

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING**

April 15, 2013

On Monday, April 15, 2013, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by David Wampler, President, in the City Hall Council Chambers, 701 Main Street, Kerrville, Texas.

Members Present:

David Wampler, President
Kenneth Early, Vice President (arrived at 4:20 pm)
Rex Boyland, Secretary
Gary Cochrane (left at 5:07 p.m.)
Larry Howard
Stacie Keeble
Polly Rickert

Members Absent: None

City Executive Staff Present:

Todd Parton, City Manager
Kristine Ondrias, Assistant City Manager
Mike Hayes, City Attorney
Cheryl Brown, Deputy City Secretary
Sai Vongchampa, Budget/Purchasing Manager
Ashlea Boyle, Special Projects Coordinator
Malcolm Matthews, Director of Parks and Recreation
Kimberly Meisner, Director of General Operations

Visitors Present: Visitor list available in the City Secretary's Office for the required retention period.

Jonas Titas, Executive Director of the Kerrville Economic Development Corporation

INVOCATION: Given by Mr. Howard

1. **VISITORS/CITIZENS FORUM:** No one spoke

2. **APPROVAL OF THE MINUTES:**

2A. Minutes of the regular meeting held March 18, 2013. Mr. Howard moved for approval of the minutes of March 18, 2013; Mr. Cochrane seconded, and the motion passed 6 to 0. (Mr. Early arrived after this vote was taken.)

3. **MONTHLY REPORTS:**

3A. Monthly financials for March 2013: Mr. Vongchampa reported on the March 2013 financials. Sales tax received was \$205,749.00, which was a 10% increase over last year, and interest revenue was \$531.00, for total revenue of \$206,280 for March 2013. The expenditures for March totaled \$89,583.00, for a net increase of \$116,697.00. The ending cash balance for March, 2013 was

\$1,806,423.00. He reported on the sales tax debt service fund, and the capital projects fund, noting that \$747.00 was received from the Hill Country Shooting Center. He presented a break-down of the River Trail project expenditures and funding sources, EIC investments and funding agreements.

3B. Capital Projects Update: Mr. Parton reported:

Reimbursement was received in the amount of \$14,190.00, which was the outstanding financial commitment of the approximate 14 acres of property adjacent to the Airport Commerce Park, which was sold by Mr. Colvin. \$1,000.00 per acre was due and payable upon the transfer of ownership of those acres.

Harper Highway Project Phase II: The pipes were in the ground, and vegetation was being installed.

Golf Course Pavilion and Parking Lot Improvement Projects: The base layer was laid for the road and parking lot. The concrete for the curbs were poured; utility companies were preparing to bury their lines. The retaining walls were up, the slab for the pavilion was poured, the roof and decking, and columns for the pavilion were installed; projected completion was early May.

Downtown Utility Improvement Project: Mike Wittler, KPUB, reported that their customers were connected to the underground wires, and the transformers and wires on the tops of the poles had been removed. The telephone companies should finish their work in the next 2-3 weeks. The poles were scheduled to be removed the week of May 6, 2013.

3C. Update regarding "Go" Team activities:

Ms. Boyle reported that the "Go" Team met on April 4, 2013, and reviewed 5 funding requests. One request was deemed not to be qualified, as it was not from the property owner, who was the appropriate person to request funding. The remaining four requests, which were approved by the "Go" Team, were:

- Kerrville 4th of the River, \$22,450.00;
- Comanche Trace for the Texas Hill Country Wine and Brew Festival \$20,432.00;
- Texas Folk Music Foundation for the Kerrville Folk Festival, \$2,805.00; and
- Kerrville Area Chamber of Commerce for Kerrfest, \$10,560.00.

3D. Update on River Trail and Parks projects:

Mr. Matthews reported that, he was working on the site with the design group, changing the park elements, primarily on the west side of the park. He will have a presentable document for EIC's review at their next meeting. The design for the utility projects should be completed in July or August, and bid shortly thereafter. He was negotiating the design proposal for Package F, from G Street, to Kerrville Schreiner Park. He anticipated construction for Package F would begin in early 2014.

3E. Report on Fox Tank annual Employment and Investment Report (Jonas Titas): Mr. Titas reported that Fox Tank Company currently employed 62 people, with a gross payroll for 2012 of \$3,222,711.00.

3F. Kerrville Economic Development Corporation (KEDC) Update regarding KEDC Activities (Jonas Titas):

Mr. Titas reported that Fox Tank Company (FTC) had their American Petroleum Institute audit last month, and they were recommended for approval; being able to start stamping their steel tanks by Memorial Day, which would allow FTC to supply tanks to the Eagle Ford Shale operation. He also reported on a West Texas manufacturing company and a trucking company. The wine industry strategy was progressing, i.e. soil tests, a marketing plan, and conversations with property owners. He attended the Southwest Texas Energy Conference in Sweetwater, Texas in March, and distributed information packets about Kerrville.

3G. Downtown Wireless Project:

Ms. Boyle reported a continued increase in the use of wireless in the downtown area.

Ms. Rickert moved to suspend the monthly reports on this matter until the work in Louise Hays Park was completed. Mr. Early seconded, and the motion passed 7-0.

3H. Update regarding reuse of effluent water from the City of Kerrville Reclamation Plant:

Mr. Parton detailed a project to store and use effluent for municipal purposes. He presented a concept plan with preliminary estimates of \$18 million to \$20 million that was prepared for the city by Freese & Nichols. He said that the wastewater reclamation plant produced approximately 325,000,000 gallons of effluent annually that could be captured and used for municipal purposes. The cost projection did not include the cost to process the effluent to make it usable for potable water. Mr. Parton proposed Phase I to treat effluent as an irrigation source, and Phase II as an alternate potable water supply.

He also noted that the city applied for a Certificate of Convenience and Necessity (CCN) from the Texas Commission on Environmental Quality (TCEQ), and it was expected to be granted soon. If current trends continued, the population of Kerrville should reach 27,000 to 30,000 in the next 30 years. The city also submitted an application two years ago to the TCEQ for an indirect reuse permit, which would protect against claims of reliance by entities downstream from Kerrville on additional effluent beyond the city's current production. If approved, Kerrville would be able to divert that effluent water and use it as either an irrigation or potable water source. The city will continue to explore other avenues of water treatment. The next step would be to determine how much the city can afford to capture, with an ultimate objective of determining the cost of converting effluent water to potable water.

4. DISCUSSION AND POSSIBLE ACTION:

4A. Funding request from Kerrville's 4th on the River (staff):

Ms. Boyle reported that the "Go Team" approved an application for a funding request of \$22,450.00, for rental charges for the stage, tents, port-a-potties, fencing, generators and ticket booths.

4B. Funding request from Comanche Trace for the Texas Hill Country Wine and Brew Festival (staff):

Ms. Boyle reported that the "Go Team" approved an application of \$20,432.00, for rental charges for tents, generators, fencing, port-a-potties, chairs, tables, dumpsters, misting fans, stage and sound system.

4C. Funding request from the Texas Folk Music Foundation for the Kerrville Folk Festival (staff):

Ms. Boyle reported that the "Go Team" approved an application for a funding request of \$2,805.00, which would to cover the cost of one chartered bus to transport people from the parking garage downtown to the Folk Festival, the Arts and Crafts Fair, and Market Days, all of the events were to be held during the Memorial Day weekend of May 24 – 26, 2013.

The following person spoke:

Ms. Dallis Allen reported that the Texas Folk Music Foundation was going to charter a bus to transport people to all of these events, in hopes that there would be less drinking and driving, and to make it easier for people to attend all of the events. If successful, they would continue to charter a bus for future events.

4D. Funding request from the Kerrville Area Chamber of Commerce for Kerrfest (staff):

Ms. Boyle reported that the "Go Team" approved an application for a funding request of \$10,560.00 for rental of spectator grandstands.

Mr. Cochrane left the meeting at 5:07 p.m.

5. EXECUTIVE SESSION:

Mr. Howard moved that the EIC go into executive closed session under Section 551.071 (consultation with attorney), Section 551.072 (deliberation regarding real property), and Section 551.087 (deliberation regarding economic development negotiations); Mr. Early seconded the motion, and it passed 7-0, to discuss the following matters:

Sections 551.071, 551.072 and 551.087

- River Trail

Ms. Keeble left the Executive Session Chambers at 5:15 PM.

Sections 551.071 and 551.087:

- Funding request from Kerrville's 4th on the River
- Funding request from Comanche Trace for the Texas Wine and Brew Festival
- Funding request from the Texas Folk Music Foundation for the Kerrville Folk Festival
- Funding request from Kerrville Area Chamber of Commerce for Kerrfest

At 5:07 p.m. the regular meeting recessed and the EIC went into executive closed session at 5:08 p.m. At 6:10 p.m. the executive closed session recessed and the board returned to open session at 6:10 p.m.

Mr. Wampler announced that no action had been taken in executive closed session.

ACTION TAKEN ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

4A. Mr. Boyland moved to approve the funding application from Kerrville's 4th on the River in an amount not to exceed \$25,000.00 as a reimbursement for the actual expense of the equipment listed in the application. Ms. Rickert seconded, and the motion passed 4-0-2. Mr. Boyland, Ms. Rickert, Ms. Keeble and Mr. Wampler voted in favor of the motion; no one voted against the motion; and Mr. Early and Mr. Howard abstained, as they were on the Kerrville 4th on the River Board.

4B. Mr. Howard moved to approve the funding application from Comanche Trace for the Texas Wine and Brew Festival in an amount not to exceed \$20,432.00, as a reimbursement for the actual expense of the equipment listed in the application. Ms. Keeble seconded, and the motion passed 6-0.

4C. Mr. Early moved to approve the funding application from Texas Folk Music Foundation for the Kerrville Folk Festival in an amount not to exceed \$8,500.00, as reimbursement for the actual expense of chartering up to three (3) buses to transport event patrons as referenced in the application. Mr. Boyland seconded, and the motion passed 6-0.

4D. Mr. Howard moved to approve the funding application from Kerrville Area Chamber of Commerce for Kerrfest in an amount not to exceed \$10,500.00 as reimbursement for actual expenses for the grandstands as referenced in the application. Ms. Rickert seconded, and the motion passed 6-0.

ADJOURNMENT

Mr. Wampler adjourned the meeting at 6:12 p.m.

APPROVED: _____

David Wampler, President

ATTEST:

Cheryl Brown
Deputy City Secretary