

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**  
**REGULAR MEETING** **SEPTEMBER 18, 2017**

On Monday, September 18, 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  
Paul Stafford  
James Wilson

**Members Absent:**

None

**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 August 21, 2017, and the special meeting held on September 7, 2017.

It was the consensus of the EIC members to change the language in the minutes for the August 21, 2017 meeting to state that the board's motion with regard to the KEDC budget to state the amount approved was up to \$180,000.00, with an initial amount of \$140,000.00. If KEDC requires the remaining \$40,000.00, they will come back to the EIC to request it.

Ms. Pattillo moved to approve the minutes for the regular meeting held on August 21, 2017 with the requested revision, and the minutes for the special meeting held on September 7, 2017. Mr. Wilson seconded, and the motion passed 7-0.

3. **MONTHLY REPORTS:**

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

Ms. Yarbrough reported a beginning balance of \$2,647,756; with \$309,946 revenue, and \$101,561 expenditures; leaving an ending cash balance on August 31, 2017 of \$2,856,140.

She reviewed the capital projects status summary, which showed an ending cash balance of \$1,869,155 and the cash and investments fund.

3B. Projects update:

Mr. Hoppe made the following reports:

River Trail:

Engineering was in the final stages and should be complete by the end of October. Bids for the project were scheduled to go out in October.

Mr. Baroody asked how far west the trail was to go, regarding the current design. Mr. Hoppe stated it would go to the Palacios Del Guadalupe/Dietert Center area. At the Dietert Center a sidewalk extension would connect the trail to the sidewalk at Guadalupe Street.

Kerrville Sports Complex:

The project was substantially completed, and punch list items were being addressed. The DBAT facility was still under construction, with completion anticipated by the end of November, possibly the beginning of December.

Reuse Distribution Lines:

All the bores were completed under 173, East Main, and over to Schreiner University. There was approximately 12,000 linear feet that were accomplished. The project was on schedule for completion in January 2018, weather permitting.

Tennis Center Improvements:

The design contract was signed with Schrickel, Rollins & Associates, with stakeholder input sessions to be scheduled in the next couple of months.

**4. CONSIDERATION AND POSSIBLE ACTION:**

Mr. Baroody asked to address 4B first, and 4A second. The board agreed to do so.

4B. Review and possibly reconsider Economic Improvement Corporation budget for Fiscal Year 2018. (staff)

Mr. Hoppe reviewed the approval by the EIC of the budget at their August 21, 2017 meeting. At the City Council meeting held on September 7, 2017, the motion to approve the EIC budget failed on a 2 to 2 vote. The EIC could either reconsider and modify the budget, or send the budget back to the City Council meeting scheduled for September 26, 2017.

Mr. Baroody stated that the City Council simply wished to maintain its oversight authority regarding the expenditures made by EIC.

The following person spoke:

- Bruce Stracke compared the KEDC funding of up to \$180,000 to the funding allocated to the Tennis Center improvements.

After much discussion among the EIC members, Mr. Stafford moved to approve the budget as presented. Mr. Wilson seconded, and the motion passed 4-3 with Mr. Early, Mr. Wilson, Mr. Stafford and Ms. Pattillo voting in favor, and Mr. Baroody, Mr. Cooper and Mr. Naman voting against.

4A. Appoint Members of the Economic Improvement Corporation (EIC) to an Ad Hoc subcommittee as discussed at the September 7, 2017 joint EIC/Kerrville Economic Development Corporation (KEDC) meeting.

Mr. Wilson voted to appoint Mr. Early and Ms. Pattillo as two of the three members of the subcommittee. Mr. Stafford seconded.

Mr. Baroody stated he was opposed to the structure of the subcommittee, and that he believes it would be in violation to the Open Meetings Act, because the number of committee members was being set below a quorum for that reason.

Mr. Hayes stated he does not believe that is why the subcommittee was being set as proposed.

Mr. Early called for a vote on the motion to appoint Mr. Early and Ms. Pattillo to the subcommittee. The motion passed 4-3, with Mr. Early, Mr. Wilson, Mr. Stafford and Ms. Pattillo voting in favor, and Mr. Baroody, Mr. Cooper and Mr. Naman voting against. (Mr. Baroody did not vote initially, but when asked by the secretary, he stated he was voting against.)

Mr. Stafford moved to appoint Mr. Wilson as the third member from EIC to the subcommittee. Ms. Pattillo seconded. The motion passed 4-3, with Mr. Early, Mr. Wilson, Mr. Stafford and Ms. Pattillo voting in favor, and Mr. Baroody, Mr. Cooper and Mr. Naman voting against.

4C. Review and consider Funding Application for assistance with a public infrastructure extension along Thompson Road related to a private development. (staff)

Mr. Cooper moved to defer this item to a later date, because in the presentation that was distributed in the agenda packet, the property was shown to be outside of the City limits, nor had it been before the Planning & Zoning Commission, with no public hearings being held for the annexation issue. Mr. Baroody seconded.

Justin MacDonald, with the MacDonald Companies, spoke as to Mr. Cooper's motion. He stated that the duty of the EIC was to consider economic development projects in the City of Kerrville, and the surrounding area. He said that the EIC had a history of funding projects that were just outside the City limits, such as the Sports Shooting Center. He stated he was willing to answer any questions the board members may have. He had been working with City staff for some time on getting the presentation prepared for the EIC meeting. He asked that the EIC vote against the motion made by Mr. Cooper, and that he be allowed to make the presentation that was prepared.

Mr. Early stated that the EIC could hear the presentation, and ask any questions they might have, without committing to grant the funding request.

Mr. Hoppe stated that the normal process is for the "GO Team" to review the request, then the KEDC, then, if it met the requirements, the EIC would hear the presentation. Then the EIC would decide whether or not to instruct City staff to work with the requestor to formulate an actual funding agreement.

Mr. McDaniel stated that in economic development, often times the property is outside the City limits, and that this presentation is the beginning of a process. He stated that annexation requirements could be part of the agreement, such as was done with Comanche Trace. He stated that City staff would like to discuss deal points with the EIC in executive session.

Granger MacDonald spoke, stating that, if there was no chance the EIC was going to even consider the funding request, it would be a waste of everyone's time to view the presentation.

Mr. Early called for a vote on the motion made by Mr. Cooper.

Mr. Cooper withdrew his motion.

Justin MacDonald then made the presentation.

**5. EXECUTIVE SESSION:**

Ms. Pattillo moved for the EIC to go into executive closed session under Sections 551.071, 551.072 and 551.087 of the Texas Government Code; motion was seconded by Mr. Wilson and passed 7-0 to discuss the following:

Sections 551.071 (consultation with attorney), and 551.072 (deliberation regarding real property), and 551.087 (deliberations regarding economic development negotiations):

5A. Review and consider funding application for assistance with a public infrastructure extension along Thompson Road related to a private development.

At 5:34 p.m. the open session recessed and the EIC went into executive closed session at 5:35 p.m. At 6:20 p.m. the executive closed session recessed and the EIC returned to open session at 6:20 p.m. Mr. Early announced that no action was taken in executive session.

**7. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:**

Ms. Pattillo moved to direct City staff to work with the MacDonald Company to formulate an agreement to bring back to the EIC. Mr. Wilson seconded, and the motion passed 7-0.

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

**9. ANNOUNCEMENTS: None**

**10. ADJOURNMENT.**

Mr. Early adjourned the meeting at 6:20 p.m.

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

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Kenneth Early, President

ATTEST:

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Cheryl Brown, Deputy City Secretary