

CITY COUNCIL MINUTES
OF A SPECIAL MEETING

KERRVILLE, TEXAS
AUGUST 9, 2010

On Tuesday, August 9, 2010, the Kerrville City Council meeting was called to order by Mayor Pro Tem Motheral at 9:02 a.m., in the city hall council chambers, 800 Junction Highway, Kerrville, Texas.

MEMBERS PRESENT:

David Wampler	Mayor (arrived at 9:09 a.m.)
R. Bruce Motheral	Mayor Pro Tem
Gene Allen	Councilmember
T. Scott Gross	Councilmember
Stacie Keeble	Councilmember

MEMBER ABSENT: None

STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Travis Cochran	Director of Information Technology
Kevin Coleman	Director of Development Services
Charlie Hastings	Director of Public Works
Mike Erwin	Director of Finance
John Young	Police Chief

REVIEW AND DISCUSS THE PROPOSED FY11 BUDGET AS IT PERTAINS TO CAPITAL IMPROVEMENT PLAN (CIP).

Ms. Ondrias noted the CIP was prepared based on other city master plans, e.g. streets, parks, thoroughfare, water and wastewater, etc. The five year plan had been deferred due to the economic climate and the previously proposed FY10 debt issuance did not occur. Staff proposed no FY11 debt issuance; close out of the prior year funded projects totaling \$29 million; and deferring the 2010 projects to 2011 with emphasis on three major water projects.

The council discussed the following matters in detail:

- Funding for ADA compliance issues at the Cailloux Theater.
- Inflow and infiltration improvements to seal water leaks in mains and lines.
- Staff should investigate implementing a gravity flow wastewater system instead of multiple mechanical lift stations. Mr. Hastings noted the Birkdale lift station under design to be constructed this year would be low enough to gravity flow and would allow the city to decommission the G Street lift station in the future. He noted a gravity flow system was evaluated in the utility master plan and it was determined that it would require construction of a new wastewater treatment plant downstream of the city in order to achieve a 100% gravity flow system.

Ms. Ondrias reviewed the existing debt service schedule and noted the city could not issue additional debt until 2023 without impacting the tax rate or water/wastewater

rates. She reviewed the five year CIP projects and funding sources and noted an estimated total of \$43,631,591 in CIP projects, of which \$41,000,000 was proposed to be funded through additional debt.

REVIEW AND DISCUSS THE PROPOSED FY11 BUDGET AS IT PERTAINS TO OTHER FUNDS.

Mr. Erwin noted the proposed budget did not include CIP projects.

The council discussed the following issues:

- Golf course revenue and expenditures. Ms. Ondrias noted that with a very small change in the daily rate the golf course revenue would cover expenditures and debt service payments without any subsidy from the city.
- Requested an analysis of existing debt.
- Concern of the city's sustainability and whether the city could maintain the current level of service to the citizens, particularly with continuing rising costs.
- Would like to see performance metrics that supported the level of services that the city was providing.

Mr. Erwin reviewed the budget schedule and noted that since the proposed tax rate was below the effective tax rate the city was not required to hold a public hearing on the tax rate; however, staff recommended public hearings be held as a matter of transparency.

Mr. Parton proposed a planning session at the winter retreat to discuss the CIP and future funding, economic recovery plan, and future sustainability.

REVIEW AND DISCUSS THE PROPOSED FY11 BUDGET AS IT PERTAINS TO ANY COUNCIL QUESTIONS OR DIRECTIONS.

Adjournment: The meeting adjourned at 9:45 a.m.

APPROVED: _____

David Wampler, Mayor

Brenda G. Craig, City Secretary