

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING**

February 25, 2013

On Monday, February 25, 2013, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by David Wampler, President, in the City Hall Council Chambers, 701 Main Street, Kerrville, Texas.

Members Present:

David Wampler, President
Kenneth Early, Vice President (arrived at 4:04 p.m.)
Rex Boyland, Secretary (arrived at 4:02 p.m.)
Stacie Keeble
Polly Rickert
Gary Cochrane

Members Absent:

Larry Howard

City Executive Staff Present:

Todd Parton, City Manager
Kristine Ondrias, Assistant City Manager
Mike Hayes, City Attorney
Cheryl Brown, Deputy City Secretary
Mike Erwin, Finance Director
Sai Vongchampa, Budget/Purchasing Manager
Ashlea Boyle, Special Projects Coordinator
Malcolm Matthews, Director of Parks and Recreation
Charvy Tork, Director of Information Technology
Keith Magnell, Technical Support Analyst
Kimberly Meismer, Director of General Operations

Visitors Present: Visitor list available in the City Secretary's Office for the required retention period.

Jonas Titas, Executive Director of the Kerrville Economic Development Corporation

INVOCATION: Given by Mr. Cochrane.

1. VISITORS/CITIZENS FORUM: No one spoke.

2. APPROVAL OF THE MINUTES:

2A. Minutes of the regular meeting held January 14, 2013 and the EIC Walking Tour held on February 8, 2013. Ms. Rickert moved for approval of the minutes of January 14, 2013, and February 8, 2013; Mr. Cochrane seconded the motion and it passed 4 to 0. (Mr. Early and Mr. Boyland arrived after the vote was taken.)

3. MONTHLY REPORTS:

3A. Monthly financials for December 2012: Mr. Vongchampa reported on the January 2013 financials. He reported that there was a sales tax revenue increase of 6.7% over January 2012, and that the increase was due to better economic conditions, as well as the increased sales tax revenue from Fox Tank and James Avery Craftsman. He also presented a break-down of the River Trail project; both the sources of the funding, and the expenditures of the project. He noted there was still an amount of \$747.00 due from the Hill Country Sports Shooting Center. A letter was sent to the HCSSC, and staff was waiting for a response.

3B. Capital Projects Update: Mr. Parton reported:
Harper Highway Project Phase II: The project was proceeding on schedule.

Golf Course Pavilion and Parking Lot Improvement Projects: Contracts had been signed for these projects, which should begin this week; and were to be completed before the season began in May. Mr. Parton also reported that it appeared that the projects would come in under budget.

Downtown Utility Improvement Project: Bob Keeling from KPUB reported that he had spoken with satellite and cable providers, and there was an estimate of a completion time frame for those providers to complete their portion of the work of 30 days after KPUB's work was finished. Mr. Erwin stated that the EIC had committed \$300,000.00 to this project.

3C. Update regarding "Go Team" activities:
Ms. Boyle reported that the "Go" Team met on February 18, 2013, and reviewed the funding application from Texas Arts and Crafts Educational Foundation. She reported that there were an anticipated 2-3 more "Go" Team meetings to be held in the near future regarding additional new prospects.

3D. Update on the River Trail and Parks projects:
Mr. Matthews reported Half & Associates were preparing to begin Package B. He had spoken to KPUB regarding some solar panels for the park. He also reported that there were two bills currently before the state legislature regarding eminent domain, which could affect acquiring the easements for the River Trail. He would have an update on that, and the progress of Package B at the next EIC meeting.

3E. Update on Kerrville Economic Development Corporation: Mr. Titas reported that KEDC met with an aviation company regarding the possibility of relocating to Kerrville; and a west Texas manufacturing company that was considering bringing a machinist shop to Kerrville. He was still working with the wine industry people, and monitoring the new facility at Fox Tank. He had not completed the economic development guidelines he was asked to prepare at the last EIC meeting. He would finish preparing a proposal to present to the EIC at a future

meeting. He will also continue to work on the revolving loan program, and will bring a report to EIC soon.

4. DISCUSSION AND POSSIBLE ACTION:

4A. Funding agreement with Fox Tank Company for the expansion of its manufacturing operation in the City of Kerrville: The EIC deferred discussion of this matter to executive session.

4B. Funding application from the Texas Arts & Crafts Educational Foundation: Mark Haufler, President of the Texas Arts & Crafts Educational Foundation gave a brief presentation, and the EIC deferred the matter to executive session.

4C. Update on downtown wireless project: Mr. Parton reported that the wireless signal in City Hall was boosted to cover Peterson Plaza; he reviewed graphs indicating usage in that area. He estimated the cost of implementing full wireless coverage of the downtown area and Louise Hays Park at \$70,000.00 to \$80,000.00. He surveyed several cities that provided free wireless access, and found that many were “backing away” from that service for several reasons: availability of 4G and LTE services, free wireless was becoming less financially feasible, and the increasing danger of illegal activities related to wireless being made available to the public. Also, with Louise Hays Park closing for eighteen months, Mr. Parton opined that implementing free wireless access was not feasible at this time; rather, he suggested placing an amplifier in the parking garage and continuing to boost the City’s wireless signal from City Hall as a better option. After the park re-opens, perhaps the 4G and LTE coverage in the Kerrville area would be stronger, which may eliminate the need for free wireless access. The EIC directed staff to determine the cost of putting an amplifier in the parking garage, and report at a future meeting.

5. INFORMATION AND POSSIBLE ACTION:

5A. State of the City update: Mr. Parton reported on the City’s 5 year forecast for the general fund, including revenue, expenditures, current fund balance reserve, and reserve target through the FY18. He presented the General Fund revenue and expenditure trend for the balanced budget from 2002 through 2012. and the historical property tax rate. He outlined the City’s strategic plan, and the core infrastructure. He discussed the City’s Certificate of Convenience and Necessity from Texas Commission on Environmental Quality regarding water sales, and the City’s water supply. He reviewed the EIC’s revenue to debt service comparison, and sales tax sources.

Mr. Parton discussed holding a joint workshop meeting the City Council. He suggested the EIC hold a workshop prior to any joint meeting with the City Council. The EIC directed staff to determine a date agreeable to all, and set the workshop agenda.

6. EXECUTIVE SESSION:

Mr. Boyland moved that the Economic Improvement Corporation go into executive closed session under Section 551.071 (consultation with attorney), and Section 551.087 (deliberation regarding economic development negotiations); Ms. Keeble seconded the motion, and it passed 6-0 to discuss the following matters:

Sections 551.071, and 551.087:

At 5:15 p.m. the regular meeting recessed and the EIC went into executive closed session at 5:17 p.m. At 5:36 p.m. the executive closed session recessed and the Board returned to open session at 6:27 p.m.

Mr. Wampler announced that no action had been taken in executive closed session.

ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

4A. Funding Agreement with Fox Tank Company (FTC) for the expansion of its manufacturing operation in the City of Kerrville: Ms. Rickert moved that the EIC approve the funding agreement with the following changes:

- Article 2 B (1), change the minimum level of employees to 30 full time employees by 120 days after receipt of a Certificate of Occupancy.
- Article 2 B (3), delete the sentence that states that each employee must be paid a minimum wage equal to \$19.00 per hour, and replace it with-“ FTC will pay a minimum of \$1.2 million total gross payroll per year for employees related to this particular project.”
- Item 2 C, change “full-time employees” to “full-time equivalent”; and change “month” to “quarter”, with the report being due on or before the 30th day after the quarter ends.
- Amend Article 2, Section F, which stated “on or before December 31, 2013, FTC must receive ASME certification, and maintain such certification on an annual basis for the duration of the agreement” to “on or before December 31, 2013, FTC must apply for ASME certification,” and delete the rest of that sentence.
- Article 8 G, modify the end of the term to be 2023, instead of 2022, to allow for a full 10-year term.

Ms. Keeble seconded, and the motion passed 6-0.

4B. Funding Request from Texas Arts and Crafts Educational Foundation:

Mr. Early moved that the EIC direct staff to prepare a funding agreement to fund the request from Texas Arts and Crafts Educational Foundation in the amount of \$15,500.00 for infrastructure costs associated with the 42nd annual official Texas Arts and Crafts Fair during the Memorial Day weekend at the River Star Events Park. Mr. Cochrane seconded and the motion passed 6-0.

ADJOURNMENT:

Mr. Wampler adjourned the meeting at 6:30 p.m.

APPROVED: _____

David Wampler, President

ATTEST:

Cheryl Brown
Deputy City Secretary