

CITY COUNCIL MINUTES  
REGULAR MEETING

KERRVILLE, TEXAS  
AUGUST 14, 2012

On August 14, 2012, the Kerrville City Council meeting was called to order by Mayor Pratt at 6:00 p.m. in the city hall council chambers, 800 Junction Highway. The invocation was offered by Heather Mitchell, Minister of Music at First Baptist Church, followed by the Pledge of Allegiance led by Ron Hackett of the Military Officers Association of America.

COUNCILMEMBERS PRESENT:

Jack Pratt	Mayor
Stacie Keeble	Mayor Pro Tem
Carson Conklin	Councilmember
Justin MacDonald	Councilmember

COUNCILMEMBER ABSENT:

Gene Allen	Councilmember
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CITY EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Brenda G. Craig	City Secretary
Kristine Ondrias	Assistant City Manager
Charvy Tork	Interim Director of Information Technology Systems
Mike Erwin	Director of Finance
Robert Ojeda	Fire Chief
David Knight	Police Captain
Kim Meismer	Director of General Operations
Jason Lutz	City Planner

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

1. **VISITORS/CITIZENS FORUM** No one spoke.

2. **PRESENTATIONS AND RECOGNITIONS:**

2A. Upper Guadalupe River Authority acknowledgement of the City of Kerrville's contribution to the success of the 9<sup>th</sup> annual river clean up.

Ray Buck and Tara Bushnoe thanked the city for participating in the river clean up event; 11,000 pounds of trash and recyclables were gathered and disposed of.

3. **CONSENT AGENDA:**

Mr. MacDonald moved for approval of items 3A through 3E; Mr. Conklin seconded the motion and it passed 4-0:

3A. Minutes of the Kerrville City Council meetings held July 3, July 10, and July 19, 2012; and minutes of the City of Kerrville Employee Benefits Trust meeting held July 24, 2012.

- 3B. Authorize issuance of a junkyard license at 504/506 Peterson.
- 3C. Resolution No. 26-2012 authorizing the city to participate in Texas CLASS, a local government investment pool, and designating authorized representatives.
- 3D. Extension of the existing contract with Maxey Energy for bulk fuel and card services through September 30, 2013.
- 3E. Appoint Guy Bason to the Kerrville Citizen Police Academy Alumni Association Board of Directors.

**END OF CONSENT AGENDA**

**4. ORDINANCE, FIRST READING:**

4A. An ordinance annexing an approximate 9.83 acre tract of land out of the F. Rodriguez Survey No. 72, Abstract No. 280, within Kerr County, Texas; said property being located adjacent to the corporate limits of the City of Kerrville, Texas, and being more particularly described as 5623 Highway 27; describing the territory to be annexed; adopting a service plan for the territory annexed; and establishing the zoning for the area annexed. Mayor Pratt read the ordinance by title only.

Mr. Lutz noted the applicant requested annexation and a zoning district that would allow for the manufacturing of production equipment in the oil and gas industry, i.e. storage tanks. City council conducted a public hearing on July 10, and no one spoke. Second reading was scheduled for August 28, 2012.

Mr. Conklin moved for approval of the ordinance on first reading; Mr. MacDonald seconded the motion and it passed 4-0.

**5. CONSIDERATION AND POSSIBLE ACTION:**

5A. Resolution No. 27-2012 setting forth the ad valorem tax rate to be considered for adoption for the 2012 tax year; and calling a public hearing as required by both the city's charter and state law prior to the adoption of the fiscal year 2013 budget. Mr. Erwin noted the resolution would set the tax rate for FY2013 at \$0.5625, the same rate as FY2012, which was below the effective tax rate of \$0.5669 by 0.78%. The resolution also calls for a public hearing on the FY2013 budget on September 11.

Mr. Conklin moved for approval of Resolution No. 27-2012; Ms. Keeble seconded the motion and it passed 4-0 on roll call vote as follows:

Aye: Jack Pratt, Stacie Keeble, Carson Conklin, and Justin MacDonald.

Nay: No one.

Absent: Gene Allen.

5B. Allied Waste proposed solid waste rate adjustments for residential collection and landfill/transfer station services.

Mr. Hastings noted that Allied Waste (AW) submitted a notice of intent to adjust solid waste fees based on the consumer price index and the cost of diesel fuel from 2010-2012 in accordance with their contracts with the city; this rate would result in an increase in residential rates of 6.81% and landfill rate of 9.18%. He

recommended approval of the solid waste fee increase and noted the fee schedule to be considered in Item 5C included this increase.

Mr. Hastings noted that AW also requested an extraordinary adjustment of \$1.25 per ton based on the Texas Commission on Environmental Quality municipal solid waste reporting and disposal fee. He recommended council deny the extraordinary adjustment as it did not meet the definition and requirements in the agreement. Mr. Hastings noted that AW requested that only the solid waste fee be considered at this time, and AW would make formal presentation of their request for the extraordinary adjustment at a future meeting. He noted that this extraordinary adjustment was not included in the fee schedule in Item 5C.

Rudy Rodriguez, representative of Allied Waste, stated that the November 2006 contract allowed for increases in the solid waste fee based on CPI and fuel adjustments. AW requested an increase that included the CPI and fuel adjustment back to 2010 because AW did not submit their request in 2011 prior to the deadline stated in the November 2006 contract with the city. He requested the extraordinary adjustment be tabled to a future council meeting.

Mr. Hayes noted AW did meet the notice requirements of the contract.

Council questioned whether the cost of diesel fuel was included in the CPI increase. Mr. Rodriguez noted the CPI was not set by industry standard. Recent contracts used the garbage index in the Department of Labor as the industry standard. The fuel charge increased when the transfer station opened due to the cost of fuel to transport trash to San Antonio.

The following person spoke:

1. Jimmie Spradling stated he sorted his recyclables before putting them out for curbside collection, and sometimes AW picked up recyclables in a regular trash collection compactor vehicle instead of the recycle truck where they were sorted. He also questioned if the city received any money for the recyclables.

AW responded that sometimes the recyclables truck was not available and AW had to use the trash collection vehicles, but AW sorted those recyclable materials at the landfill.

Mr. Hastings noted the city received benefit from recycling as the proceeds from curbside collection were split with AW and used to keep the rates down and pay the cost of the service; however, the greatest benefit was in extending the life of the landfill. The recycling center provided some revenue, especially in recycling electronics, but it did not generate a large profit.

Ms. Keeble moved to approve the fees related to CPI and fuel in accordance with the contract, and to table the requested rate increase of \$1.25 per ton for extraordinary adjustment; Mr. Conklin seconded the motion and it passed 4-0.

5C. Resolution No. 28-2012 amending the City of Kerrville fee schedule by revising fees charged for various services and uses provided or offered by the city. Mr. Erwin presented the proposed FY2013 fee schedule, and discussed particular items: 1) 40¢ per 1,000 gallons water rate increase; 2) 80¢ per 1,000 gallons sewer rate increase; 3) electronic device deposit—required credit card authorization with valid card to be kept on file; 4) 6.81% increase in residential garbage collection; and 5) 9.18% increase in municipal solid waste rate.

Mr. MacDonald moved for approval of Resolution No. 28-2012 as presented; Mr. Conklin seconded the motion and it passed 4-0.

5D. Construction of new parking lot at the Kerrville-Kerr County Airport. Stephen King, President of the Kerrville-Kerr County Airport Board, requested approval of the construction of a new 48-space parking lot and expansion of the existing parking lot at the airport. He described the project and estimated the cost at \$70,500, using funds from the RAMP grant and reserve fund. The airport board would pay for materials, the county would build the parking lot, and the city would pave the new parking lot. The airport board would charge a monthly parking fee, and revenue projections indicated the parking lot would be revenue neutral after the first few years, then the airport board proposed to provide covered parking; thereafter it would provide \$17,000-20,000 annual income. The Federal Aviation Administration agreed to the project and geotechnical had been completed.

Ms. Keeble moved for approval of the construction of the new parking lot at the airport as presented; Mr. Conklin seconded the motion and it passed 4-0.

5E. Resolution No. 29-2012, Emergency Services District No. 3 (ESD3) as proposed by petition submitted to Kerr County and which includes the city's limits and its extraterritorial jurisdiction (ETJ).

Mr. Parton presented the resolution and noted the process had been initiated as the result of a citizens' petition to the Kerr County Commissioners' Court (KCCC). KCCC notified the city, and the city had 60 days to respond, August 14, whether to opt the city and/or the ETJ out of the ESD3 election. The proposed resolution provided for the exclusion of the city limits and the inclusion of the ETJ in the ESD3 election.

Mr. Conklin moved to approve Resolution No. 29-2012 withholding the city council's consent to include the city limits within the ESD No. 3. Ms. Keeble seconded the motion and it passed 4-0.

The consensus of the council was to defer action on the consideration of the inclusion or exclusion of the ETJ area to executive session.

5F. Amendments to the golf course advisory board (GCAB).

Mr. Parton proposed that the resolution establishing the GCAB be amended to allow one of the seven members to reside outside the city limits.

Mr. Hayes noted that the City Charter did not prohibit persons outside city limits from serving on city boards.

Mr. Conklin moved to direct staff to prepare a resolution for council's consideration at a future meeting to amend Resolution 037-2009 to allow one person outside the city limits to serve on the GCAB. Mr. MacDonald seconded the motion and it passed 4-0.

**6. INFORMATION AND DISCUSSION:**

**6A. Status of fiscal year 2013 medical plan design offerings for employees and dependents.**

Ms. Meismer presented the final medical plans as negotiated with United Health Care. She reviewed the specifics of each plan and noted under the two budget plans (PPO/HRA) there would not be any rate increase to employees; the buy up plan reflected the current plan with a slight increase to employees. She noted that under the Affordable Care Act insurance companies must use at least 85% of health care premiums on services, and no more than 15% of premiums could be used for administrative costs, i.e. salaries, sales, and/or advertising by a company. The city received a small rebate of the premiums paid to Humana in FY2011, and she reviewed ways that the city could distribute those rebates: 1) reduce premium for the upcoming year, or 2) provide individual cash rebates to all employees that were covered by the insurance on which the rebate was given. The rebate was applied toward the FY2013 insurance premium.

**6B. Water resources report.**

Mr. Hastings noted according to the US Drought Monitor, Kerrville continued to be in severe drought. Kerrville received a total of 3.47 inches of rain June-August and needed 9-12 inches to get out of the drought. The average river flow was 145 cfs and the city was currently below 20 cfs. As a result of the city's new production well coming on line, the city was able to remain in Stage 1; however, without more rainfall, Stage 2 was expected. The ASR was currently at 700 mgd. With the current supply, the city could provide 2 mgd, which was the average daily use in winter months, for one-half year. Long range forecasters predicted September to be 20% above normal rainfall and increased rainfall in the winter.

**6C. Budget and economic update.**

Mr. Erwin reported a significant increase in hotel occupancy tax from June to July, but 2012 was more than 10% below 2011; sales tax continued to increase monthly, 2012 exceeded 2011 by over 10%; and local unemployment also increased. Revenue exceeded expenditures in both the general fund and the water and sewer fund. Water and sewer fund revenue continued to lag behind due to water restrictions.

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

**8. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

- Mayor Pratt and Mr. Parton advised of a meeting with Lower Colorado River Authority regarding the electric transmission line being constructed on I-10 and

efforts to stop or delay the line until the issue of federal tax credits was resolved.

- Mayor Pratt requested citizens beautify Kerrville by removing grass growing in sidewalks, curbs, and asphalt; the city planned to repave streets about every 10 years and grass caused deterioration.
- Carolyn Lipscomb asked that in killing grass people consider using alternative means instead of chemicals because chemicals could end up in the river.
- Mayor Pratt requested that persons who had fences falling down should repair or remove them.
- Mayor Pratt asked that citizens respect the river and our natural resources and not dump trash along the river.
- Mr. Hastings noted TxDOT had completed the resurfacing of Hwy. 173 and it had been restriped to a two lane highway with a continuous left turn lane and bike lane.
- Ms. Keeble noted efforts to keep the VA Hospital in Kerrville were a long term project for the community.
- The city pool would be open August 18 from 2-4 p.m. for dogs and their owners to swim.
- Thanked the police and fire department for helping with Kerrfest August 11-12.

#### **9. EXECUTIVE SESSION:**

Mr. MacDonald moved for the city council to go into executive closed session under Section 551.071 of the Texas Government Code; the motion was seconded by Mr. Conklin and passed 4-0 to discuss the following matter:

Section 551.071:

- Emergency Services District No. 3 as proposed by petition submitted to Kerr County and which includes the city's limits and its extraterritorial jurisdiction.

At 7:03 p.m. the regular meeting recessed and council went into executive closed session at 7:07 p.m. At 7:20 the executive closed session recessed and council returned to open session at 7:20 p.m. The mayor announced that no action had been taken in executive session.

#### **10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:**

5E. Resolution No. 29-2012, Emergency Services District No. 3 (ESD3) as proposed by petition submitted to Kerr County and which includes the city's limits and its extraterritorial jurisdiction (ETJ).

Mr. Conklin moved to approve Resolution No. 29-2012 as presented to consent to the inclusion of the city's ETJ within the ESD3; Mr. MacDonald seconded the motion and it passed 4-0.

#### **11. ADJOURNMENT.** The meeting adjourned at 7:21 p.m.

APPROVED: 09-25-2012

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary