

CITY OF ALAMO HEIGHTS  
CITY COUNCIL  
July 2, 2014

A Budget Work Session of the City Council of the City of Alamo Heights, Texas was held in the offices of Frontier Enterprises, in the Board Room, located at 8520 Crownhill Boulevard, San Antonio, Texas, at 8:30 a.m. on Wednesday, July 2, 2014.

Present and composing a quorum were:

Mayor Louis Cooper  
Councilmember Bobby Hasslocher  
Councilmember Fred Prassel  
Councilmember Lynda Billa Burke  
Councilmember John Savage

Also attending were:

City Manager J. Mark Browne  
Finance Director Cynthia Barr  
Information Services Manager Marian Vargas  
Interim Community Development Director David Harris  
Human Resources Manager Lori Harris  
City Secretary Jennifer Reyna  
Fire Chief Buddy Kuhn  
Chief Police Rick Pruitt  
Public Works Director Pat Sullivan

Absent were:

Mayor Pro-Tempore Bobby Rosenthal  
City Attorney Mike Brennan

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Mayor Louis Cooper opened the meeting at 8:36 a.m.

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*Item #1* Mayor Cooper read the following caption.

**Discuss the FY2014-2015 Budget**

City Manager Mark Browne welcomed Council. He stated the proposed budget had been developed to be consistent with the established mission, vision, and goals of the City of Alamo Heights. The budget provided a fiscal plan to accomplish items highlighted in the 2014/2015 Strategic Action Plan (SAP).

Mr. Browne introduced Finance Director Cynthia Barr. Ms. Barr thanked staff for their coordination in establishing the proposed FY2014/2015 budget. She began with property tax

information and reported that per Bexar Appraisal District (BAD), property valuation had an increase of 5.37% over 2013 with preliminary totals for 2014 net taxable value of \$1,463.2 Million. She noted the certified values are expected by July 25<sup>th</sup>. She informed Council that the budget was prepared with the assumption of not raising taxes. She noted that Alamo Heights has one of the lowest tax rates (.390262) within the larger metropolitan area. Ms. Barr displayed the 2013 tax rate comparison of suburban cities. Ms. Barr provided a sample statement of property taxes for an Alamo Heights resident along with other respective entities. Ms. Barr 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. Based on this assumption, the Maintenance and Operating (M&O) portion of the tax rate had decreased and is actually one cent less than the 2003 rate adopted by Council. She presented a bar graph of the tax values since 2003 displaying the M&O and Interest and Sinking (I&S) tax rates. She stated the effective and rollback tax rate will be calculated when the certified value data is received from BAD.

Mayor Cooper noted taxes had not been increased as long as he has served Council. He commented the different needs within the City: electrical and lighting, street maintenance, and beautification to include sidewalks. He expressed the need to increase taxes with specific goals in mind. Mayor Cooper stated savings in small increments is ideal. He shared an example of striping streets, as well as placing addresses on houses. Councilmember Lynda Billa Burke agreed with Mayor Cooper and stated maintenance is important and cost effective when planning in advance.

There was a brief discussion among Council regarding raising taxes and the possibility of a bond to meet the City's needs. Councilmember Bobby Hasslocher shared an example of a location that is in need of street maintenance. Public Works Director Pat Sullivan stated paved streets had been conducted; however, curbs had been neglected. Councilmember Billa Burke emphasized the need of a plan to include maintenance and safety. Mr. Browne informed Council that funds had decreased and shared that Public Works' budget is limited and noted prices had increased. Council discussed the possibility of a bond election in November 2014 or May 2015. Mayor Cooper asked Ms. Barr to explore different percentages of tax increases. Ms. Barr agreed.

Mayor Cooper commented that the City may ask citizens to assist in donating money to cover costs of landscaping or beautification. Council agreed. Mayor Cooper gave an example in which the City of Olmos Park inquired with their residents in donating money for the purpose of a city's need. He reminded Council of resident Cappy Lawton that purchased trees for the beautification along Alamo Heights Boulevard.

Ms. Barr 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 2013 tax year will increase slightly. She stated properties qualifying for the freeze decreased the total taxable value by \$338,544,255.

Ms. Barr 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. She presented a pie chart that

displayed proposed general fund revenues and briefly explained the different categorized revenues.

Ms. Barr presented a summary of the general fund account, and pie graphs of the general fund revenues and departmental allocations. Ms. Barr reviewed the general fund regarding departmental allocation, revenues, and transfers. She stated the proposed general fund operating budget will produce \$354,825 in working capital. Ms. Barr provided a departmental allocation with 59% of budget allocated to Police and Fire/EMS departments. Public Works Department represented 20% of the general fund budget; Administration & Finance, Municipal Court and Information Technology represented 17%, and Community Development Services Department represented 4% of the departmental allocations. She also presented information on the utility fund related to revenues, appropriations and working capital.

Ms. Barr informed Council of the recent bond rating for the City, AAA, which is at the highest. She stated she will speak to auditors regarding letters of credit, cash, and monthly operating expenses to not impact bond election.

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.

Ms. Barr began her budget presentation for the Administration department. Ms. Barr identified improvements that included Server/IT system replacement and upgrade to include an email archiver, and paperless agenda for staff. Information Services Manager Marian Vargas explained the necessity of the request and noted there may be savings due to the timing of replacing IT server with the new facilities. Ms. Vargas briefly explained the paperless agenda for staff to include the purchase of iPads and monthly data plans.

Ms. Barr reviewed the graph that displayed information related to personal services, commodities, contractual services, capital outlay and authorized positions. She highlighted the contractual amount for furniture. She thanked Council for not including the furniture payment in the bond. Ms. Barr reviewed the employee compensation and benefit enhancement. Program changes included a 2% Cost of Living Allowance (COLA), and an additional certification pay for Administration staff to be effective October 1, 2014. Ms. Barr reviewed authorized positions within all departments. She noted the Texas Municipal Retirement System (TMRS) rate had increased by 2% due to the increased life expectancy of retirees. Councilmember John Savage noted the mortality rates are constantly outdated when TMRS presents increased rates. Councilmember Hasslocher asked the status of personnel. Human Resources Manager Lori Harris stated the City is not very competitive related to benefits; and that salary surveys received are based on job title and not on job description. Mayor Cooper asked about succession planning regarding the necessity of a building official. Interim Community Development Director David Harris explained the city is light on enforcement because there is not a full-time personnel to address that. Mr. Browne added that a code enforcer is needed; however, may not be a full-time position and may work in the Police Department as well. Mayor Cooper commented there is

lack of personnel support and noted the Community Development Department is a department that receives applications and complaints on a daily basis.

Ms. Barr presented an improvement regarding funding from the Comprehensive Plan to include the purchase and installation of additional pole banners. Mr. Browne stated the additional pole banners are for the north side of Broadway. Mayor Cooper stated that Mayor Pro Tem Bobby Rosenthal requested this item and viewed the project as a simple beautification effort to inform citizens when they are in Alamo Heights.

Ms. Barr concluded her presentation with the schedule of upcoming dates related to budget, ad valorem tax rate and public hearings.

A break was conducted at 10:06 a.m. and Mayor Cooper reconvened the meeting at 10:19 a.m.

Police Chief Rick Pruitt presented budget information for the Police and Dispatch Department. He identified improvements which were the purchase of one vehicle mount thermal image camera, six replacement tasers, one crime scene photography upgrade and eight replacement ballistic vests. He identified capital replacement improvements included two Ford Interceptor SUV police vehicles replacing two 2010 Ford Crown Victoria Sedans, related equipment needs, and programmed funding.

Police Chief Pruitt stated authorized positions in the Police and Public Safety Dispatch Departments are steady; however, noted the increase accommodating TMRS at the new rate. Police Chief Pruitt explained additional funds were requested for the Animal Care Services program to off-set a reduction in grant funding for FY2014-15.

Fire Chief Buddy Kuhn presented budget information for the Fire/EMS Department. He reviewed action steps for the Fire Department that included the completion of P25 radio compliance to meet FCC mandates, tree trimming, complete assessment of on-street parking on narrow streets, establish kitchen safety program, completion on curb flattening on Vanderhoeven, update City fire code to 2015 edition, work with Police Department on Citizen's academy, establish large item capital replacement and work with other City staff on a five-year SAP.

Mayor Cooper asked additional information regarding the curb flattening on Vanderhoeven. He expressed to remove the island and return to its original state. Mr. Browne shared that this item will be presented to Council in August for further consideration.

Fire Chief Kuhn highlighted good fiscal management with the increase of TMRS rates included in personnel services as well. He noted commodities and contractual services had increased due to the construction of facilities with the consideration of maintenance with an elevator, sprinkler system, and additional windows.

Fire Chief Kuhn continued with action steps for the EMS Department with the implementation of iPads for patient care reporting to carry over and noted savings with continued

use. He identified additional action steps that included training 5% of City residents on Hands Only CPR, first aid training for business owners, and continue training of AHISD students in CPR which is noted part of the school's course curriculum.

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.

Mr. Sullivan reviewed the departmental chart on Public Works for personal services, commodities, contractual services, capital outlay, and authorized positions. He noted the capital outlay is the monies collected from storm water and set aside for unexpected items.

Mr. Sullivan identified action steps for the Utilities Department: water main installation by City forces in resolving 4X2 issues (contract boring) and set back two fire hydrants along E. Fair Oaks between Broadway and Vanderhoeven.

Mr. Sullivan stated improvements within the Utilities Department are 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.

Interim Community Development Department Director David Harris presented budget information for the department. Mr. Harris began his presentation complimenting Coordinator Lety Hernandez for her level of commitment and talents contributing to public service within the department. He identified an increase of budget in contract labor for additional building inspections. The hiring of an outside consultant to revise business district design and sign standards is not currently in the budget. However, it is identified as a proposed budget item/action step. This project would include analyzing existing zoning code, comprehensive plan, conduct a charette, draft and adopt standards, and codify.

Councilmember Billa Burke expressed support in the hiring of an outside consultant to focus on the business district and asked about the timeline of the project.

Mr. Harris responded 18 to 24 months for the timeline.

Mr. Harris noted the differences between the project and proposed budgets due to vacancies and contracted building inspector.

Councilmember Savage asked if it was necessary to have full staff with monies requested for building inspector.

Mr. Browne responded to Councilmember Savage that SGR had been leading the recruitment for the director position and noted it had been open since June. He reported the building inspector position had not been filled and the budget is to consider a contracted position.

Mr. Browne summarized Council's feedback: staff is to explore a potential tax increase, current staffing levels and propose any adjustments.

Council thanked staff for being cost conscientious.

There being no further business, Mayor Cooper adjourned the meeting at 11:02 a.m.

  
Jennifer Reyna  
City Secretary

  
Louis Cooper  
Mayor