

CITY OF ALAMO HEIGHTS
CITY COUNCIL
April 24, 2023

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, April 24, 2023. 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 Lawson Jessee
Councilmember Wes Sharples
Councilmember Lynda Billa Burke
Councilmember John Savage

Also attending were:
City Manager Buddy Kuhn
City Attorney Richard Lindner
Assistant City Manager Phil Laney
Assistant to City Manager Jennifer Reyna
City Secretary Elsa T. Robles
Director of Finance Robert Galindo
Community Development Services Director Lety Hernandez
Police Chief Rick Pruitt
Deputy Police Chief Cindy Pruitt
Deputy Chief Allen Ottmers
Public Works Director Pat Sullivan

Absent:
Councilmember Blake M. Bonner
Fire Chief Michael Gdovin

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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 on the April 10, 2023 City Council Meeting minutes. Mayor Pro Tem Lawson Jessee moved to approve the minutes as presented. The motion was seconded by Councilmember Wes Sharples and passed by a 4-0 vote.

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Item # 2 Announcements

Mayor Rosenthal read the following captions.

a. 24th Annual Pooch Parade, Saturday, April 29th

Police Chief Pruitt announced the 24th Annual Pooch Parade will take place on April 29th being sponsored by Therapy Animals of San Antonio. It will begin at 8:00 a.m. at the Alamo Heights Pool parking lot and end at 12:00 p.m. The walk is 2.7 miles and there will be a costume contest. He encouraged everyone to come out and have a great time.

b. National Fallen Firefighters Memorial Weekend, May 6-7, 2023

Deputy Fire Chief Allen Ottmers announced National Fallen Firefighters Memorial Weekend will take place May 6-7th. He asked citizens show their support by replacing their regular light bulbs with red bulbs to honor those firefighters who died in the line of duty during the previous year (honor 145 fallen fire service heroes). The multi-night event begins on May 4th in honor of International Firefighters Day - and will keep lights lit thru the evening of May 7th. City facilities will also switch to red lighting in recognition of Light the Night for Fallen Firefighters.

c. City of Alamo Heights General Election, May 6, 2023

City Secretary Elsa T. Robles announced the upcoming city General Election on May 6, 2023. She stated early voting will be April 24th – May 2nd. Nearby early voting polling sites are: the Alamo Heights ISD Admin Bldg (Board Room), Lion’s Field Adult/Senior Center, and the Tobin Library @ Oakwell. She noted on Friday, April 28th and Sunday, April 30th, the polling sites will be closed. On Election Day, May 6th, the City of Alamo Heights Council Chamber will serve as a polling site from 7:00 a.m. – 7:00 p.m. She reminded residents they may vote at any Bexar County Election Day polling site as practiced during Early Voting. For more information residents can visit www.alamoheightstx.gov and www.bexar.org/elections. Early voting hours are from 8:00 a.m. to 6:00 p.m. on Monday – Thursday and 8:00 a.m. to 8:00 p.m. on Saturday, April 29th.

d. AH09 5K Fun Run & Pet Adoption Recap

Assistant to City Manager Jennifer Reyna provided a recap of the AH09 5K Fun Run & Pet Adoption. She stated 100 runners participated in the event and 3 dogs were adopted. The collaborated event raised almost \$4,000 for the AH Animal Care Services. Ms. Reyna thanked staff, volunteers, and co-sponsors: Camp Gladiator, Stretch Zone, Nekter Juice Bar, Next Level Urgent Care, Natural Grocers, Pet Supplies Plus, and possibly Fifi & Fidos Pet Boutique.

Mayor Rosenthal took the opportunity to announce the resignation of Angela Marzec from the city’s Animal Care Services department. Ms. Marzec has been employed with the city for over 11 years and has accepted a position at an animal care hospital. He stated she will be missed. Ms. Marzec did a terrific job for the city with no animals being euthanized under her guidance. Council wished her the best in her new job.

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Item # 3 Citizens to be Heard

Ms. Leah Bullock, resident, stated she was representing 45 of her neighbors living in the 100 Blk of E. Elmview Place and on Vanderhoeven. These residents have experienced nuisances since the Fall of 2020 associated with the Alamo Heights High School. She stated they've faced excessive/frequent noise and lighting disturbances from the stadium; heavy and unlawfully fast traffic; trash in yards and buses idling/parking in people's backyards. Ms. Bullock stated residents request to propose solutions that will require the participation from the AHISD, COAH, and AHPD. She added residents need to feel protected as a neighborhood and citizens of Alamo Heights. She noted City Manager Buddy Kuhn has been really responsive to their concerns.

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Items for Individual Consideration

Item # 4 Mayor Rosenthal read the following caption.

Discussion and possible action to approve the low bid for the 2023 Street Maintenance Program (SMP) in an amount not to exceed \$798,090

Assistant City Manager Phil Laney stated the item is for authorization to approve a contract for the FY 2023 Street Maintenance Program (SMP) for work on two main areas: Broadway, from Austin Hwy to Albany – with a possible extension to Blue Bonnet, and E. Fair Oaks, from Broadway to N New Braunfels. This contract was advertised as a low-bid contract. Clark Construction of Texas submitted the lowest qualified bid for this project.

Mr. Laney stated in November 2022, the City Manager authorized city engineer Freese and Nichols to design and draft documents for the 2023 SMP program. In addition, they were authorized to serve as the project manager for the 2023 SMP. He noted the project was advertised in the *San Antonio Express-News* on March 8th & 15th, 2023. A voluntary a pre-bid meeting was held on March 22, 2023 and all bids were opened/reviewed on April 6, 2023.

Mr. Laney restated the two main streets identified for repairs include: Broadway, from Austin Hwy to Albany and E. Fair Oaks, from Broadway to N. New Braunfels; however, since the City received a favorable price for the contract in comparison to what was budgeted, state law permits a municipality to increase or decrease a contract up to 25%, if authorized by the governing body. Under that authority, staff is requesting to extend the project area on Broadway north past Albany to Blue Bonnet. The plan for next year's SMP would be to continue improving Broadway north to Claywell. If authorized to go up to Blue Bonnet, this would allow for less work required on Broadway in next year's SMP, if approved in the FY 2024 Budget.

The four bids received were from Clark Construction of Texas - \$602,534.42, CK Newberry LLC - \$841,939.00, Texas Materials - \$871,960.25, and BK Paving LLC - \$1,036,526.84. Per Local Government Code Sec. 252.048 the City has the ability to submit change order requests to increase original contract amount by up to 25 percent, with Council authorization. Freese and Nichols recommends awarding 2023 low bid contract to Clark Construction of Texas. The City has had positive experience with Clark Construction, who completed the 2021 SMP. That year, they addressed sections on 14 streets across the City.

Mr. Laney reviewed the fiscal impact to the City. Authorization results in fiscal expenditures are: \$602,534.42 for bid contract (Clark Construction) and Freese and Nichols Engineering fees of \$44,922.00. With the City's ability to add 25% for a favorable contract, it would increase the contract amount by \$150,633.60 for a total not to exceed contract amount of \$798,090.00. Council budgeted \$1,000,000 in FY 2023 Budget for an SMP project, the proposed additional cost would maintain the contract within budget. This project was coordinated with Freese and Nichols, Public Works, City Attorney, and City Manager.

Councilmember Lynda Billa Burke moved to approve the low bid for the 2023 Street Maintenance Program (SMP) in an amount not to exceed \$798,090. The motion was seconded by Councilmember John Savage and passed by a 4-0 vote.

Item # 5 Mayor Rosenthal read the following caption.

Presentation of Annual Comprehensive Financial Report for the fiscal year, ended September 30, 2022, for acceptance by City Council

Finance Director Robert Galindo stated the annual audit was completed as required by the city charter and state law. He introduced ABIP Partner Michael Del Toro who presented the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year which ended September 30, 2022

Mr. Del Toro stated the ACFR contains several key elements including the Independent Auditor's Report conducted by ABIP. This report contains audit standards which are generally accepted auditing standards for the purpose to form an independent opinion on whether the financial statements are presented in accordance with Generally Accepted Accounting Principles (GAAP). The independent opinion on the financial statements audit is "unmodified" which is the best opinion that can be given for an independent audit. This means there have been no modifying statements in the auditor's opinion letter.

Mr. Del Toro reviewed the financial highlights or the government-wide financial statements. This identified assets of the City exceeded its liabilities (Net Position) by \$26.2 million at September 30, 2022 with Governmental Activities at \$15.1 million and Business-type Activities at \$11.1 million. The Net Position increased by \$3.3 million from 2021 where the Governmental Activities were at \$2.6 million due to an increase in sales taxes and property tax and the revenue from the American Rescue Plan Act, with \$1.5 million still unspent at the end of the fiscal year. The Business-type Activities were at \$652 thousand which included budgeted transfer of \$70 thousand to General Fund. He stated these indicators show the City of Alamo Heights is a strong and healthy organization

The Fund Financial Statement indicated the General Fund's fund balance at the end of the 2022 fiscal year was \$6.3 million, an increase of \$464 thousand from 2021. The financial operating reserves or Unassigned fund balance was \$6.2 million which is approximately 7 months of operating reserve. The combined fund balance for all funds was \$24 million, an increase of \$137 million from 2021. The City's fund balances ending September 30, 2022 were as follows: Restricted - \$15.2 million (unspent bond funds) and Committed/assigned - \$1.7 million.

Mr. Del Toro reviewed the Proprietary Fund/water fund. The net position increased \$652 thousand to \$11.1 million with the Unrestricted Net Position at \$3 million. At September 30, 2022 the City had a working capital of \$3.4 million for the utility operations; an increase of \$400 thousand from the prior year's working capital ratio. This is almost 12 months operating reserves of working capital.

In addition to the audit report, a letter is also issued identifying any findings that require reporting.

- Accounting Policies – adoption of GASB 87, a required accounting standard of lease accounting during the fiscal year
- Accounting Estimates and Disclosures
- Difficulties in Performing the Audit – none were identified, staff provided the necessary information for audit purposes
- Misstatements – finance department provided good information throughout the year
- Disagreements – none identified
- Management Representations – staff provided everything needed to conduct the audit in accordance to required standards
- Consultations with other Independent Accountants
- Compliance with the Public Funds Investment Act – clean opinion, found no compliance findings

Mayor Rosenthal thanked Mr. Del Toro for coordinating with Mr. Galindo and presenting a good report. Councilmember Savage moved to approve the Annual Comprehensive Financial Report as presented. The motion was seconded by Mayor Pro Tem Jessee and passed by a 4-0 vote.

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Staff Reports

Item # 6 Mayor Rosenthal read the following caption.

Presentation of Financial and Investment Report for the second quarter ending March 31, 2023

Finance Director Robert Galindo presented the second quarter financial and investment report ending March 31, 2023. 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 \$9,106,268, equal to 76% of the budget. Mr. Galindo noted revenues are doing really well. Property tax collections are currently over \$7M compared to last year at \$6.7M and sales taxes continue to do well. The sales tax collected is \$1.4M compared to last year at \$1.2M.

Mr. Galindo stated the General Fund expenditures are currently at \$5.3M or 45% of the budget for the year. Net revenues were \$3.7M over the expenditures which has been the trend for the past several years. All the departments do an excellent job to stay within budget.

The Utility Fund total revenues were \$2.2M or 49% of the budget. Total expenditures were \$1.6M or 38% of the budget with revenue over expenses of \$539,456 for the Utility Fund.

The Capital Projects Fund beginning fund balance for the fiscal year was \$14,668,140 which includes the proceeds from the 2021 Bond Issuance of \$13,250,000. There are expenditures of \$27,219 for the lower Broadway project and swimming pool repairs, ending the fund balance at \$14,640,921.

Mr. Galindo reviewed the investment portfolio which includes 1% of funds in a CD with Jefferson Bank, a small savings account with Jefferson Bank of \$1,219. He stated staff made a change in March 2023, with the guidance of Council, they purchased two bonds from Federal Home Bank at \$5M each. The investment pools equal \$21.7M or 67% of the fund. The overall investment portfolio balance is \$32,229,564. The average yield for the investment portfolio was 4.05% and is in line with the 90-Day U.S. Treasury benchmark of 4.6%. 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 2nd Quarter Performance Summary:

PERFORMANCE THROUGH 50% OF BUDGET			
	% of Budget	Current Quarter	YTD Quarter
GENERAL FUND			
Total Revenues	76%	Positive	Positive
Total Expenditures	45%	Positive	Positive
Total Property Tax Collections	91%	Positive	Positive
Sales Tax Revenues	56%	Positive	Positive
ENTERPRISE FUND			
Utility Fund Revenues	49%	Positive*	Positive
Utility Fund Expenditures	38%	Positive	Positive

Mr. Galindo noted, 49% in Utility Fund revenues was due to water restrictions being in Stage 3 since last year, but expected revenues to rise in the coming months with an increase in water consumption.

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Closed Session

Item # 7 Mayor Rosenthal read the following caption.

Executive Session as authorized by the Texas Government Code Section 551.071 (consultation with attorney) to discuss Broadway infrastructure construction.

The City Council of the City of Alamo Heights convened into Closed Executive Session at 6:03 p.m. and reconvened in Open Session at 6:18 p.m. in accordance with the Texas Open Meetings Act, Texas Government Code, *Section §551.071 (Consultation with Attorney)*.

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Open Session

Item # 8 Mayor Rosenthal read the following caption.

Discussion and possible action resulting from Executive Session

No action taken.

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With no further business to consider, Mayor Pro Tem Jessee moved to adjourn the meeting at 6:19 p.m. The motion was seconded by Councilmember Savage and passed by a 4-0 vote.

PASSED AND APPROVED THIS 8TH DAY OF MAY, 2023.



Elsa T. Robles TRMC
City Secretary



Bobby Rosenthal
Mayor

