

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
AUGUST 28, 2012

On August 28, 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 Fern Lancaster, Minister at the Assembly of God Church, followed by the Pledge of Allegiance led by Jimmy Abbatiello, Eagle Scout, Kerrville Troop 311.

COUNCILMEMBERS PRESENT:

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

COUNCILMEMBER ABSENT: None

CITY EXECUTIVE STAFF PRESENT:

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| 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 |
| John Young | Police Chief |
| Kim Meisner | Director of General Operations |
| Mindy Wendele | Director of Business Programs |
| Charlie Hastings | Director of Public Works |
| Malcolm Matthews | Director of Parks and Recreation |
| Jason Lutz | City Planner |

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

1. VISITORS/CITIZENS FORUM

1A. Ruth Spradling expressed concern about halfway houses being established in single family residential neighborhoods and asked council to address regulations, zoning, and permitting.

2. PRESENTATIONS AND RECOGNITIONS:

2A. Proclamation proclaiming the month of September 2012 as National Preparedness Month.

Mayor Pratt presented the proclamation to Fire Chief Ojeda, Fire Captain Dane Gourley, and Police Chief John Young.

3. CONSENT AGENDA:

Mayor Pratt requested item 3B be removed from the consent agenda.

Mr. Conklin moved for approval of items 3A and 3C through 3G ; Mr. MacDonald seconded the motion and it passed 5-0:

3A. Minutes of the regular city council meeting held July 24, 2012.

3C. Resolution No. 30-2012 amending the Golf Course Advisory Board to authorize the appointment of a non-city resident to the board.

3D. Agreement between the City of Kerrville, Texas and the Kerrville Convention & Visitors Bureau, Inc. for use of hotel occupancy tax funds for promoting the Arts Advertising Committee.

3E. Resolution No. 31-2012 authorizing the closure of a portion of State Highway 27 during certain hours for the Kerrville Triathlon Festival 2012.

3F. Contract through TMAS for general office furniture with HON, National, Allsteel, Global and Gateway Furniture for the new city hall in an amount not to exceed \$65,000.00.

3G. Resolution No. 32-2012 approving the interlocal cooperation contract with the Texas Department of Public Safety to allow for the city to participate in the failure to appear program.

END OF CONSENT AGENDA

3B. Economic development grant agreement between Nature Blinds, LLC and the City of Kerrville, Texas Economic Improvement Corporation.

Mr. Parton noted that Nature Blinds proposed a business expansion project that would increase their workforce by 73 employees, and expand to a larger building at 2800 Blacksmith Lane. EIC approved the funding agreement to an amount equal to half of the sales tax revenue generated by Nature Blinds for the previous year, not to exceed \$100,000 per year for up to seven years, with a total maximum of \$500,000. EIC would not make any payment until after performance had been met so there was no risk to EIC. Nature Blinds would also be required to meet city building and fire code requirements at the new location.

Mr. Conklin moved for approval of the agreement; Mr. MacDonald seconded the motion and it passed 5-0.

4. ORDINANCE, SECOND AND FINAL READING:

4A. Ordinance No. 2012- 08 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 the planning and zoning commission designated the zoning district of 26-E to allow for the manufacturing of production equipment for the oil and gas industry, i.e. storage tanks and other

industrial uses. There had been no changes since council approved the ordinance on first reading on August 14, 2012.

Mr. Conklin moved for approval of Ordinance No. 2012-08 on second and final reading; Mr. Allen seconded the motion and it passed 5-0.

5. CONSIDERATION AND POSSIBLE ACTION:

5A. History center renovation program proposal to the Claribel Deering Charitable Income Trust.

Mr. Parton noted that in 2001 the city accepted the donation of the building and land at 425 Water Street from HEB, and the donation of \$125,000 funds from the Claribel Deering Charitable Income Trust to establish and operate a history center. The initial seed money (\$125,000) could be used for the building, equipment, and general operation of the center; however, the trust must first approve the expenditure. In addition to the original seed money, the trust also provides \$12,000 annually for operation of the center; these funds do not require prior approval of the trust. Mr. Parton suggested submitting a proposal to the trust to use the balance of the original seed money, now at \$97,000, for building maintenance and furnishing projects, e.g. elevator installation, furniture repair, and building renovation. The annual meeting of the trust was scheduled for September 21. He noted that the city would also apply for additional local grant funding to complete the project.

Mr. MacDonald moved to authorize staff to present the request to the Claribel Deering Charitable Income Trust; Mr. Allen seconded the motion and it passed 5-0.

5B. Resolution No. 33-2012 to suspend further development of the McCamey-Kendall-Gillespie 345K transmission line under construction by the Lower Colorado River Authority Transmission Services Corporation to place electrical transmission lines relating to the Competitive Renewable Energy Zones (CREZ) project along the Interstate 10 corridor within or adjacent to the city's limits.

Mr. Parton noted that State Representative Harvey Hilderbran submitted a letter to the Texas Public Utility Commission to suspend construction of the CREZ line due in part to US Congress' failure to extend the wind energy tax credit due to expire the end of 2012. Without the wind tax credit, the construction of wind energy may not be economically viable, and the line would be underutilized as current infrastructures were operating at only 55% capacity. The proposed resolution mirrored the resolution the city previously submitted to PUC. He proposed contacting neighboring communities to encourage their support to suspend construction of the line.

Mr. Allen moved to approve Resolution No. 33-2012; Mr. Conklin seconded the motion and it passed 5-0.

5C. Request For Proposals (RFP) and process for the sale of the Kerrville City Hall located at 800 Junction Highway, Kerrville, Texas, and direction to city staff regarding the sale or lease of the business programs building located at 715

Water Street, Kerrville, Texas.

Mr. Parton noted the city had anticipated completing the move to the new city hall at 701 Main Street by the end of September; however the schedule had been moved to mid-October. The city council previously approved a time line that would initiate the request for proposals process in September and consideration of proposals in February 2013 for the sale of the existing city hall property at 800 Junction Highway. He proposed that the RFP process be delayed to allow city council to consider proposals in February 2013.

Mr. Parton also requested direction regarding the city's building at 715 Water Street. He noted in 2010 the city solicited proposals for the purchase of the building; however, no bids were received. He also noted that the owners of the Arcadia Theater had the right of first refusal. The city recently received notice from the Kerr Economic Development Corporation expressing interest in leasing the building.

The following person spoke:

1. Jonas Titus, executive director of KEDC, noted they were in the process of developing their budget for 2013 and would like to have the opportunity to discuss what the terms for the building might be.

The consensus of the council was: 1) Extend the start of the RFP process for the sale of the 800 Junction Highway property for two months with consideration of proposals received by the end of February; 2) Authorize staff to contact the owners of the Arcadia Theater to determine their interest in purchasing the 715 Water Street property; and 3) Authorize staff to explore lease options for the 715 Water Street property.

5D. Applications to the City of Kerrville, Texas Economic Improvement Corporation (EIC) to request funding for improvements to the Kerrville Schreiner Golf Course, downtown wireless system installation, and soccer field improvements. Mr. Parton noted on July 24 the city council deferred action on these three applications and instructed staff to prepare a cash flow analysis and economic impact on the EIC budget. Staff completed the analysis, and he recommended EIC fund the golf course improvements and downtown wireless in FY 2013, and fund the soccer improvements in FY2014; this funding schedule would allow EIC to retain adequate funds for other economic development projects and opportunities that may arise.

Council reviewed EIC's current projects and budget and noted that EIC requested to have two meetings a year with city council.

Ms. Keeble moved that city council direct staff to submit funding requests for the golf course improvements and downtown wireless project for FY2013, plan to submit a funding request for the soccer improvements for FY2014, and schedule routine workshops to identify and prioritize matters of mutual interest. Mr. Conklin seconded the motion and it passed 5-0.

6. INFORMATION AND DISCUSSION:

6A. Report on KEDC activities. Mr. Conklin reported on the following:

- Fox Tank Company: possible expansion of their new facility to construct fiberglass tanks, potential of creating 15 new positions.
- Culligan Water Company: possible expansion of facility; looking at incentives.
- Kerrville State Hospital: retention; working to maintain existing facility and jobs, 536 employees, with total wages of \$1.5 million monthly; look at ways the city and community can support KSH.

6B. River trail update.

Mr. Matthews reported the construction of the concrete trail between Riverside Nature Center and Tranquility Island in Louise Hays Park was 50% complete. Metes and bounds for the trail easements from LHP to Kerrville Schreiner Park were being prepared for about 12 properties and should be complete in about three weeks. Staff was looking at ways to connect the river trail to KSP and still maintain security for KSP. Staff anticipated the dedication of the first part of the river trail in early November. Council requested that staff include dates on future printed reports.

6C. Budget and economic update.

Mr. Erwin noted sales tax for August 2012 had risen over 13% above August 2011; hotel occupancy tax continued to fall; revenue exceeded expenditures in both the general fund and the water and sewer fund.

7. BOARD APPOINTMENTS:

7A. Appointment to the library advisory board.

Mr. MacDonald moved to appoint T. Scott Gross with term to expire November 22, 2013; the motion was seconded by Mr. Allen and passed 5-0.

7B. Appointments to the Kerrville-Kerr County Joint Airport Board.

The council noted that Mr. Moser was currently running unopposed for county commissioner on the November 6 ballot, and upon taking his oath, he would be resigning from the airport board; however, he wished to be reappointed to the airport board until that time.

Mr. Conklin moved to reappoint Tom Moser and Roger "Corey" Walters, and to appoint William "Bill" Wood, all with terms to expire June 1, 2014. Mr. MacDonald seconded the motion and it passed 5-0.

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

9. ANNOUNCEMENTS OF COMMUNITY INTEREST:

- Drive safely during the holiday; city hall would be closed on Labor Day.
- Condolences to the family of Scott Belt, a local flight instructor, and the family of Bobby Luker, Jr., student pilot, who died in a plane crash on August 26.

10. **EXECUTIVE SESSION**: None. Although a personnel issue had been posted for executive session, the consensus of the council was not to go into executive session to hear an appeal on a personnel matter as personnel issues were the responsibility of the city manager pursuant to the City Charter.

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

12. **ADJOURNMENT**. The meeting adjourned at 7:07 p.m.

APPROVED: 09-25-2012

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary