



City Council Special-Called Meeting Agenda
August 19, 2025 at 4:30 PM
City Hall, 701 Main Street, Kerrville, Texas



Citizens may view and hear City Council meetings on Spectrum Channel 2 or by live-stream via the [City's website \(www.kerrvilletx.gov\)](http://www.kerrvilletx.gov). City Council meetings are recorded, and recordings posted on the City's website. Citizens wishing to speak during a meeting shall submit a completed "speaker request form" to the City Secretary before the item is introduced, and encouraged to submit the form before the meeting begins. Each speaker is limited to four minutes.

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun carried openly.

Pursuant to Section 46.03, Penal Code (places weapons prohibited), a person may not carry a firearm or weapon on this property. Thank you for your participation!

CALL TO ORDER: Mayor Joe Herring, Jr.

INVOCATION AND PLEDGE OF ALLEGIANCE: Delayne Sigerman, Councilmember Place 1

1. **VISITORS/CITIZENS FORUM:** *Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must complete a speaker request form and give it to the City Secretary, before the item is called or read into record. City Council may not discuss or take any action on an item but may place the issue on a future agenda. Each speaker is limited to four minutes.*
2. **INFORMATION AND DISCUSSION:**
 - 2.A Presentation of Fiscal Year 2026 Proposed Budget (*J Behrens, Finance Director*)
3. **CONSIDERATION AND POSSIBLE ACTION:**
 - 3.A Resolution No. 22-2025. A Resolution setting forth the Ad Valorem (Property) Tax Rate to be considered for adoption for the 2025 Tax Year; said Rate proposed to be \$0.5579 per \$100 of assessed value; and calling a Public Hearing prior to the adoption of the Tax Rate and the Fiscal Year 2026 Budget. (*J Behrens, Finance Director*)
 - 3.B Agreement between the City of Kerrville and West Texas Health Care Provider Participation District (HCPP). (*J Behrens, Finance Director*)
4. **EXECUTIVE SESSION:** *City Council may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above if items meet the qualifications in Chapter 551 of the Texas Government Code.*
5. **ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY.**

ADJOURN.

The facility is wheelchair accessible, and accessible parking spaces are available. Requests for accommodation or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-258-1118 for further information.

I hereby certify that this agenda was posted as notice of the meeting on the bulletin board at the City Hall of the City of Kerrville, Texas, and on the City's website on the following date and time: August 15, 2025 at 10:15am, and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Shelley McElhannon, City Secretary, City of Kerrville, Texas



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

CAPTION: Presentation of Fiscal Year 2026 Proposed Budget (*J Behrens, Finance Director*)

AGENDA DATE: August 19, 2025

DATE SUBMITTED: 08/11/2025

SUBMITTED BY:

EXHIBITS:

None

Expenditure:

Account Number:

**Payment to/Vendor
name:**

Amount Budgeted:

Account Balance:

Kerrville 2050 Item?

Key Priority Area:

SUMMARY:

Presentation of the Fiscal Year 2026 Proposed Budget

RECOMMENDED ACTION:

NA



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

CAPTION: Resolution No. 22-2025. A Resolution setting forth the Ad Valorem (Property) Tax Rate to be considered for adoption for the 2025 Tax Year; said Rate proposed to be \$0.5579 per \$100 of assessed value; and calling a Public Hearing prior to the adoption of the Tax Rate and the Fiscal Year 2026 Budget. (*J Behrens, Finance Director*)

AGENDA DATE: August 19, 2025

DATE SUBMITTED: 08/07/2025

SUBMITTED BY:

EXHIBITS:

1. 20250819 Reso 22-2025 PH TaxRate FY26 Budget

Expenditure:

Amount Budgeted:

Account Number:

Account Balance:

**Payment to/Vendor
name:**

Kerrville 2050 Item?

Key Priority Area:

SUMMARY:

RECOMMENDED ACTION:

Approve Resolution No. 22-2025.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 22-2025**

A RESOLUTION SETTING FORTH THE AD VALOREM (PROPERTY) TAX RATE TO BE CONSIDERED FOR ADOPTION FOR THE 2025 TAX YEAR; SAID RATE PROPOSED TO BE \$0.5579 PER \$100 OF ASSESSED VALUE; AND CALLING A PUBLIC HEARING PRIOR TO THE ADOPTION OF THE TAX RATE AND THE FISCAL YEAR 2026 BUDGET

WHEREAS, Chapter 26 of the Texas Tax Code sets out the procedural requirements for the adoption of a city's ad valorem (property) tax rate; and

WHEREAS, where a city's proposed tax rate exceeds the no-new-revenue tax rate, as defined in Section 26.04 of the Texas Tax Code, several additional procedural actions must occur to include notice and the holding of a public hearing; and

WHEREAS, the proposed tax rate for the City of Kerrville, Texas ("City") for its 2025-26 fiscal year is \$0.5579 per \$100 assessed value, which exceeds the no-new-revenue tax rate; and

WHEREAS, in addition, Section 8.03 of the City Charter and Section 102.006 of the Texas Local Government Code require the City Council to hold a public hearing regarding the City's proposed budget; and

WHEREAS, City Council now establishes the date for the public hearings for adopting both the proposed fiscal year 2026 budget and the 2025 tax rate;

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

SECTION ONE. Tax Rate; Public Hearing. The City Manager and City Attorney are directed to prepare an ordinance for consideration by City Council, which if adopted, will adopt and impose a total ad valorem (property) tax rate for the tax year 2025 at a rate of **\$0.5579** per \$100 assessed value, which is a lower tax rate than the previous year (2024). The new rate is higher than the no-new-revenue tax rate of \$0.5335 and equal to the voter-approval rate of \$0.5579 as calculated by Chapter 26, Texas Tax Code, which includes the unused increment from previous years (\$0.0047). This proposed tax rate is currently scheduled to be adopted by passage of an ordinance, the second and final reading of which is scheduled to occur on September 23, 2025. The first reading of the ordinance, scheduled to occur on September 9, 2025, includes a public hearing, which shall occur during the meeting scheduled for 6:00 p.m. at City Hall, 701 Main Street.

SECTION TWO. Publication of Budget. In accordance with Section 8.04 of the City Charter, the City Secretary is directed to publish a general summary of the budget and a notice stating the time and places where this message and full budget are available for public inspection.

SECTION THREE. Public Hearing for Budget. Pursuant to Section 8.03 of the City Charter and Chapter 102, Texas Local Government Code, a public hearing on the proposed budget is scheduled for during the meeting scheduled for 6:00 p.m. on September 9, 2025, at City Hall, 701 Main Street.

SECTION FOUR. Notices. The City Secretary is directed to provide notice of the above specified public hearings and to take other actions in accordance with state law and the City's Charter.

PASSED AND APPROVED ON this the ____ day of _____ A.D., 2025.

Joe Herring, Jr., Mayor

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney



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

CAPTION: Agreement between the City of Kerrville and West Texas Health Care Provider Participation District (HCPP). (*J Behrens, Finance Director*)

AGENDA DATE: August 19, 2025

DATE SUBMITTED: 08/13/2025

SUBMITTED BY:

JULIE BEHRENS, Director of Finance

EXHIBITS:

1. 20250819 West Texas HCPPD LPPF Administrator Agreement_081125

Expenditure:

Account Number:

**Payment to/Vendor
name:**

Amount Budgeted:

Account Balance:

Kerrville 2050 Item?

Key Priority Area:

SUMMARY:

RECOMMENDED ACTION:

Authorize City Manager to finalize and execute agreement.

**WEST TEXAS HEALTH CARE PROVIDER PARTICIPATION DISTRICT
LOCAL PROVIDER PARTICIPATION FUND ADMINISTRATOR AGREEMENT**

This Local Provider Participation Fund Administrator Agreement (the "Agreement") is entered into by and among the **City of Kerrville, Texas** (the "City") and the **West Texas Health Care Provider Participation District** (the "District"), a health care provider participation district established under Chapter 300A of the Texas Health and Safety Code ("Chapter 300A"). The City and the District are referred to collectively as the "Parties" and individually as a "Party."

Recitals

WHEREAS, Chapter 300A authorizes certain local governments to establish health care provider participation districts to collect mandatory payments from institutional health care providers and to use those funds to support Medicaid supplemental payment programs; and

WHEREAS, the City, Howard County, and Brown County established the District pursuant to Chapter 300A to support the delivery of health care services to indigent and low-income individuals by institutional health care providers; and

WHEREAS, Chapter 300A further authorizes the District to contract with a third party, including a governmental entity, to administer the District's Local Provider Participation Fund ("LPPF"); and

WHEREAS, the District wishes to designate the City as the initial administrator of the LPPF, and the City has agreed to serve in that role, subject to the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the Parties agree as follows:

1. Administration of the LPPF

The District designates the City as the administrator of the LPPF. The City shall be responsible for the affairs and duties as described in the *West Texas HCPP District Health Care Provider Participation Program Rules and Procedures* ("Rules"), as presently adopted and as subsequently may be amended by the District. The Rules as presently adopted are incorporated as **Exhibit A** of this Agreement. Such affairs and duties include but are not limited to collecting mandatory payments from institutional health care providers, managing the LPPF in accordance with applicable law, transferring funds to the Texas Health and Human Services Commission ("HHSC") for use as the non-federal share of Medicaid supplemental payment programs, preparing the annual budget, facilitating the annual audit, and completing reports required by HHSC.

2. Reporting and Transparency

The City shall maintain complete, accurate, and transparent records of all LPPF-related receipts and disbursements. Upon the District's request, the City shall provide the District with financial reports detailing: total collections and expenditures, fund transfers to the state, and remaining fund balances. The City shall provide such reports no later than 30 days after District's request.

3. Use of Funds

The City shall use all funds collected and managed through the LPPF in compliance with applicable state and federal laws and regulations, including the permissible uses defined in Chapter 300A.

4. Compensation for Administrative Services

As compensation for its administrative services, the City shall receive \$150,000.00 annually. The District shall pay the City this compensation from LPPF funds in quarterly installments (July-Sept., Oct.-Dec., Jan.-March, April-June), with such payments being made within 10 days of the end of the previous quarter. For the first partial year of this Agreement, the initial payment from the District to City shall occur on or before January 1, 2026, with such payment being prorated based upon the partial year of services and subject to the collection of funds by District, pursuant to Section 1.7(d).

5. Transition of Administrative Duties

If the City elects to relinquish its role as administrator, it shall provide written notice to the District at least 30 days in advance. The City shall fully cooperate in the transfer to District of all relevant records, data, and funds necessary to ensure uninterrupted administration of the LPPF.

6. Term and Termination

This Agreement shall begin July 1 of each year and continue through June 30 of the following year. For the first year of this Agreement, the term begins upon the date that this Agreement is executed by the Parties and thereafter, continues through June 30, 2026. The Agreement shall automatically renew for one year periods unless and until terminated by any Party upon 60 days' prior written notice to the other Party. In the event of termination, the City shall coordinate with the District and the remaining Party to facilitate the orderly wind-down or transfer of LPPF operations.

7. General Provisions

A. The District, in paying for the performance of governmental functions or services from the City, must make those payments from current revenues available to it. See Sec. 791.011, Tx. Gov't Code.

B. This Agreement contains the entire agreement between the Parties relating to the rights granted and the obligations assumed. Any modifications concerning this instrument shall be of no force or effect, unless a subsequent modification in writing is signed the Parties. If a court finds or rules that any part of this Agreement is invalid or unlawful, the remainder of the Agreement continues to be binding on the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the last date signed below:

City of Kerrville, Texas

By: _____
Name: Joe Herring, Jr.
Title: Mayor
Date: _____

West Texas Health Care Provider Participation District

By: _____
Name: Patrick Murray
Title: President
Date: _____


APPROVED AS TO FORM
Michael C. Hayes, City Attorney

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EXHIBIT A

WEST TEXAS HCPP DISTRICT HEALTH CARE PROVIDER PARTICIPATION PROGRAM RULES AND PROCEDURES

SECTION I PURPOSE AND DEFINITION OF TERMS

- 1.1 Purpose of Rules and Procedures. These rules and procedures are intended to clarify and add specificity to actions the District, the Board, and the Directors are authorized to take under State law. Nothing in these rules and procedures is intended to limit the actions the District, the Board, and the Directors may take pursuant to State law.
- 1.2 Terms. For purposes of these Rules and Procedures, the following terms shall have the meanings assigned below.
- (a) "Administrator" means the Director or designated person who conducts the business affairs of the District;
 - (b) "Annual Hearing and Annual Meeting" means the hearing and meeting per fiscal year at which the Board must address all of the District affairs set out by Section 2.5;
 - (c) "Board" means the governing body of the District;
 - (d) "Collections Agent" has the meaning set forth in Section 2.6(d);
 - (e) "Director" means a member of the Board;
 - (f) "District" means the West Texas HCPP District;
 - (g) "HHSC" means the Texas Health and Human Services Commission;
 - (h) "IGT" means intergovernmental transfer;
 - (i) "LPPF" means the local provider participation fund established by the District;
 - (j) "Officer" has the meaning set forth in Section 2.5(b); and

- (k) "Principal Office" means the place where all District records are maintained and subject to annual audit under Section 287.123 of the Texas Health and Safety Code.

SECTION II DISTRICT OPERATIONS

The Board shall operate the District according to the following provisions:

- 1.1 Administrator. The Board shall designate an Administrator to conduct the business affairs of the District, which shall include but are not limited to the affairs and duties described in Section 2.6.
- 1.2 Principal Office. The Principal Office of the District shall be the business address of the Administrator, as designated by the Board upon appointment.
- 1.3 Time and Place of Meetings and Hearings. The Board shall hold hearings and meetings as necessary to conduct the affairs of the District. All hearings and meetings must be conducted in accordance with Chapter 551 of the Texas Government Code and, as applicable, Chapter 300A of the Texas Health and Safety Code and Chapter 287, Subchapter F of the Texas Health and Safety Code.
- 1.4 Fiscal Year. The fiscal year of the District shall be the twelve-month period spanning July 1 through June 30.
- 1.5 Annual Hearing and Annual Meeting. At least once per year, the Board must hold a public hearing on (i) the amounts of any mandatory payments that the board intends to require during the year and how the revenue derived from those payments is to be spent, and (ii) its proposed annual budget. After the conclusion of the public hearing, the Board must hold a meeting to deliberate and decide by vote upon the matters addressed in the hearing and other affairs of the District, including all of the following matters:
 - (a) Annual Budget. The Board shall adopt a budget in accordance with Section 287.124 of the Texas Health and Safety Code. Notwithstanding, the Board may amend the budget after its adoption.
 - (b) Officers. The Board shall elect from among its members a president and a vice president, and the Board shall also appoint a secretary (each an "Officer," and collectively "Officers"). Officers shall serve terms pursuant to

State law.

- (c) Health Care Provider Participation Program. The Board shall hold a vote on whether to authorize the District to participate in a health care provider participation program.
- (d) Mandatory Payments. If the Board authorizes the District to participate in a health care provider participation program, and after hearing from any representatives of proposed paying hospitals, the Board shall approve the amount and timing of any mandatory payments it intends to require in the fiscal year for which the health care provider participation program is authorized, in accordance with Section 300A.0151 of the Texas Health and Safety Code.
- (e) LPPF. Upon the Board' first authorization of a mandatory payment, the Board must designate one or more banks to serve as a depository for the mandatory payments received by the District and authorize the Administrator to create the LPPF depository account with the designated bank or banks. The Administrator shall also register such account in the State's TexNet system.
- (f) Rules. The Board shall adopt any rules relating to the administration of the health care provider participation program that it finds to be in the interest of the District, including rules on matters of expenditures and collection of mandatory payments.

1.6 Duties of the Administrator. The Administrator owes the District a fiduciary duty. The Administrator must act in accordance with the decisions of the Board and is responsible for conducting the business affairs of the District, including the following duties:

- (a) Notice of Hearings and Meetings. The Administrator must assist the Board with publishing notice required for any public hearings or meetings.
- (b) Annual Budget. The Administrator must prepare a proposed annual budget and provide it to the Board of Directors prior to the Annual Hearing and Annual Meeting.
- (c) LPPF Creation. The Administrator is responsible for creation of the LPPF depository account and TexNet system registration described in Section 2.5(f).

- (d) Collections Agent. The Administrator shall act to assess and collect mandatory payments authorized and required by the District ("Collections Agent"). Notwithstanding, the Board may contract with a third party to serve as the Collections Agent in lieu of the Administrator.
- (e) LPPF Management. The Administrator is responsible for the management of the LPPF, including:
- i. Ensuring that revenue received by the District attributable to mandatory payments authorized and required by the District is deposited into the LPPF;
 - ii. Ensuring that refunds from HHSC of IGT provided by the District for the purpose of providing the nonfederal share of Medicaid supplemental payment program payments, for which no federal matching payment was received, are deposited into the LPPF;
 - iii. Making payments, IGTs, and transfers from the LPPF as permitted by law;
 - iv. Keeping an accounting of the funds received from paying hospitals located within the District's borders; and
 - v. Ensuring that the funds of the LPPF are used for no other purposes than those permitted by law.
- (f) Annual Audit. The Administrator shall, with the approval of the Board, arrange for and ensure the completion of an annual audit by an independent third party, and provide copies of the audit to required parties pursuant to Section 287.122 of the Texas Health and Safety Code.
- (g) Sworn Statement. As soon as practicable after the close of the fiscal year, the Administrator shall prepare for the Board a sworn statement of the amount of money in the LPPF and an accounting of the disbursements therefrom.
- (h) Reporting. The Administrator shall report the District's activities to HHSC in compliance with Section 300A.0154 of the Texas Health and Safety Code, on a schedule determined by HHSC.
- (i) Dissolution. In the event the District dissolves, the Administrator shall assist the Board with administering the duties described in Chapter 300A,

Subchapter B of the Texas Health and Safety Code.

- 1.7 Records and Access. The District will comply with the requirements of Chapter 552 of the Texas Government Code. Additionally, upon written request of any hospital subject to LPPF mandatory payments or any local government that created the District, or any of their duly authorized agents or representatives, the District shall make available to such requestor those records, books, and documents necessary to verify (i) the status and amount of funds in the LPPF, (ii) the nature and extent of any expenses incurred by the District, and (iii) the nature, extent, and amount of any and all mandatory payments and IGT authorized by the District.
- 1.8 Preclusions. The District may not impose an ad valorem tax or issue bonds.
- 1.9 Withdrawal and Dissolution Procedure. In the event a Board member, acting on behalf of their appointing jurisdiction, concludes and requests formal action in relation to the conclusion that continued participation in the District is no longer in the financial or policy interest of their jurisdiction, the Board shall:
- (a) Initiate a formal review of the feasibility of restructuring the District to exclude the requesting jurisdiction while maintaining compliance with applicable law, which shall be completed within 60 days.
 - (b) If such restructuring is not feasible or permissible, the Board shall adopt a resolution recommending dissolution of the District and shall submit that recommendation to each of the participating jurisdictions for consideration.

SECTION III
GENERAL TERMS

- 1.1 Captions and Headings. The captions and headings used in these rules and procedures are for convenience only and do not limit their contents.
- 1.2 Liability. Each Director is responsible for their own actions and shall not be liable for any civil liability that may arise from the actions of any other Director. Nothing in these rules and procedures shall be construed to waive the District's immunity from suit.
- 1.3 Notices. Any requests, replies, notices, or demands must be in writing and shall be sent by registered or certified United States mail or by a recognized

commercial carrier or delivery service as follows:

West Texas Health Care Provider Participation District
C/O City Manager, City of Kerrville, TX
City Hall, 701 Main Street, Kerrville, Texas 78028

(i.e., the principal office of the District, as designated by the Board following appointment of the Administrator.)

- 1.4 Compliance with Laws. The District and Directors will comply with all applicable local, state, and federal laws, regulations, and rules that may pertain to the District and operation of the health care provider participation program.
- 1.5 Conflict with State Law. To the extent any provision under these rules or procedures conflicts with State law, the Board may adopt an alternative provision or procedure that conforms to the requirements of State law.