

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
July 7, 2015

On July 7, 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 James Wilson, Pastor of Kerrville Christian Center, followed by the Pledge of Allegiance led by Police Chief David Knight.

COUNCILMEMBERS PRESENT:

Jack Pratt	Mayor
Gary F. Stork	Mayor Pro Tem
Bonnie White	Councilmember
Gene Allen	Councilmember

COUNCILMEMBER ABSENT:

Stephen P. Fine	Councilmember
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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
Kim Meismer	Director of General Operations
David Knight	Police Chief
Trent Robertson	City Planner
Dannie Smith	Fire Chief
Kim Snyder	Main Street Manager
Stuart Barron	Public Works Director

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

1. VISITORS/CITIZENS FORUM:

1A. Deborah Gaudier, representing Kerr County Historical Commission, invited the council to attend the historical marker dedication for "The Famous Door" at 225 West Barnett on July 25, 2015, at 11:00 a.m. She noted the current owner was rehabbing the building and would be requesting a zoning variance to reopen since it expired when the building closed 20 years ago. Council referred her to the planning and zoning department.

2. PUBLIC HEARINGS AND ORDINANCES, FIRST READINGS:

2A. Ordinance No. 2015-13, amending the city's "Zoning Code" by changing the zoning district of the property located on the southeast corner of the intersection of Water Street and 'G' Street, otherwise known as 1700 Water Street, by removing the property from the 17-C district and placing it within the 19-C district; 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 reported that notices were sent to property owners within 200 ft. of the subject property; two responded in favor of the zone change; no opposition was received. The proposed zoning was consistent with the land use plan and would not inhibit future development in the area. Staff and the planning and zoning commission (PZC) were in favor of the zone change.

Mayor Pratt declared the public hearing open at 6:06; no one spoke and Mayor Pratt closed the public hearing at 6:06 p.m.

Ms. White moved for approval of Ordinance No. 2015-13 as presented on first reading; Mr. Stork seconded the motion and it passed 4-0.

2B. Ordinance No. 2015-14, amending the Comprehensive Plan for the City of Kerrville, Texas, pursuant to Chapter 213 of the Texas Local Government Code; by revising the Future Land Use Plan for a property located adjacent to the northeast of Legion Drive and between its intersection with Goss Street and Loop 534 (Veterans Highway); and changing the future land use of this area from low-density residential to mixed-use. Mayor Pratt read the ordinance by title only.

Mr. Robertson noted the owner requested a zone change which would require a comprehensive plan amendment to amend the future land use plan from low density residential to mixed use (Item 2C). Property owners within 200 feet had been notified and no one expressed opposition. The proposed use was consistent with neighboring properties, and would create a buffer between existing residential and commercial uses. PZC recommended approval.

Mayor Pratt declared the public hearing open at 6:09; no one spoke and Mayor Pratt closed the public hearing at 6:10 p.m.

Mr. Allen moved for approval of Ordinance No. 2015-14 as presented on first reading; Ms. White seconded the motion and it passed 4-0.

2C. Ordinance No. 2015-15, amending the city's "Zoning Code" by changing the zoning district of a property located adjacent to and northeast of Legion Drive and between its intersection with Goss Street and Loop 534 (Veterans Highway), by removing the property from the residential mix (RM) district and placing it within the 29-E district; 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 the subject property was the same property as in 2B. Property owners within 200 feet were notified and no one expressed opposition. The proposed use was consistent with uses on neighboring properties; however, the use was not consistent with the adopted land use designation for this site, which required the comp plan amendment in Item 2B.

Council noted the applicant also owned the adjacent lot, but he was not requesting C-29 zoning for that property. Mr. Robertson noted the subject tract was platted years ago as commercial property, but there had been an error in the city's map; approval of this request would correct that error. PZC recommended approval pending approval of the comp plan amendment in 2B.

Mayor Pratt declared the public hearing open at 6:13; no one spoke and Mayor Pratt closed the public hearing at 6:13 p.m.

Mr. Stork moved for approval of Ordinance No. 2015-15 as presented on first reading; Mr. Allen seconded the motion and it passed 4-0.

3. PUBLIC HEARING AND ACTION:

3A. Proposed amendments to the Residential Transition (RT) Zoning District, to include development regulations regarding building size, building appearance, off-street parking, front yard requirement, sign restrictions, and land being used as churches and schools.

Mr. Robertson noted that churches and schools were recently exempted from sections i and ii; PZC proposed that churches and schools also be exempted from sections iii, iv, and v. He requested direction from council to prepare an ordinance that would exempt churches and schools from development regulations in the RT district based on the proposed amendments:

Subsections 11-I-10(f)(3)(i)-(v):

- (i) Building area: allow buildings to exceed 3,000 sq. ft.
- (ii) Building appearance: removed "brick" and "rock" and added "masonry exterior."
- (iii) Off Street Parking: removed requirement that parking be allowed only on the side or rear of a building.
- (iv) Front Yard Requirements: eliminated.
- (v) Sign Restrictions: eliminated.

Mayor Pratt opened the public hearing at 6:16 and the following person spoke:

1. Steve King questioned how this would affect properties city-wide or if it would affect only new construction.

Council noted the amendment would only exempt churches and schools in the RT zone from these requirements.

No one else spoke and Mayor Pratt closed the public hearing at 6:18 p.m.

Council instructed staff to prepare an ordinance as presented for recommendation by PZC and future consideration by council.

4. CONSIDERATION AND POSSIBLE ACTION:

4A. Request by the Joint Airport Board to proceed with the refurbishing of the Mooney parking lot, asphalt repair, and taxiway extension with participation from the City of Kerrville.

Steve King, Airport Board Chairman, and Bruce McKenzie, Airport Manager, noted a request had been received by Mooney for the city and county as joint owners to pave several parking areas on city/county property leased by Mooney. The airport board would provide the materiel and the city and county would provide equipment and labor. This matter was scheduled to be presented to the county commissioners' court on July 13. They estimated 5-6 weeks to coordinate and two days for actual construction.

Mr. Stork moved for the city to participate, but did not want the city street paving program to fall behind; therefore, the city manager could hire an outside contractor to do the city's share if needed. Mr. Allen seconded the motion and it passed 4-0.

4B. Request by property owners to amend the zoning code, land use table for the central business district (CBD)

Mr. Robertson noted requests had been received from two property owners in the CBD to add "death care services" and "printing" to the land use table for uses permitted by right in the CBD. When the CBD was adopted in 2011 several properties became non-conforming; death care services and printing services were allowed to continue as a conditional use. To grant this request would require an amendment to the land use table in the CBD. Mr. Robertson noted the amendment would require two public hearings and go before PZC for their review and recommendation, before final adoption by council.

The following person spoke:

1. Joe Herring noted a print shop had been at his location on Water Street since 1898; he requested printing be a permitted use instead of a conditional use at this location.

Council consensus was to instruct staff to proceed with the process to make the text amendment.

4C. Kerrville Economic Development Corporation fiscal year 2016 funding request in the amount not to exceed \$23,750.

Jonas Titas, KEDC Executive Director, was available for questions.

Mr. Stork moved to approve the request as presented and authorize execution of a contract; Ms. White seconded the motion and it passed 4-0.

4D. Authorization to execute an agreed order from Texas Commission on Environmental Quality pertaining to the exceedances of maximum total trihalomethanes (TTHM).

Ms. White questioned: 1) why the letter violation from TCEQ was sent April 24 and it was just now coming to city council's attention; 2) where were the sites that had issues; 3) why the TCEQ report stated the respondent did not respond and did not meet good faith efforts to comply; and 4) the membrane system went down in January, why had it not been repaired sooner? She suggested contacting a consultant for the membrane system.

1. Mr. Barron noted the TCEQ letter was dated June 8 but referred to a notice dated April 24. Mayor Pratt noted the issue was deliberated by the previous council at which time it was noted that the membranes were broken and had to be replaced and council authorized a budget amendment to fund repairs.
2. Mr. Barron noted: Airport, Moore Street, Summit, and College Cove.
3. Mr. Parton noted the letter was TCEQ's standard response form letter.
4. Mr. Barron noted the parts had been on order and should be here by the end of the month. The membrane plant produced 1 mgd; a conventional plant produced 5 mgd.

Mr. Stork moved to authorize the mayor to execute the agreement; Mr. Allen seconded the motion and it passed 4-0.

4E. Authorization to execute contract with Public Sector Personnel Consultants in the amount of \$15,000 to review the City of Kerrville compensation study dated August 2013.

Mr. Parton noted the city received a study from PSPC in August 2013, and the city completed implementing recommendations in that report in FY2014 and FY2015. He recommended contracting with PSPC to update that study in order to maintain market conditions. Specifically, he proposed that the study: review job descriptions, evaluate salary compression and step plan issues, identify any deficiencies, and make recommendations on implementation. He recommended that the same benchmark cities used in 2013 be used for the update as those cities were comparable to Kerrville, and that implementation of any changes would occur in the FY2017 budget.

Mayor Pratt stated that employees should be paid market wages and the study would make that determination.

Mr. Stork moved to authorize execution of the contract as presented. Mr. Allen seconded the motion and it passed 3-1 with Councilmembers Stork, Allen, and Pratt voting in favor of the motion, and Councilmember White voting against the motion.

4F. Presentation of fiscal year 2016 budget and direction to staff.

Mr. Parton reviewed the draft 2016 budget:

- Maintained the existing property tax rate of \$0.5625; a 2.5% increase in overall assessed value.
- Maintained current water and sewer rates.
- Maintained existing levels of service.

- FY2016 revenues estimated at \$48.8 million, which was a 1.5% increase from FY2015; general fund generated about 50% and utility rates generated about 24%.
- Anticipated sales tax collection increase of 4%, about \$233,000.
- Expenditures increase by 2.4%.
- Funded salary increases (step and merit). Personnel costs were the largest category of expenditures at 44.8% of total budget and 1.3% above FY2015.
- Allocated funds for positions that were frozen in 2010 in the police department.
- Continued to expand street paving program with past assistance of a grant from the Cailloux Foundation to purchase equipment; 2016 street maintenance budget increased to \$1,000,000.
- Allocated \$600,000 to fire reserve fund to cover any unforeseen budget shortfall or equipment replacement in the future. City provides EMS and fire service county-wide.
- Fire/EMS: ambulance unit remount (\$119,000) and equipment replacement/upgrades (\$214,000)
- Public works: dump truck (\$83,000) bobcat loader (\$67,000), and sound attenuated bypass pump (\$48,000).
- Water and sewer fund: \$3 million transfer to CIP for capital projects.
- Parks and recreation: one new crew leader position, increased overtime for special events, increased supplies for expanded park system, and purchase of one new mower.
- Capital/vehicle replacement (\$256,000).
- Anticipated operation of athletics complex; construction begin in FY2016, and fully operational in FY2017.
- Reviewed projects completed in the last few years.
- Reviewed ongoing capital projects: Cailloux Theatre expansion, landfill permitting, athletic complex, river trail expansion, Jefferson transmission and lift station, water reclamation clarifier and improvements, TTHM (total trihalomethanes) improvements, phase I construction of reuse pond.

The consensus of council was to schedule the budget workshop for Monday, July 21, 1:00-5:00 p.m.

Mayor Pratt requested two items be included in the budget: 1) Body cameras for police, expenses in FY2016, actual purchase in FY2017. Mr. Parton estimated \$180,000 annual expense for equipment and personnel; and 2) Grant writer, third party at no cost to the city.

4G. Discussion and possible action to withdraw the contract of sale with the Cailloux Foundation Properties, L.L.C. for a proposed athletic complex at the intersection of Holdsworth Drive and Town Creek Road and resubmit the Gift of Parkland and Project Management Services Agreement with the Cailloux Foundation Properties, L.L.C. (CF) for said athletic complex.

Ms. White noted the contract of sale was approved by the previous council on April 28. The city manager then placed an item on the June 23 agenda to approve an amendment that was not authorized by the council. She stated that the entire intent of the contract of sale changed to a gift of parkland and project management

services and she reviewed changes that had been made by staff. The city now had two separate contracts, one approved on April 28 entitled a contract of sale, and one approved on June 23 entitled gift of parkland and project management services, which council had not had time to review as it was provided just prior to the meeting. She opined that having two substantially different contracts may create future problems: 1) Two separate signed documents with two different effective dates; and 2) Substantive changes had been made to the agreement after it was approved by council on June 23 without council authorization. Council then received another red-lined draft on June 26 from the city attorney on July 1 and more changes to that document, including a \$1.5 million figure that was not in earlier versions. She noted the final document was an entirely different document than was contemplated by previous council and substantive changes had occurred between council's previous motion and the final document. She noted the first contract limited city spending to \$9 million; however, the new gift agreement did not limit the dollar amount to be spent by the city. The gift agreement also added language that if the city did not start construction within a year or complete the project within four years, the property would revert back to the CF; this was not contemplated in the previous agreement.

Ms. White stated the document was presented to council and council did not authorize staff to make amendments or negotiate a contract with CF that was already in existence. She was concerned about protocol, and had to wonder if changes were being made after a final document was voted on by council. What was approved and voted on by council in a meeting should be the final document. She suggested council consider terminating the contract for sale and consider issuing a new agreement for a gift of parkland and project management services.

The following persons spoke:

1. Robert Naman questioned: 1) Wanted assurance that \$9 million plus interest would be the maximum total cost to the city for the sports complex; 2) Would the city require a performance bond from the foundation; 3) If so, would the bond guarantee that the city would not pay more than \$9 million total cost; 4) Had the city applied to or received approval from TCEQ and EPA for any runoff into Town Creek; 5) If annual projected income falls short, would the city need to raise taxes or cut other services to make up for that shortfall; 6: During drought periods would the sports complex have priority rights over homeowners for water usage?

Mayor Pratt noted a performance bond would be required of the contractor as part of bid process. Mr. Parton noted that under the new contract, the project would be a city-managed construction project and the city would have to manage any cost overruns, e.g. reduction in project or change orders, same as any other city-run and city-bid project.

Council noted that the previous city council accepted the contract of sale as a gift from the CF; city staff did not enter into negotiations to amend the contract; this was contemplated by the CF because of public outcry, and staff was bringing that proposal to council for consideration. Staff notified the council of the proposed

changes through emails and council had opportunity to give input into the changes and staff brought those changes back to council and council approved the agreement. The basic agreement did not change

Mayor Pratt called for a motion; no motion was made.

2. Barbara Burton noted that the city council agreed to a contract and that contract changed; should the council now have to agree to those changes? Since there were changes after the council agreed to the contract, should there be a new agreement?

Mayor Pratt noted that CF suggested the changes to better meet the city's needs, CF presented the changes and the new agreement came back to council and was approved.

5. INFORMATION AND DISCUSSION:

5A. Main street program activities report.

Ms. Snyder noted the main aspect of the main street program was a focus on economic growth and stability and historic preservation. The Texas Main Street program had been in existence for 34 years, and Kerrville was celebrating 20 years in the program. The Main Street Advisory Board was currently reviewing applications for the purchase of a second public art project to be installed by the end of summer. She noted that \$73 of every \$100 spent at a small local business stayed in the local economy and had three times the impact on the local community than money spent at national chains. The Hwy. 16/27 intersection was the second busiest intersection in Kerrville and had 23,000 cars per day. 15% of Kerrville's total sales tax revenue was generated from downtown businesses; downtown consistently generated three times the sales tax revenue than that of Riverhills Mall based on sales tax revenue. Since November 2014, eight new businesses opened in downtown.

6. BOARD APPOINTMENTS:

6A. Appointments to the Main Street Advisory Board. Mr. Stork moved to reappoint Mindi Franklin and Melissa Southern with term to expire May 31, 2017. Mr. Allen seconded the motion and it passed 4-0.

7. ITEMS FOR FUTURE AGENDA:

8. ANNOUNCEMENTS OF COMMUNITY INTEREST:

- Bonds for the proposed sports complex were sold and the city received \$9 million today. The Texas Attorney General's Office reviews all bond issues in the state, and evidently the AGO did not find any problem with the city's bond issue.
- The July 4th event was well attended; appreciation was expressed to the 4th on the River organization, Mamacita's for fireworks, and city staff.
- The police department was accepting applications for citizens police academy.
- Movies in the park would be on July 17 at Kerrville Schreiner Park.

- A letter was read from Republic Services addressed to Kerrville residents; they were sorry and embarrassed that the new cart delivery and conversion to automated service had not gone well, and they would work to correct all outstanding issues. People should report any problem to Republic at 830-257-3831. Also, Republic will assist disabled people when contacted.
- Car burglaries were increasing; people should not leave cars unlocked.
- Remember the family of L.D. Brinkman who recently passed away.
- The spray park in Louise Hays Park would be closed for a few days starting July 6.

9. EXECUTIVE SESSION:

Mr. Stork moved for the city council to go into executive closed session under Sections 551.073 of the Texas Government Code; motion was seconded by Mr. Allen and passed 4-0 to discuss the following:

9.A. Section 551.073:

Deliberation of a negotiated contract for a prospective gift or donation to the city as deliberation in an open meeting would have a detrimental effect on the City's position with a third person.

At 7:43 p.m. the regular meeting recessed and council went into executive closed session at 7:45 p.m. At 7:50 p.m. the executive closed session recessed and council returned to open session at 7:50 p.m. The mayor announced that no action had been taken in executive session.

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION None.

ADJOURNMENT. The meeting adjourned at 7:50 p.m.

APPROVED: 08/11/2015
ATTEST:

/s/
Jack Pratt, Jr., Mayor

/s/
Brenda G. Craig, City Secretary