

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
APRIL 24, 2018

On April 24, 2018, 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 Mary Ellen Summerlin, Councilmember Place Three, followed by the Pledge of Allegiance led by Fire Chief Dannie Smith.

COUNCILMEMBERS PRESENT:

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

COUNCILMEMBERS ABSENT: None.

CITY CORE STAFF PRESENT:

Mark McDaniel	City Manager
Mike Hayes	City Attorney
Brenda Craig	City Secretary
E.A. Hoppe	Deputy City Manager
Cheryl Brown	Deputy City Secretary
Amy Dozier	Director of Finance
Kim Meismer	Director of General Operations
David Knight	Police Chief
Stuart Cunyus	Public Information Officer
Dannie Smith	Fire Chief
Guillermo Garcia	Executive Director of Strategic Initiatives

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. Steve Stoutamire, archeologist and steward with the Texas Historical Commission, requested to be on the May 8 agenda to discuss archeological impacts regarding the thoroughfare plan in the Kerrville 2050 plan.

2B. Bruce Stracke noted the Kerrville Downtown Business Alliance was starting up and many downtown business people were attending the Kerrville 2050 meetings.

3. **PRESENTATIONS:**

3A. Resolution of Commendation to Jacklyn Kayne for service on the Parks and Recreation Advisory Board.

- 3B. Resolution of Commendation to Jay Munson for service on the Parks and Recreation Advisory Board.
- 3C. Certificate of Recognition to Bailey and Keely Geisel for their generous donation of \$795.00 for a new adaptive swing at Lehmann and Monroe Park.
- 3D. Proclamation celebrating the Museum of Western Art on their 35th Anniversary.
- 3E. Proclamation declaring the month of May as Williams Syndrome Awareness Month.
- 3F. Proclamation proclaiming April 30, 2018 as Tina Woods' Day.
- 3C. Certificate of Recognition for Bailey and Keely Geisel for their generous donation of \$795.00 for a new adaptive swing at Lehmann and Monroe Park.

4. CONSENT AGENDA:

Ms. Summerlin moved for approval of consent agenda Item 4A; Mr. Ferguson seconded the motion and it passed 5-0:

4A. Minutes of the city council regular meeting held March 13, 2018, and the workshop held March 20, 2018.

END OF CONSENT AGENDA

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Resolution No. 13-2018 requesting financial assistance from the Texas Water Development Board (TWDB) to finance certain improvements to the City's water system; authorizing the filing of an application for financial assistance and making certain findings in connection therewith.

Mr. Hoppe noted the resolution would authorize staff to submit an application to TWDB to assist in financing a project to reduce trihalomethanes (TTHM) in the city's water system, which is a requirement of TCEQ. The project included a feasibility study, testing, design and construction for a new treatment process to be added on to the existing water treatment facility. The cost was estimated at \$4.1 million.

Mr. Hoppe noted the TWDB loan was a 30 year loan available to cities for water and wastewater infrastructure projects. The state would reduce the interest rate by 1.35% of market rate; however there were some additional requirements and environmental regulations. Also, the city could seek reimbursement of \$734,000 for engineering cost related to the Legion lift station project, and TTHM studies may also be eligible for reimbursement; however, the council must pass a resolution stating the city's intent to seek reimbursement (Item 5B). These costs were paid with cash on hand from the water and sewer fund. Mr. Hoppe proposed that the city request \$15 million total, to include \$9.85 million for the Legion lift station project, \$4.1 million for the TTHM project, and the cost reimbursement.

Ms. Summerlin moved for approval of Resolution No. 13-2018 on second and final reading; Mr. Baroody seconded the motion and it passed 5-0.

5B. Resolution No. 14-2018 expressing official intent to reimburse with tax-exempt obligation proceeds costs incurred to construct certain improvements to the City's water and wastewater system.

Mr. Hoppe noted that in order to seek reimbursement (Item 5A) the council must first pass a resolution declaring the city's intent to request reimbursement. The proposed resolution was recommended and prepared by the city's bond counsel.

Mr. Baroody moved for approval of Resolution No. 14-2018 on second and final reading; Mr. Ferguson seconded the motion and it passed 5-0.

5C. Authorize the execution of a construction contract with Viking Construction, Inc. for the 2018 Slurry Seal project in an amount of \$300,393.90.

Mr. Burow noted this part of the slurry seal maintenance plan would cover 42-44 street segments totaling 2.5 lane miles. The project should be completed by October 1.

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

6. INFORMATION AND DISCUSSION

6A. Budget and economic update for the month ended March 31, 2018.

Ms. Dozier presented the year to date budget update, reviewed capital projects, and highlighted the following:

- General fund revenues exceeded expenses by \$4.6 million. The sales tax revenue was coming in under budget with a potential shortfall of \$200,000 by year end. Staff proposed offsetting the shortfall with reduced expenditures from staff vacancies and delayed purchases.
- The city, with the help of Intermedix (EMS billing services provider), submitted an application to the state through the Ambulance Supplemental Payment Program, which would provide partial reimbursement to the city for losses associated with accepting Medicaid; estimated reimbursement may be almost \$200,000.
- The water and sewer fund revenue included a \$415,000 transfer related to debt refinancing.
- The water and sewer fund expenditures included increased transfers for capital project and asset replacement compared to FY2017 expenditures.

Council also discussed the following:

- Reduction in tax rate, against the advice of the city manager, may have prevented a potential for a shortfall. Ms. Dozier noted that property tax revenue was a very stable revenue resource.
- The staff vacancies and overturn in public safety may be related to non-competitive pay; pay packages should be re-examined during budget preparation.
- The potential shortfall in sales tax revenue had nothing to do with the effective property tax rate.
- Last year the surplus revenue was used to pay off one-time fees, not operational fees; it did not impact the effective tax rate.

7. CITY MANAGER'S REPORT

- Hands free ordinance: staff was preparing public announcements and working on signage.

8. ITEMS FOR FUTURE AGENDAS:

- Archeological impact and cost associated with the proposed future thoroughfare plan.
- Sidewalk ordinance/sidewalk master plan and sign ordinance. Mr. McDaniel noted those items were on the future pending agenda list to take up after completion of the comprehensive plan. An item will be included in the budget to begin the code review, which would include those items.

9. EXECUTIVE SESSION:

Mr. Voelkel moved for the city council to go into executive closed session under Sections 551.087 (deliberation regarding real property) of Chapter 551 of the Texas Government Code; the motion was seconded by Mr. Baroody and passed 5-0 to discuss the following matters:

9A. Deliberation regarding economic development negotiations in accordance with the Texas Open Meetings Act, Section 551.087, discussion regarding commercial or financial information received from a business prospect(s), and/or to deliberate the offer of a financial or other incentive to a business prospect(s).

At 7:11 p.m. the regular meeting recessed. Council went into executive closed session at 7:16 p.m. At 7:48 p.m. the executive closed session recessed and council returned to open session at 7:50 p.m. No action was taken in executive session.

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY: None.

ADJOURNMENT: The meeting adjourned at 7:50 p.m.

APPROVED:05/08/2018

ATTEST:

Bonnie White, Mayor

Brenda G. Craig, City Secretary