

MINUTES OF THE KERRVILLE CITY COUNCIL AND
CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
JOINT MEETING
FEBRUARY 2, 2011

On February 2, 2011, the joint meeting of the Kerrville City Council and the Economic Improvement Corporation was called to order by Mayor Wampler at 10:00 a.m. in the city hall council chambers, 800 Junction Highway.

COUNCIL MEMBERS PRESENT:

David Wampler	Mayor
R. Bruce Motheral	Mayor Pro Tem
T. Scott Gross	Councilmember
Stacie Keeble	Councilmember

COUNCIL MEMBER ABSENT:

Gene Allen	Councilmember
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EIC MEMBERS PRESENT:

Bill Crumrine	President
Alan Massey	Secretary
Rex Boyland	
Warren Ferguson	
Robert Miller	
Gregg Appel	

EIC MEMBER ABSENT:

Jack Pratt	Vice President
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STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Mindy Wendele	Director of Business Programs
Mike Erwin	Director of Finance

INFORMATION AND DISCUSSION WITH POSSIBLE ACTION:

Review of documents that established the economic improvement corporation board. The consensus was that a review was not necessary as the documents were provided in the agenda packet.

Mayor Wampler noted the citizens voted to increase the sales tax in 1995, resulting in the establishment of an EIC board, as an advisory board appointed by the city council, to assist in the distribution of those funds.

Review and discussion of state law with regard to 4B boards, funding, and project eligibility guidelines.

It was noted that a broad range of projects were eligible for EIC funding under state statute, including creation of new businesses, retention of existing businesses, job creation and retention, increasing sales tax base, as well as providing infrastructure to an area that had economic development potential.

EIC and Council discussed city staff's workload and the potential for creating conflicts in serving both boards whose goals and priorities sometimes differed.

Discussion of goals and projects.

It was noted that in the past EIC had been reactionary, responding to requests. It was the consensus of both bodies to create a plan and establish objectives to achieve that plan. Such a plan should consider the following points:

- Should not rely on Kerrville as a retirement community as demographics would change; also noted effects of the senior tax freeze.
- Should pursue the economic strategic plan funded by EIC several years ago, for example, pursue expansion of the medical industry.
- The convention center/multi-purpose meeting facility was a viable project; however, private investment was necessary to make it economically feasible.
- Kerrville was not a primary location for conventions for various reasons.
- EIC should be more proactive; invest EIC funds to achieve highest economic impact possible; however, competing and offering incentives could result in a net zero gain to the tax base.
- Achieve economic viability and increase tax base by attracting people to Kerrville; provide amenities people want to see in a community; be the place people want to visit and live in.
- Focus on improving the community's strengths and attributes, e.g. the river, downtown, lifestyle, infrastructure, parks, river trails, and a world class library.

Council noted lost business in the past due to lack of infrastructure to serve their requirements; the city should be prepared to provide services or businesses will locate elsewhere.

Methodologies used to fund qualifying projects.

Council and EIC discussed issuing EIC debt in 2011 and 2014 to fund capital infrastructure projects in areas that had economic development potential. EIC members were concerned that there would not be funds available to respond to other requests that may arise. Mayor Wampler noted that EIC expressed that there were no procedural impediments against the city making application to EIC to fund such projects; therefore, council stated that staff should bring items to EIC for discussion and consideration. The consensus of the Council and EIC was to prepare a funding plan in order to achieve the projects and goals discussed.

The EIC members left the meeting at 11:29 a.m.

EXECUTIVE SESSION:

Ms. Keeble moved for the city council to go into executive closed session under Section 551.071 (consultation with attorney of the Texas Government Code; the motion was seconded by Mr. Gross and passed 5-0 to discuss the following matter:

Section 551.071:

- LCRA Transmission Services Corporation proposed McCamey D to Kendall to Gillespie 345-kV CREZ Transmission Line in Schleicher, Sutton, Menard, Kimble, Mason, Gillespie, Kerr, and Kendall Counties, Texas. Public Utility Commission of Texas (PUC) Docket No. 38354.

At 11:29 a.m. the regular meeting recessed and council went into executive closed session at 11:45 a.m. At 12:20 p.m. the executive closed session recessed and council returned to open session at 12:21p.m. Mayor Wampler announced that no action had been taken in executive session.

ACTION ON ITEM DISCUSSED IN EXECUTIVE SESSION:

LCRA Transmission Services Corporation proposed McCamey D to Kendall to Gillespie 345-kV CREZ Transmission Line in Schleicher, Sutton, Menard, Kimble, Mason, Gillespie, Kerr, and Kendall Counties, Texas. Public Utility Commission of Texas (PUC) Docket No. 38354

Mr. Gross moved to authorize the city attorney to move forward to appeal the decision of the Public Utility Commission. The motion was seconded by Mr. Motheral and passed 4-0.

ADJOURNMENT. The meeting adjourned at 12:22 p.m.

APPROVED: _____

David Wampler, Mayor

ATTEST:

Brenda G. Craig, City Secretary