

CITY OF ALAMO HEIGHTS  
CITY COUNCIL  
August 24, 2015

A regular meeting of the City Council of the City of Alamo Heights, Texas was held at Council Chambers, located at 6116 Broadway, San Antonio, Texas, at 5:30 p.m. on Monday, August 24, 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  
City Attorney Mike Brenan  
Community Development Services Department Director Jason Lutz  
Human Resource Manager Lori Harris  
City Secretary Jennifer Reyna  
Chief Police Rick Pruitt  
Public Works Director Pat Sullivan

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Mayor Louis Cooper opened the meeting at 5:30 p.m.

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*Item # 1      Approval of Minutes*

Mayor Cooper asked City Council for any revisions to the minutes of the July 30, 2015, Budget Work Session and August 10, 2015 Council Meeting. A motion was made by Councilmember Fred Prassel to approve the minutes of July 30, 2015 and August 10, 2015. The motion was seconded by Mayor Pro Tem Lynda Billa Burke and passed by unanimous vote.

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*Item #2      Citizens to be heard concerning items not on the agenda*

No one signed up to speak.

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Public Hearing

Item # 3 Mayor Cooper read the following caption.

**First Public Hearing on FY 2016 Ad Valorem Taxes**

At 5:31 p.m., Mayor Cooper opened the public hearing. No one signed up to speak. The public hearing closed at 5:32 p.m.

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Items for Individual Consideration

Item # 4 Mayor Cooper read the following caption.

**Planning and Zoning Commission Case No. 374, public hearing, consideration, and action to consider a request to replat properties currently known as 123, 129, and 131 Terrell Road, identified as Lot 38, Block 12, CB 4050, and property zoned currently as 133 Terrell Road, identified as Lot 26, Block 12, CB 4050**

Community Development Services Department Director Jason Lutz made a PowerPoint presentation that included background information, current and proposed plats.

Mr. Lutz identified the project and stated the applicant is seeking to replat the property in order to combine two existing lots into one lot for the construction of a multi-family condominium project. He stated the property is composed of an approximate 0.689 acre tract of land consisting of portions of Lots 38 and 26, Block 12, CB 4040, Madeliene Terrace subdivision, located at 123, 129, 131, and 133 Terrell Road. He commented that originally the property consisted of Lots 23, 24, 25, and 26; however, a replat was approved and recorded which combined lots 23, 24, and 25, creating lot 38. He informed Council that the proposed plat will establish Lot 39, Block 12, CB 4050 of the Madeliene Terrace subdivision. Lot 39 will consist of 0.689 acres with 200 feet of frontage along Terrell Road. Mr. Lutz stated a 14' public utility easement had been provided along the frontage adjacent to Terrell Road. A 12' public utility easement which reduced to 10' had been provided along the rear of the property. Staff received approval from SAWS and CPS Energy. Staff received one response in support and none in opposition to the project.

Mayor Cooper opened the public hearing at 5:33 p.m. No one signed up to speak. The public hearing was closed at 5:34 p.m.

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

*Item # 5* Mayor Cooper read the following caption.

**Discussion and possible action to approve the competitive sealed proposal method for soliciting bids for health, vision, and dental for 2016**

Human Resource Manager Lori Harris made a PowerPoint presentation that included background information.

Ms. Harris stated insurance rates are anticipated to be received reflecting a possible 20% increase to health, vision, and dental insurance. She informed Council that an advertisement would be made in the *San Antonio Express-News* soliciting proposals. Ms. Harris stated the process would be expedited once renewal rates have been received. She requested approval from Council to proceed with the best process in obtaining the best health, vision, and dental insurance carriers.

A motion for approval was made by Councilmember John Savage. The motion was seconded by Councilmember Fred Prassel and passed by unanimous vote.

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*Staff Report*

*Item # 6* Mayor Cooper read the following caption.

**Discussion and staff direction concerning short-term rentals and possible regulations**

Mr. Lutz made a PowerPoint presentation that included background information.

Mr. Lutz informed Council that Short-Term Rental Properties (STRs) are a worldwide commercial operation in which property is rented out in upscale neighborhoods for a time period of 30 days or less. He commented the City's zoning code does not permit Bed and Breakfast facilities within the city limits; however, short-term rentals are not addressed and the use of properties had increased in recent years. He stated within the City, there are three properties identified as STRs. A map displayed the properties identified as STRs.

Mr. Lutz shared the negative benefits STRs can have on communities to include additional traffic, parking issues, problems with tenants not respecting neighbors, high occupancy rates, and noise.

Mr. Lutz provided Council examples of issues to consider prior to enacting regulations concerning STRs and briefly highlighted the public notification process. He reminded Council that to pursue action, the issue must first be considered by the Planning and Zoning Commission and returned to Council.

Mayor Cooper asked City Attorney Mike Brenan what the City of Windcrest finalized. City Attorney Mike Brenan responded that it is still in progress. He shared a public hearing had been conducted at the City of Windcrest Planning & Zoning Commission meeting to make a recommendation to their Council. He stated that earlier in the summer increased traffic was observed over a weekend, which was brought to the City of Windcrest's attention. He commented the City of Windcrest encountered opposition to an ordinance regulating short-term rentals as a local homeowner operated a few homes within their community and is a highly paid local executive involved in STRs.

Councilmember Rosenthal stated short-term rentals are frequently used at the appropriate location; however, expressed in his opinion, not in Alamo Heights. Councilmember Jessee stated short-term rentals are common within the City of Austin because of the shortage of hotels. Council commented the City of Alamo Heights is a unique community. Mr. Brenan shared the City of Shavano Park also considered a short-term ordinance supporting short-term rentals in excess of 90 days.

Mr. Lutz stated the City of Austin embraced the short-term rental; however, they are scaling back their ordinance to be more restrictive. He stated the City is reconsidering due to concerns of neighbors and high occupancy.

The following citizen spoke on this matter:

Sylvia Wong, resident, asked if the properties within Alamo Heights has been owned by the same company. She encouraged the property owner to be screened with a background check including a credit check.

Mr. Lutz responded to Ms. Wong that properties identified were represented by Vacation Rental by Owner, (VRBO).

Mayor Cooper stated the City shall further explore the issue. Mr. Brenan recommended Council refer to the Planning and Zoning Commission and return back to the Council. Council agreed.

*Item # 7* Mayor Cooper read the following caption.

### **Update on Water Meter Reading Services**

Finance Director Robert Galindo made a PowerPoint presentation that included an update, photo, and chart.

Mr. Galindo informed Council that the contract with SAWS terminated on December 2013 and is currently on a month-to-month contract through October 2015. He stated a Request for Proposal (RFP) was issued on June 17th with a deadline of July 20th with no submitted responses. He informed Council that SAWS is agreeing to provide services for an additional \$1,000 per month for nine months.

Mr. Galindo provided alternate options for the City. Three additional full time personnel may be hired to read meters. He stated a request for proposal may be re-issued solely on water meter reading. Another option was the issuance of an RFP for Automated Meter Reads (AMR) to replace current analog meters. He stated with AMRs meter readings may be done with current personnel and data is transmitted to the vehicle as the driver passes by. He provided photos of a meter and register. Mr. Galindo shared the cost for meter replacement is estimated at \$1 million dollars. He stated there are finance options such as tax notes, certificate of obligation bonds, or financing through the vendor.

Mr. Galindo provided a chart of annual savings and revenues with the investment in AMR meters and technology. He stated the purchase of new meters includes a ten-year warranty. He stated cities have shared with him the purchase of AMRs provides an accurate reading and an increase of revenues. Mr. Browne added that \$60,000 would be reserved on an annual basis for the replacement of old analog meters if this proposal was not adopted.

Council asked questions regarding cost of hiring additional personnel, financing options, in-kind conservation funds, and compatibility with current technology system. Related to financing, Councilmember Rosenthal recommended use 1/3 of the cost amount to purchase AMRs with CIED funds and finance the remaining amount with a different finance option. Councilmember Prassel agreed. Councilmember Savage stated the use of CIED funds may not be necessary. Mayor Cooper suggested looking for conservation measures funding programs to offset costs.

Mr. Galindo responded to Council's questions. He stated hiring additional personnel would include benefits and noted the risk of workers compensation. He stated savings would be realized with new AMRs and there may not be debt service impact on property taxes. Assistant to the City Manager Marian Mendoza stated the AMRs would be compatible with the SCADA system.

The following citizen spoke on this matter:

Sylvia Wong, resident, asked questions about the AMRs regarding the amount of radio frequency, location of AMRs, and the concern with the current analog meter system. She encouraged maintaining the current analog meters and test a block with new AMRs to observe benefits. Ms. Wong suggested an emergency leak number as she shared she had called numerous times for someone to address water leakages.

Mr. Galindo stated the amount of the radio frequency is unknown; however, it is transmitting solely when data is being collected. Ms. Mendoza explained the information is transmitted to the drive-by meter reads once a month. Mr. Browne added that the AMR is not a smart digital meter and commented there is no continuous data transmission. Mr. Galindo stated the intent is to replace the AMRs at the same location. He stated there is a need to standardize the system, as he noted the analog meters are nine years old.

There was a brief discussion among Council on the process of addressing water leaks. Public Works Director Pat Sullivan stated that a work order is issued. Police Chief Rick Pruitt stated that during the weekend, water leaks are reported to the dispatchers and thereafter coordinated with the Public Works Department to address the concern. Councilmember Prassel commented that homeowners are responsible for contacting a plumber to address water leakage on private property.

Mr. Galindo summarized to go forth with AMRs and issue RFP. Council agreed.

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There being no further business, a motion was made by Councilmember Prassel to adjourn the meeting. The motion was seconded by Mayor Pro Tem Billa Burke and passed by unanimous vote. Mayor Cooper adjourned the meeting at 6:16 p.m.

  
Jennifer Reyna  
City Secretary

  
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Louis Cooper  
Mayor