

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING**

AUGUST 21, 2017

On Monday, August 21, 2017, the regular meeting of the members of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by Kenneth Early, President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas. Mr. Wilson offered the invocation.

Members Present:

Kenneth Early, President
Sheri Pattillo, Vice President
George Baroody
Gary Cooper
Robert Naman
James Wilson

Members Absent:

Paul Stafford

City Executive Staff Present:

Mark McDaniel, City Manager
E.A. Hoppe, Deputy City Manager
Mike Hayes, City Attorney
Cheryl Brown, Deputy City Secretary
Sandra Yarbrough, Finance Director

Visitors Present: Visitor list available in the City Secretary's Office for the required retention period.

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

2. **APPROVAL OF MINUTES:**

2A. Approval of minutes for the regular meeting held on July 17, 2017.

Mr. Wilson moved to approve the minutes. Ms. Pattillo seconded, and the motion passed 6-0.

3. **MONTHLY REPORTS:**

3A. Monthly financials for July 2017. (staff)

Ms. Yarbrough reported a beginning balance of \$2,464,033; with \$284,934 revenue, and \$101,211 expenditures; leaving an ending cash balance on July 31, 2017 of \$2,647,756. She reviewed the capital projects status summary, which showed an ending cash balance of \$1,869,155 and the cash and investments fund, which showed an (annualized) interest earned of 0.42%.

3B. Projects update:

Mr. Hoppe made the following reports:

River Trail: Design/ engineering work was underway, with expected completion in September.

Kerrville Sports Complex: Work was nearing completion. Work was moving forward on the DBAT facility.

Reuse Distribution Lines: Work was continuing, with the distribution lines near Loop 534 under construction, and the western extension to the Sports Complex almost complete up to Holdsworth Drive. Work near the school zones, should be finished before the school year begins.

Tennis Center Improvements: A design contract in the amount of \$166,000 was on the agenda for City Council on August 22, 2017.

4. DISCUSSION AND POSSIBLE ACTION:

4A. EIC's annual review, consideration, and approval of Kerrville Economic Development Corporation's (KEDC) fulfillment of its obligations pursuant to the economic Development Grant Agreement between the EIC and the KEDC and a funding amount up to \$180,000 for Fiscal Year 2017. (Brian O'Connor)

Brian O'Connor, Executive Director of KEDC, presented the revised KEDC Fiscal Year 2018 budget. He stated that the board reviewed the budget, and revised the requested amount to \$140,000.

Mr. Barody mentioned that he wanted to board to consider tabling the KEDC budget item. He stated he thought it was possible to move the economic development activities of KEDC "in-house" to be a function of the City.

Mr. O'Connor stated that KEDC did have funding requests being considered by their other stakeholders, and if the EIC did not approve the funding before them, the other stakeholders would follow suit, and the KEDC would be without funding completely.

Mr. Early asked if the board would be willing to have a special meeting to determine how the economic development activities, which were currently under the oversight of KEDC, would continue to be funded. He asked Mr. O'Connor what a "drop dead" date would be for a final decision as to whether or not the EIC approved funding the KEDC budget as presented.

Ms. Pattillo stated that the EIC had a 3 year agreement with KEDC, of which FY2018 would be the third year.

Mr. Early stated that was contingent upon the EIC approving the budget, they were not obligated to do so.

Mr. Hoppe stated the agreement was for 3 years, of which FY2018 would be the last year, but that it was contingent upon the appropriation of the funds by the EIC and City Council each year as part of the budget process.

Mr. Barody suggested that, if the EIC did not approve the funding to the KEDC budget, and the economic development activities were moved to City staff positions, that Mr. O'Connor and his administrative assistant Theresa Metcalf would be offered the same positions with the City.

Mr. Barody moved to table the discussion of this item indefinitely.

Mr. McDaniel stated the item could be tabled until the next EIC meeting, but beyond that, the FY2018 City budget would be approved by City Council, with the funding for KEDC in it or not.

Mr. Baroody amended his motion to table the discussion of this item no further than September 18, 2017, which was the date of the next EIC meeting, and to direct staff to schedule a joint meeting with EIC and KEDC. Mr. Naman seconded.

Mr. O'Connor asked if the joint meeting would be at the next EIC meeting, or another date.

Mr. Early stated the meeting would have to be a special-called meeting, because the EIC would have to be prepared to vote on the FY2018 budget for KEDC at their September meeting.

Ms. Pattillo opined that the Comprehensive Plan Steering Committee that was recently appointed should be the group to decide whether economic development was handled by KEDC or City staff.

Mr. Early called for a vote on the motion. The vote was 3-3, with Mr. Baroody, Mr. Cooper, and Mr. Naman voting in favor, and Mr. Early, Ms. Pattillo, and Mr. Wilson voting against. The motion failed for lack of a majority.

Mr. Wilson moved to fund the requested amount for the KEDC FY2018 budget. As presented. After discussion among the EIC members, Mr. Wilson amended his motion to fund the requested amount of \$140,000.00, with the ability to fund up to \$180,000.00 at a later date, should KEDC require additional funding. Ms. Pattillo seconded. The motion passed 4-2, with Mr. Early, Ms. Pattillo, Mr. Wilson and Mr. Naman voting in favor and Mr. Baroody and Mr. Cooper voting against.

Ms. Pattillo moved to direct staff to set up a joint meeting with the EIC and KEDC. Mr. Wilson seconded, and the motion passed 6-0.

4B. Update and direction to City staff regarding Economic Improvement Budget for Fiscal Year 2018. (staff)

Mr. Hoppe reviewed the proposed Fiscal Year 2018 EIC budget, which included Administrative, Business Development, Quality of Life, and Public Infrastructure categories.

Mr. Wilson moved to approve the budget for Fiscal Year 2018 as presented. Mr. Cooper seconded, and the motion passed 5-1, with Mr. Naman voting against.

5. **EXECUTIVE SESSION:** None

7. **POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:** None

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

9. **ANNOUNCEMENTS:** None

10. ADJOURNMENT.

Mr. Early adjourned the meeting at 4:53 p.m.

APPROVED: 09/18/2017

Kenneth Early, President

ATTEST:

Cheryl Brown, Deputy City Secretary