

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
FEBRUARY 28, 2012

On February 28, 2012, 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 Charlie Hastings, Director of Public Works, followed by the Pledge of Allegiance led by EMS Person of the Year Jason Lackey, Firefighter of the Year Dwain Kutzer, and Police Officer of the Year John H. Latham.

COUNCILMEMBERS PRESENT:

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

COUNCILMEMBER ABSENT: None

CITY 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
Charlie Hastings	Director of Public Works
Mindy Wendele	Director of Business Programs
Robert Ojeda	Fire Chief
John Young	Police Chief

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

1. **VISITORS/CITIZENS FORUM:** No one spoke.
2. **PRESENTATIONS:**
 - 2A. Kerrville EMS Person of the Year Award for 2012 to Firefighter/Paramedic Jason Lackey.
 - 2B. Kerrville Firefighter of the Year Award for 2012 to Driver/Paramedic Dwain Kutzer.
 - 2C. Kerrville Police Officer of the Year Award for 2012 and Police Commendation Award to John H. Latham.
 - 2D. Proclamation designating March as Texas History Month, Daughters of the Republic of Texas.

2E. Bob Rose, Meteorologist with Lower Colorado River Authority, drought information.

Bob Rose gave the following statistics: 2011 was the driest calendar year on record in Texas with 14.88 inches and the second hottest on record at 67.2 degrees; Kerrville received 13.10 inches and the normal is 32.05. He predicted the drought in the Kerrville area would continue through 2012.

3. CONSENT AGENDA:

Mr. Allen moved for approval of item 3A; Mr. Conklin seconded the motion and it passed 5-0:

3A. Award construction contract to Alsay, Inc. in the amount of \$71,950, for the Lois Street well rehabilitation project.

END OF CONSENT AGENDA

4. CONSIDERATION AND POSSIBLE ACTION:

4A. Resolution No. 04-2012 supporting the application of Kerrville Senior Veterans Residences, L.P. (KSVR) to construct low income rental housing pursuant to the low income housing tax credits program administered by the Texas Department of Housing and Community Affairs (TDHCA).

Mr. Parton noted the city received a request to support KSVR's application for TDHCA tax credit funding to create a 50 unit housing project on the Kerrville Veterans Administration (KVA) property. Since the meeting of January 24, staff received confirmation from the General Counsel of the US Department of Veterans Affairs that guaranteed the housing project would be limited to veterans only. The TDHCA application targeted low to moderate income families, and KSVR requested a resolution of support and \$50,000 (\$1,000/unit) funding from the city to make the application competitive. The city could apply for HOME funds through a government grant to meet the \$50,000 local match.

Mr. Parton recommended approval of the resolution of support for the tax credit application with five stipulations:

1. Occupancy limited to military veterans, their spouses and dependents, and the occupancy limitation be incorporated into the land lease agreement; the General Counsel for the VA supported inclusion of this statement.
2. KSVR be authorized by resolution (Item 4B of this agenda) to submit a joint application on behalf of the city to the TDHCA for housing tax credits and HOME Investment Partnership Program funds in the amount of \$49,000.
3. The housing project meets all city development, zoning, subdivision, building, and life safety codes and ordinances.
4. The project would be subject to all building permit and inspection requirements.
5. Annual property taxes would be paid as required by law. He noted that since the project was on federal land, assessment would be on building improvements only.

Craig Taylor, with Communities for Veterans in Atlanta, Georgia, representing KSVR, provided additional information and he understood that the main issue with the city council previously was that the project be for veterans only, and in January

he stated that he could not commit to a veterans only facility despite the fact that that was their intent. He noted a similar situation in California, and a recent ruling there allowed that a project could be limited to veterans only on a VA campus, provided that protected groups under the Fair Housing Act were not discriminated against within the veterans category. He confirmed that the VA agreed to put this requirement into the lease and the developer would be in default if they allowed housing to a non-veteran. KSVR would be paying their fair share in taxes as the development improvements would be subject to property tax. In order to be competitive in the bidding process and to achieve the points necessary to receive the TDHCA funding, KSVR requested approval of the resolution of support and the joint application for \$50,000 HOME funding (HUD funds), which now required the project to fall under HUD associated programs. He agreed to submit the joint application as stated in item 2 of the resolution, and to meet all building and safety codes as stated in the resolution. The project would be a high quality veterans' only housing development that would pay its share of taxes and would be something the community would be proud to have.

Mayor Wampler stated that one month ago the council was informed that the developer could not guarantee that the project on the VA campus would be housing for veterans. The council had been asked to fund a project using city tax dollars without any assurance that the project would house veterans. The council did not reject the issue of veteran housing on the VA property; rather, council rejected the first proposal due to insufficient information and lack of assurance that the project would in fact be for veterans. Also, the \$14 million project presented by Mr. Taylor in January was for 80 units. Mr. Taylor was now presenting a project of 49 units and stating the city council's concerns were the reason for scaling down the project; however, Mr. Taylor noted a weak housing market in January and stated he would have a national campaign to recruit veterans for the project. Mr. Taylor also stated in January that it was a requirement of the grant that the city provide \$80,000 in matching funds; staff had since learned that the city could use HOME funds as its match. Mayor Wampler felt that the proposal presented by Mr. Taylor now answered many of council's questions and provided information council requested.

The following persons spoke:

1. John Moorman, American Veterans Post 1000, stated the economic benefits of the development and estimated a one-time increase in construction jobs and materiel purchases at \$7 million, and additional 12 full time equivalent employees at \$300,000 plus \$450,000 operating budget annually. The facility could accommodate possible expansion in the future. In the past, the VA Hospital had been targeted for attempted closure and was currently seeing a loss of programs and services being moved to San Antonio. This housing project could help keep the VA in Kerrville.
2. Vicki Marsh noted that veterans need to live close to where they receive health care, and living among other veterans would contribute to their well-being. Also, patients' electronic health records were readily accessible through the VA system.

3. Justin MacDonald noted his company tried to establish a similar program a year ago; however, their proposal had quite a bit of community opposition: 1) they could not commit to a veterans only facility; and 2) payment of fair share. If Mr. Taylor found a way to meet these points, then he would lend his support to the project.

4. Gary McVey stated he delivered meals on wheels to many veterans who were living in substandard housing. There were 5,700 veterans living in Kerr County, and he would appreciate any help from the city in resolving the housing issue. He noted that council supported Fox Tank and recognized the need for training and felt this may also assist returning veterans as well as high school graduates.

5. Jim Myers, member of AM Vets Post 1000 and Hill Country Religious Society of Friends (Quakers), stated they supported the project without reservation last year and they still did. Council's issues were resolved and he asked council to pass the resolution and fix the details later.

6. Gary Noller noted he received health care at the VA and wanted to be buried in a veterans' cemetery. Veterans help veterans, and this facility would allow veterans to be with other veterans.

7. James Price noted he was currently working with a non-profit group on a grant through the VA to help veterans find housing, and he currently had a waiting list of veterans looking for housing. Veterans need this project; there were other places available to rent, but veterans could not afford them.

8. Allen Hill stated he was Volunteer Veterans Service Officer at the VA and a member of the Texas Hill Country Honor Guard. Single veterans received a maximum pension of \$1,021 month. He asked council to support the project as it would give veterans a place to live near the VA where they could get services.

9. Fred Pentz stated he knew several homeless veterans who needed a place to live; the developer would not have to recruit veterans to come to Kerrville because they already come to the VA Hospital.

10. Gwen Rideout read the poem "A Hero's Hero" and said we owe veterans a lot.

11. Bill Cantrell, member of AM Vets 1000, noted the chamber of commerce awarded members of the Hill Country Honor Guard the Volunteers of the Year award. He stated that the council had done the veterans a favor with their vote of disapproval in January as it brought veterans together as a team. It appeared that the vote in January was based on economics rather than needing veterans in the community. It seemed like the mayor was putting the blame on the developer, but the developer was trying to reach out to city council before the January 24 meeting and maybe things could have been ironed out. Mr. Taylor had to satisfy the city council's issues, Mr. Taylor was a veteran and he supported Mr. Taylor.

Mayor Wampler appreciated the public's comments, but the city council was charged with overseeing the spending of all the city taxpayers' money and balancing all issues. The fact was that Mr. Taylor had taken a different approach and the scope of the project had changed since the original proposal in January, e.g. the funding mechanism, taxation, and the fact that housing would be provided to nonveterans. The city council had shown responsibility in asking those questions and solutions were now being presented that addressed those concerns. Council had never been against housing for veterans, rather, against the project that was presented in January. The number one concern that he heard from veterans last year was that they were opposed to that project because the developers could not guarantee that it would serve only veterans; last month, the council had the same concern about this project.

The following points were also discussed by council:

- The decision in January to deny was based on the proposal presented; took exception to the comments in the community questioning councilmembers' integrity and loyalty.
- If council's decisions to give tax funds to support groups and projects were based on emotion, the requests would be endless and the city's resources were not council's to give. The project presented in January did not make sense and it would not be fair to the citizens of Kerrville to levy their tax to support a project based on emotion. The fact was that this was not the same project presented in January.
- Agreed there would be advantage to having a veterans' housing project at the VA Hospital; council had other concerns and requested assurance that the project would be for veterans only and other criteria and issues have now been addressed.

Mr. Allen moved for approval of Resolution No. 04-2012; Mr. Gross seconded the motion and it passed 5-0.

4B. Resolution No. 05-2012 authorizing Kerrville Senior Veterans Residences, L.P. to include the City of Kerrville, Texas, in the submission of a joint application to the Texas Department of Housing and Community Affairs for home investment partnership program funds.

Mr. Gross moved for approval of Resolution No. 05-2012; Mr. Allen seconded the motion and it passed 5-0.

4C. Scheduling the Kerrville Independence Day fireworks display for June 30, 2012, to coincide with Kerrville's 4th on the River Celebration.

Mr. Parton noted that Kerrville's 4th on the River celebration was being scheduled for the weekend before the 4th, and the group requested city council consider moving the fireworks display to June 30 instead of July 4th. He noted the city did not have the resources, financial and personnel, to hold two events. The person who contributed funds to purchase the fireworks had been contacted and did not express a preference for either date, and whatever the city decided to do was acceptable to him.

Mr. Conklin stated he was part of the planning group and the intent was to hold the event on the weekend so more people could attend, particularly to bring people from out of town. The fireworks donor had been contacted and was agreeable to changing the date of the fireworks display. The planning group would require the city to donate its services in order to put on the event.

Mr. Allen moved to approve moving the date of the fireworks display to coincide with the Kerrville's 4th on the River Celebration, contingent upon approval of the fireworks donor. The motion was seconded by Ms. Keeble and passed 5-0.

4D. Provide direction to staff regarding way finding signs.

Mr. Gross proposed way finding signs to better market the community's amenities and direct the public; signs should coordinate with the street scrapes downtown.

Mr. Parton reviewed points and requested direction on a way finding program:

- Two types of signs: major message boards to bring visitors from I-10, and localize signage to direct visitors to key points of interest.
- Sign locations and whether to place signs in right of ways or on private property. He noted that TxDOT requested amending the mutual maintenance agreement (MMA) to reflect many of the things that the city was already doing, such as routine maintenance along the state's ROWs and de-icing bridges and streets in the city.
- Method of funding; suggested using HOT funds.

Council also discussed the following:

- The previous concern with placing signs in the state's ROW was the cost and obligations associated with amending the MMA and the responsibilities that the city would have to assume. Ms. Ondrias noted that TxDOT had expressed a desire to amend the MMA and relook at placing signs in state right of ways; they were not taking as hard a position as previously believed.
- Questioned the number of signs needed. Mr. Parton noted staff identified 12 street level markers, and three message boards: I-10 and 16, I-10 and Harper, and centralized sign downtown.

The consensus of council was to instruct staff to discuss the use of the state's right of ways with TxDOT and determine what the city's responsibilities and financial obligations would be under a new MMA. Staff should then prepare a way finding sign plan including potential sites and cost implementation and place it on a future council agenda for consideration.

5. INFORMATION AND DISCUSSION:

5A. Report on the progress of the FY 2011 Comprehensive Annual Financial Report (CAFR) by the audit firm of BKD, LLP.

Mr. Erwin noted the audit committee (Ms. Keeble, Mr. Allen, and staff) met with the auditors. He presented the draft audit and noted the report would be on the

March 13 agenda for council's approval.

5B. Budget and economic update.

Mr. Erwin reported sales tax up 9.4% over February 2011 and 10.5% ahead of 2011; HOT tax was 6% ahead of 2011; 96% of ad valorem taxes had been collected; \$11.8 million had been collected and \$6.5 million spent in the general fund; and in the water/sewer fund \$2.8 million revenue was received and \$2.6 million spent.

5C. Report on Kerrville Economic Development Corporation activities.

Mr. Parton noted that Fox Tank Company was in the process of closing on the property, and engineering and design was under way.

Mayor Wampler reported that KEDC approved the concept of a conference hotel as a major component of economic development. KEDC was discussing potential funding and creating an incentive package to present to potential developers. He discussed other potential projects, including long term health care facility, fast food chain, LeMeilleur expansion, and Culligan Water expansion. The airport board had voted to lease property to the Alamo Community College District to develop a welding training facility.

6. **BOARD APPOINTMENTS:**

6A. Appointment to the Kerrville Public Utility Board. Matter was deferred to executive session.

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

8. **ANNOUNCEMENTS OF COMMUNITY INTEREST:**

- Ruth Spradling noted there had been a lot of misunderstanding and uninformed people involved with the VA housing project. The project presented at the January meeting was not the same project presented at this meeting. The actions that council took were right.
- The City and KISD were hosting a mobile technology event February 29, 4:30 p.m. at the Cailloux Theater; participants were coming from Boerne and San Antonio school districts.
- The Rotary Club held an awards ceremony to recognize several firefighters and law enforcement personnel from local entities.
- The Mardi Gras on Main event was very well attended and a report would be given at the next meeting.
- Starkey School sausage supper would be on March 1.
- Partners in Ministry was looking for projects and volunteers for the Community Service Infusion event to be held Saturday, March 24.

9. **EXECUTIVE SESSION:**

Mr. Gross moved for the city council to go into executive closed session under Sections 551.074 (personnel matters) of the Texas Government Code; the motion was seconded by Mr. Conklin and passed 5-0 to discuss the following matter:
Section 551.074:

- Appointment to the Kerrville Public Utility Board.

At 8:21 p.m. the regular meeting recessed and council went into executive closed session at 8:24 p.m. At 8:33 p.m. the executive closed session recessed and council returned to open session at 8:33 p.m. Mayor Wampler announced that no action had been taken in executive session.

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

6A. Appointment to the Kerrville Public Utility Board:

Mr. Allen moved to appoint Phillip Stacy to the KPUB board of directors with term to expire April 21, 2017; Mr. Conklin seconded the motion and it passed 5-0.

11. ADJOURNMENT. The meeting adjourned at 8:34 p.m.

APPROVED: _____

David Wampler, Mayor

ATTEST:

Brenda G. Craig, City Secretary