

CITY OF ALAMO HEIGHTS
CITY COUNCIL
April 13, 2020

A regular meeting of the City Council of the City of Alamo Heights, Texas was held via teleconference on Monday, April 13, 2020, due to pandemic, COVID-19, also known as coronavirus, at 9:00 a.m.

Composing a quorum via roll call were:

Mayor Bobby Rosenthal
Mayor Pro Tempore Wes Sharples
Councilmember Fred Prassel
Councilmember Lynda Billa Burke
Councilmember John Savage

Also attending were:

City Manager Buddy Kuhn
Assistant City Manager/Community Dev. Services Dept. Director Nina Shealey
City Attorney Frank Garza
Assistant to City Manager/City Secretary Jennifer Reyna
Finance Director Robert Galindo
Police Chief Rick Pruitt
Lieutenant Cindy Pruitt

Absent was:

Councilmember Lawson Jessee

Mayor Bobby Rosenthal opened the meeting at 9:01 a.m.

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Assistant to City Manager/City Secretary Jennifer Reyna announced the process for today's meeting via teleconference. She explained information was available at www.alamoheightstx.gov. Ms. Reyna announced if interested listeners desired to speak on a particular item, she instructed to them to press *5 so they will be cued to express their comments. She reminded listeners when addressing Council, please state your name and address for the record.

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Item # 1 Approval of Minutes

Mayor Rosenthal asked City Council for any revisions to the minutes of the February 24, 2020 Council Meeting. A motion was made by Councilmember Lynda Billa Burke to approve the minutes of February 24, 2020 Council Meeting. The motion was seconded by Mayor Pro Tem Wes Sharples and passed by unanimous vote via roll call.

Mayor Rosenthal asked City Council for any revisions to the minutes of the March 31, 2020 Special Council Meeting. A motion was made by Councilmember Lynda Billa Burke to approve the minutes of March 31, 2020. The motion was seconded by Councilmember Fred Prassel and passed by unanimous vote via roll call.

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Item # 2 Announcements

a. Census 2020

Assistant to City Manager/City Secretary Jennifer Reyna reported the time period for Census 2020 had begun and explained it occurs every 10 years. Currently, letters had been mailed informing residents how to submit online submittals via www.my2020census.gov. During this time of the pandemic, residents are encouraged to submit their surveys online. If the survey is not completed online, a survey will be mailed to you. If the survey is not submitted, a representative will make a visit at your home. Ms. Reyna emphasized the importance of completing the survey so federal dollars may appropriately fund schools, healthcare and emergency readiness needs. Responses are required and confidential.

Item # 3 Citizens to be heard

There was no one that signed up to speak.

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Items for Individual Consideration

Item # 4 Mayor Rosenthal read the following caption.

Discussion and possible action extending the Disaster Declaration of a Public Health Emergency for the City of Alamo Heights issued by the Mayor on March 31, 2020

City Manager Buddy Kuhn shared this is the third extended local state of disaster due to pandemic, COVID-19 (Coronavirus) since March 31, 2020. He explained the declaration mirrors Bexar County's and State's local state of disaster declaration until April 30, 2020. Another extension would be considered at the April 27, 2020 Council meeting.

Mr. Kuhn reported the City had received complaints regarding violations of social distancing. He stated Police Department and Code Compliance Officer have been monitoring social distancing.

City Attorney Frank Garza added the City's local state of disaster declaration is in conformity with Bexar County's declaration.

A motion for approval was made by Councilmember John Savage to extend the local state of disaster through April 30, 2020. The motion was seconded by Councilmember Lynda Billa Burke and passed by unanimous vote via roll call.

Item # 5 Mayor Rosenthal read the following caption.

Presentation of Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019 by Mike Del Toro, Audit Partner for ABIP for acceptance by City Council

Finance Director Robert Galindo introduced Audit Partner Mike Del Toro with ABIP.

Mr. Del Toro presented the CAFR and briefly explained the independent auditor's report, management discussion & analysis, government-wide financial statements, fund financial statements, notes to the financial statements, required supplemental information, supplemental combining and individual financial statements and schedules, and statistical tables. He stated the City of Alamo Heights had been recognized for excellence in financial reporting for FY 2017-2018 and is recipient of Government Finance Officers Association (GFOA) Certificate of Achievement Award.

Mr. Del Toro said the statements were presented in accordance with Generally Accepted Accounting Principles (GAAP). Auditors issued an "unmodified opinion" on the CAFR which is the best opinion that can be given for an independent audit.

Mr. Del Toro highlighted financial information. Assets of the City exceeded its liabilities (net position) by \$18.5M (Million) at September 30, 2019. The liabilities were \$9.25M in Governmental Activities and \$9.26M in Business-type Activities. The net position increased by \$1.6M from 2018. He briefly reviewed the governmental/business-type activities' net positions. Mr. Del Toro also highlighted the fund financial statements. At the end of FY 2019, the General Fund's balance was \$5.5M, an increase of \$887,000 from 2018. He stated the combined fund balance for all funds was \$9.1M, an increase by \$250,000 from 2018. He stated there are approximately seven months in the operating budget fund reserve. Mr. Del Toro briefly highlighted the Proprietary Fund to include water fund revenue, net position and unrestricted net position. He summarized the City has a working capital of \$1.8M for the utility operations which is an increase by \$300,000 from prior year's working capital ratio.

Mr. Del Toro briefly explained the letter on conduct of audit to include accounting policies, accounting estimates, difficulties, misstatements, disagreements, management representations, consultations with other independent accountants, and compliance with the Public Funds Investment Act. He stated there are no deficiencies or disagreements. He stated a recommendation was made related to procurements. He stated procurements were made and the purchase came later and stated the staff had difficulty in obtaining real cost of services. He thanked City Manager Buddy Kuhn and Finance Director Robert Galindo for their support as they conducted the audit.

Mr. Kuhn explained the City's procurement process and stated an estimate of approximate loads of dirt was impossible to determine so an estimation was provided. He commented, now, the process is thorough and will make necessary adjustments afterwards.

Councilmember John Savage thanked Mr. Del Toro and Audit Manager Jeremy Barbatto for their assistance.

City Attorney Frank Garza asked Mr. Del Toro if he had noted a disclosure regarding COVID-19 that may have an effect on sales tax revenue. He shared that working with municipalities, they had noted the COVID-19 disclosure.

Mr. Del Toro commented that working for another municipality, he had noted the COVID-19 pandemic may have an effect on the financial budget and may do so for Alamo Heights and explained he had concluded the audit report on March 9, 2020.

Mr. Galindo explained the sales tax revenue are not accessible until two months later due to the timing. He estimated positive revenue; however, will be able to make adjustments,

There was a brief discussion among Council regarding building permits, appraisal value, general fund and sales tax revenue. Mr. Galindo further explained his calculations and transfers to the General Fund. He acknowledged permit revenues will be impacted but did not know how much. He reported the sales tax revenue was doing well through February. He commented he reduced investment income, permit and sales tax revenues.

Councilmember Billa Burke encouraged a disclosure regarding COVID-19 to be added acknowledging it may not impact the past financial budget (based on audit); however, it will make an impact for the next fiscal year. Council agreed in adding the disclosure regarding COVID-19.

Mayor Rosenthal thanked Mr. Del Toro, Mr Kuhn, and Mr. Galindo for their efforts and congratulated Mr. Galindo on the achievement of receiving a positive audit. Mr. Del Toro stated he will add the disclosure statement to the audit.

A motion for approval was made by Councilmember Billa Burke contingent adding a statement within the report regarding COVID-19. The motion was seconded by Councilmember Savage and passed by unanimous vote via roll call.

Mayor Rosenthal asked about the percentage of revenue related to sales tax and asked if property tax rates would be frozen

Mr. Galindo stated a report is expected in April by Bexar Appraisal District (BAD) and noted sales tax revenue is estimated at 11%. Mr. Kuhn commented BAD may freeze the property tax rate. Mr. Galindo shared the consideration of freezing the

property tax rate to assist residents during the current pandemic but not received confirmation.

Item # 6 Mayor Rosenthal read the following caption.

Resolution No. 2020R-120

A Resolution designating Pup Pup & Away as the boarding facility for impound domestic animals and authorizing the City Manager to execute an agreement with Pup Pup & Away, LLC for that purpose

Lieutenant Cindy Pruitt informed Council the City of Alamo Heights had to seek a new canine shelter after the closing of the Alamo Heights Kennel Club. She stated staff conducted research on boarding facilities. Pup Pup & Away has agreed to board the City of Alamo Heights' canine rescues for one year. Lt. Pruitt explained the daily charges Pup Pup & Away charges. She noted although there is an increase, there is sufficient funds in the FY2019-2020 budget. There will be an increase to fund the required quarantine kennel fees and vaccinations not previously require by previous boarding facility, estimated at \$5,000. The City Attorney had reviewed the resolution and agreement.

Councilmember Billa asked if there is a boarding facility for cats.

Lt. Pruitt stated there is no facility for cats; however, there are foster homes. They are subject to spay, neuter program.

Mr. Kuhn thanked Police Chief Pruitt and Lt. Pruitt in exploring all options locating a boarding facility.

A motion for approval was made by Councilmember Prassel authorizing the City Manager to enter a one-year agreement with Pup Pup & Away, LLC. The motion was seconded by Councilmember Billa Burke and passed by unanimous vote via roll call.

Item # 7 Mayor Rosenthal read the following caption.

ORDINANCE NO. 2156

AN ORDINANCE POSTPONING THE BOND ELECTION OF THE CITY OF ALAMO HEIGHTS, TEXAS FROM MAY 2, 2020 TO NOVEMBER 3, 2020 PURSUANT TO A PROCLAMATION ISSUED BY THE GOVERNOR OF THE STATE OF TEXAS DATED MARCH 18, 2020; AND ADDRESSING OTHER MATTERS INCIDENTAL THERETO

Assistant to City Manager/City Secretary Jennifer Reyna provided background information for the postponement of the May 2, 2020 Special Bond Election. On

February 10, 2020, the City of Alamo Heights ordered a special bond election for the issuance of \$13.25M in general obligation bonds for the Austin Highway/lower Broadway Improvement Project.

Ms. Reyna stated due to pandemic, COVID-19, the municipality is provided authority issued by Governor Greg Abbot to move the May election to November 3, 2020. She explained the following orders were declared:

- May 17, 2020, Mayor Rosenthal declared Alamo Heights as a local state of disaster due to public emergency, COVID-19
 - City Hall has been closed to the public and continues to be closed
- March 31, 2020 City Council extended the local state of disaster declaration
- Governor Greg Abbott declared on March 13, 2020 a state of disaster for all counties in Texas
- March 23, 2020, Bexar County Judge Nelson Wolff declared an executive order issuing a Stay Home Work Safe Measures

On March 18, 2020, Governor Abbott a proclamation informing local subdivisions may postpone their May elections by suspending Election Code Sections 41.0052(a) and (b). The City of Alamo Heights will use exercise this authority.

Ms. Reyna stated she will continue to work with Bexar County Elections department to plan for the November 3, 2020 Election no later than August 17, 2020.

Mayor Rosenthal asked if there are additional steps required for the special bond election.

Mr. Kuhn stated there is no further action required. He shared all entities contracted with Bexar County Elections Department postponed their May election to November.

Councilmember Savage asked if things are not better, may the City cancel the November election.

Mr. Garza responded to Councilmember Savage no necessary steps are required as this ordinance postpones the election to November 3, 2020 and the option to cancel will need to be made no later than August 17, 2020.

A motion for approval was made by Councilmember Savage to postpone the May 2, 2020 special bond election to November 3, 2020. The motion was seconded by Councilmember Billa Burke and passed by unanimous vote via roll call.

Item # 8 Mayor Rosenthal read the following caption.

ORDINANCE NO. 2157

AN ORDINANCE RATIFYING THE DELAY OF THE WATER AND SEWER RATE INCREASES, APPROVED BY CITY COUNCIL ON OCTOBER 22, 2018 DUE TO THE CURRENT PANDEMIC, EFFECTIVE JULY 1, 2020

Finance Director Robert Galindo provided background information on the delay of the water and sewer rate increases.

On October 22, 2018, Alamo Heights City Council approved water and sewer rates increases for three years beginning March 1, 2019. The second year increase to water and sewer rates was to be implemented March 1, 2020. With current pandemic, COVID-19, the City may defer the rate increases until July 1, 2020 to minimize the economic impact to residents and business owners from COVID. He explained the Utility Fund is a self-sustaining enterprise fund that relies on user rates to pay for water and sewer operations, replacing capital equipment and infrastructure improvements. He summarized the Utility Fund is financially sound and the deferment to implement the rate increases should not have a long-term negative impact.

Mr. Kuhn thanked Utility Representative Ms. Amanda Borrego for bringing the new water and sewer rate increases to Mr. Galindo attention.

A motion for approval was made by Councilmember Savage to delay the water and sewer rate increases to be effective July 1, 2020. The motion was seconded by Councilmember Billa Burke and passed by unanimous vote via roll call.

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Mayor Rosenthal stated adjourned the meeting at 9:57 a.m.



Bobby Rosenthal
Mayor



Jennifer Reyna
City Secretary