

CITY COUNCIL MINUTES  
BUDGET WORKSHOP

KERRVILLE, TEXAS  
AUGUST 4, 2015

August 4, 2015, the meeting of the Kerrville City Council was called to order by Mayor Pratt at 1:03 p.m. in the city hall upstairs conference room, 701 Main Street.

COUNCILMEMBERS PRESENT:

Jack Pratt	Mayor
Gary F. Stork	Mayor Pro Tem
Stephen P. Fine	Councilmember
Bonnie White	Councilmember

COUNCILMEMBERS ABSENT:

Gene Allen	Councilmember
------------	---------------

CITY EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Day	Deputy City Manager
Brenda G. Craig	City Secretary
Sandra Yarbrough	Director of Finance
Kim Meisner	Director of General Operations
Ashley Boyle	Special Projects Manager
David Knight	Police Chief
Dannie Smith	Fire Chief
Stuart Barron	Public Works Director

**DISCUSSION AND DIRECTION TO STAFF REGARDING PROPOSED FISCAL YEAR 2016 BUDGET**

Mayor Pratt noted the original draft budget was presented to council in June and amendments had been incorporated into the document as a result of previous council discussion. Council discussed the following points:

- Personnel cost in the general fund was 72.5% and in the water/sewer fund was 25.5%; how would the added employees affect those percentages? Mr. Parton noted the added employees were already included in the proposed budget and fiscal sustainability model as future recurring expenditures.
- Police body cameras in future budgets, including storage equipment and employees; purpose was to protect police officers. Mr. Parton noted the cost had been programed into the fiscal modeling with startup and equipment purchase in 2016 estimated at \$200,000 and \$175,000 recurring annual expense; budget included two employees in police department and one employee in information technology department.
- Salaries in municipal court increased due to judges taking on additional warrants as requested by the county.
- Proposed budget filled one patrol officer and one detective position that had been frozen since 2010 in the police department.

- The animal carcass disposal line item amount did not increase, amount was transferred from the recycling budget.
- Overall increase of over \$400,000 in the parks department from 2014 to 2016. Mr. Parton noted several items contributed to the increase: parks staff had been cut significantly in 2010 and the 2016 budget would fill those positions; an additional three man crew was added in the 2016 budget to assist the street department with right of way maintenance and maintain additional parks and trails; and increase in cost of power to run pumps.
- Suggested historical/heritage be moved from the library to the main street program.
- Noted \$47,733 in landfill post closure line item. Mr. Parton noted the city was on schedule with permitting process to reopen the landfill.
- General fund had an insurance reserve fund; also wanted an employee medical insurance reserve fund to offset future increases. Mr. Parton noted that such a reserve account was already set up.
- Although the economic improvement corporation sets its own budget, council may make recommendations for projects. Council discussed working with TxDOT to reconstruct the I-10/Harper Road interchange. Mr. Parton noted the project was in the city's 10 year capital plan and that TxDOT would be more likely to fund the project with local participation to pay for environmental studies and the schematic. Council proposed having a workshop with the county, schools, and utility providers to discuss local participation. Council noted that even after the studies were complete, there was no guarantee that TxDOT would do the project; however, without local participation there was no chance.
- Included \$100,000 for a study related to the relocation of a criminal justice facility.
- Discussed ASR (aquifer storage recovery) well #3 and #4. Mr. Parton noted the Methodist Encampment well was drilled for dual use and staff was looking at reworking it for ASR injection and storage and drilling and new well #4. The city also had a study underway to convert ASR #3 for storage of treated effluent.
- Reuse pond and line distribution line item included \$800,000, which was in addition to \$2 million for pond design, construction phase 1, and line distribution. Mr. Parton noted that design and phase I were funded through \$1.3 million cash on hand; an additional \$10 million was budgeted in 2016 from proposed water/sewer debt; the total project was estimated at \$15 million.
- \$18,000 budgeted for training in the water/sewer fund to be used for Ms. Day and a representative of Freese and Nichols to go around the state and talk about the building of the reuse pond; Ms. White stated the funds should be used for training employees in plant operations. Mr. Barron noted the city had a contract with the provider to conduct testing, at no cost to the city other than the cost of chemicals, and make recommendations.
- Water loop to alleviate circulation problems. Mr. Parton noted the water system was very complex with 13 pressure planes and elevated tanks. Ms. Day noted that the water study by Freese & Nichols looked at looping to correct TTHM (total trihalomethanes); several projects were budgeted in the capital improvement plan to address issues. Ms. White noted \$17 million in the EIC fund for quality of life projects; she proposed that EIC funds be used to address TTHM issues.

- City participation in affordable housing and workforce housing.
- Intensive work was needed on city streets; only \$1 million was budgeted. Mr. Parton noted the city's objective was to establish and maintain a 15 year street maintenance plan and the budget had steadily increased over the last several years. The staff and equipment was currently at maximum; if additional streets were added into the budget, the city would have to purchase more equipment and hire additional staff, or contract the work. He estimated it would cost roughly \$48 million to repair all the city streets.
- The city planned to issue \$10 million debt for the reuse ponds; discussed increasing that amount to fund additional street maintenance. It was noted if debt was used to fund street maintenance, the streets would need repair again before the debt was paid off. Mr. Parton noted the street study was nearing completion, and he would continue to monitor the budget during the year for additional funds for street maintenance.

**ADJOURNMENT:** The meeting adjourned at 2:19 p.m.

APPROVED: 10/13/2015

/s/  
Jack Pratt, Jr., Mayor

ATTEST:

/s/  
Brenda G. Craig, City Secretary