

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
AUGUST 10, 2010

On August 10, 2010, the Kerrville City Council meeting was called to order by Mayor Wampler at 6:00 p.m. in the city hall council chambers, 800 Junction Highway. The invocation was offered by Fern Lancaster of the First Assembly of God Church, followed by the Pledge of Allegiance led by Ron Hackett, Military Officers Association of America.

MEMBERS PRESENT:

David Wampler	Mayor
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 Cochrane	Director of Information Technology
Kevin Coleman	Director of Development Services
Mindy Wendele	Director of Business Programs
Charlie Hastings	Director of Public Works
Mike Erwin	Director of Finance
John Young	Police Chief
Kim Meisner	Director of General Operations

VISITORS PRESENT: List on file in city secretary's office.

1. VISITORS/CITIZENS FORUM: No one spoke.

2. PRESENTATIONS:

2A. Resolution of commendation to Lindsay Duff for serving on the economic improvement corporation.

3. CONSENT AGENDA:

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

3A. Approval of minutes of the special meeting held on July 27, 2010 at 4:30 pm and City of Kerrville Employee Benefits Trust held on July 27, 201 at 6:20 pm.

3B. Resolution No. 026-2010 setting forth the ad valorem tax rate to be considered for adoption for the 2010 tax year; calling two public hearings; and calling a public hearing as required by both the city's charter and state law prior to the adoption of the fiscal year 2011 budget.

3C. Resolution No. 025-2010 designating the authorized representatives for the city relating to its participation in the Texas Local Government Investment Pool.

3D. Authorize the execution of interlocal agreements with the city of Ingram, Texas, and the Kerrville Veterans Administration police department for criminal data access.
3E. Authorize the execution of an agreement with Patterson and Associates for investment advisory services.

END OF CONSENT AGENDA

4. CONSIDERATION AND POSSIBLE ACTION:

4A. Resolution No. 027-2010 authorizing the city's participation in a 457 deferred compensation plan with ICMA Retirement Corporation (ICMA-RC) to provide a supplemental savings program to employees.

Ms. Meismer noted the city currently offered voluntary deferred compensation plans to employees through Nationwide and Lincoln and that some employees had accounts with ICMA-RC through other cities. She proposed the city's participation with ICMA-RC as an additional alternative voluntary retirement plan for employees. The city was not required to provide any contribution or match for the employee toward any of these voluntary plans. She noted that 82% of the employees were not participating in a voluntary deferred comp plan through the city. Council and staff discussed the benefits and costs of all three voluntary plans.

Sandra Aguilar, ICMA-RC representative, reviewed the plan benefits and administrative charges offered by ICMA-RC.

Mr. Motheral moved for approval of Resolution No. 027-2010; the motion was seconded by Ms. Keeble and passed 4-1, with Councilmembers Motheral, Keeble, Allen, and Wampler voting in favor of the motion; and Councilmember Gross voting against the motion.

4B. Evaluate the recruitment and selection process for boards and commissions established by City Council in November 2009.

Ms. Keeble discussed the interview process for city boards and noted several applications on file pending interviews for the planning and zoning commission (PZC). She was concerned that interviews were not taking place in a timely manner and vacancies could have an effect on some boards' ability to function. She questioned if the council would prefer to change the board appointment process and suggested alternatives to the interview process.

The following person also spoke:

1. Donna Snow Robinson, president of the League of Women Voters, noted they supported diversity in persons appointed to city boards and a fair procedure for appointments. She offered LWV assistance to council with research and the board appointment process. LWV could host public forums where board members could discuss the responsibilities and activities of their boards and thereby encourage more people to apply for membership.

2. Carolyn Lipscomb suggested current board members could help solicit applications, and city council and staff could talk with civic groups.

The council discussed the following:

- Lack of applications on file for some boards.
- Liaison member of that board could be on of the interview team and the other team member be appointed on a rotation basis.
- Staff should provide all councilmembers with copies of all applications when they were submitted.
- Council should also consider the qualifications of applicants; should maintain quality in persons appointed to boards.
- The entire council could interview all applicants for select boards.

Ms. Craig noted current vacancies on PZC and the golf course advisory board and a general lack of applications for all boards. She noted there may have been a lack in communication between city staff and the interview team regarding applications on file for PZC.

Mr. Hayes noted that interviews and discussion of appointments to the planning and zoning commission and the economic improvement corporation could be held in executive session, but advisory board appointments could not.

The consensus of the council was not to change the board interview and appointment process, and that staff provide copies of all applications to all councilmembers as they are received.

4C. Consideration of disbursement of hotel occupancy tax (HOT) funds for Fiscal Year 2011.

Mr. Erwin presented the distribution worksheet based on the average of each councilmembers' recommended appropriation of the estimated \$850,000 HOT funds.

Council discussed the following matters:

- Concern that council was awarding the convention and visitors bureau (CVB) more (\$718,750) than they had requested (\$650,000). It was noted that CVB had cut their FY11 budget, as requested by the city, due to current economic decline.
- Applicants should prove that they put "heads in beds" in order to receive HOT funds.
- The arts coalition had been established by the city and managed by CVB to achieve better advertising rates. The Texas Folk Music Foundation (TFMF) allocation was proposed as an independent funding request and not as part of the arts coalition. Also, TFMF did not provide information on the number of documented hotel nights.

Ms. Keeble moved to approve the appropriations as presented on the distribution worksheet. The motion died for lack of a second.

Mr. Gross moved to approve the appropriations as presented on the distribution worksheet with the exception of moving the \$7,600 allocated to the TFMF from independent funding to the arts coalition funding. The motion was seconded by Mr. Motheral and failed 2 to 3 with Councilmembers Gross and Motheral voting in favor of the motion; and Councilmembers Allen, Keeble, and Wampler voting against the motion.

The following persons spoke:

1. Dalis Allen, Texas Folk Music Foundation representative, noted they booked several hundred hotel rooms just for their participants in the wine festival and folk festival events. She noted TFMF could work with the arts coalition through CVB.
2. Ruth Spradling questioned how CVB knew they had booked 38,990 hotel nights.
3. Sudie Burditt, executive director of CVB, noted the number of hotel nights booked by CVB was actually higher than 38,990 and was documented based on the groups and number of rooms that CVB booked into hotels through negotiated contracts. Regarding the arts coalition funding versus independent funding, she explained that some groups like TFMF requested funds for websites and brochure printing, and not for advertising through the arts coalition; however, independent funding requests were restricted to marketing expenditures and must meet requirements of state law.

Ms. Keeble moved to approve the appropriations as presented on the distribution worksheet with the exception of moving half the \$7,600 allocated to the Texas Folk Music Foundation from independent funding to the arts coalition funding. The motion was seconded by Mr. Motheral and passed with Councilmembers Keeble, Motheral, Gross, and Wampler voting in favor of the motion; and Councilmember Allen voting against the motion.

4D. Consider Fiscal Year 2011 airport budget.

Mr. Parton noted the budget reflected funding of the allocations approved by the county; he recommended approval as presented by the airport board.

Mr. Allen moved to approve the FY11 airport budget as presented; Mr. Gross seconded the motion and it passed 5-0.

4E. Consider recommendation of representation to Alamo Regional Rural Planning Organization (ARRPO).

Mr. Parton noted Former Mayor Todd Bock was the regional appointee to the ARRPO, and since leaving office, that position was vacated and the Alamo Area Council of Governments was accepting nominations. ARRPO was established by AACOG to study rural transportation needs of their area; the position being considered would be an elected member of the city councils of the counties it would represent: Bandera, Gillespie, Kendall, and Kerr. The Kerrville City Council may select a nominee from the list submitted, which included Mayor Wampler, or nominate another council member. Nominations were due to AACOG by August 13.

Mayor Wampler stated his willingness to serve, but due to time constraints asked if another councilmember would like to serve who could dedicate more time and focus on the committee. He noted Mr. Motheral had an engineering and planning background and had agreed to serve.

Mr. Gross moved to nominate Mayor Pro Tem Bruce Motheral to be placed on the ARRPO ballot; Mr. Allen seconded the motion and it passed 5-0.

5. INFORMATION AND DISCUSSION:

5A. Discuss Fourth of July celebration.

Mr. Motheral noted with the generous donation from Mamacita's to fund the fireworks for the next 10 years the city could explore opportunities to expand the event and encourage more community involvement. He proposed moving away from a city-managed event and encouraging another entity to take over the event. He proposed the city create a 501(c)3 corporation so contributors could receive a tax break, and visit with civic groups for financial contributions as well as participation in the event.

Mr. Hayes noted persons contributing to the city could receive a tax break now under the tax code without having to be a 501(c)3; however, his concern was liability issues.

Mr. Parton expressed concern about the city's commitment to maintain and expand the event due to the fact that several positions had been eliminated from the parks department budget and this would have a major impact on the city's limited ability to setup and clean up from a large event.

The following persons spoke:

1. Carolyn Lipscomb suggested the entity that managed the Christmas parade might take on the Fourth of July event. Mr. Parton noted city staff managed the Christmas parade with help from the main street advisory board (MSAB).
2. Carson Conklin, president of the Young Men's' Business League, expressed support for the event and excitement at the opportunity to participate.

The council also discussed the following:

- MSAB and other civic groups could be a great asset in expanding the event.
- Event should involve the down town area.

The consensus of the council was that Mr. Parton should prepare a plan to expand the Fourth of July celebration and present it to council for action at the next meeting.

5B. Kerrville budget/economic update.

Mr. Erwin reported for the month of July local employment was up from 6.0 to 6.2; sales tax was down 2%, and hotel occupancy tax was up 6%.

6. BOARD APPOINTMENTS:

6A. Appointments to the main street advisory board.

Mr. Gross moved to appoint Brett McDowell with term to expire January 31, 2011; and Kacy Smith with term to expire January 31, 2012. Mr. Motheral seconded the motion and it passed 5-0.

7. **ITEMS FOR FUTURE AGENDAS:** None requested.

8. **ANNOUNCEMENTS OF COMMUNITY INTEREST:** None reported.

9. EXECUTIVE SESSION:

Mr. Gross moved for the city council to go into executive closed session under Section 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code; the motion was seconded by Mr. Allen and passed 5-0 to discuss the following matters:

Section 551.071:

- Application of LCRA Transmission Services Corporation to amend its Certificate of Convenience and Necessity for proposed McCamey D to Kendall to Gillespie 345-kV CREZ Transmission Line in Schleicher, Sutton, Menard, Kimble, Mason, Gillespie, Kerr, and Kendall Counties, Texas. Public Utility Commission of Texas (PUC) Docket No. 38354

Sections 551.071, 551.072 and 551.087:

- Economic development grant/loan agreement between Kerr Economic Development Foundation, Inc. and the City of Kerrville, Texas Economic Improvement Corporation.

Section 551.071, 551.072, and 551.087:

- Discuss the purchase, exchange, lease, sale, or value of real property for use as a city facility, the public discussion of which would not be in the best interests of the city's bargaining position with third parties.

At 7:45 p.m. the regular meeting recessed and council went into executive closed session at 7:54 p.m. At 9:15 p.m. the executive closed session recessed and council returned to open session at 9:16 p.m. The mayor announced that no action had been taken in executive session.

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

10A. Application of LCRA Transmission Services Corporation to amend its Certificate of Convenience and Necessity for proposed McCamey D to Kendall to Gillespie 345-kV CREZ Transmission Line in Schleicher, Sutton, Menard, Kimble, Mason, Gillespie, Kerr, and Kendall Counties, Texas. Public Utility Commission of Texas (PUC) Docket No. 38354

Mr. Motheral moved to authorize the mayor to contact other cities and individuals regarding the CREZ line project. The motion was seconded by Mr. Gross and passed 5-0.

ADJOURNMENT. The meeting adjourned at 9:16 p.m.

APPROVED: _____

David Wampler, Mayor

ATTEST:

Brenda G. Craig, City Secretary