

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
JULY 23, 2013

On July 23, 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 Reverend Patty Edwards, Unity Church of the Hill Country, followed by the Pledge of Allegiance led by Police Chief John Young.

COUNCILMEMBERS PRESENT:

Jack Pratt	Mayor
Carson Conklin	Mayor Pro Tem
Gene Allen	Councilmember
Stacie Keeble	Councilmember
Justin MacDonald	Councilmember

COUNCILMEMBER ABSENT:

CITY EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Sandra Yarbrough	Director of Finance
Robert Ojeda	Fire Chief
John Young	Police Chief
Jason Lutz	Senior Planner
Kim Meismer	Director of General Operations

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

1. **VISITORS/CITIZENS FORUM:** No one spoke.

CITY COUNCIL RECESS:

The Kerrville City Council recessed the regular city council meeting to convene a meeting of the City of Kerrville Employee Benefits Trust at 6:03 p.m. Following the City of Kerrville Employee Benefits Trust meeting, the Kerrville City Council reconvened into regular session at 6:05 p.m.

3. **CONSENT AGENDA:**

Mr. Allen moved for approval of agenda items 3A through 3D; Mr. Conklin seconded the motion and it passed 5-0:

3A. Minutes of the regular Kerrville City Council meetings held June 25, 2013, and July 9, 2013.

3B. Purchase new CAD/RMS (Computer Aided Dispatch and Records Management System) from Tyler Technologies for the police department, in the

amount of \$46,091.00.

3C. Construction contract with Nelson Lewis, Inc. for the construction of the Jefferson lift station, gravity and force main and the Riverhills/Ridgewood transmission main-Phase 1 project in the amount of \$1,575,764.00 and additional change orders which may exceed \$50,000 but not exceed the total amount of \$1,890,917.00.

3D. Resolution No. 23-2013 authorizing the transfer of the ownership of funds from the City of Kerrville to the City of Kerrville Employee Benefits Trust to pay for employee related benefits for fiscal year 2014.

END CONSENT AGENDA

4. ORDINANCE, SECOND AND FINAL READING:

4A. Ordinance No. 2013-08 annexing an approximately 0.91 acre tract out of original Survey No. 148, John A. Southmayde, Abstract No. 288, part of the Clergy Hollimon tract, within Kerr County, Texas; said property being located adjacent to the corporate limits of the City of Kerrville, Texas, and with the address of 2262 Bandera Highway; describing the territory to be annexed; adopting a service plan for the territory annexed; and establishing the zoning for the area annexed. Mayor Pratt read the ordinance by title only.

Mr. Lutz noted no changes since first reading.

Council discussed the issue of property access as discussed at a previous meeting by adjacent property owners. Mr. Lutz noted that adjacent owners had been contacted and were in the process of providing documents to staff.

Mr. MacDonald moved for approval of Ordinance No. 2013-08 on first reading; Mr. Conklin seconded the motion and it passed 5-0.

5. ORDINANCES, FIRST READING:

5A. Ordinance No. 2013-14 amending Chapter 42 "Emergency Services" of the Code of Ordinances of the City of Kerrville, Texas, by amending Article III, "Emergency Medical Services" in its entirety to provide for the continued maintenance, operation, licensing, and regulation of such services; providing a penalty for violation of any provision hereof; containing a cumulative clause; containing a savings and severability clause; ordering publication; providing for an effective date; and providing other matters relating to the subject. Mayor Pratt read the ordinance by title only.

Chief Ojeda noted the current ordinance was adopted 20 years ago when Kerrville Fire Department (KFD) began an ambulance service in 1994 in order to establish regulations for maintaining and operating EMS and provide for medical control through a medical director. The proposed ordinance would: 1) establish that the city owns, operates, and maintains an emergency and non-emergency or transfer ambulance service system; 2) provide medical control by means of a medical director whose duties are addressed in a contract; 3) establish regulations and procedures for the licensing of non-emergency or transfer services and the

coordination of ambulance services within the city limits; 4) remove fees from the code of ordinances and establish that fees are set annually by city council; 5) delete and/or change some definitions and language as terminology has changed; 6) establish expectations and level of service for other emergency ambulance service providers; and 7) require licensing of non-emergency ambulances.

The ordinance also established exceptions for the licensing of certain ambulance services: 1) a vehicle rendering service as an ambulance in the case of a major catastrophe or extreme system overload when such condition has been declared; 2) an ambulance owned, operated, provided, or contracted by a federal or state agency; 3) an emergency ambulance service engaged in transporting a patient from a point of origin located outside the service area to a location within the service area; and 4) an ambulance service rendering emergency service pursuant to a mutual aid agreement executed by the city.

The ordinance was not an attempt to keep other public or private services from operating in the city, but to ensure that any service operating in the city would meet certain requirements to ensure public health and safety. The ordinance addressed the operating conditions of other ambulance services: 1) their personnel would not be dressed similar to KFD personnel to eliminate confusion between the two services; 2) their vehicles would not be detailed, striped or painted in similar color or scheme to KFD vehicles so as not to be confused with KFD; 3) their name would be on both sides and the rear of their ambulances and would not include the word "Kerrville" or the letters "KFD"; and 4) would meet certain standards of care to ensure the citizens received the care, and professional service they deserve.

Chief Ojeda noted the Texas Legislature recently imposed certain operational conditions and licensing requirements on non-governmental EMS providers, including requiring such non-emergency service providers to obtain a letter from the city council in which the provider intended to operate. In order to grant such a letter, a city council must make the following findings: 1) the addition of another licensed EMS provider would not interfere with or adversely affect the provision of EMS by licensed providers operating in the city; 2) the addition of another licensed EMS provider would remedy an existing provider shortage that could not be resolved through the use of the licensed providers operating in the city; and 3) the addition of another licensed EMS provider would not cause an oversupply of licensed EMS providers in the city.

Chief Ojeda noted the proposed ordinance did not establish any regulations for air ambulance service as those services were licensed by the state. Second reading of the ordinance was scheduled for August 13.

Mr. Allen moved for approval of Ordinance No. 2013-14 on first reading; Ms. Keeble seconded the motion and it passed 5-0.

6. CONSIDERATION AND POSSIBLE ACTION:

6A. Resolution No. 24-2013 supporting the construction of twelve metal building T-hangars on the Kerrville-Kerr County Airport property.

Steve King, President of the Kerrville-Kerr County Airport Board, requested council approval of the resolution, as owners of the airport, supporting the construction of T-hangars on the airport property. On September 26 TxDOT would consider awarding \$640,000, a 90%/10% grant for the construction of 10-12 T-hangars at the Kerrville airport. The 10% local match would be paid by the airport board; no funds would be required of the city. The county agreed to provide excavation for the project; the board requested the city provide paving services; and the airport board would provide all materiel. The airport board would manage the project through a contractor; oversight would be local control and not managed by TxDOT's Austin office. He estimated the project would bring in \$30,000-35,000 annually in additional revenue for the airport.

Mr. MacDonald moved for approval of Resolution No. 24-2013; Mr. Allen seconded the motion and it passed 5-0.

6B. Upper Guadalupe River Authority's (UGRA's) offer to the City regarding UGRA's surface water permit and the City's use of such water under the permit.

Mr. Parton noted the city received a letter from UGRA dated June 27 offering the city access to water through UGRA's surface water permit temporarily until final usage could be determined. He noted that under the offer, the city could divert under UGRA's permit, for an undetermined time, while UGRA evaluated its options for use of the water under their permit, in particular, the possibility of developing a water supply to serve eastern Kerr and western Kendall counties. The purpose of UGRA's offer was to establish historical use of the water, thereby making it less likely to be eliminated by the state for non-use, and in the interim, the city could have the water at no charge. Mr. Parton noted that when the permits were established in 1998 both permits had the same diversion point and were subject to the same pumping restrictions by the state water master. The city currently was limited to about 120 days out of the year that water could be removed, depending on weather and drought conditions. The city was also limited by infrastructure in the amount of water that could be diverted and treated; the city's plant was operating at maximum treatment capacity now. If the city began diverting water off of the UGRA permit, then the city's permit could become susceptible to reduction or elimination; the city must maintain the integrity of its own existing permit. He estimated it would require approximately \$15 million in capital improvements to maintain the city's permit and use water from the UGRA permit on a temporary basis.

Stan Kubenka, President of UGRA, stated the board was trying to find a way to establish historical use for their permit but did not want to put the city's permit in jeopardy, and Mr. Parton's statement of UGRA's position was accurate.

Mr. MacDonald moved to direct staff to continue to work with UGRA to Investigate all options possible to protect both water diversion permits. Mr. Conklin seconded the motion and it passed 5-0.

6C. Resolution No. 25-2013 providing for the city's approval or disapproval of the Kerr Central Appraisal District's fiscal year 2014 budget.

P.H. "Fourth" Coates, KCAD Chief Appraiser, reviewed the KCAD budget and requested approval by the city. He noted an overall budget increase of 1.93%; the salary line item had decreased due to the elimination of one position; employees would receive merit raises totaling \$12,000 in addition to a 1.75% cost of living increase; contract line item increased \$35,000 to fund appraisals for commercial properties; and the legal fund increased due to several lawsuits.

Council also discussed the following:

- Noted 71.7% of the budget was employee compensation.
- Expenses had been cut below the FY2013 budget.
- Discussed behavior of employees toward taxpayers at recent hearings.

Mr. Coates apologized for any employee behavior issues and asked councilmembers to discuss any staff issues with him personally; he did not condone negative attitudes and actions toward citizens. The city was the first entity that he had presented the FY2014 budget to.

Mr. MacDonald moved to disapprove the FY2014 KCAD budget. The motion died for lack of a second.

Mr. Parton noted the deadline for approving or disapproving the KCAD budget was September 15.

The following person spoke:

1. Jimmie Spradling asked if the person with the negative attitude was a KCAD employee or someone else.

Mr. MacDonald stated the person was a KCAD paid employee.

Mr. Conklin moved to approve the resolution approving KCAD's budget as presented; the motion died for lack of a second.

Council consensus was to place the item on the next agenda and Mr. MacDonald and perhaps Ms. Keeble, would meet with Mr. Coates to see if issues could be resolved.

6D. Ethics policy.

Mr. Hayes reported that he began drafting a document using council's comments from the last meeting, and policies of other cities and state law. He would be sending council a draft document for their review and comments, and then compile a draft document to be presented at the next meeting.

Council also discussed the following:

- Requested a copy of the Denton and Alamo Heights policies be sent to them.

- Definition of ethics not necessary; in general, cover expectation of behavior. Focus on conflict of interest, disclosures, transparency, use of confidential information, appearance of impropriety, no review boards or committees, how and under what conditions a councilmember could represent the city outside of a meeting, representing other interests.
- Keep enforcement of violations brief and use state law for training.

6E. Presentation of proposed Fiscal Year 2014 budget.

Mr. Allen left the meeting at 6:57 p.m.

Mr. Parton noted the certified tax appraisal roll would be finalized by the end of August after properties protests were completed. Council asked how frozen taxes affected the tax roll. Mr. Parton noted the tax freeze only froze the tax levy and did not affect a property's appraised value.

Mr. Parton noted the following regarding the FY2014 draft budget:

- Was based on fiscal sustainability: 1) balanced budget; 2) maintained current tax rate of \$0.5625; 3) maintained current level of service; 4) no use of fund balance; 5) no utility rate increase; 6) no new property tax supported debt; and 7) no utility rate increase.
- Salary adjustments: catch up on step plan for public safety personnel; 3% pay adjustment for non-public safety personnel; and additional adjustments for those who fall below the minimum. Mr. Parton noted that salaries had been frozen for several years.
- Health insurance was increased to \$7,500 per employee per year.
- The general fund included major capital expenditures: platform ladder fire truck, \$1.2 million (financed by bank loan); new ambulance, \$182,093; police vehicles, \$150,000; computer equipment \$50,000; and parks equipment, \$50,000.
- Anticipated possible termination of interlocal agreements by Kerr County for EMS and firefighting services in FY2015.
- FY 2019 could have additional debt capacity in the general fund. City policy was not to pass additional debt that would require a tax increase. The total outstanding debt in the general fund was \$17.6 million.
- The FY2014 budget proposed to add \$0.83 million to the general fund balance, and \$0.52 million to the utility fund balance.
- Total outstanding debt in the utility fund was \$37.6 million.
- The proposed budget maintained the 35% ratio/debt to funds generated policy in the utility fund; anticipated revenue of \$3,235,731 in 2014.
- The utility fund capital projects included: new valve machine, \$80,000; new valve insertion machine, \$40,000; and \$1 million allocated for trihalomethane reduction system projects.

7. INFORMATION AND DISCUSSION:

7A. Budget and economic update on the Fiscal Year 2014 budget.

Ms. Yarbrough reported total general fund revenues for June at \$1,066,971 and

expenditures at \$1,445,308; water and sewer fund revenue at \$761,963 and expenditures at \$684,540; hotel/motel tax revenue at \$94,236; new residential permits for FY2013 were 24 and local residential supply inventory was 8.7 months for FY2013, down from 22.7 in FY2012.

The following person spoke:

1. Ruth Spradling questioned what the expenditure for hotel/motel tax was used for. Ms. Yarbrough stated the funds were budgeted to the convention and visitors bureau for tourism and advertising.

8. BOARD APPOINTMENTS:

8A. Appointments to the planning and zoning commission.

Mr. MacDonald moved to appoint Bob Waller to a regular member term to expire January 1, 2015, due to a recent resignation; and to appoint Doyle Malone to an alternate position due to expire January 1, 2014.

8B. Appointments to the main street advisory board.

Mr. Conklin moved to appoint David "Scott" Bolton and Mindi Franklin with terms to expire January 31, 2015; Mr. MacDonald seconded the motion and it passed 4-0. Staff was instructed to set up interviews with the recent applicants and schedule the remaining appointment on the next agenda.

8C. Appointment to the golf course advisory board.

Mr. Conklin moved to reappoint James Howard, and to appoint Rod Bowyer both with terms to expire July 1, 2015; Ms. Keeble seconded the motion and it passed 4-0.

9. ITEMS FOR FUTURE AGENDAS: None.

10. ANNOUNCEMENTS OF COMMUNITY INTEREST:

- City Council/Convention and Visitors Bureau special meeting Wednesday, July 24, 7:00 a.m. at the Inn of the Hills.

11. EXECUTIVE SESSION: None.

12. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION. None.

ADJOURNMENT. The meeting adjourned at 7:36 p.m.

APPROVED: _____

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary