

CITY COUNCIL MINUTES  
REGULAR MEETING

KERRVILLE, TEXAS  
AUGUST 9, 2011

On August 9, 2011, the Kerrville City Council meeting was called to order by Mayor Wampler at 6:00 p.m. in the city hall council chambers, 800 Junction Highway. The invocation was offered by Mike Hayes, followed by the Pledge of Allegiance led by Ron Hackett, of the Military Officers Association of America.

**MEMBERS PRESENT:**

David Wampler	Mayor
Gene Allen	Mayor Pro Tem
Carson Conklin	Councilmember
T. Scott Gross	Councilmember
Stacie Keeble	Councilmember

**MEMBER ABSENT:** None

**EXECUTIVE STAFF PRESENT:**

Todd Parton	City Manager
Mike Hayes	City Attorney
Brenda G. Craig	City Secretary
Kristine Ondrias	Assistant City Manager
Travis Cochran	Director of Information Technology
Mike Erwin	Director of Finance
Kevin Coleman	Director of Development Services
Charlie Hastings	Director of Public Works
Kim Meisner	Director of General Operations
John Young	Police Chief
Daniel Schwartz	Library Director

**VISITORS PRESENT:** List is on file in city secretary's office.

**1. VISITORS/CITIZENS FORUM:**

1A. Dennis Foster reported the Kerr Fest event on August 5-7 was a success with 800-900 people attending the rodeo and activities. He appreciated the support of the city and asked that council support the proposed renovation of the Kerr County Youth Exhibition Center so that more events could be held there.

**2. CONSENT AGENDA:**

Mr. Allen asked that item 2B be removed from the consent agenda.

Mr. Conklin moved for approval of items 2A and 2C; Ms. Keeble seconded the motion and it passed 5-0:

2A. Approval of the minutes of the regular Kerrville City Council meeting held July 26, 2011; and the special meetings held July 21, July 25, July 29, and August 2, 2011; and the minutes of the City of Kerrville, Texas Employee Benefits Trust held July 26, 2011.

2C. Resolution No. 028-2011 appropriating all revenue from the hotel occupancy tax for fiscal year 2012 pursuant to state law and city policy.

**END OF CONSENT AGENDA**

2B. Resolution No. 027-2011 approving the budget for fiscal year 2012 for the Kerr Emergency 9-1-1 Network.

Mr. Allen questioned if any rent was being paid either by or to the city for the property on Coronado Drive. Bill Amerine, executive director of 9-1-1 noted that 9-1-1 operations were funded through citizens' telephone bills, and no funds were received by the city or county for the 9-1-1 operating budget. The 9-1-1 office was located at the Schreiner One Center on Water Street.

Mr. Allen moved from approval of Resolution No. 027-2011; Mr. Conklin seconded the motion and it passed 5-0.

**3. ORDINANCES, SECOND AND FINAL READING:**

3A. Ordinance No. 2011-15 authorizing and allowing, under the Texas State Law governing the Texas Municipal Retirement System, "updated service credits" in said system on an annual basis for service performed by qualifying members of such system who at the effective date of the allowance are members of the City of Kerrville; and establishing an effective date for the ordinance. Mayor Wampler read the ordinance by title only.

Ms. Meismer noted no changes since first reading and recommended approval.

Mr. Allen moved for adoption of Ordinance No. 2011-15 on second and final reading; Ms. Keeble seconded the motion and it passed 5-0.

3B. Ordinance No. 2011-16 amending Chapter 66, "Library," of the Code of Ordinances of the City of Kerrville, Texas, by amending Article II "Library Advisory Board", concerning the creation, powers, and authority of the library advisory board; containing a cumulative clause; containing a savings and severability clause; and providing other matters relating to this subject. Mayor Wampler read the ordinance by title only.

Mr. Schwartz noted no changes since first reading and recommended approval.

Mr. Conklin moved for adoption of Ordinance No. 2011-16 on second and final reading; Mr. Gross seconded the motion and it passed 5-0.

**4. ORDINANCES, FIRST READING:**

4A. An ordinance approving a negotiated resolution between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the company's fourth annual rate review mechanism filing in all cities exercising original jurisdiction; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement and finding

the rates to be set by the attached tariffs to be just and reasonable; requiring the company to reimburse cities' reasonable ratemaking expenses; repealing conflicting resolutions or ordinances; determining that this ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this ordinance to the company and the committee's legal counsel. Mayor Wampler read the ordinance by title only.

Mr. Hayes noted Atmos filed for a \$15.7 million rate increase in April 2011. The City of Kerrville was a member of the Atmos Cities Steering Committee (ACSC), a group of 154 cities. The city pays an annual membership fee to ACSC to hire legal counsel and consultants to review information submitted by Atmos regarding proposed rate increases. ACSC fees were based on population; Kerrville's fee was less than \$1,000. The ordinance recommended by ACSC, which settled the matter, authorized Atmos to collect \$6.6 million through customer rates to recover expenses associated with a steel service line replacement program. He noted that without ACSC, cities would be on their own to fight Atmos rate increases.

The following person spoke:

1. Ruth Spradling questioned how often such ordinances occurred. Mr. Hayes noted that Atmos generally applied for a rate increase annually.

Mr. Gross moved for approval of the ordinance on first reading; Mr. Conklin seconded the motion and it passed 5-0.

##### **5. CONSIDERATION AND POSSIBLE ACTION:**

5A. Resolution No. 029-2011 setting forth the ad valorem tax rate to be considered for adoption for the 2011 tax year; calling two public hearings; and calling a public hearing as required by both the city's charter and state law prior to the adoption of the fiscal year 2012 budget.

Mr. Erwin noted the proposed FY12 budget presented to council on July 26 proposed the ad valorem tax rate remain \$0.5625 the same as FY11; the effective tax rate was \$0.5888, thus the total property taxes raised in FYF 12 would be 4.4% less than FY11 or \$314,000. He noted that by adopting the same tax rate of \$0.5625 instead of the effective tax rate of \$0.5888, taxes on the average house (\$158,000) would be \$41.55 less than FY11.

Ms. Keeble moved for approval of Resolution No. 029-2011; Mr. Conklin seconded the motion and it passed 5-0.

5B. Interlocal agreements between the City of Kerrville and Kerr County regarding fire, emergency medical services, library, airport, and animal control operations.

Mr. Parton noted that council approved three of the agreements: animal control, fire and emergency medical services, and library services at the July 26 meeting;

those agreements had been forwarded to the county for signature. Notice was received from the county that those agreements had been accepted and were in final legal review. Staff was coordinating a meeting with representatives of the city council, county commissioners' court, and the airport board to finalize the joint airport agreement, and he noted topics of discussion that the group would focus on, including the airport budget, contingency allocations, reimbursement process, and airport five year capital improvement plan.

The council also discussed the following:

- Airport budget contained \$130,000 in unallocated reserve funds from previous year; the undesignated cash reserve fund should be used to reduce the amount to be allocated by the city and county to fund the airport in FY12.
- Expectation that the airport board provide accountability for their budget in accordance with standard budgetary and accounting principles.
- Airport board should provide budget for operations, not build a reserve fund.
- The pay back on T-hangars was 72 years; council had not seen a performance report on T-hangars, but the project did not appear to be viable from an investment stand point.
- Airport board should prepare a business plan on how to make the airport self-sustaining and alleviate subsidy from the owners over the next 5-10 years.
- Did the airport budget include income from fuel surcharge? Mr. Parton noted the airport budget forecast \$190,000 in revenue, including fuel surcharge receipts.

Mr. Parton noted the airport board was working on a master plan and business plan for the airport; this would help in preparation of a capital improvement plan.

DW county pattern is to over fund so remainder can be used for capital improvements or grant match. Budget and not build reserve.

5C. Update regarding Lower Colorado River Authority Transmission Services Corporation (LCRA-TSC) application for the proposed McCamey D to Kendall to Gillespie CREZ project PUC Docket No. 38354; City of Kerrville, Kerrville Public Utility Board, and City of Junction v. PUC, Cause No. D-1-GV-000324, in the 98<sup>th</sup> District Court of Travis County. Item was deferred to executive session.

## **6. INFORMATION AND DISCUSSION:**

### **6A. Library update.**

Mr. Schwartz noted the library had been operating out of the history center for about one month. He reported July figures: checkouts at 14,970; number of library cardholders at 3,538 with 54.47% city and 42.71% county; and computer usage averaged 35 minutes per hour with 827 users.

### **6B. Budget and economic update.**

Mr. Erwin reported local unemployment at 7.1%; local sales tax at \$381,444; EIC tax at \$190,696; and hotel occupancy tax at \$111,096. As of July 31, general fund revenue was at \$17,969,148; expenditures at \$15,650,602; water/sewer

fund revenue was at \$8,046,904; expenditures at \$6,859,822. Regarding the national stock market decline, he noted that financial advisors recommended the city stand fast and make no changes at this time. He advised that there was a new legislative changes that will require changes to the investment policy.

7. **ITEMS FOR FUTURE AGENDA** None.

8. **ANNOUNCEMENTS OF COMMUNITY INTEREST:** None.

9. **EXECUTIVE SESSION:**

Ms. Keeble moved for the city council to go into executive closed session under Sections 551.071 (consultation with attorney), of the Texas Government Code; the motion was seconded by Mr. Allen and passed 5-0 to discuss the following: 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; City of Kerrville, Kerrville Public Utility Board, and City of Junction v. PUC, Cause No. D-1-GV-000324, in the 98<sup>th</sup> District Court of Travis County.
- Consult with attorney about pending or contemplated litigation or settlement of same relating to Janet Holmes vs. City of Kerrville, Texas, No. SA10CA0970 OG (U.S.D.C. Western District, San Antonio Division).

At 6:50 p.m. the regular meeting recessed and council went into executive closed session at 6:54 p.m. At 8:00 p.m. the executive closed session recessed and council returned to open session at 8:00 p.m. Mayor Wampler announced that no action had been taken in executive session.

10. **ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:** None.

11. **ADJOURNMENT.** The meeting adjourned at 8:00 p.m.

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

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David Wampler, Mayor

ATTEST:

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Brenda G. Craig, City Secretary