

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
MARCH 12, 2013

On March 12, 2013, the Kerrville City Council meeting was called to order at 6:00 p.m. by Mayor Pratt in the city hall council chambers at 701 Main Street. The invocation was offered by Allen Noah, Pastor of Barnett Chapel, followed by the Pledge of Allegiance led by Sam Barker of the Military Officers Association of America.

COUNCILMEMBERS PRESENT:

Jack Pratt	Mayor
Gene Allen	Councilmember
Carson Conklin	Councilmember
Justin MacDonald	Councilmember

COUNCILMEMBER ABSENT:

Stacie Keeble	Mayor Pro Tem
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CITY EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Heather Stebbins	Assistant City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Charvy Tork	Director of Information Technology Systems
Mike Erwin	Director of Finance
Robert Ojeda	Fire Chief
David Knight	Police Captain
Jason Lutz	City Planner
Charlie Hastings	Director of Public Works

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

1. VISITORS/CITIZENS FORUM

1A. A proclamation was read declaring 2013 as the Centennial Celebration of the Girl Scouts of the United States of American and the Year of the Girl.

1B. David McElvain offered suggestions on conducting council meetings to make more effective use of time: 1) Vetting presentations by consultants, i.e. Bob Treacy, city's employee benefits consultant, regarding the Patient Protection and Affordable Care Act of 2010 and its effect on the city; 2) Closed executive sessions, he suggested the agenda state the subjects to be discussed; also, he asked how the public can find out what was discussed and what action had been taken in executive session; and 3) Questioned the waiver of the sign code for National Car that was granted in executive session several meetings prior without any public input. He also recommended that the newspaper include council meeting dates in their meetings event calendar.

Council noted that no waiver was granted to National Car; council directed staff, in open session, to prepare an amendment to the sign code and place it on future council agendas for two readings of the ordinance.

2. RECOGNITIONS AND PRESENTATION:

2A. Recognition of City Secretary Brenda Craig for being nominated as TMCA Municipal Clerk of the Year 2012 by the Texas Municipal Clerks Association.

2B. Recognition for excellence in financial reporting by the Government Finance Officers Association. The city has received the award every year for 28 years.

3. CONSENT AGENDA:

Mr. Conklin moved for approval of items 3A through 3C; Mr. MacDonald seconded the motion and it passed 4-0:

3A. Minutes of the regular meeting held on January 22, 2013, and the special meeting held on January 25, 2013.

3B. Resolution No. 09-2013 amending the City of Kerrville fee schedule by eliminating the fee for copying charges at the Kerr Regional History Center.

3C. Construction contract with Kendnel Kasper Construction, Inc. for construction of improvements to the Butt-Holdsworth Memorial Library lower level project in the amount of \$191,585.00 and additional change orders not to exceed a total contract amount of \$229,902.00.

END OF CONSENT AGENDA

4. ORDINANCES, SECOND AND FINAL READING:

4A. Ordinance No. 2013-05 amending Article 10-IV-1 of the City of Kerrville Subdivision Code, commonly referred to as the city's "Subdivision Regulations", by amending Section 10-IV-1(B)(2)(D) of said regulations to address nonconforming lots; containing a cumulative clause; containing a savings and severability clause; providing for an effective date; ordering publication; and providing other matters related thereto. Mayor Pratt read the ordinance by title.

Mr. Lutz noted city council held the public hearing on February 26; no one spoke; council approved the ordinance on first reading; and no changes had been made.

Mr. Conklin moved to adopt Ordinance No. 2013-05 on second and final reading; Mr. MacDonald seconded the motion and it passed 4-0.

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Economic development grant agreement between Fox Tank Company (FTC) and the City of Kerrville, Texas Economic Improvement Corporation.

Mr. Parton noted the proposed funding agreement would reimburse FTC \$150,000 for capital improvements and equipment to expand the facility in order to manufacture oil and gas separators. This phase 2 project would add 30 new jobs with a gross annual payroll of \$1.2 million. On February 25 the EIC board

recommended to proceed, and a public hearing was scheduled for March 18. He recommended council action be deferred to the March 26 meeting.

Nathan Fox anticipated receiving ASME (American Society of Mechanical Engineers) certification that would allow FTC to manufacture new heater treaters/separators. The production of the new ASME certified vessels would create 30 new jobs that would require higher skilled welders at higher pay. Construction of the new facility, alongside the existing facility, would begin in early April.

Jonas Titas, Executive Director of the Kerr Economic Development Corporation, noted that FTC was a major supplier in the oil industry, and this proposed new production facility would add \$1 million capital investment to the FTC's facilities. The economic impact study showed a \$35 million economic impact over ten years, and created 30 primary high skilled jobs with annual payroll of \$1.2 million.

5B. Naming of new Scott Schreiner Golf Course Pavilion.

Ms. Ondrias noted last month council awarded the contract for construction of the pavilion. She reviewed the history of the Cullins Family at the golf course and reviewed the city's guidelines established in the naming policy.

Mr. Conklin moved to approve the naming of the new pavilion as "Cullins Family Pavilion." Mr. MacDonald seconded the motion and it passed 4-0.

5C. Pending legislation from the 83rd Texas Legislature, Regular Session.

Mr. Parton noted there were many bills being discussed by the legislature that could impact the city. He proposed to have a standing item on future agendas for council to discuss pending legislative issues and, if desired, to establish an official position and authorize someone to represent the city in Austin. He presented a list of pending legislation and staff's position.

Mr. Erwin discussed several bills that were on staff's watch list regarding:

-Concern that the state legislature was getting involved in government accounting standards, rules and regulations.

-Lower the threshold for referendums on certificates of obligation; currently is 5% of the number of people who voted in the last city election, could change to 5% the number who voted in the last governor's race.

-Tax rate adoption process, require a record vote even if the city did not exceed the effective tax rate.

-Propose a credit against property tax for drip irrigation or rainwater catchment systems; this would erode property tax revenue.

Council consensus was that the state should not interfere with how the city handled and voted on its budget, should not give away money that belonged to the city, and should not interfere with any local government taxes.

6. INFORMATION AND DISCUSSION

6A. Update on the Fiscal Year 2012 comprehensive annual financial report.

Mr. Erwin noted the audit committee met today, and the CAFR will be presented at the next meeting for city council approval.

Kevin Kemp, BKD auditing firm, noted the audit was 90% complete and items identified in last year's audit were corrected, and he did not expect any significant changes, weaknesses or deficiencies. The city experienced an outstanding financial year and the unassigned funding covered almost 29% of operating expenditures as of September 30, 2012; the previous year was at 19%.

Mr. Parton noted that council had taken action to allocate part of the cash reserve toward the renovation of central fire station.

6B. Economic update.

Mr. Erwin noted that nationally job growth increased in 2012 in the private sector, but not in government jobs. Local sales tax increased 9.7% and HOT increased 4.5% over the same month last year. Council discussed the local median home listing, and Mr. Erwin noted the data provided was from a national data base and that it may not take into consideration all of the unique factors in the community. Council noted more homes were on the market and this may be driving prices down. Mr. Erwin noted that values were stable and he did not anticipate any decrease in the residential tax base, in fact, \$12-15 million new construction was added last year.

Mr. Erwin reported that revenues exceeded expenditures in the general fund and the water and sewer fund. Nationally, there were 3 million less people employed in 2012 than in 2009; in Kerr County, there were 500 less employed now than in 2009.

6C. Water resources report.

Mr. Hastings noted the city continued to be in extreme drought; rainfall totaled about 4 inches in the last three months. Recent rains increased the river flow to an average of about 32 cfs. Stage 2 water restrictions may take place in May, possible Stage 3 in June-July. The rain in January allowed the city to inject into the ASR well; the current reading was at 756 million gallons.

7. **ITEMS FOR FUTURE AGENDAS:** None.

8. **ANNOUNCEMENTS OF COMMUNITY INTEREST:**

- City council and staff meetings were on-going with the county regarding extending the interlocal agreement for fire/EMS service.

9. **EXECUTIVE SESSION:**

Mr. Conklin moved for the city council to go into executive closed session under Sections 551.071 and 551.072 of the Texas Government Code; the motion was seconded by Mr. MacDonald and passed 4-0 to discuss the following matters:

Sections 551.071 and 551.072:

- River Trail
- Jefferson Street lift station
- G Street sewer project

At 7:03 p.m. the regular meeting recessed and council went into executive closed session at 7:08 p.m. At 7:41 p.m. the executive closed session recessed and council returned to open session at 7:42 p.m. The mayor announced that no action had been taken in executive session.

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

ADJOURNMENT. The meeting adjourned at 7:43 p.m.

APPROVED: _____

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary