

CITY OF ALAMO HEIGHTS
CITY COUNCIL
July 14, 2015

A Budget Work Session of the City Council of the City of Alamo Heights, Texas was held in the Council Chambers, located at 6116 Broadway, San Antonio, Texas, at 8:30 a.m. on Tuesday, July 14, 2015.

Present and composing a quorum were:

Mayor Louis Cooper
Mayor Pro-Tempore Lynda Billa Burke
Councilmember Lawson Jessee
Councilmember Bobby Rosenthal
Councilmember Fred Prassel
Councilmember John Savage

Also attending were:

City Manager J. Mark Browne
Fire Chief/Assistant City Manager Buddy Kuhn
Assistant to the City Manager Marian V. Mendoza
Finance Director Robert Galindo
Community Development Department Director Jason Lutz
Human Resources Manager Lori Harris
Chief Police Rick Pruitt
Public Works Director Pat Sullivan

Absent were:

City Secretary Jennifer Reyna
City Attorney Mike Brenan

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Mayor Louis Cooper opened the meeting at 8:38 a.m.

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Item #1 Mayor Cooper read the following caption.

Resolution No. 2015R - 073

A Resolution granting signatory authority for City bank accounts

Finance Director Robert Galindo made a PowerPoint presentation that included background information.

Mr. Galindo explained the process of authorized signers required for financial transactions. He informed Council of the necessity to update the authorized signers reflecting the removal of Ms. Barr and adding himself as the Finance Director.

A motion for approval was made by Councilmember Bobby Rosenthal. The motion was seconded by Mayor Pro Tem Lynda Billa Burke and passed by unanimous vote.

Item # 2 Mayor Cooper read the following caption.

Discuss the FY2015-2016 Budget

City Manager Mark Browne welcomed Council. He stated the proposed budget had been developed by respective departments with Assistant to the City Manager Marian Mendoza's assistance while working with Finance Director Robert Galindo.

Mr. Browne introduced Finance Director Robert Galindo. The budget provides a fiscal plan to accomplish items highlighted in the 2015/2016 Strategic Action Plan (SAP). Mr. Galindo highlighted the importance of allocating financial, capital, and human resources targeted to achieve the City's established mission, vision, and goals.

Mr. Galindo began his presentation with property tax information and reported that per Bexar Appraisal District (BAD), property valuation had an increase of 9.42% over 2014 with preliminary totals for 2015 net taxable value of \$1,610 Million. He informed Council that the budget was prepared with the assumption of not raising taxes. He noted that Alamo Heights has one of the lowest tax rates (.390262) within the larger metropolitan area. Mr. Galindo displayed the 2014 tax rate comparison of suburban cities. He provided a sample statement of property taxes for an Alamo Heights resident along with other respective entities. Mr. Galindo provided a history of the property tax rates since 2002 and noted between 2002 – 2009, the assessed value of taxable property grew an average of 10% per year. In 2010, values declined 7.8% and had been slowly increasing. Based on this assumption, the Maintenance and Operating (M&O) portion of the tax rate is equal to the M&O tax rate adopted by the City Council in 2005. He noted that 2012 Certificate of Obligation (CO) bonds issued structured with a 0% increase in taxable value. He presented a bar graph of the tax values since 2004 displaying the M&O and Interest and Sinking (I&S) tax rates. Mr. Galindo stated the effective and rollback tax rate will be calculated when the certified value data is received from BAD. He stated the values will be certified by July 25, 2015 and anticipated by the end of July.

Mr. Galindo explained the process of frozen property taxes and shared that BAD estimated that the number of property owners who qualify for the property tax freeze in the 2015 tax year will increase by twelve. She stated properties qualifying for the freeze decreased the total taxable value by \$375,927,302.

Mr. Galindo reviewed sales tax information. The current sales tax rate is 8 percent which included one-quarter (.25) of a cent for street maintenance that was reauthorized and approved by voters in May 2013 for an additional four-year period. He presented a pie chart that displayed proposed general fund revenues and briefly explained the different categorized revenues.

Mr. Galindo presented a summary of the general fund account, and pie graphs of the general fund revenues and departmental allocations. Mr. Galindo reviewed the general fund regarding departmental allocation, revenues, and transfers. The proposed general fund departmental allocation for FY 2015/2016 is \$9,361,175 representing a 2.97% increase from the current adopted budget. He stated the proposed general fund operating budget will produce \$111,392 in working capital. Mr. Galindo provided a departmental allocation with 60% of budget allocated to Police and Fire/EMS departments. Public Works Department represented 19% of the general fund budget; Administration & Finance, Municipal Court and Information Technology represented 15%, and Community Development Services Department represented 4% of the departmental allocations. He noted a new allocation in the amount of 2% is for the new Administrative Building representing utilities and building maintenance. He also presented information on the utility fund related to revenues, appropriations and working capital.

The organizational chart, action steps, initiatives, and improvements were presented by the department directors. Department directors also presented departmental charts that contained information on personnel services, commodities, contractual services, capital outlay that provided the total expenditures and authorized positions for each department.

Mr. Galindo began his budget presentation for the Administration department. Mr. Galindo identified improvements that included increased broadband/internet connection and replacement of the current Connect-Cty system with RAVE Alert system that is focused more on public safety.

Mr. Galindo reviewed the graph that displayed information related to personal services, commodities, contractual services, capital outlay and authorized positions. Mr. Galindo reviewed the employee compensation and benefit enhancement. Program changes included a 2% Cost of Living Allowance (COLA) to be effective October 1, 2015. Mr. Galindo reviewed authorized positions within all departments including a Code Enforcement Officer, two Utility Technicians, and a promotion for one Lieutenant rank to Deputy Chief. He briefly reviewed the authorized positions for the City of Alamo Heights by respective departments noting a total of 104 full-time and 4 part-time employees including proposed new positions.

Mr. Galindo concluded his presentation with the schedule of upcoming dates related to budget, ad valorem tax rate and public hearings.

Councilmember Prassel noted the increased number of employees and expressed concern on the amount of personnel in a declining community.

Mr. Browne stated this is the first year since his appointment that personnel had been added and commented that in the previous years positions had been eliminated. He noted the necessity of a code enforcement officer for this task since the Community Development Services Department is not adequately manned. Mayor Cooper commented that residents shared feedback to him regarding concern on code enforcement or the lack of follow-up when a case is presented to a City board or commission or perhaps a permit is not filed.

Mayor Pro Tem Billa Burke commented that the additional Code Enforcement Officer will allow the department to be efficient.

Mr. Browne noted that transfers are to be determined and will be presented at the second budget work session. He stated there is a surplus of revenues over allocations but are insufficient to cover transfers. He concluded in the budget that allocations usually come in under budget and hopes this practice will continue. Mr. Browne stated transfers usually occur near the end of the year.

Police Chief Rick Pruitt presented budget information for the Police and Dispatch Department. He identified improvements focused on capital replacement including the purchase of two Ford Inceptor SUV vehicles replacing 2010 and 2011 Ford Crown Victoria Sedans. Other capital replacement improvements were related equipment needs for the vehicles, purchase of one, one-half ton pickup for the proposed Code Enforcement Officer, and programmed funding. Police Chief Pruitt responded to Councilmember Jessee's questions related to the purchase of SUVs and related costs. Other identified improvements are one voice logger update, six replacement tasers, seventeen duty pistol updates, nine replacement ballistic vests, one tactical ballistic vest, and the purchase of twelve body worn cameras. He briefly highlighted personnel improvements to include a Code Compliance Officer and upgrade a Lieutenant to Deputy Chief rank.

Police Chief Pruitt reviewed authorized positions, commodities, and contractual services within the Police and Public Safety Dispatch Departments. He informed Council that the department applied for the San Antonio Foundation grant as previously awarded.

A break was announced at 9:53 a.m. The meeting reconvened at 10:01 a.m.

Fire Chief Buddy Kuhn presented budget information for the Fire/EMS Department. He reviewed action steps for the Fire Department that included the continuation of tree trimming, repaint fire hydrants citywide, continuation of best program for business owners, and Citizens Academy coordination with the Police Department, work with all city staff on full-scale emergency exercise required by DEM. Other action steps identified is to continue to evaluate staff benefits for recruitment and retention efforts.

Councilmember Rosenthal inquired on street address identification as a beautification project

Fire Chief Kuhn asked for direction on the uniformed style/color and may present costs at a future meeting.

There was a brief discussion among Council regarding location within the street identification as some properties do not have driveways, challenges, and benefits. Mayor Cooper stated a uniform street address identification program must be done to identify addresses. Council agreed to have a uniform street address. Council directed Fire Chief Kuhn to obtain bids and present information at the second budget work session.

Other action steps identified are completion of 213 Henderson project and continue to evaluate staff benefits for recruitment and retention efforts. Mr. Browne shared additional information regarding the demolition of 213 Henderson. He stated Overland Partners Architecture had already completed a preliminary design for the parking lot and staff is working with them to ensure landscaping and good design. He stated the Public Works Department may conduct the paving for the proposed parking lot after 213 Henderson is demolished.

Fire Chief Kuhn continued with action steps for the EMS Department including a remount for the 2004 medic unit replacement and replacement of four cardiac monitors. He stated the department will submit another grant application for assistance in the cost of the remount of the medic unit. He shared that the remount replacement medic unit is on a 12-year rotation period. Cardiac monitors have a trade in value and shared there are lease purchase options available and there is current funding available in the EMS capital replacement. He identified additional action steps that included first aid training for business owners, and continue training of AHISD students in CPR, noted as part of their course curriculum. Fire Chief Kuhn shared that a Hands Only CPR that was conducted two weeks ago for the Alamo Heights Neighborhood Association which consisted a large number of attendees.

Fire Chief Kuhn reviewed authorized positions, commodities, and contractual services within the Fire/EMS Departments.

Public Works Director Patrick Sullivan presented budget information for the Public Works Department/Utilities. Mr. Sullivan reviewed the action steps for the Public Works department. They are cut, remove, and patch old utility cuts, identify small correctable drainage concerns, reconstruct 1,000 feet curb on E. Fair Oaks between Broadway and Vanderhoeven to realign north side of roadway to increase the width of the street. Reconstruction of alleys where 4X2 issues had been resolved (city forces) at "Cooper alley" at 100 block of Albany and 100 block of Redwood Alley are identified as action steps. Mr. Sullivan briefly explained the work required for water/sewer maintenance highlighting that his employees conduct majority of the work producing savings for the City.

Mr. Sullivan identified action steps for the Utilities Department: water main installation by City forces in resolving 4X2 issues (contract boring) at Harrigan Court from N. New Braunfels to Broadway to include new service taps and meters boxes, Burr Road from N. New Braunfels to Broadway, and reset two fire hydrants along E. Fair Oaks between Broadway and Vanderhoeven as part of curb realignment.

Mr. Sullivan stated improvements within the Utilities Department are to develop and implement sewer infrastructure improvement plan to identify corrective action in coordination with the Street Maintenance Program and develop a similar program for improving water main replacement. Mr. Sullivan reviewed the information related to personnel services with the addition of two utility technicians; position title for utility laborers will be changed to Utility Worker I (UWI) and Utility Worker II (UWII) to reflect skill set, and current employees will be given an opportunity to be promoted to UWII while new hires will fill UWI.

Mr. Sullivan reviewed the departmental chart on Public Works for personal services, commodities, contractual services, capital outlay, and authorized positions for Public Works Department and Utilities.

Mayor Cooper thanked Mr. Sullivan for his exceptional leadership within his department and his employees for their efforts in realizing savings for the City. He asked the status of the 4x2 issue.

Mr. Sullivan responded currently the city had conducted 32% of the work and need 6% to conduct this year. He stated the City has until January 2030 for the 4x2 issues to be completed. Wildrose Avenue along with streets north of Wildrose represent the majority of water main relocates with 4x2 still needing to be resolved.

Mr. Browne commented that a lower income is projected for water revenues and next year the water revenue project is lowered as a conservative approach. He stated within the utility fund, the recent sewer rate increase by SAWS to residents will be presented to Council at the July 27th Council meeting. He stated a water rate study may be considered in the future and perhaps an in-house water rate projections can be done.

Councilmember Jessee asked the circumstance when there is new development within the City. Mr. Browne stated projections would need to be conducted. There was a brief discussion among Council regarding water supply and development.

Community Development Department Director Jason Lutz presented budget information for the department. He began his presentation with the increases within the budget. It included overtime for staff attending after hour Boards and Commission meetings, office furniture/equipment and monies added to Boards and Commission to cover the meals for Commercial Code Committee. Additional increases were legal notices, fees for professional services specifically for GIS implementation, office supplies, contract labor and professionals from contract labor added for Broadway beautification.

Mr. Lutz reviewed authorized positions, commodities, and contractual services within the Community Development Services Department. Mr. Lutz explained the Building Inspector does conduct code compliance; however, the new proposed Code Enforcement Officer will focus on code enforcement on a daily basis.

Mayor Pro Tem Billa Burke requested clarification on the new Code Enforcement Officer as to who they would report to and if they are able to issue citations.

Police Chief Pruitt explained the new Code Enforcement Officer will report to the Police Department and has the ability to issue citations. He stated the personnel will assist Community Development Services, Police and Fire Departments.

Councilmember Rosenthal asked the purpose of the Community Infrastructure Economic Development (CIED) monies and if there was consideration for beautification along Broadway.

Mr. Browne responded no plans as of now.

There was a brief discussion among Council regarding the use of CIED funds. Mayor Cooper suggested lighting the dark areas within the City utilizing CIED funds. Councilmember Rosenthal noted monies were reserved for the new facility; however, expressed to use the funds. Councilmember Lawson recalls a discussion of the uses. Mr. Browne suggested a workshop to discuss the usage of the CIED fund. He informed Council there is a final payment pending for the new building. Mayor Cooper suggested holiday decorations for the new facility. Assistant to City Manager Marian Mendoza provided a brief budget on the holiday decorations and made a few options to consider with replacement of bows. Mayor Cooper recommended staff to inquire with Tim Blonkvist on holiday décor. Council agreed for a workshop to be scheduled in the future to consider CIED funds.

There being no further business, Mayor Cooper adjourned the meeting at 11:28 a.m.


Jennifer Reyna
City Secretary


Lynda Billa Burke
Mayor Pro Tem