL BUDGET

The capital budget is a plan of proposed capital outlays and the means of financing them. The annual capital budget is the primary means by which most of the acquisition and construction activities for facilities and major improvements of a government are controlled.

CAPITAL EXPENDITURES

Funds used to acquire or improve long-term assets.

CAPITAL OUTLAY

Capital outlay is an item costing more than $5,000 and having a useful life of more than one year.

CERTIFICATES OF OBLIGATION

Certificates of obligation are used to obtain quick financing. The full faith and credit of the City secure them. Under the State Act, the intent to issue certificates must be published in the local newspaper 14 days In advance. Voter approval is not required unless 5% of the qualified voters sign a petition and file it with the City Clerk. Certificates can be used for real property purchase and construction.

COMMERCIAL PAPER

Commercial paper refers to short-term, unsecured promissory notes, usually due within 30-45 days. Generally, the notes are backed by a line of credit with a bank.

COMMODITIES

Commodities are consumable goods such as office supplies, small tools, and fuel, which are used by the City.

COMMUNITY INVESTMENT PLAN (CIP)

The Community Investment Plan is a comprehensive program that projects the capital needs of a community. Generally, it is a cyclical process that estimates the needs for ten years. The Community Investment Plan is essential for sound infrastructure and financial planning.

CONTRACTUAL OBLIGATIONS

Contractual obligation is a short-term debt instrument which does not require voter authorization, used to finance the purchase of items, such as equipment and vehicles.

COST

Cost is the amount of money or other consideration exchanged for property, services, or an expense.

CURRENT

The term "current" designates the present fiscal period, as opposed to past or future periods. It usually means items likely to be used up or converted into cash within one year.

DEBT SERVICE

Debt service is the amount of money required for interest and principal payments on an outstanding debt in any given year.

DEBT SERVICE FUND

Debt service fund—also called a SINKING FUND—is a fund established to account for the accumulation of resources for the payment of principal and interest on long term debt.

DEFICIT

A deficit is the excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expense over income during an accounting period.

ENCUMBRANCE

Encumbrance includes obligations in the form of purchase orders, contracts, or other commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or actual liability is set up, at which point they become expenditures.

ENCUMBRANCE CARRIED FORWARD

When contractual commitments of funds are made, those funds are encumbered and no longer available for expenditure. As actual expenses occur, the encumbrance is reduced. When the fiscal year ends, the remaining encumbrance is "carried forward" and added to the budget approved by the City Council for the new fiscal year.

ENDING BALANCE

The dollars remaining after current expenditures for operations and debt service are subtracted from the sum of the beginning fund balance and current resources. Portions of the fund balance may be reserved for various purposes, such as contingencies or encumbrances.

ENTERPRISE FUND

An enterprise fund is established to provide accountability for operations which: (a) finance and operate in a manner similar to private business enterprises whose governing body's intent is for the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, and accountability of other purposes. Examples of enterprise funds are those for the Water Fund and Golf Fund.

EXPENDITURES

Expenditures are decreases in net financial resources. They include current operating expenses that require the current or future use of net current assets, debt service, and capital outlay.

EXPENSE REFUND

An expense refund is a cost reimbursement from other departments. It is usually associated with some service provided by one department on behalf of another.

EXPENSES

Expenses are decreases in net total assets. They represent the total cost of operations during a period, regardless of the timing of related expenditures.

FEES

Fees are charges for services.

FIXED ASSETS

Fixed assets are of long-term character and are intended to continue to be held or used. Examples are land, buildings, and improvements such as machinery and equipment.

FIXED COST

A fixed cost, such as rent, does not change with increases or decreases in the amount of services provided.

FTE

An FTE is a full-time equivalent authorized position, filled or vacant.

FIDUCIARY FUND

Those trust and agency funds used to account for assets held by a local government in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds.

FISCAL YEAR

The accounting period for which an organization's budget is termed the fiscal year. The fiscal year for the City of Kerrville runs from October 1 to September 30 of the following year.

FUNCTIONAL CLASSIFICATION

Functional classification is the expenditure classification according to the principal purposes for which expenditures are made. Examples are public safety, human services, and recreation and culture.

FUND

A fund is a fiscal and accounting entity with a self-balancing set of accounts. It records cash and other financial resources, all related liabilities, residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE

The balance of net financial resources that are spendable or available. Portions of the fund balance may be reserved for various purposes, such as contingencies or encumbrances.

FUNDING SOURCE

A funding source is the specifically identified dollars allocated to meet budgeted requirements.

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Examples of General Fund departments include Parks and Recreation Department, Fire Department, Emergency Medical Services, Library, Municipal Court, and Police Department.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

GAAP are the uniform minimum standards of, and guidelines to, financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time. They include both broad guidelines of general application and detailed practices and procedures. GAAP provide a standard by which to measure financial presentations.

GENERAL OBLIGATION BONDS (GO BONDS)

General Obligation Bonds are bonds that are secured by the full faith and credit of the issuer. GO bonds issued by local units of government are secured by a pledge of the issuer's ad valorem taxing power. They are usually issued to pay for general capital improvements such as parks and streets.

GOVERNMENTAL ACCOUNTING

Governmental accounting is the composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of government.

GOVERNMENTAL ACCOUNTING STANDARD BOARD (GASB)

The governing body that sets accounting standards specifically for governmental entities at the State and Local level.

GOVERNMENTAL FINANCE OFFICERS ASSOCIATION (GFOA)

Professional association of state/provincial and local finance officers in the United States and Canada dedicated to the sound management of government financial resources.

GOVERNMENTAL FUNDS

Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general funds, special revenue funds, debt service funds, capital projects funds, and permanent funds.

GRANT

A grant is a contribution by one government unit or funding source to another unit. The contribution is usually made to aid in a specified function (for example, education), but it is sometimes also for general purposes.

INTERDEPARTMENTAL SERVICES

Interdepartmental services are budgeted expenses for services provided by another department.

INTERNAL SERVICE FUND

Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

INVESTMENTS

Securities and real estate held for production of revenue in the form of interest, dividend, rentals or lease payments. The term does not include fixed assets used in governmental operations.

LEVY

To impose taxes, special assessments of service charges for the support of governmental activities.

LINE-ITEM BUDGET

A budget format in which departmental outlays are grouped according to the items that will be purchased with one item or group of items on each line.

MISSION

The reason or purpose for the organizational unit's existence.

MODIFIED ACCRUAL

City of Kerrville governmental funds are budgeted using the modified accrual basis, with revenues recognized when they become measurable. Revenue is "measurable" when the amount of the transaction can be reasonably determined. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred and is expected to be liquidated within 60 days.

NON-RECURRING REVENUE

Non-recurring revenue is a one-time windfall that is budgeted only for one fiscal year.

NOTES

A written, short-term promise of the issuer to repay a specified principal amount on a certain date, together with interest at a stated rate, or according to a stated formula, payable from a defined source of anticipated revenue. Notes usually mature in fewer than five years.

OBJECT CLASS/CATEGORY

Object class is the expenditure classification according to the types of items purchased or services obtained; for example, personnel service, materials, supplies and equipment.

ORDINANCE

An ordinance is a formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the City.

OVERHEAD

Overhead is the element of cost necessary for the production of an article or the performance of a service which is of such a nature that the amount applicable to the product or service cannot be determined readily. Usually, overhead relates to those objects of expenditures that do not become an integral part of the finished product or service such as rent, heat, light, supplies, and management.

PERFORMANCE MEASURES

Performance measures are specific measures of work performed within an activity or program (such as, total number of dispatched calls). Performance measures also are specific quantitative measures of results obtained through a program or activity.

PROGRAM

A program is a plan outlining funding for personnel, supplies, services, and capital for taking action toward specific goals and objectives.

PROPRIETARY FUND

A proprietary fund is an account that shows actual financial position and operations, such as actual assets, liabilities, reserves, fund balances, revenues, and expenditures, as distinguished from budgetary accounts.

REFUNDING

Refunding is when an issuer refinances an outstanding bond issue by issuing new bonds. There are two major reasons for refunding: to reduce the issuer's interest costs, or to remove a burdensome or restrictive

covenant imposed by the terms of the bonds being refinanced. The proceeds of the new bonds are either deposited in escrow to pay the debt service on the outstanding obligations when due, or they are used to immediately retire the outstanding obligations. The new obligations are referred to as the "refunding bonds" and the outstanding obligations being refinanced are referred to as the "refunded bonds" or the "prior issue."

REPLACEMENT COST

Replacement cost is the cost of a property, as of a certain date; which can render similar service (but which need not be of the same structural form) as the property to be replaced.

RESERVE

Reserve is an account in which a portion of the fund balance is segregated for a future use and which is, therefore, not available for further appropriation or expenditure. A reserve for inventories equal in amount to the inventory of supplies on the balance sheet of the general fund is an example of such a reserve.

RESOLUTION

A resolution is a special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

REVENUE BONDS

Revenue bonds are bonds payable from a specific source of revenue, which do not pledge the full faith and credit of the issuer. Revenue bonds are payable from identified sources of revenue and do not affect the ad valorem tax rate. Pledged revenues may be derived from operation of the financed project, grants, excise, or other specified non-ad valorem tax.

REVENUE

Revenue is (1) an increase in a governmental fund net current assets from other than expenditure refunds and residual equity or (2) an increase in a proprietary fund net total assets from other than expense refunds, capital contributions, and residual equity transfers.

SINKING FUND

A sinking fund is an account into which a debt issuer makes periodic deposits to ensure the timely availability of sufficient monies for the payment of debt service requirements. The revenue to be deposited into the sinking fund and payments from the fund are determined by the terms of the bond contract.

STRUCTURAL BALANCE

Structural balance is the state at which current revenue sufficiently supports current expenditures.

TAXES

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits, such as special assessments, or charges for services rendered, such as sewer service.

TAX RATE

The tax rate is the amount of tax levied for each $100 of assessed valuation.

TAX RATE LIMIT

The maximum tax rate at which a governmental may levy tax. Overall tax rate limits usually restrict levies for all purposes and of all governments, state or local, having jurisdiction in a given area. The State of Texas has a maximum Ad Valorem limit of $2.50 per $100 of assess property value. Taxes are levied via a Tax Levy Ordinance.

TIMES COVERAGE

Times coverage, also known as debt service coverage, is an indicator of the financial strength of the project financed by revenue bonds. The times coverage calculation is net revenues divided by the debt service. Net revenues are total revenues less operating and maintenance expenses, and debt service is annual principal and interest payments on debt.

TRANSFERS

Transfers are the authorized exchanges of cash or other resources between funds.

WORKING CAPITAL

Working capital is excess of current assets over current liabilities.

FEE SCHEDULE

City of Kerrville
Fee Schedule as of 10/1/2018

ADMINISTRATION

COPIES OF PUBLIC INFORMATION:

Standard size paper copy	per page	$0.10
Non-standard size copy:		
Computer diskettes	each	$1.00
Computer magnetic tape	each	$10.00
Audio cassette	each	$1.00
Oversized paper copy	per page	$0.50
Other	Actual Cost	
Labor	per hour	$15.00
Overhea	20% of Personnel Charge	
Microfiche or microfilm charge:		
Paper copy	per page	$0.10
Fiche or film copy	Actual Cost	
Remote document retrieval	Actual Cost	

FAX TRANSMISSIONS:

Local	per page	$0.10
Long distance, same area code	per page	$0.50
Long distance, different area code	per page	$1.00
Other costs	Actual Cost	

NATURAL GAS TRANSPORTED THROUGH PIPELINE: see note

NOTE: Fee is equal to 5% of purchase price of gas transported or delivered within the City during the preceding month for consumption or use within the City

VEHICLE FOR HIRE PERMIT: each $25.00

CODE COMPLIANCE

GROUP AND BOARDING HOMES:

Permit	annual	$1,000.00
Permit renewal	annual	$350.00
Re-inspection fees	per inspection	$75.00
Variance Fee for distance	per variance	$150.00

JUNK YARD OPERATION LICENSE: per site $5.00

PEDDLERS AND SOLICITORS FEES:

Base Charge	per year	$600.00
For Each Additional Person	30 days	$10.00
For Each Additional Person	one year	$100.00
Deposit (refundable)	deposit	$750.00

Exemptions

* Temporary special events, sales and festivals sponsored by charitable organizations (recognized by Internal Revenue Service), governmental subdivisions, school districts, Chamber of Commerce or Convention and Visitor's Bureau, and other special events, approved by Council, provided the organizer/operator of said events provides the information required for an open air market
* Traveling salesman or solicitor calling only upon commercial businesses
* Garage sales
* A business with a separate business location in the City that furnishes proof of payment to the City of all ad valorem and personal property taxes then due
* Six or more businesses that are organized in a sales show, convention, or similar sale by an indoor shopping mall, hotel, or similar sponsor.
* Businesses conducted in an open air market in compliance with all laws and applicable zoning regulations
* Sale of fresh produce (fruit, nuts, and vegetables)
* Sale of firewood

SEXUALLY ORIENTED BUSINESSES:

Annual License	per business	$500.00
Annual Fee per Employee	per employee	$50.00

TRAVELING SHOW AND EXHIBITION LICENSE: 30 days $100.00

Exceptions

Carnivals, circuses, travel shows, tent shows, exhibits, menagerie which are actually operated by volunteers of a public school, bona fide charity, or a service organization located in Kerr County

City of Kerrville

Fee Schedule as of 10/1/2018

EMERGENCY MEDICAL SERVICES

NON EMERGENCY AMBULANCE LICENSE:

Annual License	per year	$400.00
Annual Ambulance Permit	per unit	$150.00
Re-issue for Lost Permit	per unit	$50.00
Inspection Reschedule Fee	per unit	$50.00

NON EMERGENCY TRANSFER AGREEMENT:

Local Transport	per person	$168.00
Local Mileage	per loaded mile	$9.00

RESPONSE/TRANSPORTATION:

Basic Life Support - Non Emergency	per person	$430.00
Basic Life Support - Emergency	per person	$687.00
Advanced Life Support 1 - Non Emergency	per person	$536.00
Advanced Life Support 1 - Emergency	per person	$837.00
Advanced Life Support 2 - Emergency	per person	$1,181.00
Specialty Care Transport	per person	$1,181.00
Aid Only - No Transport	per person	$195.00
Dedicated Standby	per hour	$100.00
Response Fee	per person	$75.00
Local Transport - No Supplies Used	no supplies	$150.00
Mileage	per loaded mile	$22.00

ENGINEERING DEPARTMENT

CAPACITY ANALYSIS:

Existing Water Capacity Analysis	per analysis	$500.00
Existing Sewer Capacity Analysis	per analysis	$500.00
Additional Capacity Analysis	per analysis	To be Determined

CONSTRUCTION INSPECTION OVERTIME: (minimum of 4 hours on weekend)	per hour	$50.00

FLOODPLAIN DEVELOPMENT PERMIT:	each	$25.00

LAND RECORD FILING FEES:*

First page	each	$5.00
Second page and each additional	each	$4.00
Names in excess of 5 names to be indexed	each	$0.25

Records Management Fees per document	each	$5.00
Courthouse Security Fee per document	each	$1.00
Records Archive Fee per document	each	$5.00

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

MAPPING INFORMATION:

Subdivision Specifications	each	$25.00
City Survey Coordinate System Book	each	$30.00
B & W	each	$3.00
Color	each	$5.00
B & W	each	$5.00
Color	each	$7.00
B & W	each	$10.00
Color	each	$25.00
36" x 54" ETJ Maps	each	$25.00
Digital Map on Disk	each	$30.00

City of Kerrville
Fee Schedule as of 10/1/2018

FIRE DEPARTMENT		
ACCESS-CONTROLLED EGRESS DOORS, ETC.:	per device	$20.00
ALL OTHER FIRE PROTECTION/DETECTION SYSTEMS: (electric controlled security gates, delay egress locks, security grills)	per system	$50.00
AMUSEMENT BUILDING PERMIT:	per site	$50.00
APPEAL TO BUILDING BOARD OF ADJUSTMENTS AND APPEALS:	per appeal	$150.00
BLASTING PERMIT:	per site	$150.00
BULK STORAGE AND DISPENSING OF LP GAS:	Annual	$100.00
CHANGE OF OCCUPANCY INSPECTION:	per site	$20.00
COMMERCIAL BAR-B-QUE PIT:	per site	$20.00
COOKING HOOD FIRE SUPPRESSION SYSTEM:	per system	$50.00
EVENT PERMIT (carnivals and fairs):	per event	$75.00
EXHIBIT OR TRADE SHOW PERMIT:	per site	$50.00
FALSE FIRE ALARM FEE:		
More than 3 times but less than 6 in preceding 12 months	per offense	$50.00
More than 5 times but less than 8 in preceding 12 months	per offense	$75.00
Eight (8) or more times in preceding 12 months	per offense	$100.00
FIRE ALARM INSTALLATION (new, repair, remodel, or addition):	per system/floor	$50.00
FIRE INSPECTIONS REQUESTED/SCHEDULED - NON BUSINESS HOURS:		
Non-Holiday (2 hour minimum, paid in advance)	per hour	$60.00
City recognized holiday (2 hour minimum, paid in advance)	per hour	$80.00
FIRE PUMP ACCEPTANCE TEST:	per test	$100.00
FIRE PUMP/EQUIPMENT INSTALLATION/ MODIFICATION:	per system	$50.00
FIRE SPRINKLER:		
Above ground - new installation, repair, remodel, or addition	per system/floor	$50.00
Underground - new installation, repair, remodel, or addition	per system	$50.00
Standpipe system - new installation, repair, remodel, or addition	per system	$50.00
FLAMMABLE/COMBUSTIBLE LIQUIDS - STORAGE/HANDLING/DISPENSING:	per incident	$75.00
HAZARDOUS MATERIALS PERMIT:	per incident	$50.00
HIGH PILE STORAGE PERMIT:	per site	$50.00
HOT WORK PERMIT:	per site	$20.00
INDUSTRIAL OVEN PERMIT:	per unit	$25.00
INVESTIGATION FEE:		
If Permit is issued after constructions is started without an approved permit	per site	Permit Fee Amt
LIQUID PROPANE TANK INSTALLATION:	per tank	$75.00
MISCELLANEOUS COMBUSTIBLE STORAGE:	per site	$75.00

City of Kerrville
Fee Schedule as of 10/1/2018

OUTDOOR BURN PERMITS:		
Ceremonial Fire Permits (Bonfires)	per site	$250.00
Controlled burns	per site	$150.00
Recreational fire (less than 3 feet diameter and 2 feet in height)	N/C for permit	
OTHER PERMIT:		
Any other permit designated by the *International Fire Code*	per incident	$20.00
PLAN REVIEW FEE (credited toward permit when permit is approved):	per review	50% of Permit Fee
PROFESSIONAL PYROTECHNICAL DISPLAY:	per event	$250.00
PUBLIC SAFETY STAFFING:		
Personnel (minimum 2 hours per fire department staff)	per hour	$40.00
Vehicle (minimum 2 hours per vehicle)	per hour	$25.00
RE-INSPECTION FEE REQUESTED/SCHEDULED (excludes annual fire inspection):		
First inspection list(s) is/are not completed on first and subsequently thereafter	per scheduled	$50.00
Not ready for inspection on arrival	per scheduled	$50.00
Contractor fails to keep appointment	per scheduled	$50.00
No access to site or building	per scheduled	$50.00
REQUEST FOR PUBLIC INFORMATION:		
Hard Copy (Paper) Format or Electronic Format - See Administrative Fee Schedule		
SPRAY ROOM, DIP TANK OR BOOTH: (used for flammable or combustible finishes)	per space	$50.00
STATE MANDATED OCCUPANCY INSPECTION - OUTSIDE CITY LIMITS:		
Daycare, Foster Care, Adoption	7 or fewer children	$50.00
Daycare, Halfway Houses, Group Care, MHMR	7 or more children	$75.00
Youth Camps and Day Camps	per site	$150.00
Schools and Instructional Facilities	per site	$150.00
Hospital, Nursing Home, Assisted Living Facility Inspection	per site	$150.00
All Other	per site	$100.00
STORAGE OF PORTABLE LP GAS CONTAINERS: (awaiting use or resale)	per site	$20.00
STORAGE OR HANDLING OF COMPRESSED GASES: (in excess of amounts listed in Table 105.6.9 of the e2006 *International Fire Code*)	per site	$50.00
TENT, CANOPY, MEMBRANE STRUCTURE PERMIT:	per item	$20.00
UNDERGROUND FUEL STORAGE TANK REMOVAL:	per site	$75.00
UNDER/ABOVE GROUND FUEL STORAGE TANK:		
New installation	per tank	$75.00
Repair/replace existing tank	per tank	$40.00
Repair/replace existing product line	per site	$40.00
WATER FLOW TEST:	per test	$75.00

City of Kerrville
Fee Schedule as of 10/1/2018

GOLF: SCOTT SCHREINER MUNICIPAL GOLF COURSE

CART RENTAL:

Full Cart	9 Hole / 18 Hole	$14.00/$28.00
Half Cart	9 Hole / 18 Hole	$7.00/$14.00

CART STORAGE:

Annual	per year	$420.00
Quarterly	per quarter	$140.00

NOTE: The City can only accept payments up to ONE period (quarter or annual) in advance.

GREEN FEES:

Regular		
Weekday	9 Hole / 18 Hole	$14.00/$24.00
Weekend and holidays*	9 Hole / 18 Hole	$20.00/$30.00
Member		
Weekday	9 Hole / 18 Hole	$5.00/$7.00
Weekend and holidays*	9 Hole / 18 Hole	$6.00/$8.00
Junior		
Weekday	9 Hole / 18 Hole	$4.00/$7.00
Weekend and holidays*	9 Hole / 18 Hole	$6.00/$9.00

MEMBER DUES:

Annual Golf - First family member	per year	$550.00
Annual Golf - Second family member	per year	$450.00
Quarter Golf - First family member	per quarter	$200.00
Annual Private Cart	per year	$220.00

NOTE: All annual fees shall expire on the same date. Should a second annual fee be required, it shall be prorated to expire on the same date as the first annual fee will al subsequent payments due and payable at the same time.

SPECIAL GOLF FEES:

Senior rate (65 or older) - green fees only	per player	$14.00
Twilight Fees		
Starts at 2:00 PM (green fees only)		
Member - Weekday	weekday only	$5.00
Member - Weekend *	weekend only	$6.00
Non-Member - Weekday	weekday only	$14.00
Non-Member - Weekend *	weekend only	$18.00
Tournament/Promotion Fees (minimum - 25 individual players)		
Standard group rate for 25+ players Weekday/ Weekend **afternoons**	per player	$30.00
Standard group rate for 25+ players Weekend **mornings**	per player	$40.00
Driving Range Fees		
Small Bucket	per bucket	$4.00
Large Bucket	per bucket	$8.00
Driving Range Membership - Annual	per year	$300.00
Driving Range Membership - Quarterly	per quarter	$100.00
Rental Clubs	9 Hole / 18 Hole	$15.00/$25.00
Pull Carts	9 Hole / 18 Hole	$3.00/$6.00

** WEEKEND RATES APPLY FRIDAY THROUGH SUNDAY.*

TRAIL FEE:

Member Private Cart w/annual Private Cart Fee	9 Hole / 18 Hole	$4.00/$7.00
Non-member Private Cart	9 Hole / 18 Hole	$6.00/$11.00
Private Cart Passenger w/annual Private Cart Fee	9 Hole / 18 Hole	$4.00/$7.00
Private Cart Passenger w/o annual Private Cart Fee	9 Hole / 18 Hole	$5.50/$12.00

City of Kerrville
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HEALTH DEPARTMENT		
SEMI PUBLIC POOLS/SPAS (single pool facilities):	single	$75.00
ADDITIONAL SEMI PUBLIC POOLS/SPAS (single pool facilities):	per unit	$25.00
AFTER HOURS INSPECTION - EMERGENCY (4 hr minimum):	per hour	$50.00
BARS AND LOUNGES - FREE STANDING:		
0 < 1,000	square footage	$70.00
1,000 - 1,999	square footage	$85.00
2,000 - 2,999	square footage	$100.00
3,000 - 3,999	square footage	$125.00
4,000 - 4,999	square footage	$150.00
5,000 - 10,000	square footage	$200.00
>10,000	square footage	$350.00
Exemptions: Taxing authorities, non-profit organizations		
CATERING ESTABLISHMENT PERMITS:		
0 < 1,000	square footage	$70.00
1,000 - 1,900	square footage	$85.00
2,000 - 2,900	square footage	$100.00
3,000 - 3,999	square footage	$125.00
4,000 - 4,999	square footage	$150.00
5,000 - 10,000	square footage	$200.00
> 10,000	square footage	$350.00
CATERING LICENSE:	annual	$70.00
CERTIFICATE OF OCCUPANCY INSPECTION:	per site	$50.00
FOOD ESTABLISHMENT PLAN REVIEW:	per site	$25.00
GENERAL SERVICE CATERING VEHICLE:	each	$75.00
HEALTH PERMITS (by total floor area - square footage):		
0 < 1,000	square footage	$70.00
1,000 - 1,900	square footage	$85.00
2,000 - 2,900	square footage	$100.00
3,000 - 3,999	square footage	$125.00
4,000 - 4,999	square footage	$150.00
5,000 - 10,000	square footage	$200.00
> 10,000	square footage	$350.00
HEALTH PERMIT - LATE FEE (after October 15 in addition to original permit):	per permit	$50.00
HOTEL PERMIT (Tourist Courts, Hotels, Inns, and Rooming Houses):	annual permit	$50.00
First complaint inspection fee	per inspection	$100.00
Subsequent complaint inspection fee	per inspection	$150.00
MOBILE FOOD ESTABLISHMENT PERMITS:		
UNRESTRICTED Mobile Food Establishment (peddlers permit required also):	per unit	$150.00
RESTRICTED Mobile Food Establishment (peddlers permit required also):	per unit	$50.00
NON-PROFIT ORGANIZATION:	per event	$10.00
PEDDLERS PERMIT:	See Code Compliance Fee Schedule	
REINSPECTION FEES:		
First Reinspection	No charge	
Second Reinspection	same violation	$100.00
Subsequent Reinspection	same violation	$150.00
REPLACE LOST, STOLEN, DAMAGED PERMIT OR CERTIFICATE:	each	$5.00

City of Kerrville
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SANITATION AND ENVIRONMENTAL INSPECTIONS (foster homes, day care, pools):	per site	$40.00
SEMI PUBLIC POOLS/SPAS (single pool facilities):	single	$75.00
SEASONAL PERMITS:		
SEASONAL (non-hazardous foods)	10 month	$50.00
SEASONAL (non-hazardous foods)	per event	$10.00
SEASONAL (potentially hazardous foods)	10 months	$100.00
SEASONAL (potentially hazardous foods)	per event	$15.00
TEMPORARY FOOD SERVICE ESTABLISHMENT - SPECIAL EVENT:	14 day	$35.00
INSPECTION DEPARTMENT		
PROFESSIONAL AND OCCUPATIONAL LICENSES:		
General Contractor License	initial issue	$500.00
General Contractor License Renewal	annual	$100.00
General Contractor License / Single Project (currently charged at GC rate)	per project	$100.00
BUILDING, CONSTRUCTION, DEMOLITION PERMITS (single family by value):		
Basic Permit (value up to $1,000) **plus**	per permit	$25.00
$1,001 - $50,000	per $1,000	$5.00
$50,001 - $100,000	per $1,000	$4.00
$100,001 - $500,000	per $1,000	$3.00
$500,001 and up	per $1,000	$2.00
NOTE: Value of construction is the greater of value quoted by contractor or calculated value using the ICC project valuation tables		
DEMOLITION AND MOVING DEPOSIT:	per structure	$500.00
BUILDING, CONSTRUCTION, DEMOLITION PERMITS (commercial by value):		
Basic Permit (value up to $1,000) **plus**	per permit	$25.00
$ 1,001 and greater	per $1,000	$5.00
$500,000 and greater (approval of City Manager, fees may be determined by actual cost)	per permit	TBD
DEMOLITION AND MOVING DEPOSIT:	per structure	$500.00
BUILDING, CONSTRUCTION, DEMOLITION PLAN REVIEW:		
Plan review fee is due at permit application	50% of Building Permit Fee	
ELECTRICAL PERMITS:	per permit	$40.00
Circuits	per unit	$2.00
Fixtures	per unit	$0.50
Motors (1 hp or smaller)	per unit	$2.00
Motors (over 1 to 10 hp)	per unit	$2.50
Motors (over 10 to 25 hp)	per unit	$3.00
Motors (over 25 hp)	per unit	$5.00
Services	per unit	$7.50
Services (per additional meter)	per unit	$7.50
Appliances (range, water heater, dishwasher, disposal, dryer)	per unit	$2.00
Equipment (welder)	per unit	$3.00
Equipment (transformers)	per unit	$5.00
Equipment (other)	per unit	$3.00
Signs	per unit	$5.75
Neon signs for transformer	per unit	$1.00
PLAN REVIEW FEE:		
First Review (due at permit application, includes review of minor changes)	per review	50% of permit fee
Subsequent Review (due to substantial submittal or project changes)	per hour	$60.00

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REINSPECTION FEE:		
First reinspection fee	same permit	$0.00
Second reinspection fee	same permit	$100.00
Subsequent reinspection	same permit	$150.00
CHANGE OF CONTRACTOR ON ACTIVE PERMIT:		
Administrative fee	same permit	$100.00
NOTE: Regular permit fees and requirements apply to new contractor for changes to original plans		
SPECIAL INSPECTION FEE:		
During business hours	per permit	$50.00
After business hours - scheduled	per hour/2 min	$50.00
After business hours - emergency	per hour/4 min	$50.00
IRRIGATION SYSTEM PERMITS (landscape systems):		
City water customer		
Permit - $30.00 plus	per $1,000	$3.00
Plan review	50% of permit fee	
Non-city water customer		
Permit - $45.00, plus minimum of 2 inspections	per inspection	$100.00
Plan review	50% permit fee	
PLUMBING AND GAS PERMITS:		
Permit	per permit	$30.00
Fixtures	per unit	$2.20
Building drain	per unit	$7.50
Water heater and/or Vent	per unit	$10.00
Gas Piping (1 - 5 outlets)	per unit	$10.00
Piping for water treatment	per unit	$7.50
Replace sewer yard line	per unit	$10.00
MECHANICAL PERMITS:		
Permit	per permit	$30.00
First $1,000.00 value, or part thereof	up to $1,000	$15.00
Each additional $1,000.00 value over first $1,000.00	per $1,000	$3.00
INSPECTION FEE:		
Add or replace electrical wiring or panel	per unit	$15.00
Replacement equipment	per unit	$15.00
New equipment	per unit	$15.00
Alter existing equipment	per unit	$10.00
CHANGE OF OCCUPANCY (existing structure):	per structure	$20.00
BUILDING REPORTS (not for resale):	per report	$5.00
ISSUANCE OF PERMIT (building, electrical, mechanical, plumbing, irrigation, etc.): After construction project is started, first occurrence by contractor	Greater of double the original permit fee or $75	
ISSUANCE OF PERMIT (building, electrical, mechanical, plumbing, irrigation, etc.): After construction project is started, **subsequent** occurrences by contractor	Greater of double the original permit fee or $250	
APPEAL TO BUILDING BOARD OF ADJUSTMENTS AND APPEALS FEE: Mechanics Board of Adjustments and Appeals; Plumbing Board of Adjustments and Appeals; Electrical Board of Adjustments and Appeals	per appeal	$150.00

City of Kerrville

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LIBRARY: BUTT-HOLDSWORTH MEMORIAL LIBRARY

RENTALS:

Conference Room	per hour	$10.00
Meeting Room (2 hr. minimum)	per hour	$15.00
Full day use (operating hours only)	per day	$100.00
Gazebo	per day	$50.00
In-House A/V Equipment (Set p and Use)	per day	$20.00
Repairs of damages to furniture, equipment or facility	Actual Cost	

COPIES/PRINTING (Library and History Center):

Photocopier - black and white	per page	$0.10
Photocopier - color	per page	$0.25
Computer/internet - black and white	per page	$0.10
Computer/internet - color	per page	$0.25

CIRCULATION CHARGES:

Resident card	No charge	
Non-resident materials checkout only	per year	$35.00
Non-resident computer use only	per year	$35.00
Non-resident temporary use	per month	$8.00
Non-resident full use	per year	$65.00
Library card replacement	per card	$1.00

OVERDUE FINES:

Fines/fees $5.00 and above - Borrowing privileges suspended

Books - Adult patrons ($15.00 maximum)	item per day	$0.10
Books - Children patrons ($5.00 maximum)	item per day	$0.10
Audiobooks and CDs ($15.00 maximum)	item per day	$0.10
DVDs and Blu-ray ($15.00 maximum)	item per day	$1.00
Story Time Kits ($15.00 maximum)	item per day	$5.00
Other Kits ($15.00 Maximum)	item per day	$1.00

PROCESS FEE:

Lost or damaged items - non electric device (plus replacement cost)	per item	$5.00
Collection agency submission for non-payment of fine	per submission	$10.00

ELECTRONIC DEVICE FEES:

Personal Earbuds	per set	$2.00

LOST/DAMAGED ITEMS:

Patrons who have failed to return library material with a total value over $50.00 may receive a citation for violation of City of Kerrville, Code of Ordinance, Section 66-39(g) for failure to return property to the library.

Books (BHML - all ages - actual cost plus)	per item	$5.00
Books (History Center - rare, out of print - lesser of appraised value plus)	per item	$100.00
CDs (Book, music, MP3 - actual cost plus)	per item	$5.00
Individual CD in a set when available (book, music, MP3 - $10.00 per disc plus)	per item	$5.00
DVD (all ages - includes set - actual cost plus)	per item	$5.00
Kits (all ages - actual cost)	per item	$5.00

City of Kerrville
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INTERLIBRARY LOAN:

Any additional fees or charges to be determined by the lending library are the patron's responsibility.

Any overdue item ($15.00 maximum)	item per day	$1.00
Lost or damaged item - cost assessed by lending library plus	per item	$5.00
Return postage	per item	$3.00

REPLACEMENT OF MISCELLANEOUS PARTS:

CD/DVD case (single)	per item	$1.00
DVD case (multiple)	per item	$4.00
Book on CD case (multiple up to 12 CDs)	per item	$10.00
Book on CD case (multiple up to 24 CDs)	per item	$15.00
CD Jewel case (multiple, 2 disc)	per item	$3.00
AV storage bags	per item	$1.00

RESEARCH FEES (requested from outside of service area):

Handling fee/postage	per request	$3.00
Photocopy	per page	$0.10

MUNICIPAL COURT FEES

ONLINE TRANSACTION FEE:	per transaction	$1.50
MUNICIPAL COURT TECHNOLOGY FEE:	per conviction	$4.00
BUILDING SECURITY FEE:	per conviction	$3.00

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PARKS AND RECREATION

Kerrville-Schreiner Park

DAILY ENTRANCE FEES:

Adult (13 and over), not to exceed $15.00 per vehicle	per person	$6.00
Veteran's with 60% or greater service-connected disability or loss of lower extremity	per person	No Charge
Child (12 and under)	per person	$2.00
Senior (over 65)	per person	$2.00
Commercial vehicles	per vehicle	$20.00
School sponsored trip (ages 13 - 18 - not overnight)	per person	$0.50

ANNUAL DAY USE PASS:

Valid ONLY at Kerrville-Schreiner Park (excludes commercial vehicles)	per vehicle	$50.00
Second vehicle registered at the same address	per vehicle	$25.00

FACILITY USE FEES:

Camping fees cover entrance for up to 4 people per site. Camp sites accommodate up to 8 people. Guests 5 - 8 must pay daily entrance fee. Tent site w/ water - not all site have water spigots	per night	$20.00
RV sites **- Mountain View Loop** (30 amp w/water, no sewer)	per night	$25.00
RV sites - **October-February**	per month	$450.00
RV sites **Pecan Loop (Riverside)** (30 amp w/water and sewer)	per night	$28.00
RV sites - **October-February**	per month	$540.00
RV sites **Deerfield Loop** (30 amp water and sewer)	per night	$28.00
RV sites - **October-February**	per month	$570.00
RV sites **Sycamore Circle (Riverside)** (50 amp w/water and sewer)	per night	$30.00
RV sites - **October-February**	per month	$600.00
Mini-Cabin - beds for 4 people (NO PETS); hotel/motel tax additional	per night	$55.00
Cabins have air-conditioning, heating, table and chairs, picnic table, and campfire pit/grill. No linens provided. **Cleaning deposit required.**	deposit	$25.00
Park Cabin - beds for 6 people (NO PETS); hotel/motel tax additional	per night	$115.00
Cabin has air-conditioning, heating, table and chairs, picnic table, and campfire pit/grill. Linens provided. Covers entrance up to 6 people. Excess of 6 people subject to daily entrance. **Cleaning deposit required.**	deposit	$50.00
Ranch House - beds for 8 people (NO PETS); hotel/motel tax additional	per night	$190.00
House has air-conditioning, heating, table and chairs, picnic table with fire ring and grill. Linens provided. Covers entrance up to 8 people. Excess of 8 people subject to daily entrance fee. **Cleaning deposit required.**	deposit	$150.00
Bunk House (only rented with Ranch House) **Cleaning deposit required.**	per night	$50.00
Linens not provided.	deposit	$50.00
Group Dining Hall - capacity 100 people (NO PETS)	per day	$145.00
Screened building is **NOT AIR-CONDITIONED**, includes deep sinks, hot water, two microwave ovens, and refrigerator/freezer. Full width serving bar and table with seating for approximately 100 people. Outside has large charcoal grill. Includes entrance fee up to 100 people. **Cleaning deposit required.**	deposit	$50.00
Group Recreation Hall - day capacity 100 people (NO PETS)	per day	$300.00
overnight capacity 50 people, no beds provided, requires 2 day rental Air-conditioned, heated, restrooms inside. Full kitchen with 2 microwave ovens, and refrigerator/freezer, 8 folding tables with 50 chairs. Large charcoal grill outside. **Includes entrance fee up to 100 people. Security deposit required.**	deposit	$100.00
Amphitheater only - capacity 220 people	per day	$100.00

City of Kerrville
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CANCELLATION FEE (applies to each site, facility reservation, activity registration, etc.):	per reservation	$20.00
RV/TRAILER DUMP FEE (if not camping in park - no entrance fee):	per vehicle	$25.00
EXCESS VEHICLE PARKING (all vehicles over 2 vehicles per site):	per vehicle	$5.00
BUTTERFLY GARDEN (private events only - does not include entrance fee):	per event	$50.00
EXTRA PERSON OCCUPANCY FEE (applies to each site and facility):	per person	$6.00
Other Parks and Recreation		
SPECIAL EVENTS PERMITS (by application only):	per event	$30.00
BOARDWALK PAVILION (4 hr maximum - deposit required):	per hour	$100.00
	deposit	$200.00
LOUISE HAYS PARK LARGE PAVILION AND PLAZA AREA (deposit required):	per day	$200.00
Deposit for pavilion	deposit	$200.00
Deposit for table/chairs	deposit	$25.00
Table rental	per table	$5.00
Chair rental	per chair	$2.00
LOUISE HAYS PARK FAMILY PAVILION (deposit required):	per day	$100.00
	deposit	$100.00
LOUISE HAYS PARK FOUNTAIN AND PLAZA (limit of one rental per weekend, non-exclusive):	per 1/2 day	$500.00
	deposit	$300.00
TRANQUILITY ISLAND (deposit required, no electrical access):	per day	$200.00
	deposit	$200.00
CARVER PARK PAVILION AND BBQ AREA:	per day	$100.00
10 tables and restrooms - all day - deposit required	deposit	$100.00
SMALL PARK PAVILIONS (various locations - deposit required):	per day	$40.00
	deposit	$25.00
RIVER TRAIL (trailheads) - security deposit required:		
KSP Trailhead	per day	$200.00
G Street Trailhead	per day	$200.00
LHP West Trailhead	per day	$200.00
Lowry Trailhead	per day	$200.00
Dietert Center	per day	$200.00
Riverside Nature Center	per day	$200.00
All Trailheads	per day	$1,200.00
	deposit	total rental amt
ATHLETIC FIELD/COURT Rental (without lights) various locations:	per hour	$15.00
ATHLETIC FIELD/COURT Rental (with lights) various locations:	per hour	$20.00
CENTENNIAL STAGE with field (with electricity - deposit required):	per day	$200.00
CENTENNIAL STAGE with field (without electricity-deposit required):	per day	$100.00
	deposit	$200.00
SOFTBALL FEES AT SINGING WINDS PARK (deposit requirements below):		
Field - without lights	per day	$150.00
Field - with lights	per day	$170.00
Tournament - Deposit	per event	$150.00
Scoreboard Equipment - Deposit	per event	$100.00

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PLANNING DEPARTMENT		
CONCEPT PLANS:	each	$500.00
PRELIMINARY PLANS:	$300.00 plus the greater of	$20.00 per lot or $10.00 per acre
FINAL, MINOR, VACATING, DEVELOPMENT, AMENDING PLATS, REPLATS:	$150.00 plus $10.00 per lot	
ZONING MAP AMENDMENT (Planned development, special use permit):	per amendment	$300.00
TEXT AMENDMENT:	per amendment	$300.00
ZONING VARIANCE:	each	$150.00
APPEAL TO CITY COUNCIL OR PLANNING & ZONING COMMISSION:	each	$15.00
ADMINISTRATIVE APPEAL:	each	$150.00
LAND USE PERMIT: In case, where legal notice of public hearing is required and applicant defers schedule action, reapplication is required based on fee on original application.	each permit	$25.00
POLICE DEPARTMENT		
ACCIDENT REPORTS:	per report	$6.00
ALARM SERVICE PERMIT FEE:		
Residential	per location	$50.00
Commercial	per location	$100.00
ALARM SERVICE (Police):	each service	$25.00
FALSE ALARM FEE:		
More than 3 times but fewer than 6 in preceding 12 month period	per violation	$50.00
More than 6 times but fewer than 8 in preceding 12 month period	per violation	$75.00
More than 8 or more times in preceding 12 month period	per violation	$100.00
FINGERPRINTING:	per person	$10.00
FUNERAL ESCORT SERVICE:		
(minimum of 2 officers with 2 hours per officer)	per event	$160.00
LETTERS OF CLEARANCE:	per person	$10.00
OFFENSE/INCIDENT REPORTS:	per page	$0.10
OVERSIZE LOAD ESCORT SERVICE:		
Large load - EXCEEDS ANY of the small load criteria	per load	$350.00
Small load - 10'-16' wide AND under 110' long AND under 16'6" high	per load	$100.00
Online transaction fee	per load	$1.50
PARADE DEPOSITS:		
Deposit - Class A (Less than 50 entries)	per event	$250.00
Deposit - Class B (More than 50 entries)	per event	$750.00
Deposit - Class C (motorcades, marches, etc.)	per event	$100.00
PARADE FEES:		
Class A	per event	$50.00
Class B	per event	$100.00
Class C	per event	$25.00
PUBLIC SAFETY STAFFING:		
Personnel (minimum 2 hours per police department staff)	per hour	$40.00
Vehicle (minimum 2 hours per vehicle)	per hour	$5.00
STOCK DRIVER PERMIT:	per event	$5.00

City of Kerrville
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PUBLIC WORKS

TRAFFIC CONTROL FEE:		
Labor	per hour/person	$27.50
Materials/equipment	To be determined by job	
BANNER PERMIT:	per banner	$60.00
BANNER PERMIT ADMINISTRATION FEE:	per banner	$25.00
STREET SIGNS:	per sign	$250.00
SIDEWALK CAFÉ:	per table	$50.00

SOLID WASTE

SOLID WASTE DISPOSAL SERVICE:		
Municipal Solid Waste - Compacted (plus surcharge)	per ton	$58.50
Municipal Solid Waste - Compacted minimal	less than 1 ton	$58.50
Municipal Solid Waste - Loose (plus surcharge)	per ton	$58.50
Municipal Solid Waste - Loose minimal (plus surcharge)	less than 360lbs	$21.17
Surcharge	per ton	$13.00
Special waste - Liquids (plus surcharge)	per gallon	$0.27
Small Animal (plus surcharge)	each	$9.21
Large Animal (plus surcharge)	each	$35.43
Weight/Scale	each	$1.27
Ticket/Copy	each	$2.53
Loads not covered with tarp or net	per occurrence	$12.00
Residential Garbage Collection	per month	$8.27
Disposal Pass Through	per month	$4.96
Mobile Home Service	per month	$6.75
Disposal Pass Through	per month	$4.96
Composting	per month	$2.25
Recycling	per month	$3.69
Environment Fee	per month	$0.40
Toter Exchange	per tote	$25.00
Replacement Toter (damaged or lost by customer)	per tote	$50.00
Extra Tote	per month	$5.20
Out of Cycle Brush or Bulk Trash Pickup	first 2 cubic yards	$50.00
Additional Out of Cycle Brush or Bulk Trash Pickup	subsequent yard	$25.00
Animal pickup (greater than 10 pounds)	per animal	$50.00

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UTILITY BILLING

RETURNED ITEM HANDLING:		
(Checks, bank drafts, credit or debit cards)	per item	$25.00
LIEN FILING FEE:	actual cost	
NEW ACCOUNT FEE (water, sewer, garbage):	per account	$30.00
NEW ACCOUNT FEE (water, sewer, garbage - with auto pay OR ebill option):	per account	$20.00
NEW ACCOUNT FEE (water, sewer, garbage - with auto pay & ebill option):	per account	$15.00
UTILITY CUSTOMER DEPOSIT:		
Residential	per account	$75.00
Commercial	per account	$75 or 2x Avg Usage
CHARGE:		
(new account turn-on, pull or lock meter, additional trips to meter locations, & accounts not paid in full by 5:00 p.m. on due date)		
During regular business hours	per account	$25.00
After regular business hours, weekends, holidays	per account	$50.00
LATE FEE OR PENALTY:	current bill	10%
Accounts not paid in full by due date		
WATER RATES - INSIDE CITY LIMITS:		
Residential		
Monthly Account Maintenance Fee **plus**	per account	$12.00
0 - 6000 gallons	per 1,000	$3.18
6,001 - 15,000 gallons	per 1,000	$3.60
15,001 - 25,000 gallons	per 1,000	$4.56
25,001 - 50,000 gallons	per 1,000	$5.79
50,001 and up gallons	per 1,000	$7.40
Commercial		
Monthly Account Maintenance Fee **plus**	per account	$12.00
0 - 25,000 gallons	per 1,000	$3.57
25,001 - 50,000 gallons	per 1,000	$4.04
50,001 and up gallons	per 1,000	$4.59
Irrigation		
Monthly Account Maintenance Fee **plus**	per account	$12.00
0 -15,000 gallons	per 1,000	$4.56
15,001 - 25,000 gallons	per 1,000	$5.60
25,001 and up gallons	per 1,000	$7.14
Fire Hydrant		
Monthly Account Maintenance Fee **plus**	per account	$62.40
Deposit (refundable)	per account	$2,750.00
Meter Set-up or Move	per account	$200.00
New Account Fee	per account	$25.00
0 -15,000 gallons	per 1,000	$4.56
15,001 - 25,000 gallons	per 1,000	$5.60
25,001 and up gallons	per 1,000	$7.14

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WATER RATES - OUTSIDE CITY LIMITS:

Residential		
Monthly Account Maintenance Fee **plus**	per account	$18.00
0 - 6000 gallons	per 1,000	$4.77
6,001 - 15,000 gallons	per 1,000	$5.40
15,001 - 25,000 gallons	per 1,000	$6.83
25,001 - 50,000 gallons	per 1,000	$8.69
50,001 and up gallons	per 1,000	$11.11
Commercial		
Monthly Account Maintenance Fee **plus**	per account	$18.00
0 - 25,000 gallons	per 1,000	$5.36
25,001 - 50,000 gallons	per 1,000	$6.05
50,001 and up gallons	per 1,000	$6.88
Irrigation		
Monthly Account Maintenance Fee **plus**	per account	$18.00
0 -15,000 gallons	per 1,000	$6.83
15,001 - 25,000 gallons	per 1,000	$8.39
25,001 and up gallons	per 1,000	$10.72
Fire Hydrant		
Monthly Account Maintenance Fee **plus**	per account	$93.60
Deposit	per account	$2,750.00
Meter Set-up or Move	per account	$200.00
New Account Fee	per account	$25.00
0 -15,000 gallons	per 1,000	$6.83
15,001 - 25,000 gallons	per 1,000	$8.39
25,001 and up gallons	per 1,000	$10.72

EFFLUENT OR RE-USE WATER (pumped):

Monthly Account Maintenance Fee **plus**	per account	$12.00
otherwise	per 1,000 gallons	$0.65
Municipal Use	per 1000 gallons	$0.38

WATER BY THE TRUCK LOAD:

Re-Use Water		
0 - 3,000 gallons	per load	$10.00
3,000 - 8,000 gallons	per load	$17.50
Potable Water		
0 - 3,000 gallons	per load	$15.00
3,000 - 8,000 gallons	per load	$22.00

SEWER RATES - INSIDE CITY LIMITS:

Residential		
Monthly Account Maintenance Fee **plus**	per account	$9.00
Account with no consumption history or	4,000 gallon min.	$21.08
Per 1,000 gallons (winter average of Dec-Jan-Feb consumption)	per 1,000 gallons	$5.27
Commercial		
Monthly Account Maintenance Fee **plus**	per account	$9.00
Per 1,000 gallons	per 1,000 gallons	$5.61
Wholesale		
Monthly Account Maintenance Fee **plus**	per account	$9.00
Wholesale Sewer rate	per 1,000 gallons	$5.20
Wholesale sewer rate excess capacity	per day	$1,000.00

SEWER RATES - OUTSIDE CITY LIMITS:

Residential		
Monthly Account Maintenance Fee **plus**	per account	$13.50
Account with no consumption history or	4,000 gallon min.	$31.68
Per 1,000 gallons (winter average of Dec-Jan-Feb consumption)	per 1,000 gallons	$7.92
Commercial		
Monthly Account Maintenance Fee **plus**	per account	$13.50
Per 1,000 gallons	per 1,000 gallons	$8.42
Wholesale		
Monthly Account Maintenance Fee **plus**	per account	$13.50
Wholesale Sewer rate	per 1,000 gallons	$5.20
Wholesale sewer rate excess capacity	per day	$1,000.00

NOTE: Outside city limits - water and sewer rates are 1 1/2 times inside city limits rates.

City of Kerrville

Fee Schedule as of 10/1/2018

UTILITY LABORATORY

LABORATORY SERVICES (by parameter, per each test):

Alkalinity (as CaCO3)	per test	$20.00
Ammonia Nitrogen	per test	$30.00
Total BOD5	per test	$33.00
Carbonaceous BOD5	per test	$40.00
Chloride	per test	$10.00
Conductivity	per test	$5.00
Iron	per test	$15.00
Hardness, Total	per test	$15.00
Nitrogen, Nitrate	per test	$18.00
Nitrogen, Nitrite	per test	$18.00
Oil and Grease	per test	$45.00
Phosphorus, Total	per test	$20.00
Solids, Total Dissolved (TDS)	per test	$35.00
Solids, Total Suspended (TSS)	per test	$15.00
Solids, Volatile Suspended (VSS)	per test	$15.00
Sulfate	per test	$15.00
Total Organic Carbon	per test	$50.00

BACTERIOLOGICAL TEST:

Total Coliform/E. Coli (presence/absence)	per test	$20.00
Total Coliform/E. Coli Enumeration (Quanti-Tray)	per test	$22.00

SAMPLE COLLECTION FEE:

Water Sample Collection Fees (inside of city limits only)	per test	$25.00

STANDARD ANALYSIS PACKAGE (DRINKING WATER):

Included: alkalinity, chloride, conductivity, total hardness, iron, nitrate, sulfate, total dissolved solids, total coliform/E. coli	per test	$100.00

City of Kerrville

Fee Schedule as of 10/1/2018

WATER and WATER RECLAMATION

WATER TAPS (includes meter and set fee):

3/4" tap - Material, labor and equipment	per tap	$1,800.00
1" tap - Material, labor and equipment	per tap	$2,000.00
1 1/2" tap - Material, labor and equipment	per tap	$3,650.00
1" Water Service Split	per split	$700.00
2" Water Service Commercial and Domestic	per tap	$4,600.00
2" Water Service Irrigation	per tap	$3,500.00
Above 2" in size will be quoted using current pricing for meter/materials	To be determined by job	
Water tap in TXDOT Right of Way	To be determined by project	

WATER METER SET/INSTALL, IF THE WATER TAP EXISTS:

5/8" meter - Material, labor and equipment	per meter	$300.00
3/4" meter - Material, labor and equipment	per meter	$300.00
1" meter - Material, labor and equipment	per meter	$450.00
1 1/2" meter - Material, labor, and equipment	per meter	$650.00
2" and above in size will be quoted using current pricing for meter/materials	To be determined by job	

SEWER TAPS:

4" tap - Material, labor and equipment - Off City main	per tap	$1,600.00
4" tap - Material, labor and equipment - Internal manhole drop	per tap	$1,300.00
6" tap - Material, labor and equipment - Out of manhole	per tap	$1,700.00
6" tap - Material, labor and equipment - With manhole	per tap	$4,000.00
Additional charge per foot of depth for manholes over 8 feet deep	per foot	$200.00
Sewer tap in TXDOT Right of Way	To be determined by project	

SEPTAGE:

Septage/chemical toilet waste received at treatment plant (inside Kerr County)	per gallon	$0.08
Septage/chemical toilet waste received at treatment plant (outside Kerr County)	per gallon	$0.16
Septage/chemical toilet waste spill surcharge (@ Treatment Facility only)	per incident	$200.00

MANIFEST BOOKS:	per book	$5.00

LABOR AND EQUIPMENT FOR REQUESTED SERVICES:

Labor - Business Hours	per hour/person	$27.50
Labor - After Business Hours/Holidays/Weekends (**4 hour minimum**)	per hour/person	$41.25
Backhoe/Loader	per hour	$45.00
Dump Truck	per truck	$30.00
Crane Truck	per hour	$40.00
Vac-con Hydro-jet Cleaner/Vacuum Truck	per hour	$95.00
Air Compressor	per hour	$12.50
Televising Wastewater Mains (per hour - includes crew and equipment)	per hour	$150.00
Service Truck with tools	per hour	$25.00
Backflow Prevention Test - Reduced Pressure Zone Device	per test	$100.00
Backflow Prevention Test - Double Check Device	per test	$70.00
Scale Fee	each	$1.00
Water Violation Reconnect Fee	each account	$25.00
Sewer Only Customers	each account	$50.00
Inspection Fee For Privately installed water + wastewater tap	each account	$50.00

WATER WELL LICENSE APPLICATION:	each license	$50.00