

CITY OF ALAMO HEIGHTS  
CITY COUNCIL  
July 31, 2018

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 Tuesday, July 31, 2018.

Present and composing a quorum were:

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

Also attending were:

City Manager J. Mark Browne  
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  
Deputy Fire Chief John Massey  
City Secretary Jennifer Reyna  
Public Works Director Pat Sullivan

Absent was:

Fire Chief/Assistant City Manager Buddy Kuhn

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Mayor Bobby Rosenthal opened the meeting at 8:34 a.m.

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*Item #1* Mayor Rosenthal read the following caption.

**Discuss the FY2018-2019 Budget**

City Manager Mark Browne welcomed Council and stated the proposed budget had been developed by respective departments. The budget work session included a five-year forecast and projections which will portray the budget in the near future.

Mr. Galindo stated the budget provides a fiscal plan to accomplish items highlighted in the 2018/2019 Strategic Action Plan (SAP). Mr. Galindo highlighted the importance of

of Living Adjustment (COLA) within the Administration and Finance Department. The City currently has 99 full-time and 4 part-time employees. A chart of current authorized positions was displayed.

Employee compensation and benefit enhancement information were presented. The proposed budget includes a 2% cost of living adjustment of \$106,298 for the General Fund and \$12,483 in the Utility Fund. A tuition reimbursement in the amount of \$10,000 is budgeted for employees continuing their education. Proposed program budget items include cyber security at \$4,895 and the City hosting a community recycling event at \$2,000. Mr. Galindo noted an increase in the allocation of 15% for health insurance and an increase on the Texas Municipal Retirement System (TMRS) to 7% from 6% remaining at 2 to 1 matching ratio. He stated the current U.S. inflation rate is 2.9%.

Information on the General Fund, Transfers, and Utility Fund was presented. Mr. Galindo reviewed the general fund regarding departmental allocation, revenues, and transfers. The proposed general fund departmental allocation for FY 2018/2019 is \$10,326,931 representing a 4.2% increase from the current adopted budget. He stated the proposed general fund operating budget will produce \$252,788 in working capital. The projected General Fund Balance is unassigned in the amount of \$5,286,048. He noted the transfers to capital replacement are noted; however, not the transfer to the Street Maintenance fund. Mr. Galindo provided a departmental allocation with 58% of budget allocated to Police and Fire/EMS departments. The Public Works Department represented 19% of the general fund budget; Administration & Finance, Municipal Court and Information Technology represented 17%, and Community Development Services Department represented 4% of the departmental allocations. He noted the allocation in the amount of 2% is for the Administrative Building representing utilities and building maintenance. He stated the Government Finance Officers Association (GFOA) recommends fund balance of at least three months operating expenses in case of emergencies which equals \$2,582,000. Transfers included \$200,254 to the Capital Replacement Fund and \$30,000 to the Comprehensive Plan. Mr. Browne stated there will be over a million in surplus and may transferred to the Street Maintenance Fund. Mr. Galindo stated the surplus does not necessarily have to go to the Street maintenance fund; however, may be transferred for another line item.

Mr. Galindo also presented information on the Utility fund related to revenues, appropriations, working capital and capital expenditures. He stated the revenues are \$4,028,780 to include a \$335,000 transfer in from the Utility reserve balance. The proposed Utility Fund has a working capital of \$738,184 before transfers, capital outlay and bond payment. The Utility Fund schedule reflects a gross available fund balance of \$604,657. The Utility Fund budget includes an 8% sewer pass through from SAWS in expenses and revenues, Harrigan Court sewer replacement at \$600,000 and backup motor for well # 4 in the amount of \$30,000. Mr. Galindo identified the unfunded items: vac truck at \$375,000, dump truck replacement \$95,000, and replacement of a backhoe \$128,000 noting the water rate increase is to be determined.

Councilmember Savage asked if the Utilities Fund may be set up as similar as the General Fund for capital expenditures for capital projects. Mayor Pro Tem Billa Burke commented the budget is more transparent. Mr. Galindo explained that currently due to a

decrease in amount of revenues, it is difficult to identify items that will not be funded; however, in the future, may be able to provide additional line items when the revenue supports the purchase. There was a brief discussion regarding the revenue shortage and balance within the Utilities Fund and the need to increase the water and sewer rates.

Mr. Galindo presented projected FY 2018 and proposed FY 2019 funding summaries on other governmental funds: Comprehensive Fund, Street Maintenance Fund, Capital Projects Fund, and Capital Replacement Fund. The Comprehensive Fund has a budget of \$30,000 earmarked for improvements to the public realm to include tree maintenance and removal. The Street Maintenance Fund is restricted for street maintenance. Mr. Galindo explained the sale of right-of-way (Ausway) and sales tax were deposited in the Street Maintenance Fund. Mr. Galindo stated \$800,000 is the annual goal to have in the Street Maintenance Fund without seeking bonds. The Capital Projects Fund includes the Community Infrastructure Economic Development (CIED) funds which is budgeted for expenditures for Olmos basin trash collection and improvements for the common areas at City Hall. FY2017 Capital Replacement Fund purchases include one patrol vehicle, lease payment for cardiac monitors, four heart monitors, lease payment for 10 Self-Contained Breathing Apparatus (SCBA), Lucas Cardiac Compression, lease stretcher payment, ambulance and equipment purchase, and the purchase of a garbage truck rear packer.

Mr. Galindo noted the projected capital projects allocations for FY 2017-2018 and FY 2018-2019. FY 2017-FY 2018 included two capital expenditures which were the Olmos Basin clean-up and decorating the City Hall common area. FY 2018 – FY 2019 to include Olmos Basin clean-up in the amount of \$18,750; City Hall common areas \$18,000; Swimming Pool \$200,000, Nature Trails building \$100,00 and the Broadway Road TxDOT project (architect/consultant) \$50,000. Mayor Pro Tem Billa Burke stated she needed to explore options on soundproofing within City Hall. Mayor Rosenthal asked the status of the swimming pool. Mr. Browne stated the leak needs to be further explored. He stated Americans with Disabilities Act (ADA) improvements, roof repair and dechlorination will be accomplished. There was a brief discussion regarding ADA improvements. He stated restoring the Nature Trails building is estimated at \$100,000 and further details need to be obtained and evaluated prior to Council's consideration in August.

Mr. Galindo presented a five-year forecast for the Capital Replacement Fund for General Fund beginning FY 2018 to FY 2023 that included revenues/transfers and expenses. He explained a proposed increased amount of transfer in the amount of \$500,000 beginning in FY2020 for the Capital Replacement Fund for General Fund because of the purchases for a Fire Saber Pump, Fire Crew Cab F250, three Police vehicles, two dump trucks, and one bucket truck are expected to be purchased for a total of \$1.1M, expected to be purchased in 2024.

A chart presented the General Funds' revenues (property taxes, sales tax, other tax revenue, water/sewer revenue/aquifer management fee), funding sources, operating revenues, departmental allocations. Beginning in 2020, assumptions are revenues and expenses increased by 3%. Transfers are to the Capital Replacement Fund, Comprehensive Plan and Street Maintenance Program. Mr. Browne asked Mr. Galindo to add the FY2024 in the forecast chart and Mr. Galindo agreed to display the growth in the Capital Replacement Fund.

Councilmember Jessee asked if the swimming pool may be itemized as a line item so it is identified and displays savings.

Mr. Galindo responded the swimming pool is in the Capital Projects Fund and agreed to delineate so it will be listed and identified.

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

Mr. Browne stated the budget did not include an increase on the ad valorem tax rate. Mr. Galindo reminded Council of upcoming legislature to limit tax rate increases. Mayor Rosenthal commented it is ideal not to consider an increased tax rate as the City is considering an increase to the water and wastewater rates.

Deputy Fire Chief John Massey presented budget information for the Fire/EMS Department. An organizational chart was presented and stated there was a staff reduction of four personnel. He explained the Fire Marshal was moved to C shift Commander from Administration in November 2016 and three staff members as they terminated their employment with the City. He identified the improvements for the Fire Department to include the continuation of tree trimming, lease payment for 10 new Self-Contained Breathing Apparatus (SCBA). There are 18 authorized positions within the Fire Department. He noted a 3.331% within the Fire Department because of the 2% COLA and increased budget for tree trimming. He identified the improvements for the EMS Department to include the final lease payment of cardiac monitor and stretcher. He reviewed the FY 2018 and FY 2019 budgets. He stated there is a 1.922% increase to the EMS budget. He shared EMS department will purchase four ballistic vests and four helmets for potential active shooter events to protect the paramedics while assisting the Police Department.

Police Chief Rick Pruitt presented budget information for the Police and Dispatch Departments. He noted the addition of one position within the Police department, School Resource Officer (SRO). He identified improvements to include the purchase of two replacement traffic radars, five mobile ticket writers, and six replacement ballistic vests. He identified the capital replacement improvements to include the purchase of one Ford Interceptor SUV police vehicle replacing one 2014 Ford Taurus Interceptor, related equipment and needs/installation and programmed funding, a School Resource Officer (SRO). Police Chief Pruitt noted the cost share agreement for the SRO is contingent with Alamo Heights Independent School District (AHISD) on a 75/25 share ratio. There was a brief discussion among Council regarding the position, availability and responsibilities. Police Chief Pruitt stated the agreement is part of AHISD's budget and shared he is awaiting to hear from AHISD on their progress and may consume time to obtain the position. He stated AHISD may hire off duty Police officers in the interim as the main concern is the safety of the campus.

Police Chief Pruitt reviewed authorized positions, commodities, and contractual services within the Police and Dispatch Departments. He noted underfunding within commodities and explained there were contingency funds that were not used and extended maintenance agreement and license plate readers are paying off. Police Chief Pruitt explained the decrease for

contractual services as the magistrate fee had not been utilized. He also explained the increase in contractual services for animal care services because of animal boarding. The contract with Justice of the Peace in Guadalupe County was cancelled as he did not execute local warrants. He noted an emergency expense of the mobile and interview room cameras that should have been in the FY2019 budget and a system failure resulted an expense in this year's budget. Police Chief Pruitt explained the savings within personnel that a Dispatch supervisor was not filled until halfway through the year and a Senior Dispatch position had not been filled. He summarized overall savings in comparison of the adopted FY 2018 to projected FY 2018 with a proposed 3.776% increase to the Police FY2019 budget and 1.271% increase to the Dispatch FY2019 budget. Police Chief Pruitt summarized the department has ten positions within the Dispatch Department.

Councilmember Jessee asked if the City of Windcrest had been approached if they had considered to be supported by the City's Dispatch department.

Police Chief Pruitt stated the City is able to accommodate one additional municipality.

Public Works Director Patrick Sullivan presented budget information for the Public Works/Utilities Department. The department's organizational chart presented a breakdown of the employees within parks, streets, solid waste and utilities. Improvements for the Public Works Department are the alley improvements in the 100 block of Harrigan Court following reconstruction of contracted improvements (4x2 issues). Mr. Sullivan added a security system installation at the Public Works Yard to accommodate telecommunication companies that access the yard, Texas Commission on Environmental Quality (TCEQ) requirements and secure water infrastructure as an improvement to the department. Mayor Rosenthal asked if Dispatch will monitor. Assistant to the City Manager Marian Mendoza explained the camera system will be the same so it will be monitored.

Mr. Sullivan identified improvements within the Utilities Department. He stated undersized water mains at Alta between Columbine and Arbutus and Corona between Columbine and Imlay. He explained the 2" water mains are shallow and residents are getting hot water rather than cold water. He stated Alta and Corona are also listed as part of the Street Maintenance Program (SMP) for next year. The replacement of the sewer main following water main abandonment at the South alley of Harrigan Court estimated at \$600,000. CPS Energy is to relocate a gas main ahead of the sewer work. He stated the department will continue to develop and implement the sewer infrastructure improvement plan in coordination with the SMP and develop a similar program for improving water main replacement. Mr. Sullivan identified the following capital replacement items: purchase an emergency backup motor for well # 4 located at Vanderhoeven at E. Fair Oaks, replace five yard dump truck # 16 with a new eight yard dump truck (unfunded), and replacement of backhoe # 12 John Deere with a new backhoe (unfunded).

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. He stated two individuals were promoted to a Crew Leader Operator and Operator. He noted the vacancies are to fill the positions of personnel that were promoted. He explained the increase in contractual services for the 8% pass through SAWS increased rate.

He noted a 6.125% increase in the Public Works FY2019 budget and a 9.894% in the Utilities FY2018 budget.

Mr. Sullivan shared information on a street preventive product. While on vacation, he went to St. George, Utah to view streets were comprised of a new product. He asked Council to consider replacement for Alamo Heights Blvd. for a general overlay. He noted the product is cheaper than what had been used in the past. He shared an estimate of \$48,000 to restripe Jones Maltzberger and Broadway from Austin Highway to Claywell at \$33,000. Councilmember Jesse expressed concern in restriping if the Broadway reconstruction will be considered soon. Mr. Browne stated this item be considered at a future Council meeting.

Mayor Rosenthal asked Mr. Sullivan to observe crosswalks to ensure they all are good for the upcoming school year. Mr. Sullivan agreed.

Community Development Services Department Director Jason Lutz presented budget information for the department. He presented the organizational chart which consists of a total of three full-time employees with a vacancy of the Building Official position. He explained the combination inspector was reclassified to building official. He informed Council of the salary increase from \$55K to \$65K plus benefits to encompass dual positions. He reviewed the FY adopted FY 2018 budget compared to projected FY 2018 budget concluding no change in budget. He explained with the vacant position, a third party was contracted to conduct the responsibilities of an inspector, therefore, highlighting the increased expenses within commodities. He stated an overall 4.781% increase for FY 2019 to accommodate a 2% COLA and the new position, Building Official. He noted no significant changes.

Mayor Rosenthal inquired about permits and vacancies on the City's various boards and commission. He recommended placing night lights on the trees along La Jara Blvd. He asked staff to explore options for lighting the area long La Jara Blvd. as part of beautification. Mr. Browne agreed to explore.

Mr. Lutz responded building permits had steadily increased. He informed Council of one resignation on the Architectural Review Board (ARB) and possibly another vacancy on ARB due to a possible move. In the meantime, he asked Council to consider submitting or recommending individuals to be part of the City's boards and commission.

Councilmember Prassel thanked staff for doing an excellent job. He shared Mayor Bill Balthrope stated City staff is recommended to maintain 100 personnel and eight years later, it is operational and maintained at 100.

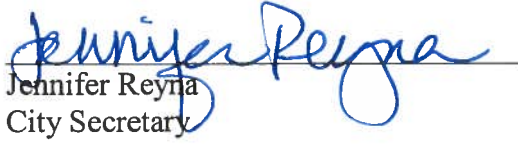
Mayor Rosenthal asked about first responders' retention. Deputy Fire Chief John Massey and Police Chief Pruitt shared that personnel are leaving due to families relocating and not competitive benefits that other municipalities offer.

Mayor Rosenthal thanked staff on the budget reports and for their time in compiling the information.

There being no further business, Mayor Rosenthal adjourned the meeting at 10:43 a.m.



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Bobby Rosenthal  
Mayor



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Jennifer Reyna  
City Secretary