

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
AUGUST 26, 2014

On August 26, 2014, 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 Heather Mitchell, Minister of Music, First Baptist Church, followed by the Pledge of Allegiance led by Interim Fire Chief Dannie Smith.

COUNCILMEMBERS PRESENT:

Jack Pratt	Mayor
Gene Allen	Mayor Pro Tem
Carson Conklin	Councilmember
Stacie Keeble	Councilmember
Gary F. Stork	Councilmember

COUNCILMEMBER ABSENT: None

CITY CORE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias Day	Deputy City Manager
Brenda G. Craig	City Secretary
Sandra Yarbrough	Director of Finance
Ashlea Boyle	Special Projects Manager
Dannie Smith	Interim Fire Chief
Jason Lutz	Senior Planner

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

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

2. **PRESENTATIONS AND RECOGNITIONS:**

2A. Leadership Kerr County presented a check to the City of Kerrville in the amount of \$2,500 for improvements to the dog park at Lehmann and Monroe Park was presented by Mayor Pratt.

2B. Mozelle Youngblood for 27 years of service to the Christian Assistance Ministry was presented by Mayor Pratt.

3. **CONSENT AGENDA:**

Mr. Allen moved to approve consent agenda items 3A through 3I; Mr. Conklin seconded the motion, and it passed 5-0:

3A. Minutes of the city council special meeting held July 15, 2014, and the city council regular meeting held July 22, 2014.

3B. Resolution No. 28-2014 authorizing the use of internal combustion engines

on Nimitz Lake upstream of the city's impoundment dam for a triathlon.

3C. Purchase of a security camera system in and around Peterson Plaza and parking garage in the amount of \$62,859 with reimbursement from the Cailloux Foundation in the amount of \$47,969.

3D. Resolution 29-2014, approving the budget for fiscal year 2015 for the Kerr Emergency 9-1-1 Network.

3E. Rejection of bid for construction of the concrete improvements in Louise Hays Park and Lehmann and Monroe Park.

3F. First amendment to project funding agreement between the City of Kerrville, Texas, Economic Improvement Corporation and the City of Kerrville, Texas for improvements to Cailloux Theater for the Performing Arts (lighting).

3G. Funding and license agreement between the Floyd A. and Kathleen C. Cailloux Foundation, Inc. and the City of Kerrville, Texas to allow the city to install, use, and maintain a camera security system for video surveillance in the public areas in and around city hall, its parking garage, and Peterson Plaza.

3H. Resolution No. 25-2014, adopting the City of Kerrville Drought Contingency Plan and authorizing the city manager to take all actions in conformance with law.

3I. Resolution No. 26-2014, adopting the City of Kerrville Water Conservation Plan and authorizing the city manager to take all actions in conformance with law.

END OF CONSENT AGENDA

4. PUBLIC HEARINGS AND ORDINANCES, FIRST READING

4A. Ordinance No. 2014-18 repealing Ordinance No. 2003-16 and creating a new "Planned Development District" for personal services I (beauty parlor/barber shop) on Lots 15 and 16, Block 16, Westland Place subdivision, City of Kerrville, Texas, and more commonly known as 401 W. Water Street; adopting a site plan for said Planned Development District; making said district subject to certain conditions and restrictions; containing a cumulative clause; containing a savings and severability clause; establishing a penalty or fine not to exceed two thousand dollars (\$2,000.00); and ordering publication. Mayor Pratt read the ordinance by title only.

Mr. Lutz noted the 2003 PDD required that the property be developed under the RT (residential transition) standards which at the time limited signage for home occupation to a two sq. ft. nameplate sign. The applicant requested to amend the signage portion of the 2003 PDD in order to be able to have the same signage as currently allowed on the adjacent property on West Water, also zoned RT district, generally limited to a 24 sq. ft., 4 ft. tall monument sign. The planning and zoning commission recommended approval of the ordinance.

Mayor Pratt opened the public hearing at 6:08 p.m.; no one spoke; he closed the public hearing at 6:08 p.m.

Mr. Stork moved for approval of Ordinance No. 2014-18 on first reading; Mr. Conklin seconded the motion and it passed 5-0.

4B. Ordinance No. 2014-19 amending the city's "Zoning Code" by amending Article 11-I-18 "Special Screening Regulations" to change some screening requirements applicable to properties with commercial uses located adjacent to properties with residential land uses; containing a cumulative clause; containing a savings and severability clause; providing for a maximum penalty or fine of two thousand dollars (\$2,000.00); and ordering publication. Mayor Pratt read the ordinance by title only.

Mr. Lutz noted the city's zoning code required screening based on land use, not zoning district. Type B screening was required for commercial property located adjacent to a property zoned residential. Type B screening consisted of a six ft. privacy fence and a 50 ft. buffer area that prohibited the construction of buildings, placement of storage areas and dumpsters, and parking spaces. An applicant may seek a variance; however the variance process could be cumbersome. He noted that many commercial properties were rendered undevelopable due to the 50 ft. buffer requirement even though the property was zoned commercial and the proposed uses were allowed by right in that district; he presented examples and noted the problem was most prominent in the central business district where commercial lots were small. He noted no protest was received at the planning and zoning commission meeting, and PZC voted to approve the ordinance. Under the proposed ordinance commercial property would still have to maintain the standard setbacks and the height of the privacy fence for Type B screening would increase from 6 ft. to 8 ft. to protect residential properties.

Mayor Pratt opened the public hearing at 6:14 p.m.; no one spoke; he closed the public hearing at 6:14 p.m.

Mr. Conklin moved for approval of Ordinance No. 2014-18 on first reading; Mr. Stork seconded the motion and it passed 5-0.

5. PUBLIC HEARINGS:

5A. Public hearing for the budget for fiscal year 2015.

Mr. Parton gave a general overview of the proposed FY2015 budget:

- Maintained current tax rate of \$0.5625.
- Revenue of \$46.2 million; expenditures of \$45.2 million.
- General fund expenditures of \$24.3 million.
- Enhanced existing level of service. In 2010 service levels were cut due to a 15% cut in operational expenses and 10% reduction in staff, and deferred major capital items in order to balance the budget. The FY2015 budget proposed unfreezing two positions in the police department, adding a three member street/drainage crew, increasing staff and supplies for street maintenance, and replacing five or six vehicles; he noted that ten vehicles were over 14 years old.
- Allocated \$600,000 in a reserve fund for fire department operations.
- Implemented step plans for police and fire employees and a 3% average merit increase for other employees.
- Maintained current utility rates.
- Water and wastewater fund expenditures of \$9.9 million.

- \$11 million in pay as you go capital through FY2020 to address maintenance and operation of systems; \$7 million to be allocated to Phase I of the water reuse project.
- Exceeded target reserve balance of 25% in the general fund and the water and sewer fund, and maintained one year of debt service payments in addition to the reserve fund balance.

Council discussed lowering the tax rate. Mr. Parton noted the possibility existed after 2016; however, he recommended a citizens survey of community needs and council discussion on future budget and program objectives before committing to lowering the tax rate. He noted the parks department was still down two crews and the police department still had two frozen positions from the 2010 budget cuts; also, ambulance call volume was increasing and a new ambulance and crew would have to be added.

Mayor Pratt opened the public hearing at 6:25 p.m.; the following person spoke:
 1. Ruth Spradling understood the desire to cut taxes, but she would rather see the city make improvements and work on the list of capital projects and city streets. Council noted the FY2015 street maintenance budget was increased to pave nine miles, up from six miles.

No one else spoke and Mayor Pratt closed the public hearing at 6:27 p.m.

5B. First public hearing to set the 2014 ad valorem tax rate.

Mr. Parton noted the resolution passed on August 12 capped the tax rate at \$.5625 per \$100 valuation; therefor, the city council could lower the rate, but could not increase the rate. The council will officially set the FY15 budget and adopt the tax rate in September.

Council noted an increase of \$70 million in property value this year and estimated the increased value would bring in \$300,000 without a change in the tax rate. Mr. Parton noted numerous properties were going through the appeals process with KCAD, so the increased value may be less than \$300,000.

Council discussed lowering the tax rate in the future. Mr. Parton noted the FY2014 operations budget had been lower due to prior cuts in service and deferred capital; he recommended maintaining the current tax rate of \$.5625 for the FY2015 budget and consider a decrease in the tax rate in future years.

Mayor Pratt opened the public hearing at 6:30 p.m.; no one spoke; he closed the public hearing at 6:30 p.m.

6. ORDINANCE, SECOND AND FINAL READING

6A. Ordinance No. 2014-17 amending the budget for Fiscal Year 2014 by allocating revenue from the City's collection of Hotel Occupancy Tax for the cost of an advertising sign for use by the Convention and Visitors Bureau and allocating unanticipated revenue for the purchase of a street sweeper. Mayor

Pratt read the ordinance by title only.

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

Mr. Conklin moved for approval of Ordinance No. 2014-17 on second and final reading; Mr. Allen seconded the motion and it passed 5-0.

7. ORDINANCE, FIRST READING

7A. Ordinance No. 2014-20 Amending Chapter 94 "Taxation" of the Code of Ordinances of the City of Kerrville, Texas, by adding a new Article V, titled "Telecommunications Services Tax" and relating to taxation of telecommunications services, repealing the application of the exemption provided for in Section 321.210 of the Texas Tax Code; providing for notification to the Texas Comptroller; making this Ordinance cumulative; providing a severability clause; providing for an effective date; and providing other matters related to the subject. Mayor Pratt read the ordinance by title only.

Mr. Stork noted the proposed ordinance would allow the city to repeal the exemption, thereby allowing the collection of city sales tax of 1.5% on the cost of telecommunications services. He described the tax as a "self-determined" tax based on the value of telecommunication services received; however, all city sales taxes were combined so he could not provide an estimated revenue projection.

Mr. Stork moved for approval of Ordinance No. 2014-20 on first reading; the motion failed due to lack of a second.

8. CONSIDERATION AND POSSIBLE ACTION:

8A. Resolution No. 21-2014 providing for the city's approval or disapproval of the Kerr Central Appraisal District's fiscal year 2015 budget.

Mr. Parton noted the city had not received a response from KCAD to council's previous questions.

Mayor Pratt recommended the matter be postponed to a future meeting or until the council was forced to take action. There was no objection from city council.

8B. Administrative services contract between the City of Kerrville, Texas Economic Improvement Corporation and the City of Kerrville, Texas for FY2015.

Ms. Boyle reviewed the current contract due to expire September 30 and neither council nor staff recommend any changes; a new contract will be proposed to EIC and if approved, it will be on a future council agenda for action.

9. INFORMATION AND DISCUSSION:

9A. Budget update.

Ms. Yarbrough gave the financial report for the period ending July 31, 2014: general fund revenues totaled \$19,729,115 and expenditures \$17,556,809; water and sewer fund revenues at \$8,278,809 and expenditures at \$8,104,562;

hotel/motel fund revenues at \$814,610 and expenditures at \$887,281; 49 permits were issued for new residential construction.

10. ITEMS FOR FUTURE AGENDAS: None.

11. ANNOUNCEMENTS OF COMMUNITY INTEREST:

- School started; reminder to motorists to drive safely and follow rules; children should walk on sidewalks and not in streets and cross at appropriate locations.
- City in Stage 2 water conservation.
- September was Childhood Obesity Awareness month.
- Kerrville Triathlon will be held September 26-28.

12. EXECUTIVE SESSION:

Mr. Conklin moved for the city council to go into executive closed session under Sections 551.071 551.072 of the Texas Government Code; motion was seconded by Mr. Allen and passed 5-0 to discuss the following:

Sections 551.071 and 551.072:

Discuss the purchase, exchange, lease, sale, or value of real property, the public discussion of which would not be in the best interests of the City's bargaining position with third parties, regarding property interests related to the following:

- River trail.
- 800 Junction Highway, former city hall property.

At 6:42 p.m. the regular meeting recessed and council went into executive closed session at 6:44 p.m. At 7:14 p.m. the executive closed session recessed and council returned to open session at 7:15 p.m. The mayor announced that no action had been taken in executive session.

13. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

No action taken during open session.

ADJOURNMENT: The meeting adjourned at 7:15 p.m.

APPROVED: 9-26-14

/s/

Jack Pratt, Jr., Mayor

ATTEST:

/s/

Brenda G. Craig, City Secretary