

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
SEPTEMBER 13, 2016

On September 13, 2016, the Kerrville City Council meeting was called to order at 6:00 p.m. by Mayor White in the city hall council chambers at 701 Main Street. The invocation was offered by Glenn Andrew, followed by the Pledge of Allegiance led by Mark Del Toro.

COUNCILMEMBERS PRESENT:

Bonnie White	Mayor
Stephen P. Fine	Mayor Pro Tem
Glenn Andrew	Councilmember
Gary F. Stork	Councilmember
Gene Allen	Councilmember

COUNCILMEMBER ABSENT: None

CITY CORE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
E.A. Hoppe	Deputy City Manager
Brenda Craig	City Secretary
Sandra Yarbrough	Director of Finance
Kim Meismer	Director of General Operations
David Knight	Chief of Police
Dannie Smith	Fire Chief
Kaitlin Berry	Special Projects Manager
Kim Meismer	Director of General Operations
Danny Batts	Chief Building Official
Kyle Burow	Director of Engineering
Trent Roberson	City Planner

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

1. VISITORS/CITIZENS FORUM:

1A. George Baroody noted a meeting was held by a citizens group regarding the reuse pond project to discuss his opinion that the pond was not a necessary part of the project. His expectation was that the meeting would be respectful, but he opined that a councilmember had attempted to take over the meeting and he was embarrassed for the city. He stated he had previously run for city council and that he would not be proud to be on the council at this time.

2. PRESENTATIONS:

2A. Certificate of Recognition to Dr. Dan Troxell, former Superintendent, Kerrville Independent School District accepted by David Troxell.

2B. Proclamation proclaiming the month of September 2016 as Kerrville Recovery Month.

2C. Acknowledgement of City's contribution to the 13th annual river cleanup
Tara Bushnoe, Upper Guadalupe River Authority, noted 443 volunteers participated in the July 23 river cleanup; 9,200 pounds of trash, scrap metal and tires were collected. The city provided employees and equipment and covered the landfill fees. The City also partnered with UGRA during quarterly clean up events.

3. CONSENT AGENDA:

Mayor White requested Items 3A and 3B be removed from the consent agenda.

Mr. Fine moved to approve consent agenda items 3C through 3E; Mr. Allen seconded the motion, and the motion passed 5-0:

3C. Resolution No. 21-2016, approving the budget for fiscal year 2017 for the Kerr Emergency 9-1-1 Network.

3D. Administrative services contract between City of Kerrville, Texas and City of Kerrville, Texas Economic Improvement Corporation.

3E. Construction contract with Intermountain Slurry Seal, Inc. for the 2016 slurry seal project in the amount of \$181,940.00 and authorize the city manager to execute additional change orders which will not exceed a total contract value of \$225,000.00.

END OF CONSENT AGENDA

3A. Minutes of regular meetings held July 12 and July 26, 2016; and the special meetings held July 19 (Convention and Visitors Bureau), July 19 (Young People in Recovery), and July 26 (Employee Benefits Trust).

Ms. White noted she was not in attendance of the July 19 YPR meeting and asked to review the recording.

Mr. Andrew moved to approve the council meeting minutes except July 19 YPR; Mr. Fine seconded the motion and it passed 5-0.

3B. Resolution No. 20-2016 amending the City of Kerrville Fee Schedule by revising fees charged for various services and uses provided or offered by the city.

Mr. Parton provided the fee schedule with highlighted changes and noted:

- Reduction of permit fee in code compliance related to group homes.
- Water and sewer system capacity analysis flat fee of \$500 for each analysis; however, developers would be charged the direct cost to conduct the engineering analysis. The city used Freese and Nichols to run system model and provide detailed cost estimates to the developer. The cost would be determined by the scope of work requested by the developer; the city charged only the direct cost. This fee was NOT an impact fee. A developer did not have to use the city's system; they could use other ways to analyze their system and submit their engineering data to the city for review.
- Public safety fee if \$105 per hour was to recover the cost of standby.

Council discussed increasing the market rate of reuse water from 38¢/1,000 gallons to 65¢/1,000 gallons for new customers to recover the cost of production and transmission. This rate would only be for new contracts, and would not affect existing established contracts with negotiated rates. Mr. Parton noted the 65¢/1,000 rate was based upon completion of the proposed reuse project, and included operations, maintenance and debt service. He recommended the standard rate be established at 65¢/1,000 once the reuse project was complete.

The following persons spoke:

1. Denise Smith asked if the fee schedule included costs associated with the proposed wastewater treatment plant on Spur 100. Mr. Parton stated it did not.
2. Jerry Wolf questioned if the city proposed to charge the 65¢/1,000 rate for this year or after the reuse pond was built and operational. He opined that 65¢/1,000 did not cover the full burden, and opined the true cost of effluent could be as much as \$4.74/1,000 if irrigation customers paid the entire cost of the project, including principal, interest, transmission, engineering design, and pipeline.

Mr. Parton proposed the 65¢/1,000 rate be established after the pond was brought on line. He noted the estimated construction cost for the project to be \$18.3-18.5 million, with depreciation of the pond over 50 years. The debt service schedule included principal and interest.

3. George Barody opined that the cost of treating the reuse water to standards before distributing it should not be passed on to reuse water customers; however the lines that were being built to go to customers were not necessary, were not publicly accessible, and were not being paid for by those customers. He proposed that the reuse rate be increased from 38¢/1,000 to 58¢/1,000 and that the new rate not affect reuse water purchased by the truckload for uses such as road maintenance.

Mr. Parton noted the fee in existing contracts varied; the city did not have a contract with itself for the golf course, but was paying 32¢/1,000.

Mayor White moved to adopt the fee schedule with the amount of 65¢/1,000 for reuse water. Mr. Stork seconded the motion and it failed 1 to 4 with Ms. White voting in favor of the motion and Messrs. Stork, Fine, Andrew, and Allen voting against the motion.

Council requested staff provide more detailed analysis of the impact of the reuse rate on future customers.

Mr. Andrew moved to approve the fee schedule as presented, leaving the reuse rate the same; when additional information is provided as requested, council may reconsider the rate. Mr. Fine seconded the motion and it passed 5-0.

8A. Saving Our Night Skies initiative.

Jim Wills and Cliff Kaplan, of the Hill Country Alliance, recommended ways to limit light pollution and preserve dark skies. Mr. Caplan discussed: the health effects and impact on wildlife from improper lighting; how to achieve maximum safety; and the economic benefit from tourism, noting a Dark Sky Park in Mountain Home. He requested when the city replaces street lighting that it be shielded, amber lighting and not LED lighting. He stated the city was doing everything right at the new sports complex. He presented a sample lighting ordinance he would like the council to consider.

The following person spoke:

1. Kate Wills requested the city consider amber or blue street lighting when replacements were needed.

4. PUBLIC HEARINGS:

4A. Resolution No.19-2016 granting two conditional use permits (CUP) for an approximate 2.51 acre tract of land located south of and adjacent to State Highway 27 (Junction Highway) and its intersection with Knapp Road; being Lot 1, Block 1 of the Evans Addition, a subdivision within the City of Kerrville, Kerr County, Texas, and otherwise known as 1201 and 1205 Junction Highway; said tract located within the 6-W zoning district; by permitting said property to be developed and used for both Personal Services II (Urgent Care Facilities with Emergency Room Services) and Retail Trade I Purposes; and making said permits subject to certain conditions and restrictions.

Mr. Allen filed a conflict of interest affidavit and recused himself from the meeting at 7:05 p.m.

Mr. Robertson noted surrounding property was mixed use retail, restaurant, and personal services; the land use designation was general commercial. The CUP would have little impact on adjoining properties and services would be similar. The owner proposed an emergency care center at the front and clothing/retail at the back of the property. A portion of the property was located in the flood plain and floodway. No opposition had been received.

TxDOT was concerned that the current alignment of Knapp Road at the intersection of Highway 27 was not conducive for ingress and egress to the property. TxDOT recommended the roadway be realigned at the existing signal light.

Mr. Robertson proposed that the CUP require abandonment of Knapp Road; however, Knapp Road was not part of the CUP and the owner would have to request abandonment. In the future, any amendment to the site plan or increase in the square footage of the building would require a public hearing. The planning and zoning commission approved the CUP 5-0, and staff recommended approval.

Mayor White opened the public hearing at 7:10 p.m. and the following person spoke:

1. George Baroody asked if the project would have any impact on the public boat ramp? Mr. Robertson stated it would not be affected.

No one else spoke and Mayor White closed the public hearing at 7:12 p.m.

Mr. Andrew moved to approve Resolution No. 19-2016; Mr. Fine seconded the motion and it passed 4-0-1, with Councilmembers Andrew, Fine, White, and Stork voting in favor of the motion; no one voted against the motion; and Mr. Allen abstained due to a conflict of interest.

Mr. Allen returned to the meeting at 7:13 p.m.

4B. Second public hearing to set the 2016 ad valorem tax rate.

Mayor White opened the public hearing at 7:14 p.m.; no one spoke and Mayor White closed the public hearing at 7:14 p.m.

5. ORDINANCES, FIRST READING:

5A. Ordinance No. 2016-15, adopting the annual budget for the City of Kerrville, Texas, Fiscal Year 2017; providing appropriations for each city department and fund; containing a cumulative clause; and containing a savings and severability clause. Mayor White read the ordinance by title only.

Mr. Parton noted no changes since first reading.

The following person spoke:

1. Robert Naman noted the water/sewer fund reserve was at 65-68%, well above the 25% targeted reserve, and the budget proposed to transfer out \$3.75 million between 2018-2022. He questioned why the city was carrying a large reserve balance and if there were any specific uses planned for funds being transferred out? He asked if any funds were budgeted for the proposed reuse or DPR projects? If council did not do the reuse/DPR project, would utility rates go down? In 2014 the city stated that the water needs were met for 20 years; what changed in the last year that created the need for DPR? He noted a large amount of EMS fees were not collected.

Mr. Parton noted the community investment projects list and the 10 year capital plan contained a list of projects, and the budget scheduled out projects over multiple years to accomplish projects. The budget planned \$5 million around a multi-year program for the DPR project. Rates were established to meet the city's needs, as capital needs and council's direction changes, the funds would be repurposed toward additional capital needs. Mr. Parton noted the city had accomplished many capital projects the last several years; however, the city's primary systems were at capacity and the city needed to plan for future growth. The uncollected EMS fees were due to Medicare write-offs and collections the city would not receive despite aggressive collection efforts.

Mayor White noted that salary increases in the water/sewer division over the last several years had been 1+%, and recommended increasing salaries in the water/sewer division to equal increases in the general fund.

Mr. Parton stated that salary adjustments were consistent across the departments; water/sewer employees were not receiving less than any other employees; there was not a discrepancy.

Mr. Andrew moved for approval of Ordinance No. 2016-15 on first reading. Mr. Fine seconded the motion and it passed 5-0 on roll call vote as follows:

Bonnie White, Mayor	<u>YES</u>
Stephen P. Fine, Place One	<u>YES</u>
Glenn Andrew, Place Two	<u>YES</u>
Gary Stork, Place Three	<u>YES</u>
Gene Allen, Place Four	<u>YES</u>

Mr. Fine moved to ratify the property tax increase reflected in the adopted budget. Mr. Allen seconded the motion and it passed 5-0.

5B. Ordinance No. 2016-16, levying an ad valorem tax for the use and the support of the municipal government for the City of Kerrville, Texas, for the Fiscal Year 2017; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid. Mayor White read the ordinance by title only.

Mr. Parton proposed the tax rate remain the same as it had been for 8 years, \$0.5625. The effective tax rate calculation was \$0.5437.

Council noted the \$05625 rate would result in 3.5% increase in revenue; however, council was NOT increasing the tax rate.

Mr. Fine moved for approval of Ordinance No. 2016-16 that the property tax rate be increased by the adoption of a tax rate of .5625, which is effectively a 3.46% increase in the tax rate. Mr. Andrew seconded the motion and it passed 5-0 on roll call vote as follows:

Bonnie White, Mayor	<u>YES</u>
Stephen P. Fine, Place One	<u>YES</u>
Glenn Andrew, Place Two	<u>YES</u>
Gary Stork, Place Three	<u>YES</u>
Gene Allen, Place Four	<u>YES</u>

5C. Ordinance No. 2016-17, amending Chapter 26 "Buildings and Building Regulations", Article VI "Energy Conservation Code", of the Code of Ordinances of the City of Kerrville, Texas, by adopting the 2015 edition of the International Energy Conservation Code (IECC); adopting local amendments to said code; providing for a penalty for violation of any provision hereof; containing a cumulative clause; containing a savings and severability clause; ordering publication; providing for an effective date; and providing other matters related to the subject. Mayor White read the ordinance by title only.

Mr. Batts noted in June 2015 the State Legislature mandated that the State of

Texas adopt the IECC 2015 Edition, and that local jurisdictions also adopt it, as well as any local amendments, by September 1. On August 26 a consulting group met with about 35 local contractors and answered questions.

Mayor White questioned if the City of Kerrville was actually in a jurisdiction that was required to adopt the code?

Mr. Batts stated it was mandated by the State of Texas that the City of Kerrville adopt the IECC 2015 Code. The city had the right to amend the code to be less restrictive, and the city had done so, particularly on testing required for air changes. The city was not equipped to do air duct and blower testing; several local contractors offered this service. He confirmed that without this amendment, most wood burning fireplaces would have been eliminated by the code. Mr. Batts also confirmed that the IECC 2015 Code and local amendments would only affect new commercial and residential construction; also structures undergoing 50% remodeling would trigger code requirements, and the code would not apply to historical buildings.

Mr. Stork moved for approval of Ordinance No. 2016-17 on first reading adopting IECC with local amendments. Mr. Fine seconded the motion and it passed 5-0.

6. ORDINANCE, SECOND AND FINAL READING:

6A. Ordinance No. 2016-13 altering the prima facie speed limit on State Highway 534 (Veterans Highway) from approximately thirty-one hundred feet north of its intersection with Vista Ridge Drive and continuing in a mostly southerly direction to approximately seven hundred feet south of its intersection with Beech Street, such distance equal to 2.879 miles; reducing said speed limit to 55 miles per hour; establishing a school zone for a portion of the distance; authorizing installation of appropriate signs and markings; containing a savings and severability clause; providing for a maximum penalty or fine of Two Hundred Dollars (\$200.00); and ordering publication. (TXDOT) Mayor White read the ordinance by title only.

Mr. Burow noted TxDOT had installed the appropriate signage and signals.

Councilmember Stork questioned if Mayor White owned property within the area under consideration for a speed reduction. Mayor White replied that she did and offered to recuse herself. Mr. Hayes opined it was not a legal conflict.

Mr. Andrew moved for approval of Ordinance No. 2016-13 on second and final reading. Mr. Allen seconded the motion and it passed 5-0.

7. CONSIDERATION AND POSSIBLE ACTION:

7A. Report regarding a meeting between three members of the City Council and Young People in Recovery; and authorize the creation of a task force to review the city's regulations concerning Group Homes and Boarding Home Facilities (Ch. 30, Art. I, City's Code of Ordinances; Ordinance No. 2013-06) and make recommendations for amendments.

Mr. Andrew noted that on July 19 three councilmembers met with YPR at their request to discuss the ordinance regarding boarding homes. YPR's main concern was the cost of the annual renewal; Mr. Andrew noted that cost was reduced from \$1,000 to \$350 in the fee schedule adopted in Item 3B. He proposed a committee be established to review other requirements of the ordinance.

The following persons spoke:

1. Tony Farmer, YPR representative, noted that Jason Howell, previous board president of National Alliance for Recovery Residences, also attended the meeting on July 19, and Mr. Howell's opinion was that the current ordinance was in violation of the Fair Housing Act because people in recovery were considered disabled and as such were a protected class. He proposed that the proposed committee also discuss other related issues and recovery support needs.
2. Shannon Kelley, a sober living home owner, opined that the committee would be a benefit. The city's standards were beneficial for her as an owner and for the women in her home; the standards also helped other homes.
3. Cody Leicht stated he was the owner of recovery group homes that housed up to 50 men ages 18-65. It took a lot to bring his homes into compliance with city code, and with the reasonable accommodations section he supported the city's standards and would like to serve on the committee; further, he recommended one male and one female group homeowner also serve on the committee.
4. Whitney Welch, owner of a women's sober living home, noted homeowners and other interested persons were not notified or informed of the YPR meeting on July 19; there was a great difference between being a resident and being an owner. YPR did not represent her or her business. She did not see the need for a coalition; sober homes were privately owned so the homeowners should be the ones involved in making decisions. She appreciated the council lowering the fee.
5. Max Dunks supported council's response and noted YPR was part of international Celebrate Recovery, a Christian based organization.

Council also discussed the following:

-At the July 19 meeting Mr. Howell stated the ordinance was discriminatory and therefore was illegal. The ordinance had been through various organizations and it was legal.

-The ordinance affected only those homes located in the city.

Mr. Hayes noted the ordinance went through many reviews, including a complaint from Housing and Urban Development; staff provided information to HUD and they made a finding that it was legal and not discriminatory.

Mr. Stork moved that Councilmembers Andrew and Fine put together a plan and bring it back to a meeting in October. Mr. Fine seconded the motion and it passed 5-0.

7B. Re-engage the Reuse Water Ad-Hoc Advisory Committee (RWAC) to review and provide recommendations to the City Council on the engineering design of the water reclamation improvements and the recommendations for implementing a direct potable reuse (DPR) system. (Councilmember Andrew) Mr. Andrew noted that for the sake of transparency for this controversial topic he recommended that the RWAC committee be re-engaged to review the engineering design of the reclamation improvements project and to provide recommendations for implementing a DPR system. The committee previously voted unanimously to support the project and move forward with DPR.

The following persons spoke:

1. Jim Holloway attended a meeting at which George Baroody stated a 105 mg pond was not necessary to supply water for irrigation to Schreiner University (SU) and Riverhill Golf Course (RGC); however, it was needed for DPR. The city went out for bid for the \$20 million pond; he did not understand how the city could commit to a pond without first having a system design. It was preliminary to commit to construct a pond until DPR was engineered; the city may not need a 105 mg pond. DPR was 5-6 years away; wait 5 years and then build the pond. He would like to see it all in one project, and he asked that the pond be postponed. This project did not have the support of the citizens.

Mr. Parton noted the project was designed in three phases: 1) detention pond 2) pumping station, and 3) distribution. The design (1) for the pond and interconnects to the plant was complete and bids were scheduled to be awarded on September 27. The pumping station (2) design was 10% complete.

2. Denise Smith asked if the same eleven members would be appointed that had previously approved the project. Mr. Andrew stated that was his proposal, if the members were willing to serve. Ms. Smith asked how that was fair to the public who did not want the pond. She noted that no environmental studies were done and there was a turkey roost in this area.

3. Robert Naman asked if any councilmembers lived in an area that would have direct benefit of the reuse pond, specifically Mr. Andrew. Mr. Naman opined that allowing the same members to serve again had no value since a majority of the members lived in communities that would benefit, e.g. RGC and Comanche Trace (CT). A new committee should be formed with persons from various neighborhoods who do not have a conflict. The city should do a cost benefit analysis of the project by an independent third party, not from Kerrville, and who did not have any monetary interest in the project. George Baroody recently presented information at a citizens' meeting that indicated that the city did not need the pond. If a new committee is formed, George Baroody should be on the committee as he had extensive knowledge of the issue; Mr. Naman stated he would volunteer also.

Mr. Andrew responded he did not live in an area that would have a direct benefit; he lived in Comanche Trace and CT has had a contract with the city for effluent water for 15 years. Councilmembers noted that all persons who used area golf courses would benefit by using effluent for irrigation. People who do not live in CT but play golf at CT, would also benefit; the same for RGC and SU. All citizens would benefit by not using potable water for irrigation of golf courses.

4. George Baroody stated he would not ask to be on the committee. Creating a new committee would be disingenuous as the project had already been put out for bid. It was the job of the city council to analyze and deliberate projects; council was elected to make decisions, not a citizen's group, and it would be more productive to discuss facts and move forward than it would be to send it to a committee. The city was paying FNI and asking a citizens group to recheck their design; however, the engineering design was not in question. He questioned the expense of building the pond; he opined that the pond was only necessary for effluent customers.

5. Jerry Wolff stated that perhaps the committee could look at the overall system after the design had been submitted by the consulting company in 5-6 years; however, before the design can be done he opined that the city must provide to TCEQ a history of water samples. It was premature to form the committee now, and he asked what the committee was supposed to study noting the engineering design could not be completed at this time.

Council also discussed the following:

- The city had the design for the project and it was out for bid; the question on this agenda was whether or not to re-engage the committee.

- City had been investigating DPR since 2013, Council was confident in Freese and Nichols, Inc. (FNI).

- FNI had the final design for the effluent water project and the plan for potable (DPR) water; the pond was necessary for DPR.

- Appointing the same members would facilitate the learning curve as this was a complex project that took many months to study.

- Committee meetings would be open to the public.

- Mayor White read a letter from James Wessling.

Mayor White opined that half of the members would have to be recused from the decision due to a conflict of interest and a conflict with Section 3.5 of the procedural rules; for example, the CT contract would be up for renegotiation in a few years. Mr. Andrew noted that the WRAC had no decision making authority and could only provide recommendations to the council, so a conflict of interest did not apply. Mr. Hayes stated there was no conflict of interest under state law.

Mayor White noted a clause in the contract that if the city required the effluent for potable water, the effluent would be turned off.

Mayor White noted that the original committee was adopted by motion only. If council wished to re-engage the committee, it should be adopted by resolution and state the application process, interview committee, membership, and parameters.

Mr. Andrew moved to re-engage the reuse water ad-hoc advisory committee to review and provide recommendations to city council on the engineering design of the water reclamation improvements and recommendations for direct potable reuse, further, that the city ask previous members if they were interested in serving. If the committee did not have anything to discuss or questions to ask, then they would not have to meet.

Mr. Fine suggested the city award the contract first, then consider re-engaging the committee.

Mr. Andrew withdrew his motion and asked that the item be placed on a future agenda.

7C. Commercial real estate listing agreement between the City of Kerrville and Commercial Realty Services, Inc. for the exclusive right to sell city owned property located at 800 Junction Highway (former City Hall site).

Mr. Parton noted the city intended to sell the property at 800 Junction Highway and reimburse the city for those expenditures associated with the construction of the new city hall. Any proceeds from the sale would have to be applied to like uses; therefore, funds would have to be earmarked for additional facility needs in the future. He reviewed several options for the sale of municipal property under state law and recommended using a licensed brokerage firm to list the property through MLS for a minimum of 30 days, after which the city could consider offers. The city used this process a few years ago and received offers, but nothing materialized. Recently, Commercial Realty Services, Inc. (CRS) submitted a proposal. Mr. Parton proposed amendments from the previous brokerage agreement and recommended the city list the property with CRS. The amendments included: 1) Remove references to the existing structure and appurtenances because the structure had been removed and it was a vacant tract; and 2) Brokerage fee be 6% if the broker brings in a client. Mr. Parton noted an appraisal was completed two years ago. Mr. Hayes noted there was no legal requirement for an appraisal; if the city was going through a brokerage agreement, the city was getting market value.

The following persons spoke:

1. Ed Hamilton, local real estate broker, noted the commission on the sale would be about \$40,000. He stated that he previously had the property under contract for \$760,000; however, during the option period the buyer found that the zoning for the back area of the property was mischaracterized as multi-family residential, not commercial. He stated the city's zoning ordinance stated that the rear of the property was residential and would remain residential and it would not be zoned commercial. Previously, he submitted a letter during the option period stating

four options for the city to select and he never received a reply from the city. Ed Pollard, who owned property next door, was still interested in the property and would like to be considered; as such, Mr. Hamilton advised that Mr. Pollard was his client. Mr. Hamilton requested that since he and Mr. Pollard were previously in negotiations with the city, that Ed Pollard's name be reserved for a period of 30 days. Mr. Hamilton contended that Mr. Pollard was never notified by the city.

Mr. Parton noted the council took official action to reject Mr. Pollard's offer, and the escrow and earnest money had been returned to Mr. Pollard.

Mr. Hayes stated that the city never had a deal with anyone. Previously, Mr. Hamilton presented an offer on behalf of Mr. Pollard. The council considered the offer by Mr. Pollard and another party; the council rejected both offers. If Mr. Pollard was still interested in the property, he would have to go through Ms. Tiemann.

2. Brent Bates, a local broker; stated the city did not advertise a request for proposal for a realtor. It was standard when a deal was pending, with someone to reserve that client. He asked how long Ms. Tiemann's would have the listing. Ms. White stated the listing was for one year.

3. Mayor White read comments in a letter from James Wessling.

4. Ms. Tiemann noted that in order to receive earnest money that had been filed with a title company, a termination contract and release would have been submitted. Mr. Hamilton could represent Mr. Pollard, and she would represent the city, if the contract was signed.

Mr. Fine moved for approval of the brokerage agreement with Commercial Realty Services and to direct the city attorney to make any final amendments as discussed, and authorize execution of the agreement to get the property listed. Mr. Stork seconded the motion and it passed 5-0.

7D. Professional services agreement with Peter Lewis Architect and Associates for preliminary design work for 529 Water Street in an amount not to exceed \$15,000.

Mr. Hoppe presented an agreement with Peter Lewis to provide a rendering and preliminary architectural design plans for a portion of the property to help pursue grants and donations for future improvements to the facility and grounds, and connection to the overall library campus. The design would focus primarily on the outdoor area at this time, and additional architectural work may be phased in later.

Mr. Fine moved to approve the professional services agreement; Mr. Stork seconded the motion and it passed 4 to 1 with Councilmembers Fine, Stork, Andrew, and Allen voting in favor of the motion and Mayor White voting against the motion.

8. INFORMATION AND DISCUSSION:

8A. Saving Our Night Skies initiative. (Jim Wills) This item was presented earlier in the meeting following Item 3B.

8B. Receive an update and provide direction to staff regarding the planned indoor athletic facility at the Kerrville Sports Complex.

Mr. Parton noted the city engaged Peter Lewis and Associates for the design and construction of the indoor athletic facility pursuant to the city's lease agreement with BTP Baseball to provide a 30,000 sq. ft. structure to include up to 14,000 sq. ft. of heated and air conditioned space. Cost estimates for the building were approximately \$2.7 million; only \$2 million was budgeted. He noted a provision in the agreement that BTP could agree to changes in the design and construction. Staff met with BTP representatives and Mr. Lewis to reduce the project and still meet the requirements of the lease agreement with BTP. Mr. Parton proposed to revise the building scope to: construct a single story 17,000-18,000 sq. ft. structure, and to convert the remaining space to outdoor multi-use flex space; total project estimated at \$2 million. Mr. Lewis proposed to reduce the cost of design services and fees from \$161,000 to \$141,000 according to the revised scope of the building. Mr. Parton stated that BTP had been involved in the revised design and scope of the facility and BTP had confirmed in writing their acceptance of the layout presented tonight.

The following persons spoke:

1. Fred Speck requested the city save the current soccer complex and buy dirt for the athletics complex; the city had plenty of money to do all and not destroy the current soccer fields.

2. Jerry Wolf questioned if the city had committed to enclose the new outdoor T-ball facility in the future, and if so, when?

Mr. Parton stated that the city had met its obligation with BTP and BTP agreed, in writing, to the revised building design and BTP verified it met their needs. There was no specific time line for the city to enclose the outdoor multi-use flex space.

Mayor White recommended an amendment be prepared to make it clear that BTP agreed to 17,700 sq. ft.

Mr. Parton stated the city did not have to modify the agreement; it had a provision that changes could be made upon agreement by BTP, which they have agreed to in writing.

9. ITEMS FOR FUTURE AGENDAS

- Review fee structure regarding the sale of effluent.
- Consider re-engaging reuse water ad-hoc committee after the bid had been awarded for the effluent pond.

10. **ANNOUNCEMENTS OF COMMUNITY INTEREST** were presented.

11. **EXECUTIVE SESSION**: None.

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

ADJOURNMENT. The meeting adjourned at 9:40 p.m.

APPROVED: 10/25/2016

ATTEST:

/s/

Bonnie White, Mayor

/s/

Brenda Craig City Secretary