

CITY OF ALAMO HEIGHTS
CITY COUNCIL
July 11, 2016

A Budget Work Session of the City Council of the City of Alamo Heights, Texas was held in the Council Chambers, located at 6116 Broadway, San Antonio, Texas, at 8:30 a.m. on Monday, July 11, 2016.

Present and composing a quorum were:

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

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Mayor Louis Cooper opened the meeting at 8:37 a.m.

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Item #1 Mayor Cooper read the following caption.

Presentation by Anne Burger Entrekin, First Southwest, regarding GO Refunding Bonds Series 2016 Results

City Manager Mark Browne introduced Anne Burger Entrekin, First Southwest. She made a PowerPoint presentation that included an update of refunding the 2007 bonds.

Ms. Burger Entrekin reviewed the process. She stated the report was necessary to highlight the initial project savings versus actual savings. She reported refunding, true interest cost, savings, net present value savings and present value benefit, and negative arbitrage. She noted the negative arbitrage decreased. Graphs displayed savings. The City accepted the bid from Raymond James and Associates, Inc. and the process went well. She expressed

appreciation to Bond Counsel Tom Spurgeon and City Staff for their assistance in making a successful process and transaction.

Council thanked Ms. Burger Entrekin for her presentation.

Item # 2 Mayor Cooper read the following caption.

Discuss the FY2016-2017 Budget

City Manager Mark Browne welcomed Council and stated the proposed budget had been developed by respective departments and with Assistant to the City Manager Marian Mendoza's assistance while working with Finance Director Robert Galindo.

Mr. Galindo stated the budget provides a fiscal plan to accomplish items highlighted in the 2016/2017 Strategic Action Plan (SAP). Mr. Galindo highlighted the importance of allocating financial, capital, and human resources targeted to achieve the City's established mission, vision, and goals.

Mr. Galindo began his presentation with property tax information and reported that per Bexar Appraisal District (BAD), property valuation had an increase of 5.7% over 2015 with preliminary totals for 2016 net taxable value of \$1,692.9 Billion. He informed Council that the budget was prepared with the assumption of not raising taxes. He noted that Alamo Heights has one of the lowest tax rates (.390262) within the larger metropolitan area. Mr. Galindo displayed the 2015 tax rate comparison of suburban cities. He provided a sample statement of property taxes for an Alamo Heights resident along with other respective entities. Mr. Browne noted that during 2015 that surrounding entities decreased their taxes and Alamo Heights did not. Mr. Galindo 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. In 2010, values declined 7.8% and had been slowly increasing. The City has maintained the same property tax rate. Based on this assumption, the Maintenance and Operating (M&O) portion of the tax rate is equal to the M&O tax rate adopted by the City Council in 2005. He noted that 2012 Certificate of Obligation (CO) bonds issued were structured with a 0% increase in taxable value. He presented a bar graph of the tax values since 2004 displaying the M&O and Interest and Sinking (I&S) tax rates. Mr. Galindo stated the effective and rollback tax rate will be calculated when the certified value data is received from BAD. He stated the values will be certified by July 25, 2016 and anticipated by the end of July.

Mr. Galindo 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 2015 tax year will increase by twenty-seven. He stated properties qualifying for the freeze decreased the total taxable value by \$410, 639,753.

Mr. Galindo 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 November 2012 for an additional four-year period. He stated \$1,229,857 is projected to be collected by the City from sales tax for this proposed budget.

Mr. Galindo presented a summary of the general fund account, and pie graphs of the general fund revenues and departmental allocations. Mr. Galindo reviewed the general fund regarding departmental allocation, revenues, and transfers. The proposed general fund departmental allocation for FY 2016/2017 is \$9,468,056 representing a 1.6% increase from the current adopted budget. He stated the proposed general fund operating budget will produce \$280,865 in working capital. Mr. Galindo provided a departmental allocation with 60% of budget allocated to Police and Fire/EMS departments. The Public Works Department represented 18% of the general fund budget; Administration & Finance, Municipal Court and Information Technology represented 16%, and Community Development Services Department represented 4% of the departmental allocations. He noted the allocation in the amount of 2% is for the new Administrative Building representing utilities and building maintenance. He also presented information on the utility fund related to revenues, appropriations and working capital.

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.

Mr. Galindo began his budget presentation for the Administration department. Mr. Galindo identified improvements that included a transfer from general fund to capital replacement fund from \$200,000 to \$250,000 and comprehensive plan fund (\$30,000) to include beautification. Additional improvements were holiday lighting at City Hall and "SeeClickFix" mobile application. Mayor Cooper expressed that the SeeClickFix application is not needed due to the size and responsive community. Mayor Pro Prassel agreed with Mayor Cooper's comments. Councilmember Jessee expressed support in the mobile application as he commented the younger generation seek and are familiar with mobile applications to access. Ms. Mendoza and Mr. Galindo provided additional information on the SeeClickFix program and cost. Council agreed not to pursue the improvement because of the size of the community and responsive staff and residents.

Mr. Galindo reviewed the graph that displayed information related to personal services, commodities, contractual services, capital outlay and authorized positions. Mr. Galindo reviewed the employee compensation and benefit enhancement. Program changes included a 2% Cost of Living Allowance (COLA) to be effective October 1, 2016. Mr. Browne stated workers compensation was budgeted higher than what was actually required, therefore, a decrease was made. Mr. Galindo reviewed authorized positions within all departments including a promotion for one Lieutenant rank to Deputy Chief. He briefly reviewed the authorized positions for the City of Alamo Heights by respective departments noting a total of 105 full-time and 4 part-time employees including proposed new positions. Mr. Galindo noted an increase in the allocation of 15% for health insurance.

Mr. Galindo concluded his presentation with the schedule of upcoming dates related to budget, ad valorem tax rate and public hearings.

Councilmember Rosenthal inquired about the street maintenance tax renewal being considered in November 2016. Council agreed to be specific on the ballot language and send

educational information to residents. There was a brief discussion about conducting special elections during November 2016 and consider hosting the additional one-quarter of a cent tax for May 2017 election.

Human Resource Manager Lori Harris made a PowerPoint presentation to include number of employees, responsibilities, respective education and certifications among the various departments. She summarized that the department heads Oversee that their employees ensure with training compliance.

Councilmember Rosenthal asked if there had been personnel stability due to management and facilities.

Mr. Browne stated it is challenging and noted there is always competition. He noted that certifications are important and the loss of an employee is duly noted. He informed Council that the Police and Fire Chiefs shared that retention is challenging. Fire Chief Buddy Kuhn and Police Chief Rick Pruitt shared their stories of recent loss in employees due to different reasons, decreased pool/interest and competitive entities.

Councilmember Rosenthal thanked staff in particular with Fire/Chief Departmental personnel due to recent violent activities.

Councilmember John Savage asked how many unfilled vacancies and personnel that are leased.

Ms. Harris reported two vacancies, one in the Public Works Department and another vacancy in the Fire Department. Mr. Browne stated there are leased employees in the Public Works Department. Mr. Sullivan stated a few temporary laborers are hired to assist for seasonal workloads. He reported one up to two employees are used on a daily basis.

Police Chief Rick Pruitt presented budget information for the Police and Dispatch Departments. He identified improvements to include the purchase of two automatic license plate readers, six replacement tasers, two traffic radar units, and six replacement ballistic vests. Mr. Browne reminded Council of the anticipated revenue on license plate readers. Police Chief Pruitt briefly highlighted the license plate reader program. Capital replacement improvements were the purchase of one Ford Interceptor SUV police vehicle replacing the 2011 Chevrolet Tahoe and related equipment needs for the vehicles. He briefly highlighted personnel improvements to upgrade one Lieutenant to Assistant Chief.

Police Chief Pruitt reviewed authorized positions, commodities, and contractual services within the Police and Public Safety Dispatch Departments. He noted the underfunding within commodities and explained why the proposed budget for that line item was slightly increased. He noted a few contractual services were transferred to the technology under Assistant to the City Manager budget.

Fire Chief Buddy Kuhn presented budget information for the Fire/EMS Department. An organizational chart was reviewed. He identified the improvements for the Fire Department to

include the replacement of 10 SCBA breathing air packs, continuation of tree trimming, continuing evaluation of staff benefits for recruitment and retention efforts, and evaluation of the cost for replacement of SCBA compressor (joint purchase for tri-city). Fire Chief Kuhn continued with improvements for the EMS Department including the replacement of EMS stretchers and the possibility to submit a grant application for assistance for the purchase of stretchers and other equipment.

Fire Chief Kuhn reviewed authorized positions, commodities, and contractual services within the Fire/EMS Departments.

Public Works Director Patrick Sullivan presented budget information for the Public Works Department/Utilities. Mr. Sullivan stated improvements are to develop a systematic program for street maintenance to cut, remove, and patch old utility cuts, and identify small correctable drainage concerns. Reconstruction of alleys where 4X2 issues had been resolved will be accomplished (city forces) at "Cooper alley" at 100 block of Albany and 100 block of Redwood Alley. Mr. Sullivan briefly explained the work required for water/sewer maintenance highlighting that his employees conduct a majority of the work producing savings for the City. Capital replacement items are to replace a ½ ton vehicle with a heavy duty ¾ ton crew cab truck equipped with tow package, replacement of regular cab pickup, purchase a tilt trailer to move roller and other equipment within the City.

Mr. Sullivan stated improvements within the Utilities Department included several residential streets from TCEQ related tasks, yard piping, replacement of a sewer main, and water main abandonment. He stated the department will continue to develop and implement sewer infrastructure improvement plan in coordination with the Street Maintenance Program (SMP) and develop a similar program for improving water main replacement. A capital replacement included a crew cab pickup with an extended cab.

Mr. Sullivan reviewed the departmental chart on Public Works for personnel services, commodities, contractual services, capital outlay, and authorized positions for Public Works Department and Utilities.

Mayor Cooper complemented Mr. Sullivan and his staff for completing the parking lot at the dog park. He stated it is incredible and thanked the staff for their work.

Community Development Department Director Jason Lutz presented budget information for the department. He began his presentation with certification pay and provided brief information on how it was paid and now allocated. Other improvements were equipment maintenance and increased engineering professional fees. He noted a decrease within the departmental budget for professional services fees and referenced the GIS map. He briefly explained the data will be compiled and database will be enhanced.


Mr. Lutz reviewed authorized positions, commodities, and contractual services within the Community Development Services Department. Mr. Lutz explained the "shared" employee" was provided a raise in lieu of losing them to another employer. He stated beautification is being explored for future projects.

Mayor Pro Tem Fred Prassel commented that the city is over 100 employees and understood that during a six-year time period that it is fine.

Mayor Cooper and Council thanked staff.

There being no further business, Mayor Cooper adjourned the meeting at 10:57 a.m.


Jennifer Reyna
City Secretary


Louis Cooper
Mayor