

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
SEPTEMBER 11, 2012

On September 11, 2012, the Kerrville City Council meeting was called to order by Mayor Pratt at 6:00 p.m. in the city hall council chambers, 800 Junction Highway. The invocation was offered by Father Tom Murray, St. Peter's Episcopal Church, followed by the Pledge of Allegiance led by Stan Bujak of the Military Officers Association of America.

COUNCILMEMBERS PRESENT:

Jack Pratt	Mayor
Stacie Keeble	Mayor Pro Tem
Gene Allen	Councilmember
Carson Conklin	Councilmember
Justin MacDonald	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
Charvy Tork	Interim Director of Information Technology Systems
Mike Erwin	Director of Finance
Robert Ojeda	Fire Chief
John Young	Police Chief
Kim Meismer	Director of General Operations
Mindy Wendele	Director of Business Programs
Charlie Hastings	Director of Public Works

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

MOMENT OF SILENCE IN REMEMBRANCE OF SEPTEMBER 11, 2001

1. VISITORS/CITIZENS FORUM

1A. Barbara Burton was concerned that the city was still in Stage 1 water restrictions but understood the city may be going into Stage 2 in the future if the river flow continued to drop; the city should let people know we were in a serious drought problem. Also, the city should stop fighting and support the CREZ lines along I-10; the city should embrace the line and use it as a marketing tool.

1B. Keri Wilt advised council of a new organization, the Historic Downtown Business Alliance, and asked that they be included in matters involving downtown. She noted numerous things going on and invited councilmembers to attend their meetings.

1C. Jimmie Spradling thanked the city for work done along Lois Street and Coronado Drive.

1D. Ms. Keeble read a letter from Mrs. Collins who noted several near accidents on Riverhill Blvd. and vehicles speeding and not stopping at stop signs; she encouraged the city to allow road humps on Riverhill Blvd.

2. PRESENTATIONS AND RECOGNITIONS:

2A. Introduction of a special guest.

Mayor Pratt introduced Samuel Williamson and reviewed his accomplishments.

2B. Proclamation proclaiming the month of September as National Recovery Month. Presented by Mayor Pratt to Jeannie Stevens, Hill Country Council on Alcohol and Drug Abuse.

3. CONSENT AGENDA:

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

3A. Minutes of the joint meeting of the Kerrville City Council and the Kerr County Commissioners' Court held August 2, 2012, and minutes of the Kerrville City Council special meeting on August 9, and budget workshop on August 14, 2012.

3B. Resolution No. 35-2012 authorizing the closure of a portion of Memorial Highway (Hwy 27) during certain hours for the Kerrville Main Street Annual Holiday Lighted Parade and authorizing the mayor to execute an agreement for the temporary closure of state right-of-way with the Texas Department of Transportation.

3C. Resolution No. 34-2012 approving the budget for fiscal year 2013 for the Kerr Emergency 9-1-1 Network.

3D. Professional services agreement with Peter Lewis Architect + Associates, PLLC for design of the Phase 2 renovation project at the Butt-Holdsworth Memorial Library in an amount not to exceed \$25,000.

3E. Investment policy of the City of Kerrville, Texas Economic Improvement Corporation.

END OF CONSENT AGENDA

4. PUBLIC HEARINGS AND ORDINANCES, FIRST READING:

4A. An ordinance amending in part Ordinance No. 99-18, as amended by Ordinance No. 2000-23, by adopting revised rate schedules for residential services, miscellaneous service charges, and outdoor area lighting for 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.

Tracy McCuan, General Manager/CEO for KPUB, reviewed the proposed rates and charges and noted if the bids for power come in lower, the rate increase may be less than proposed.

Mike Wittler, KPUB Chief Operating Officer, noted that a cost of service study was conducted by Utility Financial Solutions, which recommended a 3.75% overall rate increase and a \$3 million bond issuance in 2014 for infrastructure improvements. KPUB was founded in 1987 when the city purchased the electric distribution system from LCRA. KPUB rates were restructured in 1999, but the changes were revenue neutral; rates were increased in 2000 as a result of an increase in the power charge. The proposed rate increase included: 1.8% in residential rates; revised miscellaneous service fees based on the cost to provide the service; and 3.8% for outdoor lighting. The average residential customer's bill would increase about \$2.05 monthly. The 2009 survey of LCRA residential customers showed KPUB at 9.4¢/kWh; the average LCRA customer was at 11.3¢/kWh. The Texas Public Utility Commission rate comparison for June 2012 showed KPUB at 8.5¢/kWh and the statewide average at 11.05¢/kWh.

Mayor Pratt declared the public hearing open at 6:42 p.m. and the following person spoke:

1. Ruth Spradling questioned the reliability of City Public Service. Mr. McCuan noted that CPS was a wholesale energy provider, and KPUB had been purchasing some power through CPS since 2004 without any reliability issues, and he did not expect any in the future.

No one else spoke and Mayor Pratt closed the public hearing at 6:46 p.m.

Council discussed the following:

- The current contract with LCRA allowed KPUB to purchase some energy from other sources, but that contract would expire in 2016. Mr. McCuan noted that KPUB was able to purchase power from other utility suppliers, through a bid process, at a lower rate than LCRA offered.
- There had not been an increase from KPUB in 12 years, despite the rising cost of energy, and even with the proposed rate increase, KPUB rates were well below the state average.

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

4B. An ordinance adopting the annual budget for the fiscal year 2013; 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. Erwin noted the budget totaled \$52,033,032 in revenues and \$50,043,664 in expenditures. The proposed budget maintained current services, kept the same tax rate of 0.5625, and anticipated a \$10 million bond issuance for water and sewer capital projects to be paid for by the proposed water and sewer rate increase.

Mayor Pratt declared the public hearing open at 6:48 p.m.; no one spoke and Mayor Pratt closed the public hearing at 6:48 p.m.

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

5. ORDINANCE, FIRST READING:

5A. An ordinance 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 2013; 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.

Mr. Erwin noted the FY2013 budget was based on the tax rate of 0.5625.

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

6. CONSIDERATION AND POSSIBLE ACTION:

6A. Economic development grant agreement between Hill Country District Junior Livestock Show Association (HCDJLSA) and the City of Kerrville, Texas Economic Improvement Corporation (EIC).

Ms. Wendele noted that on August 27 EIC held a public hearing and approved a funding agreement to HCDJLSA in the amount not to exceed \$150,000 for the purchase of equipment to be used at the Kerr County Youth Exhibition Center.

Council also discussed the following:

- The initial request by HCDJLSA was for \$750,000.
Ms. Wendele noted that HCDJLSA had applied for \$750,000 for facility construction; however, bids for that project had not been opened yet. EIC received a \$150,000 matching grant to purchase equipment totaling \$300,000, and EIC voted to provide \$150,000 to match that grant. EIC encouraged HCDJLSA to apply for funding for other phases of the project in the future.
- Concern whether equipment could be purchased and set up in time for the show in January.
- The HCDJLSA was the fifth largest livestock event in Texas and had great economic impact on the community, especially for the restaurants and hotels.

Bob Reeves, president of HCDJLSA, noted that the equipment being purchased would be portable and would not be permanently affixed to the existing building.

Mr. Allen moved for approval of the agreement as presented; Mr. MacDonald seconded the motion and it passed 5-0.

6B. Administrative services contract between City of Kerrville, Texas and City of Kerrville, Texas Economic Improvement Corporation.

Mr. Erwin noted this agreement would reimburse the city for administrative services provided to EIC for FY2013, such as project management, engineering, financial, legal, and administrative support, in the amount of \$100,000.

Ms. Keeble moved for approval of the agreement as presented; Mr. Conklin seconded the motion and it passed 5-0.

6C. Create Beautification Advisory Committee (BAC).

Mayor Pratt proposed to create a Kerrville BAC to promote beautification and increase community involvement. The committee would consist of five members with three-year terms.

Council discussed the following:

- Advantages of being associated with a larger program such as Keep Texas Beautiful; could also assist with setting up the BAC and establishing goals.
- The program should be managed by citizens and not city staff.
- EIC provided funding to incentivize commercial and business property improvements.

Council consensus was to instruct staff to provide an outline of the scope and goals of the committee in 30 days.

6D. LCRA Transmission Services Corporation and its proposed adjustment of its CREZ (Competitive Renewable Energy Zone) I-10 route and impact on City's landscaping and welcome sign.

Mr. Parton noted that recent LCRA drawings sited pole placement at the I-10 and SH16 intersection just behind the Welcome to Kerrville sign and would require destruction of landscaping and infrastructure; this was contrary to the settlement agreement signed by LCRA which placed the pole just inside the landscaped area. TxDOT would not allow permanent pole placement at that location and requested placement closer to the service road in order to maintain clearance at the intersection; this would also place the pole further away from the city's sign and minimize destruction of the landscaping and infrastructure. He noted the pole was 115 ft. in height and the swag would be only 45 ft. from the ground. He reported that TxDOT representatives said they would contact the city when they receive the drawings from LCRA.

The pole placement at the Harper Road and I-10 intersection as drawn would eradicate several significant pecan trees and render prime commercial property as unusable. Council discussed recommending that the pole be located in the I-10 right of way at Harper Road.

Council and staff also discussed the issue of federal tax dollars being used to subsidize wind energy, and when the wind energy tax credits expire at the end of the year, if they are not renewed, the lines will not be needed.

Regarding comments made earlier in the citizens forum, Mr. Parton noted the CREZ line did not provide any energy to the Kerrville community and was to transfer energy from West Texas to the Houston area. The city opposed the destruction of land and aesthetics in Kerrville and was fighting to protect the city's investment (\$250,000) and infrastructure in the two commercial corridors of I-10.

7. INFORMATION AND DISCUSSION:

7A. Water resources report.

Mr. Hastings noted rainfall from July through September totaled 3.76 inches; 9-12 inches of rain was needed in a three month period to end the drought. The river flow had dropped to 6-8 cfs; the ASR storage level was over 700 mg.

7B. Budget and economic update.

Mr. Erwin noted that while the national unemployment level appeared to be dropping, it was estimated that 2.8 million of the unemployed had given up and dropped out of the workforce; Kerr County unemployment was at 6.9% in July. He noted that HOT tax continued to drop, due in part to hotels adjusting their room rates. August 2012 sales tax increased slightly above August 2011.

8. BOARD APPOINTMENTS:

8A. Appointments to the building board of adjustments.

Ms. Keeble moved to appoint the following persons all with terms to expire August 31, 2014: Calvin Luck, master electrician; Charles Tremper, master plumber; Lee Underwood, mechanical contractor; and Daniel Lowery, alternate member. Mr. Allen seconded the motion and it passed 5-0.

8B. Appointments to the golf course advisory board.

Mr. Conklin moved to appoint Graham Birdsall, Charles McCarter, and Allen Stern all with terms to expire July 1, 2014; Ms. Keeble seconded the motion and it passed 5-0.

8C. Appointment to the main street advisory board.

Mr. Conklin moved to appoint Caroline Wilson with term to expire January 31, 2014; Mr. Allen seconded the motion and it passed 5-0.

9. ITEMS FOR FUTURE AGENDAS

- West Nile virus, enforcement of city codes to help eliminate mosquito habitats.
- Parking violations in downtown and enforcement of time limit. Mr. Parton noted the downtown merchants were scheduled to discuss downtown parking issues, and he would report those discussions to council.
- Ruth Spradling requested improved lighting in the parking garage. Mayor Pratt stated that KPUB would be installing new LED lighting and motion detectors in the parking garage.
- Vickie Love, Sunrise Antique Mall, suggested downtown business owners use the parking garage or the Windstream parking area and leave on-street parking available for customers; this was a vital issue for merchants.

- Aqua Texas rate increase. Mayor Pratt requested the council consider hiring an attorney to oppose the Aqua Texas rate increase; he understood that the cost incurred by the city may have to be reimbursed by Aqua Texas. The city attorney should research this and report back to city council.

10. ANNOUNCEMENTS OF COMMUNITY INTEREST:

- Laura Bechtel recently accepted the position of library director.
- Mark Beavers, Asst. Fire Chief, noted the flu clinic sponsored by Peterson Regional Medical Center in partnership with H.E.B was scheduled for September 12, 10 a.m.-6 p.m. at the Hill Country Youth Exhibition Center.
- Mayor Pratt noted today was the eleventh anniversary of 911.

11. EXECUTIVE SESSION: None.

12. ACTION ON ITEM DISCUSSED IN EXECUTIVE SESSION: None.

13. ADJOURNMENT. The meeting adjourned at 7:53 p.m.

APPROVED: _____

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary