

This meeting is recorded and can be viewed on the city's website at www.kerrvilletx.gov.

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
NOVEMBER 14, 2017

On November 14, 2017, the Kerrville City Council meeting was called to order at 6:00 p.m. by Mayor Bonnie White in the city hall council chambers at 701 Main Street. The invocation was offered by Councilmember Mary Ellen Summerlin, followed by the Pledge of Allegiance led by Kerr County Commission Tom Moser.

COUNCILMEMBERS PRESENT:

Bonnie White	Mayor
George Baroody	Mayor Pro Tem
Vincent C. Voelkel	Councilmember
Mary Ellen Summerlin	Councilmember
C. Warren Ferguson	Councilmember

COUNCILMEMBER ABSENT: None

CITY STAFF PRESENT:

Mark McDaniel	City Manager
Mike Hayes	City Attorney
E.A. Hoppe	Deputy City Manager
Brenda Craig	City Secretary
Sandra Yarbrough	Director of Finance
Kim Meisner	Director of General Operations
David Knight	Police Chief
Stuart Cunyus	Public Information Officer
Sabine Kuenzel	Executive Director of Development Services
Dannie Smith	Fire Chief
Stuart Barron	Public Works Director

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

1. **ANNOUNCEMENTS OF COMMUNITY INTEREST:** were given.

2. **VISITORS/CITIZENS FORUM:**

2A. Maggie Baker stated appreciation for the city's help with the Veterans' Parade.

3. **PRESENTATIONS:**

3A. Proclamation proclaiming November 13-19, 2017 as National Apprenticeship Week.

4. **CONSENT AGENDA:**

Ms. Summerlin moved to approve consent agenda items 4A and 4B; Mr. Ferguson seconded the motion, and the motion passed 5-0:

4A. Minutes of the regular council meetings held October 10, 2017.

4B. Non-exclusive license agreement between the City of Kerrville and Our Lady of the Hills for use of the Kerrville Sports Complex.

END OF CONSENT AGENDA

5. ORDINANCES:

5A. Ordinance No. 2017-21, annexing an approximate 7.95 acre tract of land into the City of Kerrville, Texas, said property generally located south of and adjacent to State Highway 27 East and west of Colvin Ranch Road East; said property being out of the F. Rodriguez Survey No. 72, Abstract No. 280, being located adjacent to the corporate limits of the City of Kerrville, Texas, and more commonly known as 5263 Highway 27 East; further describing the property to be annexed; adopting a service plan for the property annexed; and establishing the zoning for the property annexed.

Mr. Voelkel filed a conflict of interest affidavit, recused himself and left the council chambers at 6:13 p.m.

Ms. Kuenzel noted the annexation was per the Fox Tank development agreement. The planning and zoning commission recommended approval of the annexation and zoning, and the required public hearings were held at previous meetings.

Ms. Summerlin moved for approval of Ordinance No. 2017-21 on first reading; Mr. Ferguson seconded the motion, and it passed 4-0-1; with Councilmembers Summerlin, Ferguson, Baroody, and White voted in favor of the motion; no one voted against the motion; and Councilmember Voelkel abstained.

Mr. Voelkel returned to the meeting at 6:14 p.m.

5B. Ordinance No. 2017-22, authorizing the issuance of up to \$20,000,000 in principal amount of City of Kerrville, Texas General Obligation Refunding Bonds, Series 2017, approving and authorizing the execution of an escrow agreement, a paying agent/ registrar agreement, a purchase contract and other instruments and procedures related thereto; delegating authority to certain city officials to select outstanding obligations to be refunded and approve all final terms of the bonds; approving an official statement; and calling certain obligations for redemption.

Ann Burger Entrekin, the city's financial advisor, presented the proposed refunding bond issue to refinance several bond series for possible savings. She noted the city had discussed possible refinance in early 2018; however, the federal tax cuts and job act tax plan as currently drafted would exclude advanced refunding transactions effective and retroactive to December 31, 2017. She recommended the city issue the refunding bonds and close prior to December 31, 2017, under certain parameters, on the following schedule: receive rating on December 1, complete pricing on December 5, execute the certificates on December 5 or 6, brief the council on the final terms of the refunding bonds and present the transaction summary on December 12, and close on December 20, 2017. She noted that although the city's charter required two readings of ordinances, the Texas Government Code, allowed ordinances related to the issuance of bonds to become

effective with only one reading. Ms. Entrekin estimated a potential net savings of \$650,000, and opined the refunding would not negatively affect the city's bond rating.

Tom Spurgeon, Bond Counsel with McCall, Parkhurst and Horton, acknowledged and supported statements made by Ms. Entrekin.

Mr. McDaniel noted this was an opportunity to get better rates on existing debt. Staff would develop a financing plan in the near future for the Legion lift station and trihalomethane (TTHM) project.

Mayor White stated the motion for approval of Ordinance No. 2017-22 on first and only reading as presented. Ms. Summerlin moved the motion; Mr. Ferguson seconded the motion, and it passed 5-0.

5C. Ordinance No. 2017-23, amending Chapter 6 "Advertising", Article II "Signs", Section 6-36 "Exempt Signs" of the City's Code of Ordinances to exempt from permitting pole banner signs used by hospital services; containing a savings and severability clause; providing for penalties not to exceed \$2,000.00; ordering publication; providing an effective date; and providing other matters related to the subject.

Ms. Kuenzel reviewed the history of banner signs in general and recent complaints about Peterson Hospital's banner signs. The planning and Zoning Commission (PZC) approved a variance on October 19 for the hospital, and asked staff to review the entire sign code and bring back recommendations. Ordinance 2017-23 addressed hospital sites and banners only.

Mr. Baroody stated a review of the entire sign ordinance would take time and recommended the proposed ordinance be considered at this time. The variance was granted for the hospital; however, it conflicted with the evaluation clause of the variance.

Ms. Summerlin noted the hospital already had their variance, and she suggested holding the matter of banner signs and let the review process proceed. This would allow staff time to draft amendments, and PZC time to review and recommend amendments to the entire sign ordinance.

Mayor White noted PZC approved the hospital's variance as a community service sign, which Ms. Kuenzel had stated it did not meet the definition of a community service sign, and it did not meet the eight criteria stated in the variance. She recommended eliminating the five acre requirement.

Mr. Hayes noted that PZC issued a variance that was legal; however, the city should address the sign ordinance and make it equitable to all.

Ms. Summerlin moved to defer the matter until staff had time to review the entire sign ordinance and make recommendation on all revisions that may be needed. Mr. Ferguson seconded the motion and the motion carried 3-2 with Councilmembers

Summerlin, Ferguson, and White voting in favor of the motion and Councilmembers Baroody and Voelkel voting against the motion.

6. CONSIDERATION AND POSSIBLE ACTION:

6A. Construction contract with M&C Fonseca Construction Company, Inc. for the river trail west improvements project as part of the river trail project in the amount of \$649,658.50 and authorize the city manager to execute additional change orders which will not exceed a total contract value of \$715,000.00.

Mr. Hoppe noted the project would provide 2,500 linear feet of concrete trail, two concrete trailheads, asphalt parking, water and electrical service and limestone block retaining walls, grading and drainage improvements for the section of trail along Guadalupe Street from Lowry Park to the Dietert Center. The total contract value, including two additions to the original bid, was \$715,000.00.

Council also discussed the following:

- Drinking fountain cost \$14,000. Mr. Hoppe noted this included complete installation and a 1 inch water line extension.
- City use material that will not be destructive to bicycles.

Mr. Baroody moved for approval of the contract; Ms. Summerlin seconded the motion and it passed 5-0.

6B. Resolution No. 42-2017 authorizing a waiver of various fees associated with construction activities for the property located at 601 Spur 100, within the City of Kerrville, Texas.

Steve Volkman, Executive Director of Veterans Assistance Dogs of Texas, detailed the VAD project whereby shelter dogs were trained and given to veterans. A veteran would stay in one of the six homes for 8-12 weeks while training with their service dog. He requested permit fees be waived, estimated at \$875.

Mr. McDaniel noted the resolution waived parkland dedication, building, electrical, plumbing, mechanical, platting and replatting fees only; it did not waive utility tap fees.

Mr. Ferguson moved to approve Resolution No. 42-2017 waiver of fees at 601 Spur 100; Mr. Voelkel seconded the motion and it passed 5-0.

6C. Resolution No. 44-2017, casting votes of the City of Kerrville, Texas, for Kerr Central Appraisal District Board of Directors.

Ms. Craig noted the city had 704 votes to cast of the total 5,000 votes. There were 7 candidates, including Judy Eychner, the City of Kerrville's nominee. Ms. Craig recommended casting 698 votes for Judy Eychner and one vote for each of the remaining 6 candidates: Ray Orr, Patrick Freedle, Charles Lewis, Judy Webb Smith, Carter Crain, and Scott Turner.

Mr. Baroody moved to cast votes as presented; Mayor White seconded the motion and it passed 5-0.

6D. Resolution No. 45-2017, creating seven subcommittees as part of the comprehensive planning effort (Kerrville 2050) and making appointments thereto. Mr. McDaniel stated the resolution would finalize appointments to the steering committee and appoint chairs for each subcommittee from the steering committee. The resolution also allowed a councilmember to replace any member of the steering committee they nominated by the end of the month, noting two members had resigned. He recommended approval of the resolution with the ability of councilmembers to finalize their appointments by November 16.

Ms. Summerlin moved to approve Resolution No. 45-2017 as presented by Mr. McDaniel; Mr. Ferguson seconded the motion and it passed 5-0.

6E. Interlocal agreement between Kerr County, Texas and the City of Kerrville, Texas for the provision of animal control services within the City of Kerrville, Texas, and services of the Butt-Holdsworth Memorial Library for residents of Kerr County.

Mr. McDaniel noted the agreement would be effective January 1, 2018, and would provide library services for all residents of Kerr County in exchange for the county providing animal control services in the city. He noted that Kerr County was responsible to provide rabies control but not animal control services; however, if the county did not provide rabies control then the state would provide limited services. The city would be reviewing how this impacted current operations at the library, and noted the city would not be increasing library staff at this time. The city already met accreditation for the larger service area with the current staff and materials.

Tom Moser, Kerr County Commissioner, stated the library was a critically important asset for all of the community and had been enjoyed by all from 1969-2012; issues have been resolved to the benefit of all citizens. The county would be adding staff and reviewing operations to make sure they meet the obligations of the agreement.

Mayor White noted that under the agreement the county would appoint a member to the library advisory board at the next vacancy.

Mr. Ferguson moved to approve the agreement; Ms. Summerlin seconded the motion and it passed 5-0.

6F. Review trihalomethane (TTHM) reduction design report and direct staff regarding the finalization of engineering for the selected water treatment method.

Mr. Hoppe noted the city had been monitoring TTHM since 2013 and has been under state mandate and TCEQ enforcement action for the past year

Mr. Barron introduced Kendal King and Mark Graves, engineers with Freese and Nichols (FN). Mr. Barron reviewed several things that staff had tried but had not been successful in reducing TTHM. He discussed improvements that had been made, and could be made, to the distribution system; however, during certain months of the year when water left the plant it already exceeded the state's allowable TTHM level. The city hired FN to study and assess two methods of treatment: chloramines, and granular

activated carbon (GAC). He reviewed the pros and cons of each process. He estimated the cost of chloramines conversion (construction and implementation) at \$2.5 million and annual cost at \$150,000; GAC construction cost was estimated at \$4.1 million and annual cost at \$410,000; these estimates did not include engineering.

Mr. McDaniel requested direction from council as to which process to proceed with. Staff would then prepare a finance plan and then proceed with the bidding process for construction and implementation.

Council expressed concern for the water quality and the cost of the GAC process.

The following person spoke:

1. Barbara Burton stated the city had an environmental responsibility.

Ms. Summerlin moved to instruct staff to pursue the granular activated carbon filtration process as a remedy for the TTHM problem. Mr. Ferguson seconded the motion and it passed 5-0.

7. ITEMS FOR FUTURE AGENDAS: None.

8. EXECUTIVE SESSION:

Ms. Summerlin moved for the city council to go into executive closed session under Sections 551.071 (consultation with attorney) and 551.074 (personnel/officers) of Chapter 551 of the Texas Government Code; the motion was seconded by Mr. Baroody and passed 5-0 to discuss the following matters:

- 8A. City Attorney contract.
- 8B. Performance review of City Attorney.

At 7:38 p.m. the regular meeting recessed. Council went into executive closed session at 7:39 p.m. At 10:26 p.m. the executive closed session recessed and council returned to open session at 10:26 p.m. No action was taken in executive session.

9. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY:

Ms. Summerlin moved the adoption of the new contract with Mike Hayes as agreed. Mr. Ferguson seconded the motion and it passed 4-1 with Councilmembers Summerlin, Ferguson, Baroody, and Voelkel voting in favor of the motion and Mayor White voting against the motion.

ADJOURNMENT. The meeting adjourned at 10:27 p.m.

APPROVED: January 9, 2018

ATTEST:

Bonnie White, Mayor

Brenda G. Craig City Secretary