

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
SEPTEMBER 23, 2014

On September 23, 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 Ann Buck, Executive Director of the Impact Christian Women's Job Corps, followed by the Pledge of Allegiance led by Police Chief John Young.

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 Day	Deputy City Manager
Brenda G. Craig	City Secretary
Sandra Yarbrough	Director of Finance
Ashlea Boyle	Special Projects Manager
John Young	Police Chief
Jason Lutz	Senior Planner
Danny Batts	Chief Building Official
Stuart Barron	Director of Public Works

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

1. VISITORS/CITIZENS FORUM:

1A. Bill Bacon, councilmembers to participate in the Kerr County Veterans Day parade to be held November 11 at 5:00 p.m. at Water and A Street.

2. PROCLAMATION:

2A. Proclamation proclaiming 2014 as the City of Kerrville's 125th Anniversary.

3. CONSENT AGENDA:

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

3A. Minutes of the city council special meeting held August 14, 2014, and regular meeting held August 26, 2014.

3B. Construction contract with L.C. United Painting Co., Inc. for the rehabilitation and repainting of the stadium and summit tanks along with the addition of total

trihalomethanes mixers to the stadium tanks in the amount of \$627,500.00 and additional change orders which may exceed \$50,000.00 but not to exceed the total amount of \$690,250.00.

END OF CONSENT AGENDA

3B. Construction contract with L.C. United Painting Co., Inc. for the rehabilitation and repainting of the stadium and summit tanks along with the addition of total trihalomethanes mixers to the stadium tanks in the amount of \$627,500.00 and additional change orders which may exceed \$50,000.00 but not to exceed the total amount of \$690,250.00.

The following person spoke:

1. Harvey Brinkman noted the figures did not add up. Council noted the city purchasing policy gave the city manager authority to approve expenditures up to \$50,000 without having to come back to city council; the contract amount for this project was \$627,500.00; however, the city council was also giving the city manager authority to approve additional change orders that may exceed \$50,000 but would not exceed a total of \$690,250.00.

4. ORDINANCES, SECOND AND FINAL READING:

4A. Ordinance No. 2014-15, adopting the annual budget for the City of Kerrville, Texas, Fiscal Year 2015; providing appropriations for each City department and fund; containing a cumulative clause; and containing a savings and severability clause. Mayor Pratt read the ordinance by title only.

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

Mr. Conklin moved to adopt the FY2015 budget that will require raising more revenue from property taxes than the previous fiscal year. Mr. Allen seconded the motion and it passed 3-2 with Councilmembers Conklin, Allen, and Pratt voting in favor of the motion; and Councilmembers Keeble and Stork voting against the motion.

Mr. Allen moved for approval of Ordinance No. 2014-15 as presented on second and final reading; Mr. Conklin seconded the motion and it passed 3-2 with the following results upon roll call vote:

Jack Pratt	Yes
Gene Allen	Yes
Carson Conklin	Yes
Stacie Keeble	No
Gary Stork	No.

4B. Ordinance No. 2014-16 levying an ad valorem tax for the use and the support of the municipal government for the City of Kerrville, Texas, for the Fiscal Year 2015; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid. Mayor Pratt read the ordinance by title only.

Mr. Parton noted the ordinance would adopt the current tax rate of \$0.5625 for the fifth year, and would provide funding for the FY2015 budget as adopted in Ordinance No. 2014-15.

Mr. Stork moved to adopt the property tax rate at \$0.559 per \$100 valuation; Ms. Keeble seconded the motion and the motion failed 2-3 with Councilmembers Stork and Keeble voting in favor of the motion and Councilmembers Allen, Conklin, and Pratt voting against the motion.

Mr. Conklin moved for approval of Ordinance No. 2014-16 on second and final reading and that the property tax be increased by the adoption of a tax rate of \$0.5625 which was effectively a 4.23% increase in the tax rate. Mr. Allen seconded the motion.

The following person spoke:

1. Carolyn Lipscomb compared Kerrville's tax rate with other cities and the type of services those cities provided; no one wanted to pay taxes, but without taxes there were no services or amenities such as those that Kerrville has. Kerrville's tax rate was mid-range.

2. Sam Ligon noted in 2010 the city had hard times and cut staff and projects to keep the tax rate reasonable. The streets and utilities needed continual repair and the city should move forward with maintenance. He had an average home and his taxes were frozen; if the tax rate was cut as proposed, his taxes would drop \$5.35, barely the cost of one fast food meal; he preferred the city do street maintenance.

The motion passed 3-2 with the following results upon roll call vote:

Jack Pratt	Yes
Gene Allen	Yes
Carson Conklin	Yes
Stacie Keeble	No
Gary Stork	No.

5. ORDINANCE, FIRST READING:

5A. Ordinance No. 2014-20 amending Chapter 6 "Advertising", Article II "Signs", Section 6-36 "Exempt Signs" of the city's Code of Ordinances to exempt from permitting signs used by school districts, other school campuses, or public athletic facilities to promote sporting events or extracurricular activities; containing a savings and severability clause; providing for penalties not to exceed \$2,000.00; ordering publication; providing an effective date; and providing other matters related to the subject. Mayor Pratt read the ordinance by title only. Mr. Batts noted city council had been briefed on the amendment.

Mr. Conklin moved for approval of Ordinance No. 2014-20 on first reading; Mr. Allen seconded the motion and it passed 5-0.

6. CONSIDERATION AND POSSIBLE ACTION:

6A Resolution No. 27-2014 granting a petition requesting the annexation of an approximate 3.05 acres tract out of the W.H. Crawford Survey No. 653, Abstract No. 123, within Kerr County, Texas, and consisting of the property addressed as 421 Roy Street; and ordering the preparation of an annexation ordinance.

Mr. Lutz noted the owner was requesting annexation of his residential property at Roy and Thurman streets in order to be allowed to connect to city utilities.

Utilities would be decided in the next phase of the annexation process; however, he noted that a water line was located in the right of way across the frontage of the subject property, and a sewer line was available to the subject property but it was not extended to the end of the property as required for future connections.

The city had no plans for involuntary annexation in this area.

Council noted the subject property was surrounded on three sides by property that was inside the city limits.

Mr. Conklin moved for approval of Resolution No. 27-2014; Mr. Stork seconded the motion and it passed 5-0.

6B. Request from Kerr County to amend the 2011 interlocal agreement for the construction of public sewer system improvements in Kerrville South Colonia Area.

Mr. Parton noted for several years the county had been extending wastewater service in Kerrville South along Ranchero Road. Phase V, currently under construction, would require an upgrade to the city's lift station to handle the additional load, specifically, a modification of the pumps that would require three phase power. If Phase V was not operational by October 31, 2014, the county would fail to meet a condition of that grant. The interlocal agreement specified that the project would be built to standard specifications; the county proposed a temporary fix that would convert single phase power to three phase power supply to run the pumps. The county had a grant application pending for Phase VI which would complete the project and included the cost of permanent phase three power to the city's lift station. If the county did not receive the Phase VI grant that would fund permanent three phase power, the county provided a letter of commitment to guarantee funding and included the project in their 2015 budget. He recommended council accept the county's plan as outlined and direct city staff to prepare an amendment to the interlocal agreement for council's consideration.

The following person spoke:

1. Kerr County Commissioner Tom Moser stated that the county had tried to maximize number of connections possible with the \$500,000 grant from the Texas Department of Agriculture, and permanent phase three power would take months and cost \$100,000. The county's letter committed that the county would guarantee funding to provide permanent phase three either through the Phase VI grant or in the county's budget. On September 22, the commissioners' court set aside funds in a separate designated line item to fund phase three power to the lift station, and authorized the county judge to spend those funds as necessary and as stated in the commitment letter to the city. He estimated the time period to

be months or by the end of the year, and noted the project eliminated over 200 septic systems and protected Camp Meeting Creek and the surrounding area from pollution.

Mr. Allen moved to approve the request to amend the interlocal agreement as presented; Mr. Conklin seconded the motion and it passed 5-0.

6C. Pretreatment agreement for industrial wastewater discharge for Mooney International, Inc.

Mr. Barron noted that the Texas Commission on Environmental Quality (TCEQ) had designated Mooney International (MI) as a categorical wastewater producer and as such MI would be required to pretreat their wastewater before it entered the city's system. Staff worked with MI and developed a pretreatment agreement; staff recommended approval of the agreement contingent upon input from TCEQ and Freese and Nichols, Inc. (FNI), the city's consulting engineering firm. He recommended only a one year agreement at this time to give the city and FNI the opportunity to evaluate the wastewater and quantity of flow and work out details to protect the city.

Mr. Conklin moved to authorize the city manager to execute the pretreatment agreement with Mooney International contingent upon additional information from TCEQ and FNI.

Mr. Parton noted that in discussions with TCEQ and FNI they recommended the city move from a wastewater agreement to a wastewater permit process for industrial wastewater customers; this would allow the city flexibility to amend the permit as conditions and regulations changed. He noted at some point in the future as the city tied more industrial wastewater generating operations on to the city's system, the city would need to hire additional staff to monitor and manage industrial wastewater customers for compliance. He proposed that staff draft a wastewater permitting process to present to city council for adoption.

The following person spoke:

1. Ruth Spradling asked if Fox Tank fell under this requirement since they used chemicals. Mr. Barron stated that Fox Tank did not meet TCEQ criteria for a categorical user because of the processes they were doing. He noted in the past Mooney had wastewater ponds that had to be mediated and this had been discussed with Mooney International.

Mr. Stork seconded the motion and it passed 5-0.

6D. Draft ordinance requiring a permit and enacting minimum health and sanitation standards for lodging establishments within the city.

Mayor Pratt noted that some hotels were abusing their privilege of extended stay to avoid paying hotel occupancy tax. He received a draft ordinance from a hotel motel lobbyist organization and discussed it with several major Kerrville hoteliers. He reviewed some of the problems the city experienced at lodging establishments

including drug and alcohol violations, gambling, criminal activity, firearm discharge, prostitution, assault, robbery, murder, and repeated fire and building code violations. He proposed that the city enact minimum health and sanitation standards and a permitting process for lodging establishments. The hotel operator would be required to post all unsatisfactory inspections and reports in a visible location in proximity to the registration desk. He proposed general requirements that could be imposed on establishments such as outdoor cooking/grilling, insects/pest control, minimum sanitation standards, registration of all guests, extended stay requirements, and addressing illegal activities. A permit may be denied or revoked if the hotel operates as a common nuisance. Several hoteliers and convention and visitors bureau (CVB) members were present.

The following person spoke:

1. Mike Lemons, representing hoteliers, stated that all major hoteliers agreed completely with the proposed ordinance and permit process. He stated that the ordinance would not place any additional restrictions or cost on the hotelier as most already meet strict requirements and were inspected by the flag hotel company/corporation and insurance companies. He stated he was also a member of the CVB.

Mr. Stork move to direct staff to move forward and bring the ordinance to council for adoption.

Council proposed setting extend stay at a maximum 5% and noted this would require the hotelier to pay occupancy tax on 95% of the rooms. This requirement should not affect situations where one corporation paid for a block of rooms for their employees; however, if it became an issue, council would reconsider.

Mr. Allen seconded the motion and it passed 5-0.

7. INFORMATION AND DISCUSSION:

7A. Report by the main street advisory board (MSAB) parking committee.

David Martin, member of the MSAB, noted the parking committee consisted of members of the MSAB, Historic Downtown Business Alliance, property owners, and city staff. He provided a parking availability map and noted 914 public/quasi-public and 333 private parking spaces. He reviewed the committee's findings:

- Perceived parking shortage; the number of spaces were adequate at this time.
- Property/business owners and their employees choose to park in public, on-street parking, leaving fewer spots for customers.
- Parking hours may be too brief for customers; current limit is two hours between 8 a.m. – 6 p.m., Monday through Friday.
- Persons were unaware of various parking options available, particularly the free parking garage.

Mr. Martin noted that some of the quasi-public parking spaces currently opened to the public could become private as ownership changes. The committee made the following recommendations:

- Increase parking time limit from 2 hours to 3 hours.
- Improve signage about free public parking in the parking garage.
- Marketing to make the public aware of parking options.
- Signs designating types of parking: free, customer, time restricted.
- Enforcement of time limit may become necessary.
- City continue maintenance and lighting at parking garage.
- Allocate funds to develop a parking marketing program.
- Create an exclusive employee parking lot in downtown core.

Council noted that increasing the time limit could result in less turn over for new customers, which could affect the success of downtown businesses. Mr. Martin noted that downtown business owners were contacted and the conclusion was to increase the time limit to 3 hours.

7B. Budget update.

Ms. Yarbrough gave the financial report for the period ending August 31, 2014: general fund revenues totaled \$21,110,917 and expenditures \$19,585,281; water and sewer fund revenues at \$9,217,504 and expenditures at \$8,737,516; hotel/motel fund revenues at \$938,516 and expenditures at \$887,281; 61 permits were issued for new residential construction.

The following person spoke:

1. Ruth Spradling noted revenue for water sales was down. Ms. Yarbrough noted city water restrictions due to the drought.

8. BOARD APPOINTMENTS:

8A. Appointments to the golf course advisory board.

Mr. Conklin moved to reappoint Chuck McCarter and Allen Stern, and to appoint Marion Chester Giesecke all with terms to expire July 1, 2016; Ms. Keeble seconded the motion and it passed 5-0.

8B. Appointments to the parks and recreation advisory board.

Mr. Allen moved to appoint James Gardner with term to expire March 31, 2015; Ms. Keeble seconded the motion and it passed 5-0.

9. ITEMS FOR FUTURE AGENDAS. None.

10. ANNOUNCEMENTS OF COMMUNITY INTEREST:

- Sock Hop, September 27, 7:00 p.m., downtown.
- Kerrville Triathlon, September 27-28.
- Operation Got Drugs by Kerrville Police Department, September 27, 10:00-2:00.
- October 3, downtown block party

11. 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 Ms. Keeble 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.

Section 551.071:

- Cause No. 14686A; Westar Construction, Inc. v. City of Kerrville; in the District Court, 216th Judicial District, Kerr County, Texas.

At 7:24 p.m. the regular meeting recessed and council went into executive closed session at 7:33 p.m. At 7:53 p.m. the executive closed session recessed and council returned to open session at 7:54 p.m. The mayor announced that no action had been taken in executive session.

12. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

Sale of real property at 800 Junction Highway, former city hall property.

Mr. Conklin moved to authorize the city manager to:

- Deny the offer received from Mr. Pollard; and
- Execute a contract for the sale of 800 Junction Highway with the other offer received.

Mr. Stork seconded the motion and it passed 5-0.

ADJOURNMENT. The meeting adjourned at 7:55 p.m.

APPROVED: 10-14-14

/s/

Jack Pratt, Jr., Mayor

ATTEST:

/s/

Brenda G. Craig, City Secretary