

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
APRIL 27, 2010

On April 27, 2010, the Kerrville City Council meeting was called to order by Mayor Bock at 6:00 p.m. in the city hall council chambers, 800 Junction Highway. The invocation was offered by City Attorney Mike Hayes, followed by the Pledge of Allegiance led by Girl Scout Troops 672 and 751.

MEMBERS PRESENT:

Todd A. Bock	Mayor
R. Bruce Motheral	Mayor Pro Tem
Chuck Coleman	Councilmember
T. Scott Gross	Councilmember
Stacie Keeble	Councilmember

MEMBER ABSENT:

STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Travis Cochrane	Director of Information Technology
Kevin Coleman	Director of Development Services
Charlie Hastings	Director of Public Works
John Young	Police Chief
Kim Meisner	Director of General Operations
Mike Erwin	Director of Finance
Antonio Martinez	Director of Library Services
Scott McDonough	General Manager of Golf and Tennis

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

1. VISITORS/CITIZENS FORUM:

1A. Julie Bartosh, representing Kerrville Performing Arts Society (KPAS), announced that the KPAS board, by unanimous decision of the quorum present at the April 20 meeting, cancelled their upcoming 2010-2011 season due to several unresolved issues regarding contractual obligations and the management of the Cailloux Theatre by Playhouse 2000. She cited concerns for safety, liability, welfare, financial audit, and management procedures and stated KPAS had tried, to no avail, to resolve the issues with the city and theatre management. KPAS planned to immediately contact their patrons and performers regarding this cancellation.

1B. Heather Cunningham, representing Playhouse 2000 and the Kathleen C. Cailloux City Center for the Performing Arts, noted they had not increased rates in five years and an audit was underway. KPAS had 69 dates opened for FY10-11 that

had not been cleared, keeping other groups from using the facility. The contract had not changed since 1995; the new contracts would require only general liability insurance. She offered to meet with KPAS board members; KPAS would be missed, but Playhouse wished them well.

1C. Kit Werlein, president of Playhouse 2000, offered an open invitation to meet with KPAS and try to work out any unresolved issues; he felt the new contract, which was near completion, would address many of KPAS' concerns. KPAS was a wonderful organization and Playhouse appreciated their past efforts to bring performances to the community.

Mayor Bock stated the situation between KPAS and Playhouse was disheartening, and offered city staff support to try to facilitate a resolution of the issues.

1D. David Lipscomb invited the public to participate in the 2010 water saver landscape contest designed to recognize and reward citizens who had implemented landscape water saving techniques. He reviewed contest rules, awards, sponsors, and noted the winners would be announced June 9.

2. RECOGNITION AND PRESENTATIONS:

2A. Recognition of the Schreiner University Women's Golf team for their American Southwest Conference championship and advancing to the NCAA Division III National Golf Championship was presented by Mayor Todd Bock.

2B. Demonstration of the ticket writer system by the police department. Chief Young noted ten automated ticket writers had been purchased through donations and grant funds.

3. CONSENT AGENDA:

Mayor Bock requested Item 3B be removed from the consent agenda.

Mr. Coleman moved for approval of items 3A and 3C; Mr. Motheral seconded the motion and it passed 5-0:

3A. Approval of minutes of the city council meeting of April 13, 2010.

3C. Approval of a lease of city property known as 433 Water Street, Suite D to the Mary Elizabeth Holdsworth Library Foundation.

END OF CONSENT AGENDA.

3B. Resolution opposing plans by the Lower Colorado River Authority to place electrical transmission lines relating to the Competitive Renewable Energy Zones (CREZ) project along the Interstate 10 corridor within or adjacent to the city's limits.

Mr. Parton reported the Public Utility Commission had rejected LCRA's proposed routes north of Fredericksburg because there were an insufficient number of line segment options to consider; however, PUC's decision did not include the route through Kerr County and the deadline for that line segment remained July 6. He clarified that the CREZ line was a state initiated project to deliver electricity from the

wind farm in West Texas to major population centers in Texas. PUC had also instructed LCRA to submit a Certificate of Convenience and Necessity (CCN).

Mr. Parton recommended tabling the matter until the county's revised position could be determined and staff had the opportunity to coordinate with LCRA and Hilderbran's Office.

Mayor Bock noted that State Representative Harvey Hilderbran informed him that the section of the route through Kerr County as proposed by LCRA was not the route that he had recommended. A meeting between stakeholders was being planned and he recommended no action be taken until after the stakeholders had met and discussed routes.

Mayor Bock moved that no action be taken at this time and the issue be rescheduled to the next council meeting; Mr. Motheral seconded the motion and it passed 5-0.

4. ORDINANCE SECOND AND FINAL READING:

4A. Ordinance No. 2010-07 creating a specific use district for the temporary housing and fostering of domestic cats on an approximate 0.74 acre tract of land consisting of Lots 4, 5, 6, and 7, Block 67, J.A. Tivy Addition, within the city of Kerrville, Kerr County, Texas, and otherwise known as 1524 5th Street, and located within a residential cluster zoning district; adopting conditions related to the development and use within said district; containing a cumulative clause; containing a savings and severability clause; establishing a penalty or fine not to exceed \$2,000 for each day of violation of any provision hereof; ordering publication; and providing other matters relating to the subject. Mayor Bock read the ordinance by title only.

Kevin Coleman noted no changes since first reading; staff recommended approval.

Mr. Motheral stated he was not opposed to the project; his concern was that the zoning district would burden the property for a two year period.

Mrs. Keeble moved for approval of Ordinance No. 2010-07 on final reading; Mr. Coleman seconded the motion and it passed 4-1 with Members Keeble, Coleman, Bock and Gross voting in favor of the motion; and Mr. Motheral voting against the motion.

5. ORDINANCE FIRST READING:

5A. An ordinance amending Chapter 110, Article III "water management plan" of the code of ordinances of the city of Kerrville, Texas, by amending the water conservation stages resulting from drought conditions, amending the water conservation measures, adding a new Stage 5, and adding a permit requirement for athletic fields and golf courses; containing a cumulative clause; containing a savings and severability clause; providing a penalty for violation of any provision hereof; ordering publication; and providing other matters related to the subject. Mayor Bock read the ordinance by title only.

Mr. Hastings noted the city was mandated by the state to have a water conservation plan and submit that plan annually. He reviewed proposed amendments to the plan:

- Potable water for dust control only during Stage 1; alternative measures for dust control during subsequent stages.
- Exception for athletic fields to allow irrigation outside of permitted hours.
- Operation of car washes would be restricted only during Stage 5.
- Refilling or adding water to swimming pools would be prohibited only in Stage 5
- Spray parks, definition had been added, and the operation would be prohibited only in Stage 5.
- Power washing, definition had been added for construction activity; would be allowed in Stages 1-4.
- Temporary fire hydrant meter, definition and provisions added for use in Stages 1-4.
- Building permits: current ordinance prohibited additional or expanded water service connections, meters, or service lines in Stages 3 and 4. The proposed ordinance moved this restriction to Stages 4 and 5 and prohibited granting new building permits to avoid the potential of a building being under construction or completed before water service was available.
- Lawn watering: Stages 1-4 were redefined and a new Stage 5 added; revised landscape watering schedule was proposed for all stages based on safe operating capacity of the system. Mr. Hastings proposed a watering schedule based on the last digit of the address, with a split morning and evening schedule for automatic irrigation and sprinklers in Stages 1-3. The goal of the schedule was to not allow landscape watering during the heat of the day (10:00 a.m. – 6:00 p.m.) due to evaporation.

The council also discussed the following points:

- Questioned how the proposed schedule would affect the city water system during high peak periods.
- Older irrigation systems could not be programmed for two cycles in the same day; suggested a single cycle with the same number of hours instead of a split morning and evening schedule as proposed.

The following person spoke:

1. Carolyn Lipscomb noted that watering in the evening would allow plants to remain wet overnight, thereby creating fungus that killed plants. Also, people who did not have automatic irrigation systems and relied on hose end sprinklers could not see in the dark to safely use their sprinklers.

2. Jim Kenalty believed the ordinance should have more flexibility to accommodate customers who did not have automatic irrigation systems; persons with automatic irrigation systems did not need additional flexibility. The object was water conservation; the watering schedule proposed by staff was a good plan as presented.

Mr. Hastings recommended approval of the ordinance on first reading as presented; however, he suggested running a water model to monitor the performance of the water system during simulated peak periods under the proposed watering schedule.

The consensus of the council was to table first reading of the ordinance to the next meeting and to instruct staff to revise the ordinance to adopt a schedule that would allow watering twice a week with a single operating time, not a split morning/evening schedule. Further, staff should run the water model and bring the results to council.

6. CONSIDERATION AND POSSIBLE ACTION:

6A. Authorize Mayor Todd Bock to provide an official letter of support for KVHC in their effort to increase local broadcasting on the Time Warner Cable Television Network.

Mr. Parton noted KVHC was seeking additional broadcasting time with Time Warner to increase their programming at little or no additional cost, and requested a letter of support from the city.

The council noted increased broadcasting time would allow KVHC to be more responsive to the public and provide public safety reports during severe weather or other emergencies.

Mr. Gross moved to adopt the letter as presented; Mr. Coleman seconded the motion and it passed 5-0.

6B. Resolution No. 012-2010 granting a petition requesting the annexation of an approximately 3.12 acre tract out of the W.T. Crook Survey No. 71, Abstract No. 114, within Kerr County, Texas, and consisting of the property addressed as 327 Peterson Farm Road North; and ordering the preparation of an annexation ordinance. Mayor Bock read the resolution by title only.

Kevin Coleman noted that Barbara Buxton requested permission to connect to the city water system, and city Resolution 91-144 required her to petition the city for annexation in order to receive city utility service. He noted the Kerrville Economic Development Foundation (KEDF) property immediately across the road was recently annexed. He recommended if council accepted Ms. Buxton's petition, that the city also annex the Peterson Farm Road right of way between these two properties. The city water line was accessible and annexation proceedings could be completed in July.

The council discussed the condition of Peterson Farm Road. Kevin Coleman noted the road was substandard, and the city would be accepting future maintenance of the road if annexed; however, the city would not be required to improve it. Also, future development of the KEDF property may require upgrading the roadway.

The following person spoke:

- Rodney Buxton cited several reasons why it just made sense to be annexed into the city: The subject property was totally surrounded by property that was in the city

limits and created confusion about which entity (city or county) had responsibility; A fire hydrant was located directly across the road; however, the area was in Center Point Fire Department's district, but they would not use the fire hydrant because it belonged to the city; The cost of drilling a well was not practical, and under Headwaters requirements, there was not enough property to issue a permit to drill a well.

Mr. Coleman moved for approval of Resolution No. 012-2010; Mr. Motheral seconded the motion and it passed 5-0.

6C. Receive an update regarding the U.S. Department of Veterans Affairs response to the community's request for information on the Veterans Administration Homeless Housing Project and provide direction to city staff.

Mr. Parton noted that upon council's instruction, on February 11 staff presented a letter to Congressman Lamar Smith requesting specific information regarding a proposed Veterans Affairs Homeless Housing project at the Kerrville Veterans Administration facility. Congressman Smith received a letter stating no data would be provided until after contracts had been executed.

The council discussed the possibility that the Department of Veterans Affairs might provide information requested by private individuals, as opposed to a public entity; however, it was noted that this had been tried by another individual and they received the same response.

Mr. Coleman moved that staff send another letter to Congressman Smith stating the city's appreciation for his efforts, and including a statement that until the city received answers to the specific questions previously submitted, the city of Kerrville's official response would be to oppose the project. Mr. Gross seconded the motion and it passed 5-0.

A public statement was made by the city council that this action was not to be construed as to reflect any negativity by the city toward veterans in any way; rather, it was only an attempt to receive information about the proposed project and how that project would impact the Kerr community.

6D. Disbursement of Economic Improvement Corporation (EIC) funds for annual operations expenses of the Kerr Economic Development Foundation (KEDF).

Mr. Parton noted KEDF's budget included a contribution of \$25,000 from EIC, and on April 19 EIC recommended that the city proceed with setting a public hearing and preparation of a funding agreement to disburse \$12,500 to KEDF for operational expenses. He noted that KEDF had received payments from the county (\$25,000) and private donations (\$28,987.50); KEDF's monthly operating expenses were approximately \$12,000 and they had resources to cover expenses through May 2010. Mr. Parton anticipated the newly formed economic development governing body would complete their initial phase of work and make their presentations in June 2010 regarding implementation of the new economic development program.

The council discussed the following points:

- KEDF had an additional \$59,000 in reserve funds and \$7,400 in unencumbered funds, equivalent to five months of operating expenses.
- There was no commitment from KEDF to move to the new entity; KEDF had a total of \$74,000 for operating funds.
- KEDF should use the reserve fund before additional public funds were given.
- The city should honor EIC's recommendation and trust that KEDF would turn over their funds to the new economic development organization.
- KEDF responded to the city's request and provided their financial information.
- The new organization would soon be functioning and the city and EIC were expected to provide large amounts (60%) to fund the operation of that new entity.
- KEDF needed to continue to function until the new entity was ready to assume economic development responsibilities.
- Council should honor the commitment to KEDF and accept EIC's compromise of half the annual funding.
- The city and EIC could commit to fund KEDF if the new entity was not prepared to begin operation before KEDF funds were depleted.

Mayor Bock called for a motion; the matter died for lack of a motion. (See later minutes following Item 6E.)

6E. Establishment of process for the review and possible revision of the city's Sign Ordinance Ch. 6, Art. II Code of Ordinances).

Mr. Parton noted issues with enforcement of the current sign ordinance. The sign ordinance was part of the zoning ordinance which was currently under review by the zoning ordinance input committee (ZOIC). Mr. Parton recommended that consideration of amendments to the sign ordinance be tabled until ZOIC completed its review; in the interim, staff would enforce the sign ordinance as best it could.

6D. Disbursement of Economic Improvement Corporation (EIC) funds for annual operations expenses of the Kerr Economic Development Foundation (KEDF).

Mrs. Keeble requested Item 6D be reopened.

Mrs. Keeble moved to accept EIC's recommendation to disburse \$12,500 to KEDF. Mr. Gross seconded the motion.

The council discussed the following points:

- KEDF had \$74,000, equivalent to five months of operational expenses; in comparison, the city maintained only a one month reserve.
- Council could re-evaluate the funding request in June.
- Council had previously given notice to KEDF that the city may withhold funding until the new reorganization was in place.

Mr. Gross amended the motion to state the funds would be issued when KEDF's reserve reached two month or less of operating expenses. There was not a second to this amendment.

Upon recommendation of Mr. Hayes, Mr. Gross amended the original motion to clarify council was in agreement that EIC should proceed to a public hearing and preparation of a funding agreement for the disbursement of \$12,500 to KEDF, with final consideration by city council in June. The amended motion passed 3-2 with Members Keeble, Gross, and Bock voting in favor of the motion and Members Motheral and Coleman voting against the motion.

6F. Approval of the second option year of the initial contract with the employee benefit consulting firm of City-County Benefit Services (C-CBS) for the period June 1, 2010 – May 31, 2011.

Ms. Meisner noted C-CBS had been the city's benefit consultant since June 1, 2007, and estimated they had saved the city over \$500,000 since FY08. Due to economic conditions, C-CBS proposed a 10% reduction in their annual fee, for a total of \$30,000 for the period June 1, 2010, to May 31, 2011, with a two year rate guarantee. Ms. Meisner recommended approval of the contract option.

Bob Treacy, C-CBS representative, reviewed steps that had been taken to secure better benefits for city employees without increasing the cost, in particular, the employee benefit trust created in 2008. The level of benefits provided by the city greatly assisted in the recruitment and retention of employees.

Mr. Coleman moved for approval of the second option year of the contract with C-CBS for the period June 1, 2010-May 31, 2011 in the amount of \$30,000. Mr. Motheral seconded the motion and it passed 5-0.

7. INFORMATION AND DISCUSSION:

7A. Unofficial analysis of the Governmental Accounting Standards Board (GASB) liability related to post-retiree health benefits as defined in Texas Local Government Code Section 175.

Ms. Meisner noted the council requested an analysis of the city's possible future liability for retiree health benefits under requirements of Statement 45 of GASB.

Bob Treacy, C-CBS representative, noted under TLGC 175, when the city population reached 25,000, the city would be mandated to provide retirees access to the city's health benefits plan. If the city made a policy to provide health insurance to future retirees, the city had to either fund the benefit or show it as a potential future liability. The city would work with the insurance provider to establish a blended group rate for retirees; however, the city was not required to pay the employees rate, only to allow employees access to the plan. He noted that as employees reached age 65 they could be transferred to the Medicare supplement plan. He recommended the employee pay the full cost of the blended rate plan and estimated that cost at current level to be \$243,000 per year including the accrual necessary to fund past years for

current employees. The city could chose to fund the plan in cash or note it as a future accrued liability.

This matter was presented for information and no action was taken by council.

7B. Update on redesign of city website.

Mr. Cochrane noted over 650 pages on the current website and the vendor was in the process of transferring that information to the redesigned website. He anticipated completion by July 2.

7C. Update on library renovation project.

Mr. Martinez introduced Jeana Krause, the executive director of the Mary Elizabeth Holdsworth Library Foundation. He noted her office would be located at 433 Water Street as approved under Item 3C above. He estimated the current average attendance at the library to be 465 per day.

Ms. Krause noted the foundation was in the process of setting up offices in Kerrville, and establishing the capital campaign committee and begin fundraising activities.

Victoria Mosty Wilson, chairman of the foundation, noted Jeana Lehmann Krause, was a Kerrville native, her grandfather had served as Kerrville's mayor, and her family was involved in many community projects.

7D. Kerrville budget/economic update. Mr. Erwin reviewed the financials for the period ending April 27, 2010. He noted with the exclusion of a one-time large purchase in April 2009, the sales tax comparison between April 2009 and April 2010, indicated a 5% increase, the first increase in about one year.

8. ITEMS FOR FUTURE AGENDAS: None

9. ANNOUNCEMENTS OF COMMUNITY INTEREST:

9A. In about one month the Hunters Group would be submitting their proposal to the city for a rivertrail behind 1107 Junction Highway.

9B. Mayor Bock noted the Alamo Area Council of Governments had awarded the city an award in appreciation of support of the Alamo Workforce System.

9C. April 27 would be the first meeting to start the drainage study program.

10. EXECUTIVE SESSION:

Mr. Coleman moved for the city council to go into executive closed session under Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices) and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas

Government Code of the State of Texas; the motion was seconded by Mr. Motheral and passed 5-0 to discuss the following matters:

Section 551.071, 551.072, and 551.087:

- Discuss the purchase, exchange, lease, sale, or value of real property for use as a city facility, the public discussion of which would not be in the best interests of the city's bargaining position with third parties.

At 8:50 p.m., the regular meeting recessed and council went into executive closed session at 8:51 p.m. At 9:08 p.m., the executive closed session recessed and council returned to open session at 9:09 p.m. The mayor announced that no action had been taken in executive session.

ADJOURNMENT. The meeting adjourned at 9:09 p.m.

APPROVED: _____

Todd A. Bock, Mayor

ATTEST:

Brenda G. Craig, City Secretary