

CITY OF ALAMO HEIGHTS
CITY COUNCIL
August 8, 2016

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 8, 2016.

Present and composing a quorum were:

Mayor Louis Cooper
Mayor Pro-Tempore Fred Prassel
Councilmember Lawson Jessee
Councilmember Bobby Rosenthal
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
Finance Director Robert Galindo
Community Development Services Department Director Jason Lutz
Human Resource Manager Lori Harris
Chief Police Rick Pruitt
Public Works Director Pat Sullivan

Absent was:

Councilmember Lynda Billa Burke

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Mayor Louis Cooper opened the meeting at 5:31 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 19, 2016, Budget Work Session and July 25, 2016 City Council meeting. A motion was made by Councilmember Bobby Rosenthal to approve the minutes of July 19, 2016 Budget Work Session and July 25, 2016 City Council meeting. The motion was seconded by Councilmember Mayor Pro Tem Fred Prassel and passed by unanimous vote.

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Item # 2 Announcement

Mayor Cooper read the following caption.

a. Soler Sports '09 Triathlon, August 20, 2016

Community Development Department Services Director Jason Lutz announced Soler Sports is hosting their 15th annual Dam '09 Triathlon on Saturday, August 20, 2016. The event is hosted by a local organization and scheduled to begin at 7:00 a.m. at the Alamo Heights Swimming Pool. He presented the route for the triathlon.

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Item # 3 Citizens to be heard concerning items not on the agenda

Joan Solomon, resident, expressed frustration on the students parking specifically in front of her property. She shared that students give her attitude and talk in foul language to her and how challenging it is to back out of her home. She commented that she is exhausted talking to the school and the City and no one addresses the issue. She stated something needs to be done.

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Items for Individual Consideration

Item # 4 Mayor Cooper read the following caption.

Architectural Review Board Case No. 630F, request of Nic Abbey Luxury Homes, owner, for the significance and compatibility review of the proposed main structure located at 517 Alta under Demolition Review Ordinance No. 1860 to demolish 100% of the existing main structure in order to construct a new single family residence with detached accessory structure

Community Development Services Director Jason Lutz stated this case returned to allow the applicant and neighbor to meet and discuss the neighbors' concerns. He reported that due to conflicting schedules and lack of availability, a meeting did not occur.

Attorney James Griffin representing Joseph and Blair Fitzsimons and Ellen Schuler was present.

A motion was made by Councilmember John Savage for the meeting with the applicant and Attorney James Griffin to occur within 30 days for consideration at the

September 12th Council meeting. The motion was seconded by Councilmember Bobby Rosenthal and passed by unanimous vote.

Item # 5 Mayor Cooper read the following caption.

ORDINANCE NO. 2055

AN ORDINANCE ACCEPTING THE LOWEST BID OF \$251,338 FROM LONESTAR PAVING FOR THE VARIOUS STREETS IDENTIFIED IN THE CITY'S 2016 STREET MAINTENANCE PROGRAM PLUS A 5% CONTIGENCY OF \$12,567 FOR A TOTAL AUTHORIZATION OF \$263,905

Public Works Director Patrick Sullivan made a PowerPoint presentation that included background information and the process.

Mr. Sullivan stated Freese & Nichols secured bids for the 2016 Street Maintenance Program (SMP). The bids were issued in June 2016 and three bids were received. Lonestar Paving, Clark Construction, and Austin Materials LLC submitted bids for this project. Mr. Sullivan identified the streets in which work will be conducted. He stated the project included approximately 14,000 square yards of roadway improvements, utilizing both milling and overlay of existing surfaces and full depth reconstruction.

Council asked questions related to when construction will begin, provision within the contract if vendor fails to complete, and history of the vendor.

Mr. Sullivan responded that construction may begin in mid-September. He stated the vendor has a specific amount of time to complete the project. He shared that Lonestar Paving is from Austin and they have all the equipment they need for the project.

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

Item # 6 Mayor Cooper read the following caption.

ORDINANCE NO. 2056

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF ALAMO HEIGHTS, TEXAS TO ORDER A SPECIAL ELECTION TO BE HELD IN THE CITY OF ALAMO HEIGHTS, TEXAS FOR THE PURPOSE OF VOTING ON REAUTHORIZING A LOCAL SALES AND USE TAX TO PROVIDE REVENUE FOR MAINTENANCE AND REPAIR OF MUNICIPAL STREETS; MAKING PROVISIONS FOR THE CONDUCT OF SUCH SPECIAL ELECTION; AND RESOLVING OTHER MATTERS TO THE CONDUCT OF SUCH SPECIAL ELECTION

Una Ordenanza del consejo municipal del la ciudad de Alamo heights, Texas para ordenar una elección especial que se celebrara en la ciudad de Alamo Heights, Texas para el propósito de votar sobre la reautorización de un impuesto local de uso y venta para proveer ingresos para el mantenimiento y la reparación de las calles del municipio; hacer provisiones para la celebración de dicha elección especial; y resolver otros asuntos relacionados con la celebración de dicha elección especial

City Secretary Jennifer Reyna made a PowerPoint presentation that included background and election information.

Ms. Reyna informed Council that on November 6, 2012, voters approved the reauthorization of a one-fourth percent sales and use tax for street maintenance. She stated the current authorization to collect the revenues based on the sales tax will expire on March 31, 2017. According to Texas Tax Code Chapter 327, an election is required for the purpose of the reauthorization of a local sales and use tax for maintenance and repair of municipality streets. Reauthorization of a local sales and use tax will be good for a period of four years and if approved will expire March 31, 2021.

Ms. Reyna stated early voting activities would be conducted at all Bexar County designated sites, including Lion's Field Adult and Senior Center, Olmos Park City Hall and Tobin Library. Ms. Reyna added that on Tuesday, November 8, 2016 (election day), voting would be conducted at Alamo Heights Baptist Church for Precincts 3020 and 3026. Alamo Heights City Hall will be the election day polling site for Precinct 3025.

Voting information will be available on the City's website, newsletter, and publications will be in the *San Antonio Express-News* and *La Prensa*.

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

Mayor Cooper announced that Item # 9 is considered next.

Staff Reports

Item # 9 Mayor Cooper read the following caption.

Notice of Intent to Develop – 220 Grove Place

Mr. Lutz provided background information about the intent to develop a project at 220 Grove Place. He reviewed the proposed timeline of the proposed project. He identified the proposed project as a single-family attached project of four units, three-story high with the parking located on the first floor.

Mr. Omar Land, Land Modern, introduced himself and provided his background information and professional experience. He provided a map of similar units found within the area. He presented schemes and elevations of the project.

Items for Individual Consideration (cont'd)

Item # 7 Mayor Cooper read the following caption.

Presentation of Proposed FY 2016 – 2017 Operating Budget and scheduling public budget hearings

Mr. Browne made a PowerPoint presentation that included the tax rate, General Fund budget, Governmental Funds, Utility Fund Revenues and Allocations, and Capital Projects Fund. Mr. Browne stated the proposed budget included Good Friday as an additional city holiday for a total of 13 holidays. He explained 35% of local cities offer Good Friday as a holiday.

Mr. Browne reviewed the current property tax information. He stated the current 2016 tax rate of \$0.389900 per \$100 valuation. He proposed the Maintenance and Operation (M&O) rate of \$0.332900 to pay for operations and proposed Interest and Sinking (I&S) rate of \$0.057000 to pay for debt service.

Mr. Browne presented the FY 2016-2017 General Fund budget to include projected beginning balance, operating revenues, departmental allocations, working capital, and operating reserve (25% of departmental allocations). Also included in the presentation was the proposed transfers to the Capital Replacement and Comprehensive Plan Funds. He stated there are no transfers proposed for the Street Maintenance Fund and Capital Project Fund. Mr. Browne reviewed projected fund balances, revenues/transfers, and expenditures to the Comprehensive Plan, Street Maintenance Fund, Capital Projects, and Capital Replacement Fund and explained proposed expenditures.

Mr. Browne reviewed the proposed Utility Fund budget to include proposed revenues, operating expenses, capital expenditures, transfers to General Fund, and operating reserve. He briefly explained the planned capital expenditures to include the contract replacement of an obsolete sewer line on Harrigan Court, purchase of a pickup truck, and debt payment for bonds. He stated a transfer is proposed from the Utility Fund to go to the General Fund as had been consistent in prior years.

Mr. Browne continued with Capital Projects Fund stating the proposed capital expenditure is \$50,000 for the City's branding plan. He noted the capital projects fund has the Community Infrastructure and Economic Development (CIED) monies.

Mr. Browne thanked staff for their hard work in preparation of the budget.

Item # 8 Mayor Cooper read the following caption.

Discussion and possible action to set the proposed FY 2017 tax rate and scheduling public hearings

Finance Director Robert Galindo made a PowerPoint presentation that included background information on the proposed tax rate.

Mr. Galindo referenced Chapter 26 of the Texas Property Code related to effective tax rate/rollback rate, publication of notices and adoption of the tax rate. He announced the total tax rate is proposed to remain at \$0.389900 per \$100 evaluation. He noted it is lower than last year's. The proposed Maintenance and Operation (M&O) rate is \$0.332900 for operations. The proposed Interest and Sinking (I&S) rate of \$0.057000 to pay for debt service.

Mr. Galindo presented information to include freeze adjusted taxable value, effective and rollback tax rates. He stated the effective tax rate is 0.377771 and the rollback tax rate is 0.414915. He informed Council the proposed tax rate exceeds the effective tax rate which requires the City to hold public hearings which are scheduled on Monday, August 22nd and Monday, September 12th.

Mr. Galindo concluded his presentation with a schedule of upcoming budget and tax rate hearings. There is a public hearing scheduled on Monday, August 22, 2016 on the 2016 proposed ad valorem tax rate. The second public hearing for the ad valorem tax rate is Monday, September 12th as well the first public hearing for FY2016 proposed budget. On September 26, 2016, Council will consider and adopt the proposed budget and 2016 ad valorem tax rate.

A motion for approval was made by Mayor Pro Tem Prassel to set the proposed FY 2016 tax rate as \$0.389900 per \$100 valuation composed of the M&O rate of \$0.332900 and I&S rate of \$0.057000. The motion was seconded by Councilmember Rosenthal and passed by unanimous vote.

A motion for approval was made by Mayor Pro Tem Prassel to conduct public hearings for August 22nd and September 12th. The motion was seconded by Councilmember Savage and passed by unanimous vote.

Staff Reports (cont'd)

Item # 10 Mayor Cooper read the following caption.

Proposed policy document governing 380 Agreements for the City of Alamo Heights

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

Mr. Lutz explained the purposes of a 380 agreement are economic development tools used to encourage economic development throughout the State of Texas. They

enable cities to provide incentives encouraging developers to build in their jurisdictions. He provided a list of benefits/incentives that are offered. He stated the project will result in a minimum increased taxable value for the City of \$200,000 in real and business personal property.

Mr. Lutz outlined the requirements and stated 380 agreements are entered by a resolution. He informed Council of the additional considerations to include number and types of jobs retained or created, financial capacity of the applicant to undertake and complete the proposed project, other incentive programs for which the applicant has applied or is qualified, market conditions and growth potential for the business activity, improvement and/or renovation of existing structures, and improvements to the public realm.

Mayor Cooper encouraged staff to consult with Attorney Frank Burney before moving forward due to his experience with these type of agreements. He expressed that the minimum threshold should be increased to the millions rather than \$200,000.

Councilmember Rosenthal stated 380 agreements can be effective and noted that Bexar County does have 380 agreements. He asked if credits are provided for ad valorem or sales taxes or both. He asked if 380 agreements are applicable to existing projects.

Mr. Lutz responded 380 agreements are customized and are for new projects to spur economic development.

Councilmember Jessee stated the burial of underground lines is one of the city's goals. He shared other possible options to consider as incentives for 380 agreements to encourage development and burying power lines.

The following citizens spoke on this item:

Kimberly Lubianski, resident, stated a 380 agreement is a flexible document. She agreed with Mayor Cooper that \$200,000 threshold is low and may encompass other incentives. She stated durations and other incentives were not included in the policy. Ms. Lubianski noted the policy lacked process and it was unclear as who would review the application, the department or a committee.

Fernando Centeno, resident, referenced the Texas Economic Development Act and noted the purpose is to encourage large scale projects. He recommended staff define economic development and the purpose.

Mayor Cooper thanked Mr. Lutz on the research. Council agreed to have a policy and process in place before requests are made and work with an attorney. Councilmember Jessee agreed with citizens' comments defining the policy providing specific definitions and outlining the city's goals.

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There being no further business, a motion was made by Mayor Pro Tem Prassel to adjourn the meeting. The motion was seconded by Councilmember Savage and passed by unanimous vote. Mayor Cooper adjourned the meeting at 6:30 p.m.


Jennifer Reyna
City Secretary



Louis Cooper
Mayor