

MINUTES OF THE KERRVILLE CITY COUNCIL
SPECIAL MEETING

AUGUST 9, 2012

On August 9, 2012, a special meeting of the Kerrville City Council was called to order by Mayor Pratt at 6:00 p.m. in the meeting room of the Butt-Holdsworth Memorial library, 505 Water Street, Kerrville, Texas.

COUNCIL MEMBERS PRESENT:

Jack Pratt	Mayor
Stacie Keeble	Mayor Pro Tem
Gene Allen	Councilmember

COUNCIL MEMBERS ABSENT:

Carson Conklin	Councilmember
Justin MacDonald	Councilmember

CITY STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Brenda G. Craig	City Secretary
Robert Ojeda	Fire Chief
Mike Erwin	Director of Finance

The City of Kerrville will provide information and receive public comments regarding Kerr County's proposed emergency services district (ESD) 3 for emergency medical services (EMS) in the City of Kerrville and its extraterritorial jurisdiction (ETJ)

Mayor Pratt noted a petition had been submitted to the county to place an item on the November ballot to establish an ESD to provide EMS throughout the county. The county notified the city and requested the city's intent to participate, and the city council would take action on August 14 whether to include the city and its ETJ (the area one mile outside the city limits) in the proposed ESD. He noted the following:

- The city had the highest EMS rating that could be achieved in the state. If the ESD is formed, it could jeopardize the quality of service for city residents.
- If ESD is approved by the voters, a separate level of government and another taxing entity would be created. The county commissioners proposed the tax rate at up to 10¢ per \$100 valuation.
- The county currently paid the city \$400,000 annually for EMS service in the county; if the ESD is passed, it would raise more than \$400,000.
- If the ESD is formed and the city is included, the ambulance service would be managed and controlled by the ESD board and not by city elected officials.
- The county's goal was to improve EMS response time.
- Ingram city council voted that Ingram would be a part of the ESD.
- The property tax freeze/65 exemption is not subject to an ESD; the ESD tax is based on the full appraised property value.
- The ESD can also increase the sales tax.

- The ESD board had authority to create debt. If the city's ETJ area is included in the ESD, citizens in the ETJ would be responsible for any debt incurred; if the city then annexed property in the ETJ, the city would then be obligated to buy out the debt associated with that property.
- If the city is not part of the ESD, city citizens will not be subject to the ESD tax or responsible for any ESD debt.

The following persons spoke:

1. Carolyn Lipscomb questioned if the city tracked the amount of time that city ambulances, fire trucks, and employees spent on calls outside the city limits and how that compared to time spent on calls in the city.

Mr. Parton noted that the city tracked the number of calls, time out, mileage, and equipment used as the charge for a call would vary based on this information. He also noted that all revenue generated by all calls, whether in the city or out, was included in the budget; further, the county's contribution was calculated on the cost of the service less all revenue received.

2. John Mosty noted that county commissioners stated they would reduce the county's tax rate; however, the tax freeze would not apply to properties in the ESD, and property owners who currently had the frozen tax rate would experience a tax increase. If the city council votes to not participate in the ESD, as he hoped they would, the city would not be affected; however, if city council voted to include the city in the ESD, he asked the city to also lower the city's tax rate. He noted that the county continues to say that properties with the frozen tax rate have affected them, but since 2006 their revenue has increased 65%. The county's problem was not with revenue; their problem was with spending. He opposed the city being in the ESD, and he opposed the city having to pay off debt on properties that were annexed.

Mayor Pratt noted when a frozen property is sold, the property is then taxed at the new sale price; the city and county did not lose money, it is caught up later when the property is sold.

3. Eleanor Toops stated she was concerned whether there would be EMS in the ETJ and asked why there appeared to be so much friction between the city and county.

Mr. Hayes noted that city council had authority to consent to include the city and/or the ETJ in the ESD. If the city council voted not to allow citizens in the ETJ to vote to be part of the ESD, then the city had to provide EMS service in the ETJ, then the question was how would the city pay for it. Mayor Pratt noted if the city council voted to opt the ETJ area out of the election, the city would be obligated to provide the service, but had no way to fund it; under the current city/county agreement the county paid for this service in the ETJ. Regarding friction between the city and county, he stated there was no animosity and asked to not be judged on the past.

4. Frank Douglas asked if Kerrville was not included in the ESD and it passed, could the county tax city citizens for the ESD? Further, if the ESD passed in the county,

could the county still contract with the city and have outlying stations? Mayor Pratt noted the county could only tax the area included in the ESD, and if the city council opted the city out of the ESD, city citizens would not be included in the ESD. If ESD passed in the county, the ESD would contract with the city, not the county; however, the ESD could create its own EMS service or contract with another provider. The ESD could build substations and contract with the city to man their stations; however, the city would not build facilities outside the city limits.

5. Judy Webb Smith stated she lived in an ESD before and the ESD had a substation; in that ESD the quality was not as good and they had higher taxes. She asked that council oppose having another new entity that could create tax and issue additional debt.

6. A lady questioned if the city would be part of the ESD? Mayor Pratt noted the council would vote on it on August 10.

7. Someone asked if anyone in attendance could speak to the advantages of ESD?

Ms. Keeble stated that Commissioner Baldwin was the “point man” on the ESD subject for the county. She noted the biggest issue for the county was response time; the city did not have a problem with response time.

8. David Lipscomb noted that currently the county contracted with the city to provide services for all residents. The only benefit to the commissioners was to not have to be involved in the negotiations. ESD was not a bad deal for the county; however, Commissioner Baldwin represented a lot of city residents in his district.

Mr. Allen noted that Councilmembers Conklin and MacDonald could not attend due to a prior commitment; however, at the joint meeting of the city and county, Mr. Conklin stated he had been contacted by about 50 citizens and all had been against the creation of an ESD. Mr. Allen stated that he had not been contacted by any city citizen who wanted the city to opt in. The council had a responsibility to the citizens of Kerrville and would vote accordingly. Also at the joint meeting, commissioners discussed putting stations in the county and contracting with the city to operate those stations, but they thought that was not an option with the city in the past. Whether the ESD is created or not, the city will work with county commissioners to provide EMS services in the county if they desire.

9. Carolyn Lipscomb noted she attended many council meetings and budget workshops. The city maintained the same tax rate for many years, \$.56/\$100 valuation; the county's rate was \$.41/\$100. Citizens in the city pay both city and county taxes, and city citizens choose to do so because they want enhanced services and are willing to pay for those services. In her opinion, at the joint meetings, the county has not always been willing to pay their fair share because they do not want to pay the city for the cost of the service, and they do not want to raise taxes. On the EMS issue, the county only wanted to pay for a portion of the uncollected cost of the service, and did not want to pay any of the cost to maintain infrastructure and employees; if someone did not pay for the infrastructure and employees, then no one

would have a service. The county wanted to create another entity so it did not have to raise taxes and another entity would have to negotiate and pay for EMS.

10. Louise Kirby stated the city and county did not have to raise the tax rate because they were receiving more taxes due to increased property appraisals. She opposed creating another taxing entity; she was happy with the EMS service provided by the city and the city and county should work it out.

Mayor Pratt noted the city council would vote on the ESD issue on August 14.

ADJOURNMENT: The meeting adjourned at 6:54 p.m.

APPROVED: _____

Jack Pratt, Mayor

ATTEST:

Brenda G. Craig, City Secretary