

CITY COUNCIL MINUTES  
REGULAR MEETING

KERRVILLE, TEXAS  
MAY 10, 2016

On May 10, 2016, the Kerrville City Council meeting was called to order at 6:30 p.m. by Mayor Pratt in the city hall council chambers at 701 Main Street. The invocation was offered by Brett Coe, Senior Minister, First Christian Church, followed by the Pledge of Allegiance led by Fire Chief Dannie Smith.

COUNCILMEMBERS PRESENT:

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

COUNCILMEMBER ABSENT: None

CITY CORE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Day	Deputy City Manager
Brenda Craig	City Secretary
Sandra Yarbrough	Director of Finance
Ashlea Boyle	Special Projects Manager
Dannie Smith	Fire Chief
Kaitlin Berry	Special Projects Manager

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

**1. VISITORS/CITIZENS FORUM:**

1A. Carolyn Lipscomb suggested that council appoint George Baroody to fill the vacant position of Councilmember Place Two.

2. Robert Naman noted that many voters were upset about the lack of transparency on issues and inconsistencies. He was concerned that no one from the city had made any attempt to correct the Daily Times regarding statements about the city's principal debt.

**2. PRESENTATIONS:**

2A. Proclamation declaring May as Williams Syndrome Awareness Month.

**3. CONSENT AGENDA:**

Ms. White requested Item 3C be deferred until after Item 4A.

Mr. Stork moved to approve consent agenda items 3A and 3B; Mr. Fine seconded the motion, and the motion passed 5-0:

3A. Minutes of the special joint KPUB/City Council meeting held March 22, 2016, and the regular meetings held April 12 and April 26, 2016.

3B. Request from Kerrville Festival of the Arts to waive public safety service costs in the amount of \$2,640.00 for the Kerrville Festival of the Arts event to be held May 28-29, 2016.

#### **END OF CONSENT AGENDA**

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

4A. Application by the City of Kerrville to the Kerrville Economic Improvement Corporation (EIC) for a maximum of \$3 million for construction of reuse distribution lines.

Mr. Parton noted letters were received from Riverhill Country Club (RCC) and Schreiner University (SU) expressing interest in becoming reuse water customers and requesting the city provide for the extension of distribution lines and related appurtenances to their property. He stated that the extension of distribution lines was an appropriate use of EIC funds. If council approved the request, he recommended that letters of intent be negotiated with each entity and that staff be authorized to make application to EIC for up to \$3 million for construction of reuse distribution lines to RCC, SU, and the city's new athletic facility.

Ms. White noted that the 2014 Freese & Nichols proposal did not include an allotment for 30,000 linear feet of distribution lines to the three entities; however the presentation to the ad hoc committee included the 30,000 lf. By approving the recommendation, council would also be recommending the extension of lines.

Mr. Parton noted the \$18.5 construction project already included the extension of distribution lines.

Ms. White asked if there was a breakdown of the cost of the six miles of lines allocated to each customer. Mr. Parton noted it was in the construction estimate that was sent to council previously. The project would be funded through the \$10 million bond issue and a maximum \$8.5 million loan from KPUB. The agreement with KPUB stated if there was a reduction in the amount of the loan, there would be a corresponding reduction in the payment schedule; therefore, if EIC funds were used, the KPUB loan could be reduced.

Mr. Parton noted the letter of intent would establish the volume guaranteed and the rate for the reuse water, similar to agreements with existing effluent customers.

Mr. Hayes noted that the distribution lines for all three entities qualified for EIC funding. RCC and SU would also be a party to the funding agreements with the City and EIC.

Mr. Parton noted the initial use of effluent would be for irrigation; however the city anticipated using effluent to provide additional sustainable water source. The city currently sent an estimated 360 mg of effluent into the river. The first phase of the project would construct a storage pond to hold 105 mg; once the pond was at

capacity, there would be a consistent overflow of 255 mg, which could be: 1) Diverted into the river; or 2) Treated to drinking water standards and injected into an ASR well or stored in another larger pond that could be constructed. Phase I of the direct potable reuse (dpr) project was to work with TCEQ to look at water quality and requirements to treat effluent to drinking water standards so it could be injected into an ASR. The ad hoc reuse committee had studied the project and recommended the city move forward as quickly as possible toward the dpr phase of the project. Mr. Parton estimated a six year process for engineering analysis, design and construction. The next phase would be to construct a reservoir to control adequate volume of flow.

Mr. Stork moved to approve staff's recommendation as presented:

1. Extend reuse distribution lines to Riverhill Country Club and Schreiner University; said extension to be restricted to the delivery of reuse water to an on-site delivery point, at which point the entity would fund and construct its own on-site storage and distribution system.
2. Staff to negotiate and execute letters of intent with Riverhill Country Club and Schreiner University for the extension of the reuse distribution lines.
3. Staff to apply to the EIC for a maximum amount of \$3 million to fund construction of the effluent distribution infrastructure to the Riverhill Country Club, Schreiner University, and the athletics complex.

Mr. Fine seconded the motion and it passed 4 to 1 with Councilmembers Stork, Fine, Allen, and Pratt voting in favor of the motion and Ms. White voting against the motion.

3C. Professional services agreement with Freese and Nichols, Inc. to provide engineering and construction management services related to the distribution lines for the reuse pond project in an amount not to exceed \$926,500.00.

Mr. Stork moved for approval of the agreement as stated; Mr. Allen seconded the motion and it passed 4 to 1 with Councilmembers Stork, Allen, Fine, and Pratt voting in favor of the motion and Ms. White voting against the motion.

4B. Select development team(s) pursuant to Request For Qualifications (RFQ) for a potential workforce housing project located at 300 Peterson Farm Road.

Mayor Pratt noted the purpose of the RFQ was to determine the feasibility of developing workforce housing through a public/private partnership on property owned by the city via EIC. Said project would consist of 240-300 multi-family units with average monthly rental rate of \$750. Two RFQs were received: 210 DG of San Antonio, Texas; and MacDonald Companies of Kerrville, Texas. Both companies were evaluated and interviewed. The interview team was impressed with MacDonald Companies citing quality of project, maintenance of buildings, and management of project after construction.

Justin MacDonald noted they managed 3,200 units and owned 4,200 with over 300 of those in Kerrville and the vast majority located in surrounding counties. He discussed their regional management, maintenance teams, disaster response, and long term personal management.

Council noted the MacDonald project did not include any local tax abatement or debt obligation to the city. Mr. MacDonald noted their rate could foreseeably go as low as \$300. He discussed the 4% vs. 9% tax credit programs and noted the MacDonald project would be financed using low income housing tax credits and private multi-family revenue bond program.

Council noted that 210 DG Company stated that \$750 rate was not attainable and suggested the project be 50% subsidized/50% market rate.

Ms. White moved to select MacDonald Companies as the development team and authorize the city manager to execute a memorandum of understanding to develop a detailed development concept for council's consideration. The motion was seconded by Mr. Allen and passed 5-0.

**5. APPOINTMENTS TO CITY BOARDS AND COMMISSIONS:**

5A. Beautification Advisory Committee. Mr. Pratt moved to reappoint James Williamson and John Risher with terms to expire December 11, 2017; Mr. Allen seconded the motion and it passed 5-0.

5B. Mayor's Youth Advisory Council.

Mr. Pratt moved to appoint six applicants: Mary Margaret Burniston, Kianna Dao, Naomi J. Exum, Myles Garcia, Sydney Garcia, and Ryan Stanton. Mr. Stork seconded the motion and it passed 5-0.

Mayor Pratt noted three more positions were available for this 9 member council.

**6. ITEMS FOR FUTURE AGENDAS**

- May 17 agenda: Item to discuss the method for appointing someone to fill the Councilmember Place Two vacancy. Interested persons should submit their applications now.

**7. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

- Employees recognized for tenure: Joe Alvarez, city garage, 41 years and Brenda Craig, City Secretary, 35 years.
- The police department's "Got Drugs" event collected 295 pounds of expired and unwanted drugs for destruction.
- Registration underway for swimming lessons to begin May 1.
- City was accepting applications for lifeguards.
- Library was showing western film series beginning May 14, 2:30 p.m.; Mike Bowlin would speak on the history of western filming at 2:00 p.m.
- Mr. Parton presented Mayor Jack Pratt with a resolution of commendation from State Representative Andrew Murr.

**8. EXECUTIVE SESSION:**

Mr. Stork moved for the city council to go into executive closed session under Sections 551.071 and 551.072 of the Texas Government Code; motion was seconded by Mr. Fine and passed 5-0 to discuss the following:

**8A. Sections 551.071 and 551.072:**

Discuss the purchase, exchange, lease, sale, or value of real property, the public discussion of which would not be in the best interests of the City's bargaining position with third parties, regarding property interests related to the following:

- River trail.

At 7:15 p.m. the regular meeting recessed. Council went into executive closed session at 7:22 p.m. At 7:31 p.m. the executive closed session recessed and council returned to open session at 7:32 p.m. Mayor Pratt announced no action was taken in executive session.

**9. ACTION ON ITEM DISCUSSED IN EXECUTIVE SESSION:** None.

**ADJOURNMENT.** The meeting adjourned at 7:32 p.m.

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

ATTEST:

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Jack Pratt, Jr., Mayor

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Brenda G. Craig, City Secretary