

CITY OF ALAMO HEIGHTS  
CITY COUNCIL  
March 14, 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, March 14, 2022. A teleconference was held via Zoom; staff and meeting attendees were welcomed in the Council Chamber.

Composing a quorum were:  
Mayor Bobby Rosenthal  
Mayor Pro Tem Lynda Billa Burke  
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  
City Attorney Frank Garza  
Assistant to City Manager Jennifer Reyna – Via Zoom  
City Secretary Elsa T. Robles  
Director of Finance Robert Galindo – Via Zoom  
Deputy Police Chief Cindy Pruitt  
Fire Deputy Chief Allen Ottmers  
Public Works Director Pat Sullivan

Absent were:  
Police Chief Rick Pruitt  
Fire Chief Michael Gdovin  
Community Development Services Director Lety Hernandez  
Human Resources Manager Brenda Jimenez

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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 Bobby Rosenthal asked City Council for a motion to approve the February 28, 2022 City Council Meeting minutes. Councilmember Wes Sharples moved to approve the minutes as presented. The motion was seconded by Mayor Pro Tem Lynda Billa Burke and passed by unanimous vote.

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*Item # 2      Announcements*

Mayor Rosenthal read the following caption.

**a. AH09 5K Fun Run, March 26, 2022**

Assistant to City Manager Jennifer Reyna announced the AH09 5K Fun Run is scheduled for Saturday, March 26<sup>th</sup> beginning at 8:00 a.m. Registration is \$30.00 and participants will receive a drawstring bag and t-shirt. Ms. Reyna thanked Fun Run co-sponsors: Camp Gladiator, Alamo Heights Emergency Clinic, Massage Heights, STRIC, Alamo Heights Nutrition, and Skin Rejuvenation.

**b. Fiesta Medals**

Ms. Reyna announced this year’s Fiesta Medals were created honoring the City’s Centennial Anniversary. The medals will be available starting on Monday, March 21<sup>st</sup>. Residents are welcome to come by City Hall and get a medal – 1 per resident, 2 per household.

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*Item # 3      Citizens to be heard*

No comments made.

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Items for Individual Consideration

*Item # 4      Mayor Rosenthal read the following caption.*

**Public Hearing – Concerning establishing a City of Alamo Heights Property Assessed Clean Energy Program (City of Alamo Heights PACE Program)**

Assistant City Manager Phil Laney stated this was a resolution to establish the Property Assessed Clean Energy Program (PACE). PACE is a tool available to owners of commercial (non-profit), industrial (manufacturing & agricultural), and multi-family (5+ units) properties. The program provides low-cost, long-term loans for energy efficiency and water conservation improvements and is currently established in twelve cities/counties in the region.

Mr. Laney advised this is the second of two meetings required to establish the PACE program in the City of Alamo Heights. He stated Texas Legislature approved the PACE Act in 2013 to provide these low-cost, long-term loans. Improvements are funded by private lenders and are paid off by assessments tied to the property from savings generated in the utility expenses. The program is administered by a third party.

Statewide, 37 cities and 37 counties have adopted the PACE program. Local cities and counties are: Balcones Heights, Boerne, Castle Hills, San Antonio, Bexar County, Comal County, and Medina County among others.

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 stated the process to establish the program this evening, required City Council hold a public hearing, consider adopting a resolution to establish the PACE program, and consider establishing an Interlocal Agreement (ILA) with AACOG to administer the program. He stated the City supports efforts to enhance sustainability and economic development opportunities. The resolution establishes the program to be administered by AACOG. Mr. Laney reiterated the City will have no administrative, financial, or fiduciary responsibility. The effort to establish PACE was coordinated with AACOG, the City Manager, and City Attorney.

AACOG Natural Resources Project Coordinator Lyle Hufstetler address the Council. He stated he would be the PACE Administrator for the City of Alamo Heights if Council approves the program. He would be responsible for contacting potential property owners, connecting with lenders, and providing resources to help streamline the program.

Mayor Rosenthal opened the public hearing at 5:42 p.m.

Mr. Andrew Scott, resident, stated he had several questions regarding the PACE program and noted the wind turbine program established in Georgetown, Texas where it increased utility costs instead of reducing them. Mr. Scott was unclear on the loans being offered and how they'll be paid off. He questioned if the program will increase property taxes and how it would benefit COAH citizens.

Ms. Donna Balin, resident, stated she was in favor of these initiatives, but like Mr. Scott, she had concerns any with economic impact in the City. She questioned if the program provided any cost benefits for citizens and stated she was unclear on how the program is funded.

Mayor Rosenthal closed the public hearing at 5:47 p.m.

*Item # 5* Mayor Rosenthal read the following caption.

**RESOLUTION NO. 2022R-147**  
**CITY OF ALAMO HEIGHTS CITY COUNCIL**  
**RESOLUTION ESTABLISHING**  
**THE CITY OF ALAMO HEIGHTS PACE PROGRAM**

Mayor Rosenthal asked Mr. Hufstetler, AACOG representative, to address questions raised during the public hearing.

Mr. Hufstetler stated the program would not affect property taxes unless the property owner would default on a payment. He advised the City would not play any role in the program other than authorizing the establishment of the program.

Councilman Blake Bonner asked if the loan was guaranteed by someone. Mr. Hufstetler stated the underwriting is very strict and it depends on the third-party assessment. The loan will never exceed the savings the property owner will realize with the program. Mr. Hufstetler added there are several lenders that are qualified and referred to a list online at [www.texaspaceauthority.org](http://www.texaspaceauthority.org). City Manager Buddy Kuhn stated the website listed 25 loan providers that are currently available for the program.

Mr. Hufstetler shared that AACOG is grant funded from the State, Texas Commission on Environmental Quality (TCEQ), and other state and local funding entities. As the administrator, AACOG is responsible for providing information on the PACE program, promoting “free market”, and educating property owners on loans available for energy efficiency and water conservation improvements.

Councilmember Sharples asked if this program was voluntary or if it would be a requirement for property owners to take loans. Mr. Laney clarified the program is voluntary for property owners. If interested, property owners can approach AACOG and apply for the program. He stated the benefit would be a long-term loan and property assessment or lien tied to the property for the length of the loan. The loan terms are dependent on the types of improvements. Municipalities must approve the program before it is made available to property owners.

Councilmember Sharples questioned the life-span of the program if Council approves it and no one chooses to apply. Mr. Hufstetler stated there is no life-span or expiration, the program would remain available for anyone to take advantage of it and shared examples of other cities in Texas who actively use it.

After some discussion, Councilmember Lawson Jessee moved to approve Resolution No. 2022R-147 as presented. The motion was seconded by Councilmember John Savage and passed 3-2 with Councilmember Blake Bonner and Councilmember Wes Sharples voting in opposition.

*Item # 6* Mayor Rosenthal read the following caption.

**Discussion and possible action on an Interlocal Agreement authorizing the Alamo Area Council of Governments (AACOG) to administer the City of Alamo Heights PACE program**

Mr. Laney stated the Interlocal Agreement is authorizing AACOG to administer the PACE program which provides low-cost, long-term loans for energy efficiency & water conservation improvements to commercial, nonprofit, and large multifamily properties. The program is in 12 cities/counties in region including: San Antonio, Boerne, Castle Hills, and Fredericksburg.

Mr. Laney reviewed the process to establish the program in the City. He reiterated the Texas Legislature had approved the PACE Act in 2013 to provide low-cost, long term-loans for

water conservation & energy efficiency improvements available to: commercial, industrial & multi-family (5+ unit) properties. The improvements are funded by private lenders and are paid off by assessments tied to property from savings in utility expenses.

The program is administered by a third party, such as AACOG. AACOG will be the program's point of contact and will be responsible for community outreach, application & approval process, and management & reporting. The City will pay no fees or compensation to AACOG.

Mr. Laney stated the City supports efforts to enhance sustainability & economic development opportunities. The Interlocal Agreement with AACOG provides PACE program administrative oversight. The City is not responsible for any administrative, financial, or fiduciary obligations. The PACE program initiative was coordinated with AACOG, the City Attorney and City Manager.

Mr. Kuhn noted the Travis Building, in downtown San Antonio, currently secured a \$5M loan through the PACE program to undergo an energy efficient renovation. Additionally, he shared financing information found on the Texas PACE Authority website stating, "Financing through Texas PACE is often more affordable than regular bank loans. Another key difference with PACE financing is how it's repaid. The debt is secured by a special assessment recorded on the title, meaning the payments are included in the owner's property tax bill — ideally, with the reduced operating costs compensating or exceeding the higher tax bill. So as long as the property owner pays their taxes, the lender will be repaid."

Mayor Pro Tem Billa Burke moved to approve AACOG to administer the City of Alamo Heights PACE program. The motion was seconded by Councilmember Savage and passed 3-2 with Councilmember Bonner and Councilmember Sharples voting in opposition.

*Item # 7* Mayor Rosenthal read the following caption.

**Discussion and possible action to authorize a sub-sublease agreement between Poolside Grill Business Trust and Panda Poolside LLC and Federico Sanchez to operate the snack bar and grill at the City's swimming pool located at 250 Viesca**

Mr. Laney stated staff was asking Council to consider authorizing a sub-sublease agreement for the snack bar and grill at the City's swimming pool. The agreement would be between Heights Pool, LTD/Poolside Grill Business Trust & Panda Poolside LLC/Federico Sanchez to operate the snack bar & grill at City's swimming pool at 250 Viesca.

Per the lease with the City, Council must approve all agreements entered by Heights Pool for operations. The sublease agreement with Heights Pool to operate the City's swimming pool expires in December 2031. In April 24, 1947, the City of Alamo Heights entered into the original lease agreement with City of San Antonio for property in Olmos Basin area. The lease was extended to 2058, with possible extension to February 28, 2098. The City constructed and maintains the swimming pool, concession area, and related facilities. A sublease agreement with Heights Pool, Inc. to assume operations was approved on February 26, 1990, with 10-year renewals approved in December 2001, May 2010, and December 2021.

Mr. Laney stated the current 10-year agreement with Heights Pool expires December 31, 2031. The pool may operate between April 1<sup>st</sup> to October 31<sup>st</sup>, during the hours of 6:00 a.m. to 10:00 p.m. Heights Pool pays an annual fee of \$30,000 to the City. It will increase to \$35,000 per year in Year 3 (2024) for remainder of term.

The proposed agreement will allow Panda Poolside LLC & Federico Sanchez to operate snack bar & grill and is required to comply with sublease agreement terms between Heights Pool and the City. They will operate during the pool's dates and hours of operation. The agreement only applies to concession area, and inside fenced pool area and will expire September 15, 2022. The proposed agreement is consistent with City's efforts to provide quality recreational services to citizens of Alamo Heights & City of San Antonio per terms of the City's lease agreement. The sub-sublease agreement will comply with all terms of existing agreements.

Mr. Laney stated the sub-sublease agreement was coordinated with the City Attorney and City Manager. There is no fiscal impact to the City.

Council briefly discussed the option of Heights Pool, LTD/Poolside Grill Business Trust requesting approval of a long-term lease with the sub-sublessee instead of bring it forth on an annual basis.

Councilmember Jesse moved to approve to authorized a sub-sublease agreement between Poolside Grill Business Trust and Panda Poolside LLC and Federico Sanchez as presented. The motion was seconded by Councilmember Sharples and passed by unanimous vote.

*Item # 8* Mayor Rosenthal read the following caption.

**Discussion and possible action to authorize the use of the BuyBoard Cooperative Program to contract with Vortex Services, in the amount of \$373,215.00 for the sewer rehabilitation project for Ogden to near Olmos Basin Dam**

Director of Public Works Pat Sullivan stated during the FY 2022 Budget, Council approved the rehabilitation of a sewer main within the nature trails and Olmos Basin. Engineering Firm Freese and Nichols was tasked with the design at cost of \$39,900.00. Bid invitations were sent to five (5) BuyBoard registered contractors with two meeting time constraints of fifteen (15) working days. The two contractors were: PM Construction and Rehab - \$371,008.75, and Vortex Services - \$373,215.00. Staff is recommending the selection of Vortex Services.

Mr. Sullivan explained, the City is a member of BuyBoard, which affords a process in securing bids thru a Co-op recognized Purchasing process. Members solicit bids for services from pre-qualified vendors. BuyBoard is composed of 5,500+ members, including cities, counties, public schools, colleges & universities, and non-profits.

Mr. Sullivan demonstrated pictures of the sewer pipe's current condition with root intrusion and pipe failure. He stated the propose sewer upgrades will run from Ogden, west to the Olmos Basin. The proposed upgrades would improve City sewer system discharge line exiting to

the SAWS outfall near the dam. The existing 8" & 10" sewer line will be upsized to a 12" sewer main through the process of by "pipe bursting" which requires less trenching and disruption to area. The project length is 0.4 miles going through natural area along the nature trails from Ogden, west to the Olmos Basin.

In reference to policy analysis, securing a contractor from BuyBoard providers is allowed by City of Alamo Heights Purchase Policy and Texas law in lieu of a competitive bid process. Staff recommends contracting with Vortex Services in amount of \$373,215.00 plus a 5% contingency of \$18,610.00 for a total contract not to exceed \$391,825.00.

Vortex Services was given outstanding work recommendation from City of Fredericksburg who is seeking to use them again. They recently completed a similar project through their nature trails areas.

After a brief discussion, Councilmember Jessee moved to approve and authorize the use of the BuyBoard Cooperative Program to contract with Vortex Services in the amount of \$373,215.00. The motion was seconded by Mayor Pro Tem Billa Burke and passed by unanimous vote.

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### Staff Reports

*Item # 9* Mayor Rosenthal read the following caption.

#### **Status report on the City's 100-Year Anniversary Celebration**

Mr. Kuhn provided an update on the City's 100-Year Anniversary Celebration. He, Mayor Rosenthal, and Ms. Reyna have been diligently working with CE Group to coordinate events leading up to the official celebration in October 2022. Mr. Kuhn highlighted upcoming "kick-off" events: AH09 5K Fun Run – March 26<sup>th</sup>, the 23rd Annual Pooch Parade sponsored by Therapy Animals of San Antonio – April 9<sup>th</sup>, and the 52nd Annual 4th of July Parade – July 4<sup>th</sup>.

Mr. Kuhn stated Centennial logo themed t-shirts have been ordered, as well as Fiesta medals, and Centennial logo pet bowls for dog owners attending the 52nd Annual Pooch Parade. He added Ms. Reyna contacted the Episcopal Diocese of West Texas regarding the 4th of July Parade to avoid any conflicts with the use of their parking lot.

Other City-wide activities are planned for the week of October 1st through October 8<sup>th</sup>. These activities range from Treats at Bark Park, History day at City Hall, Tour of Homes, movie night, and a parade. The list has not been finalized as more events are being brainstormed.

Mr. Kuhn stated additional events being discussed for October 8<sup>th</sup> include: a car show and swimming pool day; however, nothing has been confirmed. The day will be filled with food, entertainment, and a firework show finale. In the event of bad weather, a make-up day for the culminating event is slated for Saturday, October 15<sup>th</sup>. Currently, staff is finalizing locations and times of the different community events. National Night Out will also be a part of the celebration which is scheduled for Tuesday, October 4<sup>th</sup>.

To add to the Centennial Celebration, Ms. Sarah Reveley has compiled and shared a treasure of articles from the early 1900's divided by departments/topics. To preserve these items, Mayor Rosenthal is working on underwriting for a project to publish the special collection including black and white pictures.

Starting in January 2022, monthly articles and photos have been published in Alamo Heights Living magazine. These articles are highlighting Mayor Jack Judson's radio reports conducted in August/September of 1963. They showcase the history of Alamo Heights.

To promote the centennial events, Ms. Reyna has published/distributed marketing flyers and posted event information on the City's website. A street banner will remain displayed across City Hall throughout the year. The group has focused on the kick-off events and events for the October celebration.

Mr. Kuhn stated the idea to have events down Broadway was explored, but was abandoned since it may not benefit the business owners. The consensus was to focus on the culminating event in October. He stated CE Group has been a key player in brainstorming and organizing events.

Mayor Rosenthal commented he was impressed with the collection of articles Ms. Reveley shared and was interested in publishing the articles and photos collected in a book to commemorate the City's history and centennial celebration.

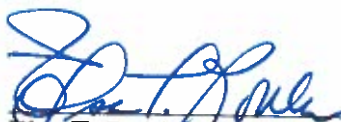
Council discussed budget planning and explored adding a musical show to the main celebration. Mr. Kuhn advised there was still money available in the budget, but Council could decide on additional funding during the Strategic Action Plan Workshop in June.

Mr. Kuhn closed by saying staff would update Council on the event status in mid-April.

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With no further business to consider, Councilmember Bonner moved to adjourn the meeting at 6:44 p.m. The motion was seconded by Councilmember Sharples and passed by unanimous vote.

**PASSED AND APPROVED THIS 28<sup>th</sup> DAY OF MARCH, 2022.**

  
Elsa T. Robles, TRMC  
City Secretary



  
Bobby Rosenthal  
Mayor