

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
SEPTEMBER 10, 2013

On September 10, 2013, the Kerrville City Council meeting was called to order at 6:00 p.m. by Mayor Pratt in the city hall council chambers at 701 Main Street. The invocation was offered by Reverend Stockton Williams, of St. Peter's Episcopal Church, followed by the Pledge of Allegiance led by David Rittenhouse, U.S. Army, Retired.

COUNCILMEMBERS PRESENT:

Jack Pratt	Mayor
Carson Conklin	Mayor Pro Tem
Stacie Keeble	Councilmember
Justin MacDonald	Councilmember
Gene Allen	Councilmember

COUNCILMEMBER ABSENT: None

CITY EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Sandra Yarbrough	Director of Finance
Robert Ojeda	Fire Chief
John Young	Police Chief
Charlie Hastings	Director of Public Works
Ashlea Boyle	Special Projects Coordinator

VISITORS PRESENT: List on file in city secretary's office for the required retention period.

1. VISITORS/CITIZENS FORUM:

1A. Gary Noller, representing Hill Country Veterans Alliance, noted: 1) the county budgeted for a veterans' services officer; and 2) the veterans' housing project received a grant of tax credits and the project would move forward.

2. RECOGNITION:

2A. Mayor Pratt read a proclamation proclaiming September 20, 2013 as "Brigadier General Walter Schellhase Day."

2B. Certificate of Recognition to honor Air Force Master Sergeant Bennie Hyde (retired) for unceasing service to veterans was presented by Mayor Pratt.

3. CONSENT AGENDA:

Mr. Conklin moved for approval of agenda items 3A through 3C; Mr. MacDonald seconded the motion and it passed 5-0:

3A. Minutes of the Kerrville City Council regular meeting held August 27, 2013.

3B. Promoter racing agreement between City of Kerrville, Texas and High Five Events, LLC for the 2013 Kerrville Triathlon.

3C. Resolution No. 30-2013 canceling the regular meeting of the city council scheduled for December 24, 2013.

END CONSENT AGENDA

5. ORDINANCE, SECOND AND FINAL READING:

5A. Ordinance No. 2013-15 amending the budget for fiscal year 2013 to account for a change to the city's operational budget within the water and sewer fund to appropriate funding for a feasibility study of reclaimed water. Mayor Pratt read the ordinance by title only.

Mr. Parton noted this budget amendment would allocate funds in the utility fund to pay for the effluent study. He recommended approval.

Mr. MacDonald moved for approval of Ordinance No. 2013-15 on second and final reading; Ms. Keeble seconded the motion and it passed 5-0.

7A. Agreement with Freese and Nichols to perform a feasibility study to determine environmental impacts, geotechnical requirements, floodplain analysis, pumping requirements, regulatory requirements, and cost implications for reuse of treated effluent from the wastewater treatment plant in an amount not to exceed \$135,000.00.

Mr. Parton noted the project scope was to evaluate the feasibility of constructing a detention facility to hold effluent from the wastewater treatment plant; he recommended execution of the agreement.

Ms. Keeble moved to authorize the city manager to execute the agreement as presented; Mr. Conklin seconded the motion and it passed 5-0.

The following person spoke:

1. Mack McElvain opined that revenue from the sale of effluent should at least pay for the cost of maintenance for the production, storage, and pumping of the effluent. The study being proposed was for geophysical, geological and geotechnical—not fiscal viability. Drinking water should not be used on golf courses, and effluent should not be sold at a loss. A cost benefit analysis should be the first step before any money was spent.

Mr. Parton noted the scope of the study was to determine the feasibility of the project and evaluate cost and phasing options to determine if it would cash flow. If the project is feasible, the city may proceed with the project; if it is not feasible, the city would not continue the project; the city would not know if the project was feasible until the feasibility study was complete. The study will also evaluate the possibility of treated effluent as a potential water source.

Council noted the financial impact and viability of the project could not be determined without first having the information.

4. PUBLIC HEARINGS AND ORDINANCES FIRST READING :

4A. Second public hearing to set the 2013 ad valorem tax rate.

Mr. Parton reviewed the schedule for setting the tax rate and adopting the budget; proposed first reading of ordinance to adopt the tax rate is Item 4B; final adoption would occur on second reading on September 24.

Mayor Pratt declared the public hearing open at 6:23 p.m., no one spoke and Mayor Pratt closed the public hearing at 6:24 p.m.

4B. Ordinance No. 2013-16 levying an ad valorem tax for the use and the support of the municipal government for the City of Kerrville, Texas, for the fiscal year 2014; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid. Mayor Pratt read the ordinance by title only.

Council noted the city was adopting the same tax rate it has had for the past five years and questioned why the motion had to state that the city council was increasing the tax rate.

Mr. Hayes noted the tax rate remained the same as the past five years; however, an increase in property valuation resulted in increased tax revenue of \$75,000, which technically was a .14% increase; therefore the Truth in Taxation statute required this wording.

Mr. MacDonald moved that the property tax rate be increased by the adoption of a tax rate of \$0.5625, which was effectively at .14% increase in the tax rate, and for approval of Ordinance No. 2013-16 on first reading; Mr. Conklin seconded the motion and it passed 5-0 upon record vote as follows:

Mayor Pratt	Aye
Mayor Pro Tem Conklin	Aye
Councilmember Allen	Aye
Councilmember Keeble	Aye
Councilmember MacDonald	Aye.

No one voted against the motion.

4C. Public hearing to set the budget for fiscal year 2014.

Mr. Parton stated the FY2014 budget totaled \$21.9 million and he noted the following: 1) Budget was based on the current tax rate of \$0.5625, 2) Added \$830,000 to the reserve fund, 3) Maintained current level of service and operation, 4) Implemented the first step in the salary compensation plan, and 5) No utility rate increase. He also noted the utility fund would cover expenses and add up to \$13 million pay-as-you-go funding for capital projects in the next five years.

Mayor Pratt declared the public hearing open at 6:28 p.m., no one spoke and Mayor Pratt closed the public hearing at 6:28 p.m.

4D. Ordinance No. 2013-17, adopting the annual budget for the fiscal year 2014; providing appropriations for each department and fund; containing a cumulative clause; and containing a savings and severability clause. Mayor Pratt read the ordinance by title only.

Mr. Conklin moved for approval of Ordinance No. 2013-17 on first reading; Ms. Keeble seconded the motion and it passed 5-0.

5. ORDINANCE, SECOND AND FINAL READING:

5A. Ordinance No. 2013-15 amending the budget for fiscal year 2013 to account for a change to the city's operational budget within the water and sewer fund to appropriate funding for a feasibility study of reclaimed water.

This matter was heard earlier in the meeting following Item 3C.

6. ORDINANCE, FIRST READING:

6A. Ordinance No. 2013-18 amending in part Ordinance No. 99-18, as amended, by adopting a new residential rate tariff: Burned Veterans' Discount Program rider BVDP for residential electric service administered by the Kerrville Public Utility Board; containing a cumulative clause; containing a savings and severability clause; and establishing an effective date. Mayor Pratt read the ordinance by title only.

Mike Wittler, KPUB Chief Operating Officer, noted the Texas Legislature approved an amendment to the utilities code that would allow payment assistance for military veterans who suffered the effect of severe burns received in combat and which resulted in significant decreased ability to regulate body temperature. On August 21 KPUB took action to establish a discount of \$90 per month, April through October, for residential customers meeting these criteria, and authorized KPUB staff to bring this discount program to the city council for approval. He estimated the financial impact to be insignificant, one-quarter of one cent per customer per month.

Mr. MacDonald moved for approval of Ordinance No. 2013-18 on first reading as presented; Mr. Conklin seconded the motion and it passed 5-0.

7. CONSIDERATION AND POSSIBLE ACTION:

7A. Agreement with Freese and Nichols to perform a feasibility study to determine environmental impacts, geotechnical requirements, floodplain analysis, pumping requirements, regulatory requirements, and cost implications for reuse of treated effluent from the wastewater treatment plant in an amount not to exceed \$135,000.00.

This matter was discussed earlier in the meeting prior to Item 4A.

7B. Administrative services contract between the City of Kerrville, Texas Economic Improvement Corporation and the City of Kerrville, Texas.

Ms. Boyle noted the current contract would expire September 30. Staff did not have any specific changes to recommend, but requested council's input prior to presenting the contract to EIC on September 23. Final council approval would be scheduled for the next meeting.

Ms. Keeble moved to authorize staff to present the contract to EIC without any changes. Mr. Conklin seconded the motion and it passed 5-0.

7C. Ethics policy.

Mr. Hayes reported that he had not received any changes from city council since the last meeting.

Council noted that several sections in the ethics policy were addressed in the city charter and state law. The consensus was to leave such items in the policy so all requirements were specified in one central document rather than having to refer to multiple documents. The policy would have to be amended when affected by changes in the charter or state law. Council asked that this item be placed on the next agenda for vote; councilmembers would submit any changes to Mr. Hayes by September 13.

7D. Resolution No. 32-2013 declaring the public necessity to acquire a 0.002 of an acre (662 square feet) and a 0.192 of an acre (8,375 square feet) recreation easements (public river trail); both property interests situated in the J.A. Southmayd Survey No. 148, Abstract 288, in the City of Kerrville, Kerr County, Texas, and generally located north of the intersection of Old F.M. 689 and State Highway Loop 534 with a street address of 2140 Old F.M. 689; said easements are required for the extension of a public river trail adjacent to and along the Guadalupe River; determining the public necessity for such acquisition; authorizing the acquisition of property interests necessary for the river trail expansion; authorizing the city manager or designee to take all steps necessary to acquire the property interests in compliance with all applicable laws; and authorizing the city attorney to acquire the property interests through eminent domain if negotiations between the city and the property owners are not successful. Mayor Pratt read the resolution by title.

Ms. Keeble filed a conflict of interest affidavit and left the meeting at 6:45 p.m.

Mr. Parton noted that counteroffers had been made by the property owners of both Items 7D and 7E and requested council discuss those offers in executive session. He recommended approval of the resolution authorizing staff to initiate the eminent domain process in the event that negotiations were unsuccessful.

Council noted the following:

- The city projects were underway and needed to proceed.
- The easements were on vacant unimproved land in the floodplain.
- There had been tentative agreements with the property owners in 7D and 7E in the past for both utility and recreation easements.

Mr. MacDonald moved that the City of Kerrville authorize the use of the power of eminent domain to acquire two recreation easements for a river trail across land generally located adjacent to the Guadalupe River and located north of the intersection of Old F.M. 689 and State Highway 534, with a street address of

2140 Old F.M. 689, and for adoption of Resolution No. 32-2013; Mr. Conklin seconded the motion and it passed 4-0-1 on record vote as follows: Councilmembers Allen, Conklin, MacDonald, and Mayor Pratt voted in favor of the motion; no one voted against the motion; and Ms. Keeble abstained.

7E. Resolution No. 33-2013 declaring the public necessity to acquire a 0.085 of an acre (3,695 square feet) and a 0.014 of an acre (455 square feet) recreation easements (public river trail); both property interests situated in the William Francis Survey No. 146, Abstract 137, in the City of Kerrville, Kerr County, Texas, and located on property with a street address of 1609-B State Highway 173 (Bandera Highway); said easements are required for the extension of a public river trail adjacent to and along the Guadalupe River; determining the public necessity for such acquisition; authorizing the acquisition of property interests necessary for the river trail expansion; authorizing the city manager or designee to take all steps necessary to acquire the property interests in compliance with all applicable laws; and authorizing the city attorney to acquire the property interests through eminent domain if negotiations between the city and the property owners are not successful. Mayor Pratt read the resolution by title.

Mr. Parton recommended approval of the resolution authorizing staff to initiate the eminent domain process if staff was unable to negotiate a successful agreement with the owner.

Mr. Allen moved that the City of Kerrville authorize the use of the power of eminent domain to acquire two recreation easements for a river trail across land generally located adjacent to the Guadalupe River and located on property with a street address of 1609-B State Highway 173, and approval of Resolution No. 33-2013; Mr. MacDonald seconded the motion and it passed 4-0-1 on record vote as follows: Councilmembers Allen, Conklin, MacDonald, and Mayor Pratt voted in favor of the motion; no one voted against the motion; and Ms. Keeble abstained.

Ms. Keeble returned to the meeting at 6:50 p.m.

7F. Resolution No. 31-2013 supporting community-wide quarterly “Kerrville Beautification Days.”

Ms. Boyle noted the Beautification Advisory Committee (BAC) proposed to establish quarterly beautification days to increase public awareness and involvement in community cleanup efforts. The resolution would establish beautification days on the third Saturday in January, April, July, and October.

The council also discussed:

- Keep Texas Beautiful and the experience and resources that organization offered.
- City sponsoring roll off containers for trash disposal during cleanup days.

Mr. MacDonald moved for approval of Resolution No. 31-2013 as presented; Mr. Allen seconded the motion and it passed 5-0.

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

9. **ANNOUNCEMENTS OF COMMUNITY INTEREST:**

9A. Citizens were encouraged to display the American Flag on September 11, 2013, the 12th anniversary of 9/11.

9B. Grand re-opening of the Friends of the Butt-Holdsworth Memorial Library on October 13, 5-9:00 p.m.

9C. Sock hop on the downtown star Saturday, September 14 from 5-7:00 p.m.

10. **EXECUTIVE SESSION:**

Mr. MacDonald moved for the city council to go into executive closed session under Sections 551.071 and 551.072 of the Texas Government Code; the motion was seconded by Mr. Allen and passed 5-0 to discuss the following matters:

Sections 551.071 and 551.072:

Discuss the purchase, exchange, lease, sale, or value of real property, the public discussion of which would not be in the best interests of the City's bargaining position with third parties, regarding property interests related to the following projects:

- Jefferson lift station
- River Trail.

Ms. Keeble left the meeting at 6:59 p.m.

At 6:59 p.m. the regular meeting recessed and council went into executive closed session at 7:00 p.m. At 7:08 p.m. the executive closed session recessed and council returned to open session at 7:09 p.m. The mayor announced that no action had been taken in executive session.

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

ADJOURNMENT. The meeting adjourned at 7:09 p.m.

APPROVED: _____

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary