

CITY COUNCIL MINUTES  
REGULAR MEETING

KERRVILLE, TEXAS  
FEBRUARY 24, 2015

On February 24, 2015, 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 Ben Argil, Pastor of Sanctuary, followed by the Pledge of Allegiance led by 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 Day	Deputy City Manager
Brenda G. Craig	City Secretary
Sandra Yarbrough	Director of Finance
Ashlea Boyle	Special Projects Manager
David Knight	Interim Chief of Police
Dannie Smith	Fire Chief

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

**1. VISITORS/CITIZENS FORUM:**

1A. Carlos Cisneros requested council reconsider continuing to lease the soccer fields to the soccer groups and discussed his personal experiences playing soccer as a young person. The new facility will be state of the art; however, more fields were needed to accommodate the growing number of kids who wanted to play.

**2. AWARDS AND RECOGNITIONS:**

2A. Proclamation for Red Cross Month; the Red Cross had served 98 years in the Hill Country.

2B. Resolution of Commendation to Polly Rickert for service on the Economic Improvement Corporation.

2C. Resolution of Commendation to Judy Carr Ward for service on the Library Advisory Board.

2D. Resolution of Commendation to Daniel Lowery for service on the Building Board of Adjustments and Appeals.

**3. PRESENTATION AND APPROVAL:**

**3A. Fiscal Year 2014 City of Kerrville Comprehensive Annual Financial Report (CAFR).**

Kevin Kemp, partner with the auditing firm BKD, LLC, commended staff for getting information and answering questions timely. The city had received the Government Finance Officers' Association Award for 30 consecutive years. BKD issued a clean, unmodified opinion based on auditing standards and in accordance with GASB accounting principles; no material weaknesses or significant deficiencies were noted. The city had a financially solid year and fund balances were at 27% of annual expenditures. Many construction projects were underway. The city had paid down past debt and unrestricted equity (money not earmarked for specific projects or expenditures) had grown in the past five years.

Mr. Allen moved for approval of the FY14 CAFR; Mr. Conklin seconded the motion and it passed 5-0.

**4. CONSENT AGENDA:**

Mr. Conklin moved to approve consent agenda items 4A through 4I; Ms. Keeble seconded the motion, and it passed 5-0:

4A. Minutes of the regular city council meeting held January 27, 2015.

4B. Resolution No. 05-2015 adopting the City of Kerrville investment policy and strategy regarding the investment of city funds, in accordance with the Public Funds Investment Act.

4C. Request from the Cailloux Foundation to waive fees for police security for the Kerrville Chalk Festival event, in the amount of \$1,240.

4D. Construction contract with Nelson Lewis, Inc. for the Broadway lift station and Travis Street force main improvements project in the amount of \$356,536 and additional change orders which may exceed \$50,000 but not to exceed the total amount of \$445,670.00.

4E. Economic development grant agreement between the Cailloux Foundation (Kerrville Chalk Festival) and the City of Kerrville, Texas Economic Improvement Corporation and the event in an amount not to exceed \$15,000.

4F. Economic development grant agreement between Kerrville's Fourth on the River, Inc. and the City of Kerrville, Texas Economic Improvement Corporation in an amount not to exceed \$24,950.

4G. Economic development grant agreement between Kerrville Area Chamber of Commerce (Kerrfest) and the City of Kerrville, Texas Economic Improvement Corporation in an amount not to exceed \$25,000.

4H. Economic development grant agreement between City of Kerrville (Mardi Gras on Main) and the City of Kerrville, Texas Economic Improvement Corporation in an amount not to exceed \$10,000.

4I. Economic development grant agreement between Historic Downtown Business Alliance, Inc. (Sock Hop) and the City of Kerrville, Texas Economic Improvement Corporation and event in an amount not to exceed \$8,750.

**END OF CONSENT AGENDA**

**5. ORDINANCES SECOND AND FINAL READING:**

5A. Ordinance No. 2015-01 annexing approximately 23.38 acres out of the F. Rodriguez Survey No. 72, Abstract No. 280; said tract being located adjacent to the corporate limits of the City of Kerrville, Texas, and consisting as a portion of the property located at 5235 Highway 27 East; describing the territory to be annexed; adopting a service plan for the territory annexed; establishing the zoning for the area annexed and an adjacent tract which consists of approximately 6.385 acres, all of which property makes up approximately 29.765 acres, to be contained with a Planned Development District for manufacturing and industrial uses; and adopting a concept plan for the property. Mayor Pratt read the ordinance by title only.

Ms. Day noted the ordinance would annex 23 acres, and combined with the 6 acres already in the city, the 29+ acres would be zoned PDD to allow for the James Avery Craftsman manufacturing facility. Staff recommended approval.

Mr. Stork moved for approval of Ordinance No. 2015-01 on second reading; Mr. Conklin seconded the motion and it passed 5-0.

5B. Ordinance No. 2015-02 amending the budget for fiscal year 2015 to account for various changes to the city's operational budget, which includes the receipt of grants and the closure of project accounts. Mayor Pratt read the ordinance by title only.

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

Mr. Stork moved for approval of Ordinance No. 2015-02 on first reading; Mr. Allen seconded the motion and it passed 5-0.

## **6. CONSIDERATION AND POSSIBLE ACTION:**

6A. Resolution No. 06-2015 expressing support for the application of Brookhollow TAP, LLC, to the Texas Department of Housing and Community Affairs for 2015 competitive nine-percent housing tax credits; and for the acquisition/rehabilitation of Brookhollow Apartments located at 612 Travis Street and recognition of a commitment of funding assistance from the city to the project.

Ms. Day noted the proposed resolution would be part of the application to TDHCA for a project to rehabilitate Brookhollow Apartments on Travis Street. No residents would be displaced; apartments would be renovated individually and residents would be temporarily relocated within the complex and moved back after renovation. The contribution from the city would be in the form of property tax abatement in an amount not to exceed \$55,000 (Item 6B); the city was not providing any cash for this project.

Mr. Conklin moved for approval of Resolution No. 06-2015; Mr. Stork seconded the motion and it passed 5-0.

6B. Resolution No. 07-2015 evidencing the city's support of the redevelopment of Brookhollow Apartments and the approval of available tax credits through the Texas Department of Housing and Community Affairs.

Ms. Day noted the resolution supported the project presented in Item 6A and would be part of the application to TDHCA.

Christian Szymczak, Managing Partner of Think Housing Development LLC, reviewed the schedule: application would be submitted Friday, February 27; anticipate approval in July; sell credits to investors; start construction the end of October; eight month construction period.

Mr. Conklin moved for approval of Resolution No. 07-2015; Mr. Allen seconded the motion and it passed 5-0.

**6C. Resolution No. 08-2015 authorizing publication of notice of intention to issue certificates of obligation.**

Mr. Parton noticed the resolution would authorize publication of the notice of intention to issue debt to fund the city's portion of the athletics complex. The notice did not commit the city at this point; if the council proceeded to issue the debt, cash would be available in April or May, and the certificates would also be available to private investors through advertising and bidding process. The debt service model indicated on a \$9 million debt, with a 4% rate, over a 20 year period, annual payments would be \$600,000 to be funded by 4B revenues as per the funding agreement already approved by the economic improvement corporation; no city ad valorem tax would be used to finance construction of the facility. He noted there was a 60 day window from the time of first publication on March 4 for submission of a petition; if a petition was submitted and found to be sufficient, the city council would proceed to schedule the issue on the next election date.

Ms. Keeble moved for approval of Resolution No. 08-2015; Mr. Conklin seconded the motion and it passed 5-0.

**7. INFORMATION AND DISCUSSION:**

**7A. Budget update. (staff)**

Ms. Yarbrough gave the financial report for the period ending February 24, 2015: to date the general fund revenues totaled \$10,732,821 and expenditures \$7,535,573; water and sewer fund revenues totaled \$2,971,813 and expenditures \$3,733,991; hotel/motel fund revenues totaled \$309,237 and expenditures \$454,474; 4 permits were issued for new residential construction and 1 for new commercial construction during the month of January.

**8. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

- Fire Department would be holding a blood drive at Wal-Mart on October 3.
- Registration underway for men's spring softball league, March 2 deadline.
- City was accepting applications for lifeguards.
- Mardi Gras on Main event was held February 17, estimated 700 in attendance; report would be presented at a future meeting.

6. **EXECUTIVE SESSION**: None.

**ADJOURNMENT**. The meeting adjourned at 6:39 p.m.

APPROVED: \_\_\_\_\_

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Jack Pratt, Jr., Mayor

ATTEST:

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Brenda G. Craig, City Secretary