

KERRVILLE CITY COUNCIL AGENDA
REGULAR COUNCIL MEETING, APRIL 24, 2018, 6:00 PM
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION: BY MARY ELLEN SUMMERLIN, COUNCILMEMBER PLACE THREE.

PLEDGE OF ALLEGIANCE TO THE FLAG

1. ANNOUNCEMENTS OF COMMUNITY INTEREST:

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

2. VISITORS/CITIZENS FORUM:

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

3. PRESENTATIONS:

3.A Resolution of Commendation for Jacklyn Kayne for her time served on the Parks and Recreation Advisory Board.

[Resolution of Commendation-Kayne.pdf](#)

3.B Resolution of Commendation for Jay Munson for his time served on the Parks and Recreation Advisory Board.

[Resolution of Commendation-Munson.pdf](#)

3.C Certificate of Recognition for Bailey and Keely Geisel for their generous donation of \$795.00 for a new adaptive swing at Lehmann and Monroe Park.

[AB_-](#)

[_Recognition_of_Keely_and_Bailey_Geisel_for_their_Girl_Scout_Service_Proje](#)
[ct_and_Donation_of_Funds_for_an_Adaptive_Swing_4.24.2018.docx](#)

[Adaptive Swing.jpg](#)

[Girl Scouts.pdf](#)

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

I do hereby certify that this notice of meeting was posted on the bulletin board at the City hall of the City of Kerrville, Texas, and said notice was posted on the following date and time: April 20, 2018 at 4:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

3.D Proclamation celebrating the Museum of Western Art on their 35th Anniversary.
[MOWA.pdf](#)

3.E Proclamation declaring the month of May as Williams Syndrome Awareness Month.
[Williams Syndrome.pdf](#)

3.F Proclamation proclaiming April 30, 2018 as Tina Woods' Day.
[Proclamation-Tina Woods.pdf](#)

4. CONSENT AGENDA:

These items are considered routine and can be approved in one motion unless a Councilmember asks for separate consideration of an item. It is recommended that the City Council approve the following items which will grant the Mayor or City Manager the authority to take all actions necessary for each approval:

4.A Minutes of the city council regular meeting held March 13, 2018, and the workshop held March 20, 2018.

[2018 0313.docx](#)

[2018 0320 Workshop.doc](#)

END OF CONSENT AGENDA

5. CONSIDERATION AND POSSIBLE ACTION:

5.A Resolution No. 13-2018 requesting financial assistance from the Texas Water Development Board to finance certain improvements to the City's water system; authorizing the filing of an application for financial assistance and making certain findings in connection therewith

[AB_TTHM_Funding.docx](#)

[Resolution 13-2018.pdf](#)

5.B Resolution No. 14-2018 expressing official intent to reimburse with tax-exempt obligation proceeds costs incurred to construct certain improvements to the City's water and wastewater system.

[AB reimbursement.docx](#)

[Resolution 14-2018.pdf](#)

5.C Authorize the execution of a construction contract with Viking Construction, Inc. for the 2018 Slurry Seal project in an amount of \$300,393.90.

[AB_2018_Slurry_Seal_Construction.docx](#)

[2018 Slurry Seal_Received Bids.pdf](#)

[2018 Slurry Seal_Street List.pdf](#)

[2018 Slurry Seal_Recommendation Letter.PDF](#)

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Brenda Craig
City Secretary, City of Kerrville, Texas

6. INFORMATION AND DISCUSSION

- 6.A Budget and economic update for the month ended March 31, 2018.
[AB_Financial_Update_3-31-18.docx](#)
[3-31-18 Financial Summary.pdf](#)

7. CITY MANAGER'S REPORT

8. ITEMS FOR FUTURE AGENDAS

9. EXECUTIVE SESSION:

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

9.A Deliberation regarding economic development negotiations in accordance with the Texas Open Meetings Act, Section 551.087, discussion regarding commercial or financial information received from a business prospect(s), and/or to deliberate the offer of a financial or other incentive to a business prospect(s).

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY

ADJOURNMENT.



City of Kerrville

701 MAIN STREET • KERRVILLE, TEXAS 78028 • 830.257.8000 • KERRVILLETX.GOV

RESOLUTION OF COMMENDATION

WHEREAS, JACKLYN KAYNE has served as a member of the Parks and Recreation Advisory Board with the date of service beginning March 11, 2014; and

WHEREAS, JACKLYN KAYNE has served faithfully and dutifully on said board;

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

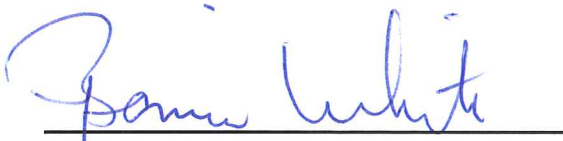
That **JACKLYN KAYNE** be recognized for outstanding service as a member of the Parks and Recreation Advisory Board, and that on behalf of the citizens of Kerrville, as well as for ourselves individually, we wish to express our sincere appreciation for contributions to the city and the community.

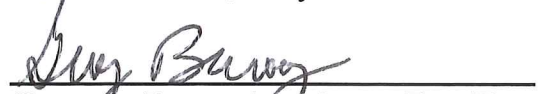
PASSED AND APPROVED, this the 24th day of April, 2018.

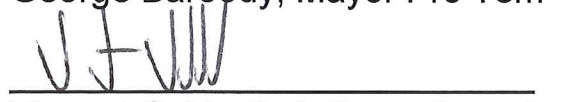
ATTEST:

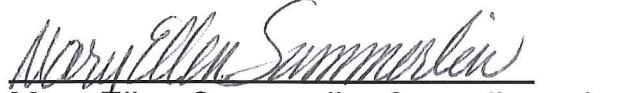

Brenda G. Craig, City Secretary




Bonnie White, Mayor


George Baroody, Mayor Pro Tem


Vincent C. Voelkel, Councilmember


Mary Ellen Summerlin, Councilmember


C. Warren Ferguson, Councilmember



City of Kerrville

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RESOLUTION OF COMMENDATION

WHEREAS, JAY MUNSON has served as a member of the Parks and Recreation Advisory Board with the date of service beginning March 11, 2014; and

WHEREAS, JAY MUNSON has served faithfully and dutifully on said board;

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

That **JAY MUNSON** be recognized for outstanding service as a member of the Parks and Recreation Advisory Board, and that on behalf of the citizens of Kerrville, as well as for ourselves individually, we wish to express our sincere appreciation for contributions to the city and the community.

PASSED AND APPROVED, this the 24th day of April, 2018.

ATTEST:

Brenda G. Craig
Brenda G. Craig, City Secretary



Bonnie White
Bonnie White, Mayor

George Baroody
George Baroody, Mayor Pro Tem

V. C. Voelkel
Vincent C. Voelkel, Councilmember

Mary Ellen Summerlin
Mary Ellen Summerlin, Councilmember

C. Warren Ferguson
C. Warren Ferguson, Councilmember



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

SUBJECT: Recognition of Keely and Bailey Geisel for their generous donation of \$795 for a new adaptive swing at Lehmann and Monroe Park.

AGENDA DATE OF: 4/24/2018

DATE SUBMITTED: 4/16/2018

SUBMITTED BY: Ashlea Boyle
Director of Parks and Recreation

EXHIBITS: Certificate of Recognition
Photo

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	N/A

PAYMENT TO BE MADE TO: N/A

SUMMARY STATEMENT:

In March of 2018, two local Girl Scouts presented a donation of \$795 to the Kerrville Parks and Recreation Department for a new adaptive swing for the parks system. Sisters Keely (14) and Bailey (12) Geisel put an exceptional amount of work into raising the money for this swing. The young ladies approached the Parks and Recreation Department, after visiting the park, with the hope of providing an inclusive feature as one of their service projects. They worked hard raising the funds and even donated some of their own money towards the project. This adaptive swing has now been installed in the Lehmann and Monroe Park. The Parks and Recreation Department wishes to recognize Keely and Bailey for their selfless efforts and service to the community.

RECOMMENDED ACTION:

Recognition of Keely and Bailey Geisel for their generous donation of funds for an adaptive swing for the parks system.



Certificate of Recognition

Is hereby presented to

Bailey Geisel and Keely Geisel

This Certificate of Recognition is being presented to Bailey Geisel and Keely Geisel, two citizens of the City of Kerrville, Texas. These two citizens are being recognized for their generous donation of \$795.00 specifically for a new adaptive swing which has been installed by the Kerrville Parks and Recreation Department at Lehmann and Monroe Park, Kerrville, Texas. These two citizens are Girl Scouts, and have loyally devoted an exceptional amount of work and time into raising money for the adaptive swing. The adaptive swing is an inclusive amenity for Lehmann and Monroe Park, and will help ensure *"Everyone can experience the joy of swinging"*. The City of Kerrville commend these two citizens for their dedication, selflessness, and service to the community.

Hereunto set my hand and caused the
Seal of the City Kerrville to be affixed
hereto the 24 day of April, 2018.

Bonnie White, Mayor



PROCLAMATION

WHEREAS, *The Museum of Western Art is an award-winning facility dedicated to excellence in the collection, preservation, and promotion of Western heritage, and to the education and cultural enrichment of our diverse audiences; and*

WHEREAS, *The Museum opened to the public on April 23, 1983; and*

WHEREAS, *The permanent collection of art includes approximately 150 sculptures and 250 paintings, and 85% of the Museum collection is composed of art produced by artists who are or were members of the prestigious Cowboy Artists of America; and*

WHEREAS, *Polls of area educators indicate that for 80% of the students that visit the Museum, it is their first visit to an art or cultural center of any kind; and*

WHEREAS, *Studies show that participation in the arts at an early age helps to promote creativity, empathy, confidence, problem solving and critical thinking; and*

WHEREAS, *The Museum is a major tourist attraction in Kerrville, which attracts visitors from all over the world; and*

WHEREAS, *The Museum serves as a bridge between the past and present, ensuring that the legacy of the "American West" will be preserved for future generations; and*

WHEREAS, *The Museum of Western Art celebrates its 35th anniversary this year;*

NOW, THEREFORE, *I, the Mayor of the City of Kerrville, Texas, do hereby extend congratulations for*

"The Museum of Western Art's 35th Anniversary"

and encourage all citizens to join me in wishing the Museum of Western Art a very Happy Anniversary.

IN WITNESS WHEREOF, *I have Hereunto set my hand and caused the Seal of the City of Kerrville to be affixed hereto, the 24 day of April, 2018.*

Bonnie White, Mayor



PROCLAMATION

- WHEREAS,** Williams Syndrome is a rare genetic developmental disorder that is present at birth, and affects many parts of the body; and
- WHEREAS,** Williams Syndrome occurs randomly in about 1 in 10,000 births worldwide with an estimated 20,000 to 30,000 in the United States; and
- WHEREAS,** Williams Syndrome is characterized by medical and cognitive problems including cardiovascular disease, developmental delays, learning disabilities, and occurs equally in both males and females and in every culture; and
- WHEREAS,** The Williams Syndrome Association (WSA), founded in 1982, is a non-profit organization that provides comprehensive resources for people and families living with Williams Syndrome as well as doctors, researchers, and educators; and
- WHEREAS,** Through its efforts to raise public awareness, fund critical new research, share valuable information, and support families, the WSA has improved the quality of life and futures of those affected by Williams Syndrome; and
- WHEREAS,** The Williams Syndrome Association as well as the families and friends of those with Williams Syndrome should be commended for their hard work, compassion, and commitment to educating our communities about this rare disorder,

NOW, THEREFORE, I, Bonnie White, Mayor of the City of Kerrville, Texas, do hereby proclaim the month of May as

Williams Syndrome Awareness Month

in the City of Kerrville and urge our fellow citizens to recognize that the Williams Syndrome Association and the families and friends of those with Williams should be commended for their hard work, compassion, and courage for educating the country about this rare disorder.

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Bonnie White, Mayor



PROCLAMATION

WHEREAS, From 1991 – 2002, Tina Woods worked as Director of Patient, Community Relations, and Volunteer Services at Peterson Regional Medical Center; and

WHEREAS, In 2002, Tina Woods joined the Dietert Center as the Executive Director. In her sixteen years as Executive Director, she has led the Dietert Center's growth from six aging buildings on Jefferson Street to the current 23,000 square foot center on 9 acres. She led a 3-year capital campaign to raise \$4 million for the project which was debt-free upon completion; and

WHEREAS, Tina Woods supervises a staff of 21, plus over 300 volunteers. The core program of the center is Meals on Wheels. Over 73,000 meals were delivered in Kerr County last year and an additional 23,000 meals were provided in the congregate dining room. In addition, Club Ed is providing over 100 classes and recreational activities each quarter. Community Services provides medical equipment, medical alerts, handyman availability, and information and referral. Dementia Care Advocates provides respite for caregivers, and education and support for those who need care and their caregivers; and

WHEREAS, Tina Woods has been a driving force in evolving the Dietert Center into a volunteer driven, community based organization that helps men and women remain active and independent in their senior years. The Center is the only non-profit organization in Kerr County dedicated exclusively to helping older adults. It is also the administrative center for a variety of professional support programs designed to help seniors remain independent in their homes for as long as possible.

WHEREAS, Tina Woods has been honored as the "Executive of the Year 2003" by the Executive Women's Club, the "Community Builder Award 2004" from the Kerrville area Masons, and the "Woman of the Year 2013" by the Kerrville Area Chamber of Commerce; and

WHEREAS, Tina Woods has served or is currently serving as a member of the Kerrville 2050 Comprehensive Planning Committee and the Committee Chair of the Public Facilities and Services Sub-Committee, a board member of the Alamo Senior Advisory Committee and the Alamo Area Agency on Aging, an advisory board member of Peterson Hospice, an advisory board member of Peterson Home Health Care, the founder of the Hill Country Coalition on Aging, a steering committee member of the Leadership Kerr County Alumna, a past president of the Executive Women's Club, an advisory council member of the Community Foundation of the Texas Hill Country, a member of the Noon Rotary Club, a member of the Main Street Advisory Board, a lifetime member of the Peterson Hospital's Volunteer Auxiliary, a member of the Downtown Business Association, a member of the Junior Service Guild, a member of the Hill Country Charity Ball Association, and a member of the Recycling Communications Committee for the City of Kerrville; and

WHEREAS, It is with sincere appreciation that the City of Kerrville recognize Tina Woods for her 27 years of dedicated service to our community.

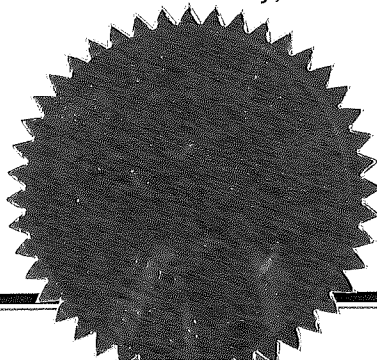
NOW, THEREFORE, I, Bonnie White, Mayor of the City of Kerrville, Texas, do hereby announce and proclaim April 30, 2018 as

"TINA WOODS' DAY"

in the city of Kerrville, and encourage all citizen to recognize her accomplishments and contributions to our City, and honor and congratulate Tina on her retirement.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Kerrville to be affixed hereto, the 24 day of April, 2018.

Bonnie White, Mayor



CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
MARCH 13, 2018

On March 13, 2018, the Kerrville City Council meeting was called to order at 6:00 p.m. by Mayor Bonnie White in the city hall council chambers at 701 Main Street. The invocation was offered by Mayor White, followed by the Pledge of Allegiance led by Walt Koenig.

COUNCILMEMBERS PRESENT:

Bonnie White	Mayor
George Baroody	Mayor Pro Tem
Mary Ellen Summerlin	Councilmember
Warren Ferguson	Councilmember

COUNCILMEMBERS ABSENT:

Vincent Voelkel	Councilmember
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CITY CORE STAFF PRESENT:

Mark McDaniel	City Manager
Mike Hayes	City Attorney
Brenda Craig	City Secretary
E.A. Hoppe	Deputy City Manager
Cheryl Brown	Deputy City Secretary
Sandra Yarbrough	Director of Finance
Kim Meismer	Director of General Operations
David Knight	Police Chief
Stuart Cunyus	Public Information Officer
Drew Paxton	Executive Director of Development Services
Dannie Smith	Fire Chief
Guillermo Garcia	Executive Director of Strategic Initiatives
Charvy Tork	Director of Information Technology
Ashlea Boyle	Director of Parks and Recreation

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

1. **ANNOUNCEMENTS OF COMMUNITY INTEREST:** were given.

2. **VISITORS/CITIZENS FORUM:**

2A. Rose Bradshaw, representing the Citizens Police Academy Alumni Association, gave their 2017 annual report on the projects participated in and activities.

2B. Sandra Garcia requested council consider budgeting for MYAC members so they could attend summits, and assigning staff persons to MYAC members for training.

3. **PRESENTATIONS**

3A. Proclamation declaring March 2018 as American Red Cross Month.

3B. Report from Mayor's Youth Advisory Council was given by Roman Garcia, Chair. He spoke of MYAC's activities, projects, events, and tours.

4. CONSENT AGENDA:

Mr. Baroody removed Item 4A from the consent agenda.

4.A Minutes of the regular city council meeting held February 13, 2018.

END OF CONSENT AGENDA

4.A Minutes of the regular city council meeting held February 13, 2018.

Mr. Baroody requested to see more quotes and the names of councilmembers making the statements, discussion and explanations in the minutes. Periodically he may suggest adding statements to the minutes.

Mr. Baroody moved for approval of the minutes of the regular city council meeting held February 13, 2018; Ms. Summerlin seconded the motion and it passed 4-0:

5. ORDINANCES, FIRST READING:

5.A Ordinance No. 2018-07 amending Chapter 74 "Parks and Recreation", Article I "Rules and Regulations for City Park and Recreation Areas" of the Code of Ordinances of the City of Kerrville, Texas, by amending various sections to address the operation and use of the Kerrville Sports Complex; containing a cumulative clause; containing a savings and severability clause; providing a penalty; and providing other matters relating to the subject. Mayor White read the ordinance by title only.

Ms. Boyle stated that on March 9 the parks and recreation advisory board discussed the recommended amendments and voted to approve the ordinance with regulations specific to the sports complex. She noted that D-Bat would set their own operating hours.

Council also discussed the following: enforcement of abusive language, ban on noise makers, hours of operation, use of roller blades and bicycles, and prohibition against climbing trees, operating drones, and smoking or vaping in city parks.

The following persons spoke:

1. Roman Garcia asked how abusive language would be controlled. Ms. Boyle reviewed enforcement and noted that parks staff, and police officers when necessary, would enforce the rules and issue citations when necessary.

2. Sandra Garcia asked how citizens could get involved to change the rules and what the consequence was for using roller blades on the trail. Mayor White stated that a person could address the parks board and council about any proposed amendment, or do a petition.

Mr. Baroody moved for approval of Ordinance No. 2018-07 on first reading; Ms. Summerlin seconded the motion and it passed 4-0.

5.B Ordinance No. 2018-10 Amending Chapter 102 "Traffic and Vehicles", Article IV "Operation of Vehicles", Division 1 "Generally", by adding a new section 102-118 to regulate the use of hand-held portable electronic devices while operating a vehicle; providing exemptions; providing affirmative defenses; providing an increasing penalty for subsequent offenses; containing a cumulative clause; containing a savings and severability clause; ordering publication; providing an effective date; and providing other matters related to the subject. Mayor White read the ordinance by title only.

Chief Knight noted that on February 13 council instructed staff to develop a distracted driving ordinance that would be more restrictive than the regulations in the Texas Transportation Code that went into effect September 2017. The proposed ordinance provided a complete ban on the use of portable electronic devices while operating a vehicle unless the device was used in conjunction with a hands-free device; this would remove the device as a distraction in the vehicle. A driver may dial numbers, end a call, or operate a navigation system as long as the device was not held in the driver's hand. He could not quantify the number of accidents attributed to the use of devices; however, he opined that distracted driving was a safety hazard that resulted in serious injuries.

Council also discussed the following:

- Reviewed affirmative defenses.
- The state law had only been in effect since September so there was not a lot of data.
- How would a violation of the proposed ordinance affect insurance rates? Chief Knight stated it would not be a moving violation so it should not affect insurance rates.
- Would a violation of the ordinance go on a person's driving record? Chief Knight stated it would be a record with DPS, but it would not be considered a moving violation.
- How many drivers were pulled over for a texting violation while driving? Chief Knight stated he did not have data city-wide; however, he offered to provide information previously gathered regarding the number of violations in school zones.
- Could the ordinance be put on the ballot? Staff would research if such an item could be placed on the ballot and the process to do so.
- How do judges determine the amount for a violation based on a range? Mr. Hayes stated that the judges would have discretion in setting a fine for violations.
- Devices were a serious distraction and allowing their use while driving was not fair to other persons on the road.

The following persons spoke:

1. Carolyn Lipscomb described several near accidents and bad driving incidents she had witnessed.
2. Mario Garcia stated he was a provider of IT services. He discussed other types of distractions and noted some people were biased by technology. He requested the item be put to a vote and let the citizens decide.

Ms. Summerlin moved for approval of Ordinance No. 2018-10 on first reading; Mr. Ferguson seconded the motion and it passed 4-0.

6. ORDINANCES, SECOND AND FINAL READING:

6.A Ordinance No. 2018-08, an Ordinance approving a tariff authorizing an Annual Rate Review Mechanism ("RRM") as a substitution for the Annual Interim Rate Adjustment Process defined by Section 104.301 of the Texas Utilities Code, and as negotiated between Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company") and the Steering Committee of Cities Served by Atmos; requiring the Company to reimburse Cities' reasonable ratemaking expenses; adopting a savings clause; determining that this Ordinance was passed in accordance with the requirements of the Open Meetings Act; declaring an effective date; and requiring delivery of this Ordinance to the Company and Legal Counsel for the Steering Committee. Mayor White read the ordinance by title only.

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

Ms. Summerlin moved for approval of Ordinance No. 2018-08 on first reading; Mr. Ferguson seconded the motion and it passed 4-0.

6.B Ordinance No. 2018-09, an Ordinance amending Chapter 10, "Alcoholic Beverages" of the Code of Ordinances of the City of Kerrville, Texas; by amending Section 10-3 "Licensing Requirements; Fees"; by reducing the applicable fee for alcoholic beverage licenses; containing a cumulative clause; containing a savings and severability clause; providing for an effective date; ordering publication; and providing other matters relating to the subject. Mayor White read the ordinance by title only.

Mr. Baroody stated that no changes had been made since first reading. He noted that TABC established a wide range of fees depending on the type of license, and the city could collect a fee ranging between \$12.50 and \$3,500. He recommended the city establish a maximum fee of \$500 for all sellers of alcohol; all license holders would pay the set fee or \$500, whichever was lower. This would give an incentive and make fees less arbitrary. Distilleries and brewpubs would still have the largest discount as they were paying \$1,500 previously and would pay \$500 under this ordinance.

Council also discussed the following:

- The purpose of the ordinance passed in January was to reduce the fee for breweries, distilleries and brew pubs in order to encourage craft agriculture businesses and make their fee more equitable to the mixed beverage fee.
- In the past, the city was charging half of what the state charged for TABC licenses, as per state law. In January the fee was adjusted down for brewpubs and breweries. It did not make sense to change the fee for all license holders.

The following persons spoke:

1. Jeremy Walther, Pint 'N' Plow Brewing Company, noted the original intent was to promote and support craft agriculture businesses; the proposed change would eliminate that support and simply incentivize liquor distributors and establishments selling liquor by lowering the fee. For example, the city's current fee for a mixed beverage permit was \$3,000; under the proposed ordinance that fee would be reduced to \$500. The

proposal would give a blanket discount to up to 46 permit holders in the city that have nothing to do with craft agriculture; rather, are just serving or distributing alcohol. The intent in January was to recognize and promote craft agriculture.

Mr. Hayes noted that when changes were made on second reading there is a risk that the ordinance can be challenged.

Mayor White appointed Mr. Baroody and Mr. Ferguson to work with staff and bring back a recommendation to council.

Mr. Baroody moved for approval of Ordinance No. 2018-09 as is on first reading; the motion died for lack of a second; therefore, the ordinance failed on second reading.

7. CONSIDERATION AND POSSIBLE ACTION:

7A. Resolution No. 06-2018 authorizing the waiver of various fees and authorizing a nonexclusive license and funding agreement regarding the use of the city's downtown pavilion for the Kerrville Farmers Market (KFM) to be held in downtown Kerrville each Friday between April and October.

Ms. Boyle reviewed the support the city provided as a co-sponsor for the KFM event and noted it was expanding to every Friday from April to October. KFM requested the city provide \$3,000 cash sponsorship for expenses and promotional merchandise, and allow alcohol. Staff recommended approval.

Mr. Baroody stated he was contacted by an anonymous private donor who offered to fund the same \$3,000. He requested the agreement be modified to remove Section 2 about city payment of \$3,000, and to amend Section 5 regarding possible reimbursement. He had contacted the KFM people and they were okay with this proposal. Mr. Baroody requested the donor's \$3,000 be used first and if additional funds were requested then KFM could come to the city. The city was already supporting the KFM, and using the donor's \$3,000 would show community support.

The following persons spoke:

1. Justin Graham, director of KFM, asked that the city continue to support this event by providing equipment and funding. He encouraged new donors and encouraged anonymous donors to be identified. He confirmed there were other things that KFM could do with an additional \$3,000. Downtown merchants were supportive of KFM and momentum was building.

2. Jeremy Walther, Pint 'N' Plow, read a statement in support of KFM and encouraged the city to contribute the \$3,000 and continue to support KFM events, which stimulated vibrancy in downtown.

Council also discussed the following:

- Mr. Ferguson and Ms. Summerlin stated that the city's \$3,000 should be used first to show the city's support. They also encouraged the anonymous donor to continue to make his donation; however, the donor's donation should not be substituted for the

city's \$3,000 donation.

- Where pets allowed at the events? Ms. Boyle stated yes, if on a leash.
- Smoking was not allowed at events; did that include vaping? Ms. Boyle said yes.

Ms. Summerlin moved to approve the resolution.

Mr. Baroody asked if discussion of the item could be moved to executive session. Mr. McDaniel stated it could if the discussion met the requirements of state law. Mr. Baroody stated he was the private donor. His idea was to show there was community support for KFM. The city was already supporting KFM by providing a list of things.

Mr. Baroody moved to modify the contract to not state publicly who the donor was and to take out the Section 5 reimbursement clause. Mayor White seconded the motion.

Ms. Boyle asked if the motion included the amendment to allow alcohol.

Mr. Baroody amended his motion to approve Resolution No. 06-2018 to allow alcohol to be served.

Ms. Summerlin requested the motion be divided into two motions.

Mr. Baroody moved to amend Resolution No. 06-2018 to allow alcohol. Ms. Summerlin seconded the motion and it passed 4-0.

Mr. Baroody moved to amend the agreement to the resolution by removing Section 2 about the \$3,000 payment from the city, and to remove Section 5 reimbursement; the motion was seconded by Mayor White. The motion failed 2-2 with Mr. Baroody and Ms. White voting in favor of the motion and Ms. Summerlin and Mr. Ferguson voting against the motion.

Ms. Summerlin moved to approve the resolution as presented with the addition of alcohol; Mr. Ferguson seconded the motion.

Mr. Hayes suggested if the council wanted to support KFM, the motion should include the change to the non-exclusive license and funding agreement. Ms. Summerlin stated that was included in her motion.

Mr. Hayes clarified that there were two amendments offered to the agreement: 1) to allow alcohol; that motion passed; and 2) to use the private donor's contribution; that motion failed. The resolution, which had not been addressed, would waive the fees.

Ms. Summerlin restated her motion to approve Resolution No. 06-2018 as amended to allow alcohol; Mr. Ferguson seconded the motion and the motion passed 3 to 1 with Ms. Summerlin, Mr. Ferguson, and Ms. White voting in favor of the motion and Mr. Baroody voting against the motion.

8. BOARD APPOINTMENTS

8A. Appointments to the Parks and Recreation Advisory Board. Mayor White requested the appointments be deferred at the request of Mr. Voelkel until he could be present to vote on the appointments. Council consensus was to defer the item.

8B. Appointment to the Recovery Community Coalition. Ms. Summerlin moved to appoint Leigh Ann Fitzpatrick to replace Julie Wood with term to expire December 31, 2018. Ms. White seconded the motion and it passed 4-0.

8C. Appointment to Mayor's Youth Advisory Council. Mayor White nominated Kayla Buck to replace Jonathan Traylor; Ms. Summerlin seconded the motion and it passed 4-0.

9. CITY MANAGER'S REPORT. Mr. McDaniel reported on the following:

- Recognized Sandra Yarbrough on her retirement after 34 years of service to the city.
- He was planning an annual council retreat in late May.
- Discussed the capital improvement report.

10. ITEMS FOR FUTURE AGENDAS

- Housing development on Loop 534.

11. EXECUTIVE SESSION:

Ms. White moved for the city council to go into executive closed session under Sections 551.087 (deliberation regarding real property) of Chapter 551 of the Texas Government Code; the motion was seconded by Ms. Summerlin and passed 4-0 to discuss the following matter:

11A. Section 551.087:

Deliberation regarding economic development negotiations in accordance with the Texas Open Meetings Act, Section 551.087, discussion regarding commercial or financial information received from a business prospect(s) and/or to deliberate the offer of a financial or other incentive to a business prospect(s).

At 8:12 p.m. the regular meeting recessed. Council went into executive closed session at 8:14 p.m. At 8:34 p.m. the executive closed session recessed and council returned to open session at 8:34 p.m. No action was taken in executive session.

12. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY:

ADJOURNMENT: The meeting adjourned at 8:34 p.m.

APPROVED: _____

ATTEST:

Bonnie White, Mayor

Brenda G. Craig, City Secretary

This meeting is recorded and can be viewed on the city's website at www.kerrvilletx.gov.

CITY COUNCIL MINUTES
WORKSHOP

KERRVILLE, TEXAS
MARCH 20, 2018

On Tuesday, March 20, 2018, the Kerrville City Council workshop was called to order at 10:00 a.m. by Mayor White in City Hall Council Chambers at 701 Main Street.

COUNCILMEMBERS PRESENT:

Bonnie White	Mayor
George Baroody	Mayor Pro Tem
Vincent C. Voelkel	Councilmember
C. Warren Ferguson	Councilmember

COUNCILMEMBER ABSENT:

Mary Ellen Summerlin	Councilmember
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CITY STAFF PRESENT:

Mark McDaniel	City Manager
Mike Hayes	City Attorney
EA Hoppe	Deputy City Manager
Brenda Craig	City Secretary
Kim Meismer	Director of General Operations
Drew Paxton	Director of Development Services
Sandra Yarbrough	Director of Finance
Guillermo Garcia	Executive Director of Strategic Initiatives

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

1. UPDATE REGARDING THE CITY'S DEVELOPMENT SERVICES OPERATIONS AND SERVICES

Mr. Paxton reviewed the services provided by development services and discussed the potential for process improvement. He reviewed the results of a recent stakeholders survey (Kano Analysis) that identified and prioritized customer requirements.

Mr. Garcia discussed the plan review process flow and noted opportunity for improvement. He recommended implementing new software to assist in streamlining development services' processes.

Mr. McDaniel discussed the need to update building and development codes; a plan will be discussed in the future.

The meeting adjourned at 11:02 p.m.

APPROVED: _____

ATTEST:

Bonnie White, Mayor

Brenda G. Craig, City Secretary



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

SUBJECT: Resolution No. 13-2018 requesting financial assistance from the Texas Water Development Board to finance certain improvements to the City's water system; authorizing the filing of an application for financial assistance and making certain finding in connection therewith

AGENDA DATE OF: 4/24/2018

DATE SUBMITTED: 4/18/2018

SUBMITTED BY: Amy Dozier, Director of Finance

EXHIBITS: Resolution No. 13-2018

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	N/A

PAYMENT TO BE MADE TO: N/A

SUMMARY STATEMENT:

The City of Kerrville is currently in the process of designing and engineering a process to mitigate the level of total trihalomethanes (TTHM) in our water system in accordance with the guidelines of from the Texas Commission on Environmental Quality (TCEQ).

The scope of this project includes a feasibility study, bench top testing, design/engineering and construction of a new treatment process to mitigate the formation of disinfection byproducts, particularly trihalomethanes. The bench top phase of the project is currently under way with engineering 30% complete. Construction cost is initially estimated at \$4.1 million.

The City has explored various funding options and is now evaluating the potential to utilize low interest financing through the Texas Water Development Board (TWDB). This State run board administers a loan program using the Drinking Water State Revolving Fund to provide a discounted interest rate to public entities making water infrastructure improvements. Overall, the utilization of this program is estimated to save the City almost \$800,000 in total cost over the 30 year life of the loan.

The City is in the process of completing a project information form for the TWDB. However, before submitting the full application, the City must pass a resolution of support for the project and utilization of this funding method.

Staff is working closely with the project engineer, financial advisor and bond counsel on the application process. All of the City's outside advisors are very familiar with this program and funding process. The outside advisors have recommended a request not

to exceed amount of \$5.0 million for the resolution. It is a simple process to ask for less funding from TWDB later in the application process when construction bid amounts are definite. However, if for any reason our costs exceed the \$5.0 million request, the loan process would have to start over. The analysis presented is based on the expected \$4.1 million amount.

RECOMMENDED ACTION:

Approve Resolution No. 13-2018

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 13-2018**

**A RESOLUTION REQUESTING FINANCIAL ASSISTANCE
FROM THE TEXAS WATER DEVELOPMENT BOARD TO
FINANCE CERTAIN IMPROVEMENTS TO THE CITY'S WATER
SYSTEM; AUTHORIZING THE FILING OF AN APPLICATION
FOR FINANCIAL ASSISTANCE; AND MAKING CERTAIN
FINDINGS IN CONNECTION THEREWITH**

WHEREAS, the City of Kerrville, Texas (the "City") in Kerr County, Texas, is a political subdivision of the State of Texas operating as a home-rule municipality pursuant to the Texas Local Government Code and its City Charter, which was initially approved by the qualified voters of the City on February 24, 1942, and which has been amended from time to time, with the most recent amendments being approved by the qualified voters of the City on May 10, 2014; and

WHEREAS, the City Council hereby finds and determines that there is an urgent need to make certain improvements to the City's water system (including improvements to address standards related to total trihalomethanes (TTHM) within the system) (the "Project"); and

WHEREAS, it is hereby officially found and determined that public notice of the time, place, and purpose of this meeting was given, all as required by Texas Government Code, Chapter 551;

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

SECTION ONE. REQUEST FOR FINANCIAL ASSISTANCE; APPROVAL OF APPLICATION. The Texas Water Development Board is hereby requested to grant financial assistance through its Drinking Water State Revolving Fund program in an amount not to exceed \$5,000,000.00 to finance the improvements to the City's water system described above, all as further described in the application for financial assistance related to the Project (the "Application").

SECTION TWO. AUTHORIZED REPRESENTATIVES OF CITY. The City Manager, Deputy City Manager, Public Works Director, City Engineer, and Director of Finance of the City each are hereby designated as an authorized representative of the City for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of the Application for financial assistance and the rules of the Texas Water Development Board. The City Manager, Deputy City Manager, Public Works Director, City Engineer, and Director of Finance of the City, together with bond counsel, financial advisor, and

consulting engineers named in Section Three, below, are hereby authorized to appear before the Texas Water Development Board in support of such Application and the Project. The City Manager, Deputy City Manager, Public Works Director, City Engineer, and Director of Finance of the City each are further specifically authorized to make the required assurances to the Texas Water Development Board in accordance with the rules, regulations, and policies of the Texas Water Development Board.

SECTION THREE. APPROVAL OF PROFESSIONALS. The following firms and individuals are hereby authorized and directed to aid and assist in the preparation and submission of the Application and appear on behalf of and represent the City before any hearing held by the Texas Water Development Board on the Application, to-wit:

ENGINEER	FINANCIAL ADVISOR	BOND COUNSEL
Coby C. Gee Freese and Nichols, Inc. 10431 Morado Circle., Ste. 300 Austin, Texas 78759	Anne Burger Entrekin Hilltop Securities Inc. 70 NE Loop 410, Suite 710 San Antonio, Texas 78216	Thomas K. Spurgeon Orlando "Jay" Juarez McCall, Parkhurst & Horton L.L.P. 700 N. St. Mary's, Suite 1525 San Antonio, Texas 78205

SECTION FOUR. INCLUSION OF RESOLUTION. A certified copy of this Resolution shall be included with the Application herein authorized to be prepared in final form and submitted to the Texas Water Development Board.

SECTION FIVE. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City hereby incorporates such recitals as a part of this Resolution.

SECTION SIX. EFFECTIVE DATE. This Resolution shall become effective immediately after its adoption.

PASSED AND APPROVED ON this the ____ day of _____ A.D., 2018.

Bonnie White, Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary



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

SUBJECT: Resolution No. 14-2018 expressing official intent to reimburse with tax-exempt obligation proceeds costs incurred to construct certain improvements to the City's water and wastewater system

AGENDA DATE OF: 4/24/2018

DATE SUBMITTED: 4/18/2018

SUBMITTED BY: Amy Dozier, Director of Finance

EXHIBITS: Resolution No. 14-2018

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	N/A

PAYMENT TO BE MADE TO: N/A

SUMMARY STATEMENT:

The City of Kerrville is currently in the process of applying for tax-exempt obligation funding from the Texas Water Development Board for the Legion Lift Station project and TTHM Mitigation project.

Engineering and other preliminary work for both projects is already underway and being paid for with cash on hand. The TWDB allows for certain expenses to be reimbursed through the debt financing provided that the City has passed a resolution specifying official reimbursement intent for a portion of the funds.

The City expects the following expenses to be reimbursed through debt proceeds:

- \$734,000 in engineering costs paid to Freese and Nichols related to a contract approved on 4/25/17 for the Legion Lift Station Project
- Depending on the timing of the funding, there could be other allowable and appropriate capital expenditures related to either project

Staff will continue to keep the City Council advised of the progress of these projects and our loan applications with the TWDB.

RECOMMENDED ACTION:

Approve Resolution No. 14-2018

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 14-2018**

**A RESOLUTION EXPRESSING OFFICIAL INTENT TO
REIMBURSE WITH TAX-EXEMPT OBLIGATION PROCEEDS
COSTS INCURRED TO CONSTRUCT CERTAIN
IMPROVEMENTS TO THE CITY'S WATER AND SANITARY
SEWER SYSTEM**

WHEREAS, the City Council of the City of Kerrville, Texas (the "City") hereby determines that there is an urgent need to make certain improvements to the City's water and sanitary sewer system, including improvements to address standards related to total trihalomethanes (TTHM) within the water system, the construction and equipping of a new lift station known generally as the "Legion Lift Station", and related improvements to replace an existing lift station (the "Projects"); and

WHEREAS, the City expects that it will pay, from available funds of the City, expenditures in connection with the Projects prior to the issuance of tax-exempt obligations (the "Obligations") to finance the Projects; and

WHEREAS, the City finds, considers, and declares that the reimbursement of the City for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the City and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the United States Treasury Regulations, to reimburse itself for such payments at such time as the City issues Obligations to finance the Project;

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

SECTION ONE. EXPECTATION TO INCUR DEBT. The City reasonably expects to incur debt, as one or more series of Obligations, with an aggregate maximum principal amount of \$15,000,000.00 for the purpose of paying the costs of the Projects.

SECTION TWO. REIMBURSEMENT OF PRIOR EXPENDITURES. All costs to be reimbursed pursuant hereto will be capital expenditures. No Obligations will be issued by the City in furtherance of this Resolution after a date which is later than 18 months after the later of (1) the date the expenditures are paid, or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

SECTION THREE. THREE-YEAR LIMITATION FOR REIMBURSEMENT. The foregoing notwithstanding, no Obligations will be issued pursuant to this Resolution more than three years after the date any expenditure which is to be reimbursed is paid.

SECTION FOUR. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City hereby incorporates such recitals as a part of this Resolution.

SECTION FIVE. EFFECTIVE DATE. This Resolution shall become effective immediately upon passage thereof.

PASSED AND APPROVED ON this the ____ day of _____ A.D., 2018.

Bonnie White, Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary



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

SUBJECT: Authorize the execution of a construction contract with Viking Construction, Inc. for the 2018 Slurry Seal project in an amount of \$300,393.90.

AGENDA DATE OF: 4/24/2018

DATE SUBMITTED: 4/16/2018

SUBMITTED BY: Kyle Burow

EXHIBITS: 2018 Slurry Seal_Received Bids
2018 Slurry Seal_Street List
2018 Slurry Seal_Recommendation Letter

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$300,393.90	\$560,292.85	\$1,000,000.00	01-0161-2420

PAYMENT TO BE MADE TO: Viking Construction, Inc.

SUMMARY STATEMENT:

As part of the City of Kerrville's adopted Street Maintenance Plan, the City consulted 6S Engineering, Inc. to develop construction specifications for the 2018 Slurry Seal project. At the previous City Council meeting, an update was provided for future phases of work to be completed this fiscal year. The scope of this project is for the slurry seal component of the Year 3 maintenance plan and the project was placed for advertisement, the bid opening was held April 10, 2018. Two bids were received with Viking Construction, Inc. as the apparent low bid. Staff, along with 6S Engineering, evaluated the contractor and recommend awarding the base bid construction contract amount of \$300,393.90 to Viking Construction, Inc.

This bid award is in alignment with the street maintenance presentation provided to the City Council on April 10, 2018.

RECOMMENDED ACTION:

Authorize the City Manager to finalize and execute a construction contract with Viking Construction, Inc.

Project Name : 2018 Slurry Seal Engineering Number: PW#18-001 Bid Opening: April 10, 2018

Project Name : 2018 Slurry Seal Engineering Number: PW#18-001 Bid Opening: April 10, 2018

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[illegible]

2018 Slurry Seal Street List

- Alamo Dr N from San Jacinto Dr N to San Jacinto Dr N
- Calle de Robles from Riverhill Blvd to End
- Coronado Dr N from Glen Rd N to West Ln N
- Dena Dr E from Box Elder Dr E to Scarlet Dr E
- Earl Garrett St N from Myrta St N to Bulwer Ave N
- Elmwood Dr N from Crestwood Dr N to Methodist Encampment Rd N
- Fawn Dr N from Antler Dr N to Stadium Dr N
- Fawn Dr N from Lane Dr N to Antler Dr N
- Hackberry Dr S from E Shady Dr S to Guadalupe St S
- Highlands Dr E from Riverhill Blvd E to Larry Lee Dr E
- Hunt St N from Clara St N to End
- Lamar St N from Bulwer Ave N to Barnett St N
- Lane Dr N from Fawn Dr N to Marion Dr N
- Lytle St N from 3rd St N to 2nd St N
- Lytle St N from 2nd St N to 1st St N
- Mack Holliman Dr E from Bandera Highway (SH 173) to Rit Jons Dr E
- Mae Dr N from Newton St N to End
- Marion Dr N from Sidney Baker (SH 16) to Lane Dr N
- Milton St S from Woodlawn Ave S to End
- North St N from A St N to Tivy St N
- Old Oaks Path N from Morningside Dr N to End
- Panorama Dr N from Lazy Ln N to Methodist Encampment Rd N
- Paragon Pl N from Quinlan Creek Dr N to End
- Pin Oak Way N from Harper Highway (FM 783) to End
- Quinlan St N from Charles St N to End
- Ross St N from 2nd St N to 1st St N
- Ross St N from 5th St N to 4th St N
- Ross St N from 4th St N to 3rd St N
- Scarlet Dr E from Dena Dr E to Old FM 689 E
- Schreiner St N from Clay St N to Quinlan St N
- Schreiner St N from Hays St N to Rodriguez St N
- Schreiner St N from Rodriguez St N to Francisco Lemos
- Schreiner St N from Quinlan St N to Hays St N
- Spring Mill Dr E from Englewood Dr E to Riverhill Blvd E
- Stadium Dr N from Fawn Dr N to Antler Dr N
- Stadium Dr N from Antler Dr N to Yorktown Blvd N
- Tivy St N from Myrta St N to 3rd St N

- Uvalde St N from Tanglewood Ln N to Alice St N
- W Crest Dr N from Trailwood Cir N to W Ridge Cir N
- W Crest Dr N from W Bluff Dr N to Bluff Ridge Dr N
- W Water St S from Lowry St S to Water St S
- Warbler Dr N from Quail Run N to End



ENGINEERING, INC
TBPE F-18435

April 11, 2018

Mr. Kyle Burow, P.E., CFM
City of Kerrville
701 Main Street
Kerrville, TX 78028

Reference: 2018 Slurry Seal Project- Bid Recommendation

Dear Mr. Burow:

6S Engineering, Inc. has reviewed the bid proposals for the above referenced project. There were two (2) bidders for the project. It is recommended that Viking Construction, Inc. be awarded the Base Bid contract for the Base Bid amount of \$300,393.90. If there are any questions or concerns, please do not hesitate to contact us.

Sincerely,

A handwritten signature in blue ink that reads "Jess W. Swaim".

Jess Swaim, P.E.
Vice President



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

SUBJECT: Budget and economic update for the month ended March 31, 2018.

AGENDA DATE OF: 4/24/2018

DATE SUBMITTED: 4/19/18

SUBMITTED BY: Amy Dozier, Director of Finance

EXHIBITS: Financial Summary

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	N/A

PAYMENT TO BE MADE TO: N/A

SUMMARY STATEMENT:

Year to date through March 31, 2018, the General Fund has recorded revenues of \$17,375,843 compared to expenditures of \$12,743,681. Notable activity includes:

1. Sales tax revenue continues to come in under budget. On a YTD basis, it is down 0.3% compared to FY2017. Our budget forecasted growth of 3.6%. We are hopeful that collections will increase in the last half of the year, but we have a potential shortfall of approximately \$200,000 for the year. We are actively evaluating expenditure reductions to match the potential revenue shortfall.
2. We have collected 94% of expected property tax for the year. The county offers semi-annual payments for any tax payer requesting that option, so we expect to see a bump in collections during June when the 2nd payment is due.
3. Expenditures are slightly under budget on a YTD basis due primarily to public safety staffing vacancies.

Year to date through March 31, 2018, the Water and Sewer Fund received revenues of \$6,039,519 compared to expenditures of \$6,180,442. Due to the seasonal nature of water revenues, it is common at this point in the year to have expenditures exceed revenues. Notable activity includes:

1. Sewer revenue is lower than budget. We are currently finishing up our annual residential sewer averaging and will have more information by the end of the month on what kind of revenue to expect for the last half of the year.

2. FY2018 expenditures include increased transfers for asset replacement (\$150k) and the comprehensive plan (\$75k).

Project activity for the month was primarily at the reuse pond, with the liner and soil cement portions completed in April. Requests for qualifications related to the Aquatics Center and Public Safety Complex are open until May 11th. The City's application to the Texas Water Development Board for financial assistance for the Legion Lift Station project was completed on April 8th.

Building permits for new single family residential and commercial property continue at higher levels than FY2017.

RECOMMENDED ACTION:

Information purposes only. No action required.

City of Kerrville
Financial Summary
For the Month Ended March 31, 2018

Fund	Year to Date FY2018 Actual	Year to Date FY2018 Budget	Better / (Worse) than Budget	Year to Date FY2017 Actual	Change from FY2017	Variance Explanation
General Fund						
Revenues						
Property Tax	\$ 8,920,180	\$ 9,010,656	\$ (90,476)	\$ 8,762,968	\$ 157,211	note A
Sales Tax	3,357,645	3,487,306	(129,661)	3,367,686	(10,040)	note B
Other Revenue	5,098,018	5,149,617	(51,600)	8,200,643	(3,102,625)	note C
Total Revenue	17,375,843	17,647,579	(271,737)	20,331,297	(2,955,454)	
Expenditures	12,743,681	13,349,598	605,916	13,804,785	(1,061,103)	note D
Net	4,632,161	4,297,982	334,180	6,526,512	(1,894,351)	
Water and Sewer Fund						
Revenues						
Water Sales	2,555,637	2,524,783	30,854	2,501,344	54,293	
Sewer Sales	2,607,615	2,784,310	(176,695)	2,650,123	(42,508)	note E
Reuse	25,951	37,573	(11,622)	24,238	1,713	
Other Revenue	850,317	304,292	546,025	375,711	474,606	
Total Revenue	6,039,519	5,650,958	388,562	5,551,415	488,104	
Expenditures	6,180,442	6,132,728	(47,714)	5,722,496	457,946	note F
Net	(140,922)	(481,770)	340,848	(171,080)	30,158	
Golf Fund						
Revenues	406,829	433,163	(26,334)	369,350	37,478	
Expenditures	419,593	476,745	57,152	423,390	(3,797)	
Net	(12,764)	(43,582)	30,818	(54,040)	41,275	
Hotel Occupancy Tax Fund						
Revenues	523,910	496,681	27,229	505,008	18,902	
Expenditures	535,800	587,600	51,800	500,200	35,600	
Net	\$ (11,890)	\$ (90,919)	\$ 79,029	\$ 4,808	\$ (16,698)	

Notes:

- A. Property Tax** - This is our first full year with the County as our tax collector. The County offers semi annual payments that KISD did not. We expect to see a large payment in June when the 2nd semi annual payment is due.
- B. Sales Tax** - FY2017 saw increased sales tax collections at businesses offering hail damage repair services. We should be near the end of that impact, but it is likely we will miss our sales tax budget by approximately \$200k for the year. We are actively evaluating expenditure reductions to match the potential revenue shortfall.
- C. Other Revenue** - FY2017 had a \$2.0 million transfer in related to a capital project that did not recur in FY2018. In addition, FY2017 the process for disallowed and bad debt charge offs was still being established with our new EMS biller, Intermedix. That resulted in larger catch up charges later in FY2017 for those items. In FY2018, the charges are being regularly recorded each month, making FY2018 revenue lower than FY2017 revenue when comparing activity through March.
- D. General Fund Expenditures** - FY2018 expenditures are lower than budget primarily due to public safety staffing vacancies.
- E. Sewer sales** - New residential sewer averages will be complete in April 2018. We are actively evaluating these numbers to determine if we will be able to meet budget for the year.
- F. Water and Sewer Other Revenue** - FY2018 contains a \$415k transfer in related to the debt refinancing.