

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
MAY 12, 2015

On May 12, 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 Linda Harper, Prayer Minister at Wild Ride Ministries, followed by the Pledge of Allegiance led by Police Chief David Knight.

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	Police Chief
Trent Robertson	City Planner
Dannie Smith	Fire Chief

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

1. **VISITORS/CITIZENS FORUM:** No one spoke.
2. **PRESENTATIONS:**
 - 2A. Recognition of Joe Alvarez for 40 years of service to the City of Kerrville.
 - 2B. Proclamation proclaiming May 2015 as National Preservation Month.
 - 2C. Recognition of Melissa Southern and John Hagerla, and Linda and Mark Stone for their work to restore and preserve The Depot building.
 - 2D. Proclamation proclaiming May 2015 as William's Syndrome Awareness Month.
3. **CONSENT AGENDA:**

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

 - 3A. Transfer of vehicle title, disclaimer, and release of liability between Ingram Volunteer Fire Department and the City of Kerrville for donation of aerial fire truck.

3B. Resolution No. 16-2015 authorizing the city's continued participation with the Atmos Cities Steering Committee; and authorizing the city's payment of five cents per capita to the Atmos Cities Steering Committee to fund regulatory and related activities related to Atmos Energy Corporation.

END OF CONSENT AGENDA

4. PUBLIC HEARING AND ORDINANCE FIRST READING:

4A. Ordinance No. 2015-09 amending the city's "Zoning Code" by changing the zoning district for certain properties located on Clay Street between its intersections with Jefferson Street and Schreiner Street, said properties addressed as 414, 416, and 418 Clay Street; such change will result in the removal of the properties from the central city 19-C zoning district to placement within the central business district (CBD); containing a cumulative clause; containing a savings and severability clause; providing for a maximum penalty or fine of two thousand dollars (\$2000.00); ordering publication; and providing other matters relating to the subject. Mayor Pratt read the ordinance by title only.

Mr. Robertson noted no objections had been received from neighboring property owners. The proposed use and zoning was consistent with the land use plan and neighboring properties. The change would allow the property to be used without having to go through a variance. The planning and zoning commission approved the amendment.

Mayor Pratt declared the public hearing open at 6:14 p.m. and the following person spoke:

1. Dorcie Lee Spaulding, owner of subject property, stated he had a potential client to open a restaurant; he would make improvements that would complement the renovation of The Depot building across the street.

Mayor Pratt closed the public hearing at 6:16p.m.

Mr. Stork moved for approval of Ordinance No. 2015-09 on first reading; Ms. Keeble seconded the motion and it passed 5-0.

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Economic development incentive agreement between the City and James Avery Craftsman, Inc. (JAC):

Mr. Conklin filed a conflict of interest affidavit and left the council chambers at 6:17 p.m.

Mr. Parton noted council approved a tax abatement agreement in November 2014 for the new JAC facility on Highway 27 that would construct a new 53,000 sq. ft. facility and add 359 new jobs over the next six years. The economic improvement corporation approved a \$1.2 million 4B grant for construction and improvements. JAC requested amendments to that tax abatement agreement:

1. Establish effective date as January 14, 2015, to be consistent with the 4B funding agreement.

2. Reduce the term of the agreement from 15 years to 8 years to be consistent with the 4B agreement and to coincide with the five year abatement of taxes on the project.
3. Reduce the requirement that minimum taxable value of the property be maintained at \$7.8 million for four calendar years after initial construction instead of five years.
4. Reduce the requirement that a minimum taxable value of the tangible personal property be maintained at \$4 million for four years instead of five years, noting that some equipment may be at or near full depreciation at five years.

Mr. Parton noted that the initial investment was estimated at \$9 million, significantly higher than the requirement in the agreement. Under the agreement, JAC would receive reimbursement for actual taxes assessed and collected on the property and equipment and would probably reach 100% abatement in five years. There was a process in the agreement that addressed tax protests and how the actual tax reimbursement would be adjusted based on the actual taxable value. All other points of the original agreement would remain in effect

Paul Zipp, Chief Financial Officer for JAC, noted the project had increased above original projections; however the tax abatement agreement was capped at the original value and JAC was not requesting any additional abatement related to the increased investment. Construction of the facility was underway

Mr. Allen moved to approve the agreement as presented; Ms. Keeble seconded the motion and it passed 4-0-1 with Councilmembers Allen, Keeble, Stork, and Pratt voting in favor of the motion; no one voted against; and Mr. Conklin abstained.

Mr. Conklin returned to the council chambers at 6:26 p.m.

5B. Fiscal year 2015-2016 budget for the Kerrville-Kerr County Airport Advisory Board.

Airport Manager Bruce McKenzie, presented the FY16 budget and noted an increase of \$20,000 over FY15; however the airport board had taken over the management of additional structures. Income was up over 2014 and the board was requesting \$35,000 annual participation from the city. It was noted that in 2010 the city's contribution was \$390,000.

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

5C. Professional services agreement with Freese and Nichols, Inc. (FNI) for project services for direct potable reuse (DPR) project-Phase 1.

Ms. Day noted that council authorized the feasibility study for the reuse pond in June 2014 and directed staff to move forward with the 105 MG south pond. Council directed staff to evaluate the north pond and other water sustainability ideas including treating DPR water to drinking standards and storing it in an aquifer storage recovery (ASR) well. The proposed south pond would have

berms 26 ft. high from ground level, cover 30 acres, and have a storage capacity of 105 MG. TCEQ considered DPR projects on a case by case basis and had given the city preliminary approval that the city would not be required to blend DPR with potable water. Reuse ponds were critical to DPR as water treatment operations produce a byproduct and staff proposed placing the byproduct into the reuse pond, if approved by TCEQ. The scope of Phase 1 included:

- Comprehensive review of treatment data for effluent water.
- Develop, manage and coordinate the water sampling program defined by TCEQ.
- Water sampling of effluent for one year to determine the water treatment method that FNI would recommend.
- Mid-year meeting with TCEQ to review sampling results and discuss treatment options.
- Evaluate two treatment options.
- Coordinate with TCEQ for acceptability of treatment process.
- Fee for engineering services and water quality testing not to exceed \$105,000.

Ms. Day noted the current phase was under budget and those funds could be used to study a new ASR well for DPR, which was budgeted in phase 2.

Mr. Conklin moved to authorize the city manager to enter into a professional services agreement with Freese and Nichols to provide engineering services related to Phase 1 evaluation of direct potable reuse in an amount not to exceed \$105,000. Mr. Stork seconded the motion and it passed 5-0.

5D. Fourth amendment to landfill operations and disposal agreement with Republic Services. Ms. Day noted the amendments in 5D and 5E contained the changes previously discussed and approved by city council on April 14. If council approved items 5D and 5E, the fee schedule in item 5F would have to be amended and approved at a future meeting.

Mr. Conklin moved to approve the fourth amendment to the landfill operations and disposal contract with Republic Services as presented. Mr. Stork seconded the motion and it passed 4-1 with Councilmembers Conklin, Stork, Allen, and Pratt voting in favor of the motion and Councilmember Keeble voting against the motion.

5E. Second amendment to collection agreement for residential solid waste collection and recyclable materials with Republic Services.

Mr. Conklin moved to approve the second amendment to the collection agreement for residential solid waste collection and recyclable materials contract with Republic Services as presented. Mr. Stork seconded the motion and it passed 4-1 with Councilmembers Conklin, Stork, Allen, and Pratt voting in favor of the motion and Councilmember Keeble voting against the motion.

5F. Resolution No. 15-2015 amending the City of Kerrville fee schedule by revising fees pursuant to the city's contracts for the collection of residential solid waste and recyclable materials and operation of the landfill. Tabled to May 26 due to fee changes resulting from the approval of items 5D and 5E.

6. APPOINTMENTS TO BOARDS AND COMMISSIONS:

6A. Appointment to the Main Street Advisory Board. Mr. Allen moved to appoint Dainelle Logan to the main street advisory board with term to expire June 30, 2017. Mr. Stork seconded the motion and it passed 5-0.

6B. Appointments to the Parks and Recreation Advisory Board. Mr. Allen moved to reappoint James Gardner, Bill Muse, and Ed Wallace, and to appoint Diane McMahon and Bedford Mitchell to the parks and recreation advisory board all with terms to expire March 31, 2017.

7. ITEMS FOR FUTURE AGENDAS:

8. ANNOUNCEMENTS OF COMMUNITY INTEREST:

- Council recognized the Cailloux Foundation for providing the interest free loan to the city for the purchase of the new \$1.3 million aerial platform ladder truck.
- David Knight was appointed Kerrville Police Chief.
- May 13, 11:30 a.m. – 2:00 p.m. main street hosting an open house and tour of downtown properties.
- May 13, 1:00 p.m., open house at 741 Water Street to recognize the 20th anniversary of the Main Street Program in Kerrville.
- May 14, 5:30 p.m., Rails Café celebrating 100th anniversary of The Depot.
- May 15-16, Kerrfest at the Hill Country Youth Event Center.
- May 18, “click it or ticket” campaign, police to issue tickets to drivers who did not buckle seatbelts.
- May 19, 9:00 a.m., reception to honor outgoing Councilmembers Stacie Keeble and Carson Conklin.
- May 19, 10:00 a.m., canvass of May 9 election and swearing in of new Councilmembers Bonnie White and Stephen Fine.
- Festival of the Arts Memorial Day weekend on Water and Earl Garrett streets
- June 6 and 7 Chalk Festival Event in Peterson Plaza, street painting by professional artists; also having a kids area.
- June 13 Grand opening of Louise Hays Park, Lehmann & Monroe Park, and the river trail, start 8:00 a.m.

9. EXECUTIVE SESSION: None.

10. ACTION ON ITEM DISCUSSED IN EXECUTIVE SESSION: None.

ADJOURNMENT. The meeting adjourned at 6:52 p.m.

APPROVED: May 26, 2015

/s/

ATTEST:

Jack Pratt, Jr., Mayor

/s/

Brenda G. Craig, City Secretary