

CITY OF ALAMO HEIGHTS
CITY COUNCIL
November 13, 2017

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, November 13, 2017.

Present and composing a quorum were:

Mayor Bobby Rosenthal
Mayor Pro Tempore Lawson Jessee
Councilmember Wes Sharples
Councilmember Fred Prassel
Councilmember Lynda Billa Burke
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 Resources Manager Lori Harris
City Secretary Jennifer Reyna
Lieutenant Chief Police Cindy Pruitt
Public Works Director Pat Sullivan

Absent was:

Chief Police Rick Pruitt

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Mayor Bobby Rosenthal opened the meeting at 5:30 p.m.

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Item # 1 Approval of Minutes

Mayor Rosenthal asked City Council for any revisions to the minutes of the October 23, 2017, Council Meeting. A motion was made by Mayor Pro Tem Lawson Jessee to approve the minutes of October 23, 2017. The motion was seconded by Councilmember Lynda Billa Burke and passed by unanimous vote.

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Announcements

Item # 2 Mayor Rosenthal read the following captions.

a. 40th Annual Alamo Heights Chamber of Commerce Holiday Parade on Broadway, November 18th

Community Development Services Department Director Jason Lutz reminded the audience of the upcoming 40th Annual Alamo Heights Chamber of Commerce Holiday Parade on Broadway. It is scheduled for Saturday, November 18th. It will begin at 5:00 p.m. until 6:30 p.m. He presented the parade route.

b. Tricentennial Celebration

City Secretary Jennifer Reyna announced Bexar County Bibliotech and the City of San Antonio has asked surrounding cities to highlight their history during the tricentennial celebration scheduled for May 2018. Ms. Reyna stated she is going to digitalize the history of Alamo Heights. She invited the public to contact her if they would like to share their photos, memories, and stories or provide an interview. She's available at 210-832-2209 or jreyna@alamoheightstx.gov.

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

There were no citizens that signed up to speak.

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Public Hearings

Item # 4 Mayor Rosenthal stated this item is postponed until further notice. Item # 5 was considered next.

Planning and Zoning Commission Case # 395, public hearing, consideration, and action will take place for consideration of a request to replat the property currently known 171 Barilla Place, identified as CB 4050, BLK 10, Lots 32 & 33

Item # 5 Mayor Rosenthal read the following caption.

Planning and Zoning Commission Case # 396, public hearing, consideration, and action will take place for consideration of a request to replat the property currently known 415 La Jara, identified as CB 4024, BLK 10, Lot 9R and 622 Evans Ave., identified as CB 4024, BLK 10, Lot 10R

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

Mr. Lutz identified the project and stated the applicant is seeking to modify/move the interior lot line to the west by 35' in order to increase the lot size on proposed Lot 10R and reduce Lot 9R to 65' in width. The applicant is requesting to replat the properties located at 415 La Jara and 622 Evans Avenue to establish Lots 9R-B and 10R-B Block 171.

In May 2017, the Planning and Zoning (P&Z) Commission and Council approved the replat of two lots and a portion of a third lot into two new lots. Mr. Lutz stated a 10' utility easement had been maintained along the frontage adjacent to Evans Avenue, across Lot 9R-B. A 10' wide (16' high overhead easement) had been provided across Lot 10R-B, adjacent to Evans Avenue. The current and proposed plats were presented.

P&Z reviewed and approved the replat request on November 6, 2017 with the condition the applicant provide documentation from CPS Energy approving the plat and easements. Mr. Lutz noted the department had received the letter of approval from CPS Energy. Staff did not receive any postcards from property owners within the 200-foot radius of the property in support or opposition of the replat request.

Mayor Rosenthal opened the public hearing at 5:36 p.m. Since no one spoke, the public hearing closed at 5:37 p.m.

A motion for approval was made by Mayor Pro Tem Lawson Jessee. The motion was seconded by Councilmember John Savage and passed by unanimous vote.

Item # 6 Mayor Rosenthal read the following caption.

Planning and Zoning Commission Case # 397, public hearing, consideration, and action will take place for consideration of a request to replat the property currently known 5410 Broadway Street, identified as CB 4050, BLK 1, Lot 4 & SE PT of 2 & 3

Mr. Lutz made a PowerPoint presentation that include background information and the current/proposed plats.

Mr. Lutz identified the project and stated the applicant is seeking to combine multiple lots, in order to demolish the existing structure and construct a new commercial facility. The plat will establish Lot 9, Block 1, CB 4050 of the Madeline Terrace Subdivision. Lot 9 is a 0.346 acre lot and will have 89.49' of frontage along Broadway. Photos of the current and proposed plats were presented.

On November 6, 2017, P&Z reviewed and approved the replat request with the following conditions: 1) new construction adhere to the building codes and 2) the title be modified to read, "REPLAT ESTABLISHING LOT 9, BLOCK 1, OF THE MADELINE TERRACE SUBDIVISION", 3) match all references to the subdivision name to the title, and 4) removing the topo/contour information from the plat. Any required easements for utilities will need to be added to the plat and conditions need to be satisfied prior to recording of the plat. Mr. Lutz reported CPS Energy is requesting an easement along the frontage and the applicant is concerned with regulations of zoning code with a zero setback. An approval letter from CPS Energy is still pending. Staff did not receive any postcards from property owners within the 200-foot radius of the property in support or opposition of the replat request.

City Attorney Brenan asked if the applicant desires to waive or extend the 30-day plat approval deadline provided by the State. He explained the approval process if Council approved or disapproved the replat request with outstanding contingencies. He expressed concern if the item is approved with outstanding conditions then it is considered automatically approved; however, noted there is still lack communication from CPS Energy. Mr. Brenan recommended to waive the 30-day deadline to meet contingencies.

Mr. Jose Sosa, Engineer, Project Manager, M&S Engineering, stated the applicant wants to move forward and as a project manager he did not have authority to waive the 30-day deadline.

Mr. Alonzo Alston, Architect, commented the increase on the setback is not in the applicant's favor. He stated if CPS Energy provides approval then the project will move forward. If the applicant and CPS Energy are not in alignment, then a renovation will be considered.

There was discussion among Council, Mr. Brenan and the applicant's representatives regarding the process, options, timeframe, and coordination with CPS Energy.

Mayor Rosenthal opened the public hearing at 5:47 p.m. Since no one spoke, the public hearing closed at 5:48 p.m.

A motion for a conditional disapproval was made by Mayor Pro Tem Jessee Councilmember subject to approval from CPS Energy and P&Z recommendations within 90-days from tonight's meeting. The motion was seconded by Councilmember Wes Sharples and passed by unanimous vote.

Item # 7 Mayor Rosenthal read the following caption.

Planning and Zoning Commission Case # 398, public hearing, consideration, and action will take place for consideration of a request to replat the property currently known 515 Austin Highway, identified as CB 4050, BLK 75, Lots 5 -6, 7-8, & NW PT of 9, 10, 11, & 12

Mr. Lutz made a PowerPoint presentation that included background information and current/proposed plats.

Mr. Lutz identified the project and stated the applicant is seeking to combine multiple lots in order to construct a new commercial facility. In April 2017, a 15' alley easement was abandoned by the City to assist in facilitating the construction design of the proposed facility. The plat will establish Lot 47, Block 75, CB 4050 of the Montclair Addition subdivision. Lot 47 is a 0.513 acre lot and will have 159.73' of frontage along Austin Highway and 191.69' of frontage along Albany Street. A 14' utility easement has been provided along Albany Street and Austin Highway. A 14' aerial utility easement had been provided at the northeast corner of the proposed lot for existing infrastructure. An 8' electric easement had been provided along the southern property line. Photos of the current and proposed plats were presented.

On November 6, 2017, P&Z reviewed and approved the replat request with the following conditions: 1) new construction adhere to the building codes and 2) the title be modified to read, "REPLAT ESTABLISHING LOT 47, BLOCK 75, OF THE MONTCLAIR ADDITION SUBDIVISION", and 3) match all references to the subdivision name to the title, and 4) removing the topo/contour information from the plat. The conditions will be need to be satisfied prior to recording of the plat. Staff did not receive any postcards from property owners within the 200-foot radius of the property in support or opposition of the replat request.

Mayor Rosenthal opened the public hearing at 5:49 p.m. Since no one spoke, the public hearing closed at 5:50 p.m.

A motion for approval was made by Mayor Pro Tem Jessee. The motion was seconded by Councilmember Savage. Mayor Pro Tem Jessee amended his motion for approval subject meeting to P&Z conditions. The motion was seconded by Councilmember Billa Burke and passed by unanimous vote.

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Items for Individual Consideration

Item # 8 Mayor Rosenthal read the following caption.

Architectural Review Board Case # 688F, request of Lisa Nichols, Nic Abbey Luxury Homes, owner, for the significance review of the existing main structure located at 325 Cleveland Court under Demolition Review Ordinance No. 1860 in order to demolish 100% of the existing main structure and all accessory structures

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

Mr. Lutz identified the project and stated the applicant is seeking to demolish the existing home and all accessory structures. Photos of the current structure were presented. He stated this is for demolition consideration only as compatibility plans are not available.

On November 7, 2017, the Architectural Review Board (ARB) reviewed and approved the demolition request. Staff did not receive any postcards from property owners within the 200-foot radius of the property in support or opposition of the replat request.

The following citizen spoke on this matter:

Jeffrey Knigga, neighbor, expressed concern about no formal plans for the new structure and if the new structure would be compatible with the neighborhood. He shared he has been a resident since 2003 and observed this would be the third owner of the property.

Mayor Rosenthal responded to Mr. Knigga stating it is common process to demolish the structure without an available plan; however, there will be opportunities and public notices to view new plans when they become available. City Manager Mark Browne added that new plans would be presented to ARB.

A motion for approval was made by Councilmember Fred Prassel. The motion was seconded by Councilmember Lynda Billa Burke and passed by unanimous vote.

Item # 9 Mayor Rosenthal read the following caption.

Architectural Review Board Case # 689F, request of James Japhet, applicant, representing Bellaire Financial Inc., owner, for the final design review of the proposed construction of two (2) new townhomes at the properties located at 128 & 132 Elizabeth under Chapter 2 Administration for Architectural Review

Mr. Lutz made a PowerPoint presentation that included background information, proposed site plan, renderings, and elevations.

Mr. Lutz identified the project and stated the applicant is seeking to construct a single-family attached structure consisting of one unit per lot, two lots. On August 28, 2017, Council approved the replat subdividing the lot into two lots. The single-family structure is 2,400 sq. ft. per unit, including garage. There are four covered rear parking spaces. Garages encroach into easement by 4'. CPS Energy provided a letter in support of the encroachment.

Mr. Lutz reviewed the setback, height, and lot coverages. He stated 5' sidewalks are to be installed along Elizabeth. He stated a minimum of two street trees are required in the right of way along Elizabeth which were not provided on the plan. Building materials consist of rock, stucco, and composition shingle roof. Mr. Lutz presented the proposed site plan, renderings, and elevations.

On November 7, 2017, ARB reviewed and approved the request as presented. Staff did not receive any postcards from property owners within the 200-foot radius of the property in support or opposition of the final design.

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

Item # 10 Mayor Rosenthal read the following caption.

Architectural Review Board Case No. 690F, request of Lowell Tacker of LPA, applicant, representing Alamo Heights Independent School District, owner, for the final design review of the proposed construction of a new central plant at the Alamo Heights High School located at 6900 Broadway Street under Chapter 2 Administration for Architectural Review

Mr. Lutz made a PowerPoint presentation that included background information, site plan, and exterior elevations/renderings.

Mr. Lutz identified the project and stated the applicant is seeking to construct a new central plant. He stated the central plant is part of the Alamo Heights Independent School (AHISD) bond program. Building materials for the central plant consist of a brick base and steel screening.

Mr. Lutz described the central plant. The central plant's height is approximately 44'. The mechanical equipment will extend above the metal screen 14', a structure with a 10' brick wall and a metal screen of 30'. He stated the SUP is being considered for the site to address an existing non-conforming issue. Mr. Lutz stated the project will return to P&Z and Council after ARB preliminary review. He stated the location of the central plant is being approved at this time as long as no modifications to other buildings intrude on the approved life safety and fire lane locations and stated the proposed location of the central plant is ideal as no challenges with the fire and public safety concerns. He stated the consideration for today is also to provide approval or feedback of the plant building in order for AHISD to order parts and maintain their construction schedule. The site plan, and exterior elevations/renderings were presented. Mr. Lutz stated the structures in light blue identified future construction. Mr. Lutz commented there were sound abatement levels and the central plant is 38 decibels (dBA) from the property line. He received feedback that the audio is similar as having a normal conversation with a neighbor. He stated the new central plant's decibels are lower compared to the current central plant due to technology.

On November 7, 2017, ARB reviewed and approved the request with one condition: a combination of the metal wall panel/screen be raised and the mechanical equipment be lowered, with the goal to screen the mechanical equipment from view. Mr. Lutz stated that Mr. Lowell Tacker, applicant, shared with him that during the bidding process, specifications of the metal screening may be part of the bid to comply with ARB's goal to

screen the mechanical equipment. Staff did not receive any postcards from property owners within the 200-foot radius of the property in support or opposition of the construction of a new central plant.

Mayor Pro Tem Jessee inquired about the screening on the new central plant and asked if there a generator yard.

Mr. Lutz responded some commercial codes require screening related to air conditioning units; however, since the property is zoned SF-A, it does not specify for construction of a central plant. There is uncertainty of the raising or lowering of the metal screen or if the metal screening is a separate structure. He commented there was concern related to height limitation for screening. He stated a screening over 3' must provide a 26' wide fire line. Mr. Lutz stated there is an agreement with the applicant that the additional height would be granted without providing a 20' to 26' fire lane. He stated this would not affect the site plan. He emphasized the ultimate goal is to have a screen for the mechanical equipment. Mr. Lutz stated there is no generator yard.

Mayor Rosenthal expressed concern on ARB's condition regarding the goal for the metal equipment to be screened as he commented the language may not be strong enough.

Councilmember Billa Burke inquired about the vibration within the central plant.

Mayor Pro Tem Jessee responded to Councilmember Billa Burke the cooling towers will not vibrate; however, items such as isolation/condenser pumps and chillers will be vibrating. Mr. Lutz added the metal panels are also serving as sound abatement to absorb sound.

The following citizens spoke on this matter:

Sylvia Wong, resident, referenced a picture and asked about the location of the central plant.

Mr. Lutz presented a rendering and identified the location of the central plant, next to the old tennis court near Castano, on the home side of the football field. He stated there will be multiple final reviews for each plan of the bond program and will take several years to complete.

There was a brief discussion among Council regarding condition that ARB recommended. Council agreed to have stronger language to require screening of the mechanical equipment.

A motion for approval was made by Mayor Pro Tem Jessee subject to the applicant screening mechanical equipment from view. The motion was seconded by Councilmember Billa Burke and passed by unanimous vote.

Item # 11 Mayor Rosenthal read the following caption.

ORDINANCE NO. 2091

AN ORDINANCE APPROVING AND ACCEPTING THE RENEWAL OF CONTRACTS FOR BLUECROSS-BLUESHIELD FOR EMPLOYEE HEALTH INSURANCE AND METLIFE FOR EMPLOYEE DENTAL INSURANCE AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY AGREEMENTS FOR THE PROVISION OF SUCH INSURANCE

Human Resources Manager Lori Harris made a PowerPoint presentation that included background information on the health and dental insurance renewals.

Catto & Catto and Financial Benefits Services (FBS) obtained renewals for medical and dental insurance. They received bids from the following medical insurance carriers: Blue Cross Blue Shield, Aetna, Humana, and United Healthcare. MetLife, Aetna, Humana, and United Healthcare submitted bids for dental insurance.

Ms. Harris stated the health insurance was subject to renewal and Blue Cross Blue Shield provided renewal insurance rates at a 3.30% decrease for the Health Savings Account (HSA) and a 2.15% increase for the PPO medical buy-up Plans. MetLife PPO proposed a 9.6% increase which was the lowest proposed rate for dental insurance and a \$2,131 annual increase. MetLife DHMO proposed no increase.

Ms. Harris reported there were no premium rate changes for the following insurance: vision, life, and long-term disability insurance. Ms. Harris explained the insurance premium rates for vision, life and long-term disability are still guaranteed to stay the same rate for this fiscal year.

Ms. Harris presented an additional feature of the medical insurance plan, Health Reimbursement Account (HRA). She explained it is an IRS approved, employer funded, tax-advantaged employer health benefit plan that reimburses employees for out-of-pocket medical expenses. The City of Alamo Heights will reimburse employee and dependents after they reach \$3,000 in deductibles up to the maximum out-of-pocket of \$5,000. The City will contribute \$1,250 for HSA account holders. She stated this is consistent with the City's efforts to provide quality insurance coverage.

Ms. Harris stated the City will realize savings in the amount of \$37,829 with the revised renewal insurance plan and falls within the budget. She highlighted the HRA funding is based on past activity and estimated at \$45,000.

There were questions related to the HRA. Mayor Rosenthal asked if the \$2,000 was per individual or family coverage.

Ms. Harris stated the reimbursement is based per individual coverage. City Manager Mark Browne stated it is per individual that met their deductible coverage. He

reported City staff reviewed the prior two years to make a reasonable estimate for the HRA. Mr. Browne stated the high deductible is the single benefit that is least satisfying to the employees. He stated there is a risk and this is a one-year feature subject to budget availability in the future.

Councilmember Wes Sharples asked if the \$45,000 would be sufficient to cover expenses and asked how was the estimate calculated.

Mr. Browne stated it is based on last year's claims activity because the number was higher compared to claims experience two year's ago.

President Jim Blakey, President, Catto & Catto, noted the City estimated on the higher end for the HRA. He commented the estimate is appropriate for a similar organization this size.

Mayor Pro Tem Jessee summarized the City was under budget for insurance premiums and the employees will have an HRA account if needed. He asked if the City will contribute money to HSA.

Ms. Harris responded to Mayor Pro Tem Jessee that the City will contribute again \$1,250 to HSA holders. Mr. Browne added the premium rates did go up; however, Catto & Catto received another proposal from Blue Cross Blue Shield. Benjamin Halbach, Partner, Catto & Catto Insurance, stated Blue Cross Blue Shield submitted another proposal in which no changes were made and the HRA was included. Mr. Browne further explained the HRA and noted an explanation of benefits will be required to reimburse employees once \$3,000 is met towards the insurance deductible for future expenses.

Mayor Rosenthal complimented Catto & Catto Insurance for the reduced amount of premium and amount of savings.

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

Item # 12 Mayor Rosenthal read the following caption.

ORDINANCE NO. 2092

AN ORDINANCE AUTHORIZING AND ALLOWING PLAN CHANGES UNDER THE ACT GOVERNING THE TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS), INCLUDING "REPEATING UPDATED SERVICE CREDITS (USC)" FROM 100 TO 75 PERCENT IN SAID SYSTEM ON AN ANNUAL BASIS FOR SERVICE PERFORMED BY QUALIFYING MEMBERS OF SUCH SYSTEM WHO AT THE EFFECTIVE DATE OF THE ALLOWANCE ARE MEMBERS OF THE CITY OF ALAMO HEIGHTS; ELIMINATING TRANSFER USC, INCREASING THE

RATE OF DEPOSITS TO THE TEXAS MUNICIPAL RETIREMENT SYSTEM FROM SIX TO SEVEN PERCENT BY THE EMPLOYEES OF THE CITY; AND ESTABLISHING AN EFFECTIVE DATE FOR THE ORDINANCE

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

The City has been a member of TMRS since 1951. The proposed change is to be more competitive and to recruit and retain qualified staff. Currently, the City pays a rate of 17.12% pay rate and the proposed city contribution for employees is 17.28%. Mr. Galindo stated the employee contribution rate will be increased from 6% to 7%. He stated the updated service credit will decrease from 100% to 75%. The transfer updated service credit will be eliminated. Changes will be effective January 1, 2018 subject to approval by the TMRS Board of Trustees. A chart highlighted the current and proposed plan changes of the TMRS plan. Estimated savings is approximately \$8,000.

Mayor Rosenthal stated staff did an excellent way in evaluating the plan and considering changes. He commented that a small handful of employees are negatively impacted by the proposed changes.

Councilmember Savage stated it is a big win because there are significant savings, in particular, removing the transfer updated credit service. He provided an example for an employee that retired at age 65, and the substantial savings to the City being liable solely for the time the employee worked for the City of Alamo Heights. He stated the contribution rate is more competitive.

Mr. Browne expressed appreciation to Mr. Savage for the recommended changes.

The following citizen spoke on this matter:

Sylvia Wong, resident, asked additional information about the transfer updated service credit.

Mr. Savage commented the transfer updated service credit was removed as it was a luxury option at the employer's expense. He stated with the removal of this option, the City would only truly pay for the amount of time the employee was employed with the City instead of funding their entire retirement span.

A motion for approval was made by Mayor Pro Tem Jessee. The motion was seconded by Councilmember Savage and passed by unanimous vote.

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Staff Report

Item # 13 Mayor Rosenthal read the following caption.

Presentation of Financial and Investment Report for the fourth quarter ending September 30, 2017

Finance Director Robert Galindo made a PowerPoint presentation that summarized the City's financial position. The Financial and Investment Report included General Fund Revenues/Expenditures, Utility Fund Revenues/Expenditures, Capital Projects Fund and an Investment Portfolio Update.

The general fund revenues were briefly reviewed. Revenues included from property taxes, sales taxes, permits, fees, intergovernmental, service charges, fine and forfeitures, investments and miscellaneous.

Mr. Galindo presented a Budget to Actual graph for property tax collections for the Maintenance & Operations (M&O) and Interest and Sinking (I&S), year to date since 2012. A graph of the total sales revenues dated 2016-2017 was presented that included street maintenance tax collection. The graph displayed the monthly sales tax collections.

General fund expenditures were categorized by departments and noted at 94% year to date which is within budget. A graph of general fund expenditures was displayed for actual and budget for the fiscal year. He stated all departments were within expenditures. Utility fund revenues & expenditures were presented as well as the Capital Projects fund. He noted VIA reimbursed the City for the restoration of the trolley stop and was deposited in the Capital Projects fund.

An update was provided on the investment portfolio. Mr. Galindo noted \$8M for the investment report as of September 30, 2017. He reviewed the investment portfolio with market value fluctuations. He summarized the fourth quarter continues to remain strong and positive.

Mayor Rosenthal thanked Mr. Galindo for positive report.

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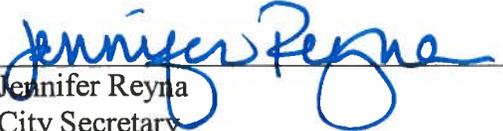
Closed Session

At 6:41p.m., Mayor Rosenthal adjourned the regular City Council meeting to conduct a closed meeting as authorized by Section 551.074 of the Texas Government Code to deliberate the evaluation, discipline or dismissal of a public works employee.

Mayor Rosenthal reconvened the regular meeting at 7:09 p.m. There was no action taken during the closed session.

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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 Jesse and passed by unanimous vote. Mayor Rosenthal adjourned the meeting at 7:10 p.m.



Jennifer Reyna
City Secretary



Bobby Rosenthal
Mayor