

CITY OF ALAMO HEIGHTS
CITY COUNCIL
February 28, 2022

A regular meeting of the City Council of the City of Alamo Heights, Texas was held at the Council Chamber, located at 6116 Broadway, San Antonio, Texas, at 5:30 p.m. on Monday, February 28, 2022. A teleconference was held via Zoom; staff and meeting attendees were welcomed in the Council Chamber.

Composing a quorum were:
Mayor Bobby Rosenthal
Councilmember Lawson Jessee
Councilmember Wes Sharples
Councilmember Blake M. Bonner
Councilmember John Savage

Also attending were:
City Manager Buddy Kuhn
Assistant City Manager Phil Laney
Community Development Services Director Lety Hernandez
City Attorney Richard Lindner
Assistant to City Manager Jennifer Reyna – Via Zoom
City Secretary Elsa T. Robles
Director of Finance Robert Galindo
Police Chief Rick Pruitt
Fire Chief Michael Gdovin – Via Zoom
Human Resources Manager Brenda Jimenez – Via Zoom
Deputy Police Chief Cindy Pruitt
Public Works Director Pat Sullivan

Absent was:
Mayor Pro Tempore Lynda Billa Burke

* * *

Mayor Bobby Rosenthal opened the meeting at 5:32 p.m.

* * *

Item # 1 Approval of Minutes

Mayor Bobby Rosenthal asked City Council for a motion to approve the February 14, 2022 City Council Meeting minutes. Councilmember Wes Sharples moved to approve the minutes as presented. The motion was seconded by Councilmember Blake M. Bonner and passed by unanimous vote.

* * *

Item # 2 Announcements

Mayor Rosenthal read the following caption.

a. Election Day Polling Site for March 1, 2022 Primary Election

City Secretary Elsa T. Robles announced the City of Alamo Heights Council chamber will serve as a polling site for the March 1, 2022 Primary Election. The polls will be open from 7:00 a.m. to 7:00 p.m.

b. AH09 5K Fun Run, March 26, 2022

On behalf of Assistant to City Manager Jennifer Reyna, City Manager Buddy Kuhn announced the upcoming AH09 Fun Run on Saturday, March 26, 2022. The 5K will be the City’s first Centennial kick-off event and will begin at 8:00 a.m. with competitive and leisure categories. Registration is \$25.00 if registered by March 6th and \$30.00 thereafter. Participants will receive swag bags and t-shirts for participating. Mr. Kuhn thanked fun run co-sponsors Camp Gladiator, Alamo Heights Emergency Clinic, Massage Heights, STRIC, and Alamo Heights Nutrition for their contributions.

Mayor Rosenthal reiterated Ms. Reyna has been overseeing all the Centennial events and is currently coordinating a visit from King Antonio at the fun run.

Mr. Kuhn informed Council staff will present an update on the Centennial celebration at the March 14th Council meeting.

c. Police Department Centennial Badges

Police Chief Rick Pruitt stated Centennial badges are being issued to all AHPD officers in commemoration of the City’s celebration. They were designed after the first documented uniform badge on record. Badges were specially designed for each rank. AHPD will wear their badges through the year until the celebration. Chief Pruitt thanked Deputy Police Chief Cindy Pruitt for designing and organizing the Centennial badges for the department.

* * *

Item # 3 Citizens to be heard

No comments made.

* * *

Items for Individual Consideration

Item # 4 Mayor Rosenthal read the following caption.

Architectural Review Board Case No. 872F, request of Bryan Smith of Vision Design and Build, applicant, representing Samuel and Erika Picard, for the significance review of the existing main structure and the compatibility review of the proposed design located at 232 Castano in order to demolish 34.5% of the existing street-facing elevation in order remodel and add to the front of the existing single-family residence

Community Development Services Department Director Lety Hernandez stated the Single-Family A (SF-A) zoned property is located at 232 Castano between Nacogdoches and Alamo Heights Blvd. The applicant requests approval of significance review of the existing structure and the compatibility review to demolish 34.5% of the existing street-facing elevation in order to remodel and add to the front of the existing residence. Ms. Hernandez reviewed the existing property conditions, the proposed site plan, proposed elevations, floor/roof plans, and streetscapes. She stated a Demolition Review was triggered due to the amount of demolition requested to the street facing façade. She added, if the applicant desires to add to the back of the property, they would need to request a variance as they are currently non-conforming.

In terms of policy analysis, Ms. Hernandez noted the proposed lot coverage is 30.87% under the maximum allowed of 40% in a SF-A zone. The proposed floor area ratio is 42.27%. The applicant can use the maximum of 50% since they have a one-story carport and will preserve the existing residence.

Ms. Hernandez stated the Architectural Review Board (ARB) considered the request at their February 15, 2022 meeting and voted unanimously to declare the existing main structure as not significant and recommended approval of the proposed design as compatible.

Public notifications were mailed to property owners within a 200-foot radius. Notices were posted on the City's website and on the property. Staff received five responses in support and none in opposition.

Councilmember Lawson Jessee moved to approve ARB Case No. 872F as presented. The motion was seconded by Councilmember John Savage and passed by unanimous vote.

Item # 5 Mayor Rosenthal read the following caption.

Architectural Review Board Case No. 892F, request of CKC Custom Homes representing Frank and Erica Ramos, owners, for the compatibility review of the proposed design located at 301 College in order to construct a new single-family residence with detached garage

Ms. Hernandez stated the Single Family - A (SF-A) zoned property is located at 301 College at the intersection of Alamo Heights Blvd. The applicant requests a compatibility review of the proposed design in order to construct a new single-family residence with detached garage. She advised the ARB had considered the significance of the previous main structure and full demolition was approved by Council in May of 2020.

Plans for replacement structures require a compatibility review by the ARB; however, plans were not submitted at the time of the request for Demolition Review. Ms. Hernandez reviewed the site plan, proposed elevations, roof plan, and streetscape. The structure will consist of shingle roof and stucco siding.

In terms of policy analysis, Ms. Hernandez noted the previous home was demolished. The proposed lot coverage is 37.07% under the maximum allowed of 40% in a SF-A zone. The proposed floor area ratio is 41.48%. The applicant is allowed two bonuses, one for the one-story garage, and one for the side access to the covered parking with a maximum of 49%.

The ARB considered the request at their February 15, 2022 meeting and voted unanimously to recommend approval of the proposed design as compatible.

Public notifications were mailed to property owners within a 200-foot radius. Notices were posted on the City's website and on the property. Staff received four responses in support from residents within the 200-foot radius and seven in support from residents outside the 200-foot. None were received in opposition.

Councilmember Jessee moved to approve ARB Case No. 892F as presented. The motion was seconded by Councilmember Bonner and passed by unanimous vote.

Item # 6 Mayor Rosenthal read the following caption.

ORDINANCE NO. 2186

AN ORDINANCE DECLARING UNOPPOSED CANDIDATES IN THE MAY 7, 2022 GENERAL ELECTION, ELECTED TO OFFICE; CANCELING THE GENERAL ELECTION; AND PROVIDING AN EFFECTIVE DATE

Ms. Robles stated she was presenting an ordinance to cancel the May 7, 2022 General Election. The candidate filing period was January 19, 2022 – February 18, 2022. She informed Council only three applications were received, one for each of the open positions from incumbents:

- Blake M. Bonner – Councilmember, Place 3
- Lynda Billa Burke – Councilmember, Place 4
- John Savage – Councilmember, Place 5

As City Secretary, Ms. Robles certified there were no write-in candidates and each candidate was unopposed for election to office. As required by the Election Code, a copy of the ordinance canceling the general election will be posted at City Hall and other polling sites on Election Day, May 7, 2022.

Ms. Robles noted the City would not incur costs for canceling the general election and congratulated the incumbents on another 2-year term.

Councilmember Bonner moved to approve Ordinance No. 2186 cancelling the May 7, 2022 General Election and declaring unopposed candidates. Motion was seconded by Councilmember Sharples and passed by unanimous vote.

Item # 7 Mayor Rosenthal read the following caption.

RESOLUTION NO. 2022R-146

**DISCUSSION AND POSSIBLE ACTION ON A
RESOLUTION ON INTENT TO ESTABLISH A CITY OF
ALAMO HEIGHTS PROPERTY ASSESSED CLEAN
ENERGY PROGRAM (CITY OF ALAMO HEIGHTS
PACE PROGRAM)**

Assistant City Manager Phil Laney stated this was the first of two meetings to establish the Property Assessed Clean Energy (PACE) Program in the City of Alamo Heights. PACE is specific to commercial (non-profit), industrial (manufacturing & agricultural), and multi-family (5+ units) properties. It focuses on energy efficiency, water conservation, electricity generation and demand reduction. The program is administered by Alamo Council of Governments (AACOG). Currently, the program is in twelve cities/counties in the region and Alamo Heights would be the thirteenth establish the program.

Mr. Laney informed Council the Texas Legislature approved the PACE Act in 2013 to provide low-cost, long-term loans for water conservation and energy efficiency improvements. PACE is funded by private lenders and not by City funds. The improvements are paid off by assessments tied to property, usually from savings in utility expenses. Additionally, the program is administered by a third party, not by local government.

About 70 cities have adopted the PACE program statewide. Local cities and counties are: Balcones Heights, Boerne, Castle Hills, Comal County, Fredericksburg, and San Antonio among others. Mr. Laney stated today's action would allow the program to be established in Alamo Heights as an economic development tool that is based on property assessments.

Some qualified improvements under the PACE program are: chillers, boilers, furnaces, HVAC, BMS, EMS Controls, Energy Management Systems, Water Heating Systems, lighting, roofing, windows, Water Management Systems, Rainwater Collection Systems, Irrigation Equipment, etc. The program provides 100% up-front funding of all hard and soft costs. There is a 20+ year repayment term through utility savings. It does not tie up borrowing capacity for the company. It requires utility savings to be validated by a third-party review (AACOG) and the property owners select the lender, contractor, and project they desire. The assessment is tied to the property, it does transfer if there is a sale of the property. If adopted, there is no financial or fiduciary risk to Alamo Heights.

Mr. Laney explained the process to establish the program. City Council must hold two meetings. The first, taking place today, staff reports on how the program works and Council considers passing a resolution of intent. The second, a public hearing is held, Council considers adopting a resolution establishing the PACE program and considers establishing an interlocal agreement (ILA) with AACOG to administer the program.

In closing, Mr. Laney stated the City supports efforts to enhance sustainability and economic development opportunities. The resolution of intent is the first step in establishing the program to be administered by AACOG who will oversee the improvement projects financed by private lenders. Mr. Laney reiterated the City will have no administrative, financial, or fiduciary

responsibility. The intent to establish PACE was coordinated with AACOG, the City Manager, and City Attorney.

Councilmember Jessee moved to approve Resolution No. 2022R-146 as presented. The motion was seconded by Councilmember Savage and passed by unanimous vote.

* * *

Staff Reports

Item # 8 Mayor Rosenthal read the following caption.

Presentation of Findings from America’s Water Infrastructure Act of 2018 (AWIA) Risk and Resilience Assessment for City Utilities

Mr. Laney stated the City is required to assess risk & resiliency of water utility under America’s Water Infrastructure Act (AWIA) 2018. The City coordinated with engineering firm Freese & Nichols to conduct the assessment. The report found the City and water utility are well positioned to handle threats or risks.

On April 12, 2021, Council approved to contract with Freese & Nichols, Inc. (FNI) to assist with AWIA 2018 compliance. AWIA 2018 requires water utilities to assess risks & resiliency of the water system every 5 years. This will be an ongoing effort for the City. The report includes two components, Risk & Resiliency Assessment (RRA) and Emergency Response Plan (ERP).

Mr. Matthew Schorsch, Professional Engineer for Freese & Nichols, stated risk is assessed in dollars per year. In evaluating the City’s system, they review the physical assets as well as financial assets; strategic operations of the system, everything that can affect the potable water service to customers. He stated water utility assets such as pumps, tanks, water supply, staff were evaluated as well as threats such as natural hazards, intentional damage, theft, and cybersecurity threats which are becoming more and more common.

Mr. Schorsch noted the assessment findings were the City is well positioned to sustain potable water services. Alamo Heights uses redundant methods to supply water, has active/passive security measures, and excess capacity. The City is performing far better than many other similarly sized communities that were assessed. He stated it was important to note, the City has minimal financial impact to reach the standard being recommend by the Environmental Protection Agency (EPA). Staff is doing a good job maintaining services. Mr. Schorsch stated some recommendations were identified during the assessment. These are: installations of complete natural gas backup motors, updating utility management software systems, retaining knowledgeable staff, and training new staff to maintain established standards.

The Emergency Response Plan (ERP) is also required by the AWIA. It facilitates the City’s response to an emergency. It focuses on potable water service providers and serves as an extension of the City’s Emergency Management Plan. The ERP catalogues all resources associated with operating water system, support & supplier contacts, and local/regional response organizational hierarchy. The ERP serves as procedures generated to respond to applicable

emergencies. It contains detailed information about staff, materials, and communication frameworks required. Both the RRA and ERP must be updated every five years and submitted to the EPA.

Mr. Laney stated in providing these assessments the City is complying with Federal and State regulations, monitoring the health and safety of potable water utility, and providing residents confidence in the availability and safety of potable water services. He stated this effort was coordinated with staff in Public Works, Fire Department, Freese & Nichols, and the City Manager.

Mr. Laney reminded Council on April 12, 2021, they approved funding in the amount of \$54,425 to enable Freese & Nichols to assist with AWIA compliance. No additional expense was incurred; however, any future expenses will come before City Council for consideration.

Mr. Kuhn added each department head shares knowledge and information with staff to ensure the best practice and continuity of business.

Item # 9 Mayor Rosenthal read the following caption.

Presentation of Financial and Investment Report for the first quarter ending December 31, 2021

Finance Director Robert Galindo reported on the first quarter financial and investment report for FY2022. The report focused on the General Fund Revenues & Expenditures, Utility Fund Revenues & Expenditures, Capital Projects Fund, Investment Portfolio Update, and Summary of City's Financial Position. The General Fund total revenue ended at \$3.7M, equal to 33% of the budget. Mr. Galindo noted property tax collections for the first quarter were slightly below last year, but should pick up second quarter. The sales tax revenue for October and November were higher than the previous fiscal year. Monthly sales tax collections from the State are from 2 months prior. Current YTD \$370,136 and Prior Year was \$336,558.

Mr. Galindo stated the General Fund expenditures were at \$2.2M. There was a positive revenue over expenditures at the end of December 2021 of \$1.5M. All the departments are currently within budget.

The Utility Fund total revenues were \$1.2M or 26% of the budget. Total expenditures were \$466,052 or 11% of the budget with a revenue over expenses of \$727,961.

The Capital Projects Fund beginning fund balance for the fiscal year was \$14,302,950 which includes the proceeds from the 2021 Bond Issuance of \$13,250,000. There are expenditures of \$20,088 for the lower Broadway project and the ending fund balance is \$14,282,863.

Mr. Galindo reviewed the investment portfolio which includes 2% of funds in CDs with Generations FCU and Jefferson Bank, a savings account with Jefferson Bank and several investment pools, a total 91% of the fund. The overall investment portfolio balance is \$29,606,795. The average yield for the investment portfolio was 0.05% and is in line with the 90-Day U.S. Treasury benchmark of 0.05%.

Mr. Galindo stated the report complies with the investment strategies as established by the City of Alamo Heights Investment Policy and the Public Funds Investment Act (Chapter 2256).

In closing, Mr. Galindo reviewed the 1st Quarter Performance Summary:

PERFORMANCE THROUGH END OF THE 1st QUARTER or 25% OF BUDGET			
	% of Budget	Current Quarter	YTD Quarter
GENERAL FUND			
Total Revenues	33%	Positive	Positive
Total Expenditures	21%	Positive	Positive
Total Property Tax Collections	41%	Positive	Positive
Sales Tax Revenues	23%	Positive	Positive
ENTERPRISE FUND			
Utility Fund Revenues	26%	Positive	Positive
Utility Fund Expenditures	11%	Positive	Positive

Mr. Galindo noted, 11% in Utility Fund expenditures was due to projects and expenditures approved as part of the FY2021-22 budget; the Ogden sewer project, a natural gas motor for Well #3, a replacement work truck, and SCADA system upgrades.

* * *

Closed Session

Item # 10 Mayor Rosenthal read the following caption.

Executive Session per Section 551.071 (consultation with attorney) to discuss Broadway infrastructure construction.

Item # 11 Mayor Rosenthal read the following caption.

Executive Session per Section 551.071 (consultation with attorney) to discuss Katherine Court Development.

The City Council of the City of Alamo Heights convened into Executive Session at 6:13 p.m. and reconvened in Open Session at 7:10 p.m. in accordance with the Texas Open Meetings Act, Texas Government Code, *Section §551.071 (Consultation with Attorney)*.

* * *

Open Session

Item # 12 Mayor Rosenthal read the following caption.

Discussion and possible action resulting from Executive Session

No action taken.

* * *

With no further business to consider, Councilmember Bonner moved to adjourn the meeting at 7:11 p.m. The motion was seconded by Councilmember Sharples and passed by unanimous vote.

PASSED AND APPROVED THIS 14th DAY OF MARCH, 2022.



Elsa T. Robles, TRMC
City Secretary





Bobby Rosenthal
Mayor